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## 1.0 Executive Summary

The Riverview Hotel, Notown USA, is representative of the five star brand within the 'Exclusive Business Hotels of the World' group. All Riverview Hotels are boutique properties, offering between 25 and 35 exclusive rooms.

The Riverview properties are renowned for their convenient and strategic locations within major cities throughout the country. Also synonymous with the brand are the high level of personal service guests receive, and the extensive range of comprehensive business facilities available in luxurious settings.

The Riverview Hotel, Notown has 35 exclusive rooms and is targeting corporate guests with a two to three night stay requirement. Target business segments include the IT sector, due to the proximity of the property to Silicone Hill, USA; the automotive industry in order to capitalize on the strategic location of the hotel in relation to the Overall Motors Plant and HQ in Notown and travel trade guests attending National and International Travel Fares at the Notown Exhibition Halls.

Differentiating the type of business service offered, from that of the competition, will assist not only in building the Riverview brand as a whole, but will attract frequent business travelers, who require a higher level of personal service and recognition than they can receive at competitive five star properties in Notown. This will provide the Riverview with an opportunity to leverage its core competencies as regards servicing the business traveller in a luxurious environment.

## 2.0 Situation Analysis

The 'Exclusive Business Hotels of the World' group are the ninth largest International Hotel chain in the world, with over 320 wholly owned and managed properties. The group specializes in occupying strategic, inner city locations and servicing primarily corporate clients.

The properties range from three to five star plus categories, and include the following brands: River Inns (3\*), River Post Houses (4\*), and Riverview Hotels (5\*+). The group has a high instance of repeat business across all its brands, particularly the Riverview Hotels properties which account for 68% of total revenue across the group.

The Riverview Hotel, Notown, is dependent on annually contracted clients from the travel trade, automotive and IT sectors with guaranteed room nights per year. This area of business accounts for 70% of the property's revenue.

The current market is somewhat depressed, due to the economic downturn and restrictions being made on corporate travel within the U.S. This threat to the critical corporate sector could be considered as short to medium term, as indications of a return to business travel are observed. Riverview Hotel, Notown, must continue to focus on delivering an exemplary business service, at affordable rates, in order to develop the customer relationship beyond one stay.

Competitive room rates have been cut dramatically in order to attract contract clients over the next 10-12 month period. The Riverview Hotel's survival in the current environment, will be dependent on repeat corporate contract business and customer loyalty to the brand. The brand must therefore continue to deliver on its promise and values.

## 2.1 Market Summary

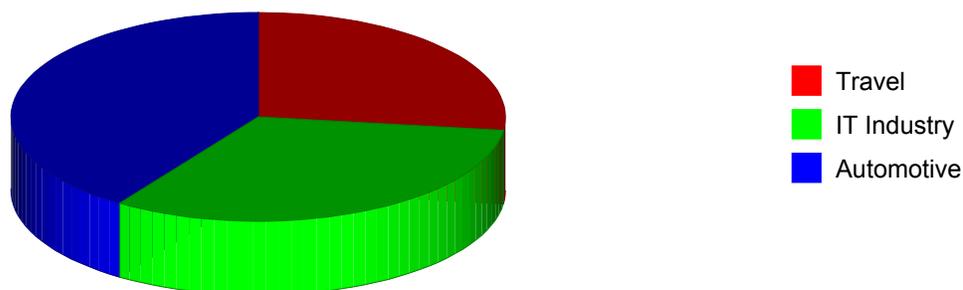
The Riverview Hotel is a boutique 5\*+ hotel comprising 35 luxury guest rooms and specializing in servicing business and corporate clients. It serves the business community, and visiting business traveller, in the city of Notown USA.

Our key clients are contracted corporate clients originating from both international and domestic markets from within the travel trade, automotive and IT segments. The strategic location of the property is key to its success in these areas due to the proximity of the Exhibition Halls, Overall Motors and Silicone Hill, USA.

Key to our business success is the level of customer loyalty and repeat business we receive on an annual basis. We offer our guests the most up-to-date technical business facilities, both inside the rooms and within the hotel's conference facilities.

Our guests feel that they can conduct their business from within a less austere atmosphere than can be experienced in our competitive properties, where there is less personal recognition. They appreciate being called by name when they arrive, and having staff remember their specific requirements, time and again. This is key in developing the relationship beyond an initial stay and evidences our added value in relation to competitive properties in the vicinity.

### Target Markets



**Table 2.1: Target Market Forecast**

Target Market Forecast	Growth	2002	2003	2004	2005	2006	CAGR
Potential Customers							
Travel	7%	1,000	1,071	1,147	1,228	1,315	7.09%
IT Industry	8%	1,200	1,296	1,400	1,512	1,633	8.01%
Automotive	10%	1,500	1,643	1,799	1,970	2,157	9.51%
Total	8.38%	3,700	4,010	4,346	4,710	5,105	8.38%

## 2.1.1 Market Demographics

Market Geographics: Notown, USA is a suburb of Seattle, Washington, with a population of 150,000.

Market Demographics: The community is made up predominantly of households having two to four children, either at home or away from home, with at least one parent/guardian having attended college.

Market Psychographics: There is a strong 'small business' ethic in the community, and many family-run enterprises have been prospering for generations. There is also a strong sense of community and a high level of awareness as regards to caring for the environment.

Market Behaviors: Businesses in the area choose to support one another wherever possible, be remaining loyal to long standing relationships with customers and suppliers. This acts as a means of investing in, and supporting the community structure, rather than shifting alliances to large 'newcomer' suppliers, despite the potential cost savings involved.

This attitude supports the brand principles of the Riverview Hotel, which has had a presence in the city for 15 years, and is well supported by local business requirements for rooms, conference facilities and catering business functions.

Based on research carried out in 2001, more than 68% of the population had some awareness of the Riverview Hotel. Awareness levels were highest amongst small- to medium-sized businesses with 20 or more employees, who had utilized the hotel's facilities either for visiting business guests, or for their own functions.

