

UNIVERSITY OF ECHAHID HAMMA LAKHDAR

Faculty of Economic, Business, and Management sciences

Level: Master 1, Hotel and Tourism Marketing

English lectures

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Lesson 01: The marketing mix

The marketing mix is the combination of techniques used to market a brand. The techniques are often called the Ps. Originally there were four Ps:

* **Product:** what you sell, and the variety or range of products you sell. This includes the quality (how good it is); branding, and reputation (the opinion the consumers have) of the product. For a service, support for the client after the purchase is important. For example, travel insurance is often sold with access to a telephone helpline in case of emergency.

* **Price:** how much the product or service costs.

* **Place:** where you sell the product or service. This means the location of your shop, or outlet, or the accessibility of your service- how easy it is to access.

* **Promotion:** how you tell consumers about the product or service. The promotional mix is a blend of the promotional tools used to communicate about the product or service – for example, TV advertising.

Today some marketers talk about an additional four Ps:

* **People:** how your staff (or employees), are different from those in a competitor's organization, and how your clients are different from your competitor's clients.

* **Physical presence:** how your shop or website looks.

* **Process:** how your product is built and delivered, or how your service is sold, delivered and accessed.

* **Physical evidence:** how your service becomes tangible. For example, tickets, policies and brochures create something the customers can touch and hold.

Activities:

A. A marketing manager is talking about the marketing mix for a brand of cleaning products. Choose the correct words from the brackets to complete the text.

1. Our (staff/reputation/competitors) are highly motivated. We really believe in our brand. For example, our (consumers/ employees/ customers) are always trying to improve what we do.

2. Our (tools/ range/ support) includes detergent, toilet cleaner and sponges.

3. We use a lot of (advertising/ presence/ promotional), usually in women's magazines.

4. You can find the brand in supermarkets and local shops, The (tangible/ accessibility/ process) of our (staff/mix/outlets) is important. We need to be in a lot of (locations/ supports/ distributions) so that we are easy to find.

5. We are more (accessibility/ reputation/ expensive) than our (competitors/ staff/ sales) but we offer good credit terms and we sometimes run special (deals/ process/ support).

B. Complete the text using the following words. Look at the text to help you.

advertising - mix - price – products – promotional.

Marie Curie Cancer Care is reviewing its marketing strategy in an attempt to attract a wider audience. It will stop using (1).....

Techniques, such as mailings and events.

Television (2)..... and face -to- face marketing are both being tested in a bid to supplement the charity's typical over-60s donor base with younger supporters. If tests prove successful, they will become part of Marie Curie's marketing (3)..... .

In addition, Marie Curie Cancer Care is expanding its online shop, Stylish handbags at a (4) Of £10 are attractive to younger

customers, Marie Curie Cancer Care says it is responding to customer 's needs and wants by selling elegant fashion wear

(5)..... .

Lesson 02: The Tourism

Tourism means people traveling for fun. It includes activities such as sightseeing and camping. People who travel for fun are called "tourists". Places where many tourists stay are called "resorts". Places that people go to for tourism are called tourist destinations.

There are a lot of reasons why people travel for fun:

- Some people travel to learn about the history or culture of a city or country, or learn about the people who live there, or their ancestors.
- People from cold places sometimes like to relax in the sun. Many people from the north of Europe or north America travel to warmer places and visit beaches.
- Some people travel to do an activity which they cannot do at home. There are lots of ski resorts in the mountains of Switzerland and Austria, and seaside resorts in Greece and other warm countries.
- People sometimes visit friends and family in another city or country.
- Finally, some people enjoy a change in scenery. City people go to forests or deserts, and vice versa.

The tourism industry has different parts. Some of these are:

- Travel; such as road transport, airlines, railways and boats.
- Places to stay; such as hotels, camping grounds or parks, youth hostels, and bed and breakfasts.
- Food and drink; such as restaurants, cafes.
- Mass tourism means travel by groups on scheduled tours. Mass tourism can reduce costs for people who wish to travel.

