STRATEGIC NICHES MARKETING FOR UK INDEPENDENT SEASIDE HOTELS

ANTHONY GARETH STONE

Thesis submitted to the Welsh School of Hospitality, Tourism and Leisure Management in partial fulfillment of the requirements for the degree of Master of Philosophy.

2004

Welsh School of Hospitality, Tourism and Leisure Management
Colchester Avenue
Cardiff, UK, CF23 9XR
DECLARATION

I declare that this work has not previously been accepted in substance for any degree and is not being concurrently submitted for any other degree. I further declare that this thesis is the result of my own independent work and investigation, except where otherwise stated (a bibliography is appended). Finally, I hereby give consent for my thesis, if accepted, to be available for photocopying and for inter-library loan, and for the title and abstract to be made available to outside organizations.

Anthony Gareth Stone (Candidate)

Professor David Botterril (Director of studies)

Mr John Lord (Supervisor)
ACKNOWLEDGMENTS

I should like to thank my supervisor, Professor David Botterill, for his support and encouragement throughout the dissertation process.

I very much appreciate the assistance and time given to me by academic staff at UWIC, including Eleri Jones, John Lord, Mike Snelgrove and Professor Conrad Lashley of Nottingham Trent University, Honorary Professor in the Welsh School of Hospitality, Tourism and Leisure Management.

I am very grateful to all the interviewees who participated in this study without whom it would have been difficult to progress. In particular thanks are given to Andrew Evans, Managing Director, St Brides Hotel for his ongoing support, Paula Ellis, Director of Sales, for sharing her expertise and Katherine Goodwin, Administration Manager, for her valued opinions of the UK hotel industry.

Finally, a huge thank you to family and friends who have supported me over the past two years.

September 2004

Anthony Stone
ABSTRACT
The thesis addresses the question, 'What strategic marketing approaches are available for the re-positioning of a UK independent seaside hotel?'. The research was conducted through a Knowledge Transfer Partnership (KTP) at St Brides Hotel, Pembrokeshire. The owners have recognised the need for product development at St Brides Hotel and wanted to utilise a marketing approach to assist in development.

The literature review is presented in two chapters, the first assesses the market conditions for St Brides Hotel with trends in hotel usage identified, particularly the rise of boutique hotels. The second literature review chapter focuses upon research covering marketing strategies and tactics appropriate for the case study hotel.

A competitor analysis presents findings from similar properties in equivalent tourist regions and equivalent target market segments, helping to position the case study hotel within the UK hotel market.

The methodological approach identifies the research as a combined case study/action research methodology utilising rich, in-depth data. A case study chapter is presented describing and discussing key marketing issues, including public relations, branding and word of mouth promotion activities. The chapter also includes analysis of restaurant, accommodation, banqueting and bar performance over the two-year project period.

Key findings from the research identified a differentiation strategy as most suitable for the case study hotel. Marketing tactics used to support the strategy include public relations, generation of positive word of mouth and utilising information technology to communicate with customers, which assists in building brand loyal customers. The case study hotel benefits from this marketing approach through increased customer awareness, industry prestige, a year round season and promotion of the property to customers, which in turn will lead to improved profitability.
Conclusions are drawn together using a SWOT analysis prior to the proposal of a generic model of marketing strategy for the independent luxury seaside hotel.
TABLE OF CONTENTS

Declaratio
Acknowledgments
Abstract
Table of contents
List of tables
List of figures
Abbreviations

CHAPTER 1: INTRODUCTION
1.1 St Brides Hotel, Saundersfoot, Pembrokeshire, Wales
1.2 Surrounding area
1.3 Knowledge Transfer Partnership (KTP)
1.4 Research aims and objectives
1.5 Conclusion

CHAPTER 2: UK HOTEL MARKET PERFORMANCE
2.1 Introduction
2.2 UK hotel market background
2.3 Trends in UK hotel usage
2.4 Boutique hotels
2.4.1 Features and benefits of boutique hotels
2.5 International tourist visitor trends
2.5.1 International markets’ conclusion
2.6 UK seaside resorts
2.7 Tourism in Wales
2.8 Tourist attractions
2.9 South-west Wales tourist accommodation
2.10 Tourism in Pembrokeshire
2.11 Welsh marketing environment
2.11.1 Political climate
2.11.2 Economic issues
2.11.3 Social aspects
2.11.3.1 Pembrokeshire population
2.11.3.2 Employment opportunities in Pembrokeshire
2.11.4 Technology
2.11.5 Legal aspects
2.11.6 Environmental issues
2.12: UK hotel market conclusion

CHAPTER 3: LITERATURE REVIEW: SERVICES MARKETING
3.1 Introduction
3.2 Nature of services
3.2.1 Services marketing mix
3.3 Relationship marketing concept
3.3.1 Relationship marketing in hospitality
3.4 Hospitality branding  
3.4.1 Brand name  
3.4.2 Brand loyalty  
3.4.3 Brand loyalty for services  
3.4.4 Brand loyalty for hospitality organisations  
3.4.5 Hospitality customer loyalty programmes  
3.4.6 Loyalty summary  
3.5 Part-time marketers  
3.6 Culture  
3.7 Cultural web  
3.8 Niche marketing  
3.8.1 Advantages of niche marketing  
3.8.2 Niche marketing approaches  
3.8.3 Summary of niche marketing  
3.9 Information technology (IT) for hospitality industry  
3.9.1 Email marketing  
3.9.2 Online travel distribution  
3.9.3 Database marketing  
3.10 Promotion for small hotels  
3.10.1 Hotel public relations  
3.10.2 Word of mouth promotion  
3.10.3 Guest-based marketing (GBM)  
3.10.4 Operating policies for guest-based marketing  
3.11 Destination management  
3.11.1 Destination analysis  
3.11.2 Challenges of destination management  
3.11.3 Role of marketing research in supporting destination marketing  
3.11.3.1 Target markets  
3.11.3.2 Marketing research  
3.11.4 Destination typologies  
3.11.5 Consumer behaviour  
3.11.6 Destination marketing strategies  
3.11.7 Strategic marketing for destinations  
3.12 Services marketing conclusion  

CHAPTER 4: COMPETITOR FINDINGS  
4.1 Introduction  
4.2.1 Local competitors  
4.2.2 Other potential Pembrokeshire competition  
4.3 Equivalent tourist region  
4.4 Equivalent market segment  
4.5 Conclusion  

CHAPTER 5: METHODOLOGY  
5.1 Introduction  
5.2 Research phases
5.3 Phase 1: Initial focus on defining the research topic 83
5.3.1 Involvement in UK seaside hotel industry 83
5.4 Literature sources 84
5.5 Industry experts 85
5.6 Phase 2: Determining research methods 88
5.6.1 Literature review using secondary sources of information 88
5.6.2 Literature review process 88
5.7 Research methodology 88
5.7.1 Experimental research 89
5.7.2 Survey techniques 89
5.7.3 Personally administered questionnaire survey 90
5.7.4 Personal interviews 90
5.7.5 Interview structures 90
5.7.6 Qualitative research 91
5.7.7 Focus group (group discussion) 92
5.7.8 Observational research 92
5.7.9 Data triangulation 93
5.8 Action research 93
5.8.1 Cyclical reflection 95
5.8.2 Potential outcomes 95
5.8.3 Typologies 96
5.9 Case study research 98
5.9.1 Three principles of data collection 98
5.10: Phase 3: Undertaking desk and field research 101
5.10.1: Desk research 101
5.10.2: Field research 101
5.11: Research methods for development of marketing plan 102
5.12: Financial and competitiveness performance 105
5.13: Field research using primary sources 105
5.14: Expert opinion 106
5.15: Phase 4: Checking and adjusting to corroborate findings through data triangulation 109
5.16: Phase 5: Drawing conclusions 109

CHAPTER 6: CASE STUDY: ST BRIDES HOTEL
6.1 Introduction 110
6.2 General background to St Brides Hotel 110
6.2.1 Development of St Brides Hotel 111
6.2.2 The Gallery at St Brides 113
6.2.3 Future strategic development plans 113
6.2.4 Infrastructure development 114
6.3 Management culture 114
6.3.1 Cultural web analysis 114
6.4 St Brides Hotel financial performance 116
6.4.1 Accommodation performance 116
6.4.2 Food and beverage performance 117
6.5 Timescale for implementation of strategic plan 122
<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.6</td>
<td>Government-backed financial support for hotel development</td>
<td>122</td>
</tr>
<tr>
<td>6.7</td>
<td>Marketing mix</td>
<td>124</td>
</tr>
<tr>
<td>6.7.1</td>
<td>Product</td>
<td>124</td>
</tr>
<tr>
<td>6.7.1.1</td>
<td>Accommodation product</td>
<td>124</td>
</tr>
<tr>
<td>6.7.1.2</td>
<td>Restaurant product</td>
<td>125</td>
</tr>
<tr>
<td>6.7.1.3</td>
<td>Lunch provision</td>
<td>125</td>
</tr>
<tr>
<td>6.7.1.4</td>
<td>Dinner provision</td>
<td>125</td>
</tr>
<tr>
<td>6.7.1.5</td>
<td>Gallery at St Brides product</td>
<td>126</td>
</tr>
<tr>
<td>6.7.2</td>
<td>Promotion</td>
<td>126</td>
</tr>
<tr>
<td>6.7.2.1</td>
<td>Public relations (PR)</td>
<td>127</td>
</tr>
<tr>
<td>6.7.2.2</td>
<td>Advertising</td>
<td>131</td>
</tr>
<tr>
<td>6.7.2.3</td>
<td>Online advertising</td>
<td>132</td>
</tr>
<tr>
<td>6.7.2.4</td>
<td>Email marketing</td>
<td>133</td>
</tr>
<tr>
<td>6.7.2.5</td>
<td>Branding</td>
<td>134</td>
</tr>
<tr>
<td>6.7.2.6</td>
<td>Special events</td>
<td>135</td>
</tr>
<tr>
<td>6.7.2.7</td>
<td>'Word of mouth' promotion</td>
<td>136</td>
</tr>
<tr>
<td>6.7.2.8</td>
<td>Partnership marketing</td>
<td>138</td>
</tr>
<tr>
<td>6.8</td>
<td>Destination management</td>
<td>139</td>
</tr>
<tr>
<td>6.8.1</td>
<td>Future of Saundersfoot tourist destination</td>
<td>141</td>
</tr>
<tr>
<td>6.9</td>
<td>Relationship marketing</td>
<td>142</td>
</tr>
<tr>
<td>6.10</td>
<td>Database marketing</td>
<td>143</td>
</tr>
<tr>
<td>6.11</td>
<td>Frequent guest programmes (FGP)</td>
<td>143</td>
</tr>
<tr>
<td>6.12</td>
<td>Guest based marketing</td>
<td>144</td>
</tr>
<tr>
<td>6.13</td>
<td>Trade shows</td>
<td>144</td>
</tr>
<tr>
<td>6.14</td>
<td>Gallery at St Brides promotion</td>
<td>147</td>
</tr>
<tr>
<td>6.14.1</td>
<td>Gallery database</td>
<td>147</td>
</tr>
<tr>
<td>6.14.2</td>
<td>Internet presence / Online listings</td>
<td>147</td>
</tr>
<tr>
<td>6.14.3</td>
<td>Special events</td>
<td>147</td>
</tr>
<tr>
<td>6.14.4</td>
<td>Gallery advertising</td>
<td>149</td>
</tr>
<tr>
<td>6.14.5</td>
<td>Public relations</td>
<td>149</td>
</tr>
<tr>
<td>6.15</td>
<td>Pricing tactics</td>
<td>150</td>
</tr>
<tr>
<td>6.15.1</td>
<td>St Brides Hotel pricing</td>
<td>150</td>
</tr>
<tr>
<td>6.15.2</td>
<td>Cliff Restaurant pricing</td>
<td>151</td>
</tr>
<tr>
<td>6.15.3</td>
<td>Gallery at St Brides pricing</td>
<td>152</td>
</tr>
<tr>
<td>6.16</td>
<td>Physical factors</td>
<td>152</td>
</tr>
<tr>
<td>6.16.1</td>
<td>Signage</td>
<td>152</td>
</tr>
<tr>
<td>6.16.2</td>
<td>Guest check-in</td>
<td>153</td>
</tr>
<tr>
<td>6.17</td>
<td>Place (channels of distribution)</td>
<td>154</td>
</tr>
<tr>
<td>6.17.1</td>
<td>Domestic leisure</td>
<td>154</td>
</tr>
<tr>
<td>6.17.2</td>
<td>Groups</td>
<td>155</td>
</tr>
<tr>
<td>6.17.3</td>
<td>Corporate</td>
<td>156</td>
</tr>
<tr>
<td>6.17.4</td>
<td>Weddings</td>
<td>156</td>
</tr>
<tr>
<td>6.18</td>
<td>People</td>
<td>157</td>
</tr>
<tr>
<td>6.18.1</td>
<td>Recruitment</td>
<td>158</td>
</tr>
<tr>
<td>6.19</td>
<td>Conclusion</td>
<td>159</td>
</tr>
</tbody>
</table>

**CHAPTER 7: ANALYSIS, DISCUSSIONS AND CONCLUSIONS**

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.1</td>
<td>Introduction</td>
<td>161</td>
</tr>
</tbody>
</table>
7.2 Strengths
7.3 Weaknesses
7.4 Opportunities
7.5 Threats
7.6 SWOT Conclusions
7.7 Competitor analysis findings
7.8 Marketing model for UK seaside hotel
7.9 Marketing strategy
7.10 Marketing tactics
7.10.1 Partnership marketing
7.10.2 Public relations
7.10.3 Branding
7.10.4 Generate positive ‘Word of Mouth’
7.10.5 Product development
7.10.6 Product packages
7.10.7 Communications technology
7.10.8 Direct distribution
7.10.9 People: employees as brand/quality messengers
7.10.10 Market-led pricing
7.11 Target customers
7.11.1 Packages: spa/activity
7.11.2 Domestic short break escape
7.11.3 Empty nesters
7.11.4 Double income no kids
7.11.5 Second holidays
7.11.6 Nostalgia seekers
7.11.7 Corporate groups
7.11.8 International rethink
7.12 Hotel benefits
7.12.1 Promotion
7.12.2 Consumer awareness
7.12.3 Customer loyalty
7.12.4 Continuous product innovation
7.12.5 Year round season
7.12.6 Industry prestige
7.12.7 Necessity tourist purchase
7.13 Results
7.14 Evaluation of research methods
7.15 Conclusions
7.15.1 Reflections of KTP
7.16 Limitations of research
7.17 Recommendations for further research

REFERENCES

APPENDIX
1 Eton Collection Email communication
2 St Brides Hotel points of differentiation
3 Monthly property management system report
<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Sample Cliff Restaurant menu</td>
<td>210</td>
</tr>
<tr>
<td>5</td>
<td>Gallery Menu</td>
<td>211</td>
</tr>
<tr>
<td>6</td>
<td>Details of financial assistance in response to foot and mouth outbreak</td>
<td>212</td>
</tr>
<tr>
<td>7</td>
<td>PR plan 2002-2004</td>
<td>213</td>
</tr>
<tr>
<td>8</td>
<td>Tenby Observer featured artist publicity</td>
<td>214</td>
</tr>
<tr>
<td>9</td>
<td>Garden Party proposal</td>
<td>215</td>
</tr>
<tr>
<td>10</td>
<td>WOW Partner information</td>
<td>217</td>
</tr>
<tr>
<td>11</td>
<td>Civil Service Motoring Association publicity</td>
<td>219</td>
</tr>
<tr>
<td>12</td>
<td>St Brides Hotel promotional emails</td>
<td>220</td>
</tr>
<tr>
<td>13</td>
<td>Ian Lindsay-Edwards private viewing invitation</td>
<td>221</td>
</tr>
<tr>
<td>14</td>
<td>Channels of distribution</td>
<td>222</td>
</tr>
<tr>
<td>15</td>
<td>Site visits undertaken</td>
<td>223</td>
</tr>
<tr>
<td>16</td>
<td>Dylan Thomas tour promotional email</td>
<td>224</td>
</tr>
<tr>
<td>17</td>
<td>Interview: Managing Director (Mr. Andrew Evans, St Brides Hotel)</td>
<td>225</td>
</tr>
<tr>
<td>18</td>
<td>Interview: Sales Manager (Ms. Paula Ellis), St Brides Hotel</td>
<td>234</td>
</tr>
</tbody>
</table>
LIST OF TABLES

2.1 Change in key performance indicators ................................................. 9
2.2 Top 10 countries of origin to Wales .................................................... 16
2.3 The UK tourism market to Wales .......................................................... 19
2.4 UK tourist length of stay and expenditure in Wales ................................. 19
2.5 Leading south Wales tourist attractions 1999-2002 ............................... 21
2.6 Demand for attraction categories ......................................................... 22
2.7 2003 Pembrokeshire bedspace survey .................................................. 24
3.1 Expanded services marketing mix ......................................................... 32
3.2 Differentiating the basics ...................................................................... 58
3.3 Framework for the analysis of tourism destination ................................. 62
5.1 Sources of case study evidence: strengths and weaknesses ................. 99
5.2 Key search terms ................................................................................ 102
5.3 Interview schedule ............................................................................. 106
6.1 Accommodation performance .............................................................. 117
6.2 Lunch performance ............................................................................. 118
6.3 Dinner performance ............................................................................. 119
6.4 Banqueting performance ..................................................................... 120
6.5 Bar performance ................................................................................ 121
6.6 Saundersfoot Chamber for Tourism 2003 events ................................. 140
6.7 Six As analysis of Saundersfoot, Pembrokeshire and Wales as destinations 141
6.8 Rates structure 1 October 2001 – 31 March 2003 ................................. 151
# LIST OF FIGURES

<table>
<thead>
<tr>
<th>FIGURES</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1</td>
<td>Stages of literature reviewed in chapter 2</td>
</tr>
<tr>
<td>2.2</td>
<td>South-west Wales accommodation geographic distribution</td>
</tr>
<tr>
<td>2.3</td>
<td>Distribution of Pembrokeshire population</td>
</tr>
<tr>
<td>3.1</td>
<td>Overview of literature review process</td>
</tr>
<tr>
<td>3.2</td>
<td>Customer satisfaction versus loyalty relationship</td>
</tr>
<tr>
<td>3.3</td>
<td>Trends in overall online market size</td>
</tr>
<tr>
<td>3.4</td>
<td>The virtuous circle of database marketing</td>
</tr>
<tr>
<td>3.5</td>
<td>Destination life cycle and tourism impacts</td>
</tr>
<tr>
<td>5.1</td>
<td>Research phases</td>
</tr>
<tr>
<td>5.2</td>
<td>Maintaining a chain of evidence</td>
</tr>
<tr>
<td>6.1</td>
<td>Pre-refurbishment (2001)</td>
</tr>
<tr>
<td>6.2</td>
<td>Post-refurbishment (2003)</td>
</tr>
<tr>
<td>6.3</td>
<td>Management organisation structure</td>
</tr>
<tr>
<td>6.4</td>
<td>Google Adwords advertisements</td>
</tr>
<tr>
<td>6.5</td>
<td>St Brides Hotel logo</td>
</tr>
<tr>
<td>6.6</td>
<td>Exterior signage</td>
</tr>
<tr>
<td>7.1</td>
<td>SWOT analysis</td>
</tr>
<tr>
<td>7.2</td>
<td>Stage 1 Model development</td>
</tr>
<tr>
<td>7.3</td>
<td>Stage 2 Model development</td>
</tr>
<tr>
<td>7.4</td>
<td>Stage 3 Model development</td>
</tr>
<tr>
<td>7.5</td>
<td>Stage 4 Model development</td>
</tr>
<tr>
<td>7.6</td>
<td>Marketing model for UK seaside hotel</td>
</tr>
</tbody>
</table>
**LIST OF ABBREVIATIONS**

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>AR</td>
<td>Action Research</td>
</tr>
<tr>
<td>ADDRR</td>
<td>Annual Average Daily Room Rate</td>
</tr>
<tr>
<td>BFF</td>
<td>British Food Fortnight</td>
</tr>
<tr>
<td>BHA</td>
<td>British Hospitality Association</td>
</tr>
<tr>
<td>DM</td>
<td>Duty Manager</td>
</tr>
<tr>
<td>DMO</td>
<td>Destination Management Organisation</td>
</tr>
<tr>
<td>ETC</td>
<td>English Tourism Council</td>
</tr>
<tr>
<td>FGP</td>
<td>Frequent Guest Programme</td>
</tr>
<tr>
<td>GCA</td>
<td>Green Coast Award</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Produce</td>
</tr>
<tr>
<td>GDS</td>
<td>Global Distribution System</td>
</tr>
<tr>
<td>IIP</td>
<td>Investors in People</td>
</tr>
<tr>
<td>KPI</td>
<td>Key Performance Indicator's</td>
</tr>
<tr>
<td>KTP</td>
<td>Knowledge Transfer Partnership</td>
</tr>
<tr>
<td>MICE</td>
<td>Meetings, Incentive Travel, Conventions and Exhibitions</td>
</tr>
<tr>
<td>PESTLE</td>
<td>Political, Economic, Social, Technological, Legal and Environmental factors</td>
</tr>
<tr>
<td>PLANED</td>
<td>Pembrokeshire Local Action Network for Enterprise and Development</td>
</tr>
<tr>
<td>PMS</td>
<td>Property Management System</td>
</tr>
<tr>
<td>PR</td>
<td>Public Relations</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>Research and Development</td>
</tr>
<tr>
<td>RevPAR</td>
<td>Revenue Per Available Room</td>
</tr>
<tr>
<td>RFM</td>
<td>Recency, Frequency and Monetary value</td>
</tr>
<tr>
<td>SME</td>
<td>Small and Medium-Sized Enterprises</td>
</tr>
<tr>
<td>TCA</td>
<td>Teaching Company Associate</td>
</tr>
<tr>
<td>TCMF</td>
<td>Tea and Coffee Making Facilities</td>
</tr>
<tr>
<td>TCS</td>
<td>Teaching Company Scheme</td>
</tr>
<tr>
<td>TIC</td>
<td>Tourist Information Centre</td>
</tr>
<tr>
<td>UWIC</td>
<td>University of Wales Institute Cardiff</td>
</tr>
<tr>
<td>WAC</td>
<td>Welsh Arts Council</td>
</tr>
</tbody>
</table>
WDA    Welsh Development Agency
WOW    Way Out West (Pembrokeshire Business Tourism)
WSHTLM Welsh School of Hospitality, Tourism and Leisure Management
WTB    Wales Tourist Board
WTM    World Travel Market
CHAPTER 1: INTRODUCTION

This chapter presents a background to St Brides Hotel and its location with a description of current and future development plans. The Knowledge Transfer Partnership (KTP) is described and the researcher identified as a KTP Associate.

1.1: ST BRIDES HOTEL, SAUNDERSFOOT, PEMBROKESHIRE, WALES

Andrew and Lindsay Evans, owners and operators of the Mermaid on the Strand restaurant, a seafood house on Saundersfoot's beachfront, have been residents in Saundersfoot for more than 15 years. They are active in the local community, with Andrew Evans being Chairman of the Saundersfoot Chamber for Tourism which aims to improve the quality and range of attractions and events helping to make Saundersfoot a year round holiday destination.

On 31st March 2000 as part of their business growth strategy Andrew and Lindsay Evans acquired St Brides Hotel which has a cliff-top view from the restaurant, stretching over Saundersfoot harbour and Carmarthen Bay. At purchase time, St Brides Hotel had 43 bedrooms with en suite facilities, reception, restaurant, conference room, bar and 70 car park spaces.

The owners have recognised the need for redevelopment throughout the hotel. This started with the refurbishment in January 2001, of the public areas, reception, bar, lounge and restaurant, which were developed to encompass an art gallery featuring contemporary leading Welsh art.

Proposals are in hand for further development to address the hotel’s inadequate accommodation and conference facilities and to upgrade the unsightly 1970s extension which is out of keeping with the rest of the hotel. Planning for the development of the hotel is underway with designs developed by Jane Goff Associates, who was responsible for the development of the spa at the Grosvenor Hotel, Chester and the development of the Celtic Manor Hotel, Newport that has won two European design awards.
The objective of the proposed project is to create a quality luxury hotel for the 'escape' market equivalent to those provided by the Tresanton Hotel, St Mawes and the Luggar Hotel, near Truro, Cornwall. However, this aspiration presents a significant challenge to the owners and a deliberate strategy by Andrew Evans was to look for support in achieving these goals. The possibility of becoming involved in a Knowledge Transfer Partnership (KTP) programme to help with achieving these goals was raised (see Section 1.3 below) when Andrew attended a KTP seminar organised by the Welsh School of Hospitality, Tourism and Leisure Management (WSHTLM) at the St David's Hotel, Cardiff in 2001.

It is envisaged that the hotel project proposals will include:

- Rehabilitation of the hotel building including upgrading of bedrooms to include sea facing terraces and redesign of existing public areas;
- Adjustment of internal structure to improve access between public areas and bedrooms;
- Redevelopment of the 1970s accommodation extension to a style more in keeping with the original building to provide quality hotel accommodation;
- Reconfiguration of the existing restaurant into a split level dining area to increase sea view tables;
- Creation of a spa facility within the existing terrace and function rooms area;
- Redevelopment of the two existing staff houses to form two six bedded self-catering apartments.

The intention is that the above development plan will lead to the creation of a full service five-star, (as assessed by the Wales Tourist Board (WTB)) destination hotel which will have:

- 35 individually designed bedrooms, complete with plasma TVs and individual real-flame gas fires;
• Modern reception and public areas featuring contemporary art in a style comparable with high quality boutique hotels in North America, particularly those with a US ‘New England’ style;
• High quality sea facing restaurant offering highly individual cuisine;
• Health, leisure and spa facility with swimming pool, sauna and treatment rooms and sun terrace overlooking the harbour;
• Six self-catering apartments available for holiday visitors and long stay employees.
(Morton, 2003)

1.2: SURROUNDING AREA
Located on the south coast of Pembrokeshire, St Brides Hotel sits high on the cliff overlooking the village of Saundersfoot. Saundersfoot is a traditional seaside village with a population that expands during the summer months. In Saundersfoot, like much of Pembrokeshire there is an above average proportion of over 50 year olds because ‘there has been an influx of people getting to know the area as holidaymakers and deciding to live there on retirement. Some of the people can trace their connections back for many years to their first childhood visits’ (Howells, 2003: 51).

St Brides Hotel location enjoys the special qualities of the Pembrokeshire National Park, which can be generalised as:
• range of breathtaking coastal scenery and the diverse visual character;
• peace and quiet, and the different atmospheres evoked in the different areas of the park;
• diversity of wildlife in the coastal area.
(Pembrokeshire Coast National Park Authority, 2003)

The qualities of the park which consistently prove to be a major attraction for visitors to Pembrokeshire and to St Brides Hotel are discussed in Chapter 2, including details of the Pembrokeshire visitor survey statistics.
Furthermore, Pembrokeshire has benefited over the last three years from its status as a European Objective 1 area, which aims to promote the development of industry including tourism and structural adjustment of regions whose development is lower than the rest of the EU. Objective 1 status is awarded to areas with a GDP per head less than 75% of the EU average, in this case the West Wales and Valleys area of South Wales has a GDP of 71% of the EU average. Objective 1 European Funding Programme is worth £1.6b to West Wales and the Valleys between 2001 and 2006 (pembobj1.nlw2k19.userarea.co.uk).

With the assistance of Objective 1 funding, partnership projects such as the European development funding of the WTB Joint Marketing Business Support Scheme has enable Pembrokeshire Business Tourism (Way out West (WOW)) to be developed. This has encouraged local tourists business operators to come together to work in partnership to develop and market the tourist offering more effectively in Pembrokeshire.

1.3: **Knowledge Transfer Partnership (KTP)**

Following on from the Teaching Company Scheme which set out to encourage high quality graduates into industry, the programme was updated and re-named the ‘Knowledge Transfer Partnership’ (KTP) in 2002. It was established ‘to strengthen the competitiveness and wealth creation of the UK by the stimulation of innovation in business through collaborative partnerships with the UK knowledge base’ ([ktponline.org.uk](http://ktponline.org.uk)). These partnerships can involve one or more graduate associates and are usually of duration of two to four years.

The KTP has the following objectives:

- to facilitate the transfer of knowledge and the spread of technical and management skills and encourage investment in training, research and development;
to provide business based training, supervised jointly by personnel in the knowledge base and in business, for high calibre graduates intending to pursue a career in industry;

to enhance the levels of research and training in the knowledge base that is relevant to business by stimulating collaborative research and development projects and forging lasting partnerships.

The knowledge based organisation applies its expertise to a project that is central to the development of the company partner, whilst the company partner assists in the professional development of the graduate Associate.

As part of the project development to up-grade St Brides Hotel it was decided to use the KTP in developing a two-year programme with one graduate Associate working in the field of marketing to run from September 2002 to September 2004. In this case the KTP involves a three-way relationship between:

- the enterprise, On the Shore Restaurants/St Brides Hotel, headed by Andrew Evans;
- staff in a knowledge based organisation (University of Wales Institute Cardiff, UWIC);
- graduate Associate, Anthony Stone.

The graduate Associate is normally a recently qualified graduate employed to manage a project seen as central to the development needs of the participating company. In the current KTP, the marketing needs of St Brides Hotel were identified and the Associate was recruited to develop a marketing plan and tactics for the future development of the hotel.

The graduate Associate in a KTP benefits from business-based training, personal and professional development whilst managing a project within a company. In this case, the graduate Associate has been able to gain hotel industry experience at a senior management level taking responsibility for
marketing development and operational management for St Brides Hotel. Professional development has also taken place on various fronts through the structured programme of activities and courses run by the KTP scheme and, opportunities have arisen to complete an NVQ4 and/or MPhil at the knowledge based organisation. In this instance, it has been decided to concentrate on undertaking the MPhil. Examining the strategic marketing implications of developing a high quality seaside hotel offering niche services to both the leisure and corporate markets (see section 1.4 Research aims and objectives).

Throughout the process of involvement with the KTP scheme, staff members in the knowledge base, i.e. at UWIC have been able to enhance the business relevance of their teaching and research and, theoretically, can use this experience to:

- develop business-relevant teaching materials;
- publish research papers;
- supervise postgraduate degree candidates;
- gain ideas and business support for further research and consultancies;
- identify opportunities for undergraduate and postgraduate projects;
- deepen collaborations with developing businesses (ktponline.org.uk).

Each KTP is part funded by a government grant to the knowledge based partner - UWIC. This contributes to the costs incurred through participating, whilst the costs directly attributable to a KTP Associate's project are borne by the company partner. The company's contribution relates to the details of the specific partnership with annual contributions based on a company with fewer than 250 employees being normally around £16,000 - £18,000 (ktponline.org.uk).
1.4: RESEARCH AIM AND OBJECTIVES

Research aim:
What strategic marketing approaches are available for an independent seaside hotel?

Research objectives:

1. What strategic marketing approach(es) should be used to re-position an independent seaside hotel?

2. What is the potential of niche markets for the seaside hotel sector, in particular, the case example of St Brides Hotel, Saundersfoot?

3. What key marketing concepts should be considered when developing the strategic marketing plan?

4. What marketing research is required to complete the marketing plan?

5. How could the marketing plan be implemented?

6. What would be the impact of implementing the marketing plan in terms of the measurement of improvement in competitiveness and profitability for the case study hotel?

1.5: CONCLUSION

Following purchase of St Brides Hotel the owners recognised the need to improve product quality and service levels. Support for the project has been granted from the WTB as the hotel presents an opportunity for a landmark tourism business to drive towards the missions for Wales as a high quality year round destination. The KTP was utilised by the owners to attract a high calibre graduate to undertake marketing planning and implementation, whilst assisting with the management and future development plans for the property.
CHAPTER 2: UK HOTEL MARKET PERFORMANCE

2.1: INTRODUCTION

Chapter 2 begins by explaining the background to the UK hotel market and its performance in recent years. This sets the scene for the development of future marketing strategies and provides an understanding of industry trends and likely future success factors. Trends in the UK hotel industry are identified, including the rise of boutique hotels and increasingly discerning short break customers, which are particularly important for marketing UK seaside hotels. The chapter then focuses on Wales’s market conditions and specifically Pembrokeshire’s hotel market characteristics. The chapter concludes by using the PESTLE model of marketing environment analysis for the Welsh hotel market with implications for the present case study. Figure 2.1 shows the stages of literature reviewed in chapter 2:

FIGURE 2.1: STAGES OF LITERATURE REVIEWED IN CHAPTER 2
2.2: UK HOTEL MARKET BACKGROUND

In 2002, the Deloitte & Touche HotelBenchmark survey on economic hospitality climate found that the UK hotel industry had recovered from the adverse effects on domestic and international tourism of both the 9 September 2001 (9/11) terrorism attacks in the US and the ‘foot and mouth’ in the UK.

Table 2.1 compares occupancy, average daily rates and revenue per available room (RevPAR) for London, regional and the different hotel sectors (January 2000 and September 2003). Between January 2000 and September 2003 London and ‘luxury’ level hotels suffered a RevPAR fall of 12% while the budget hotel sector was buoyant at 8.7% due to improving occupancy level of 5.7%. While occupancy dropped at regional hotels by 1.5%, average daily rate improved by almost 5% increasing RevPAR by 3% well above the London, luxury, first class and mid-market sectors RevPAR. These properties have suffered as business customers have traded down to lower grade and cost accommodation. During the 2002-2003 period, regional hotels performed ‘well despite the challenging economy’ with average occupancy similar level to 2001 levels at 70.3% where average room rates were only marginally down 0.7% to £62 (O'Reilly, 2003).

**Table 2.1: Change in key performance indicators (January 2000 to September 2003)**

<table>
<thead>
<tr>
<th>Hotel sector</th>
<th>Occupancy (%)</th>
<th>Average Daily Rate (%)</th>
<th>Revenue per available room (RevPAR) (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>London</td>
<td>-6.4</td>
<td>-6.5</td>
<td>-12.5</td>
</tr>
<tr>
<td>Regional UK</td>
<td>-1.5</td>
<td>4.7</td>
<td>3.1</td>
</tr>
<tr>
<td>Luxury</td>
<td>-12.2</td>
<td>-0.2</td>
<td>-12.0</td>
</tr>
<tr>
<td>First class</td>
<td>-2.9</td>
<td>-0.8</td>
<td>-3.7</td>
</tr>
<tr>
<td>Mid-market</td>
<td>-3.3</td>
<td>2.2</td>
<td>-1.3</td>
</tr>
<tr>
<td>Budget</td>
<td>5.7</td>
<td>2.9</td>
<td>8.7</td>
</tr>
</tbody>
</table>

Source: Adapted from Deloitte & Touche HotelBenchmark survey (2003)
Since 1994, the regional hospitality sector has performed well with higher than average occupancy levels. Occupancy levels in the late 1980s and early 1990s ranged between 60-67%, however this increased in 2001 (70.3%), 2002 (71.8%) and 2003 (72.9%) (O'Reilly, 2003) due to:

1. increase in weekend/leisure business allied to the inclusion of health and leisure facilities in full-service hotels;
2. growth in the budget sector, encouraging new users of hotel accommodation;
3. increase in personal disposable income increasingly making holidays a necessity rather than a luxury (Griffin & McKenney, 2003).

The International Passenger Survey (2003) reported that overseas residents made 24.8 million visits to the UK, an increase of 3% on 2002 and had an associated 1% increase in visitor spending. Although this is not high growth, it is encouraging given the challenges within the macro travel and tourism environment. The 6% increase in European visitors between January and November 2003 compared to the same period in 2002 offset the decline in US visitors which was partly related to adverse US dollar exchange against the Pound sterling and the Euro.

There is concern that UK hotel performance will be affected adversely by the struggling US and German economies along with continued fear of terrorist incidents, especially in London. It could also suffer from 'the media hype relating to an imminent decline in consumer confidence and retail spending; speculation that house prices are due to fall; redundancies; tight corporate travel and entertainment budgets; fewer business meetings; increasingly sophisticated buyers (e.g. corporate guests utilising cheaper travel agency or internet rates); and increasing operating costs (employer costs, insurance, and property taxes)' (O'Reilly, 2003: 5). Performance will be further challenged in that 'whilst the UK leisure market demand remains robust, seasonality constraints are deemed to prohibit a further significant increase in average occupancy levels in the medium term. Consequently, further
RevPAR growth will need to be stimulated through a manipulation of business mix and increased rates' (O'Reilly, 2003: 5).

2003 continued to challenge the UK hospitality industry with growth returning slowly. On 30 July 2003, consultants Deloitte & Touche found that UK hotels suffered their worst first-half occupancy and revenue levels since 1996. Despite these pressures there is optimism for the future because of the improved quality of hotels, bars and restaurants. The industry is well placed to capitalise on any recovery in the economy.

2.3: TRENDS IN UK HOTEL USAGE

The challenging environment, especially in London has led to increasing acquisition of hotel assets for conversion to residential usage, e.g. in 2002 Cola Holdings purchased the 550 bedroom Posthouse Kensington, London for residential accommodation development (O'Reilly, 2003).

Young professionals are replacing the traditional fortnight in the sun with long weekend breaks spread throughout the year as the return to work after a long holiday has become too stressful. Furthermore adventure tourism, such as white water rafting holidays, has been overtaken by demand for more relaxing long weekends. This suggests opportunities arise for holiday packages that are short in duration with a passive, non-active travel itinerary (Barrow, 2003).

The following major trends have influenced the hotel industry over the last ten years (Marvel, 2002: 44):

- increasing merger and acquisition activity;
- concentration of power and finance in the hands of major chains;
- increasing importance of affiliations and brand equity;
- increasingly discerning customers;
- growing importance of new technologies in marketing, distribution and procurements and revenue management.
2.4: BOUTIQUE HOTELS

Dukes of TRI Hospitality Consulting defines a boutique hotel as ‘a focused lifestyle hotel product of under 100 rooms with specifically targeted niche markets with its own personality and identity’ (Sangster, 2002: 7). Lea (2002) provides the following definition of boutique hotels:

- Appeal to leisure and business travellers, particularly women
- All stress homelike atmosphere, highly personalised service, and distinctive style with generous amenities including easy access to the internet
- For the more sophisticated traveller they are the ‘right’ place to stay.

Definitions of boutique hotels vary (Anhar, 2001), however the features of a boutique property are likely to include stylish, distinctive and intimate architecture and design. Attention to architectural design attracts a specific niche market looking for a special and differentiated property able to fulfil their individual needs. Secondly, high levels of customer service are achieved in many boutique properties partly due to their size, as the above definition considers that most boutique properties are under 100 bedrooms this allows the hotel to provide increased personalisation and recognition during the guests experience. The third feature that Anhar (2001) considers of a boutique hotel is its target market generally targeting customers who are in their early 20s to mid-50s, with mid- to upper-income averages.

Boutique hotels tap into the ‘trend among consumers to make buying decisions based on something other than price and functionality’ (Sangster, 2001: 21). For the case study hotel, this could include the warmth of welcome, stylish surroundings, fine art and food that help to reinforce the exclusive feel of the property and the lifestyle attributes of guests.

The first London boutique hotel was opened in 1981 and designed by Anoushka Hempel (Anher, 2001). Since then there have been many openings throughout the international hotel industry. Ian Schrager pushed
design to the forefront by using celebrity architects, such as Philippe Starck, and currently operates nine hotels including the Hudson, New York and St Martins Lanes, London, with three in development in San Francisco, Miami and West Hollywood. Despite his reputation to ‘wow’ guests by the style of his hotels, customer service has been a weakness of the company. ‘His properties are the venues to see and be seen at with a hip customer base in the music, fashion, film and media business’ (Sangster, 2002: 7).

The Malmaison brand was launched in 1994 and opened hotels simultaneously in Edinburgh and Glasgow. The group now comprises seven hotels (malmaison.com), in Birmingham, Edinburgh, Glasgow, Leeds, London, Manchester, and Newcastle. The style of the individually designed hotels is classic, yet contemporary, with stylish French brasseries and bars. Malmaison is regarded as an industry innovator creating a new middle market for the growing group of corporate and leisure consumers previously not catered for by the traditional volume brands, or the localised niche players (hospitalitynet.org/web/Hotel Chains & Brands/page16.html). The group was sold for £65 m. at the end of August 2000 (Sangster, 2002: 7).

2.4.1: FEATURES AND BENEFITS OF BOUTIQUE HOTELS

Boutique hotels can save financially by not joining an expensive reservation network and by avoiding loyalty programmes. Technology plays an important part with distribution achieved through websites that make it easier for customers to access the hotel product and improved in-room technology, e.g. playstations, thirty TV channels at no charge, two TVs, pulse shower. However, the introduction of the boutique hotel concept by multinational hotel companies such as Starwood W hotels and Le Meridien’s Art & Tech concept may prove challenging for the original boutiques hotels. It may be difficult for them to remain differentiated as traditional hoteliers adopt boutique style fit-outs and marketing approaches (Sangster, 2002).

Design has been a key element of establishing boutique hotels in the minds of consumers, attracting press coverage through contemporary décor creates a low-cost marketing opportunity for boutique operators.
2.5: INTERNATIONAL TOURIST VISITOR TRENDS

In 2003, regarding European visitors to the UK, VisitBritain (2003) found that:

France

Whilst Britain in 2003 is becoming 'more affordable', the current political and nationalistic attitudes of the French press is deterring increased enthusiasm for travel between the two countries. Since 1997, Britain has lost market share, dropping 17% from 3.59 m. visits in 1997 to 3.08 m. visits in 2002. The drop in holiday visits is predominantly the reason with a loss of 781,000 visits or 48% loss of market share, partly compensated by an increase in business travel up 149,000 visits or 16% since 1997. The drop in holiday visitors is due to the strength of the pound, lower visitor spend per day and increased competition from cheaper city destinations (International Passenger Survey (IPS), 2002).

Germany

In 2001, Britain had 0.9% market share of all German holiday trips and 1.2% market share of all German trips abroad. Since 1997 the number of Germans taking holidays in Britain has declined from 1.28 m. to 0.8 m. in 2002. Holiday spend over the same period dropped from £377 m. in 1997 to £268 m. in 2002. This trend is attributable to three causes: the strength of sterling; reduced daily expenditure plus shorter visits; and increased competition from cheaper destinations (IPS, 2002). The war in Iraq, and particularly Britain's role in it, has had a further downturn on German visitors.

Netherlands

External concerns dominate travel, but the Dutch being pragmatic types, are not too concerned about safety if the price is right, providing an opportunity for low-cost carriers. The Netherlands is Britain's fifth most important market in terms of
numbers, accounting for 1.419 m. visits to Britain in 2002 (IPS, 2002).

Switzerland  In 2002, 593,000 Swiss visited Britain with an average Swiss holiday visitor spending £91.20 per day compared to the average Austrian spend of £67.60 and the average European spend of £57.10 (IPS, 2002). The low-cost carrier, bmibaby, entered the Swiss market with a new Cardiff-Geneva route in October 2002, primarily catering for British skiers but provides potential for future incoming visitors from Switzerland (bmibaby.com). Rising unemployment, threatened tax cuts and negative press coverage regarding Tony Blair’s support in the Iraq war have reduced Swiss travel to Britain.

Nordic Europe  Business travel accounts for approximately 34% of travel to Britain, British subsidiaries create individual travel and high potential in the development of smaller group meetings and incentives to Britain (tourismtrade.org.uk/uktrade/Docs/pdf/42_10705.pdf). Britain receives the bulk of Nordic visitors in the period September to May. The most popular regions of Britain to visit are London with 42% of nights, south-east England 10%, south-west England 8%, east of England 8%. Scotland and Wales attract 6% and 2% of nights respectively (IPS 2002).

Sweden  The Swedish Krona’s strong performance against the pound is making Britain a much better value destination, especially for Meetings, Incentive, Conference and Exhibition (MICE) business.

Norway  Increased number of flights from Norwegian gateways to Britain and increased competition between the airlines on these
services is leading to lower prices and increased Norwegian
visitors to the UK.

In 2002, the Republic of Ireland represented the largest international market
for Wales (see Table 2.2) with 198,000 visits and £42 m. expenditure. Much
of this is passing ferry traffic from the Rosslare to Pembroke and Dublin to
Holyhead route, Irish travellers move through Wales on their journey by car to
central Europe. The USA represents the second highest visitor numbers with
126,000 visits and total expenditure of £39 m.. The German market has a
total of 126,000 visits with total expenditure of £25 m. From these results,international target markets can be identified as those that have the highest
average spend per visit.

**TABLE 2.2: TOP 10 COUNTRIES OF ORIGIN TO WALES**

<table>
<thead>
<tr>
<th>Country</th>
<th>Visits ('000s)</th>
<th>Visits (%)</th>
<th>Nights (m.)</th>
<th>Nights (%)</th>
<th>Expenditure (£ m.)</th>
<th>Expenditure (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Republic of Ireland</td>
<td>198</td>
<td>23</td>
<td>1.19</td>
<td>18</td>
<td>42</td>
<td>17</td>
</tr>
<tr>
<td>USA</td>
<td>126</td>
<td>15</td>
<td>0.67</td>
<td>10</td>
<td>39</td>
<td>15</td>
</tr>
<tr>
<td>Germany</td>
<td>83</td>
<td>10</td>
<td>0.94</td>
<td>14</td>
<td>25</td>
<td>10</td>
</tr>
<tr>
<td>France</td>
<td>64</td>
<td>7</td>
<td>0.57</td>
<td>9</td>
<td>12</td>
<td>5</td>
</tr>
<tr>
<td>Netherlands</td>
<td>61</td>
<td>7</td>
<td>0.32</td>
<td>5</td>
<td>13</td>
<td>5</td>
</tr>
<tr>
<td>Australia</td>
<td>43</td>
<td>5</td>
<td>0.33</td>
<td>5</td>
<td>14</td>
<td>5</td>
</tr>
<tr>
<td>Canada</td>
<td>32</td>
<td>4</td>
<td>0.23</td>
<td>4</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Italy</td>
<td>24</td>
<td>3</td>
<td>0.15</td>
<td>2</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Spain</td>
<td>22</td>
<td>3</td>
<td>0.15</td>
<td>2</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>Belgium</td>
<td>19</td>
<td>2</td>
<td>0.06</td>
<td>1</td>
<td>4</td>
<td>2</td>
</tr>
</tbody>
</table>

Source: Wales Tourist Board, 2002

At a WTB workshop (12.02.2004), Roger Pride, Director of Marketing,
predicted that in 2004 the domestic market would be strong. Europe had
peaked after the late 1990s although there had been some recovery in 2003
and North America was described as the 'basketcase' market – offering
minimal immediate potential. Pride also thought a trend may be seen in 2004 of increased numbers of domestic tourists taking their main holiday within the UK as international short breaks have increased. UK citizens may have had their ‘fix’ of international destinations on short breaks and would see the attraction of having their main holiday in the UK, therefore an increase in the average length of stay was predicted.

In spite of terrorist attacks in New York, Bali and elsewhere, sluggish economies in many countries and war in Iraq the tourism sector continues to expand. Recent statistics from the World Tourism Organisation reveal that in 2003 the number of international tourists exceeded the 700 m. mark for the first time in history (world-tourism.org).

