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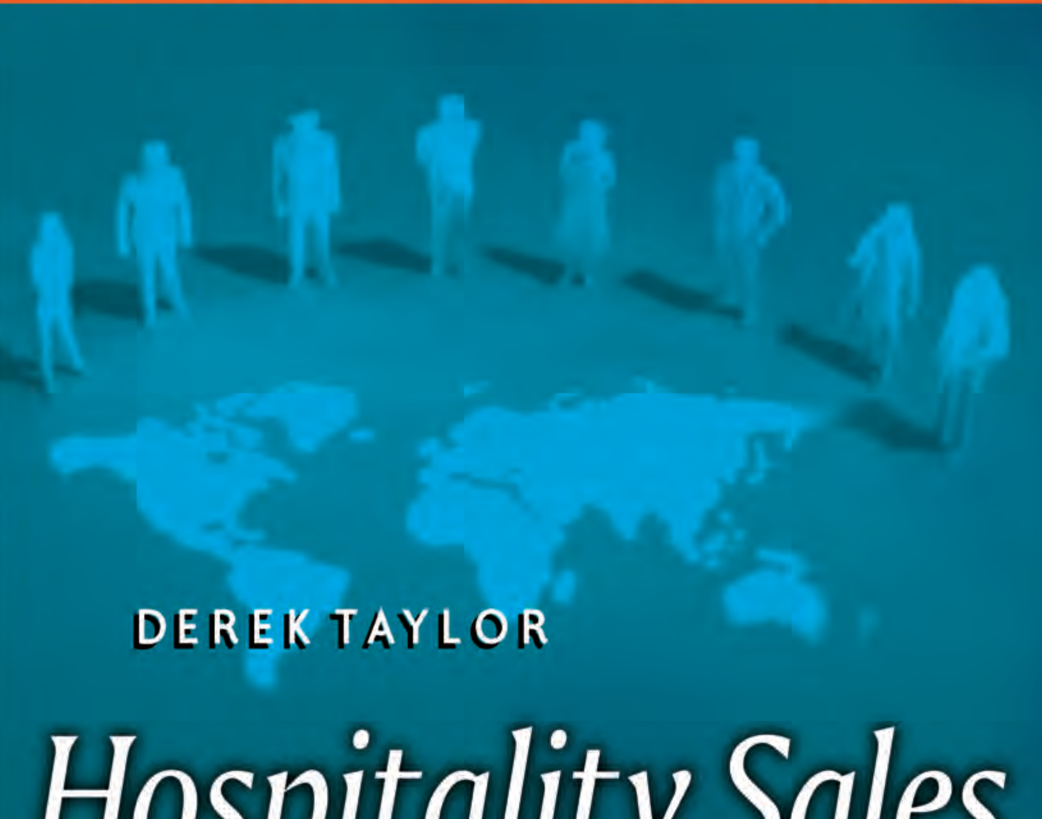

DEREK TAYLOR

Hospitality Sales & Promotion

Strategies for Success

HOSPITALITY SALES AND PROMOTION

Strategies for Success

Dedication

This book is dedicated to Evie, Jacob, Ellie, Theo, Jonah, Joshie, Angus, Benjie and Connie.

HOSPITALITY SALES AND PROMOTION
Strategies for Success

Derek Taylor

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Contents

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About the author

Derek Taylor was the first salesman in the British hotel industry, back in 1954. Most of the systems and procedures we use today were first developed by him.

He served on the main board of Grand Metropolitan – the parent company is now part of Diageo – as Sales Director for the hotel division for 13 years. He eventually controlled a sales force of nearly 200 around the world.

As a lecturer he has run courses in 30 countries and, as a consultant for the past 20 years, he has worked for almost every major international hotel company.

He is a Cambridge graduate, a Past President of the Hotel & Catering International Management Association and a much-loved journalist. This is his ninth book and in it he brings together all the new developments in modern hospitality marketing, to ally to the classic methods which have stood the test of time.

He lives in North London and is still very much in harness as a consultant. He is married, with four children and nine grandchildren.

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Foreword

When you talk to anybody in the British Hotel Industry about sales and marketing, the first name that comes up is Derek Taylor, a man who has dominated the field for more years than most of us can remember. I worked for him as a salesman in the late nineteen sixties and seventies and Derek has continued to be a consultant for me through Ladbroke, Stakis and now Hilton.

