

Improvement of Marketing Communications of the Hotel Chain under the Conditions of Franchising Relations



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Abstract: The article deals with the issue of improving marketing communications in a hotel from the international hotel chain. The topic of the article in modern conditions is relevant and important in the development of effective marketing communications for many hotels that have opened in Russia recently. It is particularly relevant in connection with the fact that opened hotels representatives of international hotel chains operating in Russia on a franchise basis. The authors see the purpose of the article in formation of proposals to improve the current system of marketing communications. The authors analyzed the theoretical and methodological foundations of the formation of marketing communications in the organization; analyzed the existing system of marketing communications in the Hotel "ibis" in Nizhny Novgorod. The analysis devoted to the research of the theoretical and methodological foundations of the formation of marketing communications in the organization allowed us to conclude that marketing communications in the organization are a concept according to which the organization carefully thinks and coordinates the work of its many communication channels to develop a clear, consistent and convincing presentation about the organization and its goods (products, services). The main purpose of such communications is to demonstrate to contact groups the most important characteristics of the goods (services). The basis for the formation of an effective complex of marketing communications in the organization is segmentation, which allows obtaining the necessary information socio-economic and psychological characteristics of target audiences. The authors proposed the necessary list of communication activities, which does not violate the requirements of the franchise to the implementation of marketing activities. This confirms the practical significance of this article. The proposed measures will allow effective use of marketing tools for promoting the hotel. Companies will receive competitive advantages, attract more guests, and increase the economic efficiency of their activities with the proposed set of measures.

I. INTRODUCTION

The relevance of the research is due to the fact that marketing is the most important direction in activities of any modern organization. Its application helps to achieve a correspondence between expectations of consumers and capabilities (resources) of the organization.

In recent years, along with the increasing role of marketing, marketing communications has increased also. In fact, effective communications with consumers have become key success factors for any organization.

Marketing communications are of special importance in the conditions of today's market, when Russia does not have sufficient material resources for the development of production, in order to increase its competitiveness [2].

Modern marketing requires much more than just creating a good product, assigning competitive prices for it and ensuring its accessibility to target consumers. Organizations must still communicate with their customers and other environments, influence them in the right direction for the organization. Only then these elements together will form a marketing complex: price, product, distribution and promotion.

The purpose of the research is to formulate proposals for improving the existing system of marketing communications at the ibis Hotel.

II. THEORETICAL BASIS FOR THE RESEARCH

The theoretical basis of the research consisted of works of domestic economists devoted to general theoretical issues of marketing communications and problems of its formation and development (V.A. Aleksunin, V.V. Vasin, E.I. Vasina, O.S. Gabinskaya, M.S. Govorova, M.A. Gorbunova, M.I. Dergunova, E.V. Dubanevich, A.N. Kara, I.N. Krasnyuk, E.I. Mazilkina, O.P. Mikhailova, A.A. Osinkina, V.A. Polyakov, A.A. Romanov, A.V. Saveliev, I.M. Sinyaeva, N.V. Stolyarova, T.A. Yarkova) [1,2,10].

Marketing communications are the concept through which organizations must think and operate with multiple channels of advertising through which they can establish and maintain communication with the end user. Such communications help to develop a consistent and convincing picture of the organization and its products, as well as to receive feedback from users [5,9].

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The system of marketing communications (QMS) is a single complex that unites the participants, channels, and methods of communication of the organization aimed at establishing and maintaining certain, planned by these organization relationships with communication recipients as part of achieving its marketing goals [7,11].

III. METHODOLOGY OF THE RESEARCH

We determine the basic elements of a marketing communications system in an organization. Figure 1 shows the elements of the marketing communications system in the organization.

