

# **The project of attendance increases in Snása Hotell**

Bc. Irena Dudková

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 **Tomas Bata University in Zlín**  
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- Provedte průzkum literárních pramenů z oblasti hotelnictví.
- Popište analytické metody použité v diplomové práci.

#### **II. Praktická část**

- Analyzujte současný stav hotelu, včetně finančního zhodnocení.
- Na základě výsledků analýz formulujte závěry pro projekt.
- Vypracujte konkrétní projektové řešení zvýšení návštěvnosti hotelu, včetně jeho ekonomické analýzy.

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## **ABSTRAKT**

Téma diplomové práce je: Zvýšení návštěvnosti v Snåsa Hotell. Tento hotel se nachází ve střední části Norska. Cílem práce je zvýšení návštěvnosti hotelu, zejména ze strany korporátní klientely.

Práce je rozdělena do dvou hlavních částí – teoretické a praktické. Obsahem teoretické části jsou teoretické poznatky z oblasti cestovního ruchu a hotelnictví. Je zde popsána problematika marketingu ve službách a jeho specifika v oblasti hotelových služeb. Praktická část je rozdělena na část analytickou a projektovou. Obsahem analytické části je popis a analýza současného stavu hotelu. Náplní projektové části je vytvoření marketingového plánu pro období léto-zima 2013 a celý rok 2014, s cílem zvýšit návštěvnost hotelu.

Klíčová slova: hotelnictví, marketing hotelových služeb, marketingový plán, korporátní klientela

## **ABSTRACT**

The theme of this diploma thesis is: The project of attendance increases in Snåsa Hotell. This hotel is located in the central part of Norway. The aim of the thesis is to increase the visitor turnout of Snåsa Hotell, especially the participation of corporate clients.

The thesis is divided into two main parts - theoretical and practical. In the theoretical part there is knowledge of the tourism and hotel industry. This part also deals with issues of marketing services and its specifics in hotel services. The practical part is divided into analytical part and project. The analytical part includes description and analysis of the current situation of the hotel. The aim of the project is to create a marketing plan for summer-winter 2013 and the whole year 2014 in order to increase visitor turnout to the hotel.

Keywords: hotel industry, hotel services marketing, marketing plan, corporate clientele

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I hereby declare that the print version of my Master's thesis and the electronic version of my thesis deposited in the IS/STAG system are identical.

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## INTRODUCTION

Nowadays marketing forms an integral part of every business, including the hotel industry.

The success of business depends on the degree of satisfaction of needs of their customers. For this purpose there is marketing. Thanks to marketing, companies identify their customers and their needs, which they are trying to satisfy in the best way. This whole process company usually undergoes with one goal – profit.

Marketing is like a bridge between the market and the company. On the one hand, it identifies market needs, on the other hand, it sometimes try to create these needs. Nowadays the trend that the company sells, what they produce, is not hold any more; it sells what the market demand is instead. And if it is not explicitly in demand, then the company tries to raise that desire and customer needs by using marketing tools.

In the hotel industry and services in general, it is similar. Identifying of customer needs is crucial. A detailed analysis can identify their hotel guests, their wishes, needs, requirements and expectations. Based on these findings, it is then able to make an appropriate offer. But marketing task does not stop at this level. There is still need to look closely at the development of demand for hotel services, how and what factors influence this demand and what impact it has on the overall financial situation of the hotel. Based on these analyses, the hotel would have to adopt appropriate measures in order to improve the situation.

This whole process will require quality planning. Planning is the process of setting goals and ways to achieve them. The way leading to the fulfilment of this goal is a marketing strategy. Then, the result of the planning is a marketing plan that serves as the basis for managing of marketing activities.

In the area of tourism, marketing is essential. This is due to the immateriality of services that means impossibility to feel or try the service in advance. In this case, the task of the marketing department is to create effective marketing promotion as it convinces potential customers to purchase. All these marketing activities require adequate attention and quality management. This requires staff with appropriate skills and ability to respond promptly and professionally.

The aim of the thesis is to increase visitor turnout of Snåsa Hotell. Achieving this goal without the use of marketing tools would certainly not be possible.

## **I. THEORETICAL PART**

# 1 TOURISM AND HOSPITALITY

This chapter deals with basic information about tourism, hospitality and marketing planning. Here below are presented the basic definitions, divisions and specifics of these areas, but the main part of this chapter is focused on hospitality - hotel services, hospitality marketing, marketing plan and marketing mix.

## 1.1 Tourism

According to the WTO (World Trade Organization): “*tourism comprises the activities of persons traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes*“. (Holloway and Taylor, 2006, p. 6)

### 1.1.1 Evolution and the importance of tourism

Travelling exists as long as humanity itself, but tourism, as we understand it today, began to develop in the 17<sup>th</sup> and 18<sup>th</sup> century. It dealt with journeys of noblemen and young apprentices for work experience. Here is also the first mention about the guiding. Tourism in its massive form appeared in the second half of the 19<sup>th</sup> century. However, its greatest expansion achieved its highest point after the WW II and especially in the last three decades. (Petru, 1999, p. 5) Due to various political changes and consequently a greater freedom, freer movement of people, a desire to travel, to discover new places and to relax, tourism has become one of the fastest growing sectors in the recent years. The formation and development of tourism is associated with satisfaction of two main basic needs - the need for rest/relaxation and the need for knowledge. Over time these needs expanded and today they can be found more of them. It is also a kind of fashion and a way of life style.

The tourism industry in general includes: boarding services, accommodation services, transport, information, money exchange, services of travel agencies, sports and recreational services, cultural and social tourist services, entertainment services, congress services, spa services, rural tourism services and other activities associated with these services. (Čertík et al., 2001, p. 16).

Tourism is divided into many sectors and it has become increasingly more involved in the formation of the GDP and the employment on one side, on the other side it also partici-

pates in the preservation of cultural, artistic and historical monuments. (Kiráľová, 2003, p. 9)

## 1.2 Hospitality

According to the Oxford English Dictionary - the term *hospitality* is explained as “*the friendly and generous reception and entertainment of guests, visitors, or stranger*”. So it refers to all kinds of institutions that provide shelter, food or both to travellers. (Barrows and Powers, 2008, p. 4)

The subject of hospitality (hotel industry) is the construction, management and organization of hotels and large hotel chains, management of the operation and providing hotel services. (Jakubíková, 2012, p. 27)

The hotel industry is an integral and crucial part of tourism. The emergence of accommodation services is closely connected to the development of a barter trade. Traders were many times forced to travel very far to exchange their goods for other goods needed. During these long journeys they required a safe place where they could take a rest and get something to eat and drink. In those days various taverns and inns were available for them. Over time, with the development of society, growing number of passengers, different requirements and accommodation services have changed. The transport and new technologies have equally facilitated the development. Therefore, in these days there are several types of accommodation with a diverse range of services. Even though the hotel industry has currently moved into the category of multi specialized, highly sophisticated and procedurally complicated business branch, its essence remains the same - a traveller today, as well as prior years, expects the same service – a rest, food and safety. (Křížek and Neufus, 2011, p. 11)

### 1.2.1 Hotel services

Before specifying details about hotel services, it has to be defined what the terms *service* and *hotel* mean.

**Service** – “*is any activity or benefit that one party can offer to another that is essentially intangible and does not result in the ownership of anything*” (Kotler and Armstrong, 2010, p. 248). Services are different from goods by their intangibility, inseparability, heterogeneity, perishability and ownership.

The main characteristics of services:

- **intangibility** – the most typical character for services, it is not possible to touch, to taste or to see them;
- **inseparability** – production and consumption of services is tied to the place and time of providing, the presence of the customer is also necessary;
- **heterogeneity (variability)** - each service is somehow an original, services are provided by people, so they are very subjective and it is impossible to standardize them;
- **perishability** – services are consumed at the same time they are provided, if not they are tend to perish, because it is not possible to store them;
- **ownership** – customers can not own the service, they just buy the right to receive the service. (Verma, 2007, p. 31-41)

Services in tourism have further specific characteristics associated with their providing and purchase such as:

- increased rate of **emotional and irrational factors** when buying services as fashion or prestige;
- **word-of-mouth advertising**;
- increasing demands on their **uniqueness**, such as luxury;
- importance of **image** when buying;
- importance of **intermediaries**, especially when accommodation services are sold and provided, because that happens at different times;
- increased need of **quality supportive materials**, because of intangible services;
- increased use of **information technology** related to the growing need of new attractive sales promotion;
- emphasis on **communication skills** of service providers (argumentation, persuasion, language skills). (Királ'ová, 2003, p. 13)

**Hotel** - is seen as a collective accommodation establishment providing temporary accommodation and related services for the payment, all year round or seasonally (maximum nine months of the year). The main task of each hotel is to meet the needs and requirements of guests, as well as employees and yet, still to make a profit. (Királ'ová, 2006, p. 11)

**Hotel services** include an accommodation, gastronomic, other and additional services.

- Accommodation services - provide accommodation outside the normal place of traveller's residence, including the additional requirements associated with overnight stay. They are provided in accommodation establishments of various categories and classes. Category indicates the type of accommodation – hotel, hotel garni, motel, guest house. The class specifies minimum requirements for equipment, range and level of services related to the accommodation and is marked with one (as the basic) to five (as the best) stars. The place of sale is at the reception.
- Gastronomic services – they are part of the hotel services and provide refreshments for guests. It includes both - food and beverages. These services are sold in restaurant or on the bar. (Jakubíková, 2012, p. 27-30)
- Other additional services – they may represent conference services, wellness, sauna, swimming pool, fitness, etc.
- Personal services – they may include washing and drying clothes, delivery luggage, room service, etc. In particular, the range and level of these services determines the class of hotel. (Beránek a Kotek, 2007, p. 151)

### 1.2.2 Characteristics of hotel services

Hotel services are specific for a high proportion of human factor. These services are provided to people by people, so each service is very unique and subjectively evaluated. It means that the same service provided by one person to two different guests may not have the same result and satisfaction. (Királ'ová, 2003, p. 12)

The impossibility of storage of the hotel services also plays a significant factor. The product as accommodation, gastronomic and other services is not possible to store. Therefore each unoccupied bed generates a loss, because it is connected to fixed costs. (Ryglová, Burian and Vajčnerová, 2011, p. 52)

## 1.3 Hospitality marketing

First of all, it should be explained what marketing represents in general. According to Kotler „*marketing is about identifying and meeting human and social needs. One of the shortest definitions of marketing is the process of meeting needs profitably*”. (2009, p. 6)

The subject of the hotel marketing is the **service**. In the field of hospitality, the marketing identifies and meets the requirements and needs of hotel guests. This is the only way how



to achieve the success. It would be very difficult to create a range of services without this identification. The involvement of all employees at the company, and their priority - guest satisfaction, is connected to it. In this case the following motto fits very well: **Our customer is always right!** All employees in this business should respect and follow this motto. Their priority should not be intended to satisfy the requirements of a manager, but of all their guests.

