

Agency Marketing Plan Guide

Agency:

Date:

Building a Marketing Plan

Marketing is the process of distributing information about your products to an audience for the purpose of achieving sales. Marketing works best when the “four P’s” of your business are in harmony:

- 1) Product: The product/service for sale fits your audience or **market**
- 2) Price: The product/service for sale is priced properly for your audience
- 3) Promotion: Conveying appropriate information about the product/service across a **channel** to an audience
- 4) Place: The product/service for sale is accessible in a location that meets the needs of the audience

Of course you are already selling your products and services, so why use a marketing plan?

A marketing plan takes you through the process of analyzing your market and your business, as well as your sales potential, to identify ways to increase sales so as to boost your profits. In developing your marketing plan, you’ll strategically create persuasive messages for your target audiences, plan actions to ensure success, and plot a timeline of events so that you achieve your goals on schedule.

Market

People to whom you are trying to sell your products and services; your audience

Channel

The means of delivery for your message (i.e. mail, advertisements, TV, Internet, e-mail, phone conversation)

Getting Started

This Marketing Plan Guide walks you through the steps necessary to produce a Marketing Plan for your agency. You’ll collect information about your industry, your competition and your agency. When you’ve collected this data, you’ll then have a solid starting point for drafting your Marketing Plan, which outlines your intended actions and ways to track results.

The Guide is divided into five sections that allow you to work at your own pace and complete questions at your discretion. We’ve provided two ways for you to use it.

- 1) Visit **MVPtravel.com**’s marketing section to download and use the interactive PDF, which you can complete on your computer and submit to MAST via e-mail if you like. You’ll also find related files, links to marketing web sites, and sample marketing plans and strategies.
- 2) Write your notes, data, and final plans directly into this Guide. Send a copy to MAST if you wish.

It may take you a few days or just a few hours to develop your marketing plan, and you may find that by talking to others, you’ll have a more complete picture of your agency and its potential. You may want to consult with your staff, other business professionals, family or friends. If you’d like to brainstorm with another travel agency owner, just contact the MAST office – we’d be happy to assist.

1: Brainstorm Your Goals

Your first step in creating a marketing plan is to list a few goals for your agency. You may have broad, all-encompassing goals that relate to sales increases throughout your agency or improving client retention. And you may also have goals that are focused on more specific results, such as increasing sales of a particular product.

Where do you want your agency to be in one year? In five years? Whatever your agency goals may be, take a few moments to note them here.

2: Market Analysis

The state and history of the travel industry provide a great deal of insight into your own agency. Knowledge of industry cycles and trends will help you create a realistic marketing plan.

As you write down your thoughts, keep in mind the following factors: market share, leadership, players, competition, market shifts, costs, pricing, and the economy (local, national, international).

The Travel Industry & Economy

How have you seen the travel industry change over the last five years? Have you noticed cycles in the industry as a whole? What similarities have you noticed amongst changes in the travel industry and the economy?

What is the current state of the travel marketplace? Have sales improved or decreased over the last few years? What trends have emerged in terms of price, travel frequency, and travel type? Write down trends particular to your agency. What trends are predicted for the future?

You may find that successful marketing tactics used by other businesses can be easily and successfully adapted to your business. What marketing trends have you noticed, both within the travel industry and other industries?

Resources

You can find information about the state and history of the travel industry, as well as articles about trends and predicted changes, on these web sites:

mvptravel.com

cruising.org

astanet.com

nacta.org

tia.org

travelindustrywire.com

Competition

Who are your competitors? What are they doing?

Consider all your competition of various types, such as store-front agencies, home-based agents, online retailers, and travel suppliers. List strengths and weaknesses of each competitor, and then write down how your agency distinguishes itself from the competition. If a difference is not readily apparent, just leave that space blank.

You'll want to revisit this section when you conduct your [SWOT Analysis](#).

Consider the following for each competitor:

- 1) How the competitor markets itself
- 2) Why a customer might buy (or not buy) from that competitor
- 3) The competitor's level of accessibility (location, hours, and customer access to service)
- 4) Customer experience and the competitor's overall reputation

SWOT Analysis

Refers to Strengths, Weaknesses, Opportunities and Threats.

Also see page 6

Use this chart to list some of your most significant competition and how your agency differs.

Competitor	Strength or Weakness	How My Agency Distinguishes Itself

My Agency

What services and products do you provide? Note the products (such as cruise, insurance, hotel), travel profiles (groups, singles, and reunions) and services (such as selling, consulting) that define your agency. Add your own categories to blank spaces as needed.