A tourist attraction is a place of interest where tourists like to visit because of its looks, beauty, culture, nature, history, fun and how it feels to be there.

There are different kinds of tourist attractions. Some are natural such as beaches, tropical island resorts with coral reefs, hiking and camping in national parks, mountains, deserts and forests. Some are cultural such as historical places, monuments, ancient temples, zoos, aquaria, museums and art galleries, botanical gardens, buildings and structures (e.g., castles, libraries, former prisons, skyscrapers, bridges), theme parks and carnivals, living history museums, historic trains and cultural events. Factory tours, industrial heritage,

creative art and crafts workshops are the object of cultural niches like [industrial tourism](#) and creative tourism. Many tourist attractions are also [landmarks](#).

Activity 01: what is the meaning of the following words:

Tourism - tourists - resorts - tourist destinations.

Activity 02: give the synonyms of the following words:

many - such as - called – kinds .

Activity 03: give the opposites of the following words:

cold – stay – reduce – ancient.

Activity 04: translate the underlined words in the text into arabic.

Lesson 03: Price

A. Pricing strategies:

The following extract looks at some strategies to consider when fixing a price.

Premium pricing: Use a high price where there is a substantial competitive advantage, for example, rooms in Savoy hotels.

Penetration pricing: The price charged for products and services is set artificially low in order to gain market share. Once this is achieved, the price is increased.

Economy pricing: Marketing and manufacturing costs are kept to a minimum. Supermarkets often have economy brands for soups, spaghetti...

Price skimming: Charge a high price because you have a new product type. However, the high price attracts new competitors into the market, and the price falls due to increased supply. DVD players were launched with this strategy.

Psychological pricing: The consumer responds on an emotional, rather than rational, basis. For example, charging 99 cents instead of 1 dollar.

Captive product pricing: Companies will charge a premium price where the consumer cannot choose a competitive product.

Product bundle pricing: Sellers combine several products in the same package. This also serves to move old stock. Videos and CDs are often sold using the bundle approach.

B. Pricing considerations:

The marketing team for Steak Tea are preparing for a meeting about the price of a new range of tea that comes in a stick instead of a bag. They make notes on pricing considerations.

STICK
tea



- * Alternative solutions: our stick packaging is unique
- * Ease of comparison: easy to compare price but difficult to compare taste
- * Unique benefits / Unique Selling Points (USPs): quality of tea, stick format
- * Monetary significance: tea is cheap, but the innovative packaging has a high value
- * Demand: tea consumption is stable, but sales in speciality shops are on the rise
- * Price sensitivity: consumers are very price sensitive - sales decrease when prices increase
- * Complementary costs: none - the customer doesn't even need a spoon!!

C. The price test:

Steak Tea decide to carry out a price test for their range of tea. They want to know what customers think is a fair price for a box of 50 sticks. They are also interested in comparing different possible retail price points (€12, €14 and €16), to find out what customers consider to be the full price and the bargain price for a box of 250 sticks.

Activity 01: Read the descriptions and name the pricing strategies that are being used. Look at the text to help you.

1. charging a high amount for bottles of water inside a football stadium during the World Cup.
2. charging \$2.95 instead of \$3.
3. charging a low price to win sales in a new market.
4. packaging shampoo, conditioner and hair gel from the same hair care product line together, and charging one price for the lot.

Activity 02: Match the question about pricing strategy (1-7) to the pricing considerations (a-g) look at B opposite to help you.

1. What is the value of the product or service for the consumer?
2. What is special or different about the product or service?
3. Is it difficult to compare the price and quality of similar products or services?
4. How many people want to buy the product or service?
5. How many similar products or services are there on the market?

6. What else does the consumer need to pay for in order to use the product or service?

7. How much does a change in price affect consumer demand for the product or service?

a. alternative solutions.

b. ease of comparison.

c. unique benefits.

d. monetary significance.

e. Demand.

f. price sensitivity.