An astonishing number of sales and marketing systems which are now standard in the UK hotel industry were actually first created by him. As Sales and Marketing Director of the old Grand Metropolitan Hotels and for 20 years subsequently as a consultant, he has invented everything from marketing Short Break Holidays and the 4 o'clock Automatic Cancellation to Special Events Departments. Thousands of hotel and hospitality executives have attended his courses and he has been a prolific writer on the subject. He brings to this field, his passion and his hobby, a formidable intellect and a total willingness to go on learning and experimenting.

This book gives you this state-of-the-art as it is now. That doesn't mean it will fail to change in the future. You would, however, be very sensible to adopt the processes detailed in the book and start to improve on them from there. A very large number of us, his friends, hope that this is exactly what Derek Taylor will be doing for many years yet.

David M.C. Michels
Chief Executive
Hilton Group PLC

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Introduction

When you came into the industry, did you think you would need to know a lot about sales and marketing? A great many of our best management didn't and, indeed, still regret that it is necessary. When I wrote my first book on the subject back in 1964, the second chapter was entitled 'Is selling respectable?' and a lot of people still think the answer is 'No'. Selling, in their minds, is linked to double glazing, people knocking on doors or ringing you in the evening to sell you anything from a fitted kitchen to a new credit card.

Most hotel schools have been in the vanguard of teaching the industry that marketing needs studying. In the nineteen sixties the subject didn't feature. Then there were optional modules and now there are mandatory ones. The problem is that the average hotel school curriculum must inevitably cover an enormous amount of ground. Furthermore, the operational side of the industry must get the highest priority. Therefore, the amount of time which can be devoted to marketing is very limited.

The fact is, however, as you know – or will soon find out – if you don't handle your marketing well, your revenue will suffer substantially. There is only so much you can do to control costs. When you have done your best in that area, you are forced back onto marketing to increase your profits.

So we find that large numbers of executives who have to sell and market their products as part of their jobs, get only the most rudimentary training in how to go about it. And the whole topic may not be one that appeals to them and, in its exercise, even scares them; picking up the telephone to try to persuade a complete stranger to give you business is emotionally stressful until you have done it on a large number of occasions. It is one of the reasons why you find that a lot of marketing people smoke.

Often, of course, you find that people come into the industry because they like dealing with people, enjoy cooking, the atmosphere of hotels and restaurants, and the opportunity to travel all over the country and, indeed, all over the world. If, however, you had told them at the outset that they had to sell, as part of their job specification, many would have seriously considered another profession.

Let me reassure you right at the start. Selling is eminently respectable. We have bad apples in our barrel, like anybody else, but the vast majority of selling is – and must be – ethical, moral, professional and honest. Good salesmen don't cheat their customers in our industry; we are too anxious to have them come back again and again, and people who feel cheated, don't do that. We don't lie to them about the product because it is impossible to remember who you lied to and you would get caught out quickly enough. We also recognize that persuading the client to buy a good product is doing them a favour; they are going to get good value for money and an enjoyable experience.

To the sales executives who are proud of their products, the alternatives available to the customer are inferior to the quality and service they intend to provide. The vital thing is to put your best foot forward and to market your products in the most professional way possible.

Producing a good product is, unfortunately, not enough. The public don't beat a path to your door automatically. There is a lot of competition out there and you absolutely have to promote your product as effectively as you possibly can.

This book is about how to promote hotels, restaurants, pubs, cafes and everything else in the hospitality industry. Obviously you will have to decide what applies to you. What you can be certain about is that there is a right way to go about it. I have been selling in this industry for nearly 50 years – did I mention I was very old? – and I could write a book twice as long as this about how not to do it. Been there, done that.

Of course, a lot has changed in those 50 years in Britain, where I have always been based, although I have advised hotels all over the world. The British industry has expanded beyond anybody's wildest dreams. Because of the quality of the UK's heritage attractions, the enormous growth in the number and quality of hotels and restaurants and the hard work of the nearly 2 million people who work in the industry, the sector has flourished. The best of British hospitality marketing is recognized as among the very best in the world.

Naturally, much has changed in the world of selling over the years. It is not just the introduction of higher technology; the impact of computers, of international booking systems, of the Internet, the fax and emails. It is also that we've learned a great many extra skills in the selling field itself. For example, we have learned the value of closing techniques, body language and buying signals, we've mastered the skills of advertising and we're much better at direct mail.

