

Marketing plan for event management company

[Business](#), [Company](#)



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Bachelor's Thesis in International Business, 64 pages\nSpring 2013

\n ABSTRACT\n

This thesis provides a strategic marketing plan for an event management company, which represents service business organizations. Headquarter of the company is in Lahti, Finland, while its operations are nation-wide. The business in which the case company is involved includes entertainment, festivals, events, and club parties in different places such as nightclubs, restaurants, lounges and outdoors. The marketing plan will enable the company to have comprehensive vision about the business and increase benefits and wealth of the corporation as a whole.

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This thesis appears as a combined solution to the role conflict problem that the author is facing. As a business student, the author provides an advanced study emphasizing a marketing issue. As an employee, the author proposes a business plan that contributes benefits to his company. And finally, as an artist, the author has successfully brought his inspirations together, music and money. The research method used in this thesis is qualitative. Qualitative data is collected by interviews with managers, unofficial meetings with workers in the related business field, observations and private sources; while, literature and theories are acquired from publications source, for example, books, articles, journals, press releases. Some electronic sources are also used to supply data for some researches in this thesis.

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Key words: marketing plan, service business, event management

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1. 1

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INTRODUCTION

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Background

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When the decision of writing the thesis was made, the author had mixed interests in different business areas and at the same time he faced a role conflict problem. The first area was business management in which the degree program of this thesis was involved. The second area was music industry that had been continuously inspiring the author's lifestyle and other activities, including business life. The third area was event management business in which the author actively participated and planned to involve as his career. The author's role in the first area was as a student while in the second and the third area it was a participant. Moreover, the author maintained a close relation with a friend, who is also in the event management business, and they agreed to cooperate in a related project. Therefore, the author was in need of solving the role conflict and combining those interests into one work in order to optimize time and effort with superior results. After days and nights of endless effort, such as reviewing business studies, contacting people who are working at radio stations, music promoters, auditing the industries and the companies' operations, the author realized the urge to have a firm, clear, and effective benefit-generating marketing plan of the company that this thesis is about. After that, the author built the idea and introduced it to people who were able to give advice and make decision.\nAfter official meetings were held and approval was agreed, the author started to write this thesis. From that point, it was the

author's responsibilities to take care of and to develop this marketing plan that would meet the requirements and expectations of people who put trust in and supported him. It is also the key to opening the door to the author's first career in the country that he is living in, Finland.

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2\n1. 2

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Objectives, research questions, limitations

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The main objective of this thesis is to fulfill the need of the Clubworks Company having a comprehensive marketing strategy in order to optimize the company's functions and to raise the company's wealth. The critical factor to the success of this plan is the establishment of a new department, which is marketing department, that Clubworks is currently lack of. By this way, roles and functions of employees will be clearly defined, defects will be revealed and eliminated, strengths will be improved, and potential abilities will evolve. After the main objective is acquired, the second objective is applying this strategy into a real project, adjust and improve if necessary, to bring visible benefits to the company. While developing this marketing plan, the author will also explain some basic definitions of marketing related terms as well as the business and the operations of the company. Regarding the fact that this plan focuses on practical purposes, the literature theories will

be less concentrated than the practical information. Research questions are listed below:

\n

1. Which business does the company involve in?
2. What is marketing for service business?
3. How important is this marketing plan?
4. What benefits does this marketing plan bring?
5. How are those benefits delivered?
6. What are included in this plan?
7. Who are audiences of this marketing plan?

\n

8. Who are responsible for the works?
First four questions concern the necessity this marketing plan. In every business, future improvement is always the crucial expectation. Therefore, even though the answer is apparent, the perceive levels of this marketing plan will be raised up when these questions are answered. Last four questions are about methods to achieve success from this plan. Answers to those questions are main contents of this thesis.

\n

Besides objectives, limitations of this thesis exist. First of all, this thesis provides a marketing plan that contributes to the marketing department, therefore it must not conflict with functions of other departments. For example, the plan can suggest which roles are needed, but the human resources department has rights to make decision of hiring employees. Second, the level to which extent the plan is adopted by the

company is decided by the management board, this would have various impact on actual results. Last but not least, as the matter of fact that this marketing plan is not proposed by official employee of the company, there are barriers of access to necessary information that might be needed to complete the research. In sum, limitations are caused by different reasons and they would be changed by time.

