

The Impact Of Services Marketing Mix 7P's In Competitive Advantage To Five Stars Hotel - Case Study Amman, Jordan

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ABSTRACT

The aim of this study is to investigate the extent of the impact of services marketing 7P's (Product or Service, Price, Place, Promotion, People, Physical Evidence, Process), in the achieving of competitive advantage in five star hotels. The population of this study consisted of the guests staying at five star hotels (10 international chains hotels) in Amman/the Hashemite Kingdom of Jordan. Five Hundred questionnaire were distributed, (330) questionnaire were returned. The returned questionnaire estimate to be (66%) of the total number of the sample size.

This study used a set of descriptive inferential statistical methods for data analysis and hypotheses testing which include frequencies, percentages, means, standard deviations, in addition to simple linear regression and one way ANOVA.

The study reached several conclusions, as follows:

- 1. There is a considerable interest in the security and safety during the guests staying period.*
- 2. Hotel trademark of international chains is considered very important to the guest.*
- 3. Room's furniture and equipment attract the guest more than the green environment.*
- 4. There is a considerable interest in hotel reservation and payment Process.*
- 5. Hotel guest perceives competition existing in hotel industry in Jordan.*

The researcher concluded the study by several recommendations; the following are among the most important:

- 1. Hotel management should pay more attention to the service providers, training and development.*
- 2. Pay more attention to the guest safety and security.*
- 3. Developing good loyalty programs which serve the guests.*
- 4. Pay more attention to the term of green. Which is Very Popular in many hotels in the world?*
- 5. Using the best available technology of social media such as Facebook and Twitter as marketing techniques.*

Keywords: Services Marketing Mix; Competitive Advantage; Hotel Industry

STUDY PROBLEM

The researcher formulated the problem of the study by the following questions:

1. What are natures of hotel services that help the hotel to achieve the competitive advantage in the Jordanian hotel industry?
2. Which pricing strategies could be applicable to achieve the competitive advantage in the five star hotels in Amman?

3. Which is the best tool to communicate with the actual and potential guests in order to build the competitive advantage in the five star hotels in Amman?
4. How could the five star hotels in Amman use the efficient distribution channels to achieve the competitive advantage?
5. Could the employees in the five star hotels create a high performance in the hotel industry in Amman?
6. Are the physical evidences in five star hotels in Amman considered as critical factors to build a competitive advantage in Amman hotel industry?
7. 7-What are the best practice methods of services processing could be applicable to achieve the competitive advantage in Amman hotel industry?

STUDY HYPOTHESES

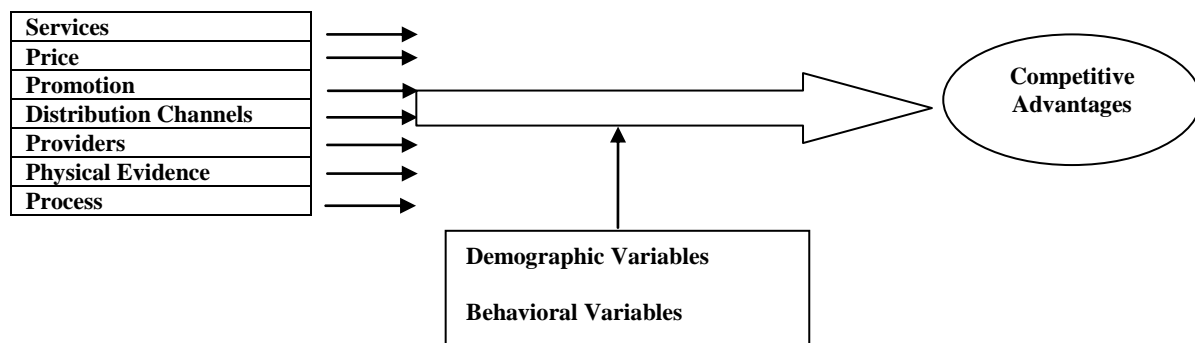
The main hypotheses of the study is:

There is no statistical significance at $(0.05 \geq \alpha)$, between combined 7 marketing mix element (Product or service, Price, Distribution, Promotion, Service provider, Physical evidence, Process) and competitive advantage.

