

6. Marketing Plan

A marketing plan is a written document that can be thought of as set of decisions about what the company wants to achieve and how it is going to achieve it. Essentially a marketing plan sets a goal that is accompanied with strategy and tactics outlining how that goal will be achieved. In general there are two different kinds of marketing plans; strategic and tactical. Strategic marketing plan is more general and is focused on long-term goals; usually for a minimum three to five-year term. It is not as detailed as a tactical marketing plan and it deals more with the external environmental influences and opportunities and less with details of the company's marketing activities. Tactical marketing plan differs from strategic plan in both timeframe as well as content. Typically it operates within a short timeframe, usually from one year to no longer than three years. (Bowie & Buttle 2004: 316-319)

There are many benefits for a company by having a marketing plan. Especially with larger companies they are essential but for smaller companies as well. Often in smaller companies the marketing plan may only exist in the mind of the owner and there is no written document of the marketing efforts done by the company. To provide clear direction to the marketing operations that are based on a systematic and written approach usually benefits both the management and the employees of the company. Everyone has a clear image of the goal and all the employees can actively be part of achieving that goal. This eliminates confusion and misunderstandings and coordinates the resources of the company. (Cooper et al. 2008: 548-549)

Not having a marketing plan will result in a wide range of possible consequences. For a hotel this could for example mean a failure to take advantage of potential growth markets and other new marketing opportunities and demand problems during low-season periods. These very much affect the profitability of the hotel and therefore having a marketing plan, even though it does not guarantee success,

it eliminates many risks as well as makes the company more prepared and less vulnerable. (Cooper et al. 2008: 547-548)

The construction of the marketing plan is characterized by a wide range components each with its own heading. They provide a framework that presents an analysis of where the company is now, where they want to go and how to get there. Not all of the components appear on every marketing plan. (Bowie & Buttle 2004: 319-320)

6.1. Situational analyses

The premises for marketing planning is to have credible background data about the company's situation in the market. The main goal is to assess where the company is now; what is its current marketing situation. Mainly all of the situational analyses can be divided into two parts; external and internal. The external analysis usually includes data about the company's business environment such as competition. The main element for the external environment is that it includes all the factors, which the company has no control over, but they still affect the company's operations. These factors can also be defined as macro-environment, which includes for example major regional, national and global trends and other factors influencing the business. The factors are often listed under six different headings; political, economical, social, technological, legal and environmental. The idea of analyzing these factors is to make the company more prepared for change as they help when analyzing potential opportunities and threats. (Middleton et al. 2009: 182-187, Kotler 1997: 96-97)

When assessing internal situational analysis it usually includes data about the company's products and distribution situation. When assessing the product situation one can for example assess the sales figures, prices and net profits of the products from several past years. Or when looking more closely at the existing distribution channels one can determine which channels have been successful and what channels maybe are not yet utilized. (Kotler 1997: 96-97) The function is to assess aspects of the company's operations with the aim of establishing what the

business is doing well and which parts of the business are performing poorly. This way the company can determine its strengths and weaknesses. (Bowie & Buttle 2004: 322)

6.2 SWOT-analysis

The company gets relevant information about the current market place they're in through the situational analyses. The gathered data is then used to form the SWOT-analysis, which stands for strengths, weaknesses, opportunities and threats. It is one of the first stages of planning and helps the company to focus on key issues and that why it is particularly helpful in identifying areas for development. (Middleton et al. 2009: 209)

The SWOT- analysis is a combination of both the internal and external factors that are dealt with in the situation analyses. Strengths are usually accounted for as internal factors and are the company's resources and capabilities that can be used as a basis for competitive advantage. Company's strength may for example be strong brand names, good reputation among customers and favorable access to distribution networks. The absence of certain strengths can be viewed as weaknesses, which are also accounted for as internal factors. Weaknesses can range from high cost structure to poor customer contact staff. Not all weaknesses can be removed but once identified the company should minimize their effects or remove them altogether where possible. Both strengths and weaknesses are often matters of perception, which makes them sometimes hard to identify. Consumer research is a good way to learn more about these internal factors so customer feedback should always be read and dealt with thoroughly. (Middelton et al. 2009: 209-210)

Opportunities are usually accounted to be external factors researching the external environment of the company and may reveal new opportunities for development. For example there could be new technology coming up that could be useful for the company or maybe some competitor is ineffective or has gone out of business and has created an opportunity for the company to get some of their customers. A

company should always be searching for ways to develop and think about the ways to do so.

Changes in the external environment can also present threats to the company. The changes can include for example a new competitor in the market and more increasingly, as have been seen during the past years; international terrorism. Whatever the threats are it is important for the company to be aware of the threats for when something happens in the external environment that has an influence to the company, it is prepared for it.