### 1.3.1 Marketing of hotel services

The part of the hotel marketing is not only to recognize the needs and requirements of guests and then satisfy them, but it should also cause this need and demand!

The application of marketing in hotel services leads to find answers to the questions - *What do we want to offer on the market? What do not we want to do? Where do we want to get?*

The marketing involves:

- communication with the guest,
  - product sales to individual guests and organized groups, business travellers, vacationers and others,
  - sale of food, beverages and additional services,
  - relationships with guests, suppliers and subscribers, with competitors at the external environment,
  - research (about hotel guests and their needs), planning, implementation and control.
- (Királ'ová, 2003, p. 16)

The research is very important, because it can also reveal the change of demand, preferences, prices, market, etc. In a hotel, as well as in an ordinary business, marketing activities belong to the marketing department. It is responsible for:

- coordination of all marketing functions,
- influence of all activities at the hotel,
- an effort to create good relationships inside and outside the hotel
- organization, management and implementation of own activities. (Királ'ová, 2003, p. 17)

## 1.4 Marketing plan

At the beginning it should be developed what is the plan/planning, and what is it good for?

**Planning** is a process of setting objectives and creating strategies achieving them. **Plan**, in general, is then the result of the planning. This process is very important and beneficial for each business. Without planning and plans it is very difficult to manage any kind of business. Planning helps to coordinate activities that ensure or to contribute in achieving the objectives within a certain timeframe and it creates better opportunities to control them. (Vašítková, 2008, p. 36)

According to the period of time, on which the plan is drawn up, there may be found three basic types of the plan: strategic, tactical and operational.

**Strategic plan** – is usually compiled on the longer time and made by the top management. Commonly it takes from 3 to 5 years, but it can be naturally more. It includes general information about future plans of the company, complex targets and evolution. **Tactical plan** – is based on the strategic plan and it is built for 1-3 years. It has more details and it is prepared for the company departments. **Operational plan** – is the most detailed plan and it is based on the tactical plan. It is usually drawn up on months, weeks or even days. It can include detailed information for each worker. For that reason, if a company wants to be successful, it is very necessary to plan, to set the objectives, to create a good strategy and to make plans corresponding to actions.

One part of these business plans is also a **marketing plan**, which is then the result of the marketing planning, and also a tool of marketing management. According to Morrison (1989, p. 215), the marketing plan is a written form of the drawn up plan, which is used in organization as a guide for the marketing activities for a period of one year or shorter. It helps coordinating many processes and people who play an important role in the marketing. Marketing plans deal with a deep examination of the marketing mix and include detailed budgets and timetables.

Existence of the written marketing plan offers the following advantages:

- activity of the company is in line with target markets,
- the consistency of organization's objectives and priorities of the target market are achieved,
- it guarantees the defined set of competencies,
- it participates in the measurement of marketing success,
- it builds on the long-term planning. (Morrison, 1989, p. 217)

### 1.4.1 Creation of the marketing plan

The marketing plan is based on a careful research and analysis (situation analysis, marketing research and market segmentation, selection of marketing strategies, selection of target market and positioning) and it has to meet the following principles.

Marketing plan has to be **based on facts** and built on previous research and analysis. It is very risky to lay it only on the idea of managers. The plan must also be **organized, coordinated, internally consistent and interconnected**. The best option is having a plan elaborated in details. It must clearly identify the persons who are responsible for each task, and specify the promotional materials. Another necessity is **the programming and budgeting** of the plan. All these activities must be carried out in the required sequence and they determine the amount of money which will be spent on each component of the marketing mix. Each plan must contain measurable targets and the ways how to determine, whether these targets were achieved or not. It means that the marketing plan has to be **controllable**. Finally the marketing plan must be **clear, simple and flexible**. It should be possible to adapt it to changing circumstances. (Morrison, 1989, p. 216-217)

When creating the marketing plan, it is needed to answer these questions: **Where are we now? Where would we like to get? How will we get there? How shall we find out that we may get there? How do we recognize that we have achieved the goal?** (Morrison, 1989, p. 60)

The structure of the marketing plan follows the previous five key questions. The marketing plan consists of two main parts, fundamental marketing plan and the marketing plan of realisation.

### 1.4.2 Fundamental marketing plan

This part has for objective to clarify why the fundamental marketing plan must be drawn up. Therefore all previous researches and analyses have been included hereby. This part may become very beneficial to external consultants – specialists who are supposed to realize only one concrete task. The fundamental marketing plan consists of the knowledge of the situational analysis and of the following choice of marketing strategies.

#### **Knowledge of the situational analysis**

By accomplishing the situational analysis, it is possible to obtain the answer for the question – *where are we now?*

The analysis includes:

- *analysis of the environment* – these are developing trends that may positively or negatively influence the organisation
- *analysis of the location and the company* – it deals with the analysis of the determinantal events which are foreseeable in the development of the local company and its immediate surrounding during the planning period
- *analysis of the main competitor* – it reveals its strong and weak points and simultaneously it should detect what are the new approaches that it is possible to expect soon
- *market potential analysis* – it identifies the suitability for an organisation to concentrate all its marketing activity on its former clients or if it would be better to redirect to other target markets
- *service analysis* – it helps to trace how existing service of an organisation should be improved or extended
- *analysis of the market position analysis and of the plan* – it analyses all having been realised previously and on these basis it evaluates the present position of the organisation on the target markets, also its effectivity of its activities
- *main strong and weak points, business opportunities and their restrictions* – it consists of the summary of key knowledge of the situational analysis.

### **The choice of marketing strategy**

This part of the work examines thoroughly strategies that the organisation will follow and it answers the question - *where would we like to get?*

It includes:

- *market segmentation and target markets* – it clarifies the approach to the market segmentation, it presents the statistical details characterising the market segment and the share representing for the organisation. It should be justified why these concrete markets (and not other market segments) have been chosen.
- *marketing strategy* – it elaborates the elected strategy, the analysis being used and the reasons for its selection.
- *marketing mix* – it indicates which of the marketing mix will be applied and why. Particular components for each target market should be introduced and evaluated.
- *approaches of the localisation* – hereby the marketing plan clarifies which approach of the localisation the organisation has chosen (if the organization will strengthen

its image on each target market or will perform a new localisation), why and how this choice will manifest in each component of the marketing mix.

- *marketing targets* – having been described for each target market and they are delimited numerically and in the value of time.

### 1.4.3 Marketing plan of realisation

This plan has for objectives to specify all actions demanded, responsibilities, expenses, time harmonograms, control procedures and evaluations. The marketing plan of realisation contains: activity plan, marketing budget, control activities and evaluation of the activities.

#### The plan of the activity

The plan of the activity represents one of the answers for the question – *how will we get there?* and it specifies all tasks needed for each component of the mix of each target market.

#### It includes:

- activities for target markets and each component of the mix, being suitable to assort chronologically after specification of the tasks
- responsibility for the activities for each particular group of people participating on the realisation of the plan,
- time and work harmonogram where it should be included the initial and ultimate deadline of a concrete activity, the place of its realisation and the person responsible for the fulfilment.

#### Marketing budget

It equally offers the answer for the question – *how will we get there?* It includes the budget according to the target market, estimate of individual components of the marketing mix and the spare fund.

- Budget according to the target market – it defines what amount from the marketing budget will be distributed from each target market.
- Budget of individual components of the marketing mix – they determine how much funds will be used for each of the eight “P”.
- Spare fund – it represents the stock of funds in case of unpredictable events. This fund should not be forgotten, while in most of the cases the current budget is exceeded. The funds should represent 10-15 % of the current budget.

### **Control activity**

The control represents management position of the marketing and it replies the question – *how shall we find out that we may get there?* The manager must be acquainted with the expected results of each activity, when they should be fulfilled, who is responsible for it and how should progress their evaluation and measurement. The controlling process orientated on the targets is completed by the measurement of the achieved volumes of sales, overall yield and profit.

### **Evaluation of the activity**

*How do we recognize that we have achieved the goal?* The level of achieving the appointed marketing targets represents the successfulness and ineffectiveness of the marketing plan. The tools of measurement, specifying the way how the success will be measured, are used. Moreover, norms of the activity and the dates of evaluation are determined. (Morrison, 1989, p. 218-224)

## **1.5 Marketing mix**

Based on set marketing objectives for each target markets, the marketing mix is created. It is a set of controllable variables used for meeting the needs and the requirements of selected segment of the market. This marketing mix consists of four basic components called “4P” – *Product, Price, Place and Promotion*. Some authors also state *People*, as the fifth component. For services, and especially in hospitality and tourism, the *Packaging, Programming and Partnership* are the three more specific elements included in the marketing mix. It is a set of “8 P” then. The aim of the marketing mix is to bring all these components together into an ideal combination. It helps to realize the organization’s objectives. (Kiráľová, 2006, p. 64)

### **1.5.1 Product**

*“A useful way of looking at the hospitality product is that it is actually the guest’s experience”* (Barrows and Powers, 2008, p. 164). Products of the hotel industry are provided by services. The hotel usually provides accommodation services, gastronomic services, additional services and other services. These services are specified in chapter 1.2.1.

