

Can strategic market segmentation, with a focus on higher yielding segments, alleviate the issue of bedroom undersupply & high occupancy?

- A case study on 4 star hotels in Dublin, Ireland.

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A dissertation submitted in partial fulfilment for the award of MSc. Marketing

Submitted to the National College of Ireland, August 2017

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Abstract

Despite the degree of uncertainty and unpredictability associated with tourism, growth has remained at around 6% for 2017 (Fáilte Ireland, 2017). Balancing supply and demand has become a daily challenge for hoteliers, considering that while occupancy and demand have increased in the previous 18 months, supply has remained static. This has caused challenges for industry and for marketers looking to strategically segment their business due to an undersupply of hotel bedroom stock. Literature backgrounds on defining characteristics of services marketing, market segmentation in hospitality and Blue Ocean strategy as outlined by Yang (2011) are analysed to form the foundations of this study.

The primary research aims to answer and offer recommendation to industry for the following research question:

‘Can strategic market segmentation, with a focus on higher yielding segments, alleviate the issue of bedroom undersupply & high occupancy? – A case study on 4 star hotels in Dublin, Ireland’.

To achieve this the research philosophy of Interpretivism with a deductive qualitative approach is implemented via means of semi-structured, face to face interviews.

Results of the research found that the high occupancy was welcomed by hospitality professionals as it aided in yielding on rates, however in certain periods did cause a strain on the business operationally. It was thought by participants that a focus on specific market segments which offered a long lead time, such as MICE segments, would allow hotels to strategically plan for the need months and gaps surrounding this contracted high yielding business as a result.

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Acknowledgements

Firstly, thank you to my supervisor, Desmond Gibney, for your guidance and support in completing this research dissertation.

Thank you also to my interviewees for taking the time out their busy work days to share opinions, experience and industry knowledge which was critical for completing this study.

I would like to also acknowledge The Doyle Collection and The Croke Park for their assistance in allowing me to complete this Masters in Marketing. Thank you Alan, Muireann and the extended team, with whom I am very proud to work with.

Thank you to my friends and family - Mum and Dad you have given me so much support and guidance over the last number of years as I worked towards building a career of my own. I only want to make you proud – Thank you.

And finally Jeremy, you are the most patient man I have ever met, thank you for keeping me sane.

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Chapter 1 –

Introduction

1 - Introduction

'Despite the degree of uncertainty and unpredictability associated with tourism, growth has remained at around 6% for 2017' (Fáilte Ireland, 2017). Balancing supply and demand has become a daily challenge for hoteliers, considering that while occupancy and demand have increased in the previous 18 months, supply has remained static. This has caused challenges for industry and for marketers looking to strategically segment their business due to an undersupply of hotel bedroom stock.

A background chapter will set the context for this study with reference to current industry reports such as CSO (2016 & 2017) and Fáilte Ireland's SOAR reports (2017). The Dublin Airport Authority (DAA) (2017) confirmed that 'annual passenger numbers at Dublin airport had increased from 20.2 million to 27.9 million during the same period between 2013-2016', meaning that demand is surpassing the supply of bedroom stock on a more regular basis with occupancies of 85%+ on midweek dates also reported by STR (2017) throughout the year.

Chapter 2 will study the secondary resources available and will look to the literature to define the characteristics of services marketing, market segmentation in hospitality, yield management and oversupply case studies with a comparison to under supply. Blue ocean strategies proposed by Yang (2011) will also be investigated and will pose the question as to whether these strategies may be implemented by the industry in trying to alleviate the undersupply.

In the upcoming study the following research question with topic related sub-objectives stemming from gaps outlined in the review of topical literature will be investigated.

'Can strategic market segmentation, with a focus on higher yielding segments, alleviate the issue of bedroom undersupply & high occupancy?' – A case study on 4 star hotels in Dublin, Ireland'.

A research methodology chapter will signpost the research philosophy, approach and research design. The data collection and sampling processes will also be outlined, with the interview structure and questions along with the interviewee consent form available to view in the appendices of this study.

Finally the study findings taken from the qualitative research will be outlined, and analysed during the discussions chapter. Recommendations for industry and also for further study will also be included in this final chapter.

It is hoped that by conducting this study that if a definitive answer to the research question cannot be ascertained that a recommendation for best practice and/or suggestion to industry may be offered.

Chapter 2 –

Study Background: An insight into
Dublin's Hospitality Industry

2 - Study Background

2.1 Introduction

It has been highlighted by many sources including the media that in 2017, hotel bedroom occupancy is at an all-time high in Dublin city centre with Dublin now at the 'highest hotel occupancy rate in Europe, averaging around 82pc' (Bray, 2016). The hotel room supply issue has caused challenges as a result for hoteliers, as the continued high occupancy has become the norm in periods of traditionally low demand in the capital city of Ireland. While high occupancy and increased profits, as a result, can be seen to be beneficial for short-term profit gain, with the average room rates in Dublin having increased 44.7% since 2009 according to MeetPie.com (2017). It remains to be seen however as to whether the extended time period of high demand may be seen to be causing issues for hotels in the long term. In an article published by The Irish Times by McCárthaigh (2017) it is stated that the hotel shortage could 'pose a risk to Dublin tourism'.

This industry background chapter will look to current reports compiled by industry professionals, including those conducted by the Tourism and Hospitality Industries governing body Fáilte Ireland and also STR. These will give an insight into the hospitality industry and the challenges facing marketers. It also aims to highlight the reasoning and thought process behind showcasing these issues as part of this research paper.

2.2 Current Supply 2017 – Dublin, Ireland

According to Fáilte Ireland (2017) and their latest SOAR report published in July 2017, 'despite the degree of uncertainty and unpredictability associated with tourism, growth has remained at around 6% this year worldwide'. This increase in visitor numbers over the past 12 months means that more tourists are choosing Dublin and the island of Ireland as their destination of choice for leisure and also business. In October 2016, Fáilte Ireland released findings via the Central Statistics Office (CSO), which confirmed a 12% increase in traveller numbers to Ireland, based on tourist visits from January to September 2016. This was also measured and compared to the same period in 2015 (figure 2.1). Updated figures released in July 2017 confirm this

trend and overseas arrivals to Ireland were noted as increasing a further 4.2% overall from January to June 2017 (CSO, 2017) and an increase of 0.6% from January – March 2017 versus the same period in 2016 (figure 2.2).

Gustavo (2013) notes that ‘Europe remains the major destination of international tourism and the greatest producer and receptor of tourists’, with Western European countries, such as Ireland becoming major emerging destinations. Dublin Airport Authority (May 2017) also confirmed in a statement that ‘annual passenger numbers at the airport increased from 20.2 million to 27.9 million during the same period’ (2013-2016). Fitzpatrick Associates (2016) also reconfirmed an increase in inbound passenger numbers into Dublin Airport during the first 10 months of 2016 of 11.6%.

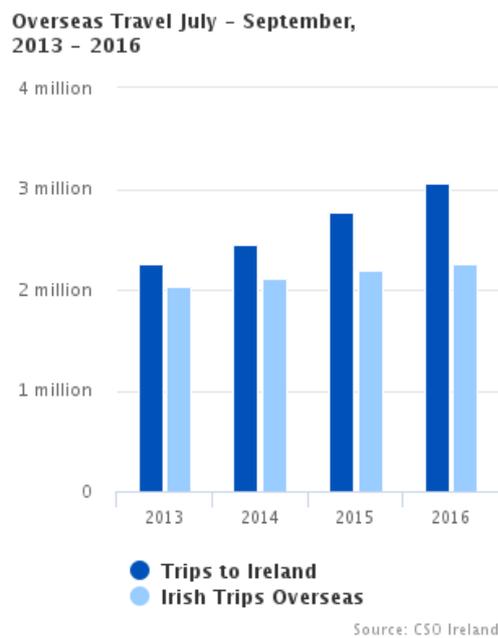


Figure 2.1 – Overseas Travel July – September 2013-2016 (CSO, 2016)

Tourism and Travel

Quarter 1 2017

Reason for journey	Overseas trips to Ireland		Trips by Irish residents overseas	
	'000		'000	
	Jan - Mar 2016	Jan - Mar 2017	Jan - Mar 2016	Jan - Mar 2017
Business	364	351	188	236
Visits to Friends/Relatives	555	548	468	441
Holiday/Leisure/Recreation	691	691	798	855
Other	175	206	23	37
Total	1,785	1,796	1,478	1,569

Figure 2.2 – Overseas Trips to Ireland January – March 2016 vs. 2017 (CSO, 2017)

While traveller numbers inbound to Ireland have increased, as noted by the tourism governing bodies, bedroom stock and the supply of rooms available for these visitors to book has remained static, leaving an increasing undersupply issue in its wake. According to a report conducted by Fitzpatrick Associates Economic Consultants (2016), the increase in visitor numbers is not estimated to slow. Their study conducted on behalf of Fáilte Ireland noted four varying, estimated demand scenarios of future accommodation requirement trends and visitor numbers. The report noted year on year visitor growth of between 2.2% and 6.8% and compared these figures with their estimated shortfall against current and proposed bedroom stock in Dublin city. Within the highest estimated growth scenario of 6.8%, the report foresees a bedroom stock shortfall of almost 3,000 room nights to meet demand in 2017 & 2018 (Figure 2.3).

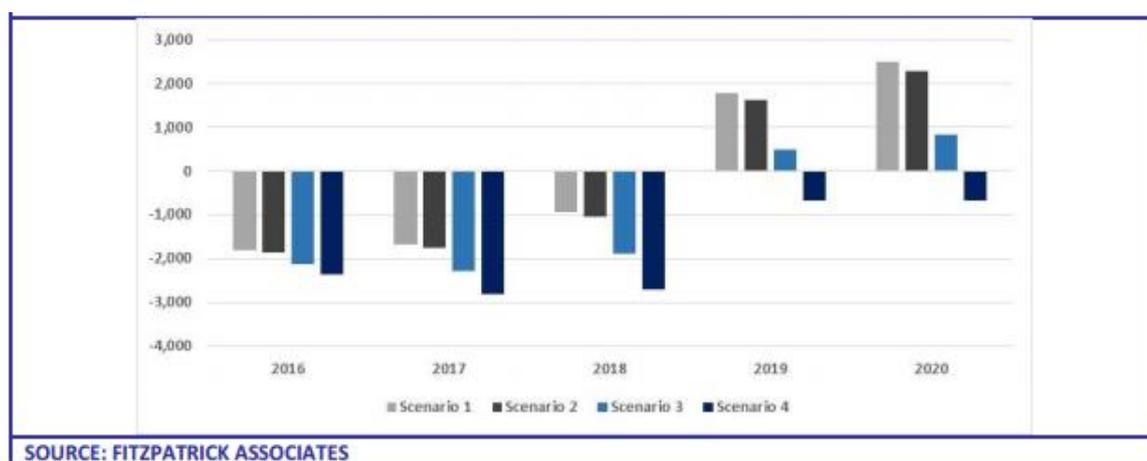


Figure 2.3 – 2020 Accommodation Demand Scenarios (Fitzpatrick Associates Economic Consultants, 2016)

The lack of new hotel room builds in recent years has not been sufficient to match the increased demand. According to an article published by Irish Independent writer Bray (2016), there has been very limited new hotel room stock added to the overall city inventory since 2010. Some examples of new properties included The Gibson Hotel (opened 2010 – 252 rooms) at the Point Village, The Dean Hotel (opened 2014 – 52 rooms) on Harcourt Street and the Holiday Inn (October 2016 – 198 rooms) on O’Connell Street. As a result occupancy in Dublin city hotels is strained with STR (2017) reporting figures of capacity in mid-80’s for 2016 (figure 2.4) and occupancies in Dublin of 85% + on days of week such as Tuesdays, Wednesdays and Saturdays for January – May 2017 year to date (figure 2.5). This shows that occupancy and the demand for rooms is consistently high both midweek and weekends throughout the year.

