

# Irwin mountain inn and sister properties marketing plan

[Business](#), [Marketing](#)



## 1. 0 Executive Summary

Irwin's Mountain Inn and sister properties (Irwin's Mountain Inn, High Country Inn, Rundle Stone Lodge and Red Carpet Inn) designed to become market leader in the Banff and area. All facilities of this company located in Banff in the Canadian Rockies and great national park of Canada the biggest tourist and visitors attraction location in Alberta.

Our mission is to provide our customers luxury and rest with best customer service. Banff city market hospitality business situation is on its competitive edge with variety of luxury 5 star facilities to 3 star hotels, motels and restaurants with price range CAD \$100 - \$500.

We Irwin properties possesses good information about the market and knows a great deal about the common attributes of the most prized and loyal customers. We benefit from this information in preparing extensive marketing plan for the purpose to extend our market share and profit ratio in the market. During market research we use different method specially focus groups and primary data available for the same purpose for maintaining positive steady growth, attracting new customers and increase in occupancy.

We raise our market segmentation from three types of customers to five categories which we did not consider in the last years. On the base data and information gathered in the market we also predict sale forecast of the company and estimated growth of 10 to 12% percent per year.

We use SWOT analysis as a tool of our strengths, weaknesses, opportunities and threats in the market for our business. We tried our best to be realistic

throughout this marketing plan focus on customer satisfaction which is our best asset and back bone of our business. We also use geographic and demographic parameters as our mile stone. In marketing mix we looked back strictly in our Product (hospitality service sector) and competitive prices. We also suggest a promotional strategy and entirely new look place (our facilities) and suggestions to make it better and attractive for our customers. We also suggest an action plan for the group properties to cope with repositioning of our service and its quality.

### 1. 0. 1 Mission

The Irwin's Mountain Inn intends to provide a serene setting for our guests to enjoy the much splendour of the beautiful Banff Mountains. Each guest will be treated with the kind of attention that is reserved for family. When our guests arrive we want them to leave their troubles at the door and step into a world of luxury and rest. As owners we intend to see that attention to detail and service will be followed by a staff dedicated to each guest.

### 1. 0. 2 Company Description

The Irwin's Mountain Inn is a beautiful a family owned and operated Banff hotel. The Irwin's mountain Inn is an ideal choice for accommodation in the Canadian Rockies. The Inn offers 65 individually furnished rooms, each with its own antique theme. We are a complete bed and breakfast Inn with a full complementary breakfast served each morning to our guests. Irwin's target market strategy is based on becoming a destination of choice for tourists, and couples in the beautiful area of Banff, The great national park of Canada who are looking for a place to relax and recharge. We will also advertise to

the newly married couple who is looking for that special get away. It will be important for us to be visible to those potential guests who are traveling on Highway 1 around from Canada to Banff.

The Irwin will have an eye catching sign that will alert potential customers and drop-ins of our existence. We will use the Yellow Pages to market our Inn, as well as a Web page on the Internet which will focus on the features the Inn has to offer. Each room will be displayed with its unique decor, as well the outside of the Inn showing the beautiful gardens and views of the Banff. Attractions within 30 miles of the Inn will be displayed with information about our shuttle service, room rates and directions. The Irwin is confident that it will not take long to build a following that will put us at full capacity within the next year. The Inn would like to see steady growth with an average of over 90% capacity for Year 1, with profits also growing at a rate of 20%.

## 1. 2 Current Marketing Situation

Banff is 100 kilometres west of Calgary and sits in the first range of the Eastern Slope Rocky Mountains. The landscape is rugged, consisting of towering black mountains, deep blue and white glaciers and alpine tundra. The valley bottoms are densely carpeted with spruce and pine trees, and fast-flowing rivers churn through their centers.