These services are generally known and it is relatively easy to imitate them. Therefore the hotel must seek for a way to distinguish itself from the competition and to become unique.

This uniqueness can be achieved through the focus on a certain type of consumer demand, for example. (Beránek and Kotek, 2007, p. 151)

### 1.5.2 Price

The price is an instrument of marketing mix that is most affected by internal and external factors. It is not easy to set it. This price must be so high, that the organization earns from the sale of at least some profit and the customer is willing to pay it, and yet low enough, so that all costs incurred by company on production of services are covered. Despite all, the company must still take into account the price of competition, which in a way also affects the firm's decision making on the price. Thus determined price must also match the quality of services. (Kiráľová, 2006, p. 68)

For pricing policy is a rule of truth and transparency price. A guest wants to compare the price with the service provided. Since the market is subject to fluctuations in consumer demand, it is good to differentiate the prices.

This differentiation can be performed on the basis of the following criteria:

- by period (season, weekend, the trade fairs and exhibitions),
- according to the type of guests (children, adults, seniors, conference participants),
- by turnover (group rates, "3 for the price of 2" - weekends, the tenth night for free),
- by type or time of payment (discount for cash payment, when paying in advance),
- by distribution channels (discounts for travel agents, tour operators).

The following information should be included in price lists of accommodation services:

- the duration of each seasonal period (off-season, season and the high season),
- the price for a room according to its type, a class, seasonal period, and whether the price includes breakfast or not,
- surcharges for full or half board,
- the price of the extra bed, the price for accommodation of children or for other services. (Beránek and Kotek, 2007, p. 160, 161)

### 1.5.3 Place

The main feature of the product in hotel industry is its intangibility. It cannot be stored. The place and the time of purchase usually do not match the place and the time of consumption. With regard the fact, the distribution is an important marketing tool, because it represents the way the product gets to the target segment. This is done through the distribution channels, which can be **direct** (sale at the reception, in the restaurant), **indirect** (via intermediaries - tour operators, travel agencies) or their **combination** (sale through catalogues, direct mail, nowadays a very popular internet or automated reservation systems). (Kiráľová, 2006, p. 72)

### 1.5.4 Promotion

*“A company’s total promotion mix - also called its marketing communications mix - consists of the specific blend of advertising, public relations, personal selling, sales promotion, and direct-marketing tools that the company uses to communicate customer value and build customer relationships persuasively”* (Kotler, Bowen and Makens, 2010, p. 358).

The inevitability of providing true and good information about hotel products is based on one of the character of the product, which is intangible, and from the existence of competitors with the substitution comparable offer (Kiráľová, 2006, p. 77).

Advertising – is a paid form of non-personal presentation, spreading the information about the products. It can reach a large number of people in a relatively short time. It includes broadcast, print, Internet, outdoor, and other forms.

Sales promotion – while advertising tells us why to buy, sales promotion gives customer subject to a purchase. The aim of sales promotion is to purchase a larger quantity of goods or speed it up. It includes discounts, coupons, displays, and demonstrations.

Personal selling – it is a direct communication with customers for the purpose of making sales. This kind of communication is quite time-consuming and cost-intensive, but very effective. It includes sales presentations, trade shows and incentive programs.

Public relations and publicity - this is communication with the rest of the public, which is important for the company. The company builds image of its products, and the company itself. Public relations, it is a tool for shaping public opinion in the various fields of social life. It is handling off the unfavourable rumours and stories. In includes press releases, sponsorships, special events and Web pages.



Direct marketing – uses the media for communication and measure customer feedback. It has several forms – direct mail, telephone marketing, direct-response television, e-mail, the Internet, kiosks, catalogues, and more. (Kotler, Bowen and Makens, 2010, p. 358)

One of the most effective forms of communication is word of mouth by someone who visited the hotel. Guests who feel good, will recommend the hotel to friends and acquaintances, and will come back to visit the hotel again by themselves. (Kiráľová, 2006, p. 77)

### **1.5.5 People**

People - the most important component of marketing mix in services. Hotel employees provide all services and they are in a contact with guests all the time. Their relationship and level of guest satisfaction with staff are the determining factors in the overall assessment of the hotel. For this reason it is very important that the management of the hotel take care of their employees, their selection, a leadership and a motivation.

### **1.5.6 Packaging and programming**

This is a group of services into one package, which is then sold at an inclusive price and makes a comprehensive offer as the customer wants it. Programming is an integral part of creating service packages because the correct addition and programming of services in the package the increases their sales.

Preparers of package services have the following benefits:

- they increase a demand for their services out of season,
- they increases attractiveness to new segments (such as sports or business clients),
- it is possible to predict future sales,
- they use attractions and events near the hotel,
- they use a new trends in tourism in their packages of services,
- they increase their incomes,
- they increase their publicity,
- they increase the number of satisfied customers, who repeat the purchase in the future.

### 1.5.7 Cooperation

It might look like cooperation of hotels within hotel chains, or as a joint venture of hotels, travel agencies, airlines, etc. These companies then collectively share the costs associated with the preparation of promotional materials that will be distributed to travel agencies or directly to clients. One another form could be a package of services in tourism created by different providers and offered to the client. Cooperation then reduces business costs, increases efficiency of investment and brings comparative advantages. (Beránek and Kotek, 2007, p. 189-191)

## 2 ANALYTICAL METHODS USED IN THE WORK

The formation of a strategy and the subsequent creation of a marketing plan require consistent identification of all the factors that may influence the success of the organization. It deals with internal and external environment. The information about the factors influencing the internal and external environment of the organization may be obtained through following analyses. (Kirářová, 2006, p. 23)

### 2.1 PESTLE analysis

The name of this analysis is derived from the initial letters of English terms: **P**olitical, **E**conomic, **S**ocial, **T**echnological, **L**egislative and **E**cological. These words represent the areas in which the external analysis is performed. Sometimes companies use only the first four factors (political, economic, social and technological) so then it is a PEST analysis only. The identification of these factors helps organization to detect macro-environment, possible market opportunities or threats. *“The key to the PESTLE analysis is to identify a few key factors that are likely to have a significant effect on the industry and the organization.”* (Allen, 2001, p. 54)

- **Political and legislative factors** – might be set together. Both have influence on the business area. It is very necessary to understand the political situation and climate in the country together with the legislative system and rules which affect the company. The political changes and instability as well as unclear and complicated legislative system, makes business more difficult. In these days the most significant factors are not constituted by one legislative system or political decisions of one country. Due to the European Union or other Unions and Organization, there is a range of political and legislative factors, for example. They may regulate activities, set standards or provide money and other support. (Allen, 2001, p. 55-59)
- **Economic factors** – may provide certain information for the company about the past, present and future development of the situation in the country. Among these factors various macro-economic factors, such as GDP and its growth, the unemployment and the rate of inflation may be included. Among other indicators, may be counted wage rates, taxation rates, exchange rates or effects of trade barriers and tariffs. All these economic factors have a great explanatory value. According to the evolution of these indicators can be predict the economic future situation in the country.

- **Social and demographic factors** – can present social trends, behaviour and habits. On one hand many social trends are linked to economic factors, on the other hand trends can also influence the economy. There can be included: life expectancy, the birth rate, marriage patterns, age distribution, fashion and public opinion and attitude. (Allen, 2001, p. 63)
- **Technological factors** – definitely affect the business area. New communications, information or other technologies are changing the market. Better and executive technologies replace the manpower, communication or anything else becomes much easier and more effective. The pace of development has become high in this area. Manufacturers constantly innovate and come with better and newer technologies to the market. Use of these technologies may also become a competitive advantage for the company.
- **Ecological factors** – represent a set of rules and measures in the field of environmental protection. These regulations are usually published and monitored by the state. Due to the increasing pollution and environmental degradation these regulations are stricter and their violation or breach is sanctioned. It is very necessary for organization to find out which regulations have a high affect on its production or operation and which limits have to be met.

## 2.2 Client segmentation

There are several types of consumers with different needs and requirements on the market. Organization can hardly serve to all of them. That is the reason for necessity to divide this market.

*“Market segmentation is dividing a market into distinct groups of buyers who have different needs, characteristics, or behaviours, and who might require separate products of marketing programs”* (Kotler and Armstrong, 2010, p. 73). This segmentation can be done according to the geographic, demographic, psychographic, and behavioural factors. Based on the common signs, customers are divided into the homogeneous groups - segments. This segmentation is very important, because each segment have different requirements and behaviour on the market and also need a different type of marketing communication. (Kirářová, 2006, p. 39)

### 2.3 Occupancy analysis

Hotel occupancy affects the profitability so it is very important to analyse it. Optimal hotel occupancy is about 70 %. If the occupancy is higher for a long time period than usual, then it could be problematic for the hotel. Long term high occupancy is unsustainable and reduces the level of service. The pessimistic scenario is usually formed in the case of the occupancy being less than 40 %. This is very variable according to the location and class of the accommodation.

For the statistics the bed occupancy and the occupancy of the room (rooms with two and more beds are not usually fully used) are usually calculated. It is also very necessary to calculate the number of days during which the accommodation services are provided. It is very relevant to realize, the fact that with the higher occupancy grows the need for staff and that also the total costs raise. (Ryglová, Burian and Vajčnerová, 2011, p. 52)

### 2.4 Analysis of competition

Only to know the customers and their needs, is not considered enough in these days. Organizations should also pay attention to its competition - current and potential. They should be able to answer these questions:

- Who are our competitors?
- What is their strategy?
- What objectives do they have?
- Who are their customers?
- What are their strengths and weaknesses?
- How do they react on threats?