Dublin – Monthly Occupancy

January 2015 YTD – May 2017 YTD



Figure 2.4 – Dublin – Monthly Occupancy 2015 – May 2017 (STR, 2017)

Day of Week Analysis Actuals – Dublin May 2017 YTD

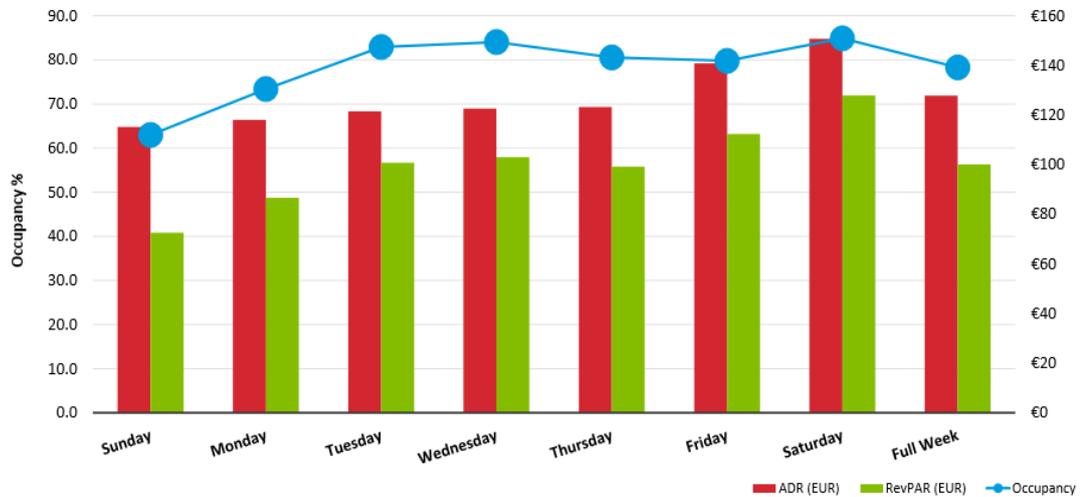


Figure 2.5 – Dublin – Day of Week Analysis (Occupancy, RevPAR and ADR) (STR, 2017)

2.3 Future Supply – 2017 – 2020

What developments are in the pipeline to relieve pressure on the current figures? From a research study commissioned by Fáilte Ireland and compiled by Fitzpatrick Associates Economic Consultants (2016), it was found that after 10 years of development inactivity there were a total of 69 anticipated building and property development projects in the pipeline for Dublin city with an estimated completion date of year-end 2020. These projects ‘considered likely to bring new hotel capacity on stream’ by 2020 according to Fitzpatrick’s could confirm an additional 5,545 bedrooms both from new hotel developments (68% - 3,800 rooms) entering the market along with existing hotel expansion projects (32% - 1,750) – confirmed in March 2016. See figure 2.6.

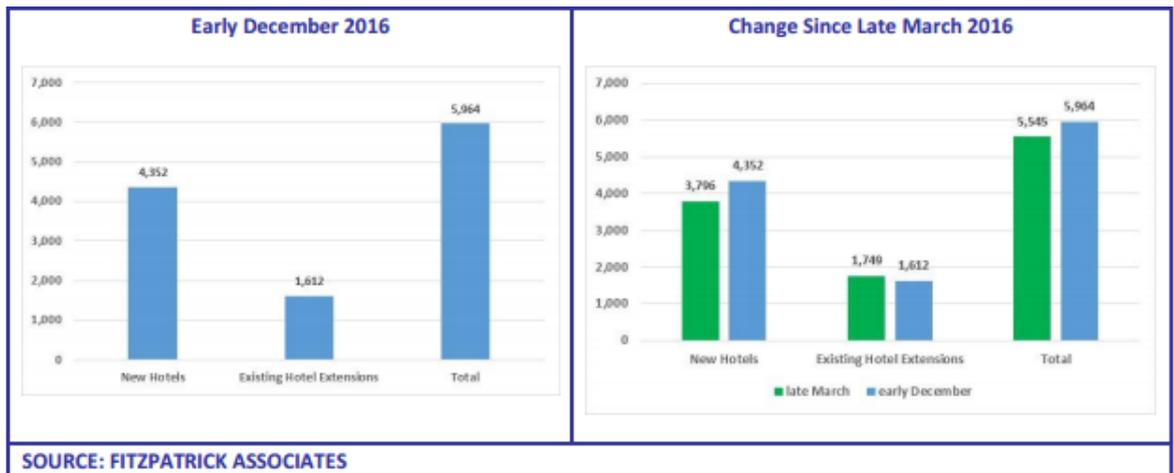


Figure 2.6 – Anticipated Additional Hotel Bedroom Capacity to 2020 – Project Type (Fitzpatrick Associates, 2016).

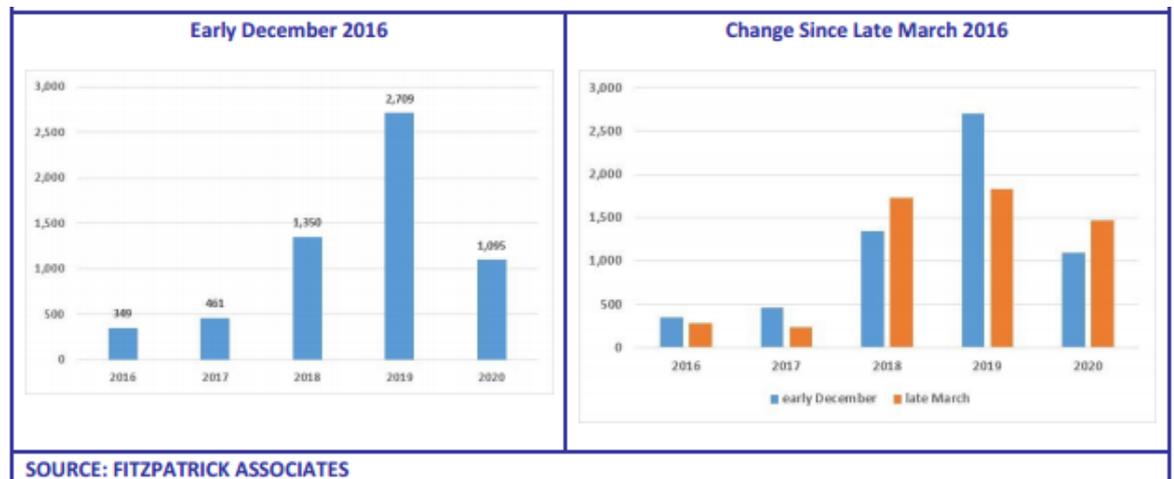


Figure 2.7 – Anticipated Additional Hotel Bedroom Capacity to 2020 – Timing (Fitzpatrick Associates, 2016)

Figure 2.7 above included in the report by Fitzpatrick (2016) also portrays the timeline for expected completion of the scheduled bedroom additions, with the majority of the new bedroom stock not starting until 2018 & 2019, meaning the compression is likely to continue for Dublin hotels until then. But what does this mean for marketers and management?

2.4 Challenges for Hospitality Marketing Professionals

2.4.1 Bedroom Quality & Deterioration

The consistent high and often maximum occupancy patterns can cause a negative effect on the overall condition of the bedroom product, caused by 'wear and tear' which in turn may result in a negative overall experience for guests and a drop in consistency of the service offered as a whole. This therefore can attribute to the Service Provider Gap 3 outlined by Wilson et. al. (2016) where the experience and service quality design and standards are not delivered as promised by the hotel. Hotels must be sure that their product offers an exceptional quality of service which is required to justify the higher costs to the consumer associated with revenue/yield management in periods of limited supply and availability.

2.4.2 Long-Term Goal Setting

The current issue of high demand for hotel accommodation in Dublin, with the undersupply, also poses a challenge for marketers and senior management teams when creating and implementing strategic marketing plans for long term goals for the business. Topics of discussion and factors which must be taken into account may include; planned maintenance to sustain perceived high quality, the sustainability of the busy period taking into account tourism & travel visitor forecasts, trends in peak periods of travel and also the hotel's competitor set and their developments to keep up with these trends also.

The attractiveness of Ireland and the city of Dublin as a destination for leisure tourism and more recently an upcoming business and conference city could be seen to be beneficial for the hospitality industry in Dublin to strategically target higher yielding market segments and try to alleviate the demand from certain base business segments. This may be seen to be a solution for hotels while the issue of undersupply still proceeds to cause a challenge in 2017 & 2018 and may result in difficulties for visitors finding accommodation when and where they require it, in time affecting how Dublin is perceived as a destination.

2.4.3 The Impact of Revenue Management on Key Relationships in Hotels

Peak periods of demand and availability of certain dates for hotel rooms can often also cause differences of opinion and tensions with respect to revenue practices versus maintaining key accounts relationships. Wang (2011) describes how Bowie and Buttle, (2004) are noted as stating that 'buyers must have confidence in the company's competence and integrity before a trusting relationship can be established, the commitment is reliant on this essential trust.'

Often the practices of revenue management jeopardise this trust however as rate fences and/or pricing strategies, especially those for market segments feeding from a B2B customer perspective, are often not in favour of the customer. Is this not what marketers always preach? To put the consumer first? The strain of limited bedroom stock availability can often be the source of the tension of these issues.

It can be noted however that conflicting messages are found in the literature regarding this topic. Wang (2011) states in his text that consumers often view revenue management processes, put in place by companies to strategically manage the yield on their rates, as 'unfair' if they are not favourable towards the consumer. This in turn can often have a negative and adverse effect on the relationships from these market segments that have been strategically built and maintained over time with these key accounts in periods of low demand and economic disadvantage. The task of balancing and maintaining B2B, corporate relationships used to protect and retain 'base' business target segments is a difficult one. Ideally revenue management and sales & marketing departments must co-create a strategy which works towards a common goal that does not jeopardise these key relationships, but also works towards the growth and development of the business. This ideology is commended in the article by Wang and Bowie (2009) where they confirm the assumption that Revenue Management can indeed affect B2B relationships. The writers suggest that 'although revenue management processes could be used to both support and damage B2B key relationships, the benefits of revenue management primarily support & financially rewards hotels, whilst B2B relationships suffer from the results of the opportunistic behaviour associated with the practice'.

A key takeaway from this particular study by Bowie & Wang is that revenue management and sales and marketing teams must work hand in hand to create a sense of trust for the clients to alleviate times of uncertainty and lack of bedroom availability in cities such as Dublin. This can be achieved by clearly outlining contract terms and conditions, black-out dates and rate validity terms for clients in the corporate and FIT market segments. By doing so this can aid in rectifying the tensions when rates are unavailable in peak demand periods.

