Marketing for Hospitality and Tourism

Philip Kotler • John T. Bowen • Seyhmus Baloglu
Contributions by Cristian Morosan

EIGHTH EDITION
This book is dedicated to Nancy, my wife and best friend, with love.

P. K.

With love to my wife, Toni, and children, Casey and Kelly. A special recognition and thank you to my friend and colleague, Jim Makens, who coauthored the previous seven editions of the book. We appreciate his contributions to the past editions, many of which live on in this edition.

J. T. B.

To my wife, Zerrin, and our two sons, Derin and Deniz, with love.

S. B.
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Welcome to the eighth edition!

*Marketing for Hospitality and Tourism* guides you down the intriguing, discovery-laden road to learning marketing. These are exciting times in hospitality marketing. There is an ever-increasing number of tourists, both domestic and international. This coupled with advances in digital technologies have created a new, more engaging and connected world.

Some of the applications you learn today you will use immediately, while others you may not use until later in your career. Thus, it is important that you have an understanding of the marketing theories and concepts. This will allow you to analyze future situations and make proper decisions. Practices and applications are provided to give you examples of how we currently apply the concepts to industry situations. Finally, we have included marketing highlights, opening cases, written cases, color illustrations, and other features to make learning about marketing interesting and enjoyable. Throughout the text, we provide examples to illustrate how companies are using the marketing principles covered in the book.

Marketing is both an art and science. The art adds some ambiguity to marketing, which makes it difficult for some students. We recommend reading each chapter quickly and then going back and reading it more slowly the second time. This will give you a good understanding of the material in the chapter.

The development of each edition has involved students who tell us which illustrations to use, which examples they find interesting, and which ones we should replace when we are writing the newest edition. We strive to develop a book that is student friendly and clearly explains and illustrates the application of marketing concepts. This has resulted in the book being used around the globe in nine different languages.

We hope you enjoy *Marketing for Hospitality and Tourism* and we wish you success.

*Philip Kotler, John T. Bowen, Seyhmus Baloglu*
An Indispensable Guide to Successful Marketing in the Hospitality Industry

This book has been written with you in mind—explaining the how and why of everyone’s role in marketing. Because customer contact employees are part of our product in hospitality and tourism marketing, marketing is everyone’s job. Marketing for Hospitality and Tourism gives you an innovative and practical introduction to marketing. Its style and extensive use of examples and illustrations make the book straightforward, easy to read.

Text Organization

PART I: Defining Hospitality and Tourism Marketing and the Marketing Process—Introduces you to the concept of hospitality marketing and its importance.

PART II: Understanding the Marketplace and Customer Value—Helps you understand the role of consumer behavior and how it affects the marketing environment.

PART III: Designing Customer Value-Driven Strategy and Mix—Identifies and explains strategies for promoting products, the various distribution channels and the latest developments in digital marketing.

PART IV: Managing Hospitality and Tourism Marketing—Highlights the latest trends in destination marketing, and planning for the future through development of a marketing plan.

Special Features: Connecting to the Real World

Chapter Opening Cases

Each chapter opens with a mini case showing you how actual hospitality and travel companies have successfully applied marketing. The cases help you understand and remember the concepts presented in the chapter. For example, Chapter 1 illustrates how catering to the customer experience has paid big dividends for Buffalo Wild Wings. B-Dubs is now the United States’ number-one seller of chicken wings and largest pourer of draft beer.

Creating Customer Value and Engagement Through Marketing for Hospitality and Tourism

Buffalo Wild Wings: Fueling the Sports Fan Experience

Text: Buffalo Wild Wings is a popular restaurant chain known for its extensive menu of chicken wings and variety of beers. The company is dedicated to creating a memorable dining experience for its customers. Buffalo Wild Wings has a loyal customer base, with over 1,700 locations across the United States. The restaurant chain is known for its extensive menu of chicken wings, which are offered in a variety of flavors, including Sweet BBQ, Teriyaki, and Spicy. Buffalo Wild Wings also offers a wide selection of draft beers, including popular brands such as Bud Light, Miller Lite, and Coors Light. The company is committed to providing a unique and engaging experience for its customers, with a focus on sports watching and socializing. To achieve this goal, Buffalo Wild Wings invests in state-of-the-art equipment and technology, including big-screen TVs and high-definition cameras. The company is dedicated to creating a welcoming and exciting atmosphere for its customers, with attentive staff and a focus on providing exceptional customer service. The success of Buffalo Wild Wings is due in large part to its commitment to creating a memorable dining experience for its customers, with a focus on sports watching and socializing.
Boxed Marketing Highlights

The boxed segments introduce you to real people and real industry examples, connecting the chapter material to real life.

