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Bachelor Thesis

Strategic Marketing Plan for AMADEUS Hotel

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Faculty of Economics and Management

BACHELOR THESIS ASSIGNMENT

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Economics and Management

Economics and Management

Thesis title

Marketing strategy of Amadeus hotel

Objectives of thesis

The aim of the thesis is to analyse the current state of marketing for this hotel, and based on the findings, propose a new marketing strategy.

Methodology

This Bachelor thesis comprises two main parts:

The first part will contain a review of current literature, mainly focussing on the topics of marketing and tourism.

The second (practical) part will determine the current state of the hotel company based on a questionnaire survey and interview with manager of the hotel.

After consideration of the current state of marketing for this class of hotel, recommendations on how to improve marketing activities and new marketing strategy will be presented for Amadeus hotel in Prague.

The proposed extent of the thesis

Approx 40-50 pages

Keywords

marketing strategy, SWOT analysis, competitive market, marketing of hotel business

Recommended information sources

KELLER, K L. – KOTLER, P. *Marketing management*. Harlow: Pearson, 2015. ISBN 9781292092621.
Sorce P., *Relationship Marketing Strategy*, Rochester Institute of Technology 2002, Research monograph
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Declaration

I declare that I have worked on my bachelor thesis titled “Marketing strategy for Amadeus hotel” independently and I have used only the sources mentioned at the end of the thesis.

In Prague on DD.MM.YYYY

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I would like to express my deepest gratitude to my supervisor, Professor Richard Selby for his invaluable comments, professional approach, and constructive guidance throughout the research. I would also like to express my deepest gratitude to my little sister and my mom for their infinite support.

Marketingový strategický plán pro hotel Amadeus v Praze

Abstraktní

Hlavním cílem bakalářské práce je analyzovat současný stav marketingové strategie ve vybraném hotelu a navrhnout nový marketingový strategický plán pro daný hotel Amadeus v Praze.

Teoretická část práce se zaměřuje více na moderní marketing v hotelnictví a na efektivitu vytváření marketingové strategie pro hotely. Tato část práce také popisuje různé marketingové metody, které se dnes používají. Presentovány budou také různé typy marketingové strategie.

Praktická část práce se zaměřuje na analýzu současného stavu marketingové strategie v hotelu Amadeus v Praze. Cílem této části práce je vytvoření nového marketingového strategického plánu pro hotel. Metody SWOT a PEST pomohou pochopit interní a externí faktory, které ovlivňují společnost. V praktické části budou identifikovány mezery v současné marketingové strategii a účelně doporučená doporučení.

Klíčová slova: hotelnictví, marketing v hotelnictví, marketingová strategie, strategie vztahového marketingu, SWOT analýza, cestovní ruch, loajální zákazník.

Marketing strategic plan for Amadeus hotel in Prague

Abstract

The main aim of the bachelor thesis is to analyse current state of the marketing strategy in the selected hotel and purpose a new marketing strategic plan for given Amadeus hotel in Prague.

Theoretical part of the thesis focuses more on modern marketing in the hotel industry and the effectiveness to create marketing strategy for the hotels. Also, this part of the thesis describes various marketing methods that are using nowadays. Different types of marketing strategy will be presented as well.

The practical part of the thesis focuses on analysing current state of marketing strategy in Amadeus hotel in Prague. The aim of this part in the thesis is creating new marketing strategic plan for the hotel. SWOT and PEST methods will help to understand internal and external factors that affect company. The practical part will identify the gaps in current marketing strategy and purpose effective recommendations.

Keywords: hotel industry, marketing in hotel business, marketing strategy, relationship marketing strategy, SWOT analysis, tourism, loyal customer.

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1 Introduction

The hospitality industry prospers in the conditions of globalization. Today, people travel more than before. The example is presented in the below (Figure 1). Hotel industry has become reachable for a wide range of various people. The hotels are able to offer different spectrum of services from comfort levels to budget constraints today.

Figure 1- International tourism (1995-2017)



Source: data.worldbank.org

Indeed, globalization, together with the economy of scale, has greatly contributed to a rise of hospitality giants, the well-known franchises that one can spot in almost every location across the globe. Think Holiday Inn, Hilton Hotels, Four Seasons, and Marriott, to name but a few. Not only those are familiar to many, they also carry a certain brand recognition and respectability to their names, which undoubtedly creates strong customer loyalty and retention. As the above-mentioned hospitality companies leverage on customer brand awareness while providing services at rather competitive prices due to expanding exposure and intensive asset holding, smaller hotels, including local, boutique and family ones, struggle as they are being pushed out the competition by the industry giants. With the amount of choices available to customers nowadays, strategic marketing becomes an important tool for building a brand, and in the conditions of globalization, it is a crucial approach to undertake for any hospitality venture, no matter how big or small. The following thesis elaborates on that importance and emphasizes the role of skilled marketing on any hotel's success.

The structure of the thesis consists of an introduction, literature review, practical part and conclusion. The literature review relies greatly on the books and publications focused on hospitality and management strategies. Following the introduction to the hospitality industry and its main features, the importance of marketing and differences between traditional marketing and modern marketing are to be discussed. Among the different types of marketing strategies that are presented in the literature review, the focus is given to the relationship marketing (RM) strategy. To explain the justification behind emphasizing the relationship marketing, key elements of RM strategy and its implementation will be analysed. Lastly, the most effective marketing tools based on the macro and microenvironment of a hotel are to be examined.

Taken as a case study and the object of research is the AMADEUS Hotel, a small, three-star hotel located in Prague, Czech Republic. The state of marketing approach applied by the AMADEUS current management is to be thoroughly analysed and aligned with the current marketing trends and needs in the context of specific features of the selected hotel. The practical part focuses on the current state of the marketing strategy in the selected hotel. It begins with an overview of the company, its website, social media, travel web pages (Booking), and then the discussion of its internal and external environment with SWOT and PEST analysis.

The conclusion will be applied to outline an upgraded strategic marketing plan for AMADEUS and to explain how the changes potentially contribute to hotel success factors. The findings will also be transferable for hotels of similar organizational structure, size, and location.

2 Objectives and Methodology

2.1 Objectives

The purpose of the thesis is to use different marketing tools and suggest a new marketing strategy for the Amadeus hotel in Prague. The aim of the thesis is to create new marketing strategy in a particular hotel in Prague. These research questions will help to achieve objectives in the thesis: What are the main important aspects of marketing in the Amadeus hotel in Prague? What kind of marketing tools could be useful in order to estimate the external and internal environment of the Amadeus hotel? What is a relationship strategy and how to apply it in practice? The practical part of the research will include recommendations regarding the improvement of marketing activities in the Amadeus hotel.

The theoretical part will be based on the research of the current professional literature. The theoretical part will be focused on the basic concepts of marketing strategy.

2.2 Methodology

The first part of the practical part will be focused on the presentation of the company and the description of the selected hotel. The necessary information on the current state of the company was obtained through a questionnaire survey and interview with the company manager. This chapter will include customers' feedback about the hotel and suggestions regarding the improvements. In accordance with the result of the analysis, the practical part will include recommendations on how to improve marketing activities and new marketing strategy will be presented for Amadeus hotel in Prague.

3 Literature Review

3.1 Overview of the Hospitality Industry

3.1.1 Brief history of hotel industry

The history of the hospitality industry has its roots in ancient Persia. (Munindra Srivastava,2013)

With an emerging trade engagement in the Middle East, Asia, and the Caucasus came the need for a prototype of a modern hotel complex, a place for traders to stay the night and rest. It is believed that the United States of America started the technological innovation in the hotel industry as we know it today. (Munindra Srivastava, 2013)

Hotel industry is tightly connected with tourist industry, transportation and food industry.

Every country tries to develop these sectors because this is a source for employment, building infrastructure and direct revenue. Tourist spend their money on hotel, transport and food during the travelling. It is common knowledge that tourism and hotel industry bring high profit to the country. The investment in this sector has increased last decade. People started to study about hospitality management. More people started to pay attention on hotel business and service (Jha,2009).

3.1.2 Classification of tourist accommodation

According to Tarmoezi and Manurung, hotel is the place where the guest can receive accommodation with the supporting facilities as food and beverages. Definition states that hotel does not sell just rooms for the guest but also sells other additional services. There are different types of hotels are available for customers. Most common examples are presented in the below (Table 1).

Yet, as it was said before, the competition is high as never before, and it is extremely challenging to retain customer loyalty. Hotel enterprises use various approaches and tools aimed at attracting customers and increasing the attractiveness and image of both the hotel enterprise and the services that it provides. Currently, marketing is the most effective tool for increasing sales. (Juwon Talabi, 2015).