While revenue & yield management is of great benefit to hoteliers throughout the world including the Irish market on a bottom line perspective, the lack of supply of inventory remains an issue. Therefore it is necessary to create strategies which focus on highlighting the features and benefits (F.A.B) of a product or service in industry and/or looking to higher yielding market segments so that the price variances are justifiable in the markets in which they are marketed and targeted to.

It is hoped to gain further professional industry insights on these challenges outlined as part of this chapter and to ascertain any additional concerns and real life operational issues encountered by those in industry as a result of the current compression.

Chapter 3 – Literature Review

3 – Literature Review

As outlined during the background chapter and analysis of the current trends and supply of bedroom stock in today's industry, it was noted that hoteliers and the hospitality industry may have to strategically look at their businesses in a very different manner compared to that of recessionary periods. The following review of secondary sources of literature will cover services marketing, yield management, strategic marketing, market segmentation, theories in relation to optimal versus actual occupancy in hotels and blue ocean strategies and what role they may set out to achieve for the hospitality industry. An oversupply case study from China will also be analysed from an oversupply point of view. It is hoped that clear path for primary research may be obtained by reviewing literature and theory.

3.1 Services Marketing

In order to define services marketing it is essential to break down the two main elements of the phrase, 'services' and 'marketing'. According to Kotler & Armstrong (2010) marketing is defined as the 'process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return'. As an extension Lovelock and Wirtz (2011) state that products as a service are difficult to define as they 'cover a vast array of different and often very complex activities'. The authors go on to explain that services are 'economic activities, offered by one party to another'. Wilson et al. (2016) go further by stating that in the simplest of terms, services are 'deeds, processes and performances'.

Figure 3.1 condenses services into four categories compiled by Lovelock and Wirtz (2011) which can be noted as follows:

1. People Processing – A tangible service which cannot be delivered without human interaction/presence. Examples stated by the authors are barbers and healthcare. These services require the consumer to be present as the actions/services provided occur to the person and actions are physically visible and/or felt.
2. Possession Processing – A tangible service directed at a person's belongings, with consumers being less physically involved with this type of service

interaction. Examples other than those in the figure above are courier services, phone/car repair, laundry services etc.

3. **Mental Stimulus Processing** – These services are intangible, therefore cannot be physically touched, however do involve the consumers participation. Examples include education, theatre performances and psychotherapy sessions.
4. **Information Processing** – An intangible service, associated again with a consumers intangible assets such as banking, insurance, phone/Wi-Fi services etc. etc. These products again are not dependent on a consumer being present, rather this type of service is completed with minimal interaction from the consumer.

		Who or What is the Direct Recipient of the Service?	
Nature of the Service Act		People	Possessions
Tangible Actions	People-processing (services directed at people's bodies): <ul style="list-style-type: none"> • Barbers • Health care 	Possession-processing (services directed at physical possessions): <ul style="list-style-type: none"> • Refueling • Disposal / recycling 	
Intangible Actions	Mental stimulus processing (services directed at people's mind): <ul style="list-style-type: none"> • Education • Advertising / PR 	Information processing (services directed at intangible assets): <ul style="list-style-type: none"> • Accounting • Banking 	

Figure 3.1 – Four Categories of Service (Lovelock & Wirtz, 2011)

The hospitality and tourism industry can be attributed under the People Processing category, as guests (consumers) cannot be removed from the process of service delivery. This leads on to the next section where the services marketing mix varies to the standard mix associated with traditional marketing.

3.1.1 Services Marketing – Challenges

The characteristics associated with services, according to Zeithaml et al. (2009) can cause challenges such as the following three for service marketers, which are outlined below.

1. Heterogeneity
2. Intangibility
3. Perishability

Heterogeneity occurs due to services being almost performance like. According to Zeithaml et al. (2009), due to fact that many services are delivered by humans (i.e. the employees) and also received by humans (consumers) it means that no two services deliveries will be identical. Heterogeneity causes challenges for marketers as a result when trying to ensure service consistency. Following on from heterogeneity, challenges also stem from the inseparability of the consumer within the service delivery. Due to the subjective nature of the review of a service delivery, consistency is difficult to measure and sustain with services such as those found in hospitality.

‘There is no sure knowledge that the service delivered matches what was planned and promoted’ (Wilson et al., 2016)

Intangibility of the service product is also a challenge for service marketers. While certain elements such as a hotel room, bed and the food consumed by a guest are all tangible and can be physically touched, there are so many more ancillary aspects of a hotel experience that are intangible. According to Zeithaml et al. ‘services cannot be inventoried, and often fluctuations in demand can be difficult to manage’.

As stated by Wilson et al. (2016) *perishability* refers to the fact that ‘services cannot be saved, stored, resold or returned’. Examples of this include not being able to resell a hotel room, a seat in a restaurant or a seat on an airline flight once the time period has passed. The opportunity to gain revenue from a bedroom once the day is over has gone and as a result forecasting demand, and strategic planning are extremely important for marketers.

3.2 Yield Management

Due to the perishability noted by service marketing authors Zeithaml et al. (2009) and Wilson et al. (2016) when outlining the challenges associated with the service industries, yield management is an important aspect of the management of hotel hoteliers do business. According Abrate et al. (2012) 'The nature of hotel rooms as a perishable asset has prompted hoteliers to maximise revenue by using optimal dynamic strategies'. As a result hotels use yield/revenue management to strategically plan, forecast and yield on supply and demand trends in times of both positive and negative economic climates. Jauncey et al. (1995) defines yield management as 'an integrated, continuous and systematic approach to maximizing room revenue through the manipulation of room rates in response to forecasted patterns of demand'. Lee (2016) elaborates by stating the revenue management that revenue management is an essential instrument as it divides customers into different segments based on their purchase intentions and then allocates capacity to those different segments at the appropriate time' (Jauncey et al. (1995), Kimes (1989) & Kimes and Wirtz (2003)). With the use of market segmentation hotels may strategically target various customer bases to ensure they are yielding as much revenue as possible given the perishability and intangibility of their service and product offering. It is aimed by the use of further Primary research to establish what are considered to be low yielding rates and also high yielding rates for Dublin City centre 4 star hotels, defined as set out by Fáilte Ireland Guidelines (2003).

3.3 Market Segmentation

Market Segmentation is defined by Fahy & Jobber (2015) as 'the identification of individuals or organisations with similar characteristics that have significant implications for the determination of marketing strategy'. Similarly Dibb et al. (2012) define market segmentation as 'the process by which customers in markets with some heterogeneity can be grouped into smaller, more similar or homogeneous segments'. Cravens & Piercy (2013) also note market segmentation as a 'foundation for superior performance'. They elaborate by stating that market segmentation helps to ensure that marketers have an understanding of how a consumer's wants and

needs can vary. This understanding is necessary for management to create and fulfil effective marketing strategies. 'Segmentation is an important tool in strategic marketing, and is linked to choosing market targets and positioning against alternatives to build competitive advantage' (Cravens & Piercy, 2013).

While there are many ways for marketers to segment their customers, authors Young et.al. (1978) have noted that segmentation, which is based on the desired benefits that the consumer wishes to receive, usually stand stronger against other segmentation as it can be seen to facilitate a marketers product planning & adaption to consumer needs, positioning, marketing & advertising communications. Cravens & Piercy (2013) go on to state that 'Segmentation identifies customer groups within a product market, each containing buyers with similar value requirements concerning specific product/brand attributes.'

Though lifestyle, psychographic or general attitudinal approaches work well statistically, they are not always helpful in marketing according to these authors. Cravens & Piercy (2013) state that consumers susceptible to market segmentation can be characterised under 2 main characteristics (1) geographic & demographic and (2) psychographic (lifestyle and personality). Geographic location is most useful for segmenting product markets, however in the hospitality industry market segmentation tends to occur based on customer needs. Hotels, ultimately sell an immersive experience and so market segmentation is based on expectations of service, this ultimately means that any strategic market segmentation set out by marketers and the management team also have a direct impact on operations.

A segment is a possible target market for a company to compete for. Market segmentation offers an insight for the company by grouping consumers with similar values and requirements together offering an opportunity to better match the buyer's needs with the product/service on offer. Cravens & Piercy set out the various steps involved in figure 3.2 below.

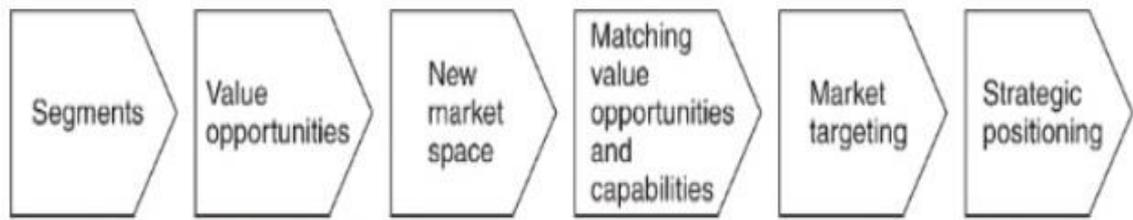


Figure 3.2 - Segmentation in the Market-Driven Strategy Process (Cravens & Piercy, 2013)

Management judgement along with market research studies are used to identify potential market segments that may be seen to have promise for a company. Piercy (2009) states that ‘Customers need to be grouped on the basis of important differences between them that matter to how we get to market – their most important needs, their priorities, significant differences in their behaviour etc.’ (Figure 3.3)

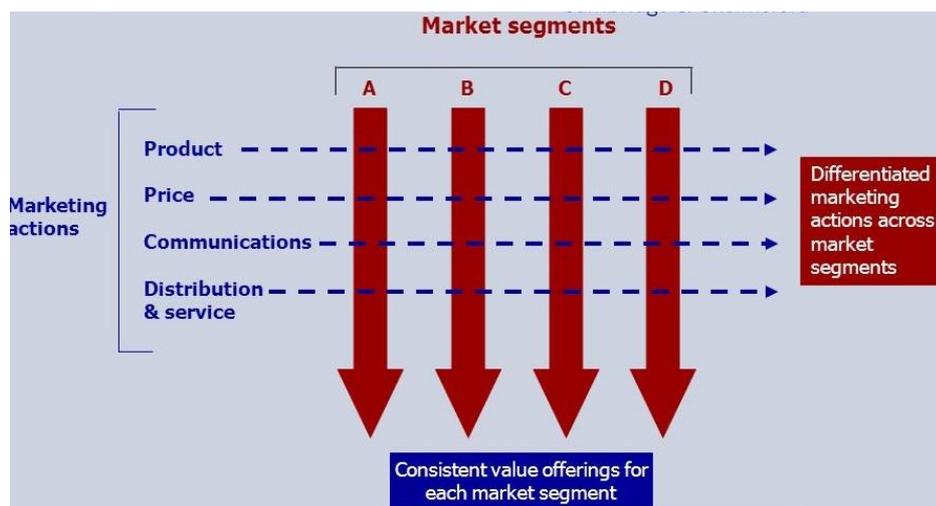


Figure 3.3 - Consistency versus differentiation in market segmentation (Piercy, 2009)

3.3.1 Market Segmentation in the Hospitality Industry

The importance of market segmentation in the hospitality industry is noted by Palmer (2014). The author states that market segmentation may be of higher importance to service suppliers than for marketers of FMCG (Fast Moving Consumer Goods). Palmer notes that due to the inseparability of the service production and consumption, it ‘results in service suppliers being able to define their segments in such a way that only individuals being within a specified segment benefit from a particular marketing mix offering’.