## 2.1.2 Market Needs

The Riverview Hotel offers value and benefits to our clients, over and above the standard of our facilities and affordable rates. We seek to provide our guests with an exemplary personal service, and level of recognition that they have come to rely upon. We provide our guest with a luxurious, relaxed environment within which to conduct their business.

An environment which they cannot find at our larger, more impersonal competitors. Our guests need to know that they can develop a relationship with the hotel that will ensure efficiency, value for their money and reliability in supplying them with the support they need, when they need it. The Riverview Hotel operates in a city with a very strong sense of community, and we want to stay an integral part of that community.

## 2.1.3 Market Trends

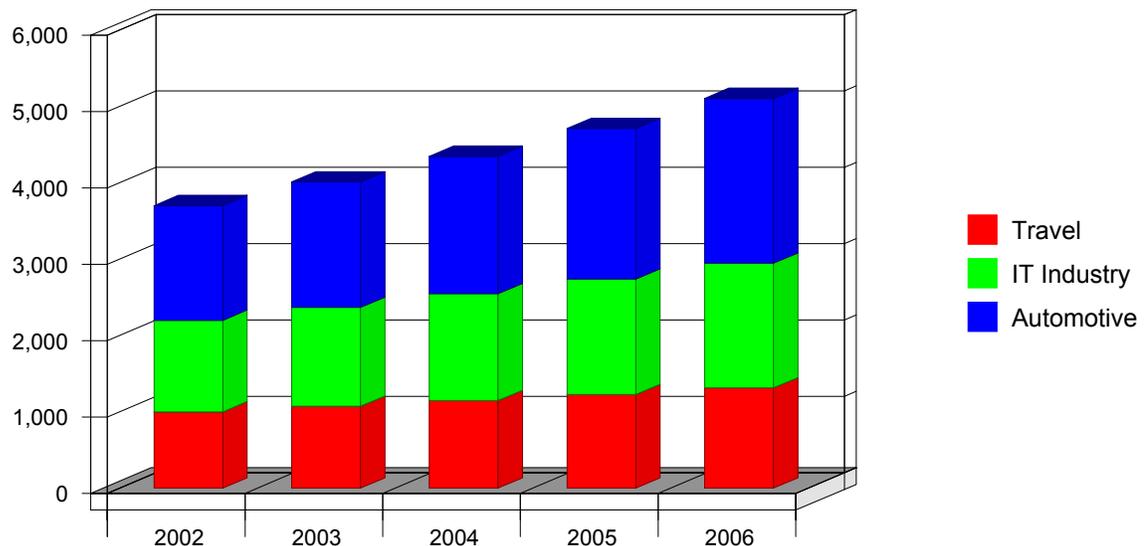
Market trends can be categorized as follows: Corporate Travel Policies, Local Business Trends, and Economic Cut Backs.

**Corporate Travel Policies:** As a result of various security issues, as regards travelling in both domestic and international markets, there has been a significant drop in corporate guests visiting the city. Although the level of corporate room business appears to be increasing again, it has had a significant affect on last year's result and consequent projections for the future.

**Local Business Trends:** There has been a period of low activity in the area of conferencing and business catering with local companies electing to conduct meetings and seminars on their own premises in order to cost cut. This is changing however as group bookings, incoming visitors and day use of conference facilities is on the increase.

**Economic Cut Backs:** The city cancelled three major trade events over the past three months, and exhibitions held at the halls had attendance figures much lower than expected. All booked events for the upcoming 12 month period however, including the Motor Show and the Northwest Tech Exhibition, have pre-booked attendance figures inline with expectations and in some cases in excess of projections.

### Market Forecast

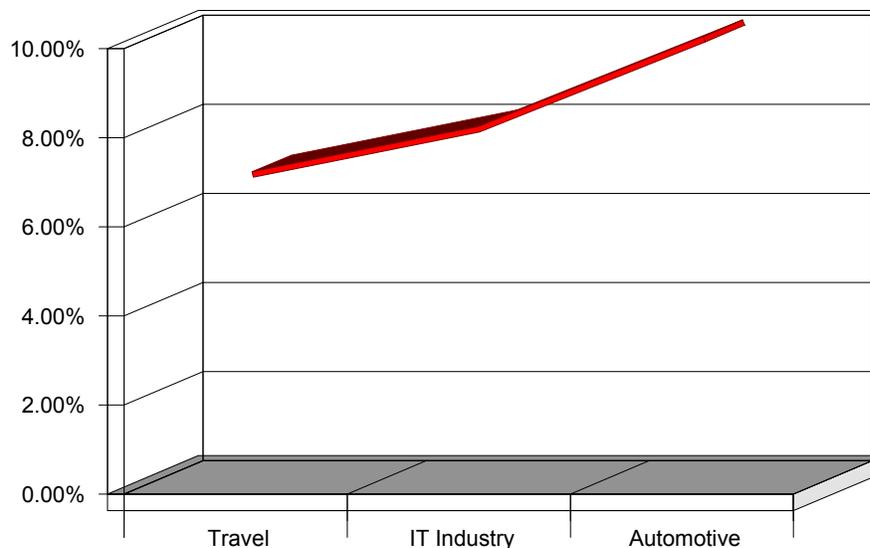


## 2.1.4 Market Growth

The growth rate of the target markets has been steady over the past five years. The travel trade sector has grown at an average of 7.1%, the automotive sector at an average of 9.5% and the IT industry at 8%.

Recent world events have caused a reduction in the growth rate, but current trends indicate a return to projected growth figures within the next three to six months. Once restabilised, growth is anticipated to continue at a steady pace inline with the expansions in the region's IT activities, the annual program of travel trade events taking place and the launch of a new overall motors model this year.

**Target Market Growth**



## 2.2 SWOT Analysis

The following analysis highlights the internal strengths and weaknesses of our organization and the opportunities and threats facing the company in our external environment. We must work to improve our areas of weakness.

Organizational strengths must be leveraged in order to capitalize on external opportunities as they arise, and contingency plans formulated in order to deal with threats presented by the environment.

