

# Why Develop a Strategic Marketing Plan for your Tourism Operation?

If you think that in tourism developing a [strategic marketing plan](#) is something only the big, fancy hotel chains do, then think again. You CERTAINLY need one, too! It'll help you better understand your business, your customers

and your strategy for success.

In fact it even more important that you use your smaller and tighter budget in the correct way and in the correct direction. A scattergun approach needs a LOT of money to be effective. With your smaller budget you are going to be looking for needle point accuracy in each of your campaign to guarantee ROI. As little trial and error as possible is definitely the aim. A-B testing with large focus groups is just totally beyond most of our budgets!



## Strategic Marketing Plans for SME Tourism Operators

Most tourism operators and hoteliers have a habit of thinking that “marketing” means advertising, PR, promotion or even Sales! In fact the oft used term “Sales and marketing” is mostly a total misnomer in tourism. Marketing professionals seldom complete actual Sales, and Sales don’t get down and gritty with the Marketing Analysis!

Your marketing and your marketing plan is so much more than just a jumble of ad campaigns, and includes everything including understanding

your market (or indeed markets!) to which you'll sell your products and services, to choosing the specific tactics you'll use to reach that market (which is where things like the advertising come in – they're simple one of your MANY tactics!).

Put in simple terms the Strategic Marketing Plan includes the following parts :

Executive Summary – NEVER longer than one page, the summary should briefly describe the business and the major points of the plan (always write it last)

Situation analysis – Where you are... a detailed

assessment of your niche markets (one by one), your competitors in each niche, and the opportunities and challenges for your business, including client demographics and source markets (geography)

Marketing strategy – How your planning on getting to where you want to be... This is your specific business revenue goals, as well as a strategy for tackling the market opportunities identified in the situation analysis. Comes from your Business Plan (you do have one right! lol)

Marketing tactics – the actual action plans for executing on the strategy outlined in the previous section. These get drilled down into individual Tactical Plans

Marketing budget and timeline – a final detailed costing for each campaign and ROI/payback expected, and the overall cost including a Cashflow analysis for planning the year

# Situation analysis

Very simply, your situation analysis is the base foundation of your marketing plan, and gives a clear “lay of the land” for your market and business. Remember all of that market research and competitive analysis you did for your [business plan](#)? (eek, please tell me that is up to date, or we go no further!) The great news? This is exactly what you did all that work for,

you get to use it here! In your situation analysis, clearly define for each of your markets:

All your potential customers and clients, including current market size and projected growth

Your competitors, including current and projected market share, and product or market segment focus

Your realistic assessment of your own business, including both strengths and weaknesses, with a summary of your plan to overcome the weaknesses

# Marketing strategy

When your tourism business was started, it undoubtedly found an unmet or underserved need in a target market somewhere, and your company felt that it could address that need. The marketing strategy section is where this is actually spelled out. How your tourism business is going to meet that need, by setting specific goals and high level strategies.

Start by setting the specific goals for your business, typically for SME Tourism Businesses these are for the year ahead. Normally done around the time of your rates

review and publishing...

Make all goals realistic, achievable and measurable. There is absolutely no sense in ever setting yourself up for failure right from the start. Write them in as simple and straightforward terms as you can- for example, "Wedding Bookings will achieve \$150,000 in sales of on site Weddings by the end of 2012."

Wrap up the strategy section of your marketing plan by outlining the particulars of each of your business offering(s) – in marketing jargon, you'll be defining what are known as the "four Ps":

- Product – description of the product or service, including features and benefits
- Price – initial pricing strategy
- Place – distribution channel for your product or service, i.e. where you'll sell
- Promotion – the methods and channels used to reach customers and let them know about your product or service (this is where advertising fits by the way)

Now I may (I am by all accounts!) a bit old fashioned in still using only the 4 P's. Current Marketing Professionals are all the way up to 7 P's (and some ven throw in 4 C'S!), but I think for us tourism operators without Marketing Degrees 4 is fine!

# Marketing tactics

To take your marketing plan to the next level of detail, you'll need to dream up some actual tactics to meet the goals you set in the previous section. Common marketing tactics include advertising (print, online, radio, TV etc.), trade show or event attendance/participation, public relations, grassroots and viral marketing campaigns and email marketing.

As you choose your tactics, summarize what it is, why you should use it, what you expect to get out of it, and how much it's going to cost.

This will drill down to specific Tactical Campaigns. Yes one for each campaign, gonna be quite a few!

Finally, set a specific, limited timeline for each tactical campaign and pick someone to lead and champion getting it done.

# Marketing budget and

# timeline

This is the part where many SME Hotels and Tourist businesses fall down.... You now need to complete your entire marketing plan by summarising your costs and timelines from the previous section.

