

Guide to Writing a Marketing Plan

Instructions:

1. Complete as many sections in this document as possible, or as required.

Throughout this document, Business Victoria has inserted example text to help guide customers on how to complete each section in a business plan. The text is **BLACK** and based on a fictional Bed and Breakfast company.

Once you have read this text and understood how each section is to be completed, ensure that you replace or adapt this example text, with your own.

The text in **RED** is instructional and will disappear on “preview print” or “print”.

2. Double click the spreadsheets to activate and add your own information. Alternatively, you can replace with excel spreadsheets from your accountant or exported from your accounting program.
3. To add your own information on the spreadsheets Save the document regularly whilst completing.
4. This template is best used in Microsoft Word '97-2007

<your logo here>

<Business Name>

Marketing Plan

<Business Address>

Prepared By: <Your Name>

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1. Business Overview

Judy and John Abbe have made the move from the city to the country and at age fifty have purchased <Business Name> in the small but picturesque seaside resort of Point Vale. Judy is an excellent gardener and the rose garden at the property will provide her many hours of enjoyment. John loves the outdoor life and is a great bush walker and amateur naturalist - with the National Park bordering Point Vale, he sees the opportunity to further his hobby. The property is in good condition, having living space for the owners plus four large bedrooms each with their own facilities. Neither of them has run a Bed and Breakfast (B&B) before but they are outgoing types and are prepared to learn from those who have gone before. This Marketing Plan has been designed to provide a business which produces a substantial income as well as allowing them to develop and enjoy a satisfying lifestyle.

2. Market Overview

The Bed and Breakfast industry is a vital part of the tourism industry providing accommodation to both domestic and international visitors. It is centred on providing short stay visits to the travelling public who use these facilities for visiting a destination (usually with a significant landmark or eating out), thus taking a break from their regular lifestyle. The key to a successful B&B is the location and the ability to attract visitors to a region providing the purpose for a visit. Accommodation differs from hotels, motels and caravan parks as it is highly personal, usually with intimate surroundings and individual attention from the proprietor. The provision of comfortable, secure and private accommodation along with a quality breakfast is the key differentiator of the B&B industry and sets it aside from other forms of accommodation.

The Victorian B&B industry has been in decline for several years, particularly domestic tourism, as it has to compete with not only other forms of accommodation but also with the changes to destination of the travelling public. It still, however, provides a significant proportion of the accommodation required with 634,000 visitors' nights in 2006. Successful B&B operators have learnt they require a location with a natural attraction to visitors, and then provide a service that complements the reason for people visiting the area. The changes affecting the domestic B&B industry are:

- strength of the Australian currency making overseas travel cheap compared to domestic

- strong competition from well organised motel chains offering consistent cost effective accommodation
- the increasing use of the internet to book accommodation when B&B bookings can not usually be made directly online
- the increasing cost of petrol given most B&B locations are outside areas serviced by public transport
- lower discretionary income available for leisure travel as interest rates have increased impacting household incomes

These factors will continue to put pressure on the industry as a whole. However, there will always be people looking to travel to special destinations. Provided the individual B&B operator meets the public's needs and is well-located, a successful business can be built.

This Marketing Plan is designed to identify the target market for <Business Name> and enable it to attract clientele through careful promotion and sales support.

2.1. Customer Information

Point Vale is located 180 km west from Melbourne, on the coast. It is between two regional country towns, both 25 km away, and only accessible by road. There are 950 permanent residents catering to the forestry and farming community. There is a small fishing fleet that provides employment and produce is sent to Melbourne on a daily basis. The two major natural attractions are the adjacent National Park with many fine walking trails through old growth forest, and the spectacular seascape and cliff tops that look across the waters of Bass Strait. In addition to the beauty of the location, the region has several wineries, and specialised food manufacturing operations which have seen the opening up of five excellent restaurants in the last three years. <Business Name> has a very well established large rose garden that has featured in the Victorian open garden scheme.