From this hypothesis we established the following:

- H01:** There is no statistically significant at $(0.05 \geq \alpha)$, between Hotel products or services and competitive advantage in five star Hotels in Jordan.
- H02:** There is no statistically significant at $(0.05 \geq \alpha)$, between products and services price and competitive advantage in five star Hotels in Jordan.
- H03:** There is no statistically significant at $(0.05 \geq \alpha)$, between Distribution and competitive advantage in five star Hotels in Jordan.
- H04:** There is no statistically significant at $(0.05 \geq \alpha)$, between promotion and competitive advantage in five star Hotel in Jordan.
- H05:** There is no statistically significant at $(0.05 \geq \alpha)$, between people or service provider and competitive advantage in five star hotels in Jordan.
- H06:** There is no statistically significant at $(0.05 \geq \alpha)$, between physical evidence and competitive advantage in five star Hotels in Jordan.
- H07:** There is no statistically significant at $(0.05 \geq \alpha)$, between process and competitive advantage in five star Hotels in Jordan.

STUDY MODEL



STUDY METHODOLOGY

Population

The study of the population is defined by the five star hotels in Amman, the capital of the Hashemite Kingdome of Jordan

Sample

The study sample is defined by the five star Hotel guest in Amman, the Hashemite Kingdome of Jordan.

Questionnaire Designed and Data Collection

Data were collected using a self-completion questionnaire which was developed based on previous empirical research (Akroush 2011).

Questionnaire was tested through the Pilot study work on a judgment sample.

The questionnaire was highly structured where most of its questions were fixed response alternative questions that are required to select from response which are located by using five point Likert scale.

Hard copies of the questionnaire were personally distributed to the guests and the objectives of the research were explained to each one. The distributed questionnaires were 500 questionnaires, the returned and valid questionnaires were 330, the response rate was 66%.

Validity

Academics in Jordanian universities were consulted to examine the relevancy of the of the questionnaire to the study objectives.

Reliability

Cronbach's alpha was used to determine the reliability of the measurement set, the value o (a) 95.6% which is considered to be higher than the level of acceptability which is 60%, this indicates that the measurement set used in the study is reliable .(Malhotra)

Conceptual Framework

Marketing

Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

According to Kotler, Marketing is defined as the science and art of exploring, creating, and delivering value to satisfy the needs of a target market at a profit. Marketing identifies unfulfilled needs and desires.

Service

Service is any act of performance that one party can offer another that is essentially intangible and does not result in the ownership of anything; its production may or may not be tied to a Physical product.

According to Philip Kotler, service is an action or an activity which can be offered by a party to another party, which is basically intangible and can not affect any ownership. Service may be related to tangible product or intangible product.

Services Marketing

Services Marketing is a sub field of marketing, which can be split into the two main areas of goods marketing and services marketing.

Service Marketing includes: telecommunications services, financial services, all types of hospitality services. The range of approaches and expressions of a marketing idea developed with the hope that it could be effective in conveying the ideas to the diverse segments of people who receive it.

THE CHARACTERISTICS OF HOTEL SERVICES

- *Intangibility:* Services are intangible and do not have physical existence. Hence services cannot be touched, held, tasted or smelt. These are the most defining feature of a service which primarily differentiates it from a product.
- *Inseparability:* Customer-contact employees are intertwined with the product, Customers and employees must understand the service delivery system.
- *Variability:* Given the very nature of services, each service offering is unique and cannot be exactly repeated even by the same service provider. While products can be mass produced and homogenous it is not true in the case of services.
- *Perishability:* Services cannot be stored, saved, returned or resold once they have been used. Once rendered to a customer the service is completely consumed and cannot be distributed to another customer.

THE SERVICE MARKETING COMPONENT (7P'S):

- *Product or Service:* is defined as the extent to which a hotel or hospitality organization develops a comprehensive service offer to satisfy the guests and customers needs and requirement in highly competitive industry or market.
- *Price:* is defined as the extent to which a hotel or hospitality organization practices pricing policies and activities in setting a products or services prices.
- *Promotion:* is defined as the extent to which a hotel or hospitality organization uses the components of promotion activities and elements in formulating products and services promotions strategies.
- *Distribution:* is defined as the extent to which a hotel or hospitality organization uses distribution strategies, channels and activities in setting products and services distribution strategies.
- *People (service providers):* is defined as the extent to which a hotel or hospitality organization is customer oriented in practicing its business, putting the guests and customers at the heart of activities.
- *Physical evidence:* is defined as the extent to which a hotel or hospitality organization is interested in creating a guest and customer friendly, safety, secure and green atmosphere in their environment.
- *Process:* is defined as the extent to which a hotel or hospitality.