Market segmentation in hospitality comes to the forefront during times of economic uncertainty but also in times of economic strength. Management, marketers and revenue professionals must consider the best mix to assure maximum revenues and profitability to achieve their short and long-term business goals. As an extension of this Strategic Market Segmentation is defined by West et al. (2010) as a plan set in place once a company's segments have been established which allows the company to 'develop a series of strategic goals and strategies for effectively reaching those identified segments.

The market segmentation of hotel customers is but one element of segmentation in hotels. According to Rogerson (2013) 'the segmentation of the market for hotel services into identifiable groups now is a well-established phenomenon'. He states that the trend of product differentiation and segmentation is common within the hotel industry and has come as a reaction to the spread of the 'standardised branded box hotel' in an International context. The impact of segmentation is increasingly evident in the nature of hotel developments occurring in developing economies, with larger brands of hotels segmenting themselves to appeal to many customer segments e.g. Hilton's Garden Inn's (3 star corporate), Double Tree by Hilton (4 star Family orientation) etc.

It is also argued by industry that the various types of accommodation now available for tourists has risen as a result of shifting markets and is a reaction to new consumer trends that are seen to 'reject the homogeneous character of much of the commercial accommodation sector' (Freund de Klumbis & Musters, 2005; Aggett, 2007; Timothy & Teye, 2009).

The next step for marketers and hotel managers, according to Karadag & Kim (2006) is to set out and answer the following five questions when deciding on targeting a particular segment and creating an ideal business mix for their property.

Karadag & Kim (2006):

1. Marketing-resource-allocation decisions: How much money should be spent to attract each market segment?

2. Pricing decisions: How should rooms be priced to each segment at different periods? Are these rates yieldable or a base business market segment/non-yieldable rate segment?
3. Priority decisions for the customer mix: How many rooms should we allocate to each segment at various critical periods of the year?
4. Revenue-contribution decisions by market segment: How much revenue is generated from different segments' customers for products and services, other than room?
5. Profitability-evaluation decisions by market segment: What is the relative profitability of each market segment?

Marketers must be confident that they can accommodate and should aim to exceed all required expectations associated with a particular segment along with ensuring that the business mix is balanced. Looking to new market segments can be of great benefit in times of economic crisis and/or time of compression.

3.4 Optimal vs. Maximum Occupancy

As a result of the higher demand for hotel rooms in Dublin's current peak demand, matching demand with capacity are two factors often are hard to achieve. Wilson et al. (2016) have segmented types of capacities into two main categories for the service industry with a focus on hotels; Maximum Capacity & Ideal Capacity. Maximum capacity, according to Wilson suggests that it, 'represents the absolute limit that the service provider can accommodate at any given time.' Maximum capacity of a hotel, in this instance, means that it has physically zero rooms from its inventory to sell. Optimal capacity offers and implies an ideal capacity. Certain properties in the hospitality industry may consider an ideal occupancy of 80-85% rather than being 95% occupied on a consistent, ongoing basis e.g. seven days per week. This ideal/optimal capacity allows for a hotel's teams to carry out essential maintenance of rooms and facilities and offers a greater chance for staff to convey and provide a consistent, high standard of product and service for all guests. It is hoped that the

opinions and experience from industry may be sought from the primary research being undertaken as a part of this study.

3.5 Oversupply – Case Study China

From the secondary research it was also noted that there is a lack of research that mimics the current supply in Dublin however several cases of bedroom stock oversupply were noted from the global hospitality industry in countries such as China.

In a study conducted over a ten year period by Gu (2003) focusing on the Chinese hospitality industry, a prime example of the effect of lowered barriers to entry for new hotel rooms and the effect/implications of an oversupply of rooms on the existing supply was analysed and evaluated. According to the author, the oversupply has 'haunted the Chinese hospitality industry' with varying implications as a result of there simply being 'too many bedrooms and no sufficient demand'. This surplus demand was a result of increased construction during a ten-year period between 1991-2000 however, the growth of demand did not match the increased capacity. While the construction and number of hotel rooms available grew by 19.36% for the number of new build hotels and 12.78% in terms of rooms, the demand for rooms for inbound touristic and domestic travel only increased by an average of 10.7% leaving a deficit. (NTAPRC, 2001). As a result of the low demand REVPAR (Revenue per Available Room) also plummeted, though in 1997 & 1998 the author attributes this to the Asian Financial crisis.

In the article Gu (2003) stated that as 'Room revenue is the major source of a hotel's profit. The highly significant and positive association between NIPAR (Net Income per Available Room/REVPAR) and occupancy suggests that low occupancy is to blame, at least partially, for the deteriorating NIPAR over the time.'

As a result of the low demand, Chinese hoteliers were forced to lower their ADRs (Average Daily Rate) in an attempt to increase occupancy levels thus having a knock on effect resulting in the lowering of incoming revenue and profitability for the Chinese hospitality industry. The offering of lower ADRs, however, to compensate for low demand is not favourable as it can often cause a slow recovery rate growth for

hotels. When strategic rate growth plans are implemented for hotels, this can often cause a negative reaction from consumers when a product which has been discounted, while still offering a perceived high quality of service/ experience, leads consumers' expectations to be considerably higher, with a lower perceived cost.

Wilson et al. (2016) note the issue of failing to match supply and demand in their Provider Gaps Model under Provider Gap 3 – 'Not delivering service designs and standards' under which they note factors as a company's failure to smooth peaks & troughs of demand, overreliance on price to smooth demand (lowering of ADRs) and also an inappropriate customer mix.

The literature documents what issues can occur with an oversupply, however an under supply or shortage of hotel rooms is less common and studies for which were not available. It is hoped that by conducting the primary research via interviews that an insight into the implications experienced by marketers in the Dublin hospitality market.

3.6 Blue Ocean Strategies in Hotels

Blue Ocean Strategy (BOS), as part of a strategic marketing process, may be a potential tool which can be transferable to the hospitality industry and assist in finding a solution to the issues associated with capacity, supply and demand in services marketing of hotels, both from an oversupply perspective as well as the under supply issue with is current in Dublin city currently.

The main goal of BOS is to 'create new customer values and new offerings in an uncontested marketplace' (Yang, 2011), whereas, in contrast, features of a Red Ocean Strategy include competing in an existing, well-established market with extensive competition offering a similar breadth, quality of a product with similar pricing structures, while exploiting existing demand. This can be seen to the reality of the current hotel market being experienced in Dublin in 2017.

Piercy (2009) also sets out the below similar characteristics of Blue & Red Ocean Strategies:

'Red Ocean – Compete in existing markets, beat the competition, exploit existing demand, equal the conventional value/cost, set the company's operations up to align with a strategic choice of differentiation or low cost.

Blue Ocean – Find uncontested market space, make the competition irrelevant, create and capture new demand, break the value-cost trade-off, set the company's operations up to pursue differentiation and low cost.'

According to the authors Kim & Mauborgne (2005), cited in the study by Yang (2011), features of a BOS include 'creating an uncontested market space, rendering the competition irrelevant, creating and capturing new demand, abrogating the value-cost trade-off, and aligning a firm's activities with its strategic choice of differentiation or reduced cost'.

Yang (2011) continues by identifying that some of the key BOS characteristics are relevant also to the hospitality industry and based his study on the hotel industry in Taiwan. Yang points out that value and innovation were key characteristics of BOS for hoteliers. One interviewee, cited in the study, directly references the opportunities, rather than the constraints of high demand, with limited inventory and how the use of innovation aids this. They are noted in saying that 'As the occupancy and average room rates increase, our hotel chain is able to further develop its establishment through such projects as hotel renovations, building new properties, creating various categories of the brand, and so on. If room demands continuously grow, there might be a situation in which potential investors establish new properties to meet the demands (Interviewee 26)'. While this may be possible in markets such as the Asian & Middle Eastern hotel industries, where demand and an interest in exploration by tourists visiting these areas is increasing at a rapid rate and where there is money, time, space and investment opportunities for expansion of properties and new venture, how does this relate to cities such as Dublin? Often the planning for new properties or planning for developments and expansions take a

long time due to council regulations. Should this be considered a threat to the market place and the city as a destination?

As part of a Blue Ocean Strategy, marketers are encouraged to be strategically innovative. It was noted by another of the interviewees cited by Yang (2011) that unique travel experiences and products were required 'to attract varying market segments and potential foreign market interest to their destination'. Cravens & Piercy (2013) also note that market targeting requires a significant evaluation and selection of one or more segments whose wants and needs are a good match with the company's capabilities.

Can a strategy such as a Blue Ocean Strategy be implemented in the hospitality industry in Ireland? Fáilte Ireland have already began their plans to re-market Ireland with their Dublin rebranding and emphasis on the segmentation of Ireland into the following regions 'Wild Atlantic Way', 'Ireland's Ancient East' and Dublin's 'Breath of Fresh Air' positioning statement. However will this be successful in aiding to target potential new markets that yield higher rates? Would they be of benefit to industry and alleviate the demand issues currently facing hospitality marketing professionals?

In his study on the oversupply of hotel bedrooms in China, Gu (2003) stated that 'Hotel operators should target cities with high disposable incomes, especially those in eastern and south-eastern coastal regions, when promoting themselves.' He also noted that collaborations with travel agencies in high income regions could bring groups of affluent tourists, therefore increasing spend in hotels and surrounding touristic areas. Would this be of benefit as a strategy for Dublin and the Irish tourism industry also?

Chapter 4 -

Research Methodology

4 – Research Methodology

4.1 Introduction

Throughout this chapter the author will outline the thought process and theory behind the practical element undertaken for the purposes of undertaking primary research.

The aim of the research is to gain insights and opinions from those professionals working in industry in the Dublin hospitality industry. The research question set out as a result of the findings from secondary research from the literature is as follows:

‘Can strategic market segmentation, with a focus on higher yielding segments, alleviate the issue of bedroom undersupply & high occupancy?’ – A case study on 4 star hotels in Dublin, Ireland’.

Saunders et al.’s (2009) research onion (figure 4.1) will pose the basis for this chapter as an outline the research philosophy will include the research approach and strategy along with highlighting research choice, the data collection approach, interview questions, sampling and data type of data analysis. The ethical considerations will also be outlined as well as the limitation associated with this study.

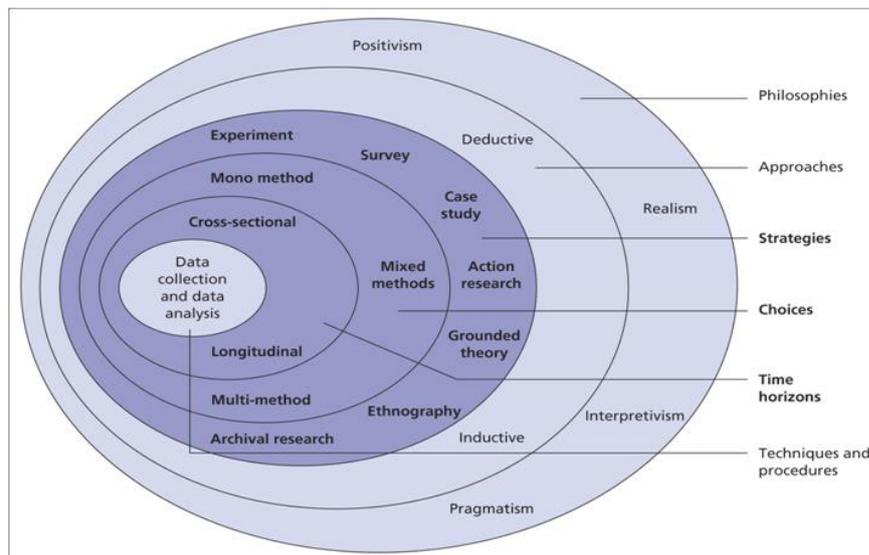


Figure 4.1 - The Research Onion (Saunders et al. 2009)

4.2 Research Question

As a result of the research being undertaken, it is hoped that a recommendation may be offered to industry with the offering of an insight into best practice for 4 star hotels. Following on from the secondary research conducted and taking into account the current undersupply of bedroom stock challenging the hospitality industry in Dublin in 2017, the author has set out the following research question to guide the study for the purposes of this Master of Marketing dissertation piece.