Products

- Air
- Car Rental
- Cruise
- Hotel
- Ship Charters
- Rail/Bus Tickets
- FIT/Independent
- Resort Packages
- Escorted Tours
- Travel Insurance
- Shore Excursions
-
-

Travel Profiles

- Groups
- Educational
- Meetings
- Special Interest
- Incentive
- Singles
- Family Reunions
- Business
-
-
-
-

Services

- Selling
- Consulting
- Vacation Planning
- Budget Planning
- Emergency Contact
-
-
-
-
-
-

Who are your customers? What are they buying? Use percentages to roughly outline your clientele. Add your own categories to the blank spaces as needed.

Destinations

- % Continental U.S.
- % Hawaii
- % Alaska
- % Mexico
- %
- %
- %
- %
- %
- %
- %

100%

Profiles

- % Single
- % Single w/ Children
- % Married
- % Married w/ Children
- % Retired
- %

100%

Trip Price

- % \$0–1500 pp
- % \$1500–3000 pp
- % \$3000+ pp

100%

Travel Type

- % Independent / FIT
- % Tour
- % Cruise
- % Resort / Hotel
- % Business
- %

100%

Preferred Rating/Quality

- % 1st Class or Superior
- % Premium or Deluxe
- % Luxury

100%

3: SWOT Analysis: Strengths, Weaknesses, Opportunities, Threats

To create the best marketing messages for your current customers and target markets, you'll want to understand everything that influences their purchasing decisions – including the characteristics of your agency.

You probably have some ideas about how your agency rates, but sometimes it's difficult to see through the customer's eyes. For the most accurate, and cost-effective information regarding your agency's talents and shortcomings, consider asking your current customers for feedback. You might conduct a survey in your agency or by phone, by mail or even online. Include an incentive or discount to increase participation. To learn more about potential new markets, seek out people who aren't your customers. Ask open-ended questions to trigger the best responses – you may be surprised by the responses!

A complete picture of your agency rests on its strengths, weaknesses, opportunities and threats. Once you've completed this section, you'll be ready to pull your marketing plan together.

Strengths and Weaknesses

Your strengths and weaknesses may lie in the areas of sales skills, customer service, presentation, communication, a particular marketing practice, or just about anywhere.

Write down your most significant strengths and weaknesses.

Strengths	Weaknesses

Opportunities

Based on the evaluation of your competition, customer demographics and needs, and your agency's strengths and weaknesses, you should have a solid starting point for pinpointing your agency's marketing opportunities.

As you analyze the data you've collected, look for market conditions or segments that could lead to growth. You might see the chance to approach a new market of consumers or sell a new product. Where is there money to be made?

Use this chart to flesh out some of your agency's opportunities.

Product (Sales) Opportunities	Service Opportunities
Market (customer) Opportunities	Trend Opportunities
Other Opportunities	

Threats

If you have close competitors, you're probably already aware of threats that they pose to your agency, but threats may also stem from within your agency, or from sources outside the travel industry. Evaluate the data you've already collected to determine your agency's vulnerabilities.

Use this chart to record some of the most significant threats facing your agency.

Product Threats	Service Threats
Market (customer) Threats	Trend Threats
Competitor Threats	Other Threats

4: Strategies for Marketing Success

You've now collected and analyzed an extensive amount of information about your agency and market, which means that you're ready to apply that information to a marketing plan. Based on the original goals you recorded, as well as all the other data collected, you can now restate your goals in terms of marketing and construct strategies for achieving them. These will become one of the most important parts of your marketing plan.

Your strategies should include six key elements:

- 1) Marketing Goals – Based on your marketing opportunities and agency goals
- 2) Target markets – Including segmentation and niche areas
- 3) Strategies – An appropriate strategy for each segment or market, including **messages**, **marketing vehicles**, a schedule, and how you will respond to competition
- 4) Expenses – How resources will be allocated; your marketing budget
- 5) Outlook – A definition of what you expect to accomplish in a specific time period

Use the chart on page 15 as an example to populate a marketing strategy with your goals, targets, budgets, marketing channels, and a method for tracking results. Blank charts have been provided (pages 16-20). Use the information from the topics that follow as a guide.

Messages

The statement(s) you wish to communicate to your market/audience

Marketing Vehicles

The object used to communicate your message, such as a postcard, e-mail, or phone call

Goals

In the previous section you wrote down your marketing opportunities, and at the start of the template you wrote down goals for your agency. Looking at each of these sections, create a revised list of marketing goals for your agency. Which marketing opportunities will help you achieve an agency goal? What achievements will make the biggest impact on your agency's profits?

