Institute of Hospitality Management in Prague

Anastassiya Issakova

The marketing mix of the hotel “U Lišky”

Bachelor dissertation

2014
Marketing mix of the hotel “U Lišky”

Bachelor dissertation

Anastassiya Issakova

Institute of Hospitality Management in Prague

Hospitality in English

Major field of study: Hospitality Management
Dissertation advisor: Ing. Stanislava Belešová, PhD.
Date of submission: 2014-11-12
Date of defense: 2015-01-
Email: royalhtc@gmail.com

Prague 2014
Oath

I swear

that the bachelor dissertation titled .......... was written by me independently, and that all
literature and additional material used are cited in the bibliography and that this version is
exactly the same as the work submitted electronically.

In accordance with §47b law no. 111/1998 coll. on higher education institutions, I agree to my
dissertation being published in its complete form in the publicly accessible electronic database
of the Institute of Hospitality Management in Prague.

Signature

............................................
First and last name of the author

In................. on 12.11.2014
Acknowledgements

I would like to thank my opponent Donna Dvorak, M.A. for solving my issue with the supervisor and of course to thank my supervisor Ing. Stanislava Belešová, PhD. for giving me the opportunity to rewrite my thesis in short time, for leading, instructing and helping me during all my way of writing this work.
Abstract


The aim of the work is to analyze and evaluate the 7P’s marketing mix of the hotel “U Lisky” and suggest future improvements. Author has chosen exactly this topic, because she is interested in the influence of marketing on the product and how it can be transfigured to something new and much more beneficial for both consumer and organization. The research method that has been chosen for this work was an interview with the CEO of the hotel “U Lišky” Jitka Podpěrová with a structured questionnaire in order to collect the necessary data. In this work will be mentioned an explicit description of the marketing mix of this particular hotel and also suggestions and recommendations for the future improvement of the hotel.

Key words: analysis, distribution channels, hotel, marketing mix, promotional channels, research, strategies.
# Table of contents

Introduction ........................................................................................................................................ 1

1. Marketing mix in hospitality ......................................................................................................... 1-3
   1.2 Marketing Mix 7P’s .................................................................................................................. 3-4
   1.2.1 Product ............................................................................................................................... 5-12
   1.2.2 Price .................................................................................................................................. 13-16
   1.2.3 Promotion .......................................................................................................................... 16-19
   1.2.4 Place .................................................................................................................................. 20-21
   1.2.5 People .............................................................................................................................. 21-23
   1.2.6 Process .............................................................................................................................. 23
   1.2.7 Physical Evidence ............................................................................................................... 24

1.3 Marketing Mix analysis of the hotel “U Lišky” .............................................................................. 24
   1.3.1 Product ............................................................................................................................... 24-30
   1.3.2 Price .................................................................................................................................. 30-31
   1.3.3 Promotion .......................................................................................................................... 31
   1.3.4 Place .................................................................................................................................. 31-32
   1.3.5 People .............................................................................................................................. 32-33

2. Methodology .................................................................................................................................... 34-35

Findings ............................................................................................................................................... 36-37

Recommendations ............................................................................................................................. 38

Conclusion .......................................................................................................................................... 39

List of reference ................................................................................................................................ 40
List of figures

Figure 1: 7P’s Marketing Mix ........................................................................................................ 4
Figure 2: Tangibility and Intangibility of product ......................................................................... 5
Figure 3: Product Life Cycle Template ........................................................................................ 6
Figure 4: The product death spiral in Decline stage ..................................................................... 8
Figure 5: Imagines of the hotel “U Lišky” .................................................................................... 26
Figure 6: Departments and Personnel ............................................................................................ 32

List of tables

Table 1: Vertical Product Differentiation .................................................................................... 11
Table 2: Pricing Strategies ........................................................................................................... 13
Table 3: Payment Methods .......................................................................................................... 15
Table 4: Advertising Methods .................................................................................................... 17
**List of abbreviations**

PLC – Product Life Cycle
USP - Unique Selling Point
BOGOF – Buy One Get One Free
ACH - Automated Clearing House
CC Reference Transaction – Credit Card Reference Transaction
CRM – Customer Relationship Management
EPOS - Electronic Point-Of-Sale
**Introduction**

The aim of the work is to analyze and evaluate the 7P’s marketing mix of the hotel “U Lisky” and suggest future improvements. Author has chosen exactly this topic, because she is interested in the influence of marketing on the product and how it can be transfigured to something new and much more beneficial for both consumer and organization. The research method that has been chosen for this work was an interview with the CEO of the hotel “U Lišky” Jitka Podpěrová with a structured questionnaire in order to collect the necessary data. In this work will be mentioned an explicit description of the marketing mix of this particular hotel and also suggestions and recommendations for the future improvement of the hotel. In the thesis had been described three main part, which are; Theoretical background bout the marketing mix, analytical part and application of the theoretical background on this particular hotel “U Lišky” and the ways and methods of data collection.

The theoretical background will describe and explains the theory of the 7P’s marketing mix, and separately describing each of the elements of this marketing mix. The analytical part is about the application of the information and knowledge in previous chapter on this particular hotel. And the third part which is methodology will describe the ways, processes and methods of data collection during the writing process. The structured interviews will help author to get deeper in the hotel and understand all the functions, strategies, operations benefits and drawbacks of the hotel.

Consequently, this work has been done in order to help small hotels, including this particularly hotel to understand the necessity of things that may seem easy and unnecessary.
1. Marketing Mix in hospitality

Market is variety of procedures, which engage parties to make exchange. Meanwhile, parties exchange services and goods by barter. Market is an actual place where sellers and buyers interact for trading for money. And in this case prices of both services and goods are established. To be competitive on the market, there should be more than one seller or buyer. However, competitive markets, as understood in formal economic theory rely on larger number of both buyers and sellers. Market concept is based on certain amount of people who has common needs and wants and parties that strive to satisfy desires of consumers better than their rivals (Bowie, Buttle, 2004).

Marketing performs a major role in the management of the enterprise in the leadership of all business processes in hospitality, which involves interaction with customers. Customer orientation has become the dominant in business philosophy and now successful firms directly interested in customer’s satisfaction. A major marketing role is to discuss and understand fundaments of customer’s satisfaction with stakeholders (Lusch, Webster Jr., 2011).

Marketing is a process of identification and satisfaction social and human wants and needs. One of the shortest definitions of marketing is “Meeting needs profitably” (Kotler, 2012).

Drucker said – “Marketing is not only specialized activities and selling of the entire business, but it is the final result from the customer’s point of view on the whole company itself” (In: Groucutt, Leadley, Forsyth, 2004).

Kotler said – “Marketing is the social process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others” (MarketingTeacher.com, 2014).

Production orientation is based on limited choice and mass production conditions. It leads to cost control, management strives, efficiency, increase in volume, and quality improvement. Basically, consumers are more satisfied with mass-produced and low-cost products.

Companies that had accepted product or service orientation are pretty sure, that their consumers can be completely satisfied with only a specific product or service. Managers are focused on evaluation of existing product. For instance, companies in hospitality industry, such
as restaurants with celebrity chefs are part of product and service orientation. These chefs serve type of food, which they think customers want to be served.

Organizations accept selling orientation when products and services compete on the market, where supply exceeds the demand, and growth meanwhile is declining. This aspect forces management to concentrate on high and aggressive sales to make a profitable investment. Organization with selling orientation accepts sales, despite the suitability of business and consumers.

