Chapter 12

Marketing Mix Adaptation of Large-Scale Hotels in Turbulent Times: A Case From Mugla City

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ABSTRACT

Tourism is one of the leading sectors in Turkish economy, by taking the chance on various kinds in different regions of the country. However, based on its fragile structure and nature, the industry is quite sensitive to all types of crises as well. Therefore, this chapter aims to examine different marketing mix strategies which can be adopted by large-scale hotel managements in order to struggle with crises. The authors interpret the findings gathered by in-depth interview with marketing managers of five-star hotels.

INTRODUCTION

Crisis is a phenomenon that constrains businesses to make not only critical but also radical decisions. With the impact of globalization, it is not so much important where crisis has emerged; but how deep and in what aspects countries, industries and businesses are affected by it become highly questionable. Despite the fact that crisis- as word meaning- embodies some opportunity possibility, it is not easy to cope with some crisis types and levels. Beyond any doubt, tourism is one of the foremost touchy industries to crisis.

For Turkey, which has approximately 80 million people, tourism is one of the leading industries such that visitors coming to Turkey have the opportunity to choose from a wide range of tourism alternatives apart from 3S (sea-sun-sand). Yacht tourism, medical tourism, religious tourism and golf tourism are some of those kinds. According to World Tourism Organization (UNWTO) data, Turkey ranks sixth in 2014 among the most visited countries and it is on the 11th rank in terms of tourism receipts (TÜİK, DOI: 10.4018/978-1-5225-2716-9.ch012
2016). However, terrorist incidents recently encountered, notably in Southeastern Region of Anatolia, in different cities and regions of Turkey overshadow tourism industry in the country. These circumstances affect in highly negative way on the destination choice of visitors. According to Fuchs and Reichel (2006), visitors perceive various types of risks ranging from disappointment with the expected experience through the waste of precious vacation time, to the fear of physical harm due to disease, crime or terror. Besides terror problems, Turkey has a rough time because of tense political relations with some neighbor countries like Russia, which is a great potential tourist supplier. Moreover, suicide bombing in Sultanahmet killed German tourists meaning that the biggest tourist market has been damaged. According to Association of Turkish Travel Agencies (TÜRSAB) 2014 data, Germany is in the first place with 3.8 billion dollars where Turkey generates tourism income from. In addition, Germany is followed by Russia (2.7 billion $) and England (1.9 billion $) and those amount constitutes 30% percent of total national income. Recently, terrorist attack consisting of shootings and suicide bombing occurred on 28 June 2016 in Atatürk Airport which is the main and the biggest international airport in Turkey by total number of passengers, destinations served and aircraft movement. After a while later, on 15 July 2016, a failed coup attempt has come to the fore at the top of country’s agenda. While citizens feel apprehension about that latest news, foreign press and potential tourists as well watch the developments with deep concern. Consecutively, those adverse events escalate canceling in reservations.

In consequence of such kind of painful events, Turkey as a world-known destination has lost its market share dramatically. Moreover, the prediction of TÜRSAB for Turkey, visited by approximately 40 million tourists in recent years, seems quite low regarding 2016. Data from Turkish Statistical Institute (TÜİK) justifies those low expectations: In first quarter of 2016 (between January - March), tourism incomes of Turkey has fallen at the rate of 16.5% and the number of tourists decreased in the ratio of 4.4% when compared year-on-year. Specialists forecast that there would be 35% loss in tourism industry in Turkey for the year 2016 and 6.5 million tourists are expected for visit.

As seen, tourism is one of the leading sources of income for the country, whereas 75% of revenue acquired in tourism industry comes from Antalya, İstanbul and Muğla (AKTOB, 2014). Muğla province- located in southwest of Turkey- makes a significant contribution to the national economy with its renowned-worldwide destinations as Bodrum, Marmaris, Fethiye and Dağça. When above 3 million touristic visits with the occasion of those attractive destinations are considered, the degree of Muğla’s contribution to the economy is well understood. But crisis in the country hit the destinations mentioned closely, therefore, the number of visitors to those destinations drop off sharply compared to the previous years. In other words, the examination of crisis in the context of Muğla city and its effects on Turkish tourism become highly important.

Various studies were employed in the literature regarding crisis management in tourism industry (Althnayan, 2012; Ghaderi & Som, 2013; Paraskevas, 2013; Ritchie, 2009; Rittichainuwat, 2013). Similar studies also exist in Turkish literature (Akincci, 2010; Demir, 2010; Goral, 2014; Sencilmis & Sarı, 2010). Some of the studies deal with marketing strategies in crisis period for tourism (Chawla, 2008; Scott, Laws, & Prideaux, 2008). Moreover, some focus on Muğla city as a case (Fırat & Açıkgoz, 2011).

Although these studies provide an insight to the present study, frequency of occurrence of the different marketing components’ willing to be measured is the original side of this study. In this context, the basic research question of the study is determined as “Are five-star hotels, which operates in the Muğla Province, adapting their marketing mixes (product, price, place and promotion efforts) to the crises?”. In this regard, it will be seeking that what managerial strategies and methods which are present in the marketing literature are being implemented and to what extent by the research universe.