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**STRATEGIC MARKETING ANALYSIS AND PLANNING FOR
GLORIA PALACE SAN AGUSTIN THALASSO & HOTEL IN SPAIN**

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| <p>The tertiary industry on the Gran Canary Island is increasing sharply, comprising a rising number of visitors per year who have brought more wealth than banana plantations could ever have done. Gloria Palace San Agustín Thalasso & Hotel is one of the famous hotels on the Gran Canary Island and it has just experienced a new and significant renovation. Thus, the necessity of a Strategic Marketing Analysis and Planning, as one possible tool to promote the new, modern and comfortable image and to satisfy external customers in an excellent way, has been comprehended. The purpose of this thesis is to contribute a Strategic Marketing analysis and planning by analyzing its aspects in theory and including relevant practical application. This thesis was commissioned by the Marketing and Promotion and Loyalty Department of Gloria Palace San Agustín Thalasso & Hotel</p> <p>The study used both qualitative and quantitative research methods. In the theoretical part, the thesis concentrated on different aspects of strategic marketing in the tertiary industry. The emphasis is on marketing but the basics of Tourism and Hospitality are also defined. The empirical part includes surveys to investigate the opinions and advices from 1652 accommodated customers, 11 journalists and 50 co-operative travel agencies. Moreover, it has been inspired by the face-to-face interview with the General Manager and the Marketer with eight years of work experience. The outcome of Strategic Marketing plan was implemented with the help of summarizing and analyzing the marketing environment.</p> <p>The objective is to improve the marketing activities for the newly renovated hotel, provide a positive hotel experience, to improve the clients' satisfaction and promote the reputation of the hotel worldwide. This thesis also comprises the implementation and control plans which will hopefully help to achieve these goals in the future.</p> | |
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1. INTRODUCTION

Today's business world recognizes the importance of marketing strategy as a vital ingredient for any business success. Marketing strategy concentrates on segmentation, targeting and positioning to attain a significant competitive position in a specific market. The three key dynamic and incessantly changing constituents of marketing strategy are customers, internal corporate factors and competitors. Consequently, strategic marketing management is an indispensable process to ensure marketing strategy is relevant and sustainable because it is the key for management to utilize and develop processes and techniques in order to assure its strategy is adapting to the current, sustainable, best benefiting both company and customers and accurately implemented.

The purpose of this thesis is to create a comprehensive marketing analysis and planning to assist Gloria Palace San Agustin Thalasso & Hotel to better improve marketing activities for the newly renovated hotel by assessing current status, formulating strategic marketing plan and implementing to align all marketing efforts with its overall plan.

1.1 Starting point

Constantly economic situation entails strategic responses. According to American Marketing Association, companies must be the leader in the procedure of preparation, arrangement and accomplishing the idea, pricing, advertising, and distribution of services to generate interactions that fulfil individual and organizational intentions within their aggressive industry environment in this time of greater alteration. Therefore, the important role of strategic issues and the contribution of marketing management to business success have been realized. These elements obey the "right principle" which emphasizes on supplying the right goods or services to the right customers at the right place and right time at the precise price and using the accurate promotion practices. This principle facilitates monitoring many issues that ultimately determine marketing triumph. Strategic marketing analysis and planning are observed as the managers' aptitude for considering future ahead and creating products and services in order to acquire advantages.

Being future-oriented only one portion of the equation in attaining achievement nowadays since marketing cannot be considered as an independent function (...) It is the entire busi-

ness comprehended from the argument of its decisive outcome, that is, from the purchaser's opinion (Ducker, 1973) so the business only befall at the interface between the company and its clientele. It originates from the marketplace concept, where consumers and suppliers would gather together to process transactions for their common benefits. Consequently, the purpose of strategic marketing is to assure that clientele will engage trade with the marketer's corporation, rather than with other stallholders. To do this efficiently, marketers must deliver proper provisions to satisfy customers' demands, at a price that signifies value for money. Essentially, creating and maintaining satisfied and profitable customers are fundamental to the business survival and development. Therefore, it is substantial to have a series of techniques that conduct business to the marketing panacea-achievement through understanding and satisfying the end customers' demands.

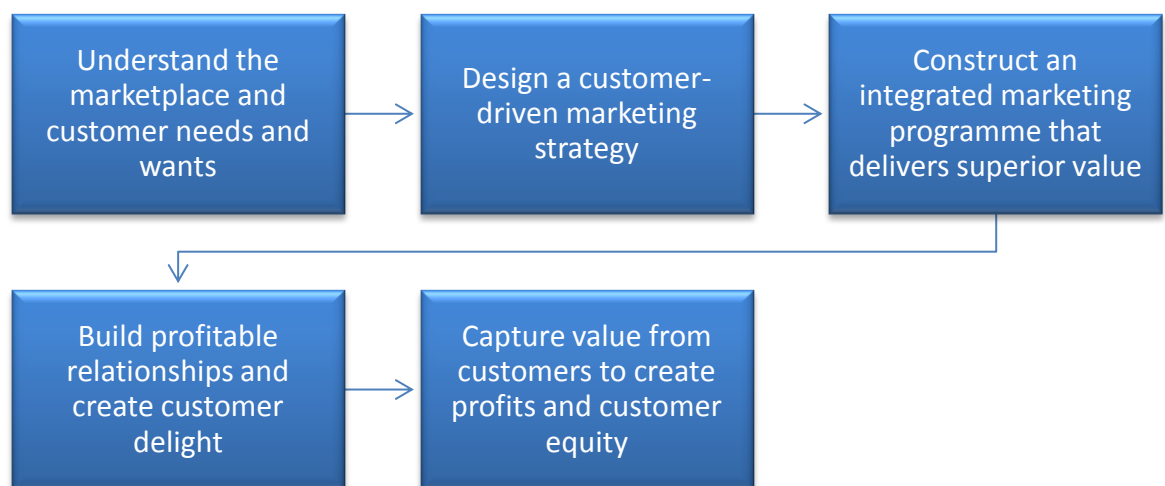


Figure 1. Plaint marketing framework (Kotler et al 2008,7)

Figure 1 depicts the model of the plaint-marketing framework. In the primary four steps, businesses concentrate on understanding buyers, design and construct an integrated customer-driven marketing program so as to create consumers' value as well as build strong relationships. In the final stage, businesses obtain the value from making superior consumers' value in the form of sales, revenues and long-term customer equity. (Kotler et al 2008, 7)

1.2 Aims of the thesis

The aim of the thesis is to create a realistic and applicable strategic marketing plan for Gloria Palace San Agustín Thalasso & Hotel to increase sales and profit, improve customers' satisfaction and especially promote the reputation of the newly renovated Gloria Palace San Agustín Thalasso & Hotel.

Therefore, the relevant aspects of the three distinct phases of the strategic marketing management process have been discussed in the theoretical part, additionally with the basic concepts of hotel management and accommodation services. The empirical part concentrates on analysing the internal and external environmental perspective and formulating strategy with a strategic marketing plan. To achieve an accurate investigation, customers' satisfaction and face-to-face survey were conducted. Moreover, post Press trip (trip of journalists) and Fam trip (trip of travel agencies) survey were conducted to assess internal clients' satisfaction in order to evaluate the current marketing situation plus potentials of the hotel. Both qualitative and quantitative research method are applied in this thesis.

In order to attain an impression of the practical application of strategic marketing plan, implementation control strategies are outlined. Moreover, suggestions and recommendations are generated for better strategic marketing management in the Gloria Palace hotel.

An involvement between the practical outcomes and the theoretical relevant aspects provide the background for notable aspects for strategic marketing management in Gloria Palace San Agustín Thalasso & Hotel and empowered to delineate some conclusions.

1.3 The motivations of the study

Tertiary industry is developing steadily, comprising a rising number of visitors per year, which have brought more wealth to Gran Canaria than banana plantations could ever have done. Gloria Palace San Agustín Thalasso & Hotel is one of the famous four stars hotels in Gran Canaria Island. The hotel has just experienced a new and significant renovation in June 2012. Thus, there is a need for strategic marketing analysis and planning, as one possible tool to promote the NEW image of the newly renovated hotel. Moreover, it helps spread its reputation wider and generate superior improvements to satisfy external customers in an excellent way.

The author had her internship in Gloria Palace San Agustin Thalasso & Hotel which is located in Gran Canaria, Spain. As a marketing trainee in Marketing and Promotion department, she had a great opportunity to perceive marketing knowledge in hotel environment. When having depth-training at Gloria Palace San Agustin Thalasso & Hotel, she concentrated step by step on strategic marketing by participating in the three main training periods which are initiation, adaptation and professional development. Moreover, role rotation training helped the author to have the chance to work flexibility in independent position or teamwork to acquire knowledge of the different marketing and advertising techniques and strategies to be used to understand more about current marketing situation and problems in hotel. During this time, she also undertook market and client satisfaction research in order to find out the hotel's target clients, their needs and requirements and connect them to the organization's objectives. This was the motivation to encourage her to create a strategic marketing plan for Gloria Palace San Agustin Thalasso & Hotel.

With the distinctive thesis topic "Strategic Marketing Analysis and Planning for Gloria Palace San Agustin in Spain", the author believes that she can make a realistic and applicable strategic marketing management plan based on the acquired knowledge at university combined with work experiences.

1.4 Structure of the thesis

This thesis includes three parts theoretical, empirical and conclusion part. Those parts comprise six main subdivisions are thesis introduction, theory, research methodology, results and analysis of the survey, strategic marketing plan for Gloria Palace Thalasso & Hotels and conclusions.

The first chapter provides an overview of the thesis. It includes the starting point and structure of this thesis. Also, the motivation of the study is mentioned, and last but not least, the objectives of this thesis will be illustrated clearly.

The second chapter concentrates on the theoretical background with basic concepts of hotel industry, accommodation services, marketing and strategic marketing management as the centrepiece will be demonstrated. The centrepiece theory provides a clear vision of the three main elements of strategic marketing management: strategic analysis, formulating strategy

and implementation and control. First, the strategic analysis part will be presented including macro-environmental analysis, competitor analysis, market analysis and internal analysis. Second, the formulation strategy part involves in describing the strategic intent. It will focus on basic principles of strategic formulation in general and marketing plan theory in particular. Third, the implementation and control part emphasizes on the separate components of the marketing mix and process of monitoring. Additionally, the case of Gloria Palace San Agustin Thalasso & Hotel and its identification of marketing system will be implemented.

The third chapter deliberates upon the research methodology. To obtain information of the current situation in Gloria Palace San Agustin Thalasso & Hotel, both quantitative and qualitative research methods will be applied. The qualitative internet-research is an extra part to deliberate more information about Gloria Palace through analyzing customer satisfaction in travel agency websites and one in-dept face-to-face interview with general director and marketing manager of hotel to understand about the current marketing situation in hotel.

The fourth chapter discusses about the analysis of the survey and its detailed description of final result.

The fifth chapter unveils the strategic marketing plan. It will be divided into three main sections: analysis, formulation with strategic marketing plan and implementation and control part. Also, the action program and financial forecast will be created to monitor performance in practice and fulfill clear visuals of typical quantification in the form of budgets. Because the financial budget is meticulously quantified, it is particularly powerful tools to cogitate about the relationship between desired outcomes and available funds. This incites a reconsideration of some optimistic essentials in the strategic marketing plan of Gloria Palace San Agustin Thalasso & Hotel to make this whole strategic marketing planning becomes more realistic and applicable.

Finally, chapter six deliberates the conclusions of strategic marketing management in Gloria Palace San Agustin Thalsso and Hotels

2. THEORETICAL BACKGROUND

2.1 Tourism – hospitality industry

2.1.1 Tourism

In 1942, Professors Hunziker and Krapf of Berne University were first to endeavor to define the term 'tourism'. However, the term had little significance, and was considered as distinguishing tourism from immigration by defining merely as travelling or staying phenomena of non-permanent residents who do not have connection to money earning related activities. It was not until the 1990s that tourism had a more solid definition, embraced all forms of phenomenon, devised by the World Tourism Organization (WTO) in an International Government Conference held in Ottawa, Canada and was approved by the UN Statistical Commission in 1993: "Tourism comprises the activities of person travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business or other purposes".

Tourism concept has a board definition. The borderline between tourism, travel, leisure and accommodation are sensible and sophisticated to demarcate since they blend into or overlap with each other. In a simple way, tourism can be defined in the following way: tourism involves the short-term movement of people from their own municipality or any places to another outside destination. It fundamentally comprises of essentials such as activities, services, facilities and other businesses, along with another category acknowledged as visiting friends and relatives (VFR) that distribute the travel experience. Generally people ruminate about tourism to be an industry which satisfying different needs and motivations of customers such as sightseeing, shopping or travelling and so on and these in turn generate social impacts. Moreover, the tourism industry is also understood as an activity containing a number of subsets which as a whole influence to generate income within the economy.

Tourism is appreciated valuable enough to be an entity of serious organizational attempts or academic studies. Tourism plays a significant role as major thrust in worldwide economy and governmental perception of its importance has accelerated tourism studies (Cooper, Fletcher, Fyall, Gilbert & Wanhill 2008, 3-5)

From the definitions, conceptually, to define tourism precisely is an all but impossible task. However, it is clear that tourism in general and tourism industry in particular is just one form of recreation which is far-reaching and is indeed everybody's business.

2.1.2 Hospitality

The emergence of the word 'hospitality' is to depict dissimilar divisions of the hotel and catering business. The oblique objective was to illustrate in a preferable way, the bar, hotel, and restaurant by suggestion in return to behaviors of host's apprehension for the wellbeing of clients. Additionally, the term is also regularly extended to utilize as title for encompassing products and services in entertainment or gaming businesses.

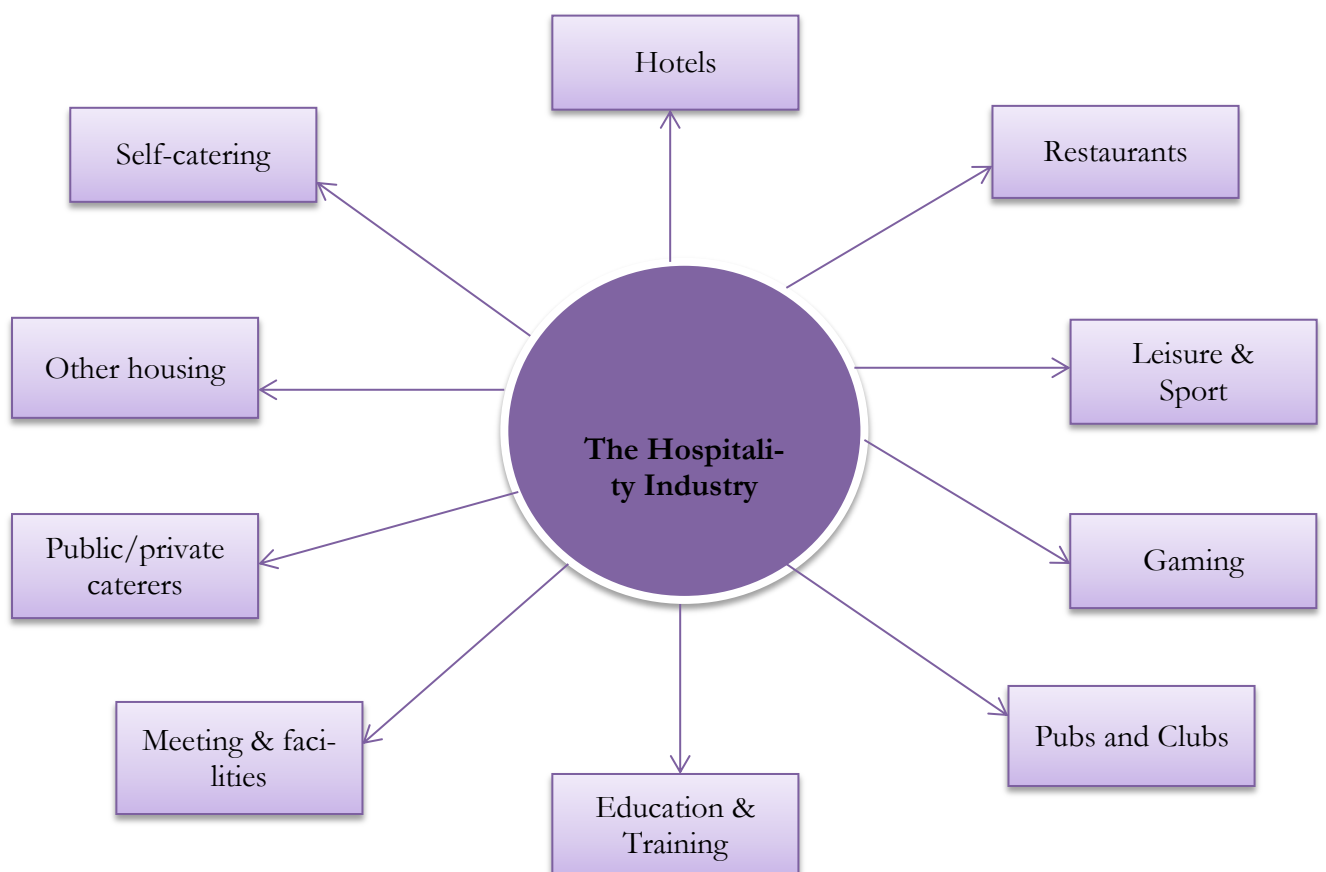


Figure 2. The hospitality industry (*Hospitality into the 21st century: A vision for the future joint hospitality industry congress, the Henley center, 1996*)

As illustrated in Figure 2, hospitality industry is a blend of tangible and intangible essentials of both products such as food, beverage, accommodation- and the facilities, atmosphere, image and customer carefulness that environs them. It embraces hosting and hospitableness and foremost prioritizes clients experiences. While suffering fluctuation in customers' demands, hospitality still suggests a commitment to satisfy customers' demands as the crucial attention in these necessary commercial activities and a nobility of perseverance beyond the more venal commercial link disguised in the hotel, the bar, or the restaurant.

In brief, the hospitality delivers to clientele any amalgamation of the three core services of food, drink and accommodation. It also involves in commitment to satisfy the sensitive requirements of clients while hotel, restaurant and bar denote commercial relationship where profit emanates from service in principal.

2.2 Accommodation services

Middleton, Fyall and Morgan (2009, 10-11) pointed out that in a competitive tourism marketplace where businesses compete for customers, customer satisfaction is comprehended as a crucial and strategic differentiator and progressively has been considered as a key component of business strategy which is significant for the vitality of any businesses. Customer satisfaction is an ambiguous and the actual manifestation of the state that will vary and fluctuate unpredictably between different people in distinctive situations and destinations. The tourism industry is categorized into five key subdivisions: hospitality, attraction and event organizer, destination business, travelling transportation and tour operator and intermediaries. All these subdivisions can be observed as a range of businesses that firms aim to distribute and provide products or services as well as travel experiences for customers. Meantime, hotel sector plays an indispensable role in development of tourism industry.

Todd and Mather (1995, 7) expressed more concrete that hotel and similar businesses (...) are exemplified as being organized and prepared in accommodations. It offers specific services, comprising hotel accommodation service, regular bed making and cleanliness of hygienic facilities. Hotels are categorized by star grading scheme consistent with the facilities and services offered.

Hotel is an establishment that supplies lodging and services temporarily for revenue on basis. The blend of numerous services is miscellaneous which can be considered as a portion of total market model. The basic total market concept comprises five essentials as illustrated in figure 3.



Figure 3. Market model of a hotel industry (Medlik & Ingram 2000, 14)

Location is typically the key component, which customers deliberate, in the purchasing decision-making process, hence being in the midmost of the loop. In fact, geographical location is appreciated as a strategic and competitive advantage to attract the impression of customers. For example, resort hotels with optimal environment and attractive surroundings are suitable for those who want to relax, enjoy fresh air, quiet atmosphere while discover a remote area. On the contrary, hotels are located in specific capitals, only compatible with business people who want to have short stay for several days. Moreover, it is also appropriate for those who desire to discover big cities with architecture, busy and excited life, crowded streets, modernity and so on. Therefore, hotel location conveys clear visions of the convenient accessibilities for transportation, attraction of spot and landscape as well as other features that guests perceive as interesting and fascinating when selecting location of hotel.

Hotel facilities contain the accommodation for guests, restaurants, bars, conference and banqueting rooms and entertainment facilities such as a games rooms, massage, fitness center, tennis court and swimming pools.

Depending on particular customer requirements on individual cares or promptness, there are numerous additional available services offered to improve and increase convenience and availability inside the hotel such as 24-hours check-in security gatekeeper or concierge and other room services.

The image of hotel can be expressed through the approach to an impression is portrayed in the eyes and awareness of customers. It can be a combination of destination, brand, facilities and services that hotel delivers to customers. Moreover, it also refers to they way of marketing these components.

The price involves to the monetary values that the hotel receives from selling its facilities and services. As a result, a good price specifies all service essentials related to hotel's facilities and services in order to attain effectiveness in customer satisfaction.

All things considered, price, facility, service and place are distinctive components of the general hotel concepts which indicates the significant role of different issues that impact to the business environment of hotel industry.

2.2.1 Categories of hotel classes

Hotel properties can be organized into three fundamental service levels:

Economy class

Economy hotel is a developing sector in the hotel business which concentrate on satisfying the most essential demands of customers by delivering sanitary, comfortable and low-cost accommodations. Economy hotels attract mainly to budget-travellers who search for simple rooms with all the services and facilities which are compulsory for a restful vacation without paying for supplements or extras. Low expenditures for design and construction and operational expenses are causes to explain for high profit in economy hotels. Numerous economy

properties do not offer a full cuisine and beverage package so customers have to eat at proximate restaurants. Likewise, these accommodations do not regularly have available amenities such as room service or several facilities which are equipped in mid range and luxury class.

Mid range

Mid-range hotel is considered as a major service sector of the travelling public. It is diffident but adequate because the operating level is acceptable without attempting to deliver excessively sophisticated services. Clients are expected to stay at these hotels are businesspeople on expenditures accounts, tourists or families endeavoring to gain benefit of special rates. These hotels normally offer cuisine deals with a full food and beverage services. Additionally, the mid-range hotels also offer a specialty restaurant, café and lounge that serve both local residents and accommodated clients. Typical hotel accommodations are characterized one room and adjacent toilet or restroom, a king-size bed or double bed and desk, a dresser and one or two chairs.

Luxury

Luxury hotels offer restaurants, salons, and gorgeous décor, concierge assistances, wide-range of conference rooms as well as special dining amenities. Major marketplaces of these superior services and facilities are top business executives and other rich and wealthy customers.

2.2.2 Types of hotels

Hotels react to the requirements of millions of customers every year so as to satisfying their demands for a place to stay during the trip. The accommodation request may be all-inclusive or half-board in a five-star hotel. Also, it can be one night or a longer stay for one week or even several months which varies and mostly depends on particular needs and expectations of guests. Consequently, to adapt flexibility of market condition as well as well response and satisfy to the needs of customers, there are different categories of hotels, some delivering services targeted to exclusive types of customers. There are four main types of hotels: resort hotels, commercial hotels, transit hotels and residential hotels in

which terms elicit indications to the location as well as the main customer group uses its services (Medlik & Ingram 2000, 10-11)

Resort Hotels

A resort hotel is situated in an optimal location with beautiful and appealing surroundings. The purpose is to deliver a large combination of services with entertainment and leisure activities to satisfy accommodated clients having holiday in the resort. Normally, the tourists are able to enjoy all services and facilities inside the large area of resort so they never have to move to other places. These features of an all-inclusive holiday are emblematic for a resort hotel. The resorts can be constructed by an explicit leitmotif or theme such as a gambling, luxury, golf seaside or spa resort.

Commercial hotels

Commercial hotels are normally placed in a metropolitan area with its services aimed to business travelers, convention attendees, vacationist and sightseers. The position of the hotel is adjacent for these sorts of tourists who can move to the hotel and become acquainted with the place easier.

Transit hotels

Transit hotels can be classified into airport and motor hotels. As indicated, these hotels are positioned, nearby airports and central boulevards. These types of hotels have analogous features, especially the convenient location where the travellers can easily search and book a room for short-term stay on their way. Subsequently, the major influence is the location where the hotel is situated or guests are coming to. These kinds of hotels perform as a pit stop on the way.

Residential hotels

Long-term guest who are in municipality a longer period of time, intend to search and rent residential hotels. On that meaning, these types of hotels are not targeted for travellers alt-

though these may also offer specific accommodations for short-term visitors. (Medlik & Ingram 2000, 10-13)

2.2.3 Hotel Grading Schemes

The motivation to inaugurate hotels schemes has been emergent due to the growth of hotel industry along side with availability of information and technology for computer access. Hence, the buyer behaviors are more feasible in the purchase decision-making process. They can access information online easier to investigate larger exposures of services to deeper their knowledge of a specific choice for the final determination. In this interaction, the hotel classification system certifies that the selection has corresponding to the minimum standards of rooms, facilities and services. The hotel grading scheme is a method of categorizing hotels according to their facilities. Most schemes have five class ratings, from a solitary hotel or inn at the lowermost group to a luxury hotel at the topmost.

While there is no worldwide category of rating, there is a choice of schemes that are acknowledged and permitted to use extensively in most regions of the world. Most classification systems are centered on standards such as total area of hotel by calculating room size accounts, services, accessibility and food and beverage provision. Different figures and letters, with the most widespread one called star symbols usually interpret assessments (Gee 1994, 385-386). Star classification is an effective guide to the category of hotel, signposting the features of the accommodation and service it embarks upon providing. Stars are based on a minimum prerequisite for rating level.

One star *

One-star hotels or inn are generally narrow in their small scale with satisfactory amenities and furnishings. Most of them do not offer internal restaurant and limited times may apply to public access and check-in services. The rooms are very basic and small. Normally, all bedrooms with hot and cold water, adequate bath and lavatory preparations, meals availability provided for residents but limited for non-residents. However, in many cases, it is possible that there is no private bathroom or in-room telephone.

Two star **

Two-star hotels offer higher standard of accommodation, recognized by basic and sanitary accommodations, some private bathroom and showers, and certain professional services. Interior restaurants sell wider range of food, including continental breakfast preparation, however, choices in menus are limited. The accommodations are comfortable and they typically contain landline telephone system and a television. However, guests have to pay extras for room service and baggage service.

Three star ***

Three-star hotels are well-equipped establishments which modernized and contain more commodious accommodations with higher quality facilities and services. The other amenities comprise a restaurant with fuller meal facilities are provided, various options for evening dining, excluding luncheon and weekend meal amenities to non-residents. However, three stars hotels still perchance offer a swimming pool and a small gym area. Meeting and conference rooms are occasionally accessible for companies with business meetings or other purposes.

Four star ***

Four-star hotels are exceptionally well appointed hotels offering an upscale and high standard of comfort accommodations with a majority of bedrooms with individual bathrooms and showers, operating outstanding restaurants, satisfactory in sufficient dining, bars, salons, as well as all-inclusive room services. Other interior hotel services involve valet parking where clientele discover an area on their own and then clientele's vehicles are parked by a staff named a valet. This service either needs an extra to be paid by the guest or free of charge. Additionally, other services are also offered such as concierge assistances, beauty care or fitness center and some capacious and well-equipped and maintained swimming pools. Exceptional conference rooms with high quality of facilities are also available. Moreover, high quality of features in accommodation such as linen, blanket, carpet and other convenient facilities are accessible.

Five star *****

Five-star hotels are luxury hotels offering the highest international standards, characterized by high quality of service, position, satisfactory in banqueting and excellent accessibility and relaxation. Normally these five stars hotels also offer special invitees entrance opportunities to go to golf or tennis courses, experienced care services in interior luxury spa, the most modern fitness center and numerous multiple-purpose swimming pools, concierge assistances and full other hotel services. Extraordinary quality can be realized thru the hotel accommodations, vestibules or antechambers and other amenities. Furthermore, the professional staffs, numerous twenty-four-hours services and prominent high quality conference rooms typically exist in the superior properties.

To conclude, hotel star ratings are common quality pointers that should be seen only as comprehensive guidelines in assessing and determining a hotel's overall quality, services, and client satisfaction; ratings are not preordained to be impeccably accurate. Because of divergent limitations or restrictions in criteria utilized, for instance a five-star hotel may illustrate dissimilar entities in particular countries. (Gee 1994, 411-412)

2.2.4 Products of hotel

Hotels deal with not only accommodation but also cuisine and beverage services. The bed-chamber is of course the most extraordinary tangible product of a hotel. As a result, it plays a significant function of the entire accommodation industry which supply bedrooms for clients. Different hotel categories will deliver different services, for instance, beauty care, fitness, entertainment or conference facilities. Together with accommodation, which is stringently imposing standards of performance upon the hotel's tenants, other services and facilities, are accessible also to non-residents.

Individual or collective customer demands can be fluctuated and reflected through several requirements such as resting accommodation, foodstuff and beverage. These four necessities concern to accommodation, restaurant, bar which operate as the major hotel commodities. (Medlik & Ingram 2000, 15-17)

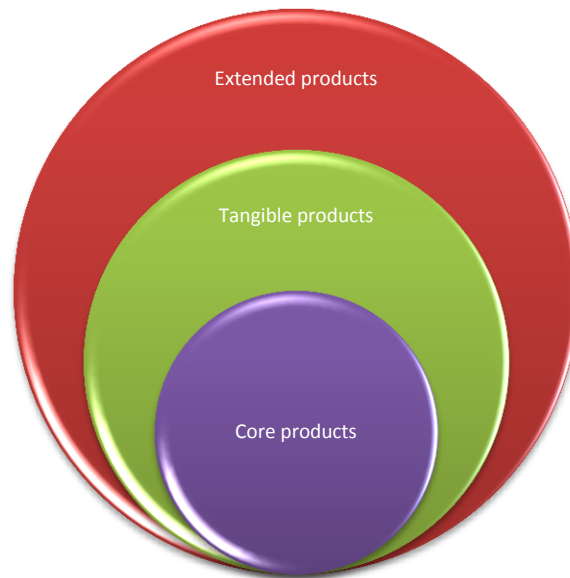


Figure 4. Essential definition of the hotel product (Bowie & Buttle 2004, 117)

When describing a hotel product, it is significant to clarify the discrepancy between the core product, the tangible product and extended product. As displayed in figure 4 the product is a mixture of those elements, one fostering and corroborating the others. For instance, in a three stars hotel, the core product is an adjacent position for sightseeing famous landscapes. The tangible products are possible a sofa, television and a restroom while extended products can be concierge assistances or free of charge valet parking.

The core product distributes the key essentials that clientele are pursuing. In hotel business, the core product typically is the accommodations. However, due to the reason is that individuals have distinctive demands so the definition of core product depends on perception of customers.

A tangible product involves in all the physical components that are indispensable and compulsory so that the core product can be distributed to the customer. The tangible product also comprises product descriptions for example the dimension variety and assortment of facilities, design and service criterions.

Extended products are constituted of intangible essentials of the product. In several circumstances, the intangible essentials can create competitive advantages that assist customers to

distinguish a differentiation of one hotel from others in the same class and simultaneously compete to other rivals in the market

The intangible features intensify and enhance value of product and discriminate hotel itself from competitors as well as are significant to distribute value-added services to customers. The extended product embraces components such as the personnel' working methods, convenient accessibility containing check-in time and services in front-desk as well as after sales services in the form of resolving complaints or negative feedbacks to improve and develop customer satisfaction. Furthermore, there are additional prominent issues should be handled such as atmosphere, brand image and corporate ethics. (Bowie & Buttle 2004, 116-118)

2.3 Basic concepts of strategic marketing management

2.3.1 Marketing

Over the last thirty years, marketing has been recognized and acknowledged in an academic discipline. It is about considering individual social demands. Nonetheless, marketing builds relationship between a product and end user (Kotler 2006, 44). Reference to Fletcher (1990, 2), marketing is an applied common perception and consciousness. It is also an assertiveness of observance and evident aphorisms, discernible and understandable after admitted that it is awkward to suppose that businesses do not naturally obey them. The complication of the procedure occurs in attempting to build or develop a market, and from essentials in an exposed market to compete against other companies for holding market shares.

In general, marketing is considered as the process of “creating, or making available, products and services which fulfill market needs and wants”. Wearne and Morrison (1996, 2) pointed out that the marketing process implicates meticulous project preparations by executives to acquire large amount of market variables, which are caused by the particular demands, and predilections for people when congregated together, including the market. Kotler and Armstrong (2004, 5) claimed that marketing is frequently understood as sales and advertising. Nonetheless, marketing also comprises other tasks that can be comprehended more essential than just the exchange of commodities. Those comprise according to Middleton et al (2009, 21) who clarified more details that “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.”

There are worldwide marketing series activities that comprise of the marketing process. These daily marketing procedures are more indispensable in how human wants, needs and demands, are consummated based on individual consumption. In the figure 5 below indicates close relationship among necessity, want and demand, product, value satisfaction and quality, exchange, transaction and relationship and market. The fundamental concept also indicates that marketing predicates upon human needs.



Figure 5. Core marketing concepts (Kotler 2004, 5)

Needs

Human needs are identified as predicated upon how essential it is for consumption determinations. These requirements are physical and visible elements such as cuisine, clothes and safety. All these physical basics mainly refer to human everyday activities. It is also stated, as people needs that are closed to them. Likewise, the marketers do not create these things, while they play a vital role in human decision-making. (Kotler 2004, 5)

Wants

People, depending on their cultural background or acknowledgment in the society, generate wants. However, these wants are decided by personal choice for choosing the mixture that will be suitable and affordable for purchase and utilization.

Demand

Demand is wants and needs that are advantageous for individual expenditure and services. It can be defined as the volume of a peculiar economic good or service that a customer or company want to buy at an agreed price. The demand curve is usually descending slope, meanwhile purchasers desire to bargain more as price reductions. Various aspects, rather than price, for instance, the price of substitutes, influence demands for a good and service. In intense circumstances, demand could be utterly different from price, or approximately infinite at a determined price. Accompanied by supply, demand is one of the two major determinants of the price in marketplace.

Products and Services

Kotler (2004, 6) stated that products and services are offered to the market to satisfy needs and wants of customers which are attainable for human fulfillments. Product and service belong to collection of intangible commodities such as domain name, computer program or music downloaded from the website, that can be exhibited in the marketplace for consumer satisfaction whilst some enterprises or corporation only sells service (Mc- Graw 2006, 5)

Value and satisfaction

Value and satisfaction contribute a significant role in customers' enthusiasm and motivation for products and services. However, the value of a product is normally acknowledged, predicated upon the performance of products and expectancy of consumers. The customer satisfaction is an incentive that motivates and encourages clients to make the purchasing decision, which based on their perceptual experience of relative value (Kotler 2004, 6).

Exchange, Transactions and Relationship

Exchange, Transactions and Relationship are procedures for obtaining something from someone else in return for something valuable.

Market

Market is a connection between a purchaser and product. However marketplaces usually establish the main needs or wants that are appropriate to the consumer's satisfaction. Additionally the size of marketplace decides the quantity of individuals who invade the trade and are eager to acquire the product or services (Kotler 2004, 9).

Consequently, contemporary marketing concept emphasizes on creating cordial relationship between the company and their customers through customer satisfaction in order to fulfill their demands. The consumer purchase decision process is result from personal awareness and observation of the value and satisfaction that the product or service distributes. From the business's perspective, the objective of marketing is to primary generates and thenceforward superintend profitable customer relationships. To accomplish this target, it is insufficient to only promote and sell products. In addition, the companies must make sure that the purchased products will match the principles and satisfy clients' expectations. Thus, the enterprise must be conscious and responsive to apprehend their clientele as well as individual demands. This is also the reason to explain why nowadays, numerous businesses put many endeavors and investment in creating and formulating distinctive types of customer satisfaction surveys. Through this way, the company can analyze consumers' buying behaviors and absorb knowledge of various methods of dispensing the excellent customer competitive advantages, values and satisfaction.

2.3.2 Marketing mix

Marketing mix is an art of combination. Each component contributes a significant role in promoting products and services as well as distributing those products and services to consumers of business. Shapiro (1985) stated that the essence of the marketing mix theory is, consequently, the indication of a set of management and control technique at the disposal of marketing management, which will be utilized to affect and impinge upon clientele.