The management should also compare the services, prices, sales efficiency and the ways of communication with guest used by the competitors. (Királ'ová, 2006, p. 32)

### 2.5 Financial analysis based on ratio indicators

The basis of financial analysis is financial ratio indicators, which arise as a ratio of two absolute indicators. Ratio indicators allow the comparison of a company with other companies or with industry averages, respectively competitors. (Synek et al., 2011, p. 353)

This analysis is very popular. It allows getting a quick view of the financial situation of the company. Financial analysis generally uses information from financial documents, balance

sheet and profit and loss. This analysis puts the relevant data from these reports to ratio. The basic ratio indicators are: *profitability, liquidity, debts and activity*.

**Profitability** - informs about the effect achieved by using invested capital. It is an important indicator for the evaluation of business success. The most observed profitability indicators are:

- a) Return on sales (ROS) = profit / sales
  - It mentions the effect achieved from total sales. This value expresses how many crowns of profit correspond to one crown of the sales. This value should be compared with similar companies.
- b) Return on equity (ROE) = profit / equity
  - It shows the effect achieved from the total equity. This value expresses how many crowns of profit correspond to one crown of the equity.
- c) Return on assets (ROA) = profit / assets
  - It demonstrates the effect achieved from total assets. This value expresses how many crowns of profit correspond to one crown of the assets.

**Liquidity** - expresses the company's ability to pay its liabilities. There are three types of liquidity – current, quick and cash liquidity.

- a) Current liquidity = current assets / short-term liabilities
  - This value indicates the number of times current assets cover current liabilities. The recommended value is between 1,5 – 2,5. If the value is below 1, then the company has really problem to pay its liabilities from its current assets and has to pay it from the long-term ones.
- b) Quick liquidity = (current assets - inventories) / short-term liabilities
  - This indicator does not calculate with inventories, because sometimes it is very difficult to convert them into cash. It is different for a company which provides services and company which sells goods. In the first case there is the value of current liquidity and quick liquidity almost the same. The resulting value of quick liquidity should be in the range 1,0 - 1,5.
- c) Cash liquidity = (cash + short-term marketable securities) / short-term liabilities
  - It is one of the most rigid liquidity indicators. It expresses the immediate ability to pay current liabilities of company. For the payment financial assets can be used - cash in cash registers, the current accounts of company and cash stored in short-

term marketable securities. The resulting value of this indicator should be in the range 0,2 - 0,5.

**Debt** analysis shows the sources being used for financing company assets. The debts indicators express the amount of risk that each company carries on the proportion and structure of equity and liabilities. The higher indebtedness the company has, the higher the risk it assumes. The company has to pay its liabilities, regardless of its profitability. Therefore every company should strive for the most appropriate financial structure = the most appropriate ratio of equity and debt capital.

a) Debt ratio = total liabilities / total assets

- It measures the percentage of total assets financed by liabilities. It shows the company's level of indebtedness. If the resulting value is high, then most of the assets are covered by liabilities. If the resulting value is low, then most of the assets are covered by company's own resources. Recommended value varies between 30 - 60 %.

b) Debt-to-equity ratio = total liabilities / shareholder's equity

- It shows how the assets are financed in the company. Whether company uses more funds from external creditors or its own. This indicator is very crucial for a bank. Based on this value in a recent three years, the bank decides to provide a loan. The lower the resulting value is, the lower is the indebtedness of the company and the potential risk. Ideal value and its development should be less than 150 %.

c) Equity ratio = shareholder's equity / total assets

- It indicates how much of the assets are financed on shareholder's equity. It is an additional indicator to the debt ratio indicator and the sum should be 100 %. It is the most important debt indicator for the company creditors. The higher the value, the lower the risk for creditors.

**Activity** - using the activity indicators, it is possible to determine whether the size of individual types of assets in the balance sheet is reasonable enough in relation to the present or future activities of the company. These indicators measure company's ability to utilize the resources. Activity indicators can be expressed in terms of turnover of individual items of assets or liabilities, or in the form of turnover time of assets or liabilities. These indicators vary significantly from one industry to another.

- a) Assets turnover ratio = sales revenue / total assets
- It shows how effectively company uses its assets to generate sales.
- b) Inventory turnover ratio = costs of goods sold / average inventory
- It measures how quickly a firm sells its goods. It is very useful to compare it with other organizations in a same industry or with the previous development of inventory turnover ratio.
- c) Inventory Turnover = (average inventory \* 360) / cost of goods sold
- This shows the turnover period and has greater explanatory value for company. It shows the time required to make cash funds passed through the production of the commodity form and re-form into cash.
- d) Average collection period = (average accounts receivable \* 360) / sales
- It measures the average time that elapses from the time of the sale until the time, when the money is back in the company, to be used again. This resulting value is meaningful only in relation with credit terms of the company, but it says how many days the company provides a supplier credit to its customers.
- e) Creditors payment period = (short-term liabilities \* 360) / sales
- It shows the time from the incurrence of a liability until it is paid. This indicator should be at least the same as the average collection period. The resulting value is meaningful only in relation with credit terms of company's suppliers. (Knápková and Pavelková, 2010, p. 82-104; Megginson and Smart, 2008, p. 50-52)

## 2.6 SWOT analysis

This analysis is usually provided at the end of the research. It summarizes all previous analyses and offers to managers the simplicity and the clarity of the results of previous analyses of the external and internal environment.

The name of this analysis is derived from the initial letters of English words: **S**trengths, **W**eaknesses, **O**pportunities and **T**hreats. Based on the analysis of the company, its strengths and weaknesses appear. Founded on the analysis of the market (consumer demand and competition) the opportunities and threats for the company may arise.

**Strengths** – are positive facts about the company and they usually represent its competitive advantage. It may include: a good market position, a strong brand, a high number of satisfied customers, a good financial situation, etc.



**Weaknesses** – of the company are usually things which competitors do better. The company should identify and eliminate them. Weaknesses can be: an inadequately educated employees, an unclear business strategy, a low level of services provided, bad internal communication, etc.

**Opportunities** – come with positive market events. This factor can increase the customer demands or profits of the company. It may be achieved by newly discovered markets or segments, new technologies, the government or other subsidies, etc.

**Threats** – appear as trends in the industry or region which can negatively influence company, but the company can hardly influence these trends. It may be the growing number of competitors, state restrictions and new regulation, growing prices, bad political situation in the country, etc. These trends may reduce demand or cause customer dissatisfaction. (Jakubíková, 2008, p. 103)

## **II. PRACTICAL PART**

### 3 SNÅSA AND SNÅSA HOTELL

In the first part of this chapter, basic details about the village Snåsa, its location, local attractions and leisure activities which tourists can find and do will be presented. The second part of this chapter deals with essential information about Snåsa Hotell, its location and history.

#### 3.1 Snåsa

Snåsa is a small village and an administrative centre of the municipality with the same name. This commune is also specific for a Sami centre taking care for the south Sami culture and language.

##### 3.1.1 Location

Snåsa is situated 180 km northeast of the Trondheim city in a Nord Trøndelag county, in the middle of Norway. It is located in beautiful mountain ranges close to the sixth largest lake in Norway, Snåsavatnet. The village has over six hundred inhabitants only, but it has a municipal office, a church, a nursing home, a hotel, a museum, various stores, a post, a café, a bank, a gas station, a vehicle servicing, a hairdresser, a florist, a library, a sports stadium, a swimming pool, a train station, several kindergartens, one music centre and two primary schools. Almost everything what an ordinary citizen or tourist may require. The concentration of facilities is due to longer distances between villages and towns in Norway. About 7 km from the centre there is the European route E6 highway which is the main north-south road in Norway.

##### 3.1.2 Attractions

Snåsa is a well-known place for its fishing and hunting opportunities. In summer tourists can do hiking, visit mountain farms around, ride horses, do boat trips or do cycling. During the winter there are about 70 km of ski tracks prepared. Moreover there is a ski centre Bjørgan about 25 km from the village. There is a fitness centre about ten kilometres in the opposite direction.

Snåsa is also a typical place for the rare Lady Slipper Orchid which grows wildly there and it is a symbol of Snåsa commune. (Firmanett.no, [2012]c)

Snåsa is a well-known place in Norway because of a local healer called Joralf Gjerstad, who has “healing hands”. Almost every Norwegian wants to meet him. His home place

was repaired and opened as a museum last summer. So tourists can visit his home place or other places as the village museum, the Sami museum, the church or the swimming pool.

Local celebrations, as well as markets, are happening there during the whole year.

## **3.2 Snåsa Hotell A/S**

### **3.2.1 Presentation of hotel and its location**

Snåsa Hotell A/S – (hereinafter the SH) is a very nice family hotel with homely atmosphere operates for 4 generations. In 1982 and 1990 it was rebuilt as a course and conference hotel more like. Snåsa Hotell is a stock-based company.

This hotel is located in a quiet part of Snåsa, two kilometres from the centre and five kilometres from E6. It is situated with the view to the lake Snåsavatnet and to the mountains.

Snåsa Hotell has 38 rooms with a shower and a toilet, 14 rooms with a shared shower and a toilet, one family room with 4 beds, a room with disabled facilities, a dining hall and a restaurant, lounges, a fully licensed bar, 4 course/conference halls, 2-3 group rooms, a solarium, a small sauna, a camping site with 9 cottages, Eldhus – an old house with open fireplace and outdoor area with places to have a barbeque. (Firmanett.no, [2012]c)

### **3.2.2 History**

The first who started the hotel in 1890 was the great-grand mother of the current owner Lars Sandvik, Olea Margrethe Pedersdatter Sagmo. It worked as a hotel/guest service for travellers and construction workers. Winters were used to develop and to repair hotel and in summer there was the most traffic of travellers. The guests were mostly travellers from the South and Nord Trøndelag - Trondheim and Steinkjer.

