Re-inventing a medium size family hotel business

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I hereby declare that the work submitted is mine and that where I have made use of another’s work, I have attributed the source(s) according to the Regulations set in the Student’s Handbook.

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Abstract

This dissertation was written as part of the MSc in Hospitality and Tourism Management at the International Hellenic University. Under the form of a case study, a marketing strategy and a marketing plan is examined for re-inventing a family hotel business, which co-exists with a campsite within the same property. The marketing policy of the company has not been effective in establishing in the mindshare the hotel brand, despite it has always been the locomotive. Today, as the third generation of this family is managing this business, a marketing plan has come as a necessity in order to establish this property as a hotel towards competition. For this reason, the theoretical notions of tourism, accommodation and marketing are carefully examined in order to set the framework within which an effective marketing plan can be offered as manual for usage by this business.

Keywords: marketing plan, marketing strategy, hotel

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Preface

The reason for selecting the topic has been my thorough knowledge of this business by actual involvement in the management, as an integral part of it since 2014. Eventually, two are the main issues that justify the selection of this topic.

The first is how the company should re-invent itself among the competitors by the proper selection and broadening of markets and the effective exploitation of its capabilities. The second deals with the strategic choice of re-inventing an already existing firm that seems to have an undermined reputation with constraints to the desired strategies.

This project is expected to set the main principles to be followed in order to answer the two aforementioned real management existing problems, as well as, the development of a new and practical marketing strategy that will create and deliver value and is to be followed within the next 3 to 5 years.

I would like to express my appreciation to my supervisor Dr. Eleni Mavragani for introducing to me this Msc Hospitality and Tourism Management program back in 2014 and for her guidance and helpful advice for this thesis. I would like to thank the managing team of Xenios hotel for encouraging me to study in this MSc program and for contributing to the interviews conducted and the long, general discussions all these years. I am more than thankful to my family, parents, brother and grand-mother, who they were always, unconditionally supportive to all my steps. Last but not least, I express my gratitude to Alexandra for her love and affection.
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Introduction

Marketing is a widely accepted tool by the business world. That does not mean that everyone would provide a practical definition so as to pass from theory into practice and subsequently obtain earnings. And while it is the only thing that an entrepreneur should rely on in order to boost his business, it is a common fact yet, that the effective marketing is something exercised by the minority of businesses. And if it remains hard to enable the marketing tool in favour of a company, a double effort is required for already existing enterprises that for a very long time had been practising their own way the marketing policy and nowadays may seem a kind of a disorientated tourist in a completely unknown environment. This is going to be exactly the case of my study.

Topic of thesis

My topic deals with the creation of marketing plan for Xenios hotel (which derives from the ancient Greek word ξενία>ξένιος and means hospitality), a family business seaside hotel situated in northern Greece. The reason behind my choice has been my thorough knowledge of this business: I have been working there for several years as member staff and the last four years I have found myself having an actual involvement in the management of this company. As a rather small business (but medium size in terms of number of rooms for hotels in Greece), it lacks the funds for a distinct marketing department. Moreover, it is in need for rejuvenation as it counts half a century since it was established and has followed the same model. Kotler has noted that “the customer is looking for particular utilities. Existing products are only a current way of packaging those utilities. The company must be aware of all the ways in which customers can gain the sought satisfaction. These define the competition” (Kotler, 1976: 25). Therefore, a series of questions emerge: how does a company that has been left behind should react to the growing competition? What is the most effective steps towards a clear marketing policy? How does the company may obtain earnings in the mindshare by establishing itself among the main players in the region while it gradually develops and builds its own, distinct profile?

Aim of thesis

The aim of this thesis, which is a case study based on current management theory, is to create an applicable marketing plan particularly for the hotel (not the campsite) according to the current needs and capabilities of Xenios enterprise. It will include an initial assessment of the
current situation in order to detect the strengths and the weaknesses of the company. This kind of information will be the basis upon which will be built the marketing plan by using the information provided by the literature review.

Structure of thesis

In the first part of the thesis the literature review is examined regarding marketing in a hotel. This deals with different approaches as well as, more specifically, what the contribution of the marketing plan is all about, what the structure of such a task shall be and what is the kind of information required to fulfill this purpose. This research will be conducted by the service company’s point of view in an attempt to focus on the specific marketing concepts that are helpful to this particular project.

In the second part, we come with more specific information regarding this Xenios hotel marketing plan, the aims of this project will be set and they will be follows by the method that is proposed and the method thanks to which the information is gathered. Two interviews with the President of the Xenios company and the Hotel Manger will follow in an attempt to shed light to the inner forces that will be charged the duty of shifting the marketing strategy. Consequently, this marketing plan will be restricted to the benefit of this particular company.

The Xenios hotel

The business that is under examination is called Xenios Bungalows Hotel & Camping. It is a SME family beachfront accommodation in northern Greece, in Pieria region. It was established in 1968, and today celebrates 50 years with the same model of operation.

It has the legal status of a S.A, nevertheless it is practically divided into shares between members of the same but broaden family and it has never gone public.

It appears as a combination of two parts: a classic 3 stars’ bungalow style hotel (100 rooms) and a campsite (100 pitches) under the same brand but of distinct areas within the same property. This business model, which was based on a Greek state law in the 1960’s when some combining licenses were launched in an experimental attempt for Greece to adapt in to the emerging global tourism industry, has survived until today.

In the past years, the property has been almost a monopoly in the area as the competitive campsites were gradually brought to closure and there were not any neighbouring hotels. But recently the area has received significant development with the establishment of two new upper
scale hotels (4 and 5 stars) and two campsite’s revival. As a result, the company has felt competition harshly and the prices were gradually driven downwards.

Despite renovations and cautious steps towards the standards set by EOT in order to be an updated 3 stars’ hotel, the “marketing policy” of the company was not effective in establishing in the mindshare the hotel brand, despite it has happened always to be the locomotive, in terms of revenues. As a result, the word “camping” is used until now when referred to a company which provides paradoxically hotel services, albeit rudimentary, and bears the classic hotel’s operation costs accordingly.

**Thesis hypothesis**

As Levitt has stated “people do not buy products, they buy the expectation of benefits. It is the benefits that are the product” (Levitt, 1969). The core product of this business is a place that provides vacations’ services, accommodation and food, by the sea.

This project aspires to examine a new marketing strategy based on the working hypothesis that the Xenios hotel has to redefine itself by the renaissance of the already existing infrastructure aside to any necessary additions due to repurposing in order to emerge rejuvenated for new guests.

This will be built on the elements that shall shift Xenios from a camping perceived company to a hotel one. For this reason, the company shall invest on the augmented hotel product offered to the customers in order to raise awareness and focus on a target market. In this respect, the Xenios business has to standardize its formal hotel product so as to be perceived as of providing different and of higher quality benefits in the mindshare, or, in other words, to focus on the vertical dimension or the service businesses’ view. In terms of the augmented product, the company has as well to invest, regarding the competition and its differentiation by the potential collaboration with other components of the overall tourism product (horizontal dimension) and gradually set the basis in order to build a rather consumer centric approach (Middleton, Fyall, Morgan, & Ranchhod, 2009, pp. 122,129, 130).

**The industry**

The following chapters introduce the basic concepts regarding this thesis. They deal with the theoretical notions of tourism, accommodation services and types of lodging which are
significant in order to introduce the hotel product idea and its structure upon which competition and therefore differentiation is built on.

Tourism and tourists

Tourism is defined by the mobility of people away from their regular life’s geographic area for an overnight or more and those who pay a day-visit. In other terms it includes travelling of visitors either for leisure or business or other reasons but not those who regularly commute in their daily routine for work, study, health, religious etc. reasons (Fletcher, Fyall, Gilbert, & Wanhill, 2013, pp. 2,3,4).

Additionally, regarding the individuals who practice tourism three more terms are used; Visitors in order to include all travelers according to the definitions of tourism. Tourists, for those who spend at least one night in a destination. Same-day visitors, who are to travel to a destination and back within a day (Middleton, Fyall, Morgan, & Ranchhod, 2009, p. 5).