Borden claimed to be the first to use the term “marketing mix” which was derived from Culliton’s (1948) explanation of a business management as “mixer of ingredients”. Nevertheless, Borden did not officially describe the term marketing mix because he thought that it simply involved significant components or ingredients that structure a marketing program (Borden 1965, 389)

McCarthy (1964, 35) refined this further by describing the marketing mix as a blend of all of the aspects, which created by marketing manager’s dictation to satisfy the target market. McCarthy and Perreault (1987) have specified the term marketing mix as the manageable variables that a business can integrate to satisfy its target market. This description with minor modifications is widely acknowledged and recognized as can be perceived from definition of marketing mix which was invented by Kotler and Armstrong (1989, 45): “as the set of controllable marketing variables that the firm blends to produce the response it wants in the target market”.

The 7Ps service marketing mix was the most prominent and effective framework, which developed by Booms and Bitner. It was suggested that the traditional 4Ps must be reformed for services and also developed by extending three more elements named people, physical evidence and process. These new ones are necessary to “the definition and promotion of services in the consumers’ eyes, both prior to and during the service experience” (Booms & Bitner 1981, 48). In addition, these the three new elements can be monitored by the organization to influence customer behavior and henceforth must be included in the extended marketing mix of tertiary industry. Moreover, it is also elicited more concrete that the potential impact of these components issues from the consequence of high level of immediate interactions between the organization and the client, the evident attribute of the service assembly procedure, and the simultaneity of manufacture and expenditure.

In hospitality marketing, the seven Ps is a typical applicable model, which mentions to the product, price, promotion, place, process, physical evidence, and people that form the marketing mix. It is an extension of the fundamental four Ps: product, place, price and promotion.

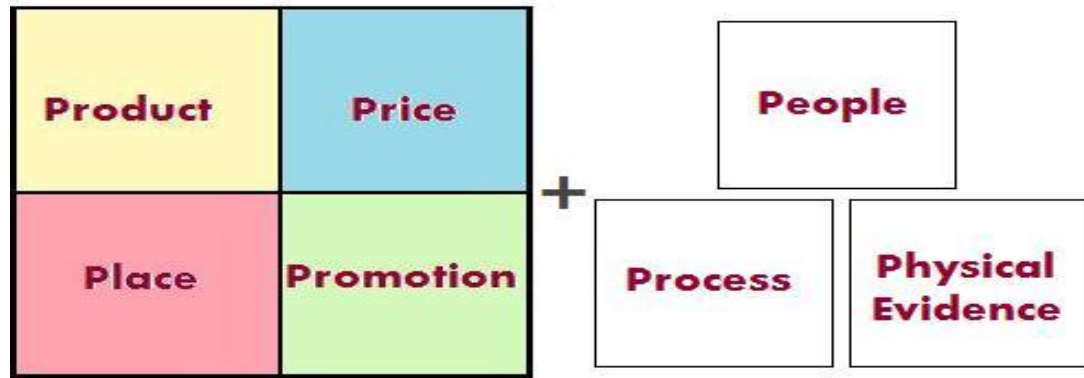


Figure 6. *Extended marketing mix for hospitality industry (Booms & Bitner 1981, 48)*

Products of hotel industry are mainly designed to satisfy the needs and wants of organization and leisure tourists. As fragment of the marketing mix, for instance, a hotel chamber can be understood as a product that the hotel sells to customers. Hotel rooms can differ in quality or services offered and are aimed to clients who often have the requirement for a particular category of room as an entrepreneur distinctive requirement of hotel room than a leisure vacationer.

Location of hotel is also significant for travellers. In fact, clients often investigate judiciously the classification and place of a hotel before making purchasing decision. Bowie and Buttle (2004, 26-27) notified that the location of the hotel has impact to the transport convenience as well as accessibility to move from the airport or the city center to other recreational venues. Additionally, place can also be explained as availability of services. This availability means where and how often the service can be discovered in the marketplace.

Pricing decisions effect changes on the demand and revenue. In a hotel settling, for instance, the rack rates and approving to discount for major clients are significant and requiring lots of consideration and meticulous concern.

Promotion is the responsibility of most marketing and sales units and it comprises all the tools that a business can exert to interconnect with clientele. A hotel can for example utilize dissimilar websites to promote its products and services and correspondingly apply brand identification to their advantage (Bowie & Buttle 2004, 28).

People are substantial in service distribution. People are staffs of the hotel with whom clienteles have interactions with. This factor influences the general satisfaction of patrons. The best cuisine may not appear equivalently delicious and appetizing if the waitperson is in a good mood. Smiles are often supportive advantages. Intensive training for hotel's organizational workforce on how to carter clienteles and handle emergencies is vital for best customer service.

Processes denote the procedures and techniques within the business that influence its marketing plan. The procedure is very imperative to distribute the superiority of service. It plays crucial roles in ascertaining standards are matched with service which is intangible. Process diagramming assures that offered service is observed as being reliable by target segment of business.

Physical evidence refers to the place that the service is being dispensed. It is predominantly congruent to vendors functioning out of shops. This component of the marketing mix will differentiate a firm from its rivals. Physical evidence can be utilized to charge a premium rates as well as create positive experiences. It also predicates upon substituents within the establishment such as the front, the uniforms or dress code of personnel and billboards and so on. It is prominent to see that services are intangible so consumers' evaluations are based on other indications to judge quality. This is the reason why physical evidence contributes a remarkable part to the hotel. For instance, depending on individual demand of guests for summer vacation, the option for single, double, family room or junior suite will be varied.

In brief, the 4Ps framework is believed to be most applicable for introductory and consumer marketing. However, the 7Ps framework has already reached a higher level of acknowledgment as generic service marketing. Nonetheless, to better deeper comprehension of marketing and attain achievement in marketing for hospitality operation, it is highly recommended to scrutinize and apprehend fundamentals of traditional marketing process before absorbing extensions in new marketing mix structure. Additionally, these constituents must be integrated into well-conceived marketing plans and controlled accurately.

2.3.3 Strategy

Over last decades, many explanations of ‘strategy’ have been formulated and explicated. Familiar consideration of such descriptions had tendency to congregate on a common perception. It helps accomplish company mission and obtain its objectives by formulating key decisions, which influence to the long-term direction of the organization. Reference to Barney (1997, 17), the strategy is a design of resource apportionment that facilitates organization to reinforce or enhance its performances. An exceptional strategy “neutralizes threats, exploits opportunities, capitalizes on strength and fixes weaknesses”. Consistent with Porter, a business can surpass competitors only if it can inaugurate discriminations. Specifically, it can conserve distinctive procedure in possessing an irreplaceable position, which concerns to meticulously select a diverse package of activities in order to convey a unique combination of value and create trade-offs in competition.

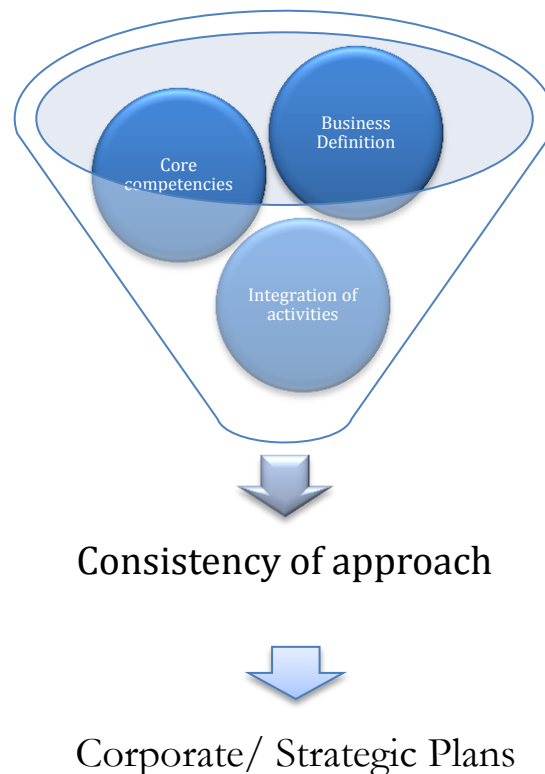


Figure 7. The basics of strategy (Drummond, G., Ensor, J. & Ashford, R. 2008, 5)

As demonstrated in the figure 7, supreme business decisions are by their nature strategic and inclined to emphasize on:

✚ Business definition

A strategic fundamental is expressing the nature of business. Business must predict, adjust and negotiate with the external competitive environment. Moreover, it should also interpret the extent; opportunity, choice or delimitation of the administration's activities to decide the compatible marketplaces and ascertain management affronts the obstacles of changes.

Core competencies

The company needs to be competitive in the present and future. Consequently, strategic determinations must describe the fundamentals of sustainable competitive advantages. By investigating essential proficiencies and resources, the firm can thrive within existent marketplaces as well as method of exploiting optimum benefits. It is cogitated over a long period and intent on matching business competences with premeditated objectives and the external environment. This activity frequently includes resource involvements, regarding to investment and streamlining.

Integrative activities

Strategy has an immense influence, thus impinges all departments within the organization. Successful strategy is capable to integrate and adjust specific functions or activities within the business so as to accomplish corporate objectives. It is essential to exploiting resources of whole organization, reducing waste and generating synergy that arises whilst the common influence of functional units or actions is bigger than personal influence. It is fundamental that corporate managers need to articulate and deliver a clear corporate vision and implication of scope or direction, so as to obtain an integrative movement.

Consistency of approach

Strategy must postulate for a consistency of approach, and concentrate on the corporation. Tactical actions may vary to adapt immediately to general environment or particular circumstances of marketplace but the strategic decision must remain permanent. Furthermore, the strategic management can contribute conventional tools and analytical methods facilitating the appraisals and supervision of sophisticated issues, circumstances and functional units.

Corporate/ Strategic Plans

The strategy and strategic plan are not the same. Strategy describes the overall conceptions of potential competitive advantages and exposes focuses. However, a strategic plan indicates the assortment, system structure, resources, timing and particular goals involved to accomplish the strategy.

Therefore, it can be argued that the fundamentals of creating strategy process tend to identify business goals and determine directions of accomplishing such goals. The concentration is to compass to and impact the competitive setting to the advantage of the business. Such advantages must be persistent over the long period but be flexible ones adequate to acclimate and improve as compulsory. The pursuing chapters illuminates more concrete about role of marketing within strategy as well as marketing strategy concepts in return and the application of strategy in the marketing specialization.

2.3.4 Role of marketing within strategy

All businesses are compelled to create strategic decisions relying on their external environment. Strategy must tackle matters for example consumers, rivals and marketplace trends. It needs to be proactive as cope with common responding to occurrences. Like this, strategy can identify and impact variations in the corporate environment. By its nature, marketing elucidates the way that a company collaborates and interacts its defined market. Subsequently, all strategic preparation, to a greater or lesser level, involves a component of marketing. Only in this approach can business accord with intentionally responsive to customer demand and economic pressures.

2.3.5 Strategic marketing management concepts

To obtain achievements, every company must entail to effective preparation and a marketing strategy concentrated on attaining its targets and fulfilling purchaser's needs and wants. As Cravens (1986, 77) stated that “understanding the strategic situation confronting an organization is an essential starting point in developing a marketing strategy”. Boyden (1984, 34-50) stated that strategic management is a constant procedure that assesses and regulate the

company and the industry wherein the firm is associated. It helps evaluate its opponents and establish targets and strategies to confront all present and potential rivals. Henceforth, it is crucial to reconsider each strategic plan regularly to decide how it should be conducted and the possibilities of success and requirements for substitute by a new one to adapt to fluctuations of business setting such as new expertise, rivals, commercial pressure or social and governmental situation. Strategic marketing management and subsequent marketing strategies, contribute to overall business goals by accomplishing three official stages: analysis, formulation and implementation. The aim is to objectively analyse and assess the current situation of marketing efforts with concern to Product, Pricing, Place, and Promotional strategies; consider their relationship with all external factors comprising rivalry and target market; improve measurable sales objectives, product or service, pricing, distribution, and promotion strategies. Therefore, strategic marketing management is extremely important for business setting.

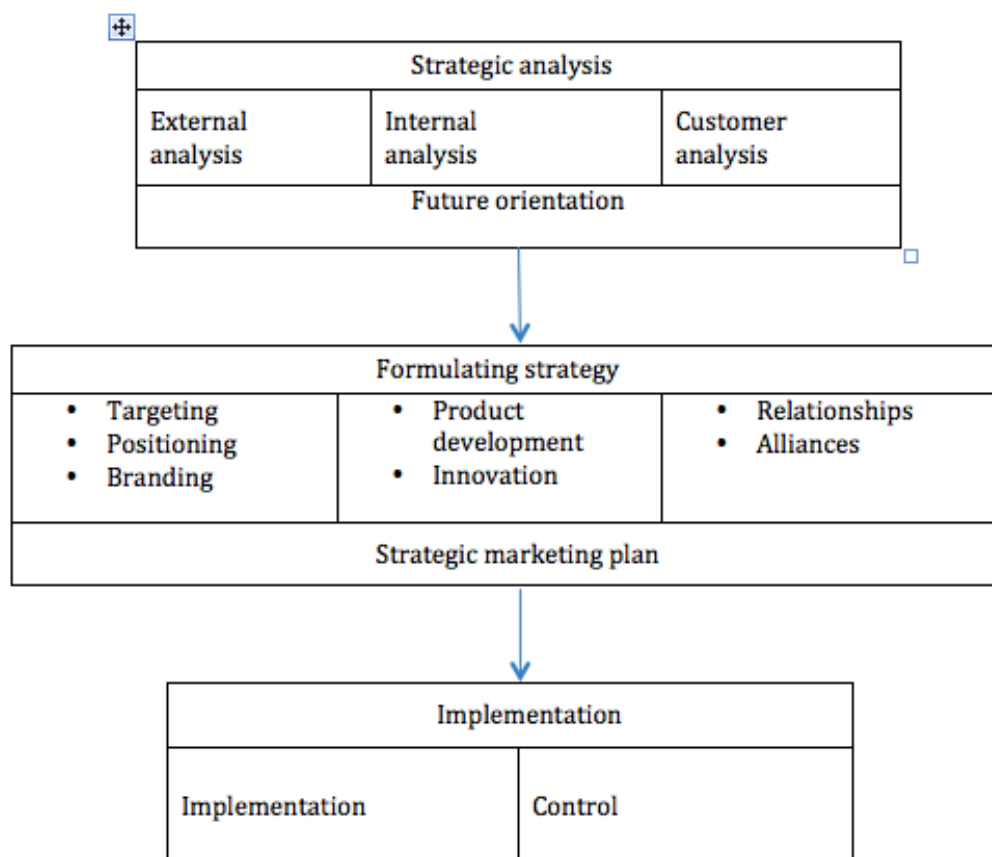


Figure 8. Strategic Marketing Framework (Drummond et al. 2008, 14)

The figure 8 illustrates an overview of the strategic marketing management. In addition, it provides a template to its structure. As can be seen, the process comprises the three distinct

phrases. First component, the strategic analysis entails a depth examination of external and internal business environment and forecasting of assumptions and market trends in the future. The strategic analysis tools enable to help the management to neutrally assess the organization's current condition. Second component, formulating stage involves in administrative competencies to outline strategic intent that create or enhance competitive advantages and set the organizational products efficiently. Moreover, the formulation strategy also emphasizes on creating, improving and developing a sustainable relationship with both clients and business partners or alliances. This stage culminates with generating strategic marketing plan. Final component, the implementation part concentrates on undertaking empirical marketing programs and activities to distribute strategic objectives while control process focuses on consideration of monitoring action implementation aligns to its marketing objectives to ensure compliance and assistances for decision making.

2.4 Strategic analysis

Strategy analysis can be observed upon as the preliminary stage of the strategic management process. It comprises the advanced exertion that needs to be completed so as to efficiently formulate and implement strategies.

Professor Les Worrall provoked that (...) strategic analysis is a theoretical consideration of the environment in which a business is running. By examining administration's interaction with its business setting, the analysis helps develop administrative efficiency and effectiveness to enhance the administration's competence and utilize its resources logically.

The marketing environment illustrates a complicated array of threats and opportunities for the company that sometimes appear demanding to classify. Generally speaking, the forces affecting strategic analysis are separated into two classifications: external and internal environment. The external environment refers to the factors occurs outside the business while the internal environment concentrates on the marketing issues occur within the business.

From the author's point of view, undertaking a strategic analysis is the groundwork upon which strategic determinations are created. Strategic analysis is dissected into the three principal components: external analysis, competitive analysis and internal analysis. Nevertheless, analysis implementation is not an intermittent procedure because there exist overlapping

extents. The goal of the procedure is to embrace observations and assessments of the firm and its external environment to facilitate the business and formulate primed strategic determinations.

To sum up, the target of the analytical tool is to sharpen the concentration of the analysis and to affirm a systematic and balanced method. All analytical tools based on historical, retrograded data observation to infer future assumptions. It is significant to exert a warning when inferring strategic analysis outcomes. Alternatively, the analysis can be excessively affected by prejudices or pressures within the business that seek to certify a specific strategic assumption. Below is an overview of some frequently applied strategic analysis and appropriate tool application.

2.4.1 External analysis

The external analysis inspects opportunities and threats that occur in the environment. These elements exist independently in the business. Opportunities indicate positive circumstances in the environment that could create benefits when the firm performs correctly. Threats denote barriers that may inhibit the business from obtaining its goals.

Pulendran Speed and Widing (2000) stated that the external environment in which business function is complicated and continuously fluctuating. A noteworthy feature of the external environment is competition. The external setting comprises two further separations: microenvironment and macro-environment. The micro-environmental influences might embrace such objects as the purchaser base, the place or the existence of local pressure rivals. The macro-environment might contain such as governmental legislation, overseas rivalry, exchange rate or even climate alterations. The internal publics focus on business competences of the business so as to compete and satisfy clientele's demands in targeted marketplace.

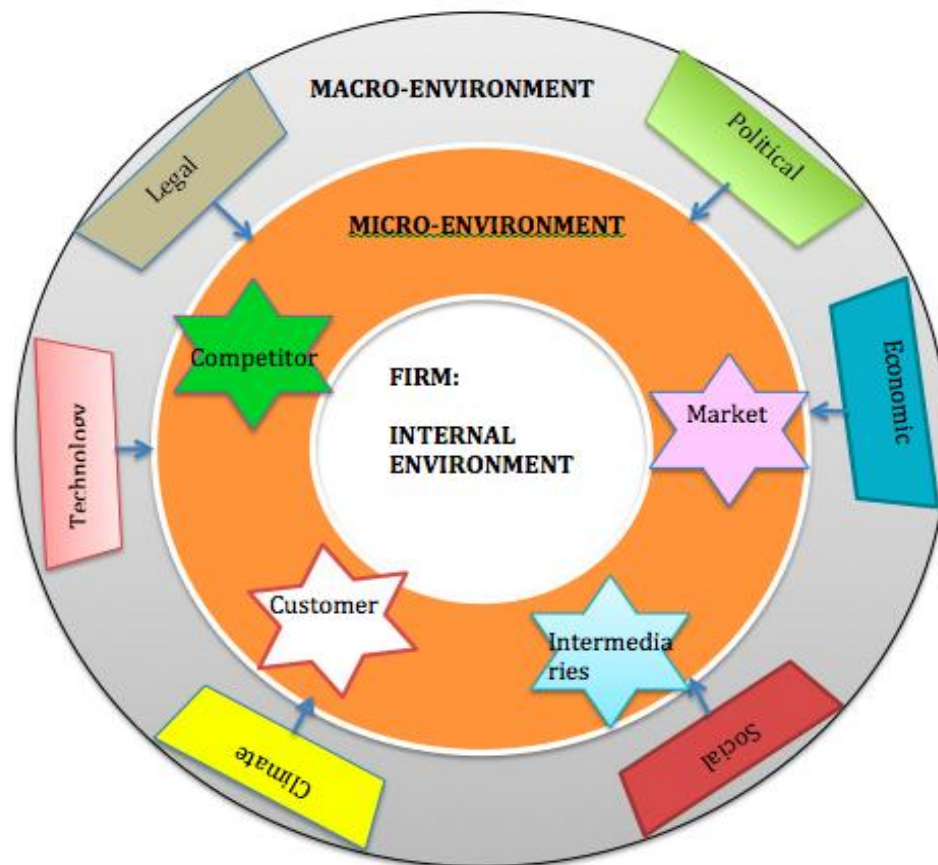


Figure 9. Environmental forces

An analysis of the external environment is implemented to investigate the opportunities and threats of the business. It can be fragmented into three crucial stages, each fitting more particular to the business. The initial stage is an analysis of the macro-environmental impacts that the business affronts. This is followed by a competitiveness inspection of microenvironment that the business drives within. Ultimately, a particular competitive analysis is conducted.

In brief, the external auditing procedure generates the information and analysis which are essential for a business to start distinguishing the major issues that it will have to cope to develop an effective strategy. It is as significant as the initial step in the activity of investigating the main issues opposite a business.

2.4.1.1 Macro-environmental analysis

The general environmental analysis contains the outer ring of the Macro-environment and the five key forces. The macro-environment scrutinizes the board range of environmental problems that may influence the business. The typical macro-environmental analysis has also been provoked as a PEST or PESTEL analysis (Oxford University Press 2007)

The PESTEL structure is created to assist the management with an analytical tool to detect distinctive macro-environmental aspects that may influence corporate strategies, and to measure how dissimilar environmental elements may affect the corporate performance in the present and future. Thus, the external analysis is significant to implement the strategic analysis or conducting the market research to contribute an evident overview of the various macro-environmental issues that the corporate has to take into deliberation.

The structure comprises six categories of significant environmental powers: political, economic, social, technological, environmental and legal. These aspects should not be understood as independent ones. In conducting a PESTEL analysis, executives may generate strategies that considerate several macro-environmental issues so that the strategy formulation procedure will be sensitive to present and future environmental influences.

2.4.1.2 Micro-environmental analysis

The major responsibility of marketing executive is to establish connection with clienteles by generating customer value and fulfillment. Nevertheless, marketing executives cannot accomplish this alone. The Figure 10 illustrates the main performers in the microenvironment. Marketing achievement will embrace to build relationships with other corporate subdivisions, providers, marketing intermediaries, clienteles, rivals and different people which encompass to create the corporation's value distribution network (Kotler et al 2008, 179-180).



Figure 10. Principal Actors in the Company's Micro Environment (Kotler et al 2008, 180)

In this study, the micro environmental analysis concentrates on the two major direct-effect-elements that have impacts on profitability and competition of businesses and clients, named market and competitor analysis respectively.

Competition means that purchasers have potential probabilities to satisfy demands. Rival products are all those goods that fulfill the same demand – not simply the similar categories of products. Together with demand, the competition in the marketplace is another significant part of the external environment. In determining marketing choices, the business must focus on competitive conditions and operations of the rivalry. To market more effectively than the rivals, the business must recognize its key rivals and be acquainted with its operations. (Lahtinen et al 1994, 70)

Market refers to persons, businesses or non-profit administrations, which purchase or aim to purchase specific products. The probable purchasers of the product are also considered as potential clienteles (Lahtinen et al 1994, 59)

The target of a marketplace analysis is to decide the attraction of a marketplace and to apprehend its related chances and threats as they are closed to the strengths and weakness of the company. Market analysis is an indispensable contribution to the growth of marketplace that based on management plans that convey positive client satisfaction and revenue outlook. The constant detection of client needs as well as examining of rivals' moves and competencies, and tracing of marketplace relied on performance which is the core capabilities of market-focused companies (Best 2004, 55)

2.4.1.2.1 Competitor analysis

Reference from a research of Lehman and Weiner (1991), the competitor analysis deliberates on examining rival's competences and resources. It permits arbitrations to be exerted on rivals' preparations to cope with marketplace, dynamics in the industry and the tendencies in the external setting as well as to estimate a rival's potential obstacles to a business

Despite the criticism, the competitor analysis should demonstrate business's virtual positive versus its rivals on the extent of essentials. Moreover, the business should also aim to gather competitors' information to anticipate their possible future strategies as well as evaluate their responses to any strategic changes of business.

2.4.1.2.2 Market analysis

Aaker's research of strategic market management (1995) indicated that market analysis instigates to investigate contemporary tendencies, areas of development and shapes an image of client. It comprises a blend of issues congruous to specific circumstances, which contain the four major areas. First, the analysis must clarify the real and potential size of marketplace, focuses on assessing the total sales, which facilitates the business to appraise the practicality of individual market share goals. Additionally, it is important to examine the major subordinate markets of a specific marketplace as well as potential extent of development, which is fundamental to creating a marketing strategy. Second, the study should concentrate on analyze overall tendencies in the marketplace, recognizes the alterations that have really happened. This is essential to expose the explanations for these alterations and the precarious forces underlying the marketplace. Third, market analysis must also deal with customer segmentation and their standards for arbitrating products offering. Besides, information on

place, time and payment method in purchasing products or services permits a business to initiate to comprehend demands and changing trends in consumer behaviors which may be potential signals of market growth and chances. Furthermore, it also helps to classify customer segments to create the benefits each cluster if the company has the proficiency to cater specific demands of consumers' clusters. Finally, it is important to identify the role of different distribution channels, based on development, cost or efficiency thus, the market analysis allows the business to assess its current preparations, creating the major managers in a channel of distribution, which also assists to denounce strategic decisions.

2.4.2 Internal analysis

The internal environment comprises situations, impacts and components within the company, which are straight managed and forced by board of executive to sustain the survival of the company in the aim of accomplishment of corporate targets.

The rudiments of the organizational internal setting create influences, for example, workforce mindsets, latest machinery, activities, occupational environment and so on which are compressed in the strengths and weaknesses of the company. The business has control over these issues because they occur within the businesses that are different from external environmental pressures. Thompson and Strickland (2001) recapitulated that generating strategies is one of the indispensable responsibilities to accomplish the consistency between the company's internal competencies and materials with the external pressures, which are incorporate companies. To support to this statement, David (1999) expressed that any strategies should concur company's strengths and weaknesses with other general aspects to recognize the best strategy to be applied.

The SWOT analysis is a practical model for consideration and determination to all circumstances of a company analysis which exposes the strengths, weakness, opportunities, and threats that any businesses may affront. The strengths and weakness concentrate on several critical success elements of a business. SWOT analysis decontaminates these information and statistics in order to represent the most important problems from the internal and external audits. The amount of problem is trivial for powerful communications but they illustrate the concentration that a business should compass (Kotler et al. 2005, 58). Furthermore,

the external and internal influences have great impacts on business's marketing activities. (Brassington & Pettitt. 2005)

After all, a corporate's strengths and weaknesses create the internal examination, classifying its capabilities, whereas the external analysis concentrates on the external setting as well as any opportunities and threats that faced by the company. By clearly pinpointing the company's capabilities through analysing internal conditions, executives can recognize its strengths and weaknesses to attain competitive advantages and thus exploit on these and obtain high level of revenue, as they are significant elements in the strategic formulation process.

2.5 Formulation strategy

2.5.1 Basic principles of strategy formulation

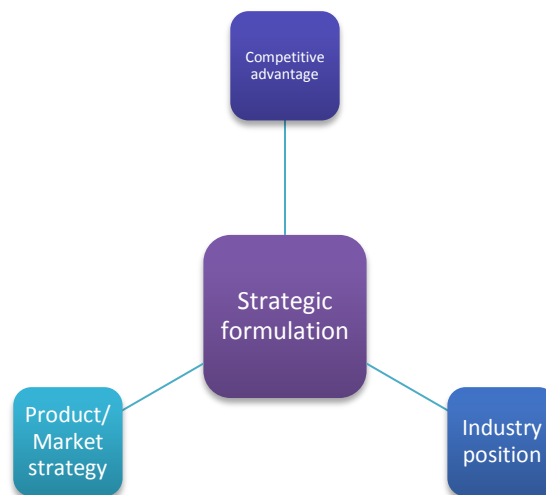


Figure 11. The formulation of strategy (Drummond et al. 2008, 151)

As exhibited in figure 11, the strategy formulation process comprises three constituents: competitive advantage, industry position and product/market strategies. Besides, the significance of embracing, persistent and maintainable strategies cannot be undervalued. First, competitive advantage referring to classifying an essential and sustainable core from which to contend. Finally, marketing strategy focuses on to dispense this advantage in the market. Porter (1980) recognizes three common strategies of a competitive advantage, namely cost leadership, differentiation and focus strategy. The responsibility of management is to deline-

ate the competitive extent by targeting a business or clienteles, which stipulate a foundation for all strategic activities and reinforce available ones to the business. Second, industry position enforces business to consider its position in a certain industry and resources in connection with rivals. The position of the company, product or service, within a particular marketplace will obviously impact available strategic alternatives. For instance, when considering about the market leader with a minor niche rival, it is obvious to realize that noticeable dissimilarities occur in goals, competences and resources. Consequently, an effective marketing strategy embodies to accomplish strategies that match client demands whilst efficiently tackling with rivals. Lastly, the product and market strategies are comprehensive in nature, which tackle with certain marketplace and product categories. This was illustrated by Ansoff product or market matrix (1975, 113-125) as practical tool for product and market strategies. Businesses can excogitate the market penetration, market and product expansion or diversification as the major marketing drives.

2.5.2 Marketing Plan

Planning permits business to get act together with alterations of industry environment and settle an outline for resource allocation. Moreover, planning enhances a consistent procedure and accelerates integration of actions, conversation and information exchange, incentive as well as management of activities. The marketing planning is a continuous procedure that can designate the business's resources with the opportunities and goals of the surroundings capture the balance (Hutt et al 1998, 253).

Fundamentally, a marketing plan establishes an objective that is associated with strategies and tactics defining how that objective will be attained. Generally there are two distinctive types of marketing plans: strategic and tactical plan. The strategic marketing plan is more extensive, which is concentrating on long-term objectives, normally for a minimum three to five consecutive years. It is not as meticulous as tactical marketing ideas and it tackles more with the external environmental impacts and opportunities and less with specific features of the corporation's marketing activities (Bowie & Buttle 2004, 316-319). The framework and subject matters of a strategic marketing plan will differ. Nevertheless, plans incline to have typical conventional essentials, for example, external setting analysis, internal analysis, opportunity recognition, strategy formulation, marketing plans and actions plan and, last but not least, implementation and control. To postulate luminous indications to the marketing

processes that are appertaining to a created systematic approach that ameliorates both the management and the workforces of the business. Everybody has a strong comprehension and image of the objective and all staffs can actively to participate in accomplishing that objective. This eradicates confusion and misinterpretations to adjust and harmonize the resources of the company (Cooper et al. 2008, 548-549)

2.6 Strategic implementation and control

A good marketing strategy does not usually certainly precipitate to an effective marketing performance in a business. It relies on how marketers translate the strategy into actions. As a result, it is realistic to indicate that the implementation and control are often crucial determinants in the achievement or failure of any strategic plans.

Walker and Ruekert (1987, 15-33) pointed out that business performance is based on achievements in the strategic implementation. Marketing implementation is vital to business performance and is meditated to arbitrate the connection between the reminiscence of business and the effectiveness of marketplace (Morgan et al. 2003, 287-321). The key to effective implementation is the application of fundamental management and leadership principles, schemes and resources are significant. The attitude and impact of involved parties will also have substantial power on the ease of implementation. Moreover, the internal marketing approaches and the disposition and alignment of standard plan management codes, such as objective establishment, preparation and allocation to smooth a concrete realistic operation for the strategic implementation. A marketing implementation expertise, as a dynamic competency (Eisenhardt & Martin 2000, 1105-1121), must adapt to changing conditions in marketplace.

Strategic control is a designed approach to assist major board of management tackles with alteration and other matters once a strategic plan has been organized. It is considered as the formal objective establishment, measurement, and assessment. The control plan facilitates executives to assess whether a business is attaining excellent efficiency, quality, cutting edge and client responsiveness as well as conducting its strategy efficaciously. Prasad (2002) also advertence that strategic controls is the procedure of bearing in mind the fluctuating assumptions, both external and internal to the business, on which the strategy is relied, frequently assessing the strategy as it is being applied, and conducting corrective movements to

regulate the strategy to the latest demands. Consequently, efficient control technique has concentrate, embrace individuals and promote activities (Drummond et al. 2008, 273-289)

2.7 The case of Gloria Palace San Agustín Thalasso & Hotel

2.7.1 Brief introduction of Gloria Palace San Agustín Thalasso & Hotel

Gloria Palace San Agustín Thalasso & Hotel is a four stars hotel constructed in 1989 and entirely refurbished in 2012. This is the perfect destination with comfortable at a glance for families' vacations, with all-inclusive alternatives, a great diversity for guests comprising the children.



Figure 12. Geographical location of Gloria Palace San Agustín Thalasso & Hotel

Strategically located in volcanic landscape of the southern island and surrounding by the placid blue waters of San Agustín beach to conquer the best panoramic visions of San Agustín, this crescent-shaped establishment indulges guests with gorgeous views of the ocean and tranquil resort while its topmost floor accommodations dispense alluring glimpses of

the Maspalomas sand dunes stretching out in the remoteness. Moreover, grounds are sheltered with bunches of lush palm trees and balconies exhibiting colourful bursts of bougainvillea aggrandize the tropical sensation and attractiveness of the surroundings. As a result, the spacious establishment has **maritime views, superior quality cuisine, amenities particularly designed for families, a thalassotherapy centre and family-oriented, friendly services** within an atmosphere of a **family hotel** (Figure 12).

In Gloria Palace San Agustín, a wide-ranging and impressive array of facilities distinguish the hotel from its rivals in the same region, the most remarkable one is its exceptional thalassotherapy centre, for which it was the honoured recipient of the 1999 Hotel Initiative Award for the Best Health Hotel in Gran Canaria. This remarkable centre, conquering approximately 7000 sq. m. is one of the largest in Europe which delivers a staggering assortment of excellent Thalasso treatments right on doorstep. Per the all-inclusive choice offers the gorgeous buffet restaurant for breakfast, lunch and dinner, serving a variety of distinctive dishes, from hot and cold, to kids' dishes. There is also another a la carte restaurant Gorbea, which specialises in Basque cuisine and a number of bars, where clients can enjoy a well-earned beverage. The hotel is also sweeping superior array of swimming pool comprises two adult pools and a children's pool in the gardens, surrounded by sun beds and umbrellas, so clients can enjoy the selection of sitting back and relax, or cooling off in the pool as well as sun-bathing in a magnificent rooftop pool positioned amidst the comfortable poufs and beds of the terrace chill-out bar. This rooftop terrace also affords a secluded area for nudists. Moreover, wide range of sport activities offered with latest sporting amenities containing tennis, archery, darts and so on.

It is worth to mention that the location in the south of Gran Canaria, San Agustín belongs to the municipality of San Bartolomé de Tirajana, which comprises the illustrious tourism destination of Maspalomas. This friendly, quiet region, which is not too urbanized, nevertheless has the whole gamut of restaurants, shopping centres, bars and a casino. The San Agustín and Las Burras beach are two of the most enjoyable, sheltered beaches in the south and are befitting for swimming throughout the year. Owing to the hotel's stunning destination, clients can enjoy amenities adjacent. For example, just a short walk away, is the Playa de Agustín Beach, with a mixture of services for everybody to relish, involving diving and snorkelling activities, or relaxes at one of the many seafood restaurants, cafes and bars by the

beach.

2.7.2 Accommodation Services

The range of accommodation in Thalasso Gloria Palace San Agustín comprises 348 double rooms, 86 Family Suites and 14 Junior Suites, all renovated in 2007 which are enormous, comfortable, modern, most with maritime outlooks and fully equipped to guarantee a comfortable and enjoyable stay. All rooms are fully furnished desk, air-conditioning, telephone, satellite television, Internet connection with extra charges as well as safe hire and fridge, bathroom, bath with shower, two hand basins, toilet, hair dryer and make-up mirror as well as balconies. In addition, mini bar services are available on request with extra charge.

2.7.3 Facilities and Services offered by Gloria Palace San Agustin Thalasso & Hotel

Access

Convenient accessibility is the first and foremost endeavour that Gloria Palace San Agustin Thalasso & Hotel attempts to improve and develop. Taxi stands at the hotel's entrance door and public bus stop is 300 m away from hotel. Free bus for hotel guests to Playa del Inglés and Maspalomas. The closest beaches are Las Burras, 500 m from the hotel, and San Agustín, 600 m away, both of which can easily be reached on foot.

Children's facilities

Children's playground contains a mini club, called Tina's Club for children from four to twelve years old. The location of Tina's club is separated from monitored pool. It opens from 10.00 am to 7.00 pm. Entertainment programmes and game are designed for teenagers during the day. Babysitter service is available on request with additional fee applies. Cost is available free of charge.

