Discussions

Student’s Name

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**Drip Pricing**

Drip pricing is described as the type of advertising where only part of the price of an item is disclosed. Most companies refer to advertise a low price and later provide explanation to customers in regard to high prices being charged. This trend is common on hospitality industry where hotels do not include the cost of access to internet, and other services offered by the hotel. From the advertisement the charges would be more affordable but it would be higher when a client books the room and use the services of the hotel. For instance, Crown Plaza Hotel charges $100 for internet usages besides other charges and these charges are included to the client’s bill at the point of checkout. The same applied to airlines, which do not indicate the prices of extra luggage, and taxes. The hospital industry commonly practices the Drip Pricing as one of its major strategies in marketing of services and products. It is therefore, important to have extra money when booking for holiday in a hotel and also when traveling because the cost may be higher depending with the hotel.

**Big Rock Breweries**

The Big Rock Breweries is one of the growing beer companies despite the challenges it has faced in the market. Through partnership with local restaurants Big Rock still could emerge the market leader. The partnership is likely to help the company to increase its market share hence increase its profitability. However, the excess duties charged on beer and other related alcoholic drinks posed a big challenge to Big Rock profitability. This might affect its market penetration strategies because the high levy would force the company to increase the prices of most of its products. As a result, its market share would be affected due to stiff market competition from entrants and established brand in the market. It is also important to point that the increase taxes and other policies being implemented by the government are likely to increase the cost of production. This will affect the operations of the company by increasing overhead expenditure hence less profits.

It is therefore, important for Big Rock to come up with a new strategy to keep the company operating and competitive in the market. Big Rock should therefore, reduce the operating expenditure, capital expenditure and other overheads to balance the cash flow. Without utilization of cash flow effectively to generate revenue, Big Rock could run into financial problem. The company has to adjust its marketing, control expenses, and sign several partnership deals to give the company a larger market share in the alcohol and beverage industry. It will also have to deal with rising prices to address the complaints from customers regarding the price fluctuation.

The strategic change in production by Big Rock Breweries is likely to change the prices of the products. Big Rock used to import products to Ontario but the company has decided to establish a plant locally to produce beer for the local consumption. This is likely to change its prices hence giving it more market share. It is also uses natural ingredients to produce its products and therefore, these are key factors, which are likely to give the company advantage in the market hence increase market share and profitability.

**Return on Investment for customer service**

Return on investment for customers are an essential factor in the hospital industry and in other industries. Customer deserve value based services and therefore, it is important to ensure that customer get what they want at a reasonable price. A company should have gift cards, voucher ticket, rooms and coupons for loyal customers. In the hospital industry, guest always come back and when they do, a company get an opportunity to offer the best services. A company would be able to earn a good return on investment if it investment on its customers. It is therefore, the responsibilities of the company to ensure that every customer leaves the premise happy. It is therefore, important for a company to have a value based prices and excellent services.

**Airbnb**

Airbnb is a new model of business in the hospitality industry where customers are taken to new places or for adventure. Though business has been improving in the hostility industry, the inclusion of Airbnb would improve the services offered and hence increase market share for a hotel. Most customers have indicated that airbnb could be an option of a hotel especially for customers who are in adventure and therefore, it provides a market challenge to the hotel. The best option for most hotels is to invest in Airbnb based on their clients’ interest and tastes to ensure that they get all the clients. The negative aspect of Airbnb could therefore be addressed considering the law, which guides the hotel industry in Toronto and other cities in Canada.

The law described that the hotel workers have the duty to provide services to customers. It means that anyone within the premise including the pedestrians deserve better treatment from the hotel workers. It is also means that all of the employees have to provide a reasonable degree of care to ensure the safety and privacy of the guests. However, this is not necessary for Airbnb, which means you are not taken care in Airbnb’s places. The drafter of the law did not expect the emergence of Airbnb and therefore, the law of torts does not to the establishment and operations of the Airbnb. Ideally, the establishment of Airbnb has helped in saving a lot of money. It provides less money so that they could provide a lower price to make them more competitive than hotels. It is therefore, important for both employees and customers are having less protection because the law in terms of Airbnb is not fairly applicable.

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