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Marketing Management in the Lodging Industry

Michigan State University

Cooperative Extension Service

Recreation and Tourism Series

Robert W. McIntosh, Extension Specialist Tourist and Resort Program

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by Robert W. McIntosh, Extension Specialist,
Tourist and Resort Program

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INTRODUCTION

The most difficult and important part of the lodging manager's job is marketing — planning and accomplishing sales. Sales are the fundamental measure of the success of a business.

Marketing is probably the greatest intellectual challenge in management. To be effective requires imagination, understanding, intuition, knowledge, and information. This publication supplies some of the information needed to make the lodging manager more expertise in this important area of management.

Customer Orientation

Before you can increase your understanding and skill in marketing, you must understand the concept of *customer orientation*. This means that all management decisions must be made with regard to the likely response of your customer. Rate increases must first be analyzed for their probable acceptance by guests. Always begin by considering your customer's point of view rather than your own.

Market Segmentation

Another fundamental consideration is that of market segmentation — separating your customers into groups. Traditionally, the customer is segmented according to such variables as population, age, geographic location, sex, marital status, education, and income. While these classifications are important, there are others of equal importance which are not often used: customer attitudes, motivation, values, needs, appreciations. The customer should be segmented according to these variables since guest feelings, likes, enjoyments, preferences, etc., are extremely important.

MANAGING MARKETING EFFORTS

To increase the success of your marketing program, you must:

Study the Market— Which segments of the market have not been penetrated, or could result in increased sales? Identifying these areas of opportunity is one of the first steps to improved marketing management.

Set Objectives— Plan the Program— Successful programs are impossible without good planning. The marketing effort must be systematically planned in view of the markets to be exploited. How, when, and by whom, will the marketing program be carried out?

Implement the Marketing Plan— This will be determined by the requirements of the plan and available resources.

Evaluate Marketing Success— For continual marketing improvement, the success of each marketing effort must be constantly appraised.

Study the Market

There are two ways of looking at a lodging business— as a service organization, and as a marketing organization. A leading management authority stated, "if we want to know what a business is, we have to start with its purpose. And, its purpose must lie outside the business itself. In fact, it must lie in society, since a business enterprise is an organ of society. There is only one valid definition of a business purpose: to create a customer. Business actually has only two basic functions: marketing and innovation."

As manager of a lodging business, you can create

a customer through advertisement, sales promotion, and public relations. Behind each of these are: origination, imagination, appearance and appeal, salesmanship and hospitality.

Your guests determine what your business becomes. They convert economic resources into wealth when they rent rooms and buy meals and other goods and services. What your guests consider "value" and think they are buying determines what your business actually is, what it provides, and whether it will prosper.

Some important questions must be answered before marketing policy and investment decisions can be made:

- Who are the present guests? What do you know about them?
- Who are your potential customers and guests? Where do they live? What are their vacation and travel accommodation preferences?
- What are customer purchase habits and preferences for shopping, entertaining, etc., while at your resort, motel or hotel? What important accommodation needs do you not supply at the present time?
- What is your situation with competitors? What is your share of the present market?
- What are present and likely future trends in accommodations?
- What are the prospects for increasing business in the future?
- What kind(s) of marketing program(s) are needed? How implemented, etc.?

Careful review of these kinds of questions will give you the data needed to improve your marketing program.

Knowing Your Guest

To improve your marketing effectiveness, guest preferences must be known.

A guest questionnaire is the most useful and practical way to discover guest preferences. A simple, one-page form such as shown in Fig. 1 can be placed in each guest's room. Careful tabulation of the results over at least one season will yield useful information.

The room questionnaire can be supplemented with a personal, oral survey. A specific group of questions like, "How did you happen to stop here?" are asked of each guest. These are tabulated as soon as possible after the interview so that information is not lost. A good system is to list key questions at the left with a place for tabulation and typical remarks at the right.

A constant effort to survey guest preferences will pay off in increased guest satisfaction and success for your lodging business.

Every Employee — A Salesman

Among the essential concepts every employee should understand is that of "marketing." He must realize that the way he performs his job vitally affects the sales success of the business. He should understand the importance of improving the image of the business and the relationship of raises and promotions to business sales. The same concept should be inculcated into the mind of each department head. He should be convinced of his direct and indirect marketing responsibilities. The department head should then see that each employee under his supervision follows through as a marketer of the business.

Set Objectives — Plan the Program

A managerial study of marketing opportunities should lead to a list of objectives which appear to be attainable and specific marketing plans needed to meet them.

There are two types of marketing planning: 1) "end results", such as setting the advertising budget, and 2) "means to an end", or determining the courses of action which are to be taken to meet marketing goals or objectives.

Obviously, a close and interdependent relationship exists between these two types of planning. "End results" planning will affect the outcome of "means-to-an-end" planning.

A good marketing plan demands a clear definition of the various objectives and careful consideration of methods, policies, procedures and time.

Objectives should be separated as clearly and specifically as possible. Then, organize the methods, policies, and procedures which will apply to each objective. This will make it easier to tackle planning jobs directly with a minimum of confusion. For example, suppose you decide to improve direct

Guest Questionnaire

Dear Guest:

Your assistance in helping us provide the very best in lodging and related services will be most valuable to us, and at the same time, help improve accommodations and services for yourself and other guests. Thank you.

1. Do you find this room attractive? Yes No
2. In what ways could we improve its appearance and appeal?

3. Is your room comfortable? Yes No
4. How could the room be made more comfortable?

5. Do you have any comments regarding the bath?

6. What about the room's equipment such as beds, lamps, radio, T.V., hangers, lights, etc.?

7. Do you have any other comments or suggestions?

Please place questionnaire in the attached envelope and leave on Desk. Thank you.

Manager

Figure 1 — Example of a guest questionnaire form.

mail advertising. One key "end result" plan might be to increase spring and fall occupancies 10 percent. Your "means-to-an-end" plan might suggest a quarterly newsletter. Specific planning could include 1) gathering samples of newsletters used by similar businesses, 2) planning the format of the newsletter, 3) deciding on the types of material to be used, 4) organizing the writing tasks, 5) obtaining a mailing list and 6) finding a creative printer who could do an excellent job at a reasonable price.

Determine Priorities

Establishing priorities for marketing planning is another important step. More easily attained objectives should be tackled first. There may be short range and long range plans and day-to-day plans. The success of short range and more easily attained plans will increase your confidence and ability to achieve more difficult and longer range plans.

Integrate Plans

Since each plan involves policies, budgets, procedures and programs, and each of these affect

each other, all marketing plans should be integrated.

This interdependence can make planning complex. Isolated plans are extremely restricted. If your marketing plans are well integrated, they will support each other and contain a consistency of purpose. The newsletter previously mentioned could support an expanded highway sign program and radio advertisement in cities where recipients of the newsletter reside.

Advantages of Planning

One of the most important advantages of planning is making activities related to marketing more efficient and purposeful. An effective sequence of efforts will minimize wasteful and non-directed efforts. Good planning allows for greater utilization of available resources. Planning also provides a measure of performance. When marketing plans are clearly spelled out, achievements can be measured step by step, against prepared plans.

The entire marketing effort can be brought into focus through good planning. This provides a fuller understanding of each of the parts of the plan, an appreciation of the basis upon which managerial actions are supported, and identification of marketing problems and potentials.

Limitations of Planning

The most serious limitations of planning are inaccuracy and incompleteness of information concerning the future.

Planning is also limited by the amount of time and effort which can be devoted to it. While planning can help maximize efficiency and results, its existence must be justified.

Planning may also delay some desirable action programs. Overall, however, good planning increases the surety of plans and minimizes risks. More time and effort is required to accomplish marketing goals by those who do little or no planning than by those who plan in a careful, integrated manner.

Organize Your Efforts

To achieve the greatest impact, all sales efforts, or marketing, should be as closely knit as possible. Sales efforts can be separated into three types. Media promotion, and similarly related promotional activities are termed *advertising*. Specific marketing activities, such as setting sales policies, personal sales solicitation, training of personnel at all levels for selling efforts and similar functions are called *sales promotion*. *Public relations* work supports the entire marketing effort.