Sports

- Swimming pools


All swimming pools are well equipped with fresh-water, heating system. There are two swimming pool grounds in the hotel, two adult pools and one children's pool. The poolside areas are large with free sunbeds and sun umbrellas. Pool towels available with deposit and fees are applied for changes of towels. On the top floor of the hotel there is a pool with a sunbathing zone and panoramic views, sunbeds and sun umbrellas and a separate, enclosed nudist zone.

- Golf and Tennis

There are several golf courses nearby the hotel such as 5 km from the International Maspalomas Golf Course, 8 km from Meloneras Golf, 10 km from Salobre Golf and 40 km from El Cortijo Golf Center. Gloria Palace San Agustin Thalasso & Hotel applies special discounts on green fees for hotel guests as well as golf club and shoe cleaning services.

Customers can also challenge their partners to a game or two on one of the two tennis courts, or try your hand at archery or darts. In case of utilizing two tennis courts and three paddle tennis courts with lighting, customers have to pay a specific fee.

To encourage sporty spirit during guests' vacations, the hotel applies free of charge policy for many sporty equipment such as able tennis, pétanque, archery, target shooting and darts. There is a wide range of indoor and outdoor activities offered by hotel, for example, quash, large gym with the latest aerobic and weights equipment or pool table. Instructors are available on request.

-  Conferences and congresses

The total area of conference room is 420 square metres, which can be divided into seven adjoining modules, each measuring 60 square metre which can be combined or partitioned off. They are all equipped with air-conditioning, short circuit television, projectors and screening equipment and the latest audio-visual systems. Moreover, special services are offered for groups such as separate check-in for group member rooms, optional room upgrades for group leaders, coffee breaks or cocktails, multiple alternatives for working lunch menus or gala dinner menus with theme, dances with live music or shows, reserved area for

groups, superior thalassotherapy programmes as well as green fee bookings and companies of golf tournaments.

Restaurant and bars

○ Restaurante Gorbea

Restaurant Gorbea, entitled the uppermost mountain in the Basque Country, is also the uppermost restaurant in the south of Gran Canaria. Located on the ninth floor of the chief building official, the restaurant affords impressive views over the beach of San Agustín and the Maspalomas Dunes. The restaurant is also famous for its Basque cuisine specialities. It has recently been revamped, modernised as well as well equipped with air-conditioned. From outside the hotel, there is a direct access via panoramic lift.

○ Lobby bar, Pool Bar, Bar Snack and Bar Salon

The lobby bar is located in the hotel entrance next to the emblematic waterfall. It specialises in cocktails and fresh fruit shakes. The poolside terrace bar is nearby the major swimming pool area which serves wide range of beverage for guests so that they can find convenient to enjoy available drinking while swimming in the whole day. The bar snack is situated in the garden area with large terrace bar and it opens from 6.00 pm to 1.30 am, with live music and dancing 6 days a week, international shows and entertainment 5 days a week while bar salon is a large bar next to reception. These are all non-smoking area. For smoking segregation, there is a glass-enclosed terrace available for smokers.

○ Chill out terrace Gorbea

Chill out terrace Gorbea is located on the rooftop terrace of the hotel Gloria Palace San Agustín. It is highly appreciated as a magnificent place where clients can relax while enjoying a drink or aperitifs or simply have a good conversation in a tranquil surrounding. Moreover, customers can enjoy sightseeing spectacular ocean views, over the beach of Playa del Inglés and the Maspalomas dunes, the whole of San Agustín when having delicious meal in Restaurant Gorbea and chill out while they have a cocktail on terrace.

Health and wellbeing at Talasoterapia Canarias

The Thalasso Gloria Palace San Agustín focal point of Gloria Palace San Agustín Thalasso & Hotel was established in 1998. The facility was occupied with the latest technological innovations; it is one of the world's most modern centres, with more than 7000 m² for relaxation and comfort. This was the large prototypical system in the Gran Canaria Island particularly to provide services consuming seawater. It became the largest thalassotherapy midpoint not only in the Island but also in Europe, creating an archetype for the growth of further facilities. The treatments offered at the centre are for rheumatic conditions, post-traumatic conditions and stress-related matters such as nervous fatigue, anxiety and weight loss or cellulite together with the large “**Get in Shape**” pool – one of the centre's focal magnetisms.

The thalassotherapy is principally separated into two zones: one for communal use and another for individual treatments. Communal zone is an extensive area, which exclusively encompasses health, with a total of four seawater pools, comprising the dynamic pool, gym pool and the large get in shape pool, which contains of 550 m³ of seawater in a relaxing circuit heated to dissimilar temperatures (33°C/37°C) with 33 hydro-massage points as well as swimming against the existing, sitting spaces and wave-glow-loungers with micro-bubbles, water jets for shoulders or thighs, abdomen, legs, soles of the feet, swan-neck water jets as well as cascades, and big seats with micro-bubbles. Additionally, a portion of the pool is in the open air, allowing guests to experience the aquatic stations straight in the sunshine. Likewise, there are other two smaller pools are situated next to the Get in Shape pool with a temperature of 16°C and 37°C, as a divergence to the temperature of 33°C in the large pool. Moreover, there is also a pool for aqua gym, tutored by an instructor. The entire zone is set into the mountainside, offering sights of the sea. The multipart is shielded with a huge and translucent dome, which allows sunlight, shines through and enhances to the sensation of space and wellbeing sense in the pool. The area for personalised treatments comprises cubicles with bathtubs, pressurised water jets, treatments applying algae, massage and so on. The in-between walls do not reach the ceiling so the atmosphere is natural ventilation throughout. There is also a sauna, a Turkish bath and a gym. The ornamentation contains warm materials such as ceramics, wood and coloured awnings and home-style furnishings, for instance, pergolas, latticing and cane furniture.

The significance of the settings in conformity with the midpoint's philosophy, great care was engaged in the design to create a magical sensation. Whilst the design of the establishment is spectacular, the internal murals were also created with carefulness. Well-known Gran Canarian artist, Pepe Dámaso contributed a key role in many facets of the work: a large painting which drives right around the main pool, exerts ceramic, stone and weathering steel; seaweed sculptures both droopy and erect upright; clusters of huge stones organized as sculptures; marine designs for the enamel effort and the ceramic slates in the cubicles; attractive paintings on the ceiling; and an enormous external sculpture enshrouded in pieces of broken tiling.

Further facilities and services

- Entertainment

Daytime and night time entertainment programme every day, for adults and children.

- Pets cares service

Dogs and cats care are applied for weight up to 5 kg and admitted on request, fee applied. Animal access to public zones of the hotel prohibited.

Over and above the essential facilities and services, the hotel also delivers extra guest services within the expansion - a miniature community so that clientele can find convenient to exert any internal services such as T-Shopping gallery, unisex hairdresser, television lounge, games and twenty four-hours Internet area, defibrillator, ATM machines, free secluded parking, clinic service as well as free Wi-Fi.

2.7.4 Description of current situation in Gloria Palace San Agustín Thalasso & Hotel

Gloria Palace San Agustín Thalasso & Hotel and its majority of facilities and services were closed from the 14. 04. 2012 to the 01. 06. 2012 for fully reformation. The renovation is part of hotel main project for improvement and sustainability designed by its company more than 2 years ago which cost 4.5 millions euros. In addition to updating its facilities, the hotel has extended its range of services. The level of service from which it earned such excellent

customer satisfaction has been and will remain the most important key area for the business. The significant improvements implemented into the project of durability and sustainability in three years ago which was being certified through quality questionnaires and comments on Web 2.0.

In details, there were four main hotel areas selected for renovation: terrace snack bar, main restaurant, reception area and Thalasso centre Gloria Palace.

Snack Bar



Figure 13. Renovation in out-door dining area

The whole floor of the snack bar terrace was replaced in order to clean up, beautify, provide more light and improve safety of our costumers in the area. The location of the snack bar and near-by stage were interchanged. The stage would be located in a more visible area. For its architecture it becomes a decorative element and it contributes to the embellishment of the area, providing a modern image and improving visibility and sound. The outdoor restaurant area will be covered with awnings so that it can be used both in winter and summer seasons. By creating an additional restaurant area with buffet and snack bar, the zone of catering services was enlarged. Moreover, snack bar will be placed closer to the kitchen and the exterior buffet, improving both the aesthetics and effectiveness in service (Figure 13).

✚ Main restaurant



Figure 14. Renovation in main restaurant

In main restaurant, sanitation of the ceiling, dust extracts and ventilation were accomplished to improve aesthetics and safety. Additionally, the service policy was renewed in 2012. According to that, all exclusive customers are always served at the table with water, soda, beer, ect. Furthermore, an independent Show-cooking buffet would be placed near the access to the kitchen. This contributed to the improvement of the variety and quality of the food and cooking show (Figure 14).

✚ Reception Area



Figure 15. Renovation in reception area

Individual personnel a set of accommodations and furniture typify hotel business. It normally has a specific set of amenities for example chairs, counters, desks and so on, different sizes and designs harmonizing the nature of business performance in the workplace. The decision of the grandeur of an establishment is the entrance, which is discernible by a reception counter with the front counter desk. The significance of reception desks drives beyond just embellishing the workplace. These desks must also have usefulness and helpfulness because the front office department is located in here. There are many significant duties conducted from this place for instance receiving and sending posts, listening phone calls from customers or even business partners and so on. As a result, the design of the reception desk is imperative. The design of reception desk must be guaranteed to facilitate the procedures of multiple missions so that receptionists can smooth operations because front office staffs often switch from one duty to another. Understanding this noteworthy point, Gloria Palace San Agustin Thalasso & Hotel replaced a new reception counter. It helped modernize the image of the hotel and, especially to provide intensive customer cares. Most of all, it will considerably improve the attention while delivering services to the customer. Besides, the wheelchair accessible bar will be incorporated as well. In addition, with the expansion of the seating area we improve and modernize the aesthetics and integrate thematic corners, such as piano bar or the Internet-corner (Figure 15).

 Thalasso center Gloria Palace



Figure 16. Renovation in Thalasso centre Gloria Palace

The hotel started its trip to the seabed in the entrance hall of the thalassotherapy center. The target here is the union of the colors – on one hand turquoise used as primary color, represented in grass that is located as carpet at various places. On the other hand the range of the color brown represented in the furnishing. Furthermore a photo of Canarias seabed was inserted. As soon as guests reach the higher floor in the foregoing hall of the pools you will find a "mobile" made of fishes in a dimension of 4m high and 2m diameters.

Moreover, the waiting room next to the therapy cabins experienced remarkable changes. The illumination, including a white ceiling and windows, was supposed to create a better atmosphere to relax. The furnishing combined the colors copper like the sand, blue like the sea and white like its foam. Basically, two structures are emphasized to reflect the forms of the seabed or land terrain. The dimension of approximately 15m of white imitation leather presents various possibilities in use: drinking juice, tea, rest area, sea view and so on. On another hand, polypropylene lamps represented as seaweed light up the pool area. Similarly, the bar, made of the same style as the rest of the equipment, enables the access to drinks during customers' stay (Figure 16).

In short, a modern reception, a new piano bar, new pool area, new snack bar, a magnificent show-cooking and a renovation of facilities and refit in the Thalasso centre are just some of

the innovations that the hotel will now offer to its customers. These are in addition to the previous refurbishments undertaken between 2008 and 2010, including all of the 448 rooms, main restaurant, à la carte restaurant Gorbea and chill out terrace.

Since that time, Gloria Palace Thalasso & Hotels has been and is still working on it to position itself as a hotel chain in Gran Canaria and to distinguish itself from others as a high quality and durable product. The company focused on its work, was striving to the 3 key areas as principles of Gloria Palace's corporate culture:

- ✚ Customer satisfaction (tour operators, sales channels and finally the customers)
- ✚ Reinvestment as a way to adapt hotel's product to demand and to the new expectations of our customers
- ✚ Employee satisfaction (internal customers) and their development (education) so that they are able to satisfy our external customers in an excellent way

In this context, significant improvements in the quality of hotel services have been done which to guarantee to hotel's customers; internal questionnaires, tour operators and Web 2.0 and furthermore in the additional offer that has been created. In this sense, Gloria Palace San Agustín Thalasso & Hotel will get an improvement of its facilities.

With newly renovated facilities, Gloria Palace San Agustín Thalasso & Hotel has started delighting its distinguished customers as it begins with the campaign ” *I love the New Gloria Palace San Agustín Thalasso & Hotel*’.

2.7.5 Identifying Marketing system in Gloria Palace San Agustín Thalasso & Hotel

Marketing system of Gloria Palace San Agustín Thalasso & Hotel has two major constituents: sales funnel and back office training with training support will be discussed in this part

BACK OFFICE TRAINING

Gloria Palace San Agustin Thalasso and hotel is the primogenital establishment of Gloria Palace Thalasso & Hotels brand, the back office marketing of Gloria Palace San Agustin Thalasso & Hotel has some common points with the other two hotels, namely Gloria Palace Amadores and Gloria Palace Royal Hotel and Spa, for example, same promotion and special offer policies, high leverage advantage in area policy as well as distribution channel (reservation system), however, its marketing strategy is created to follow in a different approach which currently concentrates on building brand and new positive image of a renovated and **family orientated** hotel. This is due to divergence in physical location and condition as well as the locus of service offered by Gloria Palace San Agustin Thalasso & Hotel. The marketing department of the heart quarter in Gloria Palace San Agustin is mainly responsible for generating, implementing and monitoring general marketing activities. In addition, it is also accountable for monitoring and intervening marketing activities of the two other hotels if any noticeable issues or problems occur to prevent or alter a result or course of events. The Gloria Palace Thalasso & Hotels are clearly positioned as following:

Average room rate

Midscale 94.50 € - 631.00 €

Gloria Palace San Agustin Thalasso & Hotels****

348 double rooms

86 Family Suites

14 Junior Suites



Gloria Palace Amadores Thalasso & Hotel ****

364 double rooms

21 Family Rooms

7 Suites



Gloria Palace Royal Hotel & Spa ** sup**



176 Double Room, 13 suites
 6 presidential Suite
 2 Royal Suites



Figure 17. Gloria Palace Thalasso and Hotels

In Gloria Palace San Agustín Thalasso & Hotel, marketing activities are implemented and controlled officially by Marketing and Promotion department. There are four permanent employees and two trainees working for marketing activities and more than a half of them are from different countries: Spain, Ireland, Czech, Germany and Vietnam.

The hotel possesses a developing brand which coverage market segment of four stars hotels. The geographic exposure of hotel is Spanish domestic market, specifically Gran Canaria Island (Figure 17). The Gloria Palace San Agustín's marketing system consists a modern, open-ended technical architecture with international telecommunication system, standard and synchronization hotel computer system, a single reservation system (New Complex Reservation) and efficient web technology. Moreover, the hotel policy still covers the whole network. Furthermore, the international sales networks are monitored with a single management tool, basic loyalty strategy boosted by the Gloria Palace Thalasso & Hotels group.

The brand marketing and distribution policy is outlined and well defined by Marketing and Promotion department and implemented by operational units. According to this, the Gloria Palace San Agustín Thalasso and Hotel utilizes different marketing approaches of both inbound and outbound marketing methods such as search engine optimization (SEO), social media, content-article marketing and print advertisement, television advertisement, trade shows, telemarketing or press release respectively. Furthermore, various distribution channels are applied, for example, direct, travel agencies, tour operators and so on.

Gloria Palace San Agustín Thalasso and Hotel utilizes the New Complex Reservation. It is a standardized and organized system, which facilitates access to all distribution channels avail-

able. Gloria Palace hotels as well as for salespeople via IVR--Interactive Voice Response, which allows salespeople to press a button on their telephone or provide voice prompts. This helps confine taking the time of a customer service representative (Figure 18).

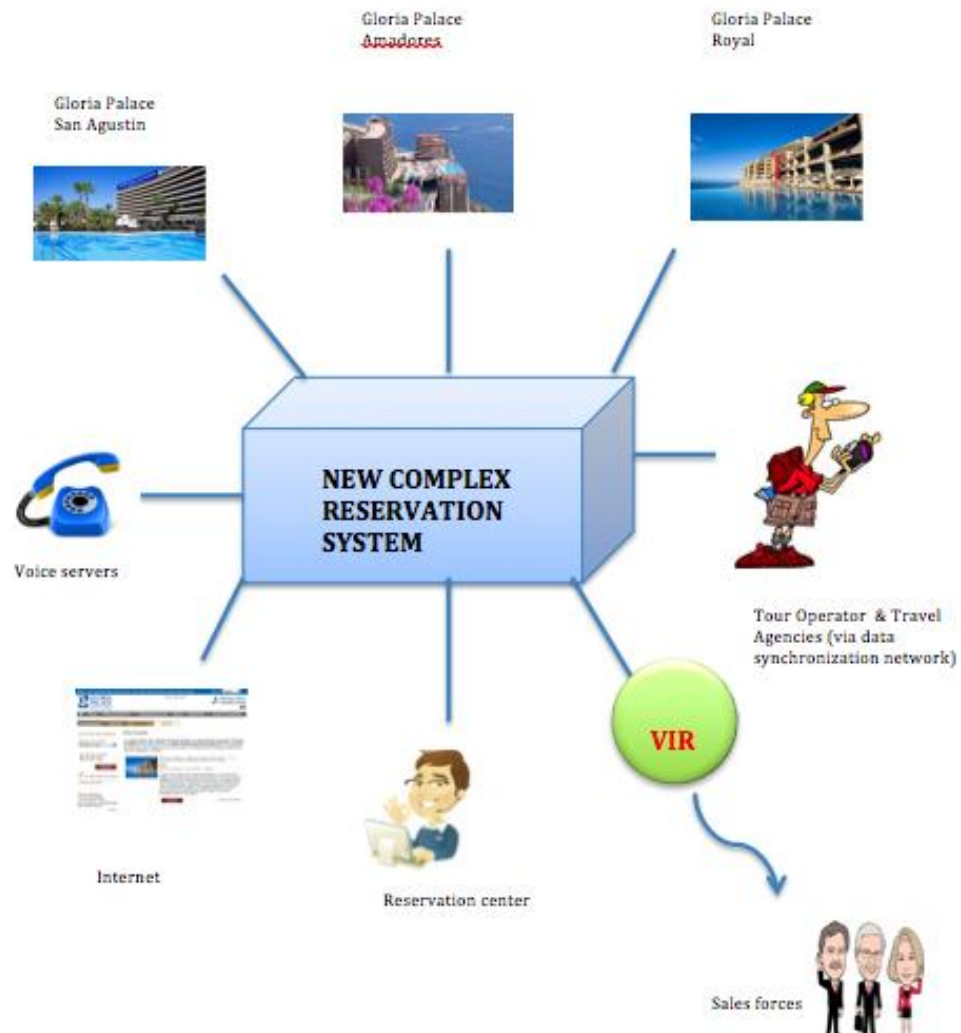


Figure 18. New complex reservation system

The Gloria Palace Thalasso and Hotels official website (<http://www.gloriapalaceth.com/>) delivers rich and simply accessible features of each Gloria Palace hotel in an unique and high quality design webpage such as comprehensive information and reservation with price indication, career, entertainment, wellness and health being as well as promotions and offers. As a result, all essential information and reservation procedure could be searched and implemented in this official homepage. This assures to enhance visibility and strike force for the marketing of Gloria Palace San Agustin Thalasso and Hotel.

The bio-monthly and monthly meetings with the attendance of general, operational managers and sales force to steering and accomplishment of marketing and sales that help personnel acquire real-time information, network control and communication to the hotels. Additionally, arbitrations are implemented daily at all levels for consistency between strategies, allowing resources to be rearranged as appropriate.

In term of customer and business partner loyalty programmes, a common unit of currency is euros, which on most of the B2C card are Credit card, American Express, Visa, Euro/Master card, Diners Club as well as the compliment of electronic cash and traveller cheques. Gloria Palace San Agustin Thalasso & Hotel is participating in Classic's loyalty scheme. As a result, although the loyalty program is based on a detailed analysis of the customer segmentation, there is no remarkable impact to enhance visibility of the loyalty program's role. Both B-to-B and B-to-C marketing do not utilize a proper loyalty card hence the payment discounts are only limited in manual controls. In case of rewarding discounts or free offers for business partners or customers, business partners have to contact Marketing and Promotion department while customers can do directly via Reception department to get coupons or vouchers in papery form with signature and stamp of an authority. However, turning to airlines loyalty programmes, participation in the loyalty programmes of major airlines such as EasyJet, Iberia, Ryanair airline, is also an indispensable complement to the Gloria Palace Thalasso & Hotels loyalty programmes. It is also an increasing source of business. In brief, the partnership policy helps escalate the visibility of hotel's brand awareness and is an advantageous influence to new image of Gloria Palace hotel.

SALES FUNNEL

The second component is sales funnel. The figure 19 below illustrates the sales funnel of Gloria Palace hotel with three major areas which are managed and monitored by a general sales manager: segment of sales management, sales supporting tools and marketplace coverage of Gloria Palace San Agustin Thalasso and Hotel.

First, the segment of sales management indicates sales areas of hotel which is divided into four main businesses: accommodation or room sales, leisure sales with wide range of outside excursion, sports and other types of entertainments for guests during their holiday, restaurant and bars and Thalassotherapy spa and wellness which considered as the unique product

of Gran Canary Island as well as the most competitive advantage of Gloria Palace San Agustin.

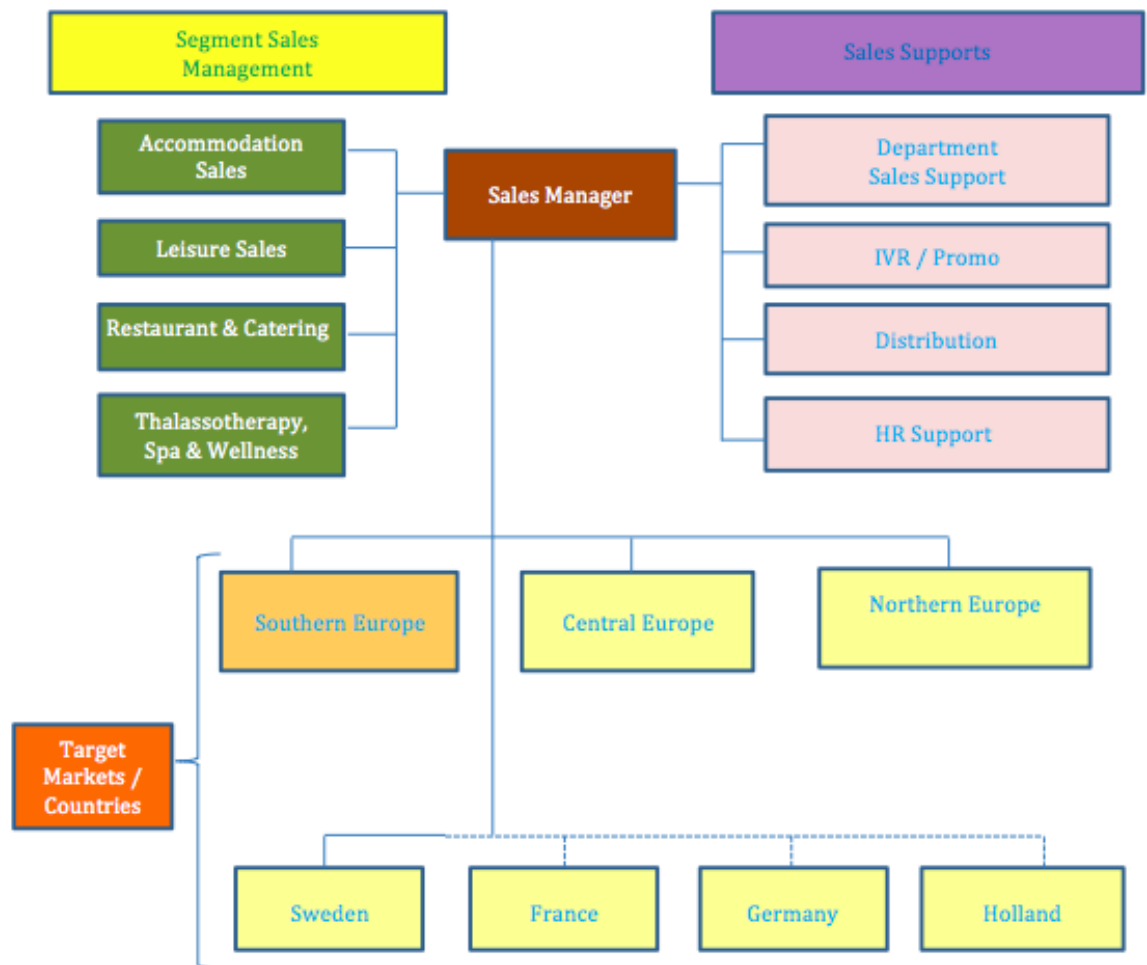


Figure 19. Sales funnel

Second, the sales support fragment denotes tools and allocated resources to facilitate sales operation of hotel. As can be seen, there are four forces: department of sales support, IVR--Interactive Voice Response, promotional strategies, distribution channels such as sales persons or travel agencies as well as the assistance from Human Resource department.

Last but not least, target countries and markets of hotel. Gloria Palace San Agustin Thalasso and Hotel aims to develop sales within Europe because this is a potential and large market with convenient transportation. Borderless Europe with Schengen visa is the biggest motivation for development of tourism and physical exposure in Spain-one of European countries which are the main reasons for hotel to choose this as the targeted market. Although the

target market covers from North to South of Europe, most of clientele stayed in hotel from Sweden, France, Germany and Holland and these are also targeted countries of hotel.

3. RESEARCH METHODOLOGY

3.1 Research methodology

Both qualitative and quantitative research method have been applied in the study of the case Gloria Palace San Agustin Thalasso & Hotel. The research also explained way of collecting the data. In the conclusive part, validity and reliability were scrutinized to ensure the quality of the data and the research.

In term of quantitative research, Cormack (1991) claimed that it consists of “descriptive, correlational, quasi-experimental and experimental research” to provide adequate information about the connection or correlation between the variables under study to assist prognostication and monitor it over future consequences. Supporting this argument is the study by Key (1997) which revealed that its emphasis is on the significance of observing at variables in the natural environment in which those are uncovered.

Turning to qualitative approach, the opinion of Denzin (1978) is that methodology contains approaches such as “grounded theory and ethnography research”. The method has holistic concentration, encouraging on elasticity and the fulfillment of a more reliable and valid depth understanding of an issue. Miles and Huberman, (1994) indicates that to obtain a better knowledge of the connotation and implications of the outcomes, the combination between quantitative and qualitative method are often applied in sequential order. The semi-structured interviews are considered as precursors to investigate hypotheses or variables before preparation for a more specific epidemiological study to increase sensitivity and exactness of interrogations and statistics in surveys. The target of qualitative constituent is to assist the quantitative statistics in improving and enhancing, for example, better measurements for a study or to contribute to teasing out inconsistent survey outcomes (Cresswell, Shope, Plano Clark & Green, 2006)

In case of Gloria Palace San Agustin Thalasso & Hotel, there were three surveys conducted: Face-to-face interview with managers, customer satisfaction and post Press trip and Fam trip survey. In face-to-face interview, the mix method: integrating qualitative and quantitative method has been applied to investigate general marketing situation of Gloria Palace hotel

and the most significant influences to its marketing activities. The survey then analysed the provided information to reconnoitre the most influenced impacts to marketing activities of hotel. According to general manager' and marketing manager's opinions, customer satisfaction and press-fam trip were the two biggest influences to efficiency of hotel marketing respectively. Therefore, the author implemented two other replenished researches of customer satisfaction and post press-fam trip surveys to gain knowledge of strategic customers as well as their satisfaction through individual evaluations for Gloria Palace hotel. Moreover, it also helped to discover about hotel image in the eyes of tour operator's perspectives (Figure 20).

The face-to-face interview with management board applied mix research method, called integrated qualitative and quantitative survey. The question form composed three parts:

- ✚ Part 1: Basic information of employee, such as name, gender and contact information
- ✚ Part 2: Depth-investigation of marketing situation in Gloria Palace San Agustin Thalasso and Hotels in different aspects, for example: price, hotel location, service, discount offered, after-sales marketing, customer satisfaction and trend of business with marketing situation in the future.
- ✚ Part 3: Individual advices for better improvement in marketing of Gloria Palace San Agustin Thalasso & Hotel

The quantitative research for customers, tour operators and journalists were comprised of four sections:

- ✚ First section: Basic information of customers, tour operators and journalists eg. gender, age, nationality (customer satisfaction survey) and name of respondent, year of founded company, years in cooperation with Gloria Palace hotel (post press-fam trip survey)
- ✚ Second section Specific investigations of customer, tour operator and journalists such as type of customer, favourite season for travelling, way of discovering information about hotel (customer satisfaction survey) and way of finding, registering and arriving to hotel as well as the most attractive place in Gloria Palace that partners love (post press-fam trip survey)

- ✚ Third section: Evaluation of different aspects in Gloria Palace San Agustin Thalasso & Hotel, eg. general satisfaction, reception welcoming and assistance, hospitality, technical maintenance, cleanliness, food, restaurant, bar and entertainment (customer satisfaction survey) and ease of registering the trip, comfort of traveling or moving, information assistance or knowledge and assistance of Gloria Palace's marketing staff (post press-fam trip survey)
- ✚ Fourth section Recommendations for better improvement of Gloria Palace San Agustin Thalasso & Hotel

In this thesis, all questionnaire variables were deliberate and measured logically, for example open-ended questions, closed-ended questions, and individual evaluations (ratings) and recommendations.

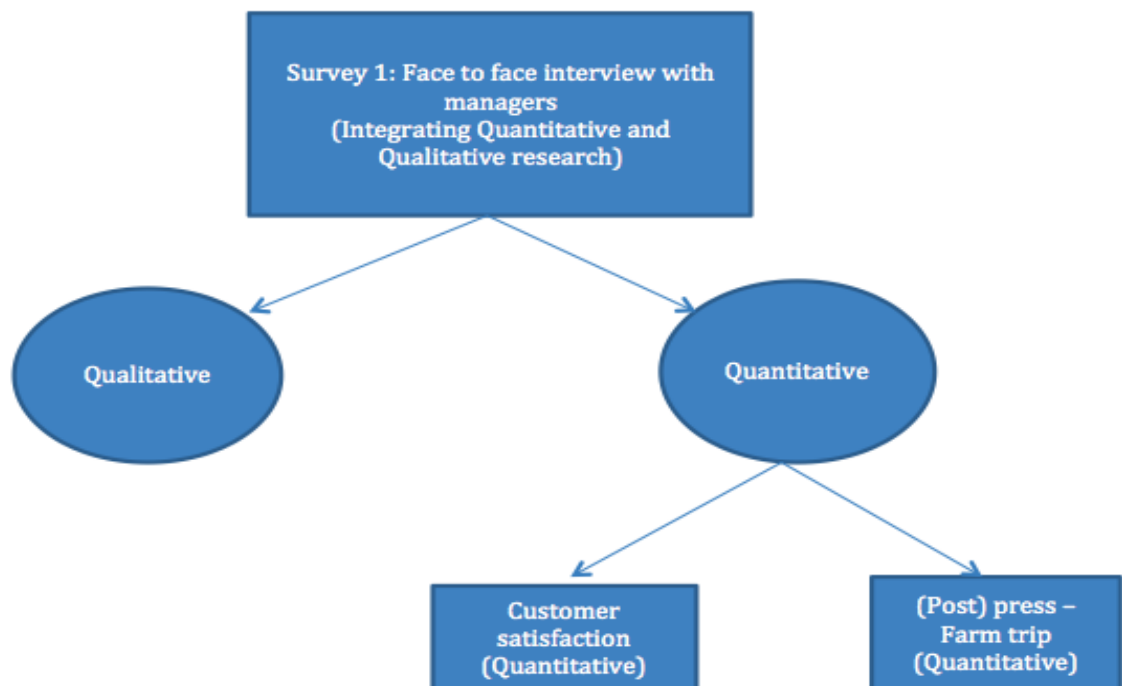


Figure 20. Question funnel design

In addition, the questionnaire was also pretested to analyse glitches word-by-word in each and every question and examine any insufficiencies in explanation of instructions or misinterpretation. In the questionnaire construction process, pretesting is considered as an ultimate

mate stage which divides question into smaller pilot studies to identify questionnaire problems. To express more concrete, Backstrom and Hursch (1963) have lamented about the significant role of pretesting an instrument that: "No amount of intellectual exercise can substitute for testing and instrument designed to communicate with ordinary people".

As illustrated in Figure 21, the questionnaire construction process is depicted by Synodinos (2003, 14) as follows:

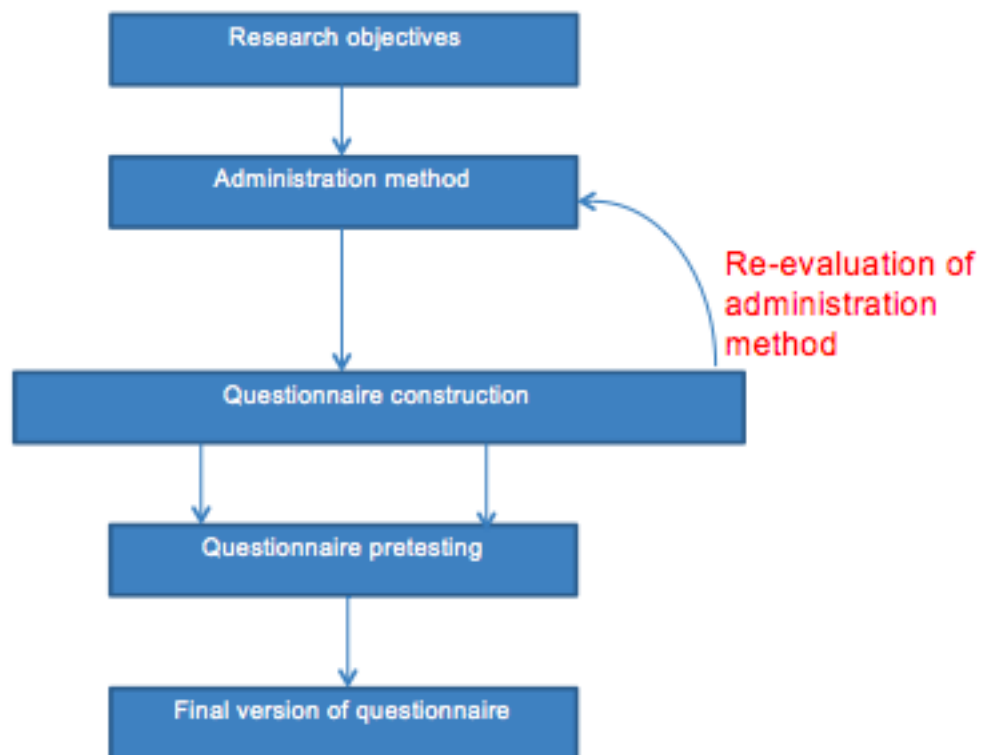


Figure 21. *The art of questionnaire construction: some important considerations for manufacturing studies* (Nicolao Synodinos 2003, 14)

In practical context of Gloria Palace San Agustin Thalasso & Hotel, pretesting of surveys was conducted systematically with five selected respondents for each survey. The pretesting process was conducted twice, pre-field and field test with cognitive laboratory interviews and respondent debriefings respectively. The questionnaire was examined under operational conditions. In the early development cycle of questionnaire construction, the cognitive laboratory interviews were conducted with one-one-on-one interviews either concurrently or

retrospectively to expose directly from respondents about their matters with the questionnaire. Specifically, respondents were required to think aloud and verbalize of their thought procedure appeared either during or after the accomplishment of the questionnaire. After one ended round of interview, the author could diagnose matters, revise questionnaire words and conduct additional interviews to retest new questionnaire. Next, after realizing potential problems of questionnaire from cognitive laboratory interview, the field test interview continued with structured follow-up questions to provoke quantitative and qualitative information about respondents' clarifications of survey questions to determine whether questionnaire was comprehended in the same way as author aimed to achieve. The respondents were required to explain their choice and question interpretation as well as repeat the question in their own words. The purpose of this stage was investigating any further misunderstandings or confusions caused by survey questions.

3.2 Data collection

The face-to-face interview was conducted by applying pre-designed interview questions with pre-testing and interview techniques. To obtain a panoramic view of general marketing situation, the interviewer aimed to board of management, comprising a general manager and an eight-years experienced marketing employee in Gloria Palace hotel. The general director was interviewed on 1.09.2012, followed by the last interview was accomplished with an eight-years experienced marketing employee on 25.09.2012. Additionally, to achieve accurate evaluation of hotel, the author also had a quick short interview with other five workers during two days, 1.10.2012 and 3.10.2012.

