



**Faculty of Business**

*Title: Acquiring and Retaining Customers through  
Traditional- and Relationship Marketing  
- Case- Study on the Quality Hotel Burke & Wills*

*Author: Malin Hammer*

*Supervisor: Akmal Hyder*

*15 Credits*

***Thesis***

***Bachelor of Business***

## Abstract

The hotel industry is highly competitive and the right knowledge about customer values and demands is essential to differentiate from competitors and gain sustainable competitive advantage. Implementing traditional marketing strategies is often no longer enough to achieve this goal. Relationship marketing has increasingly become more important, as this concept suggests more focus on retaining the customer and creating a win-win situation with a long-term perspective. In traditional marketing there is more focus on acquisition. Most importantly a good balance between acquisition and retention directed to the right segments is essential for future success.

This thesis is a case-study of a single business in the hospitality industry and the company of interest is the Burke & Wills, a hotel situated in Toowoomba, a regional city in Queensland, Australia. The purpose is to explore how well Burke & Wills markets itself, looking closely at the strategies used and how these are implemented. I also wanted to investigate whether the hotel's present acquisition- and retention efforts are suitably divided between the various segments. The final objective with this thesis is to identify any opportunities for improvements.

The case-study consists of both a qualitative- and a quantitative approach. Two staff interviews were carried out and a survey in the form of a questionnaire was handed out to the customers of the hotel. The intention with this was to explore whether present marketing strategies are effective or not.

I found that the management of Burke & Wills has little knowledge about how to best market the hotel both when it comes to acquisition- and retention efforts and to direct these to suitable segments. The company seems inadequate to identify and attract potential customers during quiet periods which results in a big loss of potential revenue. The survey shows that the company's awareness of what the customer values as quality service is fairly good but might not be enough to prevent future loss of customers. As a result of this these customers may turn to competition for better service in the future. The majority of returning customers also state that they would value a more personalised approach from Burke & Wills. I draw the conclusion that there is a lack of interest in how to improve the marketing of the company. No surveys have been conducted in the last few years to get customers' opinions. They take their position on the market for granted and even with new competition they chose to stay inactive. Focus on improvement should be a priority but it is not. I believe it is essential to, at this stage, employ a person with marketing experience to make the company stronger and to maximise the possibilities of the hotel.

# Table of Contents

- 1. Introduction.....1**
  - 1.1 Background.....1
  - 1.2 Problem Discussion & Research Questions.....2
  - 1.3 Purpose.....3
  - 1.4 Delimitation.....3
  
- 2. Method.....4**
  - 2.1 Qualitative- and Quantitative Methods.....4
  - 2.2 Collecting Data.....5
    - 2.2.1 Primary- and Secondary Data.....5
    - 2.2.2 Theoretical Study.....5
    - 2.2.3 Case- Study.....5
  - 2.3 Reliability & Validity.....7
  
- 3. Theory.....9**
  - 3.1 Service Marketing.....9
    - 3.1.1 The Hospitality Industry.....9
    - 3.1.2 Market Analysis.....9
    - 3.1.3 Marketing Plan.....10
    - 3.1.4 Marketing Channels.....10
  - 3.2 RM & CRM.....11
    - 3.2.1 Data- Collection.....12
    - 3.2.2 Customer Value & Loyalty.....13
  - 3.3 Acquisition & Retention.....14
  - 3.4 Internal Sales.....14
  - 3.5 Dealing with Shoulder- Months.....15
  - 3.6 Control of Strategies.....15
  
- 4. Empirical Studies.....17**
  - 4.1 Interview with the Assistant Manager at Burke & Wills.....17
    - 4.1.1 Marketing Strategies.....17
    - 4.1.2 Relationship Marketing.....19
    - 4.1.3 Control Measurements.....19
    - 4.1.4 Advertising: Previous Years.....20
  - 4.2 Interview with the Duty Manager at Burke & Wills.....20
    - 4.2.1 Customer Relations.....20
    - 4.2.2 Internal Sales.....21

4.3 The Survey.....	22
<b>5. Analytical Discussion.....</b>	<b>26</b>
5.1 Implementation of Traditional Marketing Strategies.....	26
5.2 Gaining Competitive Advantage by Implementing RM.....	27
5.3 Acquisition and Retention.....	28
5.4 Customer Satisfaction.....	28
5.4.1 From the Company’s Viewpoint.....	28
5.4.2 Survey Results.....	29
5.5 Control of Implemented Marketing Strategies.....	30
<b>6. Conclusions.....</b>	<b>32</b>
6.1 Own Comments.....	32
6.2 Suggested Improvements for Future Development.....	33
6.3 Proposals for Future Research.....	35
<b>References.....</b>	<b>36</b>
<b>Appendix 1: Questions to Assistant Manager Shea Brennan.....</b>	<b>38</b>
<b>Appendix 2: Questions to Duty Manager Angela Fowler.....</b>	<b>39</b>
<b>Appendix 3: Questionnaire.....</b>	<b>40</b>
Figure 1: Program Life Cycle.....	12

# 1. Introduction

---

*In this chapter I will introduce the foundation of this thesis, presenting the background that will lead to problem discussion, which is followed by a presentation of the purpose.*

---

## 1.1 Background

The competition in most industries and markets is highly competitive. Therefore it is of great importance for companies to ascertain the right knowledge and implement effective and efficient marketing strategies (Armstrong & Kotler 2004). The hotel industry allows no exceptions, it is very competitive and companies within this industry have to apply the right methods and know how to differentiate from each other to gain a competitive advantage (Anz.com 2007).

There are a few essentials to consider when building up to and remaining a profitable and strong corporation, which will be discussed later in this report. A corporation should never stop striving for greatness. They must ensure that they maintain their position on the market with constant consideration given to how they can improve this position (Armstrong & Kotler 2004).

When supply is higher than demand, the traditional marketing strategies might not be enough to achieve long-term goals (Bjerre & Hougaard 2002). Relationship Marketing (RM) was brought into the business world in 1983 (Gummesson 2002). Later was the concept of Customer Relationship Management (CRM) also invented. The idea with this concept was that organisations should focus on customer relations to better be able to meet with customer demand. (Hughes 2003)

By gathering useful information, and building, and maintaining relationships with customers, it is possible to learn what the segment really values in a product or service, which results in an increased chance to gain an advantage against competitors. Managing customer relations is becoming more important and is being portrayed as a new paradigm within marketing management. (Bjerre & Hougaard 2002)

There are numerous ways in which to divide customers into segments and several market channels to use in order to reach the target audience. The difficulty is to choose the right customer groups, and to know how to create successful marketing programs for each segment. (Hughes 2003)

Another aspect that can affect profitability is the company's ability to focus on the segments that give the highest payoff, it does not necessarily mean that the loyal customers generate the highest return (Bjerre & Hougaard 2002). However retention is in most cases more profitable than acquisition. Therefore not all marketing resources should be invested in gaining new customers. (Hughes 2003).

I have searched amongst existing theses to establish what, in my opinion was missing, what had not been focused on. I found that even though there are many theses written about marketing there is little research about the mix of relationship marketing and traditional marketing. I find it imperative to discuss how these strategies are implemented in reality, and

the consequences of using such strategies. I have got the impression that many companies are rather uncertain as to which strategy is the most effective and efficient, there is constant deliberation over the profitability and opportunities for competitive advantage each strategy can bequeath. Conducting a case- study to achieve this is a good option for me. Focusing on one particular company gives me the opportunity to go deeper in my investigation, as it will allow for more detailed information from various sources.

The company I have chosen to write about is the Quality Hotel Burke & Wills. The motive for this choice is my personal interest in the hotel industry. Burke & Wills is situated in the centre of Toowoomba, which is the largest inland city in Australia. It is a corporate- and function based hotel with ninety-three rooms and four conference rooms. The size and the type of the hotel is one of the reasons for my interest in this particular company.

Other case-studies that I have found, addressing marketing within the hospitality industry, do not focus on both sides (the company and its customers). Instead most researchers chose to investigate success in marketing from one angle. I think it is more interesting to see it from two different angles. I can then evaluate whether the company is as competitive and active in their marketing efforts as it should be in order to gain competitive advantage. Also explore whether the hotel really is aware of what their customers value in a service.

## **1.2 Problem Discussion & Research Questions**

As the Burke & Wills is a relatively big hotel, it welcomes a large number of customers. It cannot be an easy task to operate a business of this size. I want to research if the company is strong enough on a competitive market from a marketing perspective. There are often aspects that can be improved to become more profitable, and I want, as an objective bystander, to examine the possibilities for improvement, and come up with suggestions on how these can be implemented.

I will determine if Burke & Wills is currently implementing the concept of RM or if they focus on traditional marketing strategies. They may also be using a combination of the two strategies. I will also investigate whether they take suitable actions to delegate their marketing resources between retention and acquisition and whether they have realised which segments to focus these efforts on. To attain this goal interviews will be held with the assistant manager of the hotel as well as with the duty manager.

I also want to explore if the company collects and uses customer information effectively and efficiently, and if they offer their customers satisfying service? This is to be measured through a questionnaire, to get the customers' opinions.

### Research questions:

- How well and to what extent does the company implement traditional- and relationship marketing?
- Does Burke & Wills focus its acquisition- and retention efforts on the right segments?

- To what level do the company and its employees offer the customers satisfying service, and how do they regulate this?

### **1.3 Purpose**

The purpose is to explore how well Burke & Wills markets itself, looking closely at the strategies used and how these are implemented. I will also investigate whether the hotel's present acquisition- and retention efforts are suitably divided between the various segments. The final objective with this thesis is to identify any opportunities for improvements.

### **1.4 Delimitation**

I have limited my research to establish and analyse the market strategies applied by Burke & Wills to see whether they have reached their potential within this area. I have, as a result of limited time of research, not taken other aspects into consideration that can affect the profitability of the business.

A key point to note is that when analysing the dynamic of customer relations I compile the individual attributes of the hotel (that is, bistro, restaurant, cocktail bar, rooms, reception and functions) and critique them as a single entity.

## 2. Method

---

*This chapter consists of a presentation with chosen research methods, also how these methods have been implemented in the objective to find answers to the purpose of the report. A discussion will also follow in relation to reliability and validity.*

---

### 2.1 Qualitative- and Quantitative Methods

When starting up research it is important to choose a suitable approach in which to collect data. Two different methods exist, the qualitative method and the quantitative method. It is common to use only one of these methods in a research, however in some cases both can be appropriate to implement for the same study, as they can be seen as complementary to each other. (Money, Remenyi, Swartz, Williams 1998)

The main difference between qualitative- and quantitative methodology is that with qualitative there is a focus on the individual to obtain a deeper understanding of the situation of which you wish to study. A Quantitative method simply means that the researcher gather a large number of facts which are later to be statistically analysed. (Hussey & Hussey 1997) The latter approach is suitable when there is an interest in measuring and comparing the responses from a larger number of people (Patton 1990).

A qualitative approach is more open, as nothing in the fieldwork needs to be predetermined to enable analysis. When it comes to quantitative methods, standardisation is however necessary, predetermined questions are required to make it possible for analysis of the results. (Ibid.)

I have chosen to use both qualitative and quantitative research methods in this report, as it enables me to get a broader perspective of Burke & Wills situation, and to establish if the company might need to make some improvements when it comes to their objectives and strategies.