There are many advantages to integrating all three of these marketing functions under the single leadership of a marketing manager (Fig. 2). If marketing activities are subdivided as illustrated, it is important that the total effort be coordinated.

Implement the Marketing Plan

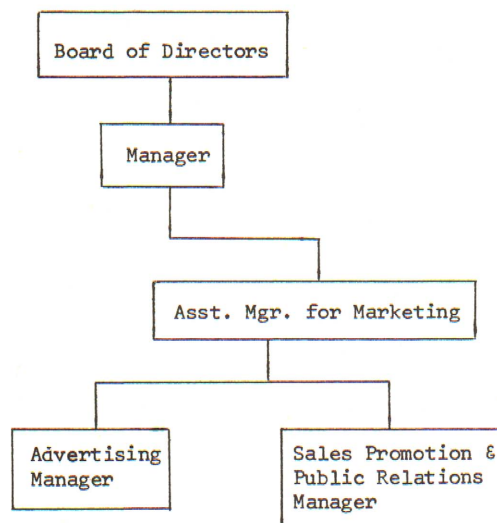
Implementation of the marketing program will be influenced by the location, size, facilities, etc., of each individual business. It will also depend upon 1) relative importance of the various sales efforts to the business, 2) overall form of marketing organization which has been established for the business and 3) the number, placement, and diversity of marketing and sales activities carried on at various levels of the firm. There may be other "built-in" determinants of marketing methods, such as the philosophy of management and the type of clientele catered to.

In a small motel of up to 50 rooms, the responsibility for marketing would likely fall upon the manager himself. For a larger organization, perhaps 50-200 rooms, the assistant manager might be in charge of all marketing activities. A large accommodation business, one with more than 200 rooms, would have a marketing staff. This staff would be headed by a director of sales who would have assistants assigned to him for the various functions. Director of sales is usually considered a staff position under the general manager. Reporting directly to the manager, he is responsible for all staff persons under him as well as for the entire marketing and sales efforts. Large organizations may also include a special director of advertising and a director of public relations.

Outside Assistance

Most sales organizations require expert outside assistance. These are almost a part of the sales organization. Examples are: consulting firms for sales and marketing, advertising agencies, and media specialists, such as newspapers, printing shops, photographers, artists.

Figure 2 — Example of the marketing organization for a large inn.



Evaluate Marketing Success

Periodic review of any management procedure is essential for continual improvement. Marketing, sales promotion and advertising data should be carefully assembled and analyzed. Statistical analysis is the best way to determine the efficiency and effectiveness of the campaign. Decisions are best made from factual data, not from guesses or hunches.

If marketing and promotional plans have been carefully and thoroughly made, it should not be difficult to measure results. Find out what has been accomplished and then review these findings, considering the cost and potentials for further progress.

Compare what has been accomplished with what was planned. Try to discover the reasons for any shortcomings. If these shortcomings can be controlled, do so.

Here is an example of how a marketing program that involved the addition of road signs might be analyzed: As each guest registers into the lodge, the desk clerk could ask, "How did you happen to select our place, Mr. Smith?" If he said he saw the road signs, this would be an indication of the effectiveness of this new program. The same technique can be used with any other advertising effort, over at least one season to determine the immediate effect of the program. Always tally guest replies as soon as possible.

ADVERTISING SUPPORT FOR MARKETING

Fundamentals

Advertising can be defined as paid, public messages designed to describe or praise your business. This can be done through the use of posters, newspapers, radio or other media.

Effective advertising gains the attention of the prospective guest, holds it so that the message can be communicated, and makes a lasting, positive impression on the prospect's mind.

Importance of Advertising

Every lodging business needs some form of advertising to keep revenues at a sufficient level to produce a profit. In addition to word-of-mouth testimonials and endorsements (the most valuable of all ways of increasing business), a well organized advertising program is essential.

The Touch of Quality

Like a mirror, your advertising reflects you, your personality and your business. Thus, you cannot afford to use anything but the very best advertising to create the most favorable image in the customer's mind.

To most prospective guests, your advertising will be their first introduction to your business. The success of this introduction will depend upon the impression and image made. To insure that this impression will be favorable, all advertising should have the *touch of quality*—cleanness of form, and a dignified, convincing message.

A flavor of showmanship and originality is needed to make your advertising efforts distinctive, interesting and compelling. To meet your competition, effective advertising must stand out as superior to anything else in your vicinity.

The Advertising Program

Before you can plan an intelligent and well organized advertising program, you need some important facts about your prospective guest. You must analyze your market before deciding how to reach it.

Market analysis consists of determining:

1. the types or classes of guests you can successfully serve.
2. the geographical areas from which you attract guests (or could attract them), and
3. how much business you could accommodate with present facilities, and its potential through addition or remodeling.

Types of Guests

The first consideration involves determining to which classes or categories of customers you want to appeal.

No lodging business can successfully accommodate everyone. Managers must gear their facilities and services to a somewhat narrow range of price appeals, knowing that they cannot provide the type of facilities desired by a wide diversity of guests.

The market for your place must be clearly fixed in your mind. Who are you best qualified to serve? Well-to-do couples? Traveling men? Business executives? Honeymooning couples? Families in the medium income bracket? Low income families traveling on a budget? Wealthy sportsmen? These are just examples of market groups whose characteristics may be grouped by: (1) income and price-class, (2) cultural interests, (3) age, (4) predominant activity, such as sports, etc., (5) services desired, and, (6) length of stay.

Every lodging business can probably serve successfully several groups of customers such as commercial travelers and tourists or vacationists

and retired couples. The more different groups you can accommodate, the better, but there are limits.

Geographical Areas for Business

The second consideration involves knowing from where your business comes or could come.

By studying your guests' registration cards, you can organize this data on a map or by tally. For example, one motel found that 92% of its registered guests came from a radius of 200 miles or less from the motel. Such a study will provide excellent insight into the geographical locations for most effective, concentrated advertising.

Don't overlook however, potential business from a considerable distance. For example, a Pontiac motel manager gets a good share of his business through travel agents in California who have recommended the motel to customers flying to Michigan to take delivery of new cars.

Size of Business and Potential

The number of rooms and variety of facilities you offer will influence your share of the market. If you installed a children's playground, you could expect to serve a wider range of guests than you could without it.

Likewise, food service, beverage service, and meeting rooms can further widen your market and potential market. Expanding or remodeling your facility can increase your share of the market.

Two Market Types

If your prospective guests are ending their trip at your lodge, the market could be called terminal. This would be the prevailing type of guest at a resort or resort-type motel.

Guests who are passing by constitute a transient type market. Commercial motels and hotels seek these people — actively promoting business by roadside signs and other types of advertising.

Potential guests in the terminal category:

- Resort guests and those at resort-atmosphere places which can accommodate "weekend-or longer" guests.
- Business visitors to the community.
- Residential visitors who can more conveniently sleep in an inn than at their host's home.
- Attendees at group meetings or conventions.
- Visitors attracted by special events, tourist attractions, or features such as festivals, tournaments, celebrations, shows, tours, historical sites, games or fairs.

Potential guests in the transient category:

- Business travelers passing through the community.
- Vacationers or others on their way to a terminal point.

Studying Your Market Groups

When applying market analysis to advertising, review the characteristics of each market group. Then determine which of these groups you can best serve. Also consider what additional groups could be served by remodeling or enlarging your facilities. There may be entirely new markets which you could tap.

After studying these possibilities, develop an advertising program which will appeal to each prospective group.

One statistical method for analyzing guest information data is arrangement of it into series or trends. For example, you may find last year's business from Chicago was 10 percent of your total business — 15 percent the year before. This is valuable information which can provide the basis for marketing programs aimed at regaining this business.

Think about these questions:

How can your share of the market be increased? How should you appeal to your best prospects? What are they seeking? What can be done through Advertising? Publicity? Sales Promotion? Public Relations?

A Coordinated Program

"Shotgun" advertising is largely a waste of money. Promotion-wise lodging managers make their advertising dollar do double duty. They invest in a multi-phase program in which each part strengthens the others. An example is the use of outdoor advertising displays which tie in closely with radio advertising. A motorist hears a motel radio "commercial." Soon, he sees the outdoor highway advertising of this same motel. Such a coordinated program can make a much more lasting and effective impression on the mind of the prospective guest than that of an unplanned program. He heard the message and then saw the outdoor sign.