## 2.2.1 Strengths

The Riverview Hotel's strengths can be identified as follows:

- **Strategy:** established differentiation strategy.
- **Structure:** flat, decentralized structure.
- **Skills:** diverse range of service skills within management and staff.
- **Style:** strong, participative culture.
- **Staff:** specialized and experienced staff that are motivated and highly skilled. A well trained team who are proud of their hotel and respect and promote the brand values.
- **Shared Values:** clear and well communicated.
- **Brand Strength:** brand values well represented engendering brand loyalty amongst existing and new guests.
- **Reputation:** a strong reputation within the local market and corporate and travel trade markets for reliability, exemplary service and quality.

## 2.2.2 Weaknesses

The Riverview Hotel's weaknesses can be identified as:

- **Strategy:** differentiation strategy needs to be more clearly communicated externally, within local and national markets.
- **Systems:** formal systems result from the detail oriented work and environment. Interdepartmental communications could be improved.
- **Staff:** seasonal turnover requires ongoing training and orientation of new staff.
- **Facilities:** certain rooms require renovation and upgrade as regards technical equipment, such as high speed Internet access and laptop links.

## 2.2.3 Opportunities

The Riverview Hotel's opportunities can be seen as:

- **Market:** returning growth after a period of slump.
- **Competitors:** no direct competition exists at present, in terms of the five star 'boutique business property' niche.
- **Suppliers:** strong, long-term relationships established with suppliers.
- **Guest Dependency:** repeat corporate business based on personal service and quality, in a small but luxurious environment.

## 2.2.4 Threats

Threats to the Riverview Hotel have been identified as:

- **Market Entry:** potential for a competitive, global brand to enter the market with a similar product.
- **Substitutes:** fully furnished and serviced business apartments offering lower daily rates.
- **Economy:** recovery from slight recession may take time.

## 2.3 Competition

Although no direct competition exists, in terms of the five star plus boutique style property, other five star hotels and serviced apartments do compete for the same corporate business sectors.

Key competitors have been identified as:

- **Hilton, Notown:** 5 star city hotel, room rates on par with Riverview, older facilities.
- **Marriott, Notown:** 5 star city hotel, room rates approximately 10% higher than Riverview, facility only four years old.
- **Glendale Apartments, Notown:** 5 star furnished apartments, daily rates vary between Riverview's double deluxe and suite rates.
- **Hyatt Residence, Notown:** 5 star furnished apartments, daily rates 15% higher than Riverview's double deluxe rates.

These properties offer similar facilities, although somewhat less focused on business needs, and incorporate more leisure facilities than we currently provide.

**Table 2.3: Growth and Share Analysis**

Growth and Share Competitor	Price	Growth Rate	Market Share
Hilton	\$105	6%	20%
Marriot	\$115	8%	33%
Glendale Apts	\$105	6%	5%
Hyatt Residence	\$120	5%	12%
Riverview Hotel	\$105	8%	30%
Other	\$0	0%	0%
Average	\$91.67	5.42%	16.67%
Total	\$550.00	32.50%	100.00%

## 2.4 Services

Our hotel provides guests with an alternative to the impersonal, large five star properties in the city. Strategically located, our property enables our guests to be at the heart of the business community and yet in an environment of calm and professionalism. We seek to differentiate our product and services in the following areas:

- Personal recognition of our frequent travelers who return time and again.
- Luxurious rooms that offer a sense of doing business from 'home.'
- Staff that have a strong customer-service ethic.
- Business facilities second to none in town.

## 2.5 Keys to Success

- Continue to develop ongoing relationships with frequent and new guests.
- Continue to develop and implement a strong communications plan in both national and international markets.
- Leverage our strength in the local market as a member of the community by supporting local events.
- Identify new markets for our services such as University-based target groups.
- Continue ongoing staff training and skill development to ensure the highest standards of service.

## 2.6 Critical Issues

We have many strengths including our differentiation strategy, our flat structure and highly skilled and well trained staff. Our weaknesses involve the need to communicate our strategy more clearly in the external environment, our high staff turnover and training requirements due to seasonal fluctuations.

Although there is a low to medium threat of a competitive brand entering the market, there are also opportunities as regards the high level of dependency of our guests for our particular service and our strong position within the community with both customers and suppliers.

Critical issues for the Riverview include:

- Continuing to differentiate from our competition and offering added value to our guests.
- Retaining our current levels of repeat business and developing further customer loyalty in a competitive market.
- Attract new market sectors such as the Notown University-based business sector.
- Continue to be perceived as a supportive member of the Notown community.

## 2.7 Historical Results

Marketing activity in previous years, has produced positive results. The areas that have produced the best results have been:

- **Product:** high-quality facilities accompanied by exemplary personal service, differentiated from competition inline with the overall brand strategy has proven to be a successful approach generating high levels of repeat business.
- **Price:** pricing strategy has been consistent with the differentiation objective, to provide added value for a reasonable rate as opposed to discounting and devaluing our products and services.
- **Place:** product and service information are sold to the guest via personal selling, direct marketing, advertising and the Internet. Delivery channels include travel agents and international reservations systems.
- **Promotion:** primary focus has been on mass communication via print ads in trade publications and on the Internet, direct mail campaigns to existing and prospective clients and personal selling in the local market. Personal selling provides the means to develop relationships within the local community and generate high levels of corporate activity through the business community. Public relations plays an important role in the marketing mix, presenting the hotel as a supportive member of the community and participating in significant local events to assist in developing ongoing cooperation, assures repeat business

and good working relationships.