In order to learn more about the organisation and their marketing strategies I found it appropriate to conduct two interviews, and thereby adopting the qualitative method. The results from that approach gave me a deeper understanding for how the company operates. By interviewing two people with different roles within the company, I got valuable information from different perspectives. The first interview was with Shea Brennan, the assistant hotel manager of Burke & Wills, and the second with the duty manager.

However, I believe that information only gathered through a qualitative approach would alone be of little interest or value. The purpose of the report is to evaluate the effectiveness of the company's marketing strategies, and to only analyse the situation from the company's point of view would give little knowledge about the reality, how the hotel is perceived by the customer, and if the objectives of the hotel are in line with customer demand. I therefore found it important to implement a quantitative approach in addition to the qualitative approach, in the form of a survey targeting both corporate and leisure customers. To enable this, Shea Brennan offered to put my questionnaire in every room of the hotel.

## **2.2 Collecting Data**

### **2.2.1 Primary- and Secondary Data**

There are two different types of data to be collected, one is in the form of new data for a specific purpose, and this type is called primary data or original data. The second type is the secondary data, which is data that already exists, that has been written by another author, for a different purpose. (Hussey & Hussey 1997)

In this report both primary- and secondary data have been used, to compare new findings with already existing ones.

### **2.2.2 Theoretical Study**

For this thesis I chose to use a good variety of written sources to broaden my perspective. First I got familiar with the current situation in the hotel industry to establish how competitive the market is. I searched for theory that would help analysing the result later to be received from empirical studies.

I explored relevant literature within the marketing region, both with general substance regarding marketing strategies in addition to literature with direction towards the hospitality industry. I have for this purpose regularly visited various libraries (namely the library at the University of Southern Queensland campus) in search for relevant literature.

An important complement to written sources is information found on a variety of websites. Internet gives an opportunity to collect and analyse more recent and up to date data.

### **2.2.3 Case- Study**

I am focusing my research around one company and the results are to be analysed with relevant theoretical studies. A case- study facilitates a more multi- dimensional representation of the subject (Money, Remenyi, Swartz, Williams 1998). Focusing on the one company therefore gives me a chance to carry out a more detailed analysis.

There are different types of case- studies, however for this purpose I found it suitable to focus on a mix of descriptive- and explanatory type (Hussey & Hussey 1997).

An opinion survey within a case- study can be an attractive addition if it further qualifies the evidence presented. However, an opinion survey can never be used as the sole reference in a case- study, the quantitative data produced by an opinion survey must be analysed with reference to qualitative sources (interviews) in order to authenticate the information. (Money, Remenyi, Swartz, Williams 1998)

The purpose of this report is to evaluate Burke & Wills marketing and service efforts. In order to establish if they are successful in this area I found it necessary not only to conduct interviews with members of the staff, but also to get the customers' opinions on what aspects of hotels and hotel service they value. I conducted two interviews and a survey allowing the case- study to presents both qualitative- and quantitative data, resulting in a broader perspective.

By getting information from both the company and from their customers, it is also easier to establish and analyse ways in which Burke & Wills can improve in the future. It gave me the

opportunity to explore if the customers are satisfied with the way the company operates, and if Burke & Wills have enough knowledge about their customers to create a win- win situation.

The two interviews were first carried out to get an insight of how the company operates within the chosen area. Open- ended questions were used, which facilitates a deeper discussion. The interviews were also filmed as that simplifies the analysis of the data received. Doing so also enabled me to observe the non- verbal communications of the interviewee. (Hussey & Hussey 1997)

Since the interviews are directed to people with different positions within the company, they are not constructed in the same matter. They answer to the same purpose, however the interviewees are not likely to see the company in the same way. The floor staff is in constant contact with customers and can therefore experience another side of the situation.

After conducting the interviews, I then focused on the survey. A survey is carried out by taking a sample of the targeted population. This is a good method when the population is large and it would be impossible or mostly expensive to involve each individual. The descriptive type of survey is most appropriate to apply when evaluating and analysing customer attitudes (Ibid.).

Since I wanted a fairly large sample, handing out questionnaires was a suitable course of action. Carrying out a questionnaire can have many positive aspects, it is cost effective and this research method does not have to take a long time. However it has its disadvantages, the questions and the responses are less complex than qualitative interviews (Ibid.). A questionnaire leaves no possibility to ask questions to the person issuing it. Hence I decided to conduct a pilot survey, asking friends if there were any uncertainties. Pre-testing can help minimise possible errors and assist make the design of the questionnaire clearer (Money, Remenyi, Swartz, Williams 1998).

The questionnaire was then handed out to every room in the hotel, targeting both leisure- and business clients, as they usually have different starting points and intentions with their stay. The problem I had to face when deciding on the sample size was the risk of a low response rate. It is common to get a response from fifty percent or less of the sample (Hill 1996).

The goal with the survey was to measure what the customer values with their stay, and how they perceive Burke & Wills ability to facilitate satisfactory service. Also to explore what affect the marketing strategies, implemented by the company, have on the different customer segments.

The structure of the questionnaire and the questions asked are to be well presented and short, as people are more likely to respond if little time and effort is required to complete the form (Ibid.). Therefore I worked hard to arrange the questions in an appropriate order, first asking them to fill out their sex, age and what type of customer they are. This information helped me divide the guests into different groups, when collating the data for analysis.

In order to establish how satisfied the customers are it is necessary to also ask questions about what aspects they value with their stay. This was achieved by using the same criterion and scales in two separate sections (Ibid.). In the first section they were asked to, from a scale of 1 to 5, answer to how important different components are to them, and in the second section they were asked to use the same scale to evaluate how they think Burke & Wills performs.

The response rate of the survey was very low, even though generous time was given. Twelve out of ninety-three questionnaires were answered. This did not give me much to work with and I could do little about it, I did push the management to try harder and get the customer aware of the existence of the survey. That was all I could do at that point as I then had left that geographic area.

The result of the returned questionnaires is to be found under empirical findings. Starting with an introduction of the initial plan with the survey and how the process gradually developed. This is followed by a presentation of the results such as the percentage of females and males active in this survey, type of customer, and how they became aware of the company.

After that introduction, findings regarding customer satisfaction are presented in the same format as what is found in the questionnaire (see Appendix 3). The respondents' ratings of their values and the performance of Burke & Wills are revealed as well as spontaneous comments about the hotel's service efforts.

The findings are later analysed addressing the allotment of segments in the survey and whether it represents reality. Also discussing what marketing channels that seems to be effective for the different segments. The results are then analysed to gauge the overall satisfaction level using average ratings in both the value section as well as in the performance section.

To measure the effectiveness of relationship marketing, I have compared the two sections (value and performance) for every individual answer. I found that most appropriate as it gives a good indication of how many customers are satisfied with current relations with the company.

## **2.3 Reliability & Validity**

The findings are reliable if you can, by using the same methods all over again, come to the same result (Hussey & Hussey 1997). This thesis is however based on a case- study, which means that the same result cannot be obtained once again by studying another company, for the reason that all organisations are different (Money, Remenyi, Swartz, Williams 1998). Although my objective is that by using the same methods as myself one could achieve the same results when analysing the same company as long as the investigation is not carried out too far in the future, as things quickly can change.

I believe that the use of many literature sources provides a more objective discussion, as more views regarding the same subject are presented.

The interviews were videoed, in order to avoid losing any material or misinterpret any information. The quotations from the interviewee cannot be substituted. A recorder is therefore very useful equipment for a researcher. The purpose of conducting an interview is to get a fair interpretation of that person's perspective. (Patton 1990) By video recording the interview I could focus more on the interviewee. Instead of focusing on writing down everything the interviewee said I could write down follow- up questions and get them to deliberate more. Naturally I got this approved in beforehand, as an interviewer I am obligated to explain why it is of value to tape the interview and also to ask whether the interviewees

find the method acceptable (Ibid.). The reliability of a qualitative approach is depending on technical equipment as well as the people involved in the research (Infovoice.se 2008).

To increase the reliability of the survey, I used a five- scale system in the questionnaire. The reliability in such scale is higher compared to a two- scale system. Five is an effective choice since the reliability decreases if the number of response options is greater than five. (Hayes 1992) I was also very careful when wording the questions in the questionnaire to reduce the impact of misinterpretation, as this can lead to inaccuracies in the data analysis (Ibid.).

I did a thorough preparation of the survey to increase the possibility of getting a good response rate as this would increase the reliability of the results. I structured the questionnaire in a way to make it easy for the customer to quickly fill out. My efforts were unfortunately inadequate and I failed to get the response rate I was hoping for. No more than thirteen percent of the questionnaires handed out were returned to me for analysis. A low response rate makes the sample less representative of the population which negatively affects the reliability of the results (Hill 1996).

The internal validity of the thesis is measured by simply establishing whether you have succeeded to connect theory with the empirical study, if you have measured what was originally planned. It is fundamental to implement reliable methods in order to achieve validity. (Anderson, Jansen, van der Velde 2004)

In a quantitative approach such as a survey, the instrument of which is used to measure something should be cautiously constructed so that it in the end measures the right thing. This is of importance in validating the research. However in a qualitative approach other determinants are important to gain validity. In this case the competence of the researcher plays a key role. (Patton 1990) I have done my best to try and create validity. I have gone through literature to gain knowledge of how to execute and measure what is relevant both when it comes to the quantitative- and the qualitative approach of my study. The construction of questions was in my opinion directed to address the right issues, and the questions as well as the approach to conduct the interviews were carefully planned.

To reach external validity, the findings should be generalising, (Money, Remenyi, Swartz, Williams 1998). It is however unlikely that my findings are to be seen as general, as it is focused on Burke & Wills.

## 3. Theory

---

*This part of the report will expose relevant theories in the form of secondary data, concepts with significance to what later will be presented in the empirical chapter. The secondary data consists of both literature- and Internet sources which are used to formulate the theoretical discussion.*

---

### 3.1 Service Marketing

#### 3.1.1 The Hospitality Industry

There is a clear difference between hospitality sales and consumer goods. A hospitality sale includes both tangible and intangible components. There is no product to take home after a visit at a hotel, so what will be remembered is the whole experience, and it is up to the company to make it pleasant or unpleasant. (Abbey 1989)

One trend that has affected the hospitality industry is the advanced computer technology, many travellers of today use the Internet to explore hotel options and to book accommodation. Therefore, to be successful on this market requires an appreciation of, and adaptation to, existing trends. If the hotel does not act on current trends it may lose potential customers. (Lanz, Hotelnewsresource.com 2008) Internet has of course made a great difference when it comes to reservation and database systems. It has also modernized and simplified cooperation between hotels and travel agents. (Abbey 1989)

It is not merely the technology that has changed the course of the industry, the guest preferences have changed as well. There is more information available to the customers which widen their opportunities and make them pickier. Experienced travellers know what they want and expect value for their money. (Ibid.) As the hospitality industry only becomes more and more competitive, the pressure to deliver high quality service and facilities increases and simply having an aesthetically appealing company with the potential to prosper does not guarantee success (Salerno, Hotelmarketingcoach.com 2006).