Companies accepting marketing orientation evaluate that consumers have significant amount of choices on the market. Companies, which desire to have long-term profitability have to know, serve, and understand consumers radically better rather than competitors. To succeed high performance of the business organization has to identify and understand customers’ wants and needs and to fulfill their expectations better than competitors.

Social marketing orientation faces and succeeds conflict between customers’ wants and needs and on the other hand it is responsible not only looking after staff members but also after consumers (Bowie, Buttle, 2004).

1.2 Marketing Mix 7P’s

Marketing activities are those actions an organization can take for the purpose of facilitating commercial exchanges. There are categories of marketing activities that are particularly important, which are traditionally known as the four elements of the marketing mix (Schindler, 2012).

McCarthy said: “Marketing mix is the set of marketing tools – often summarized as the ‘four Ps’: the product, its price, Promotion and place – that the company uses to achieve its objectives in its target market” (In: Baker, 2003).

All the marketers in hospitality industry start with the definition: “Putting the right product in the right place, at the right price, at the right time” (Cook, 2012).

Cotemporaneous Marketing is pretty far from the classical idea of it in the middle of 20th century made by Kotler. Today it does not have any value, what right in the industrial epoch. Nowadays, the basic premises of marketing developed in several directions, to adapt to new
reality and modern features of the economy. There are additions to the marketing, new concepts that go beyond the axioms of classical marketing, for instance, widely used today brand concept. However, each new modernization is another patch on the dilapidated building. The development intermarketing (internet marketing) helps to free your mind from limitations, and it can fundamentally change idea of the problem of business development (Bowie, Buttle, 2004).

Marketing mix was first introduced by E. Jerome McCarthy, who had invented the four Ps, which nowadays serve as a system of classification of variety marketing elements. Marketing mix is a combination of factors in order to satisfy a target market. It is a constant questioning procedure in order to improve existing or create a new product, selling it at a new price, distributing it at a different place and choosing the other ways of promotion (The University of Maryland, 2014).

Traditionally, marketing mix has been developed for the fast growing consumer goods sector, and there were four Ps: Product, Price, Place and Promotion. And as for the service sector, here it became more aware of marketing, and additional Ps have been invented, such as People, Process and Physical Evidence (Clarity marketing Ltd, 2005).

However, the additional three Ps had been invented to maximize the performance of the organization, which are: People, Process and Physical Evidence.

Figure 1: 7P’s Marketing Mix

Source: (www.professionalacademy.com, 2014)
1.2.1 Product

Goods and services are probably the two sides of the same coin, which is Product. Goods are the tangible item of product, meanwhile service is intangible one. But both of these items had been created in order to satisfy customer’s needs and wants. And here below is a figure describes the statement above.

Figure 2: Tangibility and Intangibility of product

<table>
<thead>
<tr>
<th>Goods</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tangible</td>
<td>Intangible</td>
</tr>
</tbody>
</table>

Source: own processing based on knowledge

However several things should be taken into consideration to increase product range and maximize guests’ satisfaction, which are: quality and design; benefits and features; packaging and sizing (Clarity marketing Ltd, 2005).

Meanwhile, as it was motioned above, the specific types of questionnaire should be invented, to have the crystal clear picture in front what kind of product the organization is selling (The University of Maryland, 2014).

Here below is a list of questions, organizations should take into consideration in order to evaluate (Bowie, Buttle, 2004):

- What is the name of the offered product? (Brand)
- The ambiance of the product? (color, size, design, etc.)
- Where, how and who is able to use it?
- Customers’ expectations from the offered product?
- Type of offered accommodation? (ship, hotel, etc.)
- Costly features of the product?
- What is the level of competitiveness?
- What is the range of offered services?
- How does the product satisfy demand
However, product is not only what was mentioned above, but it also include aspects such as, Life Cycle, Positioning, Branding and Differentiation which will be described below.

**Product Life Cycle**

Figure 3: Product Life Cycle Template

![Product Life Cycle Template](image)

Source: (FPPT.com, 2014)

PLC is divided by four main stages to define revenue of the product. The duration of the PLC can be short-term, as a few months or long-term, as several decades.

First stage of PLC is Introduction

When the product had been introduced to the market, sales are pretty low until customers acquaint its benefits. Some organizations can inform about their product in advance, before it was introduced on the market, which may lead to high preparedness of competitors and may fetch down the moment of suddenness. To make the product recognizable by consumers, advertising and distribution costs are incredibly high at this stage. High expenses interconnected with low volume of sales make a negative profit in the introduction stage. The important moment in this stage is to build a strong demand of the offered product. Here below are the main elements of the marketing mix of the introduction stages (Business Knowledge Center, 2010).

Second stage of PLC is Growth

This stage shows us period of the revenue growth. More customers become familiar with the product. This stage evaluates market segmentation, which means product targets on specific
level of customers. Product at this stage is succeeded and consumers already ask for it, and sales started to increase. The distribution of the product also takes place in this stage of the PLC, to attract more customers. Also this stage can constitute the threat to the organization in the face of competitor, which may lead to an increase of promotional costs in order to make the particular product unique. The main goal of the growth stage is to maximize the level of sales and gain consumers preference. Here below are the main elements of the marketing mix of the growth stage (MarketingTeacher.com, 2014)

Third stage of PLC is Maturity

This stage is the most profitable, comparing to others. Sales here keep increasing, but slower. Product at this stage has already evaluated a strong brand name, which means no need in reinforced advertising expenditures. Organization should increase differentiation of the product to competitors, because at this stage products on the market can be very similar. Companies make an effort in this stage, to increase the usage of their product and convert non-users into particular consumers. The main goal of the maturity stage is to extend the PLC. Here below are the main elements of the marketing mix of the maturity stage (Business Knowledge Center, 2010).

Fourth stage of PLC is Decline

At this stage sales begin to decline, because of the product desuetude stage and possible changes in consumers’ taste. Profitability maintains longer if product is loyal enough. Costs of product may simultaneously increase with the decrease of the production volume, and obviously no more profit organization will gain (Mindtools.com, 2012).

However, company has 3 main options in decline stage, which are:

- maintain the existing product by reducing expenses and find new target market
- harvest the product by reducing marketing and other expenditures
- product discontinuance (meaning no more profit)
Here below are main elements of the marketing mix of the decline stage:

**Figure 4: The product death spiral in Decline stage**

Revenue decline

Rayroll reduction

Expense reduction

Dissatisfied customers

Revenue decline

Source: (own processing based on knowledge).

**Product Positioning**

Positioning is an essential part of the product awareness on the market. It creates an image of the product itself and lays deep down in the consumers’ mind. Positioning has two meanings: first is a verb, meaning developing set of instructions and tools, in order to control and influence the product market place to any competition; the second meaning is a noun, which can lead to attribute associated with the particular product. Basically, positioning is not what company particularly does to the product, but what company does to the mind of potential customers. Positioning provides an efficient answer to the question “What do you do?”, however the answer should be made from the consumers’ point of view, meaning what the particular product had made for customers to make them want it. Clients create an opinion concerning to the product, which arise in relations with competitors on the market (MaRS Discovery District, 2013).

Positioning strategies

The list of following positioning strategies can help an organization to move the right direction, in order to influence customers’ awareness and desire to have particular product.

1. Against a competitor: positioning of the product absolutely vice versa the preferred competitor’s requirements.
2. Away from a competitor: positioning on the market opposite a competitor, using other product to help company to attraction more customers.