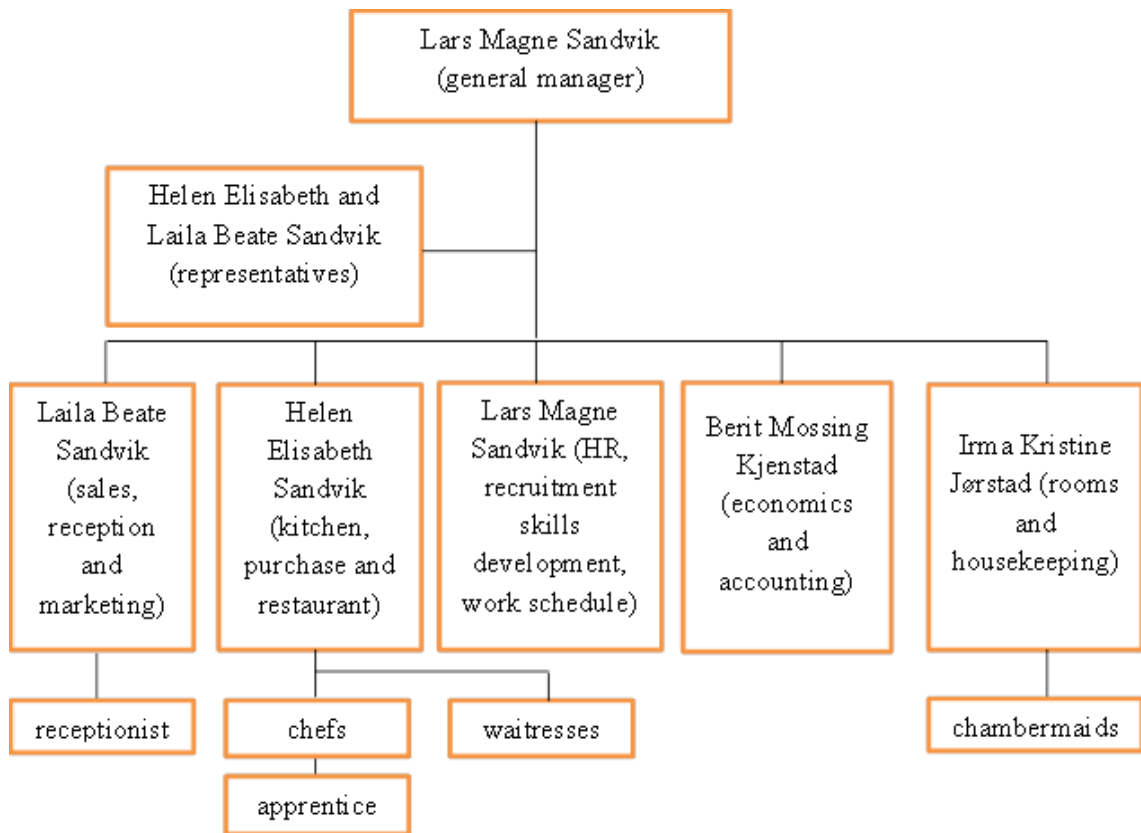
Afterwards the son of Olea Margrethe Pedersdatter Sagmo, Magne Tommerås and his wife Hanna led the hotel. However, their daughter Laila and her husband Sverre were the first who began with a period of building activity. In 1974 the first construction phase was completed, with four bedrooms, a dining room and a course Sal in the basement. This place then received its name – Snåsa Tourist centre.

In 1980 the main building and some cottages on a camping site were built up. One year later Lars Magne Sandvik, the son of Laila and Sverre, went into the daily operation of Snåsa Tourist Centre and in 1982 a new wing with bedrooms was built, a new contempo-

rary kitchen and two conference halls. Final building completion and modification was done around 1990. Then they built a new wing with 22 overnight rooms and a functional hall with space for 200 people. The Snåsa Tourist Centre then changed its name to Snåsa Hotell.

Next it will be Laila Beate Sandvik, the daughter of Lars Magne Sandvik and Helen Sandvik, the fifth generation, who will take over and run the hotel. (Firmanett.no, [2012]b)

**3.2.3 Organizational structure**



*Pic. 1. Organizational structure of Snåsa Hotell (the own elaboration)*

As the previous picture shows the organizational structure of SH is relatively simple. It is a kind of line and staff organizational structure with functional places. It is also possible to perceive the relationships of superiority and subordination. Family members perform most of the work. This organization has generally around nine employees including the three family members. There are approximately 4 full-time employees and 5 part-time employees. During the summer they also use temporary workers so than there are around sixteen persons. The head of this organization is both the owner and manager Lars Magne Sandvik. He stands on the top of this structure and is responsible for running of the whole hotel,

for the work schedule and especially for the human resources. His wife supervises the kitchen, the restaurant and the purchase. Three more cooks, one apprentice and three waitresses are employed there. Berit Kjenstad keeps the accountancy and Irma Jørstad takes care of rooms, housekeeping, she equally controls other chambermaids. Because of the small size of the hotel, waitresses and chambermaids are usually the same employees, depending when they start at work. . If they start at 9 o'clock in the morning they do the job in the rooms, if they start at 4 o'clock in the afternoon, they manage the reception, the restaurant and the bar.

Laila Beate Sandvik, the daughter of Lars and Helen Sandvik handles marketing, sales and reception. There are habitually one or two persons helping her, but Laila Beate and her father are the only ones who usually divide the work between others. In the future she will be standing on the top of the structure, while she is the next generation taking over the hotel.

## 4 ANALYSIS OF CURRENT SITUATION IN THE SNÅSA HOTELL

In order to determine the current situation of the hotel, it is necessary to perform the following internal and external analyses. Firstly, there is the PESTLE analysis being chosen to analyse the external factors affecting the hotel business and showing how much the hotel is influenced by this external environment. It may help to identify the market opportunities and threats, and based on this to take certain measures for the future. Secondly there is an analysis of client segmentation according to their common features followed by an analysis of hotel products and services. These analyses are interconnected, because specific segments require specific products. These analyses reveal, who are the main customers of SH and what products do they demand. Thirdly stated is an analysis of competition (divided in two groups – local and regional), which identifies the main hotel competitors in the field of accommodation and conference services. Next analysis of objectives and marketing plans provides an overview of what goals the organization has set, whether these targets are adequate in view of the development of external and internal environment, and which way it wants to achieve these goals and how successful it is now. Next an analysis of the hotel occupancy and the overall financial situation is performed. An analysis of the hotel occupancy monitors the level of the bed occupancy and its development during the year. It reflects the level of hotel services demand and it helps the hotel management to determine on what period of the year they should focus their marketing activities. Financial analysis is used for a comprehensive assessment of the financial situation of the company.

Based on the above analyses, there are identified strengths and weaknesses of SH as well as the market opportunities and threats. This is summarized in SWOT analysis at the very end of this chapter.

The above analyses are theoretically described in chapter 2.

### 4.1 PESTLE analysis

**Political and legislative factors** – Norway is a very stable country with almost no corruption. It is not a member of EU, but it is a member of European Economic Area (EEA) and other organizations such as: the United Nations, the NATO, the Council of Europe, the EFTA, the Nordic Council, the WTO, and the OECD and also being part of the Schengen Area (Wikipedia, 2013). Due to non-EU regulations the market is relatively freer a little bit

being the subject to only one third of EU rules and the EEA has no competence in the field of agriculture, fisheries, justice and internal affairs. (Presseurop.eu, © 2012)

Regarding to tourists organizations, Norway is the member of UNWTO and the UNESCO. Tourism and business area regulated by ordinary legislation and regulations for this market, but official uniform classification for hotels and restaurant is missing. Norway is not a member of Hotel Stars Union created by HOTREC (Hotels, Restaurant and Cafe in Europe), so there are no harmonized hotel classification criteria and procedures. There is an unofficial classification provided by *Norsk Hotellklassifisering* (the Norwegian Hotel Classification). The classification is based on the corresponding European systems and divides hotels in categories from one to five stars. The system is adapted to Norwegian conditions. In order to keep the costs low, the system is based on self-reporting and random checks. (Anon, 2012, p. 16-17)

The main regulations in tourism and business sphere are for example: the Serving Act, the Package Act, the Law on Workers' Compensation, the Guard Act, the VAT Act, the Insurance Act, the Holidays Act, the Obligatory occupational pension, the Pass Act, the Working Environment Act, the general application of collective agreements, the Labour Disputes Act and the Alcohol law. (NHO Reiseliv, © [2013]) The last one is very important in Norway because of a strong prohibition.

**Economic factors** – are very important for the whole business area. Norway is a developed country with a very efficient and strong economy. The living standard is very high in Norway as well as prices in the whole Scandinavia. Consequently holiday there is rather expensive for other foreign tourists. There are also small wage differences among employees, as well as the unemployment is very low, just slightly-over 3 %. (Borgis, a.s., © 2003–2013) The reason is a large reserve of oil, gas, hydroelectric power and fishery. The industry accounts around 38 %, the agriculture 3 % and the services 59 % of the GDP. (Global Finance, [2013])

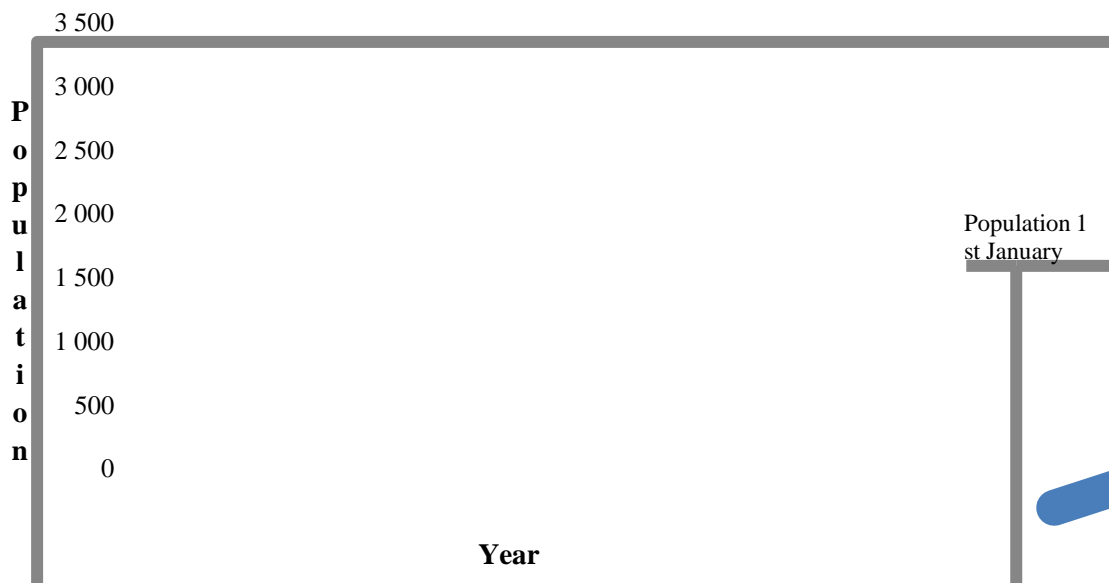
According to the WTTC the total contribution of Travel and Tourism to GDP was 6,2 % of the GDP and the employment 8,4 % of the total employment (217 000 jobs) in 2012. (© 2013)

Although the local economy is very similar, there are lower wages in Nord Trøndelag than in the rest of the country. However the hotel is situated in a village hence there are also slightly higher prices of goods and services.