Table 1- Types of accommodation

Residential Hotels	Also, as apartment hotels. They charge rent on a monthly basis.
Commercial Hotels	Mostly visited by businessmen and located in big industrial cities. These types of hotels were founded and given popularity in the United States.
Resort Hotels	These types of hotels are usually located along the seaside, mountain ranges, etc. The visitors are usually tourists, coming mainly to relax and improve health condition. Resort hotels usually have entertainment facilities such as a swimming pool, spa, golf area, restaurants, etc. on their premises.
Rotels	Ratels are also called hotels on wheels, that includes train-hotels. They are especially common in India and Japan.
Floating Hotels	Floating hotels are located on the water surface. The Taj Lake Palace is likely one of the oldest floating hotels in the world. Built in 1746 as a pleasure palace, it was restored as a hotel in 1963.
Motels	Also called transit hotels, they are economical and located alongside the roads and railways.
Hostels	Inexpensive and affordable dorm-like accommodation, mostly for groups of people, students, workers, travellers.

Source: Hospitality management, Jha (2009)

3.1.3 Hotel Classification

Any type of tourist accommodation is also classified by its size, quality of service, location, and ownership. The criteria and indicators of that classification are presented in Table 2.

Table 2: Classification of hotels

<p>Size (number of rooms)</p>	<ul style="list-style-type: none"> ● Small hotel (less than 25 rooms/premise) ● Average-size hotel (25-100 rooms/premise) ● Medium-size hotel (100- 300 rooms/premise) ● Large hotel (more than 300 rooms/premise)
<p>Star system</p>	<ul style="list-style-type: none"> ● One Star (cheap hotels) ● Two Star (less comfort hotels) ● Three Star (medium-comfort hotels) ● Four Star (upper-comfort hotels) ● Five Star (luxury hotels) ● Five Star Deluxe (most luxurious hotels)
<p>Location</p>	<ul style="list-style-type: none"> ● City Centre (downtown) — such hotels are located in the heart of a city. They are usually rather expensive and offer a wide range of convenient facilities. ● Provincial (suburb) — such hotels are located further away from the city centre. Most of them are small and average-sized hotels. They are usually more affordable and offer less facilities.
<p>Ownership type</p>	<ul style="list-style-type: none"> ● Chain hotels ● Independent hotels ● Franchise hotels

Source: Hospitality management, Jha (2009)

3.1.4 Hospitality Industry in the Czech Republic

Over the past few decades, the hotel industry in the Czech Republic has expanded in significant volumes. This is largely due to the contribution of the ever-developing tourism industry, especially in Prague, the capital of the country. According to statistics, the hotel industry has expanded with significant volume over the past few decades in Czech Republic.

(Stata from Czech Statistical Office)

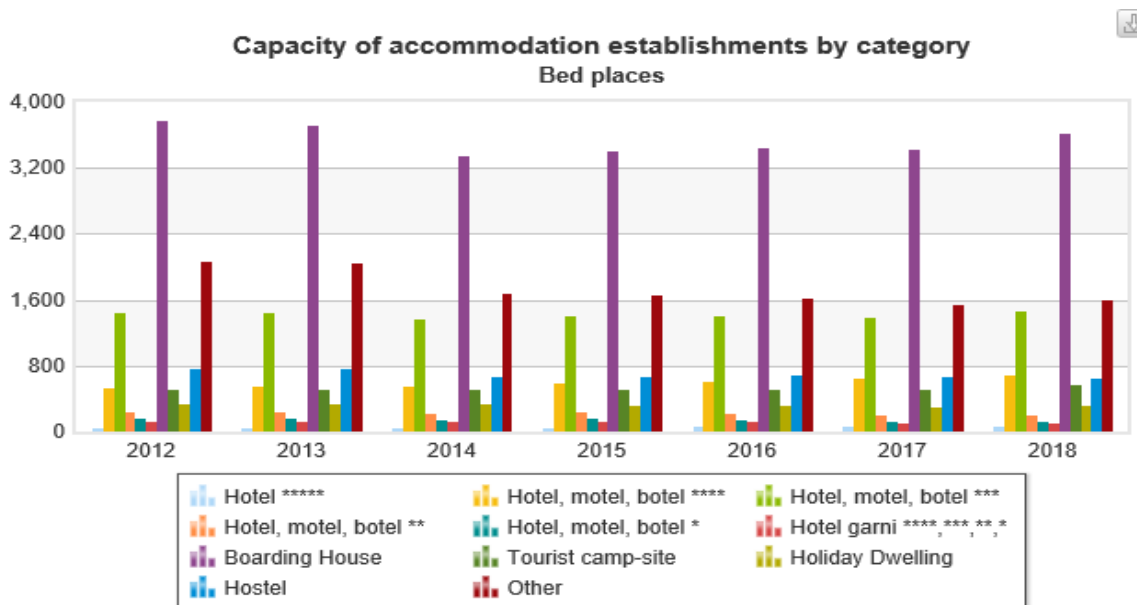
Table 3- Hotel Industry in Czech Republic

Year	Hotel*****	Hotel****	Other Hotels	Hostels
2012	56	539	1942	1113
2013	56	553	1957	1117
2014	57	557	1968	1223
2015	58	601	1974	1295
2016	60	621	1991	1316
2017	61	653	2016	1534
2018	62	693	2045	1940

Source: Czech Statistical Office

Every year the competition is increasing, and it becomes tougher for new, especially non-franchise businesses to penetrate through the existing competition. Yet, not only it is tough to enter the market, it is even more difficult to stay in business. (Henry Tsai, 2008).

Figure 2- Capacity of accommodation establishments by category

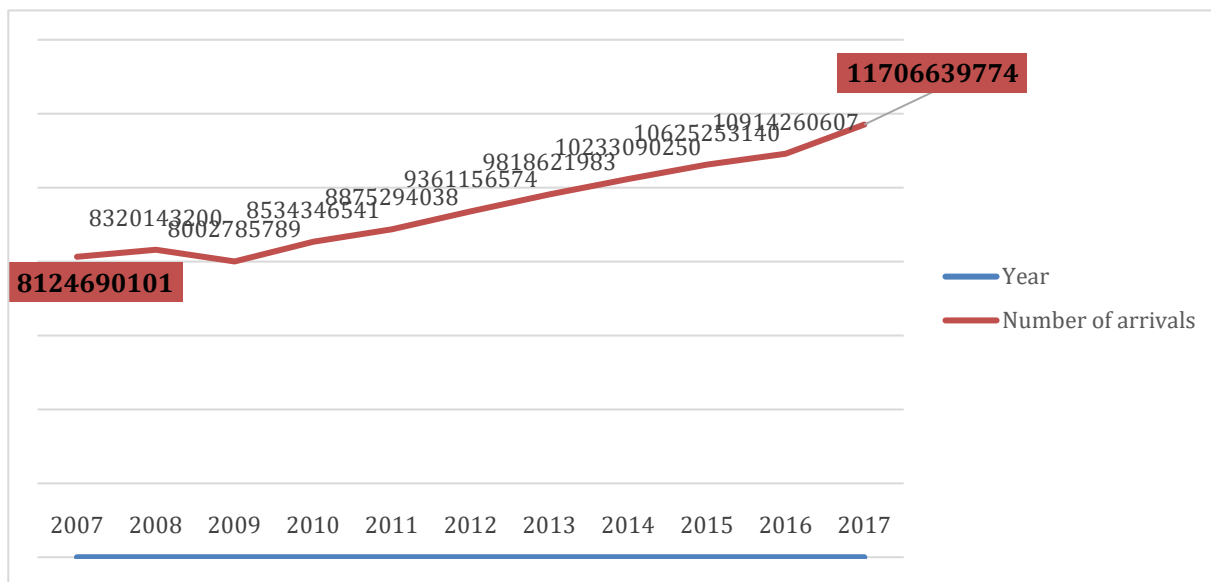


Source: Public database CZSO

Figure 2 shows that number of visitors are increasing every year. That means that travelling is becoming popular activity among people and it helps to develop economy in the country. Nowadays, travelling is the most profitable industry in the world.

According CZSO statistics the number of guests is 21.3 million has reached in Czech Republic. The amount of people has increased for 1.3 million in 2018 from last year. It is more for 6.4% from 2017 year. More than 550 thousand foreigners have visited Czech Republic in 2018 year. The most visited guest from Germany, Slovakia, Poland and China. (Public database CZSO). Also, many east Asia citizens prefer to visit Czech Republic today. The example is presented in the below Figure 3.