It remains true, however, that many of the methods we used in those early days are just as applicable now as they ever were. Indeed the old-timers would insist that we were more efficient in some ways before computers, than we are currently!

What is beyond argument is that the same sales methods work all over the world. We are very much an international industry. I have lectured on sales promotion in 30 countries now and, while there are minor adjustments you have to make – don't use the Royal colour, purple, in Thailand; don't cross your legs or blow your nose in front of the Japanese; always shake hands with the French – the core skills of selling remain exactly the same.

The name of the game is to take the best of both worlds. To conserve what was good in the past and to welcome any innovations that help us.

So, what will you find in the book? It starts with how to plan your sales promotion. Chapter 1 helps you see the trees for the wood. There are so many things you could do. You have to identify how you should go about the task of organizing your marketing plan: what to work on, what to spend and who is going to do what. At the end of this and subsequent chapters, there is a case study to illustrate how the processes work out in practice.

When that is clear, you have to decide how to organize your sales office. Chapter 2 covers that. It tells you what paperwork you will need and how you keep it to a minimum. How to get the best out of sales people and how departments, like Reception, Banqueting, Restaurants and Bars, should approach the marketing task.

In Chapter 3 we deal with the markets. There are over 20 of them and they have their own characteristics. You can't approach them all in the same way.

Chapter 4 deals with face-to-face selling: what to say and how to say it. Office interviews, body language, closing the sale, overcoming objections, entertaining and showrounds, dealing with different personalities and overcoming price resistance. All vital and all with the right way of doing it and many, many wrong ways to avoid.

In Chapter 5 we review telephone selling. You spend a lot of your time selling on the telephone and it is very easy to aggravate the customer. (That's why you yourself have so often got the sales executive off the phone as they've tried to get your attention when *Coronation Street* was on in the evening.) Well, you don't want the same thing to happen when it is you who wants their attention. So how do you avoid it?

In Chapter 6, we look at the new technology – in simple language. It is not surprising that we have a saying in Britain 'if all else fails, read the instructions'. The more complicated the subject, the easier it is to blind us with science. Yet, if you examine the technology carefully, it isn't all that difficult to grasp the methodology. What are GDS systems, designing a website, the principles of yield management, etc. I would like to thank David Bearman, Tony Dessauer, Gareth Gaston, Mike Hope and Hugh Taylor for their valuable advice here.

Chapter 7 sees us examining banqueting sales: maximizing the turnover, improving the ratio of success with enquiries, using the many secret weapons which are available to make sure you are the final choice for the client.

Chapter 8 looks at a marvellous sales weapon – direct mail: its construction, its databases, the thinking behind it and the proven methods of achieving success. Of course, direct mail is about writing a form of sales letter. With sales letters, the techniques haven't changed over the years, but there has been a terrible decline in the standard of literacy throughout the country. As people have become more computer literate, they have become less literate – and less numerate for that matter. Letters remain, however, a most powerful selling tool, if they are constructed correctly and that is what we must look into.

Which brings us to Chapter 9, which attempts to tell you all about the principles of advertising in one fell swoop. While this is a long chapter it may be the first time you have had the opportunity to examine those precious rules.

We then move on to that form of advertising which is most often used in the hospitality industry – promotional material. All those brochures, posters, menus, wine lists, flyers and tent cards which you hope will encourage the guests to buy your products. The problem that has to be resolved in Chapter 10 is that most of the material you see – all over the world – breaks many of the classic rules of the advertising industry. This is not because the hospitality industry is different from other forms of economic endeavour. It is because most of the material hasn't altered in form for over 100 years. I could show you Victorian hotel brochures which – apart from the use of colour photography – are indistinguishable from the modern variety. Well, the world has moved on. The rules of successful advertising have been developed through trial and error – and the loss of kings' ransoms when expensive mistakes have been made. It is high time we absorbed the lessons the advertising world can teach us.

In Chapter 11 we take a look at public relations, a very important facet of sales and marketing. Not only because it covers our relations with the press and media, but also because it's the first line of defence when something goes drastically wrong.

Chapter 12 studies the business you could invent. There are three kinds of business we can go after; the business we have, the business our competitors have and the business we invent. The London to Brighton 'Old Crocks' Race is an Edwardian invention to fill a hotel in Brighton. Trivial Pursuit evenings in today's pubs are an invention. Short Break Holidays I invented myself back in 1964; they did alright. Even Mother's Day is an invention. The question is how can you best go about inventing business?

