

# The Effective Marketing Strategies for the Tourism and Hospitality Industry in Malaysia : Reviewing of Marketing Mix from the Hotel Perspective

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## ABSTRACT

*Malaysia's tourism and hospitality industry has grown rapidly over the last few decades and is considered to be one of the major sources of income for Malaysia. There are many sectors of the hospitality industry, such as hotels, hostels, motels, restaurants, cafes, etc. The hotel industry is one of the most important industries of the tourism and hospitality industry. The latest tourism statistics from Malaysia in 2020 have shown that the tourism and hospitality sector is leading to good economic growth for Malaysia. Many countries have opened their eyes to an aggressive effort by the Government of Malaysia and the Ministry of Tourism to promote Malaysia. Although the Government of Malaysia and the Ministry of Tourism have made numerous efforts, there are still additional efforts to be made by hotel operators to ensure the sustainability of hotels in this competitive environment. In the long run, the sustainability of hotels depends on the efficiency and effectiveness of hotel operators in implementing their marketing strategies. Marketing strategies are an important strategy for increasing GDP in the tourism and hospitality industries. Thus, through marketing strategies for the tourism and hospitality industry, this conceptual paper found insight. This paper had led prepositions to the hotel operators to execute their strategies by reviewing the elements of the marketing mix*

**Keyword:** Hospitality Industry, Tourism, Industry, Hotel, Marketing Strategies.

## 1. INTRODUCTION

Over the last few decades, the consumer's purchase behaviours study has been increasing and attracting researchers worldwide. According to Nasir, Roslin, and Chui (2020), purchasing behaviour is the backbone of marketing strategies. In other words, purchasing behaviour is a medium for creating marketing strategies by focusing on the needs and wishes of consumers through consumer behaviour research. Understanding the needs and wishes of customers is essential in order to ensure the satisfaction of consumers in the management of products and services. The tourism and hospitality sector is one of the services industries. The tourism and hospitality industry is the third largest contributor to Malaysia's gross domestic product (GDP) after production and commodities.

Malaysia is a wonderful country with many tourist attractions, such as crystal clear beaches, beautiful islands, heritage sites, and adventure sports. It is obvious that Malaysia is preferred as a tourist destination because of the attraction and uniqueness of destinations across the country. There are several historic, adventurous and entertaining tourist destinations to visit in Malaysia, such as Langkawi Island, Perhentian Island, Melaka, Cameron Highlands and Tioman Island. The latest tourism statistics from Malaysia showed that the number of tourists arriving in the country increased in 2019 compared to 2018. For example, tourism received RM26.10 million tourist arrivals in 2019 compared to the previous year, which was RM25.83 million. Obviously, this is a good indication to the industry. Tourist arrivals and receipts to Malaysia from 2010 to 2019 as indicated below

Table 1: Tourist Arrivals and Receipts to Malaysia from 2010 to 2019

<b>Tourist Arrivals and Receipts to Malaysia</b>		
<b>Year</b>	<b>Arrivals</b>	<b>Receipts (RM)</b>
2019	26.10 million	86.1 Billion
2018	25.83 million	84.1 Billion
2017	25.95 million	82.1 Billion
2016	26.76 million	82.1 Billion
2015	25.72 million	69.1 Billion
2014	27.44 million	72.0 Billion
2013	25.72 million	65.4 Billion
2012	25.03 million	60.6 Billion
2011	24.71 million	58.3 Billion
2010	24.58 million	56.5 Billion

Source: Tourism Malaysia (2020)

In view of the increasing number of tourists visiting Malaysia, the tourism and hospitality industry has been growing over the years. The Government of Malaysia has recognised the potential of the tourism industry and has therefore mapped out the blueprint target for the sustainability of the tourism industry. As mentioned earlier, the hotel industry is one of the most important sectors of the tourism and hospitality industry. The hotel industry is the most structural element of tourism destination (Attila, 2016). Consequently, the contribution of the hotel industry to the economy of Malaysia should not be underestimated. In line with the growing desire of tourists to travel; hotel operators should pursue an aggressive strategy to maintain their market sustainability. The main objective of this paper is to provide an understanding of the marketing strategies for the tourism and hospitality sector in Malaysia. This paper discusses the marketing mix elements that are product, price, location and promotion. The paper also discusses the importance of marketing in the tourism and hospitality sector

## 2. LITERATURE REVIEW

In running any company, marketing is a vital component. Many people think that selling and buying products is marketing. The role of marketing, in fact, is beyond the activities of selling and buying. The marketing role is broad. In all sectors, marketing is required, not unusual in the hotel industry. In the hotel industry, the main reason why marketing is needed is because of the increasing trend of tourist arrivals to our country and hotel competition. It is easier for any business to enter the marketplace, but it is not easy to keep the business in the marketplace. Marketing strategies are essential for the hotel industry. One of the embodiments of marketing strategies is the marketing mix. The role of the marketing mix is to influence the purchase of products and services by consumers. There are four elements in the marketing mix, namely product, price, location and promotion. Each of these elements is discussed in the following section.