Figure 3- Number of arrivals to Czech Republic (2007-2017)



Source: Source: data.worldbank.org

The internal tourism is developing nowadays, people from other part of Czech Republic prefer to visit Prague as well. They prefer to stay in quiet neighbourhood and inexpensive hotels. Hotel industry continues to rapidly develop. In the climate of globalization, hospitality is a highly profitable sector with significant potential due to the popularization of travelling. (Munindra Srivastava, 2013).

3.2 Marketing in the Hospitality Industry

This chapter focuses on marketing concepts and various marketing strategies. In any business marketing plays a crucial role to build customer loyalty, product brand and to be successful in competitive environment nowadays. The businesses can sell tangible or intangible goods. (Pitt, Leyland, Pierre Berthon, and Richard T. Watson, 1999)

Intangible goods unable to touch and do not have physical presence. Hospitality business is quite different from other businesses because it sells feeling, satisfaction, memory and comfort. This business focus on consumer's experiences and satisfaction from this experience. For this type of business, it's important to build a brand in order to maintain a relationship with old customers and attract new one. (Jha,2009) We use daily different products and services. Firms want to make sure that their products and services will be available and visible to consumers. Marketing basically helps to these firms to make their products reachable and known to public. These includes a variety of activities as planning, pricing, promotion and transportation.

According to Philip Kotler, *"Marketing is the social process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others."* The concept of marketing has changed during a time. There are exist two types of marketing: traditional marketing and modern marketing. (Beiki, 2013).

3.2.1 Traditional Marketing Approach

According traditional definition main purpose of marketing is selling products and services. Traditional concept of marketing is concerned on promotion. It is not taking account a customer's opinion. It focuses on product and emphasizes on selling what has been produced.

It has 3 main rules:

Product- It focuses on product. Product design, price etc.

Selling- the aim of this concept to convenience consumers to buy goods and services. This includes promotion and advertising methods.

Profit- the most important part of this marketing activity is to maximize profit.

It doesn't include customers' needs. it is only focus on profit and product selling. (Burnett, 2008)

3.2.2 Modern Marketing Approach

Concept of marketing is changing constantly. Traditional marketing nowadays become inconvenience and unpractical. Globalization dictates new rules to marketing today. In very fast changing world modern marketing focuses on fulfilling needs of consumers. (Munindra Srivastava, 2013) It's completely different from traditional marketing because it takes account consumer's opinion. It consists from key elements like consumer satisfaction, marketing analysis, profit through customer satisfaction. The purpose of concept is finding out what consumer wants rather than to sell them what firms has made. The focus of this concept is on customer orientation. (Burnett, 2008)

Nowadays companies and organizations started to think about their activities and representation in the market. They also started to take account quality and design of products. According to this concept marketers find new ways to reach consumers. It also gives attention individually to every consumer. (D. Chandra Bose, 2010)

Modern marketing also works not only for the consumer but also for the society. So, the company should make balance between company's profits, consumer wants and society welfare. It has long term perspective of winning over consumer loyalty to the product by providing him maximum satisfaction. (D. Chandra Bose, 2010)

The goal of marketing is to attract new customers, provide the highest customer value, and retain old customers, constantly matching their changing needs. The main task of marketing is to understand the needs and requirements of each market and select them that the company can be successful than others. This will allow the company to produce higher quality of goods and thereby increase sales and increase its revenues. (D. Chandra Bose, 2010) It was mentioned before that the marketing is not all about selling. Selling includes advertising, communication with customers and promotion. The selling is important but it's not main aspect of marketing. It is crucial to not forget that marketing is about collection of required data and transforming the data into information for making correct decision (Burnett,2008).

3.2.3 Key concepts of modern marketing

The marketing philosophy has started to change from early 1950s and it is in continuous progress. Companies started to notice that the best sales department cannot sell every product and services that they have created. This brought to change the perspective to the marketing. There are five modern marketing concepts that exist nowadays. (John Burnett, 2008)

Production concept - this concept states that more quantity of cheap products, it means more customers. The aim of the concept is to increase the number of products and decrease the cost of production. The

concept does not focus on quality of product, but only focuses on low price. Most of the time, they forgot about environmental problems and customer satisfaction. The price and amount cannot guarantee that the customers would be attracted by inexpensive products. They could prioritize more quality of goods rather than the price of goods. (John Burnett, 2008)

Product concept - the concept focuses on quality of product and design. This type of product is expensive and unaffordable for many people. The companies are not taking into the consideration availability and price. The concept does not take in account that other factors play crucial role in the purchase decision. (John Burnett, 2008)

Selling concept - the concept concentrates more on sales of product or services. It does not include factors as quality product and consumer satisfaction. The main goal is to make profit and maximize it. This concept was popular in early 1950s. (John Burnett, 2008)

Marketing concept - this concept focuses more on customer needs and values. The aim of concept to create long term relationship with customers. The philosophy states that the business should make effort to satisfy customer wants and parallel achieve organization's goals. (John Burnett, 2008)

Societal Marketing concept - the concept is about taking into account environmental and social issues that exist in the community. The values of the company should meet target market and response to them. For example, Philips company strive to make the world “green” and more sustainable through innovation. Their program for 2020 to improve medical devices and make medicine available. (John Burnett, 2008)

Table 4- Modern marketing concepts

Concept	Purpose
Production	More product quantity = More customers
Product	Good product quality = More customers
Selling	More sales = More profit
Marketing	Customer satisfaction= Better business
Societal-marketing	Customer needs + social responsibility = Better business

Source: created by author

3.3 Marketing Strategy

Marketing strategy can be defined as combination of all organization's goals into one substantial plan. According Philip Kotler, "The marketing strategy lays out target markets and the value proposition that will be offered based on an analysis of the best market opportunities." (Philip Kotler & Kevin Keller, Marketing Management, Pearson, 14th Edition).

It is essential a formula for how a business is going to compete, what its goals should be and what policies will be needed to carry out these goals. (Michael Porter, Competitive Strategy: Techniques for Analysing Industries and Competitors, NY, Free Press, 1980).

The marketing strategy describes more detailed company's direction for the future. It helps to become fully aware about current state of the business and to plan future goals of organization. It also includes solutions how to solve pop up problems and achieve those goals. Strategy includes analysis of market that firm is operating and explore new opportunities for the firm. (Tony Proctor, 2008)

Marketing strategy helps to avoid threats and weaknesses in specific areas. It is crucial to make statistical hypothesis based on data about the products and services in future. It is significant to understand and decrease strategic gap in any business. (Tony Proctor, 2008)

Strategic gap is difference between current state of the business and desired state in future. (Investopedia.com). Marketing strategy determines the vector of product promotion, which maximizes the income and profits of the enterprise in the long term. (Tony Proctor, 2008) The result of the marketing strategy is a marketing plan of specific actions aimed at strengthening the position of goods in the industry, reducing possible risks and threats from competitors and maximizing profits. The objectives of an organization's marketing strategy are simple: it helps the company not to stray from the path of market conquest and pursues business goals. (Kotler, 1997)

3.3.1 Typology of Marketing Strategies

There are several types of marketing strategic plans that hotels are using, this chapter will describe some of them as it will help to understand better marketing strategy in the hotel industry. There are different types of marketing strategies available. Picking up a marketing strategy includes analysing the needs of your business, your target audience and specifications of your products. The most common form of marketing strategy in the hotels is business to consumer (B2C).

3.3.2 Relationship Marketing Strategy

Nowadays hotel industry is facing with extreme competition along with high opportunities and threats. The purpose of this chapter is to research of relationship marketing strategy towards hotel industry and customer satisfaction. For many existing companies to earn new customers is very expensive and time-consuming task. According to Emmett Murphy, one new customer costs five existing customers for company. So economically, it's sufficient to develop relationship with existing customers rather than attract new customers. However, the main goal of every business is to turn new customer into a loyal customer. (Ghasem Bagherzadeh,2014)

Relationship marketing strategy is about creating long-term relationship with customers. A relationship marketing strategy is a long-term approach that its main aim is to provide the customer with a long-term value and its success criterion is customer's long-term satisfaction. (Kotler, 2001)

It's an individual approach and service to existing customers and one-time customers. Relationship marketing strategy is not linked to specific product or service, it's more about daily approach to the business. According to Barnes and Howell's study the emotional connection is crucial for customer and firm. (Financial Services, 1998)

Relationship marketing strategy also deals with customer service in the company. Companies are losing many customers not because they didn't like the product, but because they were unhappy with the customer service. If a business tries to reduce the negative aspects of customer service in order to satisfy customers, existing customers will be satisfied with even imperfect product or service. (Ghasem Bagherzadeh,2014)

3.3.3 Key elements of Relationship marketing strategy

The main key elements of RM strategy are trust, link, communication, joint values, empathy and mutual relationship. (Azizi, 2014)

Trust- when business put customers and employees as main priority, customers and employees became loyal to the organization. As result it will bring for a big revenue towards business and satisfied customers. Trust also evolves a responsibility in front of customers. It's important to understand the huge responsibility and do not lose the trust of loyal customers.