The length of the vacation has also taken a turn, a travel survey from 2007 shows that many travellers prefer taking a large number of shorter vacations as apposed to a small number of longer ones. A week or less is today the normal length of a trip. (Hotelnewsresource.com 2008)

#### 3.1.2 Market Analysis

In order to succeed in a highly competitive market, it is important to modify the product or service so that it meets with customer demand. In that process the company must know which market segment to focus on, and how to best address these people. The company should also attempt to improve the existing advertising methods to more effectively reach out to the chosen markets. Competition will always exist, therefore a company must differentiate itself from its competitors in order to gain sustainable competitive advantages. (Plog 2004) However for it to be effective, it is essential for the company to develop explicit and unequivocal initiatives that distinguish them from their competitors (Abbey 1989). By identifying and comparing the properties that exist on the same market, a company can more easily determine its own strengths and weaknesses. This knowledge will be of assistance when it comes to positioning. (Ibid.) Also to better cater for customer demand and improve

the company's position on the market (Salerno, Hotelmarketingcoach.com 2006). "Marketing is concerned with the dynamics interrelationships between company's products and services, the consumers' wants and needs and the activities of competitors." (Payne 1993, page 21)

### **3.1.3 Marketing Plan**

Since it is an impossible task to satisfy every need and demand on the market, it is wise to carefully choose segments that are most likely to be interested in what the company can offer (Abbey 1989).

Positioning is an important part of the marketing plan and the goal is to leave a strong impression of the company in the mind of targeted segments (**Armstrong & Kotler 2004**). To be successful in positioning the company, the strong attributes of a service or product must be exposed and highlighted to consumers. It should contain a short and effective message to attract chosen segments. (Plog 2004).

When the segmentation has been made and suitable positioning has been established, the next step should be setting objectives for each and every segment. Marketing objectives have the best effect when they are obtainable and simple. In order to educate and assure that every employee is aware of the objectives, these should be available in written format. This should follow by an establishment of strategies that can facilitate the implementation of set objectives (Abbey 1989).

Good knowledge about customer behaviour makes it easier to determine how to best reach out to a chosen audience through advertisement (Ibid.). It is at this stage essential to send out believable messages and it is recommended to avoid expectations that cannot be fulfilled as this can lead to dissatisfied customers (Hill 1996). If the company is in a drought, one can hire a third party to bring in new fresh marketing ideas (Hotelmarketingcoach.com 2006). Involving a professional to handle the planning process can also eliminate the execution of unnecessary and ineffective methods that would only hamper the productivity of the company (Abbey 1989).

### **3.1.4 Marketing Channels**

A hotel and its destination can be attractive for different reasons, and it is up to the individual hotel to bring these positives into the open through appropriate marketing strategies, and persuade the segments to turn to the own company. To compete with companies from alternate locations, qualities of the surroundings should be revealed (for example; excellent shopping, site seeing opportunities, dinning experiences, et cetera). (Plog 2004)

Advertising is one way of promoting a company. An advertisement is however the kind of promotion that always involves a cost. Outdoor advertising, print advertising, displays, direct mail and broadcast advertising are all means in which to reach out to a target audience. The difficulty is to choose the right media for the different segments. Billboards can help attracting impulse travellers, displays can have the same effect when put up in suitable locations, for example at airports, transportation terminals and trade shows. (Abbey 1989) In 2007 Outdoor advertisement was rated the second most popular promotion channel, it demonstrated a number of positive outcomes (Hotelnewsresource.com 2007).

Another way to create awareness amongst potential customers is to advertise in magazines, newspapers and directories. Magazines can be preferable instead of newspapers as the same copy often is read by more than one person and it is easier to focus on different segments.

Magazines often appeal to an assured group of people, which makes it easier to attract the segments the company wants to reach out to. (Abbey 1989) This is a good example of when knowledge about customers or potential customers comes in handy. An awareness of their habits and patterns, (for example what magazines they read et cetera), is helpful when choosing which marketing channels to use when targeting segments. (Tq.com.au 2008)

A large number of people look in the directories before booking a hotel, thus having a striking ad in the yellow pages can also be an effective way to reach potential customers. Direct mail is the only way to reach the targeted audience directly, whereas broadcast advertising reaches out to a wide audience. This does however not mean that it is impossible to still target the chosen segments. It can be very effective to send out repeat messages through certain carefully chosen radio stations. TV advertising can be suitable for smaller companies but it is not always a solution, as it is an expensive medium which reaches out to everyone, not only the target audience. (Abbey 1989) Although the use of email and personal letters are often preferable as this facilitates more customised offers to certain segments (Lanz, Hotelnewsresource.com 2008). It is important to note that all sorts of communication with potential customers should be clear and outstanding, because if it is not, it will not have any affect (Plog 2004).

### **3.2 RM & CRM**

On a competitive market it is usually not sufficient to only implement traditional marketing strategies. When implementing differentiation strategies the company must be more customer focused in order to stand out from competitors and create sustainable competitive advantages. Reducing customer turnover by creating relationships with the customers is often a recommended pursuit. (Eriksson & Åkerman 1999)

Traditional marketers mainly focus on acquisition, while marketers that implement relationship marketing strive to retain existing customers and see acquisition methods as a way to attract potential lucrative customers to cultivate and retain. It is of great importance to establish the most profitable segments here in order to decide which ones to retain and attract. (Peppers & Rogers 1999)

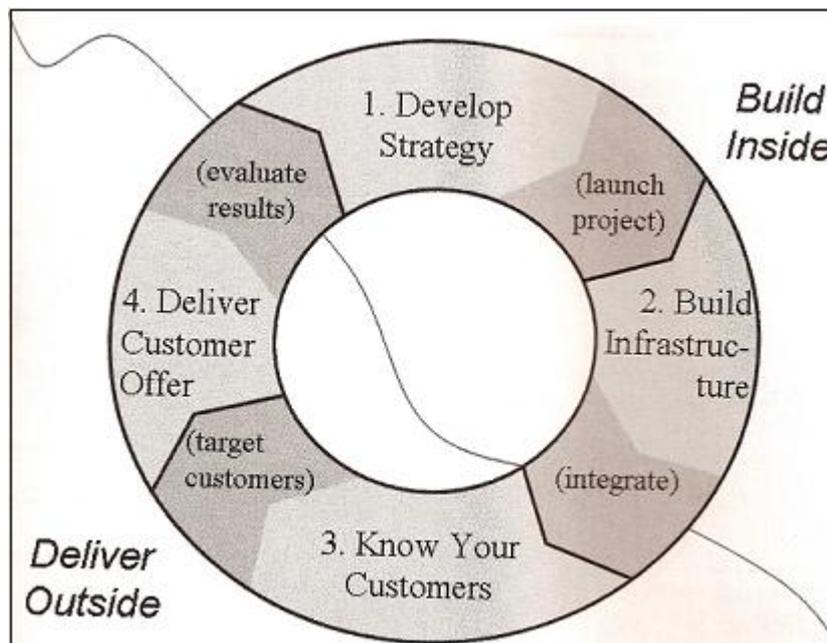
The concept Relationship Marketing (RM) was brought into the business world in 1983 and became popular during the 1990s. Relationship marketing means that a business should focus on networks, relations and interaction when implementing marketing strategies. (Gummesson 2002) “A recognition that quality, customer service and marketing activities need to be brought together. A relationship marketing organisation focuses on bringing the three elements into closer alignment and ensuring their combined synergistic potential is released.” (Payne 1993, page 31).

Customer Relationship Management (CRM) became popular after the introduction of RM and is an important part of RM (Gummesson 2002). This concept is meant to build and maintain customer relationships by collecting more detailed data about the customer and use this information to better communicate with the customer. Both parts benefits from this, the company can better answer to customer demand and different needs, and gain sustainable competitive advantage, the customer in return gets better offers matching their criteria, and satisfaction level can increase. (Hughes 2003) CRM is therefore the practical component of RM (Gummesson 2002).

To be successful in implementing RM, the company must have the capacity to put the customer in focus, as it usually is very time- and cost consuming and can take a while before it turns into revenue. Every part of the organisation also needs to be involved in the process. (Eriksson & Åkerman 1999) Therefore all levels of employees need access to customer information (Peppers & Rogers 1999).

Time restricted campaigns with no connection to each other should be eliminated in order to successfully implement RM (Eriksson & Åkerman 1999). There are numerous ways in which a relationship can be created, first of all to have a dialogue with the customers, for example offer moderated solutions and in some means reward loyal customers. Even though a moderated product is not individually adjusted it should give that impression. (Söderlund 1998)

Here presenting the cycle in which RM should be planned and operated:



**Figure 1: Program Life Cycle (Source: Kincaid 2003, page 393)**

### 3.2.1 Data- Collection

Marketers have great use of a good database, with helpful and detailed information about customers as this facilitates for more effective marketing efforts. Knowing your customer is a great advantage and makes it easier to compete with other companies. This also enables the company to predict future customer demand. (Peppers & Rogers 1999)

The first step is to gather data about the customers, then use this information when establishing appropriate marketing strategies for each segment (Arnerup & Edvardsson 1998).

There should be focus on gathering more information from segments that bring in the best revenue. Detailed data is very useful in marketing efforts and on operational levels, however, the methods in which this data is collected and what type of information is being asked should

be carefully selected. Only quality and necessary data should be of interest, bad quality data can hurt the company as it may lead to wrong decisions being made. (Kincaid 2003)

Unnecessary questions and too many questions will only irritate the customer which can result in lack of interest in been cooperative. Once a relationship is established and the trust is there, the customer will be able to see the plus- side of being cooperative and also be more willing to answer additional questions. (Ibid.)

Listening to feedback and creating dialogs with the customer is the foundation of customer relationships. Examples of media that can facilitate two- way communication include printed catalogues, letters and brochures. However these must be equipped with possibilities for the receiver to reply. Other examples are telephone, online services and direct contact. (Peppers & Rogers 1999)

By getting the customer to educate the company on how to address their specific requirements the customer is more likely to stay loyal to the company as it would be too complicated and take time to go through that process with a different company (Ibid.).

It is important though not to overuse for example Internet facilities when communicating with the customer, this overuse has unfortunately become quite common in the society today and might result in irritated customers (Dann & Dann 2001).

### **3.2.2 Customer Value & Loyalty**

A service is not merely about the product and service, it is more about the entire social experience that is connected to the purchase. Knowledge about what customers' value and how to satisfy their needs is essential in order to offer them the right products and services. This understanding can help a company gain competitive advantage as it often leads to retention. (Oliver & Rust 1994)

Usually customers base their perceived value by evaluating price and quality. The customer basically compares the advantages that is gained over time, and put it in relation to the cost associated with the service. By providing good service to the customer the company can increase the perceived value. (Grönroos 1998) The higher the customers level of satisfaction, the more likely it is that the customer stays loyal. However if the level is low it is more likely that they instead turn to another company next time that can offer a better experience. (Oliver & Rust 1994) Important to have in mind is that loyalty has to do with emotions and to reach this level the overall impression about the company must be consistent of good quality and satisfying experiences (Kincaid 2003).

Loyal customers are in most cases the most lucrative ones (Ibid.). Therefore the goal should be first to identify the most profitable segments on the market and after that develop close relationships with these segments in the hope that they will turn into loyal customers (Hughes 2003). The most lucrative segments are usually those who travel a lot for different reasons and those who will tell their friends about their visits, which might result in new business (Plog 2004).