List a few marketing goals in the chart, starting with those that you think will be most beneficial to your agency. Once you've started planning how to achieve each marketing goal, you may decide that you don't have time to complete all of them. Focus on the goals that fit best into your agency's operations and marketing budget.

Target Markets

In the previous section you wrote down your marketing opportunities. Each opportunity is based on communicating with a specific audience – a **target market**.

For each of your goals, you'll need to communicate with a group of consumers, or maybe several groups. Each group is a target market.

Keep in mind that your target market may be:

- 1) A specific segment of your current customers
- 2) Consumers who fall into a niche (such as sharing a hobby, affiliation, travel trend, family structure)
- 3) Consumers that you have not marketed to in the past
- 4) Accessible through social, cultural, sports, community or professional organizations
- 5) Your current customers – perhaps as the recipients of a new or different marketing message

Target Market

The specific audience to which you want to communicate your message: those whom you want to buy your products or services

Strategies

A strategy for achieving your marketing goal combines a message, marketing vehicle, and schedule. All of these elements will impact your marketing budget.

Messages for Target Markets

In order to meet each of your marketing goals, you'll need to deliver a message that is specific to each target audience. Messages determine much of the success of your efforts.

For example, if you attempt to market cruises to customers who prefer FIT vacations, you'll likely notice very few resulting cruise sales. In order for your marketing efforts to succeed, you'll need to send an appropriate message to each target market.

As you craft each message, consider these points:

- 1) Simply-stated messages can be very effective
- 2) A message may be conveyed in words as well as images, including your agency brand, photos, and the overall appearance of your marketing vehicles
- 3) Messages may communicate an idea, call to action, price points, or a combination of these elements
- 4) Your message may require a campaign – a series of related statements delivered to the market over time

Marketing Vehicles

For each target market and strategy, you may require a different way of delivering your message. Some markets may respond better to specific marketing vehicles, or a combination of vehicles.

Types of marketing vehicles include:

- 1) Brand Positioning – how you communicate your agency's brand
- 2) Direct Mail Marketing – with MAST publications (*Vacation Makers*, *360°* and various others), supplier-provided materials, your own publications
- 3) Advertising – print, television, radio, Internet (visual and audio), venues, outdoor
- 4) Special Events
- 5) Business Partnerships
- 6) Newsletters
- 7) E-mail Communication – agency news, promotions, travel information, etc
- 8) Web sites – a way to provide information and agency services to consumers
- 9) Customer referrals & Word-of-Mouth
- 10) A combination of activities

You may be able to choose marketing vehicles based on your customer feedback or previous experiences. And you might find it helpful to narrow down choices based on your budget. If you're not sure how best to deliver your message, the Internet provides a wealth of advice. MAST also has web site and direct mail programs that make it easier for you to communicate with customers.

Brand Positioning

A brand is a collection of perceptions in the mind of the consumer. With each interaction between the consumer and your business, the brand is built, reinforced, or changed. Each element of your business has an impact on brand, from your voicemail greeting to the logo on your invoices. Staff communicate the brand when they suggest a product, advise a traveler, and follow-up with clients. Your web site and direct mail add another dimension to brand – they communicate brand outside of your office, and without the presence of a sale.

The way that you choose to communicate and shape your brand is called Brand Positioning. Some of the most common ways to take control of your brand positioning are through modifications to your place of business, imagery and interaction with customers. Each of these business elements communicates an underlying message to the consumer, and by controlling each element you can also take control of the message.

Through repeat interaction, a brand promise is formed between the business and consumer. The brand promise surmises all the consumer's expectations of product, quality, service and value. By meeting these expectations, the business reinforces the brand promise and strengthens trust.

Every part of your business contributes to your brand, and your brand contributes to every part of your business.

Direct Mail

Direct mail is one of the most effective ways of delivering your message. Compared to e-mail, consumers who receive direct mail are more likely to review the information, save it for future reference, and remember its contents. Direct mail is affordable, allowing you to deliver your message for as little as 25¢ per recipient (small supplier postcards with first-class postage).

E-mail

E-mail communication can be very effective when messages are delivered to the appropriate audience. It is especially effective to use e-mail messages in combination with other marketing vehicles. E-mail messages are likely to go unread until a recipient receives a message that addresses a current need or interest.

Schedule

For each strategy, determine when and how often to deliver a message to the target audience. A successful marketing plan allows you to deliver your message to the target several times, reinforcing the message to the audience and increasing the frequency of response.