Moreover, the other two surveys were conducted to attain depth knowledge of the most two influenced factors: customer satisfaction and post press-fam trip survey. The document was written in English and then translated into German and Spanish. The questionnaire was printed out in paper and delivered with pens by hand to clients, tour operators and journalists. The collection of customer satisfaction survey was implemented in October of 2012, every Tuesday breakfast from 9.30 to 12.00 in Gorbea restaurant. However, for post press-fam trip survey, the collection depended on partners' trips. Specifically, tour operators and journalists visited Gloria Palace hotel twice a week so there were a total eight of trips in October. Because all responses were paper hand-written documents and they were kept in a

data box by hotel as its reference so the author was also responsible for transferring all data into Excel documents to use in this thesis. The response rate was 100%.

3.3 Validity & Reliability

In the face-to-face interview, the interview process was conducted to the two personnel separately in the two distinct locations. During the interview, all answers were recorded and then transferred into a word file to ensure the quality, accuracy and reliability of each and every answer. For the customer satisfaction survey, all questionnaire forms were delivered to customers before every Tuesday breakfast. With big amount of responses, this survey can be ensured in validity. However, it is limited in the internal validity. The questionnaire form has been created logically in dissimilar categories of questions, for example open questions, closed questions, and individual recommendations. To achieve the main purpose is ascertaining the general problems and the most important impacts to marketing activities in Gloria Palace hotel, the validity of questionnaire's content has been measurable. Moreover, questions' issues were checked and confirmed carefully by both managers of Gloria Palace San Agustin Thalasso & Hotel and thesis supervisor, Mr. Perttu Huusko from Kajaani University of Applied Sciences.

Reference to Sale and Brazil (2004, 356-365) noted early that "no criteria for appraising mixed-methods research exist" so there is no complete truths between validity and reliability in a research. In addition, Maxwell (1992, 284) also revealed that "a method in itself is neither valid nor invalid" so validity of a research result is only ascertained in a particular context for a particular purpose. From the author point of view, intergrated method ensured to improve and develop the validity and reliability of the results. Furthermore, it reinforces and intensifies causal and underlying inferences by increasing the possibility to detect convergence or divergence of collect data. First, this research method has been demonstrated to be valid. All questions were premeditated to be simple and logical to avoid misunderstanding and misinterpretation. The problem of saturation was reduced. Before surveys launched, administration department of Gloria Palace San Agustin Thalasso & Hotel as well as the thesis supervisor from Kajaani University of Applied Sciences had checked questionnaires. Second, the reliability was evaluated resulting data of surveys. The face-to-face interviews were accomplished in managers' personal offices such as general manager office and marketing director office and commercial office. For the customer satisfaction survey, it was con-

ducted in Gorbea restaurant in every Tuesday breakfast from 9.00 to 12.00 in the morning while the post press and fam trip surveys were carried out in conference rooms inside the hotel area where those events happened. There were more than a thousand of customers took customer satisfaction questionnaire, fifty tour operators and eleven journalists contributed in post press and fam trip surveys and two managers participated in face-to-face interview. The reliability of this research was based on a written and an Excel summary document. All answers were recorded on a question paper by the interviewer. Generally, eighty percent of interviewees were able to speak English. With the limitations of language, the author requested her co-worker to help translate from English into Spanish during the interview as well as customer satisfaction questionnaire into the most common used languages of accommodated clients in hotel such as Spanish, Dutch and German. Hence, there were two interviewers in face-to-face interview and six other trainees were responsible for surveyors position helped in customer satisfaction survey. For the resulting data in English, the reliability was measurable because there was no noteworthy language barrier in translation. The issues originated from other languages such as Spanish, Dutch and German which might cause misinterpretation.

4. RESULTS AND ANALYSIS OF THE SURVEY

4.1 Customer satisfaction survey

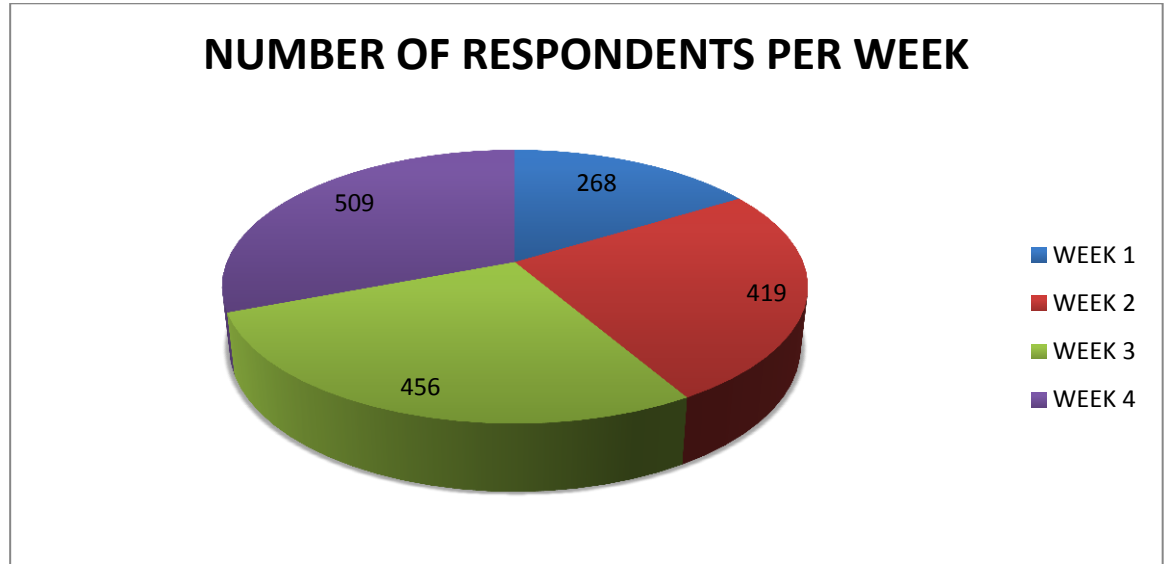


Figure 22. Number of respondents per week

The above pie chart describes the number of respondents that Gloria Palace San Agustin has per week (Figure 22). As illustrated, the internal customer satisfaction survey acquired 268 and 419 respondents in the first and second week respectively. After the first two weeks, the number respondents have risen by 456 and 509 in third and fourth week. This statistics is a positive result because it not only represented the endeavor of survey team by encouraging guest to share their experience with hotel but also contributed significant assessments for service improvement of a newly renovated hotel. In fact, according Gloria Palace's recent investigation of survey team, clients had more awareness of being confident to give feedbacks and expressing their experiences of hotel. As a result, these factors donated to accommodations and service improvements of the hotel.

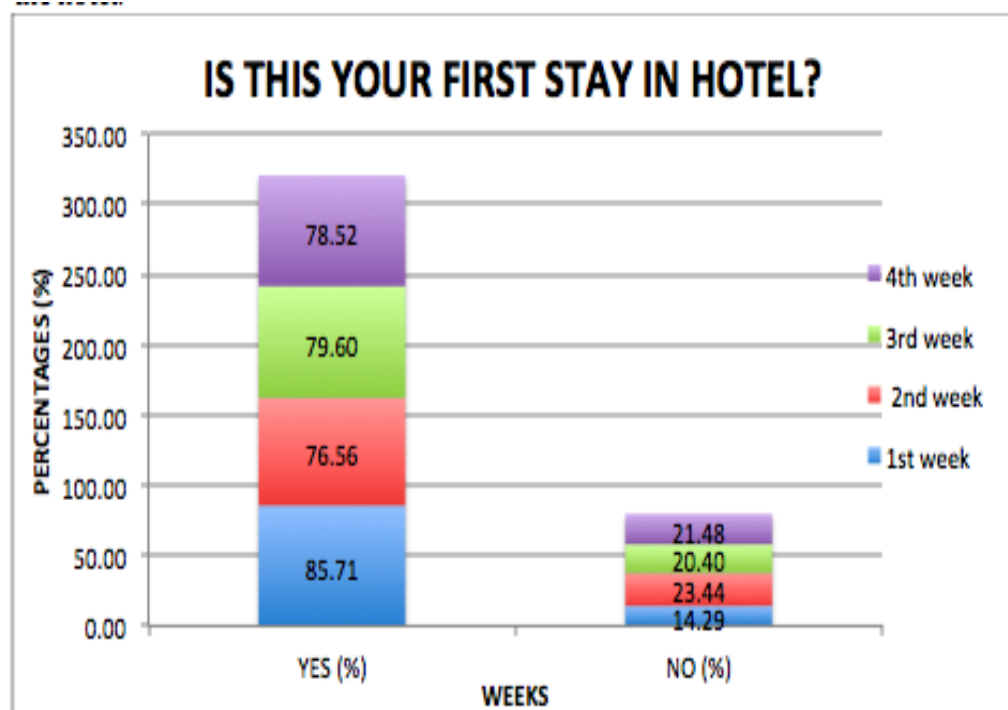


Figure 23. Frequency of loyal customers' arrival

The graph 23 showed the frequency of new and old customers arrived at the hotel in October. It is evident to see that there has been a large increase in the number of new customers had their first stays in hotel while figures for existing visitors has ulterior holiday in the same destination, shown a slight growth.

The numbers of existing and new customers visiting Gloria Palace San Agustin Thalasso and Hotel have shown diverse tendencies. In the first week the percentage of new clients firstly peaked at a little over 85 percent then declined by around 76.7 percent in the following week. In third week, there was a slight increase of 3.04 percent of visitors, compared to statistics of second week before experiencing a small drop by 78.5 percent in the fourth week. In contrast, the percentages of existing customers were 14.29 percent less than new customers in the second week which reaching a peak at 23.44 percent and then fell a little in third week (20.40 percent). In the fourth week, this proportion increased gently by 21.5 percent.

In sum, although there were fluctuations in frequencies of new and old customers in a short-time variation of October, it is clear that the Gloria Palace San Agustin Thalasso and Hotel still attracted and acquired high percentage of new customers than old cus-

tomers as a whole while the statistics of both new and old customers remained stable because these did not show any significant changes.

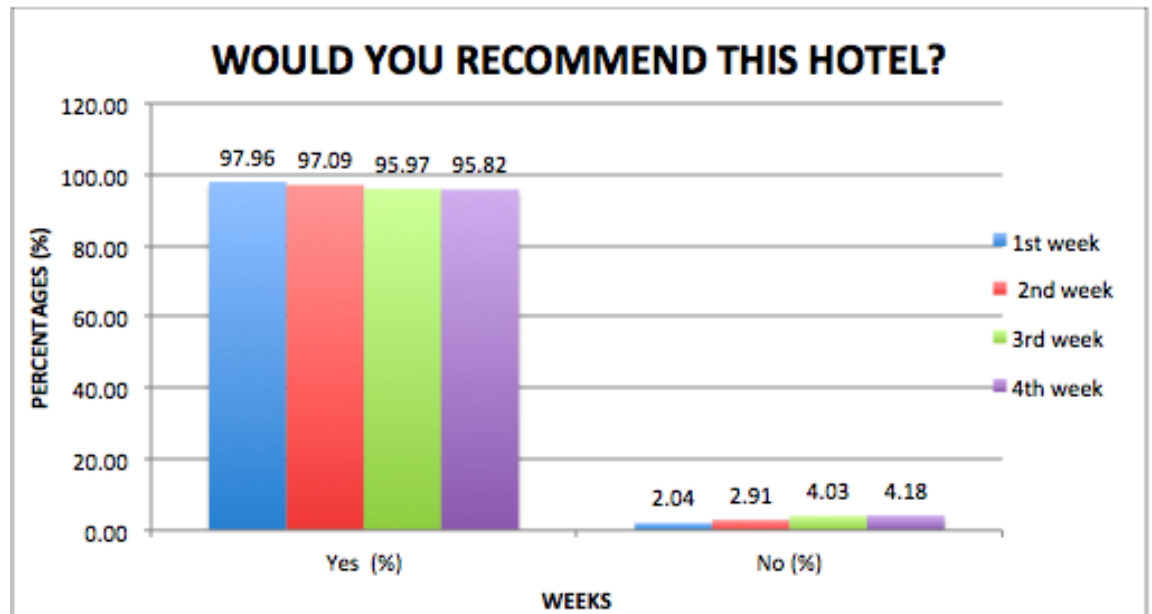


Figure 24. Recommendation percentage of hotel

The graph 24 shows the proportions of post-purchase recommendation from existing customers to new ones about all aspects of hotel such as location, price, accommodation or services and so on after their stay. As can be seen clearly, there was a high percentage of customers would like to share their experience as well as recommend this hotel to others while there was still a small percentage of non-recommender gave negative feedbacks.

In the first week, there were approximately 98 percent of respondents satisfied with accommodation and service of Gloria Palace hotel thus, they are confidently want to recommend this hotel to their friends, relatives or family. On the following weeks of October, this percentage of recommenders plunged by 97.09, 95.97 and 95.82 percent in the second, third and fourth week respectively. Adversely, the percentage of non-recommenders experienced an upward tendency. In the first two weeks, there was 2.04 percent and 2.91 percent of respondents refused to recommend this hotel to others and this percentage has risen slightly and then reached to the highest level at 4.18 percent in the last week of October.

In conclusion, Yes and No continents displayed different trends. Despite of small amount negative feedbacks, the percentage of yes answers was still much higher than no answers of non-recommenders.

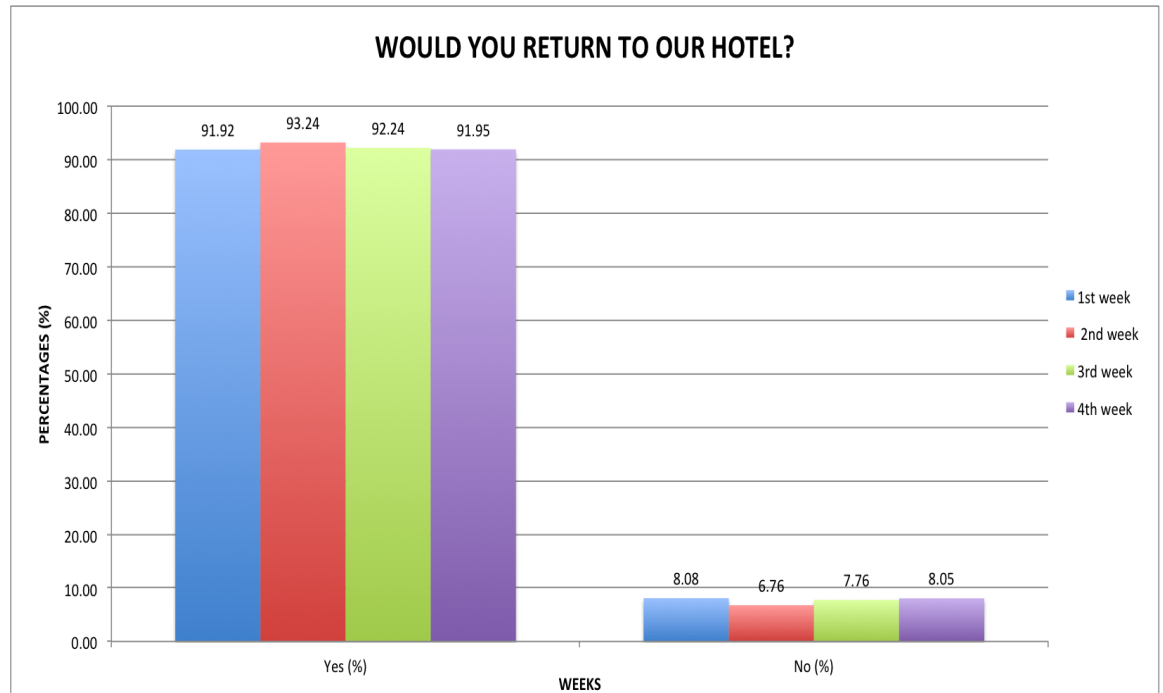


Figure 25. Percentage of returning customers

The graph 25 illustrated the percentage of returning customers in Gloria Palace San Agustin Hotel. As shown, more than 90 percent of customers wanted to come back Gloria Palace hotel while only around 8 percent of customers refused to return.

In details, 91.92 percent of respondents showed their interest of turning back to hotel in the first week. During the second week, this percentage climbed to a hit 93.24 percent before its gradual decrease from 92.24 percent to 91.95 percent in the third and fourth week respectively. On the contrary, the rate of non-returned fluctuated a great deal during this time. At the beginning of the month, the non-returned stood at 8.08 percent before a slightly decline (8.05 percent) in the end of October.

To conclude, the percentage of returners soared spectacularly more than 90 percent, compared to non-returners. This figure remains constant during four weeks of October.

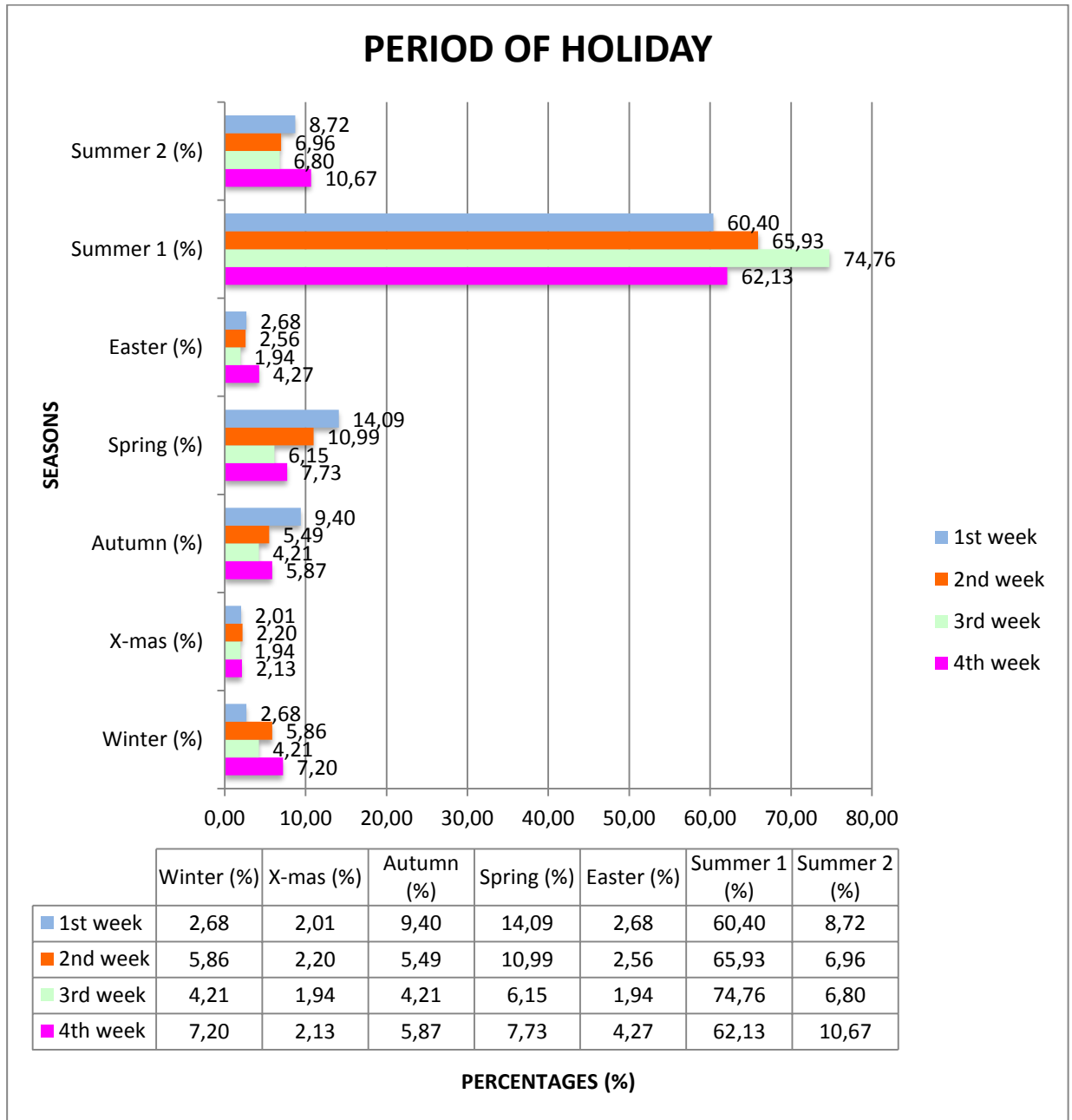


Figure 26. Period of holiday

The above graph depicts the favorite time of holiday that patrons prefer travelling. As portrayed, 1468 interviewees (66.37%) considered that summer one as the most favorite season for travelling which lasts from May to June, followed by 198 answers (8.95%) for Spring, 186 (8.41%) and 128 (5.79%) responses for summer 2 which lasts from July to the end of September and autumn respectively. There were only 120 (5.42%) interviewees selected winter holiday whilst only 66 (2.98%) clients chose Easter as the best time

for travelling of the year. Christmas placed in the posterior position with only 46 votes, the lowest percentage of response at 2.08%.

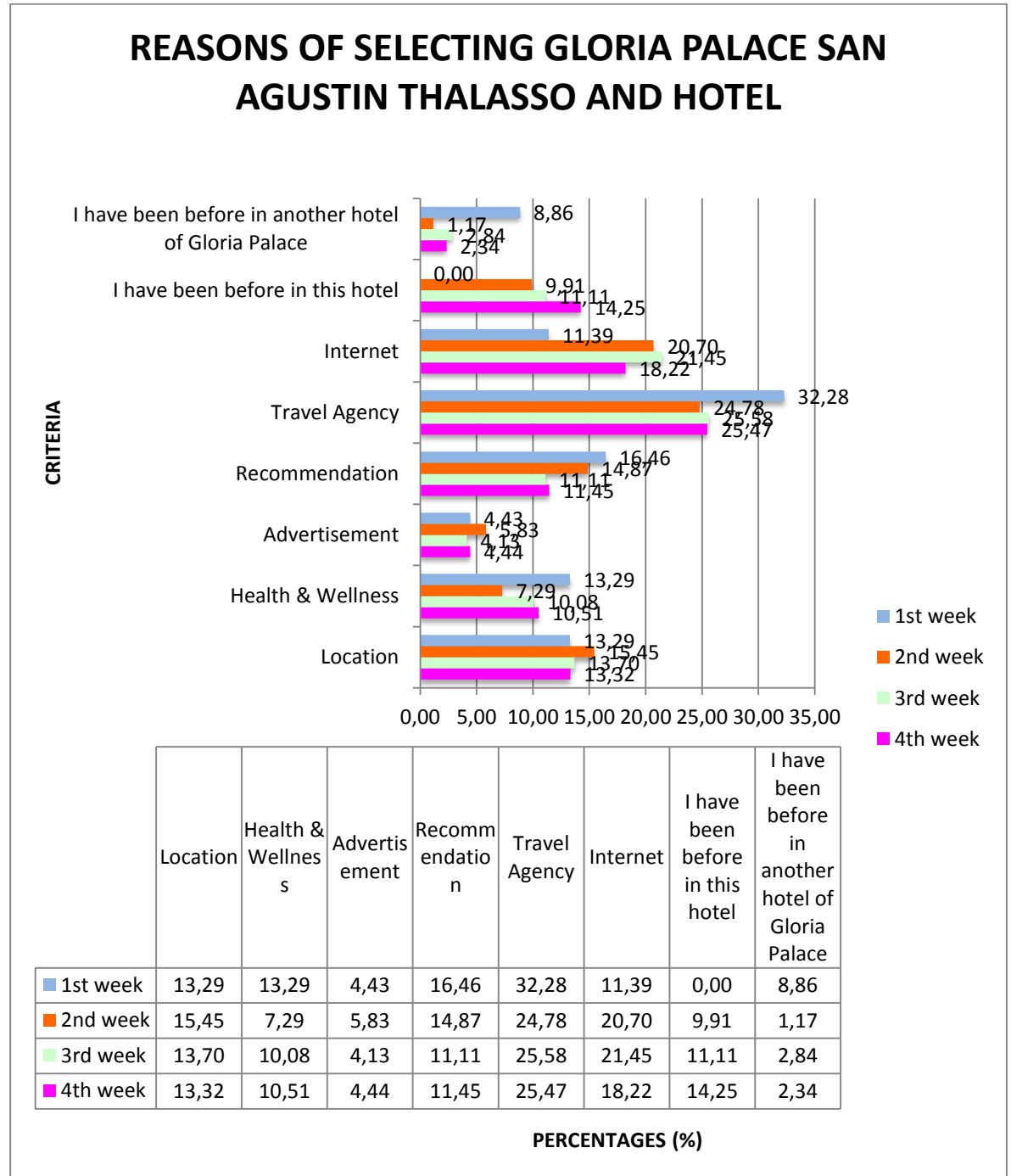


Figure 27. Reasons of selecting Gloria Palace San Agustin Thalasso & Hotel

The graph 27 describes the causes attracted visitors to choose to stay in Gloria Palace San Agustin. It is apparent that travel agency seemed to be the most popular reason 344 clients (26.14%) selected hotel through travel agencies, especially reviews in online travel

websites such as tripadvisor.com, Holidaywatchdog.com and Zoover.com. 250 respondents (19%) answered that they discovered information and chose hotel through general internet search while 184 guests (13.98%) prefer Gran Canary in general and San Agustin in particular so the location of hotel was the major criteria for purchase. 169 clients (12.84%) chose hotel by positive feedbacks or recommendations from friends, family or relatives. 138 persons (10.49%) were loyal customers who have been in Gloria Palace San Agustin Thalasso and Hotel, however, this percentage was much smaller (2.69%) in the same category for those who have been before in another hotel of Gloria Palace group such as Gloria Palace Amadores or Gloria Sup. 130 clients (9.88%) showed interests with health and wellbeing system of Gloria and regarded this as the major impact for their selection whilst 4.71% represented for 62 respondents determined to visit hotel because its interesting advertisements in internet, especially social networks such as Facebook, Twitter and so on.

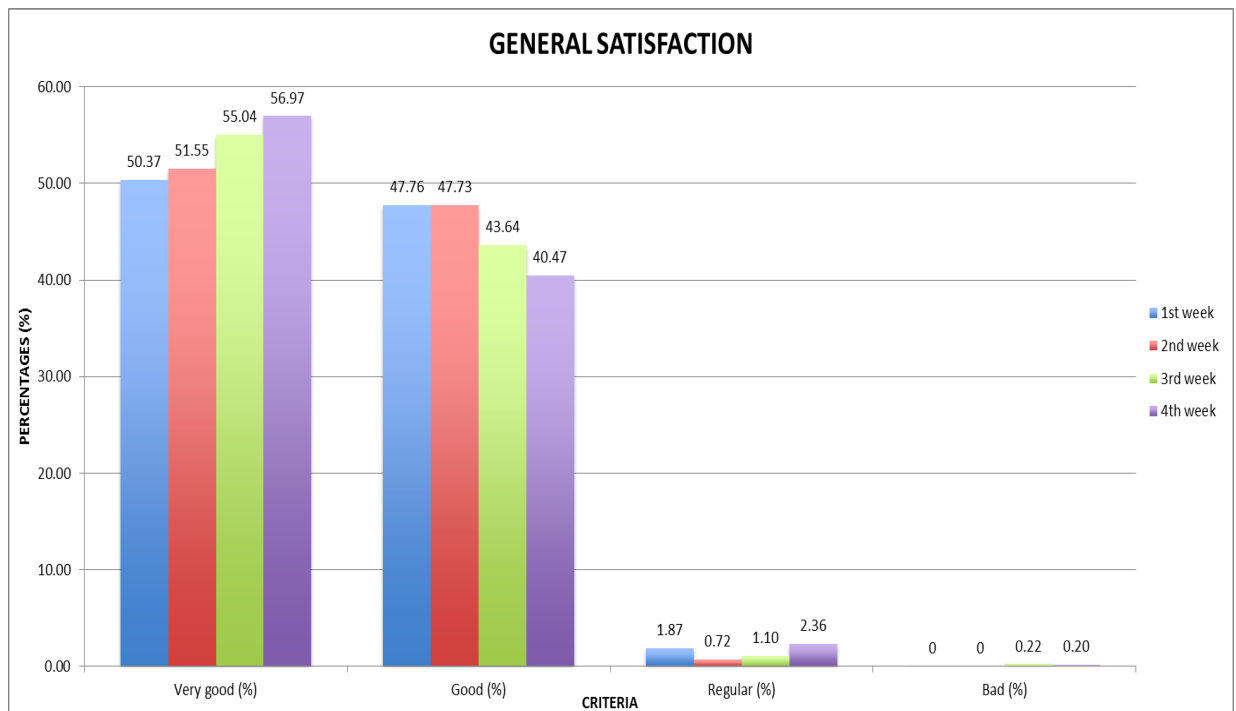


Figure 28. General satisfaction evaluation

The above bar chart shows the general satisfaction level of clients. According to the questionnaire structure, the answers were divided into four main classifications: very good, good, regular and bad assessment. In general, it is clear to observe that the customers' general satisfaction level for Gloria Palace San Agustin was very good which es-

calating gradually from 50.37% in the first week to until 56.97% in the last week of October although the percentage of customers had good opinion of hotel had tendency to decline from 47.76% in the first week to approximately 41% in the fourth week of October. Meanwhile, there was less than 3% clients had regular satisfaction with hotel accommodation and services while this proportion was much smaller in the category of bad general satisfaction which was 0.42% in total four weeks of October, 2012.

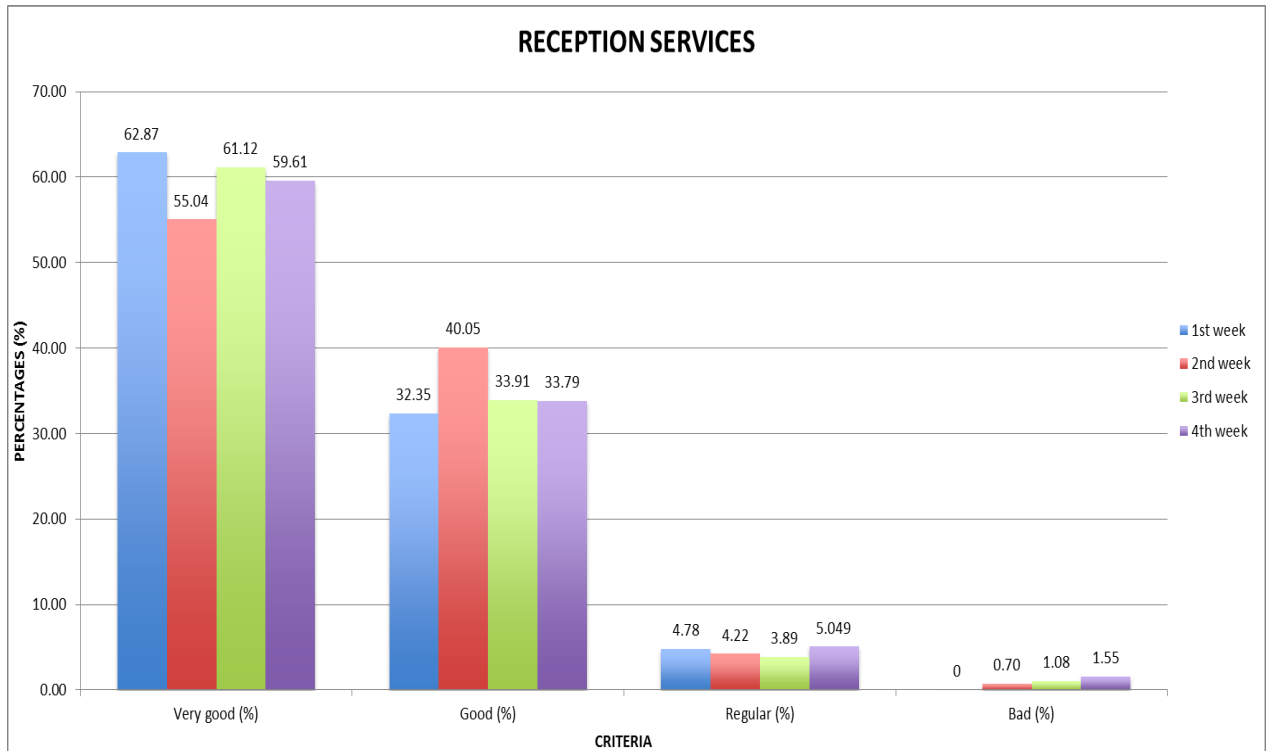


Figure 29. Reception services

The chart 29 displayed the result of a survey question, which attempted to investigate evaluation for reception service of hotel. The research in both primary data and secondary data in online websites of hotel's travel agencies such as Tripadvisor.com, Holiday.com or Zoover.com revealed that friendly and hospitable front desk officers with warm welcoming and twenty-four hours available with fast and accurate assistance were very helpful with day-to-day duties of front desk reception. Moreover, many customers could even remember the name of quite many receptionists of hotel which considered as a positive signal of reception team. As a result, endeavors of reception department created positive image in the eyes of customers. It is illustrated in the bar chart that the degrees of very good and good satisfactions for reception were very high, reaching their highest level around 63% and 41% respectively while there were slight fluctuations be-

tween each week. Besides, the regular and bad satisfaction of customers still possessed small percentage with maximum of 5.05% and 1.55% respectively in the fourth week of October and these negative feedbacks referred to the mix processes between the main hotel's reception and swimming pool reception. Due to the reason was that the hotel did not have a separate reception for swimming pool services, as a result, he blend of check-in and check out line with towel borrowers limited the smooth of reception service as well as increased the workload of receptionist and waiting time of new arrivals. This was the main reason caused bad effect to clients, especially those who have just experiences a long-haul flight.

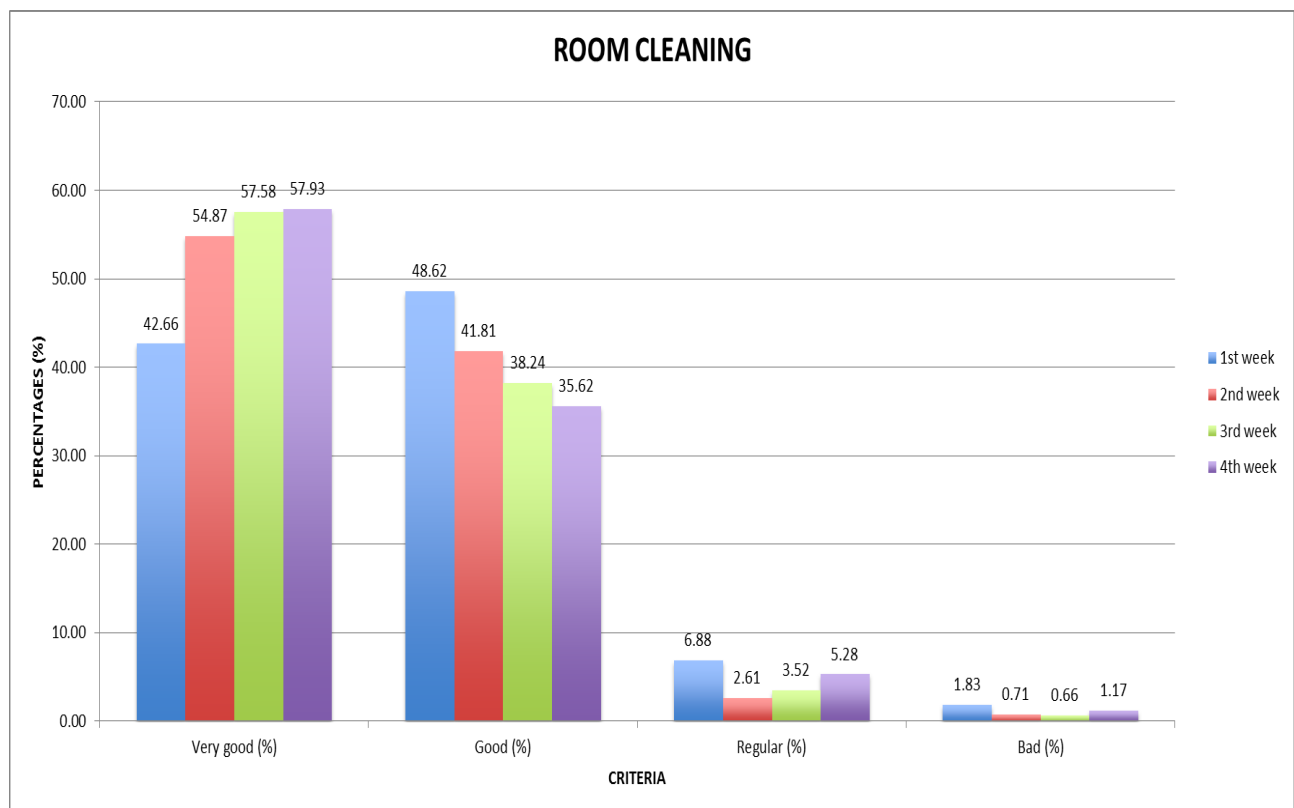


Figure 30. Room cleaning assessment

This question aimed to search out evaluation customers for cleanliness of Gloria Palace San Agustin accommodation. As exemplified, almost customer had very good or good feedbacks for room cares and services of hotel which peaked at 57.93% and 48.62% respectively. However, the quality of room cleanliness should be improved better because regular and bad feedbacks reached considerable level, which was the highest level at

6.88% and 1.83% respectively in the first week, and these percentages still existed and showed fluctuations in the following weeks of October.