‘Can strategic market segmentation, with a focus on higher yielding segments, alleviate the issue of bedroom undersupply & high occupancy?’ – A case study on 4 star hotels in Dublin, Ireland’.

4.3 Research Sub-Objectives

By completing this primary research investigation it is hoped that the author will also gain an insight from the below sub-objectives and lead on questions from those experienced in their respective fields of hospitality academia, hotel management and revenue fields for the purpose of this study:

1. ‘How do hotels manage their properties differently in times of oversupply versus times of undersupply?’

This question stems from the challenge of perishability of services highlighted by Zeithaml et al. (2009), with an aim of learning the implementation of strategies hotels put in place to manage supply versus low and high demand.

2. ‘What are considered to be higher yielding market segments for Ireland and Dublin - psychographic?’

Sub-Objective two aims to highlight how hotels in Dublin city segment their target consumers psychographically to yield on revenue to the best of their ability. Base/low yielding business market segments will also be identified.

3. 'What are considered to be higher yielding market segments for Ireland and Dublin – geographic?'

Sub-Objective three aims to highlight the higher yielding geographic markets that hotels and the Dublin tourism industry target to achieve higher yieldable rates. Developing markets will also be investigated in the hope of finding a gap and/or benefit of implementing a Blue Ocean strategy for Dublin city.

4. 'Literature versus Industry – Optimal vs. Maximum Occupancy, industry opinions on managing occupancy?'

Finally, sub-objective four aims to investigate the practical implications versus ideals portrayed by literature in relation to optimal versus maximum/actual occupancies.

As this is a relatively new issue for the Irish hospitality industry, post recessionary period, there are no current studies and research papers that emulates the study set out above by the author for the Irish market.

There are studies linking the roles of Revenue Management and Sales and Marketing relationship management, such as a paper by Seul Ki and Soo Cheong (2012) which highlight pricing ability and profitability in relation to peaks and troughs in demand. However it remains to be seen how this impacts on hotels if demand is consistently high all year round, with high levels of displacement of regular leisure and corporate clients, meaning no availability for new transient customers.

In her paper which highlights the impact of revenue management on hotel key account management and development, Wang (2011) found that the relationships founded by sales teams and key account managers with large international corporate accounts became unstable due to lack of reliability of availability, imposed rate restrictions and increased terms & conditions. This however is limited to one international hotel brand's key accounts and does not offer an insight into the Irish hospitality & tourism industry which the author hopes to do with this research paper.

4.4 Research Philosophy

Saunders et al. 2009 define research 'as something that people undertake in order to find out things in a systematic way, thereby increasing their knowledge'. It is argued by Walliman (2005) that often the use of the term 'research' is not used in the correct context. Walliman (2005), as cited by Sanders et al. (2009), also suggests that the term is often used to describe the following actions which are not considered by academics to be the true meaning of what research sets out to achieve:

1. just collecting facts or information with no clear purpose;
2. reassembling and reordering facts or information without interpretation;
3. as a term to get your product or idea noticed and respected

There are 4 main research philosophies according to Saunders et al. (2009) Positivism, Realism, Interpretivism and Pragmatism.

Positivism is defined by Bryman and Bell (2015) as a philosophy which advocates the application of the methods of the natural sciences to the study of social reality. These authors go on to state that the purpose of the theory is to generate hypothesis from phenomena is used to generate hypotheses which can be tested. Positivism is considered to be a quantitative philosophy.

Interpretivism in contrast to positivism and according to Bryman and Bell (2015), writers have noted that due to the subject differences in the social sciences, it would require a different logic of research and one that reflects the distinctiveness of humans versus natural sciences. Crotty (1998) also elaborates by noting that interpretive methodology centres on the way in which human beings make sense of their subjective reality and attach meaning to it.

Realism relates to scientific enquiry. 'The essence of realism is that what the senses show us as reality is the truth: that objects have an existence independent of the human mind' (Saunders et al., 2009) Robson (2011) also recommend that realism is an attractive choice for researchers wishing to complete social research as it allows the characterisation as a scientific study. Realism is considered to be a mixed method philosophy incorporating quantitative and qualitative research methods.

Finally, Pragmatism is another mixed method philosophy, which is 'not committed to any one system of philosophy and reality. It applies to a mixed method research and where researchers draw liberally from both quantitative and qualitative assumptions when they engage in the research. (Creswell, 2009). Robson (2011) adds that to be pragmatic means that an indication of concern for practical matters, i.e. being guided by practical experience rather than history.

For the purposes of this Masters Study the author has chosen to utilise an Interpretivism philosophical approach as the author aims to gain insight via opinions and insights given via interviews from those professionals working in industry, which aligns with the view outlined by the author Crotty (2015) who states that 'understanding human experiences is as important as focusing on explanation, prediction and control'.

4.5 Research Approach

The next layer from the Saunders et al. (2009) Research Onion to be considered when constructing a research plan is the approach. The literature sets out two types of research approach, deduction and induction. According to Shank (2006) deduction, was initially established as 'the mode of validation that drew implications from true premise'. This author goes on to reference a theory development with the movement of modern sciences researchers began to use deduction to 'make implications from premises that were only probably true'. In this way hypothesis were able to be proved or disproved based on theory already researched. Shank (2006) goes on to conclude that 'the role of deduction as a means of determining whether or not arguments are valid is important for all forms of research writing.

In contrast induction is said to be 'the comparison of free-ranging direct observations of the empirical world (e.g. people's activities, situations, groups, material culture) and the conclusions inferred by these observations. (Stebbins, 2001).

For the purposes of this study the deductive approach has been selected as the comparison of established literature and the hypothesis will be analysed in comparison to interviewee subject opinions and experiences in the real time, practical industry.

4.6 Research Choice & Design

In order to complete the research set out in this proposal, the author will undertake an exploratory, qualitative research design to gain insights and work to answering and offering recommendation on the question.

Ormston et al. (2014) state that qualitative research is difficult to obtain a comprehensive definition for due to its broad nature. Denzin and Lincoln (2011) describe qualitative research as that which is associated with words or images rather than numbers and data while Bryman and Bell (2015) also define qualitative research as 'a research strategy that usually emphasizes words rather than the quantification in the collection and analysis of data'. A prime example of qualitative research can be seen in the study conducted by Fournier (1998), the author used qualitative research to investigate the relationships that consumers have with their brands. This was a success as the author was able to gain an insight from the opinions and thoughts that three interviewees/consumers portrayed during structured interviews.

In contrast, quantitative research is defined in the literature by Saunders et al. (2009) as a data collection technique (such as a questionnaire) or data analysis procedure (such as graphs or statistics) that generates or uses numerical data.

For the purposes of this research piece it is thought that qualitative research with an interpretative philosophy is considered to be best suited to this research paper as the research question is subjective to opinion. It is hoped that the author will gain insights into a vast amount of knowledge and experience from the individuals who participate in the primary research. The use of a qualitative approach will be used in order to make an informed recommendation on the best way to answer the research question outlined for the purposes of this study.

4.7 Data Collection

As a qualitative method of research will be undertaken the method of primary data collection will be conducted in the form of interviews. As supported by Creswell (2009) qualitative interviews involving semi-structured interview questions and open-ended questions with the intention to 'elicit views and opinions from the participant'. Semi-structured interviews are defined as those which have a set of

questions used only as a guide with deviations from the guidelines or structure not seen as a problem as long as the context is relevant to the topic (Silverman, 2013). Saunders et al. (2009) also contribute to this notion by stating that ‘Semi-structured and in-depth interviews provide you with the opportunity to ‘probe’ answers, where you want your interviewees to explain, or build on their responses.’ This is considered to be of importance when conducting Interpretivism based qualitative research.

While structured surveys may also be useful for the purposes of this research they may not offer as much detail as a guided interview. Face to face, semi-structured interviews, with an aim of also allow for flexibility and adaption of the questions depending on the participants answers. These types of interviews offer more scope for gaining the most relevant information for the study findings.

As there have been no other studies similar, to the best of the author’s knowledge which focus on alleviating a supply and demand for hotel rooms, the interview questions have been formulated accordingly and a pilot study will be conducted using a sample interviewee in industry to test the effectiveness of the questions to be asked. A copy of the interview structure and questions may be found in the appendices (Appendix 1).

4.8 Sampling

A combination of purposive and snowball sampling will take place while conducting this research study. Purposive sampling is defined by Robson (2011) as sampling which is used by the researcher to specifically target and satisfy specific needs for a project or research piece. This method of sampling was chosen as it is common in qualitative studies and suits the purpose of the study by targeting a particular type of participant with a particular role etc. For the purposes of this research the sample will include opinion and insights from two interviewees in a General Manager role, two interviewees who work in hospitality consultancy roles and an interviewee who can give experience and insights from a Revenue Manager perspective. See breakdown in table 4.1.

Interviewees who held a General Manager position or had experience working within the 4 star hotel industry in Dublin city were chosen due to their

The use of snowball sampling is also be incorporated, as limitations accounting to the career role within industry that the author holds may inhibit the willingness of participants to be willing to agree to interviews. According to Robson (2011) snowball sampling involves interviewees that are used as informants to identify other potential candidates whose opinions may be valued for interview. In this instance snowball sampling may be effective as participants in the sample or their colleagues may be able to identify other individuals who would be suitable to include for an interview.