2.5.1: INTERNATIONAL MARKETS’ CONCLUSION

According to VisitBritain (2003) the Scandinavian market offers future potential, however, at present this market does not make significant visits to Wales, London remains the most popular destination outside the Nordic region.

At present, Central Europe continues to offer minimal growth potential for 2004 with the German economy stuttering and political differences between the French and British over the war in Iraq playing on consumer minds. However, these markets should not be ignored as they are likely to recover. Trade shows and continued contact with international buyers will ensure that UK hospitality operators are able to attract these recovering international markets.

The UK domestic market represents the key target for Welsh seaside hotels with initial efforts focusing on attracting domestic tourists. International markets should be closely monitored for future opportunities. However, it is not envisaged that the significant investment required would achieve the same return on marketing investment as marketing directed at the domestic market.
2.6: UK SEASIDE RESORTS

The English Tourism Council (ETC) Sea Changes (2001) report found that seaside resorts [in England] generate £4.5 bn. a year. However, they are fighting to maintain visitors with the number of Britons holidaying abroad increasing by 108% from 1991 to 2001 (Plimmer, 2001). Mary Lynch, ETC's Chief Executive commented that 'some resorts will have to look at themselves and come to the conclusion that there is no future for them as tourist destinations', and that 'the seaside has a future but it isn't in nostalgia – ice-creams and amusement arcades will not satisfy another generation' (Plimmer, 2001).

In the Sea Changes report, Bournemouth was highlighted as a model for regeneration for other coastal towns to follow. It has year-round trade, based around the Bournemouth International Conference Centre, built 1984 (worldofevents.net/em/em_history_20th_9.html) to rival Harrogate and Birmingham. Mark Haslingden, vice-president of the Bournemouth Hotel and Restaurant association commented that 'We couldn't survive on the leisure side of the business but with the conference market we're busy throughout the year'.

Bournemouth has more than 30 three-star hotels as well as a Marriott, Hilton and Carlton at the upper end of the market and holds a population of 163,441 people. In response to the increase in business, cafes, restaurants, theme bars and dance clubs have sprung up, which has helped to make the town a destination for style-conscious Europeans attracted by the image of the town as the 'party capital of the south' (Plimmer, 2001).

While Bournemouth still attracts the 'bucket and spade' holidaymaker families that stay for a week or so, Ken Male, head of Tourism for Bournemouth has seen a development whereby 'stay patterns are shorter, with people staying two or three nights. The decline in bed nights is countered by the fact that short stayers are high spenders' (Plimmer, 2001).
The current research recognises the challenges faced by UK seaside resorts. This is considered further by Agarwal (1993, 1997 & 2002), Clegg & Essex (2000), Shaw and Williams (2002) and Walton (2000).

2.7: TOURISM IN WALES

Table 2.3 shows a 3% increase in number of tourist trips to Wales between 2002 and 2003, with a peak in 2000 of 13.4 m. trips. The duration of visits decreased with total nights spent moving from 44.6 m. in 2001 down to 39.8 m. in 2002 and rising again in 2003 to 45.7 m., reinforcing the trend towards shorter holidays. In 2002, in Wales the average length of holiday stay was 3.6 nights (Table 2.4) with all tourism slightly lower at 3.3 days influenced by shorter length of stay business travel. The average holiday expenditure per night was £37.25 and for all tourism trips this increased to £38.76.

Table 2.3: THE UK TOURISM MARKET TO WALES

<table>
<thead>
<tr>
<th>Tourism measure</th>
<th>2000 (m.)</th>
<th>2001 (m.)</th>
<th>2002 (m.)</th>
<th>2003 (m.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of tourist trips to Wales from UK</td>
<td>13.4</td>
<td>11.6</td>
<td>12</td>
<td>11.6</td>
</tr>
<tr>
<td>Total nights</td>
<td>49.1</td>
<td>44.6</td>
<td>39.8</td>
<td>45.7</td>
</tr>
<tr>
<td>Business trips</td>
<td>1.3</td>
<td>1.3</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Tourism spend</td>
<td>£1,654</td>
<td>£1,664</td>
<td>£1,543</td>
<td>£1,766</td>
</tr>
<tr>
<td>1-3 day holidays</td>
<td>5.5</td>
<td>4.6</td>
<td>5.3</td>
<td>4.7</td>
</tr>
</tbody>
</table>

Table 2.4: UK TOURIST LENGTH OF STAY AND EXPENDITURE IN WALES (2002)

<table>
<thead>
<tr>
<th>Length of stay/expenditure</th>
<th>All tourism trips</th>
<th>Holiday trips</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average length of stay</td>
<td>3.3</td>
<td>3.6</td>
</tr>
<tr>
<td>Average expenditure per trip</td>
<td>£129.66</td>
<td>£135.90</td>
</tr>
<tr>
<td>Average expenditure per night</td>
<td>£38.76</td>
<td>£37.25</td>
</tr>
</tbody>
</table>

Source: Adapted from WTB, 2004

Between January and September 2003, Wales performed better than the rest of the UK with a 2% year-on-year increase to 6.6 m. visitors staying in Wales between January and July 2003. The number of nights stayed rose by 14% to
23.2 m. and tourists spent £969 m., a rise of 16%. This performance was helped by the good summer weather, a reluctance to travel abroad, international events and the positive effects of the tourist industry promotion of Britain as a holiday destination for British people.

The good performance suggests that the British are recognising Wales as a UK quality tourist destination in part this relates to strong promotion by the WTB. In 2003 VisitBritain spent £4 m. promoting Britain as a holiday destination for British people which was supported by the Wales Tourist Board £10 m. ‘Big Country’ promotional campaign that resulted in a record 417,000 enquiries of which 30% were on-line (wtbonline.gov.uk, 2003).

2.8: TOURIST ATTRACTIONS

Table 2.5 shows the major South Wales tourist visitor attractions that contribute towards the overall Welsh tourism product offering. Manorbier Castle has benefited from increased exposure following the filming of ‘I Capture the Castle’ and subsequent Hollywood release. Laugharne Castle peaked in 2002, with 34,857 visitors, as a result of attention surrounding the anniversary of the death of Dylan Thomas.

Oakwood attracts the most visitors for a paid attraction with 384,103 visitors, Located near Narberth in Pembrokeshire the park is the largest theme park in Wales. Oakwood is promoted throughout South Wales using TV and radio advertising, direct mail and flyer drops targeting the family market with a ‘Fill up on Fun’ message. A daily summer coach service is available from Swansea Quadrant Bus station (oakwood-leisure.com).
## Table 2.5: Leading South Wales Tourist Attractions 1999-2002

<table>
<thead>
<tr>
<th></th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2002 (%) Total</th>
<th>Change 2001/2002 (%)</th>
<th>Entry £</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Historic Properties</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dylan Thomas Boat House</td>
<td>21,681</td>
<td>18,113</td>
<td>19,449</td>
<td>16,663</td>
<td>0.14 2001t200</td>
<td>-14 98</td>
<td>2.75</td>
</tr>
<tr>
<td>Lamphey Bishop's Palace,</td>
<td></td>
<td>5,252</td>
<td>5,992</td>
<td>11,892</td>
<td>0.10 2001t200</td>
<td>98</td>
<td>2.50</td>
</tr>
<tr>
<td>Lamphey</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kidwelly Castle, Kidwelly</td>
<td>26,632</td>
<td>26,286</td>
<td>24,663</td>
<td>25,257</td>
<td>0.22</td>
<td>2</td>
<td>2.50</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Museums &amp; Art Galleries</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Museum of the Home,</td>
<td>1,690</td>
<td>1,514</td>
<td>1,399</td>
<td>1,280</td>
<td>0.01</td>
<td>-9</td>
<td>1.20</td>
</tr>
<tr>
<td>Pembroke</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tenby Museum &amp; Art Gallery</td>
<td>19,078</td>
<td>10,701</td>
<td>19,923</td>
<td>21,064</td>
<td>0.18</td>
<td>6</td>
<td>2.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Industrial, craft &amp; visitor centres</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Centre for Alternative Energy</td>
<td>70,079</td>
<td>66,837</td>
<td>68,880</td>
<td>63,727</td>
<td>0.55</td>
<td>-7</td>
<td>7.00</td>
</tr>
<tr>
<td>Pembroke Dock Heritage Centre</td>
<td>-</td>
<td>-</td>
<td>3,200</td>
<td>6,000</td>
<td>0.05</td>
<td>87</td>
<td>2.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Gardens</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aberglasney Gardens,</td>
<td>-</td>
<td>53,149</td>
<td>60,840</td>
<td>50,415</td>
<td>0.44</td>
<td>-17</td>
<td>5.00</td>
</tr>
<tr>
<td>Llangathen</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Colby Woodland Gardens</td>
<td>24,468</td>
<td>20,572</td>
<td>23,500</td>
<td>24,104</td>
<td>0.21</td>
<td>3</td>
<td>2.80</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Countryside &amp; Natural Attractions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Llysyrfan Reservoir &amp; Country Park (Estimate)</td>
<td>70,000</td>
<td>67,000</td>
<td>71,000</td>
<td>80,000</td>
<td>0.70</td>
<td>13</td>
<td>Free</td>
</tr>
<tr>
<td>National Wetlands Centre, Llanelli</td>
<td>-</td>
<td>-</td>
<td>41,061</td>
<td>43,931</td>
<td>0.38</td>
<td>7</td>
<td>5.50</td>
</tr>
<tr>
<td>Thousand Island Expeditions, St Davids</td>
<td>17,000</td>
<td>20,000</td>
<td>-</td>
<td>12,331</td>
<td>0.11</td>
<td>-22.50</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Themed attractions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CC2000, Canaston Bridge</td>
<td>94,012</td>
<td>76,754</td>
<td>87,846</td>
<td>70,282</td>
<td>0.61</td>
<td>-20</td>
<td>Various</td>
</tr>
<tr>
<td>Oakwood, Nr Narberth</td>
<td>406,780</td>
<td>420,435</td>
<td>352,598</td>
<td>384,103</td>
<td>3.342</td>
<td>9</td>
<td>12.25</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total attraction visits</strong></td>
<td>11,397,296</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Source: Adapted from WTB, 2003

Other important Welsh tourist attractions in Pembrokeshire and environs include Folly Farm and the National Botanic Garden of Wales. Folly Farm provides entertainment for the family with a working farm and an indoor fun fair when the weather is inclement and advertises at peak children's viewing times on ITV.
In 2002, the National Botanic Garden of Wales, in Llanarthe, Carmarthenshire opened with part funding from the Millennium fund. The garden’s original focus was on research and education rather than on being a tourist attraction which made it heavily reliant on government financial support. In December 2003, its future looked bleak as it went into receivership, the gardens were given six month’s further funding to find a solution. The WTB undertook a strategic review to consider the garden’s future. A ‘think tank’ identified that the gardens could be transferred into a base for leisure activities such as a golfing centre and a health and well-being destination. The latter would transform the garden into a provider of spa type treatments, using plants as a source of nutrition and alternative medicine, gardens for exercising, relaxing and painting, potential for private hospital and physic garden (BBC, 2003).

In total 11,397,296 visits were recorded at attractions in Wales during the year 2002. Between 2001 and 2002 there was an 8% overall increase in visitor numbers. Table 2.6 below shows the variation in demand between different categories of attractions:

<table>
<thead>
<tr>
<th>Category</th>
<th>% Increase/Decrease 2001/2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Historic properties</td>
<td>+13.8</td>
</tr>
<tr>
<td>Museums &amp; art galleries</td>
<td>-1.0</td>
</tr>
<tr>
<td>Industrial, craft &amp; visitor centres</td>
<td>Less than 0.5%</td>
</tr>
<tr>
<td>Gardens</td>
<td>-6.7</td>
</tr>
<tr>
<td>Countryside &amp; natural attractions</td>
<td>+26.0</td>
</tr>
<tr>
<td>Themed attractions &amp; leisure parks</td>
<td>Less than 0.5%</td>
</tr>
<tr>
<td>Wildlife attractions</td>
<td>+22.7</td>
</tr>
<tr>
<td>Railways</td>
<td>+24.1</td>
</tr>
<tr>
<td><strong>All attractions</strong></td>
<td><strong>+8.1</strong></td>
</tr>
</tbody>
</table>

Source: Adapted from WTB, 2003
2.9: SOUTH-WEST WALES TOURIST ACCOMMODATION

Within south-west Wales most of the hospitality accommodation is in Pembrokeshire (66%), next-door Carmarthenshire has 14%, Swansea area 19% and Neath Port Talbot 1% (see Fig. 2.1).

FIGURE 2.2: SOUTH-WEST WALES ACCOMMODATION GEOGRAPHIC DISTRIBUTION

Source: South-west Wales Tourism Partnership, 2003

In 2003, throughout south-west Wales there were 144,563 bedspaces available, with caravan parks accounting for 66% of bedspaces, self-catering accommodation for 22% and serviced accommodation for 12% provided by 5,679 suppliers.

Nearly two-thirds of accommodation suppliers had undertaken some capital investment in the five years to 2003 and 27% of those who had not done so were proposing to carry improvements in the next five years suggesting general improvements to hospitality product quality (South-west Wales Tourism Partnership, 2003).
2.10: TOURISM IN PEMBROKESHIRE

In 2001, tourism expenditure in Pembrokeshire amounted to £206 m., of which 82% was contributed by staying tourists and a fifth by tourism day visitors. Most visitors (94%) were UK tourists. Business tourism accounted for 6% of trips, 5% of over night stays and 6% of spending (Broom, 2001).

In 2003 in Pembrokeshire there were 93,039 bedspaces (Table 2.7) of which 11.7% took the form of catered for accommodation and 88.3% comprised alternative self-catering accommodation options. Within the latter, touring caravans (57.0%) and self-catering (26.4%) make the most contribution.

TABLE 2.7: 2003 PEMBROKESHIRE BEDSPACE SURVEY

<table>
<thead>
<tr>
<th>Accommodation type</th>
<th>Sector Total</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bed &amp; Breakfast (B&amp;B)</td>
<td>2,648</td>
<td>2.8</td>
</tr>
<tr>
<td>Guest House</td>
<td>2,511</td>
<td>2.7</td>
</tr>
<tr>
<td>Hostel</td>
<td>872</td>
<td>0.9</td>
</tr>
<tr>
<td>Hotel</td>
<td>4,470</td>
<td>4.9</td>
</tr>
<tr>
<td>Pub</td>
<td>386</td>
<td>0.4</td>
</tr>
<tr>
<td>Self-Catering</td>
<td>24,582</td>
<td>26.4</td>
</tr>
<tr>
<td>Static Caravans</td>
<td>4,528</td>
<td>4.9</td>
</tr>
<tr>
<td>Touring Caravans</td>
<td>53,042</td>
<td>57.0</td>
</tr>
<tr>
<td>Total</td>
<td>93,039</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Visit Pembrokeshire (2003)

2.11: WELSH MARKETING ENVIRONMENT

The strategic marketing environment model for assessing the Political, Economic, Social and Technological (PEST) issues provide a framework for assessing the tourism market in Wales. This tool considers environmental influences that 'have been particularly important in the past, and the extent to which there are changes occurring which may make any of these more or less significant in the future for the organisation and its competitors' (Johnson & Scholes, 1997: 93). Generally, this framework has been extended to include coverage of legal and environmental issues taking the abbreviation to PESTLE.
2.11.1: Political Climate
As part of the move towards decentralisation and regionalisation, the Welsh National Assembly was set up in 1999 with responsibility for domestic matters such as education and health while other areas such as raising of finance, foreign affairs and immigration remain administered from London. Tourism contributes 7% to the Welsh Gross Domestic Product (GDP). The Wales Tourist Board is responsible for overall Welsh tourism as the main government agency with an annual budget of £21.5 m. compared with the BTA budget of £35.5 m. and the Scottish Tourist Board budget £24.9 m. (Select committee on Welsh affairs, 2003).

2.11.2: Economic Issues
While tourism is important to the Welsh economy as a whole, it is particularly important in areas where it is the main source of income for local businesses. Tourism accounts for one in ten Welsh jobs (10%). Overseas tourism to Britain as a whole is worth around £12,671 m. per year, of which Wales's share is about £176 m., or just under 1.4%. Its share of the domestic tourism market, on the other hand, is much higher, at around 8%. In terms of all visitors to the UK (not just tourists), about 4% visit Wales, although this falls to 2% if people arriving in the country by Irish sea routes (many of whom are just passing through Wales) are excluded (wborneonline.gov.uk, 2004).

2.11.3: Social Aspects
As UK customer expectations have risen and they have become more discerning hotel and restaurant quality has improved. The researcher identified a growing reputation for Welsh hospitality and fine food, in part due to favourable public relations coverage from national and regional press supported by the proactive Wales Tourist Board PR team.

2.11.3.1: Pembrokeshire Population
Figure 2.2 shows the distribution of the 112,901 Pembrokeshire population in 2002. Its age distribution differs from the UK average with the younger age group of 20 and 40 year olds being below the national average compensated
by higher than average older age groups. This impacts on the tourist industry in various ways. In terms of labour, there is a shortage of younger recruits who often seek employment away from Pembrokeshire, making it necessary to employ older members of the local population. The ‘over 50’ age group is much larger than in urban areas of the UK because of the popularity of Pembrokeshire as a retirement area, possibly because of a feeling of nostalgia that Pembrokeshire holds for these residents and warmer year round weather.

**Figure 2.3: Distribution of Pembrokeshire Population (2002)**

Source: statistics.gov.uk, 2001

### 2.11.3.2: Employment Opportunities in Pembrokeshire

There is relatively high unemployment in Pembrokeshire with limited potential employment, encouraging younger people, especially, to move elsewhere. While pump-priming investment in the provision of office buildings by Pembrokeshire County Council has taken place, the results have been disappointing. In 2001, the closure of ITV Digital Pembroke Dock call centre led to 1,400 redundancies. It re-opened with several smaller companies including Friday-advertisements. Another call centre has opened in Pembroke Dock, employing 50 people for Metropole Sales and Marketing.
(MSM) a mobile insurance company (news.bbc.co.uk). There has been some increase in employment though with the local Department for Work and Pensions increasing its staff to 500, but opportunities remain lower than in other parts of the UK.

Attitudes towards careers in tourism and hospitality held by residents of Wales were extensively researched by Haven (2002). In contrast to other regions of Wales she found a strong desire amongst young people in Pembrokeshire to stay in the area. Limited opportunities for developing a career, however, did ‘push’ younger residents to leave the county. The structure of the tourism industry also compounded the problem as ‘seeing’ a career in the industry was obscured by both the plethora of small, micro-businesses and formative experiences of work in the industry which were limited to customer-facing jobs.

2.11.4: TECHNOLOGY
The world wide web continues to provide potential for small hotels to reach wider markets. Chatfield-Taylor (2002) found that hotel websites are offering a greater variety of functions including virtual tours of the property, special offers/last minute availability, online form for conference or accommodation enquiry, online booking, planning tools for events and local attraction information.

A new technology for credit and debit card transactions will be introduced in the UK by 2005. This will see a microchip on credit or debit cards and a ‘PIN’ number that the guest will enter into a terminal to help combat credit card fraud (Edlington, 2003).

2.11.5: LEGAL ASPECTS
The pricing of food and drink in hotels is governed by the Price Marking (Food and Drink on Premises) Order 1979 and is enforced through the Prices Act 1974. On 2 March 2004, the Price Marketing (Food and Drink Services) Order 2003 was introduced. This addresses customer concerns, in particular
those regarding soft drinks and the visibility of their prices. In restaurants a menu must be clearly displayed at or near the entrance so that customers can look at it before they enter the eating area.

Hotels must comply with provisions set out in the Tourism (Sleeping accommodation Price Display) Order 1977, which states that room prices must be prominently displayed at the hotel reception (or at the entrance if there is no reception). The price list must state the nightly charge, including any service charge, for a single bedroom, a twin or double bedroom or any other accommodation – for example, dormitories or multiple occupancy rooms (Meears-White & Hardwick, 2003).

The Disability Discrimination Act (1995) makes it unlawful for providers of goods, facilities or services to discriminate against members of the public on the grounds of disability (Exten-Wright, 2003). This impacts on future development plans and the supply of menus in Braille or in audio format.

2.11.6: ENVIRONMENTAL ISSUES

Wales is seen as a green destination, in terms of the natural environment and more and more in an ecological sense which could be a key advantage for the hospitality industry. Many tourist organisations will only work with organisations that are environmentally aware. On the international scene Wales is seen as a ‘new’, ‘fashionable’ tourist destination that offers relaxing, desirable space with good access, security, peace and stunning scenery (personal intimation from international buyers at trade shows, 2002-2004).

Within Wales, ARENA Network is an independent organisation providing practical support to business and other organisations primarily on environmental issues. ARENA Network’s principal aims are to promote greater environmental awareness, the adoption of best practice and sustainable development whilst improving overall business performance and competitiveness. This is achieved through the Green Dragon Environmental Standard, which offers an environmental management system relevant to the specific needs of a company and rewards actions taken to achieve
environmental improvements. ARENA Network present annual awards to businesses that demonstrate best environmental practice, presenting a public relations opportunity for independent hotels (arenanetwork.org, 2004).

The location of the case study within the UK's only coastal National Park overlooking Saundersfoot's Blue Flag beach means that some visitors may be attracted to the area due to the high quality coastal tourism attraction and ancillary services (see Table 5.7) provisions. However, the relationship between quality kite marks and consumer choice is not straightforward and Nelson & Botterill (2002: 167), evaluating beach awards for environmental quality, found that beach users often demonstrated a 'very low level of awareness and knowledge of beach flags, being confused over their true meanings'.

Beach flags in Pembrokeshire are either the EU Blue Flag accreditation which focuses on water quality and amenities for tourists or the Green Coast Award (GCA), which 'is a relatively new initiative, piloted in 1999, designed specifically for rural branches with high environmental quality, without the levels of intensive management generally associated with more urban, traditional seaside beaches' (Nelson & Botterill, 2002: 158). For the case study hotel, Manorbier is the closest GCA beach and Saundersfoot has been awarded Blue Flag accreditation.

Although holding limited consumer awareness these environmental quality schemes ensure that the Pembrokeshire tourist product remains consistent with attractive water quality levels, offering future promotional angles for public relations activity. This is especially the case as domestic demand moving towards growth markets of short-stay breaks where a resort's environmental quality rather than its entertainment assets are principal motivating factors (Nelson & Botterill, 2004).
2.12: UK HOTEL MARKET CONCLUSIONS

The UK hotel market faced a challenging marketing environment within the last five years as terrorism, foot and mouth and international events affected consumer tourism purchasing behaviour.

Within the UK, increasingly discerning customers have been recognised with the quality of properties responding accordingly. In Wales, tourism has experienced growth in tourist expenditure which has been partly credited to the marketing activities of WTB. A PESTLE analysis identified the main issues effecting the marketing environment for St Brides Hotel.
CHAPTER 3: LITERATURE REVIEW: SERVICES MARKETING

3.1: INTRODUCTION

This chapter provides an explanation of the fundamental differences between service and product marketing and critical marketing theory related to St Brides Hotel. Branding, relationship marketing and information technology are discussed in terms of the implications for marketing hospitality and hotel operations. The areas of marketing theory discussed have been identified through an action research process and discussions with industry experts with the aim of increasing profitability at the case study hotel. Figure 3.1 provides an overview of the literature review process.

FIGURE 3.1: OVERVIEW OF LITERATURE REVIEW PROCESS
3.2: NATURE OF SERVICES

There are some fundamental differences between services and products, which effect how services are marketed. Services are intangible so they cannot be inventoried, patented or readily displayed. Services are heterogeneous with service delivery and customer satisfaction depending on employee actions and many other uncontrollable factors, e.g. the weather. In services, production and consumption is simultaneous as customers participate in and affect the transaction. Finally, services are perishable, making it difficult to synchronize supply and demand and creating difficulties for returns or reselling (Parasuraman, Zeithaml & Berry, 1985).

3.2.1: SERVICES MARKETING MIX

The traditional marketing mix is expanded for services marketing with the four key variables traditionally used – ‘product, price, place and promotion’ (Kotler, 2000: 16) being supplemented to include people, physical evidence and the process whereby the service is delivered.

**Table 3.1: Expanded Services Marketing Mix**

<table>
<thead>
<tr>
<th>Product</th>
<th>Promotion</th>
<th>Price</th>
<th>Place</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variety</td>
<td>Advertising</td>
<td>List price</td>
<td>Channels</td>
</tr>
<tr>
<td>Quality</td>
<td>- Promotions</td>
<td>- Discounts</td>
<td>Coverage</td>
</tr>
<tr>
<td>Design</td>
<td>- Personal</td>
<td>- Allowances</td>
<td>Assortments</td>
</tr>
<tr>
<td>Features</td>
<td>selling</td>
<td>- Payment period</td>
<td>Locations</td>
</tr>
<tr>
<td>Brand name</td>
<td>- Publicity</td>
<td>- Credit terms</td>
<td>Inventory</td>
</tr>
<tr>
<td>Packaging</td>
<td></td>
<td></td>
<td>- Transport</td>
</tr>
<tr>
<td>Services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warranties</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>People</th>
<th>Physical Evidence</th>
<th>Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>Facility design</td>
<td>Flow of activities</td>
</tr>
<tr>
<td>Recruiting</td>
<td>Equipment</td>
<td>- Standardized</td>
</tr>
<tr>
<td>Training</td>
<td>Signage</td>
<td>- Customized</td>
</tr>
<tr>
<td>Motivation</td>
<td>Employee dress</td>
<td>Number of steps</td>
</tr>
<tr>
<td>Rewards</td>
<td>Other tangibles</td>
<td>- Simple</td>
</tr>
<tr>
<td>Teamwork</td>
<td>- Reports</td>
<td>- Complex</td>
</tr>
<tr>
<td>Customers</td>
<td>- Business cards</td>
<td>Customer involvement</td>
</tr>
<tr>
<td>Education</td>
<td>- Statements</td>
<td></td>
</tr>
<tr>
<td>Training</td>
<td>- Guarantees</td>
<td></td>
</tr>
</tbody>
</table>

Source: Zeithaml & Bitner, 2003: 24-25
These three additional services are defined by Zeithaml & Bitner (2003: 24-25) as:

**People:** covers all human actors who play a part in service delivery and thus influence the buyer's perceptions: namely, the firm's personnel, the customer, and other customers in the service environment.

**Physical evidence:** relates to the environment in which the service is delivered and where the firm and customer interact, and any tangible components that facilitate performance or communication of the service.

**Process:** considers the actual procedures, mechanisms and flows of activities by which the service is delivered – the service delivery and operating system.

Relating the services marketing mix to the hospitality industry Robert Catlin of Holiday Inn considers that people buy products because they believe they will work, but with services, people deal with people they like and tend to buy services because they believe they will like them. This makes the customer-employee interface a critical component of marketing impacting on human resource management and the relationship marketing concept (Zeithaml & Bitner, 2003).

### 3.3: Relationship Marketing Concept

The relationship marketing concept emerged within the fields of services marketing and industrial marketing (Berry (1983), Grönroos (1994) and Gummesson (1987)) which are both based on establishing and maintaining relationships between sellers and buyers and other parties in the marketplace. Grönroos (1990: 138) defines relationship marketing aiming 'to establish, maintain and enhance ... relationships with customers and other partners, at a profit, so that the objectives of the parties are met. This is achieved by a mutual exchange and fulfilment of promises'. Such relationships are usually, but not necessarily, long term (Grönroos, 1994: 355). An integral element of the relationship marketing approach is the promise concept, which has been
strongly emphasised by Grönroos (1994: 355) who considered that ‘fulfilling promises that have been given is equally important as means of achieving customer satisfaction, retention of the customer base, and long-term profitability.’

Grönroos (1994) developed the theory of relationship marketing arguing that the concept of the marketing mix ‘became the unchallenged basic theory of marketing, by offering a seductive sense of simplicity to students, teachers and practitioners of marketing’ (Kent, 1986 cited by Grönroos 1994:347). He considered a market-oriented or customer-oriented approach more appropriate than the core production-oriented definition of marketing. The importance of the relationship marketing concept is recognised increasingly in that ‘companies must move from a short-term transaction-oriented goal to a long-term relationship building goal’ (Kotler, 1991: 1).

The objective of relationship marketing is to foster loyalty based on factors other than economic or service attributes (Bowen & Shoemaker, 1998) by using the factors recommended by Tepecci (1999), including building a good reputation, being innovative and delivering high customer satisfaction (See below, Section 3.4.4: Brand loyalty for hospitality organisations).

3.3.1 RELATIONSHIP MARKETING IN HOSPITALITY

Within the hospitality industry, relationship marketing has been shown to be critically important in building a loyal customer base, particularly within the restaurant sector. Regarding restaurant loyalty, Mattila (2001: 78) found that ‘committed respondents were more likely to act as advocates by recommending the restaurant to others due to the emotional bond with the restaurant in question. She suggests that operators ‘might want to invest in practices that enhance the customer’s emotional ties to the restaurant brand’ by cultivating ‘strong brand-customer relationships’.

Mattila (2001: 74) links restaurant loyalty to branding by stating that ‘strong brands are less vulnerable to competitive attacks stemming from price discounts or other promotional tactics, one way to discourage consumers from
switching brands is for the consumers to have an affective commitment to the brand'. Further, business travellers enjoy the extended interaction and conversation with familiar receptionists, supporting the notion that genuine customer relationships are important.

3.4: HOSPITALITY BRANDING

Hospitality brands often focus on developing relationships with their customers to benefit from the associated customer loyalty. Tepeci (1999) considers that 'a brand is the product or service of a particular supplier, which is differentiated by its name and presentation'. Brands provide consumers with meaning and value which act as an 'indicator of quality and reliability' (Morgan & Pritchard, 2000: 217). Brands introduce stability into business, help guard against competitive imitation and allow consumers to shop with confidence in an increasingly complex world (Aaker, 1991). Brands are natural barriers to new competition because branding reduces consumer risks associated with the purchase of products or services. Thus, they support premium prices and sustain increasing revenue because of the consumer tendency towards long-term brand loyalty (Ehrenberg et al., 1990).

All businesses and most of their products and services must have a brand so that they can be identified and differentiated in the minds of consumers (Reich, 1997). Building strong brands is essential for survival in the current business environment (Prasad & Dev, 2000). Strong brands not only foster customer loyalty but they also enable hospitality operators to charge premium prices (Aaker, 1991). However Morgan & Pritchard (2000: 219) recognise that 'building a brand is a long, slow process that needs patience and commitment'.
3.4.1: BRAND NAME

The process of selecting a brand name has implications on the desired customer brand perception. The brand name should be chosen following careful consideration of the business, its target markets and competing firms. As applied to the hospitality industry, care has to be taken that ‘the ever-increasing frequency of brand changes for existing hotels’ require ‘specific strategies to deal with all ramifications of that change. Does the new name have a better, similar, or less stellar image than the former name? What about the image of the specific hotel whose name will change?’ (Reich, 1997: 362). Consideration of a hotel name change for the case study hotel would enable the property to shift any previously held negative customer opinion concerning a less than satisfactory product and service offering towards a customer association with a new, desirable product. On the other hand, keeping the same hotel name could benefit from increased brand loyalty.

3.4.2: BRAND LOYALTY

Strong brands with a loyal customer base can generate an inimitable competitive advantage. ‘Since keeping old customers requires much less money than acquiring new customers, and since serving old customers is significantly cheaper than serving new ones, hospitality companies that want to improve their market share and profitability must give more attention to current customers’ (Tepeci, 1999: 228). This can be achieved by creating brand loyalty, which is a means of economising consumer decision effort by substituting habit for repeated, deliberate decision making and functions as a device for reducing the risks of consumer decisions (Zeithaml & Bitner, 2003). Once customers have made a decision about a brand and its associations, they are often loyal to that brand, continue to buy it in the future, recommend it to friends, and choose the product over others, even those with better features or lower price (Assael, 1991).
Reichheld (1996) explains the advantages of brand loyalty as:

- **providing continuous profit**: the longer a customer remains loyal, the more long-term and cumulative profit a business can get from that single customer. The cost of getting new customers may be in excess of £50 per customer;
- **reducing marketing cost**: for loyal customers, the costs of investment in new customers through marketing activity, e.g. advertising, are eliminated or minimised;
- **increasing per-customer revenue growth**: customer spending tends to increase over time as they become more familiar with the hotel's full product line;
- **decreasing operating cost**: loyal customers’ familiarity with the company’s product makes for less dependence on employees for information and service, decreasing servicing costs;
- **increasing referrals**: satisfied customers recommend the business to friends and others;
- **increasing price premiums**: brand loyal customers pay more for a brand because they perceive unique value in the brand that no other alternative can provide and they are less likely to be lured away by discounts;
- **providing competitive advantage**: as consumers become loyal to a brand, they become less sensitive to a price increase. A price differentiation over the competition can be maintained because of the product’s ability to satisfy customer needs.

3.4.3: **Brand loyalty for services**

Customers within the services sector are more likely to remain brand loyal when switching costs are high, when awareness of substitutes is limited, where higher risks accompany services and when the consumer recognises the need for repeated patronage to obtain optimum satisfaction from the seller. By becoming a regular customer the seller gains knowledge of the customer’s tastes and preferences, which ensures better treatment, and encourages more interest in the consumer’s satisfaction. Thus 'a consumer
may exhibit brand loyalty to cultivate a satisfying relationship with the seller' (Zeithaml & Bitner, 2003: 49).

Despite the managerial importance of understanding the psychology behind the development of a customer's loyalty, it is poorly understood. 'Most of the existing models of brand loyalty are cognitively based' (Mattila, 2001: 74). Oliver (1999) presented a framework in which customers progress from cognitive commitment to emotional bonding as their loyalty levels increase. Further, services research shows that emotional bonding with the service provider is strongly linked to future purchase intentions (Shemwell et al., 1994). As Mattila (2001: 75) recognises 'these recent conceptualisations of brand loyalty point to the importance of emotions in understanding service loyalty'.

3.4.4: BRAND LOYALTY FOR HOSPITALITY ORGANISATIONS

Tepeci (1999) found that hospitality companies can increase their market share and growth rates by increasing their brand loyal customers which is more profitable than other marketing activities, such as price cuts or promotional programmes. Zeithaml & Bitner (2003) consider that consumer loyalty to particular hospitality brands depends on the cost of changing brands (switching costs); availability of substitutes; perceived risk associated with the purchase and the degree to which consumers have obtained satisfaction in the past.

'Restaurant operators who are willing to invest in building relationships by placing a premium on customer-employee bonding are likely to win the competitive game of brand loyalty' (Mattila, 2001: 79). This is because a positive customer experience derives from personal interactions with the service provider as well as the service provider's ability to recognize and monitor the customer's emotions throughout the service delivery process.

Tactics to help increase the number of brand loyal customers in hospitality operations include offering added value features and consistently providing high quality service, staying in touch with the customers and market
segmentation in terms of customer buying habits. Other factors to consider are the selection of service-oriented employees, using relationship marketing, offering frequent guest programs and building a system that facilitates organization-wide planning and implementation (Tepeci, 1999).

In response to frequent guest programs, Mattila (2001: 73) argues that 'loyalty goes beyond racking up points and even beyond repeated purchases. The loyalty that restauranteurs really seek involves attitudinal, behavioural and emotional commitment to the restaurant. This could be considered an ideal situation for the restauranteur, although ethical considerations may come into play if this approach is taken to the extreme.

If a patron has developed strong emotional ties with a restaurant or its employees, then the affective bond leads to greater commitment than any loyalty program can create. Such a patron is willing not only to return to the restaurant but also to recommend the place to others.' Generating this positive word of mouth promotion should become a key tactic for independent hospitality operators who have limited marketing budgets.

Factors to consider to increase the brand loyal customer base within the hospitality industry are:

- **awareness**: loyalty begins with the customer becoming aware of the product (Aaker, 1991) and (Grover & Srinivasan, 1992).
- **reputation**: having a good reputation increases a firm’s sales, attracts more customers because of word of mouth activity and cuts customer departures (Rogerson, 1983). Sellers who develop a reputation for high-quality can often command premium prices, e.g. Ritz Carlton (Tepeci, 1999).
- **image**: building and sustaining a positive brand image helps to maintain customer brand loyalty. A strong brand image distinguishes a product from competitor products. The image includes colours, symbols, words and slogans that convey a clear, consistent message and not simply the
name (Berry et al., 1998). The brand image plays a role in product choice because consumers attempt to reinforce their self-image by buying products that are congruent with their self-image and desired style (Tepeci, 1999).

- **promotion**: encourages consumers to try a product, and if tied to something positive, such as a new or better facility or a new product, it facilitates brand loyalty (Tepeci, 1999). Promotions can be used to develop Porter’s (1980) three generic competitive strategies – overall cost leadership, differentiation or focus (Grover & Srinivasan, 1992).

- **perceived quality**: a brand should represent a credible guarantee of quality to consumers (Aakar, 1991). Once the consumers are persuaded that the brand offers what they expect, they stay with the brand. Brand names provide a symbolic meaning which assists the user in the recognition and decision-making process. A consumer will choose a familiar brand name because brand names carry a higher perceived quality (Tepeci, 1999). Customers feel much more comfortable with branded rather than unbranded products so brand-leading products consistently command a 10 to 15% price premium over their competition (Elliott, 1996). Customers may also see this price difference as a quality indication (Tepeci, 1999).

- **innovation**: allows the brand to remain up-to-date and demonstrates an unceasing attentiveness to the changes in customer taste. Firms should meet and exceed customer needs and wants (Tepeci, 1999). Studies show that successful new brands are typically more distinctive, novel and superior in comparison to established brands (Nowlis & Simonsen, 1996).

- **brand extension**: carrying the brand into new categories that fit well with its concept and image will help companies increase customer brand loyalty (Aaker, 1991). When the brand’s associations and perceived quality can provide a point of differentiation and advantage for brand extension, the extension will be successful (Tepeci, 1999). However, Tepeci (1999) also found there is a risk that brand extension may damage the core brand by weakening its association or its perceived quality.
- **satisfaction**: the relationship between satisfaction and brand loyalty was examined by Fornell (1992) who found strong correlation between customer satisfaction and loyalty. He found that loyal customers are not necessarily satisfied customers, but satisfied customers tend to be loyal customers. Highly satisfied customers are much more loyal than satisfied customers – any drop in total satisfaction results in a major drop in loyalty (Jones, 1990). Reichheld (1996) showed the customer satisfaction and loyalty relationship illustrated in the Fig. 3.2.

**Figure 3.2: Customer satisfaction versus loyalty relationship**

```
<table>
<thead>
<tr>
<th>Satisfaction</th>
<th>Loyalty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly Dissatisfied</td>
<td>10</td>
</tr>
<tr>
<td>Somewhat Dissatisfied</td>
<td>20</td>
</tr>
<tr>
<td>Neutral</td>
<td>40</td>
</tr>
<tr>
<td>Somewhat Satisfied</td>
<td>60</td>
</tr>
<tr>
<td>Highly Satisfied</td>
<td>80</td>
</tr>
</tbody>
</table>
```

Source: Adapted from Reichheld (1996)

- **customer background**: their characteristics may also contribute to brand loyalty (Morgan & Dev, 1994). Higher income customers may remain loyal to one premium brand because they perceive it as a contribution to their social status. The higher household income, the less switching is expected because customers can exercise their preferences independently from monetary considerations (Tepeci, 1999).

**3.4.5: Hospitality customer loyalty programmes**

Loyalty has become the key strategic issue for many service organizations, including hospitality firms (Bowen & Shoemaker, 1998). Managers and owners are recognising the importance of loyal customers resulting in an increase in loyalty programmes aimed at ‘luring customers to dine more often at a given restaurant’ (Mattila, 2001), e.g. TGI Friday’s Gold Points
programme rewards repeat patronage with gift certificates (tgiffridays.com/goldpoints/awards).

McCleary & Weaver (1991) found that most major hotel chains have developed frequent-guest programmes that reward customers for repeat business, e.g. Hilton Honours and Holiday Inn Priority Club. These programmes aim to enhance the customer’s sense of membership in a unique club with benefits from this membership, such as concessions on hotel room prices and even on occasions complimentary accommodation. The initiation and maintenance of such programs requires considerable investment in the form of free upgrades, newspapers and other perks (Tepeci, 1999) and (Sparks, 1993). Studies have investigated the effectiveness of Frequent Guest Programmes (FGPs) in increasing customer loyalty and concluded that these programs are ‘too expensive to operate’ and ‘hoteliers would be happy to drop these programs’ (McCleary & Weaver, 1991, 1992; Toh et al., 1991). Although FGPs are expensive to maintain ‘business travellers who belong to FGPs were willing to pay more than non-members for a hotel room and FGP members were more likely to bring their families along to stay in the hotel’ (McCleary & Weaver, 1992: 60). However, in the case of competitors’ price cuts or promotions, these customers may switch to competitors. Previous research showed that an immediate reward, e.g. discounts, might be more motivating than the delayed reward (Aaker, 1991). From the above it is unlikely that the case study hotel would decide to introduce a FGP as the significant resources required could be more beneficially spent elsewhere within the marketing mix.

Mattila (2001: 78) argues ‘that frequency programs provide a myopic view of customer loyalty because they are not directed at attitudinal or emotional commitment.’ Although a behavioural response is sought through the introduction of a customer loyalty programme and action is what is required, typically customers with a high frequency of patronage but low levels of emotional commitment are susceptible to competitors’ promotional offerings (Shoemaker & Lewis, 1999).
In discussing restaurant loyalty programmes, Mattila (2001:74) comments that they are 'easy to copy' and 'encourage deal-induced responses by customers who are in pursuit of the best prices or richest rewards'. Matilla (2001:78) 'supports the idea that committed customers place a high value on the restaurant's social benefits (e.g. friendship and familiarity perceptions)' and further that 'smart restaurant operators have realized the need to provide relationship training for front-line personnel. Such training schemes are not limited to spoken interaction; they also cover guidelines for appropriate use of eye contact and other nonverbal gestures.'

3.4.6: LOYALTY SUMMARY
From the above review it would appear the marketing approach to increase brand loyal customers would be an effective approach for independent seaside hotels to undertake due to lower associated costs and improved effectiveness compared to traditional promotional methods. However, the cost associated with the introduction and maintenance of a FGP would make this approach inappropriate for a small hotel with limited marketing budget. Instead, loyalty can be created by providing customers with exceptional service reinforced by highly-valued rewards such as recognition by staff or providing a round of complimentary drinks.

3.5: PART-TIME MARKETERS
Grönroos (1979 and 1982 cited in Grönroos, 1994: 353) introduced the concept of part-time marketers where 'interactions occur between the customer and employees who are not considered marketing people, neither by themselves nor by their managers, and who do not belong to the marketing department. Nevertheless, they are part-time marketers. The part-time marketers of a service provider may often have more impact on the future purchasing decisions of a customer than, for example, professional sales people or advertising campaigns (Gummesson, 1987 and Grönroos, 1990). Grönroos (1994: 353) goes as far as suggesting that 'the psychological effect on the rest of the organization of a separate marketing department is, in the long run, often devastating to the development of a customer orientation or
market orientation in a firm'. The existence or introduction of such a department may be a trigger that makes everybody else lose whatever little interest in the customers they may have had (Grönroos, 1982).

3.6: CULTURE

Organisational culture impacts on the corporate strategy of an organisation and effects the implementation of the marketing plan. Definitions of culture vary, however Zeithaml & Bitner (2003: 50) consider the major areas include:

- **language (both verbal and nonverbal):** for the present study this could be taken to relate to the implications of Welsh and English;
- **values and attitudes:** influence what members of a culture think is right, important and/or desirable;
- **manners and customs:** represent a culture's views of appropriate behaviour which the service encounter is expected to respect;
- **material culture:** the tangible products of culture;
- **aesthetics:** refers to cultural opinions on beauty and good taste, reflected in music, art, drama and dance;
- **education and social institutions:** transmission agents of culture.

Within the hotel and hospitality industry organisational culture impacts on staff retention, attitude towards customer service as well as influencing the management decision-making process. Organisational culture can be developed into a competitive advantage and can form the crucial x-factor for hotels and restaurants (Conran, 2000). Organisational culture can affect the style of service in restaurants, with servers who have professionalism and pride in their job providing a more memorable guest experience.

3.7: CULTURAL WEB

Johnson & Scholes (1999: 73) developed a model of culture termed the cultural web, as 'a representation of the taken-for-granted assumption, of an organisation and the physical manifestations of organisational culture'. It is 'a useful tool for understanding the underlying assumptions, linked to political,
symbolic and structural aspects, of an organisation'. They suggest that the
culture of an organisation can be used for competitive advantage because it
may be so difficult to imitate.

The cultural web incorporates the following:

- **routines**: the way that members of the organisation behave towards
  others, e.g. links between hotel staff at different hierarchical levels;
- **rituals**: special events through which the organisation emphasises what is
  particularly important, e.g. annual staff Christmas party;
- **stories**: typically have to do with successes within the hospitality industry,
  e.g. lavish weddings, conferences and associated events;
- **symbols**: can become a shorthand representation of the nature of the
  organisation, e.g. car parking spaces reserved for senior management;
- **power**: associated with the key assumptions of the organisational culture,
  e.g. the key decision makers within an organisation;
- **controls**: emphasise what is important to monitor in the organisation, this
  could relate to access to wine cellars or food stores;
- **organisation**: reflects power structures and important relationships and
  emphasise what is important in the organisation, e.g. the traditional kitchen
  hierarchy from Executive Chef level to Commis Chef.

The cultural web can be used within the hospitality industry to establish a
marketing strategy that fits with internal routines, rituals, stories, symbols,
power, controls and organisation structure. The success of a hotel marketing
plan for small UK hotels is dependent on its implementation, which relies on
the financial backing of owners as well as buy-in from the management team.
The analysis of culture can clearly show the approaches with the most
potential for success. It would be difficult to build a 'hip' hotel brand with
informal service as its unique selling proposition with an autocratic
management process in place. Customers can feel an organisation where
employees are enjoying themselves and there is a culture of fun. The Virgin
brand has approached its organisational culture as a tool to attract customers
by making the organisation appear to be a cool, hip and happening place to work which encourages customers repeat visit actions.

3.8: Niche Marketing

Within marketing strategy it can be appropriate to use niche marketing tactics as part of the segmentation, targeting and positioning process. A niche is a 'narrowly defined group, typically a small market whose needs are not well served. Marketers usually identify niches by dividing a segment into subsegments or by defining a group seeking a distinctive mix of benefits' (Kotler, 2000: 257). While market segmentation is 'a large identifiable group within a market with similar wants, purchasing power, geographical location, buying attitudes, or buying habits' (Kotler, 2000: 257).

Other definitions include 'a niche to be a small market consisting of an individual customer or a small group of customers with similar characteristics or needs' (Dalgic & Leeuw, 1994: 40). They consider niche marketing as the process of market positioning within small, profitable, homogeneous market segments which have been ignored or neglected by others and match the distinctive competencies of the company. This concept is supported by Keegan et al. (1992) with their definition of a niche market as 'a small market that is not served by competing products'.

An attractive niche is identified as being customers with 'a distinct set of needs; they will pay a premium to the firm that best satisfies their needs; the niche is not likely to attract other competitors; the nicher gains certain economies through specialization; and the niche has size, profit, and growth potential' (Kotler, 2000: 257).