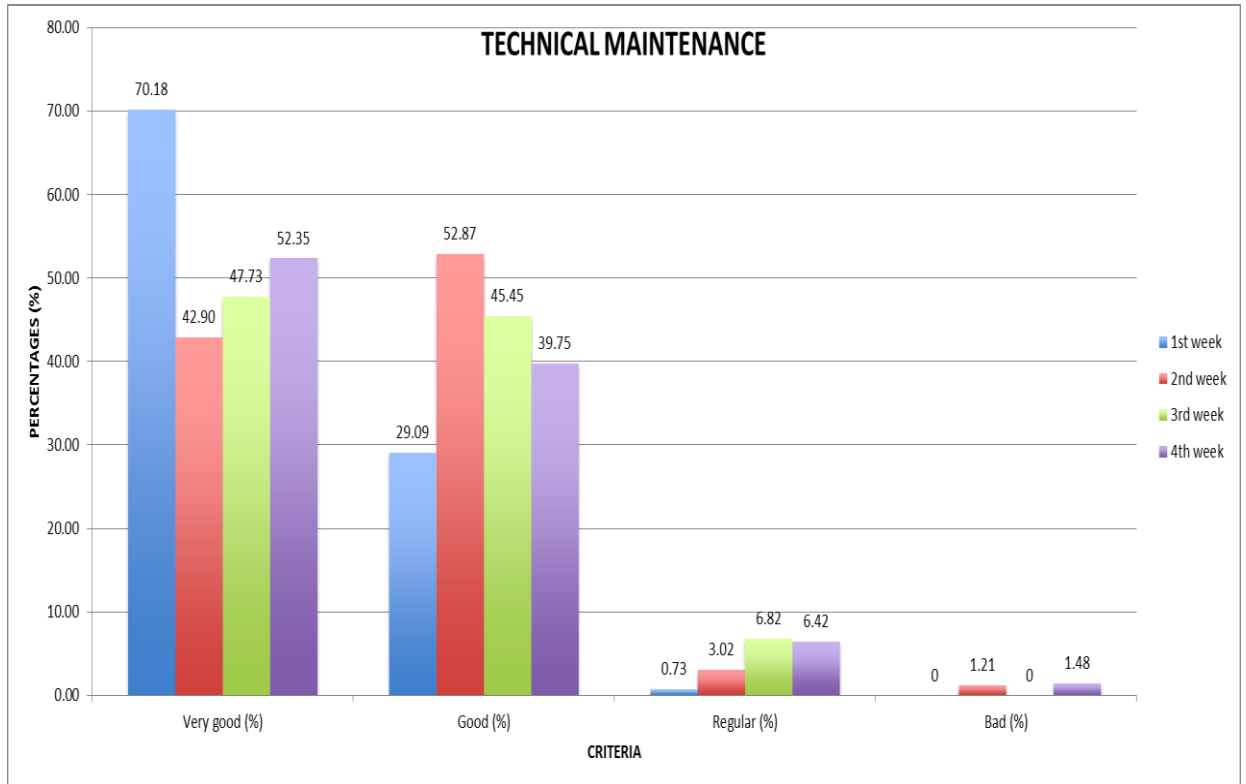


Figure 31. Technical maintenances

The above chart showed the quality of technical maintenance inside the hotel. Hotel maintenance workforces, though not frequently seen, are a significant part of the total staff that maintains smooth operation of a hotel. Maintenance is essential to solve any technical matters from stopped-up pipes or drains to malfunctioning television sets and burned out light bulbs.

As illustrated in the bar chart, customers had positive satisfaction for technical maintenances of Gloria Palace San Agustin. There were 70.18% respondents showed very good evaluations for technical maintenance of hotel while this percentage declined at approximately 43% in the second week before gradual escalations in the following weeks and recovered around 53.4% in the last week of October. Next, followed by good satisfaction, there were a high percentage of good answers for maintenance assistances, which gained the highest level in the second week, at 52.87%. However, regular and bad opinions still occurred with a peak of 6.82% and 1.48% respectively. Percentage of regular

answerers had declining tendency while this situation was contrast to proportion of bad respondents.

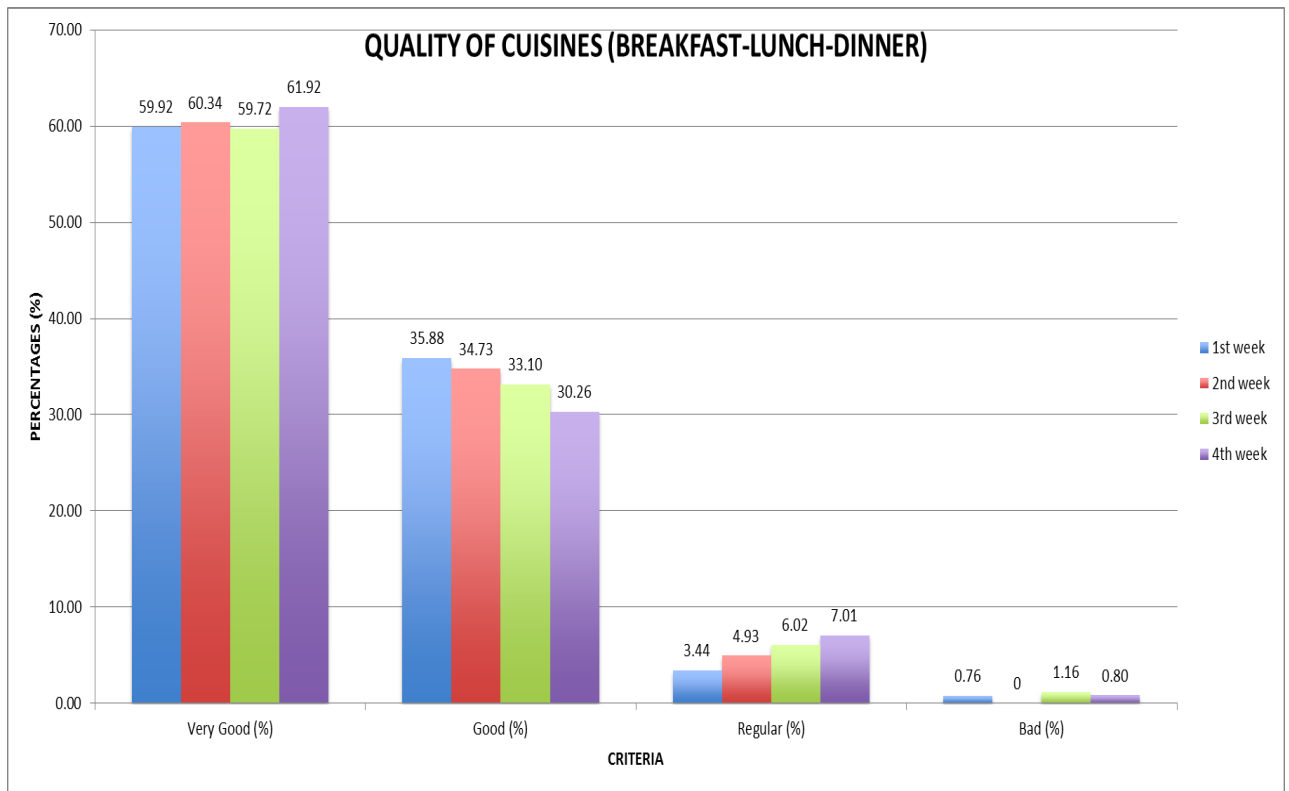


Figure 32. Quality of meals (Breakfast-Lunch-Dinner)

The graph 32 displays general customer satisfaction for cuisines of hotel which fell in three classifications: breakfast, lunch and dinner. Generally, the hotel endeavored the best to introduce various menus with plenty of choices from normal to diet ones in different countries in the world such as Spanish, Italian, British or even American foods. Hence, there was a high level of customer satisfaction for quality of meals and these percentages exposed slight fluctuations in each week. Approximately 62% respondents showed very good judgments in the last week of October while this percentage was smaller in good category which reached the highest of 35.9%. Nevertheless, there was still existence of regular and bad evaluations for the cuisine quality of hotel which stood at a peak of 7.01% and 1.16% respectively in the last week of October. By interacting with clients' reviews in travelling websites and explanations from the customer satisfaction survey, the author learnt that the major reason of this matter appertaining mistake of blending menus. It was recognized that many vegetarian options stated as 'V' did contain meat in them or even hidden fish so this caused irritations to vegetarians because they were very sensitive to identify and distinguish this problem.

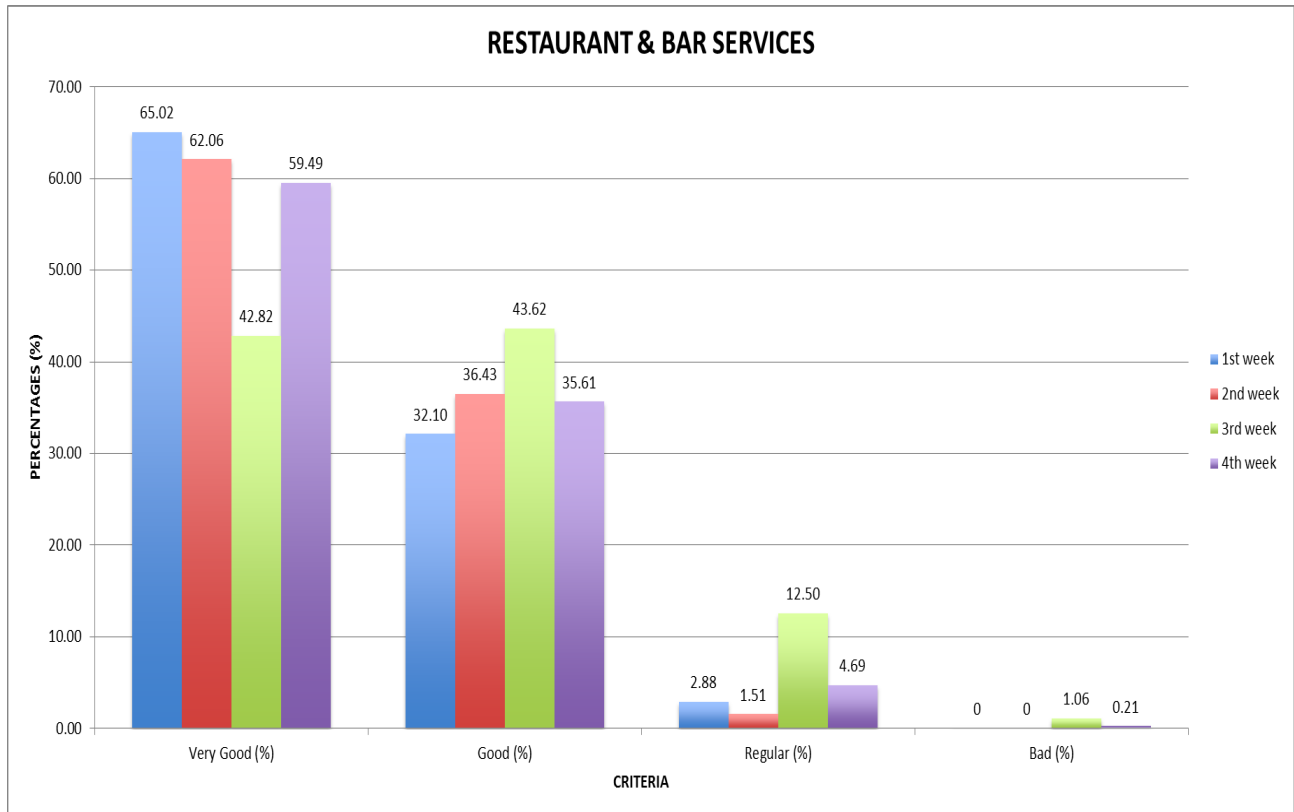


Figure 33. Restaurant and bar services

The chart 33 represents assessments of customers for quality of services in restaurants and bars of Gloria Palace San Agustin. As can be seen, the proportion of very good answers was at maximum of 65.02%, fluctuating in the following weeks, reaching the bottom of 42.82% in the third week before recovering at approximately 59.5% in the last week of October. In good category, the situation experienced a downward trend which was at peak of maximum 43.62% in the third week and decreased about 8.01% (35.61%) in the fourth week. There was still high rate of regular responses, at 12.50% while bad impressions were declining, at moderate level of maximum 1.06%. Further depth-analysis of secondary data indicated that the quality of cocktails and ordering process in bars and restaurants were the major causes for negative feedbacks. Although there were various cocktails on the menu, the quality was quite poor. For example, the Margheritas or the Daqueris tastes the same and these were not really nice beverages. Some fruity ones were acceptable but all beverages were very weak so if guests want normal strength they have to ask for a double. Moreover, guests always have to use a room key every time they order drinks even though you have a wristband on. Another gripe for buffet restaurant area that the waiting time for ordering process was also a problem to consider

because it took times to order food and even beverage, especially dinner and tables are too closed to each others so the moving space were narrow and inadequate. These factors also influenced to the entire service delivering process and atmosphere of bars and restaurants.

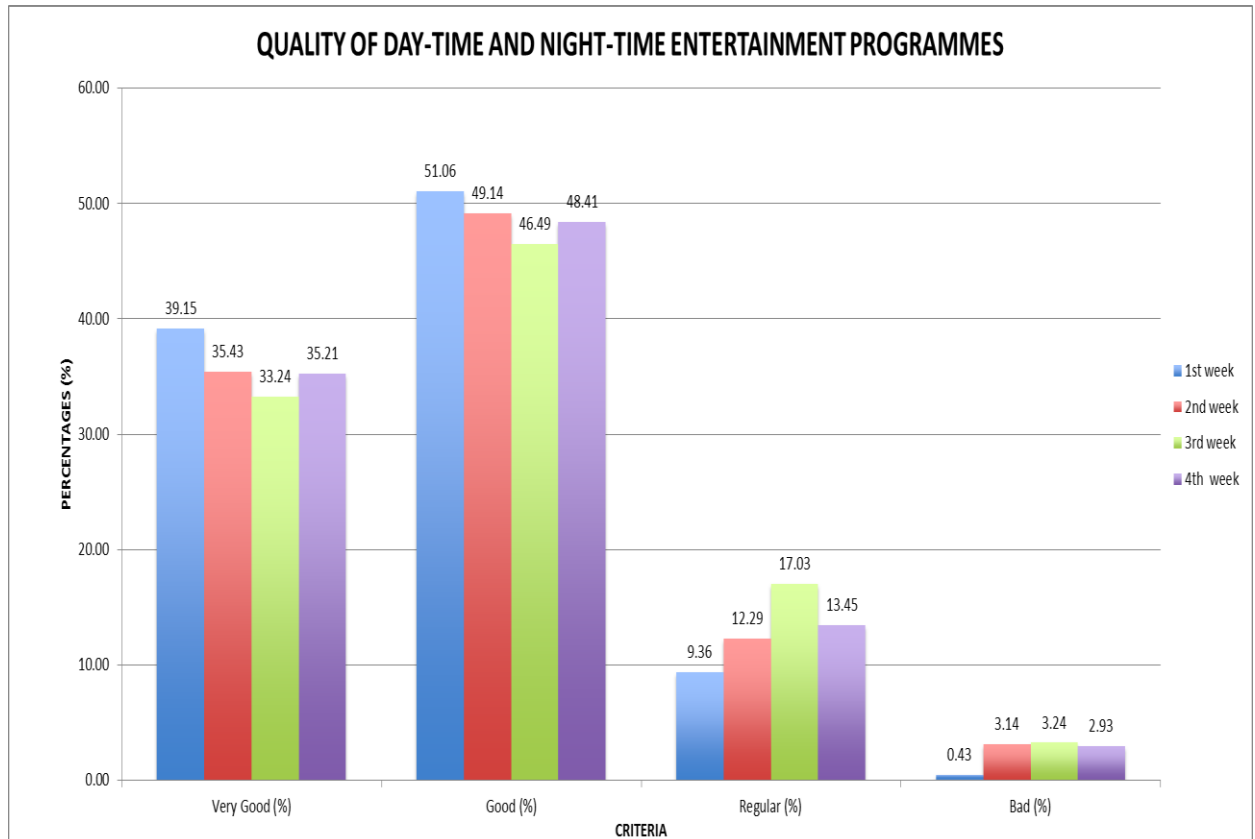


Figure 34. Quality of entertainment programs

The graph 34 demonstrates the customer satisfaction for the daytime and nighttime entertainment programs of Gloria Palace hotel. It is clear that there was high percentage of positive responses for quality of entertainment programs for accommodated clients. Although the proportion of very good answers stood at maximum of 39.15% and sank in the following weeks before its recovers at 35.21% in the last week of October, the situation of good answer category seemed to be better by reaching a peak of 51.06% and fluctuations in the following weeks were gently which presented upward trend. Meanwhile, the percentage regular responses reached the highest level of 17.03% whilst 3.24% of respondents showed their bad view in this matter.

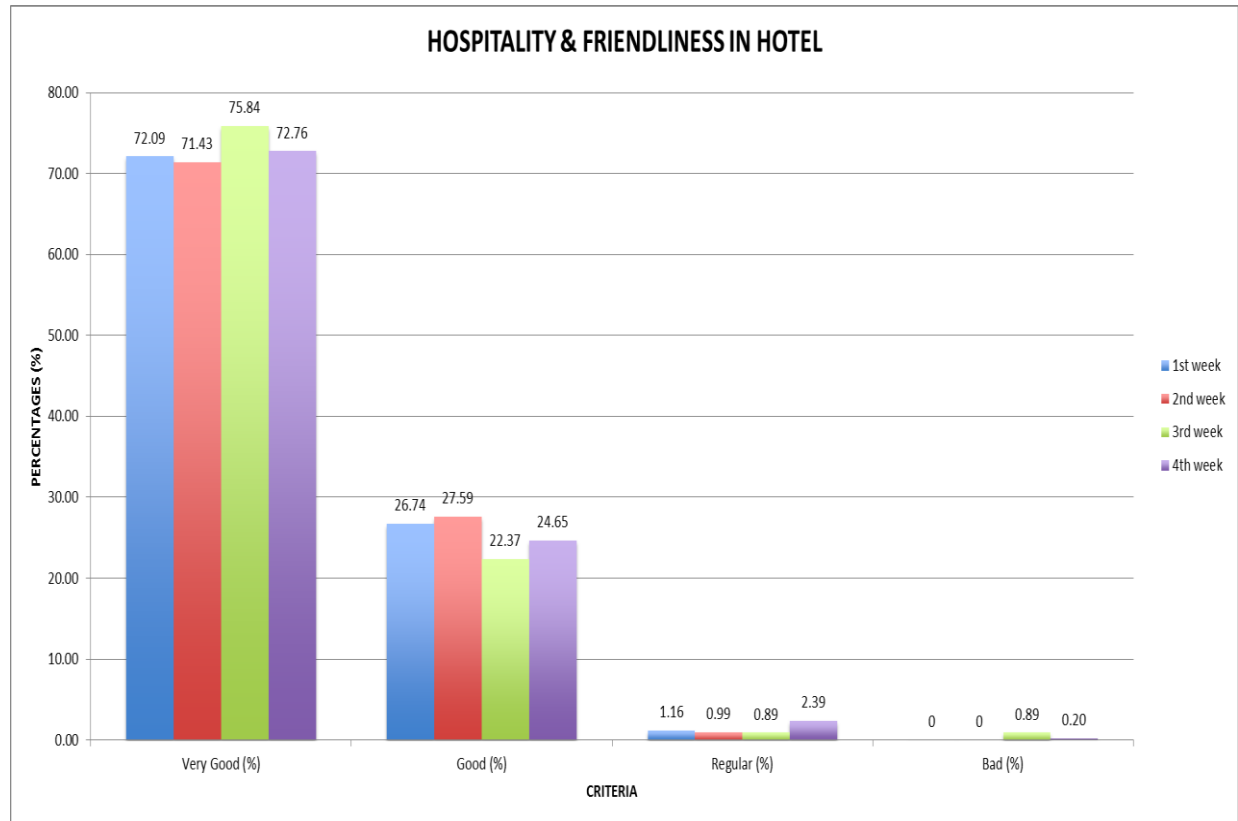


Figure 35. Hospitality and friendliness

This questionnaire attempted to inspect the degree of hospitality and friendliness of Gloria Palace San Agustin Thalasso and Hotel to its customers. As can be apprehended that almost customer had very good assessment for hospitality and friendliness of hotel and its staffs. The percentage of very good answers were always at very high level, above 72% and at maximum 75.84% in the third week of October although there were still slight fluctuations in between first and fourth week. The sector of good answers possessed smaller proportion, the highest of 27,59% while regular ones were at a peak of 2.39% and only 0.89% in total of respondent had bad view of hospitality and friendliness.

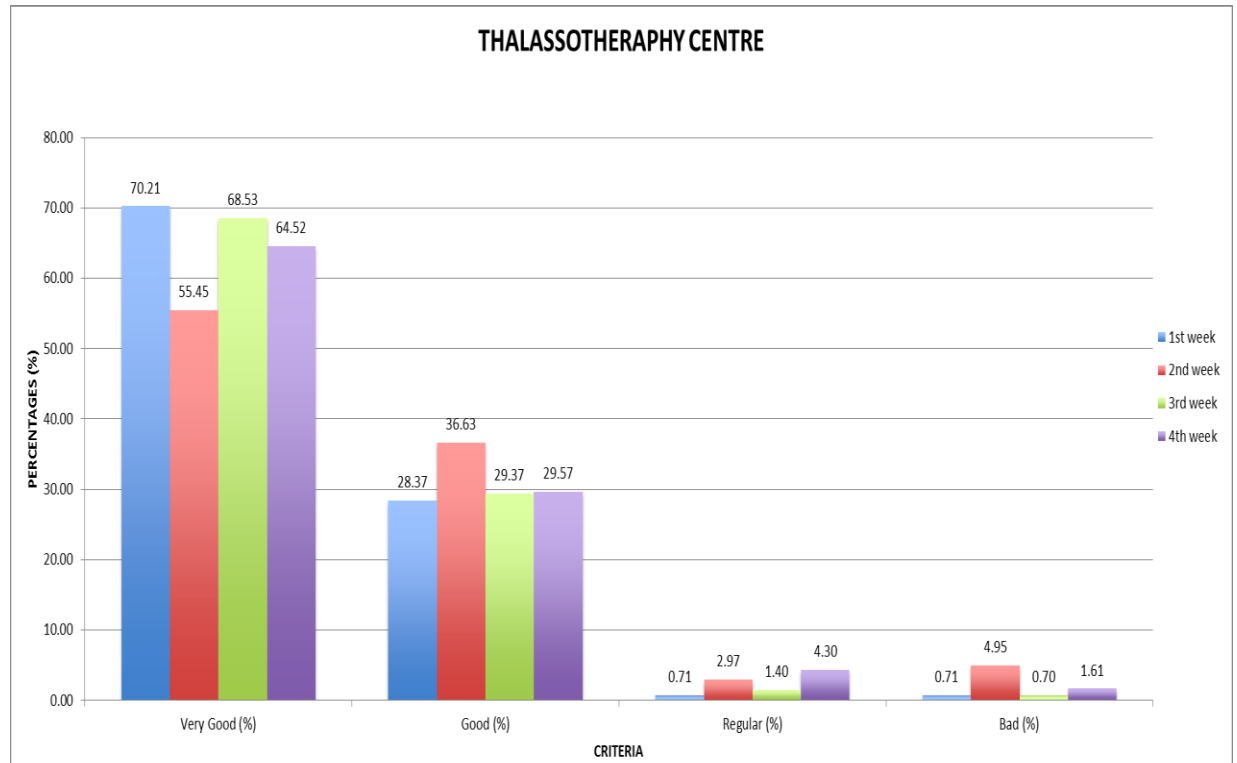


Figure 36. Thalassotherapy center

The chart 36 unveils customer satisfaction for thalassotherapy center of Gloria Palace San Agustin. It is evident to see that the level of very good satisfaction for thalassotherapy was very high which reached a peak of 70.21% while good satisfaction rate was at the highest of 36.63%. Still, there were only 4.30% at maximum of respondents showed regular satisfaction while this number was a little higher in bad responses category (4.95%).

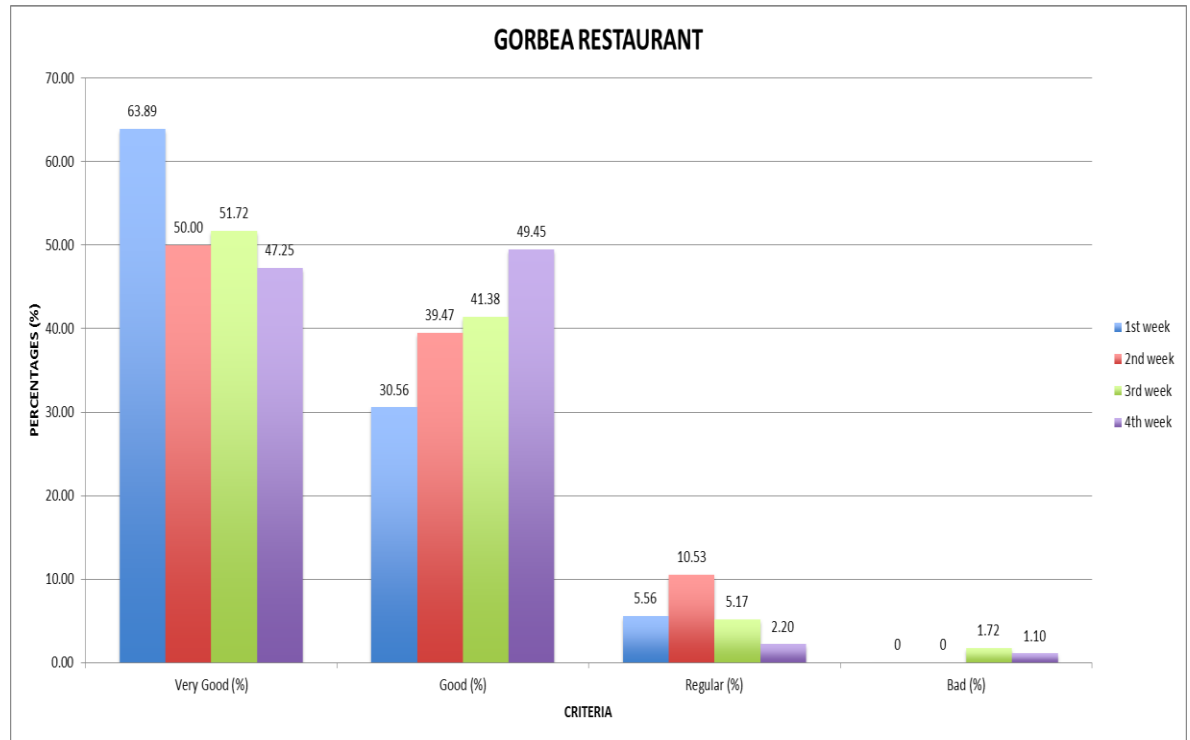


Figure 37. Gorbea restaurant

The chart 37 exhibits the quality of Gorbea restaurant. For the very good category, the highest percentage of respondents attained to 63.89% before its steady decreases in the following weeks to the bottom level of 47.25% at the lowest. The good category showed more positive situation with a contrast story of gradual increases in every week from 30.56% to until 49.45% in the last week of October. Regular answers experienced fluctuations in the range from 2.20% to 5.56% and the highest level gained 10.53% while bad responses tended to drop by 0.62% from 1.72% to only 1.10% in the end of October, 2012.

4.2 Post Fam Trip survey

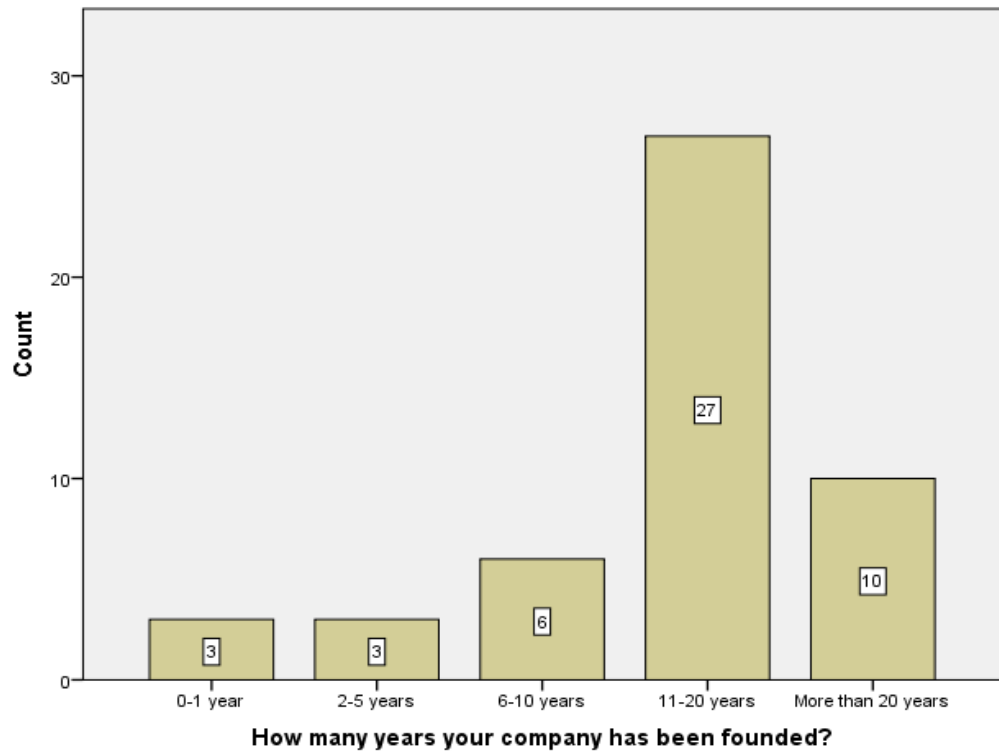


Figure 38. Total number of tour operators comes from young and old businesses

The bar chart 38 chart illustrated years of founded of every business partner of Gloria Palace San Agustin Thalasso and Hotel. As can be seen, the hotel had a high number of professional tour operators who came from long and rich history companies of empowering travel and tourism industry, especially within Europe. There were 6 tour operators from 6-10 years of establishment companies, followed by 10 tour operators belongs to more than 20 years of establishment companies while this number were much higher with 27 tour operators in the category of 11 to 20 years of establishment companies. Meanwhile, there were total of six respondents revealed that they came from young business, which had only 0-1 year, or 2-5 year of founded.



Figure 39. Years in cooperation with Gloria Palace San Agustin Thalasso and Hotel

The graph 39 shows cooperation time between the hotel and its business partners. In general, almost respondents were from long-term relationship partners of hotel such as Thomas Cook-UK, Tui-Spain and Neckermann Alemann-Germany. There were 27 respondents from travel agencies that had more than 5 years of alliance with Gloria Palace, seven ones from 3-5 years businesses while this number was much smaller with only one respondent answers that he came from company which had 0-2 years of collaboration with hotel. In the first time cooperation category, there were nine persons came from new business partners which had just experienced the first time in cooperation with hotel.

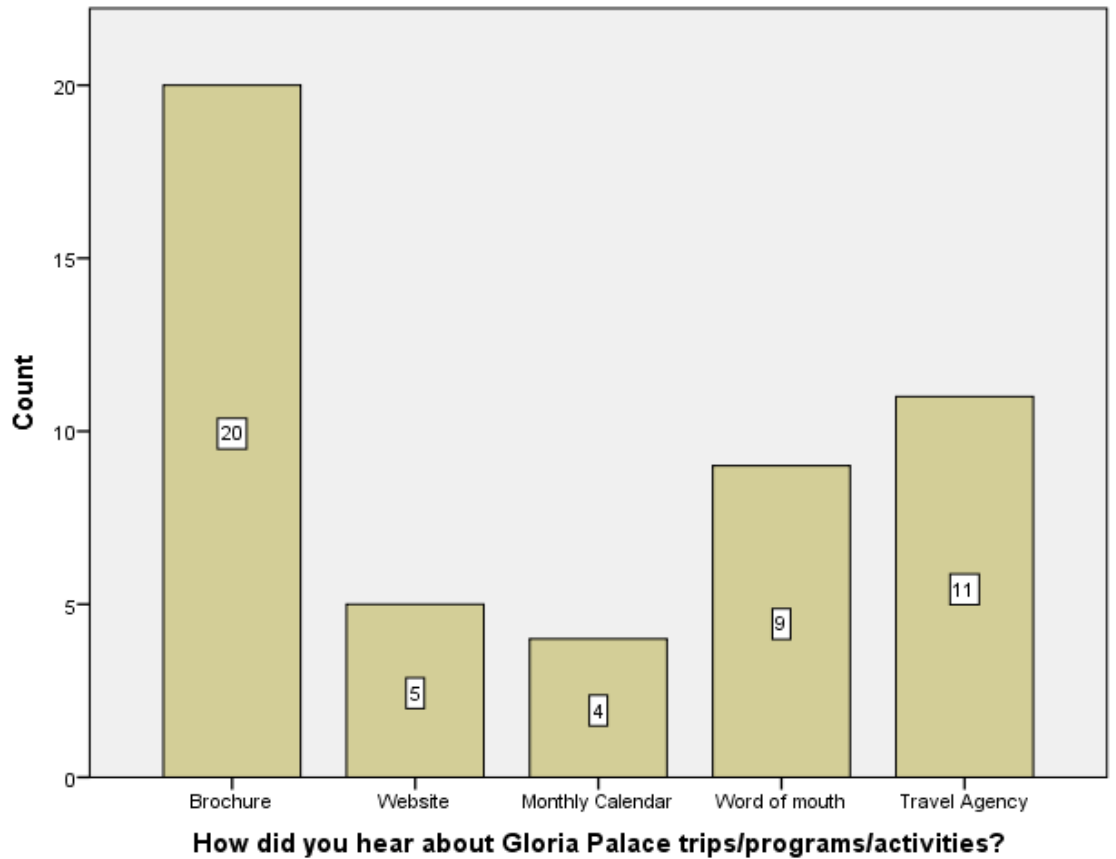


Figure 40. How did tour operators hear about Gloria Palace Fam Trip program?

The chart 40 above attempts to investigate the methods that tour operators used to search information about Fam Trip in Gloria Palace San Agustín. There were 20 respondents answered that they discover about this program through brochure at workplace, 11 tour operators explored this business trip through travel agency, nine respondents heard about program through word of mouth of previous colleagues while five persons found out Gloria Fam Trip activities in website and only four individuals visited hotel by monthly Fam Trip visit calendar of their companies.