- 1) Messages may need to be delivered several times before the target audience responds by contacting the agency or making a purchase.
- 2) Some marketing professionals recommend that you communicate with an audience a minimum of four to six times per year. An audience that is less familiar with your agency requires the more frequent communication.

Competitive Strategies

Your most significant competition will likely force you to confront how you deliver products and services to your customers, and how you approach consumers. How will you compete against other agencies and travel sellers to keep your clients, and keep them thrilled with your business? Consider ways to differentiate your agency in terms of service, employee education, business hours, and how you deliver an “experience” beyond the purchase.

Expenses

Your budget is a very important part of your marketing plan. As you can imagine, some funding will likely be required in order to produce and deliver your marketing vehicles. You may also find yourself investing in the creation of your marketing messages, or perhaps even in a marketing consultant. If you are prepared for the expenses associated with your marketing initiatives, it will be easier to follow-through with your marketing plan.

Beyond monetary expenses, you’ll invest time into carrying out your marketing plan. Consider how much time each marketing effort will consume, and who will perform the work.

Here are some costs to consider, although unforeseen expenses may arise in any situation:

- 1) Time for planning, writing, researching
- 2) Services: consultants and graphic designers may charge fees hourly or per project; Internet and software-based services may have monthly fees
- 3) Material costs: paper, printing and postage costs for mailings, table accessories and refreshments for events, software, transportation

Resources

Your budget may be heavily impacted by the resources available to you. As you consider how best to spend your money, keep in mind that you may already have access to cost-effective marketing methods.

- 1) MAST’s direct mail program allows you to send full-color multi-page publications to your clients for as little as 39¢ per mail-piece (or even less through the Platinum and Gold Plus Memberships).
- 2) The MAST Web Solutions program provides agencies with an easily manageable web site that delivers current preferred supplier promotions to site visitors. Print and Email marketing are integrated with the web sites, encouraging recipients to visit your site.
- 3) You may already know people who can help your marketing plan succeed. Consider students, people in other industries, those who may be able to work part-time, young professionals
- 4) Bartering and partnerships are two great ways to achieve results without spending money. Explore your options.
- 5) Supplier co-op funds will often pay a portion of advertising costs. Talk to your local sales representative about fund availability and how they can be used.

Budget

Determining your marketing budget requires a careful look at your cash flow and projected gains. There are many ways to determine your marketing budgets, but here are two examples.

Work Forwards

One very simple way to draft a marketing budget is to examine your sales goals and compare the required increases to the amount of marketing (money) that will be needed to bring in new business.

Example

Sales Goal, year over year: 10% increase (from \$100,000 to \$110,000)

- Total sales increase requires \$100,000 repeat business and \$10,000 in new business
- If trip cost averages \$2500 per person, you'll need 4 more sales than the year before to meet your goal
- What efforts will be required to solicit enough new clients to gain these sales?
- Perhaps you'll send 250 postcards, four times during the year
- If each postcard costs \$0.25, you'll spend \$250.00
- If you achieve the 4 new sales, resulting additional commission may be \$1200 (at 12%)

Total profit: \$1200 commission less \$250 expenses* = \$950

**Not including other costs associated with completing and servicing a sale*

Don't forget to consider the amount of commission gained by increasing sales with various preferred suppliers. Which preferred suppliers help you make more money in less time? As you consider this, possibly integrating this strategy into your entire agency, here are some points to note:

- 1) Amount of time invested per sale
- 2) Commission on average sale
- 3) Customer satisfaction with the product, and likelihood to refer to new clients to your agency for that product
- 4) Additional, non-commissionable expenses that your customer will have to buy outside your agency

Work Backwards

Another way to determine a budget is by working backwards, starting with your profits and working back to required sales and marketing efforts and expenses.

Example

Profits Goal: \$10,000 more than previous year, for single preferred supplier

- At 14% commission, this requires \$72,000 in additional commissionable sales
- Trip average cost is \$3000 (commissionable), so that requires about 24 additional passengers
- But I will need to invest in marketing, which detracts from profits...
- Solicit by mail: appropriate audience of 500 homes, and this list costs \$500
- Marketing expenses: 3 mailings at \$1.00 per mail piece (\$1500)
- Total marketing expenses: \$500 + \$1500 = \$2000 (equivalent to commission from \$15,000 / 5 pax)
- So I'd need to sell to 29 passengers total to meet my profit goal
- 29 pax/500 households = 3 or 6% rate of return... which may be overly optimistic if I target the wrong audience or am not successful in converting customer interest into sales
- Actions: we will proactively contact people on the mailing list and encourage them to contact the agency, sign-up for our e-newsletter, persuade them to trust us for the best travel experience, and understand their travel needs by taking notes with each conversation.
- Also, some of my agents aren't entirely familiar with this supplier, so I've invited the sales rep for a 3-hour training session just before we send out the first mailing.