3. Benefits: here, organization should be focused only on the benefits itself of the product, not thinking about competition, in order to attract more audience.

4. Product attributes: company should definitely highlight the main attributes of the product.

5. Product categories: comparison of the product to a product of absolutely different category can be an effective way of product range.

6. Usage occasions: this stage of positioning simply and effectively uses for the target audience (On The Mark, 2005).

**Product Branding**

Brand is a term, which includes symbols, terms, names and design, in order to make product a unique item, which is obviously differ from competitors on the market (Handlin, 2014).

“A brand is a complex symbol that can convey up to six levels of meaning” – said Kotler.

6 levels of meaning (own processing based on knowledge)

- Attributes – meaning quality of the product and brand itself, performance and good engineering

- Values – prestige of the brand

- Benefits – safety requirements, feeling of safety

- Culture – creativity and even efficiency

- Personality – brand would have its own personality, which can easily and effectively catch attention

- User – suggests types of potential customers
However, marketers have three main strategic alternatives, which are individual branding versus family brands; manufacturer branding versus private brands; and co-branding

- Individual Branding versus Family Brands

Individual is type of branding, which has a tactical approach used by companies, in order to create product individuality. It is effective and efficient in case if organization sells variety of categories, for instance hotels and independent restaurants, which also leads to an increase in different audience.

However, companies which offer different items but in the same category, such as Hilton hotel proceed selling of rooms and food and beverage outlets under the same platform, which is called Family branding (Handlin, 2014).

- Manufacturer versus Private Brands

When brand itself directly linked to manufacturer of the same product, it is called manufacturer brand, also it is called national brand. This branding strategic alternative marketer chooses when company has a strong image and place on the market.

Hence, some not well known and differentiated products on the market benefit from being connected to stores where these product are directly purchased (Quelch, Harding, 1996).

- Co-branding

Co-branding is a strategy that creates a new product which is connected to the existing well-known brand. However there are three main distinctions of the approach which are: ingredient, cooperative and complementary branding.

Ingredient branding is when a product is fundamental for another product, for instance a mix of ice cream with well-known alcohol brand. Cooperative branding means content of two or more brand which allocates promotion of the product. For instance, both Hertz and Hilton Hotels can share the same advertising strategy and cooperate in holiday vacationers. And as for the complementary branding, in this case brands kind of cooperate and offer benefit for customers of using both, and the example of this branding approach can me a cafés in cinemas. (Handlin, 2014)
**Product Differentiation**

Product differentiation is a marketing strategy in order to gain a frame over the competition. This strategy is useful in case if managers want to make their product which is similar to competitors’ a USP (Unique Selling Point) on the market and gain more customers’ attention. Product differentiation is an obvious difference, such as features or physical attributes of the offered product to all other alternatives on the market (Education Portal.com, 2014).

However there are three main types of differentiation, which are: vertical, horizontal and mix differentiation.

**Vertical differentiation**

It is a type of evaluation of the value and quality of all the products on the market from the highest to lowest. Basically, is it a way of judging which product is better than the other one. And basic segments of product evaluation are: class, price and features which are influenced by three main aspects: high, middle and low (Piana, 2003). Here below is an example of vertical product differentiation.

**Table 1: Vertical Product Differentiation**

<table>
<thead>
<tr>
<th>Class</th>
<th>Price</th>
<th>Features</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>Low</td>
<td>Cheap product / Low production costs</td>
</tr>
<tr>
<td>Middle</td>
<td>Middle</td>
<td>Mass market brand / Middle production costs</td>
</tr>
<tr>
<td>High</td>
<td>High</td>
<td>Exclusive product / High production costs</td>
</tr>
</tbody>
</table>

Source: (own processing based on knowledge).
Horizontal differentiation

If vertical differentiation is a description of the product concerning to market and covers more external aspects of the product, which were mentioned above, but as for the horizontal differentiation, here the description of the product is more based on the internal factors, such as color, style (unique / old fashion / modern), shape, and etc. Horizontal differentiation is a difference of the product is based on the subjective opinion of the customers, and a chocolate/or vanilla ice cream is a good example of such evaluation.

Customer subjective choice is not influenced by any of the aspects. Some consumers just prefer chocolate to vanilla ice cream. However, the preferred ice cream does not relate to product line structure, but it directly relate to customers themselves (feelings, preferences, and etc). In horizontal differentiation suppliers invent a unique price for all the items, meaning no matter what it is a chocolate or vanilla ice cream, and price would be the same. For instance, in some restaurants the price level for all the desserts will be the same. Using this type of differentiation let customers feel free to choose and express personal preferences from all the offered alternatives(Cremer, Thisse, 1991).

Mixed differentiation

Majority of marketers prefer to use a mixed differentiation method, meaning using both vertical and horizontal differentiation. And a great example of this method would be a car market. Some consumers explore all the alternatives offered by market; however others dramatically reduce the number of offered options. Some people analyze all the aspects, features of the product; others are focused only on the highest features or aspects. Some people take into consideration strengths and weaknesses of the product, however others have minimal requirements. The ones who follow the high standers can be called “highly sophisticated” consumers; the other group of customers is called “simplifiers” (Piana, 2003).
1.2.2 Price

Price is one of the primal elements of marketing mix. It is a value that had been put for a product. Basically, price is a quantity of money stated in currency consumer exchange for an advantage for usage of the product. Pricing is important because it is based on the positioning of the product. Besides, price influence on the marketing mix elements such as promotion, product, advantages and etc (Bowie, Buttle, 2004).

Pricing decision is crucial in order to run a successful business taking into consideration short-term and long-term strategies. Pricing should be considered to several other elements, such as price strategies, payment method, discounted price and types of prices, which can drastically improve sales of the organization (Clarity marketing Ltd, 2005).

- Price strategies

Companies may use variety of price strategies, taking into consideration own unique objectives in order to maximize volume of sales (Richards, 2014).

Here below will be describes the main ten pricing strategies organizations should take into consideration in order to maximize profit (Learn Marketing.net).

Table 2: Pricing Strategies

<table>
<thead>
<tr>
<th>Pricing Strategy</th>
<th>Definition</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Penetration</td>
<td>Company is trying to set the lowest price in order to increase market share and sales</td>
<td>A satellite company sets low prices and when the customer base will be increased, rise prices</td>
</tr>
<tr>
<td>Skimming</td>
<td>Company at first sets high prices, but then slower them in order to increase the customer base</td>
<td>A game console company had made a price reduction over the last 5 years</td>
</tr>
<tr>
<td>Competition</td>
<td>Price has been set in comparison with competitive. However here company should choose to set higher, lower or the same</td>
<td>Some companies prefer matching price with competitors</td>
</tr>
<tr>
<td>Product Line</td>
<td>Pricing different products with different price level, however the product range is same</td>
<td>The DVD manufacturer offers different records with different prices</td>
</tr>
</tbody>
</table>
### Bundle

Group of products at a reduced price level. And they usually use the BOGOF method

This pricing strategy is common for supermarkets and groceries

### Psychological

Seller will psychologically influence customer by “reduced” price

Seller set price 199$ instead of 200$. It is useful because customer would think that the purchase of the product was less then 200$

### Premium

In order to reflect the exclusiveness of the product the price therefore set high

And the good example of this strategy would be Porsche, or Harrods – the first class airlines

### Optional

Company sells product in order to maximize turnover

Car industry is a good example of this strategy

### Cost Based

Company takes into consideration cost and distribution of the product to come up with the final price

In some industries costs are changing concerning to conditions, types and other factors and they set price according these factors

### Cost Plus

Here company adds percentage (profit margin) to costs and come up with the final price

For instance a bottle of whiskey costs 500$, however company adds 20% of profit margin and the selling price now is 520$

---

Source: own processing based on notes

### Price Discounts

Prices usually discounted for specific groups of customers in order to increase customer base and reward loyal customers. There are six main price discounts, which will be describes below (Business Knowlegde Center, 2010).