Organization has set a guest and customer oriented and systematic procedures for a successful products and services delivery process.

LITERATURE REVIEW

Now we shed the light on the previous literatures that discussed the 7p's of Service or Hospitality Marketing, the studies arranged from the new to the old:

Akroush (2011) "The 7P's Classification of the Services Marketing Mix Revisited: An Empirical Assessment of their Generalisability, Applicability and Effect on Performance-Evidence from Jordanian's Services Organisations"

The study provides the following questions:

1. What are the services marketing mix elements in services business operating in Jordanian market?
2. Are the 7P's of the service marketing mix element generalizable in services business operating in Jordan?
3. Is there a relationship between the services marketing mix elements and services business performance measured by financial and customer measures?
4. What are the most influential elements of the services marketing mix elements on services businesses performance?

The study results provide a general empirical support for services marketing mix elements in services organizations in Jordan.

The services marketing mix elements are 5P's in Jordan's services organizations instead of 7P's, strong empirical evidence exists to support the dominance of the traditional marketing elements 4P's, and just the people from the expanding of 3P's of services marketing mix.

Enz (2009) "The Physical Safety and Security Features of U.S Hotels"

The study examines the physical attributes or features that signal safety and security are a critical of the overall "services escape" of the hotel and help to define the services experience.

The study investigates the degree to which hotels vary in their visible safety and security features and the impact of this variation on the average rack rate that can be advertised for hotel products.

The results reveal that hotels are significantly different in the degree to which they have invested in these features to protect guests and employees and to provide secure environment. Hotels in higher-end price segment and urban locations offer more features than do hotels in economy or budget segment in resort or small town setting.

Also the study shows a strong correlations between safety and security amenities and average rack rate.

Zhou, Brown and Dev (2009) "Market Orientation, Competitive Advantage, and Performance: A Demand-Based Perspective"

The study assesses how customer value affects a firm's market orientation and consequently, competitive advantage and organizational performance in a services and hospitality industry.

The findings show that if a firm perceives its customers as valuing services, the firm is more likely to adapt both customer and a competitor orientation, if the firm thinks its customers are price sensitive, the firm tends to develop a competitor orientation. Moreover the firm is able to develop a competitive advantage based on innovation and market differentiation.

The study also concludes that the innovation and market differentiation advantages lead to greater market performance.

Crook, Ketchen and Snow (2008) "Competitive Edge: A Strategic Management Model"

The purpose of strategic management research is to help companies find the way to improve their performance, based on that this study examines the Competitive-edge model which provides a framework for managers to engage in systematic strategic thinking and deception making.

The competitive-edge model, along with the concepts, tools and data required to activate it, provides managers with an explicit pictures of what is occurring inside and around the firm by using the industry analysis, competitor's analysis, country analysis, stakeholder analysis, legal and regulatory analysis and company analysis.

Turkoz and Akyol (2008) "Internal Marketing and Hotel Performance"

This research focuses on three objectives: a) to defined the internal marketing; b) to determine the scope and implementation of the internal marketing concept in five star hotels; c) to empirically asses the influence of internal marketing on company performance.

The study used the descriptive research method and the results show and provides better understanding of internal marketing and company performance concepts and possible relationships between these in Turkish hotel industry.

Regression analysis finds a significant effect of the internal marketing on company performance. The positive relationship between internal marketing and dimensions of company performance indicate that a high level of internal marketing leads to company performance.

Enz (2008) "Creating a Competitive Advantage by Building Resource Capability: The Case of Outback Steakhouse Korea"

The framework of this study suggests that companies must manage and blend resources in the following five categories:

1. Financial resources.
2. Physical resources.
3. Human resources.
4. Organizational knowledge and learning.
5. General organizational resources (including brand name and relationship with stakeholders).

The study concludes to that if the company wants to maintain the success it needs to continue to pay attention to all five resource categories or risk losing some of its competitive advantage.

Ahbaba (2006) "Measuring Service Quality in the Hotel Industry: A Study in a Business Hotel in Turkey"

The study provides that the evaluation of quality for services is more complex than for products because of their intrinsic nature of heterogeneity, inseparability of production and consumption perishability and intangibility. These distinguishing characteristics of services make it difficult to define and measure service quality.