Link-it's important element in relationship marketing strategy because it creates interaction between customers and businesses.

Empathy-empathy is a capacity to understand another's feeling and emotions. It could be described as "putting yourself into another's shoes" or "to be in another's skin". Empathy is crucial communication skill in order to communicate with others in more effective waive is very important element in relationship marketing strategy. The reason is it evolves people and customer service. Especially empathy is vital in customer service for effective social functioning.

Communication-It's vital element among others because with communication the business can approach their customers regarding their opinion or feedback about product. Communication can be described as delivering one thought to another person.

Mutual relations-Mutual relations include formal and informal interactions between customers and firms.

Customer satisfaction- Customer satisfaction is main indicator of quality services provided by a company. Firms that want to be successful in the market should provide with the positive feeling before and after execution of purchases. Standard ISO 1000 describes, that "Satisfaction is a judgement, and opinion expressed by the customer. The degree of satisfaction reflects the gap between the customers vision of the expected product, and the customers perception of the delivered product. (Evangelos Grigoroudis, 2010)

3.3.4 Creation of marketing strategy

Strategic marketing is a process which main purpose is to create a clear direction for all marketing activities. These findings should regularly have updated due to quickly changing environment. According to the time and technological innovation it is important to track marketing changes. There are five stages of marketing strategy. (Edwin J. Nijssen, 2001)

Definition of mission- The first stage involves identifying current visions, missions, missions, and business goals. Its aim is to determine the current state of an enterprise, to identify the reason for the existence of an enterprise and to set future target values. (Edwin J. Nijssen, 2001)

Analysis of the situation - organization should conduct internal and external analysis, also known as SWOT analysis. It helps to understand the firm's strengths, weaknesses, opportunities and threats. When analysing the external environment, all the surrounding factors that affect the operation of the business are sought and identified. In the analysis of the internal environment, however, efforts are being made to identify key areas within the business that require greater attention or priority. (Edwin J. Nijssen, 2001)

Setting organization's goals- the third step is to set marketing goals in strategic marketing. These goals need to be clear and realistic. Also, these goals should be measurable which means they need to include time deadlines. (Edwin J. Nijssen, 2001)

Marketing strategy development- the fourth step is about development of marketing strategy. This also includes identification of target group; it is a group of consumers toward whom the firm tries to satisfy their needs and wants. This step also contains creation of sustainable competitive advantages. In this stage firms should choose different tactics, marketing tools, distribution channels to reach out and impact to the future customers. (Edwin J. Nijssen, 2001)

Planning assessment- the fifth step is feedback through evaluation and strategic control. The task of this phase is primarily to monitor the whole process of creating a marketing strategy and to negotiate redress if such a step is necessary. (Edwin J. Nijssen, 2001)

3.3.5 Selection of target market

All customers have own preferences and not every business is able to satisfy everyone. It's very difficult to satisfy each customer that stays in the hotel. People have personal wants, expectations and level of satisfaction. Therefore, for business it's important to identify a target group. It helps to divide the market into segments (groups). Then the business chooses the most profitable group among others. Then the company tries to meet their wants and needs through product, price and channels and promotional activities. (Camilleri, 2018)

There are exist 3 stages: market segmentation, marketing targeting and product positioning. Market segments consist of customers who has similar need and wants. (Kotler and Keller, 2006)

Two main approaches are using in market segmentation. The first approach states that all customers are the same and the purpose is to identify the groups which has the same differences. The second approach states that all customers are different, and the purpose is to identify the main similarities. (Freytag and Clarke, 2001)

In hotel industry the travellers have target groups as well. It's crucial to divide them into segments as it will help to understand how to provide a high-quality service to each customer.

- **The hard money travellers-** this type of travellers is travelling for own expenses.
- **The soft money travellers-** this type of travellers is travelling for the business trip.
- **The medium money travellers-** this type of travellers is travelling with groups.
- **The frequent short travellers-** this includes travellers who constantly travels for a short trip.
- **The periodic travellers-** the travellers who travels only specific periods of the year. For example: Christmas holidays, Easter holidays and summer holidays. (Camilleri, 2018)

Analysing the customers behaviour and understanding the core aim of their decision making is key to success. Traditional market segmentation is divided into 5 factors: demographic, geographic, behavioural, psychographic and product-related factors.

Demographic-the demographic factor includes age, gender, religion, race, status, personal income family, nationality. Twenty years ago, male part of population was travelling more than female part. Nowadays, the situation has changes and female business travellers has increased. According Skift (2017), millennials prefer to stay in the Airbnb and hotels with high customer service. Income also plays crucial role in term of travelling. When personal income increases demand for hotel industry rises as well.

Geographic-geographic factor includes selecting potential customers according where they are living. For example: people who is living in warm places tend to travel to Europe or cold countries.

Behavioural- behavioural factor describes individual purchase behaviour. This factor helps to understand the shopping frequency, volume of purchase and expenditure on products.

Psychographic-psychographic factor involves person's values, motives and lifestyle. The psychographic factor is used for understanding decision making behaviour of individual. For example: people that have high status, they would expect quality services as well.

Product-related segmentation-the product-related segmentation describes the relationship of customer and product or service. For example: benefits for customer from product or service, brand loyalty of customer towards product or service.

3.3.6 The criteria for effective segmentation

Measurability-it should be possible to measure the size of the targeted segment. (Camilleri, 2018)

Sustainability- it should be profitable enough to be worth pursuing into segment. (Camilleri, 2018)

Accessibility- it should reach and serve segment. (Camilleri, 2018)

Actionability- the segment targeted should appropriate size for selected company's resources. (Camilleri, 2018)

3.4 Tools for Analysing Marketing Strategies

In modern market conditions to function successfully firms should develop dynamic, complete and reliable plan of actions from all areas of business activity. Marketing analysis is a complex scientific a reasonable process. It is used for drawing conclusions from collected and processed information.

The Marketing analysis is directly related to the development of the company's strategy. Marketing analysis is evaluation, explanation, modelling and forecast of the product market, sales and marketing activities of the firm by using statistical, econometric and other research methods. The firm is under number of factors influence. These factors can be monitored based on different of marketing analyses. (Lall and Sahai, 2008)

3.4.1 SWOT analysis

The SWOT analysis is one of the most common tools in strategic planning. The aim of the analysis is identifying strengths and weaknesses of the organization, as well as opportunities and threats of the external environment. (Christophe Seth, 2015)

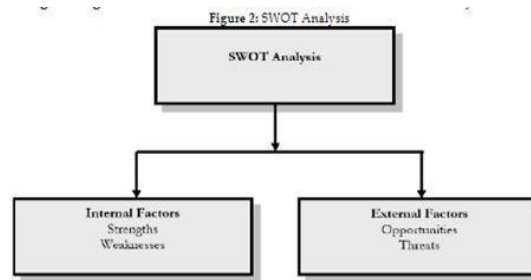
The SWOT plays an important role in strategic planning, because obtained results are the basis for making decisions and they serve as the basis for setting strategic goals.

The abbreviation SWOT proposed by C. Andrews at the Harvard Conference in 1963. It represents the first letters of English words: strengths (strengths), weaknesses (weaknesses), opportunities (opportunities), threats (threats). (Christophe Seth, 2015)

The SWOT analysis is a definition of the strengths and weaknesses of the organization, external threats and opportunities, which may hinder or help the organization in its activities and development. (Christophe Seth, 2015)

The SWOT analysis is conceptually simple, it is one of the most popular models. It helps to determine organization's ability to function in environment, as well as the basis for a competent formulation of a development strategy. It is a generalized framework for understanding the external environment and managing internal environment of the organization.

