

# Unit 18: Marketing for Hospitality

<b>Unit code:</b>	<b>T/601/0487</b>
<b>QCF Level 3:</b>	<b>BTEC National</b>
<b>Credit value:</b>	<b>10</b>
<b>Guided learning hours:</b>	<b>60</b>

## ● Aim and purpose

The aim of this unit is to enable learners to gain knowledge and understanding of marketing strategies and principles and how marketing research is used in hospitality businesses, how market environment analysis is used to identify opportunities and potential strategies, and how the marketing mix is used to develop products and services in hospitality businesses.

## ● Unit introduction

This unit introduces learners to the concept of marketing, the marketing process and the importance of marketing to hospitality businesses.

Learners will explore the marketing principles of understanding the customer, ensuring that products and services meet with customer needs and how marketing can influence customer behaviour. They will have the chance to research the marketing strategies of a variety of hospitality businesses. They will investigate the basic principles of marketing through an understanding of marketing objectives, marketing mix, market segmentation and marketing communications. Learners will identify the constraints that affect marketing for hospitality businesses.

Different methods of market research used by businesses will be covered in this unit, including the range of data-collection techniques and how the data may be used to support decisions made by hospitality businesses.

Learners will look at the principles of marketing environment analysis through an understanding of the elements of political, economic, social, and technological (PEST) and strengths, weaknesses, opportunities, and threats (SWOT) analysis. They will identify how these elements may be influenced and how they affect hospitality businesses.

Learners will explore marketing strategies used by hospitality businesses including the principles of market segmentation and use of the marketing mix as a method of developing products and services.

## ● Learning outcomes

**On completion of this unit a learner should:**

- 1 Know marketing strategies and principles as used in the hospitality industry
- 2 Know how marketing research is used in hospitality businesses
- 3 Know how market environment analysis is used to identify opportunities and potential strategies
- 4 Understand how the marketing mix is used to develop products and services in hospitality businesses.

# Unit content

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## 1 Know marketing strategies and principles as used in the hospitality industry

*Principles and strategies:* definitions; concept of marketing; objectives, functions; market segmentation; marketing communication methods eg advertising, sales promotions; public relations; personal selling and direct selling; marketing planning; AIDA model (attention, interest, desire, action)

*Constraints:* financial (budgets, spending linked to sales targets); social (environmental issues, ethical concerns, consumer issues); legal (contract law, consumer law, data protection, labelling regulations); standards of practice (advertising standards, codes of practice)

## 2 Know how marketing research is used in hospitality businesses

*Research:* types (primary, secondary); purposes of marketing research (understanding customers, competitors and the market environment, evaluating, planning)

*Focus:* customer types; customer behaviour, preferences, lifestyles and values; sales trends; products and services; market share; market segmentation; competitor activities

*Methods:* primary eg questionnaires, surveys, interviews, sampling; secondary eg published information, internal records and statistics; sources of information; types of questions and suitability for different purposes; advantages and disadvantages of different methods

*Data:* types of data, qualitative and quantitative information; use of data; development of strategies from collected data

## 3 Know how market environment analysis is used to identify opportunities and potential strategies

*Techniques:* analysis (the market, macro environment, micro environment, customers and competitors); PEST factors (political, economic, socio/cultural, technological); SWOT analysis (strengths, weaknesses, opportunities, threats); product life cycle

*Opportunities and strategies:* new markets; new product/service development; diversification; extending product life; brand building; loyalty schemes; in-house selling and promotion; market penetration; implications of change and effects of change on existing business

## 4 Understand how the marketing mix is used to develop products and services in hospitality businesses

*Marketing mix:* definition; elements of marketing mix (the 5 Ps: products and services, price, place, promotion, people); combining elements of the mix

*Product development:* use of market research data; differentiation of products and services; identifying appropriate target markets; market segmentation; niche marketing; mass marketing

*Objectives of marketing mix strategies:* increased volume of sales, new/repeat business, customer and brand loyalty, increased market share and customer awareness; analysing results and feedback; identifying weaknesses and problems, proposing improvements

## Assessment and grading criteria

In order to pass this unit, the evidence that the learner presents for assessment needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria for a pass grade describe the level of achievement required to pass this unit.