- Quantity discount – offered to consumers who purchase big amounts of a particular product

- Cumulative quantity discount – discount rate increases when cumulative quantity also increases. This type of price discount applies for seller with a large quantity purchases over period and does not want to have big orders
- Seasonal discounts – based on the time period of the purchase. For instance, travel industry has variety of seasonal discounts to attract more customers and high or low season. Seasonal discounts can be applied yearly, monthly or weekly.

- Cash discount – applied for customers who pay invoices in advance.

- Trade discount – type of discount which is offered to channel members which cooperate in order to have profit for both parties.

- Promotional discount – short-term discount applied to stimulate and maintain sales.

**Payment methods**

Payment methods are ways a potential buyer chooses in order to compensate the producer or seller of the necessary product (Business Dictionary, 2014).

Here below are the main methods of payment used by both consumers and sellers.

<table>
<thead>
<tr>
<th>Payment Method</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACH</td>
<td>ACH Network is an electronic funds transfer that provides a secure and efficient method of money flow</td>
</tr>
<tr>
<td>Cash</td>
<td>Cash is tangible form of currency, such as coins or bank notes</td>
</tr>
<tr>
<td>CC Reference Transaction</td>
<td>This method is useful in case, if you need to re-charge the credit card and do not store necessary information in database, the transaction can be made by CC reference, which uses the existing credit card information which is in the life and reuses it</td>
</tr>
<tr>
<td>Check</td>
<td>Check is a financial institution which inform about the specific amount and currency which should be paid</td>
</tr>
<tr>
<td>Credit Card</td>
<td>Purchasing can be made by credit card based on the promise of the card holder. Nowadays, only American Express, MasterCard, Visa and Discover cards can be used</td>
</tr>
<tr>
<td>Debit Card</td>
<td>Debit card, banking card, ATM card or check card is an alternative of cash to make a purchase. The concept of the debit card is a withdrawal directly from the bank account</td>
</tr>
<tr>
<td><strong>PayPal</strong></td>
<td>PayPal is a secure stored account that is connected with a credit card</td>
</tr>
<tr>
<td><strong>Wire Transfer</strong></td>
<td>A wire transfer is a payment method used to transfer money from one institution or person to another, using several methods</td>
</tr>
</tbody>
</table>

Source: (Zuora, Inc., 2009).

### 1.2.3 Promotion

Promotion is a set of activities taken to inform potential customers about the product, describe its advantages and make the product known and consumed. The role of promotion in marketing mix is to inform consumers about place and price of the existing product. Promotion is not just advertising, it is much more than this.

**Figure 4: Marketing Communications**

Source: (O’Neil, K., 2013).

### Advertising

Advertising is a mode of promotion with a message for potential customers, using channels such as mass media, radio, television, magazines, newspapers, brochures, billboards, web pages, direct mail or even internet can lead to a quick feedback for organization (Marc, 2014).

Here below in the table will be describes the advertising methods and some examples, to help you to understand this element more.
Table 4: Advertising Methods

<table>
<thead>
<tr>
<th>TYPE</th>
<th>BENEFITS</th>
<th>DRAWBACKS</th>
<th>EXAMPLES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Television</td>
<td>Mass awareness</td>
<td>Expensive</td>
<td>Food&amp;Beverage</td>
</tr>
<tr>
<td></td>
<td>Attractive advertisement</td>
<td></td>
<td>Vacations</td>
</tr>
<tr>
<td></td>
<td>Target market</td>
<td></td>
<td>Moto vehicles</td>
</tr>
<tr>
<td>Radio</td>
<td>Cheaper than television</td>
<td>No visual message</td>
<td>Local stores</td>
</tr>
<tr>
<td></td>
<td>Memorable ads (song)</td>
<td>Expensive</td>
<td></td>
</tr>
<tr>
<td>Newspaper</td>
<td>Mass diffusion</td>
<td>Not eye-catchy, if it is</td>
<td>Local products</td>
</tr>
<tr>
<td></td>
<td>Cheapest way of information</td>
<td>black and white</td>
<td></td>
</tr>
<tr>
<td></td>
<td>transmossion</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Big amount of information can be put</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Magazine</td>
<td>Advertisement places in specific magazine to</td>
<td>Published once per week/</td>
<td>Vacations</td>
</tr>
<tr>
<td></td>
<td>reach raeget</td>
<td>month</td>
<td>Perfumes</td>
</tr>
<tr>
<td></td>
<td>Colorful and attractive</td>
<td>More expensive than</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>newspaper</td>
<td></td>
</tr>
<tr>
<td>Billboard/Poster</td>
<td>Permanent</td>
<td>Can be missed</td>
<td>Vacations</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Big events</td>
</tr>
<tr>
<td></td>
<td>Seen by everubody who passes</td>
<td>No detailed information</td>
<td></td>
</tr>
<tr>
<td>Cinema</td>
<td>Visual positive image of product</td>
<td>Cinema lovers segmentation</td>
<td>Toys</td>
</tr>
<tr>
<td></td>
<td>Cheap enough</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Effective</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internet</td>
<td>Seen by everyone everywhere</td>
<td>Limited access in some</td>
<td>Everything</td>
</tr>
<tr>
<td></td>
<td>Posses a lot of information</td>
<td>areas</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>High level of competition</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>Cheap</td>
<td>Can be missed</td>
<td>Advertising of shop on</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>the bag</td>
</tr>
</tbody>
</table>

Personal Selling

Personal selling in business is when an organization is using people in order to sell a product. In another words it is a face-to-face meeting, where seller and potential customers are trying to discuss all the necessary condition and find a golden middle to from one hand sell the product and from the other hand purchase it. Sellers promote the product through different ways and attitude and knowledge. The main aim of the seller is to encourage the potential consumer to buy or at least to trial the offering product. Also it it very important to negotiate the price, give an advice to customer and how how to use or apply it. A good example of exactly personal selling can be an equipment, product that has complex features or high price (Riley, 2012).

Public Relations

Public relations is a way of communication used by organization to impress the target audience with an offered product image. This method can include speaking in public, seminars, and press releases in order to gain customer’s preference and awareness. Companies that are new and not yet known and with a small budget can use public relations method to communicate a brand image, increase awareness, and encourage potential consumers. Successful public relations programs can accomplish all the aspects mentioned above (Burris, 2014).

Direct Marketing

Direct marketing is another channel of promotion where organization offering product is trying to establish an individual and strong relationship with final customer. Direct marketing has been defined by Institute of Direct Marketing as: „The planned recording, analysis and tracking of customer behavior to develop a relational marketing strategies“ (Riley, 2012).

However there are several ways companies use in order to establish these strong relationships, which are:

- Direct mail – is a posted may which will advertise the product to potential consumers however, there are several types of direct mail, which are: postcards, catalogues, envelope mailers. This way of promotion disemminates to all teh customer of the marketing list.
- Telemarketing – another way of direct communication with customers, offering product but this time through telecommunication. However, this type of marketing invioles a good
research, planning and accurate information about the product so as about the consumer.