Finally, there is a bibliography and an index. The index is very important to you. It quickly refers you to the area which is giving you problems. When you have read the book, you will need it all the time as a reference when you run into difficulties.

Right: if you're ready, we could get started.

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1 The marketing plan

The background

Whoever is keen to protect trees should complain about the production of marketing plans. They are usually vast documents. There are statistics of the performance of other hotels, SWOT analyses (Strengths, Weaknesses, Opportunities, Threats), computer print-outs, spreadsheets, Old Uncle Tom Cobley and all. All too often they then go on the shelf and lie there till the same exercise takes place again next year.

Marketing plans have to be working documents, cut to the bone, so that it is simple to identify what needs to be done at any given moment. Then they need to be reviewed on a regular basis. The format of the plan would be 12 monthly lists of things that will need doing. So if you are making out the plan in June, you will remember to put into it the mailing you want for Burns Night the following January, under the December list of things to be done.

There is another major reason why this is vitally important. No matter how busy you are, the tables have still got to be laid, the food cooked, the beds made. When it's all hands to the pump, the only area which can safely be neglected without immediate chaos is sales and marketing. Fail to make the chase call, don't send out the direct mail, don't put out the tent cards for the special offer and absolutely no crisis will ensue. You will get through today unscathed. You may go broke in six months time, but today you'll survive. So prepare for that problem. If you have got a marketing plan, keep to it at all costs.

Of course, you could fail to make a profit with some of the initiatives. In fact, it can be absolutely guaranteed that even if it is a good, comprehensive marketing plan, you definitely will. You can't get it right all the time. And if you do nothing and finish up in the same profit position as all your neighbours, that's the perfect excuse for not making more money. What is more, if your organization punishes marketing failure, the safe option is not to do anything remotely revolutionary – and to look for a better company!

When deciding which markets to tackle, the trouble with the hospitality industry is that there are too many clients. The majority of the population could eat in your restaurant. Large proportions of your incoming tourists could stay with you. Then there is every travel agent, association, tens of thousands of commercial companies, million of potential Short Break holidaymakers ... the list goes on and on. In developing your marketing plan, where do you start? What are your priorities? Who is available to do the work? Let's take it one step at a time.

Bringing back the old business

Protect the business you have got. You don't want the additional business you get to just replace the old business you have lost. So, how are you going to get the old business back?

It is difficult if you don't know when the decision makers for the group bookings are going to start planning the next event. And you need more information than that. Whether you put the details on a sheet of paper or in a computer, the minimum you want to know about everything you want back is:

- The name of the organization.
- The decision maker.
- The type of business it was.
- The date they are going to start thinking about it again.
- The value of the business – if time is limited, go after the big ones.
- The telephone number.

Then put the correspondence in alphabetical order in a file. When the time arrives to talk to the client again, you need to be reminded by the system. So either the sheets of paper are in trace date order or the computer program can give you the list of organizations you should be tracing this month.

That takes care of the group business you had. But what if the old correspondence hasn't been touched for years? What if there are no trace dates to try again? Then get in temporary help to put it all together for you. You have to validate the old records. You contact the organization who gave you the group business and you ask them three questions:

- Does the business still exist?
- Who is the decision maker now?
- When do they make up their minds?

Eliminate what isn't happening again. Keep a record of what does exist. Your hard working and overqualified staff don't need to be involved, except to supervise the student. Then see the records are kept in the future, so you don't have to go through the exercise again.

You can move on from there. Does the organization have any other business you could quote for? It is an easier market to approach than people who have never used you before. 'We look after Tom, Dick and Harry. Could we look after you?'

Of course, it would be nice if you knew something about those old decision makers. Are they teetotal, fusspots, lazy when it comes to administration, divorced (don't cheer then for the joys of marriage), old timers, New Turks, etc. etc. If they are strangers to you, the right personal approach is more difficult to guarantee. Can you visualize the National Accounts Manager for Unilever not knowing the colour of the Tesco Purchasing Director's bed socks? Yes, I know nobody kept that information for you. They should have.

Getting more business from existing customers

After protecting the old group business, you then need to apply the most important four words in improving your business; 'Why? And Who Else?' If you are looking after one branch dinner, why not the other branches? If one cricket club has their annual party with you, who else plays in their league? If you have stockrooms for one shoe manufacturer, who else is selling shoes in your town? Again, it is then a matter of research. Go through the list and identify who could need you.