\n

1. 3

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Research Method ; Data Collection

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The author starts this thesis by introducing the marketing philosophy, service marketing and the marketing planning definitions. After that, he defines the business functions of the company and goes deeper into detailed matters of the plan. In general, the chosen approaching method was going from general matters to specific matters. Hence, according to Burney (2008), who introduced the inductive and deductive research approach ideas in 06. 03. 2008, the author has used the deductive method.

\n

Data for this thesis will be collected from both primary and secondary\nsources. Books, articles, journals and other electronic sources contributes theories and framework to the marketing plan while observations,

interviews, work experience and other unofficial communications fulfill requirements of the strategic part. Therefore, both quantitative and qualitative methods are employed and they play equal role in the development of this thesis. As mentioned in previous part of this chapter, this thesis emphasizes on practical factor of the marketing plan more than the research purpose. Hence, the author prefer adopting useful sources to attempting to acquire various sources.

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4\n1. 4

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Structure of Thesis and Theoretical Framework

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The following table shows the structure of this thesis and marketing analyzing tools that are used in each chapter of this thesis:\nTABLE 1. Thesis structure\nMarketing process\nChapter 1: Introduction\nChapter 2: Marketing and Marketing\nPlanning\nChapter 3: Business Missions\nChapter 4: Marketing Audit

\n

Chapter 5: Marketing Strategy

\n

Analyzing tools\n?

\n

Approaching analysis

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?\n?\n?

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?\n?\n?\n?\n?\n?\n?\n?

\n

Radar analysis\nPESTEL analysis\nSWOT analysis\nFactor analysis\nPorter's
Five Forces analysis\nBenchmarking\nGap analysis\nPositioning\nBoston
Matrix\nFactor analysis\nBenchmarking

\n

Chapter 6: Findings and Suggestions\nChapter 7: Summary

\n

The left column contains chapters' name of this thesis. Each chapter from two to five is about a major process of this marketing plan. Chapter two focuses on literature review of marketing, specifically for service business, while chapter three focuses on the company in general. Chapter four and chapter five are most important strategic processes of this marketing plan that the author strives to put effort in. The right column contains marketing analyzing tools that the author will use in corresponding chapters on the left.

Finally, the author will give suggestions from this thesis and make conclusion and summary. The reference is not included in this table.

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MARKETING AND MARKETING PLANNING

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In the first part of this chapter, the author will define the marketing concept and identify marketing key components. In the later part of this chapter, the author will explain the purpose of marketing planning and describe content and structure of his process.

\n

2. 1

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Marketing philosophy

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Marketing can be considered as a business philosophy and an organizational culture, and also as a mean of driving strategies in order to

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achieve the organizations' goals. It is more than just a set of techniques for generating sales or a means of fulfilling corporate aims and objectives. (Blythe ; Megicks 2010, 4) In a quote by Peter Ducker, the father and the top management of business consulting, a very profound observation was stated:

\n

“ Because the purpose of business is to create a customer, the business enterprise has two--and only two--basic functions:\nmarketing and innovation. Marketing and innovation produce\nresults; all the rest are costs. Marketing is the distinguishing, unique function of the business” (Trout 2006)\nFrom this statement, three conclusions could be made. First, Ducker placed marketing in a central role for business success since it concerned the creation and the retention of customers. Second, he implied that the purpose of marketing is not about chasing any customer at any price. Third, as a reality of commercial life, Ducker concluded that attracting new customers is much more expensive than retaining existing ones. Therefore, a modern marketing concept can be expressed as below: (Jobber 2009, 4)

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Marketing concept\nThe achievement of corporate goals through meeting and exceeding customer needs and expectations better than the competition

\n

Goal achievement
Corporate activities are focused upon providing
customer satisfaction

\n

Customer orientation
All staff accept the responsibility for creating
customer satisfaction

\n

Intergrated effort
The belief that corporate goals can be achieved
through customer satisfaction

\n

FIGURE 1. Key components of the marketing concept (Jobber 2009, 4)

\n

In most organizations, marketing is usually seen as one among various business functions of a firm, rather than a business philosophy. Therefore, marketers have to obtain specific relationship with colleagues differently between types of company depending on the primary aims and driving cultures of the business. (Blythe ; Megicks 2010, 7)

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In general there are two competing philosophies that are marketing orientation and production orientation. Difference between these two types of company is illustrated in the following figures:

\n

Production\ncapabilities

\n

Manufacture\nproduct

\n

Aggressive\nsale effort

\n

FIGURE 2. Production orientation (Jobber 2009, 5)

\n

Customers

\n

7

\n

Customer\nneeds

\n

Potential\nmarket\nopportunities

\n

Marketing\nproducts and\nservices

\n

Customers

\n

FIGURE 3. Marketing orientation (Jobber 2009, 5)

\n

Production oriented firms normally believe that marketers must sell what the company can produce; meanwhile, marketing oriented ones believe that company should produce what marketers can sell (Blythe ; Megicks 2010, 10). Depending on the firms' driving culture, marketers must adopt the environment and exploit its competitive advantage.