**Social and demographic factors** – The population is year by year slightly higher (the estimated population in 2012 was 4.7 million people), but the majority of the population lives in the south of Norway and in big cities. Norwegians are very technologically literate. According to the Internet World Stats research, there were 4.5 million internet users in June 2012, which is 96,9 % of the population! The number of Facebook users was 2,7 million people in December 2012. (Miniwatts Marketing Group, © 2001-2013) These users usually read newspapers and seek for information about goods, services, travelling, accommodation, etc. Norwegians usually travel around Norway during the summer and they go abroad during the winter. It is quite common for Norwegians to commute long distances to work.

According to the Statistics Norway (Statistisk & Sentralbyrå, © 2013) there are less and less people born and living in Snåsa commune, which is demonstrated on the graph below.



*Pic. 2. Population 1<sup>st</sup> January and population changes during the calendar year, by time. Population, Snåsa (the own elaboration)*

Becoming complicated to find a good job there, especially younger people are moving out to the cities in order to find places to live. Besides, there are more and more elderly and passive people than the young and active ones. The same trend is reflected in the whole world, which can definitely change the preferences and demand. The local government is aware of the trend of lower population and uses a lot of energy and money to change it. The local government focuses especially on how to get young people to live in Snåsa.

**Technological factors** – in these days, communication and information technologies make the job with information, booking etc. much easier. Much more work can be done by computer and therefore less people need to travel in job situation. The presentation, sales promotion and the communication of hotel may be more effective by using a new technology. Accordingly it is very important to keep the pace with this kind of development. As it was mentioned previously, Norwegians are well technologically literate, the possibility to pay by card anywhere one needs, including Snåsa, is positively evaluated.

**Ecological factors** – currently plays an important role. Whole world attempts to protect the nature and to be more eco-responsible. This strive creates another rules and regulations in business. Norway has a very nice countryside and as Norwegians they are extremely proud of it, they sort waste, recycle and do everything to conserve it for the future. This activity is quite common for them. There is only one problem, because of the Chernobyl catastrophe in 1986 there remain still some rests of radiation in the ground, plants, and trees on the mountains of Nord Trøndelag. That is the reason why every reindeer must be tested during the slaughter. It is required to do the testing every single year.

## 4.2 Analysis of client segmentation

The hotel is used very variably. There are several types of guests and tourists with different needs which hotel tries to satisfy. These guests can be separated into three main homogeneous groups, as Snåsa Hotell does. These groups are specified as Holiday & leisure, Course & conference and Employment & business.

**Holiday & leisure** – this group can be specified as people who use the hotel mostly during the summer and less frequently in the rest of the year. They are usually driving from the south to the north or opposite and passing by. They come to spend a night, to eat dinner and breakfast, to do and see some activities special around, to get more information about this place and to relax. There are three types of holiday and leisure guests:

- **Tourists** – couples and families from Norway or abroad. These guests usually book the room by internet via booking.com or another booking portal or they call 2-4 hours before their arrival and book the room. Most of them come during the summer of course. They want to see or experience something special, have knowledge about the place, taste the local cuisine and take a rest.

- **Busses** – groups from Norway or from abroad – Germany in most cases with usually elderly people. There are travel agents who book places in the hotel. They have the same demands as ordinary tourists, but they do not spend so much money during their stay. Food is included in the price they paid so they are not forced to spend more money than they have to do in the hotel. They have usually their own program during the stay.
- **Other** – – people who usually come because of family arrangements in Snåsa, in or outside the hotel. Guests of arrangements outside the hotel usually come back to the hotel very late at night to sleep over, to eat breakfast and to leave. Other group of guests who come for reunions or “Christmas tables” (Christmas corporate parties), they eat dinner together or have a party in the evening, drink on the bar, stay overnight, they eat breakfast and leave. This group is quite attractive for the hotel because they use more services and spend more money than the previous groups.

**Course & conference** – is a group of corporate guests who have greater demands than the other groups. They need satisfying course/conference rooms with good and modern equipment and sufficient capacity. They generally have coffee breaks or refreshments in or outside of meeting rooms. They book the hotel a few weeks or months, before a course/conference starts. They require special treatment. The personal has to be very flexible and should be able to satisfy all their wishes. They usually come back for the next conference.

- **Non-resident companies** – corporates or groups usually from Nord and Sør Trøndelag stay over one or two nights, they use course/conference rooms, group rooms, have coffee breaks and they eat dinner together in the evening and consume on the bar after. Next day after breakfast they continue in the course/conference, they eat lunch and leave.
- **Local companies** – they use hotel without overnight. They come from Snåsa or surroundings and have meeting in this hotel just with an ordinary service (coffee and refreshment in the meeting room or lunch/dinner in restaurant).

**Employment & business** – Employees from external companies, who work, build or repair something in or around Snåsa. They usually spend a few nights and eat breakfast and

dinner only. Sometimes they drink on the bar. They do not have high such high demands as the first two groups.

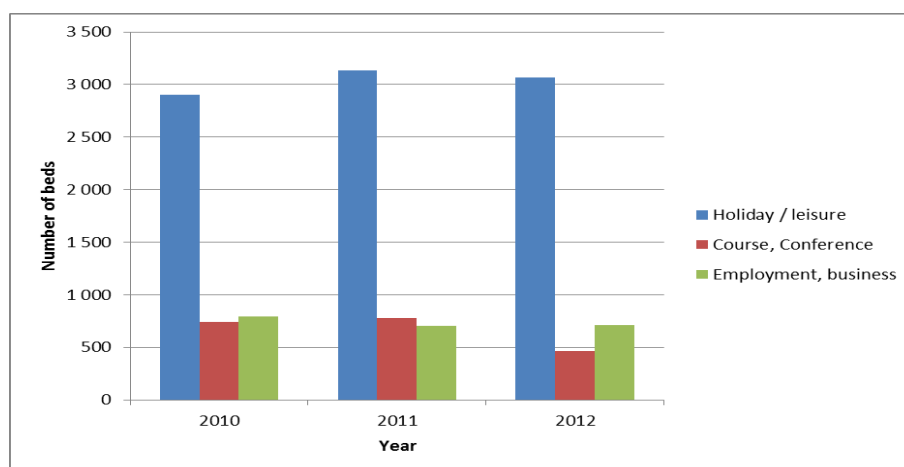
Besides of these three main groups can be create one more called *local guest*. Here we can set the rest of hotel visitors who do not stay overnight in this hotel.

**Local guests** – are people who use the hotel occasionally, not for overnight but as a place for celebrations as confirmation, wedding feast, birthday, funeral feast or ordinary dinner. Sometimes there are theatres, festivals or other shows happenings in the hotel so that is why people come and visit Snåsa Hotell. These guests need a dining hall or other saloon with sufficient capacity and personal help with the creation of menu, decoration and organization. They do not constitute a huge group and they do not sleep over, therefore they are not included in the tables and graphs. If they do sleep over, they are a part of Holiday & leisure group.

*Tab. 1. Number of occupied beds by guests according to their segmentation (the own elaboration)*

	<b>Holiday &amp; leisure</b>	<b>Course &amp; Conference</b>	<b>Employment &amp; business</b>	<b>Total</b>
<b>2010</b>	2 904	741	794	4 439
<b>2011</b>	3134	781	703	4 618
<b>2012</b>	3064	468	712	4 244

In the previous table and next graph these three main groups of hotel guests are illustrated, according to their occupied beds during the last three years.