<Business Name> plans to target two distinct groups:

(1) Couples and/or singles in the 40 to 60 age group, primarily from Melbourne who have an interest in outdoor life (walking, gardening, beach activities) and are looking for the comforts of excellent accommodation and fine dining. It is expected they will be from the mid to higher socio-economic scale and have ready access to disposable income. Their decision to visit the region are based on the need to get away from the pressures of city living and indulge themselves.

(2) Couples in the 55 to 70 age group who are travelling around Victoria / Australia with Point Vale a convenient stopping place in

their travels. The rose garden is a feature and the chance to pause and enjoy a beautiful garden during their travels is a great attraction, along with the other sights on offer in the area.

There are no plans to target the international tourist as they are only small users of B&B style accommodation and Point Vale is off the main travel route. For families with children, sleeping arrangements are not suitable.

2.2. Market Information

Based on data from Tourism Victoria, market share of domestic visitors has increased by 6.2% since 1999 to just on 29.5% share of the Australian market. The total number of visitor nights for Victoria is 634,000. As stated earlier this has declined by 4.9% over previous years. The region of Point Vale has gone against this trend as the region is a 2-hour drive from Melbourne and the local community approach to the environment and fine produce has provided a focus for people coming from Melbourne for a getaway weekend. Numbers recorded in the region have seen visitors increase by 4.5% year on year.

The couples market is the major sector of the B&B industry with a 45% share, which is double the next market of friends and relatives. With the pressure of inner city living continuing to create a need for convenient short term breaks, locations like Point Vale are ideally placed to meet this market.

Competition in the area for accommodation is high with three large caravan parks with cabin style accommodation and six hotels with both motel and hotel style facilities. There are also eight other B&B's within a 50 km radius of <Business Name>. Given the target market for <Business Name> is likely to use B&B style accommodation these are the key competitors and the other facilities, while providing rooms, are generally catering to a different market.

The eight B&B facilities have a total of 24 rooms available between them. None of the other operations has a garden attraction like <Business Name> or are as conveniently located to the major restaurants at Point Vale, which are all within walking distance. This is a major advantage <Business Name> plan to use in promotion arrangements.

2.3. Industry Information

While the tourism industry continues to expand B&B accommodation has been in decline for the past six years. The reasons for this have been described previously. One area that has impacted is the increasingly tighter rules applied by various forms of governments

around the suitability of structures for sleeping accommodation, as well as a tightening of regulations on the serving of food. This impacts all sectors of the travel and accommodation industry. It does have a positive impact on the quality of accommodation on offer and the chance of encountering a sub-standard B&B has declined, which is good for the industry in general. <Business Name> facilities have recently received an overhaul with new bathrooms and a kitchen which meet the latest requirements.

A recent development in Point Vale is the filing of a major development plan for a large 20 room boutique hotel by a large chain wishing to participate in the market targeted by <Business Name>. So far these have not been approved by local council who see this type of operation changing the area and impacting the environment due to the imposing structure.

2.4. Product/Service Information

The most important service on offer is the provision of a safe, comfortable facility which has easy access to the local sights. This is coupled with local knowledge, a friendly approach, and a relaxing environment that delivers a stress free stay.

The service provided by previous owners of <Business Name> was indifference as the B&B accommodation was secondary to the lifestyle of the owners and their desire to develop the rose garden. It is hoped that the change of emphasis will provide strong word of month references to the care and attention of the guest's requirements but not to lose the spectacular nature of the gardens and location.

3. Objectives

The key objectives for <Business Name> are:

- (1) To gain an occupancy rate of 70% for weekend traffic and 50% for weekday traffic within the next six months, by marketing the 4-star quality of the accommodation in a location that has high appeal to both target markets. These occupancy rates are to rise to 80% and 60% respectively over the course of the first year. At this level of occupancy the cottages provide substantial income and return on investment.
- (2) To develop the rose garden as a destination for tourists visiting the area. During the first year have a minimum of three special events to promote the garden as well as hosting functions such as weddings, parties etc. The garden is to become an income centre generating a minimum of

\$30,000 over the first year from tourist income and functions.

- (3) Within two years to be considered by the local community as a significant part of the regional tourist industry and a supporter of the community activities by being nominated in the tourism awards for the region.