- Email marketing – is a simpler and cost-effective way of advertising and communication with customers, which include promotional emails, e-newsletters in order to inform about new existing offers.
- Text (SMS) marketing – this type of marketing allows organizations to inform customers about innovations individually or in large groups with low costs. Hence, these messages can be linked to official websites, where consumers can read the necessary information about the product.
- Leaflet marketing with dropbox – well-designed flyers or leaflets using dropbox is good, less expensive, simple and effective way of information distribution about the product and its features and of course can cover a large audience of customers.
- Social media marketing – an effective tool used by businesses to directly communicate with customers and regularly share necessary information. And also, this tool can provide feedback from customers about the offered product.
- Direct selling – this way of promotion is sufficient for low-cost business. Here, customers receive information about the product at home or workplace. Basically, direct selling includes methods like party plans and network, marketing or door-to-door sales (Queensland Government, 2014).

Sales Promotion

Sales promotion is a set of marketing activities in order to set short-term increase of sales of the offered product. Sales promotion is looking for alternatives that cost less but effective in a sales increase. This way of promotion mostly focused on price reduction, and money-off coupons, which are used to persuade a purchase is a good example of this representative. The BOGOF, 20% discount, free gifts attract customers, giving them opportunity to consume more spending less amount of money. More creative ways of sales promotion are up to marketers’ imagination. However, long-term activities, such as loyalty programs can help to retain consumers and boost sales (The Marketing Donut, 2009).
1.2.4 Place

Usually organizations do not sell the products directly to consumers. Place/distribution in terms of marketing is a mean by which companies deliver product from producer to customer in order to consume it. This is basically the main aim of distribution. Different consumer segment has different preferences and needs. However, there are several channels through which product can be distributed, which are; wholesalers, internet, retailers, agents, licensing and franchising, which will be described in details below (Friesner, 2014).

* Wholesalers

The aim of wholesalers is to break the bulk into smaller items in order to resell it by or to retailers. Also wholesalers provide a storage facility, for instance cheese manufacturer does not wait for product to get the maturity stage, and hence he/she sells product to wholesaler. Meanwhile, wholesalers reduce unnecessary physical contact between producer and customer. By the way, wholesalers take some marketing responsibilities, such as brochures and other types of advertising in order to attract more consumers (Kong, 2012).

* Agents

Agents are basically used on international markets. The aim of the agent is to secure product consumption, however will take commission. They take tendency to leave the title of the product under producer brand name. This strategy is used when product gets on the market soon after a purchase, and they call it, for instance “foodstuff”. However, agencies have some drawbacks, for example it is very expensive to train them, difficult to control and motivate (Friesner, 2014).

* Retailers

Retailers have very strong personal relationships with customers. They store several products at the same time. However, product will be merchandised and promoted exactly by them, and they have a right to set the final price of the product (12manage.com, 2014).
* Internet

Internet has a worldwide recognition and opportunity. And the main advantage of the internet is that product will reach large audience. Hence, there are pretty low entry barriers and comparatively small costs. Internet uses the e-commerce technology for variety of activities (MarketingTeacher.com, 2014).

* Licensing and franchising

Some organizations are experts in innovations; however the lack of experience in finance is present there. In this case licensing and franchising is an ideal opportunity for such business. Licensing is basically a contract which allows other business to provide service in organization according to its license. Licensing is useful in case if organization wants quickly to move to foreign country, if product producer costs, shipping costs are high enough to make some changes. Licensing gives opportunity to penetrate into abroad markets, control quality of manufacturing levels and has ability to introduce new raised models. However, franchising has similar opportunities with licensing hence, has to be used under the brand name and particular rules of the organization. The world known example of franchising is McDonald’s fast food chain (Friesner, 2014).

1.2.5 People

People - is an additional element of marketing mix. This is actually where everything begins. First of all it is very important to calculate the necessary amount of people demanded certain product in organization. There are varieties of products on the market which demand a certain people segment. “People portion” – person who has been hired, in order to accomplish certain operations and task. Basically, these are people who take care of customers in the organization. It is very important to recruit people who are interested in result of operation, meaning if these employees believe and like what they are doing, it will bring a positive effect on both organization and employee itself. Even though, people by themselves then put a feedback about the company, and it is necessary act, in order to minimize drawbacks and maximize benefits of the organization. It also can lead to a “team spirit”, which help first of all to work in team, and second of all make things as smooth as possible. We should also take into account,
that all what was mentioned above brings a competitive advantage on the market. Unfortunately, not all the organizations have the right people, which basically bring it down. Effectively and efficiently performing employees obviously make customers come back and hence, boost sales. Well educated and performed employees, is a future of any organization (Marketing Mix, 2013).

However, personal perception and desire to grow is not the only aspect of People. There are also two not less important aspects, which are included in the process of development of the organization, such as customer service and training, which will be described below.

Customer Service

It is an important aspect of marketing mix. Marketing today is based on the CRM, and relationships with people dealing with them daily. All the experiences of the customers are supported by customer service team. They provide support, information, coordination for the customers of the organization. The feedback of consumers is incredibly important for future development and customer satisfaction. There is a big difference between handling complains and losing customers. Both these aspects influence reputation of the organization. Nowadays there are several ways of customer service, which are: internet, telephone or face-to-face. People are willing to buy more from effective customer service. People are the consequential border between consumers and company. People buy from People, that is why proper relationships are vital. Customer service is a long-term goal for the organization (Friesner, 2014).

Training

Training is another important aspect of People. All the employees should be well educated and trained in order to perform according to high standards organization. The process of training should start as soon as the employee got into the company and started to perform. This procedure include: introduction of the culture within the organization, policies and processes. However different employees require different training levels, it depends on the level of knowledge and experience of the potential worker. Training constructed independently, setting personal goals which are linked to future development of both employee and organization. Training procedure can take place “on-the-job”, which means directly participation on the working place, or “off-the-job”, meaning performing in specially constructed areas, such as
college, training center and etc. However, the straight attention should be capped by CPD, when employees can see professional learning and rely on future promotion (Hrcouncil.ca, 2014).

1.2.6 Process

Process is another additional element of marketing mix. Some organizations see process as an outcome, for instance achieve 35% of market share. However there several stages of the process, which are (Friesner, 2014):

- Delivery of the value of all other elements of the marketing mix, which were mentioned above
- Feedback is not less important aspect for marketing, for future development of the organization
- Process can be modified according to preferences, needs and desires of individuals

However, there are several types of processes. Technological processes take into consideration product manufacturing, acclimatizing it for the needs and wants of customers. Electronic processes, which include EPOS, barcodes and loyalty cards. Also, processes include direct and indirect activities. Direct activities add significance of customer service and experience. However majority of processes supported by indirect activities, also known as a back office activities, which produce and perform service before, during and after the product consumption. Process is an element of marketing mix which meets the consumer’s experience and expectations and company’s offers. Here are some examples of process, which may help to create a picture about this element of marketing mix; greetings, transportation, food and beverage service, room service, additional services and etc. these are the important daily routine processes performed by the organization in order to gain customer’s satisfaction (Business case studies, 2012).
1.2.7 Physical Evidence

Physical evidence is the last but not the least additional very important element of marketing mix. It is the way product and anything about the business came out from the outside. This particular element of marketing mix will easily distinguish business from competitors. Physical evidence is used to premium price of the product and creates great experience. For instance, hotel provides beds, but the main condition that effect price is room conditions, meaning physical evidence. Obviously consumers will judge business based on physical evidence. For example, walking into the restaurant, the customer’s expectations are a friendly and clean environment inside. If the environmental conditions leave much to be desired, customers are more likely to walk away. Consumers should rely on exemplification, which gives them additional help to evaluate product before the purchase process. That is why marketers evaluate physical evidence to take these exemplifications into action. However, the main role of marketers is to design and implement tangible evidence, but as for physical one, it is intangible (Bhasin, 2014).