The city of Banff is relatively tiny, squeezed into a narrow mountain valley and bisected by the Bow River. Nearly all the restaurants and businesses in town are crammed into three blocks of Sukiyaki House Banff, which makes for a densely packed market atmosphere. South of the Bow River is the

legendary and magnificent Fairmont Banff Springs, and the Upper Hot Springs. Several kilometres to the west of town is the Cave and Basin National Historic Site, and to the west is the Golf Course Road, which is flanked by verdant fairways and greens.

Lodgings are abundant in Banff. The winter season is quite busy however, so it is best to make reservations at least a month in advance. Accommodation choices run the range from the famous hotels and lodges to five star hotels.

For the very best in Banff living quarters, hotels has been around longer than the park or even the town itself, and played a crucial role in the development of both. The springs are quite expensive and always in high demand; reservations should be made up to six months in advance. With several restaurants and lounges, ballrooms, a spa, and many other entertainment choices, it is possible to stay quite busy in Banff and never leave the hotel.

### 1. 3 Banff Hotels Review

Here is a variety of hotels, motels and lodges in Banff ranges from CAD \$ 150 to 600 to spend on a bed for the night; one of the downtown hotels might suit well. Lining Sukiyaki House Banff for almost a kilometre, the hotel strip represents most upper-end chains, as well as a host of independent local operators. Most of these hotels have rooms in the CAD150-CAD600 price range. There are also a couple of inexpensive motels tucked away in the woods at the very north end of town, where a room can be had for less than CAD90 per night depends on the quality and customer service.

While harder to find than the big hotels, there are dozens of bed and breakfasts and small lodges scattered throughout the residential districts of Banff and Canmore. These run the gauntlet from one-bedroom units to fully appointed luxury suites. Depending on the location and quality of service, they can either be very expensive (up to CAD300 per night) or very reasonable (less than CAD50 per night) in the off season. Staying at a B&B also has its advantages in that you get to personally know your hosts, who will give you advice on the best deals and entertainment options available in town. If you find yourself strapped for cash or cannot get a reservation in time, there are two hostels in town. The Banff Y Mountain Lodge at the south end of the bridge over the Bow River has 300 beds available to all manner of travellers. The Banff Alpine Center has 260 beds, as well as an excellent restaurant and information center.

There are several government and privately-operated campgrounds in the park as well. If you plan on staying in a campground, make sure to visit the Banff Information Center, which is located half-way down Sukiyaki House Banff, to inquire as to the latest campground conditions and to reserve a space.

In this competitive hotel business atmosphere we are committed to provide high quality bed and breakfast facility to our customers in affordable price.

## 2.0 Competitive Situation

Typically in this industry the consumer is someone who is not just looking for a room to sleep in, but a facility that provides a homespun touch and a place that is unique and offers more personalized customer service. Because each

Inn is offering something unique to the guest, customer service and quality to the facilities are at the forefront of importance. Location is also important and those inns with a mountain or ocean view have an advantage, but with the limited number of room at inns in the area there are enough customers to match the supply. Irwin with other sister properties will be competing on price and quality. Guests at Irwin are paying for more than just a room; they are paying for an oasis away from their hectic world.

### 2. 0. 1 Situation Analysis

Although Irwin`s started its Bed & Breakfast business 5 years ago but we are in critical situation because of recent recession and competitors. Marketing is critical to its success and future profitability. The Irwin`s offers an exquisite country setting B&B, in Banff downtown. The basic market need is a delightful B&B serving the area. The physical structure that houses the B&B has been specially engineered to please the most discriminating travelers.

### 2. 0. 2 Market Summary

The Irwin`s Bed & Breakfast possesses good information about the market and knows a great deal about the common attributes of the most prized and loyal customers. The Irwin`s Mountain Inn will leverage this information to better understand who is served, their specific needs, and how The Irwin`s can better communicate with them.

### 2. 0. 3 Marketing Research

During the initial phases of the marketing plan development, several focus groups were held to gain insight into a variety of B&B patrons. These focus

groups provided useful information into the decision making processes of consumers.