3.8.1: Advantages of Niche Marketing

The advantage of a niche marketing approach is that 'whereas segments are fairly large and normally attract several competitors, niches are fairly small and normally attract only one or two' (Kotler, 2000: 257). Although niches might be comparatively small initially, they might grow to become large markets (Dalgic & Leeuw, 1994: 40). The assumption is that niche marketers
understand 'customers needs so well that the customers willingly pay a premium' (Kotler, 2000: 257). In the hospitality industry an understanding of customer needs can be gained through careful monitoring of the marketing information system (MIS) including marketing research.

### 3.8.2: NICHE MARKETING APPROACHES

There are two general approaches to niche marketing:

1. It is considered as a creative process, termed nichemanship, 'which is a process of carving out a small part of the market whose needs are not fulfilled. By specialization along market, consumer, product or marketing mix lines, a company can match the unique needs' (Chalasani & Shani, 1992: 34).

2. It is the last stage of segmentation, taking place in the following sequential stages: segmentation, targeting, positioning and niching (Keegan, et al., 1992). Chalasani & Shani (1992: 35) believe that 'niche marketing is a bottom-up approach where the marketer starts from the needs of a few customers and gradually builds up a larger customer base'. This is in contrast to breaking up a market into smaller segments. This view opposes the concept which perceives niche marketing as the final stage of segmentation.

Kotler (1991) suggests that the key idea of niche marketing is specialisation, which can be achieved through segmenting the market by:

- **end-user;** e.g. hotels targeting business travellers by providing business centre and meeting facilities;
- **customer-size;** e.g. developing a hotel service suited to families, such as Fowley Hall, which offers a children’s play room with entertainment by a team of nannies throughout the day and for older children a range of games including table football, pool, table tennis and large gaming and TV screens (fowleyhall.com);
- **geographic;** e.g. toiletries from a specific area, e.g. Arran Aromatics made on the island of Arran on the Scottish coast;
- **product or product-line;** e.g. spa facilities;
product-feature; e.g. offering unusual spa treatments such as salt bath or thalassotherapy;

quality/price; e.g. Ritz Carlton Hotels delivering world class customer service or Travel Inn focusing on the budget sector;

service; within the hospitality industry service specialization is critical and can be developed to form a major competitive advantage which can be difficult for competitors to imitate;

channel specialisation; e.g. using a specific channel to distribute accommodation, such as allhotels.com to gain cost advantages.

Chalasani and Shani (1992) found that to develop successful niche marketing long-term, strong relationships were important so that mutual benefit was attained for both parties. Through this apparently win-win situation the niche marketer can build a barrier to deter potential competitors and sustain long-term profitability as well as improve upon customer retention and supplier relationships (Davis & Davidson, 1991).

Niche marketing success is also gained by building 'a solid reputation in the minds of the consumers', which requires 'flexibility and differentiation. In today's fragmented markets we have to tailor our products and marketing mix to suit the different tastes of customers. In niche marketing the focus is on the customer and on profit' (Chalasani & Shani, 1992: 43-44).

An argument in favour of niche marketing is that 'low-share firms in an industry can be as profitable as their large competitors'. Kotler et al. (1996: 96) considers that 'smaller firms in a market, or even larger firms that lack established positions, often adopt 'market nicher' strategies. They specialise in serving market niches that large companies overlook or ignore. 'Market nichers' avoid direct confrontations with the big companies by specializing along market, customer, product or marketing-mix lines'.

Hammermesh et al. (1978) found that successful niche marketing strategies segmented the market creatively and focused activities only on areas where a
company has particular strengths that are especially valued. Successful strategies also make efficient use of Research and Development (R&D) resources, using them where they can be most effective, in essence, niche marketers should adopt a ‘small is beautiful’ approach.

3.8.3: SUMMARY OF NICHE MARKETING

Research in niche marketing specifically for the hospitality industry is limited, although niche markets have been developed widely within the services sector, especially related to financial services. Within the hospitality industry the wide range of products and services makes segmentation of customers critical within the marketing planning process. By targeting niches, operators can deliver a better experience to customers than their competitors, e.g. by targeting cycling holidays and supplying bicycle storage and bicycle maintenance (puncture repair kits) a hotel can attract cyclists because of the improved levels of service delivered. Specialising on a focused area, getting to know the customer better and then delivering meaningful benefits to them can achieve competitive advantage.

Segmenting accommodation along the continuum of luxury to budget segments can further be broken into niches with luxury hotels differentiating themselves, e.g. as being contemporary retreats, traditional Roman spas or castle escape properties. Small groups of affluent customers in, or prepared to travel to, a specific geographic area could make it feasible to develop a hotel or restaurant that would otherwise be priced out of the market. If this restaurant delivers to the quality level expectations of this small group, the customer will be willing to pay a premium for an exclusive restaurant with superior service and food quality.

Niches within the hospitality industry include fine food, specific spa treatments, a hotel for artists with studio and painting kit in every bedroom, facilities for travellers with dogs, airline crews and the police force who have off-season travel patterns. Pembrokeshire offers a range of activities suited to certain niches including surfers, water sports, gardens, golf, coasteering (Weed & Bull, 2004) and Welsh contemporary art. Hospitality operators
should recognise that investment is required to attract a specific niche, which can be recouped due to the premium price customers are willing to pay for the specialised product or service.

3.9: INFORMATION TECHNOLOGY (IT) FOR HOSPITALITY INDUSTRY

Information technology (IT) is increasingly important to hospitality operators with email marketing, online distribution and database marketing forming key factors in IT success. Although essential, hotel websites are generating limited competitive advantage as most hotels recognise the importance of a professional web presence, diluting the competitive impact. Therefore alternative uses of IT for marketing success are investigated in the current research.

3.9.1: EMAIL MARKETING

Hospitality operators should use email marketing to build relationships with their existing customers. A decision has to be reached as to whether the email list will be opt-in or opt-out, 'obtaining permission promotes a corporate image of responsibility and respect for consumer' (Marinova et al. 2002: 62) helping to increase long-term relationships and loyalty of current and prospective customers.

Godin (1999) identified five levels of permission that can be won from customers targeted by a permission-marketing campaign:

- **intravenous**: highest kind of permission, involves customers trusting the marketer to make buying decisions for them, e.g. an annual repeat booking for a self-catering cottage;
- **points permission**: involves customers allowing the company to collect personal data to market its products and services to them, e.g. most frequent customer programmes;
- **personal relationship**: uses individual relationships between customer and marketer to temporarily refocus the attention or modify a consumer’s
behaviour, e.g. contacts from consumer trade shows may permit seller to contact them with further information about a holiday destination;

- **brand trust permission**: customer develops a level of confidence in a product or service that carries a particular, well-known brand name. Brand-trust customers are likely to give their permission to receive sales or promotional messages about other items produced under the same brand, e.g. Eton Collection gained permission to send Glasshouse special offers, group information follows about other properties and events (Appendix 1);

- **situation permission**: a one-time or limited-time permission, the least potent of the five levels of permission. Permission is given when the customer agrees to receive sales or promotional messages from a company for a specified time, e.g. if a person agrees to let cold-calling sales person from a hotel group to send information about a travel package.

It is also possible to conduct a permission-marketing programme through intermediaries, whereby the customer interacts with a third party to the commercial transaction. For example, a customer could provide personal data as part of a registration process typically in return for free newsletters. The intermediaries would use that data to target newsletter advertisements to specific customers (Marinova et al. 2002, p. 63).

Marinova et al. (2002) and Hoffman (2000) consider that the most important field of an email is the subject because what the sender writes in that space influences whether the receiver is enticed into reading the message. Variables also affecting response rate include the ‘from field’, the length of message, plain text versus HTML format, the salutation used, time of day, time of week, frequency of mailings and the message’s closing line. Research quoted by Marinova et al. (2002: 68) by Del Web Corporation found that when the recipient’s name was added to the subject line, the response rate doubled – to more than 12% – over email that was not personalised. Although in their study ‘personalisation seemed to encourage customers to shield themselves from future commercial persuasion’ this was shown by
more opt-outs than when email was not personalised. An explanation for this effect is that people may object to having their names used by marketers when the relationship is tenuous or at the situation permission level. The current case study research will test a variety of subject fields over the course of the two-year study.

3.9.2: ONLINE TRAVEL DISTRIBUTION
Within the hospitality and tourism industry online distribution has experienced significant growth. A future growth trend identified by Marcussen (2003) was that the online travel market size of western Europe was expected to rise to 20.5 bn. Euros by 2006 (see Fig. 3.3 below). The increase of online distribution should be considered central to the development of future marketing plans for UK hotels.

Figure 3.3: TRENDS IN OVERALL ONLINE MARKET SIZE – WESTERN EUROPE 1998-2006

Source: Marcussen, 2003

O’Conner (2003: 7) found that ‘many online travel websites are currently experiencing three-figure growth in an environment where other industry participants are struggling for survival. He identifies four mega-agencies that dominate online travel sales: Expedia, Lastminute.com, Priceline and Travelocity.
O’Conner (2003) predicts that the online travel market will continue to grow and there will be a consolidation of online travel retailers with Expedia likely to continue to dominate, while facing strong competition from Orbitz and Opodo - airline industry alliances developed to divert business away from the original major online agencies. It remains to be seen if industry co-operation will be extended to the hotel industry, where shared booking systems for tourism regions have been found, such as visitwales.com.

3.9.3: DATABASE MARKETING
Database marketing makes use of several direct marketing techniques, including response advertising, direct mail and telemarketing although it has more emphasis on two-way communication with the customer and adopts a more holistic approach to marketing (Alford, 1999: 89). Davies (1992: 7) considers an effective database marketing strategy involves ‘managing a computerised relational database system, in real time, of comprehensive, up-to-date, relevant data on customers, inquiries, prospects and suspects, to identify your most responsive customers for the purpose of developing a high-quality, long-standing relationship of repeat business, by developing predictive models which enable us to send desired messages at the right time in the right form to the right people. All with the result of pleasing our customers, increasing our response rate per marketing dollar, lowering our cost per order, building our business, and increasing our profits’.

Customer relationship marketing is reinforced by the database marketing approach. Alford (1999: 88) considers ‘past consumer behaviour is the best predictor of future behaviour, a purchase is only one event in a customer’s life – to figure a customer’s true worth, one has to calculate lifetime value, customers are more important than prospects, certain customers are more important and customers are more likely to share certain characteristics’. This approach in turn links into consideration of niche marketing as discussed above in Section 3.8.
To adhere to the recommended database marketing principles an organisation requires the development of an effective database. This can place a substantial demand on an organisation through development costs and labour costs associated with data input. Each contact with the customer must be recorded to build up a history of buyer behaviour and customer value. Customers should be ‘scored’ on the database, according to their value, to distinguish the more important ones (Alford, 1999). One method of scoring customers is to consider the ‘recency, frequency and monetary’ (RFM) value (Newell, 2000:81). Recency is when the customer last purchased a product or service and is an accurate measure of retention, frequency is the number of purchases within a specified time frame and monetary is the amount spent on purchases within a specified time.

**Figure 3.4: The virtuous circle of database marketing**

Shaw (1993) developed the ‘virtuous circle’ concept, which includes six stages of marketing driven by a customer database that are all linked (Fig. 3.4). The circle involves analysis and research of current, potential and past customers; planning and budgeting for developing the marketing database; making contact with customers; monitoring responses; follow-up of marketing activity and finally monitoring and reporting results of the database marketing campaigns. He argues that an organisation does not practice database
marketing until the circle of activities has been completed and the organisation considers its database marketing approach as central to strategic planning.

The virtuous circle illustrates that there are a number of uses for customer databases including analysis and evaluation of marketing effectiveness. It can contribute to revenue streams through customer retention, relationship building and more focused targeting using improved customer knowledge (Alford, 1999). Within the hospitality industry this could relate to customer preferences such as room types, seasonality of stays and special offers.

An organisation can apply database marketing techniques at three levels:

1. **Basic** level: whereby an organisation obtains data from customers (e.g. feedback forms, guest records) to provide them with better service;
2. **Applied loyalty**: whereby customers are given some form of reward in return for their loyalty;
3. **Advanced relationship**: where there is continuous dialogue between customer and provider. This communication allows the organisation to build a customer database and deliver a high level of personal service, which is constantly improving.

### 3.10: PROMOTION FOR SMALL HOTELS

Promotion within the services and hospitality industry takes various forms. In particular within the hotel industry it can be 'above the line' – advertising in the media and 'below the line' – public relations (PR), sponsorship and sales force activity. Regarding small hotels most promotion is concentrated on 'below the line' low cost activities, such as public relations and generating positive word-of-mouth.

#### 3.10.1: HOTEL PUBLIC RELATIONS

Within hotel marketing, PR can contribute to the following objectives:
- **build awareness**: by bringing attention to the property;
- **build credibility**: by communicating a message in an editorial context;
- **stimulate sales force and channel intermediaries**: by boosting sales force enthusiasm by increased information to customers, e.g. a new development at the hotel;
- **hold down promotion costs**: PR costs less than 'above the line' activity. 'The smaller the company's promotional budget, the stronger the case for using PR to gain share of mind' (Kotler, Bowen & Makens, 2003: 600), making it a particularly suitable promotional tactic for small hotels.

Most tourism destinations use PR to generate news stories, articles and publicity to develop consumer awareness and persuade them to purchase the product. Within the hospitality industry hosting a journalist in a destination can generate more interest than any other form of promotion (Buhalis, 2000).

PR activity can be undertaken in various ways using in-house facilities, by PR agents specialising in hotel publicity and through online press-release services that allow organizations to post news on specific industry websites, e.g. wiredhotelier.com, which enables news to reach a range of industry professional through a highly targeted circulation.

3.10.2: WORD OF MOUTH PROMOTION

Marvin (1997) found that creating positive word of mouth was one of the most effective means of promotion available for restaurants. By educating guests as to why they frequent a restaurant and by providing talking points, word of mouth can be encouraged. This can be achieved by sharing secrets that customers will pass onto the family and friends network of customers, e.g. future special offers or events. 'Word of mouth depends on creating points of difference' (Marvin, 1997: 65). Customers want to know something other people do not know and by sharing secrets with customers they will pass this information onto friends and family as being the first with news can enhance the passer's position with others (Marvin, 1997: 67). Marvin (1997) considers
that higher repeat patronage and higher sales volume using word of mouth comes from acting as a recognised authority about a product or services without any obvious sales motive. For example, Hotel du Vin educates guests through wine tutorials and tasting classes which allows customers to become more knowledgeable with increased interest in wines resulting in increased future buying of premium wines.

A customer’s willingness to recommend restaurants ‘is a crucial source of new business for any food and beverage outlet, but is of a particular importance to independent restaurants with limited marketing budgets’ (Mattila, 2001:74). A word of mouth programme aims to educate and make a salesperson out of the customers by ensuring they have something to talk about, which could include future events. Hotels promoting their restaurants should differentiate operations by creating points of difference in items that every restaurant offers, thus giving customers a reason to think of that restaurant every time they dine elsewhere (Table 3.2). See Appendix 2 for points of difference for St Brides Hotel.

Silverman (2001: 57) recommends that to generate word of mouth the following should be identified:

- **reason for buying products services**;
- **predominant adopter type(s)**: innovator, early adopter, middle majority, late adopter or laggard;
- **decision stages needed**: to adopt the product;
- **content**: to accelerate each stage of the decision making process;
- **design, and create sources and delivery**: mechanisms of word of mouth that will be most persuasive and motivating;
- **create campaign**.

**Table 3.2: Differentiating the basics**

<table>
<thead>
<tr>
<th>Core product</th>
<th>Product</th>
<th>Product presentation/policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water</td>
<td>Local spring water</td>
<td>Flower petal in the glass</td>
</tr>
<tr>
<td>Napkins</td>
<td>Oversized</td>
<td>Napkin rings</td>
</tr>
</tbody>
</table>

57
<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Different materials</td>
<td>Hot towel before meals</td>
</tr>
<tr>
<td>Coffee</td>
<td>Special blends</td>
</tr>
<tr>
<td>Soft drinks</td>
<td>Bottled versus post mix</td>
</tr>
<tr>
<td></td>
<td>Extensive selection</td>
</tr>
<tr>
<td>Beer</td>
<td>Extensive microbrew menu</td>
</tr>
<tr>
<td></td>
<td>Local/regional brews</td>
</tr>
<tr>
<td>Wine</td>
<td>Little-known vineyards</td>
</tr>
<tr>
<td></td>
<td>Extensive wine list</td>
</tr>
<tr>
<td>Salad</td>
<td>Unusual ingredients</td>
</tr>
<tr>
<td>Bread</td>
<td>Exceptional, hot bread</td>
</tr>
<tr>
<td>Restrooms</td>
<td>Dual restrooms</td>
</tr>
<tr>
<td></td>
<td>Luxury toiletries</td>
</tr>
<tr>
<td>Telephones</td>
<td>Sound effects panel</td>
</tr>
<tr>
<td></td>
<td>Unusual privacy or comfort</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Adapted from Marvin (1997)

Marvin (1997) recommends a simpler process to establish word of mouth promotion:

- identify opportunities to educate guest;
- develop a list of points of difference;
- brief staff on points of difference.

Silverman (2001: 60) considers the following tactics to harness word of mouth:

- using experts: advisory groups to customers, suppliers and salespeople;
- seminars, workshops and speeches: speakers program, dinner meetings, teleconferenced experts’ panels and trade show events/opportunities;
- ‘canned’ word of mouth: videotapes, audiotapes, world wide web;
- referral selling: testimonials, networking, referral selling programmes;
- new media: hotlines, Faxback services, web-based word of mouth, forums, e-mail, weblogs, call centres;
- using traditional media for word of mouth communication: customer service, PR, events, promotions, word of mouth in ads, sales brochures, or direct mail, word-of-mouth incentive programmes ('tell-a-friend'
programmes), useful gifts to consumers (such as articles, how-to manuals) that they can give to their friends.

Marvin (1997) considers that word of mouth promotion will be effective when trust is gained between the customer and the staff of the hospitality organisation. Therefore, the recruitment process used by the organisation should select outgoing, likeable and service minded employees.

3.10.3: GUEST-BASED MARKETING (GBM)
Similarly to word of mouth promotion, GBM is based on the notion that in the hospitality industry, customer satisfaction is the real bottom line and any successful sales-building effort begins in-house with customers already choosing to visit (Marvin 1997). These guests can become ambassadors telling their friends and family of their positive experience and returning on future occasions, resulting in reduced marketing and associated promotion costs.

The safest way to achieve sales growth is to have guests return more often. In this mode, the goal is to delight guests, win their trust, and earn their loyalty rather than simply trying to increase the average per person sale (Marvin, 1997: 8). Other options to increase sales, include:

- increase average spend, however the pressure to increase per person expenditure could result in reduced number of overall guests because customers sometimes feel uncomfortable when pressurised to increase their spending;
- invest in promotion, which can be very expensive.

3.10.4: OPERATING POLICIES FOR GUEST-BASED MARKETING
Marvin (1997) found that by anticipating and over-delivering on guests’ expectations they will more likely become repeat customers. Operating policies impact upon the guest experience, Marvin (1997) suggested the following operating policies to excite the guest and encourage customers
positive word of mouth behaviour. See Appendix 2 for St Brides Hotel points of differentiation.

Provision of:

- **free newspaper and magazines**;
- **free postcards**: personal endorsements are much stronger than advertisements and act as a word of mouth promotional tool;
- **free (non-alcoholic) drinks for designated drivers**;
- **menus in foreign language**;
- **signature items**: be famous for something;
- **signature drinks**: become a legend and draw business, be famous for something, invent a drink that staff can honestly recommend;
- **extensive selection of wine by the glass**;
- **really great coffee**: coffee is the last product people have before the leave, so that a substandard cup of coffee can take the glow out of an otherwise outstanding experience;
- **bottled water**: offer a selection of bottled water. Play up to the water snobs;
- **regional beers and wines**: travellers appreciate the chance to sample regional specialities, which can make the evening meal more memorable;
- **extensive heart-healthy menu options**: this trend is still in its infancy, which provides an opportunity to gain a controlling position in the market;
- **something to look at**: consider a panoramic photo of ‘the view’ explaining points of interest in the local vicinity;
- **employee product knowledge**;
- **source of ingredients**: guests should be informed of ingredients and their reasons for their selection, e.g. premium quality or locally grown;
- **valuable pieces of art**: a memorable piece with a story can get people talking;
- **unusual staff uniforms**: consider how to dress staff to make them look different from competitors and give their look some talking power.
UK hotel marketers should use tactics that give customers talking pointers. Marketers should plan the words required to generate positive word of mouth for their product or service. Marketing costs can be reduced and results increased by encouraging customers to act as salespeople, e.g. a hotel could provide complimentary postcards of the hotel or local area with stamps attached to allow existing guests to send a postcard to their friends, who are future potential customers.

3.11: DESTINATION MANAGEMENT

Destination management involves considering a tourism destination image from the point of view of tourists choice of where to visit. A destination is ‘a defined geographical region which is understood by its visitors as a unique entity, with a political and legislative framework for tourism marketing and planning’ (Buhalis, 2000: 98). Destinations can be a ‘perceptual concept, which can be interpreted subjectively by consumers, depending on their travel itinerary, cultural background, purpose of visit, educational level and past experience’ (Buhalis, 2000: 97). Destination Management Organisations (DMOs) are ‘accountable for the planning and marketing of the region and have the power and resources to undertake action towards achieving its strategic objectives’ (Buhalis, 2000: 98).

3.11.1: DESTINATION ANALYSIS

Buhalis (2000) presents a framework for the analysis of destinations concentrating on the characteristics of tourist destinations (see Table 3.3), which will be used to analyse Saundersfoot, Pembrokeshire and Wales in the present study. Critical criteria are assessments of the destination in terms of its attractions, accessibility, amenities offered, available tourist packages, activities and ancillary services.

**TABLE 3.3: FRAMEWORK FOR THE ANALYSIS OF TOURISM DESTINATION**

<table>
<thead>
<tr>
<th>Attraction</th>
<th>Natural, man-made, artificial, purpose built, heritage, special events</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accessibility</td>
<td>Entire transportation system comprising of routes, terminals and vehicles</td>
</tr>
<tr>
<td>Amenities</td>
<td>Accommodation and catering facilities, retailing, other tourist</td>
</tr>
<tr>
<td>services</td>
<td></td>
</tr>
<tr>
<td>--------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Available packages</td>
<td></td>
</tr>
<tr>
<td>Pre-arranged packages by intermediaries and principals</td>
<td></td>
</tr>
<tr>
<td>Activities</td>
<td></td>
</tr>
<tr>
<td>All activities available at the destination and what consumers will do during their visits</td>
<td></td>
</tr>
<tr>
<td>Ancillary services</td>
<td></td>
</tr>
<tr>
<td>Services used by tourists such as banks, telecommunication, e.g. Internet café, post, newsagents and hospitals</td>
<td></td>
</tr>
</tbody>
</table>

Source: Buhalis (2000)

3.11.2: CHALLENGES OF DESTINATION MANAGEMENT

Buhalis (2000: 97) found that ‘destinations are amalgams of tourism products, offering an integrated experience to customers making them some of the most difficult entities to manage and market’. This challenge continues as ‘strategies and actions should take into account the wishes of all stakeholders, namely indigenous people, business and investors, tourists, tour operators and intermediaries, and interest groups’.

Yet tourists perceive the destination as a single brand, comprising a collection of suppliers and services. ‘Before visiting they [tourists] develop an image about destinations as well as a set of expectations based on previous experience, word of mouth, press reports, advertising and common beliefs’ (Baloglu & Brinberg, 1997). ‘Tourists’ overall experience is composed of numerous small encounters with a variety of tourism principals, such as taxi drivers, hoteliers, waiters, as well as the elements of the local attractions such as museums, theatres, beaches, theme parks’ (Buhalis, 2000: 99).
3.11.3: Role of Marketing Research in Supporting Destination Marketing

3.11.3.1: Target Markets

'Approaching the right target market and providing the most appropriate combination of local tourism products and services is the secret for successful destination'. 'A dynamic marketing research process will enable destinations to provide unique products by initiating local partnerships between all suppliers to address the needs of demand' (Buhalis, 2000: 103). For example, the partnership operating in Pembrokeshire - Pembrokeshire Business Tourism/Way Out West (WOW) as discussed in detail in Section 5.7.2.6. 'Destination image is also developed through marketing research, which guides promotional activities towards branding and amending the brand values of the region' (Buhalis, 2000: 103).

3.11.3.2: Marketing Research

Marketing research can be used to:

- identify the main principles anticipated by each market segment;
- design the attributes required for tourism products and services;
- evaluate and develop corresponding marketing mixes;
- segment markets and reduce dependency on existing ones;
- evaluate the elasticity of demand for each market segment;
- reduce seasonality by matching market segments;
- examine reasons deterring people (suppressed demand) from various destinations;
- assess compatibility with other target markets;
- examine tourism impacts to the destination and selecting right segments;
- evaluate marketing effectiveness and selection of media for promotion.

Source: Adapted from Baker et al (1994); Ritchie (1996) and Calantone & Mazanec (1991)
3.11.4: DESTINATION TYPOLOGIES

Middleton & Clarke (2002: 465) consider two different models for visitor management that represent two ends of the effective destination management scale. At one extreme, the enclosed destination, e.g. Centerparcs is under a single, generally private sector management, usually with defined boundaries and gated points of access. At the other end of the scale is 'the traditional 'open' destination in which visitors and residents mingle, ownership and management are in multiple hands together with local government controlled by elected politicians and officials responsible for planning and regulation.

Buhalis (2000) found that most destinations can be classified into categories which represent their principle attractiveness, namely urban, seaside, alpine, rural, authentic third world and unique-exotic-exclusive destinations.

Buhalis (2000: 102) found that 'seaside destinations and resorts traditionally serve tourists on holiday'. Within the UK travellers from northern regions tend to spend a proportion of their annual holiday in the south where they can enjoy sunshine as well as sea sports. Since the 1970s there has been a move towards seaside resorts nearby the place of residence being replaced by international destinations as a result of the emergence of mass tourism. For example, traditional resorts such as Blackpool and Scarborough have been largely replaced by the Spanish Costas through the development of package holidays.

Surprisingly, Buhalis (2000) does not mention the emergence of seaside towns such as St Ives and Brighton as 'hip' destinations. This could be because the emergence of these destinations as 'new' destinations has occurred post-2000.

Rural tourism is also developing rapidly and can be seen as a development tool for regions where agriculture is steadily declining or where people would like to diversify their living and working patterns. There is often an educational element to rural tourism particularly for children in urban areas who may have never experienced agricultural life. Rural tourism can be
themed according to the activities undertaken, such as cooking, art or bee-keeping schools (Buhalis, 2000).

3.11.5: CONSUMER BEHAVIOUR

Consumer behaviour studies indicate that a range of criteria is used to select tourism products. These criteria are altered depending on the purpose and features of the trip, elements of the external environment, the characteristics of the traveller and the particular attributes of the destination (Gilbert, 1991, 1993). Gilbert found that leisure travellers use a complex set of criteria in selecting their destination with price elasticity being a key element in the decision making process. On the other hand, business travellers are fairly inflexible in making their choices of destination or date of travel, therefore ‘destinations providing a high-degree of efficiency and safety, as well as elegance and leisure opportunities tend to be preferred for conferences and incentive travel’ (Buhalis, 2000: 100).

The decision making process for leisure travellers is also affected by the time constraints of travellers ‘as families with children cannot travel during school time, creating the seasonality problem for the industry’ (Buhalis, 2000: 101). However, different market segments have dissimilar seasonality patterns, e.g. elderly people tend to travel during the low season to benefit from discounts (and less busy resorts). Therefore, destinations have to identify the seasonality patterns of their various markets and attract compatible segments, which will enable them to maximise their total yield (average expenditure and average occupancy levels) (Buhalis, 2000).

For both leisure and business markets the most important criteria for deciding on a destination is its image. ‘Image is the set of expectations and perceptions a prospective travellers has of a destination’ (Buhalis, 2000: 101) and is developed through past experience of the destination or the companies involved, descriptions by friends and relatives, general information and marketing campaigns. ‘Interestingly, the sustainability of local resources becomes one of the most important elements of destination image, as a
growing section of the market is not prepared to tolerate over-developed
tourism destinations and diverts to more environmentally advanced regions’
(Buhalis, 2000: 101).

3.11.6: DESTINATION MARKETING STRATEGIES
Destination marketing strategies have been considered by several authors
current study utilises research by Buhalis (2000), which the Associate
considered to be most appropriate for competitively marketing the case study
hotel and surrounding area.

Developing destination marketing strategies is a complex process due to the
many independent stakeholders and principals involved and although DMOs
have traditionally taken marketing responsibility for the destination product,
they do not control the marketing activities of individual players and hence
‘can only co-ordinate and guide, rather than undertake a comprehensive
marketing strategy’ (Buhalis, 2000: 103-104).

Understanding the stage and roots of tourism development is critical for the
development of marketing strategy and the destination life cycle is one of the
most widely used tools for undertaking this task (Butler, 1980). The prime
advantage of this tool is to facilitate the understanding of the evolution of
tourist products and destinations and to provide guidance for strategic
decision-making.

‘Different stages of the life cycle require different marketing strategies and
planning action’ (Buhalis, 2000: 104) largely because of the differences
between demand and supply experienced at the different stages of the life
cycle. Figure 3.5 shows that destinations experience different environmental
and socio-cultural impacts with marketing responses differing according to the
stage in the destination life cycle.
### Figure 3.5 Destination Life Cycle and Tourism Impacts (Buhalıs, 2000)

<table>
<thead>
<tr>
<th>Impacts Analysis</th>
<th>Introduction</th>
<th>Growth</th>
<th>Maturity</th>
<th>Saturation</th>
<th>Decline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Situation</td>
<td>trendy</td>
<td>destination</td>
<td>More people interested, investment on accommodation &amp; facilities</td>
<td>Maximum visitation, increasing facilities</td>
<td>Oversupply, original demand moves</td>
</tr>
</tbody>
</table>

#### Destination Characteristics

<table>
<thead>
<tr>
<th></th>
<th>Few</th>
<th>Many</th>
<th>Too many</th>
<th>Many</th>
<th>Many</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of tourists</td>
<td>Low</td>
<td>Fast growth</td>
<td>Fast growth</td>
<td>Slow growth</td>
<td>Decline</td>
</tr>
<tr>
<td>Growth rate</td>
<td>Low</td>
<td>High</td>
<td>Very high</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Accommodation capacity</td>
<td>Very low</td>
<td>Low</td>
<td>High</td>
<td>Very high</td>
<td>Decline</td>
</tr>
<tr>
<td>Occupancy levels</td>
<td>Low</td>
<td>Very high</td>
<td>Very high</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Prices of services</td>
<td>High</td>
<td>Very high</td>
<td>Very high</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Visitor types</td>
<td>Drifters</td>
<td>Innovators</td>
<td>Innovators</td>
<td>Followers</td>
<td>Cheap mass-market</td>
</tr>
<tr>
<td>Image &amp; attractions</td>
<td>Low</td>
<td>Very high</td>
<td>High</td>
<td>Low</td>
<td>Very low</td>
</tr>
<tr>
<td>Tourists are perceived as:</td>
<td>Guests</td>
<td>Guests</td>
<td>Customers</td>
<td>Customers</td>
<td>Foreigners</td>
</tr>
</tbody>
</table>

#### Marketing Response

<table>
<thead>
<tr>
<th>Marketing target</th>
<th>Awareness</th>
<th>Inform</th>
<th>Persuade</th>
<th>Persuade</th>
<th>Loyalty/new market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic focus</td>
<td>Expansion</td>
<td>Penetration</td>
<td>Defence</td>
<td>Defence</td>
<td>Reinroduce</td>
</tr>
<tr>
<td>Marketing expenditure</td>
<td>Growing</td>
<td>High</td>
<td>Falling</td>
<td>Consolidate</td>
<td></td>
</tr>
<tr>
<td>Product</td>
<td>Basic</td>
<td>Improved</td>
<td>Good</td>
<td>Deteriorates</td>
<td>Decay</td>
</tr>
<tr>
<td>Promotion</td>
<td>Introduction</td>
<td>Advertising</td>
<td>Travel trade</td>
<td>Travel trade</td>
<td>Travel trade?</td>
</tr>
<tr>
<td>Price</td>
<td>High</td>
<td>High</td>
<td>Lower</td>
<td>Low</td>
<td>Below cost</td>
</tr>
<tr>
<td>Distribution</td>
<td>Independent</td>
<td>Independent</td>
<td>Travel trade</td>
<td>Travel trade</td>
<td>Travel trade</td>
</tr>
</tbody>
</table>

#### Economic Impacts

<table>
<thead>
<tr>
<th>Employment</th>
<th>Low</th>
<th>High</th>
<th>Very high</th>
<th>High</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign exchange</td>
<td>Low</td>
<td>High</td>
<td>Very high</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Profitability of private sector</td>
<td>Negative</td>
<td>Growing</td>
<td>Very high</td>
<td>High</td>
<td>Decline</td>
</tr>
<tr>
<td>Income of residents</td>
<td>Low</td>
<td>Very high</td>
<td>Very high</td>
<td>Low</td>
<td>Very low</td>
</tr>
<tr>
<td>Investments</td>
<td>Low</td>
<td>Very high</td>
<td>Very high</td>
<td>Low</td>
<td>Very low</td>
</tr>
<tr>
<td>Dependency on intermediaries</td>
<td>Negligible</td>
<td>High</td>
<td>Over-dependent</td>
<td>Over-dependent</td>
<td></td>
</tr>
<tr>
<td>Inflation</td>
<td>Low</td>
<td>Very high</td>
<td>Very high</td>
<td>High</td>
<td>Low</td>
</tr>
</tbody>
</table>

#### Social Impacts

<table>
<thead>
<tr>
<th>Types of tourists</th>
<th>Allocentrics</th>
<th>Allocentrics</th>
<th>Midcentrics</th>
<th>Psychocentric</th>
<th>Psychocentrics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relationships between locals &amp; tourists</td>
<td>Euphoria</td>
<td>Apathy</td>
<td>Irritating</td>
<td>Antagonism</td>
<td>Final</td>
</tr>
<tr>
<td>Demographics at destination</td>
<td>Immigrations &amp; older residents</td>
<td>Youth stays to work in tourism, more balanced</td>
<td>Balanced</td>
<td>Balanced</td>
<td>Immigrations as no jobs available &amp; older residents</td>
</tr>
<tr>
<td>Migration to the destination</td>
<td>Low</td>
<td>High</td>
<td>Very high</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Crime at destination</td>
<td>Low</td>
<td>High</td>
<td>High</td>
<td>Very high</td>
<td>Very high</td>
</tr>
</tbody>
</table>

#### Environmental Impacts

<table>
<thead>
<tr>
<th>Environment &amp; landscape</th>
<th>Unspoilt</th>
<th>Improved</th>
<th>No respect</th>
<th>Polluted</th>
<th>Damaged</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conservation &amp; heritage</td>
<td>Unspoilt</td>
<td>Improved</td>
<td>No respect</td>
<td>Decay</td>
<td>Damaged</td>
</tr>
<tr>
<td>Ecological disruption</td>
<td>Unspoilt</td>
<td>Improved</td>
<td>No respect</td>
<td>Decay</td>
<td>Damaged</td>
</tr>
<tr>
<td>Pollution related to tourism</td>
<td>Negligible</td>
<td>Low</td>
<td>High</td>
<td>Very high</td>
<td>Very high</td>
</tr>
<tr>
<td>Water pollution</td>
<td>Negligible</td>
<td>Low</td>
<td>High</td>
<td>Very high</td>
<td>Very high</td>
</tr>
<tr>
<td>Congestion &amp; traffic</td>
<td>Low</td>
<td>Low</td>
<td>Very high</td>
<td>Very high</td>
<td>Low</td>
</tr>
<tr>
<td>Erosion</td>
<td>Low</td>
<td>High</td>
<td>Very high</td>
<td>Very high</td>
<td>Very high</td>
</tr>
</tbody>
</table>
3.11.7: STRATEGIC MARKETING FOR DESTINATIONS

A competitive strategy searches for a favourable competitive industry position and aims to establish a profitable and sustainable position against forces that determine industry competition (Porter, 1980). Buhalis (2000) also considers that a definition of destination competitiveness should include 'the sustainability of local resources for ensuring the maintenance of long-term success as well as the achievement of equitable returns-on resources utilised to satisfy all stakeholders' (Buhalis, 2000: 106).

Two strategy models are proposed at this stage, Porter's (1980) generic strategies and Gilbert's (1990) proposition for 'differentiation of the destination'.

Porter (1980) proposed three fundamental strategies, aimed to outperform other firms within an industry:

- **overall cost leadership**: where organisations are required to minimise their costs, based on mass production and strict cost control of the minor business functions;
- **differentiation**: of products or services offered by creating a product or service that is perceived within the industry and by consumers as being unique;
- **focus**: on a particular buyer group, segment of the product line or geographical market and achieve either cost leadership or product differentiation, e.g. adding contemporary art gallery to standard hotel offering.

Porter's (1980) generic model is widely used in all industries helping decision makers to position their products in order to maximise their profitability and improve their competitiveness. However, according to Buhalis (2000: 106) the 'model fails to address the specific needs of tourism and in particular the scarcity of resources at the destination level'. For the cost leadership strategy, organisations are urged to increase their volume to reduce their
profit margin. The limited capacity that many tourism destinations and operators have usually makes this strategy inappropriate for the seaside resort destination. Previous use of the cost-leadership approach has seen some instances of resort over-development particularly package holidays to areas of Spain and Turkey, therefore it is not recognised as a sustainable destination development strategy.

Gilbert (1990) based his differentiation strategy on Porter's generic strategies and argued that destinations can be classified on a continuum between a 'status' and a 'commodity' area. A status area achieves intentional demand as a result of the unique product attributes perceived by the tourism markets. These product attributes may be genuine or imaginative and create a destination which is perceived to be irreplaceable, increasing consumers' loyalty and willingness to pay. In the commodity status situation, destinations are substitutable, very sensitive to price and economic changes, while consumers have a low awareness of any unique benefits or attributes.

Gilbert (1990) considers that destinations should attempt to become status areas to improve their image, loyalty and economic benefits. He recommends that destinations should differentiate their tourism products to achieve a unique tourist product benefit enabling destinations to establish their position in the international market and attract both high spenders and loyal tourists, who appreciate the uniqueness of their resources and offerings. However, Gilbert's (1990) model does not relate to the different stages of the lifecycle and to the gradual slip experienced in many destinations which launch as status areas and gradually slip to commodity status. Clearly care has to be taken to maintain status area attributes which involves monitoring market opinion and regular investment to meet customer demand.

Thus, for UK seaside resorts the favoured strategy would use Porter's (1980) model of differentiation supported by a focus for special events, e.g. corporate team build days. Gilbert (1990) supports destination differentiation, e.g. where a UK seaside hotel would prefer a location in a thriving status area,
with visitors prepared to pay a premium price for what they perceive as an irreplaceable destination.

3.12: SERVICES MARKETING CONCLUSION
The above review identifies key issues effecting marketing strategies and tactics for UK independent hotels. It considers relationship and niche marketing approaches appropriate to gain competitive advantage within the UK seaside hotel market. Branding issues are considered with the importance of customer loyalty and the generation of positive word of mouth seen as central to the development of marketing activity for small hotel’s as marketing budgets are typically limited.

The destination life cycle tool (Buhalis, 2000) analyses destinations and, depending on the stage within the lifecycle, various marketing approaches that can be used. Porter (1980) and Gilbert (1990) models are discussed with the differentiation and focus approach recognised as the most suitable strategic direction for UK seaside hotels. This strategy would be implemented using niche marketing and relationship marketing tactics.

The literature review emphasizes strategic marketing approaches available for an independent seaside hotel by considering Porter’s (1980) three strategies and suggested differentiation along product (e.g boutique hotels) or location lines appropriate. Gilbert’s (1990) proposition for ‘differentiation of the destination’ further reinforced the differentiation approach.

The potential of niche markets was considered, finding that an attractive niche has customers with a distinct set of needs, willing to pay a premium whilst attracting limited competition. Kotler (1991) suggests that the key idea of niche marketing is specialisation by geographic region, customer-size, product features and quality / price relationship.

Relating the literature review to the research aim and objectives finds that the key marketing concepts for developing the strategic marketing plan included
increasing brand loyalty through awareness, reputation, image, promotion, perceived quality, innovation and satisfaction with the brand. Hotel PR can be used to build awareness and credibility whilst minimizing promotion costs. Generating positive word-of-mouth is one of the most effective means of promotion available for independent hotels. IT, such as Email and database marketing as well as developing relationship marketing can build a loyal customer base, which will refer the business to other potential customers.

The research objectives were further developed within this chapter establishing that marketing research would be required to successfully complete the marketing plan. Areas to be considered would include potential target markets, deciding upon attributes required for the hotel product offering and interviews with local and national key players within the hospitality industry. The marketing plan should be implemented by incorporating a hotel organisational culture with a focus on delivering exceptional customer service whose employees act as part-time marketers.

The impact of implementing the marketing plan will be shown in the case study through improvement in competitiveness and profitability, represented by growth in hotel operating statistics, including bedroom occupancy and average room rate. The plan can also impact by attracting high calibre employees due to a strong brand reputation and awareness created through PR. Further, improved profitability and repeat business generated can be achieved using guest-based marketing approaches.
CHAPTER 4: COMPETITOR FINDINGS

4.1: INTRODUCTION

This chapter presents findings from site visits to a range of properties deemed to represent local competitors, an equivalent tourist region to Pembrokeshire or equivalent target market segment (for complete list of site visits undertaken see Appendix 15). The results include type of property, average price for three-course dinner and price per room for one night on a bed and breakfast basis. For each of the properties guest facilities are discussed with information concerning target markets, marketing tactics and any involvement in marketing alliances.

An important competitive observation has been the move towards a focus on hotel design, particularly in bedrooms. It is rare to visit a hotel where design has not been at the forefront of the project. This can be seen within all segments of the UK hotel market from budget chains, such as Travel Inn and The Big Sleep (Cardiff), providing modern, clean, comfortable and stylish rooms at around the £50 per room per night, right through to the upper end of the scale with leading properties such as The Scotsman and Castell Deudraeth, providing style, design and every mod-con for upwards of £180 per room per night. This means that consumers are exposed to good hotel design in all hotel segments, which raises their expectations as to what a five-star hotel should deliver to them in terms of hospitality experience and good hotel design.

4.2.1: LOCAL COMPETITORS

A variety of local competitors were analysed to ensure that pricing strategies for St Brides Hotel were appropriate to the local marketplace and to ensure that future product development of the case study hotel would create a distinguishable difference from current properties in the area. The quality and style of properties in Pembrokeshire present limited threat to St Brides Hotel. Few are following the same approach of developing stylish interiors and
delivering exceptional levels of customer service. However, outside the county yet within southwest Wales there are two properties of note, Hurst House and Morgans, both of which are included in the analysis below, which could be potential competitors. The majority of Welsh hotels included in this chapter are members of the Welsh Rarebits marketing consortium. The owners of St Brides Hotel have ambitions of joining this group following the proposed product redevelopment.

The results regarding local competitor hotels are shown below:

<table>
<thead>
<tr>
<th>Property Name:</th>
<th>Hurst House</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location:</td>
<td>Laugharne</td>
</tr>
<tr>
<td>Type of property:</td>
<td>Boutique farmhouse</td>
</tr>
<tr>
<td>Number of bedrooms:</td>
<td>5</td>
</tr>
<tr>
<td>WTB rating:</td>
<td>N/A</td>
</tr>
<tr>
<td>Price per room:</td>
<td>£100 -</td>
</tr>
<tr>
<td>3 course dinner:</td>
<td>£35</td>
</tr>
<tr>
<td>Facilities:</td>
<td>Bar, restaurant, quad bikes.</td>
</tr>
<tr>
<td>Target markets:</td>
<td>Weddings and special events, romantic escapes.</td>
</tr>
<tr>
<td>Marketing alliances:</td>
<td>Mr and Mrs Smith guide book.</td>
</tr>
<tr>
<td>Media:</td>
<td>Neil Morrissey partner/owner, regular media coverage including Telegraph (Paddy Burt), Sunday Times Travel, Western Mail, travelintelligence.net, Dining Out in Wales 2004.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Property Name:</th>
<th>Lamphey Court Hotel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location:</td>
<td>Pembrokeshire</td>
</tr>
<tr>
<td>Type of property:</td>
<td>Traditional country house</td>
</tr>
<tr>
<td>Number of bedrooms:</td>
<td>37 ensuite</td>
</tr>
<tr>
<td>WTB rating:</td>
<td>4 star</td>
</tr>
<tr>
<td>Price per room:</td>
<td>£110 - £140</td>
</tr>
<tr>
<td>3 course dinner:</td>
<td>£27-£35</td>
</tr>
<tr>
<td>Facilities:</td>
<td>Events up to 100 guests, Leisure center, floodlit tennis court.</td>
</tr>
<tr>
<td>Target markets:</td>
<td>International, families (children share free).</td>
</tr>
<tr>
<td>Marketing alliances:</td>
<td>Johansens Recommended, Best Western, Welsh Rarebit Hotel.</td>
</tr>
<tr>
<td>Media:</td>
<td>BBC Overnight Success.</td>
</tr>
<tr>
<td>Property Name</td>
<td>Morgans</td>
</tr>
<tr>
<td>----------------</td>
<td>------------------</td>
</tr>
<tr>
<td>Location</td>
<td>Swansea</td>
</tr>
<tr>
<td>Type of property</td>
<td>City boutique</td>
</tr>
<tr>
<td>Number of bedrooms</td>
<td>20</td>
</tr>
<tr>
<td>WTB rating</td>
<td>5 star</td>
</tr>
<tr>
<td>Price per room</td>
<td>£100 - £250</td>
</tr>
<tr>
<td>3 course dinner</td>
<td>£22 - £35</td>
</tr>
<tr>
<td>Facilities</td>
<td>Conference rooms, champagne bar.</td>
</tr>
<tr>
<td>Target markets</td>
<td>Corporate, Swansea high flyers, Swansea city airport.</td>
</tr>
<tr>
<td>Advertising &amp; promotions</td>
<td>£10 lunch</td>
</tr>
<tr>
<td>Marketing alliances</td>
<td>Catherine Zeta Jones place when visiting Swansea, Welsh Rarebit hotel.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Property Name</th>
<th>Penally Abbey</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>Pembrokeshire</td>
</tr>
<tr>
<td>Type of property</td>
<td>Country House</td>
</tr>
<tr>
<td>Number of bedrooms</td>
<td>12 bedrooms, lots of four posters</td>
</tr>
<tr>
<td>WTB rating</td>
<td>4 star</td>
</tr>
<tr>
<td>Price per room</td>
<td>£104 - £146</td>
</tr>
<tr>
<td>3 course dinner</td>
<td>£30</td>
</tr>
<tr>
<td>Facilities</td>
<td>Five acres of woodland and gardens, small indoor pool.</td>
</tr>
<tr>
<td>Target markets</td>
<td>Children welcome, slightly stuffy feel, international visitors.</td>
</tr>
<tr>
<td>Advertising &amp; promotions</td>
<td>Winter Breaks - Up to 25% off rack rate.</td>
</tr>
<tr>
<td>Marketing alliances</td>
<td>Welsh Rarebits, Pamela Lanier, Best Western.</td>
</tr>
<tr>
<td>Media</td>
<td>Sunday Times top 20 seaside hotels.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Property Name</th>
<th>Warpool Court Hotel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>St Davids, Pembrokeshire</td>
</tr>
<tr>
<td>Type of property</td>
<td>Seaside country house</td>
</tr>
<tr>
<td>Number of bedrooms</td>
<td>25</td>
</tr>
<tr>
<td>WTB rating</td>
<td>4 star</td>
</tr>
<tr>
<td>Price per room</td>
<td>£150 - £250</td>
</tr>
<tr>
<td>4 course dinner</td>
<td>£40</td>
</tr>
<tr>
<td>Facilities</td>
<td>Swimming pool, pool table, table tennis, multi-gym, areas for croquet and golfing practice.</td>
</tr>
<tr>
<td>Target markets</td>
<td>Affluent retired, leisure breaks, weddings.</td>
</tr>
<tr>
<td>Special events</td>
<td>Gastronomy and wine tasting weekends.</td>
</tr>
<tr>
<td>Marketing alliances</td>
<td>Welsh Rarebits.</td>
</tr>
<tr>
<td>Media</td>
<td>BBC Holiday programme, Guardian Travel.</td>
</tr>
</tbody>
</table>
4.2.2: OTHER POTENTIAL PEMBROKESHIRE COMPETITION

Approval for the Bluestone project, a Centerparcs style resort in Pembrokeshire offering 450 chalets with enclosed leisure facilities has been granted by National Parks Planning committee. However, some legal arguments have still to be resolved. The KTP Associate discussed the Bluestone project with the Director of FBM Holidays, a self-catering firm and the owners of St Brides Hotel. Neither were in support of the project, as they considered that the £20 m. funding from WDA would be more beneficial if allocated to refurbishing existing hospitality properties within Pembrokeshire many of which could do with modernisation to attract the increasingly discerning customer. They also considered that the provision of wet weather leisure facilities should be a priority for government funding, despite Bluestone leisure facilities being open to non-residents. They did not consider that this proposal would be attractive to their customers.