Assessment and grading criteria		
To achieve a pass grade the evidence must show that the learner is able to:	To achieve a merit grade the evidence must show that, in addition to the pass criteria, the learner is able to:	To achieve a distinction grade the evidence must show that, in addition to the pass and merit criteria, the learner is able to:
<p><b>P1</b> describe principles and strategies of marketing used in hospitality businesses</p> <p><b>P2</b> describe constraints which affect marketing strategies in hospitality businesses [IE 1, 2, CT 2]</p>	<p><b>M1</b> explain how constraints affect marketing strategies in hospitality businesses</p>	<p><b>D1</b> analyse the importance of constraints on the marketing principles and strategies used in hospitality businesses</p>
<p><b>P3</b> describe the use of primary and secondary market research in hospitality businesses [IE 1, 2]</p>	<p><b>M2</b> explain how data from market research are used in product and service development in hospitality businesses</p>	
<p><b>P4</b> describe market environment analysis techniques used in the hospitality industry [IE 1, 2]</p> <p><b>P5</b> explain how the marketing mix is used in relation to hospitality products and services. [IE 1, 2]</p>	<p><b>M3</b> explain the use of marketing environment analysis when developing new products and services in hospitality businesses.</p>	<p><b>D2</b> analyse the use of information from all sources in the development of the marketing mix for hospitality products and services.</p>

**PLTS:** This summary references where applicable, in the square brackets, the elements of the personal, learning and thinking skills applicable in the pass criteria. It identifies opportunities for learners to demonstrate effective application of the referenced elements of the skills.

<b>Key</b>	IE – independent enquirers CT – creative thinkers	RL – reflective learners TW – team workers	SM – self-managers EP – effective participators
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# Essential guidance for tutors

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## Delivery

It is important to address the assumption many learners may have that marketing is merely advertising. In fact, it is a more complex activity and this unit gives a deeper understanding of the whole marketing process.

This unit introduces learners to the basic principles and strategies of marketing in the hospitality industry. Delivery of the unit should use a variety of approaches, and learners should research the principles of marketing under tutor guidance, using a range of resources. Textbooks, internet research and visits to industry, talks by visiting speakers or case studies are some of the resources that could be used in the delivery of the unit content.

Learners should be encouraged to design questionnaires and carry out a limited amount of market research themselves to develop understanding of research types and implementation. This activity should be applied to a real product or service, possibly within the college environment in order to promote understanding of the analysis of data and the application of market research results. Visiting speakers and visits to industry will also ensure currency and vocational relevance to the delivery of the unit.

Branding and relationship marketing provide opportunities for linking with learners' existing knowledge as consumers. The principles of the legislation that constrains marketers should be covered and then applied to situations which may be familiar to learners as customers.

Links to real hospitality businesses may provide learners with an opportunity to investigate actual marketing strategies or develop new materials for use in real businesses.

Learners may be able to devise marketing strategies for specific hospitality products or design marketing materials for events. The unit provides an ideal opportunity for learners to carry out investigations and presentations related to existing hospitality products, services and businesses.

Use of case studies can support the understanding of marketing environment analysis and development of hospitality products and services. This may be particularly useful when investigating the elements of PEST and SWOT analysis and marketing mix, and it may be supported by visiting speakers.

Learners will look at segmenting markets and targeting groups of potential customers. Learners may find it interesting to examine the geo-demographic descriptors for different local postcodes. A practical exercise where pairs of learners define target markets for different products could be used.

Learners need to understand the principles of a coherent marketing mix and there are many examples of products where the marketing mix is targeted at the younger consumer. Learners could analyse all aspects of the marketing mix and suggest how it has been designed to appeal to the target group. This may be clearer if learners also examine products targeted at a different group.

## Outline learning plan

The outline learning plan has been included in this unit as guidance and can be used in conjunction with the programme of suggested assignments.

The outline learning plan demonstrates one way in planning the delivery and assessment of this unit.

