



Article Title

CORRELATION BETWEEN THE PENETRATION STRATEGIES AND MARKETING MIX OF INTERNATIONAL HOTEL CHAINS IN ROMANIA

Citation

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Abstract

On the Romanian market there are 21 international hotel chains, having 51 hotels. The goal of the research paper is to analyze which are the marketing mix policies and strategies used by the hotels, belonging to an international hotel chain on the Romanian market. For this purpose, a descriptive research was implemented through investigation of all the hotels that are part of an international hotel chain. The research reveals that hotels operate by abiding the norms established by contract. The higher the risk, the investment and control are, the more influence the hotel chain has regarding the pricing strategies. Hotels use their own channels but also the parent chain channels. Promotion strategy takes into account global, regional and local issues encountered. The majority of the hotels have the possibility to decide some internal elements for their personnel. All the hotels apply norms and standardized procedures regarding the quality of the services. The most expected advantage for a hotel that belongs to an international chain is the visibility at international level.

Conclusion

The majority of the hotels belonging to international hotel chains present on the Romanian market are franchises and management contracts. Most hotels in Romania, after entered under the umbrella of an international chain, operate by abiding the norms established by contract. From these, most are franchises. This is why the products/ services are agreed based on contractual regulations, and taking into account the peculiarities of the existing structure. Regarding the pricing strategies, the situation is slightly different. Thus, most franchised hotels have the pricing strategies set by the parent chain at a rate of less than 50%, because this type of strategy does not involve a high control and risk for the international chain. The higher the risk,

the investment and the control are the more hotel chain influences pricing strategies. If one consider management contract, the parent chain can influence pricing strategies at a rate between 51% -80%. If the hotel chain influence in formulating pricing strategies is 100% than the hotel works as foreign direct investment. In terms of distribution strategy, hotels belonging to international chains use their own channels but also the parent chain channels. Hotels address both Romanian customers and foreign ones. Finally, hotels can use intermediaries too. The promotion strategy takes into account global, regional and local issues encountered. In this respect, the implementation takes particularly into account the specificities of local tourism demand, but also those of foreign tourism demand.