It takes constant work to retain customers, as it is important to satisfy them every time (Kincaid 2003). Repeat business plays an important role for a company in the hotel industry, which should motivate companies to gain as many loyal customers as possible (Abbey 1989). A company that knows how to meet with customer expectations and even exceed in doing so have a better chance in developing loyal repeat customers (Armstrong & Kotler 2004).

Extra service when not expected is usually a successful strategy, it can be little things to leave a positive impression (Eriksson & Åkerman 1999).

### **3.3 Acquisition & Retention**

Focusing on selling to existing customers is usually more preferable than trying to attract new customers (Bjerre & Hougaard 2002). This does not mean that it is sufficient to only retain customers, however, when advertising to attract new customers it should be with the objective of retaining them as potentially loyal customers (Hughes 2003). It should be a good balance between these two, it is like the old saying; “In order to fill the bucket, one must first seal the holes in the bucket” (Salerno, Hotelmarketingcoach 2006).

The Hotel Industry usually relies on business travellers as they are frequent travellers and have a good chance to become regulars, if treated as an asset. To attract these customers it is common to offer the business traveller better rates and discounts, and offer a more home-like atmosphere. However when there is little corporate business, for example, throughout off-season, it is instead essential to attract leisure customers. (Abbey 1989)

Leisure travellers often look for special packages and convenience (Ibid.). When launching an advertising campaign, extra features should therefore get built into the offer and high lightened, so that the customers feel like they get extra value for less cost (Plog 2004). However only to compete on price is usually not an effective way of gaining sustainable advantage (Hotelnewsresource.com 2008).

There are numerous ways in which to contact potential customers. If not directly contacting the segment, going through and contacting intermediaries such as corporate travel managers, secretaries clubs, tour operators and travel agents can be effective alternatives. (Abbey 1989) Either way, it is important to have a suitable technique for capturing detailed personal information of the customers that utilise the company's service. If this is being ignored the company has not acquired a customer. (Hughes 2003)

### **3.4 Internal Sales**

Everyone within a company should work towards the same objectives. Top management has the responsibility to facilitate an effective and successful marketing and sales plan, although general managements' marketing knowledge will also influence company success. The sales staff also play an important role as they are the ones meeting with customers on a daily basis and affect the customers' overall opinion of the company. (Abbey 1989) An enthusiastic sales force with good knowledge about the company's services and products is therefore the key to success (Arnerup & Edvardsson 1998). Hence, hiring a competent sales force should be a priority. Training ought to be a part of this process, as uneducated staff members can result in lost business. (Abbey 1989)

Work procedures should be standardised, a clear and working system works as a support for members of the staff. Even though it is preferable to standardise procedures, focus should at the same time constantly be on improvement and never settle. (Eriksson & Åkerman 1999)

To further improve the unanimous image to guests, staff meetings with focus on the different segments is one way of achieving this, also to learn what works on these segments, share knowledge between experienced and new members (Abbey 1989). The personnel responsible of implementing RM should be present at these meetings, as the sales staff can be of great help establishing what the customers' value with their stay and if present strategies might need improvement or change. Encouraging brainstorming between staff members is often a positive approach when trying to improve the service, getting them to analyse good and bad aspects of the company. (Lanz, Hotelnewsresource.com 2008)

The objective with a strong sales force should be to develop better relationships between guest and employee to enhance customer satisfaction (Abbey 1989). The staff must cooperate to create value for the customer (Eriksson & Åkerman 1999). Success in implementation of internal sales can result in higher profits for the company as satisfied customers are likely to come back, and the number of repeat customers is likely to increase (Abbey 1989).

A strong sales force with an interest in the customer and their opinions should constantly ask questions and take advice from guests regarding how the company can do better. The information gathered should also be kept and remembered so that there is no need for the customer to repeat their wants and needs. (Eriksson & Åkerman 1999)

The performance of the entire staff will have an effect on how successful the marketing strategies are, as it is up to the them whether the promises of good service is being fulfilled (Lanz, Hotelnewsresource.com 2008).

### **3.5 Dealing with Shoulder- Months**

During quiet periods, harder work for a hotel is required to attract customers. It is common that travellers believe that service is less satisfactory during these times and therefore chose not to travel. Educating and informing potential customers of the benefits of being a guest at quiet times is therefore a good start when attempting to improve sales. When doing so it is important to highlight assets of the hotel as well as the positive aspects of the surroundings, weather and local attractions. (Plog 2004)

Events that attract people with the same hobbies and interests can be a part of the plan to increase the number of overnight guests during shoulder- months, as a person with strong interests is more willing to travel to meet with equals. It is therefore essential to create reasons for travellers to stay at the hotel. By making an event a tradition, they can become repeat customers. Collaboration with local companies and taking advantage of local talent is sometimes necessary to attain this goal. Focus should be to offer something different, that way there is less competition from other companies. (Ibid.)

### **3.6 Control of Strategies**

Control efforts are to be seen as essential when implementing a marketing plan. Not only at the end, but throughout the whole process. This avoids the maintained application of ineffective strategies. A company that successfully measures its marketing efforts can more

easily plan for the future, as it is possible then to know what works and what does not. (Abbey 1989)

It is sometimes hard to measure the success of a promotion when it has no short-term effects and results. A monitoring system can be of assistance here. It is also important to give the strategy enough time to work. One practical way of evaluating the effectiveness of a promotion is to compare the costs and the increase of profits. (Ibid.) In order to do other promotion measurements control-groups can be used, this means that part of a segment is being left out of the promotion in order to enable a comparison of these two groups (Hughes 2003).

To measure customer satisfaction it is necessary to know what customers value, here is where many organisations fail. In a customer satisfaction survey for example, a section with the intention of exploring this should be included. (Hill 1996) A company can measure the effectiveness of the sales department by comparing their results with the results of the competitors. This often gives an excellent idea of how the own company is developing on the market and how happy the customers are with their services. (Salerno, Hotelmarketingcoach.com 2006)

## 4. Empirical Studies

---

*This chapter contains a presentation of empirical findings, starting with the two separate interviews, followed by collected results from the customer survey. The first interview is divided in four headings and the second interview in two parts.*

---

### 4.1 Interview with the Assistant Manager at Burke & Wills, 2007-11-07

Shea Brennan is the assistant hotel manager at Quality Hotel Burke & Wills. Her duties include making sure everything runs smoothly at the hotel excluding the bar and bistro, where a different assistant manager is operating. These two managers operate together in some areas, they do some of the budgeting together, check on wage costs, and they run all the stock- control and ordering. To view the interview questions see appendix 1.

#### 4.1.1 Marketing Strategies

Burke & Wills is operating under the Brand Choice Hotels Group, which is their franchise. Within Choice, there are three chains; Comfort Inn, Quality Hotels and Clarian. Quality hotels are in the middle, quality wise. A lot of the marketing goes through the franchise website, as many customers make their booking through them. However, each company is then responsible for implementing remaining marketing strategies.

The two assistant managers and the hotel manager do most of the marketing planning for the hotel. The proposals are later being presented and discussed with the owner of the hotel. These suggestions can be approved or denied. No marketing budget therefore exists.

At the moment there is little done to market the hotel as a whole, advertising is only implemented when there is a need for it, for example, during quiet periods. A mobile representative however promotes Burke & Wills, as well as other hotels within the same group to the corporate market. She knows the hotel and its products well and is an important part of their marketing plan.

The quiet periods are a dilemma each year as it is difficult to obtain returning customers during these times. Burke & Wills is a corporate and function based hotel which means they have very little business November till January because of the holidays. June and July is also a bit quiet due to the reduction of weekend functions, which is a result of winter and uneven weather.

The management finds it difficult to compete with other hotels in other cities during quiet times. Shea mentions that most leisure travellers visit the coast on weekends and holidays, which for them creates a problem. Some strategies to work against this are being implemented; better room- rates, restaurant offers and package deals on functions are a few examples. However these efforts are fairly small, and are only available during shoulder-months. As during the busy times there is no reason to promote the hotel to leisure customers, the hotel is then close to fully booked. Not much advertising has been planned to attract leisure travellers to Toowoomba. Although the golden west tourism guide has been used to advertise in. There is also a billboard that has been put up recently on the motorway, directed to spontaneous travellers.

Attempts have been made to increase customer guests during Christmas, such as offering Christmas dinners and lunches. However, even if the Burke & Wills did get a good response to these initiatives it was not enough to notably boost revenue. It was mainly local guests that showed up, and they did not have to stay the night at the hotel. The hotel's La Carte restaurant is a necessary component of the hotel in order to maintain its four and a half star rating. However the restaurant does not bring in a lot of revenue. There was not even any knock-on effects to the events mentioned above.

Sundays are usually very quiet all year round, this is something the management is striving to change. The function guests only stay till Sunday and business customers prefer to arrive as late as possible, and few guests therefore come up to conferences a day early.

The hotel has a deal with the empire state theatre, which is located across the road from Burke & Wills. With tickets sent out from the theatre a voucher is also added with an offer of discounted room-rates and meals at the hotel.

Contra deals exist with the chronicle, which means that Burke & Wills advertise in the paper, and the chronicle has functions at the hotel.

The database is very detailed, including every customer that has visited the hotel, and they target the corporates when there is need for it, usually at the beginning of every year. By knowing who is responsible for bookings, more direct marketing can be made through email. The reservation-system contains information about the length of a stay, the name of the customer, why they stayed and also who paid for it.

It is an advantage for Burke & Wills to be a part of Choice Hotels as many business travellers go straight to Choice's website to make a booking. Corporate travellers usually prefer high standards and Burke & Wills is the only 4,5 star hotel in Toowoomba, which leaves the company with little competition. However a new hotel has recently opened up just next to Burke & Wills. Shea is optimistic to what advantages this might bring in. She sees it as an opportunity to offer more to the corporate clientele. Sometimes when the hotel is busy there may not be enough rooms available to have an entire corporate group stay in-house. In this circumstance it could be an option to have some of the group, or even the entire group, stay next door with competition. Shea believes it could be an advantageous option for Burke and Wills, as the group can still hold their meetings and/ or functions at Burke & Wills.

What Shea believes strengthens the position of the hotel on the Toowoomba market is its four and a half star rating, the quality of the room service and the many function rooms. The weakness now with the new modern hotel right next to Burke & Wills, is the obvious difference in appearance. The new hotel looks better from the outside which can result in a loss of spontaneous customers. Another weakness is the shortage of car-parks close to the hotel. This is something that irritates customers. There is however plans to do something about this sometime in the future, although the company does not at the moment want to over commit itself.

They work hard to attract wedding customers, as wedding functions are a big part of the business. The majority of wedding clients are from rural Queensland, which is the optimal customer. Wedding guests are then more likely to stay the night or even the whole weekend at the Burke & Wills. The hotel has chosen to Advertise to this segment in Style magazine and Highlife- wedding edition. Burke & Wills offer function customers brochures to put with their

invitations that outline some basic information of the hotel as well as unique deals that they can get as a result of the function they are attending.

#### **4.1.2 Relationship Marketing**

Shea says the girls in the reception are good with remembering repeat customers by name or at least by appearance, which seems to be appreciated. The staff endeavours to learn what the individual customer values and likes, both product- and service wise.

