

Sales and Marketing Management

Dr. Leul Girma| Berlin



**Lessingstraße 79,
13158 Berlin, Germany
Phone: +49 30 233618555
Fax: +49 30 233618556
Email: info@eiiet.com**

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Course & Class Information

Course: Sales and Marketing Management in Hospitality and Tourism

Program: Master's in Business Administration (MBA) (*adjust if different*)

Credits: 7 ECTS

Mode: Onsite / Blended

Class 3: The Marketing Mix Applied to Hospitality

Instructor: Dr. Leul Girma

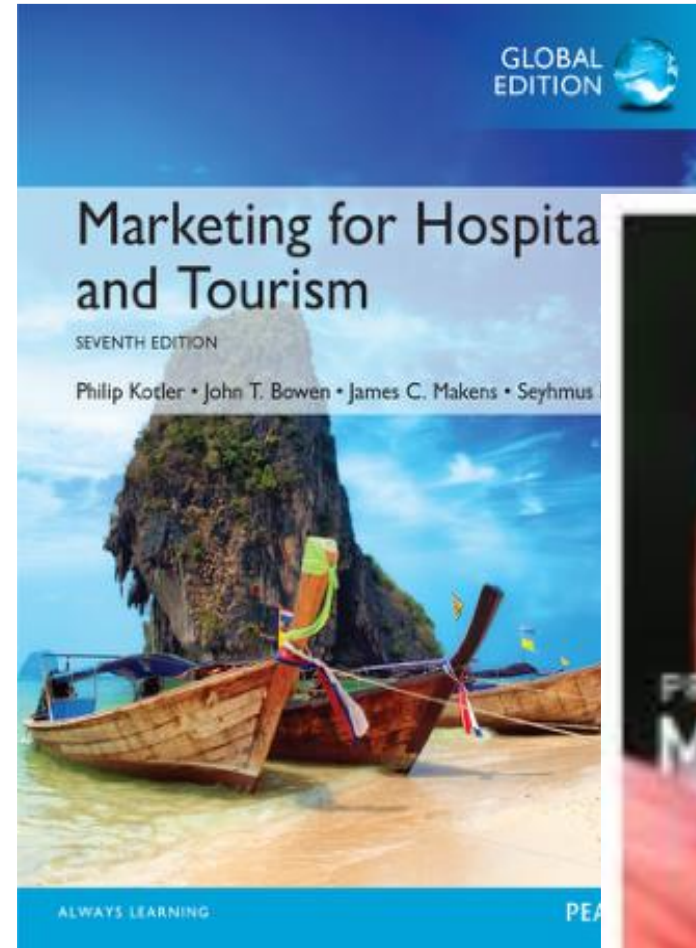
Main Teaching & Learning Materials

Books

- Kotler, Bowen & Makens — *Marketing for Hospitality and Tourism*
- Jobber & Ellis-Chadwick — *Principles and Practice of Marketing*

Academic Journal Articles

- Journal of Hospitality & Tourism Research
- International Journal of Hospitality Management



Objective and Learning Outcomes

Objective:

To develop an understanding of how the marketing mix is applied in hospitality, with a focus on tactical decision-making related to service design, pricing, distribution, and promotion to enhance competitiveness.

By the end of this class, YOU will be able to:

- Explain the role of the marketing mix in hospitality decision-making
- Apply the 7Ps framework to hospitality contexts
- Analyze product, pricing, distribution, and promotion strategies
- Design a service offering aligned with target market needs
- Evaluate how marketing mix decisions influence competitiveness

Marketing Mix in Hospitality

What Is the Marketing Mix ?

The marketing mix refers to the **coordinated set of controllable marketing tools** through which hospitality organizations **design service offerings, set prices, manage distribution channels, and communicate value** to target markets (Kotler et al., 2017).

It is focused on:

- Integrating multiple marketing decisions
- Aligning organizational actions with target market expectations
- Enhancing competitive positioning through effective execution

The Extended Marketing Mix (7Ps)

The extended marketing mix expands the traditional framework to reflect the service-intensive nature of hospitality, where customer experience, human interaction, and service delivery processes play a central role (Kotler et al., 2017).



