

## **Marketing Planning Case Study Jacaranda Forest Hotel**

### **Abstract**

The case study involves conducting a business appraisal using both SWOT and PEST analysis. It also evaluates strategic options the hotel could use to expand its business within the next two years, giving justification of two growth strategies appropriate to Jacaranda forest hotel. Also a two year business plan is drawn for the recommendations made suggesting barriers to marketing planning and finally mitigation measures on how Jacaranda forest hotel can overcome them

### **Introduction**

Market planning assists organizations to compete more effectively through a systematic process of assessing marketing opportunities, helping organizations to stay in touch with marketplace trends and keep abreast of customer needs. In addition the marketing plan plays a key role in informing the organization about agreed marketing strategy and actions required for implementation. Marketing planning gives light on details of distribution of resource, duties and action to be taken and show how prevailing barriers to market planning may be dealt with. The marketing plan acts as a 'road map', proving direction to help organizations implement strategies, achieve objectives, utilize resources effectively and direct marketing activities. Generally there is no one agreed way of defining market planning. This can be attributed to the very many problems that pester the market plan strategy depending on how big the business is; the market environment in which it is located, its cultural and logical approaches, and personnel in it. Having considered marketing planning and its models, structures and processes, theory and typologies, the only one thing that is certain is that, there is no common agreement on a single definition or approach to marketing planning. Marketing planning falls into three broad categories that include, formal marketing planning, informal marketing planning and behavioral marketing planning (Porter, 1985).

## **SWOT analysis for Jacaranda forest hotel**

SWOT analysis refers to the scan of the both internal and external environment of a business which is an important part of the strategic planning process. Factors which are internal to the business are said to be either strengths (S) or weaknesses (W) and which emanate outside the business are referred to as opportunities (O) or threats (T) forming the word SWOT. Analysis of the strategic environment of any business is known as SWOT analysis or matrix. Generally SWOT analysis or matrix gives guideline that is useful in reconciling business resources and abilities to the marketing environment and culture of where it is located. SWOT analysis is important in marketing planning and allocation. The following is a SWOT analysis of Jacaranda forest hotel (Pearce, and Robinson, 2005).

### **Strengths**

This include, strong product supported by great tasking meals with a strong focus on quality; healthy and competitively priced meals in addition to the speed of producing meals; strong brand, which has been tested before full implementation. Emphasis on a fund brand culture; market conditions are favorable with Jacaranda forest hotel offering new niche spark in an otherwise static market; Low development risk as the product currently exists; easy, low risk growth through short time to market and short time for Jacaranda construction as well as low cost per unit; transferable business model as a result of similarities in trends and the culture of street style vending; ability to capitalize on brand and concept with expansion through franchise and other market segments; low management risk due to experienced team and the strong diversification of skills and expertise giving holistic results; high gross margins on meal products, which can be maximized by negotiating bulk purchase agreements with wholesalers.

## **Weaknesses**

The weaknesses include, dependability of concept as the meal products cannot be patented; this needs to be addressed by building strong brand awareness and establishing copyright on total quality system. Focus also on rapid growth and securing prime sites in target markets; restocking logistics is being addressed through design, which ensures breakeven results for a day's trade without restocking. Central production facilities also being established to support restocking; site permits for food need to be established before implementation, but also private sites will be secured to reduce exposure to local government issues; product may be vulnerable to weakening over time, which can be minimized through product innovation and diversification.

## **Opportunities**

The opportunities of Jacaranda forest hotel are, niche-specific opportunities through monopolizing niche market by building strong brand awareness and leading in food hospitality industry through being vigilant with other established business opportunities; low restriction to operating hours means there can be diversity of venues and access to a very diverse target customer group; capitalize on diversity of venues and consumer groups to promote and market expansion through event catering and franchise ownership; international expansion to other parts of the country, which has a strong culture for food and hospitality industry (Kotler, 1998).