The study found out that there are five service quality dimensions that represent the evaluative criteria customer use to assess service quality of business hotels named as tangibles, adequacy of service supply, understanding and caring, assurance and convenience. The findings of study indicated that the most important factor in predicting business travelers overall service quality evaluation was tangible. Followed by understanding and caring, adequacy in service supply, assurance and convenience.

Law and Hsu (2005) "Customers Perceptions on the Importance of Hotel Web Site Dimensions and Attributes"

The study shows the importance of e-commerce adoption by hotels to achieve the businesses goals. Also its investigates the importance of specific dimensions and attributes of hotel web sites from the perspective of web sited users.

The study concludes that the travelers generally agreed that the examined factors of hotel web sites were important when they made online reservations. Also the online travel agencies such as Expedia and Travelocity, remain as the most popular places for e-travelers to search for information and make reservation.

RESULTS AND TEST HYPOTHESES

Table (1)

Statements	Mean	STD Deviation	Rank
1- The hotel rooms are spacious and comfortable.	3.945	0.596	3
2- The hotel offers high-class quality services	3.903	0.553	5
3- The hotel offers a variety of services meet the wishes of the guests	3.860	0.612	6
4- Guests feel safe in the hotel	4.018	0.727	1
5- The hotel offers food and beverage, entertainment, recreation services and other complementary services	3.939	0.728	4
6- The hotel offers various events services	3.963	0.602	2

Table (1) Discussed the results which related the hypothesis number 1.

Respondents had to provide if there are any relationship between Hotel products and services and the competitive advantage in Jordanian Hotel industry. The table results shows that there is a relationship between Hotel

products and services and the competitive advantage in Jordanian hotel industry, also the respondents rated the safety and security during their stay in the Hotel as the most important thing.

Table (2)

Price	Mean	STD Deviation	Rank
7- The price equals the quality of hotel services that you receive during your stay in hotel	3.703	0.664	5
8- The Price equal the benefits that you get during your stay in hotel	3.642	0.652	6
9- Hotel services prices are reasonable	3.746	0.745	4
10- The hotel offers excellent prices for the services of food, beverage , entertainment, recreation	3.855	0.805	1
11- The hotel offers seasonal and flexible prices strategy	3.794	0.736	2
12- The hotel offers competitive prices in comparison with other competitor hotels	3.782	0.745	3

Table (2) Discussed the results which related the hypothesis number 2.

Respondents had to provide if there is any relationship between Hotel Prices and the competitive advantage in Jordanian Hotel industry. The table results show that there is a relationship between Hotel products and services and the competitive advantage in Jordanian hotel industry. Answers show that the respondents pay attention to the Point number 10 which is talking about if the hotel offers an excellent prices for the services of food, beverages, entertainment and recreation.

Table (3)

Place (Distribution)	Mean	STD Deviation	Rank
13- Hotel seeks to apply modern technology in the booking, payment and delivery of information easily.	3.921	0.480	4
14- The hotel is interested to cancel the role of intermediaries and to direct contact with guests.	3.854	0.565	5
15- Hotel has good relations with travel agencies to facilitate the booking.	4.018	0.657	1
16- The hotel is linked to a global reservation system with chain hotels.	4.000	0.594	2
17- The hotel has an effective system of electronic booking.	3.954	0.568	3

Respondents had to provide if there is any relationship between Hotel Place (Distribution), and the competitive advantage in Jordanian Hotel industry. The table results show that there is a relationship between Hotel products and services and the competitive advantage in Jordanian hotel industry. Responds consisted of point number 15 which is Hotel has a good a good relations with travel agencies to facilitate the booking as the most important point.

Table (4)

Promotion	Mean	STD Deviation	Rank
18- The hotel uses effective means of promotion and advertising.	3.715	0.678	5
19- The Hotel focuses on personal selling as an effective mean of promotion.	3.661	0.675	6
20- The Hotel allocates a promotional budget to support the promotional activity.	3.746	0.671	4
21- The hotel has a distinctive brand compared to competitors.	3.897	0.728	1
22- I can get rich information and data about the hotel from the Internet.	3.873	0.654	2
23- I get promotional prices from the hotel in comparison with the competition hotels	3.777	0.687	3

Respondents had to provide if there is any relationship between Hotel promotion and the competitive advantage in Jordanian Hotel industry. The table results shows that there is a relationship between Hotel products and services and the competitive advantage in Jordanian hotel industry. Respondents agreed that the hotel should have a distinctive brand comparing with other competitors.