Check your marketing budget after each distinct Tactical campaign, and for sure at least monthly, and determine whether you're

getting the ROI (return on investment) you expected from each tactical campaign. It's never too late to make some changes to your marketing plan.

Your marketing timeline can really help you understand if your tactics are driving any sales or are just spinning wheels. Compare sales during times when you've done some marketing activities and check for any growth to see if there was an impact.

# At least

# Annually!

Writing a Strategic Marketing Plan should be at least an annual ritual for your tourism business.

Not to mention that it's a good idea to revisit your Strategic Marketing Plan when you are releasing new or significantly changed products or services such as new menus or new hotel rooms opening up.

Remember that writing a marketing plan is time very well spent for any sized business, because

it's the process for thinking honestly and thoroughly through how you're going to connect with your customers.

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# The Art of Business Plans

In my work over the years, I have seen a lot of PowerPoint pitches, but I have also read an awful lot of business plans. The PowerPoint pitches have driven me nuts for sure ([see my blog on THAT!](#)), but the business plans explain my recent need for reading glasses.

One of the goals of my articles on this website

is to reduce these external factors that are driving me nuts, so this article is all about the art of business plans.

# Only write for all the right reasons

Most people and companies write business plans almost exclusively to attract investors, and while this is indeed necessary to raise money, most venture capitalists I know have made a “gut feeling” yes/no decision during the PowerPoint pitch before they even touch the Business Plan.

Getting (and maybe even possibly reading...) the business plan is a physical step in everyone’s due diligence.

The more relevant and hugely important reason to write your business plan, whether you are looking for funding or not, is to force the management team to solidify the objectives (the what), strategies (the how), and tactics (the when, the where, the who) of the core business.

Even if you have all the funding in the world, every single business should still write their own business plan. Indeed, in this case ESPECIALLY if you have all the funding in the world because too much capital can be worse than too little...

# Make it a singular

# Lonely effort

The creation of your company's business plan will be a big group effort involving all the principal players in the company, and probably at least an outside consultant, and maybe a diverse Board, the actual physical writing of your business plan—literally sitting down at a computer and typing out the document – just has to be a solo effort. It is not a team joint document shared on a network and written amongst a team of writers.

In the perfect world, the CEO should do it because she will be the ONE person who needs to know the plan by heart in her sleep. Take it from me (who writes quite a lot), for writing to be clear and consistent, there has to be only one writer. It is extremely difficult to cut-copy-and-paste several team member's contributions and come out with a reasonable, let alone a great plan.

# Start with the pitch, then the plan

Most people create a business plan, and it's a piece of rubbish: fifty pages long, thirty-page appendix, full of this year's buzzwords, acronyms, and superficialities like, "We only need one percent of this market."

Then they go ahead and create a PowerPoint pitch presentation from it.

It is no surprise why the plans are crap when

they are based on lousy pitches? In our experience the best sequence is to perfect a pitch, and then write the business plan from it.

# Guy Kawasaki's 10/20/30 Rule of PowerPoint

- a PowerPoint presentation should have ten slides
- last no more than twenty minutes
- contain no font smaller than thirty points

Remember this:

A good business plan is simply an elaboration of a good pitch; a good pitch is not the summary of a good business plan.

Why? Because it's much easier to revise a pitch than to revise a plan. Give the pitch a few times, see what works and what doesn't, change the pitch, and then write the plan. Think of your pitch as your outline, and your plan as the full text. How many people write the full text and then write the outline?

# Simply put in the right stuff

There are some basic rules that everyone is ready to see in a business plan in reality. What a business plan should address? Here's the simple list with the number of slides/pages for each one:

- Executive Summary (1)
- Problem (1)
- Solution (1)
- Business Model (1)
- What is your Magic Ingredient(1)
- Marketing and Sales (1)
- Competition (1)
- Team (1)
- Projections (1)
- Status and Timeline (1)
- Conclusion (1)

Basically, this is the same list of topics as is in a PowerPoint pitch. Those numbers in brackets are the ideal lengths for each section; note that they add up to eleven. As you'll see below, we think that the perfect length of the ideal business plan is twenty pages, so w've given you those extra nine pages to play with.

# Always focus on the executive summary

One of the myths of business plans is that the most important part of a business plan is the management team part.

The executive summary, yes all one page of it, is by far THE most important part of your business plan. If it isn't just fabulous, attention grabbing, heart poundingly fantastic, you are completely out of luck; no one will read beyond it to find out who's on the management team, what is your business model, and why your product is magically different and revolutionary in its field.

You should spend at least 80% of all your

writing effort on getting a fantastic executive summary. Most people spend 80% of their effort on putting together that enormous Excel spreadsheet with all the dreamed up financial figures that in reality no one believes.