Therefore, tourism is divided into three main categories according to the UNWTO; Domestic Tourism, which deals with a reference country’s resident travel activities within his country and is the predominant activity (80%). Outbound Tourism, which deals with a reference country’s resident travel activities outside his country. Inbound Tourism, which deals with travel activities in a country which is not the permanent place of the visitor. However, it can be a combination of the above mentioned categories as the following terms suggest; Internal tourism is the sum of the domestic and the inbound tourism. National Tourism covers the domestic and outbound tourism. International Tourism includes inbound and outbound tourism (Fletcher, Fyall, Gilbert, & Wanhill, 2013, p. 4).

Tourism and its importance is widely accepted on a global scale. A rapidly growing industry that according to UNWTO is equal to or even exceeds the output of oil, food and automobile sectors, tourism has been an important and influential factor of global trade and serves as the leading sector for several economies, which have invested upon it their development (UNWTO, 2018). The following chart (Picture 1) is a short but eloquent picture on tourism and its potential:
Greece has heavily invested in the tourism industry, as it is a well-known destination, not always a successful one regarding its’ marketing and branding. In the recent years and despite the economic crisis tourism appears to be one of the leading sectors in the country as it is producing the 20% of the GDP in Greece, a process that keeps developing since 2010. Moreover the number of tourists has been double since the number in 2010, from 16,9 million in 2012 to 28 million in 2016 and according to a research held by Alpha Bank, this extrovert industry has gradually reached a more qualitative service not although independent from the temporary security deficit in countries of the region (kathimerini.gr, 2017).

The accommodation services

The tourism industry constitutes a wide range of activities, from the transportation and travel organizers to the events and activities and from the accommodation to the destination organizations, tourism appears to be rather a mosaic of interrelated businesses. Hotels are part of the hospitality sector which is one of the five aforementioned main sectors in travel and tourism (Middleton, Fyall, Morgan, & Ranchhod, 2009, p. 11). It includes various types of accommodations and sub sectors (e.g. food) including the recent debate on the sharing economy benefits or threats that make everyone capable to be a host on a systematic or sporadic basis. It

Figure 1. Why tourism matters. Source: http://www2.unwto.org/content/why-tourism
is characterized, as a sector, by extreme heterogeneity as it includes hotels, campsites, guest houses, self-catering accommodation etc.

Three are the areas that make the hospitality sector distinct when compared to the other industries: it combines tangible and intangible factors, the production and consumption are inseparable and it is immediately perishable. In the first area the tangible factors include the equipment, the environment, the food etc. compared to the expectations of the guest, while the intangible deals with service and atmosphere. Regarding the inseparability, the guest has to be present in order to consume the produced service which eventually results in no lasting value. Finally, the perishability sets the limits as this kind of service is time constrained and cannot be stored for future. Therefore, the lost revenues of a day are not possible to be recovered as a future high demand could not balance and replace the once and for all gone previous night (Fletcher, Fyall, Gilbert, & Wanhill, 2013, p. 359).

The hotel

Hotel as a word comes from the French “hôtel”, which derives from the medieval “hospital”, a building that provided care to people. Much earlier, during the antiquity, the notion of a space that was supposed to provide non-paying accommodation to people was already present in the Greco-Roman thermal baths that have had a medical purpose, as well. Medieval monasteries and inns followed this long, non-profit semi-religious tradition. From the late 18th century coaching inns in Britain and big hotels in the USA and France, which followed by the 19th century hotel boost due to the railway era until the postwar Fordian principles’ based mass production American model (Fletcher, Fyall, Gilbert, & Wanhill, 2013, pp. 360-361), they have promoted a different but quite similar in its core idea that deals with the very simple but rather fundamental human need for shelter, a place to sleep and take some rest either for short or longer time. From then on and until nowadays, a wide variety of hotel categories with different amenities has emerged. From inns and boutique hotels to casinos, city or commercial hotels and resorts. And from motels and transit hotels in the airports to a much more differentiated and sometimes exquisite offer the capsule or the ice hotels etc.

As it has been eloquently presented, the accommodation sector lacks a global brand that could be referred to the Kellogg’s or Coca-Cola example of this industry. But the companies keep investing in growing their brand awareness “on a larger scale to the benefit of domestic business
and those in the countries of investment”. As a result, the establishment of some criteria in order to guarantee quality, came as a necessity. This system is supposed to be beneficial either to the clients, persons or companies, as they are protected by standardization and universal distribution is built stronger, or the investors and the state itself that deal with incentives, revenues forecasting, marketing implications and taxation. Classification systems are run either by public or private sector. Nevertheless, the subjective dimension sets an obstacle as the basis is usually “physical and quantifiable” such as room size, services and facilities (e.g. 24h hours reception). On top of that the particularity of each country, should also be taken into consideration, as the local culture of the framework set the standards within which a hotel investment is about to take place. In other words, what a four-star hotel in the USA looks like or serves is not the same when in Greece or Spain, e.g. the taxation for a five star is twice the amount of the previous class. (Fletcher, Fyall, Gilbert, & Wanhill, 2013, pp. 362-364).

A wide distinction is between serviced and non-serviced accommodation. The first includes a range of services that are included in the price. The second deals with furnished and equipped units but no personal service is provided. In fact, the distinction is quite vague as the variety is quite impressive and appeals to every possible budget. For example, the serviced sector includes from luxury city hotels or leisure resorts to bed and breakfast hotels, while the non-serviced one may include boutique apartments in historical buildings that cost more than the usual night cost in the classic serviced hotels or campsites (Middleton, Fyall, Morgan, & Ranchhod, 2009, pp. 364-365). The following Middleton et alia figure (picture 2) is eloquent enough:
In Greece, the hotels are divided into four categories: the classical type, the motel, the furnished apartments hotel and the combined one, a hotel that is a combination of the classical type with the furnished apartments but not with less than 300 beds (ΠΔ 43/2002, 2002). The Ministry of Tourism launched in 2015 a law that has called to comply until 2019 to a detailed list of criteria in order the hotel’s to be classified in to categories. In this list the hotels are divided into 5 main categories, from 1 to 5 stars, and the hotel has to score a certain number of points that provides the license to operate properly. The list criteria are quantifiable: the buildings, the equipment, the service provided as well as some optional points that add to the final score and they are valid for five years.

The hotel product

According to Levitt “People don't want to buy a quarter-inch drill. They want a quarter-inch hole!” (Christensen, Cook, & Hall, 2006). The same professor has explained that in other words “people do not buy products, they buy the expectation of benefits. It is the benefits that are the product”.

Figure 2. Accommodation types sectors. Source: (Middleton, Fyall, Morgan, & Ranchhod, 2009, p. 365)
In the tourist industry there is a distinction between the overall view and the individual service business. These two are separate but yet interrelated because the marketing decisions of a single business are closely related to the overall product. Broadly speaking, we discuss about the horizontal dimension that includes different products that create altogether a package. For example, from the customer’s view, a whole package has 5 main components; destination’s attractions and environment, services and facilities, accessibility, images of the place and the price. On the other hand, the vertical dimension is associated with the particularity of a single business, its targeted customers, the operations within this organization etc. For example, the service delivery in a hotel includes several steps that altogether form the product; from the digital presence of the property, the booking process and the first impression while checking-in and looking around to the facilities found, the interaction with personnel, any ancillary services (food and beverages etc.) to the check-out and the potential follow-up. This introvert view is not although unrelated with the overall product or the horizontal dimension, as it is actually an integral part of it (Middleton, Fyall, Morgan, & Ranchhod, 2009, pp. 120-127).

In this paper we shall focus on the business view that deals with an internal scope of planning and visions at specific service operations. Using the Levitt theory and the Kotler’s approach, there is a shape that divides the product into 3 levels; the core product, the formal or intangible and the augmented one (Middleton, Fyall, Morgan, & Ranchhod, 2009, p. 128).

The core product is a verbal or visual depiction of an idea, which embodies the need of the potential customer for a benefit. As a result, the core product comes as of an intangible nature. As it is eloquently put by Middleton et alia, it should not be associated with the hotel itself but rather with the specific customer target as a tool that makes the potential customer aware of what the business is selling. At this level the differentiation form the competitors is not easy, as they aim at the same basic needs, which are not easily change during time. Here comes the hotel business that can recognize and serve the clients’ needs in a constant process that aims at efficiency (Middleton, Fyall, Morgan, & Ranchhod, 2009, pp. 128-129).