SWOT analysis should be systematic, wide-ranging and creative and as such it has been proven to be invariably productive. The analysis should not be done by only one manager of the company but one should bring other managers as well as the staff into the process. This way the maximum amount of expertise and perception is drawn out. (Middleton et al.2009: 209-212)

6.3 Setting goals / marketing objectives

As the situational analyses answered to the question “where are we now”, the marketing objectives answer to the question “where do we want to go”. The next step is therefore to set goals which translate the company’s mission into easily understood statements regarding the markets, products, sales, occupancy and marketing mix. As the marketing mix is made of the tools that a company uses to pursue its marketing objectives in the target market it is an essential part while setting the goals. (Bowie & Buttle 2004: 326-327)

Objectives should be specific, measurable, achievable, realistic and carried out within a set timetable. They can be set as strategic long-term objectives or if the objectives are smaller and set to be reached within a short timeframe they should still be integrated with the long-run company goals and strategy. (Middleton et al.2009: 213)

The more thoroughly the earlier situational -and SWOT-analyses have been done, the easier it is to set precise objectives. As setting objectives is an essential part of

the marketing planning process and if the company fails to provide them it reflects to the managers and employees lack of clear direction. (Bowie & Buttle 2004: 326-327)

According to Kotler there should be two different types of objectives; financial and marketing. The financial objectives are done first so the company evaluates what they want for example the terms of the net profit to be. After the financial objectives are set they are converted into marketing objectives. (Kotler 1997: 99)

6.4 Marketing strategy

After setting the objectives the marketing strategies are done. Strategic planning is a process of developing and maintaining a link between the organization's goals and capabilities and its changing marketing opportunities. The marketing strategy is shaped by the overall business goals meaning that it broadly explains what actions are required to achieve the goals and objectives. The marketing strategy can be thought of as a game plan that outlines, often in a list form factors such as the target market, positioning, distribution channels, price, advertising and possible research and development. (Kotler 1997: 100)

Choosing the right target market is essential and often not that easy. When defining a target market for a product there should be three separate levels. The first level consists of consumers that are willing to buy and who also have the best premises to buy. The second level consists of consumers who have the premises to buy but not necessarily the desire. The third level consists of consumers who are not able to buy but who should be monitored in case there is a change in their buying readiness. (Kotler 1997: 224-226)

Positioning is the act of designing the company's offering so that the services and products are based on some core idea or benefit. Its meaning is to create a competitive angle toward the competitors so the positioning of a product can be based for example on the best or quickest service, accessibility or affordability. This way the product occupies a clear, distinctive and desirable place relative to competing products in the minds of the target customers.

A good marketing strategy also defines the reason why it is unique or compelling to buyers. It should explain what is the benefit the consumer gets by purchasing the company's product. It should explain why the customer would want to buy that particular product from the company and not go to some competitor instead. (Kotler 1997: 294-295)

6.5 Action Plan

After setting the marketing strategies the action plans are laid out. The action plans are more specific and they elaborate on the marketing strategies giving more detailed answer to what exactly is going to be done, when and by whom and how much it is going to cost. This way the action plan sets a timetable that should be clearly laid out so that it is easy to follow. More importantly it should clearly show who is responsible for executing the action plan so that there are no misunderstandings and everybody in the company knows what their role is in the action plans themselves. (Kotler 1997: 100-101) Action plan can also be thought of as marketing campaigns. They describe coordinated programs of marketing activities in the general field of product design, pricing, promotion, communication and distribution. (Middleton et al. 2009: 222)

The action plan can for example be formed so that it shows every month separately and what marketing actions are to be done each month. In a hotel's marketing plan for example in October there can be an action plan stating that the company should start their Christmas-package marketing. It shows the product Christmas package, then the timeframe in which it should be executed such as in October and November, the specific distribution channels used like newspapers and the internet, the costs of the advertisement and then who in the company is responsible for seeing that the action plan is carried out. (Kotler 1997: 100-101)

6.6 Monitoring

Monitoring is a process that evaluates how the pre set objectives have been met by the results. In this last section of a marketing plan comes even more apparent why

it was so important that the objectives and goals had to be done with precision and realistically. How can you measure results if you do not have a clear starting point on what it was that you wanted to achieve in the first place? Monitoring is necessary to detect, correct and prevent unacceptable variances from the marketing plan's objectives and costs. (Bowie 2004:336)

There are three different aspects that are used when measuring performance of a marketing plan. One is evaluation that is usually done as an annual process. The evaluation is more basic and it is a focal part when measuring the competitive performance of the company against another in the same market. Another aspect is monitoring which includes more detailed measurements of performance that can be done even on daily basis. Monitoring assesses the actual results against the targeted sales. How did the company succeed in their marketing campaigns, which of them brought the most customers? Monitoring usually requires a marketing information system where all the information like sales and customer figures can be fed to and from where they can also be used in the annual evaluation process. Third aspect when evaluating marketing performance is marketing control which means tactical marketing management actions taken continuously in response to the information provided by monitoring. While doing the monitoring there might come up some variances or problems that the marketing plan has had so when doing the marketing control the company can take corrective actions and adjust their plans accordingly for the future. (Middleton et al. 2009: 232-233)