Full-Color Visuals

Color format with lively photographs, drawings, and tables will maintain your interest and provide visual aids to learning.

Important Memory Tools

Chapter Objectives

At the start of each chapter, the list will help you focus and organize your thoughts as you are reading. The learning objectives summarize what you need to know after studying the chapter and doing the exercises.

Key Terms

Key marketing and hospitality terms, highlighted and defined in each chapter, provide you with a convenient source for learning and reviewing the professional vocabulary needed for effective communication on the job. These terms are found in each chapter, and a glossary of all the terms can be found at the end of the book.

Chapter Review

At the end of each chapter, a summary of chapter content in outline form helps you review, retain key information, and ties the content of the chapter back to chapter objectives. The format for the chapter review was the suggestion of a student.
# Applying Your Knowledge

## Experiential Exercises

These exercises are designed to provide experiences that will illustrate the concepts presented in the chapter and provide experiences that you can draw on in the future.

## Applying Your Critical Thinking Skills

### Case Studies

The case studies at the end of the book represent real situations that can be used to analyze actual business situations and come up with solutions to your organization’s problem. Sometimes, your instructor will use these cases as the basis of class discussions.

### In-Class Group Exercises

These end-of-chapter questions will challenge your students to address real-world applications of the concepts presented in the chapter. They can be done in class to supplement the lectures.
We would like to thank the students and instructors who have used this text in the past. Their support has enabled us to publish the eighth edition of Marketing for Hospitality and Tourism, now available in nine languages.

This book is written with the hospitality and travel students in mind. The solicited and unsolicited comments we received from students and instructors have been incorporated into the sixth edition. Students have told us Marketing for Hospitality and Tourism is readable and interesting. One student wrote, “I enjoyed reading this book—it didn’t seem like I was reading a textbook.” In this newest edition, we strive to maintain the same tone. For instructors, we have listened to your comments and made the text flow more smoothly from a teaching perspective.

The authors have extensive experience working with hospitality and travel businesses around the globe. Our understanding of the hospitality and travel business ensures that the end result is a book that clearly explains marketing concepts and shows how they apply to real-life situations.

The book has an international focus, which is especially important in this era of increasing globalization. Business markets have become internationalized—domestic companies are expanding overseas as foreign companies seek to enter domestic markets—therefore, it is crucial that today’s students be exposed to business and cultural examples from other parts of the world. Rather than have one chapter devoted to international marketing, we have incorporated examples throughout the text.

This text has truly evolved as a team project. Without the support of our students and faculty at other universities and colleges, this book would not have developed into the leading book in its category. We thank you for your support and acknowledge below some of the people who have been involved in the development of the book.

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Instructor Supplements

Instructor’s Manual. Includes content outlines for classroom discussion, teaching suggestions, and answers to selected end-of-chapter questions from the text.

TestGen. This computerized test generation system gives you the maximum flexibility in creating and administering tests on paper, electronically, or online. It provides state-of-the-art features for viewing and editing test bank questions, dragging a selected question into a test you are creating, and printing sleek, formatted tests in a variety of layouts. Select test items from test banks included with TestGen for quick test creation, or write your own questions from scratch. TestGen’s random generator provides the option to display different text or calculated number values each time questions are used.

PowerPoint Presentations. Our presentations offer clear, straightforward outlines and notes to use for class lectures or study materials. Photos, illustrations, charts, and tables from the book are included in the presentations when applicable.

To access supplementary materials online, instructors need to request an instructor access code. Go to www.pearsonhighered.com/irc, where you can register for an instructor access code. Within 48 hours after registering, you will receive a confirming email, including an instructor access code. Once you have received your code, go to the site and log on for full instructions on downloading the materials you wish to use.