## **Threats**

The threats in Jacaranda forest hotel may include, local government regulations in relation to food and hospitality industries means permits secured have minimum life period, however change in this area is slow; vulnerability to imitation products from competitors will be reduced through rapid development of products and brand; short-term site permits means the brand needs

to be diversified through catering, franchise and supermarket placement if possible; seasonal demand in food and hospitality industries meaning inconsistent returns. This can be minimized through diversifying brand through catering, franchising and super market placements.

### **PEST analysis**

PEST analysis takes into account all other external factors that may affect marketing planning of Jacaranda forest hotel. This may include: (1) Politics and Legislation, political instability in the country can affect the marketing planning of Jacaranda forest hotel. Also government legislation on taxation, environmental controls subsidies and quotas regulations, consumer legislations and regulations can affect the marketing planning; (2) Economy and Business Environment which includes, industry growth potentials, the various investment levels, strategies and positions, costs of raw materials and supply streams, divestments or capacity shifts at the supply base, energy availability and utility cost, transportation, logistics factors, consumer spending,(3) Society, Demographics shifts and changes, wealth distribution, social mobility, institutions, education, schooling, lifestyle trends, use of time, attitudes to work, leisure, relationships, family, fashion, focus and development of interests and (4) Technology, Innovation rates, development times, technology investments, adoption speed and product life cycles, cost reductions (deflation), return on investments, technology incentives, government investment, cross technological networking and developments all may affect marketing planning (Cooper, 2000).

### **Two strategic options for growth and their justification in the next two years**

The first strategy for growth is diversification of Products and services; Jacaranda hotel should diversify its products and services so as to pull a large number of customers from different

cultures and all other walks of life. This should be done with quality in mind so as to venture into market without much struggle. This diversification should also include other forms of generating revenue especially from gaming and entertainment activities. By being involved in more than one industry, this will give Jacaranda benefit of drawing from one part of its business if another part becomes less lucrative. Gaming and entertainment (as well as hotels) serve different customers' needs (Johnson, and Scholes, 1993). While this diversity does not automatically insure success, it does help the hotel to balance out its profits across various areas of the business. The second strategy for growth involves connecting with external public social networking services, such as Face book, MySpace, LinkedIn, and Friendster. This can be valuable sales, marketing, and support tools. The services consist of large connections of people who have organized themselves in groups and social networks. The people develop connections so as to connect with other in the same network to form a large social community. These people also connect in these networks and cultural communities to enjoy things like common products and cultural practices. People establish direct and feasible connections to other people. The social network enables people to connect with other network users of which there is no direct connection. People develop their own rules and regulations to engage themselves in specific types of connections in their social community networks (Kotter, and Schlesinger, 1992).

### **Two years marketing plan**

The marketing strategy is based on penetrating the market rapidly. This will be achieved by placing the Jacaranda forest hotel branches in strategic locations where the likelihood of consuming meals is extremely high. Expansion of numbers of hotels and stores through franchising will ensure that first mover advantage is optimized within the two years of operation. The social network is engaged to a guaranteed quality market planning system ensuring good

quality management. This can be considered in the marketing planning and as a result the anticipated profit for Jacaranda hotel is 22% (Jan, 2002).

### **Barriers to marketing planning and how to overcome them**

They are two major barriers to marketing planning. The first one is finances, marketing is an expensive adventure and any organization desiring to market its products and services must part with a large sum of money. At first the value of such an amount is not feasible but in long run the fruits start flowing in the business. To overcome this Jacaranda forest hotel should first, establish ways of sourcing the required amount of money and secondly, develop ways of allocating the money using the priority system. The second barrier is methods of marketing planning, depending on the growth opportunities available and the kind of customers desired different methods of marketing will give different responses. But now since the technology is more advanced and many people are computer literate there is no need of using the traditional methods of marketing because only a few people will be reached. To overcome this Jacaranda forest hotel should use the current forms of communication. This will see the hotel growing to a greater degree (Byars, 1991)