Figure 4: SWOT analysis: Theoretical review



Source: (Emet Guerel, 2017)

3.4.2 Porter's 5 forces analysis

The model five forces analysis was created by Michael E. Forces in his work “Competitive Strategy”. His model describes 5 statements. (Stephanie Michaux, 2015)

The analysis of five forces is powerful instrument for understanding competition dynamics in the market. (Stephanie Michaux, 2015)

The analysis is built on the fundamental principles of the economy; therefore, it answers for question like, how external forces can limit or create strategic opportunities for the business. Each of the five forces has a clear, direct and predictable attitude towards profitability of the business. (Stephanie Michaux, 2015)

Bargaining power of suppliers

The strong bargaining power of suppliers may appear when there are few large suppliers in the market. Strong suppliers always try to take advantage in order to change higher prices for their products or put favourable terms of deliveries. In this case, the profitability of the firm will be lower because suppliers will charge a significant part of the cost. Another reason of strong bargaining power of suppliers could emerge when there are small number of substitutes. Therefore, it is crucial for a business to have a wide range of suppliers in the market and opportunity to choose between them. (Joan Magretta, 2012)

Bargaining power of customers

Bargaining power of customers is one of the 5 forces. The buyer bargaining power affect prices and product quality. Powerful buyers use their position to bring down prices. The strong bargaining power may appear when there are many sellers and few customers. The second reason for emergence of

bargaining power of customers is the opportunity to switch easily to another product or service. Sometimes it could happen that customers have price-sensitivity for products. (Joan Magretta, 2012)

Threat of substitutes

Substitutes are products and services that satisfy the basic needs. They could be used in a place of another product or service. Substitutes could be threat for existing firms because they can attract more customers and reduce sales volume of existing firm. They are limiting the profitability of the firm. (Joan Magretta, 2012)

Threat of new entrants

Barriers protect the industry from newcomers. The threat of new entrants undermines profitability of existing firms. Usually, exiting firms have to invest more resources in order to satisfy their customers. There are exist many barriers for new players in the market. These are common barriers: brand loyalty, controlled distribution channels, access to the resources, high cost of entrance and high capital, legislation and government actions etc. These barriers may stop new businesses to enter to the market. (Joan Magretta, 2012)

Competition

If there is a strong rivalry between operating firms, it means that the profitability of the firms will suffer. A strong competitive rivalry can be result of pressure on prices in the market. (Joan Magretta, 2012)

There are exist several reasons for strong rivalry:

- There are many businesses that have roughly equal size and power.
- Slow growth provokes contractions for market shares between competitors.
- High barrier to entry prevents firms from leaving the market.

3.4.3 Pestle analysis

Technological, economic, political changes are transforming the world community every day. Any business is under the influence of these factors. Consequently, every business should have ability to adapt to environmental trends that occurring in the environment. Firms are forced actively to use various methods of strategic analysis to develop a competitive strategy because of constantly changing environment and increasing competitive pressure. (Rashain Perera, 2017)

Pest analysis is a marketing tool that is actively used in management of organization. The analysis describes factors from the macroenvironment of the enterprise.

Pest analysis includes the analysis of the following categories: technological, sociocultural, economic, environmental, political, legal. (Rashain Perera, 2017)

Political

Political factors mainly focus on the legislation, bureaucratization and level of corruption. These political factors influence on the business sector. (Rashain Perera, 2017)

Economic

Economic factors primarily focus on product price and labor. These factors are influenced by economic growth. The effect of growth is essential because production, consumption, profit increase. The economic factors include following groups taxation, currency, inflation and interest rate. (Rashain Perera, 2017)

Sociocultural

The sociocultural analysis focus on the media sector and its impact or perception of advertising from the point of view of customers. (Rashain Perera, 2017)

Technological

The technological factors cover topics such as education, infrastructure and science. (Rashain Perera, 2017)

Environmental

Environmental factors include climate change, ecology and pollution. (Rashain Perera, 2017)

Legal

Legal factors include laws, regulations, principles and rules. If we consider hotel industry in this case will be Consumer Affairs Related laws and regulations. (Rashain Perera, 2017)

4 Practical Part

In practical part of the thesis the main goal is to create new marketing strategic plan for selected company. It could be difficult task to perform it. It's crucial to identify customers' preferences and desires in preparation of new plan. There are many marketing strategies available in the world, however not all of them could suit for selected company. Marketing strategy is long-term commitment that would bring potential customers during the process. Good marketing strategy would think about setting out long-term goals, defining current state of company in the marketing and choosing the useful channels to achieve those goals.

4.1 Overview of Amadeus hotel in Prague

Amadeus hotel is the newest hotel among other 9 hostels and hotels. Bohemian hostels and hotels (BoHo) were established in 1999 by Mathias Schweder. The first hostel that he founded was 'Sir Toby's' hostel in Prague. All hostels and hotels are different from each other; however, they have the same vision and mission. Amadeus hotel offers standard 3* accommodation in Prague. The hotel is only 3 tram stops far from city centre.

All rooms and apartments have their own bathroom (shower+ WC), small Sat-TV, dial telephone. Some double rooms are with kitchenette. Free WIFI is available for customers in all common areas in the hotel. Onsite parking for 13 EUR per day. Breakfast available daily for 6, 25 EUR (when it's not included in the rate).

Hostels:

- 1) Sir Toby's hostel
- 2) Czech Inn hostel
- 3) Sophie's hostel
- 4) Somewhere nice hostel in Ghana

Hotels:

- 1) Miss Sophie's Newtown hotel
- 2) Miss Sophie's Downtown hotel
- 3) Miss Sophie's Olomouc hotel
- 4) The Nicholas hotel
- 5) Amadeus hotel

4.1.1 Current state of marketing strategy in Amadeus hotel in Prague

In this part, current state of the company for 2019 is presented.

4.1.2 Website

Website of Amadeus hotel is www.amadeus.cz. We can find all necessary information about rooms, special offers, pictures, contacts and transfer. The website is available in English and Czech languages. Guest can reserve directly from website. Guest should insert in search tab the arrival date, amount of nights and number of people. Then the website will show all available rooms for the exact the same date with description of room and price.

The website has information about location, where the guest can find details of transportation and parking in garage. On website there are also available information regarding the rooms. The amount of rooms is 21 in Amadeus hotel. There are 2 types of rooms: standard and premium. The standard rooms do not have TV; however, they have kitchen. In folder 'special offers' customer can find information about discounts, promo codes. In folder 'Photo Gallery' customer can find pictures of rooms, breakfast and common areas. In folder 'Location' is the same information as in folder 'Contact'. In folder 'Transfer' customer can reserve the taxi from airport to hotel or from hotel to airport. The guest should choose time, date and destination place. Also, the guest should leave his/her contact details in order to receive confirmation of reservation. Also, there are special option to leave a note, if customer has extra luggage or children etc. The price of taxi is fixed. It's 600 CZK or 22 EUR per taxi.

Folder "Location" and 'Contact' has the same information. It's important to insert interesting place in Zizkov area, like restaurants, cafes and shops. Also, standard rooms do not mention that they do not have TV in the room and coffee, tea set. It would be better to include folder "Who we are" as the company. Links are not presented on main homepage and there is no information about social media of the hotel. Nowadays, young people prefer to check social media of the companies before making decision.

4.1.3 Social media

Amadeus hotel has 2 platforms on social media. The first one is Facebook account and second one is Instagram account. The hotel is more active on Facebook rather than Instagram. Last update on Facebook was in summer. However, only 2 pictures were posted on Instagram account from last year. With regular updates and interesting post, pictures there are a big possibility to engage new potential customers. Nowadays, customers prefer to use social media in order to find a good place to stay during journey. They prefer to check feedbacks from other guest, real pictures, stories etc. Also, is quick way of communication with customers and improving customer service.

4.1.4 Reservation channels

The rate of hotel is 7.9 point on Booking.com, which is good rate for 3* hotel. Customers like that hotel for friendly stuff, cleanliness, comfort, value of money, location and free WI-FI. However, they estimate that facility is in low level in the hotel.

Customers complain more about poor breakfast, no TV in some rooms, no air conditioners in summer, no tea set is provided for some rooms, Wi-Fi signal is poor on some floors.

Service is a crucial factor in the hotel industry. As hotel does not sell product it sells memory and experience. One of the key factors separate from good service and from excellent service is consistency towards customers. Customers should receive comfortable and friendly customer service from the hotel personnel. Hotel manager should pay attention on training staff to act adequately and respond in friendly way in stressful situations with customers. Every feedback is important source in order to improve facilities or other issues in the hotel. As, this improvement would help to be competitive in marketplace and gain more loyal customers in future.