4.3: EQUIVALENT TOURIST REGION

The southwest region of England has similarities to Pembrokeshire with a 4 hour driving time from London resulting in equivalent potential target segments. The destination selling points are also similar, with activities such as water sports and gardens available widely in Cornwall and Pembrokeshire. The sandy beaches of Cornwall offer some competition to Pembrokeshire's; however, the over commercialisation of some of these allows Pembrokeshire to position itself as the new Cornwall.
The following three properties best represent the standard and style of properties in the Cornwall area:

<table>
<thead>
<tr>
<th>Property Name</th>
<th>Hotel Tresanton</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>Cornwall</td>
</tr>
<tr>
<td>Type of property</td>
<td>Converted former yacht club</td>
</tr>
<tr>
<td>Number of bedrooms</td>
<td>26</td>
</tr>
<tr>
<td>AA rating</td>
<td>3 red star</td>
</tr>
<tr>
<td>Price per room</td>
<td>£175 - £365</td>
</tr>
<tr>
<td>3 course dinner</td>
<td>£34, 3 AA rosettes.</td>
</tr>
<tr>
<td>Facilities</td>
<td>Cinema, sailing yacht, conference facilities.</td>
</tr>
<tr>
<td>Target markets</td>
<td>Flights from London to Newquay Cornwall Airport, Style conscious, Referrals through Rocco Forte hotels, family rooms available.</td>
</tr>
<tr>
<td>Special events</td>
<td>Bridge course, Cornish painting week, Yoga week.</td>
</tr>
<tr>
<td>Marketing alliances</td>
<td>Designed by Rocco Forte daughter, Olga Polizzi.</td>
</tr>
<tr>
<td>Media</td>
<td>Sunday Times top 20 seaside hotels.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Property Name</th>
<th>The Lugger</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>Portloe Truro, Cornwall</td>
</tr>
<tr>
<td>Type of property</td>
<td>Former 17th century inn.</td>
</tr>
<tr>
<td>Number of bedrooms</td>
<td>21</td>
</tr>
<tr>
<td>AA rating</td>
<td>4 star</td>
</tr>
<tr>
<td>Price per room</td>
<td>£160 - £240</td>
</tr>
<tr>
<td>3 course dinner</td>
<td>£35</td>
</tr>
<tr>
<td>Facilities</td>
<td>Deluge showers</td>
</tr>
<tr>
<td>Target markets</td>
<td>Under 12s not allowed, international travellers</td>
</tr>
<tr>
<td>Media</td>
<td>Condé Nast Travellers 'Hot New Hotel 2003'.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Property Name</th>
<th>The Nare</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>Cornwall</td>
</tr>
<tr>
<td>Type of property</td>
<td>Traditional seaside country house</td>
</tr>
<tr>
<td>Number of bedrooms</td>
<td>36</td>
</tr>
<tr>
<td>AA rating</td>
<td>4</td>
</tr>
<tr>
<td>Price per room</td>
<td>£95 to £265</td>
</tr>
<tr>
<td>3 course dinner</td>
<td>£35, traditional English, seafood and West Country produce.</td>
</tr>
<tr>
<td>Facilities</td>
<td>Indoor &amp; outdoor pools, tennis, boat, sauna &amp; gymnasium, resident beautician</td>
</tr>
<tr>
<td>Target markets</td>
<td>Family friendly, dogs welcome.</td>
</tr>
<tr>
<td>Advertising &amp; promotions / Special events</td>
<td>Wine-tasting, shooting parties and bridge breaks.</td>
</tr>
</tbody>
</table>
4.4: EQUIVALENT MARKET SEGMENT

As identified in Chapter 3, the rise of boutique hotels has been in response to consumers desire for stylish, quality focused hotels combined with a recognition that 'funky' stylish décor can generate significant PR coverage, which acts as a low-cost, yet extremely effective method of marketing for hotels. Therefore, as part of the site visit research stage several design-focused properties were visited by the KTP Associate. Lessons learnt included the importance of well-trained employees, the use of luxury in-room facilities to reinforce the quality feel and the supply of creative packages. The results below summarises the key findings from equivalent market segment hotels:

<table>
<thead>
<tr>
<th>Property Name:</th>
<th>Bae Abermae</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location:</td>
<td>Barmouth</td>
</tr>
<tr>
<td>Type of property:</td>
<td>Modernised Victorian house with fine dining</td>
</tr>
<tr>
<td>Number of bedrooms:</td>
<td>18</td>
</tr>
<tr>
<td>WTB rating:</td>
<td>4 star</td>
</tr>
<tr>
<td>Price per room:</td>
<td>£100 - £138</td>
</tr>
<tr>
<td>3 course dinner:</td>
<td>£26.50</td>
</tr>
<tr>
<td>Facilities:</td>
<td>Bar, restaurant, sea views.</td>
</tr>
<tr>
<td>Target markets:</td>
<td>Leisure breaks, weddings.</td>
</tr>
<tr>
<td>Advertising &amp; promotions / special events:</td>
<td>Thanksgiving weekend, pre-Christmas breaks, Christmas house party.</td>
</tr>
<tr>
<td>Marketing alliances:</td>
<td>Welsh Rarebits, Johansens.</td>
</tr>
<tr>
<td>Media:</td>
<td>Telegraph, Guardian Travel.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Property Name:</th>
<th>Castell Deudraeth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location:</td>
<td>Portmeirion</td>
</tr>
<tr>
<td>Type of property:</td>
<td>Contemporary castle hotel</td>
</tr>
<tr>
<td>Number of bedrooms:</td>
<td>11</td>
</tr>
<tr>
<td>WTB rating:</td>
<td>3 star</td>
</tr>
<tr>
<td>Price per room:</td>
<td>£150 - £235</td>
</tr>
<tr>
<td>3 course dinner:</td>
<td>£35</td>
</tr>
<tr>
<td>Facilities:</td>
<td>Whirpool baths, under floor heating, real flame gas fires.</td>
</tr>
<tr>
<td>Target markets:</td>
<td>Leisure breaks, conference facilities for 30 delegates.</td>
</tr>
<tr>
<td>Advertising &amp; promotions:</td>
<td>Special 3-night dinner, bed and breakfast rates.</td>
</tr>
<tr>
<td>Marketing alliances:</td>
<td>Welsh Rarebits, Portmeirion Village.</td>
</tr>
<tr>
<td>Media:</td>
<td>AA Hotel of the Year for Wales 2002-03.</td>
</tr>
<tr>
<td>Property Name</td>
<td>Lang's Hotel</td>
</tr>
<tr>
<td>---------------</td>
<td>--------------</td>
</tr>
<tr>
<td>Location</td>
<td>City Centre, Glasgow</td>
</tr>
<tr>
<td>Type of property</td>
<td>‘City Living Venue’ style hotel</td>
</tr>
<tr>
<td>Number of bedrooms</td>
<td>100</td>
</tr>
<tr>
<td>Price per room</td>
<td>£110 to £185</td>
</tr>
<tr>
<td>Food and Beverage</td>
<td>Oshi – Bar, place to eat and a water garden</td>
</tr>
<tr>
<td>Las Brisas – Fine dining Mediterranean cuisine.</td>
<td></td>
</tr>
<tr>
<td>Facilities</td>
<td>Power showers with body jets, playstation, mini-spa (treatments only).</td>
</tr>
<tr>
<td>Marketing Target markets</td>
<td>Private dining, fashion shows, product launches, Glasgow Academy events.</td>
</tr>
<tr>
<td>Advertising &amp; promotions / Special events</td>
<td>Sleepy Sunday: Stay after 12 noon checkout for £10 per hour.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Property Name</th>
<th>Malmaison Glasgow</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>Glasgow</td>
</tr>
<tr>
<td>Type of property</td>
<td>Boutique, Converted Orthodox church</td>
</tr>
<tr>
<td>Number of bedrooms</td>
<td>72</td>
</tr>
<tr>
<td>AA rating</td>
<td>4 star</td>
</tr>
<tr>
<td>Price per room</td>
<td>£99 - £165</td>
</tr>
<tr>
<td>3 course dinner</td>
<td>£22</td>
</tr>
<tr>
<td>Facilities</td>
<td>Individually designed rooms and suites, some with mezzanines, CD players, mini-bars, original art, and fitness room.</td>
</tr>
<tr>
<td>Target markets</td>
<td>Corporate mid week business – located in heart of business district, leisure break weekenders, brand loyal customers.</td>
</tr>
<tr>
<td>Advertising &amp; promotions</td>
<td>Fast and free internet access</td>
</tr>
<tr>
<td>Marketing alliances</td>
<td>Malmaison group, Superbreaks.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Property Name</th>
<th>Seaham Hall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>County Durham</td>
</tr>
<tr>
<td>Type of property</td>
<td>Ultra-modern take on the traditional country house hotel.</td>
</tr>
<tr>
<td>Number of bedrooms</td>
<td>18 and a penthouse</td>
</tr>
<tr>
<td>Facilities</td>
<td>Huge beds, pillow menu, baths for two, fires and original contemporary art, Bang &amp; Olufsen.</td>
</tr>
<tr>
<td>Price per room</td>
<td>£175 to £500</td>
</tr>
<tr>
<td>Dinner 3 courses</td>
<td>£40 - £55</td>
</tr>
<tr>
<td>Advertising &amp; promotions / Special events</td>
<td>Symphony by the Sea – Orchestra entertains with well-known classics and proms anthems.</td>
</tr>
<tr>
<td>Merchandising:</td>
<td>Gift Vouchers valid at any Tom's Companies venues.</td>
</tr>
<tr>
<td>---------------</td>
<td>-----------------------------------------------------</td>
</tr>
<tr>
<td>Marketing alliances:</td>
<td>Tom's Companies</td>
</tr>
<tr>
<td>Media:</td>
<td>Sunday Times top 20 seaside hotels</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Property Name:</th>
<th>The Glasshouse</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location:</td>
<td>Edinburgh</td>
</tr>
<tr>
<td>Type of property:</td>
<td>Chic, boutique private guest club feel hotel</td>
</tr>
<tr>
<td>Number of bedrooms:</td>
<td>65</td>
</tr>
<tr>
<td>AA rating:</td>
<td>5 star</td>
</tr>
<tr>
<td>Price per room:</td>
<td>£220 - £295</td>
</tr>
<tr>
<td>3 course dinner:</td>
<td>Absence of public bar or restaurant</td>
</tr>
<tr>
<td>Facilities:</td>
<td>&quot;Small is beautiful&quot; approach, CD player, modem, mini-bar and work desk, broadband internet connection in each room. Pod bathrooms arrived complete from Denmark.</td>
</tr>
<tr>
<td>Target markets:</td>
<td>Corporate and weekend leisure breaks.</td>
</tr>
<tr>
<td>Advertising &amp; promotions / special events</td>
<td>Tickets for Usher Hall package, golf/city breaks, Luxury shopping package with Harvey Nichols.</td>
</tr>
<tr>
<td>Marketing alliances:</td>
<td>Eton Group Hotel</td>
</tr>
<tr>
<td>Media:</td>
<td>Top 50 hotels in world Condé Naste 2004, Guardian Travel, Mondiale.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Property Name:</th>
<th>The Scotsman Hotel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location:</td>
<td>North Bridge, Edinburgh</td>
</tr>
<tr>
<td>Type of property:</td>
<td>Boutique, Contemporary design in historic building</td>
</tr>
<tr>
<td>Number of bedrooms:</td>
<td>68</td>
</tr>
<tr>
<td>AA rating:</td>
<td>5 star</td>
</tr>
<tr>
<td>Price per room:</td>
<td>£200 - £1200</td>
</tr>
<tr>
<td>3 course dinner:</td>
<td>£32 - £45</td>
</tr>
<tr>
<td>Facilities:</td>
<td>Room service hatch, Edinburgh monopoly in-built to coffee table, filter coffee making machine, clothes brush, Spa, Screening room.</td>
</tr>
<tr>
<td>Marketing Target markets:</td>
<td>Corporate, meetings and conferences, Spa – run as separate business, luxury leisure breaks, international travelers.</td>
</tr>
<tr>
<td>Advertising &amp; promotions / Special events:</td>
<td>Valentine offer – 2 night stay for 2 people in double room inc breakfast and bottle of champagne.</td>
</tr>
<tr>
<td>Marketing alliances:</td>
<td>Leading Small Hotels of the World</td>
</tr>
</tbody>
</table>
4.5: CONCLUSIONS

The KTP Associate visited a range of properties during the two-year period as shown in Appendix 15. An appreciation of quality style focused hotels within the UK assisted with product development planning for St Brides Hotel. It was used as a base for developing marketing tactics to achieve the goal of achieving 5 star status. In particular, transferable ideas gathered from other properties such as use of PR as a tool for generating 'word of mouth' and the introduction of packages were incorporated into St Brides Hotel strategic marketing proposals.

Boutique hotels have also been identified as growing in importance within the UK hotel market and it was found that many follow a theme or identify a niche to fill. For example, Hotel du Vin has seven properties throughout England and concentrates all efforts around a wine focused experience, with bedrooms named after famous wine houses and regular wine tasting and lectures for their customers. For St Brides Hotel, one of the unique selling propositions is the Welsh contemporary art gallery featured throughout the public areas, although this narrow appeal niche may not be enough to act as the sole customer pull factor to the hotel.

It is also beneficial for the KTP Associate to understand the level of customer expectations towards customer service, accommodation and food quality. As consumers gain more experience of quality, style focused hotels their expectations will rise. Therefore, UK hotels must continually improve in order to satisfy their increasingly discerning tastes, which will impact on staff training, product development and marketing communications issues.
CHAPTER 5: METHODOLOGY

5.1: INTRODUCTION
This chapter outlines the development of the research design and discusses the research methods used for the study. The research process proceeded through five phases primarily using the case study approach. Desk research was undertaken concentrating on a literature review of research covering research methodology as well as the specific research topic of the seaside hotel hospitality industry. Field research focused on a case study using action research associated with St Brides Hotel, Saundersfoot over two years. Additionally, a combination of observational research and personal interviews with industry experts and consumers was undertaken within the selected seaside hotel sector of the UK hospitality industry.

A literature review of methodology showed that while the case study has been criticised concerning the extent to which findings are generalisable (Gill & Johnson, 1997), other researchers such as Denzin (1978) support the case study approach. Yin (2003), in particular, suggests that a rigorous, systematic research process should be undertaken to generate generalisable findings. It was this approach that was followed in this research in order to reach the research aim.

5.2: RESEARCH PHASES
The research progressed through five phases, shown below in figure 5.1:

Phase 1: Initial focus on defining the research topic (formulation of research questions)
Phase 2: Determining research methods
Phase 3: Undertaking desk and field research
Phase 4: Checking and adjusting to corroborate findings through data triangulation
Phase 5: Drawing conclusions
Figure 5.1: Research phases
5.3: Phase 1: Initial Focus on Defining the Research Topic
(Formulation of Research Questions)

5.3.1: Involvement in UK Seaside Hotel Industry
The researcher was introduced to St Brides Hotel, an independently owned hotel located in Saundersfoot, Pembrokeshire in south-west Wales, through the involvement in the Knowledge Transfer Partnership (KTP) (formerly Teaching Company Scheme) as discussed in Chapter 1. This gave personal access to the strategic marketing and operational approach within St Brides Hotel over the two-year period, September 2002 to September 2004. The researcher was introduced to the hotel's management team taking the role of a Teaching Company Associate (TCA) within the KTP scheme with the personal remit of undertaking responsibility for strategic marketing and duty management at the hotel.

His major task was to develop a strategic marketing approach to support the profitable growth of St Brides Hotel to implement over the next three to five years. Analysis of the marketing environment was to be used to develop a strategic marketing plan which would be tested to identify favourable marketing strategies and tactics UK independent seaside hotels could use to assist in the repositioning of this hospitality sector.

In Phase 1, an initial literature review was undertaken to determine the background to the UK hotel industry (see Chapter 2). It was found that the traditional UK seaside resort hotel market had been in decline over a number of years which raised the fundamental research questions for the current research of:

(1) How could the decline in UK seaside hotel industry be reversed?
(2) What strategic marketing approach, if any, could be used to reverse declining profitability to ensure the long-term viability of the UK seaside hotel industry?
Addressing these questions became the base for the research programme.

The researcher began with an investigation of the marketing environment in which St Brides Hotel operates. Literature related to the hotel industry in general, and, more specifically, to traditional UK seaside hotel resorts was examined to ascertain the trends in the market. The market situation for South West Wales was considered, especially as it applied to seaside hotels operating in Pembrokeshire, where St Brides Hotel was located.

5.4: LITERATURE SOURCES

Academic literature sourced from University libraries and databases were used covering principally academic journals and texts.

Industry sources concentrated on government backed tourist board publications from England, Wales and Scotland covering UK market trends. In particular, trend analysis reports from wtbonline.gov.uk, customer profiles from the British Tourist Authority (BTA) and coastal resort publications from the English Tourism Council were helpful. UK and international trade publications such as the Caterer and Hotelkeeper, Restaurant Magazine and the American Association of Marketing newsletters were also used. The national quality press including their websites was used to develop appreciation of the market environment, marketing approaches and competitor activity. In particular, the Financial Times (FT.com), the Sunday Times and Sunday Observer travel sections and the Weekend Telegraph were useful.

Internal sources available from within St Brides Hotel including business plans, human resources, information technology and consultant reports were also reviewed. Other internal reports used were daily, weekly and monthly occupancy statistics produced through the hotel Property Management System (PMS) and financial reports were also analysed.
The findings (detailed in Chapter 2: literature review) showed that the traditional UK seaside hotel industry faced serious challenges associated with low growth and, even, market decline. Generally, there was a poor image of UK seaside hotels, especially in terms of service provision as typified by the 'Faulty Towers' television programme. Furthermore, competition from both the domestic market, especially from UK city short break offerings and from international tourist destinations was increasing.

5.5: INDUSTRY EXPERTS

Within Phase 1, as part of the process of defining the research topic, the initial literature review was supplemented by personal interviews with industry experts. In particular, experts with an appreciation of tourism industry related to Pembrokeshire and to the seaside hotel industry in Saundersfoot were to gain an appreciation of market conditions. Interviews (both structured and unstructured) (detailed in Table 5.3) were conducted with government and Welsh business promoters including:

- representatives of Visit Wales, the Tourist Board promoter;
- representatives of the local Tourist Information Centre, Saundersfoot;
- members of Pembrokeshire Business Tourism promotion body (Way out West (WoW));
- local Saundersfoot entrepreneurs, e.g. Tim Brace of FBM Self-catering.

Interviews were also undertaken with representatives of the seaside hotel industry including:

- proprietor/owner of St Brides Hotel;
- other senior management within St Brides Hotel;
- senior management within competing hospitality industry in the local environs, e.g. Fourcroft Hotel, Tenby.

Interviews were also conducted with others who could advise on issues related to possible strategic marketing approaches for seaside hotels including:
• academic experts, including academic supervisors;
• representative of Art suppliers, e.g. David Burke of Adam Gallery, Penarth, Cardiff.

From this initial review, it became apparent that the general seaside hotel industry provided low financial returns (see Literature review) and limited future growth. In order to reverse the trend, considerable investment would be required together with a strategic marketing approach directed towards the potentially more profitable niche markets (Dalgic & Leeuw, 1994).

Initial niche markets identified included persons looking for hotel accommodation associated with:

• art, especially Welsh contemporary art;
• up-market, quality ‘fine’ dining;
• up-market, tour groups.

After six months of reviewing the challenges facing St Brides Hotel, in the light of the initial Phase 1, it was decided to formulate the fundamental research questions for the study. The understandings from the literature review showed decline in UK seaside resort hotel industry, was it possible to reverse this trend and how could this be achieved?

Regarding question 1, industry experts including the hotel proprietor/owner and VisitWales management considered that, despite the considerable challenge, it was feasible to reverse the decline in hotel turnover and profitability as has been shown in parts of Cornwall with success of Tresanton and Lugger Hotels. Consequently, the research turned to concentrating on the second question of developing a strategic marketing approach together with the supporting marketing plan for its implementation.
The research aim became:
What strategic marketing approaches are available for an independent seaside hotel?

With the following research objectives:

1. What strategic marketing approach(es) should be used to re-position an independent seaside hotel?

2. What is the potential of niche markets for the seaside hotel sector, in particular, the case example of St Brides Hotel, Saundersfoot?

3. What key marketing concepts should be considered when developing the strategic marketing plan?

4. What marketing research is required to complete marketing plan?

5. How could the marketing plan be implemented?

6. What would be the impact of implementing the marketing plan in terms of the measurement of improvement in competitiveness and profitability for the case study hotel?
5.6: Phase 2: Determining Research Methods

The research undertaken included desk research, a literature review and field research using primary sources including expert opinion interviews, analysis of internal documents (Yin, 2003) and analysis of external trade information to develop the most appropriate strategic marketing options for St Brides Hotel. This process also considered the most suitable implementation method through a strategic marketing plan.

5.6.1: Literature Review Using Secondary Sources of Information

The initial literature review targeted publications covering the UK seaside hotel industry. As an appreciation of the strategic marketing issues facing the industry was gained, the literature review was extended to consider the research methodology that could be appropriate for the topic being investigated.

5.6.2: Literature Review Process

Library searches were undertaken using University of Wales Institute Cardiff (UWIC), University of Strathclyde and Scottish Hotel School libraries. Searches used databases including Athens, emerald fulltext, eric.org, cabsubsets.org, ABI inform and the Mintel reports as well as the Internet search engines Google, Yahoo and MSN using the following keywords: hotel market research, tourism research, case study research, hospitality research, marketing research, hotel case study and action research.

5.7: Research Methodology

The research methodology literature concentrated on studies by Lashley (1999), Sekaran (1992) and Gill & Johnson (1997). They examined the advantages and disadvantages of undertaking quantitative research techniques involving experimental and survey techniques as well as more qualitative research techniques incorporating focus groups (sometimes termed group discussions) and focus/in-depth interviewing. Their role in case study and action research using a range of sources including archival records,
survey data and structured observation was examined and the findings were assessed within the context of the objectives set for the study.

5.7.1: EXPERIMENTAL RESEARCH

Experimental research methods relate to the ability to assess the relationship between independent and dependent variables and testing these within given environmental conditions. For the UK hotel industry, this could involve the formulation of hypotheses to test predictions of likely behaviour patterns among hotel marketers. However, within the present study the experimental approach was not considered to be practical, as it was not feasible to conduct experiments on strategic marketing approaches and tactics within the desirable number of UK hotels to assess the effects on chosen variables within the environment. Within the confines of the KTP, the research was restricted to investigating and developing strategic marketing related to the one hotel, St Brides Hotel, in question.

5.7.2: SURVEY TECHNIQUES

Various forms of survey methods were considered including face-to-face, telephone and postal surveys (Bryman, 1989; Easterby-Smith, Thorpe & Lowe, 1991; Gill & Johnson, 1997). One option was to undertake a postal survey to establish the success of strategic marketing approaches and tactics among seaside hotels. Mail questionnaires are best suited 'when a substantial amount of information is to be obtained through structured questions, at minimal costs, from a sample that is widely dispersed geographically' (Sekaran, 1992: 220). However, for this research it was considered unlikely that local hoteliers would be prepared to disclose details of their strategic marketing approaches to a direct competitor. While the researcher had good access to the senior management at one competing local hotel, it was likely to be difficult to get the same level of internal data from other hotel management in the local vicinity. Consequently, the use of a postal questionnaire was rejected.
5.7.3: PERSONALLY ADMINISTERED QUESTIONNAIRE SURVEY

An alternative survey method is to personally administer a survey questionnaire to groups of individuals. This can help to establish rapport with the respondents while introducing the survey, provide clarifications sought by the respondent on the spot, and collect the questionnaires immediately after they are completed. This ensures a high response rate, often 100 per cent. Personally administered questionnaires are best suited when data are collected from organizations that are located in close proximity to each other and groups of respondents can be conveniently assembled (Sekaran, 1992: 220). However, this data collection method is expensive, in terms of research time, especially if the sample is geographically dispersed (Sekaran, 1992: 220) and was considered inappropriate for the research.

5.7.4: PERSONAL INTERVIEWS

Sekaran (1992) identifies two types of interview, face-to-face and telephone. Face-to-face interviews were found to provide rich data and an opportunity ‘to explore and understand complex issues’ (Sekaran, 1992: 220). This type of interview requires training, has the potential for introducing interviewer bias and can be expensive if a large sample of subjects is to be personally interviewed.

Telephone interviews (Sekaran, 1992: 220) are useful in contacting subjects dispersed over various geographic regions and obtain responses from them immediately on contact. ‘This is an efficient way of collecting data when one has specific questions to ask, needs the responses quickly, and has the sample spread over a wide geographic area’ (Sekaran, 1992: 220). However the interviewer cannot observe nonverbal responses of the respondents.

5.7.5: INTERVIEW STRUCTURES

Interviews may be structured, semi-structured or unstructured, i.e. the structured interview will follow a carefully prepared set of questions, the semi-structured interview will allow for some flexibility from the key question topics to be covered and the unstructured interview will follow the flow of the discussion. Structured question interviews allow for ease of conducting the
interview and collating the results. Less structured interviews are likely to pose more difficulties to undertake but they may allow more opportunities to explore the research topic, moving towards more qualitative research techniques which can provide deeper understanding of the issues being researched.

Telephone interviews are best suited to structured questions, where the interviewer knows the information needed and has a predetermined list of questions that will be posed to the respondent (Sekaran, 1992: 190).

Unstructured interviews are more commonly used ‘to surface some preliminary issues so that the researcher can formulate a good idea of what variables need further in-depth investigation’ (Sekaran, 1992: 190).

Visual aids such as pictures, drawings, cards or other materials can be used when conducting interviews. ‘Marketing research, for example, benefits from such techniques in order to capture the likes and dislikes of customers to different types of packaging, forms of advertising and so on’ (Sekaran, 1992: 192). This was considered to be a potentially useful technique to use in the current research, especially when testing aspects of marketing tactics related to advertising, promotional material and product/service drawing offerings.

5.7.6: QUALITATIVE RESEARCH
The literature review showed that qualitative research techniques usually necessitate studies that concentrate on a much more limited base of examples or cases than do quantitative research methods. Denzin (1978, 1991); Denzin & Lincoln (1994), Loflan (1978), Silverman (1985, 1993), Strauss (1987) and Strauss & Corbin (1990) were among those who favoured such in-depth research. They advised the use of qualitative techniques such as personal interviews, group discussions and focus groups, as well as the use of action research (as defined below) to help in developing case studies. It was decided to consider this option in more depth for the research.
5.7.7: **Focus Group (Group Discussion)**

Focus groups are a relatively inexpensive data collection method that provides fairly dependable data in a short period of time (Sekaran, 1992: 218). Typically, focus groups consist of eight to twelve members with a moderator leading the discussions regarding a particular topic, item or product.

While during the research, meetings were held with groups of experts, e.g. Pembrokeshire Business Tourism, it was not appropriate to run conventional focus groups. It was not practical to find group members who did not previously know one another to discuss marketing strategy issues related to the independent seaside hotel industry. While it would have been attractive to consider bringing together potential customers to study customer satisfaction, the difficulties in implementing such a proposal precluded such an approach and would be more beneficial following the completion of the hotel redevelopment project.

5.7.8: **Observational Research**

Data can be collected through observation of people in their natural work environment. In this situation the researcher can play one of two roles while gathering field observational data, either nonparticipant-observer or participant-observer (Sekaran, 1992: 215). A non-participant observer would collect data purely as a researcher without trying to become part of the organisation and leads to generalisable findings. However, the researcher must be physically present for extended periods of time and so ‘because of the cost involved, very few observational studies are done in business.’ (Sekaran, 1992: 221). A participant-observer researcher would enter the organisation and become part of the work team, this approach is more appropriate to the current research process and closely relates to the action research approach that was used as discussed below.

Observer bias is a risk associated with observational studies especially when several observers are involved (Sekaran, 1992: 216) and observer fatigue could set in which influences the findings, although this can be minimised through observer training. Respondent bias can also threaten the validity of
results as they may behave differently during the period of study, especially if the observations are done for a short time. (Sekaran, 1992: 217). Observational research techniques were used to establish the types of visitors to Saundersfoot, current customer types and reaction to upgraded hotel product.

5.7.9: DATA TRIANGULATION
Denzin (1978) considered that using two or more research methods could compensate for any possible deficiencies in one qualitative method. This he termed 'triangulation', i.e. collecting the research material from different research methods to 'home in' on a more consistent review of the research topic. Silverman (1985), on the other hand, was less convinced by the benefits of triangulation as he considered that the output of different research methods is not directly tenable. By 1991, Denzin moved his views closer to those of Silverman and suggested that multiple research methods could yield multiple perspectives. In the light of these recommendations, a combination of methodological approaches was used to achieve the objectives of the current research.

5.8: ACTION RESEARCH
The current research was initiated to implement action research and to test the method in a hotel research situation. The literature review showed action research to be a situation where

'The researcher is involved, in conjunction with members of an organization, in dealing with a problem that is recognized as such by both parties. The researcher feeds information about advisable lines of action back to the organization and observes the impact of the implementation of the advised lines of action on the organizational problem. In a sense, the researcher becomes part of the field of investigation. It is the nature of the relationship between the research and his or her subjects that constitutes the prime research for conceptualising action research as a distinct design' (Bryman, 1989: 30).

Lashley (1998, 1999) recommends the use of action research in hospitality management education and practice and states that 'action research provides
a mechanism for increasing partnership between educators and practitioners. For practitioners, action research is an approach which generates continuous improvement in organisation effectiveness and extends genuine employee involvement and empowerment. For educators, action research assists in improving professional practice, and its underlying principles are compatible with experiential learning' (1999: 313).

The three-way relationship involving KTPs is well suited to the action research approach, with the Associate/researcher implementing improvement to the organisation through involvement of academic and industrial supervisors who advise on the most appropriate actions. This action includes the KTP Associate’s role in developing the strategic marketing approach for the hotel supported by academic and industrial supervisors.

It was decided to investigate Lashley’s work more deeply. Meetings were arranged between the KTP associate and Lashley to discuss the best approach for this research project. Two meetings were held in May 2003 and November 2003 with Lashley, on both occasions action research was discussed within a small group of interested parties, including academics and other KTP associates. Throughout the research, close communication was kept with Lashley to consider how action research techniques could be applied to the research. Initially, these meetings focused on discussion of action research approaches in hospitality encouraging Lashley to input his experiences of action research and people management within the hospitality sector to the current research project.

Waser & Johns (2003: 376) suggest that ‘In principle action research is especially suited to service industries such as the hospitality industry, where guest satisfaction is dependent upon organisational culture. Action research might make it possible to describe, and at the same time to change the cultural status quo, to the benefit of both guest and the organisation.' Yet they found that ‘apart from the work of Whyte & Hamilton (1965) and Lashley (1998, 1999) action research as a technique seems hardly to have been discussed in the context of the hospitality industry’. Their study was based on
a staff development exercises but they did recognise the ‘potential [of action research] for a much wider range of applications’ (Waser & Johns, 2003: 391).

5.8.1: CYCLICAL REFLECTION
Lashley (1999) found that action research often reflects a cyclical process. 'Bawden (1991) makes use of the Kolb (1984) experiential learning model to draw parallels with learning and research and with research, reflection, theorising and actioning elements of experiential learning' (Lashley, 1999: 318). In the light of these recommendations, the reflective process was used in the current research to test the success of a range of marketing tactics. Successful approaches were then included in the marketing plan. This reflective approach is particularly useful because of the limited academic literature published for marketing independent seaside hotels and it helped as a learning technique for the researcher to gain practical marketing experience within the industry sector.

The benefits of action research are that it tries 'to generate theory (in a wide sense this includes hypotheses, concepts, categories, models and so forth) that is suited to a specific process of change. The theory is tested in action, i.e. when the researcher participates in the process, intervenes and determines whether the action derived from theory works (e.g. improves profitability)' (Gummesson, 1991). For the current research, creative approaches to marketing were developed and tested within the market situation. Successful marketing approaches were incorporated into the proposed marketing plan for the future development of the case study hotel.

5.8.2: POTENTIAL OUTCOMES
Waser & Johns (2003) identified three potential outcomes of action research:

- produce valid knowledge;
- produce some desired organisational change;
- professional development.
Argyris et al. (1985) also propose the criterion that action research methodology should make change possible as well as producing knowledge. In the current research valid knowledge was produced through presentation of successful marketing strategies and recommendations for UK independent seaside hotels' future growth. Organisational change took place as marketing tactics were tested, with increased media coverage and improved customer relationships showing organisational change.

5.8.3: TYPOLOGIES
Adelman (1993) proposed a typology of four idealised action research models based on expected outcomes which can be experiential, diagnostic, empirical and participative as shown below:

- **experiential action research**: a controlled study that has a scientific approach to social problems in order to discover the effectiveness of various interventions;
- **diagnostic action research**: aims to identify remedial measures and a plan of actions for a specific problem;
- **empirical action research**: data are accumulated from comparable research situations in order to identify generalisable principles;
- **participative action research**: whereby community groups develop remedial action plans to solve local problems.

The current research most closely fits the diagnostic typology as the research identifies appropriate strategic marketing approaches, which will be included in the marketing plan in response to the specific future growth challenges facing independent UK seaside hotels.

Carr & Kemmis (1986) (cited in Waser & Johns, 2003: 375) proposed an alternative typology that emphasises the ownership and democracy of the research. 'Their three basic models: technical, practical and emancipatory are differentiated by the key player. In the technical model it is the researcher/facilitator, in the slightly more democratic practical model it is the
organisation being studied and in the emancipatory model the key players are the participants (professionals) themselves.’ The current research would be seen as a practical typology where it is the organisation, which is the key player as all the researcher’s efforts are focused on the development of strategic marketing for the case study hotel.

Hart & Bond (1995) (cited in Waser & Johns, 2003) amalgamated the two typologies of Adelman (1993) and Carr & Kemmis (1986) into a single system. The proposed continuum is exemplified by four idealised models, which are termed: experimental, organisational, professionalising and empowering action research. This model will be used to evaluate the role of action research in the current research. Each of the idealised models is defined in terms of seven general criteria:

- **educative base**: the way individuals learn through the process;
- **individuals in the team**: refers to the action research participants themselves and their reasons for being there;
- **problem focus**: considers who defines the problem under consideration;
- **change intervention**: asks who determines the outcomes that are sought from the research;
- **cyclical process**: the extent to which the research is cyclical also varies with the democracy of the research situation;
- **improvement and involvement**: refers to the hardness of the outcomes;
- **research relationship**: concerns the association between the facilitator and the research team.

Gill & Johnson (1997) found that most action research projects are pursued through the medium of case study, which raises issues concerning the extent to which the findings are generalisable. In view of these considerations to overcome this criticism and taking the advice of Denzin (1978), the current study concentrated on the case study approach incorporating a range of sources of data and research methods, including desk research using a literature review and field research using personal interviews.
5.9: Case Study Research

Yin (2003) found that six major sources of evidence were available for case study research. No single source has complete advantage over the others and Yin (2003) recommends that ‘a good case study will therefore want to use as many sources as possible’ (Yin, 2003: 85). Table 4.1 gives an overview of these sources with their comparative strengths and weaknesses together with examples found at St Brides Hotel.

5.9.1: Three Principles of Data Collection

Yin (2003: 85) introduced three principles of data collection in case study research that ‘help to deal with the problems of establishing the construct validity and reliability of the case study evidence’ (Yin, 2003: 97).

Principal 1: Using multiple, not single, sources of evidence

One of the major strengths of using case study data collection is the opportunity to use many different sources of evidence. This allows development of ‘converging lines of inquiry’ (Yin, 2003:98) so that conclusions in the case study are more convincing and accurate as they are based on several sources of information.

Principal 2: Creating a case study database

The second principle recommended by Yin (2003: 101) has to do with the method of organising and documenting the data collected for the case study. Documentation commonly consists of two separate collections:

1. data or evidentiary base;
2. report of the investigative, whether in article, report or book form.
<table>
<thead>
<tr>
<th>Source of evidence</th>
<th>Strengths</th>
<th>Weaknesses</th>
<th>Examples</th>
<th>Example at St Brides Hotel</th>
</tr>
</thead>
</table>
| Documentation      | • stable – can be reviewed repeatedly  
• unobtrusive - not created as a result of the case study  
• exact - contains exact names, references and details of an event  
• broad coverage - long span of time | • retrievability - can be low  
• biased selectivity, if collection is incomplete  
• reporting bias – reflects (unknown) bias of author  
• access - may be deliberately blocked | • Letters, Memoranda and other communiqués  
• Agendas, announcements and minute of meetings, and other written reports of events  
• Formal studies of the "site" under study  
• Newspaper clippings | SB Newsletter  
WDA/WTB/PLANED  
Technical and LMC minutes  
Function sheets  
Press releases  
Marketing reports  
Hotel Perfect reports  
Western Mail articles |
| Archival Records   | • (same as above for documentation)  
• precise and quantitative | • (same as above for documentation)  
• accessibility due to privacy reasons | • Service records  
• Organizational records  
• Maps and charts  
• Lists of names and other relevant items  
• Survey data  
• Personal records | Restaurant booking form  
Organizational charts  
Geographical maps  
Gallery & HP database  
Census records, ACORN  
Diaries, calendars and telephone listings |
| Interviews         | • targeted-focuses directly on case study topic  
• insightful-provides perceived causal inferences | • bias due to poorly constructed questions  
• response bias  
• inaccuracies due to poor recall  
• reflexivity-interviewee gives what interviewer wants to hear | • structured  
• unstructured  
• face-to-face  
• telephone | WOW  
WTM |
| Direct Observation | • reality - covers events in real time  
• contextual - covers context of event | • time - consuming  
• selectivity - unless broad coverage  
• reflexivity - event may proceed differently because it is being observed  
• cost - hours needed by human observers | • level of activity  
• condition of building and work spaces  
• testing technology  
• photographs | Customer menu choices |
| Participant-       | • (same as above for direct observations)  
• insightful into interpersonal behaviour and motives  
• ability to gain access to otherwise inaccessible scientific investigation | • (same as above for direct observations)  
• bias due to investigator's manipulation of events | • Staff member in organizational setting  
• Key decision maker in organization | Check-in / out |
| Observation        | Physical Artefacts | • insightful into cultural features  
• insightful into technical operations | • selectivity  
• availability  
• potential bias | • technological device  
• a tool or instrument | Welsh art |

Source: Adapted from Yin (2003: 86)
In the first instance, the database can be stored electronically or in an easily retrievable format so that 'the database can then be the subject of separate, secondary analysis, independent of any reports by the original investigator' (Yin, 2003: 101). The distinction between a separate database and the case study report had not yet become an institutionalized practice even though 'the practice is sufficiently important...that every case study project should strive to develop a formal, presentable database, so that in principle, other investigators can review the evidence directly and not be limited to the written case study reports' (Yin, 2003: 101). Yin (2003) comments that 'a case study database increases markedly the reliability of the entire case study'.

Principal 3: Maintaining a chain of evidence

The third principal that Yin (2003) suggests 'to increase the reliability of the information in a case study, is to maintain a chain of evidence. The principle is to allow an external observer...to follow the derivation of any evidence, ranging from initial research questions to ultimate case study conclusions' (Yin, 2003: 105).

---

**Figure 5.2: Maintaining a Chain of Evidence**

```
Case study report
  ↓
Case study database
  ↓
Citations to specific evidentiary sources in the case study database
  ↓
Case study protocol (linking questions to protocol topics)
  ↓
Case study questions
```

5.10: PHASE 3: UNDERTAKING DESK AND FIELD RESEARCH

In the light of the findings from Phase 2, the methods used for this study were selected to suit the research topic concentrating on strategic marketing within the independent small hotel industry. The data collected used desk and field research to examine secondary and primary sources respectively as listed below:

5.10.1: DESK RESEARCH

- Literature review using secondary sources concentrating on academic journals and industry trade publications:
  - seaside hotel industry background;
  - theoretical frameworks related to strategic marketing within the services and hospitality industry;
  - methodology research.

5.10.2: FIELD RESEARCH

- Using primary research concentrating on:
  - personal interviews with industry experts;
  - case study development using internal reporting sources concentrating on St Brides Hotel documentation, archival records, interviews, direct observation, participant observations and physical artefacts as recommended by Yin (2003);
  - external sources using trade data, e.g. e-newsletters, VisitWales trend reports, trade publications, marketing environment studies and national and local press;
  - evaluation of current UK hotel strategic marketing approaches especially as it relates to independent seaside hotels;
  - market intelligence obtained from trade shows, e.g. World Travel Market held in London in November 2002 and 2003, ShowCase Wales, Cardiff in December 2003 and ITB Berlin, March 2004.
Chartered Institute of Marketing seminar, Marketing Planning by Brian Smith (January 2004).

5.11: RESEARCH METHODS FOR DEVELOPMENT OF MARKETING PLAN

After the review of research methodology literature, a further literature search examined the secondary published data on the topic of hotel marketing with a focus on niche marketing strategies. It used a library search of the key words using Athens, Emerald, Subsets, leisureandtourism.com, UWIC library search and Google, Yahoo and MSN Internet search engines:

<table>
<thead>
<tr>
<th>TABLE 5.2: KEY SEARCH TERMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services Marketing</td>
</tr>
<tr>
<td>Market Research</td>
</tr>
<tr>
<td>CRM / Relationship</td>
</tr>
<tr>
<td>Art marketing</td>
</tr>
<tr>
<td>Hotel marketing models</td>
</tr>
<tr>
<td>Competitiveness measurement</td>
</tr>
</tbody>
</table>

As part of the competitor analysis, key words identified were the names of European quality independent hotels found through hotel directories, word-of-mouth and trade publications, such as Hotel Tresanton, The Scotsman and Hurst House shown in Chapter 6. The search terms covered academic journals, periodicals and books as well as trade journals and the quality press, notably the Financial Times, Sunday Times, Observer and as well as the Welsh regional, the Western Mail.

To gain an understanding of issues at a local level the Tenby Observer, Western Telegraph and Carmarthen Journal provided information about future developments, such as the family resort development at Bluestone and competitor actions, e.g. Celtic Haven self-catering park targeting business travellers. Local press were also used to gain media coverage for St Brides Hotel with articles covering Pembrokeshire fish week and featured artists.

Trade publications subscribed to and regularly reviewed included Caterer and Hotelkeeper, Restaurant Magazine and Business Travel. E-mail newsletters
provided a wealth of up-to-date and relevant information including weekly caterer.com bulletin, hotelresources.com newsletter and e-hotelier.com newsletter.

There were problems with some of the material found from the literature review. There was duplication, with the same source being used for different papers; in this situation, the original source was tracked. Some papers had only tenuous relevance to the research theme, particularly those that referred to the budget sector, which was not of primary interest. These papers and articles formed a subsidiary dataset, which broadened the background understanding against which the main research was conducted.

Published data found through the library search was augmented by data from government body publications such as WTB strategic papers, Welsh Development Agency (WDA), company press releases, bulletins and house magazines for independent hotels. Of particular importance were data collected by the researcher during the KTP programme covering On the Shores Restaurants Ltd between 2002 and 2004. Consultant reports, marketing databases and guest histories provided a deeper understanding of St Brides Hotel. Most of this data was not in the public domain giving the researcher a unique position to focus on the case of St Brides Hotel's marketing development. Company reports of UK and international independent and group hotels were also examined, including Tom's Companies, Hotel du Vin, Hilton International and Malmaison Hotels.

The Internet provided a major source of industry trends and examples of marketing successes. Often these were in the form of E-newsletters, which specialised in hotel marketing, as well as other marketing newsletters, which reported successful marketing strategies in other industries, which could be transferred to the hotel industry. Hotel management consultant websites also provided a useful source of statistics and hotel marketing reports.

The location of St Brides Hotel in south-west Wales some distance from readily accessible business libraries influenced the methodology used by the
researcher; the Internet became an important source on hospitality trends. The Internet was used to find research data and to ensure that library visits were planned and most effective use of time made.

Analysis of government statistical data contributed to the present study (Chapter 2) and formed a key part of the marketing macro-environment report. The research objectives were formulated from this review. It provided a theoretical framework for studying the UK independent hotel industry, concentrating on marketing issues for small independent seaside hotels and resorts.

The researcher kept a diary of activities undertaken and of thoughts and ideas. This 'a-ha' diary enabled a comprehensive review of events that had taken place further in the future. Looking back through the diaries it shows distinct trends such as regular entries concerning human resources (training), packages, IT and gallery issues.

The reflection process shows changes in behaviour and actions, and combined with duty management developed a stronger role and more confident manager. On a weekly basis a review was made of the previous week’s task and progress with the overall project.

Primary data was also analysed from St Brides Hotel Property Management System – Hotel Perfect. A monthly report (Appendix 3) provided monthly occupancy, average rates and rates per person as well as customer types and media sources. This information enabled measurement of competitiveness and allowed the researcher to track performance on a monthly basis, comparing performance with the same month in previous years. Accounting records were analysed with monthly tracking of room’s revenue, food and beverage spending and wage costs. Current customer profiling required data analysis of current customers including demographics of existing customers, average spends, frequency of visits, number of visits per year and seasonality of visits.
5.12: **FINANCIAL AND COMPETITIVENESS PERFORMANCE**

An objective developed through the literature review was to measure improvements in competitiveness and profitability of the case study hotel. To achieve this regular analysis of weekly and monthly financial data as well as monitoring occupancy and rate performance was conducted.