\n

2. 2

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Marketing planning

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2. 2. 1 Purpose of marketing planning
Marketing planning has been defined:
" Marketing planning is the structured process of researching and analyzing marketing situations, developing and documenting marketing objectives, strategies and programmes, and implementing, evaluating and controlling activities to achieve the objectives" (Svend 2006)
In the market that is harsh and situations change rapidly, advanced planning of the marketing is essential for every organization whose purposes are providing

value to customers and pursuing benefits (Blythe ; Megicks 2010, 13). It enables corporations to reduce gaps between strategic planning and commercial reality and to adapt to changing business environment. In general, the act of analyzing marketing, adjusting company's capabilities to fit in marketplace and implementing strategic decisions are called marketing planning(Jobber 2009, 38).

\n

8\nA successful marketing plan should bring following benefits to a business:

\n

Consistency

\n

Commitment

\n

Marketing plan

\n

Responsibility

\n

Communication

\n

FIGURE 4. Benefits of a marketing plan (Blythe ; Megicks 2010, 15)

\n

First, it should provide a consistent course of actions, which is suitable with company in general as well as involving departments' strategies. Consistency will help corporation to reduce the risk of facing unforeseen problems that might happen in the future. Second, responsibility means that the plan should assign exact people specific responsibilities in executing their works. As the result, it enable management to monitor and to evaluate performances of employees in order to adjust behavior if necessary and maximal profits. Third, a plan not only assigns tasks to people but also explains purposes of job that they are doing. It is a strong motivator for employees as it helps them to understand larger picture of company as well as individual's roles as part of the company success. Last but not least, by clearing three question what, how and why mentioned above, a good plan will create a strong spirit and firm commitment to its implementation. (Blythe ; Megicks 2010, 14)

\n

9\n2. 2. 2 Marketing planning approaches\nWhile searching from various articles and books, the author found plenty of marketing planning approaches that are described in different ways. One approaching method could have several different explanations, and vice versa, same description could be concluded into different approaching methods. Finally, to the author, there appeared three main approaches to the planning that are convincing and applicable. They are described as follow:

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Planning approach. By conducting quantitative research using sequential evidences in order to seek for optimal solutions to emerged problems, marketers constitute a planning approach. This approach uses the advantages of systematic and clear analysis of problem, which supply helpful information for marketing planners to consider before selecting best executive plan. It also provides different departments a comprehensive framework for easy understanding and communicating throughout the organization (McDonald ; Payne 2005). Even though at strategic level, this approach is ideal, it has a huge disadvantage in practical level. This marketing planning approach requires a predictable, or at least stable, environment, which, is not the case that this thesis is aiming at. The executing environments for this marketing plan are nightclubs and alcohol consuming places where anything could happen literally; therefore, the author will avoid this approach.

\n

Visionary leadership approach. This approach may be the most common one among organizations in which management set overall goals for the firm as the result of leader's visions. After that, the involved departments will create the plan by exploiting their own resources while overall direction of the firm is still ensured. This approach is called by another name as goal-down-plan-up planning (Blythe ; Megicks 2010, 18). This approach is better than the planning approach in a way that it reduces distance between marketers and management, even though there is still a real gap. However, this approach follows the way that marketing department introduces the plan that follows the manager's direction; meanwhile, the author desires to propose an <https://assignbuster.com/marketing-plan-for-event-management-company/>

innovative plan to the company. Therefore, this approach is still inappropriate.

\n

10\nLogical incremental approach. This approach might sound risky to firms in other industries but it appears to be the most suitable method to such environment with lots of uncertainties that the author is targeting at. Here, in contradict to the planning approach where process is throughout structured; the strategic planning and objectives are based on certain awareness of needs and could be adjusted to fit in current specific situations. Even though the commitment to finalize objectives of the marketing plan has possibility to be delayed as long as necessary, this approach offers higher flexibility than any other approaching methods and tends to be the most suitable one for the company that the author is offering the plan to. Moreover, beside flexibility, other advantages of this approach are listed below: (McDonald ; Payne 2005)

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Shared agreement for execution among top management

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Key participants are encouraged to view problems dispassionately

\n

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\n

Possible strategic options could be tested before adopted fully

\n

?