Activity 03: Complete the text using the following words . Look at A,B and C.

Bargain- fair- premium- significance- unique- costs- points- sensitive- solutions.

When deciding on the price of a product or service you have to consider the product or service itself. For exp, does it have (1)..... benefits? Does the consumer have any alternative (2).....?

What is the monetary (3) of the product or service? You also have to think about the possibility of complementary (4), and how price (5) the consumers are to these and the product and service cost.

Then you need to think about the pricing strategy and how this relates to the brand. For a luxury brand it is essential to follow a (6) pricing strategy in order to maintain the brand image. A no-frills low price would not be suitable for a brand such as Cartier.

Finally, you need to carry out a price test to check the price (7) you are considering . The (8) Price is the amount that the consumer is prepared to pay for the product or service. A (9)price is a low price that may be used during special offers or for promotional pricing.

Lesson 04: Product life cycles

A. The Boston Consulting Group Matrix

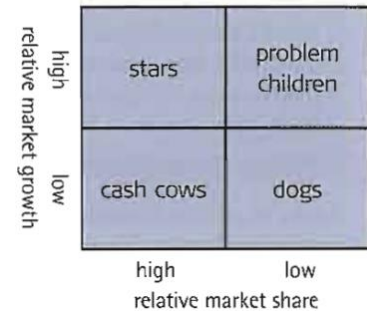
The Boston Consulting Group Matrix was devised in the 1970 as a planning tool for marketers to help them analyse their product lines and decide where to allocate money. Market growth rate, the speed at which the market is expanding, is plotted against relative market share- the percentage of consumers in the market that buy your service or product. Product or services have either high or low market growth rates or relative market shares.

B. Inside the Boston box

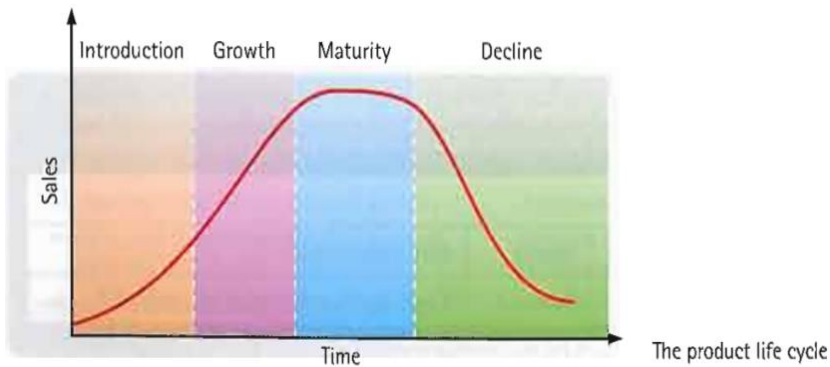
In the matrix, products or services are divided into four different types.

They relate to four stages in the product life cycle (PLC).

Note: Problem children are also known as question mark; stars are also known as rising stars.



Stage of PLC	Position in the matrix
Product launch	Problem children are products or services that are not yet established, or well known, in the market. They will consume resources- for example, time or money- before giving a return on investment(ROI). In some cases these p/s may never be profitable- make the company money- especially if they are in a slow-growing business sector or a saturated market, such as diet drinks or the mobile phone market.
Growth	Stars have both high market growth rate and high relative market share. these p/s are probably in a fast- growing business sector. They generate high cash flows, but are not always profitable. Profitability depends on the amount of invested in stars.
Maturity	Cash cows have high relative market share, but little market growth. They are p/s that consumers know, trust and consume. they generate profit as they don't need much investment. They can be used to feed research and development for other products.
Decline	Dogs are p/s that have low relative market share and low market growth. They consume resources and do not create profit. They may generate a negative cash flow- that is, they make a loss. The best course of action is to raise prices to maximize income, known as harvesting, before finally dropping the line- taking the product or service off the market.