An additional source of dynamic market research is a feedback mechanism based on a suggestion card system. The suggestion card has several statements that patrons are asked to rate in terms of a given scale. There are also several open ended questions that allow the customer to freely offer constructive criticism or praise. The Irwin will work hard to implement reasonable suggestions in order to improve their services as well as show their commitment to the customer that their suggestions are valued.

#### 2. 0. 4 Marketing Objectives

1. Maintain positive, steady growth each quarter.
2. Experience a growth in new customers who are turned into long-term customers.
3. Realize an increase in occupancy each subsequent year.

#### 2. 0. 5 Financial Objectives

1. A double digit growth rate for each future year.
2. Reduce the variable costs per guest.
3. Continue to decrease the fixed costs.

#### 3. 0 Target Market Segment Strategy

Our target market strategy is based on becoming a destination for people who are looking to get away for a few days, on the beautiful Banff. Our marketing strategy is based on superior performance in the following areas:



Quality facilities.

Beautiful location.

Customer service.

The target markets are separated into five segments; " Vacationers," " Honeymooners," " Drop-ins," " Travellers" and, " U of C" students. The primary marketing opportunity is selling to these accessible target market segments that focus on vacation and recreational needs.

3. 0. 1 Vacationers:

The most dominant segment of the five is comprised of the Banff and surrounding area. Calgary is 1 and half hour drive while it is an approximately a 35 minute drive for Canmore residents. Banff seems like a different world and this is attractive for those people who have the need to get away but do not have the time to go far.

3. 0. 2 Honeymooners:

Because of the beauty and location of our Inn, we will be a very attractive choice for people looking for a honeymoon location.

3. 0. 3 Drop-ins:

When rooms are available we will welcome the drop-in customer who is looking for a place to stay for the night. Our sign can be seen from highway 1 and we expect to get quite a few drop-ins.

3. 0. 4 Travelers:

These people are passing through United States of America and Mexico prefers to stay in a hotel/motel.

### 3. 0. 5 University of Calgary travelers:

The University of Calgary brings a large number of students and they believe that a good portion of their road trips will be from the university. Occasions include parent's weekend, orientation, parents visiting, and graduation. Lastly, the university will often set up rooms for administrative visitors.

### 3. 1 Strategy and Implementation Summary

The primary sales and marketing strategy for Magnolia includes these factors:

To offer a bed and breakfast facility that will appeal to the busy professional.

To provide unmatched customer service to our guests.

To concentrate our marketing in the greater San Francisco Bay area.

### 3. 2 Sales Forecast

The sales forecast table is broken down into two main revenue streams: Reservations and Drop-ins. The sales forecast for the upcoming year is based on a 10% growth rate for direct sales. The Irwin's has 65 rooms to offer its guests at a rate of \$125. 00 per night. We expect the rate of rooms occupied to increase as the year progresses. In spite of the economic unpredictability we are experiencing, these projections appear attainable and take the increasing base into consideration. Growth rates for the years 2007 and 2008 are based on percentage increases as follows:

Reservations: 10% growth rate per year.

Drop-ins: 10% growth rate per year.

### 12 Months Sales Forecast

<https://assignbuster.com/irwin-mountain-inn-sister-properties-marketing-plan/>

Year 1

Year 2

Year 3

Sales

Reservations

\$350, 000

\$376, 000

\$398, 000

Drop-ins

\$52, 000

\$56, 500

\$63, 700

Total Sales

\$402, 000

\$432, 500

\$461, 700

Direct Cost of Sales

Year 1

Year 2

Year 3

Reservations

\$15, 300

\$17, 250

\$19, 900

Drop-ins

\$5, 500

\$8, 480

\$10, 975

Subtotal Direct Cost of Sales

\$20, 800

\$25, 730

\$30, 875

#### 4. 0 SWOT Analysis

##### 4. 0. 1 Strengths:

1. Dynamism in the Tourism and Hospitality industries.
2. Continuous inflow of Tourists in the country.
3. Canada's rich cultural heritage.
4. Average labour costs as against the world standards.