Since they are the most expensive hotel in Toowoomba they have to offer something better than the competitors, and the objective for Burk & Wills management is to satisfy the customer on every level and with their whole experience.

Rooms are now and then being upgraded to create more than what is expected by the customer, which is always appreciated. Some corporate customers stay at the hotel a few days every week. The majority is single travellers, and they value the friendly relationship developed with the staff.

Because of the new competition next door, Burke & Wills is this year working harder to keep their returning customers happy and satisfied with the services and products of the company. This decreases the risk of losing valuable customers to competitors.

The focus is mostly on retaining existing corporate clients. No efforts are made to create repeat leisure travellers. The first stay of a leisure customer is usually with a lower rate, in the case when a person from this segment returns to stay at the hotel they are often dissatisfied to pay a different price. In September there are however a few repeat customers in this category, due to the Carnival of Flowers.

Conference and event mails are being sent out, but no newsletters to potential interested customers or to former leisure customers are there included.

#### **4.1.3 Control Measurements**

Shea explains that they sometimes find it difficult to measure implemented strategies, in order to see if they are effective. However one promotion they easily can measure is the vouchers from the empire state theatre. The vouchers are constantly being evaluated to see what type of customer utilises them; this information also goes into the computer system.

They have not found a way to measure the effectiveness of advertisement in magazines. With functions it is easier, as the customer then contact the company and questions can then more easily be asked.

Measurements of customer satisfaction have yet not been in focus, Shea only knows of one time they have strategically placed special forms for the guests to fill out, however this was only in regards to the restaurant part of the business.

As a part of choice hotels there is a standard feedback form for the customer to fill out. The policy on feedback is that every comment is read and the hotel manager replies to them all. However there are no specific surveys handed out on the hotel's own initial.

#### **4.1.4 Advertising: Previous Years**

Shea has also provided me with the hotel's previous marketing plans from year 2005 and 2006. Both years the South East Queensland Touring Guide has been used to promote the hotel then offering special accommodation packages for December and January. The cost of this was four hundred Australian dollars per year.

The hotel has on a weekly basis both years put in weekly advertisements in The Chronicle, which is a local newspaper, they changed layout four times during each year. In November they also put in Christmas deals and group booking specials in the same newspaper, which in total came up to about four thousand five hundred Australian dollars a year.

Conference- and events mail listing and mail- outs are being implemented which costs around five hundred Australian dollars.

In the year of 2005 the hotel attempted to attract more function customers through radio advertisement, however this became too expensive in the long run, therefore it only lasted for nine months.

What differentiates marketing efforts made in 2005 with ones in 2006 is that there was more focus on attending festivals in 2005, whereas in 2006 the management, in addition to festivals, also decided to go through magazines and visit wedding exhibitions to attract new customers, get exposure with hope to increase revenue.

## **4.2 Interview with the Duty Manager at Burke & Wills, 2007-11-16**

Angela Fowler has been working for the company close to four years now, she started off in the restaurant as a food and beverage attendant. She has also worked with functions as a coordinator till she got promoted to duty manager. One of her responsibilities is to be the first point of contact for the staff when any problem has arisen. She is also to make sure that her department, which mainly is the reception, runs smoothly during her shift.

She has previous experience within this industry working for other hotels. The last job she had was for a larger hotel with four times as many rooms and she says that it runs very differently to the Burke & Wills. There is a less personal touch and the staff is less friendly when managing such a big corporation. Even though Burke & Wills is the largest hotel in Toowoomba, it still manages to have a friendly approach and creates a more home- like atmosphere. She also believes that a smaller city and the local staff have a more laid- back and friendly attitude than what a person might experience at a larger hotel with more stressful surroundings. To view the interview questions see appendix 2.

### **4.2.1 Customer Relations**

Repeat guests get more personal treatment from members of the staff, as they get to know these customers on a different level. Most returning customers are corporate, therefore more energy is put in to satisfy this segment. Leisure guests usually do not turn into repeat guests. There are unfortunately limitations in what the Burke & Wills can offer to leisure customers. The room types are not very suitable for families, as most of the rooms are only equipped with one queen-sized bed.

Loyal customers are known to most staff members in the reception, if not by name certainly by sight, and as the customer's relationship with the hotel continues the quality and personal

nature of the service they receive does as well. This is a priority, and they work hard in trying to make the customer feel welcome in a familiar and warm environment.

Angela believes that the standard of service they are offering brings in more repeat business than the marketing efforts has done. Since many of their clients frequently travel, they seem to appreciate coming back to a familiar environment.

Repeat customers not only get extra treatment, they also get benefits like special room rates and discounted breakfast deals. This increases the likelihood of them remaining as repeat customers, as it would be difficult for the competition to meet with what Burke & Wills offers the clients. The hotel rarely gets repeat leisure guests, but when they do these guests are treated the same way as repeat corporate guests.

Upgrades from standard rooms to suites are occasionally being prepared for repeat customers to create a positive surprise on arrival. However they might be put back in a standard room on their next visit, that way it will continue as a privilege and not be taken for granted. Since corporate guests usually do not pay for their own stay, they have little that ties them to Burke & Wills. Angela believes that this is where building a relationship with the customer is very important, as it gives them a reason to come back and not turn to the competition at their next visit.

Angela argues that the customer's overall impression of the hotel by the time of check-out is an evaluation of everything they have been offered during their stay. Both product- and service wise. As long as the balance between price and quality is satisfactory then the customer can walk away feeling happy with their selection and hopefully return to Burke & Wills. She is certain that every part of the company must work to try and accomplish value for the customer. But mostly it is the first and last impression that will be remembered, she believes that a good experience can make the guest forget about minor things they otherwise would have complained about.

#### **4.2.2 Internal Sales**

The hierarchy in the company is very laid back. There are few instructions from upper management and little staff training is being provided. New members of the staff have to learn to a large extent from their co-workers, not many procedures are standardised. The relationships to the customers are therefore something that has risen from the staff's own interests in the matter. She says that an implementation of standardised staff training would be a good help in trying to achieve a united approach to the customers.

The property management system stores detailed information about the customers stays. When they make a booking they can find information about the history of this particular guest. From time-to-time Angela puts in special requests from customers into this system in order to create a more valued experience for the customer. The source of this kind of information mostly comes from feedback forms or informal feedback. Angela is however uncertain whether the remaining staff uses this system to enhance customer satisfaction.

The management find is essential to reply to every single feedback card handed in. Actions depend on the importance and seriousness of the complaint.

### 4.3 The Survey

I have in addition to the interviews conducted a survey in the form of a questionnaire. The plan was to investigate how satisfied customers were with the services and marketing efforts of the Burke & Wills. I prepared the questionnaire and then handed them over to Shea. We had on a previous meeting discussed sample size and how to distribute them. We decided that Shea was to put them in the ninety- three rooms of the hotel, and leave them there till we got a satisfactory quantity for me to compile and analyse.

This was started in good time with no rush. When I left Toowoomba and could no longer come and see how everything was going, Shea Brennan promised to scan the questionnaires and send them to me via email. She has been very helpful throughout the process, but I believe as a result of stress from her side, I did not get any updates about the questionnaires, even though I asked for it. This resulted in a small number of responses, only twelve questionnaires were handed over to me, out of ninety-three. I was slightly surprised over that result and assume that more could have been done if they only had kept me informed and if they had a greater interest in the outcome of the survey.

The questionnaire was put in reception and in the bar after pressure from me to get more responses. I am a little bit curious why more effort on the behalf of the hotel has not been made to get more feedback, as this was an opportunity for them to get it analysed from a third party.

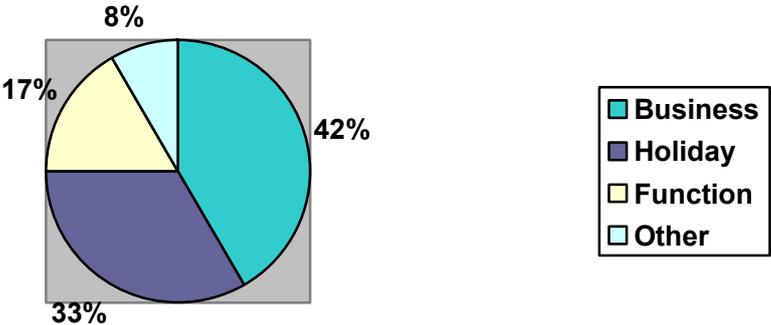
Never the less, I had to work with what I got and therefore compiled and analysed the result of the questionnaire. In appendix 3 it is possible to view the complete questionnaire.

First I formulated some data to illustrate the dynamics of the sampled individuals. What this following data shows is why the individual were at the hotel and the determinants that led to this.

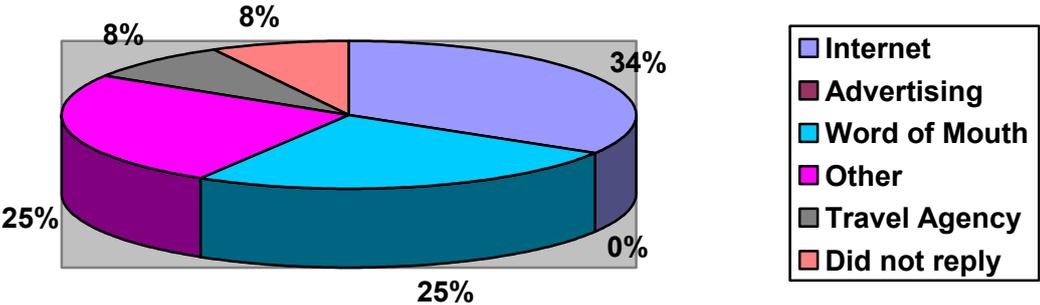
**Sex:** Male: 25 %, Female: 75 %

**Average Age:** 30, 9

**Purpose of your visit:**



**How did you find out about Burke & Wills?**



**If you return to Toowoomba will you consider staying at Burke & Wills again?**

Yes: 100 %                      No: 0 %

The results in this section of the questionnaire reveal whether the respondents value a close relationship with the hotel and whether they feel they have received the attention and service that they feel is appropriate.

This table shows the responses from every individual that participated in the survey. I chose to present the results in the same table as was presented in the questionnaire. This I thought would simplify the findings, showing how values can differ between customers even within the same segment, and how the perception of the company's performance differs.

<b>(A scale of 1 to 5 has here been used)</b>		
<b>Customer</b>	<b>How close of a relationship do you/ your company have with the Hotel?</b>	<b>How much does it mean to you, to be recognised by staff members and get personalised treatment?</b>
Business	1	5
Business	4	5
Business	3	5
Business	5	4
Business	5	5
Function	3	<b>6</b>
Function	4	5
Holiday	-	5
Holiday	5	5
Holiday	1	5
Holiday	5	3

In the questionnaire the respondents were free to comment on Burke & Wills' marketing- and service efforts. Here presenting some of the comments made by the customers of Burke & Wills:

“This hotel fills a need in Toowoomba, a transit vehicle would seem to be a good idea.”  
(Female business guest)

“Room service lacked in busy times, though staff was overall friendly. Room was generally tidy though could do with a spot check.” (Male business guest)

“Limited car parks are a concern” (Male guest)

“I feel that a face lift of the exterior e.g paint would greatly improve the guests initial impression of the hotel.” (Female holiday guest)

The intention of this segment is to present the customers' values regarding different aspects of a service and compare the findings to how they believe Burke & Wills perform in this matter. It would be confusing and ineffective to include each customer's response separately thus I have taken the liberty of averaging the results to best demonstrate the findings.