Tracking of restaurant and function diary showed levels of bookings from previous years and monthly accounts showed changes in financial performance.

Competitiveness was monitored in several ways:

- financial performance in accommodation, food and beverage;
- human resources management trends;
- yield improvements (bedroom occupancy and average bedroom rate);
- promotional material;
- subjective analysis of historical St Brides Hotel promotional material, e.g. Christmas brochures, past brochures, old website, special offers, gave an understanding of the hotel's strategic marketing tactics prior to the researcher joining the company. This comparison shows an improvement in promotional material competitiveness, which can be measured by design quality, response and cost. This primary source also can be used to track pricing changes and any impact these changes may have had when compared to bookings for that event, e.g. New Year's Eve.

Material and areas for improvement were also found in other sources, such as the hotel compliment and complaint files.

5.13: **FIELD RESEARCH USING PRIMARY SOURCES**

Hotel and restaurant site visits, as indicated in Appendix 15, were undertaken to obtain an understanding of competitors and to establish the success of a variety of niche markets and hotel concepts. The site visits were followed by a thorough analysis of the property with a report sheet completed giving an
indication of prices, quality, style, target markets. Hotels to include within the site visit stage of the research were identified as having various characteristics including five star properties, seaside properties, art hotels, boutique hotels, members of marketing consortiums, such as Welsh Rarebits, a collection of leading Welsh hotels.

5.14: EXPERT OPINION

Personal interviews, as shown below in table in Table 5.3, were held with representatives of the UK hotel industry taking into account the research methodology recommendations of Bryman (1989) regarding the collection of data and of Eisenhardt (1989) on case study preparation. Senior management in different roles throughout the organisation studied were interviewed. In this way, a range of expert opinion was ensured.

Table 5.3: Interview Schedule

<table>
<thead>
<tr>
<th>Research phase(s)</th>
<th>Interviewee information</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tim Brace, Director, FBM Self-Catering, Pembrokeshire.</td>
<td>Unstructured discussion focusing on local industry performance and likely impact of Bluestone development on hospitality business in Pembrokeshire.</td>
</tr>
<tr>
<td>1</td>
<td>Simon Goodwin, Owner, Cavalier Restaurant, Saundersfoot.</td>
<td>Unstructured interview relating to potential for Saundersfoot as fine food destination identified for development through the Saundersfoot Chamber for Tourism.</td>
</tr>
<tr>
<td>1</td>
<td>David Burke, Owner, Adam Gallery, Penarth and Paul Durrant, Owner, Wales Fine Art, Chepstow.</td>
<td>Unstructured interviews exploring potential for art sales. Main finding was recommendation of developing a database of actual and potential buyers and communicating regularly to database contacts.</td>
</tr>
</tbody>
</table>
|   | Name | Role | Methodology
|---|---|---|---
<p>| 1 &amp; 3 | Paula Ellis, Director of Sales, St Brides Hotel. | Daily unstructured discussion during phase relating to marketing planning and activity for St Brides Hotel. Drawing on experience from several 5 star properties, a structured interview was then completed during phase 4 to triangulate initial findings. |
| 1 &amp; 3 | Representatives of Wales Tourist Board (WTB) | Discussions at trade shows and during attendance at WTB workshops allowed for an understanding of the marketing tactics used and their commitment to supporting a landmark project in West Wales, such as St Brides Hotel. |
| 1 &amp; 3 | Members of Pembrokeshire Business Tourism, including Carol Lincoln (Slebech Park), Andy Middleton (TYF) and Peter Davies (Cambrian Routes). | Researcher attended monthly meetings to discuss the development of partnership marketing targeting the corporate travel market. Packages were introduced and used as a sales tool to attract team building, management away days and meetings business to Pembrokeshire. |
| 1 &amp; 3 | Katherine Goodwin, Finance Manager, St Brides Hotel. | Unstructured interviews relating to measurement of performance and competitiveness. |
| 1, 3 &amp; 4 | Andrew Evans, Managing Director, St Brides Hotel. | Initially unstructured interviews on a daily basis, discussing the type of marketing he considered most appropriate for case study hotel and resources available for such activity. Within phase 4, a structured interview was used to explore |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1-5</td>
<td>John Lord, Academic Supervisor, KTP with UWIC.</td>
<td>Fortnightly discussions relating to the development of marketing plan for St Brides Hotel. Topics included brand planning, relationship marketing, public relations opportunities, employee buy-in/part-time marketers, potential niche markets and word of mouth promotion.</td>
</tr>
<tr>
<td>1-5</td>
<td>Mike Snelgrove, Academic Supervisor, KTP with UWIC.</td>
<td>Regular meetings to discuss role of Information Technology in marketing St Brides Hotel. Key areas identified included online distribution, email marketing, website development and database marketing/customer relationship management.</td>
</tr>
</tbody>
</table>

In Phase 1, industrial and academic experts were contacted to obtain their advice regarding marketing for independent seaside hotels. These interviews were with academic experts from UWIC as well as with the Managing Director and Director of Sales senior management of the case study hotel.

In Phases 1 & 3, interviews were held with representatives of WTB and local trade organisations and informal discussions were held with representatives of trade associations, government bodies and academic specialists. Interviewee's were often unaware that the discussions formed part of the MPhil research process, particularly those informal interviews with industry experts during Phase 1 & 3.

Informal interviews were also conducted with hotel guests/customers. Feedback about their experience was regularly obtained and their background and reason for visit often communicated.
5.15: Phase 4: Checking and Adjusting to Corroborate Findings Through Data Triangulation

Patton (1987) identified four types of triangulation:
1. triangulation of data sources (data triangulation);
2. triangulation among different evaluators (investigator triangulation);
3. triangulation of perspectives to the same data set (theory triangulation);
4. triangulation of methods (methodological triangulation).

5.16: Phase 5: Drawing Conclusions

The final stage of the research methodology was to analyse, discuss and draw conclusions from the current research. Critical areas for marketing success within UK seaside hotels have been identified with a model showing strategic direction, marketing tactics, potential target markets and intended outcomes of increased profitability.
CHAPTER 6: CASE STUDY: ST BRIDES HOTEL, SAUNDERSFOOT, PEMBROKESHIRE

6.1: INTRODUCTION
This chapter will put together the case study of St Brides Hotel which has been the focus of the marketing project undertaken by the KTP Associate over the two year project period, September 2002 to September 2004. It will concentrate on discussing the two year performance in food, beverage and accommodation areas as well as the development of marketing tactics by using the '7 P' framework (product, promotion, price, place, people, physical, processes). The critical importance of the need for developing good relationship marketing combined with effective customer relationship management is identified as a critical success factor for the case study hotel. This case study analysis will enable a Strength, Weaknesses, Opportunities and Threats (SWOT) analysis to be undertaken which will be discussed within Chapter 7 as the critical marketing issues facing St Brides Hotel's objective of becoming a five star hotel.

6.2: GENERAL BACKGROUND TO ST BRIDES HOTEL
St Brides Hotel enjoys a magnificent location, set high on the cliff above the coastal village of Saundersfoot. One of the main features of the hotel is the panoramic sea view from the hotel's Cliff Restaurant across Saundersfoot and Carmarthen Bay. The Cliff Restaurant is best described as 'unbuttoned fine dining' or 'fine dining for the eyes' with menus typically featuring freshly caught local fish, Welsh beef and seasonal produce from Pembrokeshire cooked to the standards often only associated with city dining (see Appendix 4).

Saundersfoot is well positioned for exploring Pembrokeshire, the UK's only coastal National Park with many activities available for visitors such as links golf, walking along the coastal path as well as a wide range of watersports and sightseeing options, including castles, gardens and family attractions (see Table 3.3).
6.2.1: Development of St Brides Hotel

Built in 1934, the hotel's original grounds covered the length of the cliff overlooking Saundersfoot and included tennis court and walled gardens. During the 1970s much of this estate was sold to property developers who built a villa and an apartment complex adjacent to the hotel. The current owners, Andrew Evans and his wife Lindsay Evans, purchased the hotel on 31 March 2000, since when they have embarked upon a programme of renovation and refurbishment with a view to developing the property into the leading hotel in south-west Wales.

The first phase of the redevelopment concentrated upon the public areas, which included the reception, bar, lounge and restaurant. The refurbishment saw a traditional seaside hotel (Fig. 6.1) move towards a modern, stylish property best described as contemporary and minimalist (Fig. 6.2).

The owners are dedicated to an ongoing programme of refurbishment that will ensure the hotel facilities are further improved. It is envisaged that St Brides Hotel will become the leading small hotel in west Wales, offering exceptional customer service, high standards of cuisine and the promotion of its art hotel concept.
Figure 6.1: Pre-refurbishment (2001)

Figure 6.2: Post-refurbishment (2003)
6.2.2: The Gallery at St Brides
The public areas are used as The Gallery at St Brides, a working art gallery where fine works of Welsh contemporary art are displayed. Art exhibitions change every eight weeks with the major exhibitions having opening night private viewings and promotion of the exhibition through the media. Prices for individual art items range from upwards of £150 to £15,000. Since the KTP project began, a gallery database of 75 opt-in (Chapter 3) personal contacts have been gathered each of whom receive regular newsletters and invitations to private viewings and art master classes.

Initially, the KTP Associate had limited knowledge of the Welsh art market. However, with access to two art dealers based at partner galleries – Adam Gallery, Penarth and Wales Fine Art in Chepstow – knowledge has been gained allowing him to compile press releases and promotional material for the Gallery at St Brides.

The Welsh Arts Council (WAC) introduced the Collectorplan scheme in 1983, which allows Welsh galleries to offer art buyers interest free credit on purchases of between £50 and £2,000 (artswales.org). WAC assistance enables galleries to offer an incentive to purchase an art piece that may be outside their planned budget. In particular, this scheme is beneficial to St Brides Hotel which has a premium price of art display in its Gallery. Over the two years of the KTP research programme seven buyers used the Collectorplan scheme to part-fund individual purchases of between £1,500 and £5,000.

6.2.3: Future Strategic Development Plans
In line with the marketing strategy to develop a quality hotel, the future development plans for the hotel include considerable upgrading. The vision for the hotel in hospitality provision to leisure and corporate customers ‘is for excellence’ (Evans, 2004). With this in mind, the strategic plan is working towards achieving Wales Tourist Board 5 star ranking by 2006, which will
involve considerable investment in the hotel infrastructure, staff and marketing support.

6.2.4: INFRASTRUCTURE DEVELOPMENT
It is intended that the quality of the bedrooms will be improved to include updating ‘en suite’ bath/shower rooms with design-led features such as gas fires, original artwork and private balconies. There will be adjustment of the internal structure to improve customer access. The existing restaurant will be reconfigured into a split-level dining area to increase sea view tables. There will be the creation of a spa facility to provide luxury treatments and relaxation therapies to spa connoisseurs. The two existing staff houses will be redeveloped to form two six-bedded self-catering apartments.

6.3: MANAGEMENT CULTURE
St Brides Hotel is an owner-driven business with the two Managing Directors, Andrew and Lindsay Evans, having a strong passion for the hospitality industry gained through employment experience in prestigious hotels in both the UK and USA. They have owned and operated the Mermaid on the Strand Restaurant in Saundersfoot for 15 years. This strong business unit has generated considerable value, supporting much investment in St Brides Hotel whilst, at the same time, it has helped to improve Saundersfoot hospitality services to make it a high quality seaside destination. The organisational structure of St Brides Hotel is shown in Fig. 6.3.

6.3.1: CULTURAL WEB ANALYSIS
The owners have been instrumental in forming the organisational culture, with a drive towards a vision for Saundersfoot as a quality year round destination reinforced with their landmark property. The ‘power’ is firmly on their side with a young, yet experienced, management team allowing the owners to ‘control’ the customer-focused culture within the hotel. Communication among the management team is conducted through regular meetings for management to forward plan for upcoming events and functions and to consider staffing issues as well as future development plans. These meetings are held at least once a week (usually on a Thursday starting at 11 am) and are supported by
the small business environment communication through which the team members have daily interaction and duty manager experience.

**Figure 6.3: Management Organisation Structure**

![Organisation Structure Diagram](image)

The importance of Welsh culture has been shown through the Gallery at St Brides, which exhibits work by Welsh contemporary artists. The Cliff Restaurant’s menus are designed to utilise the best local and Welsh produce, thus supporting the local economy and suppliers.

Following confirmation of WTB grant assistance there was recognition that promotional collateral, including menus, bedroom browsers and brochure, should be available in both English and Welsh language, which involves considerable cost. Therefore, a move towards visual branding that focuses on images would be more beneficial as this would reduce the translation costs required on promotional collateral.
6.4: ST BRIDES HOTEL FINANCIAL PERFORMANCE

6.4.1: ACCOMMODATION PERFORMANCE

Table 6.1 shows accommodation performance results from 1 April 2002 to 31 March 2004. Annual room occupancy increased by 6.8% to 36.1% with every month showing growth except March 2004, which was effected by Easter falling in April rather than March and July 2003, with a marginal decline of 0.5%. However, average annual room rate fell from £63.24 in 2002-03 to £58.33 in 2003-04, offsetting the increase in occupancy although an increase of overall annual rooms revenue of 13.75% was achieved. The drop in average room rate was predicted as the hotel rack rate of £90 was kept constant rather than introduce a yearly increase, combined with discounted rates offered to wedding guests.

During January the owners close the hotel to allow staff to take their annual holidays as well to allow for maintenance and refurbishment work on accommodation. Thus, only limited accommodation business was achieved from guests staying over from 31 December to 1 or 2 January 2004.
### Table 6.1: Accommodation Performance

<table>
<thead>
<tr>
<th>Month</th>
<th>Room occupancy</th>
<th>Average room rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2003-04 (%)</td>
<td>2002-03 (%)</td>
</tr>
<tr>
<td>April</td>
<td>32.3</td>
<td>17.8</td>
</tr>
<tr>
<td>May</td>
<td>45.4</td>
<td>39.5</td>
</tr>
<tr>
<td>June</td>
<td>47.9</td>
<td>43.5</td>
</tr>
<tr>
<td>July</td>
<td>54.7</td>
<td>55.2</td>
</tr>
<tr>
<td>August</td>
<td>82.0</td>
<td>61.5</td>
</tr>
<tr>
<td>September</td>
<td>71.1</td>
<td>39.7</td>
</tr>
<tr>
<td>October</td>
<td>39.0</td>
<td>23.3</td>
</tr>
<tr>
<td>November</td>
<td>13.2</td>
<td>12.0</td>
</tr>
<tr>
<td>December</td>
<td>20.5</td>
<td>12.1</td>
</tr>
<tr>
<td>January</td>
<td>1.0</td>
<td>0.0</td>
</tr>
<tr>
<td>February</td>
<td>13.0</td>
<td>12.9</td>
</tr>
<tr>
<td>March</td>
<td>10.6</td>
<td>32.6</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>36.1</strong></td>
<td><strong>29.3</strong></td>
</tr>
</tbody>
</table>

Source: St Brides Hotel monthly statistics

### 6.4.2: Food and Beverage Performance

Table 6.2 shows lunch performance between 1 April 2002 and 31 March 2004. The total number of customers shows 58.6% growth from 1,963 covers during 2002-03 to 3,114 covers during 2003-04. Despite a reduction of average spend on both food and beverage, revenue has shown an increase of 21% for food and 53.9% for beverage. This can be attributed to an improved product offering, through the ‘Gallery Menu’ (Appendix 5) and promotional activities as discussed below. An increase of repeat lunch guests relates to high levels of customer service and cuisine and improved external building signage, which has helped customers to recognise that St Brides Hotel has a restaurant open to non-residents for lunch. An increase is shown from September 2002 and following months, which can be attributed to the introduction of the Gallery Menu and an increase in price of Sunday lunch to £14.50 for three courses.
### Table 6.2: Lunch 2002-04 Performance

<table>
<thead>
<tr>
<th>Month</th>
<th>Lunch covers 2002-03</th>
<th>Lunch covers 2003-04</th>
<th>Lunch food spend per person 2002-03</th>
<th>Lunch food spend per person 2003-04</th>
<th>Lunch beverage spend per person 2002-03</th>
<th>Lunch beverage spend per person 2003-04</th>
</tr>
</thead>
<tbody>
<tr>
<td>April</td>
<td>84</td>
<td>232</td>
<td>9.78</td>
<td>9.73</td>
<td>2.89</td>
<td>2.14</td>
</tr>
<tr>
<td>May</td>
<td>287</td>
<td>355</td>
<td>7.63</td>
<td>7.82</td>
<td>1.06</td>
<td>1.46</td>
</tr>
<tr>
<td>June</td>
<td>217</td>
<td>267</td>
<td>9.04</td>
<td>5.38</td>
<td>1.31</td>
<td>1.11</td>
</tr>
<tr>
<td>July</td>
<td>141</td>
<td>214</td>
<td>14.09</td>
<td>11.21</td>
<td>2.28</td>
<td>1.54</td>
</tr>
<tr>
<td>August</td>
<td>295</td>
<td>298</td>
<td>8.24</td>
<td>8.23</td>
<td>1.55</td>
<td>2.33</td>
</tr>
<tr>
<td>September</td>
<td>172</td>
<td>256</td>
<td>17.47</td>
<td>8.74</td>
<td>2.13</td>
<td>2.35</td>
</tr>
<tr>
<td>October</td>
<td>87</td>
<td>312</td>
<td>15.50</td>
<td>7.74</td>
<td>1.11</td>
<td>1.30</td>
</tr>
<tr>
<td>November</td>
<td>111</td>
<td>193</td>
<td>12.52</td>
<td>7.93</td>
<td>1.42</td>
<td>1.94</td>
</tr>
<tr>
<td>December</td>
<td>201</td>
<td>346</td>
<td>21.20</td>
<td>19.84</td>
<td>4.19</td>
<td>3.00</td>
</tr>
<tr>
<td>January</td>
<td>0</td>
<td>4</td>
<td>16.80</td>
<td>0</td>
<td>0</td>
<td>1.32</td>
</tr>
<tr>
<td>February</td>
<td>141</td>
<td>384</td>
<td>14.75</td>
<td>8.21</td>
<td>2.18</td>
<td>1.66</td>
</tr>
<tr>
<td>March</td>
<td>227</td>
<td>253</td>
<td>16.39</td>
<td>11.41</td>
<td>2.46</td>
<td>2.65</td>
</tr>
<tr>
<td>Total</td>
<td>1,963</td>
<td>3,114</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average</td>
<td></td>
<td></td>
<td>9.79</td>
<td>12.83</td>
<td>1.95</td>
<td>2.01</td>
</tr>
</tbody>
</table>

Source: St Brides Hotel monthly statistics

Table 6.3 shows dinner performance; growth in food revenue can be attributed to increased awareness of the quality product offering, especially during April and May 2003 when dinner numbers increased to 1,441 from 757 the previous year. This awareness has been achieved through increased marketing using media exposure, online advertising of the restaurant section of stbrideshotel.com which features menu and wine list and a growing reputation for high levels of customer service.

August is the leading revenue month with an average of 46 customers per dinner each spending an average of £18.39 (£15.42 food and £2.97
beverage). On reflection, turnover for this month could be managed more effectively if the average spend on beverage could be increased, although with the school holidays and the increased number of children in the restaurant that might be difficult.

**TABLE 6.3: DINNER 2002-04 PERFORMANCE**

<table>
<thead>
<tr>
<th>Month</th>
<th>Dinner covers 2003-04</th>
<th>Dinner covers 2002-03</th>
<th>Dinner food spend per person 2003-04</th>
<th>Dinner food spend per person 2002-03</th>
<th>Dinner beverage spend per person 2003-04</th>
<th>Dinner beverage spend per person 2002-03</th>
</tr>
</thead>
<tbody>
<tr>
<td>April</td>
<td>642</td>
<td>277</td>
<td>16.60</td>
<td>17.37</td>
<td>3.71</td>
<td>3.41</td>
</tr>
<tr>
<td>May</td>
<td>799</td>
<td>480</td>
<td>16.82</td>
<td>19.58</td>
<td>3.23</td>
<td>3.04</td>
</tr>
<tr>
<td>June</td>
<td>550</td>
<td>721</td>
<td>14.64</td>
<td>9.16</td>
<td>3.26</td>
<td>2.39</td>
</tr>
<tr>
<td>July</td>
<td>693</td>
<td>886</td>
<td>17.71</td>
<td>11.05</td>
<td>3.60</td>
<td>2.45</td>
</tr>
<tr>
<td>August</td>
<td>1,428</td>
<td>1,012</td>
<td>15.42</td>
<td>12.83</td>
<td>2.97</td>
<td>2.96</td>
</tr>
<tr>
<td>September</td>
<td>498</td>
<td>764</td>
<td>17.98</td>
<td>11.64</td>
<td>3.88</td>
<td>2.15</td>
</tr>
<tr>
<td>October</td>
<td>524</td>
<td>465</td>
<td>15.16</td>
<td>12.05</td>
<td>4.23</td>
<td>3.70</td>
</tr>
<tr>
<td>November</td>
<td>256</td>
<td>253</td>
<td>19.12</td>
<td>17.64</td>
<td>6.49</td>
<td>4.08</td>
</tr>
<tr>
<td>December</td>
<td>439</td>
<td>246</td>
<td>17.15</td>
<td>18.52</td>
<td>6.13</td>
<td>6.58</td>
</tr>
<tr>
<td>January</td>
<td>17</td>
<td>0</td>
<td>15.14</td>
<td>0</td>
<td>4.42</td>
<td>0</td>
</tr>
<tr>
<td>February</td>
<td>420</td>
<td>326</td>
<td>13.63</td>
<td>14.20</td>
<td>3.28</td>
<td>5.59</td>
</tr>
<tr>
<td>March</td>
<td>333</td>
<td>626</td>
<td>22.55</td>
<td>11.74</td>
<td>4.88</td>
<td>2.23</td>
</tr>
<tr>
<td>Total</td>
<td>6,411</td>
<td>6,056</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average</td>
<td></td>
<td></td>
<td>16.61</td>
<td>13.06</td>
<td>3.83</td>
<td>3.06</td>
</tr>
</tbody>
</table>

Source: St Brides Hotel monthly statistics

November (£6.49) and December (£6.13) are shown to be the months when customers like to enjoy a drink as average spend on beverage during these two months is significantly higher than the annual average of £3.83 per person. This could be a suitable time to offer promotions on specialist winter beverages for future revenue development.
**Table 6.4: Banqueting Performance**

<table>
<thead>
<tr>
<th>Month</th>
<th>Banquet covers</th>
<th>Banquet covers</th>
<th>Banquet food spend per person</th>
<th>Banquet food spend per person</th>
<th>Banquet beverage spend per person</th>
<th>Banquet beverage spend per person</th>
</tr>
</thead>
<tbody>
<tr>
<td>April</td>
<td>255</td>
<td>257</td>
<td>13.02</td>
<td>13.48</td>
<td>4.11</td>
<td>4.79</td>
</tr>
<tr>
<td>May</td>
<td>553</td>
<td>867</td>
<td>18.85</td>
<td>12.59</td>
<td>5.08</td>
<td>2.48</td>
</tr>
<tr>
<td>June</td>
<td>1,031</td>
<td>294</td>
<td>16.44</td>
<td>23.76</td>
<td>4.55</td>
<td>3.10</td>
</tr>
<tr>
<td>July</td>
<td>1,101</td>
<td>451</td>
<td>16.35</td>
<td>14.74</td>
<td>5.31</td>
<td>3.07</td>
</tr>
<tr>
<td>August</td>
<td>1,198</td>
<td>784</td>
<td>15.05</td>
<td>12.69</td>
<td>4.22</td>
<td>3.31</td>
</tr>
<tr>
<td>September</td>
<td>872</td>
<td>409</td>
<td>16.15</td>
<td>10.03</td>
<td>5.54</td>
<td>2.65</td>
</tr>
<tr>
<td>October</td>
<td>395</td>
<td>190</td>
<td>12.31</td>
<td>15.14</td>
<td>2.67</td>
<td>4.76</td>
</tr>
<tr>
<td>November</td>
<td>306</td>
<td>322</td>
<td>15.66</td>
<td>13.03</td>
<td>0.37</td>
<td>6.96</td>
</tr>
<tr>
<td>December</td>
<td>288</td>
<td>482</td>
<td>12.09</td>
<td>12.13</td>
<td>3.72</td>
<td>1.16</td>
</tr>
<tr>
<td>January</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>February</td>
<td>356</td>
<td>252</td>
<td>18.59</td>
<td>6.58</td>
<td>4.74</td>
<td>0.56</td>
</tr>
<tr>
<td>March</td>
<td>120</td>
<td>293</td>
<td>30.40</td>
<td>8.90</td>
<td>10.73</td>
<td>1.89</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,475</strong></td>
<td><strong>4,601</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: St Brides Hotel monthly statistics

During the two-year financial business period banqueting, specifically weddings, has been one of the main contributing business sectors with total revenue growth of 84.3% from £72,993 (2003-03) to £134,537 (2003-04). This was achieved by hosting 25 weddings in 2002-03 and 38 in 2003-04. The owner recognises that wedding business is potentially mixing markets with short break escape customers forced to mix with lively wedding guests. The options for weddings are being considered in the redevelopment project with a likely solution being to offer ‘exclusive use only’ weddings, whereby wedding customers will be required to book the whole hotel to hold their wedding (see Section 6.17.4 below for further discussion). The wedding
business has allowed the proprietor to gain capital to invest in the redevelopment of the property. However, weddings cause significantly more wear and tear on the building and furnishings providing lowering retained profit than the more favoured targeted customer who use the restaurant for fine dining.

May turnover shows the importance of the role of wedding/function co-ordinator as during this month in 2003-04 cover numbers dropped by 314 yet the total banqueting revenue increased by 1.3%, from £13,062 for 2002-03 to £13,232 for 2003-04. This emphasises the difference between premium priced menu and up-selling of superior wines as opposed to tighter budget weddings where the owner, Andrew Evans, commented that 'they had been 'busy fools' during 2002-03 in undercharging and not achieving the desirable average spend on food and/or beverage' (Appendix 17).

**Table 6.5: Bar Performance**

<table>
<thead>
<tr>
<th>Month</th>
<th>Bar revenue 2003-04 (£)</th>
<th>Bar revenue 2002-03 (£)</th>
<th>Bar spend per cover 2003-04 (£)</th>
<th>Bar spend per cover 2002-03 (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>April</td>
<td>5,337.70</td>
<td>4,448.60</td>
<td>4.73</td>
<td>7.20</td>
</tr>
<tr>
<td>May</td>
<td>11,780.55</td>
<td>14,022.69</td>
<td>6.90</td>
<td>8.58</td>
</tr>
<tr>
<td>June</td>
<td>12,251.41</td>
<td>8,505.36</td>
<td>6.63</td>
<td>6.90</td>
</tr>
<tr>
<td>July</td>
<td>12,188.70</td>
<td>6,636.45</td>
<td>6.07</td>
<td>4.49</td>
</tr>
<tr>
<td>August</td>
<td>18,036.32</td>
<td>12,228.70</td>
<td>6.17</td>
<td>5.85</td>
</tr>
<tr>
<td>September</td>
<td>10,944.20</td>
<td>6,443.95</td>
<td>6.73</td>
<td>4.79</td>
</tr>
<tr>
<td>October</td>
<td>6,300.53</td>
<td>2,910.33</td>
<td>5.12</td>
<td>3.92</td>
</tr>
<tr>
<td>November</td>
<td>3,377.32</td>
<td>4,258.98</td>
<td>4.47</td>
<td>6.21</td>
</tr>
<tr>
<td>December</td>
<td>5,004.54</td>
<td>5,592.64</td>
<td>4.66</td>
<td>6.02</td>
</tr>
<tr>
<td>January</td>
<td>631.83</td>
<td>0</td>
<td>30.08</td>
<td>0</td>
</tr>
<tr>
<td>February</td>
<td>4,403.77</td>
<td>2,666.92</td>
<td>3.80</td>
<td>3.71</td>
</tr>
<tr>
<td>March</td>
<td>4,041.94</td>
<td>4,542.77</td>
<td>7.80</td>
<td>3.96</td>
</tr>
<tr>
<td>Total</td>
<td>94,298.81</td>
<td>72,257.39</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average</td>
<td></td>
<td></td>
<td>5.89</td>
<td>5.73</td>
</tr>
</tbody>
</table>

Source: St Brides Hotel monthly statistics
In the same way as for the other food and beverage sectors, growth has been achieved in bar revenue and an increase shown in average spend per cover. The increase in spend can be accounted for, in part, by the increase in bar prices during April 2003. However, the substantial growth in bar revenue by £22,040 suggests an increasing popularity of drinks in the bar or deck.

It is envisaged that bar revenue will continue to grow following the redevelopment project into an spacious, stylish meeting, eating and drinking bar area to give a sea view for hotel residents as well as Pembrokeshire’s more affluent population.

6.5: TIMESCALE FOR IMPLEMENTATION OF STRATEGIC PLAN

The owners’ hospitality growth plan has taken time to implement. From ownership of the Mermaid on the Strand progress towards purchasing another property took twelve years, partly due to limited development opportunities in Saundersfoot. The current owners are determined to be cautious, taking time to build St Brides Hotel to their desired level and only then looking to further expand the group. ‘By 2010, I’d like to be in a position where we’ve had success with this project and we have the option to duplicate and emulate the project with other sites’ (Appendix 17). The UK market trend recognised in Chapter 3 of hotel conversion to residential property has not occurred in Pembrokeshire as yet, although, with substantial property value increases over the last five years, this may be a trend over coming years.

6.6: GOVERNMENT-BACKED FINANCIAL SUPPORT FOR HOTEL DEVELOPMENT

Various forms of government-backed financial support have been sought and received to help in the implementing of the upgrading of St Brides Hotel.

Following the Foot and Mouth outbreak in 2001, financial support from government was received by 147 Pembrokeshire businesses, particularly those within the tourism and farming industry. A total of £2.4 m. financial
assistance was given with St Brides Hotel being awarded a £40,000 marketing grant by the Pembrokeshire County Council (see Appendix 6). This was used to offset the adverse publicity associated with restricted tourism in the area and helped St Brides Hotel to have a higher publicity profile.

Otherwise, financial support from quasi-government bodies has proved challenging to obtain and yet it has, and is, playing a critical role in supporting the investment necessary to achieve the St Brides Hotel strategic marketing plan development over the next ten years. While funding support is available for investment in capital development within the tourist industry from the WDA and WTB and the EU Objective 1 funding, such funding has to be matched by personal contributions from the proprietor/entrepreneur. However, the decision from WDA was delayed until September 2004. Consequently, increased owner investment looked likely together with the WTB contribution ensuring that at least part of the project could commence according to schedule. It is envisaged that the finance shortfall will impact on the timing of the proposed fitting of the spa facility, which could be delayed until 2006. In practice, this outcome may not be detrimental to the proposed project. Rather, according to the Director of Sales and Marketing, Paula Ellis, it might even be beneficial for the St Brides Hotel development as it will allow time for the operations to overcome any teething problems encountered in the move from 3 to 5 star hotel status (Appendix 18).

It is significant that WTB supported product development activity showing its confidence in the strategic vision for the hotel itself, confirming its belief that a landmark hotel in west Wales will help to accomplish the objectives of the tourism strategy for Wales. The WTB considers that a quality operator in west Wales will increase hotel service quality and exposure within the area. The WTB baseline budget for 2002/2003 of £22 m. for tourism product development has stimulated over £50 m. investment during the past five years in Welsh coastal resorts and historic towns (05/02/03, wtbonline.gov.uk). The Managing Director, considered the WTB as ‘instrumental in the success of the new St Brides Hotel, I don’t think we’d be able to do what we’re planning to do and certainly to achieve the goals getting into markets and getting the image
out into the marketplace, they are probably our biggest allies and our biggest tool' (Appendix 17).

6.7: MARKETING MIX
A range of marketing activities have been undertaken since the commencement of the KTP project in September 2002, which are presented using the 7P framework from Chapter 3.

6.7.1: PRODUCT

6.7.1.1: ACCOMMODATION PRODUCT
The vision for the future style of St Brides Hotel accommodation is distinct from the present bedroom stock. The owner recognised that complete redevelopment of the bedrooms would not be possible until at least October 2004 which has meant that between 2000 and 2004 some partial refurbishment has been essential to satisfy increased customer demands. Increasingly new customers expected higher standards in line with marketing activities so that this temporary refurbishment has been important to secure that customers return in the future. As part of this process, during the January 2003 shutdown, all the bedrooms were redecorated. In January 2004, upgrades to bedrooms included the introduction of duvets, new pictures, improved tea and coffee making facilities, larger bath towels and providing 'Welsh and environmentally friendly' toiletries.

During research site visits by the KTP Associate to leading prestigious hotels, it was found that some hotels, e.g. Langs, Glasgow, encouraged guests to take toiletries home as a souvenir of their stay, acting as a reminder to guests of their stay. This approach used strong, consistent branding and presents the potential for increased revenue through product sales of toiletries. Other five star properties, e.g. the Scotsman, Edinburgh, use well-known toiletries brands, such as Molton and Brown, to reinforce the five star quality. During the current St Brides Hotel project the KTP Associate investigated potential suppliers for toiletries and found a suitable source called Manorbier Source
which could supply Welsh locally made toiletries, thereby supporting local business following the example of five star Cameron House, Loch Lomond, which uses locally sourced Arran Aromatics.

6.7.1.2: RESTAURANT PRODUCT
As a result of feedback from guests who requested more healthy and vegetarian choices, the ‘Gallery Menu’ (discussed below), launched in early 2003 was updated in Spring 2004, to feature more salads and vegetarian options. The breakfast menu was updated with several unusual options such as pancakes with strawberries, lavabread (Welsh sea weed) with sautéed mushrooms and Bucks Fizz (champagne and orange juice) at £10 for two glasses.

6.7.1.3: LUNCH PROVISION
From the financial sales analysis, lunch times at St Brides Hotel were identified as underperforming during 2002 especially as the daytime is considered the best time to appreciate fully the outstanding restaurant views. Therefore, to target this potential opportunity, a new menu was introduced that was available all day which presented in a contemporary style of design (see Appendix 5). This menu proved to be popular with guests specifically asking for ‘the Gallery menu’. However, between February and April 2003 average lunch covers dropped (Table 5.2) so the Times lunch promotion was tested from February to April 2004, as discussed below under Promotions.

6.7.1.4: DINNER PROVISION
Over the two-year period the evening dinner menu has evolved from a traditional leather folder with plain paper to a folded A3 contemporary, brasserie style menu. This has proved popular with staff as it is easier to distinguish the dinner menus from the wine list. The A3 menu was launched at the same time as the price moved from table d’hote format, a set price of £25 for 3 course and £21.95 for two courses, to ‘à la carte’, with each item individually priced. The children’s menu design was also adapted, introducing
the company logo with a hand drawn fish jumping in the three waves together with the addition of various healthy choice options.

6.7.1.5: GALLERY AT ST BRIDES PRODUCT
The art hotel concept combines a full service hotel with a modern Welsh art gallery with artwork for sale, providing an additional revenue source for the property. At the Gallery at St Brides initially all of the public areas were used as exhibition space. Over time it became clear that certain prime positions for art to be displayed ensured an increased chance of sale. For example, the location on the stage at the end of the restaurant was a very productive location with art to the value of £12,500 sold from this space over the two-year period of the KTP project.

Throughout the project exhibitions changed approximately every two months with considerable time taken to position and hang paintings helping to ensure that each one was in its optimum position to increase likelihood of purchase. Accurate labelling of artworks allowed potential buyers to find out about the painting’s subject, media and creator. For some exhibitions, information about the artist was included; however, this rarely influenced the buying decision. A well-known artist’s name had more influence on the buying decision. For example, paintings by Ian Lindsay-Edwards and Ken Hancock sold with limited introduction, whereas despite the labels for the lesser-known Helen Booth including details of the work and background information, no sales were achieved.

6.7.2: PROMOTION
St Brides Hotel has a limited marketing budget which concentrates on low cost tactics including PR, online advertising using email/internet marketing, directories and limited national press concentrating on the WTB ‘Big Country’ campaign. Most effort uses PR and ‘word of mouth’ publicity.

6.7.2.1: PUBLIC RELATIONS (PR)
PR was identified at an early stage as an important tool for the small hotel marketer (Kotler, Bowen & Makens, 2003: 600, see Section 3.11.1) due to the
low cost and high responses generated especially when the small hotel is targeting 'style' conscious consumers. This approach supported the work of WTB, which believes PR is one of its most important activities for attracting visitors to Wales.

Contact details of visiting and potential visiting journalists were built into a database to help with press releases distribution. As at July 2004, this database included 47 journalists gathered by the KTP Associate from trade shows, familiarisation visits, direct contacts and from information requests.

Some PR activity cannot be controlled in-house but can be influential, e.g. the Wales Dining Out guide was reviewed anonymously and a GQ article on art hotels included mention of the Gallery at St Brides without a formal visit to the hotel. In order to support these sources, it is critical that a positive media pack with images is available for download online for their use. It is also important to provide suitable articles that can be adapted for use by these PR sources.

Many boutique hotels have focused on creating 'funky décor' (Sangster, 2002) which creates a story for fashion, design and lifestyle magazines. Stylish décor gives the opportunity to use bedrooms, interiors and backdrop for photoshoots, a subtle method of getting publicity into magazines using aspirational models in the foreground in stylish surroundings. The hotel designer for St Brides Hotel has won two prestigious European Design Awards so there is expectation that her proposed design will have a strong impact on hotel PR activity.

Much of the literature review undertaken by the KTP Associate involved scanning trade publication and press to understand what journalists seek when looking for a story on a destination or specific hotel. Stories that capture the imagination or create a 'buzz' about a new product are essential to attract interest. As the project progressed, the KTP Associate identified potential press releases which were compiled into the monthly PR plan (Appendix 7). In practice, there was some movement of these plans from one
month to the next according to what PR opportunities arose, but they are a useful resource. Additionally, PR can be used to assist in the recruitment of high-calibre staff who may be attracted to a quality, design-led product.

The PR campaign needs to identify key targets and then focus upon these magazines with exclusive press release themes, e.g. golfing magazines for a golfing package with partner Cambrian Routes achieved a listing in Golf Weekly. On the other hand, ‘Restaurant Business’ seeks news stories covering the precise details of the refurbishment, e.g. interior designs and design trends, so that readers learn about rather than are ‘sold’ the new product. Regarding quality art sales, ‘Art Review’ including a journalist familiarisation visit shows potential for promoting the Gallery at St Brides.

St Brides Hotel and its backdrop has been used twice during the two year project period for photo shoots, once for Pembrokeshire County Council promotional brochure and once for the WTB photo library using the prestigious photographer, Alan McPhail. Other potential photo shoot targets could include motoring, fashion, music and lifestyle shots either using the sea view backdrop or the new style focused bedrooms, providing an opportunity to generate positive word of mouth PR.

Slightly different tactics have been used for the local press, most notably the Tenby Observer. A first attempt at partnership with the British Food Fortnight (BFF) failed in November 2003 when the newspaper refused to include St Brides Hotel in its story on BFF without the hotel purchasing advertising space, despite discovering the event through St Brides Hotel. However, when supplied with art press releases about specific artists the Tenby Observer often carries the story within the front 3 pages (Appendix 8).

Press releases for the redevelopment at St Brides Hotel are currently on the marketing file together with a plan to create hotel industry ‘buzz’, helping to position the hotel as a leading quality player in the UK hospitality industry. Research into Cambrian magazine, the lifestyle magazine for tourism in Wales, identified some feasible advertisement options combining with
subscription of magazines for distribution through the hotel bedrooms rooms. Other publications, such as Onboard bmibaby, offer regular features about destinations around their incoming airports. Potential press releases stories for this publication could be overnight flydrive tours to play links golf at Tenby from Cardiff International Airport. Other tools used to create industry ‘buzz’ include online forums, e.g. ehotelier.com, the Caterer and Hotelkeeper hospitality publication and, to a limited extent, publishing in academic papers within international journals. The KTP Associate, colleagues and academics have been working to target these types of PR sources.

PR is one of the major tactics used by WTB, highlighted in its one day workshops in March and April 2004. The WTB PR Officer, Glenda Davies, requested from participants with potential for publicity details of ghosts stories, rooms with panoramic views, hotels with boats, celebrity guests as well as quirky events, such as the bog snorkling at Llanwrtyd Wells. At the April 2004 one-day PR workshop, hospitality agents from targeted countries were present including Australia, Belgium, France, Germany, Great Britain/VisitBritain, the Netherlands and Switzerland. The key workshop findings were as follows:

VisitBritain: targets 31 countries using PR which is considered ‘a cost effective way of getting a message out’. Three emerging markets, Russia, Poland and China have been identified and should be considered for the future. VisitBritain has an online press information resource monitoring future events and is looking for operators to join its press events. It considered that complimentary journalist familiarisation visits are especially beneficial. The theme for 2005 is ‘Year of the Sea’ promoting such themes as pirate and smuggling. St Brides Hotel could support the publicity with PR press releases related to its history in Saundersfoot including sea coal transport and fishing.

The Netherlands: with 16 m. population that currently brings about £60,000 worth of tourism to Wales per year, use of the Internet is developing rapidly. The Dutch like to book directly on-line and travel by car using the English
Channel ferries. PR hospitality agents send monthly newsletter to a database of 250 Dutch travel writers and prefer stories on golf or walking. An example of their PR activity was product placement through a soap television programme on Dutch television with a story line filmed in Wales which raised the currently low profile of Wales in the Netherlands.

**VisitWales:** trying to build a character bank of people with stories for journalists to meet. They are interested in the people, heritage, events and the creative themes, e.g. art, architecture, green environment such as wildlife and quirky events.

**UK:** focusing on national coverage for Wales in lifestyle and travel publications providing human interest angles, events, offers that position Wales as ‘aspirational and accessible’. The core targets are ‘empty nesters’, ‘affluent early retirees’, ‘families and young professionals’ who are looking for information and good quality minimum 300 dpi library photos on possible venues and new products such as pottery. They are also interested in late availability offers which should be fed to the WTB database and filtered on to the appropriate publications.

**Germany:** 167 journalists have visited Wales since 2001, using a fragmented approach focusing on different themes and publications, e.g. industrial heritage, golf, horticulture, activity holidays or walking. This particular agent’s PR reached an 85 million circulation with advertising value of £50 m. Success has been achieved through tour operators selling Wales programmes, with 19 new operators in 2003/2004, increasing total German tour operators promoting the Wales destination to 88.

**USA:** discussed the bmibaby and Welsh Rarebits partnership targeting a Gateway to Wales message at the USA market. This brought 24 journalists to Wales through links to the Llangollen Festival, providing a 559 extra bednights for Welsh Rarebits. The hospitality agent also organised the International Dylan Thomas Festival in 2003 in New York City.
Belgium: believed that there was a 'lack of programmes on shelves of Welsh product in Belgium', and thought that press visits were critical. Belgian visitors would be most interested in gastronomy and related activities as there was limited public awareness of Wales as a holiday destination. It was considered beneficial to send a monthly newsletter to the database for Belgium media contacts.

Another PR tactic used by St Brides Hotel was to feature reader offers and competitions in magazines to gain editorial coverage. This was used for the Western Mail, the Constabulary magazine and the Civil Services Motoring Association which allowed access to all competition entrants, creating a useful database for future direct mail contacts.

6.7.2.2: ADVERTISING
At an early stage in this study it was decided that as an independent hotel the budget was not sufficient for large scale advertising campaign. This opinion was reinforced by a pilot test using national press advertising in association with the WTB 'Big Country' campaign. It generated a limited response in the form of three bookings and eight enquiries from three advertisements in the Daily Mail and one booking from Sunday Times at a cost of £360 or £90 per booking. Following this, focus of effort turned to online advertising using Google Adwords, a pay per click targeting online search engine advertising tool.

6.7.2.3: ONLINE ADVERTISING
Results from 24 March 2003 until 8 March 2004 shows that Google AdWords generated a total of 3,526 visits to stbrideshotel.com, at a total cost of £334.08, an average cost per new visit of £0.08. Using this advertising medium ensured that stbrideshotel.com was included at the top of search engine results at the time when potential customers looked for a hotel,
restaurant or gallery. A range of adverts was created (Fig. 5.4), which concentrated upon the three core products: accommodation, restaurant and gallery as shown below with the keywords that users would be targeted with when searching on google.com.

**FIGURE 6.4: GOOGLE ADWORDS ADVERTISEMENTS**

*St Brides Hotel*
Short breaks in a contemporary gallery
[www.stbrideshotel.com](http://www.stbrideshotel.com)

Keywords: Wales Short breaks, Wales escape, Wales breaks, UK Short breaks, Saundersfoot short breaks, Saundersfoot hotel, Pembrokeshire accommodation, hotel Pembrokeshire.

*St Brides*
the Art hotel
Short breaks in a gallery setting
[www.stbrideshotel.com](http://www.stbrideshotel.com)

Keywords: Welsh Art, Wales art, Saundersfoot gallery, Pembrokeshire galleries, Pembrokeshire Art, Gallery wales, Art hotel

*Pembrokeshire Xmas Escape*
Great food, festive entertainment and breakfast overlooking the sea
[stbrideshotel.com](http://stbrideshotel.com)

Keywords: xmas break uk, xmas break, wales hotel Christmas, UK hotel Christmas, Saundersfoot christmas holiday, Saundersfoot Christmas, hotel chrstmas break, hotel.

*Modern British Cuisine*
Restaurant with seaview
Saundersfoot, Pembrokeshire
[stbrideshotel.com](http://stbrideshotel.com)

Keywords: West Wales restaurant, welsh seafood restaurant, Wales restaurants, Tenby restaurant, seaside seafood restaurant, seafood Pembrokeshire, Saundersfoot restaurant, Saundersfoot eating out, Pembrokeshire restaurant, Pembrokeshire food, Pembrokeshire fine dining, Pembrokeshire eating out, good food Pembrokeshire.

**6.7.2.4: EMAIL MARKETING**

Email is considered the most cost-effective method to communicate with customers providing contact details can be readily collected. Within St Brides Hotel, addresses are collected from enquiries and responded to in less than 12 hours from receipt. This response rate is considered achievable at all times and vital in securing online bookings and presenting a professional
image of the hotel. Email addresses are also collected from guest registration forms, although only a small proportion of guests chose to complete this section of the form. The hotel website also collects contact names and addresses.

Although permission has not been obtained to target every contact, to overcome Data Protection requirements and to portray an image of corporate responsibility, an option is included for each contact’s request for removal from the mailing list. This approach proved successful with on average only two addresses requested for removal from the mailing list on each occasion. By including this option, it ensured that customers are aware that St Brides Hotel has considered the potential of unwanted email.

Furthermore, as part of the environmental Green Dragon process, confirmation letter processing was identified as potential for transfer to e-mailing providing instant confirmation and reducing mailing costs, about £0.30 per mailing. In this way, the use of email has lead to increased efficiency and provides a more environmentally friendly approach.