##### 4. 0. 2 Weaknesses:

1. Regional imbalance of hotels.
2. Capital intensive
3. Labour intensive
4. High taxes and tariffs for every service.
5. Disparity in taxes charged by State
6. Lack of aggressive and effective marketing and promotional strategies.
7. Release of land at prime locations is difficult because large tracts of land in such locations come under the Government's control.

8. The prohibitive cost of power in Canada

9. High government duty on power tariffs

4. 0. 3 Opportunities:

1. Increased demand for the hotel.

2. Declaration of the Hotel Industry as a “ High Priority Industry”.

3. Government policy of positioning hotel and other tourism related activities in the government sector.

4. Various incentives/concessions extended by the Government.

5. Approval of the hotel by the Department of Tourism. This approval constitutes a certificate of suitability of the hotel for occupancy by tourists, both foreign and domestic.

6. Higher interest subsidy for hotel projects that are set up in special areas and specified destinations as per the Government.

7. Introduction of the Capital Subsidy scheme for the Heritage class of hotels.

8. Declaration of the hotel and tourism industry as a high priority industry for foreign investment.

4. 0. 4 Threats:

Government tax policies  
 Significant over capacity in hotel industry  
 Competitors  
 Higher safety standards  
 Educated and highly paid staff

## 5. 0 Marketing Objectives and Issues

Generate a customer satisfaction rate above 90%.

Generate an average of \$26, 000 of sales each month.

Stay above 90% occupancy each month.

### 5. 0. 1 Market Segmentation

The profile of our customer consists of the following geographic and demographic information.

#### 5. 0. 1 Geographic's

Our immediate geographic market is the City of Calgary and area with a population of over 1. 4 million people.

A 200-mile geographic area would want to use the kind of services we offer.

The total target area population is estimated at two million people.

#### 5. 0. 2 Demographics

Male and female.

Married and single.

Combined annual income in excess of \$275, 000.

Age range of 25 to 65 years with a median age of 40.

Work in a professional business setting.

### 6. 0 Marketing Mix

The Irwin Mountain Inn's marketing mix is comprised of the following approach to pricing, distribution, advertising and promotion, and customer service.

#### 6. 0. 1 Pricing:

The pricing scheme is based on a room rate. The rate is arrived at in terms of by its market value.

#### 6. 0. 2 Distribution:

All services will be provided at the Inn.

#### 6. 1 Advertising and Promotion:

##### 9. 0. 1 Marketing Channel selection

Generally there are many marketing channels but we decided to select some of them to make our plan work and practical. Personalize method of marketing and promotion of our facilities we select direct and email marketing method.

The most successful traditional advertising will be with the Inn association. Developing strategic alliances with the university is a non-traditional method of marketing, but it will be quite efficient. The website will also be used in marketing activities.

#### 6. 1. 0 Customer Service:

Obsessive customer attention is the mantra. The Inn's philosophy is what ever needs to be done to make the customer happy must occur, even at the expense of short-term profits. In the long run, this investment will pay off with fierce customer loyalty.

#### 6. 2 The Product Life Cycle

A new product progresses through a sequence of stages from introduction to growth, maturity, and decline. This sequence is known as the product life

cycle and is associated with changes in the marketing situation, thus impacting the marketing strategy and the marketing mix.

The product revenue and profits can be plotted as a function of the life-cycle stages as shown in the graph below:

### 6. 2. 1 Introduction Stage

In the introduction stage, the firm seeks to build product awareness and develop a market for the product. The impact on the marketing mix is as follows:

- Product branding and quality level is established and intellectual property protection such as patents and trademarks are obtained.
- Pricing may be low penetration pricing to build market share rapidly, or high skim pricing to recover development costs.
- Distribution is selective until consumers show acceptance of the product.
- Promotion is aimed at innovators and early adopters. Marketing communications seeks to build product awareness and to educate potential consumers about the product.

### 6. 2. 2 Growth Stage

In the growth stage, the firm seeks to build brand preference and increase market share.

- Product quality is maintained and additional features and support services may be added.