By comparing the figures from the same component in both part A and part B the average satisfaction level can be determined. I have added the explanation of this segment in order to allow the reader to better understand the context of the results being viewed.

**This section is followed by two parts. In part A I would like you to indicate how important a number of components are to you. In part B I want you to rate Burke & Wills performance in regards to these same components.**

**A. What is important to you?**

*Please answer using a scale from 1 to 5, where 5 is extremely important, and 1 is not important at all.*

**B. How does Burke & Wills perform**

*Please answer using a scale from 1 to 5 where 5 represents excellent performance and 1 represents extremely poor performance.*

**(Average numbers are being presented)**

<b>A friendly welcome on arrival</b>	<b>5</b>
<b>A quick check- in/ out procedure</b>	<b>4,42</b>
<b>Banqueting services</b>	<b>4,25</b>
<b>Friendly staff</b>	<b>4,85</b>
<b>The atmosphere in your room</b>	<b>4,42</b>
<b>Cleanliness of the room</b>	<b>4,75</b>
<b>Functions in the room</b>	<b>3,83</b>
<b>Room service</b>	<b>3,92</b>
<b>Quality of service, food &amp; beverage in restaurant/ bar</b>	<b>4,58</b>

<b>A friendly welcome on arrival</b>	<b>4,58</b>
<b>A quick check- in/out procedure</b>	<b>4,42</b>
<b>Banqueting services</b>	<b>4,33</b>
<b>Friendly staff</b>	<b>4,67</b>
<b>The atmosphere in your room</b>	<b>4,25</b>
<b>Cleanliness of the room</b>	<b>4,5</b>
<b>Functions in the room</b>	<b>3,75</b>
<b>Room service</b>	<b>4,17</b>
<b>Quality of service, food &amp; beverage in restaurant/ bar</b>	<b>4,42</b>
<b>Overall impression of the Hotel?</b>	<b>4,42</b>

## 5. Analytical Discussion

---

*The theoretical basis will in this section be analysed with the empirical findings. The discussion is structured under five headings to best reflect over previously stated problem discussions and research questions. A part of this section will compare and contrast the variety of empirical findings (That is, interviews versus surveys).*

---

### 5.1 Implementation of Traditional Marketing Strategies

Burke & Wills put very little effort into making potential customers aware of the company. The fact that the company is the largest hotel in Toowoomba and the only one with a 4.5 star rating, might have made them a bit too complacent, somehow taking their present success for granted

For the majority of the year the hotel is close to fully booked, with corporate guests during the weeks and function guests on weekends. During these busy months the company sees no reasons to market itself to leisure customers. What is notable though is the lack of preparation for the quieter times. This is when they are in great need of leisure and function customers to fill the empty rooms. Even though the management knows when to attract corporate customers and when they should try and attract and acquire leisure customers, far from enough is at present being done for the latter.

Burke & Wills does not solely compete with other hotels in Toowoomba. Hotels in destinations such as the Gold- and Sunshine coast are also an eminent threat, especially when it comes to function and leisure guests. To attract these segments appropriate marketing strategies must be implemented to make the offers stand out from the multitude of offers proposed by the competition (Plog 2004). Burke & Wills have made a few efforts now and then to attract leisure customers during shoulder months, unfortunately the attempts that have been executed so far have not been very successful. The company seems to have accepted the futility of their plight and has not taken any serious action to advent change. They settle with getting good revenue during what is now their busy times instead of trying to reach their full potential and attain greater success.

The management at Burke & Wills is responsible for the marketing strategies of the hotel, and none of them have a background in marketing. This aspect has severely hampered the relative effectiveness of the hotel's marketing capacity. It is often recommended to hire someone with experience to handle the marketing plan of a hotel, as this can often positively affect the results. (Abbey 1989) The only help the management gets from a third party is the mobile representative who promotes the company to the corporate market. No help with remaining marketing is being offered to the management, which is unfortunate as I believe they have too little knowledge to handle the marketing in a successful way. It is obvious that they have trouble and lack of interest in reaching out to remaining segments during quiet periods.

The hotel seems, despite the lack of effective marketing strategies, to have been quite fortunate so far, most likely because of the demand for a hotel in Toowoomba with function facilities. Also it is, or was, the best alternative for corporate customers. If the company is interested in bettering their profits in the future, the hotel has to work harder to attract and retain leisure- and function customers during shoulder months. With new strong local

competition to which they might lose some corporate- and function customers to, it has never been more important for the Burke and Wills to take advantage of quiet times and improve their marketing strategies.

The owners of Burke & Wills want quick results that show that the strategies are working and bringing in revenue. They do not seem to appreciate that sometimes it can take time before any obvious results can be seen and therefore risk closing down projects that have lucrative prospects. Abbey (1989) proposes to look at marketing strategies from a long-term perspective, and believes they have to be given the right amount of time to be effective and fulfil its purpose. Attracting leisure customers might not be easy and it may take some time before acquisition strategies become profitable. On the other hand what the owners and the management need to ask themselves is whether they can afford to stay ignorant of this matter.

## **5.2 Gaining Competitive Advantage by Implementing RM**

Burke & Wills has attempted to create some sort of relationship to returning customers by gathering information that can help create a more personalised approach, distinguishing customers and seeing them as individuals. However I reflect over the possibility to improve their approach in this matter. A more integrated RM and CRM approach can further improve customer relations which often lead to a win-win situation (Hughes 2003). At present there are no standard procedures in order to develop a better relationship to the customers. It is mainly something that has been initiated by some members of the staff. This suggests that there are some people really interested in creating a better experience for the customers whilst others are not overly concerned. I believe it can be difficult to work towards the same objectives if the staff does not know what is expected of them. The need for more structure is obvious.

My overall impression is that the management seems to make a lot of assumptions about what customers' value. They have not realised the important role of a unanimous staff force and the importance of two-way communication, which is required when working towards creating customer relations (Peppers & Rogers 1999). Today there is little communication between the company and customers. The main source of detailed information is through feedback forms that occasionally get put into the data system. It must be preferable to learn what works and what does not prior to implementation as opposed to learning of mistakes after applying poorly researched strategies.

The main goal should be to give the customer no reason to leave for another company. A customer that has a relationship with the company might have exchanged information to get tailor made service for a longer time, which makes it unlikely that this same customer will turn to competitors and go through the same process again (Ibid.). In my opinion it seems as though Burke & Wills' efforts are inadequate, I do believe that a lot of improvements in this regard need to be considered to best meet with the competition and avoid losing customers.

## **5.3 Acquisition & Retention**

I believe acquisition- and retention efforts are both important to implement and the company's ability to apply suitable methods, to the right segments at the right time with the right purpose, will most likely affect its success on the market.

Today, corporate- and function guests are in focus during busy times of the year, both when it comes to their acquisition- and retention efforts. Little is being done to eliminate quiet months, or at least increase satisfactory productivity during these times, which is a concern. Burke & Wills should not give up and accept the situation, but instead try and overcome the obstacles and create a demand on the market. They have so far not had much success in luring leisure travellers to Toowoomba and Burke & Wills.

When implementing acquisition strategies the ambition should always be to attract the most profitable segments that are most likely to become loyal customers in the future. After acquisition, retention efforts should be implemented in order not to lose the customers to the competition (Hughes 2003). I believe Burke & Wills is unsuccessful in realizing which segments have future potential to become lucrative. If the company can effectively target and attract leisure travellers as well, by offering them something extraordinary and also succeeding in retention efforts for this segment, then they might have a backup when there is less corporate and function guests. This would make leisure guests just as important as corporate- and function groups, just at different periods of the year.

Retention- and acquisition efforts should be used on the most profitable guests that are interested in having a relationship with the company. In this case I believe these should not only include the already established profitable segments of corporate- and function guests but also future prospects. As they operate now, they have little knowledge on how to be efficient in their acquisition- and retention efforts, also how to best approach different segments. If this does not change, it will be hard to stay competitive and profitable.

## **5.4 Customer Satisfaction**

### **5.4.1. From the Company's Viewpoint**

Burke & Wills wants to position itself as a hotel with quality service that in many ways is better than its competitors'. Shea believes customers value their room- service and their friendly staff. However, Angela Fowler argues that the overall impression decides whether a customer will be returning to Burke & Wills on their next visit in Toowoomba or not. All these statements are just assumptions, no one cares to ask the customers what really is the case. It is difficult to achieve quality service if the company does not know what the customer really values. Customers value different things with a service and it is up to the company to be aware of what different segments value in order to offer them quality products and services (Oliver & Rust 1994).

Burke & Wills do some extra gestures attempting to increase satisfaction levels for repeat customers. I am referring to them upgrading these customers to better rooms than what has been booked. This has according to Shea created positive reactions, as it makes the guests feel special and valuable to the company. However, even though the hotel focuses on satisfying

the needs of the guests, there are deficiencies in their system. They do not train their new and existing staff, which can lead to inefficiencies and result in a divided staff force. The management also lacks interest in, on a regular basis, examining what is important to the different segments. Not receiving this information makes it difficult to offer a service that caters for the wants and needs of existing- and potential customers. It will most likely cost the company more to operate without any market analysis than it would to explore the possibilities this dynamic can offer. As conducting market analysis can reveal a number of efficient and effective strategies and processes that the hotel can use to differentiate itself from competitors and better answer to customer demand (Payne 1993).

#### **5.4.2 Survey Results**

In order to measure whether Burke & Wills customers find the service satisfactory, I handed out ninety-three questionnaires of which only twelve replied. This is only thirteen percent of the sample size. I was very disappointed to have such small numbers to work with in my analysis. Although I still find it important to present the results and also to work with what I have got. A small number of responses can still capture factors that might need improvement, and also highlight the good elements. Even though it may fail representing the population, as a low response rate have a negative affect on the reliability of the result (Hill 1996).

Closer to forty- two percent of the respondents are business travellers and thirty-three percent are holiday customers. These two segments constitute the biggest part of the survey. This is very interesting as Shea informed me that not many leisure customers visit the hotel on a regular basis. Although I must here consider that the response number might have had an impact on the result in this matter. It might just have been a coincidence that this segment is big in this particular survey and that the percentage does not reflect the normal allotment. The number can also be a result of customer's different understanding of to the word holiday. When respondents misinterpret a part or a word in a questionnaire, it may lead to inaccuracies in the data analysis (Hayes 1992). Even though I worked hard to minimise the risk of that occurring, I have to be aware of and take into consideration the possibilities of error when analysing the results.

Internet, word of mouth and also "other" was the most popular responses on how they had heard about the company. An interesting fact is that no one said through advertising. This implies that Internet is one of the most important marketing channels, which is not very surprising as new technology simplifies a lot of things. The use of computer technology is a popular trend in this industry. As a customer it is possible to arrange everything through the Internet; booking, payment and so on and the company has the chance of using this as a marketing tool (Lanz, Hotelnewsresource.co 2008).