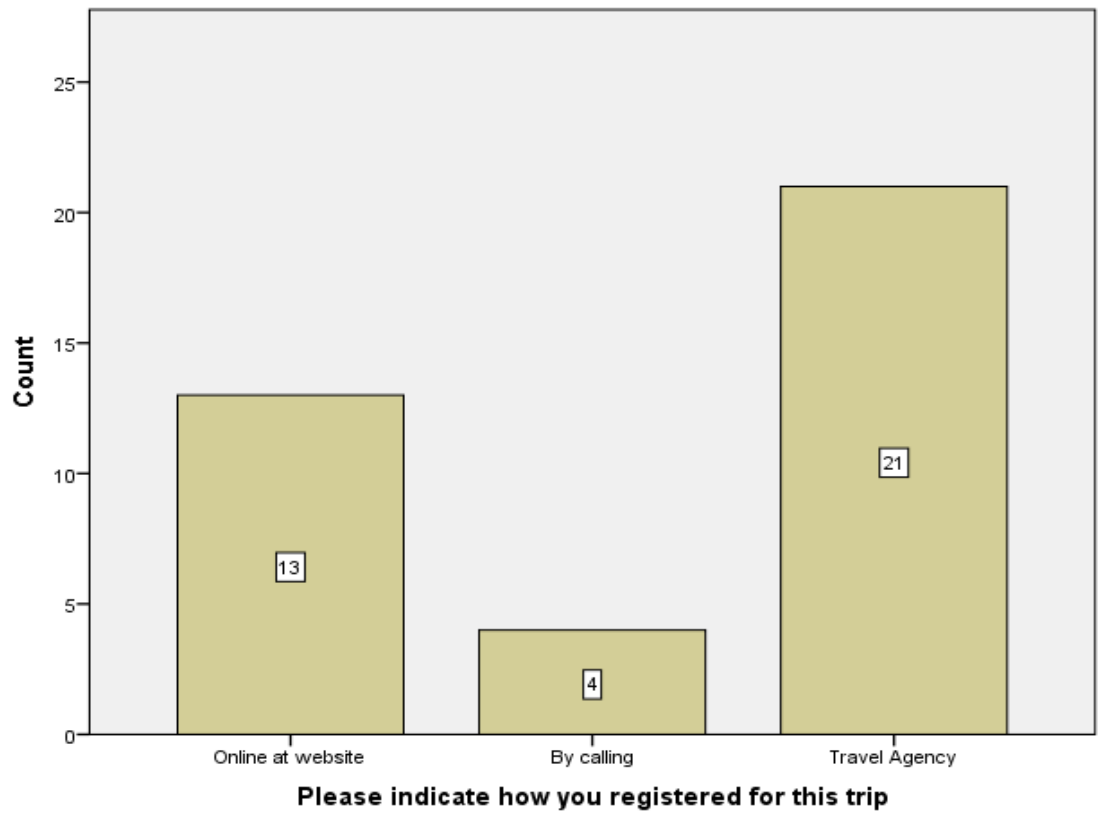


Figure 41. Method of registering for the trip

The graph 41 indicates the way of registering for this trip that tour operators chose. As illustrated, 21 respondents chose to register for this trip through their travel agencies while 13 persons registered online by themselves at Gloria Palace website and only 4 individuals chose to call directly to hotel to meet responsible staffs, for example Mrs. Barbara or Mr. Oscar, to reserve a seat directly.

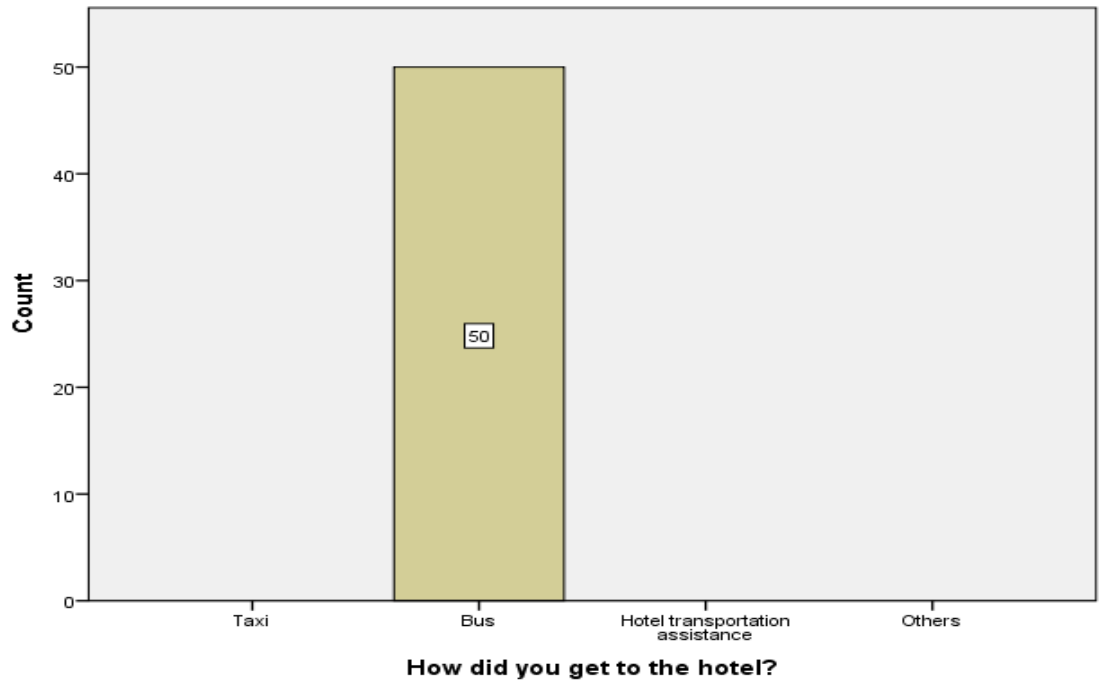


Figure 42. Transportation method

The chart 21 exhibits the most common transportation method that business partners chose to move from airport to Gloria Palace hotel. Bus seemed to be the most convenient vehicle for Fam Trip as approximately 100% of respondent went to hotel by bus.

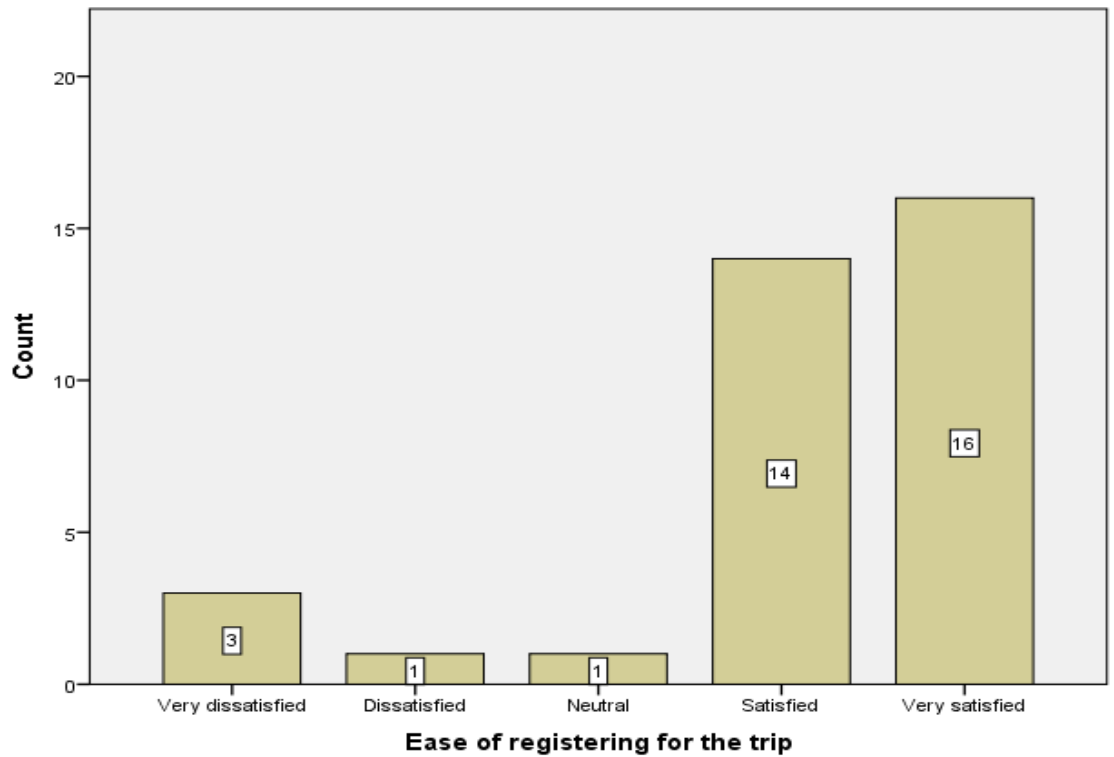


Figure 43. Ease of registering the trip

The graph 43 represents assessment of tour operators about ease of registering for this Fam trip. Generally, business partners were very satisfied with terms and procedure of registration for the trip with 16 very satisfied tour operators and 14 satisfied ones. However, there were still three individuals showed negative feedback for registration process with one displeased evaluation and three very discontent ones while there was one person had neutral opinion.

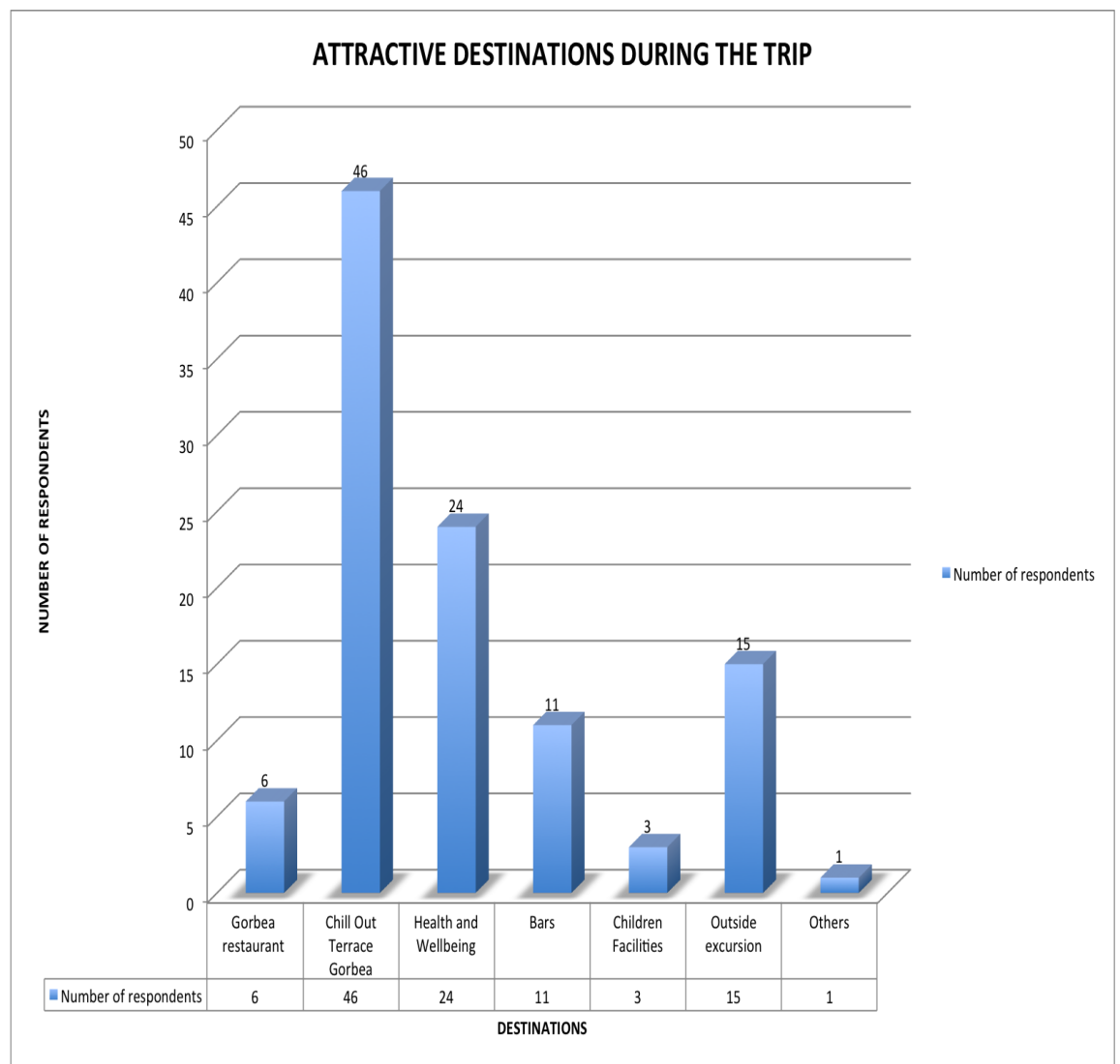


Figure 44. Which public place(s) attract you mostly at Gloria Palace San Agustin Thalasso & Hotels?

This chart displays public places attract guests mostly at Gloria Palace San Agustin Thalasso and Hotel during their trip. It is evident to see that Chill out terrace Gorbea in 9th

floor of hotel was the most favorite place of clients with 46 ratings, followed by 24 and 15 ratings for health and wellbeing center and outside excursion while 11 and six clients regarded bars and Gorbea restaurant as attractive places respectively. There were three patrons liked children facilities and only one persons chose another place outside the list of answer called roof top bar.

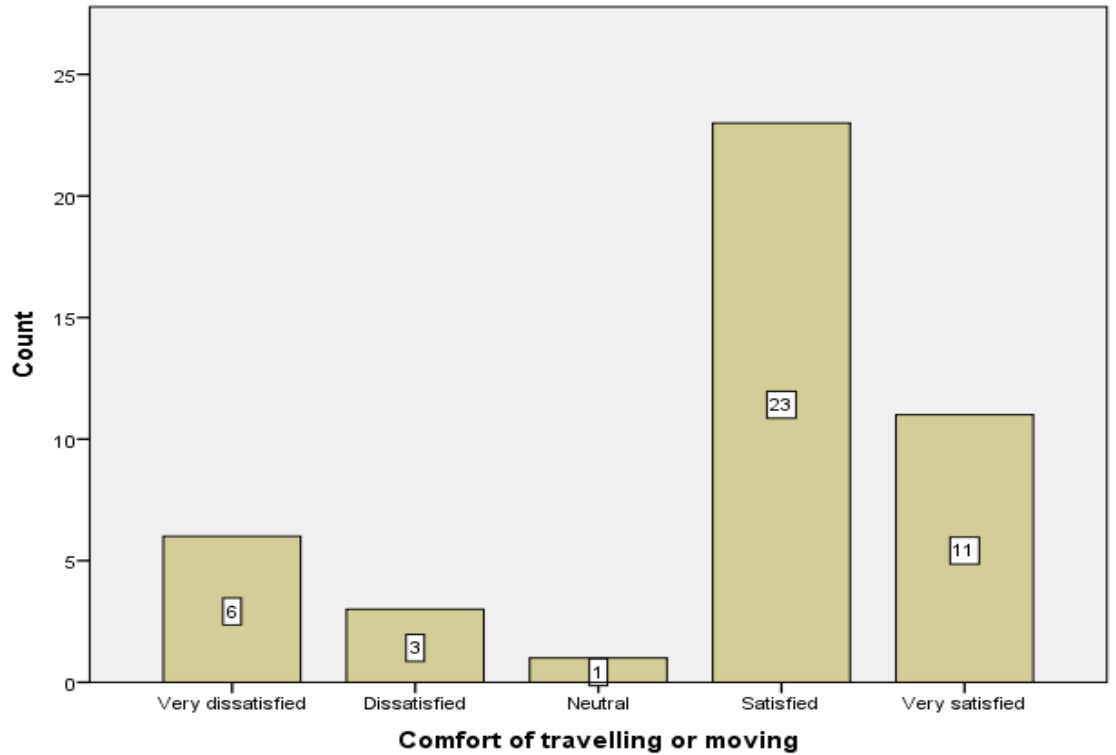


Figure 45. Comfort of travelling

The graph 45 describes how business partners thought about convenience in moving to Gloria Palace hotel. There were 23 individuals satisfied with transportation assistance during the trip while this number was smaller in very satisfied group with only 11 respondents. However, the amount of negative feedbacks was quite high with six persons felt very dissatisfied and three one expressed dissatisfaction.

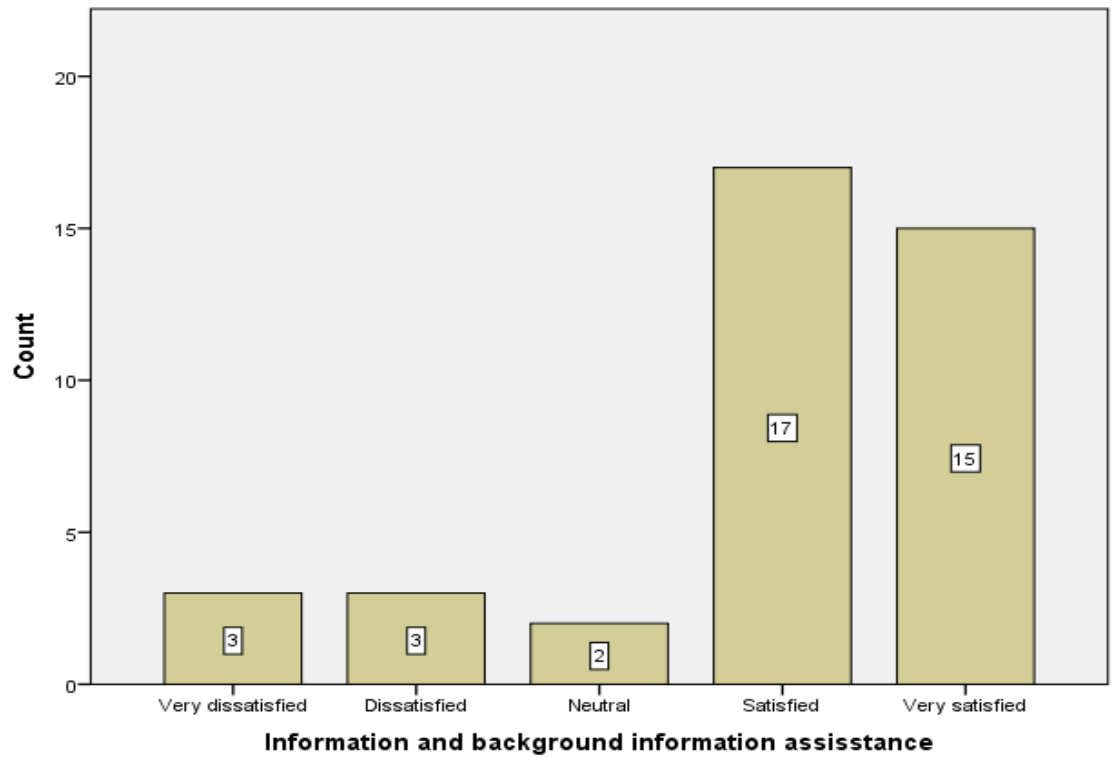


Figure 46. Information background and assistance

The graph 46 depicts the quality of information background and information assistance that Gloria Palace San Agustin offered to its business partners. As can be seen, 17 and 15 respondents were satisfied and even very satisfied with information demonstration and assistant of hotel respectively. Afterwards, there were two persons showed their neutral opinion while six ones in total exposed dissatisfaction and even very dissatisfaction with information provided from Gloria Palace.

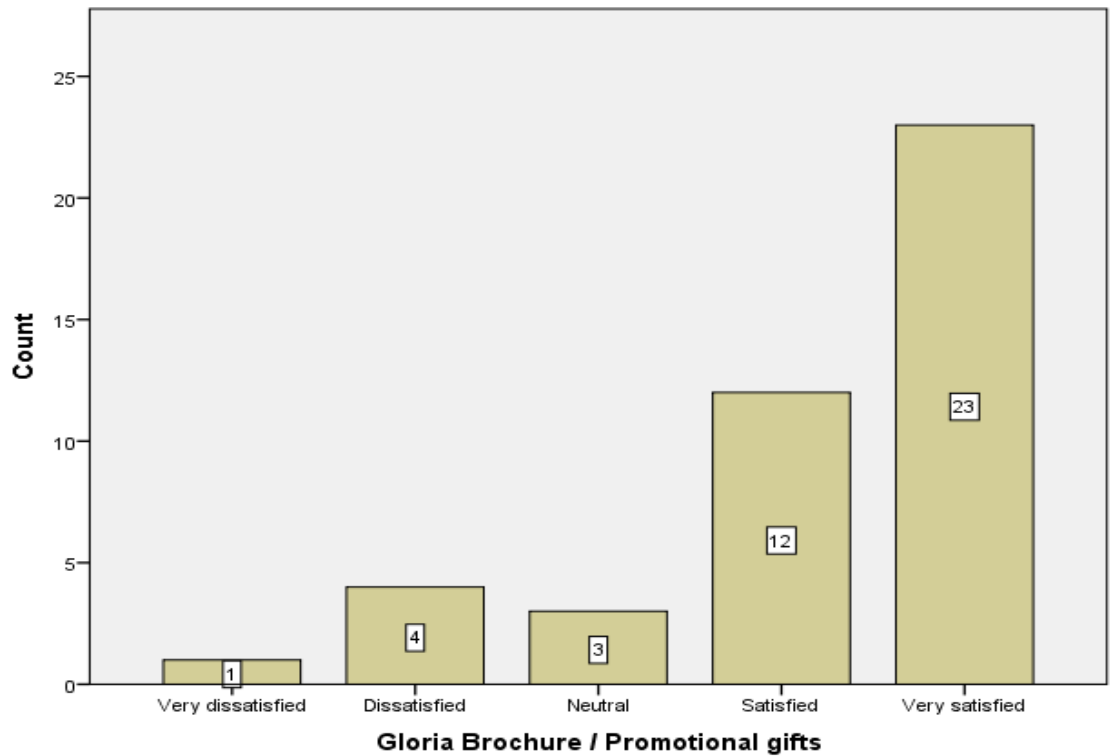


Figure 47. Gloria Brochure and Promotional gifts

Graph 47 elucidates satisfaction of tour operators for Gloria brochures and promotional gifts such as USB, USA wristbands or fruity candies with Gloria Palace logo which were delivered to business partners in Fam trip seminars. There were 12 and 23 tour operators satisfied or even very satisfied with Gloria brochure and promotional gifts respectively while these numbers were much smaller in dissatisfied and very dissatisfied classification with four and one responses respectively. For neutral opinion, there were only three persons showed their neutrality.

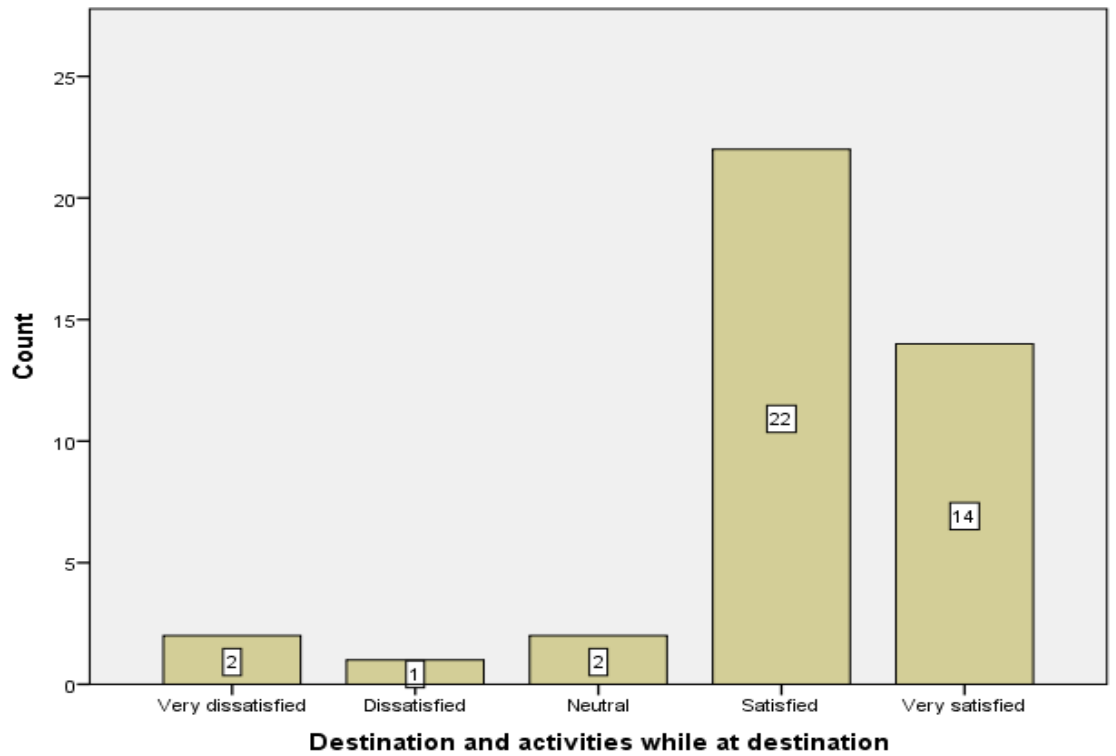


Figure 48. Destination and activities at destination

Graph 48 explicates general satisfaction of business partners for the hotel, its destination and activities while visiting location. As shown in graph, 22 respondents expressed their satisfaction while only 14 persons felt very satisfied with destination and activities. The amount of very dissatisfied and neutral opinions was equal with 2 respondents for each and only one person showed dissatisfaction with hotel and activities took place during the trip.

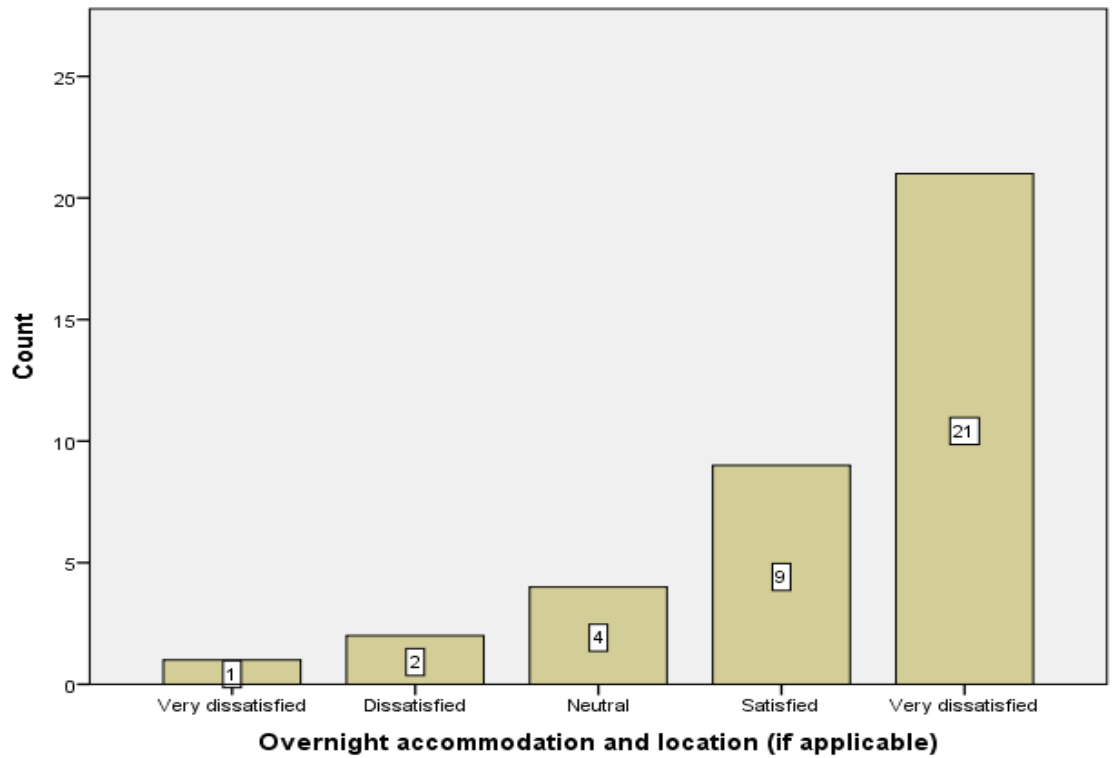


Figure 49. Assessment of overnight accommodation

The graph 49 clarifies appraisals of tour operators for accommodation and services offered by Gloria Palace San Agustín when they had reservation for an overnight Fam Trip which lasted at least two days in hotel San Agustín. In general, 21 tour operators were very satisfied with overnight accommodation and location offered by Gloria Palace hotel and nine individuals showed average satisfaction. There were four neutral opinions while only three dissatisfied and very dissatisfied assessments in summation.

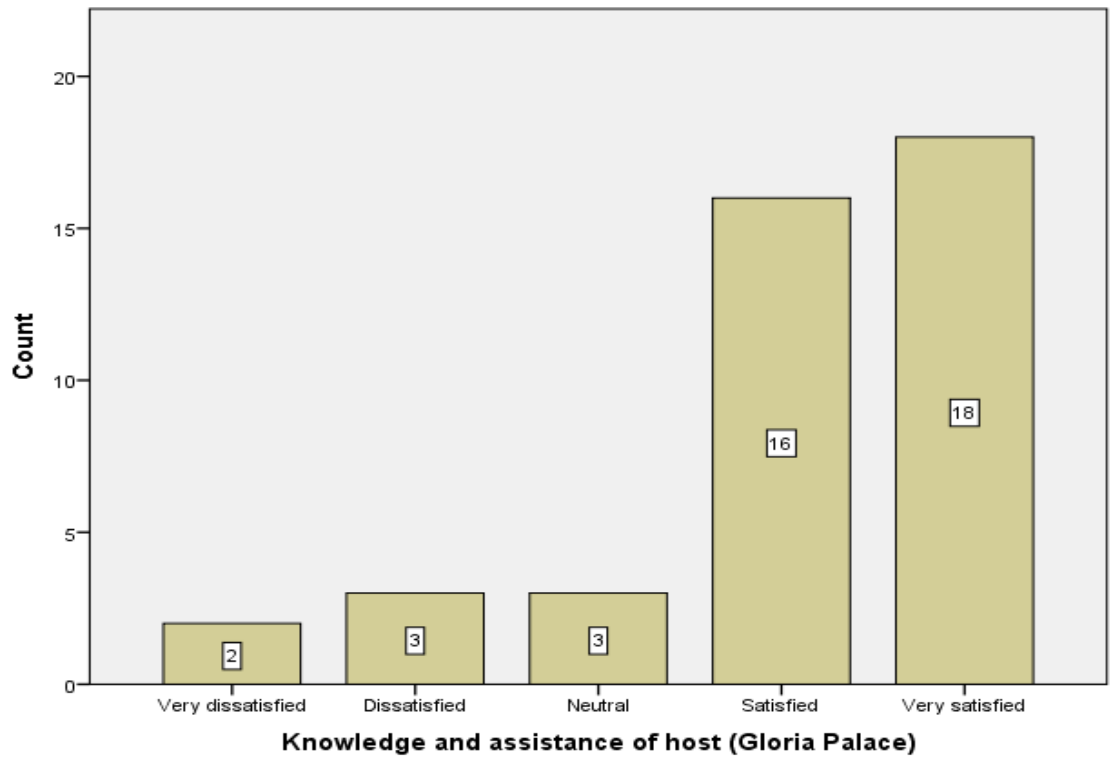


Figure 50. Knowledge and assistance of Fam Trip organizers in Gloria Palace

The graph 50 illustrates evaluations for comprehensions and supports of host. Obviously, a large number of tour operators were satisfied with knowledge and assistance of Fam Trip organizers with 34 persons in total. The amount of neutral and dissatisfied opinions was equivalent with three responses for each while there were only two individuals showed their lowest level of dissatisfaction.

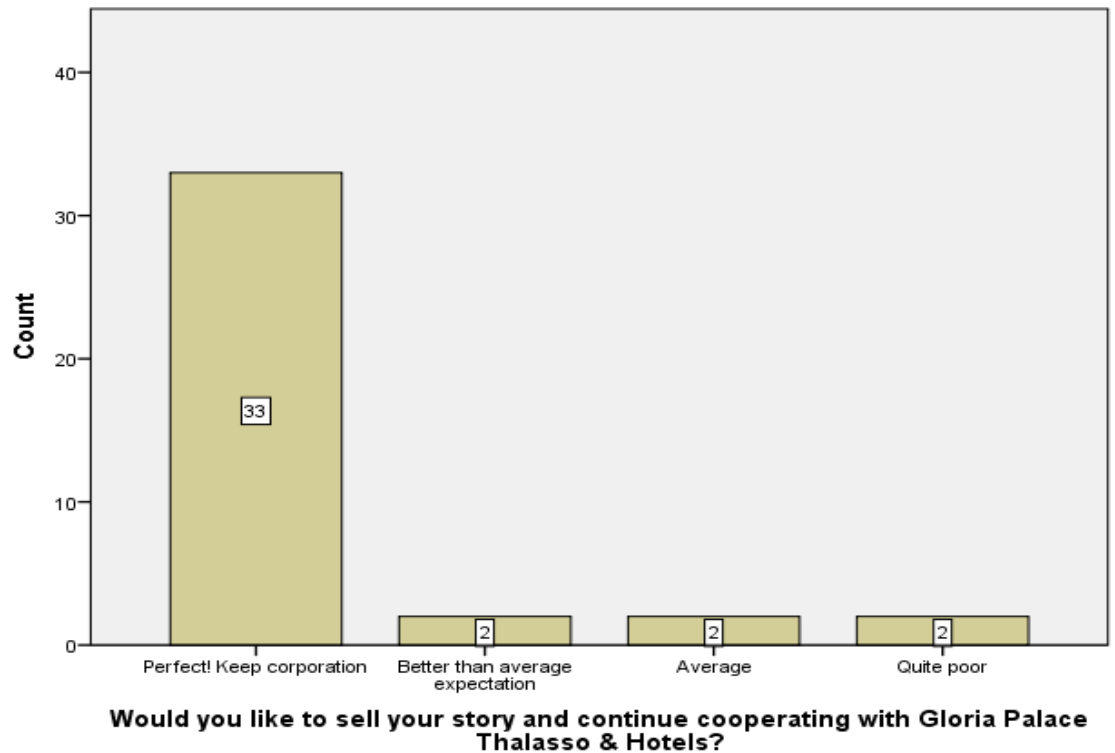


Figure 51. Number of business partners want to continue cooperation with Gloria Palace San Agustin

The graph 51 reveals the final conclusion of tour operators which alludes to perspective of continuing cooperation with hotel. There were 33 tour operators would like to keep cooperation with Gloria Palace San Agustin. There was only two respondents thought that the hotel was better than their average expectations and this number of respondents remain the same in the category of tour operators who had average and quite poor assessment for cooperation with hotel.

4.3 Post Press Trip Survey

Press trips are the media counterpart to Fam Trips offered to travel agencies. The term should not be confused because reporters are often much more demanding. The post press trip survey objectives were to gather pertinent background information of journalists visited Gloria Palace San Agustin Thalasso and Hotel such as years of founded and in cooperation with hotel, favourite season for travelling, way of finding, registering and arriving to hotel, the most attractive place in Gloria Palace and so on, evaluation of different aspects and recommendation for better improvement in Gloria Palace San Agustin Thalasso & Hotel in eleven respondents' opinions. After interviewing all per-

sonnel in Gloria Palace San Agustin, the author categorized the results into four main sections as follow:

Section 1: Basic information of journalists

In very year, there were many journalists came to visit Gloria Palace San Agustin Thalasso and Hotel. Their nationalities were Spanish, Dutch, German, British and some people came from the Northern Europe such as Norway, Denmark, Finland especially Sweden. Years of founded of journalism business partners were from less than one year to maximum of ten years. Almost journalism business partners had two to five years of establishments, followed by new ones with only several months to one year of founded while the number of six to ten years of establishment companies were smallest. As a result, it is evident to see that most business partners of Gloria Palace Thalasso and Hotel are young businesses. Referring to time of cooperation, the length of time from first time to more than 5 years. Most of business partners were new partners which just experienced first time of cooperation with hotel, followed by less than one year to two years of establishment partners while the amount of three to five years and more than five years partners were the same and smallest quantity.

Section 2: Findings in Post Press Trip

Before attending to the trip, all journalists had to search information of the hotel that they felt interested in visiting and writing a blog or journal about it. The result of the survey illustrated that word of mouth was the most popular way of hearing about this hotel because there were a high number of journalists chose to visit hotel through consulting reviews or recommendations of friends or colleagues while less partners discovered about this trip by themselves. Meanwhile, there were only two journalists in total answered that the information of this press trip was searched through brochure and monthly calendar. To register for press trip in Gloria Palace hotel, direct phone call or email to responsible staffs in commercial or marketing department was considered as the most common way of registration because online registration assistance was still limited by slow application process. After successful registration, all journalists were invited to visit Gloria Palace. Different from Fam trip, the transportation for journalists was more flexible because there were only two to three journalists at most came to hotel in each visit so they could choose any public vehicles such as taxi or bus as well as reserve free

hotel transportation assistance in advance. However, hotel transportation assistance was still the most favorite selection, followed by taxi while bus seemed not to be the top priority of journalists despite of cheap price. During the trip, journalists were invited to participate to different activities and visit attractive destinations of Gran Canary Island, especially Gloria Palace San Agustin. According ratings, Gorbea restaurant was the most attractive place in hotel with high quality of food and service, followed by health and wellbeing and bars. Chill out terrace was in the fourth place while outside excursions were not the favorites of journalists because there was only a small amount of people participated in outside activities.