\n

Uncertainty and lack of information are not problematic

\n

?

\n

Changing environment are continuously assessed and strategy is modified if necessary

\n

?

\n

Resources are generally allocated to most promising and actively participants

\n

?

\n

Change is evolutionary but not revolutionary

\n

2. 2. 3 Marketing planning process\n\nIn the last part of this chapter, the author combined different marketing processes and consulted a strategic planning consulting service (Williams ; Company) in order to introduce a marketing plan, which contains the following steps:

\n

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\n

Marketing\nStrategy\nFIGURE 5. Marketing Planning Process (modified from McDonald ; Payne 2005, 273)

\n

In this figure, the inner circle represents four major steps in order from one to four respectfully: Goal setting, Situation reviewing, strategy formulating and implementing. This framework was introduced by Malcolm McDonald in his book about marketing planning for services business (McDonald ; Payne 2005, 273). Next, each major step is broken down into a series of specific steps that are described in the outer circle. Each step in the outer circle could

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also be broken down into smaller steps and so on; for instance, marketing audit contains external environment and internal environment analyses. The purpose of the author presenting the process by a circle figure instead of a tree-root figure is to emphasize on the continuously nature of this marketing plan. Thus, instead of beginning by creating goals and outcomes of the project and pushing it down until implementing time, this logical incremental approach enables interactions to interfere at any point of the process and double back to the loop.(McDonald ; Payne 2005)

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12\n3

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BUSINESS MISSIONS

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In this chapter, first the author will explain type of business that the company is involving, then he will state the business mission then derive company objectives. In most cases, organizations measure their success by how many objectives they are able to achieve, which are derived from the corporate strategy. These objectives may vary from profit to other non-financial targets. Moreover, the corporate plan and strategy have root from the business mission and vision. The following figure sums up the relationship among those three factors: (Blythe ; Megicks 2010, 29)

\n

Business\nMission

\n

Corporate\nObjectives

\n

Marketing\nStrategy

\n

FIGURE 6. Developing functional strategy from first principles (Blythe ; Megicks 2010, 30)

\n

If the company business were a journey, the business missions would be the start point and the final destination, the corporate objectives would be other stations that are on the way of this journey, and marketing strategy would be the route that the company would take.

\n

3. 1

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Nature of business

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It is primary to emphasize that Clubworks is an event management company, which supplies various professions in entertaining business; and,

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the plan that the author proposes is a services marketing type. In the previous chapter,

\n

13\nuniversal principle of marketing is applicable to any kind of business; however, at this level, deeper focus on services marketing is demanded. Thus, there is a need to understand more about the nature of this business.

\n

There are numerous definitions of service by many different book writers, and\na definition itself might not include all type of service and it could be proved incomprehensive. However, it will be easier to start the plan with a proper definition of service in some way; therefore, the author chooses one of the most suitable definitions as follow:

\n

“ Services are intangible and they do not resulted in ownership of anything. Services are activities performed by the provider and are bought for their ability to create satisfaction. Customer interaction with the provider is integral to service creation and consumption whose production may sometimes be tied to

\n

goods” (Verma 2012)\nOf course it is difficult to have a neat definition of service, but the above one has sorted out some key metrics to measure the

qualitative nature of service that this marketing plan is aiming at. They are:
(McDonald ; Payne 2005, 17) ?

\n

Intangibility: Large extent abstract and intangible

\n

?

\n

Heterogeneity: Non-standard and highly variable

\n

?

\n

Inseparability: Services are produced and consumed at same time, with
customer participation in the process

\n

?

\n

Perishability: Impossible to store in inventories

\n

14

\n

Intangibility

\n

100%\n80%

\n

75%

\n

60%\n40%

\n

85%

\n

Perishability

\n

20%\n0%

\n

95%

\n

Heterogeneity

\n

90%

\n

Inseparability

\n

FIGURE 7. Nature of company's service(modified from McDonald & Payne 2005, 34)

\n

The figure indicates that the service has high level of qualitative rather than quantitative. A question emerges: “ What are the tangible things that this company produces?” It is true that the company basically supplies different kind of services such as event management, advertising, promoting, public relations activities and consulting that fall into intangible service category. Those services range from bands’ performance for thousands tailored down to small parties such as wedding anniversary; therefore, hardly could a universal standard be applicable. That reason explains the high level of intangibility and heterogeneity. Moreover, the nature of these services requires high level of interactive between provider and customer during the action time of any project, thus, one constantly needs other in order to let the business run, or in the other word, two parties are mostly inseparable. However, on some occasions, the company also distributes staff members who are able to sell alcohol to some specific places, produces music tracks

under orders and recording videos. Those products are tangible and are able to store in inventories. In some places, mix-tape playback is also acceptable, which means customers are able to manage the event without the disk jockey, on some certain level. Therefore, according to the analysis, the level of intangibility, heterogeneity, inseparability and perishability are not absolute high.