Whatever business is available to you, there is a crucial question before you go after it; do you want it? What is the point of going after 25 organizations who have parties on Friday nights in December? Just open the doors in Banqueting and they will pour in without doing any selling at all. You want to concentrate on the rare kinds of business.

Filling the gaps

When you have taken care of the bread and butter business, marketing is about filling gaps that won't fill themselves. It obviously isn't about getting business for any time at any tariff. Yet many hotels offer companies corporate rates lower than their published tariff, without having any idea whether the bednights they get as a consequence will improve their occupancy. The corporate rates are based on promises to provide bednights; not on promises to provide valuable bednights.

Who has the valuable bednights? Well, take one example. Suppose you have a serious weekend occupancy problem and your hotel is in a dull, uninteresting town. You are not in London, Sydney, Las Vegas or Rome. One source of weekend business then is conferences by charities. Who could tackle that market? And supposing I recommend that you hire a member of staff just for that. How do you justify the expense?

Say you have 50 unoccupied bedrooms on an average of 30 weekends a year and you would like £50 a bedroom for the two weekend nights. If you achieved that, you would get £50 × 50 bedrooms × 2 nights × 30 weekends = £150,000. And say that you can make 50 per cent profit = £75,000. And say the member of staff costs you £15,000. If you fill 20 per cent of the gap, you will get your money back. Fill six weekends – and the staff member has the whole year to do that – and the expense has been self-liquidating. Anything over six and you are in profit.

Your marketing budget should never be an expense. It should be a question of feeding geese who lay golden eggs. That's why it is so stupid to cut the marketing budgets when business goes sour. If the sales effort is professional, you can hardly avoid making a profit. A cut in the marketing budget should mean increasing your loss.

Certainly, you can hope the business will come without the sales effort – what is called Milking the Product – but often it won't. The gaps were there before; they will be worse when times are hard.

Correspondence research

How do you find the business that will fill the gaps? Well, why aren't you full on Sunday evening? People have gone home to work on Monday morning, there aren't many holidaymakers in the winter, nobody has got any money, etc. etc. Then the next question is 'why aren't you totally empty?' Because all those things don't apply to the people who are eating or sleeping with you. Who are they and why don't they apply? In a hotel there should be a Reception staff member who specializes in finding the answers.

Often they tell you in their letters, for example, they are coming for an event, which is specified – 'I'm attending a conference at the hospital' from someone who signs himself Dr Smith. A twin bedded room on company notepaper probably indicates a company function where the partners are invited. If their title is Sales Manager, there may well be a sales conference somewhere. Examine, investigate, research. Where you find that one person is coming for a dog show, where are the others who are coming? Part of your marketing plan must always be to learn more about the market.

You have to concentrate on those bad days, those empty sessions. In your district, within a few miles, there will be ample customers to fill your restaurant or hotel every day of the year. The problem is who are they and how can you appeal to them?

The soft option is to say that everybody is quiet, so you are quiet too. The professional approach is that you have no objections to everybody else being totally empty – as long as you are 100 per cent full!

Yield management

Yield management is a contemporary term for getting as much revenue from selling the product as you possibly can. It involves you in deciding what percentage of the product will be sold at full rate, what needs to be sold at a reduction, and what is the lowest price you can accept that still makes a contribution towards your fixed costs – rent, rates, management salaries, etc. – after you have taken out the marginal costs – food, soap, etc.

Look at every night, every meal occasion, from that point of view. Then decide what you want to charge and that is part of your marketing plan too. Yield management is studied more closely in Chapter 6.

Forecasting the future

The famous American evangelist Billy Graham once said that faith is not reducing speed when driving over the brow of a hill, satisfied that the road you are on will continue. In hospitality industry terms, the road you are on is the business pattern over the past years. If you have been full on Mother's Day for 10 years, the likelihood is that you will be full this year again, if you make the same marketing effort. If you have been empty between December 26th and December 30th for the past 10 years, that will reoccur too – unless you do something about it.

Therefore, you need the records as far back as you can go. It is worth the staff cost, going to work to drag them out. Hotels complain about the lack of commercial business in the weeks before and after Easter. Well, there will be an Easter next year again. So the marketing plan sets out to do something about it. For example, company pension clubs don't mind when they have a social outing, so long as the price is right. They are a good market for before and after Easter.