4.1.5 SWOT analysis

There are many strengths for the hotel at the moment. During research customers emphasize location, available parking in the hotel for guest, friendly and helpful personnel. The high rate on booking.com is strong side of the company. Also, the hotel is located not in the heart of city centre and customers can enjoy quiet and Czech atmosphere of Prague city. The hotel is located near Zizkov tower, there are many restaurants, bars, coffee shops in this region that could be interesting for guests. Very close tram stop and main train station as well.

During research, customers were not satisfying with facilities that hotel is providing for customers. As standard rooms do not have TV, tea set and elevator. Also, they have emphasized that WI-FI connection

is poor and no air conditioners in the rooms. Pictures could be different from reality. The breakfast is basic and no vegetarian option for guests.

There are many opportunities for the Amadeus hotel as tourism is increasing every year in the Czech Republic. Also, Zizkov region is getting popular among tourists. Many opportunities for hotel on social media as people are engaged more into it. Also, to build brand name and to have more loyal customers.

Many threats are also taking place in the hotel industry. Nowadays, Airbnb (guesthouses) are getting popular among travellers. As they prefer to stay in real houses, flats of owners. It is actual threat for hotel industry as people want to feel local atmosphere and not standardized hotel's approach towards guests. New and more modern hotels could appear in Prague 3 in future near selected hotel.

Table 5- SWOT analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> ● Location ● Friendly personnel ● Parking place for guests 	<ul style="list-style-type: none"> ● Facility in low level ● Not active on social media ● Breakfast ● Seasonal dependence
Opportunity	Threat
<ul style="list-style-type: none"> ● Increasing number of tourists every year in Prague ● Stable economy in Czech Republic ● Social media ● Population growth 	<ul style="list-style-type: none"> ● Popularity of Airbnb ● More modern hotels in Zizkov ● Political conflicts and terrorist attack

Source: created by author

4.1.6 Porter's 5 forces analysis

Table 6- Porter's 5 forces analysis

Forces	Estimation	Description	Solution
Threat of new entrants	Average	There is always high potential of appearing strong and new hotels in the market. As it was with Airbnb, however this sector has huge potential. New entrants: green hotels, guest houses etc.	<ul style="list-style-type: none"> ● Improving weak side of hotel ● Trained personnel ● Strong relationship with existing customers.
Threats of new substitutes	High	There are many 3*hotels with the same standard product and service.	<ul style="list-style-type: none"> ● To gain more loyal customers. ● To create unique concept that would be different from others.
Threats of competition	High	The hotel has the same standardized offers as other hotels in the Czech Republic.	<ul style="list-style-type: none"> ● In order to have competitive advantage compared to other hotels, the hotel

			<p>should analyse popular trends nowadays. As taste of tourist are changing during the time.</p>
Bargaining power of suppliers	Low	Stable relationship with suppliers.	<ul style="list-style-type: none"> • To discuss price discount
Bargaining power of customers	Average	If prices will be high it would affect purchasing decision of customers.	<ul style="list-style-type: none"> • To monitor customers that stayed previously in the hotel and reward them with discount or additional service.

4.1.7 Pest analysis

Political

The main threat for hotel industry could be conflicts between countries, terrorist attacks like in France, Germany etc. However, Czech Republic is very safe European country without conflict situations with other countries. Country has friendly relationship with neighbours and rest of the world. Also, Brexit situation could affect hotel industry in Czech Republic as tourists from UK could decrease. However, there are not enough evidences are available for public. Hotel should pay more attention on visa and law regulations related tourism. According, Global Peace Index for 2019 Czech Republic is in 10th place among other 163 countries. (Visionofhumanity.org)

Economical

Economical factor is very important in any business, but hotel industry depends more from it. Economic factors are inflation rate, unemployment rate, GDP per capita, wage rate etc.

According, Central Intelligence Agency Czech Republic is on 33rd place compare to 217 countries worldwide. The unemployment rate is 2.8. (CIA.gov). Unemployment rate directly impacts on hotel industry as when unemployment rate is low hotel occupancy is high. When unemployment rate is high it means that hotel occupancy is low. Inflation rate is also playing crucial role at economic situation of the country. As when inflation rate is increasing purchasing power is decreasing. Also, exchange rate impacts on hotel industry as it could be reason of decreasing amount of tourist from particular countries.

Social/cultural

According Czech statistics (CZSO), the number of tourists has increased for 6.4% compare to last year. Also, 550 thousand more foreigners have visited country during the year. Many tourists from Germany, Poland, Slovakia and China.

Technological

Many businesses in accommodation industry are trying to implement 3D tours for the hotels. So, customers can have clear and close to real pictures of hotel. In all business industries technological progress has become main goal as digitalization can save a lot of time and money for owners. There are hotels that are functioning only with robot personnel in Japan. (Henn Na Hotel Tokyo Ginza)

4.1.8 Types of customers in Amadeus hotel

Single business travellers-this people travel most of the time alone. They ask special type of receipt for their company as the proof of the payment. However, hotel does not have conference hall for this type of customers. They can have a meeting outside of the hotel.

Family groups-this type of travellers are very common in Amadeus hotel. They choose Amadeus hotel because of location; breakfast offers and baby cots. Also, hotel has option to have pets in the room. The terrace is available for guest whole year. There is a possibility to play outside for children in safe area.

Groups-this type of customers are travelling in groups that consist from 7 to 10 people. The travellers prefer summer or Christmas time to visit city. Most of the guests are from Germany, United Kingdom and China. They usually have one main guide, who is responsible for reservation of rooms, tour in the city and other organisational moments. The main purpose is exploring or stag/hen parties. Also, this type of guest prefers to ask local bars and clubs.

Backpacker travellers- this type of guest travels solely or with one more person. They usually book the cheapest room and they own limited budget.

4.1.9 Competitors Analysis

Prague is very beautiful and historic city. Many people from all over the world want to visit this city, as it's heart of Europe. So, they provide demand for hotel industry in this region. Hotel industry is fast growing and competitive area. Total amount of hotels and similar accommodation is 6277 for 2018 period in the Czech Republic. (Statista.com)

Table 7- Competitors Analysis

Facilities	Amadeus hotel	Dalimil hotel	Terrace hotel Prague
Location	Zizkov 3	Zizkov 3	Zizkov 3
Stars	3*** star	3*** star	3*** star
Rate on Booking	7.8 (Good)	8.0(Very good)	7.9 (Good)
Price of the double room	52 EUR	56 EUR	42 EUR
Parking	14 EUR	25 EUR	20 EUR
WI-FI	Yes	Yes	Yes
Restaurant in the hotel	Only for breakfast	Yes	No

Source: Created by author

When it's high season in summer the hotel needs more free places for parking and other hotels are around helping with this type of issue. So, it's crucial to have friendly relationship with competitors that are located near the Amadeus hotel.

4.1.10 Partners of Amadeus hotel

- Reservation of rooms- Booking.com, Expedia.cz, Agoda.cz, Hotel.com
- Clean bedclothes- Pradlo.cz
- Food for breakfast- Macro.cz

4.2 Creation of new marketing strategy for Amadeus hotel

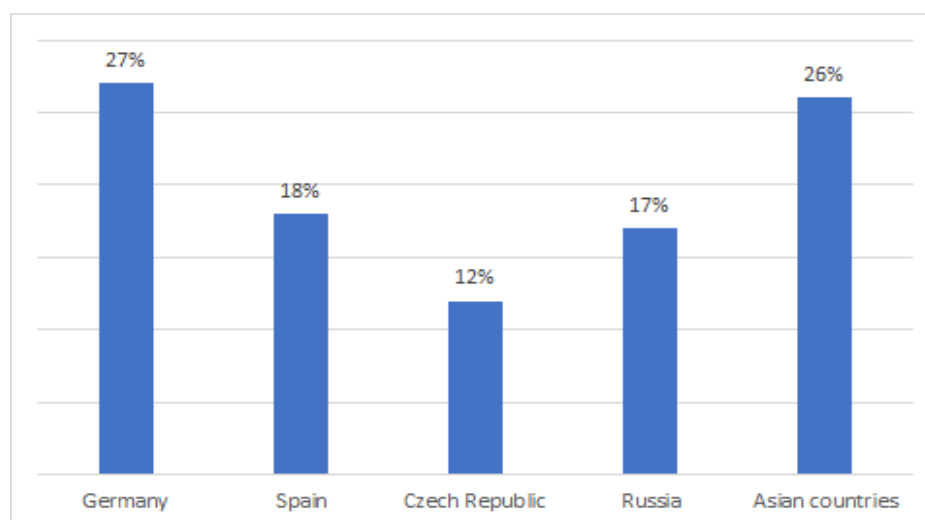
4.2.1 Survey with customer

In survey was involved 120 customers of Amadeus hotel in Prague. The main purpose of survey was to identify strong and weak sides of hotel. As customers are primary source of knowledge. Their opinion should be taking into consideration as well in order to see big picture. This survey will help understand current state of marketing strategy and take some tips from the survey in order to use it in RM strategy in future.