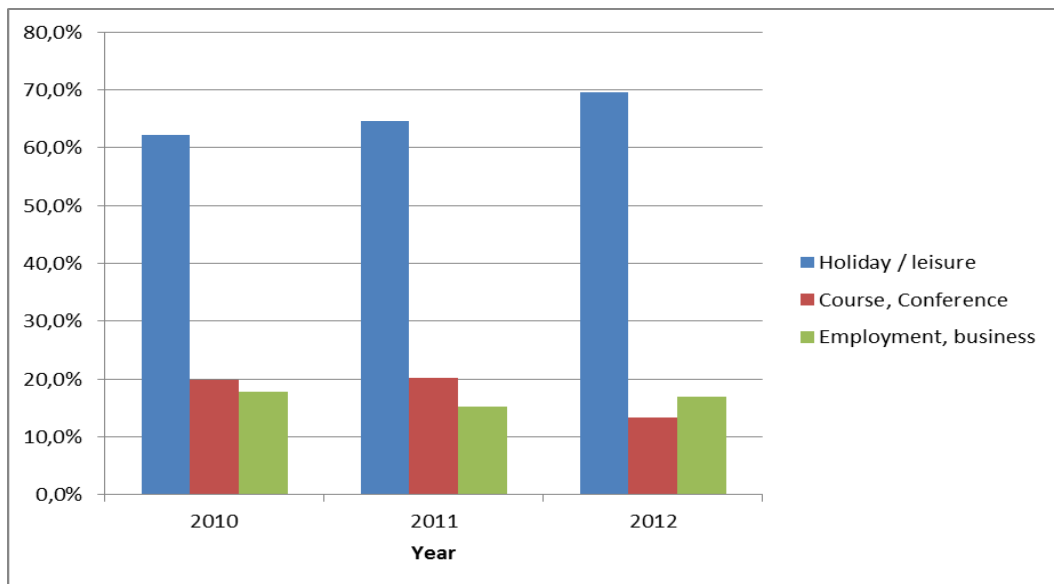
*Pic. 3. Number of beds occupied by guests according to their segmentation (the own elaboration)*

The most numerous group is made by tourists using the hotel for holiday and leisure, and non-tourists that visit the hotel (Others in the previous part). Course/conference and employment/business groups make almost the same number until year 2012. The last year was very unsuccessful with courses and conferences. The number is almost half as it can be seen from the previous table and graph. But according to the Statistics Norway the next table presents the number of courses and conferences in both regions of Trøndelag, Sør and Nord, which is increasing.

*Tab. 2. Occupied beds according to the guest segmentation in the region (the own elaboration)*

	Sør Trøndelag		Nord Trøndelag	
	2011	2012	2011	2012
<b>Course/conference</b>	128 713	139 628	62 532	69 822
<b>Employment/business</b>	486 540	541 032	140 671	152 142
<b>Holiday/leisure</b>	568 855	625 260	127 098	126 908

According to the internal data of Snåsa Hotell, the next graph shows the turnover of these groups in the organization.



*Pic. 4. Turnover by individual groups of guests in SH (the own elaboration)*

The highest income is from ordinary tourists group because their number is significantly higher than the other groups and they use hotel the whole year. They have made about

60-70 % of this income during the last three years. In addition, the course/conference made only 13-20 % and employment/business around 17-20 %.

### **4.3 Analysis of hotel offer - products and services**

Snása Hotell offers its guests a range of products and services. Provided services can be divided as follows: accommodation services, gastronomic services, additional and personal services.

#### **4.3.1 Accommodation services**

Accommodation is provided inside and outside the hotel. Inside the hotel there are 38 rooms in two floors with 64 beds in the newer part of the hotel and 14 rooms with 16 beds on the second floor of the original part. Outside the hotel there is a camping site with place for 30 caravans and 9 cottages. This camping side is used only in summer.

Equipment of rooms – there are single and double rooms, one family room and one room with access for disabled. All rooms in the newer part have own shower and toilet. The equipment further includes TV, radio, sofa (extra bed), desk, night table and small wardrobe, book with information, free wireless and internet connection. The original rooms have the same equipment except TV, own shower and toilet, but they have the view to the local mountains and to the lake.

#### **4.3.2 Gastronomic services**

Food services are provided also inside or outside the hotel. Inside the hotel guests are served in a restaurant and in a bar. Outside the hotel there is an area with places to have a barbeque and “Eldhuset” – an old house with an open fireplace.

Restaurant - comprises 40 seats and serves to breakfasts, refreshments/coffee breaks/, lunches and dinner. The kitchen can also provide food for the external home celebrations or other organizations. In the restaurant the home-cuisine with local ingredients is served only.

Bar – fully licensed bar has 20 seats and can offer its guests various types of alcohol, mixed beverages with or without alcohol, tasty red or white wine, well-chilled draft beer or fragrant coffee.

Eldhuset – is an old wooden house with an open fireplace, five long tables, a bar and approximately 30 seats. This place is also available for parties or dinners. (Hotel's internal materials, ©1997)

### 4.3.3 Additional and personal services

As a complementary service the hotel offers its own sauna which belongs to the family room, and solarium. There is the possibility of washing and drying clothes as another personal service.

### 4.3.4 Other services

Hotel has been specially built for courses and conferences. So it can offer its meeting rooms and conference hall for meetings/courses/conferences. The hotel has conference rooms with facilities that include: wireless speaker system with a lapel microphone, a video, a data projector, and wireless networking. They can also offer rest areas in different sizes.

In addition, the hotel can also provide its saloons and restaurant for feasts, theatre, celebrations or Christmas parties and outside area for festivals, concerts and barbeques. On a request the hotel is available to ensure evening entertainment or similar events.

Guest can also buy fishing/hunting cards, souvenirs from Snåsa, books and other stuff of Joralf Gjerstad or Sami people, postcards with stamps and maps on the reception.

## 4.4 Analysis of competition

### 4.4.1 Local competition (locality close to Snåsa)

This following list represents local competition for Snåsa Hotell up to 60 km distance with accommodation and conference facilities.

- Heia gjestegård is located directly next to the road E6 and 13 km north from Snåsa Hotell. It has 31 modern rooms with 64 beds. Outside the guest house are 10 cottages with own shower, toilet, television and kitchen. Conference facilities are provided by two large conference halls with capacity from 60 to 100 persons, one meeting room for 25 to 30 persons and some group rooms. (Trio Media, 2012)
- Quality hotel Grand \*\*\*\* - is a renovated, modern hotel situated in town centre of Steinkjer, around 60 km southwest from Snåsa. It has 113 ordinary and superior

rooms and 7 conference halls with capacity up to 350 persons and other group rooms. (Nordic choice hotels, [2013])

- Best Western Tingvold Park Hotel \*\*\*\* - is a part of the world's largest hotel chain Best Western. It is a modern hotel located in Steinkjer with 51 rooms. It has also 5 meeting rooms with capacity up to 150 persons. It offers its guest a sauna, a coffee and waffles gratis on the lobby bar and an evening buffet is included in most of the room categories. (Smart Media AS, [2013]a)
- Rica Rock City Hotel \*\*\* - situated in Namsos (60 km northwest from Snåsa) is a very modern and large hotel with 96 rooms including also superior and deluxe category. The entire hotel is in a rock style. There are also five meeting rooms and one conference hall in a neighbouring building with capacity up to 400 persons. (Rica Hotels, 2013)
- Børstad Hotel – is a small family hotel in the center of Namsos. It has only 19 rooms (30 beds) and no conference/meeting facilities. (Børstad Hotel, © 2013)
- Tino's Hotel – – is a modern family hotel in Namsos with Italian profile. It has 14 double rooms and three suites with balcony and view to the fjord. It has only three meeting rooms with a maximum capacity for 40 persons. (Tinos Hotell AS, © 2012)
- Overhalla Hotel \*\*\* - lies 49 km northwest from Snåsa. It has 23 rooms with 54 beds and one apartment with two bedrooms and six beds. Conference facilities are provided by four meeting rooms. (ndw.no, [2013])
- Hotell vershuset Grong \*\*\* - lies in the neighbouring town Grong, 28 km north from Snåsa. This hotel has 29 large rooms (14 rooms with terrace, 5 rooms with disabled access and 2 mini suites). For courses and meetings it is possible to use one of the 5 meeting rooms with capacity from 25 till 125 persons. (JA-Tjenester AS, [2013])
- Other places for overnight - closets to Snåsa Hotell are: Strindmo Gård Camping, Oldernes Gård, Skartnes Gård og Familieferie, Grond Gård Guesthouse, Vegset camping, Grong Vandrerhjem, Snåsa Kroa, Snåsa Fjellstyre, Allskog BA. These places are rather competitors for the hotel during the summer, but they don't have such a high standard as SH offers.

The biggest competitors for SH can be found: Quality hotel Grand \*\*\*\*, Rica Rock City Hotel \*\*\*, Best Western Tingvold Park Hotel \*\*\*\* and Heia gjestegård.



#### 4.4.2 Regional competition (Nord Trøndelag)

In this group they are competitors made up of hotels and the other accommodation facilities from the whole Nord Trøndelag up to 120 km distance from Snåsa focused on courses/conferences only.

- Stiklestad Hotell – is situated 94 km south from Snåsa. It has very good conference facilities: 1 conference hall for 280 persons, which can be divided into 2 smaller ones, auditorium with 96 seats, courtyard – outside area under the roof with 1000 seats or 350 seats for dining, 2 meeting rooms with 50 places of school seating and 4 smaller ones with 10 - 12 seats. All conference and meeting rooms are technically well-equipped. The hotel has about 52 large family rooms and 4 apartments, which can be used as meeting rooms or for exclusive dinners. (Smart Media AS, [2013]b)
- Verdal Hotell – is a hotel in the centre of Verdal, 90 km south from Snåsa, operating by a family for three generations. It has 40 renovated rooms and meeting rooms of various sizes with very good equipment. All meeting rooms can hold up to 150 persons together. (Verdal Hotell, [2013])
- Thon Hotel Backlund – is situated in the town of Levanger, 105 km south from Snåsa. It has 65 rooms and 3 family rooms. It offers 3 meeting rooms and a small library. The first meeting room has place for 100 participants (cinema seating) or 65 participants (school seating), the second one for 25 persons and the third one for 15 persons. All meeting rooms are technically well-equipped. (Thon Hotels, [2013])
- Namsskogan Hotell – lies 71 km north from Snåsa, close to the Namsskogan Family Park. It has conference facilities involving: well-equipped conference halls for 60 and 110 persons plus 2 meeting rooms. (Firmanett.no, [2013])
- Jægtvolden fjordhotel – is located 84 km southwest from Snåsa, in scenic surroundings of Inderøy municipality. It has accommodation capacity for 130 persons. This is provided by 58 double rooms and 3 apartments. All rooms are modern, have an access for disabled and a view to the lake or direct entrance to the park. (Aktiweb, © [2013])
- Steinkjer Kurssenter – is 60 km southwest from Snåsa. It has 51 double guest rooms. Courses/conferences are available to everything from 2 to 120 people in

a meeting room, a course room and a conference hall. Two of these are brand new and therefore maintain a very high standard. (Digipark, © 2007)

- Lierne Gjestegård is quite small guest house with capacity of 25-50 beds, situated in a nature, approximately 90 km northeast from Snåsa. It has a meeting room for 50 persons and 4-5 group rooms. (Smart Media AS, [2013]c)

Stiklestad Hotell, Steinkjer Kurssenter and Namsskogan Hotell can be found as the biggest competitors in this group.