1. Product

The product in hospitality refers to **the total service offering provided to guests, encompassing both tangible elements and intangible experiences** that shape customer perceptions and satisfaction (Kotler et al., 2017).

It is focused on:

- Designing **core and augmented** service elements
- Creating **meaningful and differentiated** guest experiences
- Aligning the **offering with target segment** expectations

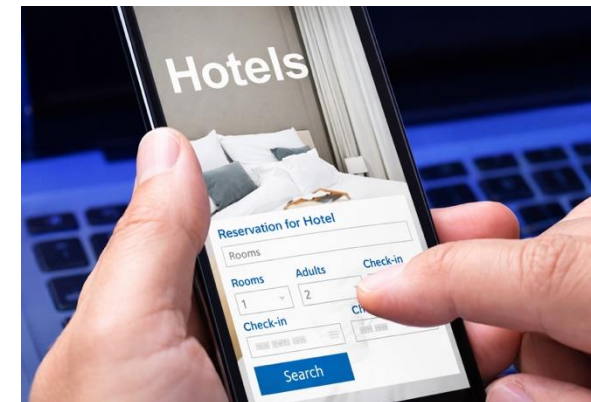


2. Pricing

Pricing in hospitality refers to the **strategic determination of rates that reflect market demand, perceived value, and competitive conditions** while **supporting revenue objectives** (Kotler et al., 2017).

It is focused on:

- Balancing **customer willingness to pay** with **revenue goals**
- Adapting **rates to demand fluctuations** and **market conditions**
- **Supporting profitability** through **structured pricing approaches**



3. Place

Place in hospitality refers to the **distribution arrangements** through **which service offerings are made accessible to target customers** across direct and indirect channels (Kotler et al., 2017).

It is focused on:

- Providing **customer access through appropriate booking channels**
- Balancing **channel reach with commercial control**
- Supporting **market coverage across segments** and locations



4. Promotion

Promotion in hospitality refers to the set of communication activities through which organizations **inform, persuade, and influence target** customers about their service offerings (Kotler et al., 2017).

It is focused on:

- Building awareness and visibility in competitive markets
- Influencing customer perceptions and booking decisions
- Integrating communication across digital and traditional channels



5. People

People in hospitality refer to **all individuals involved in service delivery whose interactions with guests directly** influence the quality of the experience and customer satisfaction (Kotler et al., 2017)

It is focused on :

- Delivering service **through employee performance and behavior**
- Shaping **customer perceptions through interactions**
- Supporting **service quality and consistency**



6. Process

Process in hospitality refers to the **procedures, workflows, and systems through which services are delivered** to customers, ensuring efficiency, consistency, and quality (Kotler et al., 2017).

It is focused on:

- Structuring service delivery **from booking to post-stay**
- Ensuring **efficiency and consistency** in operations
- Reducing **service variability** and **operational error**

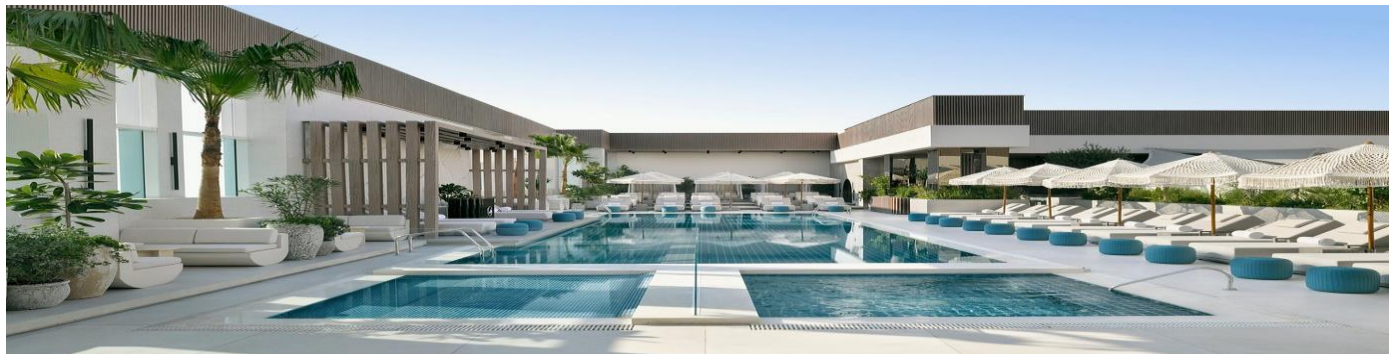


7. Physical Evidence

Physical evidence in hospitality refers to the **tangible elements and environmental** cues through which customers **evaluate service quality** and form **perceptions about the experience** (Kotler et al., 2017).