Some of the respondents made comments in the survey, One customer said; "This hotel fills a need on the Toowoomba market" which confirms Shea's argument that since Burke & Wills is the only 4.5 star hotel in Toowoomba, the company attracts many business and conference travellers as they usually ask for higher standards. However to attract remaining potential customers it will take more than just being the best star hotel in Toowoomba. They have to offer something extra to stand out from competitors in other cities.

Every single person responded that they would consider coming back to Burke & wills on their next visit to Toowoomba. This is in some regards seen as positive. Although this does not really say anything about how loyal the customers are to the company. It might be so that they stay with Burke & Wills till something better shows up, and that might happen with the

new hotel next door. This must be regarded with a less optimistic tone and the company is somewhat forced to see this as a threat to their own business. Even a fairly satisfied customer might turn away from a company they are happy with if the competitors offer an even better deal. By increasing the satisfaction level with constant quality service, the bigger is the chance of keeping loyal customers. (Oliver & Rust 1994)

A suitable differentiation strategy such as RM, might attach the customers more to the company, which would make it more difficult for the competitors to take over. It is in my belief important that Burke & Wills take this seriously and prepare to fight for their customers. It must be preferable to prevent and avert customers from converting to the competition than to fight for customers to return once they have left. Shea mentioned that they will do everything they can to prevent losing customers. Although my sense is that, without knowing what customers value with their stay and with no surveys evaluating this, how can they change for the better?

The survey I conducted shows that the hotel offers overall satisfactory service. The customers were asked to first put down how much they value different aspects of a hotel's services and then with the same scale answer how well they think Burke & Wills performs. When comparing the results, I found that in seven out of nine components, the value was higher than the performance of Burke & Wills, although it did not differ that much. I believe this shows that the service is close to satisfactory but the customer does not get more out of it than he or she expected. If Shea is serious in her statement that they want to exceed customer expectations, they might have to improve these components to prevent existing customers looking for more satisfactory service elsewhere. The aim should be to increase the customers' perceived value by offering better service than what the customer expected (Grönroos 1998).

Regarding RM, eight of the respondents answered that they would like to have a closer relationship to the company than they have at the moment. Two considered having a closer relationship than what is necessary for them to be satisfied. Only one person matched value with performance. Both Shea and Angela mention in the interviews that they try to create a good relationship with the corporate segment. However the result from the survey shows that their efforts are not quite as good as the customer wish they were. RM is often very time consuming and expensive, and usually takes a while before turning into revenue (Eriksson & Åkerman 1999). However maybe this should be better implemented to improve the relationship between customers and company, there is obviously a demand for it.

Some respondents put in suggestions for the hotel, and expressions of discontent regarding various aspects of the hotel, some of which, I have discussed in my meetings with Shea and Angela. They pointed out some of the hotel's weaknesses that they know are of concern amongst some guests, such as lack of parking spots and also the facade of the hotel. That means that an awareness of this problem already exists although they are not at present planning on doing anything about this as the costs are too high. Shea says they would rather invest in improving the standards of the rooms and the services of the hotel.

## **5.5 Control of Implemented Marketing Strategies**

Marketing efforts are sometimes a waste if no kind of measurements are being conducted to establish how effective they are and whether it brings in revenue or not. Burke & Wills do measure and save some incoming information in regards to their arrangement with the Empire

Theatre, where they analyse what customers are using the vouchers and how. Other than that no specific measurements are executed on a continuous basis. Shea argues that it is difficult to accomplish this in some cases, without having to constantly ask the customers. However many guests are probably more than willing to help the hotel, sharing ideas with the company, that is if it might improve future quality of the hotel. If control efforts are excluded investments can be lost (Abbey 1989).

## 6. Conclusions

---

*In this part of the thesis, the author's own conclusions of the findings will be presented. The research questions will be answered together with the purpose of the report.*

---

### 6.1 Own Comments

The purpose was to explore how well Burke & Wills markets itself, looking closely at the strategies used and how these are implemented. I also examined whether the hotel's present acquisition- and retention efforts are suitably divided between the various segments. The final objective with this thesis was to identify any opportunities for improvements.

To construct my discussion I have conducted a number of interviews and drawn on a variety of theoretical sources. From this I was able to formulate appropriate and well informed conclusions.

Marketers that implement traditional- and relationship marketing usually have different approaches. I found that Burke & Wills has not yet set up clear objectives or suitable strategies to best differentiate itself on the market. They are evidently confused over which path to take. To focus on traditional methods or cross over to a more relationship based strategy. They are far from calling themselves a customer based company and have insufficient and inconsistent methods to successfully operate with traditional standards. On top of this, close to no control is being implemented in how effective current efforts actually are.

One of their main priorities should be to improve their business during quiet periods. I have come to the conclusion that it is not lack of travellers that stands in the way of achieving this. It is instead due to the implemented strategies been insufficient and not consistent enough to attract travellers. The main problem behind this is the nonexistent budget. The management has had to strive for quick and inconsistent solutions with short- term goals, as the owners are less likely to invest in reaching long- term objectives. They want to see quick results. I believe this, in addition to the management's lack of marketing experience, has hampered the development of the company.

The owners and the management do not seem to be keen on changing their ways at present, perhaps for the reason that so far they are a successful business, and they bring in enough revenue during busy times to still operate during shoulder months. The only way they would be eager to change is if they notice a loss in revenue during what is now their busy times, then they would be more or less forced to increase their efforts. They ignore the fact that they actually can increase their profits by slightly changing objectives and strategies.

Many theories confirm the importance of pursuing a more customer based approach throughout an organisation to create sustainable competitive advantages. The survey also shows that the majority of repeat customers value a more personalised approach from Burke & Wills. By conducting the interviews I found that some retention efforts are being made to corporate customers, attempting to create a home- like and friendly environment, and also to enable special treatment for returning guests within this segment. However for this to be

effective, every single employee should work towards the same goals. This does not appear to be the case, as no standardisations and objectives of the company are shared with employees.

My conclusion is that Burke & Wills retention efforts cannot become successful until the management and staff work for together to achieve the same objectives. They are in addition to this also stuck in a rut, not realising that retention efforts also should be applied to other potentially lucrative segments. Acquisition- and retention methods are therefore not being suitably divided. Even though the company tries sometimes to acquire leisure customers, they have no intention of turning this segment into returning customers. Acquisition- and retention efforts directed towards the corporate segment are not sufficient but still exist on a higher level than leisure segments.

The survey shows that the satisfaction level is okay, although I believe that okay in this case is not sufficient to create competitive advantages. I also believe that the company may lose a big part of their business if they keep taking customers for granted, not showing any interest in learning about their values. I draw the conclusion that the company can do so much more to improve their services and create better value for the customer if they only had an interest in doing so. Their current service efforts are based on assumption not on knowledge, and whilst this is presently going well for the company, a slight change on the market, such as their new competitor next door can create many problems in the future.

## **6.2 Suggested Improvements for Future Development**

The company has to improve their current marketing strategies and choose a direction. The owners of the hotel have to be more open for other ideas in order to further develop and increase profits during what is now considered quiet times. A suggestion is to first get a marketing budget and hire a consultant when putting up objectives and marketing strategies and then give them the right amount of time to be effective. Even though this implies a greater cost for the company in a short- term perspective, a more structured- and knowledge based approach would surely be more effective and result in less costs in the long- term.

I also see potential to implement and develop relationship marketing. More focus should be on retaining existing customers and acquire and- retain potentially lucrative segments. This might enhance the hotel's strength on the market and give little reason for customers to replace Burke & Wills' services. The aim should be to constantly develop and gather useful information about guests and turn it into knowledge. This will in the long run create better value for the customer and result in competitive advantages for the company.

When choosing market channels it is smart to select those that can exclude remaining segments of which the hotel do not wish to attract. Advertisement in a carefully selected magazine can perhaps work better than newspaper ads. That way offers can be more directed to a certain group of people. Cheap alternatives might work just as well as more expensive ones, if it is directed to the right segments and with a suitable message. Putting up posters at bus stops and train stations is one way the Burke & Wills can attract spontaneous guests.

Information should preferably go both ways, the company can initiate contact and receive feedback in multiple ways, to gain spontaneous opinions a book can be placed in the rooms of the hotel or perhaps in the reception. It has been proven to work well for other hotels and might work for Burke & Wills. This way the customer can still anonymously point out both

good and bad things, with regards to the hotel's services and standards and if the company responds to this and works to satisfy customers, then the overall level of satisfaction can increase (Eriksson & Åkerman 1999).

Function customers can in my opinion be seen as intermediaries. Often when guests arrive from different parts of Queensland, the hotel offers the customer to print up brochures for their guests to put with the invitation, with special accommodation rates. This is a good approach in itself, however, in this brochure I propose to take the opportunity to inform about other services that can be provided by the hotel. For example, what other functions they can put together. I believe the customers' guests can be seen as potential customers. Customers or potential customers should be given the opportunity to sign up for company newsletters that should be sent out on a regular basis. Newsletters should not only reach corporate guests but also existing and potential guests who have shown interest. These letters can work as a source of inspiration creating a new way of thinking and creating a desire for people to visit Toowoomba.

The goal when advertising Burke & Wills should be to make the hotel inviting and show the attractiveness to stay there all year round. One way to realise this is with help from local talents and attractions and arrange events for groups of people with same interests. Package deals can be another way to get travellers to visit Toowoomba. Maybe golf- or a lovely Christmas weekend with friends and family, creating traditions for leisure travellers might improve profitability during shoulder- months. The company must improve their marketing channels and the message needs to be more attractive, strong and visible. One suggestion after promoting and implementing an event is to invite travel writers to the hotel and the area to write about it and hopefully create better publicity. The company must however at all times remember that when acquiring customers it should be with the intention of retaining them. People who frequently travel should be of interest, no matter what the reason for travel is. Travellers who are likely to tell friends about their adventures are also an important group to attract as they can help bringing in new business to the company (Plog 2004).

Training of staff should be considered, as their knowledge and attitude can play an important role for company success. The current training method of simply learning as go can create dissatisfaction from the customers' side. The upper management should therefore implement detailed information on how procedures should be executed and also discuss customer relations and explain the objectives so that everyone works towards the same goals. Meetings between staff members discussing customers and what they believe the different segments value could increase customer satisfactions level. Sharing knowledge would show that the hotel cares about the customers.

When marketing efforts have been implemented, it should always be followed by measuring the effects. I believe the hotel should conduct surveys or invite focus groups now and then as these two are good approaches to get customers opinions and learn what they value, which is an important part when creating a customer focused organisation. Burke & Wills could that way get more detailed information and perhaps constructive requests and feedback.

The company should show the customers that their opinions are of value for the company. One big issue in this case is the lack of parking space for customers. This creates irritated guests. A customer wants to be able to arrive at a hotel not having to worry about commonly expected services. I am not implying that they need to invest in a huge car park, however

arrange for the customers to park somewhere nearby. Maybe the company can rent a few spots from another company.

### **6.3 Proposals for Future Research**

In this thesis I have explored Burke & Wills marketing strategies covering both traditional- and relationship marketing. I have also examined how the customers of the hotel value and perceive Burke & Wills performance regarding service and marketing efforts. Although the profitability of a business does not only depend on what kind of relationship the company and its staff members have with customers; and which acquisition and retention methods they use. Therefore for further research I suggest an investigation into other aspects that can affect the business' profitability, such as, investigating what impact suppliers have on the company. By exploring this type of relationship one can gain an even better understanding of the intrinsic qualities of the company.