1.3 Marketing Mix analysis of the hotel “U Lišky”.

Hotel is a legal-organizational form of municipal establishment. This family hotel is the only hotel located in the heart of the Hoštka town, which is about one hour away from Prague. Hotel was established in March 2005. Earlier there were located two butcher’s family houses, with small textile, meat and food stores on the ground floor. However, in 2006, all the houses were sold to the AB CONSULT CZECH, s.r.o., and within a year these were completely demolished and reconstructed into the hotel “U Lišky”. However, the main, classical style of these buildings had been saved. The front of one building had been painted in a style of an old castle, but the external part of buildings was completely reconstructed into a hotel (own processing based on interview with CEO of the hotel).

1.3.1 Product

Nowadays these constructions place a role of the 3 star hotels, which is divided into two buildings: “U Lišky” and “Lindův Dvůr”. Both these buildings are constructed in classic style. The capacity of the hotel is 122 guests (own processing based on interview with CEO of the hotel).
The equipment and facilities of the main building, which is “U Lišky” are: manager’s office, conference room, restaurant, bar, frill area, outside fireplace, fitness center, sauna, solarium, swimming pool, massage salon, garden, pond with submarine life laundry and 19 guest rooms, which are divided into; 11 apartments, 8 double rooms and 1 triple room, however, hotel does have several drawbacks from the author’s point of view. There is no reception desk, hotel absolutely has not been designed for people having disabilities, and it also does not have room service (own processing based on interview with CEO of the hotel).

Facilities

As hotel has two buildings, the facilities and equipment of another building, which is “Lindův Dvůr” are: Harley Davidson restaurant, another bar, bowling, ping pong room, poker room, 3 additional conference rooms, another laundry room, play ground, one more nice pond, patio area and 18 guest rooms, which are divided into 9 double rooms and 8 triple rooms (own processing based on interview with CEO of the hotel).

It total there are 37 rooms in the hotel available for guests’ staying. The dimension of the room depends on the type of the room. In average, the double room is about 12-15 m$^2$. As for triple room, here the size is approximately 15-17 m$^2$. The apartment’s square is about 17-20 m$^2$ (own processing based on personal presence).

However, hotel is very small; all the rooms are equipped properly according to standards and have the necessary facilities, which are: telephone, alarm clock, kitchen dishes, tea/coffee, mini-bar with snacks, cooker, high-speed electronic kettle, satellite television, bathroom and WC (own processing based on personal presence).

Hotel “U Lišky” also recommends guests several sport and entertainment facilities, in order to скраситьнахождение which are close to hotel, but are not part of the hotel property: tennis court, bike trails, mountain wall, Skateboard Park and riding school, camping, hiking in mountains or lakes and night walks. However hotel has other additional features, which bring benefit for guests, such as childcare, which is a very important aspect for families; parking is one of the main advantages of the hotel. Hotel is located in a small town, so basically the entire guests come from other cities or even countries; personnel speaks all required languages, which are: Czech, German and English; if foreign guests wants to enjoy the hotel facilities which were mentioned upper, they need a Czech currency, and for this case hotel provides an
exchange for them; and of course hotel provides the wireless connection for the guests (own processing based on interview with CEO of the hotel).

Figure 5: Imagines of the hotel “U Lišky”

Source: (personal photos of the hotel).

Food & Beverage outlets

As it was mentioned above, hotel has two buildings with two different food & beverage outlets. The capacity of the restaurant in “U Lišky” is 110 people, and as for the other building, which is “Lindův Dvůr”, the Harley Davidson bar and restaurant can have at once 80 people. It is of course worth to say that both restaurants, which provide Czech cuisine, are made in very unique and unrepeatable styles. As for the first restaurant, which located in the building “U Lišky”, there the whole area is made of wood; floor, walls and ceiling. Variety of interesting, old and unique things, some of them is even difficult to find nowadays are hanging all around the restaurant, such as stuffed animals, birds, furs, carpets, different types of weapon: arbalest, bows, narrows, different guns, very artificial silver and mental teakettles, irons and etc., seems like several generations were collecting all these unique things. Despite the fact, that restaurant may seem a little bit scary, guests and visitors relate this place as a museum (own processing based on personal presence).
As for the second food & beverage outlet which is, located in “Lindův Dvůr”, it is very unique and interesting, however it is made from wood. The thematic style is different comparing to the first restaurant, which was described upper. This restaurant is sort of a Harley Davidson point with variety of HD signs, name boards, different kinds of whiskey, beer and other drinks. Besides, there are several facilities such as bowling, ping pong to make guests fell even more pleased, relaxed and simply enjoy the atmosphere (own processing based on personal presence).

**Events**

Hotel is really trying to make its guest feel as comfortable and pleased as possible that is why they invented variety of event facilities to increase guest’s satisfaction (own processing based on interview with CEO of the hotel).

- Yearly coming festival, to diversify inhabitants’ and guests’ life
- Once or twice a month hotel invites bands, who play live music in the Harley Davidson bar.
- Four times a year, German businessmen come to have conferences. This happens because hotel “U Lišky” is located very close to Germany. Hotels is situated in the heart of gorgeous nature and supply guests with cozy and nice atmosphere
- As the Labe canal surrounds the Hoštka town, a yearly regatta competition takes place nearby Hoštka, and in this case hotel with pleasure offers facilities for sportsmen. Furthermore, once there was a World rowing style championship. Consequently, sport is a very common aspect for this area, and hotel welcome and takes part in such events
- Hotels also is pleased to provide celebrations of birthdays, anniversaries, graduations and etc

**Seasonality**

Hotel’s high (red) seasonality is spring, summer and the last winter month. The low season is autumn and two first winter months. Spring is red season because as it was mentioned above, the regatta competition takes place in spring. Hence, summer is high season too, and hotel is hosting international sport teams, because it is pretty obvious that in summer a big range of outdoor facilities is functioning, and the occupancy level is 100%. Then there are similar groups which we are hosting like “Letní Matematicko-fyzikální škola” bunch of nerd kids with lectors
are living in hotel and using our conference rooms. Another group which is coming every year is Teachers (usually ladies) from elementary and high schools on the extending course during summer holidays. During autumn is boom with teambuilding’s, company trainings, some management courses and etc. Insurance companies, ČEZ, big corporate companies are training theirs employees in our conference rooms. Hotel is occupied for three rooms with capacity of 40 people. However during summer till December occupancy level is shifting from 30% - 100%, it depends if this week is some kind of group in hotel or not. For instance, one week hotel can have 80% and when groups are leaving, it has one week only Alston workers, which is about 30%. Basically in average, the occupancy of the hotel is fluctuating around 60 % of the total occupancy of red season per month. And as for the December, it is high season, because a lot of families come on Christmas and New Year holidays to spend together. They come to hotel “U Lišky”, because they want to be away from home, daily routine life and simply enjoy cozy and friendly atmosphere. However, talking about autumn and the rest two winter months, at this season its very cold, rainy, no more holidays and it is time to get back to work. From February till April is a very low occupancy, they call it “offseason”, only some businessmen from the Alston constructing company and the occupancy level is about 25% (own processing based on interview with CEO of the hotel).