It is focused on:

- Providing visible cues that **signal service quality**
- **Shaping customer perceptions through the physical environment**
- Supporting **brand image and experience consistency**



Sales in Hospitality

Demand Conversion

Demand conversion refers to the process through which sales activities transform customer **interest and inquiries into confirmed bookings and revenue-generating transactions** within hospitality operations (Kotler et al., 2017; Hayes et al., 2020).



RESERVATION
CONFIRMED

It is focused on:

- Managing customer interactions **across booking touchpoints**
- Applying **sales techniques** to **influence decision-making**
- Improving **efficiency of the booking and response process**

Sales Funnel

The sales funnel in hospitality represents the **structured process** through which potential customers move **from initial awareness to final booking and post-purchase loyalty**, guided by **targeted sales activities** (Kotler et al., 2017)

It is focused on:

- Segmenting **prospects based on their stage** in the decision
- **Allocating sales efforts and resources across funnel stages**
- Monitoring **performance using stage-specific indicators**



Key Account Management

Key account management refers to the **strategic handling of high-value clients and partners** to support **long-term revenue** generation and stable business **relationships within hospitality markets** (Kotler et al., 2017; Hayes et al., 2020).

It is focused on:

- Prioritizing high-value clients **based on revenue potential**
- **Developing customized** offerings for strategic accounts
- Maintaining **long-term partnerships** through structured engagement



Negotiation

Negotiation in hospitality sales refers to the structured interaction between the **organization and clients to reach mutually beneficial** agreements on terms such as **price, volume, and service conditions** (Kotler et al., 2017; Hayes et al., 2020).

It is focused on:

- **Balancing** organizational objectives with client expectations
- Structuring agreements based on **volume and long-term value**
- **Applying concessions strategically** to secure business outcomes



Sales and Marketing Alignment

Sales and marketing alignment refers to the **coordinated integration** of **demand generation** and **demand conversion activities** to **ensure consistent market performance** and **optimized revenue outcomes** in hospitality organizations (Kotler et al., 2017; Hayes et al., 2020).

It is focused on:

- Synchronizing objectives and priorities across **both functions**
- Ensuring consistency between **communication** and sales **execution**
- Enhancing **overall commercial effectiveness** through coordination



Sales–Marketing Integration Matrix

Stage	Marketing Role	Sales Role
Awareness	Brand visibility, promotion	—
Interest	Content, digital presence	Initial contact, inquiry handling
Consideration	Value communication, reviews	Persuasion, proposal development
Booking	Channel optimization	Closing the sale
Post-stay / Loyalty	CRM, remarketing	Relationship management

Key Takeaways

- Sales and marketing are joint drivers of revenue and competitiveness
- Marketing creates demand, while sales converts demand into revenue
- Effective performance requires alignment across functions and channels
- Customer value and experience are central to both marketing and sales decisions
- Integrated commercial activities strengthen long-term business performance

Further reading

- Kotler, P., Bowen, J. T., & Makens, J. C. (2017). *Marketing for hospitality and tourism* (7th ed.). Pearson.
- Hayes, D. K., Miller, A. A., & Dopson, L. R. (2020). *Revenue management for the hospitality industry* (2nd ed.). Wiley.
- Jobber, D., & Ellis-Chadwick, F. (2019). *Principles and practice of marketing* (9th ed.). McGraw-Hill Education.
- Hudson, S. (2022). *Marketing for tourism, hospitality & events: A global & digital approach* (3rd ed.). Sage.
- Buhalis, D., & Law, R. (2008). Progress in information technology and tourism management. *Tourism Management*, 29(4), 609–623.

Thank you



**European Institute of Innovation,
Entrepreneurship and Technology**

Lessingstraße 79,

13158 Berlin, Germany

Phone: +49 176 55524449

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