

# HOSPITALITY AND TOURISM MARKETING

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Lecture 2:

Marketing Plan

## Course outcomes:

At the end of this lecture, you will be able to:

- ❑ Define clearly what is marketing plan
- ❑ Differentiate correctly strategic and tactical marketing plan
- ❑ Describe perfectly the benefits of marketing plan
- ❑ Demonstrate correctly the components of marketing plan

# Marketing Plan

- ❑ A marketing plan is a **written** plan that is used **to guide** an organization's marketing activities for a period of one year or less



- ❑ It is quite detailed and specific, it helps an organization **coordinate the activities and people** that play role in marketing.



# Differences between strategic and marketing planning

- ❑ Marketing plans are what experts call **“tactical”** or **short term**.
- ❑ However, it is not enough just to have annual marketing plans. Long-term **“strategic”** plans are needed.
- ❑ These multiyear plans are **more general and less detailed than tactical plans**. They ensure that long-term marketing objectives are attained.

- ❑ There must be a close fit between the strategies and objectives of firm in the strategic market plan (a long –term marketing plan **covering five or more years**).
- ❑ Strategic planning attempts to answer **three** important questions:
  - ✓ **Where are we now?**
  - ✓ **What opportunities are emerging in a changing world?**
  - ✓ **What decisions do we have to make now to get to where we want to be?**

- ❑ Strategic planning involves **decisions that are made by the management of an organization** as it pursues its mission and objectives.
- ❑ These decisions include the **types of products to offer and in what markets to sell them, the allocation of resources to that end, the establishment of policies and procedures and appropriate distribution of employee responsibilities.**

- ❑ This decision –making process is influenced by events occurring in the **internal and external** environments of the firm.
- ❑ It is a long-term plan to enhance the firm's competitive position or a plan that encloses the firm's primary strategies, especially those related to its products or services and market.

❑ While marketing plans take **an in-deep** look at the organization's **marketing mix and contain detailed budgets and timetables**, strategic marketing plans are **more concerned with the external environment and the opportunities and challenges in the medium and long term** .

❑ Marketing plans are also concerned with environment but rather in the short run.

# Strategic vs tactical marketing

	Strategic	Tactical
<b>Timeframe</b>	Long term	Short term
<b>Focus</b>	Broad	Narrow
<b>Key tasks</b>	Defining market and competitive position	Day-to-day marketing activity
<b>Information &amp; problem solving</b>	Unstructured, external, speculative	Structured, internal, repetitive
<b>Example</b>	Segmentation NPD	Price discounting Comms campaign

# Vision and Mission

- ❑ Strategic planning should be founded on the mission and the values of the organization.
- ❑ Corporate values drive the **purpose and strategy of a company.**



Key areas that shapes **the mission or values** of the firm include:

- ✓ Why a company exists
- ✓ What the company believes in
- ✓ The competitive position and distinctive competence
- ✓ The policies and behavior patterns that underpin the distinctive competence and value system.

- ❑ The vision of a firm is expressed in the “**mission statement**” which communicate what the company stands for.
- ❑ A mission statement is then **sets the company’s strategy.**

# Benefits of a Marketing Plan

A marketing plan is one of the most useful tools for any organization. A written plan has the following key benefits:

- ❑ Activities matched with target markets
- ❑ Consistency in measuring marketing success
- ❑ Continuity in long term planning
- ❑ Minimizing the risk through analysis internal and external environment

# Activities matched with target markets

- ❑ The marketing plan ensures that activities are focused only on chosen target markets
- ❑ One of the steps involved in writing the marketing plan is detailing **the marketing mix specific markets.**
- ❑ This way helps to prevent spending a lot of money on unattractive target markets.

# Marketing mix

- ❑ The marketing mix is one of the major concepts in modern marketing and is often brought up in general discussions of marketing.
- ❑ Marketing mix **is a set of marketing tools** that a company uses to pursue its marketing objectives in the target market.

# Marketing mix- 4P's



# Consistency of objectives and target market priorities

- ❑ The plan ensures that the level of effort is consistent with marketing objectives for each target market and the relative size of each market.
- ❑ Generally, **the higher the objectives, the greater the required effort.** For example, it does not make a sense for an organization to spend **80 percent** of its marketing budget on target market that contribute only **20 percent of its sales or profits.**

# Assistance in measuring marketing success

- ❑ According to the objectives and achievements, marketing managers measure and evaluate success.
- ❑ A marketing plan plays an important role in:
  - ✓ Controlling how the activities are going on, and
  - ✓ Evaluating if objectives have been achieved.