\n

15\n3. 2

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Missions and objectives

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Naturally, all companies have a business strategy. It contains important aspects and it rules all activities of that organization as the brain controls other organs in a human body. First aspect is the direction to which the company is moving, and the second one is the management of operations such as accounting, financing, marketing, and manufacturing in order to follow that direction. The point is whether management team able to recognize the business mission to add value to the wealth of company. According to recent studies, companies that develop clear and demanding mission usually achieve higher employee engagements and better benefits than companies that neglect mission statement. Thus, regarding its importance, the author will define the business mission of Clubworks by

answering these following questions:(McDonald & Payne 2005, 66 - 80) ?

What business is the company in?

\n

? Who are target audiences and what are their expectations? ? What type of relationship does the company have with its clients? What business is the company in?\n\nThe answer for this question seems apparently, however, it is challenging to be written down in a way that it is not too narrow or broad. In many cases,\n\nwhen being asked separately, managers from a same company state the business that they are involving in different ways. Therefore, in order to avoid the diversity among hierarchy of mission within the company, the company business must be defined clearly at this point(McDonald & Payne 2005, 68). As mentioned in previous subchapter, Clubworks is a service supplier whose services are mostly entertaining and events. Thus, it is possible to state that the company is in the entertainment business. However this definition is still too wide and it fails to focus on the company's actual operations. In contradict, distributing DJs/BJs and equipment to events, for instance, is too narrow for a business definition. After consulting the management board of Clubworks, the author established a neat definition of the company business, called " elämyksiä räätälöidysi". In English, it is adding customers' experience by supplying services in general clubs and customized events.

\n

16\n\nWho are target audiences and what are their expectations?\n\naudiences\n\nWhile establishing the business mission, it is important to take key

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audiences and their expectations in order to maintain a healthy and long run business. Key audiences are people who have most influences on operations and life of a operations

\n

company. Failing to understand the level of sophistication of audiences' requirement will result to poor performance and low profits, in worst case, profits,\nwithdrawal or bankrupt. Therefore, despite the fact that companies have different motivation to compose business mission, it must always reflect company's tion\naudiences' expectations. The following figure identifies how Clubworks consider ollowing\nits key audiences and their expectations: (McDonald & Payne 2005, 67)

\n

- Shareholders\n•

\n

Influencers

\n

Returns\nGrowth\nSustainable

\n

- Bar managers

\n

- Government and regulators

\n

-

\n

- \nCredibility\nLaw compliance Clients\nTax reliability

\n

- Employees\n•

\n

Internal

\n

Credibility\nTruth worthiness\nCompeting prices

\n

- Party people\n•\nHigh

\n

performance\nSatisfaction\nService delivery\nRecognition

\n

Security\nOpportunities (for potential)

\n

- Sub-contractors\n•\nLoyalty\nCredibility\nHigh performance

\n

FIGURE 8. Clubworks key audiences and their expectations ("" 2013)

Clubworks key

\n

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In general, there are three groups of audiences. The first group is internal audience who directly involve in the operating process of the company. This group includes employees, or staff who works for Clubworks and sub-contractors who are business partners. Mostly people in Clubworks are more or less artists and they have a strong desire of recognition and reputation. Artists who work for Clubworks usually have two demands, which are security and opportunity. It is needless to remind how tough it is for the life of an artist, especially in nowadays business world. Therefore, people in music industry demand first security for living, and then they desire to be famous, which can be achieved by promotion. The other audience in this group is the sub-contractors, whose job is to bridge between company and clients. This is one of two alternative ways to reach customers of Clubworks; and, by this alternative, work of employees is credited to sub-contractors while payments go to the company. Because sub-contractors outsource service from Clubworks, they not only expect loyalty and credibility from the company but also demand high performance from employees in order to sustain their brand names and reputation.