To provide the owners the opportunity to enjoy their hobbies and recreational activities while delivering an income of \$150,000 per year after two years of operation.

4. Strategy

<Business Name> will provide the customer with the finest experience in B&B available in the south west region of Victoria by blending superior accommodation with friendly personal service in a unique garden setting, that is as beautiful as it is tranquil. While the local sights and destination provide the reason to visit the area the aim is to make the visitor remember the uniqueness of the property first when they recall their visit. Part of the strategy is to provide the guests with a seamless arrangement of being able to blend their needs to visit and use other parts of the regions facilities such as wineries, restaurants, nature walks etc with the provision of a home base at the B&B. This will be achieved by the development of strong relationships with other service providers and delivering information and assistance to the tourist to help them with their planning of their day.

4.1. Product

<Business Name> has two primary product offerings:

- (1) To provide 4-star guest accommodation. The facility has four deluxe double rooms; each is furnished in a classical contemporary style that utilises Australian timers and soft comfortable tones. Each room has its own private bathroom and toilet facility which has been recently refurbished. There is a light and airy feel to each room as double doors take the guest onto a large balcony overlooking a private section of the rose garden. In addition guests have access to a large well appointed lounge with an open fire for winter warmth and atmosphere, along with an extensive selection of books about the local area and rose gardening. A selection of wines from the local wineries is available for purchase and consumption by guests in the surrounding garden.

Breakfast is served in the dining room, which is set for eight people and consists of cereals, fruits, breads and an extensive hot selection including choice of eggs, tomatoes, mushrooms etc. These are all sourced from local suppliers and will vary depending on session.

A key part of the product offering is the knowledge of the owners and their offer to assist guests in making arrangements to visit other attractions of the region. Each local restaurant and winery has information available at the B&B as well as direct dial access to assist in making bookings. The local tourist centre is available online to help visitors make forward plans and the B&B offers free internet access.

In the afternoon John offers guest the chance to join him on his daily cliff top walk and explains the region's history and natural beauty. This free and is timed so guests can be back for dinner. Judy is also prepared to provide guests with tips on caring for roses, and cuttings, as she tends to the garden on a daily basis.

(2) To provide a garden setting and facility that can be either viewed or hired out for special functions. The garden facility has all weather paths, several undercover sitting areas and a central lawn section where a small marquee can be erected. While no large kitchen facility is available there is an electric BBQ facility with hot water and sink for day visitors who wish to bring a picnic. Toilet facilities are available for these guests.

The garden does have sufficient off-street parking for 50 vehicles, which is separate to the parking for guests of the house.

4.2. Pricing

Prices for accommodation have been set at the higher end of the market as the client base is seen as in the mid to higher socioeconomic sector. Pricing scheme is based on a room rate per night, which includes breakfast. Where the guest is a single a discount of 7% is offered to offset the provision of breakfast. Prices for weekends are 10% higher than weekdays, and when a guest stays three nights or more a discount of 15% will be applied. As there is not a high level of seasonality for visitors coming to the region prices are set the same year round except for special events (Easter, Melbourne Cup and Christmas / New Year) when a 10% surcharge is applied.

The price list (including GST) for 2007-08 has been set at:

Weekend -	\$ 259.00 per room
Weekday -	\$ 235.00 per room
Special Events -	\$ 285.00 per room

Price to visit the rose garden between the hours of 10am to 4pm has been set at:

Adults -	\$ 5.00 per person
Children -	\$ 2.00 per person
Concession -	\$ 3.50 per person

Prices for events held in the garden at price on application (POA). These will depend on the number of persons and the usage of the B&B facilities as part of the package.

4.3. Distribution

All services will be provided at the B&B

4.4. Promotion

Website:

The use of the internet is essential in providing information and access to <Business Name>. A fully functioning site will be developed that will enable perspective clients to see what accommodation is available as well as allow them to book online. The site will have a virtual tour facility and links to the other attractions in the region.

Search Engines Optimisation:

To maximise the discoverability of the website <Business Name> will arrange for links with the key internet search engine sites.