**Table 2.7: Historical Data**

Historical Data

Variable	1999	2000	2001
Industry Revenue	\$0.00	\$0.00	\$0.00
Company Market Share	0%	0%	0%
Company Revenue	\$0	\$0	\$0
Industry Variable Costs	\$0.00	\$0.00	\$0.00
Company Variable Costs	\$0.00	\$0.00	\$0.00
Industry Gross Contribution Margin	\$0.00	\$0.00	\$0.00
Company Gross Contribution Margin	\$0.00	\$0.00	\$0.00
Marketing Expenses	\$0.00	\$0.00	\$0.00
Company Net Contribution Margin	\$0.00	\$0.00	\$0.00

## 2.8 Macroenvironment

The external, environmental issues that affect the Riverview Hotel are:

- **Political:** a stable environment where little affects the ability of the hotel to generate revenue.
- **Economic:** the recent recession has seen many smaller business-orientated hotel chains go into liquidation, as they do not possess the infrastructure to support under-performing properties as the larger chains do. Although recovery is beginning, it may take some time before corporate travel policy restrictions are fully lifted and business travel returns to the same levels of the past three years.
- **Social:** the trend towards cost effective business travel leads hotel guests to seek more value for money, which is where our added value differentiation strategy comes into play.
- **Technological:** the installation of 'on board' room reservations systems on certain aircraft, will require a systems integration with the hotel group's own central reservation system. This will require a high level of investment.

## 3.0 Marketing Strategy

Our marketing strategy's objective is to communicate the unique set of products and services that we offer to discerning hotel guests. We attempt to direct the focus of our guests to the issues of quality and value for the money as opposed to simply the bottom line costs associated with their stay.

Our marketing strategy will allow us to communicate our brand values, develop close working relationships with our customers and suppliers and to identify the needs of our guests in an effective manner. Continued differentiation and growth are two goals we have set for ourselves. Growth will take place by targeting new areas of business within both local and national communities.

## 3.1 Mission

The Riverview Hotel is dedicated to providing its guests with the highest quality of service and standards. We seek to deliver on our promise of value and quality above all else. We value our place in the community and will work to develop those relationships and to respect and protect our environment.

We will continue to strive to create value for both owners and shareholders whilst honoring our brand values and encouraging our personnel to develop themselves in an environment of trust, loyalty and encouragement.

## 3.2 Marketing Objectives

- To continue to communicate our strategic objectives to our target markets effectively.
- To provide a positive hotel experience to all our guests.
- To accomplish our growth targets within the given time and budget.
- Expand our markets and identify new markets for our product and services.

## 3.3 Financial Objectives

- Increase overall room revenue by 10% on the past year.
- Accomplish growth within the given budget of \$250,000.
- Increase corporate contracted rates to reflect the return of confidence in the corporate travel market.
- Keep payroll expenses down and reduce the level of overtime within the workforce.

## 3.4 Target Marketing

Our primary targets continue to be professional visitors to the region from the following industries, where annual corporate contracts can be entered into:

- Travel trade;
- IT industry;
- Automotive.

Local firms will be targeted for day use of conference facilities, room nights for visiting executives and long stay professional guests.

## 3.5 Positioning

The Riverview Hotel is positioned as a five star plus, business traveler's hotel, strategically located and offering a high level of personal service. Our focus is on offering our guests added value and differentiating ourselves in our levels of personal service. We provide a quality hotel experience where guests are valued, respected and their business is truly appreciated.

## 3.6 Marketing Mix

Place: product and service information are sold to the guest via personal selling, direct marketing, advertising and the Internet. Delivery channels include travel agents and international reservations systems.

## 3.6.1 Services and Service Marketing

Product: high quality facilities accompanied by exemplary personal service, differentiated from competition inline with the overall brand strategy has proven to be a successful approach generating high levels of repeat business.

## 3.6.2 Pricing

Pricing strategy has been consistent with the differentiation objective, to provide added value for a reasonable rate as opposed to discounting and devaluing our products and services.

Room rates quoted are net of tax and service, are per night, per room with continental breakfast included:

- Corporate single - \$95.00;
- Corporate double - \$125.00;
- Corporate double deluxe - \$ 175.00;
- Corporate suite - \$225.00 (maximum occupancy 2 persons).

Conference room rates are net of tax and service, quoted per day use with tea and coffee breaks (2) included:

- The Riverview Boardroom - \$260.00;
- The Riverview Conference Hall - \$320.00;
- The Riverview Ballroom - \$875.00.

## 3.6.3 Promotion

Promotion: primary focus will remain on mass communication via print ads in trade publications and on the Internet. Direct mail campaigns to existing and prospective clients will increase as a cost effective means of targeted campaigning.

Personal selling in the local market will remain an important element of the mix in order to continue to build long-term relationships within the local community and generate high levels of corporate activity.

Public relations activities will continue to play an important role in the marketing mix, presenting the hotel as a supportive member of the community and participating in significant local events.

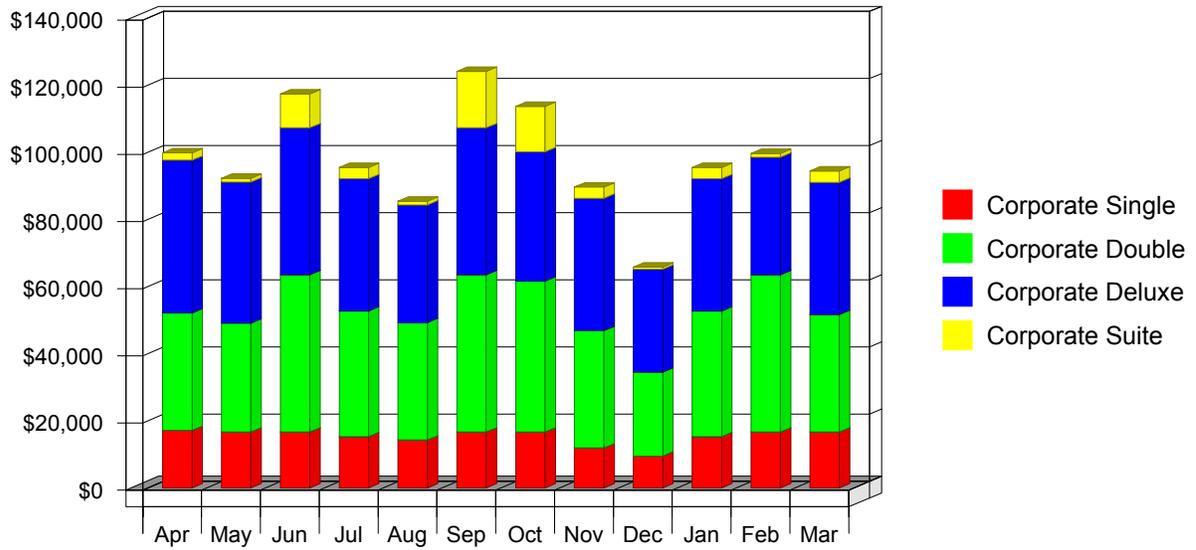
## 4.0 Financials, Budgets, and Forecasts

Our annual marketing budget is \$100,000. Sales are anticipated to achieve revenue of \$1,172,925. Our marketing expenses will equate to approximately 8.5% of the overall revenue.