When you know where you have come from, you still have to ask yourself if the future will replicate the past. To some extent, this is out of your hands. If the Japanese Stock Market crashes, you will get fewer Japanese tourists; the Japanese won't have as much spare money – what is technically called discretionary income. If there are riots and civil unrest in a country, it is likely a lot of tourists will stay away until the situation has returned to normal. If the lira crashes, you will get fewer Italians. The important thing is to recognize that these stories in the City or Foreign News pages of the newspapers really can affect your future business. When I was discussing prices with an American travel agent and we weren't far apart, I would always settle for his price if it was going to be paid in dollars; it was always a fair bet that sterling would weaken against the dollar and I would finish up with my price at least.

The timetable

Far too many marketing plans are pious hopes of what may happen on a good day in a fair wind, unless there are unforeseen circumstances. What they need to be is detailed plans of how it is going to happen. Who is going to do what, and by when, and at what cost? Then you need to monitor regularly that this is what actually takes place.

It is seldom possible to correct a revenue disaster if it comes upon you without warning. It is normally a question of too little, too late. With planning, the disaster doesn't have to happen in the first place. Suppose you are quiet in January. You look at the forecasts at the end of December, when the Christmas and New Year rush are over and you say 'We must do something about this.' It's too late. You should have planned for it months ago. And you say 'But we didn't have time months ago. We were busy.' Well, say you want to start sending out direct mail in October to get January business, and

October is a desperately heavy month. You had no time to write the direct mail, run it off, address the envelopes and frank them in October. So do it all the previous January! Just put the material in cardboard boxes and get it out and post it when October comes around. Are you really surprised when business is bad? Sometimes, yes, usually, no.

Looking for improvements

There are certain marketing areas which benefit from particularly careful monitoring:

- What percentage of the banqueting enquiries are converted into definite bookings?
- What percentage of the enquiries to Reception for bedrooms are converted into definite bookings?
- What percentage of Brochure and Tariff enquiries result in definite bookings?
- What percentage of the old group business comes back?
- Is the level of the sleeper/diner ratio improving? (i.e. More people staying in the hotel are eating in the hotel.)
- How do the restaurant covers change when you advertise locally?

Those are the ways in which you know that the marketing is working. Plus, of course, your accommodation revenue and your restaurant and banqueting turnover. Notice that it is accommodation revenue that counts and not average room rate or average occupancy. You can easily improve your average room rate by refusing to accept any booking below rack rate. You can put your average occupancy up by cutting your tariff in half. It is revenue that matters.

How much should you spend a year on marketing?

The answer won't be a percentage of your annual turnover. Say you and every hotel for miles around are packed out with the visitors pouring in for the Agricultural Show or for major sporting or cultural events. On the days those events are happening you don't need to spend 0.0001 per cent of your revenue on filling the hotel or restaurant. It will fill by simply opening the doors. On the other hand, you may have been dead in the water on Sunday nights for years. If you can build a profitable market, it may be necessary, originally, to spend 30–40 per cent of the additional turnover that results on the marketing. Not for ever, but originally. It is still a good investment if you eventually come out with a peak period instead of a disaster area.

What's included in a marketing budget?

The most profitable marketing item in your list is, undoubtedly, entertaining clients. First, because it isn't very expensive; everything except the food and wine is among your fixed costs. Second, the value appears much greater to the clients because they don't buy at cost like you do. Third, because the expense buys you at least an hour of the client's time, which you can spend on selling your product and on research. The fact that most Assistant, Reception and Banqueting Managers seem to have little time to entertain, illustrates the mistaken way in which administration so often gets a higher priority than selling.

A list of items you need to consider when you create your marketing budget are:

- Entertaining.
- Staff costs.
- Print production.
- Photography.
- Origination costs – lay-outs, graphics, cartoons, etc.
- Advertising media.
- Public relations – including press relations.
- Mailing costs.
- Stationery.

- Postage.
- Travel.
- Entertaining.
- Buying research.
- Contingency.

All of these will be obvious to you except, perhaps, the item for contingency. If you get a good marketing idea after the budget has been approved, you don't want it delayed for up to a year until the new financial year starts because no money has been allocated for it. So put some contingency money into the budget in case you think of something new.

How do you decide what to spend the money on?