Marinova et al. (2002: 69) suggested that there was still room for research into email efficiency and the variables used in the process. Options for St Brides Hotel are to vary:

- signature name from either Andrew Evans or Tony Stone;
- e-mail message length;
- salutation use;
- time of day sent;
- time of week sent;
- frequency of mailings;
- message’s closing line;
- subject lines such as including the recipient’s name, e.g ‘Special offer for Mr Simpson, specific details about the offer, ‘Autumn short break escape’ or the price, ‘Valentines escape for £150’.
The timing of email shots was monitored with findings from research suggesting email shots sent towards the end of the week, between Wednesday and Friday, achieved higher responses than those sent at the start of the week, especially those with no attachments present. Response rates were also higher when the field was varied as with the sender being the proprietor, Andrew Evans, and the Marketing Manager, Tony Stone, showing that recipients build up resistance to certain regular names appearing in their inbox. Appendix 12 shows a sample email sent to database contacts.

6.7.2.5: BRANDING

When the KTP Associate began the project a St Brides Hotel brand and corporate image had been developed (Fig. 6.5). This shows the hotel name and three-wave logo design, used on promotional material including hotel brochures and the bedroom browser. The font for the logo was Gill Sans MT which was used for all hotel printed material including confirmation letters, press releases and email.

FIGURE 6.5: ST BRIDES HOTEL LOGO

ST BRIDES HOTEL

Research by the KTP Associate found that the logo with the three waves was seen to represent the three products: hotel, restaurant, gallery and reinforced the seaside connection. The font used was modern, with clean lines and simple to read.

However, the current brand name has come under some criticism due to its connections with previous owners and the relatively low standard of product quality offered. Yet, it is well known within the Welsh hotel industry especially through the connection to the spectacular sea view. Further research of other
design-led hotel logos showed many properties using only a name with no other imagery than the font.

The redevelopment of St Brides Hotel provides an opportunity for a marketing re-launch, which could include the introduction of a new name, brand image which might attract more media attention. This innovation could allow the brand to remain up-to-date and demonstrate changes in customer taste. If a decision to relaunch the brand is taken then it should appear more distinctive, novel and superior in comparison to the original brand (Nowlis & Simonsen, 1996).

6.7.2.6: SPECIAL EVENTS
Within the restaurant various promotions took place over the two year period including the British Food Fortnight and Pembrokeshire Fish Week, which had increased impact through inclusion of events, such as ‘Harbour Bites’ with St Brides Hotel providing complimentary canapé samples for the public. Such events help to raise the profile of the hotel in Saundersfoot although in future charging for canapés may be needed as most other restaurant and hotels charged for their produce. However, the effects of positive local ‘word of mouth’ promotion and increased PR for the complimentary samples may offset the benefits of introducing charging. As part of the promotion, each year a specific fish is themed, e.g. ‘Sea Bass’ in 2003 and ‘Crab’ in 2004, which in turn is reinforced on the St Brides restaurant menu.

Through experience of the hotel business gained from September 2002 to September 2003, the KTP Associate recognised that weekday lunchtime was underperforming between February and April. Investigation of newspapers ‘eat out for’ promotions was undertaken with the Times ‘eat out for £5’ for two courses identified as most suitable for St Brides Hotel due to the target markets match with readers of The Times and Sunday Times. Consequently, the hotel joined this promotion which generated a total of 481 covers, total spend of £4,640.60 with an average total spend per person of £9.65. Other key benefits from the Times promotion included the addition of 140 contacts on customer database as well as:
• nationwide exposure;
• exposure of product;
• lunch service to 481 guests and generation of their positive word of mouth promotion;
• potential for repeat visits;
• creation of restaurant 'buzz' during lunch throughout winter and early spring when traditionally quiet. This is particularly relevant as when new customers visit the hotel and find it busy and buzzing.

Local organisations were given support throughout the two year project. Advertisements were placed in the Tenby and Carmarthen Rugby Club programmes as well as the Saundersfoot Sailing Club, hosting annual Saundersfoot swim presentation and regular support to is given to the Rotary and Inner Wheel through provision of meeting room space with reduced priced menus.

A summer garden party proposal was compiled to increase daytime summer business by utilizing the outside decking area overlooking Saundersfoot harbour whilst also raising the profile of the hotel. The planning of this event developed the proposal shown in Appendix 9 and, although not used during the current project, will be kept on file for the planning of future events.

6.7.2.7: ‘WORD OF MOUTH’ PROMOTION

Marvin (1999) suggested that to develop ‘word of mouth’ promotion hoteliers and restauranteurs should share ‘secrets’ with customers, e.g. during 2004 guest conversations involved these ‘secrets’ concerning the launch of a new Gallery menu, the introduction of a Welsh whisky and possible future art masterclasses. In the future, following confirmation of the refurbishment plan commencing in October 2004, stories relating to these ‘secrets’ could be linked. However, until the proposed development project is confirmed, it could prove detrimental and damage trust and relationship marketing with customers to leak these secrets too early.
Marvin (1999) recommended that to establish a ‘word of mouth’ programme opportunities should be identified to educate guests as to the reasons that the hotel delivers quality food and service. Such opportunities at St Brides Hotel exist through bedroom browsers, inserts in menus and guest-employee conversations. Once identified a points of difference, a list should be compiled which would include:

- warm welcoming and outgoing staff;
- panoramic sea view;
- located within Pembrokeshire, the UK’s only National Park;
- high standard cuisine with home made cooking, fresh (never-frozen) vegetables, Pembrokeshire meat and poultry;
- fresh, homemade bread;
- fresh-ground premium coffee;
- extensive wine list;
- complimentary bar snacks;
- value for money;
- changing art exhibitions;
- regular art masterclasses;
- smoke-free environment with separate smoking area;
- large complimentary car park.

Following this identification, staff members were briefed on the points of difference through staff induction and training sessions. A wine training course in March 2004 helped to develop employee product knowledge enabling them to talk, describe and discuss wine and its varieties and styles with guests. It created positive impressions with guests with some up-selling to premium wines because staff understood what they sell and how to serve the wines.

The focus on generating positive ‘word of mouth’ promotion provides a cost effective and influential tactic for future customers as well as supporting the
Managing Director's personal belief regarding the associated benefits of providing quality customer service and turning guests into friends.

6.7.2.8: PARTNERSHIP MARKETING
The literature review identified partnerships as an effective means of developing products to fit the needs of target markets (Section 3.12.3). The key partnership developed during the current project was Way Out West (WOW), the public name for Pembrokeshire Business Tourism promoting corporate products and packages including developing the creative process of teams through art, beach art and bespoke away days such as the 'teambuild' day for WDA. This partnership is a member based organisation dedicated to delivering high quality venues, activities and services through the provision of a professional one stop event solution for meetings and group organisers. Partner information is shown in Appendix 10.

A separate smaller partnership was formed as a spin-off from WOW with Cambrian Routes, a transport provider specialising in tours of Pembrokeshire. The product formed through this partnership was the provision of golf tours and a Dylan Thomas tour. Press releases were distributed for golf tours with information regarding the links courses available as well as partner programme options and coverage was gained in Golf Weekly for the packages on offer.

The Dylan Thomas tour was designed to coincide with the 50th anniversary of the Welsh poet's death and was developed to fill weekday accommodation. An e-mail shot was sent to 60 contacts, mostly from literary associations and the University of the Third Age who were identified as able to take a break during the week. Unfortunately, the email campaign generated only three enquiries and due to the apparently high price of the tour, no bookings were taken. The high cost of this tour related to the small group approach that Cambrian routes has taken with transport offered for groups of up to 6 people at a cost of between £250 and £300 per day, which is also the cost of hiring a 40-seater coach for a similar period. The individual tour approach would be
more appealing to the cash rich, time poor, market of short breakers who wish to see as much of Pembrokeshire as possible in a short time period.

Contact with the Civil Services Motoring Association was made through its Promotion Manager during the World Travel Market 2003 trade event. From this a prize was offered through a partnership between St Brides Hotel, the National Botanics of Wales and the Heatherton Country Sports Park which offered two nights’ bed and breakfast accommodation, two tickets to the gardens and a day at Heatherton. The combined value of this prize ensured that a half page featuring Pembrokeshire and the hotel (Appendix 11) was achieved with 1,756 contacts from the entrants’ postcards.

6.8: DESTINATION MANAGEMENT

Domestic tourists view Saundersfoot and Pembrokeshire as their holiday destination whereas international visitors firstly identify Wales followed by the specific regions chosen to visit once in Wales. This was particularly apparent from the information gathered by the KTP Associate at the Berlin International Tourism trade show, ITB 2004 where St Brides Hotel exhibited within the WTB stand in February 2004. Almost all enquiries were concerned with Wales as a whole, with questions relating to climate and best time to visit rather than specific information requests for hotels. It reinforced the findings from public relations agencies of low consumer awareness of Wales in the German market.

The hotel owner’s ambition is to develop Saundersfoot into a quality, year-round destination with a focus on fine food and drink. Progress on this has been achieved in recent years due to his role as chairman of the Saundersfoot Chamber for Tourism. The Chamber began as a group of local residents keen to develop Saundersfoot into a high quality, year-round destination. The partnership formed between local businesses enabled a number of events to be organised to attract visitors to Saundersfoot outwith the traditional holiday season. 2003 events included:
### Table 6.6: Saundersfoot Chamber for Tourism 2003 Events

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 January</td>
<td>Annual New Year's Day swim</td>
</tr>
<tr>
<td>6 January</td>
<td>12\textsuperscript{th} night tree burn</td>
</tr>
<tr>
<td>1 March</td>
<td>St David's day celebration, Cawl cooking championships</td>
</tr>
<tr>
<td>7 June</td>
<td>Proms in the Park with the Cardiff Philharmonic Orchestra</td>
</tr>
<tr>
<td>28 June – 6 July</td>
<td>Pembroke\textquotesingle{}shire fish week</td>
</tr>
<tr>
<td>31 October</td>
<td>Hallowe’en – children’s trick or treat trail and disco</td>
</tr>
<tr>
<td>5 – 7 December</td>
<td>St Nicholas Christmas market</td>
</tr>
<tr>
<td>31 December</td>
<td>New Year’s Eve family celebrations</td>
</tr>
</tbody>
</table>

Product development at St Brides Hotel has been supported by government bodies due to the potential economic impact on the local area, as shown through the creation of 50 full-time jobs, combined with increased wealth into the county from affluent visiting tourists. The increase of quality at St Brides Hotel and its development as a landmark hotel is seen as a catalyst for the improvement in quality of Saundersfoot’s hotels, restaurants and retail outlets.

Using the Buhalis (1999) destination classification, Saundersfoot and St Brides Hotel can be categorized as a seaside type destination, which for the business market has meetings, incentives, conferences and exhibitions as its major activities and for the leisure market, sea, sun, sand and sports are key. However, the future of St Brides Hotel could be either rural or unique-exotic-exclusive. Rural activities are the same as for business markets. Leisure activities involving relaxation, agriculture and learning could include art classes. For unique-exotic-exclusive business activities would be meetings, incentives and retreats and for leisure travellers special occasions, honeymoons and anniversaries are important. Thus, St Brides Hotel could be categorised within three of Buhalis (1999) destination types.
For St Brides Hotel, the destination is recognised as being either Saundersfoot, Pembrokeshire or Wales depending upon the target market. The Buhalis (1999) framework, introduced in Section 3.12.1 is developed below (Table 6.7) to show the characteristics of each tourist destinations.

**TABLE 6.7: SIX AS ANALYSIS OF SAUNDERSFOOT, PEMBROKESHIRE AND WALES AS DESTINATIONS**

<table>
<thead>
<tr>
<th>Destination</th>
<th>Saundersfoot</th>
<th>Pembrokeshire</th>
<th>Wales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attraction</td>
<td>Blue flag beach, resort atmosphere</td>
<td>Coastal scenery, historic sites</td>
<td>Green, ‘new’ destination</td>
</tr>
<tr>
<td>Accessibility</td>
<td>Adequate road access</td>
<td>Road, ferry, train</td>
<td>Air, north – south road link poor</td>
</tr>
<tr>
<td>Amenities</td>
<td>Range of hotels, restaurants, range of retail, Tourist Information Centre (TIC)</td>
<td>Award winning beaches, variety of accommodation and restaurants.</td>
<td>Wide range of accommodation, variety of retail outlets.</td>
</tr>
<tr>
<td>Available packages</td>
<td>Included as part of Pembrokeshire</td>
<td>Beautiful Pembrokeshire tours, activities, golf</td>
<td>Limited packages on shelf in international markets</td>
</tr>
<tr>
<td>Activities</td>
<td>Beach, fishing, family theme parks</td>
<td>Boat tours, sailing, coasteering, water sports, walking, castles, golf</td>
<td>Golf, walking, sightseeing.</td>
</tr>
<tr>
<td>Ancillary services</td>
<td>Chemist, bank, post office, village stores.</td>
<td>Supermarkets, retail.</td>
<td>Hospitals, TIC network</td>
</tr>
</tbody>
</table>

**6.8.1: FUTURE OF SAUNDERSFOOT TOURIST DESTINATION**

The ETC Sea Changes report indicated that some seaside resorts must conclude that there is no future for them as a tourist destination. However, other seaside destinations have considered alternative ways to attract visitors by offering a focused destination attraction. For example, Kinsale, South Ireland and Padstow, Cornwall have gained reputations as fine food destinations, Bournemouth has concentrated upon development as a conference destination, St Ives has particularly targeted the affluent London set, whilst St Davids on the Western coast of Pembrokeshire has carved a niche for adventure, water sports.
Following discussions and observation of Saundersfoot, the destination development should focus upon quality dining options supported by arts, antiques and luxury retailers. Already the Saundersfoot Chamber for Tourism has begun this mission with events focusing on arts, e.g. the St David's Arts and Crafts Fair in March 2004, and developing restaurant awareness through events such as the Cawl Cooking Championships of the World and Elsewhere. However, this latter event did not focus on quality and a Good Food Consortium with set standards for entry and partnership marketing approaches could generate more national and international awareness of Saundersfoot's restaurant quality. Planning of this consortium approach should consider methods of monitoring quality across all restaurants as well as the possible funding options.

6.9: RELATIONSHIP MARKETING
Developing long-term relationships with customers is a critical success factor for St Brides Hotel. Several studies have suggested that it was less expensive to retain existing customers than to attract new ones. Therefore, all aspects of the customer experience should be developed to encourage guests to return. For example, customers should be made to feel comfortable and not pressured through obvious up-selling or suggestive selling. It can be assumed that customers are well educated and can see through the smoke screen of suggestive selling to higher priced wines or accepting the offer for bottled mineral water. It is far more important for guests to return in the future than to feel pressurised into spending more than they are comfortable with and hence not returning in the future.

6.10: DATABASE MARKETING
Guest recognition and targeting appropriate promotions to previous customers was also perceived to be critical in developing long-term customer relationships and the introduction of a customer marketing database in January 2004 to track valuable or particularly supportive customers proved useful when targeting future promotions, events and offers. The introduction
of daily 'prayers' meeting in which the Duty Manager (DM) hosted and checked daily arrivals enabled increased recognition of return guests. For return guests, a warm welcome, complimentary upgrade and on certain occasions a fruit basket were given, helping to strengthen the relationship.

Research undertaken at the planning stage involved communication with Property Management System (PMS) supplier, Hotel Perfect, establishing that currently no customer relationship marketing database software was available to link St Brides Hotel PMS to database. Following discussions with academic advisors, it was decided that the most cost effective method for database design would be to build the customer database using the Microsoft Access program.

It should be recognised that this approach requires investment in terms of staff training and time required to regularly input data, track customers and staff training. Using the action research process of cyclical reflection, the KTP Associate determined that a future database should be able to 'talk' to the PMS, reducing time consuming data transfer and introducing an automated guest return process.

6.11: FREQUENT GUEST PROGRAMMES (FGP)
Developing exceptional customer service was seen as a method of increasing customer brand loyalty whilst reducing marketing cost. Although some financial investment would be required to attract new customers, promotional activity could be reduced significantly if new customers were converted to loyal, repeat customers. Loyal, repeat customers had relationships strengthened through communication through the regular newsletter and hotel website.

The potential for a St Brides Hotel FGP was discussed during the project. However, it was considered that this type of programme did not reinforce the quality image whereby St Brides Hotel emphasises its being friendly with guests so, surprisingly, regular guest with special perks, such as guaranteed
window tables, were found to be valued higher than a points make prizes FGP. This was supported from literature review (Section 3.4.5) by findings which suggest that FGP are of limited benefit to hoteliers other than a means of gathering customer purchasing histories.

6.12: GUEST BASED MARKETING

One of Marvin’s (1999) suggested operating policies for guest based marketing is the provision of something for nothing as everybody loves a ‘bargain’. This concept was developed during the two-year project period with an ‘amuse bouche’ introduced during dinner service, a small tasty dish served before starters and given as a surprise from the chef. Nibbles consisting of Japanese crackers and mixed olives were placed on the bar counter with guests encouraged to help themselves. For this low cost, guests consider themselves pampered and it creates another difference from competitor offerings as well as a talking point that assists the ‘word of mouth’ promotional campaign.

This idea could be further developed with a palate cleanser served at breakfast such as a small frozen yoghurt sundae with fresh strawberries. By offering guests items they have not ordered, such as unusual vegetables or side dishes, a memorable experience is created providing a talking point with their friends and family about the hotel.

6.13: TRADE SHOWS

In November 2002, St Brides Hotel's senior management, including the KTP Associate, attended the World Travel Market (WTM) exhibition in London under the banner of Pembrokeshire Marketing. The latter is a small consortium of tourism businesses based in Pembrokeshire that benefited from Foot and Mouth grants and teamed together to develop local businesses, including investing in the purchase space at trade exhibitions. At the WTM networking allowed for contacts to be made with tourist agents from Germany, Belgium and UK markets as well as journalists reporting in the trade press.
However, limited business was generated specifically for St Brides Hotel through the 2002 WTM.

Management learnt from the experience and modified its approach for the 2003 WTM which was much more successful for St Brides Hotel. On this occasion, St Brides Hotel took up a Gold package from the WTB that included exhibition space on the WTB stand as well as at the trade exhibitions, Showcase Wales and ITB in 2004 at a cost of £3,290 (see details below).

Inclusion on the WTB stand emphasised St Brides Hotel’s respectability as a destination hotel in Wales. It also provided a higher profile for the hotel with the greater visual impact of a larger stand and the substantial marketing efforts of the WTB. During WTM 2003, through networking, previous contacts were reinforced. In all 47 contacts were made with trade buyers; 19 contacts with journalists, one of which resulted in developing a reader promotion for the St Brides Hotel Civil Services Motoring Association magazine and another gave Gallery at St Brides coverage in GQ magazine. The reinforced association with Wales through the WTB (or equivalent) is strongly recommended as a strategy for small independent seaside hotels.

Showcase Wales was organised by the WTB as an event to allow potential trade buyers with an interest in Wales to meet suppliers of tourism products in Wales. The event was hailed as a success by trade members and for St Brides Hotel provided an opportunity to meet with previous trade show contacts as well as potential new buyers. 37 trade contacts were established, many of whom expressed much interest in the proposed development plans at St Brides Hotel. Others chose to visit the property on pre- and post-Showcase Wales familiarisation visits. The majority of potential buyers were from international markets, which are at the early stages of opening up Wales as a ‘new’ destination for their target customer. Again, the issue of limited public awareness of Wales in international markets was raised. However, the promotional activities of WTB in countries such as Belgium, the Netherlands and Switzerland were acknowledged as an excellent starting point for approaching the international market.
The Berlin ITB is the world's largest tourism trade show covering an overall of 150,000 m². In 2004 it had 10,023 exhibitors from 178 countries, and 141,139 visitors (75,019 trade) (itb-berlin.com). The 5-day event was included in the WTB Gold package with the KTP Associate attending the first three days, which were open to consumers and the Director of Sales attending on the final two trade days. The exhibition provided limited immediate direct orders for tourist customers for St Brides Hotel. However, lessons were learnt. It was also beneficial in showing support for WTB activities in the light of the application for funding assistance for the hotel redevelopment.
6.14: GALLERY AT ST BRIDES PROMOTION

6.14.1: GALLERY DATABASE
The literature review recognised the importance of database marketing with this tactic used for the Gallery at St Brides as well as the hotel. Database contacts were gathered from two main sources:

- flyers distributed with hotel brochures and throughout the gallery;
- buyers of art in the gallery who had their details collected and entered into the database.

Contact details included name, address, email, artist purchased, name of painting, whether collector plan was used and the location of the artwork in Gallery. This information was used to communicate regularly with customers and contacts through a Gallery newsletter especially when a contact’s preferred artist was returning to the Gallery. For example, Leonard Beard’s exhibition opened the Gallery in 2001 and many subsequent requests for further exhibitions have been received. For his next exhibition these contacts will be targeted with invitations to a private viewing.

6.14.2: INTERNET PRESENCE / ONLINE LISTINGS
The Internet was used in several ways to help promote the Gallery with the aim of increasing visitor numbers and increasing total art sales. Similarly to the hotel, Google adwords is used to bring targeted traffic to the hotel website which featured a section on the gallery with current and previous artists. Links to partner galleries (adamgallery.com and walesfineart.com) were also included allowing potential buyers to research featured artists and Welsh art in general and improving stbrideshotel.com positioning on search engines such as Google.

6.14.3: SPECIAL EVENTS
Art master classes have been organised but have had with limited success. The first master class taught by Arnold Lowrey focused upon Watercolour
Basics and with twelve participants was considered a success. Arnold brought a small group of regular attendees and helped to promote the event through his own website (lowrey.co.uk).

The next master class focused on life drawing (nude) and was organised through the recommendation of John Carwithen by the Adam Gallery. However, this course only received one booking and had to be cancelled. During a conversation with Gwen Murphy (2.10.03), an artist that has previously exhibited in the Gallery, the KTP Associate asked about the reasons behind the lack of demand for a life drawing master class. She considered that the hotel should be promoting master classes targeting the older age customer who may have only recently been introduced to art as a hobby for retirement. This group could find that the course content of life drawing makes them feel exposed and vulnerable whereas a watercolour or mixed media master class would be more appropriate to their needs. The life drawing course content for the John Carwithen master class would be more appropriate to 'hit the academic area' and 'established artists'. The retired market would be more attracted to a painter that paints 'lively, bright paintings' and these would be more effective on the promotional materials as well.

Therefore, the subject matter for art master class is important and must match the demands of potential targets, e.g. art lessons in October would most likely attract the retired market. Watercolour and introduction to paintings would be more likely to be successful than a life drawing course. As part of the art master class package, tours of local galleries and sites of artistic interest, such as the location where Turner painted Laurghane Castle, could also be included.

Special events raised the profile of St Brides Hotel and generated positive 'word of mouth' among key local targets. On Friday 17 October 2003 a private viewing for one of the gallery’s most prestigious artists, Ian Lindsay-Edwards, was held with invitations sent to potential buyers. The guest list of 450 was drawn up from local councillors, local celebrities, politicians, members of Pembrokeshire business club, regular customers and from the in-
house gallery database. The event included a jazz band together with complimentary canapés and wine and successfully attracted 52 new visitors. No sales were made at the event, although shortly after, a contact that received an invitation but had not attended the private viewing purchased two pieces at a combined value of £7,400. The invitation design and guest list are shown in Appendix 13.

6.14.4: GALLERY ADVERTISING
During the KTP project advertisements for the Gallery at St Brides based on the St Brides Hotel logo were published in publications that had a long shelf life which provided the best return. Those selected for the Gallery advertisements were:

- Coast to Coast, the Pembrokeshire National Park magazine;
- Into the Blue gallery guide distributed throughout Pembrokeshire;
- Art Review monthly listing.

However, on some occasions, it was not possible to provide advertising support as art work would arrive and be displayed on the same day without any prior warning which made for difficulties in planning opening promotions.

6.14.5: PUBLIC RELATIONS
Similar to the hotel, PR was seen as a key tactic for getting the word out about the art hotel concept and the Gallery at St Brides. Regular coverage in Tenby Observer and Western Mail was achieved through press release distribution and in May 2004 coverage in a feature on art hotels was gained in the men’s lifestyle magazine GQ.
6.15: PRICING TACTICS

6.15.1: ST BRIDES HOTEL PRICING
Competitor intelligence was a key tool for developing St Brides Hotel's pricing strategy; competitors were identified within Pembrokeshire and the prices they charged created a starting point for establishing prices for St Brides Hotel. Leading seaside and boutique properties within the UK hotel industry were also included in the pricing analysis to ensure that rates reflected market leadership within the surrounding area. This approach recognised that visitors to Pembrokeshire would compare hotel rates with their own experience of UK hotels as well as to other properties within Pembrokeshire.

An analysis of performance prior to the commencement and during the 2-year project showed that demand for the hotel and restaurant was affected by seasonality. Peak demand was found to be during July, August and September. During this high season limited special offers and discounting took place as revenue could be built up to carry the hotel and its fixed costs through the quieter winter months. The trough periods particularly covered October, November, February and March (the hotel was closed in January). The pricing approach was adapted to provide special offers and promotional rates that concentrated on filling weekday demand and aimed to increase the length of stay by offering tiered short break rates as shown below:

Due to the UK consumer trend to take shorter, more frequent holiday breaks, a short break rate helped to generate longer average stay by tempting customers to extend their stays. The knock-on effect of this in terms of costs was minimal as laundry costs etc. would not rise substantially. This pricing strategy recognises that, as a service, the accommodation product is perishable and cannot be sold at a later date, so a contribution towards at least the fixed costs is beneficial. Furthermore, the potential for increased restaurant trade would help to offset any loss in room revenue.
<table>
<thead>
<tr>
<th>Time period</th>
<th>Rack room rate standard</th>
<th>Rack room rate suite</th>
<th>2 night short break room/suite</th>
<th>3 night + short break room/suite</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 October 2001 – 31 March 2002</td>
<td>£108</td>
<td>£150</td>
<td>£85/£127</td>
<td></td>
</tr>
<tr>
<td>1 April - 31 September 2002</td>
<td>£118</td>
<td>£158</td>
<td>£90/£130</td>
<td></td>
</tr>
<tr>
<td>1 October - 31 March 2003</td>
<td>£90</td>
<td>£140</td>
<td>£110 (DDB*)</td>
<td></td>
</tr>
<tr>
<td>1 April – 31 September 2003</td>
<td>£90</td>
<td>£140</td>
<td>-</td>
<td>£80 / £110</td>
</tr>
<tr>
<td>1 October – 31 March 2004</td>
<td>£90</td>
<td>£140</td>
<td>-</td>
<td>£60 / £95</td>
</tr>
<tr>
<td>1 April – 23 October 2004</td>
<td>£100</td>
<td>£140</td>
<td>£90 / £130</td>
<td>£80 / £120</td>
</tr>
</tbody>
</table>

*DDB: Dinner, Bed and Breakfast

Note: Prices are per room per night, based on two people sharing.

6.15.2: Cliffs Restaurant Pricing

Previously, the restaurant pricing strategy followed a set price approach (see Section 5.7.1.4) that changed to an individual priced menu in May 2004. The move was designed to give better value to the customer who would pay for what was eaten rather than based on the set menu’s most expensive items where the set price reflected the higher priced items on the menu. Further, this approach maximises revenue as customers pay for everything they eat. It also creates a customer perception of better value as a main course priced at £16, starter at £6 and dessert at £6 (£28) is perceived as better value than the £25 set price, even though the total meal spend may reach pass the £25 mark.

Under the set menu pricing approach it was necessary to introduce supplements for premium items such as beef which impacted on customer satisfaction with some guests considering that this supplement was ‘unfair’.
The individual menu pricing approach allows for a greater price range of menu items and has helped to increase average customer spend.

As for accommodation pricing, local restaurant competitor pricing analysis was undertaken. At the same time, the Chef's restaurant experience allowed pricing of the menu to take into account costs of food (normally 30%) as well as local and UK market trends.

6.15.3: GALLERY AT ST BRIDES PRICING
Gallery pricing was based on a standard commission basis, with artists receiving 60% of the sale price of an artwork with the gallery receiving 40%. For the artists brought to the hotel through partner galleries, the 40% is shared equally with each of the two partners each receiving 20%.

6.16: PHYSICAL FACTORS
Various modifications have been made to the physical features of the hotel to encourage more awareness in the increased marketing customer-orientated approach that has taken place at St Brides Hotel. In particular, signage was upgraded and consideration has been made regarding the greeting reception area and approach.

6.16.1: SIGNAGE
Exterior signage was updated in January 2003 with contemporary style signage using company font and logo, replacing tired hand painted signs. The signs stated 'St Brides Hotel and Cliff Restaurant' overcoming the local perception that non-residents were not welcome to dine. Another sign was produced for the 'Gallery at St Brides' to publicise the 'Welsh Contemporary Art' featured throughout the public areas of the hotel. The signage assisted in presenting a professional public image of the establishment whilst, at the same time, encouraging increased passing trade into the hotel.
6.16.2: GUEST CHECK-IN

Currently, St Brides Hotel registers guests on arrival at the hotel in a conventional manner at the front desk. However, it could be that there would be benefits to the customer experience, if this practice were modified in due course. The KTP Associate undertook a site visit in October 2003 to Llangoed Hall which revealed welcoming staff who would escort guests to a private lounge area for check-in. Another check-in approach was found at Seaham Hall in Seaham, Newcastle upon Tyne, where guests check-in in the privacy of a bedroom. With the proposed move towards a five-star product, it is possible that these approaches could be transferred to St Brides Hotel to allow guests a more favourable and smoother check-in experience.

Such an experience would support the owner’s refurbishment of the public area whereby the bar was moved to become the central focus ensuring that all guests would pass through the area on their way from the hotel entrance towards the restaurant and the central ‘view’ over Saundersfoot harbour and beyond. Over time merchandising opportunities have arisen from this with the bar counter used to display the Gallery Menu whilst behind the bar wine bottles were placed upright to allow customer to see the extensive range of wines on offer and create a desire to purchase. Planning for a cocktail menu with supporting staff training programme and menu design has been completed with a view to a launch following the proposed redevelopment.
6.17: PLACE (CHANNELS OF DISTRIBUTION)

During the two-year research period St Brides Hotel targeted multiple markets, including domestic leisure, group, corporate and events/weddings travellers (see Appendix 7). Ideally the 'best' approach to distribution would provide the broadest possible reach to the largest available audience of the hotel's target market segments at the most affordable cost and at the highest potential for winning bookings (Connolly, 2001). However, distribution for the hotel has been fragmented with an approach that segmented the market mainly on price using channels that generate demand at the desired pricing level.

6.17.1: DOMESTIC LEISURE

The majority of domestic customers booked their accommodation directly with the hotel either by using telephone or email communication. Consumers often preferred the direct approach as availability and booking confirmation is instant and, if available, information about special short breaks rate can be obtained, ensuring the best available rate.

Email bookings grew significantly over the research period as a result of improved web presence and online advertising. The key to securing this type of booking was a rapid response although email bookings were considered time consuming for receptionists due to the multiple correspondences required to give information about rates and availability, bedroom types and collecting payment. However, customers familiar with using email prefer to organise their proposed visit at a convenient time to them and email correspondence provides customers with this flexibility.

From the purchase of the hotel in March 2000 until May 2004 two booking agencies provided another channel for St Brides Hotel. Superbreaks and Embassy Leisure secured an allocation of two rooms and could sell these at any time 24 hours prior to arrival as long as the hotel had not closed the availability to them. However, it was decided that this channel was not appropriate for the future development plans as these agencies focused on
providing savings to consumers, which did not reinforce the quality association required. Furthermore, both agencies collected 30% commission on bookings taken on top of an annual fee of £600 per annum for inclusion in their publicity material.

During 2004 laterooms.com was used to sell surplus accommodation in trough periods. The hotel controlled the allocation for this online distribution channel with all wedding weekends ‘closed out’ and the channel only used to sell accommodation for the quieter midweek periods. From launch on 23 March 2004 to 9 July 2004, 17 room nights bookings were taken through this source.

Online directories proved to be a valuable source of bookings and enquiries. This was particularly the case for stayinwales.co.uk, which charged an annual fee of £120 plus VAT for a one page advert. This charge was easily generated in bookings received through the website with 47 enquiries and 32 bookings coming from this source during 2003. Other free directory listings were also used to increase web presence including s-h-systems.co.uk and walesdirectory.co.uk sites. However, these had less of an impact because of the focus on high search engine positioning by stayinwales.co.uk operators. Visitwales.com also proved useful for generating interest in the hotel although the vast array of accommodation on offer and limited success in search engine positioning proved that commercial directories, e.g. stayinwales.co.uk, were of greater success in generating accommodation business for St Brides Hotel.

6.17.2: GROUPS

Group bookings provided St Brides Hotel with 14% or 2,530 bed nights of its accommodation business in 2003. Tour companies used included Studiosus and Epsom. However, the volume for tour groups fell well below the initial booking numbers due to an increase in independent travellers and international events which impacted on tourist travelling decisions.
6.17.3: CORPORATE

Business travellers could make their accommodation reservations either direct or through an agency. This was dependent on the company concerned. Some employed booking agencies to act on their behalf which accounted for 2.4% of bookings during 2003 and often smaller companies would book accommodation direct with the hotel (14.1% bookings). Corporate business is seen as key to the future success of the hotel with demand generally from Monday to Thursday, the traditional leisure customer trough period. Moreover, as corporate customers often have no choice as to the destination where they stay and are inflexible as to when they stay, they are prepared to pay higher prices for the convenience of location. Recent regular corporate clients have included Ministry of Defence and Ledwood Engineering.

Various marketing tactics were used to generate and increase corporate business. At a basic level all corporate customers were looked after very well with changes to the product offering accepted as necessary to secure future business, e.g. breakfast normally served from 8 until 10 am, is brought forward to 7 am for corporate guests. The hotel's Director of Sales regularly undertakes sales visits to key clients, including Total and Texaco to encourage this custom. These visits act as reminders to corporate customers of the conference and dining facilities available at the hotel.

6.17.4: WEDDINGS

In 2003, weddings generated 15% of bookings, a total of 1,793 bed nights. While this appears to be attractive business, it posed challenges to achieving high occupancy levels on Friday and Sunday nights caused by mixing target markets, weddings and short break escape weekends. Typical short break customers who would visit from Friday through to Sunday often could not make a reservation for the Saturday night, as this was taken up by the wedding party. Even if there were space available, guests could be disturbed by the wedding late night celebrations. Management identified that the hotel was full most Saturday nights but occupancy would drop on Friday and Sunday nights. Consequently, various inducements have been made. Wedding guests are offered special rates to extend their stay beyond the one
night of the function and it is proposed that in the future exclusive use weddings will be introduced requiring booking the whole hotel for the full weekend.

6.18: PEOPLE

In conjunction with the KTP programme, the hotel senior management decided to work towards being credited with the Investors in People Standard, which sets a level of good practices for training and development of people to achieve business goals (iipuk.co.uk). With the move towards improving the product service to five star level, it was apparent that staff should be trained to deliver the exceptional customer service necessary to reach the desired quality levels. As part of the implementation process, the KTP Associate became involved in appraising employees and providing feedback to the two Managing Directors regarding recommended training for achieving the Investors in People Standard.

Furthermore, it was found that during the two year KTP project the people element of marketing activity grew in importance. Staff became accepted as carriers of the brand message of quality and style and would be the tool used to deliver exceptional service, spreading the word of mouth promotional strategy. Consequently, the recruitment process became increasingly important particularly for those employed on a full time, year round basis. Staff had to be in place that would support the move towards improved customer and product service.

Ongoing in-house training was introduced by the KTP Associate to improve employee product knowledge and customer service. Training for reception staff involved all the receptionists undertaking the Welcome Host customer care scheme to help to ensure that customers were appropriately welcomed to the hotel. They were also trained in email customer response and made aware of the importance of quick reply times.
For the restaurant staff, training set out to increase knowledge of quality beverages. The waitering staff participated in wine and malt whisky tasting and presentation courses organised by the hotel's wine supplier, James Williams, and the KTP Associate respectively. These courses emphasised the different qualities of wine and whisky and enabled the staff to advise customers on their selection for their meals. Incidentally, through this improve product knowledge, customers were inclined to spend more on quality beverages.

6.18.1: RECRUITMENT
The recruitment strategy used by the Managing Directors for the management team has been most successful. Over the two years 2002-2004 it attracted an Executive Chef, Sales Director and Administration/Finance manager and the KPT Associate (Marketing manager) all of whom have considerable five star hotel experience. Nevertheless, despite the high level calibre of management, there is a 'no ivory tower' culture approach from the owners. For example, all members of the senior management are required to undertake duty management shifts, necessarily increasing management knowledge of the business operations. This operational focus is apparent especially during the busy summer months. It could be criticised as it diverts sales and marketing staff from their core activities to fill the quieter off-season months from October through to April. But, it reflects the management culture impinged by the Managing Directors that the 'customer today comes first'.

A number of methods are used for staff recruitment including some local press advertising, online recruitment using St Brides Hotel's website as well as online recruitment sites, such thegumtree.com. Throughout care has been taken during the selection stage to ensure those that would help to generate positive word of mouth are employed as all staff acts as part-time marketers for the hotel.

St Brides Hotel has always experienced difficulties in obtaining suitably trained waiting staff for the restaurant from the local community, due to the seasonality of the work and the anti-social working hours. One solution has
been to bring in students from the French and Swiss hotel schools who have to complete short term placements and want to improve their English. These students are employed for periods of between two and four months, usually in the peak summer periods. The majority of these students bring service skills to the hotel requiring limited training to carry out the restaurant waiting functions. This was shown for French students who display the classical French style competence and professionalism service that together with Swiss students' attention to detail and positive working attitude that is seldom found among home country students. Indeed, some of the French students have brought their expertise to the permanent staff helping to improve serving standards, e.g. requiring bottle stands for wine serving for finesse which had not previously been the practice at St Brides Hotel.

6.19: CONCLUSION
St Brides Hotel was bought in 2000 with the aim of changing it from a standard three star seaside resort hotel to a five star hotel over the next decade. So far, moves have been put in place to develop the hotel through refurbishment of its bedrooms, restaurant and plans are afoot to develop a spa facility that would encourage all the year custom.

Significant progress has been made towards moving towards luxury escape market with an experienced management team in place and a recognition that exceptional customer service will create the all important 'x' factor for St Brides Hotel. The owners have recognised that product redevelopment is essential to meet the demands of increasingly discerning travellers and to secure their positive word of mouth communication. Growth has been seen in food and beverage areas following refurbishment of the bar and restaurant and it can be predicted that a similar increase in accommodation performance will be seen following bedroom redevelopment.

The people element of the marketing mix is critical and working towards Investors in People reinforces this importance with employees acting as brand
messengers, delivering the brand message of quality and style and excellence in customer service.

Promotional tactics will focus upon PR, which is a low cost tool that can deliver better results than above the line promotional activities such as advertising. It is likely that special offers will continue to play an important role in filling quieter off season periods although with the addition of facilities such as a spa, packages will be developed to retain revenue within the hotel.

This chapter discusses the history of the hotel and explains how it operates in terms of the 7 Ps used within services marketing. It assimilates the research findings encompassing action research that the KTP Associate has made over the last two years while working on the project. This material will be used to help in providing recommendations as to strategic marketing approaches necessary to achieve the goal of developing the five star level hotel. A Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis will be undertaken from these findings and will be discussed in Chapter 7, indicating the more favoured strategic marketing approach to achieving the desired goal. Lessons learnt from investigating the operational and marketing situation at St Brides Hotel will be considered for the profitable regeneration of this seaside hotel, in particular, and, where appropriate for UK seaside boutique hotels, in general.
CHAPTER 7: ANALYSIS, DISCUSSIONS AND CONCLUSIONS

7.1: INTRODUCTION

The analysis of Strengths, Weaknesses, Opportunities and Threats (SWOT) below presents the key marketing issues facing St Brides Hotel (see Fig. 7.1). Following this, the marketing model for UK seaside hotel is discussed with recommended marketing strategy, tactics and potential benefits. Conclusions are drawn with recommendations for further research.

FIGURE 7.1: SWOT ANALYSIS

<table>
<thead>
<tr>
<th><strong>7.2: STRENGTHS</strong></th>
<th><strong>7.3: WEAKNESSES</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Located within Pembrokeshire National Park Mesmerising sea views Developing product concept Welsh contemporary art gallery Pembrokeshire's first choice for wedding receptions Reputation for high quality 'unbuttoned fine dining' Lengthening season Owners drive &amp; vision Exceptional levels of customer service Warm Welsh welcome Five-star management team' Future potential niche markets</td>
<td>Mixing short break escape guests and wedding guests Perceived access Seasonality of demand Previous brand exposure</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>7.4: OPPORTUNITIES</strong></th>
<th><strong>7.5: THREATS</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>WTB marketing activity Partnership marketing Increasing international awareness Changing consumer lifestyles Improved international access Limited local competition Future spa facility as all year round attraction Future development plans of Withybush airport, Haverfordwest, for commercial aircraft</td>
<td>Increasingly discerning customers increasing levels of competition from international and city short break destinations Potential risk from Bluestone project</td>
</tr>
</tbody>
</table>
7.2: STRENGTHS

St Brides Hotel is located within the Pembrokeshire National Park and enjoys breathtaking views over Carmarthen Bay from its Cliff Restaurant and some bedrooms. The hotel came under new ownership in March 2000 and is a developing product concept, focusing on delivering fine food and wine supported by changing exhibitions of Welsh contemporary art.

One of the hotel's main revenue sources over the two-year research period has been the weddings market and this has created a reputation as Pembrokeshire's first choice for wedding receptions. The Cliff Restaurant has a growing reputation for high quality 'unbuttoned fine dining' which was recognised in March 2004 with inclusion as a silver medallist in the Wales Dining Out Guide, a guide to the top 150 restaurants in Wales.

The hotel has enjoyed a lengthening season with accommodation and restaurant demand spread more evenly throughout the year. This is partly as a result of increased WTB marketing activity, in particular the Big Country campaign, an increasing trend of UK short breakers visiting Pembrokeshire for a two or three night break often outwith the traditional summer season and an increased recognition by UK consumers of Wales as a holiday destination. WTB activity is encouraging for the Welsh industry, St Brides Hotel Managing Director commented that with 'they [WTB] will market the tail of us, but we can't just leave it in their hands we've got to provide them with stories, we've got to give them something special for them to beat the drum' (Appendix 17).

The two Managing Directors have gained experience over the past fifteen years developing The Mermaid on the Strand restaurant, a quality seafood bistro on Saundersfoot's shorefront. Their drive and vision for the hotel has been shown through their knowledge of delivering exceptional levels of customer service and a warm Welsh welcome, which will assist in developing positive word-of-mouth promotion. As chairman of the Saundersfoot Chamber for Tourism the owner is committed to developing the village into a
high quality year-round destination to a similar standard to Padstow in Cornwall.

The owners have recruited a five-star management team resulting in a high standard of customer service delivery expectation, which has had a knock-on effect to all members of staff. The management team is in full support and committed to the vision for the future five-star hotel. The recruitment of a five-star experienced Executive Chef has brought consistent delivery of high food quality and a growing reputation for fine dining.

Future targeting of niche markets will provide St Brides Hotel with a variety of sources for potential new business. From the research the key micro-segment with distinct needs includes Welsh contemporary art buyers who were also found to have higher level of disposable income and a desire to holiday within Wales. This presented a unique opportunity to attract a niche market that would be prepared to pay higher than average for an accommodation product such as St Brides Hotel. The action research process identified a database of interested and actual buyers from St Brides as well as partner galleries’ databases.

Spa Conosieurs (Ellis, 2004) who specifically look to new products to fulfil their spa needs, often follow fashions, are media led, become consumer influencers and provide word of mouth about new facilities. This is similar to the fine dining niche market, where potential customers seek advice from friends and family whom they consider to be experts concerning places to eat. Due to the seasonality constraints of UK seaside resorts alternative out of season markets were considered including the potential for targeting Saga groups, which consists of affluent retirees.

Consideration was also given to the potential of using multi-niching tactics. This area has the potential for further research yet in the current project multi-niching identified targeting single groups of customers with several similar needs. For example, customers with an interest in painting holidays were
also interested in visiting historic attractions during their visit, providing the potential for a package that focuses upon multiple niche markets.

7.3: Weaknesses

The success of St Brides Hotel in the wedding market has brought some challenges with problems arising from mixing short break escape guests and wedding guests. This issue has been partly resolved with bedrooms polluted by noise from weddings sold only to wedding guests and for wedding bookings in 2006, only exclusive use bookings are being accepted. However, the perception of some local residents is that the hotel is only a wedding venue and that the restaurant is not open to non-residents. This issue has been overcome through signage indicating that the restaurant is separate from the hotel and open to non-residents. Future product development plans include a street-level entrance, which will allow passing pedestrian traffic to dine in the restaurant without entering the main hotel entrance.

There are some concerns regarding access to Pembrokeshire. However, when compared to Cornwall drive time from London is about one hour less along the M4 to Carmarthen and from there west on the A477. Travel time from Cardiff International Airport is just over 90 minutes. Thus, the issue is one of perception rather than reality. Future development plans of Withybush airport, Haverfordwest, for commercial aircraft may increase air access from London and other key city markets as has been seen at Newquay in Cornwall, which receives four flights daily from London Gatwick.

Although there has been some success with lengthening the overall season for the hotel there are still times when demand is limited, particularly Monday to Thursday trade from November to March. Therefore, the hotel needs to create enough trade during summer months to carry the running costs through the winter season. This is reinforced by accommodation occupancy performance statistics for the six winter months from October to March with an average occupancy of 19.44% (excludes January as hotel closed) compared to the summer six-month average from April to September of 55.57%. This
can be attributed to limited wet weather facilities in Pembrokeshire and UK consumers increasingly seeking winter sun short breaks. The creation of an in-house spa facility at the hotel is seen as one option to attract out-of-season customers.

St Brides Hotel’s brand name still suffers from the previous owner’s lack of hospitality and customer service skills towards guests. Visits to trade shows and discussions during the project period with previous guests to the hotel have often resulted in stories regarding a negative, typically Basil Fawlty, experience with the previous owner. This could be continuing to affect adversely the level of business St Brides Hotel is currently achieving and is one of the owner’s reasons for considering a brand name change. Another area that is clearly important and was disregarded by the previous owner is ongoing preventative maintenance to the property, which has reduced guest satisfaction regarding bedroom product quality.

7.4: OPPORTUNITIES
Success through partnership marketing has been achieved through WOW, a partnership formed by Pembrokeshire businesses to attract the business tourism market. The combined product offered to the Meetings, Incentive Travel, Conventions and Exhibitions (MICE) market is stronger than each individual’s product. The partnership allows each member to offer a range of activities, accommodation and services, which makes the Pembrokeshire business tourism product offering more attractive to potential buyers. An example of this success was seen in April 2003 with a teambuilding day for the WDA, which used the services of Cambrian Routes as transport providers, TYF for teambuilding coaching, Pembrokeshire Watersports for power boating and St Brides Hotel as a meeting and dining venue.

The work of WTB in increasing the international recognition of Wales through media in the key international target markets of Belgium, Germany, the Netherlands and USA has begun to develop an image of Wales as a new, green and beautiful destination. This is expected to benefit Welsh tourism,
especially at the quality end provided by St Brides Hotel. (See further discussion within partnership marketing Section 7.9.1 below).