To obtain full effectiveness from your advertising expenditures, plan and coordinate your advertising efforts in this manner.

Using an Advertising Agency

Lodging managers must know the fundamentals of marketing, advertising, personal selling, and public relations. However, to be an expert in any of these areas, specialized skill and experience are required. Expert advertising ability can be gotten from an advertising agency.

The purpose of an advertising agency is to increase your business — and do it profitably. An advertising agency will:

- Work with ideas, in copy and in layout. "Copy" is the term used to describe written messages. "Layout" refers to the arrangement of copy, art, and pictures.
- Advise on the choice of channels to convey

advertising messages. This involves an organized and carefully worked-out plan using newspapers, magazines, radio, TV, guide books, posters, direct mail, post cards, folders, or other advertising media.

- Conduct market analysis so that advertising efforts can be directed to the best prospects.
- Assist in planning and carrying out a public relations program for the business.

When seeking the services of an advertising agency, look for successful experience which the agency has had in promoting your type of business. Emphasis should be on quality. Check their past advertising campaigns to determine their effectiveness.

If you cannot find a satisfactory agency, ask your local newspaper for information about agencies that could help you.

Advertising agencies receive a commission from the various media through which the advertising is placed. The advertising agency usually charges a fee for supplying copy and layout services. Several arrangements for paying the advertising agency are used: fee plus commission, fee minus commission, a flat fee, or a cost-plus fee. Determine in advance the arrangements for paying the agency.

You can check the financial integrity and credit rating of an advertising agency by contacting art studios, printing companies, or others who do business with the agency. Also, agencies which are members of the American Association of Advertising Agencies are available.

Plan your advertising program objectively by setting forth specific, achievable goals. Your advertising agency can help you.

For single piece printing such as a folder or post card, a reputable printer is often very helpful. However, for an overall advertising program, the advice of an advertising agency that is experienced and successful in lodging advertising, is most valuable.

Setting the Advertising Budget

After the preliminary planning of an overall program, the next step is to adjust this program to funds available. Re-appraise your program in light of your goals and then proceed with the high priority essential items.

Promoting a new business will require more money than promoting one with an established clientele.

It is impossible to recommend any specific amount or percentage to budget for advertising and sales promotion. This will depend upon each business. Some businesses may find that a very small advertising budget produces satisfactory results. Others might spend 10 percent or more of their gross sales, and profit accordingly.

Research studies of the *Tourist Court Journal* reveal that the average motel spends about 3.2 percent of its gross sales on advertising.

American Plan* resorts spend about 5 percent of gross sales on advertising, but individual resorts in one study ranged from 1.2 to 8.1 percent.

All forms of advertising and sales promotion should be included in the budget—paid advertising, advertising fees, franchise fees, cost of endorsing and referral organizations, tourist association fees, outdoor signs, and other similar expenditures.

Commissions, discounts and allowances, such as those paid to authorized travel agents for business obtained, should not be included. Discounts on credit cards should not be considered advertising. The above recommendations are in accordance with the *Uniform Classification of Accounts for Motels and Motor Hotels*.

Advertising Media

There are at least two dozen media which you can use, but you will probably use less than half of this number. When planning a program, list the media considered as essential, valuable, and probably helpful. Your selection will depend upon budget, goals and markets being sought as well as season of the year.

Importance of Timing

Your advertising program should be planned as far in advance as possible. When color cards or photographs are to be used in printed advertising, a year in advance is necessary.

In your plan, list each month and the advertising program which will be conducted for that month (Fig. 3). Some programs, such as sign advertising

Project	Location	Number or Distribution	Time	Estimated Cost
New signs	I-94; US 127	2	All year	\$3,360
Newsletter		400	Jan., May, October	100
Thank you card		200	Nov. 25	50
Tourists association membership	East Michigan		Annual	50
Advertisement	"Playtime Country"	75,000	January	70
City/county maps	(local)	1,000	January	20
Guest matches	guest rooms & cooperating motels	10,000	December	70
Radio spot ads	WMSU WPDQ	45 spots	May, June, September, October	220
Total				\$3,940

Figure 3 — Example of an advertising plan for the coming year.

*One of several types of package plans.

would be in effect every month. Other programs would be seasonal, such as Christmas cards or notices of good fishing, color tours or skiing. Local events like homecomings, shows, ball games, bowling tournaments, festivals, mushroom hunts, etc., warrant various forms of advertising.

If you are in a resort area, time your direct mail advertising with that period in the year when vacation plans are being made, usually early spring. Such a time schedule is necessary for effective advertising.

Word-of-Mouth Advertising

This is the cheapest, and yet, most convincing, form of personal advertising. A friendly, interested, and capable host encourages this type of personal advertising. Treat every guest as a very important person and he will not only come back himself, but will recommend your place to his friends. All of your facilities, services, hospitality and pricing policies must be directed to this one goal—a satisfied, happy guest.

Outdoor Display Advertising

This medium is probably the most important single promotion method for motels. Signs must be carefully planned, located, and maintained, to be effective. For resorts and hotels, signs may be less important, but are still needed to direct guests to their destination and induce prospective guests to drop in and make inquiries. Impressions made by signs can definitely encourage (or discourage) patronage.

Between 85 and 90 percent of all travelers travel by automobile. The highway travelers' eye is attracted to a large number of advertising and directional signs. Because there are so many signs, an outdoor advertising program must be very skillfully planned and carried out to bring good results. Leave this to the experts—outdoor advertising companies. These companies have found, for example, that related sales messages displayed closely together have a concentrated impact. Therefore, the best procedure is a planned system of signs.

The most important single aspect of your sign system is clever, creative design. Signs should be keyed to the architectural design of the building and incorporate a distinctive symbol or logotype (Fig. 4). This symbol is effective in creating an impression in the prospect's mind. Signs can be interesting and help relieve the monotony of driving. Thus, signs that are well designed and placed are often welcomed by the traveler. Creative, interesting and attractive signs, carefully placed and well maintained, can mean successful sign advertising instead of just some signs.

Signs can do the following:

- identify you
- create an impression or image
- give directions



Figure 4 — Use of a distinctive symbol or "logo" on all printed literature, including guest match books and signs, helps fix the name of your business in the guest's mind.

- sell meeting facilities
- sell entertainment and services
- help make decisions

Thus, signs help to increase profits. Use them to emphasize what you have that your competitors do not. It will help make your place stand out to the prospect.

"Feeder signs" are signs remote from your location, that lead the prospect to you. To receive the most attention, these should be placed in open areas, not cluttered by other signs. (Note: be careful to observe zoning and other sign restrictions.)

The most effective location for highway advertising is close to your business. This justifies large displays that will identify your business and provide directions. In areas where new super highways have cut motels off from the previous main highway, cooperative signs (promotion by area motels) are helpful.

Outdoor displays should be lighted or incorporate reflective materials. It has been found that over 40 percent of all travel is done after dark and 66 percent of all motel guests arrive after dark.

It is extremely important that signs be maintained in tip-top condition.

Newspaper Advertising

Newspaper advertising has proven to be particularly effective for cottage resorts, American Plan, and winter sports resorts. It can also be helpful in promoting business for motels, particularly for food and beverage sales.

Motels and resorts which serve transient guests are probably best served by ads in special travel issues. These highlight periods of greatest tourist and vacation sales. Moreover, they direct the reader to specific vacation areas. Thus, your own ad could be supported by a tourist association advertising effort which boosts your area.

Market analysis (discussed earlier) will tell you where your present business comes from. This information will suggest possibilities for newspaper advertising.

It is sometimes advantageous to cooperate in a group advertisement sponsored by the Chamber of Commerce or tourist association. The newspaper will provide an attractive heading which features your resort area.

Magazine Advertising

Magazine advertising research indicates that heads of households who read magazines regularly do more pleasure traveling than heads of households regularly exposed to the other major national media. Thus, a ready-market exists which can be reached through magazine advertising. Your advertising agency can help you select the most likely magazines and the best times of the year to place the ads.