Table 4.1 – Interviewee Sample Role & Experience Breakdown

Interviewee Number	Current Role within Industry	Experience within Industry	Length of Interview
Interviewee 1 – Beta Interview	GM in a 4 Star Hotel in Dublin City	Experience in various roles within 4 star hotel hotels in industry spanning 20 years	1 hour 3 minutes
Interviewee 2	Consultant working with 4 Star Hotels in Dublin City	Experience in Sales & Marketing roles, in 4 & 5 star properties in Ireland & UK on local and Global scales. Now in consulting and working with varying portfolio of properties in industry.	54 minutes
Interviewee 3	Consultant working with 4 Star Hotels in Dublin City	Revenue Manager working in a 4 star hotel in Dublin city.	40 minutes
Interviewee 4	Revenue Manager in a 4 Star Hotel in Dublin City	Experience gained in Sales and Marketing roles in 3, 4 & 5 star properties in US, UK and Ireland. Also	28 minutes

		experience working with Business Tourism bodies & consulting	
Interviewee 5	GM at a 5 Star Hotel in Dublin City	Experience gained in various GM roles in UK & Ireland spanning 20 years	32 minutes

4.9 Data Analysis

Data analysis involves collecting open-ended data, based on asking general questions and developing an analysis from the information supplied by the participants (Creswell, 2009). Primary data analysis as outlined by Bryman & Bell (2015) is collected and analysed by the researcher who conducted the data collection. As quantitative data is numbers based and qualitative taking into account opinions and subjective information, it can be much more difficult to analyse the qualitative data. The interviews will be recorded by using the standard Apple iPhone 6 application and will then subsequently be transcribed. It is felt that transcription is important for the purposes of analysis as it allows the author to review again the interview while transcribing and also allows the researcher to re-visit the data again and again to note common themes and insights gained from the interviews in relation to the research question outlined. Miles and Huberman (1994), cited by Robson (2011) state that filtering the data collected and identifying similar phrases, patterns, themes also with the differences can form a good way to begin analysis of the data. Using recommendation from Saunders et al. (2009) information, comments and recurring similarities and difference in relation to the research gaps and research sub-objectives will be noted. The sub-objective literature source table included in the appendix will also be used as a reference. The analysis may then be grouped according to the research themes and a comparison will be made back to the literature, a reference table which groups the research questions, themes and sub-objectives has been included as appendix 2. Conclusions and recommendations may then be offered from the various themes that come from the research under each objective.

4.10 Ethical Considerations

Robson (2011) outlines that when research involving people is being undertaken, there should always be ethical considerations displayed prior to research being completed. 'Where there are people involved in research, there should be no potential for harm, stress or anxiety for participants'.

One ethical consideration which has been noted in relation to this study is the confidentiality and anonymity of the participants answers from the interviews. As this is a subjective interview where opinions and experiences of the sample will be considered, it is essential that all participants are aware that the findings will not, in any way reference their name of company, should they not wish it to. This may be important in obtaining honest, informative and insightful to the study and to answer the research question outlined. To eliminate this risk, a consent form and outline of the study are prepared for the participant to review and sign before being included for interview. The interview consent form may be found in the appendices (Appendix 3).

Chapter 5 - Research Findings

5 – Research Findings

As outlined in the research methodology chapter, 5 interviews were conducted with industry professionals from the hospitality industry to gain their insights and knowledge on the research question and sub-objectives set out for the purposes of this study. During this chapter the findings from the interviews will be set out in line with the sub-objectives relating to each answer.

5.1 Sub - Objective One: How do hotels manage their properties differently in times of oversupply versus times of undersupply?

Theme – Perishability of Supply – Low Demand vs. High Demand

It was evident from the interviewees that the strategies implemented in times of an abundance of hotel room stock compared to that of under supply are very different. For the purposes of displaying the findings, the strategy differences offered by the interviewees have been split into undersupply and over supply.

5.1.1 Oversupply

During recessionary times from 2008 onwards, marketers in hotels faced a very different challenge to that of the high demand in 2017. When asked how their properties/businesses at that time managed their occupancy and strategy in the time where Dublin faced an oversupply of hotel rooms, all interviewees stated that hotel spend and investment were the first to be considered as any unnecessary elements were cut. Interviewee one reminisced on this period of oversupply and told of average occupancies at their hotel of 64%, with off season days and weeks often only reporting at 18%. As a result of this savings had to be made. Renegotiations with supplier contracts were achieved and according to Interviewee one ‘an annual saving of just under €300,000 was made’. Interviewee 5 also recorded cost cutting procedures in the form of reducing staffing levels, which unfortunately did include laying some employees off. Another strategy implemented by Interviewee 1’s business included the closing of bedroom floors at certain periods and also closing the hotel restaurant on certain nights of the week.

‘We did close off floors, the first year until the end of November until the middle of January we closed off the third floor. We also closed the bistro two nights a week - Sunday & Monday nights’. (Interviewee 1)

To strategically run their businesses the interviewees all noted an over reliance on low rated business such as Tour Series (Bus Tours), which became a staple for many 4 star hotels and is noted by Interviewee 1, 3 and 5. Interviewee 4 also noted an over-allocation for ‘third party operators such as Expedia, Gulliver’s Travel Associates etc. in addition to this Tour Series business.

Interviewee 2 stated how hotels had to become very responsive to their customer’s needs, ‘it made them look at everything and really examine whether they could take that business and make it work. It was also all about the value you could offer’. This participant also went on to say that during the period of recessionary over supply ‘it was a very competitive marketplace, you had to look after your customers and never before had that level of management come into play’.

Interviewee 5 also reiterated the importance of offering value to the consumer during periods of oversupply with immense competition to win business. ‘We looked at more efficiencies in the business and adding value, rather than cutting rates. We did reduce rates but we also looked to innovative ideas in terms of adding value – 3 nights for 2, dinner/breakfast inclusive or tickets to a local attraction’. This strategy of not lowering the ADR (Average Daily Rates) is favourable also from a consultant point of view also. Interviewee 2 noted an anecdotal story where a colleague working with a corporate client had reduced a preferred corporate rate down from €180 to €120 in the times of low demand and room stock oversupply in Dublin city. ‘The journey it has taken to re-establish the rate and get them back up has been a struggle’. As a result of the lowering of rates for hotels, consumers have become accustomed to receiving more value for their money and so offering the same product at a higher rate has become difficult and received negative feedback for many hotels.

5.1.2 Undersupply

In times of undersupply, however, the strategies implemented by industry are very different. Interviewee 3 noted that the issue of high demand is a relatively new issue and has come extremely quickly - 'Over the last 24 months we have become very confident that the occupancy and demand have returned – 2016 as a whole, outperformed all expectation'.

Due to an overreliance on the lower rated business, Interviewee 1, in particular noted that their business made the strategic decision to balance their business mix to try to alleviate the chance of being left stranded should one particular segment fall through/leave their business. This General Manager and his team implemented a strategy whereby no one target market segment would make up more than 20% of the hotel's business mix. 'At the end of 2011, myself and my revenue manager sat down and thought about who is actually staying in our hotel? Who are our guests and where are they coming from?', 'We were so oversupplied by low rated base business that that even if we had gotten major rate increases, we were still never going to be in a position where we were meeting our financial targets'.

Similarly Interviewee 4 stated that currently their strategy involves being more strategic when setting up corporate accounts with negotiated rates. 'At the moment we will hold out for better, higher rated pieces of business, by closing out certain rates at certain peak periods throughout the year'.

Interviewee 5 went on to note that they had made a conscious decision to change their business mix also reducing certain lower rated segments, allowing more allocation for the higher yielding segments.

Interviewee 5 also noted however that while they have implemented slight rate increases for their 'base' lower rated business, they remain forward thinking and try to maintain the relationships built with these consistent accounts. 'Corporate business for us also includes a lot of ancillary spend and is not just a bedroom, these customers also spend money in our bars, restaurants and may also book meetings and Christmas events with us'.

All interviewees did express an air of caution however in relation to the oversupply. It was noted that due to the incoming supply of up to 3,000 bedrooms by 2020 to the city, that some fear that industry may yet again be faced with an oversupply of hotel rooms should

‘I am cautious, and I think it is a good way to be’ (Interviewee 1).

‘I would be fearful that some businesses would feel a complacency – we can’t ignore the statistics that say a great opportunity is there and it would be silly not to make the most of the opportunities’ (Interview 2).

‘We will have to be very careful that we are not short-sighted by how well the city the city is doing because of the macro economic factors, with the UK and USA being two of our biggest contributors – it could change dramatically’ (Interviewee 3).

5.2 Sub – Objective Two: What are considered to be higher yielding market segments for Ireland and Dublin – Psychographic?

Theme – Market Segmentation in Hospitality – High & Low Yielding Market Segments

From interviewing the participants it was found that the following market segments were considered to be low yielding target markets.

Interviewee 1 – Airline & Corporate Business

Interviewee 2 – Corporate, FIT and Tour Series

Interviewee 3 – Corporate, FIT

Interviewee 4 - Tour Series

Interviewee 5 – Corporate and Tour Series

From all of the interviews conducted, base/lower rated business can be considered to be corporate, tour series and FIT (Foreign Independent Tour).

In comparison, the interviewees identified the following yieldable market segments which they actively target for their business. These include their best available leisure

rates (Book Direct rates), M.I.C.E. business (Meetings, Incentives, Conference & Events) and for some 4 star Deluxe hotels, the High End Leisure segment.

5.3 Sub – Objective Three: What are considered to be higher yielding market segments for Ireland & Dublin? - Geographic

Theme – Blue Ocean Strategy

Along with being asked to name what they considered to be their businesses high yielding psychographic market segments, all participants were asked to elaborate on which geographic areas this business hailed from.

For Interviewee 1 the GB market along with the Northern Irish market are considered to be higher yielding geographic markets. Australia is also a developing market for this hotel as their group has just taken on a third party representation company to cover the higher yielding group business and High End Leisure business. This particular interviewee did air some caution however due to their reliance on business from the UK and the effect that Brexit and the GBP/EUR relationship may have for their business and hotels in Dublin. 'In the last 12 months since Brexit was announced the currency swing has been about 16%, so given that the cost of hotel rooms in Dublin have also risen for a guest coming from the UK this also increases by another 15%'.

Given the event driven demand also incurred for Interviewee 1's property higher yielding geographic regions also include domestic Ireland, particularly those counties in Ulster, Connaught and Munster, who would consider staying in Dublin rather than completing a return journey to attend a concert and or event/match.

According to Interviewee 2 higher yielding international markets such as North America and Canada continue to be performing well for Dublin. The UAE, Russia and China also are considered to be developing markets for Ireland and Dublin. Interviewee 2 noted that 'truthfully not all Chinese customers will spend their money in the 5 star market, certainly in the 4 stars'. This creates great opportunity for targeting the high yielding Chinese market who may only be interested in 4 star properties. Interviewee 5 disagreed and stated that in their experience the Chinese market is a very lucrative market for high end luxury travel. Interviewee 5 also agreed

that the UAE and North American markets were a target for the high yielding business, while Interviewee 4 added Germany and the Nordic countries along with Australia and the US.

Interviewee 5 also mentioned that in relation to working towards targeting these markets for future business that they have a dedicated sales team who proactively work with Tourism Ireland and Fáilte Ireland in seeking relationships and enquiries from their developing markets. All interviewees were confident that these entities were already active in promoting Ireland and the city of Dublin in these markets, and in seeking new business.

‘With Fáilte Ireland, that is their role, sustainability and development. They are active at that level and I know that they are looking at the higher yielding MICE segment going forward’. (Interviewee 3).

5.4 Sub – Objective Four: ‘Literature versus Industry – Optimal versus Maximum Occupancy, industry opinions on managing occupancy.

Theme – Optimal versus Maximum Occupancy

When asked thoughts regarding the theory behind optimal occupancies in comparison to their operational actual versus maximum occupancies, none of the candidates were familiar with setting optimal occupancies or the theory behind it.

‘I had to Google this... and I work in industry’ (Interviewee 2)

While Interviewee 1 and their business does set out a budgeted occupancy target for the year of 85%, they noted that this figure is completely unrealistic in their peak periods during August – September where the hotel may run on 100% nightly. ‘If we had 350 rooms during the summer instead of 232, we could sell them’. However this particular participant did go on to question the relevance of the theory by saying that ‘over a 12 month, 365 day period is too much of a sample to say that it has a relevance to anything. Taking one number for the year and trying to make a decision, it doesn’t really have a decision making pull’.