## 4.1 Sales Forecast

Room revenue for this year is based on an average growth rate of 10%. This is based on the number of pre-contracted corporate rooms, and an anticipated return to business levels projected.

### Monthly Sales Forecast



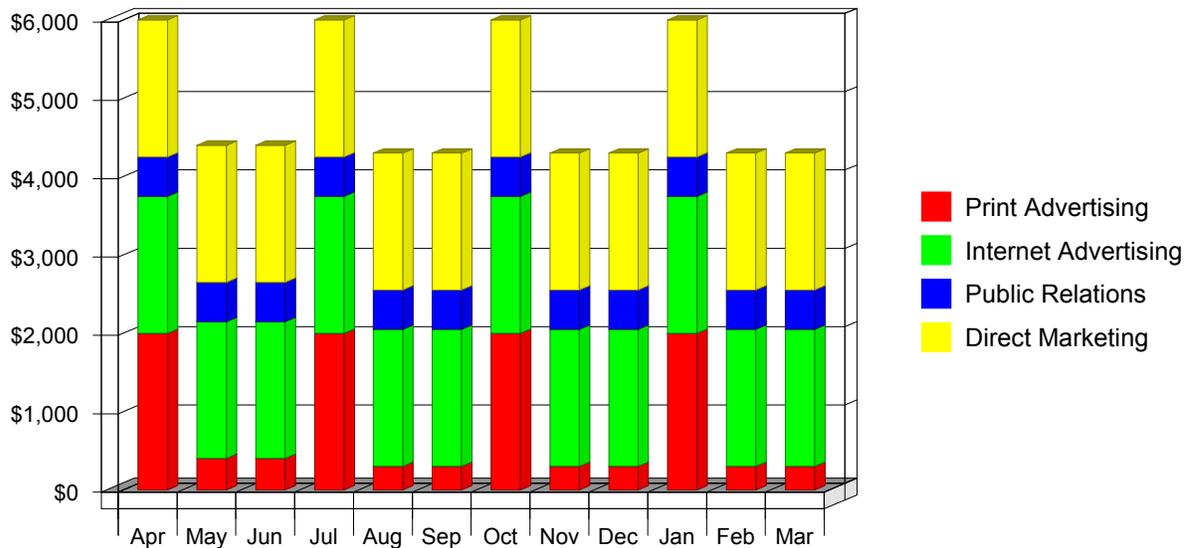
**Table 4.1: Sales Forecast**

Sales Forecast			
Unit Sales	FY2003	FY2004	FY2005
Corporate Single	1,925	2,118	2,329
Corporate Double	3,665	4,032	4,435
Corporate Deluxe	2,695	2,965	3,261
Corporate Suite	268	294	323
Total Unit Sales	8,553	9,408	10,348
Unit Prices	FY2003	FY2004	FY2005
Corporate Single	\$95.00	\$99.00	\$120.00
Corporate Double	\$125.00	\$135.00	\$145.00
Corporate Deluxe	\$175.00	\$195.00	\$200.00
Corporate Suite	\$225.00	\$240.00	\$260.00
Sales	FY2003	FY2004	FY2005
Corporate Single	\$182,875	\$209,633	\$279,480
Corporate Double	\$458,125	\$544,253	\$643,075
Corporate Deluxe	\$471,625	\$578,175	\$652,200
Corporate Suite	\$60,300	\$70,560	\$83,980
Total Sales	\$1,172,925	\$1,402,620	\$1,658,735
Direct Unit Costs	FY2003	FY2004	FY2005
Corporate Single	\$7.86	\$11.00	\$14.00
Corporate Double	\$13.92	\$13.50	\$15.00
Corporate Deluxe	\$17.50	\$18.50	\$20.00
Corporate Suite	\$0.84	\$0.00	\$0.00
Direct Cost of Sales	FY2003	FY2004	FY2005
Corporate Single	\$15,138	\$23,293	\$32,606
Corporate Double	\$51,033	\$54,425	\$66,525
Corporate Deluxe	\$47,163	\$54,853	\$65,220
Corporate Suite	\$225	\$0	\$0
Subtotal Cost of Sales	\$113,558	\$132,570	\$164,351

## 4.2 Expense Forecast

Marketing expenses are projected to be approximately 8.5% of overall annual revenue. The breakdown of expenditures is as follows:

### Monthly Expense Budget



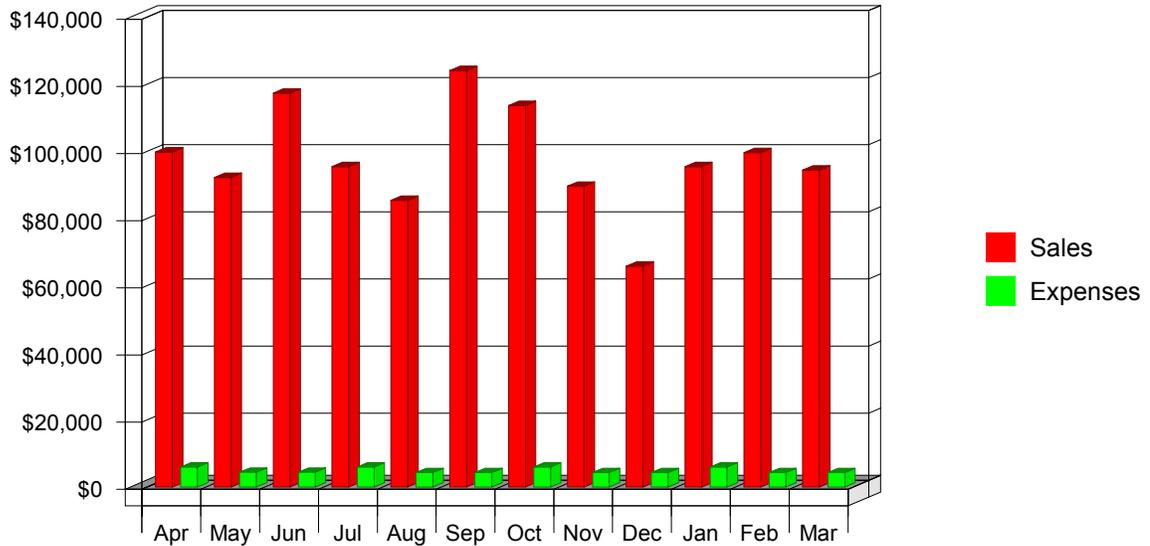
**Table 4.2: Marketing Expense Budget**

Marketing Expense Budget	FY2003	FY2004	FY2005
Print Advertising	\$10,600	\$11,600	\$12,826
Internet Advertising	\$21,000	\$23,100	\$25,410
Public Relations	\$6,000	\$6,600	\$7,260
Direct Marketing	\$21,000	\$23,100	\$25,410
	-----	-----	-----
Total Sales and Marketing Expenses	\$58,600	\$64,400	\$70,906
Percent of Sales	5.00%	4.59%	4.27%
Contribution Margin	\$1,000,768	\$1,205,650	\$1,423,478
Contribution Margin / Sales	85.32%	85.96%	85.82%

### 4.3 Linking Sales and Expenses to Strategy

Our marketing expense is structured to reflect the corporate strategy differentiation. Quarterly travel trade publications and interim monthly press ads communicate our message to key corporate clients in one of our most significant target markets. Monthly Internet advertising expenses include banner ads, and strategic links with car hire, airline and destination management companies' websites to drive business to the hotel. Direct mail activity builds our targetted customer database, not only in terms of improving the quality of the data we currently hold, but on increasing the size of the database with prospective customer information. Public relations expenses cover PR events, participation at local functions and sponsorship funds. Overall, the percentage of total revenue required to support the marketing expense is considered a moderate amount.

Sales vs. Expenses Monthly

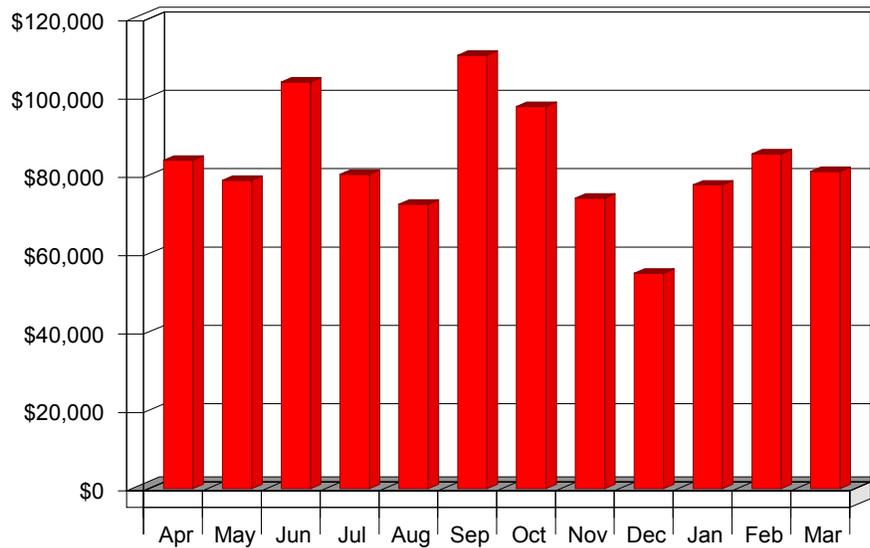


#### 4.4 Contribution Margin

Contribution margins should increase due to:

- Differentiation/focus strategy increases ability to specialize.
- Maintenance of expenses within specified levels.
- Increased efficiency in capacity utilization.
- Economies of scale due to increased purchasing efficiencies.

#### Contribution Margin Monthly



**Table 4.4: Contribution Margin**

Contribution Margin			
	FY2003	FY2004	FY2005
Sales	\$1,172,925	\$1,402,620	\$1,658,735
Direct Cost of Sales	\$113,558	\$132,570	\$164,351
Other Variable Costs of Sales	\$0	\$0	\$0
	-----	-----	-----
Total Cost of Sales	\$113,558	\$132,570	\$164,351
Gross Margin	\$1,059,368	\$1,270,050	\$1,494,384
Gross Margin %	90.32%	90.55%	90.09%
Marketing Expense Budget	FY2003	FY2004	FY2005
Print Advertising	\$10,600	\$11,600	\$12,826
Internet Advertising	\$21,000	\$23,100	\$25,410
Public Relations	\$6,000	\$6,600	\$7,260
Direct Marketing	\$21,000	\$23,100	\$25,410
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Percent of Sales	5.00%	4.59%	4.27%
Contribution Margin	\$1,000,768	\$1,205,650	\$1,423,478
Contribution Margin / Sales	85.32%	85.96%	85.82%

## 5.0 Controls

Our marketing plan is structured to enable us to achieve the strategic goals we have set for ourselves, in terms of increasing overall revenue as a result of differentiating our products and services from the competition.