Obviously, that depends on many factors. One point is vital: never let any part of the marketing budget be sacrosanct. 'We've always had a big brochure, so we must go on having a big brochure.' No, every element of your marketing expenditure has got to be in competition with the other ways of spending the money. If it can be more profitably spent on something else, then that's where the money ought to go.

There are companies who will agree a sizeable advertising budget but take on no more sales staff; their idol is head count. Head count does, of course, matter when the staff are used to service customers. Agreed, if very few customers ever eat in the restaurant on Monday nights, there is little point of having a full brigade on duty. Marketing cannot be judged by a yardstick of head counts. The money is spent to make more profit than the marketing costs; that is the marketing yardstick.

Of course, that also implies that the hospitality industry expects a one-year payback. So it does. If the money is spent in this financial year, then the view is that the profit has at least to balance the expenditure during this financial year. Well, it's nice work if you can get it, but there are few other industries who look at marketing in the same way. Almost everywhere you will find that markets need building over a long period of time. When Grand Metropolitan Hotels started their Stardust Short Break Holidays we lost money for the first 4 years; we made a fortune, though, in year 5 and from then on.

Certain parts of the marketing budget are spent simply because you are in business in the first place; you have to have a tariff, a menu, a wine list, etc. You have to spend money on telephones, on travelling and on desks. Anything like that is an inevitable expense. There is a difference, though, between telephone costs and a telesales campaign. With the latter, you could identify the cost and the profitable results. Wherever it is possible to do a Profit and Loss account, you should attempt it.

This is not, however, in order to decide whether your expenditure on sales personnel was wise in the first place. The effort to do that leads many companies into serious planning errors. They are so anxious to know whether the sales people are worth having, that they put that cart before every more logical marketing horse. For example, they insist that sales people are, primarily, there to get new business. The theory is that, if they get new business, then you can set the value of the new business against their cost and know whether they are valuable to the company. Well, what is new business? If you had a group using your product in 1985 and they haven't been back since, a sales executive who brings them back in 2001 is surely producing new business. And if they were with you in 1990? In 1995? When does a failure to return become new business if the sales executive persuades them to do so?

The logical answer is another question. Does it matter? So long as they come back, that's money in the bank. Who brings them back is totally irrelevant. Yet, for example, we find sales people beating the boondocks to find brand new business while Banqueting has no time to try to bring the old business back. Worry about the turnover, not about who brought it in.

Are there other exceptions? Yes, if the local vicar tells you in advance of all the wedding parties booking his church, the least you can do is to take space in the church magazine. If you want to support a tourist board or advertise in the brochure of your major travel agent supplier, then that is realistic too. That is a quid pro quo, however, and you want to keep that expenditure as low as you possibly can.

Where's the time going to come from?

Where indeed? If the kind of marketing plan I am outlining is far more than you have tried to implement before, then extra time has got to be found from somewhere. As hospitality industry staff are not underworked – far from it – you have to look at what is occupying their time, with the intention of cutting out anything that is really not absolutely necessary. For example, when you are writing letters, do you write '£100.00' or '£100'? Agreed, '.00' doesn't take much time to write. Do it thousands of times a year unnecessarily and it's worth writing '£100' instead. Now, there are a lot more time consuming examples than that. Identify them and cut them out.

Are the team qualified to carry out the marketing plan?

In most cases, it is not very likely they are. The management haven't usually worked as sales executives or in advertising agencies and they haven't studied the subjects as much as they deserve. Therefore, your marketing plan should give a lot of thought to what training needs you have. Management who can write letters to their grandparents are not, thereby, experts on direct mail. Get at least one book for the executive who is given the direct mail portfolio. See that the F&B Manager learns more about advertising. This book is a start, but it isn't the whole story. There are libraries where you will find the whole picture.

If there are areas of the marketing plan that don't work, the reason could be that overseas economies are under pressure, new competition has to be overcome or government economic policy has temporarily lessened discretionary income. It should never be because you have carried out the marketing plan inefficiently. That last criterion is under your control.

Case study

This case study illustrates:

- Small companies can work on small areas of promotion that larger company marketing departments often ignore because success wouldn't make enough difference to their profits.
- Whatever size of company, you always need to be able to monitor the results of your work.
- No matter how remote your location, there will always be Unique Selling Propositions if you look for them hard enough.