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The second audience group, which is influencers, plays an important role in the company's strategy and operations. They are shareholders who have direct interests in the company and government and regulators whose job is to monitor actions of company and to provide safety work environment. Shareholders invest money into company expecting it will growth and bring returns to them. Regarding the fact that this type of business does not attract risky investments with huge capital, shareholders of Clubworks require sustainable growth and earning as a cow gives milk. Moreover, by the special characteristics of this business that working time is mostly out of office hours and working place is beverage and alcohol consuming and service providers deal with all kind of people, there is always someone watching from behind. For example, government and inspectors always keep an eye on everyone who involved in this business and they expect at least that people are obeying the law, which sometimes seem harder than it sounds. Opening time, licenses, taxes and copyrights are four basic elements that keep those audiences concern.

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The last group of audience, which is clients, has most important roles and most influences comparing with other groups on the operations of company. There are two kinds of clients, direct clients who host the place, make

payments to company and indirect clients who come to the hosted place and pay the direct clients. These two concepts are sometimes confusing because there is not a clear border between them, depends on what kind of place the event occurs. In order to simplify those concepts, the author takes bar managers to represent the direct customers and party people to represent the indirect customers. By that way, the relationship between them is clearer. The bar managers need to order DJ from Clubworks to play music in their nightclubs or restaurants, either frequently or occasionally, and party people come to those places to enjoy their time. Hence, Clubworks supply the service to bar managers by sending the DJ, and the DJ representing his company to bring party people satisfaction. In this example, the service is supplied and consumed at the same time, according to definition of service in previous subchapter "nature of business" it goes to the level of inseparability. Common expectations of both clients are high level of performance, more satisfaction and more interactions between two parties. Moreover, the bar managers also require competing price and trustworthiness because when there is outsourcing people work in their places, they have to count everything on those workers, especially binding the alcohol selling license to those hand, according to the strict law in Finland. The relationship between the company and audiences is explained by answering the next question.

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What type of relationship does the company have with its clients? In order to answer this question, the author will evaluate the relationship between the company and its clients to decide whether customers have formal or

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informal relationship and whether service is provided continuously or discretely. Each type of transactions with different type of clients has it distinguish marketing approach strategy(McDonald & Payne, 2005). The following table assembles information of income contributed by different type of business transactions:

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19\nTABLE 2. Contributing income from clients ('''''''''''''' 2013) Type of relationship\nNature of service delivery

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Formal

\n

Informal

\n

Continuous

\n

Restaurant, nightclubs,\nlounges and venues\nSub-contractors\n''''''''%

\n

Birthday parties\nGraduationparties\n''''''''%

\n

Discrete\ntransactions

\n

Summer events\nFestivals\nCompany events\n''''''%

\n

Wedding celebrations\nAnniversaries\n''''''%

\n

According to this table, in which statistics supplied by general manager of Clubworks, income from formal clients is approximately ''''''% of company total income, while informal clients contributed ''''''% income in 2012. Formal clients are customers who are familiar with the company's service and they maintain close relationships company. They are bar managers, club owners and subcontractor who have been working with company every single time for years and they have understand well each other's works. They might have private contact with people from inside of the company and also working in the same area such as event and festival organizers; and, in some occasions, they ask for help from the company. In contradict, informal clients are people who get to know Clubworks by some other methods such as promotion events, friends and they usually demand to have some tailored services to fit in the theme of their own celebrations. Normally, the size of these events ranges from small to medium such as birthday, graduation, anniversary, wedding, New Year Eve, Christmas, etc. During the interview, the company manager strongly emphasized the importance of every customer." There is no such event that is too small or too big for Clubworks to organize. We always treat all of our customers fairly and equally with

professional manner and commit to customize our service so that it will be most suitable to all of clients' need", quoted Mr. " ", general director of Clubworks." Getting new customers is always one of our development objectives,

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20\nbut we should not forget our old customers who have been supporting us and helping ever since", he replied when being asked about his vision.

\n

3. 3

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Finalizebusiness mission and marketing objectives

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By answering three above questions, the mission of company becomes so clear that a statement is possible to be concluded as in the following table:

TABLE 3. Clubworks mission statement (Clubworks 2013)

\n

Clubworks mission\nAt Clubworks, we spend endless effort to bring satisfaction and experience to our customers with professional manner. We commit to tailor and customize our service in order to meet any requirements. Customers trust Clubworks as we have deep understanding

and years of experience in field of business that we are in, and they are able to demand from us increasingly quality of service. Business operations

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Clubworks delivers on-demand programs through following segmentations:

Events\n?\n?\n?

\n

Festivals\nCompany happenings\nWedding, birthday, anniversary parties

\n

Nightclubs, lounges and bars\n?\n?\n?\n?\n?