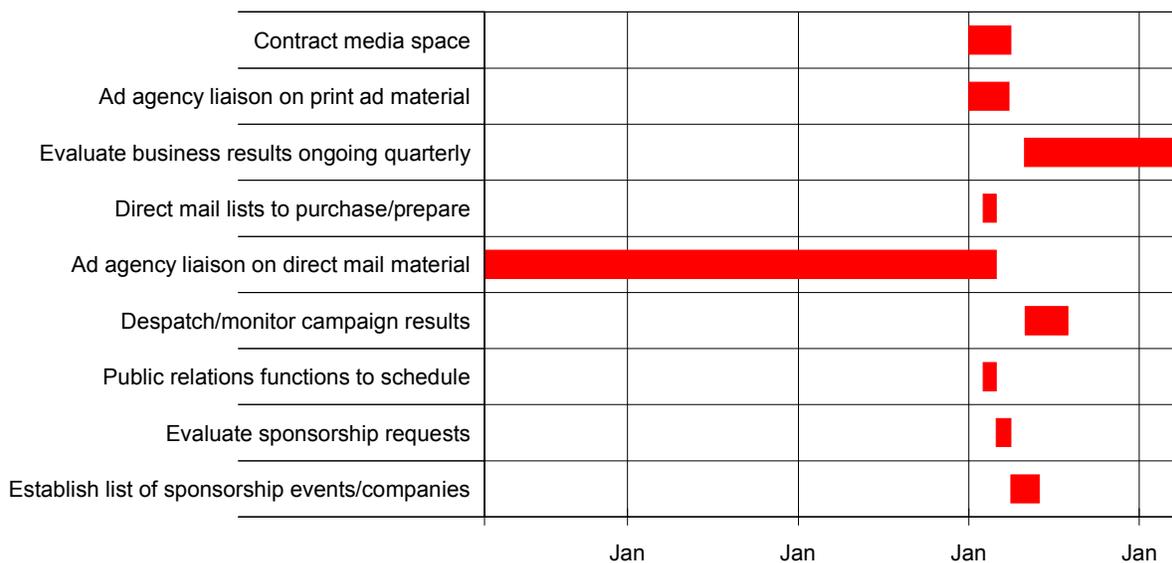
Our marketing team will ensure that the plan is implemented to the best of their ability and with the highest levels of efficiency and accuracy.

## 5.1 Implementation Milestones

All figures will be monitored on an ongoing basis in relation to projections versus actuals, and the ongoing plan will be altered or manipulated as necessary in order to react to and, wherever possible, anticipate external changes to the environment.

Annual results will be evaluated at the Region General Manager's meeting where the structure of the plan for the approaching year will also be established.

### Milestones



**Table 5.1: Milestones**

Milestones	Plan	Start Date	End Date	Budget	Manager	Department
Milestone						
Contract media space		1/1/02	4/1/02	\$20,000	Geoff	Marketing
Ad agency liaison on print ad material		1/1/02	3/28/02	\$11,000	Geoff	Marketing
Evaluate business results ongoing quarterly		4/30/02	3/31/03	\$0	Geoff	Marketing
Direct mail lists to purchase/prepare		2/1/02	3/1/02	\$6,000	Sally	Marketing
Ad agency liaison on direct mail material		3/1/99	3/1/02	\$7,000	Sally	Marketing
Despatch/monitor campaign results		5/1/02	8/1/02	\$2,000	Sally	Marketing
Public relations functions to schedule		2/1/02	3/1/02	\$0	Anne	PR
Evaluate sponsorship requests		3/1/02	4/1/02	\$0	Anne/Bill	PR
Establish list of sponsorship events/companies		4/1/02	6/1/02	\$6,000	Anne/Bill	PR
Totals				\$52,000		

## 5.2 Marketing Organization

Our marketing director, Geoff Watkins, leads our PR and marketing team of four in all advertising, promotional and public relations related activities. Geoff works closely with the members of the team, to implement and monitor the effectiveness of the marketing plan and evaluate results.

## 5.3 Contingency Planning

Contingency plans have been made for the following unexpected developments:

- A slower recovery from the recession than public opinion: this has been reflected in the moderate increase in levels of corporate business expected.
- The entry into the market of a competitively aligned hotel: differentiation would continue to be the strategic approach with the development of added value and benefits to leverage long standing relationships and repeat business based on familiarity and personal attention to detail.

## Appendix: The Riverview Hotel

**Table 4.1 Sales Forecast**

Sales Forecast												
Unit Sales	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Corporate Single	180	175	175	160	150	175	175	125	100	160	175	175
Corporate Double	280	260	375	300	280	375	360	280	200	300	375	280
Corporate Deluxe	260	240	250	225	200	250	220	225	175	225	200	225
Corporate Suite	10	5	45	15	5	75	60	15	3	15	5	15
<b>Total Unit Sales</b>	<b>730</b>	<b>680</b>	<b>845</b>	<b>700</b>	<b>635</b>	<b>875</b>	<b>815</b>	<b>645</b>	<b>478</b>	<b>700</b>	<b>755</b>	<b>695</b>
Unit Prices	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Corporate Single	\$95.00	\$95.00	\$95.00	\$95.00	\$95.00	\$95.00	\$95.00	\$95.00	\$95.00	\$95.00	\$95.00	\$95.00
Corporate Double	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00
Corporate Deluxe	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00
Corporate Suite	\$225.00	\$225.00	\$225.00	\$225.00	\$225.00	\$225.00	\$225.00	\$225.00	\$225.00	\$225.00	\$225.00	\$225.00
Sales	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Corporate Single	\$17,100	\$16,625	\$16,625	\$15,200	\$14,250	\$16,625	\$16,625	\$11,875	\$9,500	\$15,200	\$16,625	\$16,625
Corporate Double	\$35,000	\$32,500	\$46,875	\$37,500	\$35,000	\$46,875	\$45,000	\$35,000	\$25,000	\$37,500	\$46,875	\$35,000
Corporate Deluxe	\$45,500	\$42,000	\$43,750	\$39,375	\$35,000	\$43,750	\$38,500	\$39,375	\$30,625	\$39,375	\$35,000	\$39,375
Corporate Suite	\$2,250	\$1,125	\$10,125	\$3,375	\$1,125	\$16,875	\$13,500	\$3,375	\$675	\$3,375	\$1,125	\$3,375
<b>Total Sales</b>	<b>\$99,850</b>	<b>\$92,250</b>	<b>\$117,375</b>	<b>\$95,450</b>	<b>\$85,375</b>	<b>\$124,125</b>	<b>\$113,625</b>	<b>\$89,625</b>	<b>\$65,800</b>	<b>\$95,450</b>	<b>\$99,625</b>	<b>\$94,375</b>
Direct Unit Costs	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Corporate Single	\$9.50	\$9.50	\$0.50	\$9.50	\$9.50	\$0.50	\$9.50	\$9.50	\$9.50	\$9.50	\$9.50	\$9.50
Corporate Double	\$12.50	\$12.50	\$12.50	\$12.50	\$12.50	\$12.50	\$12.50	\$21.50	\$12.50	\$21.50	\$12.50	\$12.50
Corporate Deluxe	\$17.50	\$17.50	\$17.50	\$17.50	\$17.50	\$17.50	\$17.50	\$17.50	\$17.50	\$17.50	\$17.50	\$17.50
Corporate Suite	\$22.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Direct Cost of Sales	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Corporate Single	\$1,710	\$1,663	\$88	\$1,520	\$1,425	\$88	\$1,663	\$1,188	\$950	\$1,520	\$1,663	\$1,663
Corporate Double	\$3,500	\$3,250	\$4,688	\$3,750	\$3,500	\$4,688	\$4,500	\$6,020	\$2,500	\$6,450	\$4,688	\$3,500
Corporate Deluxe	\$4,550	\$4,200	\$4,375	\$3,938	\$3,500	\$4,375	\$3,850	\$3,938	\$3,063	\$3,938	\$3,500	\$3,938
Corporate Suite	\$225	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Subtotal Cost of Sales</b>	<b>\$9,985</b>	<b>\$9,113</b>	<b>\$9,150</b>	<b>\$9,208</b>	<b>\$8,425</b>	<b>\$9,150</b>	<b>\$10,013</b>	<b>\$11,145</b>	<b>\$6,513</b>	<b>\$11,908</b>	<b>\$9,850</b>	<b>\$9,100</b>