I chose to observe the hotel as a single entity in my research mainly because of restricted time but also to see the company from the perspective of the customer. For future research a more divided approach would be of interest as this would result in a more detailed analysis and more directed suggestions of how improvements can be formulated.

My study was based on both a quantitative- and a qualitative approach and the aim was to get equally reliable information out of each approach. However this did not quite work out as I had planned. The low response rate contradicts the very nature of quantitative data, making the data less reliable than the information received from the interviews. Although I do not regret using both methods as I still believe it gives more value and credibility to the research. By combining these two research methods I was able to capture both the company's and the customer's perspective and opinions. To get a higher yield of responses a more personalised approach towards targeting customers would be recommended for future research endeavours of this nature. For example, personally submitting surveys to customers and explaining to them how important and valuable their opinions are. Emailing regular customers is another avenue to pursue, as most hotels keep quite detailed records on their regular customers and this can be a very useful resource employ.

## References

### Literature Sources

- Abbey J, 1989, *Hospitality Sales and Advertising*, The educational institute of the American Hotel & Motel Association, Michigan, USA
- Anderson N, Jansen P, Van der Velde M, 2004, *Guide to Management Research Methods*, Blackwell Publishing Ltd, Victoria, Australia
- Armstrong G & Kotler P, 2004, *Principles of Marketing*, Pearson Education Inc, New Jersey, USA
- Arnerup B & Edvardsson B, 1998, *Tjänstemarknadsföring i Teori och Praktik*, Studentlitteratur, Lund, Sweden
- Bjerre M & Hougaard S, 2002, *Strategic Relationship Marketing*, Springer- Verlag Berlin, Heidelberg, Germany
- Dann S & Dann S, 2001, *Strategic Internet Marketing*, Kyodo Printing Co Pte Ltd, Singapore
- Eriksson E & Åkerman K, 1999, *Kunden är Ditt Varumärke; En Gränsöverskridande bok som vill få dig Att tänka, Att förstå, Att få gjort*, Liber Ekonomi, Malmö, Sweden
- Grönroos C, 1998, *Marknadsföring i Tjänsteföretag*, Liber Ekonomi, Göteborg, Sweden
- Gummesson E, 2002, *Relationsmarknadsföring; Från 4P till 30R*, Liber Ekonomi, Kristanstad, Sweden
- Hayes B. E, 1992, *Measuring Customer Satisfaction: Development and Use of Questionnaires*, ASQC, Milwaukee, Wisconsin, USA
- Hill N, 1996, *Handbook of Customer Satisfaction Measurement*, Gower Publishing Ltd, Cambridge, Uk
- Hughes A, 2003, *The Customer Loyalty Solution- What Works (and What Doesn't) in Customer Loyalty Programs*, McGraw- Hill, USA
- Hussey J & Hussey R, 1997, *Business Research; A Practical Guide for Undergraduate and Postgraduate students*, Macmillan Press Ltd, Chippenham, Wiltshire, Uk
- Kincaid J, 2003, *Customer Relationship Management*, Hewlett- Packard Company, New Jersey, USA
- Money A, Remenyi D, Swartz E, Williams B, 1998, *Doing Research in Business and Management*, SAGE Publications Ltd, Trowbridge, Wiltshire, Uk
- Oliver R, Rust R, 1994, *Service Quality: New directions in Theory and Practise*, Sage Publications Inc, California, USA

Patton M, 1990, *Qualitative Evaluation and Research methods*, Sage Publications Ltd, USA

Peppers D & Rogers M, 1999 *Enterprise One to One; Handbok i Relationsmarknadsföring*, Richters, Falun, Sweden

Payne A, 1993, *The Essence of Services Marketing*, Pearson Education Ltd, Britain

Plog S, 2004, *Leisure Travel a marketing Handbook*, Pearson Education Inc, New Jersey, USA

Söderlund M, 1998, *Om Marknadsföring på Fragmenterade Marknader*, Liber Ekonomi, Kalmar, Sweden

### Internet Sources

ANZ, viewed 2007-11-03, <[www.anz.com/Business/info\\_centre/economic\\_commentary/TouristAccommodationJan03.pdf](http://www.anz.com/Business/info_centre/economic_commentary/TouristAccommodationJan03.pdf)>

Hotel Marketing Coach, viewed 2008-01-01, <[www.hotelmarketingcoach.com](http://www.hotelmarketingcoach.com)>

Hotel News Resource, 2008, *Changes In Communication, Social Media, SEO & SEM Expected To Force Rethinking Of Destination, Hotel Marketing*, viewed 2008-01-10 <[http://www.hotelnewsresource.com/article30703-Changes\\_In\\_Communication\\_Social\\_Media\\_SEO\\_SEM\\_Expected\\_To\\_Force\\_Rethinking\\_Of\\_Destination\\_Hotel\\_Marketing.html](http://www.hotelnewsresource.com/article30703-Changes_In_Communication_Social_Media_SEO_SEM_Expected_To_Force_Rethinking_Of_Destination_Hotel_Marketing.html)>

Hotel News Resource, 2007, *Top Ten Marketing Ideas to Consider in 2008*, viewed 2008-01-02, <[http://www.hotelnewsresource.com/article30292-Top\\_Ten\\_Marketing\\_Ideas\\_To\\_Consider\\_in\\_.html](http://www.hotelnewsresource.com/article30292-Top_Ten_Marketing_Ideas_To_Consider_in_.html)>

Hotel News Resource, 2008, viewed 2008-01-12, <[www.hotelnewsresource.com](http://www.hotelnewsresource.com)>

Invoice, viewed 2008-12-25, <[www.invoice.se](http://www.invoice.se)>

Lanz L, 2008, *Five Ways to Increase Your Sales and Marketing Momentum in 2008*, viewed 2008-01-14, <<http://www.hotelnewsresource.com/article30710.html#Continue>>

Salerno N, 2006, *Gobble- up Your Competition; Start with the Basics, Add a Pinch of Research, and a Dash of Common- Sense*, viewed 2008-01-03, <[www.hotelmarketingcoach.com/gobbleup\\_your\\_Competition.htm](http://www.hotelmarketingcoach.com/gobbleup_your_Competition.htm)>

Tourism Queensland, viewed 2008-01-01, <[www.tq.com.au](http://www.tq.com.au)>

### Verbal Sources

Shea Brennan, Assistant Manager at Quality Hotels Burke & Wills, 2007-11-07

Angela Fowler, Duty Manager at Quality Hotels Burke & Wills, 2007-11-16

## **Appendix 1: Questions to Assistant Manager Shea Brennan, 2007-11-07**

1. What position do you have within the company? What are your responsibilities? For how long have you had this position?
2. Could you please inform me about the history of the company?
3. How does Burke & Wills market itself? What strategies are you implementing? What media channels do you use? Why those?
4. What positive aspects of the city itself do you highlight when targeting potential customers?
5. Have you divided your customers into segments? How many segments are you targeting?
6. What customer segments are most profitable?
7. What efforts do you put in order to try and establish loyal customers? How important are these loyal customers for the business?
8. Do you focus on customer retention or customer acquisition?
9. How do the management and the staff work to try and achieve customer value and satisfaction? What part and what aspects do you believe the customers value the most with their stay?
10. Have you performed any surveys to get customers opinions, if yes when?
11. What information do you collect from customers? Email addresses for example? If yes, do you regularly send out information about special offers?
12. How do you handle customer feedback?
13. Does the company believe that the management of customer relations is important, if yes, why?
14. How is the present situation regarding competition? What company is your biggest competition?
15. How does the company differ itself from these competitors?
16. How does the company position itself on the market?
17. What do you think is the main reason for customers to choose Burke & Wills?
18. Anything you would like to add?

## **Appendix 2: Questions to Duty Manager Angela Fowler, 2007-11-16**

- 1.** What position do you have within the company? What are your responsibilities? For how long have you had this position?
- 2.** How do you and the rest of the staff work to try and achieve customer value and satisfaction? What part and what aspects do you believe the customers value the most with their stay?
- 3.** What do you think differentiates Burke & Wills from its competitors?
- 4.** How much feedback do you get from customers, good and bad? What type of responses do you often hear?
- 5.** In general, which segment (e.g. corporate, leisure guests) usually seems more positive and satisfied with their stay?
- 6.** How do you handle informal complaints, do they get passed on to management or do they get ignored?
- 7.** Do you believe that loyal customers are treated differently, do they get any benefits? If yes, in what way?
- 8.** Do you usually ask your guests how they have heard about the company? What is the most common reply (word of mouth, ads, and so on)?
- 9.** When you have functions, do you use that opportunity to sneak information to the guests about what the company can offer in regards to other events?
- 10.** Is there anything you would like to add?

## Appendix 3: Questionnaire

*Dear Guest,*

*I am writing a thesis on the effectiveness of the Quality Hotel Burke & Wills marketing strategies and customer service. Through this survey I wish to analyse these determinants from a customer's perspective. The Results of my survey will aid the Company in improving their service in the future.*

**1. Sex:**

Male  Female

**2. Age:**

**3. Purpose of your visit:**

Business  Holiday  Function   
Other

**Comments:**

---

---

**4. How did you find out about Burke & Wills?**

Internet  Advertising   
Word of Mouth  Other   
Travel Agency

**Comments:**

---

---

---

**5. If you return to Toowoomba will you consider staying at Burke & Wills again?**

Yes  No

If your answer is no, please elaborate? \_\_\_\_\_  
\_\_\_\_\_

If you are a returning customer please answer the two following two questions, if not, please go to question number 8.

**6. How close of a relationship do you/ your company have with the Hotel?**

(Please use a scale of 1 to 5, where 5 is very close and 1 means that no relationship exists.)

**P.T.O**

7. **How much does it mean to you, to be recognised by staff members and get personalised treatment?**

(Please use a scale of 1 to 5, where 5 is very high significance and 1 is of little relevance at all.)

8. This section is followed by two parts. In part A I would like you to indicate how important a number of components are to you. In part B I want you to rate Burke & Wills performance in regards to these same components.

**A. What is important to you?**

*Please answer using a scale from 1 to 5, where 5 is extremely important, and 1 is not important at all.*

**B. How does Burke & Wills perform**

*Please answer using a scale from 1 to 5 where 5 represents excellent performance and 1 represents extremely poor performance.*

<b>A friendly welcome on arrival</b>	
<b>A quick check- in/ out procedure</b>	
<b>Banqueting services</b>	
<b>Friendly staff</b>	
<b>The atmosphere in your room</b>	
<b>Cleanliness of the room</b>	
<b>Functions in the room</b>	
<b>Room service</b>	
<b>Quality of service, food &amp; beverage in restaurant/ bar</b>	

<b>A friendly welcome on arrival</b>	
<b>A quick check- in/out procedure</b>	
<b>Banqueting services</b>	
<b>Friendly staff</b>	
<b>The atmosphere in your room</b>	
<b>Cleanliness of the room</b>	
<b>Functions in the room</b>	
<b>Room service</b>	
<b>Quality of service, food &amp; beverage in restaurant/ bar</b>	
<b>Overall impression of the Hotel?</b>	

Feel free to comment on what you believe could improve Burke & Wills marketing- and service efforts.

---



---

*Thank you for your time!*