\n

?\n?\n?

\n

Club dance night\n90's nights\n2000's nights\nRnB nights\nSuomi pop/rock nights\nDubstep nights\nSuomi rap nights\nChill ; Lounge nights

\n

Company values\n?\n?\n?\n?\n?

\n

To deliver excellent quality\nTo satisfy customers' expectation\nTo bring customers' experience\nTo act in professional manner\nTo accept social responsibility

\n

Staff\n?\n?\n?\n?\n?\n?\n?\n?

\n

?

\n

Bartenders\nWaiters\nChefs\nBlockers\nCleaners\nBouncers\nFlyer
distributors, PR people\nTicket sellers\nAudio monitors

\n

21\n4

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MARKETING AUDIT

\n

In this chapter, the author will provide an analytical, critical and unbiased audit of the company's marketing strategy and explain how external and internal environment factors affect the marketing planning. This marketing audit itself does not constitute an action plan but rather provide necessary information for understanding and decision making process. However, by the importance of its function, this part indeed stands out as a compulsory part of a marketing plan; if compared, its status is as important as financial audit of the company.

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Internal

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External

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Business\nenvironment

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Organization

\n

Marketing\naudit

\n

Service

\n

Competition

\n

FIGURE 9. Marketing audit - modified from (McDonald ; Payne 2005, 90)

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The figure describes key determinants of a marketing audit, which includes four related sub-audits analyses. Each sub-audit analysis focuses on different aspects of the business and together they provide external and internal

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factors surrounding the company. Extended analysis of each sub-audit is in turn interpreted later in this chapter. Finally, the author will end this chapter with a SWOT analysis in order to assemble information of the marketing audit to create overall picture that makes sense to all of those within the company. (McDonald ; Payne 2005, 88)

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22\n4. 1

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Business environment audit

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The first external factor that affects Clubworks Company is the business environment. The purpose of this environmental audit is to consider determinants in the outside world that might influence the company's future success. However, by the extensive nature of the environment, it is essential to take only critical factors that might have effect on the business into account. In order to execute this task, the author will apply two suitable methods to determine and focus on those appropriate factors. The first method is PESTEL analysis, and the second one is Porter's Five Forces analysis. The PESTEL analysis of Finland is described in the following table. It includes political, economical, social, technological, environmental and legal factors. (Oxford University Press 2012) TABLE 4. PESTEL Analysis of Finland (Statistics Finland 2013) Political factor

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\n

A member of European Union

\n

? Strong, stable and transparent politics\nEconomical factor\n?\n?\n?\n?\n?

\n

Euro as currencies, stable exchange rate (to US dollar and other strong currencies)\nLeading in business and free trade market, rank 16th in world economic freedom score\nInflation rate is 1, 6% in January 2013\nHigh level of taxation\nHigh level of consumer price index, especially alcoholic beverages and tobacco products\nFacing economic recession in 2012 until approximately 2015

\n

?\nSocial factor\n?\n?\n?

\n

High skilled labor force that demand appropriate payment\nExcellent social welfare system\nAlcohol consuming culture\nDelay effect on music industry

\n

?

\n

Technological factor

\n

Quick response and adoption of emerging technology\nWireless and mobility are adopted and focused promptly\nSocial network, virtual and non-virtual, plays an important role in society

\n

Environmental factor

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?

\n

Long, cold and dark winter\nShort and wonderful summer

\n

Legal factor

\n

?

\n

Efficient and transparent regulatory\nCopyrights, property rights and intellectual rights are highly protected Restriction in working hour is tight

\n

23\nAccording to the PESTEL analysis, Finland is a modern country that provides stable business environment and it is leading in technology area, especially in wireless and mobility technology. Moreover, virtual social networks, for instance Facebook, are having stronger influence on the consumer behavior and the marketing strategy of organizations than ever. In addition, the Finnish social considers nightclubs, bars and happenings that relate to alcohol consuming and music performing as casual entertaining activities.\nDespite the fact that the consumer index and the tax on alcohol beverages in general are high, customers still prefer the same relaxing habit to other options, if there were any. However, there still exist negative environmental impacts on the company business. The economy of Finland is facing recession period with cuts out consuming behaviors as well as lawmakers are trying to reduce the nightclubs and other alcohol selling places opening time, which causes visible problems to direct customers of the company.