# Continuity in long-term Planning

- ❑ Several marketing plans make up one strategic market plan.
- ❑ Marketing plans complement strategic market plans and provide a **link** between short-and long-term planning.
- ❑ They ensure that an organization's long-term objectives are always kept in focus.

# Minimizing the risk through analysis of the internal and external environment

- ❑ The marketing plans allow managers to identify the areas of **strength and weaknesses**.
- ❑ So that an advantage can be taken from the strengths and also company can minimize the weaknesses.
- ❑ In addition, **threats and opportunities** can be assessed.

# Contents of a marketing plan

There are **two** parts in the marketing plan. **The rationale and implementation plan.**

- ✓ The marketing plan rationale **explains all of the analysis, assumptions and decisions on which the marketing plan is based.**
- ✓ It describes the **target markets, and marketing objectives selected for the period.**

- ❑ **The implementation plan details the marketing budget, staff responsibilities, activities, time table, and methods of controlling, measuring, and evaluating activities.**
- ❑ In other words, the function of the implementation plan is to specify **all the requirements activities, responsibilities, costs, time schedules and control and evaluation procedures.**

# Stages of a Marketing Plan

## Marketing Plan Rationale

- Executive summary
- Current marketing situation
- Business situation analysis
- Creative the objectives

## Implementation Plan

- Marketing strategy formulation
- Creating action programs
- Monitoring and evaluating the plan

# Executive summary

- ❑ The planning document opens with a **short summary** of the plan's main goals and recommendations.

# Current marketing situation

- ❑ It is necessary to gather enough information about the external company environment in order to form a business and market picture of current and future pressure and trends.
- ❑ First of all, the information collected should form the basis of a **PEST** investigation which may affect the company and the market.

# Following information should be collected as part of the external audit:

## Business/Economic Environment

- Economic-** inflation, fuel cost, exchange rates, average salaries.
- Political-** taxation, duty, regulation, tourism policies.
- Social-demographics** ,values ,lifestyles.
- Technology-innovations**, new systems.
- Companies-level** of investment, takeovers, promotion,expedures, profits.

# Market environment

- ❑ This section should present data on the total market-size and growth of the target market. In addition, data concerning customer needs, perceptions, and buying behavior trends.

# Competitive situation

- ❑ Here major **competitors** are identified and described in terms of their size, goals, market share, product quality, marketing strategies etc.

# Business situation analysis

❑ This is so-called **SWOT** analysis. In particular, this is the analysis of the company's major:

- ✓ Strengths
- ✓ Weaknesses
- ✓ Opportunities
- ✓ threats

# Marketing objectives and targets

- ❑ Objectives are a combination of what is **expected** of the company by its shareholders or directors.
- ❑ The selected target markets should be discussed, along with the reasons for choosing them. The objectives for each target should spelled out.
- ❑ They have to be results oriented, stated in numerical terms, and time specific.
- ❑ At this stage, the plan should briefly review the segmentation approach used to divide market.

# Marketing strategy formulation ( what to do)

- ❑ At this stage, the broad marketing strategy must be outlined.
- ❑ This section should cover what target **markets will be attracted, the required positioning strategy to attract these markets and marketing mix variables** that will be used to attract the targeted group.
- ❑ This section outlines broad marketing thrusts to achieve the business objectives.

# Creating marketing-mix programs (how to do)

- ❑ Action programs consist of the program of the activities on **four controllable variables of marketing mix: promotion, distribution, product, price** that are undertaken to influence and motivate buyers to choose targeted volumes of particular products.
- ❑ A marketing mix program express exactly what activities **will take place on a week by week basis for each target market.**

# Monitoring and evaluating the plan

❑ It is impossible to have efficient evaluation without first establishing precise objectives against which to measure results. Then, it would be possible to monitor results for each market under **at least six headings:**

- ✓ **Weekly flow** of bookings against planned capacity
- ✓ **Sales response** related ant advertising activity
- ✓ **Customer awareness** of advertising messages measured by research surveys.

- ✓ **Sales response** to any price discounts.
- ✓ **Sales response** to any merchandising efforts by travel agents
- ✓ **Customer satisfaction** with product quality measured by customer satisfaction questionnaires

# Reference

- 1] Kotler ,.B (2014) Marketing for Hospitality and Tourism Industry, p 93-123, <https://www.pdfdrive.com/marketing-for-hospitality-and-tourism-6th-edition-e178412795.html>
- 2] Rizwan Raheem Ahmed, Strategic Marketing Planning of Nike, (2016), DOI:10.13140/RG.2.1.1558.3122

Thank you!

Next lecture: Target Market and Market segment

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