Ads in sportsmen's magazines should bring excellent results for resorts in good hunting and fishing areas. Other advertising possibilities are magazines for brides to attract honeymooners or travel magazines read by those interested in vacation suggestions.

Guidebooks and Tourist Literature

Publications of tourism organizations are attractive and substantial, and an important media for lodging advertisement.

Since the literature is distributed primarily on the basis of direct inquiry, they are pin-pointed to the individual who is seeking vacation suggestions. For more information, contact your tourist promotion association representative. Addresses are listed at the end of this bulletin.

Radio

For transient business, radio is an important advertising medium. Since most motorists do not make advance reservations, spot announcements on the radio can reach prospects and influence their decision. Nearly all cars have radios.

selecting a station

If your prospective guests come from large cities, a powerful station covering that city is the best station to use. A large coverage provides a radio signal for a long time as the driver moves rapidly toward his destination. However, smaller stations can be effective, especially in the north.

A directory of all U.S. radio stations can be obtained from *Broadcasting*, 1735 DeSales St., N.W., Washington, D.C., 20036. Your local radio station can help you locate stations which might be effective. Compare stations for audience rating, power.

timing

1. Go for power—the wider the area covered, the better. The longer the driver hears the station, the more likely he will get the message and be influenced. Afternoon and early evening spot announcements are recommended for motel advertisements.
2. For resorts, use spot announcements on radio all day long. Morning advertisements are effective since they reach women, who often make the decision on the choice of a resort. Radio listening is now greater in summer than in winter, a reversal of past listening patterns, due largely to the popularity of transistors.
3. Give radio a fair trial period before making a decision about its effectiveness. Radio advertising should be used for about 3 months before evaluation. Ask your guests how they heard about your place and tabulate their answers. Then you can see how radio fared as an advertising medium.

Television

Lodging managers have learned that television is usually too costly for the individual businessman. However, in a community with a rather large number of resorts, hotels and motels, group TV advertising sponsored by the Chamber of Commerce or a tourist association would be feasible. This should help attract business to your area, and each place could then get its share.

SALES PROMOTIONAL SUPPORT FOR MARKETING

Fundamentals

Sales promotion consists of those activities directly involved with the day-to-day business of selling rooms, food, beverage, and other lodging services. It can be thought of as the fundamental processes of training all employees to be sales-minded; the preparation of sales training materials; guest sales literature; direct mail programs; posters; use of give-aways and similar efforts to increase sales.

Internal Selling

Persuading a prospective guest to patronize your business is not the sole concern of the sales effort. Internal selling — all sales efforts made after guests have been registered — must also be considered. Internal selling has two purposes (1) to encourage the guest to patronize all facilities of your business, and (2) to favorably influence him so that he will return again.

Personal Selling

Personal selling, as the most impelling type of selling, provides excellent potential for increasing business. All of your staff should be sales-minded. They must be trained to offer sales suggestions to guests when opportunities are presented. Friendly cooperation from all staff is essential. Here are some examples:

Desk clerk, while registering a guest: "Mr. Brown, we have a beautiful new dining room here and hope that you can try it out. We're also open for breakfast, beginning at 7:00 a.m."

Bellman, while rooming a guest in hot weather: "If you'd care for a mint julep before dinner, you can have one in the cocktail lounge."

Waitress, serving dinner: "We feature warm, Michigan cherry pie. Would you like some for dessert?"

Telephone Selling

Expert selling on the telephone is important, too. The hotel's telephone operator is in a good position to make sales. Guest's inquiries from their rooms or from outside can often be the opening for a polite and skillful sales effort. Negatively, an unfriendly or "snappy" manner can discourage sales. Your telephone company can assist in training.

Other Methods

Internal selling can be done by means of various printed pieces or by artistic posters and similar methods.

In his book, *The Full House*, C. DeWitt Coffman

offers numerous suggestions for promoting internal and external selling. Here are a few examples.

Tent cards	Morning paper with sticker
Posters	Menus
Lighted pictures of guest rooms, dining, and beverage rooms	Cocktail napkins
Ads under dresser top (glass)	Bulletin boards
Reminder cards	Elevator cards
Bathroom mirror stickers	Stiff paper folder containing ads

Printed Literature

The average person is exposed to some 6,000 advertising impressions per day, from signs, posters, newspapers, magazines, radio, TV, and other media. Since there are so many forces trying to persuade him to buy, your printed advertising must be done well and be effectively distributed to be worth its cost.

Here are some basic rules for printed sales pieces:

- *Get to the point.* Don't beat around the bush. Be brief. Often, your second paragraph will be a better beginning than an introductory one which you write first.
- *Provide the information that people want.* If you were planning to vacation at an unfamiliar resort, what would you wish to know about the place? Your answers to this question will help outline the information needed in your folder. Quote prices, how to get there, clothes to wear at the place, entertainment features, and similar information.
- *Be different, if possible.* One of the keys to successful advertising is to be distinctive — outstanding — or different. Attract attention and induce the prospect to buy. This requires creative thinking — novel, "impactful" ideas.

Post Cards

Full-color cards are indeed a handy and inexpensive advertising medium for any type of tourist business. They are very useful for writing short messages and can even carry a printed reservation acknowledgement. Several cards may be desirable, showing various exterior and interior views.

When composing a card, avoid showing large areas of sky in the card. Better to divide the card so that a portion shows the sign, perhaps an exterior view. Extra large cards do not mail well. However, a larger card with standard width (3½ x 8¼ inches) is very attractive and is especially suitable for motels.

Use your identification symbol or logo on your post cards as well as on your stationery, matches, business cards and signs (Fig. 4).

Providing post cards for your guests will encourage them to mail them to relatives and friends.

Use the card as part of your direct mail solicitation. If you have only a few forms of printed advertising, the color card should be one of your most essential pieces of literature.

Other types of cards are also useful. These include Christmas cards for guests with whom you have become well acquainted, a "thank-you" card at Thanksgiving time, birthday cards, anniversary cards, and reminder cards sent about a week or 10 days prior to the guest's arrival.

Folders or Brochures

Folders or brochures constitute one of the most effective forms of printed advertising. Nothing can so completely tell the story of your place as the folder. All types of tourist businesses can use folders. For maximum effectiveness, use well-chosen full-color photographs of the principal features of your place. Art work can also be used effectively, especially when building and rooms are not involved.

Good folders include a rate sheet (which is printed separately), a reservation form, examples of activities, a map and description of location. Of course, there are variations in presentation. The map and other components could be printed separately.

Additional information should be provided as follows: address, phone number (including the "Area Code" to facilitate Direct Distance Dialing), services provided, eating facilities, food specialties, plane, train, and bus connections, and car rental services. Primary recreational attractions should be included, such as golf, swimming, trails, sightseeing, tours, etc.

A professionally designed folder is money well spent. The same applies to professional photography, and artwork. An "amateurish" folder can be a detriment to your business. Better to have no folder at all than a poor one.

By all means, include printed descriptions of your nearby area. Prospective guests are more likely to come if you tell them about the many interesting and enjoyable attractions which they will find in your vicinity.

Stationery

Most business stationery lacks imagination and "punch." It should be colorful, interesting—yet dignified. Using the same color scheme as the exterior of your business and using your logo helps to make stationery distinctive and eye-catching. Effective art work or a photograph can also add interest. Envelopes should be just as interesting as the writing paper, and give the reader a "lift" and lasting impression.

Direct Mail

Direct mail advertising has the advantage of pre-selection of prospects. Your advertising message

goes directly to that person, privately and personally. Its value depends on several important factors.

Some of these are:

- quality and impact of the mailing piece
- the prospect's interest in what you have to offer
- frequency of mailing
- newsworthiness (exemplified in the newsletter.)

Quality and Impact

Assuming that you have produced good printed literature, the next step is to use it effectively through direct mailing.

A personal letter is best if you can spare the time to write. The next best thing is a reproduced letter individually addressed and personally signed. A personal postscript in your own handwriting is very good also.