Activity 01: put the underlined words in the correct order to complete the sentences. Look at the text to help you.

1. Boston Consulting Matrix The Group is used as a planning tool.
2. It concerns the cycle life product.
3. A product with a market relative high share and market growth rate low is a cash cow.
4. Cash cows can be used to fund development research and for new products.
5. Stars may cash high flows generate but are not always profitable.
6. Dogs may cash negative flow generate.
7. It may be necessary to line the drop.
8. Question marks will consume resources before a return investment on giving.

Activity 02: Decide where the following services can be placed on the Boston matrix: as question mark / problem child, star, cash cow or dog. Look at the text to help you.

1

Network protection

Protect your network from hackers and viruses.

Contact us today for the latest in network protection.

Now over 5,000 happy clients.

Join the fastest growing safe online community.

3



**SUMMER SALE
BOOK NOW**

Visit our online store to find reductions on weekend breaks in North Wales

Hurry: some of our hotels are being converted into private apartments

Offer ends October 31st

2

Join The Diet Club

Lose weight quickly and safely

Millions of slimmer clients

Read their testimonials

The Diet Club: trusted nutritionists
delivering sound advice
for generations



4

New service

You can now raise money for
your favourite charities by using
CharitySearchClick.com. All you need
to do is use **CSC** every time you
search on the web, and we will donate
half our profit to your selected charity.
Try it today and tell your friends.

Activity 03: Find nouns and expressions in A and B opposite that can be used to make word combinations with the words below.

Market

Generate

Market

Generate

Market

Lesson 05: Event And Sports Sponsorship

A. Sponsorship

Sponsorship is a type of partnership, where two or more organizations join together in a common venture companies sponsor all kinds of events.

Corporate sponsors provide financial support and other resources in exchange for the right to associate their brand with the event.

Sponsorships provide effective targeting. For example UBS Financial Services Group has built a long standing relationship with the Zurich Opera House over the years. This enables UBS to reach wealthy customers and prospects.

Sponsorships associate a brand with the culture, image and attitude of an event, team or personality (often referred to as a property). The sponsor can leverage, or use to maximum advantage, the qualities and characteristics of the property.

Sponsorship are interactive- the brand and the consumer can meet Official sponsors can set up hospitality packages. For example sponsors of Formula One and other motor races often organize VIP receptions for the most important guests in the hospitality tent.

The success of sponsorship depends on the strength and integrity of sponsored organization, or sponsee. There are some risk factors, such as the potential negative impact on your brand. For example sponsoring a football event could have a negative impact on the brand image if fans behave badly. You may need to sever relationships- stop your partnership- with the sponsee.

What to spend on sponsorship?

Global sponsorship spending (or expenditure) is now over \$20 billion. Sponsorship spending includes both buying rights (acquiring or securing sponsorship rights) and also exploiting the rights (getting the most out of owning the rights by developing exploitation activities, such as producing adverts or manufacturing gifts). Being a unique(or exclusive) sponsor, where the sponsor has the exclusive rights, costs more than being a joint sponsor, where the rights are shared with another brand.

B. Types of sponsorship

Art sponsorship: some companies choose to be patrons of the arts and sponsor an artist or artistic event.

Educational sponsorship: a company sponsors a school, university or educational programme.

Sports sponsorship: the brand sponsors a sports team or event. Worldwide events, such as the Olympic Games or the FIFA World Cup, have often been victims of ambush marketing, where a company that is not an official sponsor or partner tries to associate itself in the consumers' minds with the event. They can then give the impression of being a worldwide partner, without paying sponsorship fees.

Cause related sponsorship: this is a sponsorship deal between a company and a good cause or charity.

C. Word combinations with "sponsor"

Corporate	}	sponsors	= companies that choose to sponsor.
Official			= companies that have paid to be a sponsor.
Unofficial			= companies that have not paid, but act like a sponsor.
Worldwide			= companies that are sponsors for the same event all over the world.