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Alternate Versions

eBooks. This text is also available in multiple eBook formats. These are an exciting new choice for students looking to save money. As an alternative to purchasing the printed textbook, students can purchase an electronic version of the same content. With an eTextbook, students can search the text, make notes online, print out reading assignments that incorporate lecture notes, and bookmark important passages for later review. For more information, visit your favorite online eBook reseller or visit www.mypearsonstore.com.
We Welcome Your Comments, Suggestions, and Questions

We would like to hear your comments on this edition and your suggestions for future editions. Please address comments to Seyhmus Baloglu, seyhmus.baloglu@unlv.edu.

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We would like to thank the students and the instructors who have used earlier editions of this book and provided feedback that added value to the users of this edition. Thanks go to the following group who provided comments and feedback for this eighth edition: Jamie Cooperstein, Delaware County Community College; Gretchen Friend, Columbus State Community College; Debbie Howarth, Johnson & Wales University; Rick Lagiewski, Rochester Institute of Technology; Mary-Pat Maciolek, Middlesex County College; Melih Madanoglu, Florida Atlantic University; Quantella Noto, Southeast Missouri State University; George Ojie-Ahamiojie Wor-Wic, Community College; Kunsoon Park, South Dakota State University; Joel Reynolds, Niagara University; Gregory Turner, Claflin University; Yasong (Alex) Wang, Indiana University of Pennsylvania; Alvin Yu, St. Cloud State University.

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What’s New in the Eighth Edition

The 8th edition of *Marketing for Hospitality and Tourism* is a landmark entry in the long successful history of the market leader. We’ve thoroughly revised the eighth edition of *Marketing for Hospitality and Tourism* to reflect the major trends and forces impacting marketing in this digital age of customer value, engagement, and relationships. We are very excited that the eighth edition will offer the option of using Pearson’s Revel.

- We are very excited that the eighth edition will offer the option of using Pearson’s Revel. Revel was designed to help every student come to class ready to learn. To keep students engaged as they read through each chapter, Revel integrates interactives, and assessments directly into the author-created narrative. Thanks to this media-rich presentation of content, students are more likely to complete their assigned reading and retain what they’ve read. So they’ll show up to class better prepared to participate and learn.

- At the end of each chapter we have added a group of In-Class exercises. These are exercises students can perform that reinforce the information being thought in the chapter. They are meant to bring the marketing class to life for the students. They provide an excellent way for instructors to break up their lectures with engaging hands-on exercises to keep the students engaged.

- Cristian Morosan, an expert in digital marketing was brought in to write the chapters on digital and direct marketing and the distribution. There have been sweeping developments in online distribution of hotel rooms, online delivery services for restaurants, and online access to peer-to-peer accommodations. User-generated content on social media can make or break a restaurant, while at the same time
providing a useful source of customer information. Listening and gathering data over the Internet has produced large amounts of data, processed by artificial intelligence to give us information that helps us better serve our customers. Dr. Morosan has rewritten Chapters 12 and 16 to include the latest advances in technology and social media.

- One point of differentiation of the text is it has an international focus. The eighth edition provides new discussions and examples of the growth in global marketing. As the world becomes a smaller, more competitive place, marketers face new global marketing challenges and opportunities, especially in fast-growing emerging markets such as China, India, the Middle East, Eastern Europe, and Southeast Asia. In the first chapter, we discuss the growing internationalization of the tourism business. To help your students understand the importance of the global aspect of tourism, we include international examples and illustrations throughout the text. Chapter 9 now includes expanded coverage of branding practices in hospitality on global level and gives examples of generational and lifestyle brands. In Chapter 17, new sections on branding tourist destinations and tourism competitiveness have been added to help students understand how to compete in a global market. The cases include multinational companies and businesses outside of North America. This international approach makes the text relevant to students outside of North American, while showing North American students they can find a truly rewarding career in the area of international business.

- The eighth edition continues to track fast-changing developments in marketing communications and the creation of marketing content. Marketers are no longer simply creating integrated marketing communications programs; they are joining with customers and media to curate customer-driven marketing content in paid, owned, earned, and shared media. You won’t find fresher coverage of these important topics in any other hospitality marketing text.