The sophistication of the hotel/business was also suggested as a contributing factor for the use of optimal occupancies by Interviewee 2. By setting an optimal/ideal occupancy for the year, it may not be operationally beneficial in the long run.

'I don't know any hotel that is going to leave a room unsold and that they would say no at 95%' (Interviewee 2), and this was a common consensus, that many hotel managers would not turn away revenue should there be the requirement or demand for it.

Interviewee 5 however had a different outlook as their property held bedrooms off to complete renovations during January – March this year and so in many respects did implement an optimal occupancy to ensure that they could complete the works. This was a strategic decision to allow for reinvestment in the product.

'It has been a challenge as there has been nights where we were full and did not have those rooms to sell' (Interviewee 5).

In conclusion, participants were not aware of the theory and did not feel that it was relevant to industry or realistic to operate this way throughout the year.

5.5 – Research Question - Can strategic market segmentation, with a focus on higher yielding segments, alleviate the issue of bedroom undersupply & high occupancy?

From the interviews conducted for this research, the participants seemed undecided when it came to answering the questions contributing to this main research question.

When asked their thoughts on the consistent high occupancy being faced by Dublin city centre hotels currently, three out of the 5 interviewees bar noted that it was extremely positive for the industry.

'It has to be positive, compression and demand are positive for all of our business.' (Interviewee 2)

'The high occupancy has definitely been very positive for us.' (Interviewee 4)

‘I can only say positive things really, it brings so many new visitors to Ireland, we are able to increase our rates with the demand and that allows for reinvestment in the product’. (Interviewee 5)

Interviewee 1 & 3 however were more cautious in their outlook. Interviewee 3 noted that due to the high occupancy and lack of supply tour operators were beginning to become disgruntled with the growing rates and low availability. ‘The word on the street with the tour operators overseas is that Dublin is becoming expensive again’. This participant went on to reiterate the importance of relationship management and ensuring that relationships with those lower yielding market segment contacts does not become frayed due to seeking only to grow rates. ‘I think we have to be careful that we are not short sighted’. (Interviewee 3)

Interviewee 1 also noted ‘yes it is a good thing, but in the long term, I am not sure. You can get short term gains from an undersupply of hotel rooms. Realistically in terms of a medium- long term business plan, I am totally against this.’

Participants were also asked their opinions on the thought that perhaps Tourism Ireland/Fáilte Ireland should further target the higher yielding market segments and whether this would aid in alleviating the issue of compression in Dublin. Many of the interviewees were highly undecided on this question.

While Interviewee 4 felt that it would not assist and only would increase the number of visitors to Ireland creating further compression, Interviewee 5 felt that Tourism Ireland are already in the key markets, and are working closely with trade.

‘Tourism Ireland are targeting the tourist in all different countries and targeting people for different grading of hotels’. (Interviewee 5)

Interviewee 2 also stated an inconclusive answer, but did state that ‘I think what there will be is maybe an organic move naturally into that (higher yielding segment) because of all the work they do already, talking about that 5 to 4 star drop’; for those segments that have reached their rate caps.

Interviewee 4 also noted this change is consumer booking dynamic ‘Rate are increasing across all grades of hotel and we have seen the customer shift (5 star

guests now staying in 4 star, 4 star now in 3 star etc. etc.’ This interviewee went on to note that ‘I think that the work that the Dublin Convention Bureau of late is getting that higher yielding MICE segment, they slot perfectly into this gap’.

Interviewee 1 also reiterated the importance of the MICE/Meetings & Events segments to Dublin – ‘I would use the word ‘solid’. You can touch that business, you can plan for it and the lead booking time is very good’. Interviewee 2 noted when working with a client trying to organise a conference and who sought to look at Barcelona as their upcoming destination that when priced against Dublin for the same calibre of event and bedroom space, that Dublin was 20% less expensive than its European competitors. ‘That says to me that we do a remarkable job of providing value and marketing Dublin well for conferences.’ (Interviewee 2). Conclusively the lead time for meeting and events business is so far in advance, with active enquiries for pieces of business for 2019, 2020 and 2021 etc. that it allows hotels to have set, contracted groups in place and this allows the business to fill in the need periods and gaps.

When asked also about the quality of the Dublin 4 star product in being able to provide the value and experience for these higher yielding market segments most interviewees were confident that the product was on par with what is expected by the consumer.

‘There is constant reinvestment in the product and I think the levels of service have really matched that, they have gone up as well. (Interviewee 3)

‘4 star hotels are doing very well as a result of all of the refurbishments that have happened. When you compare us to hotels on the continent, I think we are doing quite well’. (Interviewee 5)

Interviewee 1, in comparison was quite unsure when looking towards higher yielding market segments such as high end leisure (HEL) and comparing the 4 star bedroom product for targeting this segment.

‘It kills me to say it, as a hotelier, I think over the last 4/5 years, we have forgotten what it is to be in hospitality. We are all concerned with the Average Daily Rates. I

would love to say that we can do it, but as an industry, I am not confident'. (Interviewee 1) This participant did go on to say however that in the context of targeting the meeting and events segments (MICE) 'this would be a more strategic way of looking to deal with this'.

Finally, when asked if the interviewees had any recommendations or suggestions for their colleagues in the hospitality industry the common answers linked back again to being cautious.

'We as an industry have to try to avoid making the mistakes that we did in 2006/07 and the beginning of 2008, if we can avoid that in the industry then I think that we will do well'. (Interviewee 1)

'We just need to be careful that we don't lose the run of ourselves, and continue offering the good quality Irish Hospitality that we are renowned for'. (Interviewee 5)

Interviewees 2 & 3 noted caution also in ensuring that the guest and consumers are maintained as being a centre focus for hotels.

'We need to be mindful and customer centric, and optimize every channel and every business segment, high and low yielding.' (Interviewee 2)

'We really just have to listen to what our teams on the ground are saying and listen intently to what our customers are saying. If they keep saying it is getting too expensive, you need to watch it'. We also shouldn't forget about our service levels, training and development of the product and business.' (Interviewee 3)

5.6 Findings – Key Points

1. Hotels have had to revisit how they strategically manage their businesses in time of oversupply versus times of undersupply. This has included changes in strategic segmentation and changes to their business mix.
2. The compression in the city has been seen to be mostly positive according to the interviewees. Positive in terms of the additional revenue attributed to rate increases due to yield management and the high demand.
3. The increased demand for Dublin as a destination has become difficult for hoteliers at certain points in the year. Seasonality is still a visible threat to the

hotels, however the peak seasons have expanded in length, now running March – October for many.

4. High Yielding market segments highlighted by the participants were: MICE (Meetings Incentive, Conference & Event), Transient leisure business and High End Leisure. However it was pointed out that due to the geographic areas that many of these segments come from, they are more easily influenced by macro-economic factors.
5. North America, the UAE, Australia, China and Russia were all named as high yielding geographic markets which our interviewees have actively targeted or are aiming to develop. Great Britain and certain counties domestically within Ireland also attributed to higher yielding market segments when city events/concerts etc. took place also and should also not be overlooked.
6. Interviewees did air caution in focusing too much on increasing rates without matching the physical product and service experience on offer. Reinvestment of capital and the gains of increased revenue are key.

Chapter 6 -

Discussion & Recommendations

6 – Discussion & Recommendations

As a result of the primary research undertaken as part of this study, some similarities and also contradictions to gaps found with the literature were noted. These will be outlined in this discussion chapter. The research conclusions and recommendations for future studies will also be highlighted.

6.1 Discussion

6.1.1 – Theme One – Perishability of Supply – Low Demand vs. High Demand

As outlined by Zeithaml et al. (2009) one of the characteristics associated with services such as hotels is perishability of the product. ‘Services cannot be saved, stored, resold or returned’ (Wilson et al., 2016). As a result hoteliers have had to adapt to periods of high demand currently being experienced in Dublin and this is very different to the years of low demand experienced by them pre 2011.

From the research conducted for this study it was found that due to the perishability of a hotel bedroom, in times of low demand and an oversupply of hotel bedroom stock, the best strategies included being cost conscious and implementing a dynamic pricing strategy. Interviewees 1 & 5 told of how during periods of low demand costs were reduced, where possible, however always bearing in mind the guest experience.

Interviewee 5 reiterated a guest centric mentality which conflicts with the literature revolving around yield management and what revenue managers are to implement in terms of yield practices. This participant spoke of ‘looking to efficiencies in operation, and adding value rather than cutting the rates’. This would be a much more favourable strategy to emulate the value of experience associated with a product. By decreasing rates dramatically it is thought by industry professionals that this creates a sensitivity to rate increases for consumers. Adding value to the experience and the creation of packages and promotions is thought to be a much more effective strategy.

In times of high demand, like the present economic environment in Dublin, hoteliers have had to rethink and recreate their strategies to cope with an undersupply and high demand for their stock. In these instances the interviewees noted how a change

in how they look at their target guest segmentation allocation was the way in which they managed the huge demand, although they noted how this had been a struggle. Changes in strategic segmentation and changes to business mixes were noted along with looking to higher yielding developing markets. We will continue this thought when discussing Theme Three – Blue Ocean Strategy.

In both scenarios of high and low demand periods hotels must implement yield/revenue management strategies to ensure that maximum revenues are sought and gained due to this perishability associated with their product/service offering.

6.1.2 – Theme Two – Market Segmentation in Hospitality – High & Low Yielding Market Segments

As stated by Abrate et al. (2012) ‘The nature of hotel rooms as a perishable asset has prompted hoteliers to maximise revenue by using optimal dynamic pricing strategies’. The use of market segmentation which according to Cravens & Piercy (2013) is an important tool in strategic marketing and which when used to better target and position against alternatives and build competitive advantage’ is used very strategically by hotels.

From the primary research undertaken it was stated by interviewees that they had reallocated and strategically looked at their market segments to ensure that they were not oversupplied with lower rated, base business segments which had been the case in many properties as a result of the previous oversupply. It was stated by the participants however that maintaining a balance of both high and low rated segments is crucial in protecting the business however and in ‘future proofing’ as a strategic medium-long term plan for Dublin. Relationships have a great role in this and the relationships associated with account management and high and low yielding segments may be a topic for future study.

6.1.3 – Theme Three – Blue Ocean Strategy

In the literature surrounding Blue Ocean Strategies, Yang (2011) notably stated that unique travel experiences were a requirement to ‘attract varying market segments and potential foreign market interest to their destination. From the primary research conducted it was found that the participants of the interviewees viewed the MICE

market segment as a potential segment to deliver their higher rated business from markets such as North America, Australia and continuing to target GB.

The outlook of Gu (2003) also rings true when stated that 'hotel operators should target cities with high disposable income when promoting themselves'. It was noted by the interviewees working within industry the vulnerability of certain geographic target markets however, due primarily to macro-economic factors, with the inclusion of GB & Brexit and North America and President Trump. These factors are not going un-noticed by industry, which can be seen as a positive, as a bigger more strategic picture which accounts for all eventualities is noted by the participants. It remains to be seen whether this is the case with the entirety of Dublin hoteliers however. A general statement may not be concluded based on such a small sample of participants. Perhaps this opens up basis for further study

With the continued assistance of the hospitality and tourism industry governing bodies actively working on future proofing Ireland and Dublin as destinations along with continuing to position Dublin as a destination targeted at all segments, both low and high yielding to ensure sustainability for all suppliers.