Section 3: Evaluation of different aspects in Gloria Palace San Agustin Thalasso & Hotel

The evaluation section concentrated on investigating general satisfaction of journalists for press trip, host and its assistances to make improvement.

First, ease of registering for the press trip of Gloria Palace was highly appreciated due to the direct and fast registration process. Most of journalists felt satisfied with direct calling or email to marketing or commercial staffs to reserve a seat for press trip. However, there were still two neutral and one very dissatisfied opinion with the same explanation that although online and email registration were highly recommended, direct calling was the most convenient method that journalists chose but it was not always connected to responsible person which caused irritations. For example, there was a journalist who insisted on registering through phone call, had to call several times to meet the responsible person. In reality, this situation is very common because there were only two staffs working in Marketing and Promotion department who responsible for not only marketing duties but also promotional events and press and fam trip organization so they were not in office at every time.

Second, most of respondents felt satisfied with comfort of travelling or moving during the trip. In general, the hotel transportation assistances facilitated moving of journalists. With good knowledge of language and experienced welcoming service, drivers of Gloria Palace hotel were very helpful to assist journalists during their trip in Gran Canary Is-

land. There were one neutral and two dissatisfied opinions with comfort of travelling due to poor assistance of hotel for using public transportation.

Third, background information assistance of Gloria Palace was very good with full of information about hotel, accommodations, services, sports and outside activities and so on. In every press trip, the marketing department always had to prepare document files for guests with full of brochures of Gloria Palace San Agustin Thalasso and Hotel as well as pen, candies and a wristband or USB with inserted additional information, picture and spot or advertisement video of hotel. In addition, the quality of brochures and promotional gifts were excellent and up-to-date very year in order to ensure that business partners could connect in time with new changes of hotel. As a result, these documents were very useful materials for discovery of journalists and even could assist them in writing. From September 2012, the hotel decided to switch on using USB or wristband as an attachment in every press or fam trip events which received supports from partners because it helped reduce papery using and a USB with logo of hotel and inserted necessary information of was more convenient for the space and weight of a briefcase to bring to anywhere than a big and heavy papery document.

Finally, all journalists were very satisfied with destination activities while at destination, overnight accommodation as well as knowledge and assistance of Gloria Palace

Section 4: Recommendations for better improvement of Gloria Palace San Agustin Thalasso & Hotel

First of all, most of the answers mentioned that the hotel should improve its registration process by facilitating and reviewing quickly all online applications due to limitations in direct phone call and asynchronous of email registration. Normally, when a journalist wants to register for a press trip, he has to fill a customer services request form in official webpage of hotel. This form is a very simple one with some basic information such as first name, surname, e-mail, reason of request and comments. After receiving the form, Gloria Palace will contact back to the journalist to ask for confirmation email with detailed information attachment, which must be sent back to the email of responsible staff. In author's point of view, this process is quite complicated and the unprofessional blend between customer service and press trip form will caused irritations for partners.

Moreover, it is also a barrier for new journalists and freelancers writers. Different from fam trip which collective partners can register directly with travel agencies, the press trip is more personal which must be registered and managed by individual journalist. As a result, it is essential to public registration form for press trip in official website of hotel so that all necessary information of partner will be delivered on time which will be more professional to help both business and partner save time as well as increase efficiency of trip organization.

Last but not least, to assist journalist effectively, it is also crucial to provide clear and detailed information before the trip in advanced such as manuals, fact sheets and maps as well as public transportation information so that journalists can keep materials light without carrying around heavy bags of promotional materials.

4.4 Face-to-face interview

The face-to-face interviews objectives were to collect relevant background information of marketing status in Gloria Palace San Agustin Thalasso and Hotel such as price, hotel location, service, discount offered, after-sales marketing, customer satisfaction and trend of business with marketing situation in the future in each respondent's view. After interviewing all personnel in Gloria Palace San Agustin, the author congregated the results into three major sections as follow:

Section 1: Basic information of employee, such as name, gender and contact information

The executive manager, Gustavo Rodriguet, of Gloria Palace San Agustin Thalasso and Hotel had more than 15 years of experience in hospitality industry as a general manager. He had worked for Gloria Palace hotel more than 10 years with the main responsibility were managing the entire association group so as to organize and manage the overall operation of a hotel establishment and deliver all tasks to the whole departments of the hotel. In addition, he managed both the revenue and cost elements of hotel's income statement, which often referred to as profit and loss (P&L) responsibility. Furthermore, Gustavo also overseen other business operation aspects such as creating and enforcing business objectives and goals, managing projects and renovations, management of emer-

gencies and other key issues involving customers, workforces and facilities, comprising most of the hotel's marketing and sales functions of the business.

The Marketing staff, Barbara Svehlakova, had worked in Gloria Palace hotel for eight years. Her tasks were to manage Marketing duties, including brand developing in Marketing and Promotion department. Moreover, she was also responsible for taking care of employees and trainees, and coordinate with other business partners such as tour operators, journalists, public relations with the media. She was the trainees' supervisor in Marketing and Promotion department.

Section 2: Depth-investigation of business operation and marketing situation in Gloria Palace San Agustin Thalasso and Hotels.

During last two years, Gloria Palace has experienced an outstanding improvement in the level of guest satisfaction. Moreover, after the renovation in June 2012, its business operation has developed significantly. This is evident through an increasing number of positive customer satisfaction feedbacks in online travel websites. In 2012, according to customers' reviews, the hotel received awards of best choice for holiday such as Thomas Cook (Mark of excellence), Tripadvisor (Excellence for 2012), Holiday-Check (Hotel Recommended). Generally, the Gloria Palace hotel succeeded in maintaining the balance between the quality of services offered and its prices which were considered as the major reasons for the final determination of customers. In term of price strategy, depending on particular seasons, management board could consider that the price level for Gloria Palace San Agustin from high to medium or low. The cheapest seasons were May, June and July. The most expensive seasons were winter and Christmas. Together with flexible price strategy, management board still concentrated on increasing hotel revenue by increasing price after improving quality of food, service, cleanliness, accommodation and so on and cutting unproductive expenses. In details, there were five key areas of hotel: income and expense, guest satisfaction, workers satisfaction, relationship between departments and training for improving professional skills that the management put their efforts on those fields, including saving money more efficient with energy-saving (electricity, water, gas), food, drink and so on. For example, working closely with employees helped save money with 1.50 euros per person per day during 2011. Besides, the hotel also signed with tour operators an increase of 6% of prices based in its improvement in

the standard of services and the investment in this year in restaurant, snack bar, thalasso, reception area and so on which will be valid from the year 2013. Moreover, the hotel offered all-inclusive regime, which is served in the table that no other hotels in Gran Canary Island implemented it because most of hotels with all-inclusive offer a “help yourself system”. Furthermore, staffs had to work in all services considering the departments one by one to satisfy guests at the reception, in maintenance, comfort, cleanliness, restaurant, bar, breakfast, lunch, dinner, animation day, animation night, thalasso, restaurant Gorbea, Chill out. Every department was required to reach a satisfaction of budget level.

Considering to current marketing situation of Gloria Palace San Agustin Thalasso and Hotel, the hotel has recently begun a strong marketing and communication campaign called: “I love New GP San Agustin Thalasso & Hotel” in order to reposition the Gloria Palace San Agustin Thalasso and Hotel, after the innovation works which would take place from 2nd June, 2012 to May 2013. For example, in June 2012, there was a campaign on TV Antena 3 with an advertisement on 20 seconds has certainly created awareness in people’s mind on local Gran Canary market. In addition, the hotel is concentrating on showing changes to people through videos, advertisements, newspapers and catalogues because its objective was to send a message of a **new, modern, comfortable** image for journalists, couples and so on. In fact, the focus on organization of Press and Fam Trip were also effective marketing actions in bringing hotel many blog trips or bloggers as well as sales people from travel agents to visit and experience the new Gloria Palace San Agustin before sharing their feelings to other people in online and offline communities through blogs, newspapers, magazines or any other social media. In general, parallel marketing communication to all hotel’s online and direct sales channels, partners and clients, for instance, newsletter offers from web master, Facebook, Twitter and other social media websites, press trip and blog trips delivered the message of the new hotel’s concept of renovated facilities and better and more completed services which were certified by the clients on Web 2.0, Zoover, tripadvisor and so on.

Section 3: Advices for better improvement in marketing of Gloria Palace San Agustin Thalasso and Hotel

First and foremost, most of answers mentioned that marketing of Gloria Palace San Agustin should be improved and enhanced by remaining the essence of service as well as

stable relationship between price and quality which was regarded as the key for its reputation. The hotel should continue dealing with quality during the year and took absolutely and seriously the comments and suggestions to provided experiences and services based on guest satisfaction. To do this, it is very important to improve efficiency of PR department by switching it to dual working technique by dealing with public relation matters and solving complaints in both online and offline communities.

What's more, the new marketing campaign should insist on NEW concept. In addition, the focus more on after-sales-marketing is indispensable to improve customer retention. First of all, the discount policy should be taken into consideration because it is very necessary in order to adapt hotel price to the demands of guests to excel in competition, especially when the hotel is in the desire of developing potential friend group. It could be a disadvantage when a group of people cannot get a reasonable level of discount for their holiday in Gloria Palace hotel. Second, the basic loyalty scheme was very suitable for hotel before, however, this program should be upgraded to attract and maintain more loyal customers, especially after renovation in 2012.

Last but not least, the trend of business grows up with increasing prices and in order to do it, it is essential to be flexible in adapting with new way of marketing, selling and presenting products together with innovative and responsive in adapting the hotel and staffs to what guests demand. To implement this, the hotel should have plan of organizing and managing Post and Fam trip efficiently, including social media marketing. As recommendation of Barbara, the hotel is attempting to create reservation in Twitter besides main webpage and Facebook which is in desire of facilitating reservation process for customers.

5. STRATEGIC MARKETING PLAN FOR GLORIA PALACE SAN AGUSTIN THALASSO & HOTEL

5.1 SWOT analysis

Strengths

First, as mentioned earlier, Gloria Palace San Agustin Thalasso & Hotel is a gorgeous 4 stars establishment, situated in a spectacular, quieter area of San Agustin, San Bartolome de Tirajana in Gran Canary Island, which offers beautiful views of the Atlantic Ocean. Due to expedient place in an unobstructed and peaceful zone of the high side of San Agustin, about 600m away from the beach and 2km with 15 minutes for walking to the famous tourist resort Playa del Ingles, this is the perfect destination for family holiday. With its all-inclusive options, a great variety for guests including the children, gorgeous weather, the Yumbo shopping centre of San Agustin which is 500m away from the hotel, the Casino Palace is 500m away. Supplementary local attractions contain Amadores Beach and Meloneras Beach while Palmitos Park is one of the major attractions.

Second, being the leading business of Gloria Palace group from 1989, the hotel had experiences in catering and hospitality industry with high quality of services and wide range of facilities, which are significant for a comfortable stay of guest. The most competitive advantage of hotel based on the balance between price level and its various modern facility and high quality services offering, especially highlight of its own wellness centre is well-outfitted with a gym, soothing massage treatments and relaxing spa services. Thalassotherapy centre is the largest beauty one in Europe which comprises a health centre with sea water of seven thousand square meters, Get in Shape Pool - circuit with sea water, 35 hydro massage stations and relaxation zone with magnificent sea views and 45 cabins for personalised treatments which embrace massage, hydrotherapy bath tub, bubbling bath, algae therapy, special cures from three to twelve days. Moreover, other beauty and health care services also offered for customers such as personal medical check-up, aqua gym, physiotherapy pool, sauna, Turkish bath, thermal bath, Scottish shower, Kneipp shower, aesthetics centre focussing on Ayurveda, chocolate therapy, vino therapy and so on.

Third, the 2012 renovation has enhanced the positive image of a new hotel in the eyes of customers. Besides improvements in facilities, Gloria Palace San Agustin also attaches special importance to the quality of service and feasible serving process. Free Internet access in hotel area was one of new and prominent customer benefits. Through weekly surveys and feedback provided by Tripadvisor.com, Holidaywatchdog.com and Zoover.com, it is evident to see that the new innovations and value-added services helped to increase positive feedback and higher ratings in travel websites. These ratings are very important because 90% of purchasing decisions begin online so it helps the brand reputation keeps growing positively in Internet & Web 2.0.

Fourth, the hotel offers a unique and valuable Greeting and Welcoming Guest Service with a competitive price level, compared to other hotels in Gran Canary Island. In details, by booking holiday direct with the Gloria Palace website, customers can book the transfer from the airport via this site. Full instructions will be emailed to customers, and upon arrival at the airport, once customers had collected their luggage, a gentleman will wait with their names on a board and they will be promptly taken to a waiting car for the trip to the Gloria Palace. This service costs only 35 euros.

Finally, professional staff is also another strength of Gloria Palace San Agustin Thalasso & Hotel. Refer to human resource of hotel; permanent staffs have at least three years of working experience in hospitality industry. In addition, the hotel also has a large number of international non-salaried trainees working for different departments, from administrative tasks in commercial, marketing or human resource office to customer service duties in reception, restaurant or bar. All staffs are required to appear hospitable, professional, responsive as well as ability to multi-task under high pressure to provide excellent and pleasurable service experience for customers. Moreover, each person can use English plus one or two other languages such as Spanish, Italian, Dutch, French and German as working languages. Thereupon, most customers can experience their vacation in Gloria San Agustin hotel with their native tongue. On the other hand, staffs come from different nationalities or background have distinctive ideas for working and behaving, everybody polish up their knowledge by learning how to amalgamate advantages, avoid disadvantages as well as help Gloria Palace San Agustin in making development.

Weaknesses

The Gloria Palace San Agustin Thalasso and Hotel is a local business, which is limited in domestic operation, Gran Canary Island specifically. In every year, the hotel attracts travellers from different parts of Europe to come and stay; especially Western Europe, Ireland or UK as well as Northern Europe; however, these customer markets are limited and fluctuated because the hotel only possesses the domestic brand which is popular in Spain so its effect is quite weak in overseas. Due to the reason is that 90% of purchasing decisions begin online so many international customers find their pathway to hotel through feedbacks and recommendations of relatives who already spent time in Gloria Palace San Agustin or in travel websites such as Tripadvisor.com, Holidaywatchdog.com and Zoover.com while some others are Spain-oriented vacationers who targeted Spain as an interesting selection for their holiday. In fact, when the hotel extends into a larger setting may find confrontations with the obstacle of branching out beyond domestic border, however, the hotel business also presents far greater opportunities for making a profit, especially if the hotel is willing desires to expand and differentiate its offerings.

The second weakness was analyzed from client satisfaction feedbacks in travel websites. There are four dominant problems are safe in room, accessibility for family rooms, catering process and swimming pool services which are summarized from complaints of clients and compared to hotel system of competitors in Gran Canary Island to examine its exactness. First, it is a usual norm of hotels in Gran Canary, the hotel also charges the extra fee for safe of room which costs €2.5 per day and also a €5 deposit; particularly safe-box is attached to a wall. However, its in-room safe fee is also applied to inclusive rooms while many other hotels already eliminated this fee for inclusive clients. Second, although this hotel is highly recommended for family stays, the range of family rooms, which located in the opposite area to main building and surrounded by tropical garden has poor access for baby stroller so it is a big challenge for families have babies in their holiday because these guests always have to hold their infants in their arms while moving. Thirds, to distinguish the category of accommodated clients stay in hotel, receptionists are responsible for distributes blue and grey wristbands to inclusive and half board customers respectively, the catering process is still complicated and a little irritating when guests have to present a room key as a confirmation card every time to get drink. Finally, the swimming pool services are also a matter that must be considered. The opening time of swimming pool in summer is quite short, from 6.00 early morning to

20.00. As the summer in Spain is very hot and the sky gets dark late at 22.00 in the evening so it is reasonable to extend the opening hours because beach and in-water sports are all what people desire to enjoy during the trip as well as the main reasons to choose this Island for their holiday. In addition, the towel borrowing process is prolix. The workload of main reception is doubled when they have to deal with both check-in and out arriving and leaving clients in entrance area and towel borrowers. In case of high season, no segregation of inline customers causes longer waiting time and overcrowded, especially wet bathing suits in lobby. Furthermore, while food and beverage are charged by card, the deposit per towel, which costs 10 euros each, which is refundable at the end of the stay and 0.50 cents for laundry fee, is required in cash only so it also makes inconveniences for customers.

Next, marketing communication to solve negative feedbacks in travel websites is quite weak. The Gloria Palace San Agustin Thalasso & Hotel has both Marketing and Public Relation department, however, none of them solve problems related to post purchase evaluation of customers in travel website which affects mostly to its

Last but not least, seasonal turnover entails ongoing training and orientation of new staff, which costs lots of time and expenditure. Besides, the hotel receives many trainees come to work for different departments, especially reception and food and beverage department. Although this internship stimulation project of Human Resource department is benefit for advertising hotel image through training, creating an international environment with wide range of language using in hotel and reducing salaried employees by increasing non-salary trainees, however, this stimulation project still costs lots of time consuming as well as expenditure in training, especially professional serving manners, food, accommodation and amenities for trainees.

Opportunity

Recently, there are an increasing number of visitors to Gran Canary Island. Located in a volcanic Spanish Island with 340 days of sunshine a year and an average temperature of 22 degrees, Gloria Palace San Agustin Thalasso & Hotel is an ideal destination for those who want to have a summer holiday with plenty of sunshine. An interesting and dynamic series of recreational programs invites accommodated clients to participate in different

events during the day and in the evening programme with games, contests, competitions, professional spectacles as well as shows.

The gratifying triumph of Gloria Palace San Agustin Thalasso and Hotel is the reputation keeps growing, attracting customers from different European countries and expanding in worldwide.

Most of the co-operators would like to continue co-operation as well as travel agencies and companies try to build long-term relationship with the hotel. In accordance with responses of business partners, Gloria Palace San Agustin has brought considerable sales profit for them. Major travel agencies apprehend the hotel well because of the long-term relationship that lasted least two consecutive years. As a result, the partnership is considered as sturdy, trustful and permanent. Furthermore, many international journalists would like to come to visit and to write articles or journals as well as share their comments in newspaper, magazines or even in individual blog.

After 2012 refurbishment, the hotel has improved its facilities and services so this is the best opportunity to reposition and create new image of hotel in the eyes of clients, attract more ones and increase turnover. The new marketing campaign for renovated hotel called "I love NEW Gloria Palace San Agustin Thalasso and Hotel is an intensive two-years-project that will concentrate on building a strong brand, create and enhance customers' positive awareness of a new hotel by encouraging interactions between hotel and clients and attracting more and more people participate in various marketing and promotional activities.

Due to the Gloria Palace San Agustin Thalasso and Hotel is one of famous four stars one and Thalassotherapy center is one of world's most modern centres with diversity of unique and valuable services offering by the health and well-being centre of Gloria Palace San Agustin; therefore, the competitive pressure is not tremendous in the Gran Canary Island.

Together with convenient in-land-communal transportation routes, the developments of new aviation carriers to Island facilitate movement of travellers during their holiday, especially Scandinavian market and an emerging one as Norway where the hotel aims to

build market growth. For example, the prominent news is that on 29th October 2012, Norwegian launched two new routes from Sweden to Gran Canary. The low-cost airline now has flight once a week from both Malmö in southernmost Sweden and Karlstad in central Sweden while TUIfly Nordic flies twice weekly and Primera Air has weekly operation.

Threat

The primary threat emanates from new entrants pose to existing competitors in an industry. Although it was indicated earlier that Gloria Palace San Agustin hotel is one of famous four stars one and Thalassotherapy center is one of world's most modern centres with diversity of unique and valuable services offering by the health and well-being centre of Gloria Palace San Agustin, potential competitors in the same region are on their way of running similar business to the hotel.

Governmental figures released indicated that the economic recession causes unemployment rate of Spain in 2012 has reached 25%, which was claimed to be the record for this proportion. The interest rate in this country has approximately 7%, which was indicated at “dangerous boundary” by many economic experts. In brief, the current crisis of Spain has not demonstrated any recover expectation. All industries are affected, including tourism which is very sensitive to the current economical crisis that causes drop-down of Spanish as well as other European markets. Moreover, the decrease in low-fare airline connections also causes negative transportation effects to service industry in remote area or Islands. For example, recently, Ryanair has cut a number of flights to Gran Canary Island

Spain has an energetic tourism industry but this is seasonal and lacking of competitiveness, which only emphasizes on two period of time, Easter and the peak summer months. The major reason originated from not maximizing available capability and resources by developing a complex but dynamic out of seasonal tourist industry that is significant during current crisis. Actually, Spain depends more on distributing little more than typical factors such as sun, sea and sangria holiday. Except from the sangria, these factors are the same as what most other countries bordering the Mediterranean provide.

The Scandinavian market, especially the Swedish one has a long tradition in Gran Canary. Swedish tourists are pioneer in the tourism development of Canary Island, with a high proportion of repeating travellers, ultimately in winter, having the sun and beach vacation and with a medium economical level. Currently this market is in a post-maturity condition for the Island, in which levels of demand have diminished because of the progressive ageing of tourists and the deficiency of positioning, as Gran Canary Island is still an attractive holiday destination for young persons.

5.2 Macro-environmental analysis (PEST)

Economics Landscape

As shown in Figure 52, Spain is an industrialized country with the service sector and industry constituting around 87% of the country's GDP at present; it has plummeted from the initial of twenty-first century by 3% (Hobbs 2004, 21)

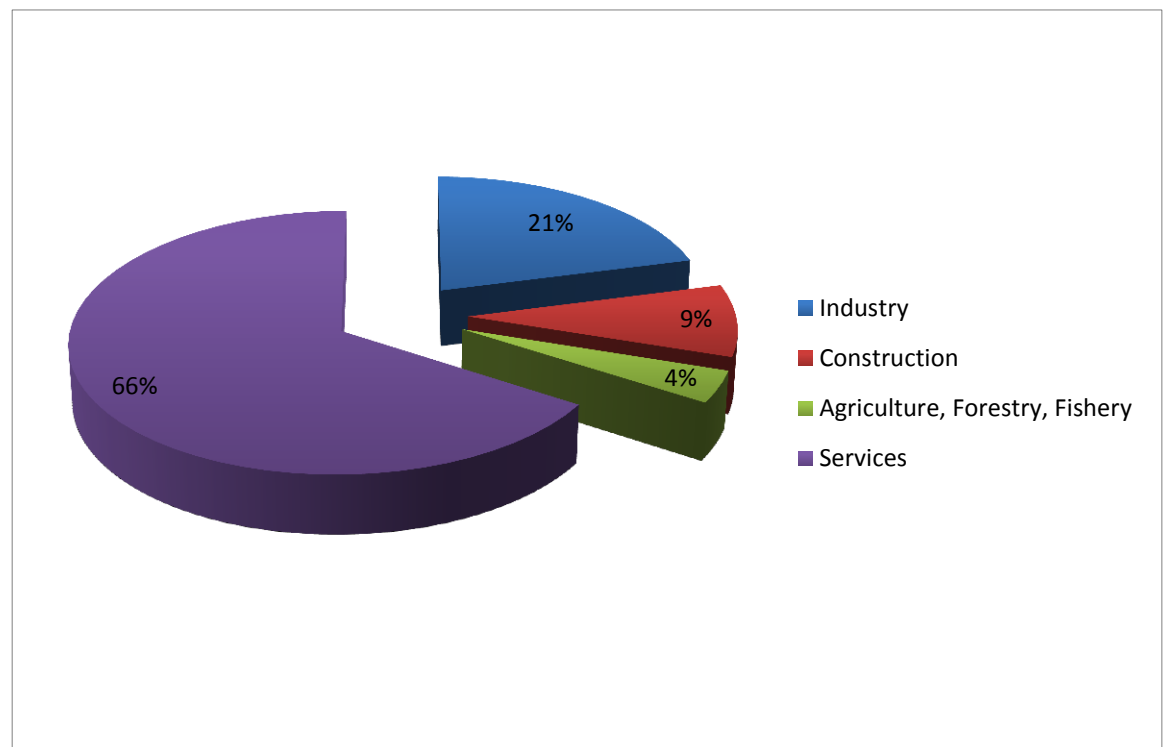


Figure 52. Economic sectors of Spain in year 2012 (Nummila 2012, 11)

From 2000 to 2006, the country was dominated European tourism industry, earning approximately 25% of the total incomes. Spanish tourism industry, nonetheless, inaugurat-

ed to plateau in 2008 as an outcome of several influences, comprising the global economic collapse and appearance of new entrants as cheaper destinations in Europe. Elements impact economic growths of Spain are such as Europeanization, the development of population, improvement in the standard of living, price level, especially dwindling loan expenses and escalation in employment also engender growth of purchasing power of customers which reinforces the growth of the economy.

In 2012, the Spanish economy is sliding deeper into recession with unemployment rate has reached 25%, which was claimed to be the record for this proportion. The interest rate in this country has approximately 7%, which was indicated at dangerous boundary. As a result, budget deficit and destitute economic recover prospects have made it vulnerable to financial contagion from other highly-indebted European members notwithstanding the governmental efforts to cut expenditure, privatize businesses, and enhance competitiveness through workforce marketplace reforms. That is the most significant economic risk for Spanish economy.

Political Landscape

Joblessness has rocketed to record levels approximately 25%, depositing Spain on a par with Greece, and igniting angry protests at the waves of spending cuts and tax upsurges presented by the government to decrease debt. The government decided to implement some economic policies, which one of the important purposes was to reduce the average wage, paid for employees due to the fact that the total debt of the country has risen day by day. It was estimated that other countries in Eurozone should provide about hundred million euros to save Spain, whereas some protests were organized by the people here to frustrate policies established by the government as well as the unstable political and economic circumstance. The instability of political condition and antagonism inside the borders of the country are matters that need to take into consideration.

Social –Culture Landscape

In Spain, the comprehension of English is primitive in most parts of the country, it is highly appreciated to have Spanish knowledge and most of the Spanish entrepreneurs prefer to do business in their mother language to avoid any difficulties in communica-

tions, such as misunderstandings, which can cause embarrassment. Spanish business world is more relationship orientated than task orientated, controversially like many Nordic countries. Feature of Spanish business culture are anxiety of losing face, individualism as well as uncertainty avoidance. Face losing is caused by criticism or embarrassment in the work place must be prevented. Besides, feeling of competence and control are highly appreciated. Spain has collective history, however, individualism with individual character and social status are highly valued in business environment. In management levels, managers do determinations not as part of group work. Personal relationship is significant in Spanish business, small talk and greeting whenever possible are desired. Spanish people prefer to deal with familiar circumstances; they are thoughtful towards new ideas and rapid variations (Vahamäki, Wahlroos 2011, 42)

Technology Landscape

In the beginning of 21st century the number of internet utilizations have increased sharply in Spain, especially early years 65% all small and medium-sized companies possessed some types of websites which are also associated with some methods of internet marketing. The lower level of calls charges and cheaper computer provision when the industry has grown facilitated this saltation. (Hobbs 2004, 295)

5.3 Competitor analysis

Competitors' analysis is considered as essential contribution to marketing planning process because it is useful assist executive recognize better their advantages and disadvantages in competition comparative with competitors to create an idea of rivals' past, present and future.

Competitors in Gran Canary Island

For Gloria Palace San Agustin Thalasso & Hotel, the rivalry befalls naturally between entities co-exist in hospitality environment which is limited in domestic. The hotel has three main competitors in Gran Canary Island at the present due to similarities in hotel star rating, wide range of products and services offering as well as customer market. This

competitor analysis part will investigate challengers of hotel in an approach of comparing prices and accommodated clients' comments in column.

Lopesan Costa Meloneras Resort, Spa & Casino ****

The Lopesan group first established its Lopesan Costa Meloneras in 2000. It is a 4 star hotel, is positioned on the seafront and near to the Nature Reserve of Dunas de Maspalomas, in the south of Gran Canaria Island. It is about 36.5 km from the airport taking about 29 minutes by taxi. In common with golden sands, pools and direct access to the sea, this hotel also delivers a wide range of sports and entertainment facilities as well as the Spa Corallium Costa Meloneras for those in search of relaxation. There is also a casino and business center. This hotel is also suitable for disabled friendly.

The most distinctive advantage of hotel is Corallium Spa Costa Meloneras which considered as one of Spain's most innovative and complete health and beauty centres, the pearl of the Lopesan Costa Meloneras Resort, Corallium Spa & Casino. On 3.500 m², the Corallium Spa Costa Meloneras offers a route around a hydrothermal circuit designed particularly to stimulate toxin eradication of body and sensations, relieving to reach refreshment and harmony in addition to invigoration of the cardio vascular and immunological structures. It also delivers a large assortment of treatments for a luxurious spa experience. These comprise massages, body or facial treatments, and hydrotherapy and unique cares as well as Orientals and Corallium cosmetics.

Cordial Mogan Playa ****

Founded in December 2004, the hotel Cordial Mogan Playa is officially ranked as four star hotel but worthy of a four stars plus rating. It is approximately 70 km from the airport taking around 45 minutes. Visitors can pre book shuttle, taxi and minibus transfers with Cordial Resort Holidays.

The hotel is a first rate establishment with excellent cuisines and services, achieved by staff who have worked for hotel since its opening. It is located in the city of Puerto de Morgan, near to the picturesque Mogan harbor area, a truly great choice for a luxury holiday. The short distance of 200-meter walk from the resorts main center and golden

sandy beach, while the marina area delivers a fabulous atmosphere that is only a further 5 minutes away. Moreover, the Cordial Mogan Playa Hotel has a spa & wellness center named "Inagua" with the total surface area of 750m², of which 372m² is entirely outside where clients can enjoy their vacation with relaxation and rejuvenation by sinking into water of the thermal-pool or choose from a wide variety of massages, wraps and treatments. An outdoor terrace of Inagua spa is perfectly fits to those who want relax basically, which has sun loungers. Two hour spa cares for Thermo-Pool, Sauna, Steam bath, Jacuzzi, Ice fountain and take shower with price of only 25€ per person which can be booked on arrival in hotel.

Seaside Sandy Beach ****

Established in 1986, The Seaside Sandy Beach hotel is a German run hotel business which positioned on the exciting Playa del Inglés, only a few steps away from an endless sandy beach. It is a capacious and family-friendly hotel resort with an atmosphere in which guests can relax and enjoy their holiday absolutely. Transfer from airport Gran Canaria Las Palmas International Airport is approximately 35 km taking about 45mins.

In the center of Playa del Ingles, the hotel is alive with young guests, and only 200 meters to the beach, fifty meters from the sand and shingle Maspalomas beach and on the brink of the impressive sand dunes; 500m from the center with boutiques, bars, restaurants and supermarkets; the main nightlife is 5km away. The architecture is an Arabic style that alters at night into a romantic experience reminiscent of the famous story 1,001 Nights. Furthermore, the oasis of luxurious spa and wellbeing appears all-inclusive with a sauna and a beauty salon. For physical health and well-being treatments, in 10th floor Spa with magnificent sea-views which offers thalassotherapy treatments, physiotherapy, health and beauty cares, massages, Rasul, Finnish sauna, steam bath and a large sunbathing terrace furnished with sun lounges for relaxation, as well as fitness center with cardio and body-building facilities.

Comparison of price level between Gloria Palace San Agustin Thalasso and Hotel and its main competitors

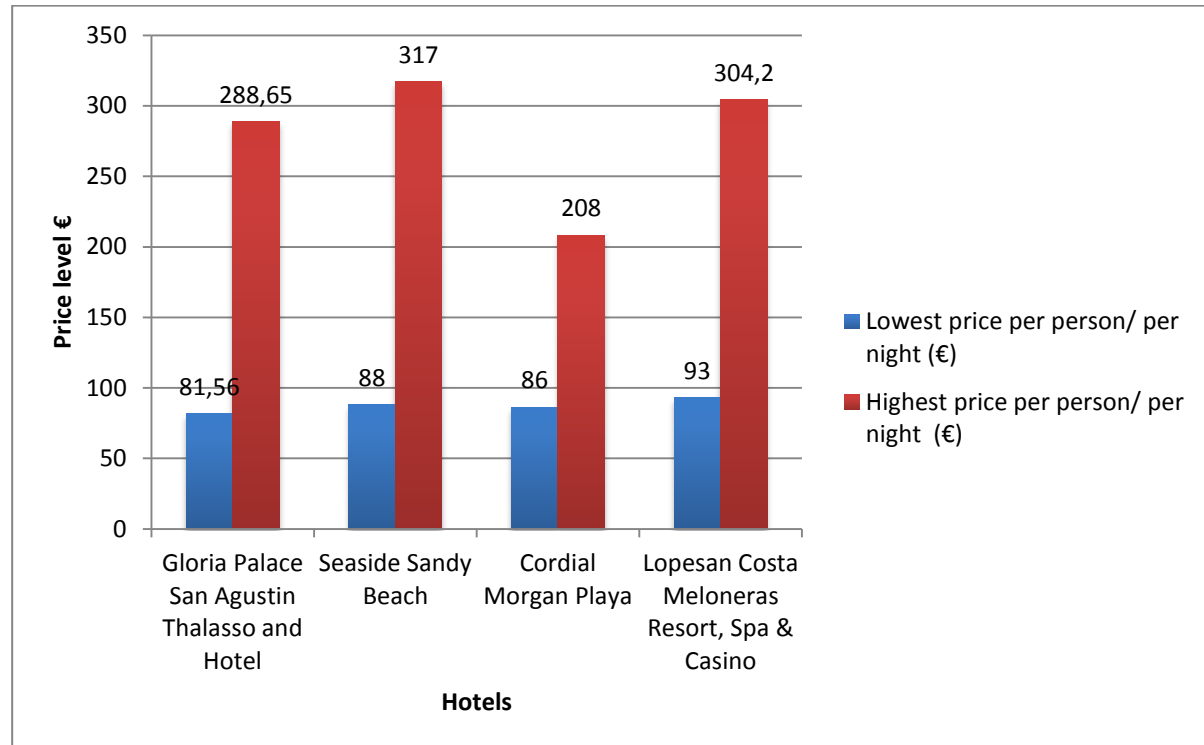


Figure 53. Comparison of price level between Gloria Palace San Agustin Thalasso and Hotel and its main competitors (Tripadvisor.com)

Figure 53 attempts to clarify the highest and lowest price to compare the price level between the Gloria Palace San Agustin Thalasso and Hotel with its main competitors Seaside Sandy beach, Cordial Morgan playa and Lopesan Costa Meloneras resort, spa and casino in Gran Canary Island. The common criteria for comparison based on number of guest, type of room and board. In details, in this circumstance, the research concentrated on investigating the highest and lowest price level per night of the four hotels, which offered half board, and twin standard sole use room which include one double bed for one guest in year 2012. The statistics was adapted from a famous travel website called Tripadvisor.com. As can be seen from the bar chart, Seaside Sandy beach offered the highest price level of 317 euros per night, followed by Lopeasan Costa Meloneras resort, spa and casino with 304.2 euros and Gloria Palace San Agustin hotel with 288.65 euros. The Cordial Morgan playa attained price advantage which had the best price offer at the cheapest of 208 euros. In the lowest price category, the Gloria Palace San Agustin had cheapest price level at 81.56 euros, followed by Cordial Morgan Playa and Seaside sandy beach with 86 and 88 euros respectively. Meanwhile, the lowest price of Lopesan Costa

Meloneras resort, spa and casino still seemed to be quite expensive for many guests in low season.