With a consumer shift towards lifestyle choices, which focus on fashion, music, film and media an increasing number of specialist magazines are being published. Many of these carry features about destinations and hotels, particularly those that focus on design and style. Editorial in these quality lifestyle publications can provide a cost-effective route to new customers who have an interest in reinforcing their own lifestyle image through knowing about and visiting stylish hotel and restaurant products.

The launch of BMIbaby from Cardiff International Airport in November 2002 and further increases of destination choices including Belfast, Edinburgh, Geneva, Glasgow, Malaga, and Toulouse provides a new route for potential tourism business into south Wales.

The local competitive environment is limited with four-star hotels in Pembrokeshire targeting the traditional country house market segment. There are currently no hotels offering a luxury boutique hotel product, which provides the potential for St Brides Hotel to become market leader in stylish, design-focused hotels. This is supported by consumer tastes moving from corporate and traditional hotels towards independent style focused hotels.

Hotel site visits by the KTP Associate during the research phase found that most hotels were members of marketing consortia. The most likely target for St Brides Hotel is Welsh Rarebits which promotes the 44 luxury Welsh hotel products through its website, promotional material and attendance at the major travel and tourism trade shows. St Brides Hotel Managing Director considered Welsh Rarebits to be ‘a good marketing consortium they’re very productive in the marketplace, they get a good message out, the quality controls are good’ (Appendix 17). Choosing the most suitable marketing consortium is tricky yet could be an effective opportunity for achieving increased occupancy, particularly from international markets.
7.5: THREATS

One of the main concerns about the future development plans is that the product needs to be supported by five-star service provided by well-trained people. This is essential to satisfy customer’s expectations and to generate positive word-of-mouth through exceptional customer service. Currently, the hotel experiences some difficulty in recruiting food and beverage service staff with the required hospitality skills. However, it is envisaged that as the profile of St Brides Hotel is raised this should become less challenging.

As consumer experiences of quality hospitality operation grow, they become increasingly discerning. This demands that customer service and the product offering must be to a high standard otherwise there is a risk of disappointment and creating negative word-of-mouth promotion. Customers should experience the ‘wow’ factor at all contact points throughout the hotel from the reservation process and warm welcome through to excellent cuisine and high standards of service delivery. The growing experience of customers has also had an impact on their purchasing decision with evidence that they are becoming increasingly price driven looking for special offers, short breaks rates and often expecting some form of discount through rate negotiation.

The Bluestone project in Pembrokeshire is still awaiting final planning approval following lengthy legal debate. Yet, due to the support of WDA it is expected that this ‘enclosed destination’ (see Section 3.12.5) of family chalets will be given the go-ahead. This will impact on availability of employees within Pembrokeshire and may create a perception among potential customers that the county is family oriented rather than a relaxing, escape destination for the higher spending customer.

Macro environmental economic factors present a threat to independent hotels in the UK with rising council tax rates, increasing level of regulatory constraints and rising insurance contributions all impacting on the cost base of hotels. This will have an effect on the price offered to customers. However, as mentioned above customer are becoming more price sensitive and this
could create difficulties in maintaining the required profit margin for hoteliers to operate successfully, especially for quality hotels such as St Brides Hotel.

Although competition within Pembrokeshire is limited, there are increasing levels of competition from international and city short break destinations which can be attributed in part to the rise of budget airlines that enable tourists to visit European countries at an often lower cost than holidays in the UK.

**7.6: SWOT CONCLUSIONS**

From the SWOT analysis of the case study hotel trends can be drawn for success in the UK seaside hotel industry generally. The SWOT analysis identified a commitment to high level of customer service, use of partnership marketing and PR activity to promote the hotel as critical tools for hotel marketers. These are taken forward in the marketing model below (section 7.8).

**7.7 COMPETITOR ANALYSIS FINDINGS**

Findings within the competitor analysis identified a growing level of product quality available to UK consumers. This increased exposure to quality hotel provisions has led to increased consumer expectation when visiting a hotel. High quality design is particularly important for boutique hotel operators who can utilise this element of the product design to achieve media exposure. The rise of boutique hotels was also found to be linked to niche marketing approaches with several major industry players focusing upon serving a specific niche, for example, Hotel du Vin targeting wine connoisseurs.

Completing the competitor analysis also provided a deeper understanding of the UK hotel market for the Associate and allowed for the gathering of potential marketing tactics for the case study hotel. For example, The Scotsman Hotel distributes a regular newsletter to existing customers, which was found to be a useful customer relationship marketing tool that assists in building a bond between customer and hotel brand.
7.8: Marketing Model for UK Seaside Hotel

The first stage of the marketing model recommends a strategy of differentiation, either through a unique product offering or location, both of which are difficult for competitors to imitate. Prior to making a decision to follow the strategic marketing approach, which requires financial investment in product redevelopment backed by a marketing activity, hotel owners should decide upon their desired corporate strategy and outcomes. The costs associated with product redevelopment has caused celebrity chef, Rick Stein, to abandon his plans to develop the dilapidated Rocklands Hotel in the Cornish resort of Newquay when anticipated costs increased from £1.5 m. to £6.5 m. (Fleet, 2004). Certainly serious consideration of alternative development options should take place prior to deciding upon the development of a hotel. Examples were given in Chapter 3 of London hotels changing use to residential property which provided greater returns over a shorter period as demand for residential property is growing within the UK. Other alternative uses may include retirement homes in consideration of the UK’s aging population.

7.9: Marketing Strategy

Once a corporate strategy has been decided that requires product development of a seaside hotel the marketing strategy should be determined and implemented (Figure 7.2). The findings suggest that the differentiation approach shown in Chapter 4 is most appropriate. Differentiation of the seaside hotel product will be along two lines, either location and/or product. Location differentiation for the case study hotel would be Pembrokeshire with its image as an area with award winning beaches, spectacular coastal scenery and relaxing and rejuvenating qualities.
Product differentiation represents the hotel style, design, facilities, customer service, food provision and in-room facilities. Other options may include the development of a spa offering specific treatments that are not provided elsewhere or by tailoring the product to fit a specific target market, for example, Mandarin Oriental, London offer 'Rituals', a series of treatments following an assessment through reflexology based on the individual needs of clients (Appendix 18).

7.10: MARKETING TACTICS
Marketing tactics shown in the second stage of the model (Fig. 7.3) represent the most critical tools for UK seaside hotel marketers to achieve increased long-term profitability.

7.10.1: PARTNERSHIP MARKETING
WTB provides a variety of marketing services including brochure distribution, destination marketing and online marketing through visitwales.com. Due to the financial support for product redevelopment given by the WTB St Brides Hotel Managing Directors considered it important to support its marketing activities through advertisement placement. This was undertaken in various ways including advertising in the golf and incentive guides, supporting journalist visits and using visitwales.com for publishing information about the hotel and availability of special offers. There is some cost associated in terms of advertising in brochures and hosting journalists; however, the goodwill created has led to increased levels of business and industry recognition of the high quality of service and cuisine at St Brides Hotel.
WTB also attends travel and tourism industry trade shows and exhibitions, which means that individual hotels can piggyback on its attendance rather than absorbing the high cost of exhibiting individually at these events. For example, ITB Berlin is a destination show with tourists and tourist agents from Germany and the rest of Europe deciding on destinations to visit. WTB attends these exhibitions with a view to selling Wales as a destination. Amongst the publicity materials it distributes are accommodation guides in which St Brides Hotel features. This makes it less critical individual hotel representatives to attend all trade shows, thus reducing marketing costs for hotels such as St Brides Hotel. WTB attracts interest for the international visitor through PR, trade shows and advertising. This would be too costly and risky for a small hotel, which finds it difficult to target specific international markets with limited marketing budgets for international advertising campaigns.
Partnerships with local businesses can provide an improved product offering to potential customers. For example, St Brides Hotel offers paintball, coasteering and sightseeing tours to guests through the WOW partnership. However, unless clearly packaged together, guests are likely to organise their own holiday activities due to easily accessible information on the Internet. It would be advantageous if the confirmation of booking letter and bedroom information pack could be viewed as a potential sales tool to encourage customers to book activities through the hotel and its partners. Combining both in one pack would be beneficial to customers and would increase the perception of the width of customer services.

7.10.2: PUBLIC RELATIONS

PR is a key tool in small hotel marketing armoury. Due to low budgets, it is necessary to make use of low cost 'free' PR as much as possible. To gain press coverage press releases should be newsworthy with a potential angle for journalists to create a story. It is beneficial to invest time with journalists during familiarisation visits, ensuring that the correct message is released and to feed them with ideas and inspiration for stories.

It is important to recognise that commitment to PR does not come without risks. Not every review or journalist will be positive about all areas of the business. Thus, the commitment to exceptional service and quality is essential in order to minimize potential risk. Any negative comments can spark the interest of other journalists and potential customers. On the other hand, positive coverage gets people talking and exposes the product so the result can be successful especially if new customers are fully satisfied and retained.

One of the WTB's main marketing strategies is PR. However, they are not solely concentrated on generating media coverage for St Brides Hotel. Consequently, the KTP Associate constructed a database of media contacts which included media contacts from trade shows and members of the British Guild of Travel Writers. Press releases were emailed to this database to
support the WTB efforts, resulting in additional media coverage in publications such as Golf Weekly and GQ.

To succeed with the PR tactic regular press releases should be distributed following a PR plan (Appendix 7). This plan helps to guide the marketing department. However, it should be noted that this document needs to be flexible as observations for potential stories are often reactive to opportunities in the marketplace. Press releases should be kept on file and available online together with high quality images suitable for media use.

Chapter 4 identified an opportunity for increasing revenue at St Brides Hotel through brand extension. By developing a strong brand image and consumer awareness for delivering exceptional customer service and food quality the hotel could develop the brand to include ODC markets, catering for events within Pembrokeshire and Wales. Customers regularly request St Brides Hotel homemade bread, biscuits and onion marmalade to purchase to take away with them. These could be packaged and sold as local produce which could provide additional revenue sources. The locally sourced toiletries also offer another potential source of revenue as has been seen at Hotel du Vin where toiletries sets retail at £10.

Discussions with the Managing Directors at St Brides Hotel found that an option under consideration was a brand name change, in response to a changing product and a desire to start afresh. Although no name was decided during the research process many were discussed. The future redeveloped property and exceptional service delivery were seen as critical to succeed in chosen markets, whereas the brand name was considered less likely to hold such an impact.

Once a decision has been reached regarding the brand name it should be portrayed consistently with any font, colours or images used as a standard on promotional collateral. An analysis of UK five-star hotels found that most properties only use their name as a logo, without any imagery, with the font and colour representing the logo. The font chosen should represent the style
and approachability of the brand. Also the word ‘hotel’ has been dropped from names of leading hotels, for example, The Scotsman and Tresanton. St Brides Hotel could similarly become St Brides.

**7.10.3: Branding**

Other areas to consider when building a brand include the way that promotional material is written. A trend is towards straight-talking and clearly written copy making the promotional collateral feel approachable and moves away from traditionally stuffy, somewhat pretentious five-star properties. This could be as simple as changing from 21st March to 21 March. The key aim for branding is to develop a consistent feel to all marketing communications and customer contact points.

The brand image reinforces customer buying desires with potential and current customers buying a brand that they feel supports their own self-image of style and design. The items that they see and maybe take away from their stay such as pens or toiletries should make them feel proud to share them with their friends and family. Obviously, they should be of appropriate quality and preferably with a Pembrokeshire, or at least Welsh origin.

The constructing of a strong brand image is intended to increase customer loyalty as the image within a customer’s mind of a hotel will help them make a decision when deciding on a short break escape, encouraging brand loyalty. Awareness of the brand will be achieved through communications particularly using technology as discussed above. By building a reputation for quality and exceptional customer service the brand image will act to remind customers of their experience at the hotel and increase the likelihood of positive word of mouth and of repeat business. This success of a strong brand image is dependent on high quality product leading to customer satisfaction, which assists in building customer loyalty.

St Brides Hotel delivered a consistent brand image, reflected through use of font style, brand logo and colours used regularly in all promotional collateral to gain increased company recognition from customers. This consistency
allowed reduced consumer decision making for repeat guests and provided a clear message of quality to current and potential customers. The brand image was well representative of the hotel with clean, contemporary style font. The logo reflected the three main products on offer as well as the connection to a coastal location. Buy-in amongst employees was increased through employee training, where company visions and objectives would be shared with employees helping to build a strong company culture focusing on style, quality and exceptional service to support the brand.

7.10.4: GENERATE POSITIVE ‘WORD OF MOUTH’
Creating positive word of mouth is one of the most effective means of promotion available for UK seaside hotels, as they typically have limited marketing budgets. Hotels should follow the relationship building approach so that a customer feels willing to recommend the property to their friends and family. As a guest feels an emotional bond developing with employees and gains knowledge of the product they are increasingly likely to give positive word of mouth promotion about the property. Time should be spent with guests and services personalised to ensure they feel as though have been appreciated as customers at the hotel.

To generate word of mouth customers need to have something to talk about to friends and family. For St Brides Hotel this included details on where fish on the menu was caught, information about daily freshly baked homemade bread, local history, outstanding cliff walks as well as the Severn’s tidal range as the 2nd biggest in Europe and future development plans for the hotel.

7.10.5: PRODUCT DEVELOPMENT
Site visits to competitor hotels and industry press scanning revealed the growing importance of high-quality, design-focused hotels. The hotel product needs to stand out from the crowd by creating individual features that potential guests feel they have to experience. This may range from a turret suite at the Scotsman Hotel to Hotel Tresanton providing guests with the use of yacht. Leading five star properties and many in lower market segments provide something that customers perceive they have to experience.
Certainly the rise of spa hotels is helping the UK hotel industry and changing the traditional revenue stream for hotels, with spa treatments often raising in excess of 15-20% mark-up. They can be more profitable than food and beverage outlets and can be packaged with a well-subsidised room rate if three or more spa treatments are taken by a guest (Appendix 18).

Another product feature growing in popularity in hotels is the screening room or cinema, which can be used by leisure guests. It also opens up potential new markets such as product launches, private and press viewings as well as advertising agency presentations.

The wedding market can be developed as an attractive market for hotels particularly those with superb location for a photo backdrop. Care should be taken to avoid mixing markets, in particular, the escape leisure breaks and weddings guest. One solution is to cater only for exclusive use weddings. In this case the hotel is fully occupied by the wedding party for the weekend creating significant revenue for the hotel, e.g. 35 bedrooms for 2 nights plus dinner on both nights. Furthermore, it avoids disappointing non-wedding guest whose expectations are not met as when noise pollution and the sometimes uncomfortable atmosphere found with wedding celebrations continue well into the night.

7.10.6: PRODUCT PACKAGES
A package presented to customers provides inspiration and a reason to visit a UK seaside hotel. Spa packages have been discussed above. However, there are many other options available for producing creative packages including gastronomy, wine tasting with visits to vineyards, pamper weekend, adventure weekend, geology courses and sport. For St Brides Hotel, especially, golf is likely to grow in importance with increased public awareness of Wales hosting the Ryder Cup in 2010.

Partnerships should be formed with local businesses that supply activity and pursuits fitting with the profile of target customers. Commission could be taken on activity packages booked through the hotel. However, goodwill is
likely to reap more benefits in the long-term, resulting in referral business from partners. In the case of St Brides Hotel, art classes reinforced the art hotel concept with guest lectures given by well-known artists, but care has to be taken as to their content.

7.10.7: COMMUNICATIONS TECHNOLOGY
The literature review identified the benefits of database marketing, which can be used to develop long-term relationships with customers. Keeping a variety of contacts requires a structured database that enables different customer types to be readily identified. For example, at St Brides Hotel the database was capable of categorising gallery, restaurant and hotel customers and further segmenting hotel customers into groups that included weekend break, special offer and corporate customers. This allows promotions to be targeted at customer with a known interest in a particular offer. This type of database would be considered to be ‘basic’ according to Alford (1999), (see Section 3.10.3).

Keeping track of every customer transaction proved complicated for St Brides Hotel as the PMS was unable to export customer purchasing histories. The purchasing behaviour of customers requesting further information, or those identified as key customers, was transferred manually from the PMS to the marketing database, which proved to be time consuming. Thus, when considering future PMS’s an interface with the marketing database should be considered allowing all customers to be tracked for marketing purposes.

For St Brides Hotel the critical technology is that used for communicating with potential and current customers. Two main tools were used; email was an efficient and low-cost method of targeting current customers with regular newsletters and special offers and also used to target potential customers with packages, such as the Dylan Thomas tour (Appendix 16).

The second technology used to communicate with customers was through the hotel’s website. A range of information was included including sample menu, wine list, accommodation rates, surrounding area information and information
about artists featured in the Gallery at St Brides Hotel. Keeping the site up-to-date has been an ongoing process with latest news and menu choices changing weekly.

The importance of choosing the correct website supplier was highlighted during the first six months of the project with the selected supplier providing poor web design and customer service. Despite extensive research on this company, the KTP Associate was unaware that key members of the organisation had recently left with less experienced designers taking their place. Consequently, a new web designer, based in the USA was used who provided fast turnaround to requests and reduced any danger of competitor espionage, which the Managing Director was concerned about when the original supplier changed ownership.

Despite the challenges faced with creating the St Brides Hotel web presence success was achieved with Internet and email bookings increasing over the two-year period to 7% of all accommodation reservations.

7.10.8: DIRECT DISTRIBUTION

Chapter 5 identified the high commission and annual inclusion fee demanded by booking agents such as Superbreaks. This, together with the right to hold allocation, resulted in St Brides Hotel moving away from this distribution channel. The ideal situation for UK seaside hotels would be to handle all reservations directly between customer and hotel, thereby reducing commissions paid to agents whilst ensuring full control of room availability. There would be some extra associated costs with this approach, although as technology costs for online booking systems fall this option is becoming more feasible. This approach would ensure that all customers book direct with the hotel and then contact details could be collected for every customer for future marketing communication. The PMS at the hotel should be capable of taking reservations online as well as feeding valuable customer information into a marketing database. A marketing objective for the hotel would be to drive online traffic direct to the hotel's website for bookings to be taken.
Although websites such as lastminute.com provide another distribution channel, they also resulted in reduced achieved rates and provided limited reservations over the pilot period (17 room nights over a three month period). The presence on lastminute.com does create the potential to reach more customers. However, shrewd customers that may have decided to stay at St Brides Hotel could find a lower rate than when dealing direct with the hotel.

An online booking trend shown by major international hotel chains, such as Hilton and Holiday Inn, has been to offer best Internet rate guarantees from their own branded websites. This reduces the likelihood of consumers using other online channels to make their reservation whilst ensuring that commissions paid to online booking agents are reduced. In essence, UK seaside hotels should invest in the technology to provide online booking and should always offer the lowest rate through direct distribution to compete effectively with alternative distribution channels.

7.10.9: People: Employees as Brand/quality messengers

The employees of St Brides Hotel act as another important area of the brand image. From the moment that a customer makes contact with the hotel the first impression creates a perception in the mind of customers as to the type of property and level of customer service they are likely to experience. Therefore the recruitment procedure should recognise that employees are the brand messengers, who need to provide exceptional service and fit with the style and design focus of the hotel. As brand messengers the visual aspect of employees is also reinforced through staff uniforms, which represent how a hotel respects their employees. A look that reinforces that relaxed, unstuffy, home from home atmosphere helps to reinforce the brand image.

Working towards Investors in People (IIP) has shown the importance of training and development in retaining employees and also ensuring that exceptional levels of customer service are delivered. By creating training plans for each member of staff with areas for improvement assists with consistently delivering high levels of customer satisfaction, which in turn helps to build customer loyalty.
7.10.10: Market-Led Pricing
Awareness of market pricing levels within the local area and nationally allows a hotel property to position itself in the mind of the customer, with the price creating a perception of expected levels of customer service and product quality. Although costs need to be taken into account, independent hotels price their accommodation product competitively whilst sustaining a customer perception of a quality product. In the case study hotel pricing was used for market positioning, with the room rates set higher in comparison to village (Saundersfoot) competitors, although not at the highest level when considering Pembrokeshire, where the Warpool Hotel acts as pricing market leader.

7.11: Target Customers
The third stage identifies target customers, shown in Figure 7.4. This section of the model is included to assist in the effective use of marketing tactics towards markets most likely to purchase UK seaside hotels product.

**Figure 7.4: Stage 3 Model Development**

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Tactics</th>
<th>Target customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partnership marketing</td>
<td>Packaged spa/activity</td>
<td>Double income no kids</td>
</tr>
<tr>
<td>Public relations</td>
<td>Domestic short break escape</td>
<td>Second holidays</td>
</tr>
<tr>
<td>Generate positive word of mouth</td>
<td>Empty nesters</td>
<td>Nostalgia seekers</td>
</tr>
<tr>
<td>Product development</td>
<td>Double income no kids</td>
<td>Corporate groups</td>
</tr>
<tr>
<td>Communications Technology</td>
<td>International rethink</td>
<td></td>
</tr>
<tr>
<td>Direct distribution</td>
<td></td>
<td></td>
</tr>
<tr>
<td>People at brand/quality messengers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exceptional customer service</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market-led pricing</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
7.11.1: Packages: Spa/Activity
Packages create a motive for visiting a hotel or surrounding area, suggested itineraries or packages give potential customers inspiration and make for a more appealing product offering. Packages can be formed with external partners such as sightseeing companies, e.g. Cambrian Routes, or activity centres, e.g. Pembrokeshire Water Sports, or internally with the provision of spa packages (including treatments, accommodation and healthy eating options) or alternatively painting or bridge master classes.

7.11.2: Domestic Short Break Escape
Domestic short break escape will continue to grow as people take shorter holidays more often to reduce the stresses of returning to work with a full email inbox and catching up to do. Holidays in the UK also allow customers to be on call if matters at work require them to return quickly. In Pembrokeshire, new visitors are discovering the area after tiring of Cornwall having found it over-developed and not providing the desired escape. The WTB Big Country campaign has been specifically targeting the domestic short break escape market which should benefit all Welsh hotels.

7.11.3: Empty Nesters
‘Empty nesters’ and ‘double income no kids’ (DINKIES) (see details below in Section 7.10.4) are strongly targeted market segments according to the WTB PR workshop attended by the KTP Associate in May 2004. Empty nesters often travel out of season, thus generating off-peak business. They particularly search for special offers, although they have money to spend they want to receive value for money. This market group is particularly worth looking after as it offers the potential for referral business to other family members and for family reunions. These were observed regularly at St Brides Hotel often with three generations of a family escaping for a short break together. Empty nesters were also found to take ‘missed-generation holidays’, where the grandparents take their grandchildren to the beach during holidays leaving the middle generation parents to stay at work.
7.11.4: **DOUBLE INCOME NO KIDS**
Lifestyles in the UK have changed with young couples waiting until later in their life to have children, resulting in an affluent generation with both partners working and limited expenses. They want to holiday together and are happy to pay a premium price to visit unusual and special destinations. Often this group chooses to take short break holiday frequently throughout the year.

7.11.5: **SECOND HOLIDAYS**
Lifestyles of target customers are changing towards taking shorter holidays more often with many potential consumers taking more than one holiday per year. The rise of the second holiday offers potential for UK seaside hotels that can offer this market a relaxing, peaceful escape destination for a short time period without the efforts and risk associated with overseas travel.

7.11.6: **NOSTALGIA SEEKERS**
UK seaside hotels have an opportunity to attract a market that can remember their own youth holidays spent at seaside resorts. However, as this market has aged and become more affluent the customers in this group enjoy retracing their past and educating their own children as to what the UK has to offer. Due to increased consumer exposure of quality hotel provisions the product has to match their rising expectations.

7.11.7: **CORPORATE GROUPS**
Individual corporate customers generally require accommodation during the traditionally, quieter times from Monday to Thursday. These customers often require a flexible hotel product offering, e.g. early breakfast or secretarial services, which should be available. Corporate guests are often future repeat guests who will be returning to the area regularly for business so care should be taken to gain and maintain customer satisfaction and their future business.

The conference market can be very lucrative as corporate groups often require accommodation and take all their meals within the hotel. The conference product should consider stationary requirements, seating,
audiovisual equipment as well as staff training needs, which would include the importance of punctual delivery on requests such as coffee breaks.

For incentive groups, ease of access through airports and motorways should be emphasised. Airlines should be aware of the importance of providing these guests with good service as the incentive groups perceive the whole package not just accommodation and dining but also activities and transport providers. For example, an experience during the current research was encountered with an incentive organiser who flew from London City to Swansea. She had her flight grounded in Cardiff and then was taken by bus to Swansea as the airline did not perceive it profitable to operate the plane on half load. This she found irritating and certainly it does not give a professional image of the total Welsh incentive product.

The expectations of corporate customer are often high due to their exposure to hotel properties throughout the world and if service standards are not maintained then this market will simply move to another hotel where they feel that they will be valued as customers whilst receiving the expected level of service.

7.11.8: INTERNATIONAL RETHINK

The winter sun break will continue to appeal to affluent target markets. However, increasingly during summer months consumers will decide to stay within the UK for their main summer holiday, especially those with families and those reluctant to travel due to international turmoil, which shows no sign of abating. Potential marketing communication messages could include:

- Forget about the jetlag;
- Palm trees, blue seas and sandy beaches without the air traffic control strikes;
- No waiting line at check-in;
- Loose your passport;
- Your bag will be here when you get here.
The message that Wales and its hospitality industry is convenient, safe to sample and also provides the desired environment for the holiday should be stressed. St Brides Hotel marketing team has worked to put over this message over the last two years.

7.12: HOTEL BENEFITS
Following a strategy of differentiation and targeting higher spending consumers through the tactics discussed above can involve considerable investment in financial terms, human resource management and take time to implement fully. However, the outcome is a marketing approach targeted to particular market segments which can be expected to be beneficial (Figure 7.5), improving profitability within the hospitality industry in Wales and Pembrokeshire as well as for the independent quality hotel such as St Brides Hotel.

![Figure 7.5: Stage 4 Model Development](image)

7.12.1: PROMOTION
By following the tactics above, UK seaside hotels will receive low cost but effective promotion, increasing both domestic and international consumer
awareness creating increased levels of demand. Customer loyalty will be reinforced. The careful use of PR, together with developing partnership agreements will help to generate industry prestige for the new breed of quality seaside hotels. PR will increase customer awareness as well as assisting with recruitment of high-calibre employees.

7.12.2: CONSUMER AWARENESS
Discussions by the KTP Associate with customers who had visited St Brides Hotel prior to the change in ownership found that a management approach existed where the customer did not count. They even checked to make sure that the hotel had come under new management before visiting again. However, the attention to quality through fine cuisine and customer service has resulted in the development of a base of loyal customers who talk about the hotel to their friends and family creating referral business through word of mouth promotion.

7.12.3: CUSTOMER LOYALTY
Focusing on the delivery of high quality dining and accommodation with exceptional levels of customer service will develop UK seaside hotels into a necessity tourist purchase for the targeted market segments, especially empty nesters and DINKIES. Customers will be encouraged to feel that they have to experience the hospitality and product offering so that, with continued delivery of high customer satisfaction, brand loyalty will be created.

7.12.4: CONTINUOUS PRODUCT INNOVATION
Continuous product innovation will make the brand more appealing and help to increase brand loyalty as customers want to feel that something has changed: that the product is fresh every time they return. The changing exhibitions of art at the Gallery at St Brides help to reinforce this freshness.

Monitoring customer satisfaction and listening to customer feedback has led to product developments taking place over the last two years, shown with menu and product offering improvements and packages created to increase
accommodation demand. It is anticipated that this process will continue even more rigorously in the future.

7.12.5: YEAR ROUND SEASON
The tactic of building packages will assist in increasing a year round season, especially facilities that provide visitors with options during wet weather. The spa hotel will provide this type of facility. However, substantial investment, upwards of £4 m. in product development is required.

7.12.6: INDUSTRY PRESTIGE
By gaining industry prestige and recognition, high quality independent hotels will benefit through increased referral business from national influencers, such as media and tourist boards. Industry prestige assists in employee recruitment with increased interest from potential employee's attracted to an employer with high levels of industry prestige. By attracting leading candidates from the hospitality industry the hotel is capable of delivering exceptional levels of customer service, which assists in building positive word of mouth promotion.

7.12.7: NECESSITY TOURIST PURCHASE
Seaside hotels will benefit from increased recognition by consumers that a UK seaside escape is seen as a necessary tourist purchase, reinforced by a presence in lifestyle publications and media. Word of mouth communication amongst consumer groups will establish the hotel and region (e.g. St Brides Hotel and Pembrokeshire) as a destination with relaxing and rejuvenating qualities and high quality product offering.
7.13: RESULTS
The marketing approach proposed in the model (Figure 7.6) will improve hotel profitability. This will be achieved by increasing annual occupancy through an improved product offering with the attraction of a spa facility creating year round demand and through product development of bedrooms, which will allow for higher room rates to be achieved. Targeting a more affluent customer will also impact on average spend within the restaurant with customers willing to pay for premium wines and enjoying premium priced fine dining, resulting in improved long-term profitability for UK seaside hotels.

7.14: EVALUATION OF RESEARCH METHODS
The typology introduced in Section 4.8.3 (Hart & Bond, 1995) has been used to evaluate the action research process within the current research. The research project has tended towards the professionalising and empowerment models. The educative base of the research empowered the KTP Associate/researcher to analyse and deeply understand a range of data with results presented formally towards a research degree. The action research
participant acted as a team member throughout the process and also took on
the role of researcher in order to develop the most appropriate marketing
strategy for St Brides Hotel. The problem focus for the action research was
clear as the researcher was employed, professionally as Marketing Manager
with the remit to develop marketing plans for the future growth of the hotel and
this acted as the focal point for the current research. An outcome of the
research will be viewed through organisational change with both the
researcher, Marketing Manager and Managing Director involved with the
future marketing activities for St Brides Hotel.

The research used a reflective process, with the researcher's thoughts
brought together over a two-year period and developed into the marketing
plan and research thesis. The Associate/researcher was considered to be
close to the case study hotel, although with a working week often in excess of
60 hours it became difficult to reflect from a distance through the role of
researcher. However, while this closeness allowed for depth of data it did
mean that reflexivity was not always used as extensively as might have been
appropriate. See Whyte (1993) for further discussion of researcher reflexivity
difficulties.

Information throughout the process was received from the Managing Directors
and Sales Director. This data was triangulated towards completion of
research with interviews held within the last three month's of writing. The
timing of these interviews allowed for any queries regarding the research to
be covered and allowed for data triangulation with the researcher's initial
findings being confirmed or corrected through the interview process.

A useful tool used for the duration of the research were the 'a-ha' diaries,
which were written on a daily basis, notes and ideas from everyday working
life. Patterns and trends were found particularly those relating to the
development of promotional material design, website planning, advert design
and ideas from brainstorming meetings for future offers. During a session
with the Sales Director (February 2003) ideas for a well-being themed St Davids Day break were generated and logged focusing on fresh air, relaxing,
choice of activities theme linked to Saundersfoot Chamber for Tourism events. The diaries allowed for ongoing data analysis, with ideas generated and then logged for future reference. For the first year of the research a dated diary was used yet the Associate found it difficult to separate this diary from his daily working planning diary. Therefore a different approach to the diaries was taken in the second year with a small pocket diary used for work planning/routines, and an undated A4 notebook used to form the ‘a-ha’ diaries. The Associate continues to keep a reflective diary despite the current research coming to a close and considers it a useful aid memoir for his busy working lifestyle.

The outcomes of the research offer areas for improvement to business operating procedures. Involvement from St Brides Hotel employees will be required to ensure that attention to exceptional customer service is given to customers helping to develop customer loyalty, required for future growth and profitability.

The relationship between researcher and facilitator was seen as a key to the success of the research. The close and normally daily interaction between researcher and Managing Director ensured that the researcher was aware of changes in the operating environment as well as allowed constant input from the Managing Director concerning the most appropriate marketing strategy and tactics for the case study hotel.

7.15: CONCLUSIONS
The aim of the research was to establish the most appropriate strategic approach available for an independent seaside hotel, which was found to be through a process of differentiation either across product or location lines. Niche markets have been explored with several identified in the proposed model including those with needs for packages based around specific activities such as painting, fine dining or spa facilities. Key marketing concepts were considered within the literature review. These findings were tested and presented within the case study chapter 6 showing that key tactics
would include PR, product development, direct distribution and training employees to deliver exceptional customer service. Marketing research was utilised to complete the objectives with internal and external sources providing a high depth of data, which was analysed and then included if appropriate within the marketing model. Measurement of the implementation of the marketing approach used key performance indicators within the hotel industry including average occupancy and room rate as well as average expenditures within the restaurant and bar.

If seaside hotels are going to survive they are required to follow the marketing idiom of providing the product or service required by the potential customer. In the case of Welsh hotels, in particular St Brides Hotel in Pembrokeshire, this has necessitated high expectation concerning product quality and service delivery. The marketing model (Figure 7.2) is appropriate for similar properties in equivalent tourist destinations within the hospitality industry.

Considerable investment is required in providing the right product with appropriate quality service. With the aid of WDA, WTB and partnership agreements promotions costs can be made to be more manageable. Pricing strategy has to match consumer expectation with competitor pricing and provide a reasonable profit to enable further investment in the marketing mix elements, particularly product development. Channels of distribution selection currently favours being kept in-house as agents do not usually provide value for money with their higher commission taken.

Ultimately, this marketing strategy is expected to be the successful route for much of the hospitality industry in seaside resorts, especially in Wales.

7.15.1: REFLECTIONS OF KTP
The KTP programme provided an opportunity to work on action research. The two-year project presented an opportunity for the researcher to take a role within the management team of St Brides Hotel as marketing manager with significant involvement in operations of the hotel and restaurant. This allowed observational research of customers and successful marketing tactics
whilst gaining a deeper understanding of the business. The data collected was considered to have high richness over other forms of research where the depth of research material may not have been able to be sourced due to the close involvement and contact with other members of the management team.

The KTP provided other benefits. Employees of the case study hotel recognised the importance of the hotels development through the professionalism of the programme. Employees considered that if a high calibre graduate considered St Brides Hotel to be worthy of commitment to the development then the whole business was taken more seriously than it may otherwise have been. The Associate and Managing Directors of the company were able to use the academic experts from UWIC on a consultant basis asking questions and receiving advice on subjects including branding, customer relationship management, employee training and IT requirements. The KTP should be considered to be an extremely valuable scheme. The Associate receives rapid exposure to a demanding hotel business environment, support from academics and the opportunity to complete a post-graduate research degree. The company receives support in developing the Associate, in recruitment of high calibre candidate to their team for a two-year period whilst for the academic institutions the KTP allows access into a leading small business and provides academics with potential for using the business as a case study for teaching or for research papers.

7.16: LIMITATIONS OF RESEARCH
The current research does have some limitations in that the results are based on only one case study hotel, therefore the generalisability of all recommendations presented in the marketing model has not been proved. Due to the similarities of many seaside resorts within the UK it is envisaged that some of the proposed marketing strategies and tactics would be beneficial to similar boutique, seaside hotel properties.

There were issues of confidentiality and these impacted upon the measures for success used within this research. Within Chapter 5 performance of
individual departments including restaurant, bar and banqueting were presented, it was not possible to present a total business profit and loss account due to limited access to these documents. However the breakdown in performance does give a good indication as to the success of the marketing approach used during the two-year project, with growth showing in many areas.

The research process has presented complexities including a high level of input from the owner who was instrumental in developing the research topic. However, it is considered that the methodological process ensured reliable findings for the case study hotel. The model requires further testing on alternative seaside properties before a generalisation of findings can be determined.

7.17: RECOMMENDATIONS FOR FURTHER RESEARCH

The validity of the research process could be further strengthened through similar studies and methodology in other case study hotels. For example, independent seaside hotels in other UK destinations such as Cornwall and Devon. The research methodology could be extended to include other international markets, such as the west coast of France and parts of coastal Italy, which suffer from seasonality constraints.

Alternative marketing approaches not requiring financial backing could also be investigated with potential for function and event hotels, solely targeting weddings, as financial resources may not always be available for UK seaside hotels to develop the product offering.

Further research of consumer perception towards journey times would prove useful for hospitality operators, particularly those in rural locations. Finding tactics to convert consumers perception of travel time over reality could be beneficial.

The research identified the destination lifecycle as a useful tool for marketers, further research could identify the stage of relaunch within the lifecycle for
destinations succeeding in reversing decline, combined with the current research to develop outcomes similar to those of Buhalis (2000) which include tourism impacts and marketing responses.

Seasonality of demand remains a challenge for UK seaside hotels, it is unlikely that the balance will ever be achieved. Further research into potential 'low season' markets, such as corporate groups and analysis of appropriate low season pricing without effecting the quality image of the hotel.
REFERENCES


  Newton Abbot, Pevensey Press.

Alford, P. (1999) ‘Database marketing in travel and tourism’, Travel and 
  Tourism Analyst, No. 1.


  Supplement, June, pp. 20-21.


  PWS-KENT.

  theory and methodology and the tourism industry: a non-technical discussion’, 


Barrow, B. (2003) ‘Short trips replacing traditional holidays’, Telegraph, 


  news.bbc.co.uk/1/hi/wales/3304787.stm, 10 December.


196


Fleet, M. (2004) 'Rick Stein forced to ditch £6.5m seaside hotel plan', Telegraph, 01 May, telegraph.co.uk.


Gummesson, E. (1991) 'Qualitative methods in management research', Bickley, Bromley, Chartwell-Bratt and revised ed. Sage, Ch. 5, pp. 135-177 & Ch. 6, pp. 178-192.


Marinova, A., Murphy, J & Massey, B.L. (2002) 'Permission e-mail marketing as a means of targeted promotion,' *Cornell Hotel and Restaurant Administration Quarterly*, February, p. 61.


Select Committee on Welsh affairs (2003) 'Wales in the world: the role of the UK government in promoting Wales abroad', First report.


Appendix 1: Eton Collection Email Communication

From: <eton@theetoncollection.com>
Sent: 25 June 2004 13:20:50
To: "tonystone25@hotmail.com" <tonystone25@hotmail.com>
Subject: Exclusive VIP Packages from The Eton Collection

Welcome to the Eton Group

Beautiful Suites and Luxurious Treats

This Summer The Eton Collection has put together some special VIP weekend packages. Each of our five luxury hotels have created an exclusive offer available each weekend through 26 September, giving you some of the very best rooms, amenities and services available.

Quebecs - Leeds, West Yorkshire £195 per night. Stay in one of our Sweet Suites and receive an ice cold jug of Pimms and lemonade at arrival, a cheese tray and two glasses of Vintage Port in the evening and choice of Continental or Full English breakfast in the morning. VAT included. BOOK NOW

The Colonnade - Little Venice, London £174 per night. Relax in a Studio Suite and indulge with a ½ bottle of chilled white wine and fresh English strawberries upon arrival as well as choice of Continental or Full English breakfast in the morning. VAT included. BOOK NOW

The Academy - Bloomsbury, London £180 per night. Enjoy both the excitement of the West End and the tranquillity of our private gardens with a beautiful Georgian-style Suite. Guests enjoy an English Tradition with a Spanish twist, as the package includes an Afternoon Cream Tea taken in one of the beautiful gardens served with Scones and clotted cream as well as a glass of The Academy's Special White Sangria. Wake up to a Full English or Continental Breakfast in the morning. VAT included. BOOK NOW

The Glasshouse - Edinburgh, Scotland £295 per night. Casually survey the Edinburgh landscape from the private rooftop balconies of your spacious Suite whilst sipping Loire Rose and nibbling on a selection of summer fruit shortbread. Each Suite is named after a traditional Scottish whisky and a decanter of that very whisky is provided. Access to the exclusive two-acre rooftop garden is available during your stay, with views of Calton Hill and The Observatory. Full Scottish breakfast and VAT are included. BOOK NOW

Threadneedles - The City, London £300 per night. Experience London's most historic neighbourhood from your luxury one bedroom Suite. Guests are treated to their favourite drink of choice at arrival. At turn down you'll find chocolate dipped strawberries and our special his & hers bath menu- biscotti and a glass of cognac for him and rose petals in the bath and a glass of Champagne for her. Full English or Continental breakfast is included each morning. VAT included. BOOK NOW
Terms & Conditions: Offers subject to availability. Valid on Friday, Saturday and Sunday night stays through 26 September 2004. Rooms pictured are one of the rooms available in this package, but not necessarily the exact room you will stay in and different rates for other room types may be available- please enquire at time of booking.