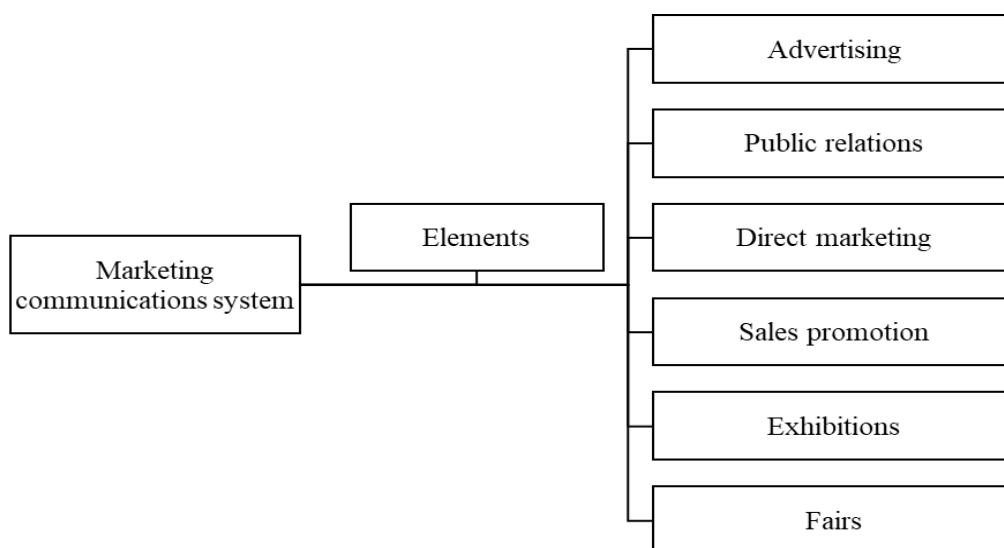


Figure 1 — Main elements of the marketing system communications in the organization [3]

Analysis of the marketing communications system in the organization is carried out in accordance with the following stages (Figure 2):

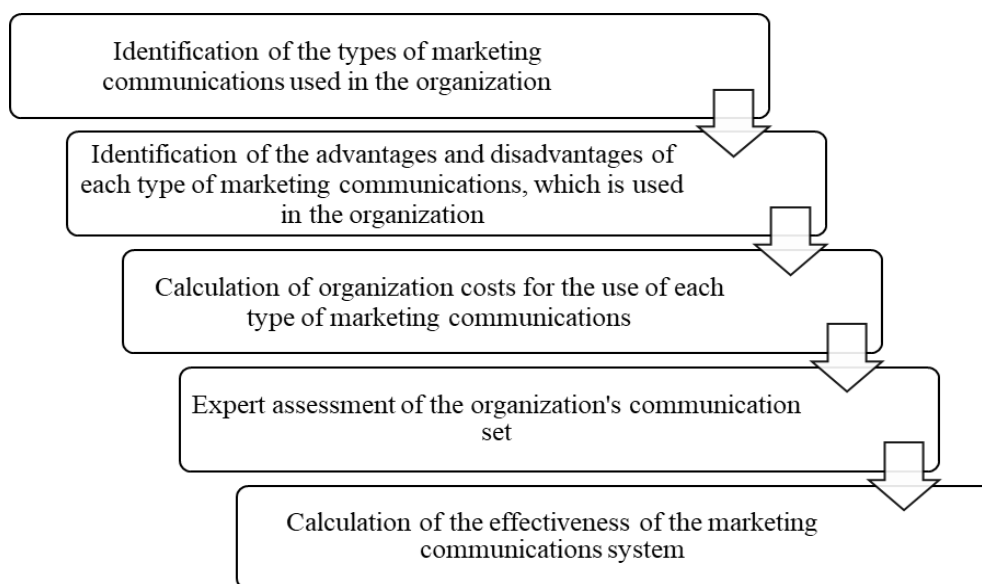


Figure 2 — Stages of marketing system analysis of communications in the organization*

*Source: developed by authors

At the first stage of analysis, the main types of marketing communications that are used in the organization are defined, as well as a brief description is given.

At the second stage of analysis the advantages and disadvantages of each type of marketing communications that is used in the organization are given.

In the third stage of analysis, the cost for application of each type of marketing communications is calculated.

The fourth stage of the analysis provides an expert assessment of the communicative set. The evaluation is based

on a score scale from 1 to 10, where 1-4 points are the minimum use of the instrument, 5-7 points are the average level of activity, 8-10 points are the high level.

At the fifth stage of the analysis, the main indicators characterizing the effectiveness of the marketing communications system in the organization are calculated.