The eighth edition continues to improve on its innovative learning design that has made it the market leader. One design feature of the text is the opening vignette that provides an example of how hospitality companies implement principles that will be discussed in the chapter. New chapter vignettes have been added through the text. The chapter-opening objectives have been revised, reflecting what is covered in the chapter. The end of the chapter summaries have been rewritten to mirror and reinforce the opening objectives. The marketing highlights that provide industry examples of the marketing concepts discussed in the chapter have been updated and will continue to be a valued benefit of the text. New cases have been added to the collection of case studies.
Philip Kotler is S. C. Johnson & Son Distinguished Professor of International Marketing at the Kellogg School of Management, Northwestern University. He earned his master’s degree at the University of Chicago and his PhD at MIT, both in economics. He is the author of Marketing Management (Pearson), now in its fifteenth edition and the most widely used marketing textbook in graduate schools of business worldwide. He has authored dozens of other successful books and has written more than 100 articles in leading journals. He is the only three-time winner of the coveted Alpha Kappa Psi award for the best annual article in the Journal of Marketing.

Professor Kotler was named the first recipient of four major awards: the Distinguished Marketing Educator of the Year Award and the William L. Wilkie “Marketing for a Better World” Award, both given by the American Marketing Association; the Philip Kotler Award for Excellence in Health Care Marketing presented by the Academy for Health Care Services Marketing; and the Sheth Foundation Medal for Exceptional Contribution to Marketing Scholarship and Practice. His numerous other major honors include the Sales and Marketing Executives International Marketing Educator of the Year Award; the European Association of Marketing Consultants and Trainers Marketing Excellence Award; the Charles Coolidge Parlin Marketing Research Award; and the Paul D. Converse Award, given by the American Marketing Association to honor “outstanding contributions to science in marketing.” A recent Forbes survey ranks Professor Kotler in the top 10 of the world’s most influential business thinkers. And in a recent Financial Times poll of 1,000 senior executives across the world, Professor Kotler was ranked as the fourth “most influential business writer/guru” of the twenty-first century.

Dr. Kotler has served as chairman of the College on Marketing of the Institute of Management Sciences, a director of the American Marketing Association, and a trustee of the Marketing Science Institute. He has consulted with many major U.S. and international companies in the areas of marketing strategy and planning, marketing organization, and international marketing. He has traveled and lectured extensively throughout Europe, Asia, and South America, advising companies and governments about global marketing practices and opportunities.

John T. Bowen is Professor and former dean of the Conrad N. Hilton College of Hotel and Restaurant Management at the University of Houston and the Barron Hilton Distinguished Chair. He has presented marketing courses and seminars in Asia, Australia, Central America, Europe, and South America. He is a consultant to both large and small hospitality corporations. Before becoming an academic, Professor Bowen held positions in restaurant management at both the unit and corporate level. He is on the editorial boards of the Cornell Hotel and Restaurant Administration Quarterly, Journal of Services Marketing, International Journal of Contemporary Hospitality Marketing, and Worldwide Hospitality and Tourism Themes. He is coauthor of Restaurant Marketing for Owners and Managers. He has received numerous awards for his teaching and research, including the UNLV Foundation Teaching Award, the Sam and Mary Boyd Distinguished Professor Award for Teaching, Founder’s Award for Lifetime Support of Hospitality Graduate Education, and the Board of Regents Outstanding Faculty Member. The Graduate Education & Graduate Student Research Conference presented him with the Founder’s Award, to recognize his contribution to graduate education. The Hotel and Lodging Association of Greater Houston recognized him with their lifetime achievement award. He has been a three-time recipient of the annual award from the International Council on Hotel, Restaurant and Institutional Education (CHRIE) for superior published research in the hospitality industry, and he received the John Wiley Award for Lifetime Research Achievement from CHRIE. He was recently cited as one of the five most influential hospitality management faculty in an article published in the Journal of Hospitality and Tourism Education. The Mayor of Houston proclaimed November 21, 2014, as John Bowen Day, in recognition of Dr. Bowen’s contribution to the hospitality industry and hospitality education.

Dr. Bowen’s formal education includes a BS in hotel administration from Cornell University, an MBA and MS from Corpus Christi State University, and a PhD in marketing from Texas A&M University.