# Keep it concise and clear

The ideal length of a business plan is twenty pages or less, and this includes the appendix. For every ten pages over twenty pages, you decrease the likelihood that the plan will be read, much less funded, by

twenty-five percent. When it comes to business plans, less is more. Many people believe that the purpose of a business plan is to create such shock and awe that investors are begging for wiring instructions; the reality is that the purpose of a a business plan is to get to the next step: continued due diligence with activities such as checking personal and customer references. The tighter the thinking, the shorter the plan; the shorter the plan, the faster it will get read.

Have a simple  
1 page  
financial

# projection

A lot of business plans contain 5 year projections with a \$10 million top line and such tiny levels of detail that the budget for coffee is a line item. Every funder and business executive who reads it knows that you're making these numbers up and making them large enough to be interesting (you hope), but not so huge as to render sanity testing...

Do us all a big favour and reduce your Excel dream sheets down to one page and provide a simple forecast of the key business metrics (KBM's) of your business e.g. the projected number of paying customers. These KBM's provide a lot of insight into your assumptions. e.g. if you assumed that you'll get 30% of ANY serious market to buy your product in the first year, I would suggest checking your ego at the door.

# Have the reader imagine the market size

Don't include quotes of some consulting firm's paid for validation of your market. For example, *"Saturn Research states that the market for bird watching software like we have will be \$12 billion by 2014."* None of us ever believes these "validations" because the last business plan we saw said this about USB thumb drives; the next one will say this about online cat toy sales, and the next one etc etc etc.

What you want to do is Have the reader imagine the market size: i.e. enable the reader to make her own mental calculation on the spot that this market is just huge! "Every hotel client would

use this would buy this—Wow, this is a huge market!”

# Write deliberately, be flexible and nimble

When you write your company business plan, you write as if you know exactly what you're going to do. You are deliberate. You're probably wrong, but you take your best shot. using the information you CURRENTLY have.

However, writing deliberate does not mean that you stick to the plan in the face of new info and for sure not when new opportunities come along. As you act out and complete the plan, you

act flexibly and stay nimble on your feet i.e. you are quick witted and fast moving: changing as you learn more and more about your market.

The plan, after all, is YOUR plan to do with as you want, however the plan should not take on a life of its own...

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# Prepare for Facebook's Timeline for

# Business Pages

Excellent article by [Ken Mueller](#) on Business to Community. Thanks Ken!

I've been asked quite a few times at speaking engagements, and by clients, "Will Facebook be adding the Timeline for Business Pages"? Well, if you haven't heard, the rumors started leaking last week, and apparently [the Timeline will be coming to business pages](#) as early as the end of this month. It sounds as if they will begin rolling it out in beta with some larger brands. If you remember, it's been nearly a year since [the last major overhaul to the business pages](#).

When the Timeline was rolled out for personal profiles, there was an early opt-in process where you could choose whether or not you

wanted, and some still haven't chosen it, waiting for Facebook to force them. That will probably happen very soon. Now, with the impending roll-out of the business Timeline, there is no word as to whether or not we'll be able to opt-in early.

And while many say they dislike the personal Timeline (I happen to love it!), I think that's just the typical, "If it ain't broke, don't fix it" mentality that many of us have, just because we don't like change. When things change, we have to adjust and learn something new.

Well, get ready for change. And [while we don't know what features the Timeline for Business Pages will have](#), here are a few things we can do to prepare ourselves for the inevitable

[READ THE FULL ARTICLE HERE...](#)

# Business 2 Community

**Business 2 Community** is an independent online community focused on sharing the latest news surrounding Social Media, Marketing, Branding, Public Relations & much more. Every day we feature the thought leadership of our open community of bloggers and aim to provide a balanced view of the business landscape based on industry news, trends and real-life experiences.

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# Jumping over the

# big Start - Up Hurdles

So here you are! You have worked on and completed your own laser-tight analytic business plan and you think you're all set up to drive forward into a sun-shining future... And then there always seems to be yet another hurdle to overcome. This is the heart and soul of the young, start-up business; especially if you are trying to push the boundaries and deliver innovation in your industry.

Your business plan will (we REALLY hope) detail how you will act on your business opportunity. However, in the start-up company environment *"the only constant is change"* and that throws up seemingly endless new hurdles and challenges to overcome. It is how you deal with these hurdles on a professional and personal level that will set you apart from your competitors and see your business succeed or fail. How can you do this?

# Face the hard issues up front and head on

Don't let your passion for what you want to do blind you from reality. It is easy to side-step (or at worst ignore) the issues that may fundamentally affect your core business proposition especially if you don't have experience dealing with them. Get them out on the table early on – be honest with yourself and others – it will save enormous grief in the long term. If any issues are serious enough to affect your core business you should review your financial assumptions to see how they affect your forecast going forward.