When making a mailing to a first-time prospect, send complete information so that the prospect's questions are completely answered. He should not have to write again for more information. This is particularly true regarding rates. Provide full, easily understood, rate schedules. A follow-up letter could be sent in a week or so to show a continuing interest in the prospect's business.

If you were a prospective guest, what would you be interested in? Think this through and then organize your direct mailing pieces accordingly. Literature should tend to understate rather than overstate. Then, when guests arrive, they can say, "this is lovelier than I thought."

Reprints taken from a magazine or newspaper article about your place can be advantageously reproduced for direct mail. People tend to be skeptical of advertising literature. But, they are more likely to be impressed with an article by a travel authority.

Advertisements which have been run in other print media can be re-printed and used as part of direct mail. This practice increases efficiency and reduces costs.

If you can accommodate family trade, go after it with direct mail. Children will soon become prospective customers. As a matter of fact, catering to women guests and children is very smart business, because they usually have the most to say about where the family will vacation each year. If the kids had a wonderful time at your resort, chances are they will be most anxious to return.

In your direct mail advertising, point out advantages and activities for women and children. For example, many resorts have special equipment and recreational programs for children. One successful Michigan resort features a convenient laundry service, which is especially appreciated by mothers. At vacation's end, the family can return home with their extra clothing freshly laundered.

The Prospect's Interest

Mailing lists can be obtained from many different sources:

previous guests

Your previous guests comprise your most important mailing list. Be sure that names and addresses are correct on registration cards. Then keep these lists in ready-to-use form, such as addressing plates or on cards. Multiple-typed address stickers look rather cheap and are not easily read on the third or fourth copy. It is better to address each letter individually than to use this method.

inquiry lists

Other good sources of prospects are the inquiry lists of the tourist promotion association. The type of vacation desired by the prospect is shown on the inquiry list.

The address of the tourist association serving your area can be obtained from the Michigan Tourist Council, Stevens T. Mason Building, Lansing, Michigan, 48926.

purchased lists

Mailing lists can be obtained for nearly every type of potential guests. Lists of sportsmen, people in various income brackets, retired couples, housewives and many others are available. Such lists are available from the R. L. Polk, Co., 431 Howard Street, Detroit 48226.

Professional groups provide another source of business. For group business from this source, write to the Michigan Association of the Professions, 120 West Saginaw Street, East Lansing, Michigan 48823.

other sources

Other sources of names are: those who have written you, but never made reservations; suggestions from your regular guests, commercial guests, and employees.

Be sure mailing lists are revised and kept up to date.

Observation concerning motels. Transient-type motels probably have fewer opportunities to use direct mail than resort or terminal-type motels. Cottage resorts, resort hotels, and winter sports do more business by direct mail than motels. However, motels can use direct mail advertising effectively for special events such as a bowling tournament or similar activity.

Long distance phone calls (as well as local calls) are often more valuable than direct mail. This enables you to select your prospects and do a considerable amount of business by phone.

Frequency of Mailings

Seldom does a one-mailing campaign produce satisfactory results. Several mailings should be made—at least once a year to all previous guests. (For special events, one mailing may be sufficient, but this is an exception.) Make seasonal mailings when prospective guests are planning trips. Some managers mail monthly. Advice from a direct mail specialist, public relations or advertising agency, and from experienced managers is valuable.

Mailing suggestions. When answering inquiries, be sure to send your material immediately. Answer all mail the same day, if possible. Send your folder, post card, a personal letter, and perhaps, a piece of cedar, birch bark, or similar object symbolic of your place.

A folder of the area describing the wide advantages of your location is also a most compelling sales piece. Most vacationers are interested in the attractions beyond the bounds of your own property. They like side trips to points of interest such as summer theatres, art works, historical sites, scenic drives, picnic spots and other similar attractions.

Newsworthiness (for newsletter)

Another approach to direct mail advertising is use of a newsletter (Fig. 5). The newsletter should have a standard, attractive format, printed or multilithed. Possible subjects to be covered in the newsletter are: upcoming events, seasonal attrac-



Figure 5 — Timely and attractive newsletters provide an effective method of direct mail promotion.

tions, new facilities and services, entertainment and recreational opportunities. Frequency of mailing varies, but four times a year is probably a good minimum. Much goodwill and effective selling can be accomplished through this friendly "soft-sell" approach.

Using Tourism Organizations

Referral

The primary purpose of a referral organization is to increase sales among members. Each member refers business to other hotels and motels in the Association by inviting guests to make reservations for their next night's stay.

Each member displays a distinctive membership sign which tells the prospective guest that the motel has met all requirements for membership. These requirements are generally recognized as high standards for the industry. Directories or guides are distributed by these organizations (Fig. 6).

Membership in a referral association is often advisable. Many travelers hesitate to patronize a motel which is not a member of a referral or endorsing organization. And, costs are deductible as advertising expense. If a record is kept of the business generated by such a membership, you can make a factual evaluation of its effectiveness.

Examples of such organizations: Best Western Motels, Friendship Inns, Master Hosts, Quality Motels Inc., and Superior Motels, Inc.



Figure 6 — Directories of prominent referral, endorsing, and franchising organizations. Association with such groups is often good sales promotion.

Endorsing Associations

Endorsing associations help to promote business through inspection and approval. A prominent sign is provided for display. The sign is usually the property of the endorsing association enabling them to control use of the signs.

Referral organizations are also endorsing associations, since they inspect and approve all of the members. However, endorsing associations are primarily approval groups, certifying to the prospective guest that the establishment meets their standards and is operated in a manner conducive to the comfort, safety, convenience and satisfaction of the guests. Guides are also published in large quantities by these groups.

Examples of endorsing associations: American Automobile Association, Emmons Walker, and Dominion Automobile Association.

Franchising Organizations

In the franchise plan, the local lodging owner agrees to specific conditions of buildings, grounds, furnishings, services, and methods of operation prescribed by the franchisor (franchising company). The franchisee (local lodging owner) pays a fee for use of the franchise name and the various services and facilities provided to him by the franchiser. Those who hold franchises feel that the increased business from being franchised more than offsets the additional costs involved.

Examples of well-known franchisors: Holiday Inns of America, Howard Johnsons Motor Lodges, Quality Motels, Ramada Inns, TraveLodge, Hilton Inns, Sheraton Motor Inns, Royal Inns of America, and Downtowner Motor Inns.

Tourist Promotion Associations

Michigan's four regional tourist promotion associations have as their primary function advertising and publicity. They attempt to bring more people to Michigan for vacations and promote travel to their part of the state.

This over-all promotion effort is vital to the success of the individual business. Potential guests must be traveling in your area before you can attract them to your doorstep.

Thus, a prime consideration in advertising is to back your tourist association. These (Fig. 7) are:

1. Upper Michigan Tourist Association
P.O. Box 1188
Iron Mountain, Michigan 49801
2. West Michigan Tourist Association
136 Fulton Street E.
Grand Rapids, Michigan 49502
3. East Michigan Tourist Association
Log Office
Bay City, Michigan 48706
4. Southeast Michigan Tourist Association
1404 Broderick Tower Building
Detroit, Michigan 48826

FREE MICHIGAN VACATION LITERATURE BONUS!

PICK THE VACATION AREA OF YOUR CHOICE, FILL OUT THE MATCHING POSTCARD AND MAIL TODAY!

- 1. Upper Michigan**—More than 150 waterfalls • Big game country • Pine Mountain Ski Side • World's highest man-made ski jump • Isle Royale—prehistoric copper mines in wilderness preserve • Mackinac Bridge—one of world's longest suspension bridges links upper and lower peninsulas.
- 2. West Michigan**—Miles of white sand beaches along Lake Michigan coast • Fruit belt • Blossom festivals • All kinds of boating fun • Fully developed ski centers • Picture-perfect cottages • Action-packed fall hunting and fishing • Great resort areas—cottages, lakeshore cabins, modern motels, posh hotels—fine accommodations for every budget.
- 3. East Michigan**—Sun-drenched beaches along Lake Huron's western shores and hundreds of inland lakes • Exciting historic and educational attractions • Scenic forests and shoreline highways • Fine resort motels, lodges, ranches and cottage resorts • Camping, canoeing and boating • Flame-baked forests in Autumn's hunting season • Completely equipped ski areas • Warm, friendly "Playtime Country" hospitality.
- 4. Southeast Michigan**—Three border crossings—at scenic Fort Huron (1) at exciting new Detroit (2) • Theaters—museums—shopping—spectacular sports and night life • Bus and boat sightseeing tours—automotive and industrial tours including an atomic power plant • Swimming—fishing and boating on Great Lakes and inland lakes • Routed color tours—Wintertime skiing and tobogganing.