### 2.1 Product

Product refers to things that are tangible and intangible, that is, services. In the hospitality industry, the definition of a product does not simply refer to a tangible object. However, the definition of the product is extended to information, ideas, organizations and experiences (Kotler, Bowen, & Makens, 2003). The definition of the product is not limited only to the place where tourists stay in the hotel context. The products in the hospitality industry include tourist destinations, where they are staying, what they are eating, and the types of entertainment they would like to see. Apart from offering the room to the tourists, the hotel also offers a different product to the MICE customers. Generally, MICE terms refer to meetings, incentives, conventions and exhibition activities such as conferences, congresses and trade shows (Hamid, Fuza, & Ismail, 2013). Essentially, the three-star hotels and above offer MICE to their customers. Other than offering rooms and MICE (meetings, incentives, conventions and exhibitions), the hotel also offers food and drinks to its clients. For instance, the hotel typically offered its clients breakfast packages. Lunch buffet and dinner were also provided in the hotel for the clients. Some customers do not know that the hotel also offered these kinds of products (i.e. lunch and dinner) since they usually have a free coupon breakfast provided by the hotel. Lunch and dinner are also available to hotels for attracting their customers. The

marketplace is literally saturated by different types of hotels, brandings and products. This is therefore an effective way of maintaining the marketplace. Hotel operators should not only focus on rooms because they depend on seasonal seasons. As demand for tourists is also changing, hotel operators are struggling to maintain competition in the marketplace. Hotel operators are currently struggling to attract tourists. Brand name is one of the most important things to establish a hotel. Strong branding gives the tourists positive impressions.

## **2.2 Price**

Price is the amount paid by the customer in order to obtain a product or service. Setting up business pricing is crucial and complex, as pricing is the first thing that can become the main focus of tourists. In the hotel sector, hotel operators should set reasonable, fair and competitive prices. Determination of the price depends on the strategy implemented by the hotel. Different hotels have a different pricing strategy. For example, some hotels are targeting public sector servants as their target market by giving discounts to this group. The strategy of pricing depends on the strategy of the hotel. The ability of customers to move to another hotel is high if hotel operators set high prices. That's because before you decide to make a hotel reservation, people always compare the price to another hotel to make sure they get a good deal. Hotel operators should therefore compare hotels that come with similar segmentation and star category before setting prices. In the meantime, if the hotelier sets a lower price for the hotel, the hotel is in danger of losing itself. Appropriate pricing strategy is one of the key components of the marketplace success of hotels.

## **2.3 Place**

Place is the distribution of products and services. Place in the hotel industry is the location of the hotel where the tourists occupy the hotel. There are few elements that hotel operators need to consider in attracting tourists. The location is one of them. Location is one of the most important criteria for selecting a hotel and has a major impact on the demand for a hotel. Location plays an important role in every business, and hotels are no exception. According to Park and Kim (2012), the hotel's success or failure depends on the location of the hotel. Tourists will choose the best hotel to suit their needs and wishes. Obviously, tourists will narrow down their choices and choose the hotel according to their personal interests. For example, business tourists are always looking for hotels near the airport. This is because business tourists spend a lot of time changing their flights. Therefore, they need to save their time and thus stay in a hotel that is close to the airport. Furthermore, the nearest airport is generally well developed and nearly all facilities are available. Families, meanwhile, tend to prefer hotels that are close to tourist attractions and shopping malls. This is because it is simpler for them to be able to travel to another location. Tourists always do comprehensive research before deciding to book a reservation. In order to help tourists choose a hotel, it is recommended that hoteliers provide a special section on their websites to provide additional information to tourists. Hotel operators can provide useful information, such as the main attractions near the hotel, the distance from the hotel to each recommended location and the recommended transport to the destination from the hotel.

## **2.4 Promotion**

Promotion is an effective means of informing people about the organisation's products and services. In other words, promotion is the means of communication for a hotel to deliver its messages to potential customers. In the hotel industry, promotion is important to stimulate demand in the short and long term. Hotel operators should ensure that effective promotion is carried out in order to maintain their marketplace sustainability. Each hotel has different methods of promoting its own hotel. Some hotels, for example, offer their frequent customers free upgrade rooms. Some hoteliers give their frequent customers discounts and vouchers. There are various promotional communications, such as advertising, personal sales, public relations, direct marketing and sales promotion (Pour, Nazari, & Emami, 2013). One of the most effective promotions comes from the surrounding environment. Family members and friends influence are two reference groups that influence people in the decision-making process of purchasing products and services (Nasir, Roslin, & Chui, 2017; Oktadiana & Kurnia, 2011). Hotel operators should, therefore, pay attention to both of these reference groups. In the hotel industry, recommendations from the surrounding (i.e. family members and friends' references) are important when choosing a hotel. Essentially, the positive recommendations from the surrounding encourage people to stay at the hotel. In addition to recommendations from the surrounding, social media is another factor that has influenced people to choose a hotel. Hotel operators could promote their hotels to increase their sales through social media such as Facebook, Instagram, and Youtube. The operators of the hotel are advised to take action against the complaints of customers. Customer satisfaction is the priority for the hotel sector to maintain the company in the long-term. Ignoring customer satisfaction in the future would pose a problem for hotel operators if they want to maintain their long-term marketplace sustainability (Abdullah & Hamdan, 2012).

#### 4. CONCLUSIONS

This conceptual paper aims at providing an understanding of literature from the point of view of the tourism and hospitality industry in marketing strategies. In the marketing mix, which consists of product, price, location, and promotion, there are four elements. In evaluating marketing strategies, these four elements (i.e. product, price, location, and promotion) are significant. To satisfy the needs and desires of tourists, the product is important. Hotel operators should make sure they provide tourists with the best services. The second component of the marketing mix is the price. The setting of a price is crucial because it determines the level of satisfaction of the tourist towards the hotel. Hotel operators should ensure that they set a reasonable price for tourists on the basis of the services and quality that they offer. The possibility for tourists to visit the hotel is high if they are satisfied with the price offered by the hotelier. Meanwhile, the possibility for tourists to visit the hotel is low if they are dissatisfied with the prices offered by hotel operators. The third element of the marketing mix is the location. Hotel operators should ensure that their hotel is a strategic attraction for visitors coming to their hotel. Promotions are the fourth components of the marketing mix. Efficient promotions are required to educate potential customers about the choice of a hotel. By incorporating all these elements of the marketing mix, hotel operators may boost their strategies.

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