Comparison of customer reviews in value, location; sleep quality, rooms, cleanliness and services offered by Gloria Palace San Agustin, Lopeasan Costa Meloneras, Seaside Sandy Beach & Cordial Morgan Playa

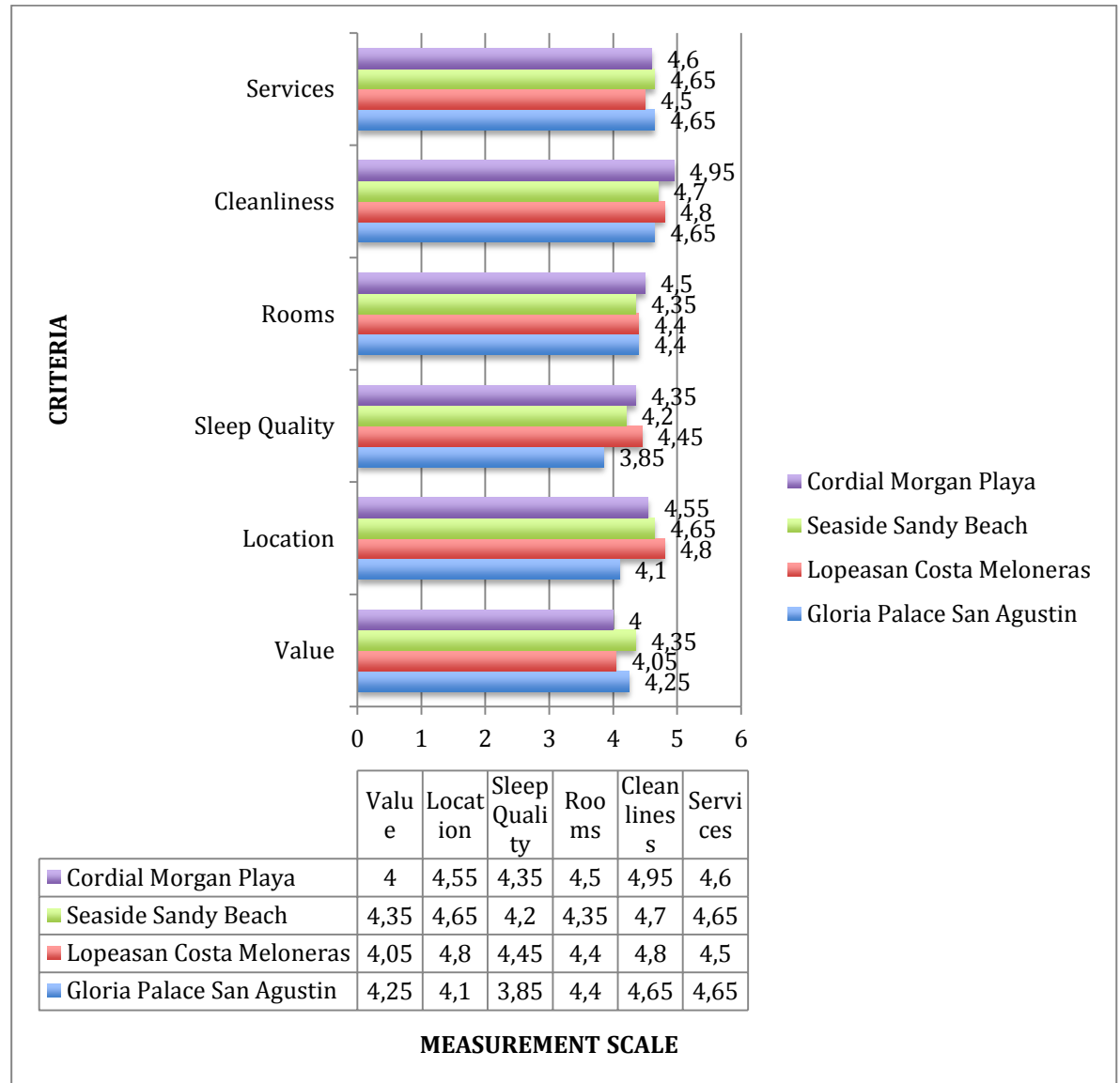


Figure 54. Comparison of customer reviews (Tripadvisor.com)

The above bar chart shows reviews of customers in term of value, location; sleep quality, rooms, cleanliness and services offered by Gloria Palace San Agustin, Lopeasan Costa Meloneras, Seaside Sandy Beach & Cordial Morgan Playa. As can be seen, Seaside Sandy

Beach is the leading hotel in the general value offered to customers (4.35 points) while the most competitive advantages of Lopeasan Costa Meloneras are location and sleeping quality with 4.8 and 4.45 points respectively. Next, accommodation and cleaning services of Cordial Morgan Playa were dominated with 4.5 and 4.95 points respectively. Finally, the hospitality services of both Gloria Palace San Agustin and Seaside Sandy Beach are highly appreciated with the same points of 4.65 given by clients.

Comparison of Customer Satisfaction Gloria Palace San Agustin, Lopeasan Costa Meloneras, Seaside Sandy Beach & Cordial Morgan Playa

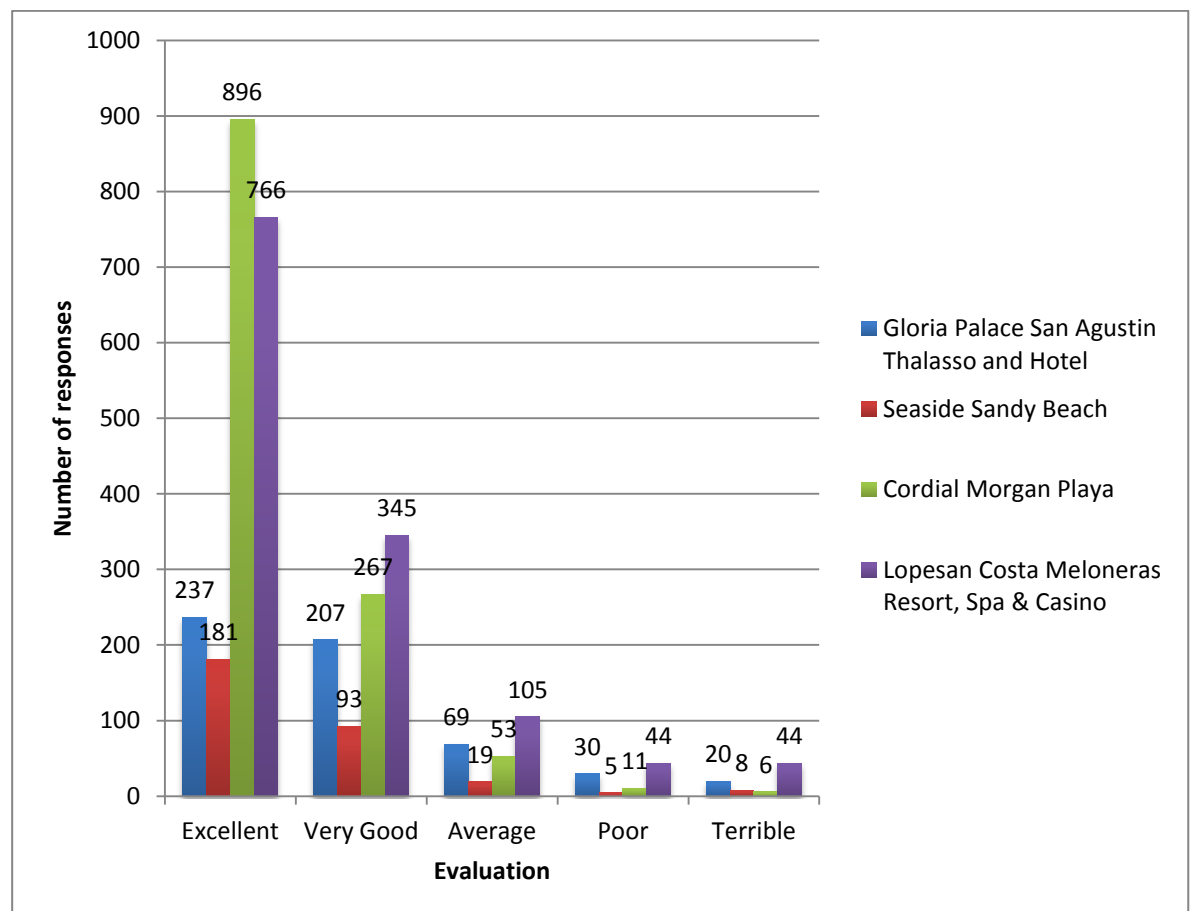


Figure 54. Comparison of Customer Satisfaction Gloria Palace San Agustin, Lopeasan Costa Meloneras, Seaside Sandy Beach & Cordial Morgan Playa (Tripadvisor.com)

The graph 54 demonstrates general customer satisfaction for Gloria Palace San Agustin, Lopeasan Costa Meloneras, Seaside Sandy Beach and Cordial Morgan Playa which was gathered, summarized and analyzed through after-holiday reviews of guests in the website tripadvisor.com. It is clear to see that customers rated Cordinal Morgan playa as

the most excellent destination for holiday with 896 responses. Lopeasan Costa Meloneras was in the second place with 766 votes, followed by Gloria Palace San Agustin with 237 approvals while Seaside sandy beach hotel possessed the lowest number of responses. In very good category, the story was unchanged. The Lopeasan Costa Meloneras was at the highest position with 345 responses, followed by Cordial Morgan Playa with 267 votes while Gloria Palace San Agustin seemed to be stable to remain its third position with 207 responses and Seaside sandy beach still possessed the lowest number of very good satisfaction clients. For neutral opinions with average satisfaction, Lopeasan hotel was still in the first place with 105 votes, followed by Gloria Palace San Agustin and Cordial Morgan Playa with 69 and 53 responses respectively while Seaside sandy beach was still in the lowest place. Finally, in category of negative view with poor and terrible satisfaction for these four hotels, it is evident that Lopeasan Costa Meloneras still had the highest number of responses with 88 reviews in total. Gloria Palace San Agustin and Cordial Morgan Playa were in the second and third places with 50 and 17 responses respectively while the situation of Seaside Sandy Beach remained the same as before.

To sum up, this research has clarified the post-purchase evaluation of clients through customer satisfaction reviews in one of the most famous travel website Tripadvisor.com which considered as a major impact to the efficiency of business operation of hospitality, especially when online pre-search becomes more and more familiar and influences significant to final decision of customers nowadays. However, public relation is another imperative hidden matter should be also considered in this research because most of the highest rating hotels are implementing very good public relation tasks to satisfy their prospective clients by creating sustainable connections with customers by encouraging, interacting or even solving complaints quickly and sending thankyou messages in public travel websites to those who active in sharing their experiences after staying in hotel to other people.

5.4 Target group of Gloria Palace

Gloria Palace San Agustin Thalasso and Hotel's target customer groups for marketing segmentation in marketing plan development can be categorized in descending order as follow:

Family Groups

As perceived as an excellent family hotel so Gloria Palace San Agustin aimed to satisfy the best this priority group. With the advantage of convenient but quiet location, the hotel is an ideal place for any families want to have an extraordinary holiday in Gran Canary Island, Spain. In every year, there is an increasing tendency in the number of family holidays in Gloria Palace San Agustin. The spacious establishment has sea sights, top quality gastronomy, amenities specially created for families, a thalassotherapy center and family-oriented, affable package within an atmosphere of a family business. In here, families are delighted with the kids' club and praise the family chambers. The family rooms can accommodate two adults and two children. Regarding to cuisine, the A la Carte Gorbea menu which also comprised special menu for kids and infants, designed by experienced chefs of Gloria Palace hotel. Common snacks such as hot dogs, hamburgers, French-fried potatoes, sandwiches and ice cream for children are offered between 10am and 6.30pm at the snack bar as well as cake time from 3.30pm to 5pm. For other children amenities, there is spacious a children playground inside the hotel, mini children friendly club named Tina's Club opens from 4 to 12 from 10.00 am to 6.00 pm, including child-minding. On Thursdays in summertime, there is an exceptional breakfast with mascot Tina at the mini-club terrace. In addition, there are many entertainment programs such as animation or games throughout the day for teenagers. Furthermore, there is a separate swimming pool, mini disco as well as baby-sitter service available on request with extra charge while cots are provided free of charge.

Couple Groups

After the highest number of family groups, couple groups are considered as the second concentration of hotel because it is occupied by a lot of couples of all ages and mobility abilities. The most prominent feature is that there is an increasing amount of young couples choose hotel for their honeymoon or even wedding event together with the most common customers are boyfriend with girlfriend or husband with wife.

Business Groups

In Gloria Palace San Agustin hotel, every season many companies arrange bonus trips for employees. Regularly the amount of participants is more than ten persons in each group. They require special conference and meeting private rooms and particularly requests for dinner menu. The total area of 420m² conference room which can be apportioned into seven adjoining modules. Each module has 60m², which can be amalgamated or separated. All of these conference rooms are furnished with air-conditioning, short circuit TV, projectors and screening equipment and the most up-to-date audiovisual systems. The other nearby bars and restaurants facilities is available for cocktail events or special occasion dining. Besides, the hotel also offers special services for groups such as separate check-in for group member rooms, optional room upgrades for group leaders, coffee breaks, cocktails, variety of options for working lunch menus and gala dinner menus as well as theme dinners like dances with live music or shows. Furthermore, quick and unique reservation of special thalassotherapy programs for groups is also available on request together with service of green fee bookings and organization of golf tournaments for conference groups.

Friends Groups

Friend groups are still potential ones that the hotel is attempting to develop because the amount of guests comes from this group still in limit. The main problem is that although the prestige of accommodation and service quality is very high with many excellent ratings, especially in online travel websites, management board minimizes the discount policy and it is only necessary when the hotel really desires to gain better occupancy level. However, in normal condition, its occupancy level is still in good status.

5.5 Marketing objectives

The marketing objective is to create brand awareness of NEW Gloria Palace San Agustin Thalasso and Hotel inside the mind of customers after its significant renovation in 2012. It is expected to create positive hotel experiences for customers to promote its reputation worldwide by improving the quality of accommodation and services as well as customer satisfaction.

5.6 Marketing mix strategies for Gloria Palace San Agustin Thalasso and Hotel

In hotel industry, product is service offered to customers. In Gloria Palace San Agustin Thalasso and Hotel, customers are willing to experience a newly renovated hotel with oceanic views, superior quality cuisine, friendly customer services within an atmosphere and facilities particularly designed for families, especially Thalassotherapy center which is one of world's most modern centres with diversity of unique and valuable services offering by the health and well-being centre of Gloria Palace San Agustin.

Hardware facilities of Gloria Palace hotel include restaurants and bars, swimming pools, sporty equipment, conference and congress, children, health and well being as well as thalassotherapy facilities and so on while software services refers to staff, quality of cuisine, hotel organization, communication as well as complaint solution and so on. Consulting with feedbacks and recommendations of customers in online travel websites such as Tripadvisor.com, Holiday.com and Zoover.com, these following matters should be taken into consideration for improvement, which are categorized into seven major elements of marketing mix strategy.

5.6.1 Product/Service strategies

✚ Elimination absurd extra fee for inclusive options

- Fee for safety box

Extra safe fee for each room which costs €2.5 per day and also a €5 deposit, particularly in-room safe-box is attached to a wall should be eliminated for inclusive customers.

- Free gym service

Fee for additional facilities such as workout room or gym is not highly recommended for four stars hotel or first class category as Gloria Palace San Agustin Thalasso and Hotel, especially when the hotel is attempting to provide first class superior service after renovation in order to promote its **new, modern, comfortable** image.

Extra charge of eight euros for inclusive option is unreasonable because this cost should be included in total costs of guest with discounts rather than requiring customers to pay separately in cash. This will cause irritations for guest as well as complication in service process.

For half board option, it is possible for hotel to charge this kind of fee while it is not highly recommended. However, it is essential to public information of extra charge for gym service in official homepage as well as other travel agencies websites in advanced to ensure that this change will not cause any negative effects to benefits of customers.

It is evident to see that the gym room is not always full of people, especially in Gran Canary Island because the main purpose tourists come here to be a sun and beach worshipper. Guests often spend most of time outside, under the sun or in the beach to experience warm weather in here. As a result, gym room is empty most of time. As observed, most of guests prefer having gym from 7.00 a.m to 10.00 a.m while the workout room is often unused after that period. Therefore, it is necessary to set up a period of time when customers are encouraged to using workout room free of charge. This strategy is effective to increase efficiency of workout room, reduce workload of gym room in high time as well as enhance the benefit of customers by offering them two selections to choose freely. For example, timetable for free gym exercise should be from 13.00 p.m to 17.00 p.m.

Quality of in-room Wi-Fi

Internet access and Internet terminal is one of prerequisites for any first class hotel. From June 2012, the Gloria Palace San Agustin Thalasso and Hotel implemented free Wi-Fi for the entire Gloria Palace hotel system. However, free Wi-Fi shows strongest signals in main reception area while it is weaker inside guests' rooms. For example, if a client wants to make a Skype phone call, it is the best to do it in main reception area. However, chaos and noises of incoming and outgoing clients will cause clutters in main lobby. As a result, the quality of in-room Wi-Fi should be improved so that guests can use at least satisfactory quality of Wi-Fi inside their room.

Vegetarian menu

In general, the quality of cuisine, especially buffet of hotel is very good with wide range of food selection. However, many vegetarian options stated as ‘V’ contain hidden meat or fish inside so this causes irritations to accommodated vegetarians clients because they are very sensitive to identify and distinguish this matter. Therefore, the food and beverage department must put more attentions and efforts on improve the vegetarian menu.

5.6.2 Place

Reservation availability with best rates guaranteed

Gloria Palace San Agustin Thalasso and Hotel offers an official homepage which is accessible for making multiple online booking for groups of customers. The separate reservation window provides full and detailed information of room type and rates, availability or promotional status with wide selection of number of clients, children as well as regime such as full board, half board, all inclusive or bed and breakfast options. Additionally, accurate landline telephone access in every area of hotel is ready for urgent booking. While online booking is highly recommended, personal booking inquiries are also responded and served within twenty-four hours to obtain the highest level of customer satisfaction in ease of reservation. Furthermore, the hotel also set up a fax system for abroad reservation inquiries. Experienced reservationists will follow-up on a voice mail recorded voice with the clienteles' phone number.

Transportation assistance

The hotel is situated on top of a breathtaking steep hill so it has clean and quiet atmosphere for a great holiday. To solve matter related to remote location, the hotel tries to provide twenty-four hours transportation available with specific information assistances such as rental car or in-reception taxi order service, free map and bus route and timetable updated information, especially free bus from the hotel to various beaches, Maspalomas and Playa del Ingles.

5.6.3 Promotion

Media advertising

Newspapers and magazines

The Gloria Palace San Agustin Thalasso and Hotel often participates in trade fairs, marketing events as well as cooperate with major national and regional famous newspapers business in Gran Canary Island such as Ahora Maspalomas, Canarias Presnsa de España, Wapa magazine and Revista C7, especially La Provincia or Canarias 7. Besides, except for Thomas Cook UK, the hotel should also cooperate with some other international magazines such as Sunday world Ireland, Spa and Well Being magazine as well as Scandinavia's magazines about Spain to expand free opportunity of social media marketing through publications offered by travel agencies.

Improvement in organization of press trip and release of press for advertising

As mentioned earlier, the hotel always tries to create the best opportunities for journalists to visit and write articles or journals to share their experience about accommodation and services offered by hotel. At present, this type of media trip attracted many journalists with different nationalities in European are such as German, British, Finnish, Swedish, Dutch as well as French. Press trip registration and organization should be improved to provide better experience for journalists.

First of all, the online registration process in official homepage should be encouraged because it is more professional and eliminating time wasting because journalists only have to fill a form with detailed information required by host.


Second, together with press trip push strategy, the hotel should also starts pull one by selecting and sending invitations to the writers at national, regional and city-based family publications to create an opportunity of exploiting its desired and potential media partners.

Third, it is essential to prepare a detailed list with description of the trip and send it to journalists. For example, a description should include some features such as arrangement

of transportation assistance, what sites they will see or restaurants they will eat and so on.

Fourth, journalists are looking for faces and personalities, not just printed material. As a result, it is essential to provide an experienced storyteller or a speaker to share its extraordinary traits, instead of just a brochure and time to browse.

Finally, the hotel should set up a deadline for the request for responses from the invited persons (RSVPs) and release press for advertising in official homepage.

 Sales promotion

Participation in international trade fairs

Along with national trade fairs such as Fitur-one of the chief tourism sector trade event in Spain, Aratur-Spain's leading trade fair for travel and tourism industry, annual workshops-travel fairs in Gran Canary and Tenerife, it is also very important to participate to international trade shows, which takes place in Europe. There are some trade fair suggestions as follow:

- Holiday world Tradeshow: Holiday World show is an outstanding blend of joy, adventure and life. This show is organized in a sole outlet where all participants can access with all potential characters related to tourism packages, trips and many more in the lap of rich natural and cultural beauty. The most enthrusting advantage of the tradeshow is that all the offers are available under one roof.
- IBT Berlin-the world's leading travel trade show: The entire assortment of travelling is illustrated at ITB Berlin are destinations, travel agencies, tour operators, booking systems, suppliers and carriers as well as hotels in tertiary industry.
- World Travel Market-one of the leading trade shows related to the travel industry. Many leading corporate experts from tertiary industry, and high number of exhibitors and visitors participate on this show. In addition, many exhibiting

businesses have the possibility of reinforcement their professional networks, by becoming profitable partnership deals with industry peers. There are sheer range participations such as hotel with accommodation sector, travel agencies, airport and flight travel services and tourist board services, event management services as well as tourism management supports.

Direct marketing

- Fam trip organization

Fam trip organization is one of direct marketing methods the hotel should focus to implement and improve it better. In every month, there are many familiarization trips organized for tour operators mainly from Spain, Germany, and Britain such as Tui, Neckermann Alemann and Thomas Cook. In general, all tour operators come to visit the destination, experience the hotel as well as attend a seminar to update information and sales policy to either increase knowledge or the amount of product or service that an agent or tour operator is selling. As a result, the hotel is attempting to offer free accommodation, food, beverage and outstanding services such as outside excursions, meals in Gorbea restaurant or even voucher for trial Thalassotherapy center. Through this way, tour operators can experience services first in hand so they can adequately sell it to their customers. In addition, policy of sales on commission should also be adjusted to satisfy business partners. The hotel used to apply policy of 6% commission based sales for tour operator for a long time which is recently not effective anymore. To improve this situation, it is highly recommended to offer other types of incentives other than money. For example, the hotel can offer a voucher of eating in Gorbea restaurant or experiencing Thalassotherapy center to best sellers in addition to 6% basic commission based sales.

- Brochures, price list, newsletters

Furthermore, staffs of Gloria Palace hotel often send every newsletters, seasonal brochures, price lists, and newest promotional program description and so on to business partners and loyal customers by post or emails.

Loyalty program for Gloria Palace Thalasso and Hotels

Being a part of relationship marketing, the loyal program is substantial to retain existing patrons. It is evident to see that it costs a firm approximately five to ten times more in acquisition a new accommodated customer than it does to sell to an existing one -- and on average those current clienteles of hotel spend 67% more than a new one. It is important to start concentrating on loyalty program, especially after renovation of accommodation and service to create better experience for customers of Gloria Palace San Agustin Thalasso and Hotel. However, in case of a domestic hotel like Gloria Place San Agustin Thalasso and Hotel, a membership card is not crucial for loyalty program of hotel, however, a well-done system with concentrate on following clienteles is important. For example, concentration on loyalty customer management with record of staying frequency and spending behavior, a list of bonus or extra value and benefit or additional amenities that loyal client can receive such as guaranteed room availability up to five days before arrival, priority check-in, Gorbea restaurant or Thalassotherapy center vouchers, discount on the room rate, better accommodation category, chocolates or small gifts with free beverages as well as other items distributed to the room before arrival.

Public relation

In addition to endeavors in showing new image of a new, modern and comfortable hotel to clients and business partners through videos, advertisements, newspapers and brochures of hotel, organization of some parties of popular or famous stars, weddings event or ceremonies which are particularly supportive to promote reputation and popularity of Gloria Palace San Agustin, it is essential to solve complaints and negative feedback in online travel agency websites to both satisfy customers as well as nurture and enhance the positive and active image of hotel in the eyes of clients. At present, the overall situation of marketing communication to solve negative feedbacks in travel websites is quite weak which should be improved with the help of PR department.

Moreover, it is also important for hotel to enhance its image of responsible business through participating in collaboration with ADEPSI non-profit association of Gran Canary Island in protection of environment and respect for social issues. For example, participation in the Earth Hour event and donating 50 daily menus in every six weeks for

disadvantage people in municipality, donating mattresses, removed from the hotel when they were in good condition but did not adapt to the suggestion of customers demanding softer mattresses which will be delivered to disadvantaged families.

5.6.4 Price

At the moment, the price level of Gloria Palace San Agustin Thalasso and Hotel is quite competitive because it still maintains the balance between the price and quality of service so it is worth to every euro spent by customers. To adapt to changes between high and low season as well as compliment to new loyalty program and promote potential friend group, it is highly recommend to adjust and apply new free and discount policies as follow:

Free policy for friend group (minimum number of members in one group: 5)

Case 1: The size of friend group is more than eight and less than sixteen persons, the tour leader will get 50 % discount and a drink on arrival.

Case 2: The size of friend group is more than sixteen and less than 32 clients so the tour leaders will get one free single accommodation with a welcome gift in Gloria Palace San Agustin hotel.

Case 3: The size of friend group is more than 32 people so two customers will get free accommodation.

Price & Discount policy

Minimum length of stay requirement at hotel is three nights. Extra discount of 5% will be applied only for a stay exceeding three nights in low or cheapest season from May to the end of July.

Customers have to pay week price for six nights while the price will be 10% discount from the seventh night. The 25% discount will be awarded for those who stay in hotel from the fourteenth day. This policy is applied for individual, couple or even family group.

In case of family group with children, it is specified more details as follow:

- One kid under 2 years old stays free of charge in an infant bed. The maximum amount of additional cribs allowed in one accommodation is only one item. The type of extra cot is upon request in advanced and must be confirmed by management. Supplements are not calculated automatically in the total costs, it should be paid separately during the stay.
- One child from two to eleven years old is charged 50 % of the room stay per night and person in an extra bed.
- One older child or adult is charged 70 % of the room stay per night and person in an extra bed.

5.6.5 People

In general, permanent personnel of Gloria Palace San Agustín Thalasso and Hotel have to prepare written blueprints while attending monthly staff meetings to up-to-date on the current marketing goals, upcoming marketing activities with obvious instructions and authorization to reinforce the coherence and consistency of the entire operation system so that the workforces are cognizant of their duties and extend of authorization in dissimilar client related circumstances. In addition, internal employee satisfaction survey is necessary to carried out monthly in order to best understand to satisfy about internal workforce.

Internship program is a stimulation project of Human Resource department is benefit for advertising hotel image through training, creating an international environment with wide range of language using in hotel and reducing salaried employees by increasing non-salary trainees, however, this stimulation project still costs lots of time consuming, food, accommodation and amenities as well as expenditure in training, especially professional serving manners for those who work directly with customers in bars, restaurant, reception or food and beverage department. It is essential for tightening and more selective this program to choose best candidates for training program in hotel.

5.6.6 Process

In general, the catering process of Gloria Palace Thalasso and Hotel is very good which was remarked by high level of customer satisfaction through online and offline survey. However, there are three weaknesses that should be resolved for improvement in the following:

Sole wristband identification

To distinguish wide category of accommodated clients stay in hotel, receptionists are responsible for distributes blue and grey wristbands to inclusive and half board customers respectively on their arrivals. Sole wristband is much easier and convenient for identification than showing both wristband and room key because it will help eliminate the complication in serving process. For instance, in case of a group of customers want to order drinks while there is only one key and they are in different places inside hotel such as swimming pool, reception or roof top bar, it is more convenient to show only the wristband because each of clients are distributed a wristband on their arrivals while there is only one official key card for each single or even double room. Normally, the hotel still provides extra key cards for clients, however, most of them do not often ask for five separate keys although there are five persons in a group. As a result, the individual wristband is enough for identification.

Swimming pool services

There are two matters of swimming pool service should be considered: separate swimming reception and extended opening time in summer.

Swimming pool reception

In addition, the towel borrowing process is prolix. The workload of main reception is doubled when they have to deal with both check-in and out arriving and leaving clients in entrance area and towel borrowers. In case of high season, no segregation of inline customers causes longer waiting time and overcrowded, especially wet bathing suits in lobby. Furthermore, while food and beverage are charged by card, the deposit per towel, which costs 10 euros each, which is refundable at the end of the stay and 0.50 cents for laundry fee, is required in cash only so it also makes inconveniences for customers.

Extended opening time in summer

The opening time of swimming pool in summer is quite short which lasts from 6.00 a.m early morning to 20.00 p.m in the evening. Due to the reason that the summer in Spain is very hot and the sky gets dark very late, at 22.00 in the evening so it is essential to extend the opening hours so that clients can enjoy longer time in swimming pool because sunshine, beach and water are what customers want to experience at most during their trip.

5.6.7 Physical evidence

After renovation in June 2012, the physical evidence of Gloria Palace San Agustin Thalasso and Hotel is magnificent in the eyes of customers with supplement of additional high-tech amenities such as big IPAD in reception area where guests can use finger-touch to search general information such as weather, flight and transportation routes information in Gran Canary Island. Moreover, other physical facilities such as game rooms, bars, restaurants, swimming pools, gym, spa, and thalassotherapy are best evidences of different high quality facilities of hotel. However, quality of bed is a remarkable matter that should be considered for improvement. As several reviews from Tripadvisor.com illustrated that some beds are quite hard for their back so it is highly recommended that the hotel should to put extra mattress toppers in advanced so that clients do not feel bad with their back anymore.

5.7 Implementation Program & Financial forecast

In addition to implementing marketing mix strategies as illustrated above, it is highlighted for hotel to concentrate on fostering ongoing relationships with frequent and new clients, reinforcing and enriching a strong communications plan for national and international marketplaces. Moreover, the hotel also needs to leverage its strength in local community by participating to local events, protection of environment and respect for social issues. Last but not least, staff training and skill development issues should be concentrated to ensure that employees will deliver the highest standard of services to customers.

The action programs and estimated budget for marketing activities required annual investments could be estimated as follow:

| Marketing Activities | Entity | Time | Location | Responsible persons | Total cost |
|--|--|---|---------------------------------------|---|--|
| Local newspapers | Canarias Presnsa de España, La Provincia, Canarias 7, Revista C7 | January-December, 2013 | Spain and Gran Canary Island | Barbara Svelahkova | 15000-16000 euros |
| International magazines | Thomas Cook UK, Sunday World Ireland, Spa and Well Being magazine, Scandinavia's magazines | January-December, 2013 | Europe | Barbara Svehlakova | Free of charge (offered by tour operators) |
| Local workshop-travel fairs | Aratur Fitur | | | Barbara Svehlakova, Oscar Calle | About 5000-6000 euros |
| International tradeshows/workshops | World Travel Market | 4 th -7 th November 2013 | London, United Kingdom | Eva Brunhaver, Lucy Torres, Oscar Calle, Barbara Svehlakova | Approximately 25,000-30,000 euros |
| | IBT Berlin | 6 th -10 th March 2013 | Germany | | |
| | Holiday World Tradeshow | 7 th -10 th February 2013 | Praha, Czech Republic | | |
| Events and congress (Parties, wedding and banquet) | | January-December, 2013 | Chill out terrace, Gorbea restaurant, | Wikin Carrasco | |

| | | | | | |
|---|--|-----------------------|---------------------------------|---|-------------------------|
| | | | Bar and Thalasso- therapy | | |
| Incentives for best tour operators (voucher for experiencing Gorbea restaurant, Chill out terrace and Thalassotherapy) | | January-December 2013 | | Barbara Svehlahkova & Oscar Calle | About 10000 euros |
| Marketing amenities such as brochures, price list of Thalassotherapy (leaflets in 5 languages), pen, and candies with logo, USB, ect. | | January-December 2013 | | Barbara Svehlakova, Oscar Calle | 9.489 euros |
| Press and FAM trip estimated costs (applied for only free offer of service experience vouchers, accommodation, transportation assistance) | | January-December 2013 | | Barbara Svehlakova, Oscar Calle, Natascha Bauhaus | About 13000-15000 euros |

| | | | | | |
|--|--|------------------------|-------------------------------|--------------------------------------|---------------------|
| Press releases | | January-December, 2013 | Official homepage/ Press room | Antonio Segura (webmaster) | Free |
| Participation in the Earth Hour event | | Time changes | | Barbara Svehlakova, Oscar Calle, | Free |
| Donation 50 daily menus in every six weeks, unused mattresses removed from the hotel to disadvantaged families | | | Gran Canary Island and ADEPSI | Mr. Gustavo Rodriguet, Eva Brunhaver | 10.000 euros |
| Total estimated costs | | | | | 87.489-96.489 euros |

5.8 Control

This marketing plan is well structured to enable hotel to achieve the strategic goals, in terms of increasing overall revenue as a result of enhancing customer satisfaction, improving and differentiating products and services from the rivalry. The consistency in marketing objectives communication and implementation between departments of hotel is the crucial factor which will ensure that the marketing plan is implemented to the best of their ability and with the highest levels of efficiency and accuracy. To obtain achievement in control process, these following suggestions should be considered to conduct:

Monthly meeting is an essential discussion to keep up-to-date to current marketing activities, sales and promotion activities as well as ideas that will lead to improvements. At the moment, Gloria Palace San Agustin only organize meeting for permanent employees, however, this matter will cause negative effects to consistency of total system because there is a high number of part-time employees and even trainees contributing and

influencing to operational system of hotel. It is highly recommend to organize a separate meeting for part-time employees, especially trainee, those who work directly with customers so that they can also follow up current marketing objectives and action plans of marketing programs.

All figures will be monitored on an current basis concerning projections versus reality, and the current plan will be changed or manipulated of it is needed so as to respond to as well as, wherever possible, anticipate external alterations to the environment. Annual outcomes will be assessed at the General Manager's meeting where the structure of the plan for the next year will also be inaugurated.

Consistent with management and supervision of General manager, Mr. Gustavo Rodriguet, the marketing director, Eva Brunhuver, manages both public relation and marketing team of six people in all advertising, promotional and public relations related activities. Eva Brunhuver works closely with the participants of the team, to implement and monitor the effectiveness of the marketing plan and assess outcomes.

6. CONCLUSIONS

Gloria Palace San Agustin Thalasso and Hotel has been established in 1989 in San Agustin, Gran Canary Island. The hotel is situated in volcanic landscape of the southern island. It offers sea views, especially superior facilities and excellent extended range of services after completed renovation and reopening its doors again on Saturday 2nd, June. The four stars hotel now owns a modern reception, new piano bar, new swimming pool zones, and new snack bar. In addition, the hotel is also the home to the very first spa on the Island of Gran Canary Island as well as one of the world's most modern centres which was occupied with the latest technological innovations.

Thus, the necessary of a Strategic Marketing Analysis and Planning has been created as one possible tool to promote new, modern and comfortable image and to satisfy external and internal customers in an excellent way. This marketing is also a competitive tool to better improve efficiency of marketing communication and activities for newly refurbished hotel by assessing current status, formulating strategic marketing, implementation and control plan to align all marketing efforts with its overall plan. Five months of internship in Marketing and Promotion department offered a starting point for this strategic marketing study

In a word, the basic objective of this thesis was to create a marketing plan to assist Gloria Palace San Agustin Thalasso and Hotel to increase revenue, to increase its customer satisfaction and reputation.

The study used both qualitative and quantitative research method. In the theoretical part, the thesis concentrated on different aspects of strategic marketing in tertiary industry. The emphasis is on marketing but the basics of Tourism and Hospitality are also well defined. The empirical part comprises analysis of internal data, business periodicals and internet-based information while primary data collected from surveys to investigate opinions and advices from 1652 accommodated customers, 11 journalists and 50 cooperative travel agencies. Moreover, it also has been inspired by face-to-face interview with a General Manager and an 8 years-experienced Marketer. The outcome of Strategic Marketing plan was implemented with the help of summarizing and analyzing the marketing environment.

To be honest, working on this thesis procedure is not a simple process due to there is a great deal of theoretical knowledge and literature materials; secondary data and primary data collected from practical background.

Obviously, there are still limitations on this study. During the survey time, there were some matters to handle. As originally intended, the research was supposed to conduct to General manager, Marketing Manager, Human Resources manager and Reception manager in order to obtain a panoramic view of overall business operation in hotel because although marketing strategies are created by Marketing department, ultimate outcomes results from endeavors of all departments and entire employees so all of above factors has great impacts to the marketing strategy of hotel. However, there were only two managers accepted to attend the interview while there were two or even three questions above the total of 15 interrogations of Face-to-Face interview ignored and there were some responses did not focus depth on the content of question. To finalize an in-depth analysis with high degree of accuracy, the author had to conduct extra investigations, face-to-face short interviews with employees who work directly with customers to gain the best assessments of current situation.

In a nutshell, the author hopes the endeavors and contributions in strategic marketing analysis and planning will assist Gloria Palace San Agustin Thalasso and Hotel effectively in presenting their new facilities and services to its distinguished customers from different European markets, improving its business operation and marketing communication and activities after the recent completed renovation.

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