# Never be afraid to ask for advice

No-one has the answers to all the questions that they will be faced with in starting a business. The art is to recognise your limitations and ask the right questions of the right people. Where you have weaknesses build a network of support (professional, informal, non-executive) and use it to overcome problems as they arise. You don't

have to know everything, you just have to know where to find the information that will enable you to make the best decision. Budgeting in your business plan for the cost of periodic advice is wise at least on a contingency level.

# Be utterly, ruthlessly professional

When you come across a hurdle deal with it thoroughly and without exception. It is a threat to your success and that of your business. If you don't it will likely come back and cause you problems in the long term. A number of relatively small un-addressed problems can drain the business and pull it down. Executing a business plan relies on the ability to deliver success amidst change. The way you deal with issues as they arise conveys a message to your

employees, investors, and partners. If you deal with issues openly, professionally and ruthlessly you will gain their respect even if your business plan is not achieved in full.

# Number 1 Rule to Keep on Track

Keep track of your progress  
against your Business Plan

This is your guide to keep you on track. It is the straight rod to remind you of your CORE

business. Ignore the shiny lights and trinkets, when distracted, revisit The Plan!

However also remember that it is NOT inflexible, far from it. Revise the plan as necessary when (notice this is WHEN not IF!) your original assumptions are challenged.

In the business decision making process, face up to the hard issues, ask for advice and be a cut throat professional throughout it all.

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# The 3 Legs of a

# Business Plan to get Financing

Any quick online search on Google or Twitter will reveal a million pages with the rights and wrongs about writing business plans.

However whether you are writing your own plan or getting some help from a professional business advisor or company you will need to convince on **three main areas, or legs** to stand on as we call them, if you want to secure financing to take your business idea forward – **the market opportunity**, the product or service and the management team.

# The 3 Legs of a Business Plan

## The Market Opportunity

There just HAS to be a need in some market that is generating a business opportunity. This is the basic bottom line, without it we're stuffed before we start. However it must also be said that there are lots of needs within any given marketplace that just do not provide commercial opportunities and will not generate any significant [Return On Investment \(ROI\)](#) ever. So, we have to start with this said up front, and need to be very clear why we are doing all this... The business idea has to be commercially viable. i.e. it must generate a profit! At this stage of the process we normally advise a Feasibility Study to confirm this.

We all also need to consider other market drivers – things that are shaping the nature of the chosen market and its future development and how that will affect the proposed business. This could be new legislation, developing environmental issues, specific economic or social factors as well as the ever changing

technology factor. Define the chosen market (which should include key players in the market) determine the factors driving it and clearly describe the commercial market opportunity within it.

# The Product or Service

So, you KNOW there is a market need (of course you do...) but where does your product fit in exactly? Having definitively and clearly defined the opportunity, the most important next step is to link what you will offer to that opportunity. You need to be clear why your product or service will not only meet the need but also be able to sustain [Competitive Advantage](#) over other products and services in the market.

You need to show how your offer will be positioned in the market place, how does it compare with others out there and clearly show

where its clear advantage lies. Your advantage could be any one of an endless number of factors including technical or functional difference, quality or down to basic bottom line price. Whatever it is you need to without doubt demonstrate that it is clearly differentiated in a way that will be valued by the market you are targeting, or the reality is that your market just won't buy it!

# The Management Team

Okay so now you've shown that there is a clear market need for your product, what's the number one way businesses fail to convert this opportunity? Well, the #1 way is by not having the necessary skills and experience in your management team. Brutal I know, but that's what

we see.

In the end, investor or financing decisions often come down to the “execution risk” of the business plan often referred to as **Operational Risk in the business**. Unless you have a SOLID management team that is well aligned and extremely knowledgeable with your market opportunity there is a real significant risk in your plan. You need the in-house skills relevant to your target market and product or service to execute on the opportunity.

Operational risk also extends to the internal controls, systems and processes. Where the internal management skill-set does not cover these you will no doubt need to hire some specialist help – this could be legal advice, accounting or simple secretarial services.

# Plan on More Management

You should definitely think about how to build your broader management team. This should include Non-Executive Directors and independent Advisers that will give an investor or lending bank the confidence that their money is indeed in safe hands and that the business will be managed in line with best practice, not just emotionally by one possibly family team.

# Integrating these Legs

# into your Business Plan

In order to convince yourself and others that your business plan adds up, you need to link these three key elements to the other parts of your business plan.

So for example, you as well as linking the Market Opportunity to your product or service, you also need to show how you are going to reach your target market through your sales and marketing strategy and action plan.

Throughout your business plan you need to show that your plan and the thoughts behind it are “linked up” if you are going to convince an investor or lending bank to part with their cash.