The formal product, should be perceived as what the business has chosen to provide at given price and given time, in a given mean such as the website, a brochure, a banner etc. Middleton et alia has stated that in the hotel products there is little to differentiate between
competitors in the formal product. It tends to comprise quite similar provisions. The lobbies, the restaurants, the pools etc. tend not to be that much different and yet they are part of the tangible formal product. The standardization of the ranking systems helps in order to cluster the hotels. As a result, the customer is aware what is about to be provided in a 3star or a 5star hotel and between the same category’s choices. In this case “products may be perceived as commodities and price may become the principal reason for choice” (Middleton, Fyall, Morgan, & Ranchhod, 2009, p. 129).

The augmented product comes as of dual nature, tangible and intangible. The key phrase here is the competitive advantage of a business that can be traced at all stages of the service delivery process. This fertile field for differentiation is the place where “value added” can be the catalyst in order the client to choose. From the booking conversation and check-in/out process to the welcome and the farewell small “presents” and the caring for sustainability with local or fair trade products, the business tries to spin a web with elements that aside to the core product try to attract the specific target group in order to achieve its goal, either in short or in longer terms (Middleton, Fyall, Morgan, & Ranchhod, 2009, p. 129).

Last but not least, regarding the product creation, comes the consumer centric approach that today tends to steadily overthrow the firm centric one. It is not a “take or leave it” choice that thrives today based on what the top- down thinking of what should be provided but rather the bottom- up one that the consumer contributes and co- creates value together with the company due to the internet communication revolution. As a result, the customer has jointly with the business created his own, tailor- made product (Middleton, Fyall, Morgan, & Ranchhod, 2009, p. 130).

**Marketing**

Marketing and its nature is examined in the following chapters. A more specific approach relates marketing with the accommodation sectors, which is under question in this paper. The theoretical part comes to end after it has shortly discussed the marketing plan as a practical tool for businesses, which is subsequently divided into parts that help the researcher to specify what is under discussion and how could possibly propose solutions.
What is marketing

Despite the common shared idea that marketing creates needs, this particular scientific domain does not do so. Instead marketing as an organized method which indicates that a business creates multiple, interrelated and sustainable value, as it is described “Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large” (American Marketing Association, 2013).

Marketing is omnipresent and empirically each one is well accustomed to it. Yet the technological and digital boost of our days brings marketing one step forward, it has surpassed the mass message and targets at the individual by becoming part of daily life by a call to live the brand. For these reasons marketing abstains from advertising and selling in a way that it does not reject them but rather it surpasses them as the marketing mix aims to “engage customers, satisfy customer needs, and build customer relationships.” (Kotler, Armstrong, & Opresnik, 2017, pp. 29-30). The following picture 3, describes in a scheme the marketing process, which is analyzed right after.

An Expanded Model of the Marketing Process

![Marketing Process Diagram]

Figure 3. The Marketing Process. Source: (Kotler, Armstrong, & Opresnik, 2017, p. 54)
Brand and positioning

The concept of a brand can be split into 3 parts. The first is the commodity. At this stage a business is distinct only regarding the price which actually applies more or less the same to all competitors. The next stage is the product attached to a “brand identity system”. But yet this is not branding as the name, the slogan or a symbol do not dictate any real competitive advantage. Here comes the third stage, and what makes a brand to exist and to be successful is the added value which is proposed by offering something meaningful and unique to the potential customers that can’t be found to the business’s competitors. Yet the brand is actually a dynamic advantage that needs to be adapted in order to keep offering value. In others words, it is investment and efficient marketing that guarantee future effectiveness of a brand (Middleton, Fyall, Morgan, & Ranchhod, 2009, pp. 197-199).

The brand image is what customers have in mind regarding a product, which associated with the above mentioned augmented product stage. A brand builds mental and emotional bonds with customers who perceive it as of something unique that delivers value to them or as Kapferer puts it “a brand is a name with the power to influence” as it visions to serve trust and passion but the sense of community as well by engagement (Kapferer, 2012, p. 8). Brand management as a result is the systematic effort to make a brand popular and desirable. Kapferer thinks that “a brand is a shared desirable and exclusive idea embodied in products, services, places and/or experiences. The more this idea is shared by a larger number of people, the more power the brand has” (Kapferer, 2012, p. 10).

But Kapferer thinks that brand identity, which is the sum of values that can motivate and create loyalty and therefore comes from the sender’s side, precedes brand image, which deals with how a brand is perceived by the others. For this reason, the graphic symbols should follow the self-definition of brand identity in order to reflect the values. The sending signs are products of brand identity or imitation of competitors, opportunism (looking for popularity) and idealism (as the brand would like to be seen) (Kapferer, 2012, pp. 149-152).

What makes a brand different form the others and what are its distinct characteristics? The answer to these questions comes from 4 other questions regarding a brand, according to Kapferer: for what benefit? for whom? reason (signs that support the benefit)? against whom (competitors)? In other words, these questions define the positioning of a brand in terms of
comparison, which is of an aggressive nature and draws the best way to “attack” the competitors’ market share. Consequently, the positioning after formulating a perception, it states where our brand is the strongest one, in terms of competition and ultimately comes with a value proposition (Kapferer, 2012, pp. 152-156).

The marketing offering

Humans have needs which state some kind of deprivation. These needs filtered by culture and individual’s personality create wants. When this is connected with buying power, then we speak about demands that people is looking for in products and services in order to obtain benefits, value and satisfaction. A market offering is the services, products and experiences that fulfill demands. A hotel for example is a market offering such as banking etc. As it has been eloquently stated if you buy a drill it is not the drill itself that you opt for, rather than the hole on your wall. Some businesses focus on a product to the detriment of the experience and the benefit itself. Customers therefore are looking for satisfaction and they choose between similar offers according to their expectations. Here comes the balance of high and low expectations and the attraction of existing and potential buyers, who set the market and nowadays are not mere passive receivers but are influencing as well the marketers, in relation to viable and long-lasting successful business which is constantly looking for understanding customers’ needs. “Marketing consists of actions taken to create, maintain, and grow desirable exchange relationships with target audiences” while exchange is to obtain the desired offering by paying back and enjoying as a customer the delivered value (Kotler, Armstrong, & Opresnik, 2017, pp. 31-34).

The marketing strategy

As a result of the above mentioned, comes the marketing strategy which answers to 2 questions: what are the customers the business focuses on, which inevitably deals with segmentation and how to do we serve them best. Or in other words, how do we focus on a certain target group, create relationships based on a value proposition, which shall differentiate the business from competitors according to “values and benefits”, as of a distinct proposition to customers (Kotler, Armstrong, & Opresnik, 2017, pp. 35-36).

The marketing mix

Has the marketing strategy set the focus on a certain segment, then comes the marketing program that brings strategy’s theory into action by “the firm’s marketing mix, the set of
marketing tools the firm uses to implement its marketing strategy”. To achieve this, it makes usage of the 4Ps tool, product (the offering including accommodation, leisure services, food and beverage), price (the charge, discounts and offers), place (how do the customers have access to the product or how do they book a reservation either directly or through intermediaries thanks to ICT) and promotion (the communication of the product to the target group. This includes customers and employees and other stakeholders and it deals with brand identity, advertising, public relations, website design etc.) (Kotler, Armstrong, & Opresnik, 2017, p. 38) & (Bowie & Buttle, 2004, pp. 27-28)

The 4Ps are many times followed by 3 more Ps which are; Physical Environment (it includes the external and internal aesthetics and appearance of the hotel which are tangible and the intangible element of the ambience), Process (the simultaneous production and consumption is prevalent in the industry therefore process appear crucial and companies compete for efficiency and friendliness in booking, check in and out, service operations), People (includes customers and employees, who are interacting with each other and this makes the customer mix important as well as the internal marketing from the human resources point of view) (Bowie & Buttle, 2004, p. 28)

Relationship management

As a result of the above steps comes the customers’ relationship management, which aims at achieving, engaging, retaining and of course growing ties and customers by delivering the already mentioned value. But customers act in a quite particular way based on the perceived value which is subjective. While some are attracted by low price, others pay attention to the meaning of obtaining a “unique” to them product with special meaning. On top of that, satisfaction has been described as the result of a subtraction; performance – expectation, and the balance obviously is positive if the first surpasses the latter. Ultimately, some marketers advise to promise a standard delivery and then to deliver more in order to attract and then keep customers who then are turned to “ambassadors”. Each business has a variety of tools to use for this job. From loyalty rewards programs that strengthen a certain brand’s experience to mobile apps that to exclusive members that provide an array of choices to customers in order to co-create the product (e.g. e-check-in, room selection in Hilton’s HHonors) and give floor to the so called customer engagement who via digital environment propagates the brand and this goes
viral. Moreover, working with partners, all those who take part in the supply chain, in order to enhance jointly value to the customer forms the partner relationship management (Kotler, Armstrong, & Opresnik, 2017, pp. 38-41 & 43). It is said that is much cheaper to keep a satisfied customer instead of attracting a new one, and this the goal for loyalty created by the above mentioned steps. But the right mixture for its business is different and classification of customers leads to the right customer relationship management.