1st question: Where are you from?

Many people answered that they were from Germany, Spain, Russia and Czech Republic. Total amount of guests were 120 people, 30 guests were from Germany, 25 guests were from Spain and 22 people were from Czech Republic.

Figure 5: Survey respondents



Source: created by author

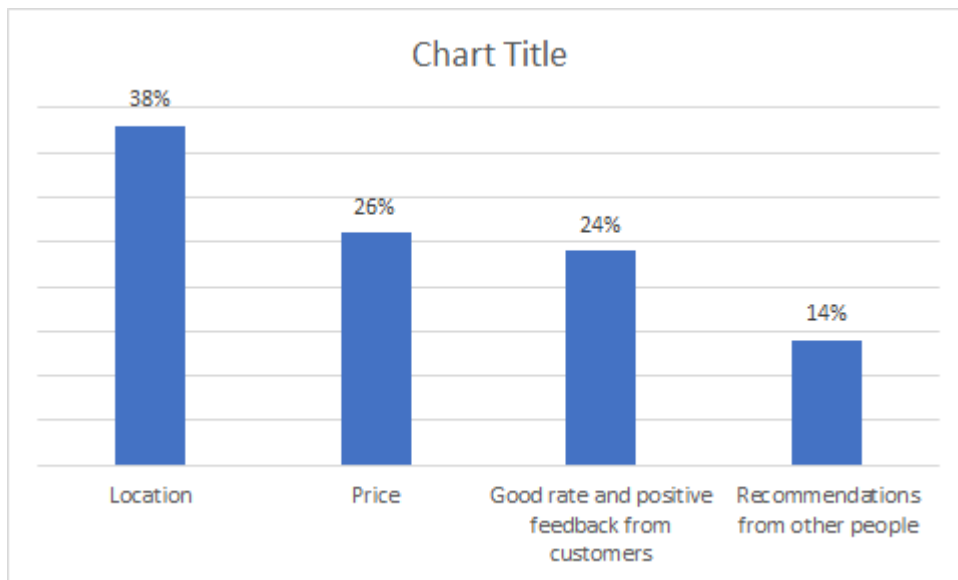
2nd question: How many times have you stayed in Amadeus hotel?

For this question 80% of respondents have answered that they stayed for 1st time in the hotel and only 20% has stayed more than once. These guests that has stayed more than once were from Czech Republic. They said that they had amazing experience and they prefer to stay in the Amadeus hotel when they visit Prague.

Also, it's crucial to understand the real motivation why the customers had chosen this hotel.

3rd question: Why did you choose the Amadeus hotel?

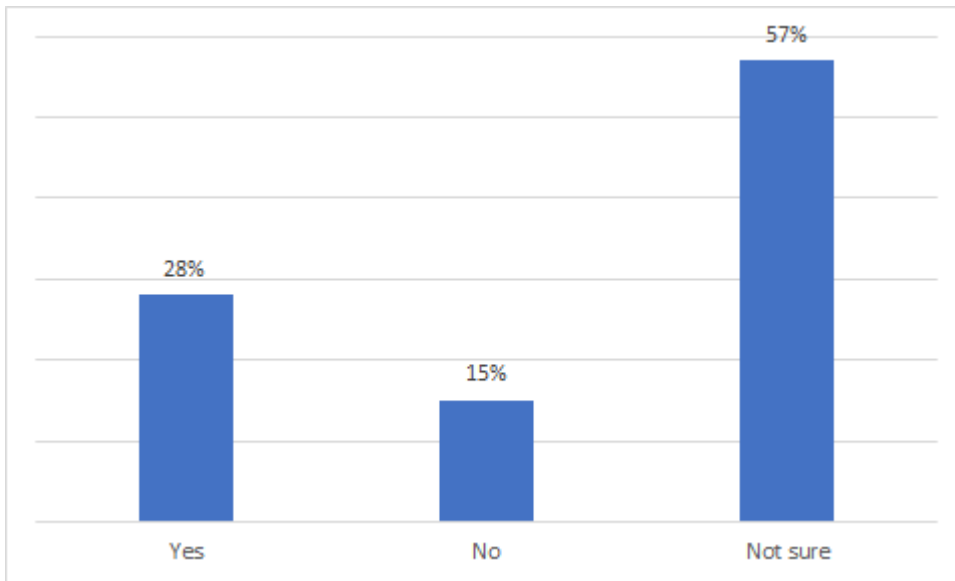
Figure 6: Impacted reasons



Source: created by author

4th question If you return to Prague, will you return to Amadeus hotel?

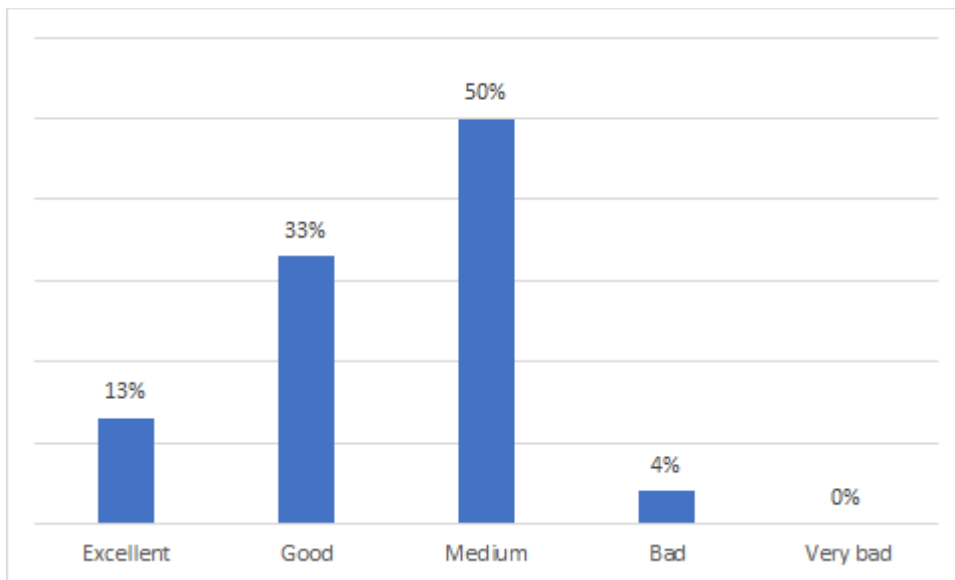
Figure 7: Selecting Amadeus hotel next time



Source: created by author

5th question Have you satisfied with services of Amadeus hotel?

Figure 8: Impression about Amadeus hotel



Source: Created by author

This survey helped to understand current state of marketing strategy and take some tips from the survey in order to use it in RM strategy in future.

4.3 Interview with manager of the hotel

To obtain the whole picture about current state of marketing strategy, interview with manager Grigori Andrejevic was provided. Grigori Andrejevic worked as receptionist for two years and then he has become manager of the hotel. He shared his real experience working as manager and receptionist. As he had a lot of experience in customer service. The interview has focused on marketing strategy of the hotel, customer satisfaction factors, future plans and about new RM strategy for the hotel.

4.3.1 Steps to create new marketing strategic plan for Amadeus hotel

In order to create new strategy for any business, the first step is to find out main goals that company wants to achieve. There are two types of goals: long-term goals and short-term goals. It's crucial to have both of them. Short-term goals should be concrete and achievable in specific period of time. It helps to see the strategy in testing period in order to increase investments and develop it further. In other words, the result should show if the strategy is useful and effective in real world.

Long-term goals are also very important in any business. They can be internal motivation for self-improvement for the company. These goals give inspiration to accomplish the mission of the hotel. The goals should be realistic and practical in real world. Many businesses have unrealistic, difficult to measure or very high standard goals which brings them to fail at the end.

Short-term goals of Amadeus hotel:

- Active social media
- Create strong relationship with customer
- Improve the rate on booking.com
- Attract more potential customers

Long-term goals of Amadeus hotel:

- Increase profit
- Expand the business and offer more quality services
- Build brand name as a chain hotels and hostels in Czech Republic and other countries
- Gain more loyal customers

Second step includes market research. It's very important to understand the target audience of the hotel, which makes the market research easier. As hotel should have comprehension about its customers and their preferences.