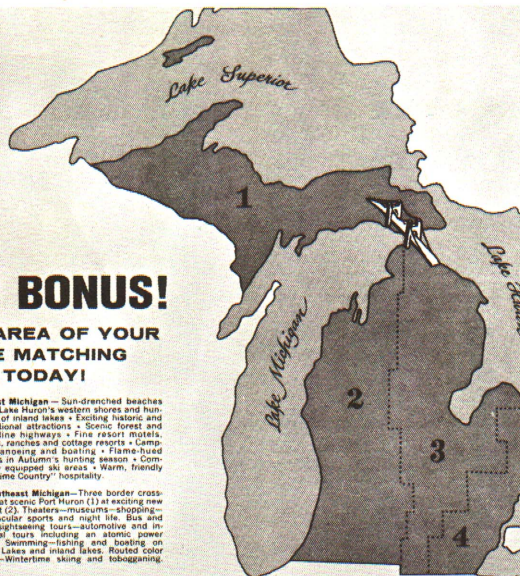


Figure 7 — Geographic division of Michigan for regional Tourism promotion.

These regional associations publish a variety of tourist promotional literature, some of which carry advertisements from businesses within their areas (Fig. 8). They also supply lists of names of prospective guests, obtained from reply coupons included in newspaper and magazine advertisements. All seasonal sports and events are promoted by the tourist associations.

The four Associations publish jointly *Your Guide to Michigan Hospitality*, a complete listing of all Association members within the state. The Guide is widely distributed.

In addition to the direct promotional efforts on behalf of their members, the regional associations are fully represented in the Michigan Tourist Council, the official state agency for tourist promotion. This assures each member representation on the Council, which does national advertising for Michigan, using state funds.

The Michigan Tourist Council is represented on the Northern Great Lakes Area Council, a tourist promotional agency for the Great Lakes States of Michigan, Wisconsin, Minnesota, and the province of Ontario.

Thus, your membership in a regional tourist association supports your area, state, and Great Lakes region—vigorously advertising and publicizing Michigan in the primary midwest market area, as well as nationally.

Chambers of Commerce

Many community or area Chambers of Commerce do an outstanding job of tourist promotion and providing travel information services. Tourists frequently contact the Chamber of Commerce in vacation areas.



Figure 8 — Travel promotion literature distributed by the Michigan Tourist Council for the four regional tourist associations.

Many C of C's have attractive and well located information offices which provide referrals to members. They can be an important source of business. Your membership helps get travelers into your community and your place of business.

Trade Associations

Motel and resort trade associations exist to: (1) help get favorable legislation passed and unfavorable legislation defeated, (2) assist in educating members run better, more profitable, businesses, and (3) advertise and promote an area so that accommodations within that area do a better business.

The Motel Association of America, Washington, D.C., is the national trade association serving the motel and motor hotel industry. It's Michigan affiliate is the Michigan Motel and Resort Association, Lansing. Local chapters of the state association are active in many localities and areas of Michigan.

Hotels in Michigan are represented by the Michigan Hotel and Motor Hotel Association—the restaurant industry by the Michigan Restaurant Association.

Dues in the state associations are usually graduated according to the size of the business. Membership in the state association brings automatic membership in the national association, with the exception of the National Restaurant Association.

Travel Agencies

There are some 6,000 authorized travel agents in the United States and Canada. They procure business for motels, hotels and resorts just as they do for airlines, steamships, and railroads. Business directly traced to a travel agent requires a 10 percent commission. There are associated benefits

from travel agency business, such as word-of-mouth advertising and personal referrals, which can be invaluable.

Many accommodations businesses could well use travel agency business, particularly in the off season. Such trade can be stimulated by a joint sales venture with travel agents. Any business generated is mutually beneficial to both the travel agency and to you.

At the present time, travel agents feel that the initiative should be taken by the lodging manager. He should assemble all available information concerning his place and send or take it to the travel agent (or agents) that are most likely to develop business for him.

The resort manager must keep the travel agent fully informed. In order to get and keep satisfied customers, the travel agency must have up-to-date information on rates, dates of opening and closing, latest pictures, literature and anything else that will help the travel agent sell a person on your place. A loose-leaf type book is the best selling device.

business potential through travel agents

If you have done market analysis, as previously outlined, you will reach some conclusions concerning good sources of business.

For example, if you get considerable patronage out of Detroit and Toledo, use of successful travel agents in these cities could prove very fruitful. The same would apply to Chicago or any of the cities — large and small — from which you draw trade.

To help you locate travel agents, an *International Directory of Travel Agents*, is published by Ingledue Travel Publications, 5850 Hollywood Blvd., Hollywood, California 90028. A similar directory is published by Travel Trade Publishing Corporation, 125 E. 50th Street, New York, New York 10022.

If you become an allied member of The American Society of Travel Agents (ASTA), which is highly recommended, you will receive a copy of their annual roster of members. The address is: American Society of Travel Agents, 360 Lexington Ave., New York, New York 10017. It is usually better to deal with the larger agents, since they are more likely to produce business.

A few more suggestions:

Give special attention, if possible, to each guest sent to you by a travel agent. A favorable report from the guest to the travel agent will encourage him to send you others. Also, you have the possibility of getting that guest back again if he has been impressed with your hospitality.

Honor all reservations. Any slip-ups will embarrass your travel agent and make a permanent non-guest of the person who was unable to obtain promised accommodations.

If feasible, pay a personal visit to your agent. By becoming better acquainted with the travel agent, you can improve understanding of what you

have to offer, and develop confidence in the quality of your resort.

Invite and host your travel agent. He can better recommend it to his clients if he has actually stayed at your place. Show him around your community and help him become acquainted with points of interest which will make a visit to your area a pleasant experience.

Package Plans

Package plans deserve some special attention. The Package should consist of room, meals, and at least one other feature such as a tour of local attractions or night club, rental of a sailboat, concert tickets or some similar entertainment or educational-cultural opportunity. Any necessary expense should be included in the Plan — such as transfer from airport to the lodge or similar items. Packages are usually figured out on a "per person" basis, or "two to a room." An additional charge for single occupancy is often quoted. Printed announcements are needed to promote this kind of business.

There are many special package offers that could be worked out depending on the market being solicited. Examples are: a *honeymoon package*, a *second honeymoon*, *fishermen's package* or *week-end package*, etc. One way to market the package is through your travel agents. When an agent sells a package, he should receive a 10% commission on the total package price.

some important listings

To make bookings through travel agents easy and convenient, it is advisable to be listed in directories which are commonly used by travel agencies. These are listed below:

Hotel and Travel Index — One Park Avenue, New York, New York 10016

International Hotel Directory — 11 Southeast New River Dr., Fort Lauderdale, Florida 33312 (Principally Florida & Hawaii)

Hotel Tariff International — 1009 Chamber of Commerce Building, Miami, Florida 33132 (Principally Florida, Hawaii and New York)

Official Hotel and Resort Guide — 6338 Victoria Avenue, Montreal, Quebec, Canada

Quick Reference Travel Planner — P.O. Box 6710 Chicago, Illinois 60688

*Hotel and Motel Redbook** 221 West 57th Street, New York, New York 10019

Travel agencies are growing in prominence and importance. You can increase business through this source by helping the travel agent send you business.

*Must be a member of state hotel association, affiliated with the American Hotel & Motel Association to be listed.