These indicators include the following:

1. Calculation of turnover under the influence of advertising or promotional activities (formula 1).
2. Calculation of the economic effect of advertising and stimulation (formula 2).
3. Calculation of profitability of advertising and promoting (formula 3).
4. Calculation of the economic efficiency of advertising and promotional activities by the method of targeted alternatives (formula 4).

In general, the method proposed by the authors is effective, as it will allow to comprehensively assess the effectiveness of the current system of marketing communications in the organization [1,6].

IV. RESULTS OF THE STUDY

Hotel "ibis" is located in the center of Nizhny Novgorod. Near the street B. Pokrovskaya which is a commercial and historical center of the city. From here you can easily get to the Kremlin, enjoy the view of the Volga River and visit other places. The hotel "ibis" has 220 rooms of new generation with air conditioning, flat-screen TV, satellite and free Wi-Fi. Bar "Rendezvous" is open 24 hours a day. Hotel "ibis" offers a restaurant of Mediterranean cuisine "Sud&Cie" and 6 conference rooms, which are equipped for seminars and conferences [8].

Marketing functions at ibis Hotel are assigned to a commercial service, whose tasks are regulated by the current Regulations on commercial service. Figure 3 shows the structure of the commercial service of the ibis Hotel.

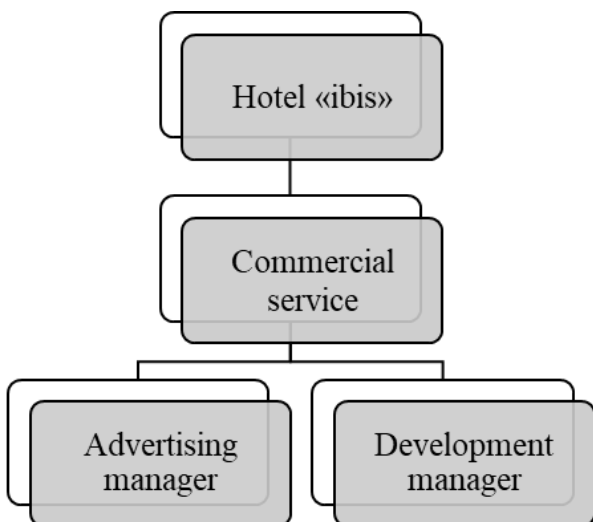


Figure 3 — The structure of the commercial service of the ibis Hotel

The analysis of existing system of marketing communications at the Hotel «ibis».

Analysis of the complex (system) of marketing communications should be carried out separately and together for all instruments: advertising, sales promotion, public relations, direct marketing.

The objectives of the analysis of the marketing communications system are as follows:

- in assessing how effectively the marketing communications system affects consumers;
- in determining whether the system of marketing communications corresponds to the nature of the goods and

services, features of the target audience, and the image of the organization;

- in the analysis of the economic efficiency of the marketing communications system;
- in identifying the disadvantages and developing measures to improve marketing communications and effectiveness. [2,8].

The analysis will allow to draw general conclusions about the effectiveness of the organization's promotion activities and marketing communications.

The system of marketing communications of the Hotel "ibis" is a complex of methods, which are aimed at creating demand and increasing sales of the hotel. For successful promotion of services ibis Hotel uses advertising.

Advertising is one of the types of information transmission, acting as any paid form of non-personal presentation and promotion of ideas, goods, services by the advertiser. Advertising for the general public is usually carried out through the mass media, radio, television, print advertising, and popular press. Advertising of hotel services, which are designed for a narrower circle of consumers, is carried out through special publications, by mail and by means of directed publications [4,5].

Hotel "ibis" pursues an advertising policy, searching for the most effective advertising spaces in magazines, newspapers and on the Internet. The main advertising of the hotel "ibis" goes through the Internet. There is a website on the Internet. However, it should be noted that just advertising is not enough.

The ibis hotel pays great attention to image advertising: developed elegant and concise corporate style, as well as business cards.

Further we will calculate the costs of the ibis Hotel for the use of each type of marketing communications (advertising).

1. Determine the costs of the hotel "ibis" for advertising on television.

Table 1 shows the main costs of ibis Hotel for television advertising.