![Profitability related to Loyalty and Customer types. Source: (Kotler, Armstrong, & Opresnik, 2017, p. 46)](Image)

This picture 4 table suggests that a business has to classify customers according to the potential profitability. Strangers are those that worth for the transaction and it is not possible to make money out of an investment on them. Butterflies are better fitting the business but they are more like “chance hunters”. True friends appear to be the most loyal and profitable and the business wants to invest on them in order to grow bigger their share and number. The barnacles are quite problematic and the company in order to raise profitability either offers less service to them or sells in higher prices. But after all, they may be driven out if they are still working to the detriment of profitability (Kotler, Armstrong, & Opresnik, 2017).
Marketing in the accommodation sector

The marketing is always the same. But it is the particularity of hotel products that indicates some differentiated marketing. The particularity of applying marketing an accommodation enterprise is strongly influenced by five particular aspects of this business, which are namely: location, seasonality, profits influenced by room sales, focus on bookers and not occupancy, high fixed costs.

After location is selected and the hotel is built, this is something that can’t be moved. It affects the customer mix and the strategy to be followed. This immovable nature dictates a high commitment to marketing and sales in order to cure any external difficulties. Yet sometimes due to the location, such a business may operate with forced sales and even with an acceptable capital loss until the exterior environment is set back to positive numbers (Middleton, Fyall, Morgan, & Ranchhod, 2009, p. 369).

Vulnerability to fluctuating demand is another characteristic for hotels. It is not only accommodation business that is affected by seasonality (e.g. transportation) but this is one of the most challenging factors. For leisure hotels in the Mediterranean July and August set the peak, with April-May and October-November to be less busy months, for just a 6 months’ operation. It is suggested that marketing through product development and new segments could contribute to increase business (Middleton, Fyall, Morgan, & Ranchhod, 2009, p. 370).

Accommodation marketing targets at room sales despite the fact that room revenues represent around 50% of total sales because 9 out of 10 clients have already booked in advance before arriving in the hotel (Middleton, Fyall, Morgan, & Ranchhod, 2009, p. 370).

The marketing target is to find, convince, sell and probably welcome back due to satisfaction a person who is a booker. This is different than a mere reservation. Marketing targets at those who book for one or more nights for one or more persons. Occupancy comes as a result to this strategy and works as a tool to judge the efficacy of this effort’s success (Middleton, Fyall, Morgan, & Ranchhod, 2009, p. 370).

High fixed costs is a result of the investment in fixed assets, land and buildings (Medlik & Ingram, 2000, p. 117). Hotels occupy personnel which is full time and in the beginning or the end of season their daily cost usually it overcomes the daily revenues. When occupancy meets the
break-even point the high fixed costs of a hotel are covered and the marginal costs are low. The classic policy is to reduce price in order to have last minute reservations when rooms are left empty. On the contrary, another policy advises for lower prices in the beginning and gradual increase as the service delivery time is about to come (Middleton, Fyall, Morgan, & Ranchhod, 2009, p. 371).

**The marketing plan**

Planning is a conception and eventually a countable process without which it seems almost inevitable for a business to succeed. Either for a small business where the marketing plan is mostly in the mind of the owner or in the big businesses where a detailed and well prepared written analysis, the marketing plan sets a goal and the strategy and the tactics in order this to be achieved or in other terms answers the questions “where are we now, where do we want to go and how do we get there” (Bowie & Buttle, 2004, p. 316).

The marketing plan has two main divisions, the strategic and the tactical one. The first sets broader goals and this is for 3 to 5 years, and it deals with market segmentation, target markets and market positioning which are the prerequisite for business’ tactics. These decisions are of high importance and it is difficult to change due to the risk of confusion caused by wrong signals to customers and investors. The tactical plan is shorter, up to 1 year and its content is narrower, while it follows the frame set by the Strategic Marketing Plan. It is operating with limited goals through campaigns, such as a sales promotion to a certain audience from a specific country and events, such as an offer to a limited target market in a special price (Bowie & Buttle, 2004, pp. 317-319).

Fluctuations in tourism make the need for marketing planning an essential one. Stakeholders and investors are convinced by plans well conducted, with in depth research and cost analysis that lead to profitable results (Middleton, Fyall, Morgan, & Ranchhod, 2009, pp. 182-183).

**Situational analysis**

It is of high importance to have data in order to set the current situation of the business. What its’ position in the market, how is it affected by different factors, which of them are out of control and which are possible to be affected by the company? It is for this reason that factors
are divided into external and internal ones. The external or macro environmental factors set the PEST(EL) analysis and namely they are, political, economic, social, technological, environmental and legal impacts. The internal situation analysis or micro environmental is based on company’s products and competitors’ activities. To this scheme Porter’s 5 forces model is helpful in a multilevel dimension analysis that takes into account not only suppliers and buyers but new entrants and substitution possibility (Middleton, Fyall, Morgan, & Ranchhod, 2009, pp. 187-188).

**SWOT analysis**

The answer to the question “where are we now” takes a response by the acronym SWOT analysis, which deals with strengths, weaknesses, opportunities and threats for the company. It works like a snapshot that gives a particular pinpoint and helps to diagnose the actual market position. Strengths are advantages ascribed to fortune or past decisions and they are considered in relation to the business’ competitors. A classic example is location or high competent staff. The company’s values reflect the strengths and shape the brand and the market position. Weaknesses once they are identified the company seeks to minimize them. High operating costs, unskilled staff, aging products are some characteristic examples. Opportunities are linked either to what the company has under control (e.g. competencies) or from external factors or incidents that they may take advantage of (e.g. new flexible legal framework). Threats also deal with internal and external elements (e.g. fluctuating taxation). The SWOT analysis, not although without criticism, is a wide judgement tool that enhances planning (Middleton, Fyall, Morgan, & Ranchhod, 2009, pp. 209-212).

**Marketing objectives**

This part of the marketing plan answers the question “where do we want to go”. Objectives give sense to the company’s mission by setting certain goals for markets, products, sales, occupancy and the marketing mix. Not having objectives means not having a clear direction for the managerial team and the staff. Moreover, they must by SMART (specific, measurable, achievable, realistic and within a timetable) in order to monitor performance in quantifiable and concise terms (Bowie & Buttle, 2004, pp. 326-327). As it has been stated “the more thorough the diagnosis, prognosis and SWOT, the easier the task of specifying precise objectives” (Middleton, Fyall, Morgan, & Ranchhod, 2009, p. 213)
The marketing strategy

The Marketing Strategy is the applied set of actions by a business in order to reach the already set goals and create customer value. As it happens impossible to serve the whole market, the company will analyze and choose what are the customers to focus on (segmentation and targeting) and how this choice shall take place (differentiation and positioning). As potential customers do have different needs and look for different products, the company has to set some criteria in order to divide the customers’ groups according to geographical, demographic, psychographic and behavioral criteria in order to take place the market segmentation.

Should the company has made the above segmentation, it may choose and target at the segments that are mostly profitable by creating everlasting customer value. Consequently, limited resources lead to niche segments to be served. Kotler states that “most companies enter a new market by serving a single segment; if this proves successful, they add more segments” (Kotler, Armstrong, & Opresnik, 2017, pp. 74-75).

The next step for the business is to select how to differentiate from competitors and what position to have in the already selected segments. For a product the position is the perception on this specific product a potential buyer it has about, should this product comes with something particular it makes sense for him/her to buy it. Positioning appears for a product to be distinct, exact and desirable as it is constantly compared to other competitive products. Differentiation is a prerequisite for positioning, as the position is built on different customer values that are advantageous for the company. Lower prices than the competitors or more benefits to justify higher price are the tools for a company in order to promise higher customer value, but this has to be able to be offered. The business marketing program is based on the acquired position (Kotler, Armstrong, & Opresnik, 2017, pp. 75-77).