Gimmick Promotions

There are many other sales devices which may help your promotion program (Fig 9):

- | | |
|--|--------------------------------------|
| Maps | Calendars (including 4-year version) |
| Litterbags | Yellow pages of the telephone book |
| Shoeshine cloths | Bumper strips |
| Bath mats | Matches |
| Business cards | Pencils |
| Blotters | City map guides |
| Key chains | Hosiery mending kits |
| Swimming suit bags or wrappers | Mileage memo books |
| Powdered detergent for hand laundering | Outdoor thermometers |
| Book matches (regular size is best) | Plastic stir-forks |
| Shower caps and shoes | Knives (small) |
| Rain hats for women | Pocket folders and notebooks |
| Ash tray souvenirs | Cafe pac |
| Pencils, pens, pen desk sets | Guest pac |
| Souvenirs of local interest | Sewing kits |
| Courtesy cards | Lipettes folders |
| Christmas cards | Emery board folders |
| | Eye glasses cleaner |
| | Snapshots of guests |

Comments: The courtesy card is a wallet-sized card containing the guest's name, typed or written, and a statement that full courtesies should be shown this individual. Be sure to include address and phone number of your business.

Easily carried in a wallet or purse, this card provides a handy reminder of the name, telephone number and address of the motel.

Christmas cards can be sent to those with whom you have become well acquainted. These cards provide a fine opportunity to express appreciation and send greetings.

A word of warning concerning the use of all of these forms of advertising: There is no sure-fire formula for their success. Experimentation will help you find the best combination of all possible media—that combination in which all parts supplement and complement each other to produce maximum results.

Convention and Group Business

Many motels, hotels, and resorts could do more group business with their present facilities. Others could develop this type of patronage with some remodeling or enlarging (Fig. 10).

There is considerable demand for good meeting places for small groups—10 to 40 persons or so, as well as larger groups of 500-600. These may be representatives of a small company or sales, engineering, executive, or similar groups who need a quiet place to conduct their meetings or seminars. Many motels and resorts appeal to these groups, because of their location in small communities or in isolated places, free from the competition of theaters, places to shop, and night spots.

There is no definite line between getting convention business and keeping it. Again, word-of-



Figure 9 — Examples of miscellaneous or "gimmick" promotion. Such items should supplement or complement other parts of your sales promotion.

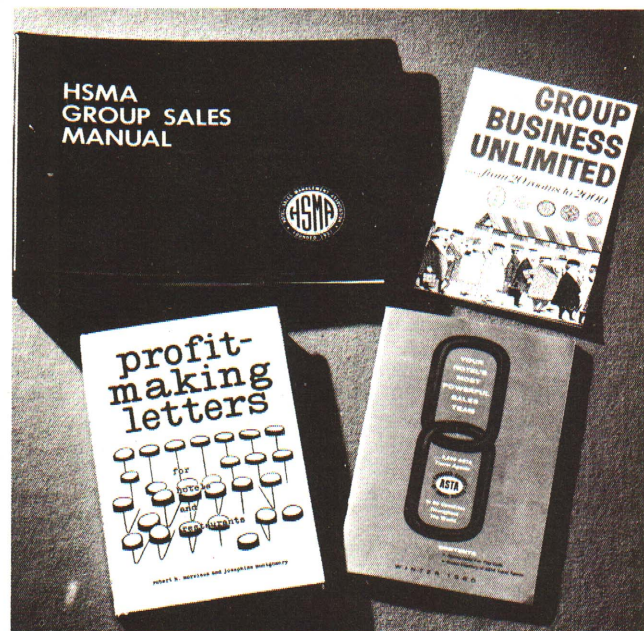


Figure 10 — Expert guidance is available for obtaining group and convention business.

mouth is the best method of selling. Good location, site, friendly atmosphere and delicious food all add up to satisfied guests. They will do most of your selling.

Treat every guest as a V.I.P., for he might lead you to group business. Regardless of how guests look when they enter your establishment, treat them as V.I.P.'s. Be enthusiastic. It's catching, and it sells.

Today, you need recreational advantages to draw conventions and group businesses. These include such activities as bowling, good fishing sites, swimming, entertainment, local tours, and similar features nearby.

Transportation to your place is also very impor-

tant — good air transportation, train and bus schedules.

Prospective guests want to know what type of plan you have — American or European. It is well to have both plans and a variety within each plan. Have package plans for bowling, golf, or boating. Then you can best satisfy the needs of whatever group may be interested in your place.

Meeting Facilities Needed

Meeting rooms need to be carefully planned to provide a suitable environment for group use. Suggested requirements should include:

- 10 foot ceilings
- Windows above eye level (or none)
- Adequate, efficient lighting
- Spotlights attached to walls
- Effective sound control
- Peg board walls for exhibits
- Outlets for microphones
- Controlled temperature
- Good ventilation
- Air conditioning

Ideally arranged meeting rooms provide access off a hall, so that no person has to go through one room to reach another. This also facilitates catering service.

In addition to the above requirements, also consider the following important facilities:

- Carpeted floors
- Accessible light switches
- Comfortable chairs
- Tables set with cloths
- Ice water and ash trays

Such excellent facilities demand competent and readily available personal services. Train your staff to be alert to the group's needs. For example, coffee service should be set up about 15 minutes ahead of schedule, in case the group breaks up early.

Selling Convention and Group Business

Initially, management must view the sales problem in convention business as a problem-solving service for the organization being solicited: You are not selling your facilities to the group — you are selling the ability of your establishment to solve their meeting problems.

The sales person mentally solves the prospect's problems before actually elaborating on the facilities he can provide. Only when he has completed this mental process, does he describe the many advantages of his place. The sales person will have little problem selling what he has to offer when he approaches the prospect in this manner.

For even more effective sales strategy and service, employ motel or resort sales representatives who can assist the convention chairman promote and conduct the convention. The sales representative acts as a consultant, suggesting an agenda, names of speakers, conduct of various parts of the convention, and how to promote attendance, etc.

The above procedure can provide a service that will help encourage the group to return.

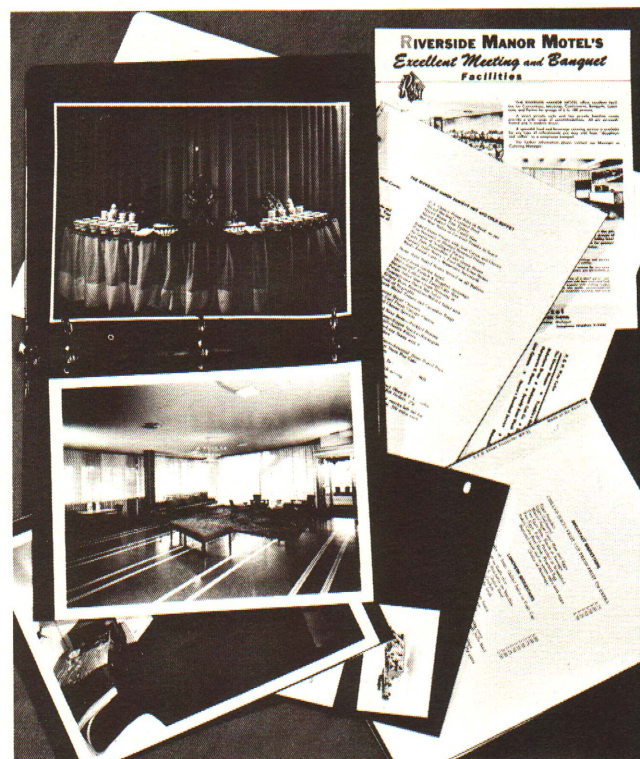


Figure 11 — An example of a well prepared loose leaf sales display kit. Note pictures, menus and complete descriptions of the facilities available for groups.

aids in selling

1. Provide an attractive Sales Display Kit. It is essential in selling group business. Of loose-leaf construction, this kit contains large plastic envelopes for displaying information needed by a group chairman (Fig. 11).

Obviously, the sales person must be thoroughly familiar with all conceivable aspects of your accommodations.

The sales kit should include diagrams of meeting rooms, pictures, lists of services, recreational advantages, games, menus, and various dining arrangements, etc. Prices should be varied to suit the needs of various groups.

2. Give brochures to the prospect, to be placed in his files for future reference.
3. Offer a complimentary luncheon to the prospect, or if he represents a large group, perhaps a week-end at your place might be in order. Acquaint him with your facilities so that he can better visualize holding his meeting there.
4. Plan complete and vigorous follow-up of sales contacts or inquiries. If the first letter receives no reply, telephone the prospect and follow-up with another letter confirming what was said on the phone. This is good

business. It impresses the prospect with your business-like methods and enthusiasm for what you offer.