Topic and suggested assignments/activities and/assessment
Introduction to the unit and the programme of learning.
Group discussion about the concept of marketing within the hospitality industry. Tutor explanation of key terms.
Visits to hospitality businesses and observation of principles and strategies of marketing they use – follow-up poster showing different marketing principles and strategies used within the businesses.
Learners interview a member of staff from their own institution on marketing constraints.
Visits to hospitality businesses to find out about their standards of practice.
<b>Assignment 1 – Marketing Strategies and Principles in Hospitality (P1, P2, M1, D1)</b>
Learners produce a presentation about marketing strategies and principles used in the hospitality industry.
Learners interview a small scale employer to find out how they use marketing research.
Learners interview an SME or large national or multi-national employer to find out about the marketing research methods they use.
Learners compare the focus of marketing research within different hospitality businesses.
Pair work based on researching how data from market research is used within hospitality businesses.
<b>Assignment 2 – Marketing Research in Hospitality (P3, M2)</b>
Learners produce a presentation about how marketing research is used in hospitality businesses.
Learners visit two different businesses and find out about market environment analysis techniques they use, plus follow-up discussion.
Learners interview two different employers to find out about the different opportunities and potential strategies available to them.
<b>Assignment 3 – Market Environment Analysis (P4, M3)</b>
Based on visit, learners produce a presentation about how market environment analysis is used to identify opportunities and potential strategies.
Learners investigate how the marketing mix is used in relation to products and services in different hospitality businesses.
<b>Assignment 4 – Marketing Mix (P5, D2)</b>
Based on chosen hospitality businesses, learners produce a presentation about how the marketing mix is used when developing products and services.
Tutorial support and feedback.
Self-initiated learning time.

## Assessment

Any evidence submitted for criteria requiring the practical demonstration of skills, eg role plays or the ability to work independently, must be supported by observation sheet(s) signed by the assessor and identify how specific criteria have been met.

The sub-headings in this section mirror the funnelling opportunities in the grading grid. They suggest how assessment can be grouped to allow learners to progress to the higher grades; however, they are not prescriptive.

### **P1 – P2 – M1 – D1**

For P1, learners need to describe the basic principles of marketing and the strategies that may be used by hospitality businesses. Learners need to define and explain the objectives of marketing for hospitality businesses. Learners could describe the marketing objectives for two different businesses, eg a fast-food business and small private hotel. They should provide evidence related to marketing communications used by different hospitality businesses and identify target market segments for specific products and services, eg the marketing communications used by coffee shops to attract their target market.

For P2, learners need to describe constraints that have an impact on marketing. One way of doing this would be for learners to identify budgets, skilled personnel, timing of marketing campaigns and competition for at least two contrasting hospitality businesses, eg a large fast-food operator and a small independent hotel.

For M1, learners need to clearly explain the relationship between the constraints that apply to different hospitality businesses and their marketing decisions. For example, using the information from P2, learners could describe how the identified constraints affect the marketing of products and services for their chosen businesses.

For D1, learners should need to make judgements about how constraints affect the marketing process by analysing the relative importance of different constraints on the strategies adopted. For example, learners could consider how changes to identified constraints may affect the marketing decisions by businesses identified in P2 and M1.

### **P3 – M2**

For P3, learners should describe what is meant by primary and secondary research and identify the type of data that each can generate for hospitality businesses. This should include reference to quantitative and qualitative data. Evidence for this criterion should demonstrate knowledge of the methods of research for each type, such as questionnaires and websites, and the advantages and disadvantages of different methods. One way of doing this would be for learners to design and implement questionnaires for a specific product in a college environment or for a real hospitality business.

Evidence for M2 should show detailed understanding of the types of data generated through market research and how these data are used. Learners could analyse the questionnaires used to generate evidence for P3 and explain how the data influence decisions related to product development. For example, a questionnaire for a college cafeteria may investigate the need for a new range of sandwiches/wrap fillings. This could lead to a premium range being offered at a higher price.

### **P4 – P5 – M3 – D2**

For P4, learners need to describe PEST analysis in relation to a hospitality business, for example identifying the political, economic, social and technological developments that may affect a large four-star hotel. Learners could conduct a SWOT analysis on a different hospitality business, eg their own part-time employer. They could also explain the relevance of each type of analysis to hospitality businesses, in terms of how they are linked to the opportunities and strategies listed in the unit content.