The action plan

This is the next costed and detailed step that will put marketing strategy into action answering when, how and by whom. The goal is to influence potential customers by committing projected sales and revenues and delivering value regarding selected products. This set of tactics and tools is called marketing mix (Kotler, Armstrong, & Opresnik, 2017, p. 77).

Two approaches regarding the marketing mix can be traced and both are acceptable. The one, regards the marketing mix strategy in relation to each one of its elements, for example a
strategy for the product, a strategy for price etc. The other, is based on the units of the business. For example, there will be a marketing mix strategy for the accommodation, another one for the banquet department or another one for restaurants (Bowie & Buttle, 2004, p. 334). As Kotler puts it:

“An effective marketing program blends the marketing mix elements into an integrated marketing program designed to achieve the company’s marketing objectives by engaging consumers and delivering value to them” (Kotler, Armstrong, & Opresnik, 2017, p. 78).

The activities for action plan include various strategies from internet marketing and sales/bookings or discounts to advertisement, public relations and direct marketing (Middleton, Fyall, Morgan, & Ranchhod, 2009, pp. 215-216). The questions to be answered according to Bowie are:

What action is to take place? (detailed list of events and campaigns)
What is the event or campaign goal? (SMART objectives)
Where will the actions take place? (locations, units, departments)
When the action is about to take place?
What will be the cost?
Who is the one on charge for the events and campaigns? (Bowie & Buttle, 2004, p. 334)

Monitoring, evaluating and controlling

This the phase where the company answers to the question “did we arrive where we set sail for?”. In other words, this evaluating phase helps the marketing plan to be accurate and within the frame was set from the beginning and within the projected cost. This insistence on precision regarding objectives makes possible to measure the results. For this reason, records in a regular basis are important (Middleton, Fyall, Morgan, & Ranchhod, 2009, p. 216). Yet it is highly possible that either external factors or internal would always derail the marketing plan. “Controls are necessary to detect, correct and prevent unacceptable variances from the plan’s objectives and cost profile. The key to control is setting SMART objectives” suggests Bowie. Moreover, he has a quite wide view on control including from financial performance, occupancy to brand awareness (Bowie & Buttle, 2004, p. 336)
Research

Research is divided in two main categories, quantitative and qualitative. The first pays attention to numbers and therefore it gathers various numerical data in order to combine them and come to conclusions. Large samples are more reliable while the information is taken by surveys, questionnaires, calculations and secondary data. But the possibility to build hypothetical answers and call the participants to agree or not, it is possible not to get close to what potential buyers are looking for. The second one, is based on logical assumptions and not in numbers. The information is gathered by a quite small sample of people and it comes out from observation and interviews. The crucial point here is that attitudes or motivations cannot be predicted in questions such as how clients feel about a brand, or what could make them buy a specific brand instead of another. The qualitative research is important in order to understand the positioning and branding values (Middleton, Fyall, Morgan, & Ranchhod, 2009, pp. 165-166).

Research method
In this paper the qualitative method was selected. Primary data include some numbers from the business computer systems but mainly two interviews in depth with the managing team of the company were held, including the managing director of the hotel business, the dominant shareholder who retired a year ago and the hotel manager. Moreover, the author’s personal entanglement as part of this team for the last five years has granted to him the opportunity to have a wide and empirical information on the business under examination. The emphasis has been put on this small team rather than to staff or to a customer sample, as it will be shown in the next pages, because the main target is to find a totally new storytelling about this hotel and consequently this deals with a top to bottom approach at his initial step.

Implementation of the research
The research was held for the hotel X and the interviews took place in the hotel’s premises individually between the respondent and the researcher. The empirical part that concerns the author of this paper, it is an ongoing process that officially begun in 2014 and it has been granted a solid scientific background from 2015 until 2017, as he was attending this master’s classes on hospitality and tourism management. Had more people been interviewed, this would grant a higher validity and reliability to this research. But despite the company’s size, it is run by a three family members and a hotel manager. Yet all the interviews’ participants have an inner and full
grasp of this hotel business as active members of its administration. The author’s personal entanglement in this business administration as well, while it has granted to him an inner and thorough consideration on these matters, it has also been problematic due to the subjective dimension he inevitably brought in his views. Moreover, the answers that were provided to the researcher and consequently the results, would probably be different had him been an unknown person to the interviewed persons.

The results

In this section the already gathered data shall be analyzed and discussed. The outline is following the marketing plan’s main sections, the situational analysis, the SWOT analysis, the goals and objectives, the marketing strategy and last, the action plan. The questionnaire is attached at the annex. The discussion was not a strict one and it formed towards the future opportunities and the directions this company should follow and vision at. This the reason why the answers are part of the above mentioned sections. The aim of this paper in practical terms is to offer a strategic marketing plan to the company, setting in a broad manner, the marketing opportunities and for this reason no special mentioned has been done regarding budgeting or pricing. Some numbers have referred as a tool that explains some propositions.

Situational analysis

The situational analysis examines where is the business now based on the external and internal factors and for this reasons the questions set deals with what has the hotel done well or what has performed not well. The main success is unanimously the location, a first line beachfront place full of trees and mountain view. The place has also been adored by families as it appears to be a safe place and charming place for children to play all around. The place is easy to be accessed by the national road, there are two train stations in two near villages (5 and 4 km away respectively) and Thessaloniki airport is about 119 km away or 1h and 15’. Moreover, it has some 8-10 allotment contracts with tour operators and a 120 days guarantee contract that occupies almost the half of its accommodation capacity. The distribution channels include as well the internet and the booking.com platform which contributes by a 3-5% of daily reservations during its operation. Nevertheless, the hotel has not been successful to have an outstanding prolonged period of operation. Despite efforts it is only in early June (1-15) that it really starts to have high occupancy rates. This failure repeats after 15-20 of September until the early October
that is usually the end of season. The campsite has an even shorter period from 20 of June to 5 of September. Offers and contracts did not support until now the efforts. Moreover, within the previous 8 years, two brand new hotels were established, 4 and 5 stars respectively. Despite their targeting at upper budgets, they have pushed the prices down in the start and the end of the season and that forms a significant pressure to the X hotel.

The SWOT analysis
The interviews were conducted in order the managing to team to provide answers regarding the strengths, weaknesses, opportunities and threats the Xenios business deals with.

Strengths
The respondents believed that the location is the greatest asset of Xenios. It is set just in front of the sea and with the scattered bungalows under the trees it offers privacy that seems to be radically different from the classic block of flats summer hotels. It is also easily accessed by the national road, it is only 5 km away from two villages with train stations and it is 90 km away from the Thessaloniki airport.

The legal form of the business is an SA which is helpful in terms of economic leverage. Nonetheless, it is mainly based on a family, which runs the property and it has granted a warm ambience despite the room capacity which is 100 rooms. This number is an asset as well, according to the interviews, because it appeals to the massive tourism market which is prevalent in the area, it can be handled rather easily it still helps for warm atmosphere with the guests. After 50 years of operation, the hotel has a certain number of loyal repeaters, of different ages, family oriented and sometimes the former children bring their own child in the place where they spent their summers.

The experienced manager who runs the business for the last two years is a strength as well. He has been chosen by the administration on the one hand, in order to introduce the property to the tour operators and extend the operation period and on the other hand, for reorganizing the hotel’s organogram (the staff still remains basically the same) in order to shift from a camping operating style to a hotel one.

The hotel is a summer day use leisure destination for the neighboring towns and cities, for swimming and food in the a la carte restaurant. In this respect, the newly built pool works as new feature which the respondents think that will attract even more visitors in the forthcoming
years, in relation to a convention hall that was launched a year ago and it has host some wedding and christening ceremonies as well as concerts and parties. The outdoor sport facilities (2 basketball courts and 2 football pitches) form another asset for Xenios because the respondents think that they can attract thanks to them sport teams for preparation in the beginning or in the end of season or that they are important due the family character that they have invested in.

Weaknesses

The managerial team in the interviews has unanimously accepted that the biggest weakness is the confusion of the hotel with the campsite as they are in within the same property and they share the same name and the main common places (e.g. reception or restaurant e.tc.) with some guests been dissatisfied as they think they paid for a hotel and stayed in a campsite. As a result, the lack of marketing, the difficulty in finding the right channels and the static instead of a dynamic webpage have been recognized as main weaknesses. The hotel is though present in the social media with relative success (facebook, instagram, tripadvisor and google business).