6.1.4 – Theme Four – Optimal vs. Maximum Occupancy

While the compression in the city has been seen to be mostly positive according to the interviewees, the interview participants warned industry and fellow hospitality professionals not to be overly complacent. It was found that the literature surrounding optimal and maximum capacities did not transfer into an operational world. While ideally an optimal occupancy offered by authors Wilson et al. (2016) would allow for maintenance of the product so as to ensure that the product/service is consistent, it was noted by the industry professionals during the interview process that the revenue gained by selling every room available offers more for hoteliers. 'I don't think too many owners would want to lose occupancy, you need to build around it' (Interviewee 5).

From the study it can therefore be noted that perhaps on this occasion the Optimal versus Maximum occupancy theories are just that, theory; and therefore

operationally only used when undertaking refurbishment projects like that mentioned by Interviewee 5 also.

6.2 – Research Question Conclusions

When the author set out to answer the research question below, it was unclear as to how industry would best answer the question due to the subjectivity and variance of each business and their strategies, even within a 4 star market place.

‘Can strategic market segmentation, with a focus on higher yielding segments, alleviate the issue of bedroom undersupply & high occupancy?’ – A case study on 4 star hotels in Dublin, Ireland’.

The following conclusions taken from the primary research undertaken may be noted.

1. While the compression for hotels was seen by the majority of the interviewees as positive, hoteliers and marketers are encouraged by those interviewed to be cautious of encountering an oversupply once the new bedroom stock scheduled for completion by 2020 comes on board. The compression may only be for a short period before a potential oversupply is encountered yet again for Dublin, if the visitor growth anticipated by Fáilte Ireland does not continue as expected. Planning for all eventualities is key for hotels to manage this.
2. There is concern among those interviewed that there has become too much of a focus on growing ADR rather than on focusing on the customer and ensuring a customer centric mantra is maintained.
3. Balancing a business mix is seen to be a preferable way of strategically planning for hotels. Balancing both base, lower market segments and higher market segments is noted by Interviewee 1 as the preferred strategy for their business to ensure that if one particular segment is not performing, it does not have a detrimental effect on their hotel.
4. The potential for further targeting the higher yielding MICE market segment for Dublin is seen also to be preferential for industry as the long-lead booking

time allows for hotels to note confirmed, contracted business well ahead of time and adapt their strategies and required targets to meet budgets in advance. This allows maximisation of yieldable rates for the business to meet and/or exceed budget targets established each year.

The outlook, based on the primary research study concludes that while targeting higher yielding market segments would aid in increasing revenues, it is unclear as to how and why targeting the higher yielding market segments would indeed alleviate the undersupply and high occupancy. What this strategic targeting of the MICE market segment in particular may do, is facilitate and anticipate the need periods in a much more advanced time frame, so that hotels may deploy marketing campaigns and strategies themselves for to encourage bookings in need periods and to spread the demand more evenly. This will not be possible in all instances, particularly in time periods surrounding city events where demand cannot be alleviated due to the very nature, however it may be of assistance throughout the year.

By continuing to work closely with Tourism Ireland, Fáilte Ireland and industry colleagues the management of the supply vs. demand may be manageable for hoteliers.

6.3 – Recommendations

From the findings and discussion of this research study, the following can be suggested as topics for further research.

- Balancing high and low yielding market segments – Relationship marketing in varying market segments.
- A re-visitation of market segmentation strategies being implemented once new hotel stock supply comes on board in Dublin by 2020. How are hotels targeting their consumers?

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Appendix

Appendix 1 – Interview Structure & Questions



The Study – An Overview

For the purposes of completion of a Masters in Marketing at the National College of Ireland, primary research will be completed by Caroline Millar. Taking into account the current undersupply of bedroom stock challenging the hospitality industry in Dublin in 2017, the author has set out the following research question to guide the study for the purposes of this Master of Marketing dissertation piece.

‘Can strategic market segmentation, with a focus on higher yielding segments, alleviate the issue of bedroom undersupply & high occupancy?’ – A case study on 4 star hotels in Dublin, Ireland’.

By completing this primary research investigation it is hoped that the author will also gain an insight from the below sub-objectives and lead on questions from those experienced in their respective fields of hospitality academia, hotel management and revenue fields for the purpose of this study:

1. ‘How do hotels manage their properties differently in times of oversupply versus times of undersupply?’

This question stems from the challenge of perishability of services highlighted by Zeithaml et al. (2009), with an aim of learning the implementation of strategies hotels put in place to manage supply versus low and high demand.

2. 'What are considered to be higher yielding market segments for Ireland and Dublin - psychographic?'

Sub-Objective two aims to highlight how hotels in Dublin city segment their target consumers psychographically to yield on revenue to the best of their ability. Base/low yielding business market segments will also be identified.

3. 'What are considered to be higher yielding market segments for Ireland and Dublin – geographic?'

Sub-Objective three aims to highlight the higher yielding geographic markets that hotels and the Dublin tourism industry target to achieve higher yieldable rates. Developing markets will also be investigated in the hope of finding a gap and/or benefit of implementing a Blue Ocean strategy for Dublin city.

4. 'Literature versus Industry – Optimal vs. Maximum Occupancy, industry opinions on managing occupancy?'

Finally, sub-objective four aims to investigate the practical implications versus ideals portrayed by literature in relation to optimal versus maximum/actual occupancies outlined by Wilson et al. (2016)

It is hoped, as a result of the study, that insights and a recommendation may be offered to industry and a best practice for 4 star hotels.

Primary Research – Interview Topics & Questions

1. The Irish Hospitality Industry - Your Experience

- Tell me a little bit about yourself. What is your current role within the hospitality industry?
- How many years have you been working in hospitality?
- What type of hotel do you work in? Is it 4/5 star? Where is it located?

2. Current Hospitality Trends – Dublin

- How has the Compression in Dublin city and the undersupply of hotel room stock affected your hotel/how you do business?
- What are your thoughts on the consistent high occupancy that the city has been experiencing of late? Has this been positive or negative for your business?

3. Oversupply vs. Undersupply

- Have you heard of Optimal vs. Actual Occupancies? What are your thoughts?
- How does your business manage occupancy levels?
- Dublin city is experiencing a very different challenge compared to that experienced in the recessionary period in Ireland from 2008 onwards. How did your hotel or the hotel that you were working for at that time manage the changes?
- How are you managing the current undersupply and ‘Tourism Boom’? How does this differ from how you made strategic decision in times of oversupply?
- In your opinion, what does this mean for industry?

4. Challenges for Marketers & Management

- Have you made any changes to your market segmentation strategy? Does this include changes to your segments and the allocations/ percentage mix of your business that they occupy?

5. Yieldable vs. Non Yieldable rates

- Base business market segments - what are they to your business?
- Higher yielding market segments – what are they to your business?
- In your opinion what are the high yielding geographic markets that you currently target?
- In your opinion, do you think that if Tourism Ireland/Fáilte Ireland targeted higher yielding market groups, such as your target countries suggested, that this would aid in alleviating the issue of compression in Dublin?

- Can you see any problems that this may cause also?

6. Quality of the Dublin product

- In your opinion, do you feel that the 4 star hotel product offering in Dublin is of a high enough standard to accommodate the expectations associated with higher rates?

7. Recommendations/Suggestions

- Do you have any other suggestions or recommendations for your colleagues in industry in Dublin currently?

Appendix 2 – Research Interview Questions & Sub-Objective Reference Table

Topic	Research Interview Question	Literature Topic	Sub-Objective
1. Industry - Your Experience	Tell me a little bit about yourself. What is your current role within the hospitality industry?		
	How many years have you been working in hospitality?		
	What type of hotel do you work in? Is it 4/5 star? Where is it located?		
Topic	Research Interview Question	Literature Topic	Sub-Objective
2. Current Hospitality Trends - Dublin	How has the Compression in Dublin city and the undersupply of hotel room stock affected your hotel/how you do business?	Challenges of Services Marketing - Perishability and Management of Supply & Demand	How do hotels manage their properties differently in times of oversupply versus times of undersupply?
	What are your thoughts on the consistent high occupancy that the city has been experiencing of late? Has this been positive or negative for your business?		
Topic	Research Interview Question	Literature Topic	Sub-Objective
3. Oversupply vs. Undersupply	Have you heard of Optimal vs. Maximum/Actual Occupancies? What are your thoughts?	Optimal vs. Maximum Occupancies (Wilson et al.)	

	How does your business manage occupancy levels?		
	Dublin city is experiencing a very different challenge compared to that experienced in the recessionary period in Ireland from 2008 onwards. How did your hotel or the hotel that you were working for at that time manage the changes?	Challenges of Services Marketing – Perishability and Management of Supply & Demand	How do hotels manage their properties differently in times of oversupply versus times of undersupply?’
	How are you managing the current undersupply and ‘Tourism Boom’? How does this differ from how you made strategic decision in times of oversupply?	Same as above	Same as above
	In your opinion, what does this mean for industry?	Same as above	Same as above
Topic	Research Interview Question	Literature Topic	Sub-Objective
4. Challenges for Marketers & Management	Have you made any changes to your market segmentation Strategy? Does this include changes to your segments and the allocations/percentage mix of your business that they occupy?	Challenges of Services Marketing – Perishability and Management of Supply & Demand	How do hotels manage their properties differently in times of oversupply versus times of undersupply?’
Topic	Research Interview Question	Literature Topic	Sub-Objective
5. Yieldable vs. Non-	Base business market segments – what are they to your business?	Market Segmentation in Hospitality	What are considered to be higher yielding market segments for

Yieldable Rates			Ireland and Dublin – psychographic?
	Higher yielding market segments – what are they to your business?	Market Segmentation in Hospitality	What are considered to be higher yielding market segments for Ireland and Dublin – psychographic?
	In your opinion what are the higher yielding geographic markets that you currently target?	Blue Ocean Strategy (Yang, 2011)	What are considered to be higher yielding market segments for Ireland and Dublin – geographic?
	In your opinion, if Tourism Ireland/Fáilte Ireland targeted higher yielding markets, such as those suggested, that this would aid in alleviating the issue of compression in Dublin?	Same as above	Same as above
	Can you see any problems this may cause also?	Same as above	Same as above
Topic	Research Interview Question	Literature Topic	Sub-Objective
6. Quality of the Dublin product	In your opinion, do you feel that the 4 star hotel product offering in Dublin of a high enough standard to accommodate the expectations associated with higher rates?	Market Segmentation in Hospitality	Main Research Question
Topic	Research Interview Question	Literature Topic	Sub-Objective
7. Recommend	Do you have any other suggestions or	Market Segmentation in Hospitality	Main Research Question

ations / Suggestions	recommendations for your colleagues in industry in Dublin currently?		
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Appendix 3 – Informed Consent Form



INFORMED CONSENT SHEET

I hereby agree to give my consent for my responses to interview questions to be used and quoted anonymously in this Masters of Science in Marketing Student Research Thesis for the National College of Ireland.

Interviewer

Name: Caroline Millar

Student Number: 15022196

Programme: MSc. Marketing – Part-Time Project: MSc. Marketing - Thesis
Research Paper

Signature: _____

Interviewee

Print Name: _____

Signature: _____

Date: _____