Seyhmus Baloglu is Professor and Barrick Distinguished Scholar at the Harrah College of Hospitality, University of Nevada Las Vegas (UNLV), where he has also assumed leadership roles as associate dean of research and director of Harrah Research Center for 10 years. He earned a BS in hotel administration from Cukurova University, an MBA from Hawaii Pacific University, and a PhD in hospitality marketing from Virginia Tech. He has presented marketing courses and seminars in Asia, Australia, Europe, and the
Caribbean. Before joining academia, he held management positions and had diverse background in the industry, including restaurants, hotels, resort clubs, and travel agencies. He has published extensively in leading journals, including *Journal of Business Research*, *Cornell Hospitality Quarterly*, *Journal of Hospitality & Tourism Research*, *International Journal of Hospitality Management*, *Annals of Tourism Research*, *Journal of Travel Research*, *Tourism Management*, *Journal of Travel & Tourism Marketing*, and *Tourism Analysis*. He received grants, contracts, and consulting projects from tourism destinations, gaming resorts, hotels, airports, nightclubs, and supply-chain organizations. He has been named as one of the significant contributors to the hospitality and tourism literature. His work has been cited extensively across multiple disciplines and fields. His research credentials have earned him both an international reputation and placement on the editorial boards of numerous leading journals. He has presented his work at many national and international conferences, seminars, and symposia and served as keynote speaker and panel participant for numerous international conferences. Other books he has coauthored are *Managing and Marketing Tourist Destinations: Strategies to Gain a Competitive Edge* and *Handbook of Scales in Tourism and Hospitality Research*. He is the recipient of numerous and prestigious teaching, research, and service awards. He has been named as the recipient of UNLV Alumni Association’s Outstanding Faculty Member of the Year and the John Wiley & Sons Lifetime Research Achievement Award from the International Council on Hotel, Restaurant and Institutional Education (I-CHRIE). His other major honors include annual research awards from ICHRIE, the Sam and Mary Boyd Distinguished Professor Awards, the Ace Denken Research Award, the Claudine Williams Distinguished Chair, and Harrah Distinguished Chair.

**Contributor**

Dr. Cristian Morosan is an associate professor at the Conrad N. Hilton College of Hotel and Restaurant Management at the University of Houston. Prior to joining Hilton College in 2012, he taught marketing at Temple University, Kansas State University, and University of St. Thomas Houston. His work has been funded by regional organizations such as the Hospitality Financial and Technology Professionals, state and local destination organizations, and universities such as University of Houston and Kansas State University. His research has resulted in over 110 peer-reviewed publications that include book chapters, journal articles, invited articles, and conference proceedings, in journals such as *Tourism Management*, *International Journal of Hospitality Management*, *International Journal of Contemporary Hospitality Management*, *Journal of Travel & Tourism Marketing*, *Journal of Travel Research*, *Journal of Hospitality & Tourism Research*, and *Journal of Hospitality Information Technology*. He is the recipient of several prestigious academic awards, including the Teaching Excellence Award for Innovation in Instructional Technology, Stephen Rushmore/HVS Research Excellence Award, The Provost’s Certificate of Excellence in Recognition of Extraordinary Achievements, the Barbara S. Stowe Endowed Faculty Development Award and Big 12 Faculty Fellowship Award. He is a member of the Editorial Board of *International Journal of Contemporary Hospitality Management*, *International Journal of Hospitality Information Technology*, and *Tourism Review International*, and has been recognized by the International Council on Hotel, Restaurant and Institutional Education (I-CHRIE) as an outstanding reviewer in the information technology area. He presented his work at I-CHRIE, the International Federation for Information Technologies in Travel and Tourism, the International Hospitality Information Technology Association (where he received the iHITA Best Research Paper awards in 2015 and 2018), Hospitality Financial and Technology Professionals, and Travel and Tourism Research Association. He has numerous media appearances and invited presentations at conferences, colloquia, and workshops throughout North America, Europe and Asia.

Dr. Cristian Morosan earned a Bachelor’s of Science from University Ștefan cel Mare Suceava Romania, and Master of Science and PhD from Iowa State University.