**Customer base**

As it was mentioned above, German border is very close to that hotel that is why a lot of businessmen from the reconstruction company “Elektrárna Mělník” come to have and lead conferences in unusual, however cozy and friendly atmosphere. However, not only businessmen come, but also a lot of German families and couples and just tourists come for 3-5 days usually at summer to enjoy nature, canal, cleanliness and silence, fresh air and unique contractions, monuments ands castles of the Hoštka town. Also should be mentioned those festivals which bring a big audience, or Harley Davidson fans. Every evening local population comes to have a glass of beer or traditional Czech cuisine and to enjoy the uniqueness and atmosphere of the both restaurants offered by the hotel (own processing based on interview with CEO of the hotel).
Table 5: Customer base percentage

![Customer base percentage chart]

Source: (own processing based on interview with CEO of the hotel).

Figure 5: The border of Czech Republic and Germany

![Border map]

Source: (Googlemaps.com, 2014).

As for the PLC, the author’s point of view is that hotel “U Ilsky” is at the stage of maturity as it has the 100% of occupancy in high seasonality. This stage is the most profitable, as it was mentioned above in the PLC chapter. Hotel at this stage has already created a customer base and pretty strong name for this and nearby area. Not need to reinforce advertising expenditures. However, hotel still can innovate, menaing espandign own facilities and equipment to get the higher guets satisfaction.

As for the positioning strategy of the hotel, here as far as the author is concearned, hotel uses the usage occasions strategy, which means hotel simply and effectively uses the target audience, meaning loyal customer base and yearly incoming tourists.

According to branding of the hotel, here authors consumes that hotel uses individual branding. As it was mentioned above, this type of branding is used to create hotel’s individuality. Hotel “U
Lišky” does not look at other competitors, or copy its image, they want to be independent and individual.

Product differentiation is another aspect of product, and here from the author’s point of view hotel “U Lišky” uses the horizontal differentiation, meaning the description of the product is more based on the internal factors, such as color, style (unique / old fashion / modern), shape, and etc., as it was described in the product differentiation chapter. Its types of differentiation based on subjective point of view of the customers, which consequently made a feedback.

### 1.3.2 Price

As it was mentioned above, hotel has 37 guest rooms. However, hotel does not differentiate room’s category and room fee, which is fixed. No matter which type of room will be occupied, the price will be 660 Czech crowns per night including breakfast. Hotel does not have single rooms that are why if guest stays alone in any kind of room; he/she will pay 860 Czech crowns for staying per night including breakfast. Hotel has some standard price depends on the negotiation power of groups which it is hosting. If it is a group of 60 people, they have bigger lever and we are trying to fulfill their demands. If it is good non-problematic group which hotel has already hosted, it provides also some discounts. So basically they call it loyalty program, but there is not any official policy about it, because it is a negotiation of two companies every time of 2 companies, and everything is set in contract at amount two month in a advance. Hence, hotel provides special discounts on accommodation and meal tickets (stravenky) for the businessmen from Reconstruction Company and loyal customers. And the second aspect, why hotel is not influenced by pricing strategy, because this is the only hotel in the town. Even the seasonality does not influence pricing strategy, because all the prices are fixed (own processing based on interview with CEO of the hotel).

As for the pricing strategy of the hotel, here as far as author is concerned it uses penetration, meaning hotel is trying to set low price in order to increase market share, sales and of course guests’ satisfaction.
Author’s point of view on price discounts here, hotel uses cumulative quantity discount, which means guests do not stay long in the hotel, about 3-5 days, as it was mentioned above, however, they come several times a year, which leads to exactly this type of price discount.

As for the payment method, here everything is pretty obvious and simple; hotel “U Lišky” uses payments with credit card, debit card or cash in both currencies; euro or Czech crowns.

1.3.3 Promotion

Hotel does not really use verity of promotional channels; however the occupancy level is still high. However, of course some of the channels the hotel uses in order to still be competitive. As for the advertisement, hotel uses billboards in and near the town to attract additional attention. And also distribution of flyers in Germany has been mentioned. However, all these ways of advertising and promotion are pretty expensive for a small family hotel; hence it is not really necessary with high occupancy. As it was mentioned above, the majority of guests of the hotel are German business and international tourists, which are part of the loyalty program and basically there is no need for the extra advertisement. Here are the websites, where potential customers can be a little bit aware about the hotel “U Lišky”: official website ulisky.com, hotelypenziony.cz, tripadvisor.com, prostoryproakce.cz, firmy.cz (own processing based on interview with CEO of the hotel).

Personal selling

The operational manager a charismatic man, managing also variety of other business traveling around the country and Germany is promoting the hotel “U Lišly”. Meeting different people according to his own plans, he is providing necessary information about the hotel and attracting them to visit it.

1.3.4 Place

The official website of the hotel “U Lišky” can basically give all the necessary information about the hotel and its facilities and equipment. First of all, it is made in three languages, which are English, German and Czech, which is not really common for small family hotels, however necessary according to the customer base. The second thing, which was noticed by the author
looking through the website, is that it has four main parts, which are: room facilities, food & beverage outlet, additional equipment and facilities and the last but not the least is events. Everything is described in details, colorfully, providing imagines of the hotel. Simply saying, they provide all the necessary information about the hotel to aware potential guests about everything in advance.

However, there is another method hotel “U Lišky” uses in order to attract customer and create awareness about this hotel is travel agencies. It is one of the best and easy ways of customer attraction because it is international. From the interview with the CEO of the hotel, author figured out several travel agencies which have all the necessary information in order to improve sales of the hotel, which are: ČEDOK, AGM Travel s.r.o., Green & Gold Ltd. (own processing based on interview with CEO of the hotel).

1.3.5 People

Here below is a figure, describing the additional element of marketing People.

Figure 6: Departments and Personnel

Source: (personal presence).
As hotel is very small and does not have a lot of employee, there is no promotion or any kind of training. Mostly people working there are students or locals at the age of about 20-45. However is there are a lot of tourists, the resident manager should take onto consideration that Food & Beverage and Housekeeping should apply knowledge of foreign languages which were mentioned above. And of course quality of service is very important and as far as author is concerned this aspect works well if hotel has so many loyal customers.
2. Methodology

Introduction

This chapter provides an insight of the methodology of the research process of this work. The research objective is started by following the research strategy and tools, such as structured questionnaire in order to collect the necessary data.

Aim of the work

The aim of the work is to analyze and evaluate the 7P’s marketing mix of the hotel “U Lisky” and suggest future improvements.

Research questions

1. What are the elements, which do not require standards of a small hotel?
2. What are the promotional channels hotel “U Lišky” uses in order to increase awareness and occupancy level?
3. What are the distribution channels of the hotel “U Lišky”?

Methodology

The research will be implemented through use of mono-method, which is qualitative in this case, namely interviews with the CEO of the hotel Jitka Podpěrová with a deep description of the hotel. The result of the research was implemented in order to add knowledge, and suggest the chosen hotel “U Lisky“ improvements to consequently maximize sale and increase awareness about this particular hotel.