4.3.2 Use of marketing tools in creation of new marketing strategy

After setting up goals and market research, company should use tools that will help to achieve those goals. Manager of the hotel is young person and he understands the significance of social media nowadays. This will allow to expand the target audience of the company among young people and brand recognition. Instagram and Facebook are very suitable platforms among other social medias. The creation of accounts is very easy, however, to make it active and gain followers is quite challenging process. In this case the copywriters or media agencies could be helpful. These people focused on creating interesting and unique content on Instagram and Facebook. This is great opportunity to share new pictures and short videos on Instagram with existing customers or personnel of the hotel. On bio there are space to post the name of original web page of the company. So, the potential customers are able to book directly from web page. The customers in this case will not use booking or other platforms for reservation. This action will allow to company save more profit as they pay commission for reservation platforms. Many companies are using social media as a quick way to inform customers about upcoming offers and events. Also, company can use paid advertising on social media. This activity costs cheap and very effective in practice.

We have discussed with manager of the hotel about relationship marketing strategy. Customer should feel that they are VIP clients. The personnel should be trained regularly to have sense of urgency for every customer and to be more attentive towards customer's problems. According W. Edwards Deming, it's vital to tell personnel that their everyday work has impact on quest experience and hotel's profit as well. Also, he mentions that individual performance at work is a part of a big system. The owner of the hotel does not see the opportunity to cooperate with travel tours. As hotel does not gain a lot of profit from it. However, the manager of the hotel does not agree with this decision. He thinks that the hotel should have networking with other members in tourism industry. Many guests want to visit other cities in Czech Republic, and they do not want to spend time for searching information on internet. Also, many old people do not speak international languages and they would like to have travel guide who will take care of them during travelling. It's great way to earn some money for receptionists as they have commission from sold out tours. If guests enjoyed overall experience in city, they tend to rate hotel higher has mentioned manager of the hotel. Attracting a new customer is 5-10 times more expensive than retaining an existing one for any business. However, the hotel does not have special programs for gaining a loyal customer except 10 % discount cards for loyal customers. The main task of the hotel's loyalty program is to build long-term relationships with customers. This cannot be achieved only through discounts and bonuses. It's significant to use an integrated approach when developing a loyalty program. It is based on three key elements. The first element describes additional features during guest stay at the

hotel. The second element is about attractive conditions for regular customers. The last element includes emotional engagement and building trust. Nowadays many hotels have loyalty programs and they see the potential to differentiate loyal guests among other guests.

4.3.3 Future of modern marketing in the hotel industry

Companies will be able to do the micro-segmentation of potential customers. Also, the virtual reality will be presented at the hotels. Hotel reservation will be possible to do with using artificial intelligence in future.

4.3.4 Interview conclusion

The interview was productive in terms of discussion about what steps are critical in creating new marketing strategy for existing hotel. The focus was about gaining more loyal customers and improvement hotel representation not only offline but also online as well. The interview has showed what are the key elements and tools will be used in implementation of new relationship marketing strategy for the hotel.

4.3.5 Comparison of current marketing strategy and RM strategy

Table 8- Comparison of current marketing strategy and RM strategy

Current marketing strategy		Relationship marketing strategy	
Pros	Cons	Pros	Cons
<ul style="list-style-type: none"> ● Low cost ● Time saving ● Traditional principles 	<ul style="list-style-type: none"> ● Inactive on social media ● Low amount of loyal customers ● weak communication channels 	<ul style="list-style-type: none"> ● Personalized customer service ● Development of social media ● Reward programs for loyal customers ● brand identity 	<ul style="list-style-type: none"> ● Expensive ● Time consuming ● New database system for customers ● Training of personnel

Source: Created by author

5 Result and discussion

Relationship marketing strategy has gained an enormous interest among businesses and researches not long ago. Many research works have been written about customer relationship management. However, there is not so many empirical studies were established for hotel businesses. Today many businesses are facing competitive and fast-growing market in the hotel industry. All businesses in the industry are competing for loyal customers. The relationship marketing involves the change of companies from conventional businesses to customer-cantered businesses.

Next paragraph will present if the relationship marketing strategy has been implemented. Not all recommendations have been implemented as it will take approximately more than one year. According manager of the hotel, some recommendations will be implemented in few months.

5.1 Loyal customer program

Development of such program will be convenient decision for hotel. Indeed, the guest is unlikely to appreciate the need for many years to accumulate points in order to earn a baseball cap with the hotel logo. Therefore, the main task of marketing when building the program is to find a balance between the value of the prize and its reachability. The most effective program that guarantees clear and affordable bonuses to its participants, and they, in turn, are interested and involved in the process of obtaining privileges, bringing the expected profit to the hotel. Therefore, blindly copying a loyalty program from other hotels does not bring results. The hotel's program should be deeply integrated into the service model and combine various types of incentives, including intangible motivation aimed at stimulating positive emotions. Guest should feel that management of the hotel is taking care of him/her during the stay in the hotel. For a small hotel with a number of 28 rooms it is impractical. The fact is that classic programs is more suitable for big chain hotels. In addition, hotel needs to spend money to support the program. A small hotel does not have the resources to buy expensive presents and then use it effectively. Loyalty is primarily attention to the needs of guests. This is the magic that turns a visiting visitor into loyal guest. Therefore, in order to develop the commitment of guests, it is not necessary to use high technology or expensive gifts. The manager of the hotel has confirmed that this program will be integrated into production during the year. They will try to pay more attention on loyal customers and create encouraging programs for existing customers.

5.2 Social media

This activity does not require everyday work; however it definitely requires money and knowledge in order use modern trends in running accounts on social media. Therefore, one employee from the hotel or external member can run and create accounts on internet. This will bring opportunity to share upcoming events and exclusive offers about hotel. The manager of hotel has already created accounts on Facebook and Instagram. They hired one person who is engaged only with representation of hotel offline and online.

Table 9: Approximate cost of copywriter in Prague

Per day	Per month	Per year
250 CZK <	5000 CZK <	60000 CZK <

Source: created by author

5.3 Training personnel

The role of hotel personnel is very complex. They are at the boundary of two different environment, the external world and the internal world of the business. They compound these two areas and provide customer-cantered service. That is why hotel staff is a critical factor affecting its success and profitability. That is why the staff should not only possess professional knowledge and skills, but also the ability to present and demonstrate this knowledge and skills. The impression of the hotel as a whole depends on how the client is met, informed, serviced. Manager of the hotel has confirmed that they started every 2-3 months internal training for personnel of the hotel. Also, they have mystery shopper program which helps to check the customer service periodically in the hotel.

5.4 Networking

Networking involves the formation of business relationships, including the search for new acquaintances and the process of establishing contacts. In tourism sector is vital element. Cooperation of hotel and travel tours, different events and restaurants are important. There are many pros have been already presented in the interview with the manager of the hotel. The manager of hotel has established the project with creating a database of all travel tours that wants to work with the hotel. The project will focus on easy to use database with all types of tours. The personnel will be trained to promote those tours to customer. So, the customer will have opportunity to enjoy different types of activities in the city recommended by hotel.

6 Conclusion

The purpose of the thesis is to write brand new marketing strategic plan for Amadeus hotel in Prague. Amadeus hotel was founded in 2017. The owner of the hotel is Matthias Schwender. The Amadeus hotel is 9th hotel and the newest hotel among other hostels and hotels. Amadeus hotel is the part of the chain 'BOHO hostel and hotels. Hotel is located in Zizkov, Prague 3. Amadeus hotel has many advantages; however, some disadvantages are also taking place. The research focuses on micro and macro environment for selected business in order to detect opportunities in competitive market.

Creating new strategic plan is very significant for every business nowadays, however it is very complex activity. It involves many criteria, financial investments and knowledge about global trends in particular field. The first part of the thesis has focused on how to create marketing strategic plan for hotel business and what kind of factors are important to take into consideration and mainly what is marketing strategy.

The second part of the thesis has analysis of current state of Amadeus hotel in Prague. It is important to understand the state of marketing in the hotel from manager's perspective and customers' perspective as well. The interview with manager and survey with customers were very useful in realization of big picture about weak sides and strong sides of Amadeus hotel.

Also, this information played key role in creating marketing strategic plan for Amadeus hotel and generating future recommendations in order to gain more loyal customers and to have competitive advantage among other hotels in Prague. The second part has useful recommendations in order to improve results of selected hotel based on the survey and SWOT analysis.

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