## Appendix: The Riverview Hotel

**Table 4.2 Marketing Expense Budget**

Marketing Expense Budget	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Print Advertising	\$2,000	\$400	\$400	\$2,000	\$300	\$300	\$2,000	\$300	\$300	\$2,000	\$300	\$300
Internet Advertising	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750
Public Relations	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Direct Marketing	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750
<b>Total Sales and Marketing Expenses</b>	<b>\$6,000</b>	<b>\$4,400</b>	<b>\$4,400</b>	<b>\$6,000</b>	<b>\$4,300</b>	<b>\$4,300</b>	<b>\$6,000</b>	<b>\$4,300</b>	<b>\$4,300</b>	<b>\$6,000</b>	<b>\$4,300</b>	<b>\$4,300</b>
<b>Percent of Sales</b>	<b>6.01%</b>	<b>4.77%</b>	<b>3.75%</b>	<b>6.29%</b>	<b>5.04%</b>	<b>3.46%</b>	<b>5.28%</b>	<b>4.80%</b>	<b>6.53%</b>	<b>6.29%</b>	<b>4.32%</b>	<b>4.56%</b>
Contribution Margin	\$83,865	\$78,738	\$103,825	\$80,243	\$72,650	\$110,675	\$97,613	\$74,180	\$54,988	\$77,543	\$85,475	\$80,975
Contribution Margin / Sales	83.99%	85.35%	88.46%	84.07%	85.10%	89.16%	85.91%	82.77%	83.57%	81.24%	85.80%	85.80%

## Appendix: The Riverview Hotel

**Table 4.4 Contribution Margin**

Contribution Margin	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Sales	\$99,850	\$92,250	\$117,375	\$95,450	\$85,375	\$124,125	\$113,625	\$89,625	\$65,800	\$95,450	\$99,625	\$94,375
Direct Cost of Sales	\$9,985	\$9,113	\$9,150	\$9,208	\$8,425	\$9,150	\$10,013	\$11,145	\$6,513	\$11,908	\$9,850	\$9,100
Other Variable Costs of Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Cost of Sales</b>	<b>\$9,985</b>	<b>\$9,113</b>	<b>\$9,150</b>	<b>\$9,208</b>	<b>\$8,425</b>	<b>\$9,150</b>	<b>\$10,013</b>	<b>\$11,145</b>	<b>\$6,513</b>	<b>\$11,908</b>	<b>\$9,850</b>	<b>\$9,100</b>
Gross Margin	\$89,865	\$83,138	\$108,225	\$86,243	\$76,950	\$114,975	\$103,613	\$78,480	\$59,288	\$83,543	\$89,775	\$85,275
Gross Margin %	90.00%	90.12%	92.20%	90.35%	90.13%	92.63%	91.19%	87.56%	90.10%	87.52%	90.11%	90.36%
<b>Marketing Expense Budget</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>
Print Advertising	\$2,000	\$400	\$400	\$2,000	\$300	\$300	\$2,000	\$300	\$300	\$2,000	\$300	\$300
Internet Advertising	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750
Public Relations	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Direct Marketing	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750
<b>Total Sales and Marketing Expenses</b>	<b>\$6,000</b>	<b>\$4,400</b>	<b>\$4,400</b>	<b>\$6,000</b>	<b>\$4,300</b>	<b>\$4,300</b>	<b>\$6,000</b>	<b>\$4,300</b>	<b>\$4,300</b>	<b>\$6,000</b>	<b>\$4,300</b>	<b>\$4,300</b>
Percent of Sales	6.01%	4.77%	3.75%	6.29%	5.04%	3.46%	5.28%	4.80%	6.53%	6.29%	4.32%	4.56%
Contribution Margin	\$83,865	\$78,738	\$103,825	\$80,243	\$72,650	\$110,675	\$97,613	\$74,180	\$54,988	\$77,543	\$85,475	\$80,975
Contribution Margin / Sales	83.99%	85.35%	88.46%	84.07%	85.10%	89.16%	85.91%	82.77%	83.57%	81.24%	85.80%	85.80%