Activity 01: Choose the correct words from the brackets to complete the sentences. Look at A to help you.

1. Sports (sponsor/ sponsorship/ sponsee/ sponsoring) spending is set to rise next year.
2. The England football team sold their (sponsor/ sponsorship/ sponsee/ sponsoring) rights for the first time in 1994.
3. Today Nationwide, a British building society, is the official (sponsor/ sponsorship/ sponsee/ sponsoring) of the English Football Association, the FA.
4. Nationwide began (sponsor/ sponsorship/ sponsee/ sponsoring) the FA in 1999.
5. Nationwide is one of several partners (sponsor/ sponsorship/ sponsee/ sponsoring) the England team.
6. Nationwide is a joint (sponsor/ sponsorship/ sponsee/ sponsoring) of the England team.

7. Nationwide pays (sponsor/ sponsorship/ sponsee/ sponsoring) fees to the FA.

8. The (sponsor/ sponsorship/ sponsee/ sponsoring) deal includes branding on the training kits and advertising at home games.

9. In 2003 Nationwide announced it would be the exclusive (sponsor/ sponsorship/ sponsee/ sponsoring) of women's football.

10. The Women's FA Cup, the (sponsor/ sponsorship/ sponsee/ sponsoring), receives funding each year from Nationwide.

Activity 02: Complete the article using the following words. Look at A to help you:

deal impact leveraged long-standing relationships risk.

Boxfield Toys to stop Sponsorship (1)..... with Barbara Gasson

As a result of comments made by Barbara Gasson, the children's illustrator, on her blog site, Boxfield Toys has severed all (2)..... with Ms Gasson. A spokesperson from the company said 'We regret having to terminate our (3) relationship with Ms Gasson.'

Although Boxfield has (4)..... Ms Gasson's qualities over the years, they may now be concerned about negative (5)..... on their brand. The(6) factors involved with Ms Gasson may be too high for this brand.

Lesson 06: Loyalty programmes

A. Customer loyalty

Customer loyalty is critical to business success and profitability. Loyal customers buy more, and so improve sales and profit margins. However, customers are becoming increasingly fickle or disloyal-they no longer hesitate to switch, or change, retailers and brands.

B. Loyalty programmes

Marketers implement loyalty programmes, such as frequent flyer programmes, to maximize customer loyalty and to minimize customer defection. The purpose of a loyalty programme is to allow marketers to identify and retain, or keep, preferred customers and to reward them with discounts and special offers.

Most supermarkets and department stores have a retail loyalty programme in the form of a store card or loyalty card. Customers complete an application form with demographic data and receive a plastic card which is used firstly to record information about what the customer buys on their transaction record and secondly to reward them with vouchers, points or coupons. Which can all be used. Or redeemed, to get gifts or money off future purchases.

Note: A loyalty card can also be called a rewards card, a points card, or a club card.

Loyalty programmes are also known as loyalty schemes.

Activity 01: Choose the correct words from the brackets to complete the sentences. Look at A, B and C opposite to help you.

1. Market research shows that a satisfied customer does not automatically become a (loyalty/loyalty) customer.
2. All retailers want customers to (repurchase/ reward)
3. Loyalty programmes (reward/ revisit) preferred customers.
4. Loyalty cards should maximize customer (defection/loyalty).
5. Customers (earn/ burn) points when they pay using their credit card.

6. A great number of retailers (identify/ implement) loyalty programmes.
7. (Transaction records/ Special offers) track what customers buy.
8. To get a loyalty card, customers complete the (application form/ demographic data).
9. Customers can (redeem / reward) their points at any of our partner stores.
10. Electronic goods are popular (reward purchases/ redemption options).

Activity 02: Find in the text the synonyms and antonyms of the following words:

Ameliorate =

aim =

Sales ≠

general ≠

Activity 03: translate into Arabic the underlined words in the text.