They continued with the out-dated interior design of the hotel, as the last renovation took place in 1998. The small size rooms have been mentioned as well. The poor common spaces in terms of size are vulnerable to rainy/cold weather, as the hotel has always been proud for its seasonal style but now it seems to be a problem regarding the operation extension plans. The size and the type of the property comes as a weakness as the wooded, 50 acres seem to be a huge garden and the bungalows are vulnerable to weather and time corrosion. The asset of location is a weakness as well, because the hotel is 5 km away from the nearest villages and this contributes the short operation period.

The respondents also think that the employees are of low qualification and mainly orientated to a more relaxed, camping style, job perception instead of even a more casual but yet a hotel job comprehension. They attribute the above to the absence of skillful, key employees who, as heads of departments, would perform as trainers in order to encourage the staff and provide incentives.

The respondents think of the a la carte restaurant as a weakness. It used to welcome before the economic crisis many daily visitors for meals and it was a fast food style pizza restaurant. Given the economic depression the visitors were decreased and the fast food style has been proved not to be profitable.
Opportunities

The managerial team in the interviews said that the third generation on duty brings fresh ideas. It is thanks to them that the hotel orientation and a new manager as a facilitator, have been opted for. There is a tour operator’s increasing interest on Xenios, which is “pristine” for their activities and it follows the destination’s, Pieria and mountain Olympus, increasing visitors.

Moreover, they have traced the lack of differentiated, medium budget choices in the leisure hotels market of the area. The choices are between cheap but not much worthy low star accommodation which form the majority, and some classic style, block of flats style, 4 and 5 star hotels, with high rates.

As Xenios attracts visitors for daily leisure activities, the respondents answered that they pay attention to the a la carte restaurant. They already have improved and enriched the menu for 2018 in collaboration with a new chef and they organize music nights within the heart of summer in days that the afternoons the shops are closed in order to welcome visitors as well as hotel guests. The managerial team aspires to use the new chef’s skills in order to welcome ceremonies such as weddings and christenings in a hall by the sea, which can host conventions and parties and it was launched in 2017. The same applies for the pool, which was launched in 2018, and it offers a new service. The respondents realized that it was the reason for hosting for coffee and drinks even more families with young children and especially when the sea has been wavy. Last but not least, the above mentioned sport facilities are considered by the respondents as an opportunity for welcoming athletic groups and offer to the families who select the hotel an option for children amusement.

The mountain activities on Olympus are thriving and some companies have been contacted in order to cooperate with the hotel for offering adventure experiences.

Threats

The respondents consider as threats the possibility of new hotels in the neighborhood. Their argument is that two new hotels 4 and 5 stars respectively have proven the area’s potential and this the reason they want to invest in the medium budget solution. Greece’s stalemate and the bank insecurity poses another threat. The plans for renovations based on a marketing plan are in need of leverage, which has been difficult to be found during the economic crisis. The general economic instability in Greece and political turmoil followed by the possible recovery of
neighbor countries such as Turkey and Egypt, which offer low cost vacation packages in great quality hotels, may drive tourism in a crisis despite the last years’ blossom.

Marketing objectives

While the respondents in the previous part gave answers regarding the current position of Xenios, in the marketing objectives section were called to contribute their views regarding where this hotel they would like to be placed in, or in other words, what are their short term and long term goals for Xenios hotel.

The respondents focus on marketing either short term or long term. They understand that they property for 50 years was mainly perceived as a campsite rather as a bungalows style hotel which provided as well in a vast area that has always been distinct, pitches for campers and tents. For this reason, they agreed that it of high importance as a main goal to make the hotel distinct from the campsite.

The respondents pay much attention to start building step by step the establishment in public’s mindshare that Xenios’ brings a distinct brand concept/identity regarding hotel competition. The Unique Selling Proposition (USP) as they described it, is based on their belief of Xenios offer and delivered value: A green or nature leisure hotel (including relevant practices from food and design to wastewater treatment and cosmetics) right on the beachfront, which offers privacy for every guest in stonemade bungalows, in a sense of discreet but differentiated and affordable casual chic ambience (or luxury). It appeals especially to those who look for holidays not in a single block hotel, that is to say, to escape the city and live an experience with respect to the nature to every detail. It appears to be ideal for families and for guests who pay attention to a healthy living and sports.

In this direction they vision as short terms goals, at launching two different websites and social media profiles (facebook, instagram and tripadvisor) respectively. The already existing website is rather static and while it has the outlay of a classic hotel website, it is not helpful as it offers the campsite option as well. This approach is linked to another short term goal, to appeal to the right target group for the hotel, which is significantly different in terms of budget and holiday perception.

The managing team sets as a long term goal to pay attention to the gradual hotel’s renovation in order to obtain a more modern and more hotel like ambience. This renovation
project includes even a distinct entrance for the campsite and trees and plants all round it in order to look like a distinct property. Moreover, the renovation, according to the respondents, is crucial not to start from the rooms but rather from the common areas. The reasons are various and yet there is a global trend especially due to emergence of millennials (Sharpe, 2014).

The hotel seems capable of prolonging the operation period and the property is in need of lounges for the colder days. In this respect, the main restaurant area renovation will offer this opportunity aside to a more pleasant environment for meals just on the beach front. Additionally, the shrinking clientele of the a la carte restaurant has urged them to cooperate with a new chef with his brigade. But the new menu needs to be followed by a renovation and a name for the new restaurant in order to prove that something new takes place. The renovation has to think about kids’ activities and places in order to practically be appealing to the family target group, instead of just be based on the nice location. The rooms renovation is to come and it includes a total refreshment and the internet wireless connection for each unit.

The green practices form another objective. The unique ambience of a forest on the beachfront needs to be emphasized by promoting already existing sustainable practices and adopting new ones. For example, the hotel needs to communicate a subterranean waste water private system, which reuses water for watering 52 acres of plants. Moreover, a water saving campaign for volunteers may be offered, by accepting change of towels not on a daily basis. The usage of local production provisions in cooperation with producers will put emphasis on the local cuisine. Environmental friendly toiletries will enhance the sense of sustainable practices.

The customer service is another short term goal. The respondents believe that the hotel is in need of two key and qualified employees, as heads of the reception and the food and beverages departments (FB) in order to secure the best possible service delivery by training the staff. These two employees shall surveil their departments in order to act proactively for improvement comments and the avoidance of complaints.

Another long term objective for the respondents is to prolong the operations’ period. They want to build a clientele for late April and May and late September and early October. They believe that could invest on their athletic premises that could be attractive to sport group that combine holidays with training in the mentioned periods. These cold months are also suitable for
pensioners’ groups who look for serenity away from the unbearable summer heat. For this reason, the managing team visions at cooperation with local activities taking place on Olympus mountain, including hiking, trekking, or canoeing.

**Marketing strategy**

In this part are discussed the respondents’ views on how would they proceed with the implementation of their objectives.

As the seasonality forms one of the first concerns of the respondents, they think that the market segmentation will be an effective tool by dividing the potential customers into groups with different ways to be approached. During high season the hotel is appealing to families traditionally as it has been already stated. But this goes hand in hand with premises and amenities related to a similar profile. After communicating already existing offers such as babycots or baby chairs, Xenios should invest in brand new play corners for kids under supervision, sport games in the sea, tournaments in the sport facilities, an open air cinema, happy colors children sheets and towels for the family rooms, bicycles, children menu or babysitting are some of the ideas in order to secure an already existing target group and confidently welcome new guests.

Regarding the sport groups, the hotel has to research and contact a variety of teams around Greece, in order to verify their needs and offer them the best possible packages. Another special group is the climbing tourists that visit the place for mountain Olympus. The contact of their associations by some packages according to their needs forms another opportunity for Xenios. Regarding pensioners, a target group that is potentially capable to spent money despite crisis, Xenios team could contact some multinational or big companies that provide programs for their pensioners in summer destinations but not during the high season.

For the aforementioned family and nature admirer groups, a recreation kiosk offering some basic therapies of massage would be also an asset. The cooperation with local adventure teams, which organize walks, canyoning and rafting on the mountain Olympus is another offer that visions at unique experiences.