Table (5)

People (Service Providers)	Mean	STD Deviation	Rank
24- The hotel has a skilled and competent personnel and capable of providing services to guests.	3.975	0.628	5
25- Personnel seek to build good relations with the guests based on friendship and respect.	4.127	0.595	3
26- I feel that service providers seek to provide excellent services to meet my needs and desires.	4.159	0.671	1
27- I feel that the Personnel at the hotel understand service culture.	4.133	0.702	2
28- Personnel seek to resolve the problems that I encounter rapidly and satisfactory.	4.115	0.751	4

Respondents had to provide if there is any relationship between People (Service Providers), and the competitive advantage in Jordanian Hotel industry. The table results shows that there is a relationship between Hotel products and services and the competitive advantage in Jordanian hotel industry, the respondents seeks to be served by people who provide excellent services to meet their needs and desires.

Table (6)

Physical Evidence	Mean	STD Deviation	Rank
29- The rooms, lounges and furniture of the hotel have gravity and psychological comfort for the guests.	4.006	0.589	1
30- The hotel is equipped width modern, furniture and other amenities.	3.915	0.473	4
31- I feel that the material accessories in the hotel reflect a social nature	3.982	0.613	3
32- The hotel has security and safety requirements	4.000	0.573	2
33- I contribute in keeping up with the green environment of the hotel sharing with the staff to enhance, improve this modern concept.	3.903	0.606	5

Respondents had to provide if there is any relationship between Hotel Physical evidence and the competitive advantage in Jordanian Hotel industry. The table results shows that there is a relationship between Hotel products and services and the competitive advantage in Jordanian hotel industry. Answers show that the respondents prefer if the Hotel rooms, lounges and furniture are attractive and provide, psychological and comfort for the guests.

Table (7)

Process	Mean	STD Deviation	Rank
34- The hotel offers services like the international hotels.	3.897	0.558	3
35- I share the administration and personnel at the hotel to reach mutual beneficial relations with the guests.	3.885	0.498	4
36- The hotel offers high-class quality services in comparison with the competitor hotels.	3.933	0.615	2
37- The bookings, payment and stay at the hotel be done conveniently.	3.958	0.683	1

Respondents had to provide if there is any relationship between Hotel Process and the competitive advantage in Jordanian Hotel industry. The table results shows that there is a relationship between Hotel products and services and the competitive advantage in Jordanian hotel industry, the point which talking about the booking and payment also the stay at the hotel were done nicely attracts the respondents attention.

Table (8)

Competitive Advantage	Mean	STD Deviation	Rank
38- The hotel has skilled and competent personnel and capable of providing services to guests.	3.946	0.626	4
39- The hotel offers high-class quality services.	3.867	0.629	8
40- I feel safe in this hotel.	3.915	0.608	6
41- The Price equals the benefits that you receive during your stay in a hotel.	3.921	0.688	5
42- The hotel Uses effective means of promotion and advertising	3.788	0.612	7
43- Hotel seeks to apply modern technology in the booking, payment and delivery of information easily.	3.950	0.626	3
44- Hotel services met my expectations.	3.955	0.596	2
45- Hotel services satisfied my perceptions.	3.964	0.572	1

The last table focuses at the competitive advantage in general from the respondent's perspective; the results show that the respondents agreed on that the Hotel services satisfied their perception.

CONCLUSION

The study reached several conclusions, as follows:

1. There is a considerable interest in the security and safety during the staying period.
2. Hotel trademark of international chains are considered very important to the guest.
3. Room's furniture and equipment attract the guest more than the green environment.
4. There is a considerable interest in hotel reservation and payment Process.
5. Hotel guests perceive the competition which exists in hotel industry in Jordan.

The researchers concluded the study by several recommendations; the following are among the most important:

1. Hotel management should pay more attention to the service providers, training and development.
2. Pay more attention to the guest safety and security.
3. Develop a good loyalty programs which serve the guests.
4. Pay more attention to the concept of green. Which is Very Popular in many hotels in the world?
5. Using the best available technology (social media) such as Facebook, e-mail and Twitter as marketing techniques.

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