Milton Hotels, a small hotel group in the Scottish Highlands, who engaged me as a consultant, obviously had only a limited amount of money available to spend on marketing. It was even more essential than usual therefore that we could monitor the results of the expenditure.

There were many ways to do this. The company built a new Leisure Club. The marketing budget was for a brochure describing its attractions and direct mail to send the material to people who could afford the membership fees. This included the postage costs and the cost of selecting the right people to mail. As a result of the mailing we had a large number of enquiries and converted a considerable proportion into members. The revenue from membership from that exercise could be set against the costs of the promotion to identify the success of the operation.

A lot of bus groups stayed at the hotels but they spent very little extra. So we produced a Liqueur Coffee card. The extra revenue generated by something like this can be easily calculated by identifying how many liqueur coffees were sold before the card and how many afterwards. The difference represents the result of the advertising. From the additional revenue you have to subtract the cost of the ingredients. The question of VAT is best dealt with by deducting VAT from both your expenditure and your income.

When it snows in the Highlands you get good skiing – if the winds aren't too high. So when conditions were good, we would take space on television (teletext) and advertise the skiing. Bookings would come as a result. It could, however, be coincidence that skiers book at the last minute without seeing the teletext. They could learn of the good conditions from other sources. So in order to estimate the value of teletext, you have to subtract a part of the revenue as not applying to the investment. From the revenue of the rest you must deduct the marginal costs (room cleaning, breakfast food, etc.) and then you finish up with a profit – or a loss. We finished up with a profit.

The marketing budget included the cost of sales people. Here the important factor was how much business they produced when the hotels needed it. The Highlands is a difficult area to sell in the winter, so any business they could find during that period was very helpful indeed. On the other hand, if the sales people came in with August business it could be said that others would have stayed if the new business hadn't done so. You had to examine the dates on which the business came in to judge their effectiveness. One advertising promotion which worked well in the winter was directed at Senior Citizens and had a headline 'Over 60 and bored witless?' In cooperation with the Scottish railway company, this produced a lot of business.

In an area as remote as the Highlands you don't get a lot of local commercial traffic. Your marketing budget inevitably includes a lot of travelling for your sales people. You may take a stand at events like the World Travel Market in London. The results then might seem to be in the lap of the gods. Either potential customers will come by or they won't. You can help the gods by contacting the people you want to talk to in advance and making appointments for them to drop in at the stand at specific times. It is the difference between reactive and proactive selling.

Perhaps the most crucial marketing expenditure was on Central Reservations staff. It isn't the highest paid job in the world so the staff weren't originally world beaters, but converting enquiries for groups was vital to the success of the company. A great deal of sales training went into maximizing the staff's effectiveness. I asked one of them which Closing Technique they found most productive. They said the Silence Close. You could find any number of London luxury hotel advance reservations staff who wouldn't know what a Closing Technique was. The conversion rate of the central bookings department became impressive.

Some elements of the marketing plan demand intelligent work, rather than large expenditure. Correspondence research is one of these. Why are people coming and who else could come for the same reason? Among the markets that emerged from a careful examination of the correspondence were painters coming to Oban because of the excellent quality of the light in the area. There was also a lot of business associated with the building of a new shopping centre – shop fitters, staff training, architects, etc. A scouting party looking for suitable locations for a film led to the housing of the cast of *Braveheart* when they started shooting.

A lot of promotional material may seem necessary but unproductive – hotel brochures, menus and wine lists, for example. They are, however, all selling documents and the ones we produced in the Highlands were highly unusual. For example, they used a lot of headlines. For one hotel, the headline on the page read 'You'll be just as well looked after as were Robbie Burns, Henry Campbell Bannerman and Grand Duke Nicholas of Russia' – all distinguished guests from the past. There were captions to the photographs – one for a conference room reading 'So peaceful, you could hear your brain ticking over'. Just using marketing money to go through the motions and provide information is not enough.

Marketing is about identifying Unique Selling Propositions: the training of divers in a loch with sheer sides in Fort William, the international standard of a lake for trout fisherman outside Stirling and the council business in Inverness (councillors come from a long way away to reach Inverness and often have to stay overnight).

Successful marketing is about monitored expenditure, aimed at need periods, making every penny count, identifying every USP and always looking for better selling methods. It is also about recognizing that if you finish up with an incremental profit you wouldn't have had otherwise, then there is no reason to stint on your marketing expenditure.

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