\n

After the country analysis, the industry analysis by applying Porter's Five Forces method is an integrate step of business environment audit. This analysis gives a better understanding of factors that affect the business operations of the company. The following figure illustrates the analyzing result: (Porter 2008, 3)

\n

Threat of new\nentrants\nLow\nBargaining\npower of\nsuppliers\nLow

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Rivalry

\n

Bargaining\npower of\nbuyers\nMedium

\n

Threat of\nsubstitutes\nLow

\n

FIGURE 10. Porter's Five Forces analysis of company industry (modified from Porter 2008)

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24\nIt is surprising to realize that the competitive rivalry within the company is fairly low according to the result of Porter's Five Forces analysis. The bargaining power of buyers is the only factor that is at medium level while other factors are at low level. The threat of new entrants appears to be low as in this business area the alliance network, the relationship and the reputation are so essential that they create a strong barrier for newcomers. Suppliers have almost no power of bargaining in case of Clubworks because the company uses mostly its own internal resource in operations including the human resource and equipment. For the reason of the using time of equipment is long, the purchasing department prefers discrete transactions and competitive price is the priority for suppliers. Clubworks supplies a wide range of service that covers almost every essential aspects in this area; therefore, the threat of substitute services or products is yet could not be

seen. Finally, the only force that contributes the most the rivalry is bargaining power of buyers. Basically informal customers have the most power to demand for fairly price, however, this segment contributes only ""% of revenue income; while the other segments which are account for ""% of revenue remain relation with company as the co-habitant style that lower their bargaining power. As the result, generally the rivalry environment surrounding the company in its business area is considered as medium. By the business mission of the company, this rivalry makes a favorable condition to achieve the company's goals.

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4. 2

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Competition audit

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This second external factor audit comes as a result of the competitive rivalry analysis. It allows the company to evaluate its competitive position comparing with other competitors whose representative is the company U in this case. Many competitors that account for small market share have common characteristics as company U; therefore, it appears to be too costly and time-consuming to take all of them into consideration. Moreover, company U is the main competitor of Clubworks and it already has advantages and certain position in the same market. Particular information of company U regarding their market share, service quality, equipment,

operations can be obtained from publicity materials, customer channels, social networks and also personal sources.

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25\n\nIn order to compare the company competitive position with its competitor, the author will use a weighted table that regards objectives include subscribers, audiences, alliances, places, as shown in the following table: (Pugh 1996, 151 - 153)

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TABLE 5. Competitive position analysis(Clubworks 2013)\nSubscribers\
nAudiences\nAlliances\nPlaces\nTOTALS

\n

Weight\n(. 25) x\n(. 15) x\n(. 30) x\n(. 30) x\n1. 00

\n

Clubworks\n75 = 18. 75\n55 = 08. 25\n80 = 24. 00\n60 = 18. 00\n69. 00

\n

Company U\n80 = 20. 00

\n

60 = 09. 00\n60 = 18. 00\n70 = 21. 00\n68. 00

\n

The weight column of the table represents raw score out of 100 percent, which reflects the extent to which two companies accept the listed competing factors. According to this table, company U has better score than Clubworks in the two first factors, meaning company U has broader influences and it is better wellknown in this field of industry by consumers, or party people who are in the group defined in previous chapter. However, when it comes to the alliances and places factors, Clubworks gains better score by its strong relationship with bar managers and its reputation has tied resident performers with certain places. After the raw scores are multiplied by weighting factors and total sum is calculated, it appears that both companies are having similar competitive advantages and leading position in the market. Here a question emerges, in order to generate more profits while maximize customer experience and satisfaction, whether it is better for two companies to form an alliance network than to remain the opposing position. Hence, it helps to turn the rivalry from the opposing competing to a more positive way, cooperating competing.

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4. 3

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Organization audit

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The organizational audit examines the company performance at the management level and the operational level and it clears out roles and

relationships among different units within the company. This audit also enables management to point out whether resources are abundant or lacking and to take necessary adjustment in

\n

26\norder to optimize processes. The following figure simplifies current operating process of the company:

\n

Resources

\n

Goods

\n

Sub-orders

\n

Finance

\n

information

\n

Management

\n

information

\n

Operations

\n

Orders

\n

Payments / Invoices

\n

Customers

\n

Services

\n

FIGURE 11. Clubworks operation process(Clubworks 2013)

\n

As in many other business, the process starts when a customer place an order that will finally be forwarded to the managing team. After the order is confirmed and approved, information of that order will be transferred to finance department for processes such as book keeping, accounting, invoicing and to operating department for scheduling. At this step, sub-

orders are also made to supplying resources if operating team is in need of supplements. When everything is in order, c