The website reconstruction appears as a necessity. It has to be modern, not static, offering online reservations in order to raise revenues as it will be offering the lowest price and tempting and professional images and texts. It is strongly linked with their effort to establish the
perception and awareness of what actually Xenios as a hotel is all about and dispense with the campsite image.

The respondents also pay attention to the pricing policy. Initially the prices are increased year by year in order to be at the level of 3star hotel. But they believe as well in sales packages and offers according to the target groups and yield management tactics in order to raise revenues, especially regarding the seasonal prolongation.

The managing team is also interested in relationship marketing. They think of questionnaires that could provide information about guests’ habits in order to be ready to “indulge” them in the next visit, complaints they may have and then Xenios will provide answers (emails) to them by thanking them in a way that proves they actually care about feedback.

Moreover, the respondents think of paying back the devotion of Xenios repeaters by the participation into a reward program with discounts, offers, news about the hotel by submitting their contact details and accepting their participation.

Despite the fact that telephone is still in Greece the most common booking channel, the respondents pay attention to the internet as the economic crisis has grown far bigger the travelers from abroad. Xenios is already present in OTAs such as booking.com, Hotelbeds and OTS Globe. Their intention is to engage in even more OTAs such as Expedia or tripadvisor, but mainly to make easier the handling of these channels by installing a channel manager system, linked to the new website and their online reservations and the OTAs in order to unify their sales strategy and having full control.

For the aforementioned strategies, the key role is to be played by the two new skilled employees, an FB manager and a reception/reservations manager. They have to embrace Xenios’ particular concept (holidays in nature) and be responsible for educating, training, organizing and motivating the staff in order to perform efficiently and deliver satisfaction to the guests by an upgraded customer service performance. Certain duties followed by simultaneous empathy in order to avoid answers “this is not within my duties” set the training goal supervisioned by the hotel managers.

**Action plan**

The managerial team believes that it is crucial for a hotel with some 70 employees to have a crystal clear duty segmentation for achieving their goals.
Regarding the new customers’ attraction, Xenios hotel team will have to research for the upcoming sport events in the area of mountain Olympus, contact the responsible organizations and negotiate advertisement, Xenios promotion in their newsletters and possibility for sponsorship by offering some rooms in special prices and packages from April to October in order Xenios to gain awareness. As the pensioners are concerned, a thorough research among the biggest companies in Greece would be the first step. Xenios could think as well for hiring a salesperson for this special job in Athens, in order to apply a more focused strategy. For the internet, should Xenios has agreed with the company that shall built the new website, the reservations/reception manager will be responsible for running the already linked with OTAs new system and propose the possibility for new cooperation.

**Relationship marketing**

This is considered to be a crucial section, as the following activities aim at engaging customers on a long-term basis, in order to create a solid relationship, even an emotional one, in order to promote the company by affected gusts with strong ties with the company, who are turned to ambassadors of Xenios.

**Contact and data**

The EU General Data Protection Regulation (GDPR) concerning private data privacy applies in Greece as well, since May 2018. Having this special treatment towards guests, Xenios hotel could start collecting upon approval their contact info, e-mail. Telephone number for future contact and information

**Feedback**

The feedback may be either written on a website (hotel’s page, booking.com, tripadvisor e.tc.) or on the form document that the hotel may provide upon check-out. The Xenios team has to answer instantly to the potential negative comments, and the training of the reception agents should focus on having them authorized to proceed such incidents. Regarding improvement suggestions or shared positive feelings by guests have to be answered as well either by emails or kind replies in the OTA where the comment was made.

**Rewards program**

It does not need a special digital program with cards and charts. The already existing hotel’s front and back office program could provide the details on frequency, habits (e.g.
preference for a la carte restaurant, a family with special food preferences in gluten free meals), how often do they visit the hotel, what room type they usually prefer e.tc. In this respect, some standard and generally applicable discounts, menu offers, room upgrades, welcome drinks and presents (e.g. a small bag with fragrant herbs from Olympus mountain) are the possible, simple and easy to be applied practices.

Campaigns

The different target groups are the base for campaigns. Either from Xenios’ website or through facebook, the hotel may promote special offers for a given period of time by rewarding the potential customers with extra discounts for early bookings or providing for the loyal customers the early October, for example, as an option based on “pay less, buy more”. This practice applies as well during high season for the days between weekends that the hotel may have empty rooms.

Regarding the a la carte restaurant, informative leaflets with offers or special nights should be used in each room and in the reception/lobby area for attracting the hotel guests. Should a name is given to the restaurant in order to be distinct, a social media promoting campaign has to begin from early March, welcoming the new arrival. Moreover, during season a discounted menu from Monday to Wednesday with a special menu 10€ per person could contribute its popularity. Music nights, wine and beer presentations with special menus in different days are as well, helpful.

Internal marketing

The hotel’s manager with the FB and the reservations/reception manager should agree upon the main activities. Regular meetings with each one’s team in order to adjust effectively to new data is more than necessary. The staff should be trained on the hotel culture and it has to embrace the hotel concept instead of the campsite one, based on a convincing story telling based on the new quality service delivery. Clear duties, response to different occasions and rewards by rotation to different positions and promotions are to give the sense of a company that the employees would like and be proud of be parts of.
Conclusions

This thesis, under the form of a case study, has examined the marketing strategy for a marketing plan based on the perception of the managing team for Xenios hotel. The aim has been to introduce a new dynamic marketing plan for re-inventing Xenios by putting emphasis on promoting the property as a hotel. In this respect, classical ideas already applied in hotels were discussed in order to raise the public awareness towards Xenios particularly as hotel and not as a campsite with some rooms. The marketing plan did not vision at taking place in a strict period of time but it rather suggests the general framework that has to be followed in order to achieve its aim. This is a dynamic process that may be modified through time, but it sets the general ideas.

The managing team at this point includes two shareholders, the general manager and the main shareholder, who nevertheless contributes as the principal advisor. The interviews were conducted in the form of an open discussion but under a certain layout that looked for answers regarding the situational analysis, marketing objectives, the marketing strategy and the action plan or, in other words what are their ideas, almost unintentionally, regarding a classic marketing plan.

The research results are important to the company, as it has never until today a written and clear marketing plan, which has been usually verbal intentions after observance and long conversations. This new and first marketing plan has time a time constraint. It will be successful if Xenios is in need for total adjustment within the next 3 to 5 years, because this the time framework that Xenios hotel has to establish itself as a hotel instead of a campsite. Moreover, this thesis was not based on staff or guests’ views and ideas. It was a top-down approach rather than a consumer centric one. On the contrary, any new marketing plan research will have to take into consideration two elements, the staff and the guests views. The first element, the staff, because under a hotel training they will be able to contribute creatively towards the Xenios marketing vision. The second element, the guests’ views, because then they will have selected intentionally to visit this albeit differentiated property because they clearly perceive it (Xenios) as hotel and in this direction they may offer their complaints, improvements or any memorable experiences they will be taking with them upon departure.
The results of this thesis research offer the practical proof of the working hypothesis, that the Xenios hotel has to redefine itself by the renaissance of the already existing infrastructure aside to any necessary additions due to repurposing in order to emerge rejuvenated for new guests. The thesis suggests that Xenios has to undergo through a holistic and multilevel update. Regarding its facilities, it has to put an emphasis on the public spaces, services and lounges or a la carte restaurant that will always welcome people as well from the surrounding area. This, of course, visions at the principal target that are the (new) customers looking for holidays in a hotel within nature, ideal especially for guests who pay attention to a healthy living and sports. Families and sport teams or pensioners are forming only the core around which the repurposed narrative is based on. To keep the satisfaction levels of any attracted new customers high, the Xenios team has to invest as well, on retaining the repeaters by an active relationship marketing in an effort also to prolong the operation period. Xenios has to look for economic leverage as well. The tour operators are crucial allies to that goal. They can offer the economic assets and participate in the prolongation of the operations’ period or any renovations. The main disadvantage remains the always present perception of Xenios as something different and incomprehensible. But as Xenios is almost a pure entrant in the actual hotel competition, it has the potential prerequisite to convert its own particularity into an unexpected and powerful advantage by inviting guests to experience holidays and “reborn, in nature” as it has been initially claimed upon its establishment, back in 1968.
Bibliography


Appendix I
The Questionnaire

1. The SWOT analysis
   - Strengths
   - Weaknesses
   - Threats
   - Opportunities

2. The situational analysis
   - What do you perceive as success for Xenios hotel?
   - What are the disadvantages of Xenios hotel?
   - How do you describe competition and mainly in which sectors?
   - What are the distribution channels for Xenios?