To go directly to the Summer VIP Weekends page, Click Here
Appendix 2: St Brides Hotel Points of difference

- Stunning, contemporary hotel design
- Warm welcome
- Smiling, outgoing staff
- Panoramic sea view
- Great cuisine
- Home made cooking - desserts
- Free Japanese crackers and olives in bar
- Fresh (never-frozen) vegetables
- Pembrokeshire meat & poultry
- New art every 6 weeks
- Extensive wine list
- Extensive selection of wines
- Delivers good value for money
- Smoke-free environment with separate smoking area
- Fresh-ground premium coffee
- Large car park
## Appendix 3: Monthly Property Management System Report

**DAILY STATISTICS REPORT**

**ST. BRIDES HOTEL**

**Date: 20/07/2004 14:38:34**

### General Statistics

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rooms Total</td>
<td>710</td>
</tr>
<tr>
<td>Rooms Available</td>
<td>629</td>
</tr>
<tr>
<td>Room Occupancy</td>
<td>63.3%</td>
</tr>
<tr>
<td>Occupancy</td>
<td>49.2%</td>
</tr>
<tr>
<td>Child Occupancy</td>
<td>0.1%</td>
</tr>
<tr>
<td>Dinner Total</td>
<td>123</td>
</tr>
<tr>
<td>Breakfast Total</td>
<td>1358</td>
</tr>
</tbody>
</table>

### Arrival & Departure Statistics

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arrivals</td>
<td>12</td>
</tr>
<tr>
<td>Departures</td>
<td>16</td>
</tr>
<tr>
<td>Stay Overs</td>
<td>02</td>
</tr>
<tr>
<td>No Shows</td>
<td>08</td>
</tr>
</tbody>
</table>

### Sales By Room Type Statistics

<table>
<thead>
<tr>
<th>Room Type</th>
<th>Code</th>
<th>Rooms</th>
<th>Beds</th>
<th>Total Rooms</th>
<th>Room Nights</th>
<th>Bed Nights</th>
<th>Total</th>
<th>Acces</th>
</tr>
</thead>
<tbody>
<tr>
<td>TW Twins</td>
<td>TW</td>
<td>332</td>
<td>604</td>
<td>24371.00</td>
<td>21967.00</td>
<td>718</td>
<td>32471.00</td>
<td></td>
</tr>
<tr>
<td>DB Double</td>
<td>DS</td>
<td>66</td>
<td>142</td>
<td>782.00</td>
<td>682.00</td>
<td>16</td>
<td>948.00</td>
<td></td>
</tr>
<tr>
<td>D Double</td>
<td>D</td>
<td>231</td>
<td>409</td>
<td>16512.00</td>
<td>14982.00</td>
<td>38</td>
<td>17890.00</td>
<td></td>
</tr>
<tr>
<td>FAM Family</td>
<td>FAM</td>
<td>43</td>
<td>153</td>
<td>3571.95</td>
<td>2923.95</td>
<td>8</td>
<td>4493.95</td>
<td></td>
</tr>
<tr>
<td>TS Twin</td>
<td>T5</td>
<td>32</td>
<td>79</td>
<td>2350.00</td>
<td>2076.00</td>
<td>5</td>
<td>2626.00</td>
<td></td>
</tr>
<tr>
<td>S Single</td>
<td>S</td>
<td>6</td>
<td>6</td>
<td>265.00</td>
<td>230.00</td>
<td>1</td>
<td>286.00</td>
<td></td>
</tr>
</tbody>
</table>

### Sales By Tariff Type Statistics

<table>
<thead>
<tr>
<th>Tariff Type</th>
<th>Code</th>
<th>Rooms</th>
<th>Beds</th>
<th>Total</th>
<th>Room Nights</th>
<th>Bed Nights</th>
<th>Total</th>
<th>Acces</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Rate</td>
<td>COR</td>
<td>53</td>
<td>53</td>
<td>26844.00</td>
<td>24369.00</td>
<td>59</td>
<td>53833.00</td>
<td></td>
</tr>
<tr>
<td>Bed &amp; Breakfast</td>
<td>BR</td>
<td>456</td>
<td>999</td>
<td>36233.40</td>
<td>33027.40</td>
<td>77</td>
<td>43960.80</td>
<td></td>
</tr>
<tr>
<td>Wedding Rate</td>
<td>WR</td>
<td>101</td>
<td>211</td>
<td>7687.75</td>
<td>6796.75</td>
<td>17</td>
<td>8484.50</td>
<td></td>
</tr>
<tr>
<td>Dinner Bed &amp; Breakfast</td>
<td>DBB</td>
<td>84</td>
<td>123</td>
<td>6626.00</td>
<td>5152.00</td>
<td>14</td>
<td>7188.00</td>
<td></td>
</tr>
<tr>
<td>Group Complimentary Bookings</td>
<td>GCM</td>
<td>6</td>
<td>6</td>
<td>0.00</td>
<td>0.00</td>
<td>0</td>
<td>0.00</td>
<td></td>
</tr>
</tbody>
</table>

### Tariff Revenue Statistics

<table>
<thead>
<tr>
<th>Tariff Revenue</th>
<th>E 58597.18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Room Revenue</td>
<td>E 49441.16</td>
</tr>
<tr>
<td>Average Rate</td>
<td>E 68.18</td>
</tr>
<tr>
<td>Room Nights</td>
<td>710</td>
</tr>
<tr>
<td>Bed Nights</td>
<td>1388</td>
</tr>
<tr>
<td>Average Room Rate</td>
<td>E 34.68</td>
</tr>
</tbody>
</table>

### Sales By Booking Type Statistics

<table>
<thead>
<tr>
<th>Booking Type</th>
<th>Code</th>
<th>Rooms</th>
<th>Beds</th>
<th>Total</th>
<th>Access</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate</td>
<td>F</td>
<td>33</td>
<td>34</td>
<td>1707.50</td>
<td>1571.50</td>
</tr>
<tr>
<td>Agency</td>
<td>J</td>
<td>74</td>
<td>186</td>
<td>8499.10</td>
<td>4920.10</td>
</tr>
<tr>
<td>Chorus</td>
<td>N</td>
<td>55</td>
<td>126</td>
<td>4058.00</td>
<td>4002.00</td>
</tr>
<tr>
<td>Process</td>
<td>C</td>
<td>388</td>
<td>724</td>
<td>30748.86</td>
<td>27018.86</td>
</tr>
<tr>
<td>Wedding</td>
<td>W</td>
<td>106</td>
<td>216</td>
<td>7027.75</td>
<td>7019.75</td>
</tr>
<tr>
<td>Group</td>
<td>G</td>
<td>15</td>
<td>27</td>
<td>1146.00</td>
<td>822.00</td>
</tr>
<tr>
<td>Group 2</td>
<td>I</td>
<td>37</td>
<td>76</td>
<td>3630.00</td>
<td>3203.00</td>
</tr>
</tbody>
</table>
APPENDIX 4: CLIFF RESTAURANT MENU

Cream of Mushroom Soup £5.50
Smoked Haddock Omelette, Tomato Fondue £5.00
Chicken Liver Parfait with Red Onion Marmalade £5.75
Prawn and fine Herb Risotto with Sweet Chilli Dressing £6.50
Boné and Roasted Mackerel with Tomato Salsa £5.50
Marinated Duck Breast Wok fried with Mange Tout and Baby Corn £6.00
Chilled Melon with Strawberry Crush £5.50
Smoked Salmon with a Niçoise Salad £6.00
Mussels with Pernod and Saffron Cream £6.50
Manorbier grown Asparagus Hazelnut dressing and a Goats Cheese Croute £6.50

Fresh Halibut on roasted Peppers and Chick Peas with Chive Oil £16.50
Lemon Sole with Buttered Cocotte Potatoes £18.00
Green Pepper and Parmesan Polenta with Roasted Vegetables £13.50
Sun Dried Tomato Risotto with Tagliatelle Vegetables and Pesto £14.00
Pork Tenderloin wrapped in Pancetta and Sage with Saffron Potatoes and Roasted Leeks £18.00
Local Fillet of Beef with Pommes Pont Neuf and Sauce Béarnaise £21.50
Seared Chicken breast on warm Beetroots with a Rosemary Jus £16.50
Welsh Spring Lamb Rump on Thyme infused Cous Cous with a Roasted Tomato and Red Onions £19.50
Darne of local line caught Sewin with strips of Leeks and Pancetta £19.00
Whole roasted Black Bream with sautéed Green Vegetables £18.50

Warm Chocolate Fondant
Bramley Apple Pannacotta with Blackberry Mille Feuille
Nut Fudge Filo Tart with Cider Sorbet
Dark Chocolate and Honeycomb Parfait with Orange Syrup
Warm Treacle Tart with Glayva Cream
Trio of Brulée with Blueberry Coulis
Hot Black Cherry Pancakes with Double Cream Ice Cream
Carved Fruit Pavlova, with a Schnapps Smoothie
Sticky Toffee Pudding with Clotted Cream
All deserts £6.00

A selection of Fine Welsh and Continental Cheeses £7.00
<table>
<thead>
<tr>
<th>Starters</th>
<th>£</th>
<th>Mains</th>
<th>£</th>
<th>Sandwiches</th>
</tr>
</thead>
<tbody>
<tr>
<td>Soup of the Moment</td>
<td>5.0</td>
<td>1 lb of Dublin Bay Mussels served with either</td>
<td>9.5</td>
<td>Served on either Focaccia or Ciabatta and filled with a choice of:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Chilli, Coriander and Lime Marinara Sauce</td>
<td></td>
<td>Fresh local Crab and Coriander in Lemon Mayonnaise</td>
</tr>
<tr>
<td>Teriyaki Marinated King Prawns</td>
<td>8.5</td>
<td>Classic Caesar Salad topped with a grilled Chicken Breast</td>
<td></td>
<td>Classic BLT</td>
</tr>
<tr>
<td>on Wok fried Chinese Leaves</td>
<td></td>
<td>Locally caught Crab and Vanilla Risotto with Lemon Oil</td>
<td>10.5</td>
<td>Roast Beef with Wholegrain Mustard</td>
</tr>
<tr>
<td>Melon with Carmarthen Ham</td>
<td>5.0</td>
<td>Seared Salmon supreme on Salad Niçoise</td>
<td>11.0</td>
<td>Tomato and Buffalo Mozzarella with Basil Pesto</td>
</tr>
<tr>
<td>Eggs Benedict</td>
<td>6.0</td>
<td>Box Sirloin Steak with Tomato, Mushroom and Fries</td>
<td>12.0</td>
<td>Mediterranean Vegetables with Balsamic Dressing</td>
</tr>
<tr>
<td>Smoked Salmon platter</td>
<td>6.5</td>
<td>Home-made Fish Cakes on Buttered Leeks with a Mustard Sauce</td>
<td>9.5</td>
<td>Lightly smoked Bacon with Brie</td>
</tr>
<tr>
<td>Spinach, Olive &amp; Sundried Tomato</td>
<td>5.0</td>
<td>Oven Baked whole Lemon Sole with New Potatoes</td>
<td>13.5</td>
<td>Prawns in a Marie Rose Sauce</td>
</tr>
<tr>
<td>Bruchetta with extra virgin Olive Oil</td>
<td></td>
<td>Stir-fried Chilli Beef Fillet with Noodles and Bok Chol</td>
<td>12.0</td>
<td>Home Cooked Ham with Onion Marmalade</td>
</tr>
<tr>
<td>Side Orders</td>
<td></td>
<td>Pork and Chive &quot;Bangers and Mash&quot; with Caramelized Onion Jus</td>
<td>9.0</td>
<td>Coronation Chicken with Lime Juice</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Freshly baked crusty bread is served with the above dishes</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Hand Made 7oz Burger on a Floured Bap served with Chips and Salsa</td>
<td>8.5</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>With Bacon</td>
<td>1.0</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>With Cheese</td>
<td>1.0</td>
<td></td>
</tr>
</tbody>
</table>

**Focaccia**: Italian olive-oil bread, seasoned with Sundried Tomatoes, Olives & Rosemary.

**Ciabatta**: A loaf of moist, soft Italian bread made with olive oil.
APPENDIX 6: DETAILS OF FINANCIAL ASSISTANCE IN RESPONSE TO FOOT AND MOUTH OUTBREAK

Direct assistance
Rate Relief......................................................... £1,234,000
Tourism Marketing Grants (see below)........................ £435,000
Hardship Grants (see below).................................... £522,000

Indirect Assistance
Tourism Marketing............................................. £118,000
Agri food initiatives........................................... £45,000
Ireland Marketing Group (see below)....................... £26,500
Eisteddfod Marquee............................................ £8,000
Food initiative................................................... £31,500
Arts and Crafts publications............................... £15,000
Euro Opportunities............................................ £5,000
Book keeping initiative...................................... £15,000

Foot and Mouth Tourism Marketing grants awarded by Pembrokeshire County Council - August 2001

- Stena Line.................................................. £94,600
- Irish Ferries.................................................. £50,000
- Oakwood Leisure.......................................... £50,000
- Coastal Cottages.......................................... £40,000
- Folly Farm................................................... £40,000
- Warpool Court Hotel...................................... £40,000
- St Brides Hotel............................................. £40,000
- St Nons Hotel.............................................. £26,000
- Frank B Mason............................................. £26,000
- Activity Wales............................................. £26,000
- SA Marketing............................................... £13,000
- PKP Leisure................................................ £13,000
- J and P Rees, Portfield Gate........................... £13,000
- Jalna Hotel, Saundersfoot.............................. £13,000
- Festival of the Countryside............................. £500

Source: freespace.virgin.net/oldgrumpy.mike/FootandMouth2.html
## APPENDIX 7: PR PLAN 2002-2004

<table>
<thead>
<tr>
<th>Date</th>
<th>News</th>
<th>Media type</th>
</tr>
</thead>
<tbody>
<tr>
<td>May</td>
<td>Cliff &amp; Mermaid</td>
<td>Good Food Guide entry</td>
</tr>
<tr>
<td>June</td>
<td>Golf package</td>
<td>Bunkered Golf, Golf Weekly, Golf World, WTB</td>
</tr>
<tr>
<td></td>
<td>Proms in the Park</td>
<td>Local &amp; Regional media</td>
</tr>
<tr>
<td></td>
<td>Group travel organiser</td>
<td>Groups, packages, activities</td>
</tr>
<tr>
<td></td>
<td>Cliff Restaurant – Fish Week</td>
<td>BBC Good Food, Wales regional</td>
</tr>
<tr>
<td></td>
<td>New featured artist – David Gould</td>
<td>Art review, Galleries, Tenby Observer</td>
</tr>
<tr>
<td>July</td>
<td>Pembs in Autumn &amp; winter Christmas teaser</td>
<td>20 best seaside hotels, Autumn Escapes</td>
</tr>
<tr>
<td></td>
<td>Pembs...Drivers county, with photo's of road</td>
<td>AA magazine, Car manufacturers magazine</td>
</tr>
<tr>
<td>August</td>
<td>Missed generation hols</td>
<td>More, over50s.com</td>
</tr>
<tr>
<td></td>
<td>Art Masterclass</td>
<td>Leisure painter, Art Review, local and regional press, WTB</td>
</tr>
<tr>
<td></td>
<td>Winter destination</td>
<td>Rugged, raw, terrain, rough seas, wind swept beaches, invigorating, refreshing, find yourself, all you need is a jacket, not cold, roaring sea</td>
</tr>
<tr>
<td>September</td>
<td>Short break winter offer</td>
<td>Web, WTB, national press</td>
</tr>
<tr>
<td></td>
<td>Dylan Thomas weekend</td>
<td>Ninnau, WTB, national press..hmm don't know if demand?</td>
</tr>
<tr>
<td>October</td>
<td>Xmas / NY Saundersfoot events</td>
<td>Local and regional media, S4c, BBC, Council, WTB</td>
</tr>
<tr>
<td>November</td>
<td>Xmas market</td>
<td>Regional and national press, WTB, TIC</td>
</tr>
<tr>
<td>December</td>
<td>NY Celebrations</td>
<td>Regional and national press, WTB, TIC</td>
</tr>
</tbody>
</table>
Art at its best

The Gallery at St. Bride's, Saundersfoot, is pleased to exhibit the work of Philip Nicol and David Gould, from today (Friday) until July 31.

Philip Nicol has had work included in the British Art Show (a survey of the best of contemporary art), and has exhibited widely in Britain and Europe.

Since 2000, Philip has been, in successive years, both runner-up and gold medal winner in fine art at the National Assembly and the National Museum of Wales and has also had solo exhibitions in Cardiff, Swansea and Brussels.

Philip’s paintings are sensual, seductive, yet anxious and disturbing. Picturing urban spaces that seem all to familiar, he transforms them into dreamlike places of uncertainty and disquiet.

David Gould graduated from the Royal College of Art in 1972 and has taught at Cardiff and other colleges of art. He has continued to practice as a fine artist and exhibited regularly at many galleries, including Cardiff and London.

He is now director of the foundation course in art and design at the University of Wales Institute, Cardiff.

David’s painting is concerned with light, colour and a contemplative response to nature, including directly observed studies of landscape and still life.

He also loves to experiment with new methods and materials, including a strong interest in the casting of hand-made paper in low relief and the incorporation of photocopied and digitally manipulated imagery.

Visit the Gallery at St. Bride’s for the very best in Welsh contemporary art in a superb setting. The fine collection of art complements the stunning panoramic views over Carmarthen Bay.
APPENDIX 9: GARDEN PARTY PROPOSAL

Considering St Brides location and identity as one of Pembrokeshire’s most prestigious venues, we feel that a weekly outdoor event will be beneficial to the profile of the hotel.

Although this event may not be the most profitable, it will certainly set us apart from other venues and offer a unique social event. The publicity and reputation that we will gain will be of long-term benefit to the hotel.

Who?
- Local corporate companies to entertain their key clients
- Local professionals
- Local Foodies
- After work groups
- SB database
- Local affluent set
- In-house SB Guests
- Retired Couples
- Wine Connoisseurs
- Jazz Lovers
- Art enthusiasts
- Up Market Holiday Makers

When?
The event will commence at 6.30pm - dusk every Wednesday throughout June, July & August 2004. This will coincide with better weather and higher levels of potential customers. The Dolphin, St Issels and Gallery Bar will be required as back up should the weather fail us.

Food?
Outdoor cuisine featuring local seafood is suggested, such as a Welsh Paella and Barbecued Sardines. A chef cooking outdoors is a great visual aid to the event. These suggestions are to be discussed with Chef.

Drink?
A welcome drink such as Bucks Fizz or Pimms will set the tone. This could be included in the price.

Entertainment?
A Live Jazz Trio/ Folk Group we estimate will cost £200 p/w.

Price?
We suggest £17.50 approximately pp to deter BBQ set. This price can include a welcome drink.

How many?
The event needs to be fairly exclusive and seating on the terrace only allows 40. Therefore, with Dolphin & St Issel’s overspill and standing space we would welcome a maximum of 75 guests.

Promotion?
- What’s On Listings: - SB Newsletter
  - Press release
  - Western Telegraph
  - Tenby Observer
  - South Wales Evening Post
  - Radio Pembrokeshire
  - Real Radio
- Newspaper Flyer Inserts
- Flyer door drops to upmarket residencies
- Flyer inserts in Mermaid/Cliff Restaurant Bill Folders
- In room flyers
- Reception notice
- Garden entrance menu and dress code notice
- Co-promotion by Chamber of Tourism/WOW Members

**Sponsorship?**
James Williams, S A Brains, Becks and Absolut Vodka can sponsor wine & beer promotions such as buy two glasses and have the bottle free.

Our seafood suppliers may want to support us with the venture if we offer branding opportunities.

**Advertising?**
Tony & Paula to meet with Radio Pembrokeshire & Real Radio with suggestion of contra deal rather than paying for airtime! This will mean that they will be quoted rack for bedrooms & room hire for management away days etc. F&B costs will have to be paid for by them, but their rooms revenue can be exchanged for airtime. A similar suggestion can be put to newspapers.

**Launch Party!**
Local Celebrities and the Who’s Who of Pembrokeshire should be invited. Local Journalists, Radio Presenters, Chamber & WOW members plus Key Clients will be invited followed by press release the following day for extra publicity. A close up magician will be a novelty to entertain guests in small groups.

**Predicted Revenue**

<table>
<thead>
<tr>
<th>Description</th>
<th>Revenue (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>60 pax x £17.50</td>
<td>£1050</td>
</tr>
<tr>
<td>60 pax x £4.50 drinks spend</td>
<td>£270</td>
</tr>
<tr>
<td><strong>Less entertainment</strong></td>
<td>- £200</td>
</tr>
<tr>
<td>Comp welcome drink @ £2.50 x 60</td>
<td>- £150</td>
</tr>
<tr>
<td><strong>Total Costs</strong></td>
<td>£350</td>
</tr>
<tr>
<td><strong>Total Revenue Per Week</strong></td>
<td><strong>£970</strong></td>
</tr>
</tbody>
</table>
APPENDIX 10: WOW PARTNER INFORMATION

Fourcroft Hotel
Dedicated conference accommodation and 'state of the art' equipment. Relaxing, refreshing 'down time' on the tranquil side of Tenby's medieval walled town, overlooking it's old fishing harbour and Blue Flag North Beach (access via hotel's private gardens). Attentive, skilled and helpful full service support - Investors in People – Wales Quality Awards Tourism Prize Winner 2001.

Pembrokeshire Watersports
This secluded waterfront location has a stunning panorama of Britain's only coastal National Park. One of Britain's premier water-sports centres, providing a wide range of water-sports and adventure activities. Spacious, attractive, well resourced with budget on site accommodation for residential conferences, meetings and training events.

Picton Castle
In the heart of Pembrokeshire this fine 13th Century Castle, the home of the Philipps family for over 450 years, is set amongst 40 acres of stunning woodland gardens including a beautifully restored Walled Garden. Picton Castle will provide you with a unique, tranquil and picturesque setting for that special conference or event, however large or small with the added benefit of being able to wander through the gardens or go on a guided tour of this historic castle.

TYF Hotel
18th Century Grade II listed Tyr - y - Felin is Britain's best known privately owned adventure provider and home to Pembroke Management Development Company. Relaxed invigorating refreshing learning and events with on site activities with the main teaching room in the base of the windmill tower. Located in St David's 'The Smallest City' and within minutes of some of the best beaches in the UK.

PRP Training
Non residential conference facility within the old convent building, located in Pembroke Dock convenient for the Port of Pembroke and Irish Ferry port. Suitable for training events and small meetings, there is also a fully equipped computer training room available on request.

Plas Hyfryd Hotel
Georgian Mansion situated in the centre of the thriving market town of Narberth with a la carte restaurant. Suitable for all types of meetings, the ambiance is relaxed and warm. A marquee is available on site catering for up to 200 people. The hotel is suited for both small board meetings to larger events such as product launches.
Slebech Park
An imposing 18th century coach house which has long dominated the sky line on the Slebech Park Estate in Pembrokeshire will soon be given new life as the home of an exceptional residential meetings facility catering exclusively for small business, sporting and leisure groups. The £4 million pound refurbishment project is the result of three years careful planning to combine 900 years of tradition with the best in 21st century comfort and design within heritage buildings.

St Brides Hotel
Located on the cliff top overlooking the fishing village of Saundersfoot, St Brides Hotel will meet your needs for incentive meetings and conference events. Our boardroom suits smaller meetings whilst the Cliff, renowned for its fine dining and naturally flooded with daylight, can be used for larger conferences or banquets. The Gallery at St Brides features Welsh contemporary art and provides stimulation and inspiration for your delegates.
St Brides in peaceful Pembroke

Win a two-night stay with bed and breakfast at St Brides Hotel in the natural welsh wilds of Pembroke shire. Here is a driver’s paradise of empty roads that wind and twist towards the UK’s most spectacular coastal setting. Pembroke shire has only four sets of traffic lights and the UK’s only coastal National Park. Visit Harberton and wander round the Millhouse on the Bank Lane, a fabulous antique shop. Move on to explore the castle at Nevern, or out at Manorbier, a two-mile stretch of beach that deserves either a stop to take the plunge or for a lunch break at the Dulla of St Davids pub.

St David’s is the UK’s smallest City with the biggest most spectacular cathedral. A visit to the cathedral is a perfect way to spend an afternoon for those with an interest in architecture. St Brides Hotel affords great views over Carmarthen Bay and provides a great base for a driving break on this dramatically rocky coastline, close-by to St Brides Hotel the famous Saundersfoot incline is waiting to be discovered. Enjoy a two-night stay in Pembroke shire and get behind the wheel to explore this unspoilt region. And enjoy a peaceful break.

In addition, winners also receive two tickets to visit The Garden Of Wales, National Botanic Gardens and two adult day passes to Heatherton Country Sports Park where you can take part in archery, clay pigeon shooting and crazy golf. Send your name and address on a postcard to M&B St Brides Break, Britannia House, 21 Bloxton Street, Brighton BN1 4DE to reach us by 30 January. The break can be taken any time in February or March, excluding 12 to 15 February.

For details tel: 01934 812504 or visit www.stbrideshotel.com
APPENDIX 12: ST BRIDES HOTEL PROMOTIONAL EMAIL

From: Tony Stone [mailto:Marketing@stbrideshotel.com]
Sent: 19 June 2003 16:34
To: ihayes@hotmail.com
Subject: Autumn Escape in Pembrokeshire

Dear Mr Hayes,

Visit Pembrokeshire for your Autumn Escape...

At this time of year the roads are quiet and Welsh hospitality exceptional. Pembrokeshire is a refreshingly tranquil place where you can wander along deserted beaches and see surf, seals, seagulls and some of the finest coastal scenery in the UK.

SPECIAL OFFER: Three nights bed and breakfast for the price of two

Double or twin room: £60 per room per night
Double or twin suite: £95 per room per night

This offer is based on two people sharing and is subject to availability. Offer valid until 23rd December 2003. This rate is only available for stays of three nights or more.

We look forward to welcoming you to St Brides Hotel this Autumn.

Yours sincerely,

Tony Stone
Marketing Manager

W: http://www.stbrideshotel.com
E: marketing@stbrideshotel.com
T: 01834 812304
F: 01824 811766

This e-mail is confidential and intended solely for the use of the individual(s) to whom it is addressed. Any views or opinions presented are solely those of the author, and do not necessarily represent those of St Brides Hotel or On the Shore restaurants Ltd. If you are not one of the intended recipients, be advised that you have received this e-mail in error and that any use, dissemination, forwarding, printing, or copying of this e-mail is strictly prohibited. Although St Brides Hotel believes this e-mail and any attachments are free of any virus or other defect which may affect a computer, it is the responsibility of the recipient to ensure that this email is scanned for viruses. St Brides Hotel does not accept any responsibility for any loss or damage arising in anyway from its use.
Dear Mr Hayes,

Visit Pembrokeshire for your Autumn Escape...

At this time of year the roads are quiet and Welsh hospitality exceptional. Pembrokeshire is a refreshingly tranquil place where you can wander along deserted beaches and see surf, seals, seagulls and some of the finest coastal scenery in the UK.

**SPECIAL OFFER: Three nights bed and breakfast for the price of two**

Double or twin room: £60 per room per night  
Double or twin suite: £95 per room per night

This offer is based on two people sharing and is subject to availability. Offer valid until 23rd December 2003. This rate is only available for stays of three nights or more.

We look forward to welcoming you to St Brides Hotel this Autumn.

Yours sincerely,

Tony Stone  
Marketing Manager

W: [http://www.stbrideshotel.com](http://www.stbrideshotel.com)  
E: [marketing@stbrideshotel.com](mailto:marketing@stbrideshotel.com)  
T: 01834 812304  
F: 01824 811766

This e-mail is confidential and intended solely for the use of the individual(s) to whom it is addressed. Any views or opinions presented are solely those of the author, and do not necessarily represent those of St Brides Hotel or On the shore restaurants Ltd. If you are not one of the intended recipients, be advised that you have received this e-mail in error and that any use, dissemination, forwarding, printing, or copying of this e-mail is strictly prohibited. Although St Brides Hotel believes this e-mail and any attachments are free of any virus or other defect which may affect a computer, it is the responsibility of the recipient to ensure that this email is scanned for viruses. St Brides Hotel does not accept any responsibility for any loss or damage arising in anyway from its use.
You and your guests are warmly invited to the

Private Viewing
with Canapés and Entertainment

Friday 17th October 2003  5.30pm to 8.30pm

For those guests who don't want to drive home
accommodation is available at £40 per room including breakfast

The exhibition continues until 31st October 2003
The Gallery at St Brides is open all day every day

Kindly RSVP by 14th October

The Gallery at St Brides, St Brides Hotel, Saundersfoot, SA69 9NH
T: 01834 812304  E: info@stbrideshotel.com  W: stbrideshotel.com
APPENDIX 14: CHANNELS OF DISTRIBUTION

[Diagram showing channels of distribution]

- Domestic leisure
- Weddings
- International
- Domestic
- Agency
- Direct
- Groups
- Corporate
### APPENDIX 15: SITE VISITS UNDERTAKEN

<table>
<thead>
<tr>
<th>Property name</th>
<th>Date of visit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plas Hyfred Hotel, Narberth</td>
<td>March 2002</td>
</tr>
<tr>
<td>Malmaison, Glasgow</td>
<td>June 2002</td>
</tr>
<tr>
<td>Fourcroft Hotel, Tenby</td>
<td>October 2002</td>
</tr>
<tr>
<td>TYF Hotel, St Davids</td>
<td>October 2002</td>
</tr>
<tr>
<td>Strand Palace Hotel, London</td>
<td>November 2002</td>
</tr>
<tr>
<td>Union Square Hotel, San Francisco</td>
<td>January 2003</td>
</tr>
<tr>
<td>W Hotel, San Francisco</td>
<td>January 2003</td>
</tr>
<tr>
<td>Langs, Glasgow</td>
<td>March 2003</td>
</tr>
<tr>
<td>Morgans, Swansea</td>
<td>March 2003</td>
</tr>
<tr>
<td>The Big Sleep, Cardiff</td>
<td>May 2003</td>
</tr>
<tr>
<td>Hurst House, Laugharne</td>
<td>August 2003</td>
</tr>
<tr>
<td>Penaly Abbey, Pembrokeshire</td>
<td>September 2003</td>
</tr>
<tr>
<td>Llangoed Hall, Welsh Rarebits</td>
<td>October 2003</td>
</tr>
<tr>
<td>Lake Country Hotel, Welsh Rarebits</td>
<td>October 2003</td>
</tr>
<tr>
<td>Warpool Court, St Davids</td>
<td>October 2003</td>
</tr>
<tr>
<td>Balmoral, Edinburgh</td>
<td>November 2003</td>
</tr>
<tr>
<td>Caledonian Hotel, Edinburgh</td>
<td>November 2003</td>
</tr>
<tr>
<td>Glasshouse, Edinburgh part of Eton Group</td>
<td>November 2003</td>
</tr>
<tr>
<td>St Martins Lane, London</td>
<td>November 2003</td>
</tr>
<tr>
<td>One Aldwych, London</td>
<td>November 2003</td>
</tr>
<tr>
<td>Copthorne Hotel, Kensington, London</td>
<td>November 2003</td>
</tr>
<tr>
<td>The Berkeley, London</td>
<td>November 2003</td>
</tr>
<tr>
<td>Bath Spa Hotel, Bath – Macdonald Hotel</td>
<td>December 2003</td>
</tr>
<tr>
<td>Royal Crescent Hotel, Bath</td>
<td>December 2003</td>
</tr>
<tr>
<td>Hilton Hotel, Cardiff</td>
<td>December 2003</td>
</tr>
<tr>
<td>The Scotsman Hotel, Edinburgh</td>
<td>February 2004</td>
</tr>
</tbody>
</table>

### Restaurants

<table>
<thead>
<tr>
<th>Restaurants</th>
<th>Date of visit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowdown and Quigleys Restaurant, Glasgow</td>
<td>June 2002</td>
</tr>
<tr>
<td>The Loft, Glasgow</td>
<td>June 2002</td>
</tr>
<tr>
<td>Bunker, Glasgow</td>
<td>June 2002</td>
</tr>
<tr>
<td>Stackpole Inn, Stackpole</td>
<td>May 2003</td>
</tr>
<tr>
<td>Boxwood Bistro, London</td>
<td>November 2003</td>
</tr>
<tr>
<td>Cinnamon Club, London</td>
<td>November 2003</td>
</tr>
<tr>
<td>Villager, Edinburgh</td>
<td>February 2004</td>
</tr>
</tbody>
</table>
APPENDIX 16: DYLAN THOMAS TOUR PROMOTIONAL EMAIL

From: Tony Stone [mailto:Marketing@stbrideshotel.com]
Sent: 19 June 2003 16:34
To: pat@freeserve.co.uk
Subject: Dylan Thomas Tour...

Dear Mrs Robertson,

This year is the 50th anniversary of the death of Dylan Thomas, the renowned Welsh poet who wrote such classics as Under Milk Wood (1953) and Eighteen Poems (1934). In recognition to this great poet St Brides Hotel is organising Dylan Thomas tours for groups this Autumn, which I thought members of the Fairford U3A would enjoy.

Depending on your requirements we can plan and deliver entertainment, transport, a personal guide who is a leading expert on Dylan Thomas and accommodation. Throughout your stay at St Brides hotel you would dine in the Cliff Restaurant which uses the very best seasonal produce to create modern cuisine and should you wish we can put on a gala dinner with traditional Welsh entertainment and Dylan Thomas readings.

As part of the tour you visit Laugharne where Dylan lived in the Boat House, New Quay where he lived in 1944/5 and Fishguard where Under Milk Wood was filmed. A trip to the Dylan Thomas Centre in Swansea can be included as part of your itinerary.

I hope a Dylan Thomas tour would interest you and your group, if so please give me a call on 01834 812304 or email marketing@stbrideshotel.com and I would be very happy to discuss your requirements.

I look forward to hearing from you.

Yours sincerely,

Tony Stone
Marketing Manager

W: http://www.stbrideshotel.com
E: marketing@stbrideshotel.com
T: 01834 812304
F: 01824 811766

This e-mail is confidential and intended solely for the use of the individual(s) to whom it is addressed. Any views or opinions presented are solely those of the author, and do not necessarily represent those of St Brides Hotel or On the shore Restaurants Ltd. If you are not one of the intended recipients, be advised that you have received this e-mail in error and that any use, dissemination, forwarding, printing, or copying of this e-mail is strictly prohibited. Although St Brides Hotel believes this e-mail and any attachments are free of any virus or other defect which may affect a computer, it is the responsibility of the recipient to ensure that this email is scanned for viruses. St Brides Hotel does not accept any responsibility for any loss or damage arising in anyway from its use.
APPENDIX 17: INTERVIEW: MANAGING DIRECTOR, MR. ANDREW EVANS, ST BRIDES HOTEL

1. Managerial responsibility

Please explain your managerial level responsibilities at St Brides Hotel, Saundersfoot.

As the owner/managing director total accountability and responsibility for the past present and future development of the hotel.

What links do you have with other hospitality businesses in Saundersfoot?

We have the Mermaid Restaurant in Saundersfoot, which is our other part of On the Shore Restaurants Ltd. A family dining seafood restaurant for the popular market. It used to be for tourists, now a year round, quality business for fresh seafood and fish and chips.

In particular, what is the link between management at St Brides Hotel and the Mermaid on the Strand restaurant, Saundersfoot?

The management structure has joint managing directors, myself and my wife Lindsay. We operate the company as a hotel company with 2 restaurants with Lindsay taking day to day and operational responsibility for the Mermaid with my support and I take day to day and operational responsibility for St Brides Hotel with Lindsay’s support especially on the admin side.

Do you have any other managerial involvement in other hospitality businesses or organisations in and around Saundersfoot?

No managerial involvement.

2. Business development

What is your personal involvement in supporting business development in:

- South Wales

Wales as a whole as a board member of the British Hospitality Association [BHA], we have quarterly meetings with the Chief Executive of the BHA which involves current issues regarding the hospitality industry and professional awareness. I am also a member of HCIMA, although I don’t take an active role in this, only by membership.

The benefits of this involvement are the kudos to the establishment as people are aware of the property as a professional organisation also the feedback and support we get from the BHA in terms of legal aspects and lobbying issues with government. We have also other benefits such as reduced
insurance, negotiated rates etc. As the BHA has now joined forces with the Restaurant Association of Great Britain, it involves 1 in 8 hospitality operations in the country and 1 in 5 of the workforce in UK hospitality industry.

* Pembrokeshire / Saundersfoot

Involvement in several organisations, the main direct involvement is the Saundersfoot Chamber for Tourism is a voluntary organisation that looks to improve the quality image of Saundersfoot as a year round destination, we try to get people more involved at putting on events in the community to make Saundersfoot a more appealing destination.

We’re also involved in WOW (Way Out West), which is a fledgling group of accommodation, attraction and conference venues trying to market collectively to put the area on the corporate map.

3. Strategic vision

*Regarding Saundersfoot, what is your strategic vision for its development over the next years to 2010?*

Creating a strong community culture and showing leadership in the area to move towards a quality destination. If I had a magic wand we’d see Saundersfoot as the Padstow of Wales with the development in the harbour as a marina and to make it more of a quality destination resort away from the historical market led destination price-led that is just for the masses.

*Within that context, what is your strategic vision for St Brides Hotel, Saundersfoot?*

In terms of St Brides Hotel, we have a vision to be a destination, independent hotel with a five-star WTB grading, that what we’re working towards, it’s the redevelopment of the property so the physical structure of the building and also the business will change. We’re aiming for a new market for the quality independent, leisure traveller also for the corporate visitor and day meetings, overnight destination meetings and to have a five star operation.

4. Strategic marketing direction

*Which of the following most represents your approach to strategic marketing for St Brides Hotel?*

- Differentiation
- Low cost
- Focus
- Diversification
- Product development
- Niche marketing
I think the marketing strategy is very focused in terms of the product that we're offering; we're developing the product with a particular market in mind, which is the quality, independent leisure traveller, with a spa facility. They're looking for an escape, relaxing, peaceful, weekends and midweek breaks away from the mass tourist market that's down here. We won't be something for everybody, we won't be low cost we will be price sensitive in terms of we're looking for the quality person rather than cheap and cheerful. In terms of product development the product for us is the most important thing, maintaining impeccable standards without compromise, we are creating for the market that expects high standards.

*Where do you regard potential niche markets coming from in the future?*

One area that springs to mind is the art collector and art appreciator where we are open as an independent gallery, which is approved by the Welsh Arts Council. We can do specialist-painting weekends to appeal to people that appreciate art.

Another niche is the gourmet escape fine dining, fine wining experience.

Also water sports, with the development of Saundersfoot harbour into a marina, there is a quality anchor site of accommodation in the area that is well known, I think it's a tandem approach.

*What are the critical success factors for St Brides Hotel?*

Being able to control cost whilst achieving target revenues, it is a business and if we don't achieve that we don't survive.

Massive capital outlay for the project, it's a great risk and its not like a big corporation with an individual putting there neck on the block.

The other critical factor affecting us is the worldwide happenings; adversities in foreign countries can be advantageous to us. The rising interest rates and property crash that's looming as we're told daily; I think the media play a big factor there.

Critical success factor is in marketing – getting the message out that there is a quality destination in west Wales, we need to get awards, we need to get listed, to be mentioned in the media, newspapers, lifestyle magazines, so that people are aware that there is quality in Pembrokeshire.

*What is the fundamental concept for St Brides Hotel development?*

The feel of the hotel would be, for example, if you had a relation or close friend who has had great success, and lived in a beautiful part of the country and you're a guest in his residence. The accommodation is not a hotel bedroom, but an individually designed comfortable room that you feel is your best mates room. That's the kind of feel we're trying to create, they're coming down to a little escape, a sanctuary, for people to have a little energy boost
and inspirational boost, they’re leaving the hotel after their stay having been enriched either spiritually, emotionally or just satisfied.

*What is the mission statement for St Brides Hotel, Saundersfoot?*

Rather than a mission, we have a vision and the vision is for excellence.

*What are the goals for St Brides Hotel to achieve by?*

- 2010
- over the next three years - 2004-2007
- over the next year – 2004-2005

Over the next year is to develop the product, while developing the product we want to market it and over the next three years we want to grow it to a sustainable level of occupancy and trade. By 2010, I’d like to be in a position where we’ve had success with this project and we have the option to duplicate and emulate the project with other sites, however we’ll reserve that choice until we’re down the journey.

*What do you envisage for St Brides Hotel in:*

- 5 years’ time
- 10 years’ time
- 15 years’ time?

In terms of:  
Turnover/profitability?

Please use from biz plan figures, shows a forecasted 6-year trading.

I can’t forecast 10-15 years, should have growth greater than inflation then will hit a sustainable level then we either run and retire with it or we use that capital to keep growing and do other things, knowing us as animals that’s probably the way we’re made.

*Competitiveness within UK?*

Top end of industry, I don’t want to fall into the trap that we are the latest trend, we’ll have something to sustain us due to our unique location and we’re not following any fashion trend in interior design its our taste and it’s a natural minimalism that’s a classy feel to the place I’d like to feel that in the hotel in the future that St Brides Hotel will be thought of as one of the leading hotels in the UK, Wales and also internationally. This will be achieved, as all the profits the hotel makes will be ploughed back into the hotel, my role as MD will have strategic planning and decision making for standards so that other companies will emulate us.

*What do you consider to be the hotels SWOT?*

*SWOT presented from previous business plans.*
We have turned a lot of weakness into opportunity, most of the weakness we have devised strategies to overcome them.

An absolute strength is no constraints of shareholders, can do whatever we want to do as long as we can afford it, unique location.

Threats come from devolved powers to local government/councils, we're worried about, for example, smoking that each local authority has control, licensing is going to local authorities, rather than a consistent national standards and so they all have their own little quirks on it.

5. Market research

What marketing research have you undertaken directed at competing hotels?

We've done competitor analysis in terms of rates, facilities etc. Every visit to hotel is useful.

What marketing research have you undertaken directed towards current/actual customers?

Hotel Perfect [PMS] information, still an opportunity to do more work on.

What marketing research have you undertaken directed towards potential customers?

It's a policy of talking to all our guests find out why they're here, where they're from, how long they're staying whether or not they've been before. Good hostmanship and good courtesy can pick up a lot of marketing information just by day-to-day conversations with the guest.

6. Implementing marketing plans

How do you envisage implementing the marketing plans to achieve these goals?

I'll have to ask marketing manager!

Regarding the hotel concept, how was it formulated?

Why have you undertaken this approach to determining the hotel concept?

- Competitor orientated – customers know what they are looking for
- Product-led approach – customers don't know what they want
- Customer orientated approach – learning from customers

I think it's looking at the site, and through use of consultants in terms of confirming our vision for the best use of this site. This decides the route we are taking a small hotel, upmarket, independent, hotel confirming our thoughts and beliefs. Looking at this site and the type of product that would work here, we've gone round nationally and internationally with our eyes open
and being receptive for this product. And also being receptive to publications, customers that are using this kind of product and feeling 'will it work here?' And a lot of it is boiled down to 30 years experience between Lindsay and myself about 60 years progressive experience in the hospitality industry where we're passionate about the industry, passionate about excellence, development and movement.

7. Internal marketing culture

How would you describe the organisational culture at St Brides Hotel?

Its an evolving culture, having come into a small place without the resources of a large company there's a lot of drive and energy with the owners. Unfortunately we haven't always been in a position where we've had capable, competent individual to back up what we're trying to do. We're getting to a stage now where we've got a lot of skill and a lot of talent within our staff and our management and I think the organisational culture is an open culture, it's a flat reporting organisational chart. Where there's a lot of empowerment given to all of the management to actually run departments, the challenge that we've got now having got to the first stage of the IIP we've got to now be more strategic in our organisation in terms of getting all the documents right, reviewing and documenting all our standards of performance to communicate and maintain a consistent message.

How are you developing employees at St Brides Hotel?

Through the appraisal system, we identify training needs through product change again we have to review our training needs to meet improving standards. Training is profit, cause people in the right job, in the right place at the right time, it means that they are doing it correctly, which is the most efficient way.

8. Marketing tactics

What key marketing tactics do you envisage will be required for St Brides Hotel?

A fierce determination to maintain high standards, to communicate those standards, and to monitor, review and improve standards in a systematic way. Being product-led, I think that's the key for us to start with as well as in time we've got to communicate the success of our product through whatever medium we can to take opportunities to get the message out that St Brides Hotel, or whatever name it will be called, will be the special destination, the best it can be.

What medium / publications are used for promotion?

Review more about use of the web; take advantage of all the tourist/travel trade magazines, publications, newspapers that we have to be high profile business that people are aware of it. Now support of the WTB, they will
market the tail of us, but we can't just leave it in their hands we've got to provide them with stories, we got to give them something special for them to beat the drum. So, all media, PR is opportunistic being entrepreneurial, seeing a chance, seeing an opportunity, not just talking about it or thinking about it it's getting the message out there.

The other one is strong networking with, either through industry peers or tourist board people, media people, that our song is always on their lips.

*What is your preferred approach to accommodation distribution?*

The agency approach can bring a lot of business in quite quickly but at a cost, whether we use certain agencies and publications to begin with that offer an 8 or maximum 10% commission that we would like to be in a position through good use of the web that we can get directly out to the marketplace, that they get the better deal by dealing with us direct.

*How will you measure the level of success of marketing tactics?*

Occupancy, ADR, yield, just bums in beds, bums in seats, satisfied customers and money in the till.

9. **Customer relationship management (CRM)**

*How do you build relationships between the St Brides Hotel business and customers?*

Treat everybody as individuals, give individual attention, and that's where we're going up the market that our staffing ratios have to be such that we are able to give that personal attention rather than your Travel Lodge approach which is just anonymous business. I think people coming into this type of environment will want to know and be known by the staff and the management.

*Are customers loyal to St Brides Hotel? If 'yes', how do you measure this loyalty?*

I think so; we've got a good name in the marketplace, an improving name. I think a lot of the customers are faithful and share the vision and journey that we're on and are genuinely excited for the product that we're trying to create here. Measuring that loyalty is through our loyalty tracking, Hotel Perfect, also the frequency of visits.

*Do you use any form of reward system to encourage loyal customers? If 'yes', how do you reward loyal customers?*

Round of drinks, nice to see you, we can either give that monetary gift or emotional stroking to reaffirm the relationship as appropriate, that to me is good hospitality and good hostmanship. Our marketing manager is reviewing at the moment potential loyalty systems so we can do it more scientifically, I
think if we just concentrate on good hospitality awareness we can go a long way that way.

10. Brand image

What brand image would you like for St Brides Hotel (or name tbc)?

As a quality destination and the best in its type, its category as a hotel. Be the best independent hotel that it can be without being pretentious, unattainable or unapproachable. We don’t want to be elitist, we want to be seen as that special place for that special occasion and the brand people are aware whether its called St Brides or something else they recognise it as a special place.

What is the Unique Selling Proposition (USP) for St Brides Hotel?

Location, unique location, its in the only coastal National Park in the country there’s also the vista of the hotel sitting on the cliff top overlooking the lovely village, a superb Blue Flag beach, Carmarthen Bay, wonderful sea views, it’s a landmark site. I think one of the uniqueness as well is it’s an iconic product, landmark product for the best there is in Welsh hospitality. We don’t want to loose that Welshness without ramming Nationalism down anyone’s throat, we just want to take advantage to sing the praises of Welsh hospitality.

11. Partnership marketing

What support do you get from government or quasi government bodies such as the Welsh Tourist Board (WTB)?

I think because we’ve got good communication and good liaison with all these bodies, they share and support our vision and a case in point is the WTB/WDA are financially supporting the development through grant aid for regeneration of both the hotel product and the tourism product and community and the area of South Pembrokeshire. So we do have total support there, they believe in us as operators, they believe in us that we can deliver and they’re supporting our courage to actually do this.

How useful is the WTB in supporting St Brides Hotel goals?

I think its important to note that plenty of people will find room to criticise these organisations we need to support their marketing just communicate and feed them enough information about the wonderful story we’ve got they can’t help but support us. And on a personal basis they are probably instrumental in the success of the new St Brides Hotel, I don’t think we’d be able to do what we’re planning to do and certainly to achieve the goals getting into markets and getting the image out into the marketplace, they are probably our biggest allies and our biggest tool.
Do you use any marketing consortiums/strategic alliances? If 'no', are you likely to do so in the future?

In terms of commercial marketing consortiums, we'll keep our options open that the cost and constraints of membership, what we have to do we will evaluate whether it is in our interest to do it but initially we will be totally independent and see that we can do it without that. But if we can prove there is advantage for us to do it without loosing site of our independence and loosing site with what we're trying to do, the marketing consortium that comes to mind would be Roulaiix and Château, for example, which is by invitation where you have to meet a certain standard before being invited to join and whether the benefits of joining and for the kudos of the membership is worthwhile to us.

Do you envisage joining Welsh Rarebits?

Yes, Welsh Rarebits I feel is a good marketing consortium they're very productive in the marketplace, they get a good message out, the quality controls are good so that is a possibility that we would look at that.

12. Future

What are the most challenging marketing issues facing St Brides Hotel?

The most challenging marketing issue that I feel is not to oversell the product, not to over market the product, that we are meeting the expectation of the message that we are giving out, the challenge for us is that the product has to be good, it has to be consistent and whatever we do to get the message out in the marketplace we have to deliver it with credibility, we can have all the fancy marketing campaigns, the most effective marketing campaigns but we can do ourselves a lot of damage if we don’t meet those high expectations so I don’t have the fear about getting the word out in the marketplace, I have the fear that we have to deliver and its that fear of failure that drives us on.

Thank you for you time.
APPENDIX 18: INTERVIEW: SALES MANAGER, MS. PAULA ELLIS, ST BRIDES HOTEL

Date: May, 2004

1. Personal Background

Please explain your managerial responsibilities at St Brides Hotel.

To maximise the sales and profitability of St Brides, whilst overseeing the operation with emphasis on reception and reservations.

What is your previous industry experience?

Having worked for Travel Agents, Tour Operators and an Airport for the majority of my working career, I started working in the hotel industry fairly recently, some four years ago. I started as Corporate & Leisure Sales Manager at Rocco Forte’s five star Spa hotel in Cardiff progressing to Director of Sales & Marketing. After 18 months there, I moved on to the Vale Resort as DOS for two years before joining St. Brides in February this year.

2. Business developments

What do you envisage for St Brides Hotel in:
- 5 years’ time
- 10 years’ time
- 15 years’ time?

Within 5 years, I would expect St Brides to be firmly established as one of Wales’s most sought after places to stay, within 10 years, one of the leading spa hotels in the UK and within 15 years, to be within the top 20 top Spa Destinations of the World.

Turnover/profitability?

Without a business plan, it is difficult to estimate.

3. Organisational culture

How would you describe the organisational culture at St Brides Hotel?

How do you consider the organisational culture fits with the marketing activities?

At present, the culture is operations focussed whilst we still remain 3 star with the intention of becoming 5 star post June 05, we need to utilise all managers cost effectively. A flat management style exists with a high level of empowerment and decision making available to those individuals who feel confident to grasp the opportunity. However, from previous ownership, there
are the remnants of "fear of reprimand" in existence, which results in delegation in an upward direction.

At present, it is difficult to focus on marketing activities when operations take precedence. However, I feel that post June 05 when more operational managerial staff are available, it will allow us the opportunity to be primarily focussing on Sales & Marketing.

4. Target Market

What do you consider to be the most profitable potential target markets?

- Transient Corporate
- Consortia
- Conference & Events
- Leisure

5. Niche Markets

What niche markets do you consider suitable for St Brides Hotel to target?

- Spa
- Incentive
- Up Market Self Catering
- Golf

The Spa Connoisseur and incentive markets as these will attract year round business and will enjoy the exclusivity and uniqueness that St Brides will have to offer.

6. Marketing Tactics

What marketing tactics do you envisage will be required for St Brides Hotel?

- Agency Awareness - Mail shots, gimmicks, email & post newsletters, Fam Visits
- Corporate awareness - Sponsorship, face to face calls, booking incentives, newsletters, fam visit, entertaining
- Leisure/Spa - High profile Glossy editorial, reader offers, competitions, Spa Specialist Tour Operators, TV holiday programme, location shoot destination
- Exhibitions
- Directories - Conference Blue & Green, M&IT
- WTB
- Pembrokeshire Tourism
- Saundersfoot Tourism Council
7. Customer relationships management

How do you develop long-term relationships between customers and St Brides Hotel?

The relationships may commence by face to face appointments, site visits followed by entertainment as appreciation of the business, rewarding business with preferred rates dependant on the volume of business received.

Incentives to maximise trough periods are a great reward for the bookers. Instead of offering vouchers as most corporate hotels do, we would offer a number of services available @ the hotel on an accumulator basis i.e. 10 room night = lunch to 100 room nights = Spa ritual worth £200+.

Bi annual dinners are a great way of rewarding your customers and an ideal opportunity to update them on future plans and mutual business opportunities. Christmas and Easter gift drops.

Above, getting it right when guests are here is the cheapest form of sales & marketing. I believe that the key to this is to not only offer impeccable consistency of service but to treat each guest as an individual by going the extra mile and allowing him/her to experience the wow factor.

8. Sales issues

How do you identify potential customers for sales calls?

FTSE 250
Local company databases, directories, local press, radio & TV
National as above
Business agents

From a sales prospective, what level of business do you feel is achievable for St Brides Hotel?

Without seeing business plan, I would hope to achieve 55% occupancy in first year, rising to 65% 2nd, 75% 3rd, 80% 4th & 85% 5th.

9. This year

What are the most challenging sales and marketing issues facing St Brides Hotel?

Appealing to such a wide-ranging clientele. Although chomping at the bit to attract corporate and transient corporate business, do not want to do too good a job as they may not be the clients that will be able to afford to move with us in subsequent years.

In 2 years?
Convincing Spa Connoisseurs that Saundersfoot is an easily accessible destination and that its image is not just tacky package holidaymaker.