Research strategy

The research strategy of this work is a case study, the qualitative way of data collection, meaning introducing the new results, which lead research to new direction. In the case study strategy author will describe the internal and external elements of the particular hotel “U Lisky”. Also, the full evaluation and understanding of the hotel’s concept and ways of implementation different strategies, which were mentioned and described in the work and putting them into action (Saunders, Lewis, Thornhill, 2003).
Research instrument

The prefered way of data collection by the author was an interview with a structured opened and closed questions for the CEO of this particular hotel in order to answer the research questions of this work and during the interview, the interviewer gave the opportunity to talk freely, not putting her into time and answer frames. The interview took place in the Hostka town, where this hotel is basically located in order to demolish difficulties of online questionnaire. The questions has been constructed based on research questions. The interviewer had prepared in advance a list of questions which were orally proceed (own processed from MA program).

The And as for the last but not the list element of data collection was observation. In this case, the observation took place as an over praticipant, going onto details, for author it was more like observer as participant, which means that the data collection took place exactly in the hotel and interviewer could see everything what is actually going on in the hotel, from the operational point if view, and from the description of the whole product itself (own processed from MA program).

To conclude this chapter, all the tools and methods of data collection heloed the author to answer the research questiones, wjich were created before the work has been started and probably will bring a feedback to a hotel „U Lišky“ in order to impove it.
Findings

This chapter provides information answering the research questions, which are:

1. What are the elements, which do not require standards of a small hotel?

2. What are the promotional channels hotel “U Lišky” uses in order to increase awareness and occupancy level?

3. What are the distribution channels of the hotel “U Lišky”?

Answering the first question, here we can see that hotel “U Lišky” does not have a necessary equipment and facilities for guests, which were briefly mentioned in chapter analysis of the marketing mix of the hotel. However, here will be a detailed description of this aspect.

First of all this particular hotel does not have a reception area, which makes a very important process of check in/out, and other not less valuable procedure under the control of front office a little bit complicated both guests and operational manager. It means that if guest will need some help or support or information, nobody is basically responsible for it, so he should wait or look for other stuff members, who are already busy with the routine work. The second elements, which is missing in this hotel is a very small range of room types. As it was mentioned above, hotel provides only three types of room, and no matter how many people are going to stay there, even if it is one person, she/he should pay alone for the whole, for example triple room. The third aspect, hotel is missing a room service, meaning no food or drinks can be offered to a guest after the restaurants’ working hours. And the last but not the figure, which is obviously missing in this hotel is properly designed equipment and facilities for people having disabilities. Nowadays, people do not take into consideration this growing aspect of tourism. However, yearly more and more disabled people are traveling all around the world. We simply forgot that we need to take care of people who do not have some kind of abilities. But they are still few, because majority of hotels and this one is good examples, do not provide the necessary facilities and equipment in order to give these people opportunity to see and enjoy.

Answering the second question, here we can see that hotel “U Lišky” does not have enough promotional channels in order to increase both awareness and sales. As it was detail described above, hotel has only two ways of advertisement, which are; billboards in and nearby the town,
and flyers, which are distributed in Germany. And other way of promotion is personal selling, meaning a charismatic operational manager traveling around the country and Germany, offering to spend a vacation or at least weekend in this hotel. Hence, occupancy level of the hotel during the red season is 100%, meaning that no need for future improvement of promotion.

And answering the third question, about the distribution channels of the hotel, as the hotel is located in a small town, and has a low level of awareness, some actions should take place. However, hotel has only several travel agencies: ČEDOK, AGM Travel s.r.o., and Green & Gold Ltd., which can recommend, promote or sell to this product to potential customer.
Recommendations

This chapter provides suggestions and recommendations to the hotel “U Lišky”, in order to give the hotel opportunity to look at the drawbacks it has and make them its benefits.

First of all, according to hotel standards, the lack of reception area and other front office procedures, as it was said before makes the process is staying in the hotel for both guests and employees is more complicated. Hotel could have at least half a day receptionist, who will be responsible for all the complaints and delights during the day. As for the room service, people due to some circumstances cannot go and have or breakfast in the restaurant can simply had a meal during the day or after the evening. The variety of rooms in the hotel is very low, and people, staying alone would pay a doubly price. Hotel could implement at least two single rooms, and may be the other segment would join the loyalty family of this hotel. And the last element of missing standard of the hotel is a lack of equipment and facilities for people having disabilities. As it was mentioned in the upper chapter, it is a growing market and we should pay attention, support and give opportunities for such people to discover the world and enjoy this discovery.

Concerning to promotional channels, as it was mentioned before, hotel does not have a big range of promotional channels; however, the occupancy level in high season is 100%. So basically hotel does not have any issue in this field. But hotel could use other ways of advertising, for instance, radio, newspaper, magazines, direct marketing, public relations in order to attract new customer base, or even to increase occupancy in low season.

And as for the distribution, here from the author’s point of you it is black and white that hotel has some issues. Obviously it is not enough, to use travel agencies to increase sale and awareness. So, recommendations about this field from the author would be use more and variety of internet sources and of course increase the number of travel agencies, obviously having a structured, easily accessible, understandable and very important catchy information about the hotel.
Conclusion

The aim of the work is to analyze and evaluate the 7P’s marketing mix of the hotel “U Lišky” and suggest future improvements. Author has chosen exactly this topic, because she is interested in the influence of marketing on the product and how it can be transfigured to something new and much more beneficial for both consumer and organization. The research method that has been chosen for this work was an interview with the CEO of the hotel “U Lišky” Jitka Podpěrová with a structured questionnaire in order to collect the necessary data. In this work will be mentioned an explicit description of the marketing mix of this particular hotel and also suggestions and recommendations for the future improvement of the hotel. In the thesis had been described three main part, which are; Theoretical background bout the marketing mix, analytical part and application of the theoretical background on this particular hotel “U Lišky” and the ways and methods of data collection.

The theoretical background describes and explains the theory of the 7P’s marketing mix, and separately describing each of the elements of this marketing mix. The analytical part is about the application of the information and knowledge in previous chapter on this particular hotel. And the third part methodology describes the ways, processes and methods of data collection during the writing process. The structured interviews helped the author to get deeper in the hotel and understand all the functions, strategies, operations benefits and drawbacks of the hotel.

Consequently, hopefully this work can help at least this hotel to discover some issues, which have not been seen before and make some improvements in order to maximize satisfaction, awareness and sales.
List of reference


12. Switch Digital. Professional Academy. Marketing Theories – the Marketing Mix from 4P’s to 7P’s. [electronic print] Available at:


33. Marketing Mix, 2013. The Essential 7P’s To An Effective Online Marketing Strategy. Marketingmix.co.uk. [online] Available at: <http://marketingmix.co.uk> [Accessed 9 November 2014]


Appendix: Structured questionnaire for the CEO of the hotel.

1. Detailed description of the hotel;
   - Location of the hotel?
   - How many rooms are in the hotel?
   - What are the types of rooms of the hotel?
   - How many restaurants are there in the hotel?
   - What are the types of these restaurants?
   - How does the hotel look like?

2. Customer base of the hotel?
3. Pricing?
4. What is the capacity of the hotel?
5. What are the promotional channels of the hotel?
6. What are the offered facilities of the hotel?
7. What are the distributional channels of the hotel?
8. Personnel? (how many, responsibilities )
9. Occupancy level of the hotel?