

# 4

# Tourism Marketing Planning

## Chapter outline

Marketers need to be forward thinking. Tourism businesses operate in an increasingly dynamic (changing) environment, over which they have no control. Every business needs some form of marketing plan to charter a course through an uncertain future. For any travel purchase situation, consumers are spoilt for choice of products offering similar features and benefits. Business success is dependent on the ability to develop *strengths* to take advantage of *opportunities* ahead of rivals. First mover advantage doesn't last forever however, with imitators quick to follow the lead, and so the quest for a competitive edge is ongoing. Marketing planning is not an exact science, and requires skills in both critical analysis and creative thinking. The chapter outlines a structured process for developing a marketing plan to differentiate from competitors and strive for a competitive edge. The structure of this planning approach enables stakeholders, such as staff and investors, to follow the rationale for the proposed marketing objectives and ensuing tactics. At the core of the marketing planning framework are three tools: the STEEPL Analysis is used to scan the macro-environment for forces beyond the control of the firm that represent sources of opportunities and threats; the VRIO Model is used to identify resources controlled by the firm that can be regarded as strengths; and the SWOT Matrix is a visual tool for developing objectives by matching strengths with opportunities, and then demonstrating the rationale for the marketing objectives to stakeholders.

## Learning aims

To enhance your understanding of:

- Marketing planning as a forward thinking process
- The importance of marketing planning in striving to gain a competitive edge
- The key stages in marketing planning.

## Key terms

### Competitive edge

While competitive advantage is a common term, a competitive edge is a more realistic ambition for small tourism businesses. A competitive edge is gained when the business uses a *strength* to take advantage of an *opportunity* before rivals do.

### Strength

A resource controlled by the firm, which is valuable in terms of either increasing revenue or decreasing costs, and is relatively rare among competitors in a target market.

### Opportunity

A positive force in the external macro-environment, over which the firm has no control.

## Introduction

Richard Branson once wrote how he started his Virgin business empire without any formal marketing plan. While a business absolutely can have a successful start without a formal marketing plan, there will have been an informal planning process where an *opportunity* was identified and an idea formulated on how to exploit it. An informal approach might be fine in the start-up stage, but it is unusual for any business that has been successful over the long term to not have a formal marketing plan. Most successful people write down their goals, in manageable chunks, and re-evaluate them regularly (Pease & Pease, 2016). These days any business venture needing finance (e.g. bank loan) or equity investors (e.g. shareholders) will need to be able to articulate the success potential of the strategy. Both informal and formal marketing plans follow the structure of four key questions shown in Table 4.1.

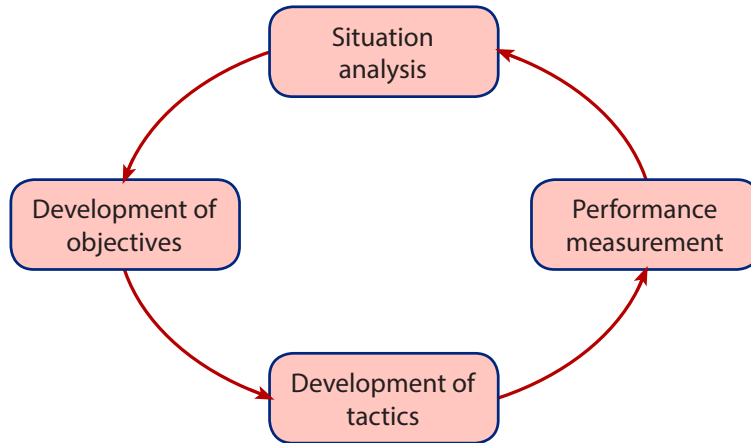
**Table 4.1:** Marketing planning stages

Stage	Informal question	Formal term
1	Where are we now?	Situation analysis
2	Where do we want to go?	Development of objectives
3	How do we get there?	Tactics implementation
4	How will we know we got there?	Performance monitoring

Two points are worth remembering here.

- 1 First, the marketing plan is not set in stone, because of the dynamic (constantly changing) nature of the operating environment. We live in a world of continuous *discontinuous* change; where change is constant but is disruptive rather than evolving incrementally. For example, wristwatches have declined in sales worldwide every month since 2015, due to the ubiquitous smartphone... what will replace the smartphone?

- 2 Second, the marketing plan does not need to be a lengthy document, but should succinctly guide the reader seamlessly through each of the four stages, as indicated in the marketing planning, implementation and evaluation cycle in Figure 4.1. It should be clear to the reader how each stage logically builds on the previous section, so that:
- The *objectives* clearly emerge from the situation analysis
  - The *tactics* clearly address the objectives
  - The *performance* measures clearly address the effectiveness of the tactics.



**Figure 4.1:** Marketing planning, implementation and evaluation cycle

## Situation analysis (*Where are we now?*)

This is an exercise in critical thinking. What is required is an analysis of the current situation facing the business, from both internal and external perspectives. The traditional way of structuring thinking is to undertake a SWOT Analysis, which identifies i) strengths and weaknesses, and ii) opportunities and threats. The tool is more effective when it is extended to a *SWOT Matrix*, which facilitates the development of marketing objectives and the ensuing tactics. The SWOT Matrix is also valuable for justifying the proposed objectives and tactics to stakeholders.

### Critical point: The difference between the internal/external components of the SWOT

**S**trengths and **W**eaknesses are resources that are directly controlled by the firm, in the internal operating environment. **O**pportunities and **T**hreats on the other are forces in the external environment, over which the business has no control. Understanding this is fundamental to undertaking an effective situation analysis.