These will include:

Bed and Breakfast sites:

www.ozbedandbreakfast.com.au

www.bedandbreakfast.com.au

www.bbbook.com.au

www.babs.com.au

Accommodation sites:

www.stayz.com.au

www.roamfree.com.au

www.bookeasy.com.au

www.takeabreak.com

www.wotif.com.au

Tourist sites:

www.tourismvictoria.com.au

www.visitvictoria.com.au

www.tourism.vic.gov.au

www.visitmelbourne.com

Advertising:

Following the change of ownership at the B&B, advertisements will be placed in the local press highlighting the new ownership and offering special deals for local customers wishing to visit the facility.

Advertorial will also be offered for placement in the Victorian Open Garden promotions highlighting the rose garden and the days it will be open for viewing by the public.

Advertisement will also be placed in the Royal Auto Victoria magazine with an offer of a 10% discount for members showing their card. Paid advertorial will also be placed in this magazine highlighting the garden as a place to visit when touring the region.

Public Relations:

The week prior to opening, the major travel editors are to be invited for a overnight stay and a chance to see and assess the new facilities. This is done on a free of charge basis. Local restaurants are to be invited to participate by inviting guests for dinner where <Business Name> will provide the wines for the evening.

Grand Opening of the B&B to introduce Judy and John Abbe to the region for all local residents and businesses is to be organised with an afternoon tea and snacks on offer. Music and a viewing of the improved facilities will be available. The cost is a gold coin that will be donated to the local school for improvements to the library.

The gardens are to be offered for the use of local community groups for functions on a no cost basis for charity fundraising.

Promotions:

A high quality multi-folded brochure is to be promoted and distributed to all tourist information centres within 50 km of the B&B. In addition this is to be provided to all other tourist facilities within the region, and in return for having them made available the B&B will carry the brochures of these facilities and actively direct clients to these locations for a visit. A discount of 5% is offered to those who mention this cross-promotional arrangement.

Ten free nights accommodation will be made available to local sporting clubs and service organisations for use in raffles and fund raising for these organisations.

In conjunction with the large accommodation sites, 50 packages of 'two nights for the cost of one' weekday deals will be offered in the first three months as well as 10 'three nights for two' weekend packages.

Branding:

All documents and information placed into the public hands are to have a consistent look and feel that highlights the superior accommodation and beautiful setting of the B&B. The branding should leave the impression of indulgence and pampering.

This branding is to carry over to the provision of monogrammed uniforms for the staff, linen ware on tables, glasses and bedding used on site. These items will also be available for sale at the B&B.

4.5. Operational Plan

Successful B&B business depends not only on location and quality of service but on how it is delivered. The tactics therefore, require a very attentive and direct approach to the client base. This however, can not be seen to be pushy or overbearing but constructive and sympathetic to the clients needs to "take a break". It is envisaged much of the repeat business will come from personal referral so the ability to offer simple clear information with a no fuss personal approach is important. The use of electronic answering machines is to be kept to a bare minimum and all direct interactions should be at a one-on-one level where possible.

Response to enquiries is to be measured in hours not days and the use of "we will get back to you" is to be avoided.

4.6. Sales promotion

The pricing schedules are targeted to encourage weekday usage as well as maximise the income for what is expected to be popular weekend deals. The offer of discounts to singles as well as the offer for referral selling should drive business.

Pricing for the use of the facility for functions that would include the use of the garden setting and B&B accommodation as a total package, requires further refinement as this market could attract a different clientele such as wedding, birthday or other celebrations. The use of promotions into specialised magazines for this sector would need to

be undertaken but does require the integration of other suppliers of services to make this successful. At this stage it is not expected to actively pursue this avenue of activities.

4.7. Advertising

Specific target market approach for advertising is seen as the direction for <Business Name>. The target market for using the accommodation facility is able to be reached with careful use of both online sites and information being posted in key travel magazines such as the Royal Auto, Travel Victoria etc.

The emphasis is on having a break in a relaxing but beautiful location and is the key, so this does not have to be shouted at the consumer using intense mass media but will be easily available when required.