- Pricing is maintained as the firm enjoys increasing demand with little competition.
- Distribution channels are added as demand increases and customers accept the product.
- Promotion is aimed at a broader audience.

### 6. 2. 3 Maturity Stage

Once the sales growth slows down, the product enters a maturity stage. This stage is usually longer than previous stages but the competition is higher with similar products, with price cuts and more sales promotions. To stay alive, companies need to increase consumption and attract new users. Therefore, they have to innovate in the market (repositioning the brand), modify the product and modify the marketing mix

Competition may appear. The primary objective at this point is to defend market share while maximizing profit.

- Product features may be enhanced to differentiate the product from that of competitors.
- Pricing may be lower because of the new competition.
- Distribution becomes more intensive and incentives may be offered to encourage preference over competing products.
- Promotion emphasizes product differentiation.

6.                    2.                    4                    Decline                    Stage

As sales decline, the firm has several options:

- Maintain the product, possibly rejuvenating it by adding new features and finding new uses.
- Harvest the product - reduce costs and continue to offer it, possibly to a loyal niche segment.
- Discontinue the product, liquidating remaining inventory or selling it to another firm that is willing to continue the product.

The marketing mix decisions in the decline phase will depend on the selected strategy. For example, the product may be changed if it is being rejuvenated, or left unchanged if it is being harvested or liquidated. The price may be maintained if the product is harvested, or reduced drastically if liquidated.

### 6.3 Maturity Stage

The Maturity Stage is, perhaps, the most common stage for all markets. It is in this stage that competition is most intense as companies fight to maintain their market share. Here, both marketing and finance become key activities. Marketing spend has to be monitored carefully, since any significant moves are likely to be copied by competitors. The Maturity Stage is the time when most profit is earned by the market as a whole.

Any expenditure on research and development is likely to be restricted to product modification and improvement and perhaps to improve production efficiency and quality.

### 6.4 Why PLC is important?

For better understanding of Product Life Cycle (PLC) it is important to understand Product Life Cycle Management (PLM).

With increasing competition in global markets, demanding customers and enhanced compliance requirements, companies need to manage products globally, with an emphasis on reduced time to market and increased operational effectiveness. The need to collaborate effectively with vendors and partners in the value chain is also intensifying. Product Lifecycle Management (PLM) solution is a business necessity addressing all these criteria for a product company to be successful.

Product Lifecycle Management's objectives are to improve and accelerate time to money and promote innovation at both the product and process levels. These results in a noticeable improvement in market acceptance of products and the revenue they can generate.

PLM provide solutions e. g.:

Ø Helps companies collaboratively manage all product related activities from concept to market launch.

Ø Reduces development time and costs of new products to improve profitability and grow market share.

Ø Improves the quality of all new product releases and provides visibility to product data and processes.

Ø Provides the entire company (sales, engineering, finance, purchasing, manufacturing and distribution) with a single and accurate view of the product, accelerating new product design, development and introduction.

Ø Increases customer satisfaction through better products and service performance.

## 7.0 How Irwin's got to the Maturity Stage

Five years ago when Irwin started Bed & Breakfast business in Banff market there were many hotels of customer's choice in the market range from \$75 two star facilities to \$ 500 with five star facilities. Irwin properties were between these facilities from 3 Star to 3.5 Star facilities with price range \$100 to \$175 with best service in town (That we have adjusted from \$100 - \$125 according to the current market situation). But as Banff market grows rapidly for visitors and tourists' competitors came into the market with entirely new style and marketing strategies. Last three years were tough in the hospitality market in Banff but Irwin properties market share was extremely high because of its goodwill and best customer service in town. Irwin properties market share is still better in the market but the core problem is recent recession that hurts the hospitality business like all other businesses in Canada and United States. Company is trying to modify its marketing strategies to gain its market share in Banff.

The product life cycle does not entirely depend on time but some other parameters such as management policy, company strategic decisions and market trends. These parameters are difficult to be pinpointed and so are not included in the product life cycle as suggested by Donald Clifford in 1965, which follows.