Table 1 — The costs of the ibis Hotel for advertising on television

Broadcast Channel Name	Duration of the commercials, sec.	Price of the commercials per month, thousand rubles	The cost of the commercials per year, thousand rubles
Friday	10	18	216
Domashniy	10	24	288
Subtotal	-	-	504

Thus, the annual cost of the hotel "ibis" for advertising on television is 504 thousand rubles.

2. Determine the costs of ibis Hotel for advertising on radio.

Table 2 shows the costs of ibis Hotel for radio advertising.

Table 2 — ibis Hotel's expenses for advertising on radio

Name of the radio channel	Roller Timing (sec)	Number of broadcasts per day, units.	Number of days	The cost of advertising, thousand rubles
Humor FM	10	3	365	219
Radio NRJ	10	3	365	175.20
Subtotal	-	-	-	394.20

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Thus, the annual cost of the hotel “ibis” for advertising on the radio is 394,20 thousand rubles.

3. Determine the costs of the hotel “ibis” for advertising on the Internet (Yandex Direct).

Table 3 shows the costs of the ibis Hotel for advertising on the Internet.

Table 3 — Internet advertising costs of ibis Hotel

Name of the Internet platform	The cost of advertising per month, thousand rubles	The cost of advertising per year, thousand rubles
Yandex.Direct	10	120
Subtotal	10	120

Thus, the annual cost of the hotel “ibis” for advertising on the Internet is 120 thousand rubles.

Next, we will determine the total costs of the hotel “ibis” for advertising the promotion of services (Table 4).

Table 4 — Total advertising costs of ibis Hotel

Name of advertising	The cost of advertising per year, thousand rubles
Television advertising	504
Advertising on the radio	394.20
Advertising on the Internet	120
Subtotal	1018.20

The total cost of the hotel “ibis” for advertising (on television, radio and on the Internet) is 1018,20 thousand rubles.

Determine the economic efficiency of marketing communication tools to promote ibis Hotel services using ROI (Return of Investments) [6] according to the following formula:

$$E_{ROI} = \frac{(Z_1 - Z_0)}{I},$$

where E_{ROI} — economic efficiency of marketing communication tools;

Z_1 and Z_0 — profit at the end and beginning of the analyzed period;

I — cost, expenses of the organization for promotion.

At the beginning of 2018, the profit from the sale of services of the Hotel “ibis” amounted to 16573 thousand rubles, and at the end of 2018 — 18115 thousand rubles.

Thus, the economic efficiency of marketing communication tools (advertising) to promote the services of the Hotel “ibis” will be:

$$E_{ROI} = \frac{(18115 - 16573)}{1018,20} = \frac{1542}{1018,20} = 1,51 \text{ (thousand rubles)}$$

Also, we will determine the cost effectiveness of the hotel “ibis” on advertising using the indicator of profitability of advertising according to the formula:

$$P = \frac{1,51}{1018,20} \times 100\% = 0,15 \text{ (\%)}$$

From the calculation above it can be seen that the efficiency of expenses of Hotel “ibis” on advertising can be estimated as very low.

In general, it should be noted that the costs of the Hotel “ibis” on marketing communications are not quite effective, as the amount of commercial expenses per 1 ruble

and higher rates than profit from the sale of services by 1 ruble.

V. CONCLUSION

Under the conditions of implementation of the franchise agreement, hotels of the world hotel chains are very limited in the expansion of communication channels.

In this case, social networks (Vk, Facebook, Instagram) come to the rescue, expanding information content on the official website, using information services for sending advertising and informational messages;

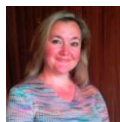
Coupons can also be recommended as another possible means of expanding marketing communications. Methods and tools of implementation of low-cost marketing — “word of mouth” and “bring a friend” campaign.

Thus, we can say that the hotel “ibis” in Nizhny Novgorod should be attentive to the expansion of marketing communications with the end user. Of course, this condition follows from the terms of the franchise agreement. It is necessary to remember that each organization providing hotel services, should be aimed at the end user, and take into account his requests. The undoubted advantage of the organization over its competitors is determined by the consumer. The more advantages the hotel has and the more it works in the development of new proposals, than the more successful the strategy.

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