To achieve P5, learners should identify the elements of the marketing mix, explaining at least the five Ps. They should explain the objectives of the marketing mix and show how each element is used to develop new and existing products and services in hospitality businesses, eg how price, promotion strategy and design of product combine to produce a hospitality product aimed at a specific customer group.

For M3, learners need to explain how elements of PEST and SWOT analysis can affect hospitality operations and show how analysis of each factor may contribute to the development of products and services, eg how a large hotel operator may develop products if business is affected by new legislation or how a contract caterer is affected by changes in food production technology.

D2 requires learners to analyse how marketing research data and market analysis information influence the marketing mix for new and existing hospitality products and services. Using a specific hospitality business, learners could show how information about product satisfaction, PEST and SWOT factors and changes to the elements of the marketing mix impact on product and service development. Learners could provide analysis of a new, real product to show how these factors may have influenced its final design and delivery, eg changes in menus for fast food operators.

### Programme of suggested assignments

The table below shows a programme of suggested assignments that cover the pass, merit and distinction criteria in the assessment and grading grid. This is for guidance and it is recommended that centres either write their own assignments or adapt any Edexcel assignments to meet local needs and resources.

Criteria covered	Assignment title	Scenario	Assessment method
P1, P2, M1, D1	Marketing Strategies and Principles in Hospitality	Learners take the role of marketing executive and are asked to produce a presentation for new hospitality businesses.	Learners create a presentation for use with new hospitality businesses.
P3, M2	Marketing Research in Hospitality	Learners continue in the role of marketing executive and are now asked to investigate the use of marketing research in a selected hospitality business.	Learners produce presentation materials describing how marketing research is used in product and service development in a selected hospitality business.
P4, M3	Market Environment Analysis	Learners continue in the role of marketing executive and investigate how market environment analysis is used to identify opportunities and potential strategies in a selected hospitality business.	Learners produce presentation materials describing how market environment analysis is used to identify opportunities and potential strategies in a selected hospitality business.
P5, D2	Marketing Mix	Learners continue in the role of marketing executive and investigate how the marketing mix is used to develop products and services in hospitality businesses in a selected hospitality business.	Learners produce presentation materials explaining how the marketing mix is used to develop products and services in hospitality businesses in a selected hospitality business.

## Links to National Occupational Standards, other BTEC units, other BTEC qualifications and other relevant units and qualifications

This unit forms part of the *BTEC Hospitality* suite. This unit has particular links with the following unit titles in the Hospitality suite:

Level 2	Level 3
Hospitality Front Office Operations	Food and Drinks Service
	E-business for Hospitality
	Planning and Managing a Hospitality Event
	Personal Selling and Promotional Skills for Hospitality

### Essential resources

The use of real examples will make the unit relevant and show how different businesses use market research to inform their strategies and how the marketing mix is used to develop suitable products and services.

Industry work experience will provide an invaluable source of information for the unit. Learners also need access to the internet.

### Employer engagement and vocational contexts

Links with local employers should be developed to enable tutors to put the unit into a vocational context through work placements or visits. Speakers from the local hospitality industry could also be used to provide specialist knowledge and relay examples of current marketing activities. Work placements will provide learners with first-hand experience of how a hospitality business uses the marketing process to promote and develop its products and services. The work experience needs to be well structured and have clear expected learning outcomes.

## Indicative reading for learners

### Textbooks

Bowie D and Buttle F – *Hospitality Marketing: An Introduction* (Butterworth-Heinemann, 2004)  
ISBN 9780750652452

Kotler P, Bowen J and Makens J – *Marketing for Hospitality and Tourism, 5th Edition* (Pearson Education, 2009)  
ISBN 9780132453134

Mawson S – *The Fundamentals of Hospitality Marketing* (Thomson Learning, 2000) ISBN 9780826448323

Nykiel R – *Handbook of Marketing Research Methodologies for Hospitality and Tourism* (Routledge, 2007)  
ISBN 9780789034267

Reid R and Bojanic D – *Hospitality Marketing Management, 5th Edition* (John Wiley & Sons, 2009)  
ISBN 9780470088586