5. Prepare reminders concerning conventions: About 90 percent of those who plan conventions don't know exactly what they want. You have to sell your facilities as a place where *their meeting problems can be solved*.

Keep in mind the group's need's for:

- | | |
|---------------------------|-------------------------|
| - Registration desk | - Slide projectors |
| - Ticket collection | - P.A. system |
| - Photographers | - Lighting |
| - Blackboards | - Exhibits |
| - Easels | - Favors |
| - Lecterns | - Cards |
| - Motion picture machines | - Cigarettes and cigars |
| - Headquarters room | - Security guards |

In urban centers, facilities can be successfully rented for local meetings and food business. For this kind of business:

1. Conduct an organized and well planned sales campaign.
2. Create an effective Sales Display Kit.
3. Have an attractive printed brochure which can be left with the prospect for his file.
4. Select prospects from among:
Businesses and offices

Stores
Factories

Organizations, such as clubs, fraternal organizations, labor unions
Association representatives
Sales offices of large concerns.

In short, any business or social organization might need your meeting rooms, guest rooms, food services, party facilities, etc.

5. For your "sales blitz", hire bright local boys (or possibly young women). College students are a possibility if located nearby. They must be able to provide full answers to questions.
6. Actual selling is limited to convincing the high-ranking officers or managers of each firm of the advantages of holding meetings or other functions at your place, by using the problem-solving technique previously described.
7. A follow-up letter in two or three days indicates a continuing interest in the prospect.
8. Repeat the 'blitz' about three times each year, calling on those who have not responded to the sales efforts.

The effects of this effort will probably not be immediate, but there should be a satisfactory response within a month or so.

PUBLIC RELATIONS SUPPORT FOR MARKETING

Favorable acceptance of your business by the public is of utmost importance. No business is more concerned with human relations than the public hospitality industry — motels, resorts, hotels and restaurants. It is essential to have good public relations outside your walls, as well as smooth and harmonious relations between managers and employees.

Public relations may be defined as an attitude of management which places first priority on the public interest when making any management decisions. In other words, the manager of the business tries first to produce satisfactions for his public — guests, employees, owners, neighbors and the whole community. Public relations is a "social conscience" permeating the entire organization.

Thus, the lodging manager must create conditions within the business which are conducive to social well being and then vigorously sell these conditions to the public. Try to tell everyone what a fine lodging place is being operated in their community.

Achieving Good Public Relations

All of the public interests must be served. Serving one group of the public at the expense of another does not produce desirable public relations. Good morals are the basis of sound public re-

lations. Each individual business manager and the business he represents must become respected and earn the confidence of his community. There is no difference between his personal reputation and the reputation of his business.

Favorable public relations with employees emphasizes respect for personality and human dignity. Workers need to have opportunity for self-expression, to help make decisions affecting their interests, and to have a reasonable amount of security.

Your employees have a powerful influence on the public, as they represent you in the public's eye. Teach your employees to always be courteous, respectful and helpful to guests. Little things make a big difference and the attitude of your employees can make or break good public relations.

Before formulating any type of management policy, consider possible public reaction. For example, if you are thinking about raising your rates, ask yourself: How will this affect my present clientele? New guests? My future market for business? New or untried markets?

Likewise, you need to know public attitude toward your present policies. Ask some of your guests as a sample. You might find that they think your rates are too low for the value they receive!

Communication is the lifeblood of good public relations. In other words, you must first do good

things and then tell the public about them.

The public must have factual information about your business. False information, rumors, and gossip are detrimental. Don't fail to relate the actual conditions as they exist. People are curious and want to know what's going on in their community.

Suppose you, as manager, are to participate in an educational short course at Michigan State University. An item about this in your local newspaper will help build good will and respect toward you and your business. Or, you might serve as host to a Community Chest group with a lawn party. This could be covered by the press with a story, and possibly, pictures. There are many other possibilities for good public relations through personal communication, radio, and television.

Developing a Favorable Public Image

In a sense, good public relations is good will. The best public relations specialist in the world can't do a thing for you if you don't first instigate good things.

Public service is something you give — your time, talents, your hospitality — and you reap the rewards. Both advertising and public relations can pay for themselves many times over. If you are a small organization and can't hire public relations help, at least seek their advice.

If you are going to attempt a do-it-yourself program, start with a public service contribution as mentioned above. Possibilities are: party for retarded children, a day for the elderly or a similar good cause. If you are a good host, hold a press party whenever construction, expansion, or other news-worthy events occur.

Sometimes an owner finds that his business has a poor reputation. He needs a positive, favorable public relations program to wipe out the unfavorable impression. A careful review of the procedures outlined in this section should suggest many ways for achieving good public relations.

You need continuing good public relations over the years. There are countless ways to get publicity, but don't overdo it. Three rules should be remembered — planning, propriety, and a sense of rules.

Publicity is just a part of public relations. What you do and how you do it is most important.

High ethical standards, cleanliness, maintenance, and a program of accident prevention in your lodging business can help assure a good reputation. Carelessness in these areas can undo the work of many years and the large sum of money invested in the business.

The End Objective

An imaginative and vigorous public relations program will help establish your business as a valuable and wholesome influence in the community. The public and your guests will recognize your business as one which provides the best services and products for rates and prices charged.

Where To Get More Information

Catalogue of Books, Bulletins and Pamphlets

Catalogues and lists of books and films useful to the lodging manager:

The Educational Materials Center, National Restaurant Assn., 1530 N. Lake Shore Dr., Chicago, Ill. 60610.
William C. Brown Publishing Co., 135 S. Locust St., Dubuque, Iowa 52001.

Library List, American Hotel and Motel Association, 221 West 57th St., New York, N.Y. 10019.

Good Books for Good Managers, School of Hotel, Restaurant and Institutional Management, Eppley Center, Michigan State University, East Lansing, Mich. 48823.

Hayden, Rider, & Ahrens Books, Hayden Book Companies, 116 West 14th St., New York, N.Y. 10011.

Irwin Books in Economics and Business, Richard D. Irwin, Inc., Homewood, Illinois 60430.

Books for Hotels, Motels, Restaurants, John Willy, Inc., 1948 Ridge Ave., Evanston, Illinois 60201.

Educational Institute, AH&MA, Kellogg Center, M.S.U., East Lansing, Mich. 48823.

Trade Journals

Cornell Quarterly, School of Hotel Administration, Cornell University, Ithaca, N.Y. 14850.

Hospitality, Patterson Publishing Co., 5 South Wabash Ave., Chicago, Illinois 60603.

Hotel & Motel Management, Clissold Publishing Co., 105 West Adams St., Chicago, Illinois 60603.

Resort Management, Resort Management, Inc., P.O. Box 4169, 1509 Madison Ave., Memphis, Tenn. 38104.

Sales Management, Sales Management, Inc., 630 Third Ave., New York, N.Y. 10017.

Tourist Court Journal, Tourist Court Journal Company, Inc., 306 E. Adams Ave., Temple, Texas 76502.

World Convention Dates, Hendrickson Publishing Co., 70 Hemstead Ave., Hemstead, L.I., N.Y. 11550.

Referral, Endorsing, and Franchising Organizations

Directory of Hotel and Motel Systems, American Hotel and Motel Association, 221 West 57th St., New York, N.Y. 10019. Published annually in July.

Trade Associations

Michigan Hotel and Motor Hotel Association, 548 Book Building, Detroit, Mich. 48226.

Michigan Motel and Resort Association, 407 W. Ionia St., Lansing, Mich. 48933.

Michigan Restaurant Association, 810 David Broderick Tower Building, Detroit, Mich. 48226.

National Restaurant Association, 1530 North Lake Shore Dr., Chicago, Illinois 60601.

American Hotel & Motel Association, 221 West 57th St., New York, N.Y. 10019.

Motel Association of America, 1025 Vermont Ave., Washington, D.C. 20005.

Hotel Sales Management Association, 55 East 43rd St., Suite A-21, New York, N.Y. 10017.

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