§ Collection of information about the product's behaviour over at least a period of 3 - 5 years (information will include price, units sold, profit margins, return of investment - ROI, market share and value).

§ Analysis of competitor short-term strategies (analysis of new products emerging into the market and competitor announced plans about production increase, plant upgrade and product promotion).

§ Analysis of number of competitors in respect of market share.

§ Collection of information of the life cycle of similar products that will help to estimate the life cycle of a new product.

§ Estimation of sales volume for 3 - 5 years from product launch.

§ Estimation of the total costs compared to the total sales for 3 - 5 years after product launch (development, production, promotion costs). The estimate should be in the range of 4: 1 in the beginning to 7: 1 at the stage where the product reaches maturity.

On the above mentioned parameters and elements there could be one or more factors of these:

People are not trained sufficiently

Standard not adhered to

Communication problems

Customers needs were misunderstood

Ineffective safety programs

Cultural non acceptance

Informal decision-making

Ineffective management

7. 0 Action Plan (Competitive Edge)

The Irwin's sets itself apart from similar competition in the following ways.

Location: The sheer beauty of our setting is a huge plus. Nestled on a bluff with a panoramic view of the Bow river the Irwin is the ideal place to take in Mother Nature. Beautiful Irwin trees and a garden area make this setting a truly magnificent place.

Our rooms: Each room is individually decorated with antiques that are tasteful but comfortable. You feel as if you have stepped back in time, as luxury is present at every turn.

Customer service: Customer service is our number one priority. Irwin will treat each guest as if they are family.

The start-up costs will come to \$32, 000 (including cash required at start-up) which will be primarily financed by owners. The costs of improvements to the building totalled \$32, 000. Owners purchased the property 5 years ago with the intent of renovating and opening the business.

Start-up

Requirements

Start-up Expenses

Legal

\$500

Stationery etc.

\$500

Insurance

\$500

Improvements to Inn

\$30, 000

Flowers

\$500

Total Start-up Expenses

\$32, 000

Start-up Assets

Cash Required

\$6, 000

Other Current Assets

\$10, 000

Long-term Assets

\$100, 000

Total Assets

\$286, 000

Total Requirements

\$402, 000

## 7. 1 Product Repositioning

Because Irwin properties reached on its maturity level and our profits got stagnant at this point and as an action plan or product repositioning we suggest following:

- v Renovations of all facilities with entirely new look
- v Add new dishes in complimentary breakfast
- v Raise in marketing finance 20%
- v More customer care
- v Redesign customer survey form and request to fill with prepaid post stamp
- v Lower room rates with best customer service
- v Multi-channel marketing promotion
- v Gifts for customers
- v Customer relation campaign (Email, phone & mail)
- v Monthly newsletter post to all potential customer
- v Consortium update with National tourism company

#### 8.0 Controls

Mr. and Mrs. Hanani will (property owners) will handle and control all financial matters. This marketing plan also suggests that in Irwin Mountain Inn and sister properties management will also measure performance and profitability factors. For this purpose management promoted Mr. John from manager to General Manager of management systems to look after all three facilities overall and report top management. For this purpose we suggest



Five Star Hotel Management Software to cover all these areas of our business. Hotel and front office management, internet reservations, employee's performance, call accounting, budgeting and interfaces. Management can check all data reports with graphic interface ratios from their desks any time. This software will also measure our properties performance in the marketplace, and will evaluate the causes of any differences between expected and actual performance.

Management will also check the operating control including ongoing performance against the annual plan and will take corrective actions to ensure that company achieves the sales, profits, and other goal that we set out in our annual plan.

Our strategic control is to look at whether the company's basic strategies are well matched to its opportunities. Marketing strategies and programs can quickly become outdated, so that company should periodically reassess its overall approach to the market place.

We also suggest a comprehensive, systematic, independent, and periodic marketing audit for examination of our company's environment, objectives strategies, and activities to determine problem areas and opportunities. The audit will provide an input for a plan of action to improve the company's marketing performance.

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