### Journal

*Journal of Hospitality Marketing and Management* – Routledge

### Websites

<a href="http://www.cim.co.uk">www.cim.co.uk</a>	The Chartered Institute of Marketing
<a href="http://www.fourseasons.com">www.fourseasons.com</a>	Four Seasons Hotels and Resorts
<a href="http://www.hilton.co.uk">www.hilton.co.uk</a>	Hilton Hotels
<a href="http://www.intute.ac.uk">www.intute.ac.uk</a>	Intute – web resources for education and research
<a href="http://www.mandarinoriental.com">www.mandarinoriental.com</a>	Mandarin Oriental Hotel Group
<a href="http://www.marketingteacher.com">www.marketingteacher.com</a>	Free marketing resources for learners, teachers and professionals
<a href="http://www.people1st.co.uk">www.people1st.co.uk</a>	People 1st – Sector Skills Council for Hospitality, Leisure, Travel and Tourism
<a href="http://www.statistics.gov.uk">www.statistics.gov.uk</a>	UK Statistics Authority – useful for tourist and traveller figures
<a href="http://www.swatch.com">www.swatch.com</a>	Swatch

## Delivery of personal, learning and thinking skills

The table below identifies the opportunities for personal, learning and thinking skills (PLTS) that have been included within the pass assessment criteria of this unit.

Skill	When learners are ...
<b>Independent enquirers</b>	P1 describing principles and strategies of marketing used in hospitality businesses P2 describing constraints which affect marketing strategies in hospitality businesses P3 describing the use of primary and secondary market research in hospitality businesses P4 describing market environment analysis techniques used in the hospitality industry P5 explaining how the marketing mix is used in relation to hospitality products and services [IE 1, 2]
<b>Creative thinkers</b>	P1 describing principles and strategies of marketing used in hospitality businesses P2 describing constraints which affect marketing strategies in hospitality businesses [CT 2].

Although PLTS are identified within this unit as an inherent part of the assessment criteria, there are further opportunities to develop a range of PLTS through various approaches to teaching and learning.

Skill	When learners are ...
<b>Independent enquirers</b>	analysing the use of information from all sources in the development of the marketing mix for hospitality products and services. [IE 4]

## ● Functional skills – Level 2

Skill	When learners are ...
<b>ICT – Use ICT systems</b>	
Select, interact with and use ICT systems independently for a complex task to meet a variety of needs	
Use ICT to effectively plan work and evaluate the effectiveness of the ICT system they have used	
Manage information storage to enable efficient retrieval	
Follow and understand the need for safety and security practices	
Troubleshoot	
<b>ICT – Find and select information</b>	
Select and use a variety of sources of information independently for a complex task	researching market environment tools
Access, search for, select and use ICT-based information and evaluate its fitness for purpose	
<b>ICT – Develop, present and communicate information</b>	
Enter, develop and format information independently to suit its meaning and purpose including: <ul style="list-style-type: none"> <li>• text and tables</li> <li>• images</li> <li>• numbers</li> <li>• records</li> </ul>	
Bring together information to suit content and purpose	
Present information in ways that are fit for purpose and audience	
Evaluate the selection and use of ICT tools and facilities used to present information	
Select and use ICT to communicate and exchange information safely, responsibly and effectively including storage of messages and contact lists	

Skill	When learners are ...
<b>Mathematics</b>	
Understand routine and non-routine problems in a wide range of familiar and unfamiliar contexts and situations	
Identify the situation or problem and the mathematical methods needed to tackle it	
Select and apply a range of skills to find solutions	
Use appropriate checking procedures and evaluate their effectiveness at each stage	
Interpret and communicate solutions to practical problems in familiar and unfamiliar routine contexts and situations	collecting and analysing market research data
Draw conclusions and provide mathematical justifications	
<b>English</b>	
Speaking and listening – make a range of contributions to discussions and make effective presentations in a wide range of contexts	describing market analysis techniques describing the constraints that affect marketing strategies in hospitality businesses.
Reading – compare, select, read and understand texts and use them to gather information, ideas, arguments and opinions	
Writing – write documents, including extended writing pieces, communicating information, ideas and opinions, effectively and persuasively	