Required Sales: \$87,000* or about 29 passengers

Required Marketing: \$2000*

**Not including other costs associated with completing and servicing a sale*

Outlook

Realistic expectations can be truly beneficial to your business, both as you draft your Marketing Plan and as you carry it out. With a healthy idea of how your marketing efforts will be received, you can create the most accurate forecast for your business.

Here are some points to keep in mind as you plan:

- 1) Marketing is most effective when you deliver an appropriate message to the consumer
- 2) Consumers who receive inappropriate or ill-timed messages are not likely to purchase or initiate contact
- 3) You may have to deliver your message more than once before you successfully deliver it at the "right time" for the consumer
- 4) Consumers will weigh your agency's brand, marketing message, and the brands and values of any mentioned products when they receive your marketing pieces.
- 5) Consumers may be loyal to your competitors (How will you win their business and loyalty?)
- 6) Marketing response rates can be very low in a successful campaign... perhaps just 1-2% for a targeted direct mail campaign. Response rates rise when you target consumers with appropriate messages.

5: Plan – Two examples (based on two target markets) for increasing sales with a single supplier

Marketing Goal		<p>Increase Globus (and associated brands) sales to \$150,000 (the 18% commission level) 2006 Sales were: \$100,000 (17% commission level) Required Increase: 50% or \$50,000 \$50,000 is roughly 25 passengers (12 couples, or a large group) Also need to maintain last year's sales of \$100,000 through regular sales</p>	
Strategy	Target	Example 1 Clients on escorted tours (with non-preferred suppliers) worldwide over the last several years	Example 2 Groups: casual adult sports leagues
	Message	Great tour guides and accommodations, seamless vacation, great destinations; Sample prices for popular tours	Good times with your group, amazing sights, lots of activity, time to explore destinations; Sample prices for popular tours
	Vehicles	Send promotional postcards or email (every 1-2 months); invite to an open house Graphics/Images: casual global Tone: professional, fun	Speak to groups (talk to group leader first), handout flyers, serve world fare; then follow-up with mail/email Graphics/Images: casual global Tone: fun
	Schedule & Tracking	Week 1: order & send cards Week 8: send MAST 360° or <i>Vacation Makers</i> Week 12: send open house invitation by mail and email Week 15: open house Week 16: thank you notes with call-to-action; Send encouraging note to those who did not attend Week 18-19: call prospects Week 20: more postcards with specific call-to-action if possible TRACKING: log solicited customers with dates of response, purchase, and travel	Week 1-2: (12-15 months prior to travel) seek group leaders and brainstorm for potential trips Week 3: set schedule for announcing to group, time of trip, final payment, etc.; announce group presentation Week 5-6: group presentation Week 7: email follow-up to group (every 2-4 weeks) Week 7: follow-up with group leader (regularly) Continue this pattern as long as necessary 1-3 Weeks before trip: document or "bon voyage" party TRACKING: log time spent on group. Group needs to be committed & deposited at least 9 months prior to travel.
	Competitive Strategies	Offer repeat client coupons Emphasize agency's customer service Emphasize benefits of a Globus product versus other suppliers	Integrate group-specific events into the tour (such as volleyball on beaches of Spain, golf lessons in Scotland, Olympic tour in Greece, Alpine skiing, etc.)
	Expenses	Resources	MAST Web-to-Print service for quick postcard production/mail; ClientBase to send emails; Employee to design emails and track responses through MAST Web Solutions; Globus rep at open house
Budget		\$400 for printing/mailing to 200 people over several months; \$100 for open house	\$100 for group presentation; \$200 for assorted follow-up; \$500-1000 for extra group amenities (such as limo services, pre-trip party, thank you gifts)
Outlook		<p>Conservative: at least 4 passengers (new Globus clients) 4 pax = sales of \$8000 \$1440 Commission (at 18%) \$500 Expenses Profit: \$940 or \$235 per passenger</p>	<p>May or may not find a group welcome to this idea and itinerary; Group may prefer another travel year or supplier; Potential long-term relationship with group/organization; Group of 25 = \$50,000 sales \$9000 Commission (at 18%) \$800-1300 Expenses (Round to: \$1050) Profit: \$7950 or \$318 per passenger</p>