3. The marketing objectives
   - How do you think Xenios should be in the years to come?
   - Describe your short and long term goals
   - How do you plan to expand your target groups?
   - How do you plan to retain repeaters?

4. The marketing strategy
   - Why to choose Xenios for holidays? Could you describe what exactly is Xenios?
   - Where do you set Xenios position in relation to price and differentiation
   - What are the tools to be used?
   - Distribution channels and internet

5. Action plan
   - Who is in charge to plan, organize and evaluate Xenios marketing?
   - How do you empower the employees to participate?
   - What are your plans for the internal marketing?
### SWOT Analysis

<table>
<thead>
<tr>
<th><strong>Strengths</strong></th>
<th><strong>Weaknesses</strong></th>
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<tbody>
<tr>
<td>- Location and privacy offered by the bungalows</td>
<td>- Out-dated interior design</td>
</tr>
<tr>
<td>- SA legal form but mainly based on a family</td>
<td>- Small rooms</td>
</tr>
<tr>
<td>- Room capacity (100 rooms)</td>
<td>- Poor common spaces in size and vulnerable to rainy/cold weather</td>
</tr>
<tr>
<td>- Experienced manager</td>
<td>- Marketing and confusion with the campsite</td>
</tr>
<tr>
<td>- Repeaters</td>
<td>- Website</td>
</tr>
<tr>
<td>- Summer day use leisure destination for the neighboring towns and cities, for swimming and food</td>
<td>- Size and type of the property</td>
</tr>
<tr>
<td>- Newly built pool works as new feature</td>
<td>- Employees of low qualification</td>
</tr>
<tr>
<td>- Staff is basically the same</td>
<td>- Absence of key employees, skillful and head of departments</td>
</tr>
<tr>
<td>- Newly built convention hall</td>
<td>- Location</td>
</tr>
<tr>
<td>- Sport facilities</td>
<td>- Short period of operations</td>
</tr>
<tr>
<td></td>
<td>- A la carte restaurant</td>
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<table>
<thead>
<tr>
<th><strong>Opportunities</strong></th>
<th><strong>Threats</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>- Third generation on duty: fresh ideas</td>
<td>- New hotels in the neighborhood</td>
</tr>
<tr>
<td>- Tour operator’s increasing interest on Xenios</td>
<td>- Stalemate</td>
</tr>
<tr>
<td>- Destination’s increasing visitors</td>
<td>- Economic instability in Greece</td>
</tr>
<tr>
<td>- Lack of medium budget choices</td>
<td>- Neighbor countries recovery</td>
</tr>
<tr>
<td>- A la carte restaurant</td>
<td>-</td>
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</table>
Marketing objectives

- Building step by step Xenios’ distinct position and brand concept/identity regarding competition: A green or nature leisure hotel (including relevant practices from food and design to wastewater treatment and cosmetics) right on the beachfront, which offers privacy for every guest in stonemade bungalows, in a sense of discreet but differentiated and affordable casual chic ambience (or luxury). It appeals especially to those who look for holidays not in a single block hotel, that is to say, to escape the city and live an experience with respect to the nature to every detail. It appears to be ideal for families and for guests who pay attention to a healthy living and sports.

- Launching of two different websites and social media profiles (facebook, instagram and tripadvisor) respectively.

- Renovation project:
  A distinct entrance for the campsite and trees and plants all round it in order to look like a distinct property.
  The renovation starts form the common areas (lounges, kid’s activities) and then continues with the rooms (design and WiFi)
  Emphasis on the a la carte restaurant due to clientele as well from the wider area

- The green practices promotion and adoption

- Two key and qualified employees, as heads of the reception and the food and beverages departments (FB) in order to secure the best possible service delivery by training the staff.

- Prolongation of operations’ period (late April and May and late September and early October). Target at sport groups that combine holidays with training and at the pensioners’ groups who look for serenity away from the unbearable summer heat. Cooperation with local activities taking place on Olympus mountain, including hiking, trekking, or canoeing.

Marketing Strategy

- Hotel website reconstruction offering online reservations. Tempting and professional images and texts. Strongly linked with their effort to establish the perception and
awareness of what actually Xenios as a hotel is all about and dispense with the campsite image.

- Market segmentation into groups with different ways to be approached:
  During high season to attract families Xenios, after communicating already existing offers such as babycots or baby chairs, could create play corners for kids under supervision, sport games in the sea, tournaments in the sport facilities, an open air cinema and happy colors sheets and towels for the family rooms, bicycles, children menu or babysitting.
  During off season to attract sport groups Xenios has to research and contact a variety of teams around Greece, in order to verify their needs and offer them the best possible packages.
  For climbing tourists group that visit the place for mountain Olympus to contact their associations by offering packages
  Regarding pensioners, a target group that is potentially capable to spent money despite crisis, Xenios has to contact some multinational or big companies that provide off season holiday programs for their pensioners.
  A basic treatment kiosk offering massage for the above mentioned nature adorer groups.
  The cooperation with local adventure teams, which organize walks, canyoning and rafting on the mountain Olympus is another offer focusing on unique experiences.
- Pricing policy. Increase year by year in order to be at the level of 3star hotel.
  Sales packages and offers according to the target groups and yield management tactics in order to raise revenues, especially regarding the seasonal prolongation.
- Relationship marketing. Questionnaires for information about guests’ habits in order to be ready in next visit. Complaints handling and thanking emails for feedback.
  Reward program for repeaters with discounts, offers, news about the hotel by submitting contact details and accepting their participation.
- Engagement in even more OTAs such as Expedia or tripadvisor. Make easier the handling of all these channels by installing a channel manager system, linked to the new website and their online reservations and the OTAs in order to unify their sales strategy and having full control.
• Key role is to be played by the two new skilled employees, an FB manager and a reception/reservations manager under the manager’s guidance. They need to: embrace Xenios’ particular concept (holidays in nature) and be responsible for educating, training, organizing and motivating the staff in order to perform efficiently and deliver satisfaction to the guests by an upgraded customer service performance.

**Action plan**

• Regarding the new customers’ attraction, Xenios hotel team will have to research for:

The upcoming sport events in the area of mountain Olympus
Contact the responsible organizations and negotiate advertisement, promotion in their newsletters and possibility for sponsorship by offering some rooms in special prices and packages from April to October in order Xenios to gain awareness.

For pensioners:
Thorough research among the biggest companies in Greece would be the first step.

Possibility for hiring a salesperson for this special job

• For the internet, should Xenios has agreed with the company that shall built the new website, the reservations/reception manager will be responsible for running the whole system.

• Relationship marketing
  
  Contact and data
  Collecting upon approval contact info, emails or telephone numbers for future contact and information.

  Feedback
  Either written on a website (hotel’s page, booking.com, tripadvisor e.tc.) or on the form document that the hotel may provide upon check-out. The Xenios team has to answer instantly to the potential negative or positive comments.

  Train the reception agents, authorize them to proceed with standard steps for complaints.

  Rewards program
  Use the existing hotel’s front and back office program to provide the details on frequency, habits. Discounts, menu offers, room upgrades, welcome drinks and presents.
Campaigns

Either from website or through facebook, the hotel may promote special offers for a given period of time by rewarding the potential customers with extra discounts for early bookings or providing for the loyal customers the early October, for example, as an option based on “pay less, buy more”. This practice applies as well during high season for the days between weekends that the hotel may have empty rooms.

Regarding the a la carte restaurant, informative leaflets with offers or special nights should be used in each room and in the reception/lobby area for attracting the hotel guests. Should a name will be given to the restaurant in order to be distinct, a social media promoting campaign has to begin from early March, welcoming the new arrival. Moreover, during season a discounted menu from Monday to Wednesday with a special menu 10€ per person could contribute its popularity. Music nights, wine and beer presentations with special menus in different days are as well, helpful.

Internal marketing

The hotel’s manager with the FB and the reservations/reception manager should agree upon the main activities. Regular meetings with each one’s team in order to adjust effectively to new data. The staff should be trained on the hotel culture and it has to embrace the hotel concept instead of the campsite one, based on a convincing story telling based on the new quality service delivery. Clear duties, response to different occasions and rewards by rotation to different positions and promotions in order to give the sense of a company that the employees would like and be proud to be parts of.