4.8. Public relations

The <Business Name> is to be seen as being a positive contributor to the local community without expecting anything in return. It is to actively participate in local functions and support the regional initiatives around the promotion of tourism in the region. Both owners will make themselves available for these activities.

With the garden profile being increased, Judy will seek out a position on the key gardening organisational committees in the State and will look to use the facilities for community based functions. A series of brochures will be developed for the care and propagating of roses and this is to be offered to gardeners online, similar to the current wine sites offering information to wine lovers. This can include access to cuttings, plants and specialty events.

4.9. Direct Marketing

The use of a high quality brochure is seen as essential to providing potential client's information about the B&B and its surrounds. This is to be available at all tourist destinations in the region and it is expected both Judy and John will deliver these by hand to discuss the offering. In addition, they will gather information about other facilities they can pass onto their guests.

The use of a bulk mail-out either via post, fax or email is not seen as productive as it does not provide the personal touch.

However, all guests to the B&B will go onto a direct email database (provided they give permission) and promotions offering discounts to

previous users will be offered on a regular basis. These will be in the form of a reduction in price per night.

4.10. Online Marketing

The internet is seen as a critical tool to reach customers. During the opening phase of the program special deals will be on offer. These will be repeated if consumers accept these offers.

The website is to be fully functional and will enable clients to request bookings and be able to make these in real time. On receiving the bookings the customer will receive a personal confirmation along with information of things to do in the region.

All tourism websites will be advised of the change to ownership and the offers being made to customers.

5. Budgets

Item	Date Completion	Cost	Measure of Success
Website build	21 st March	\$ 7,000	Number of hits at 2,000 per month
Paid search engine advertisement to increase exposure	21 st April	\$ 10,000	All sites listed carrying web link
Cost to pressure test operations	16 th April	\$ 2,000	Smooth performance of B&B
Five colour brochure printed and distributed through out region	21 st April	\$ 6,000	All sites carrying information in prominent location
Advertisement in RACV and other travel magazines	21 st April	\$ 4,500	Monthly slot secured for five months. Advertorial accepted
Newspaper advertisement for local paper	16 th April	\$1,500	Featured on page 3
Site hosting costs	1 st June	\$2,500	Secured and feature on first page of Google search
Cost of publishers evening x 3	25 th April	\$7,500	One article written and published over the next

			month in all major travel magazines and paper supplements
Advertising and editorial in Victorian Garden Program	25 th June	\$ 5,500	Feature article
Grand Opening	1 st May	\$ 1,500	200 people in attendance
TOTAL		\$ 48,000	

6. Action Plan

Action	March	April	May	June	July	Who
Development of website	21 st					John
Prepare logo and brand - order stationary		1 st				Judy
Link website to key tourism sites		15 th				IT Dev
Open website to public		15 th				IT Dev
Pressure test operation with family and friends		16 th				Judy
Visit all local tourist offices		15 th - 21 st				John
Place advert in Royal Auto and other key magazines		21 st	21 st	21 st	21 st	Judy
Introduce business to local groups and other businesses. Distribute brochure and special offers.		21 st - 30 th				John and Judy
Prepare newspaper advert and place in local paper		23 rd				Judy

Web specials to be released on sites		25 th				IT
Invited writers and publishers week		25 th -30 th				John
Grand Opening of B&B for local groups			1 st			John and Judy
Submit advertorial to House and Garden and Beautiful Gardens			15 th			Judy
Republish brochure				15 th		Judy
Victorian Open Garden Scheme Open Day					13 th	Judy
Web specials for feature days to be offered				15 th		John

7. Supporting Documentation

The capital purchase of the Rose Garden from the previous owners was \$1,150,000. This was funded by the owner's capital injection. Additional capital works to the buildings and the development of facilities in the Rose Garden (paths and drought proofing) as well as furniture, soft furnishing, table ware, and kitchen facilities have been covered by a \$200,000 loan from the local bank.

Attachment Number	Document Name
Attachment 1:	Second Year Balance Sheet
Attachment 2:	Year 2 P & L
Attachment 3:	Daily Cost of Doing Business (link to this within BV site)