## 4.5 Analysis of the plans and hotel occupancy

### 4.5.1 Objectives

Snåsa Hotell A/S is a quite small hotel operated by a family. The main aim of the organization is to make its guests feel at home. It wants to offer its guests a great experience above all, not only from the residence, but also from the domestic, local, traditional cuisine. The hotel also maintains its traditional ancient look. The common rooms are equipped with nicely preserved antique furniture, dishes, wallpapers, pictures, and animal trophies on the walls. However, conference rooms and reception have very good technical equipment.

Almost from the beginning and of course in the future, the hotel would like to focus on corporate groups using the hotel for courses and conferences, because these groups usually come back and are able to fill up the low occupancy during the spring/autumn and spend more money than ordinary tourists. These objectives are as follows:

The general objective - The hotels main issue is to be one of the first choices in the region for businesses, public services and organisations when they are to arrange social and professional meetings and gatherings.

Operational objectives - Hotel will be an attractive place for seminar guests, tourists and guests from the local market. All needs of the audiences will be satisfied in order to achieve budget sales, increasing by 7 % each year. (Hotel's internal materials, ©1997)

In the future SH also would like to create a good cooperation with newly built Sami museum, because they can observe great potential there.

### **Marketing activities**

Last marketing research for this hotel was done during the year 2008. Based on this research, the marketing plan for a year 2009 and 2010 was done. It included the main goal - increase the profit by 250 000 NOK in year 2009.

This should be achieved by:

- higher level of activity/increased sales and marketing,
- refurbishment and upgrading of hotel product,
- new, progressive organization.

Almost the same targets were set for the future:

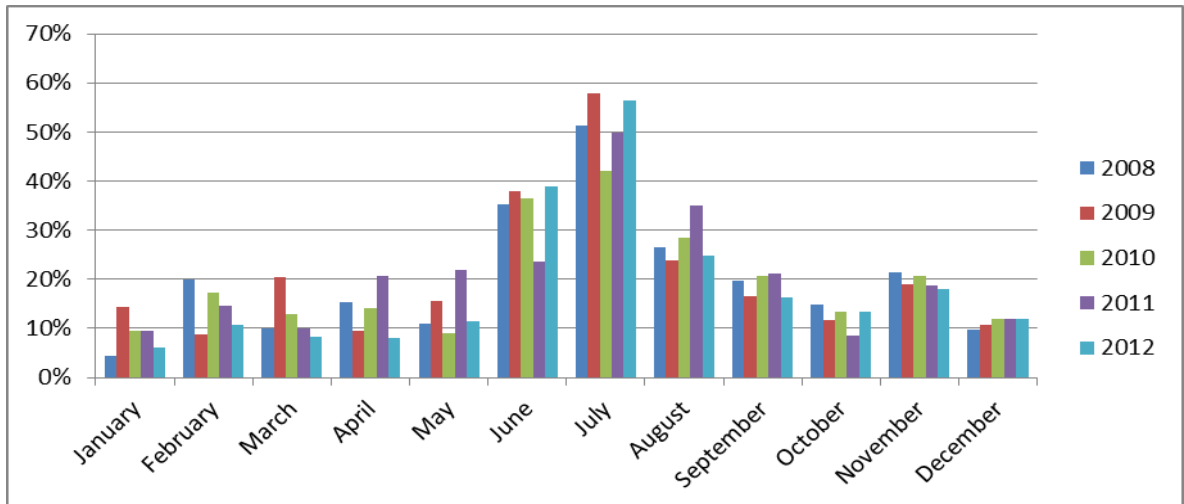
- new organization/prepare generational replacement in the leadership,
- increased activity and earnings/marketing project,
- refurbishment and upgrading of the hotel product.

Due to these objectives, an action plan with a list of responsible persons and activities leading to their fulfilment was created. This documentation finishes in 2010. From that time till now there is no documentation, specified objectives and marketing plan with activities for this time or the future.

The cooperation with newly built Sami museum is still open, but not really actual at the moment. Sami museum is still not finished. It should be opened in 2014, but they have some financial problems, so the opening seems to be postponed. The hotel manager had some meetings with the leader of Sami museum about the future and market opportunities for SH. The hotel is familiar with the intentions of Sami Museum, but it is still waiting with the marketing activities.

#### **4.5.2 Hotel occupancy**

Hotel occupancy is very unstable during the year, because of the seasonality. The highest season is in June and July as it is illustrated on the next graph. This is because of summer holiday and arrival of foreign tourists. On the other hand the lowest occupancy is during the first and last months of the year. The graph below shows the monthly occupancy during the last five years. It shows very clearly that last summer was very successful, but the rest of the year was worse than usual.



*Pic. 5. Monthly occupancy during the last five years (in %) (the own elaboration)*

Average annual occupancy in SH is about 20 % only. Hotel usually uses the new part of the hotel with 38 rooms. The rest of the rooms in the original part are not use very often, just in cases when the hotel is totally full. The occupancy was therefore calculated for 38 rooms only. The hotel is usually opened 346 days a year. Monthly hotel occupancy for the last four years is shown in the following tables.

*Tab. 3. Hotel occupancy during the year 2009 and 2010 (the own elaboration)*

	2009		2010	
	Occupied beds	Occupancy	Occupied beds	Occupancy
January	275	14,3 %	182	9,5 %
February	156	8,7 %	310	17,3 %
March	404	20,4 %	257	13,0 %
April	141	9,6 %	209	14,2 %
May	297	15,5 %	173	9,0 %
June	727	37,9 %	699	36,4 %
July	1 148	57,9 %	834	42,0 %
August	471	23,7 %	563	28,4 %
September	317	16,5 %	395	20,6 %
October	232	11,7 %	267	13,5 %
November	364	19,0 %	397	20,7 %
December	159	10,8 %	174	11,8 %
Total occupancy	4 691	21,1 %	4 460	20,0 %

Tab. 4. Hotel occupancy during the year 2011 and 2012 (the own elaboration)

	2011		2012	
	Occupied beds	Occupancy	Occupied beds	Occupancy
January	183	9,5%	116	6,0%
February	262	14,6%	198	10,7%
March	200	10,1%	164	8,3%
April	304	20,7%	117	7,9%
May	421	21,9%	219	11,4%
June	455	23,7%	747	38,9%
July	991	49,9%	1 117	56,3%
August	693	34,9%	490	24,7%
September	405	21,1%	313	16,3%
October	169	8,5%	266	13,4%
November	361	18,8%	346	18,0%
December	174	11,8%	153	12,0%
Average occupancy	4 618	20,7%	4 246	19,2%

## 4.6 Financial analysis of the hotel

This analysis is performed in order to get a general overview of the financial situation of the SH. Financial analysis is based on the data from the balance sheet and profit and loss account for 2008 – 2012. Since the financial statements for 2012 have not been fully completed yet, the results do not have 100% of the information value. Financial analysis is performed by using the ratio indicators. This method helps to get a quick overview about financial situation of the organization. Here are used the basic indicators of profitability, liquidity, debt and activity. These indicators are theoretically described in subchapter 2.5.

### 4.6.1 Profitability indicators

Tab. 5. Profitability indicators (the own elaboration)

	2008	2009	2010	2011	2012
Return on assets	6,8 %	2,8 %	6,4 %	11,5 %	-0,3 %
Return on equity	45,3 %	17,9 %	33,4 %	45,6 %	-1,3 %
Return on sales	7,3 %	2,9 %	5,9 %	9,0 %	-0,3 %

The values of profitability indicators depend on the profit of the company. As the above table shows, the company was profitable in 2008 to 2011. The profitability indicators were positive. Due to the slightly higher expenses, lower number of guests and the associated lower revenues, the hotel posted a loss in 2012. Therefore these indicators were negative. The second weakest year in terms of earnings was 2009. The table also shows that the organization successfully evaluates the capital invested in the business, especially in 2008 and 2011.

#### 4.6.2 Debt indicators

*Tab. 6. Debt indicators (the own elaboration)*

	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Debt ratio	85 %	84 %	80 %	74 %	77 %
Equity ratio	15 %	16 %	20 %	26 %	23 %
Debt-to-equity ratio	5,6	5,3	4,1	2,8	4,3

The debt ratio and the equity ratio together form 100 %. These are the proportions of various sources (foreign or own) on total assets. The recommended value of debt ratio is about 30 – 60 %. Based on the data from the table can be stated, that the debt ratio decreased from 85 % in 2008 to 77 % in 2012. The company uses less and less of foreign sources and thus it becomes more independent each year. Its ability to cover its needs from the own sources grew slowly from 15 % in 2008 to 23 % in 2012. These indicators are also related to the profitability of the company. If the company is profitable, it is able to generate sufficient funds to repay its debts.

#### 4.6.3 Liquidity indicators

*Tab. 7. Liquidity indicators (the own elaboration)*

	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Current liquidity	0,7	0,5	0,5	0,6	0,5
Quick liquidity	0,6	0,4	0,4	0,4	0,4
Cash liquidity	0,1	0	0	0	0

According to the recommended values of liquidity referred in subchapter 2.5, the organization has trouble to fulfil them. Its values are usually lower. It means that the organization may have trouble to pay its liabilities. Otherwise these liquidity indicators are calculated on a specific date, so they do not have a high explanatory power, such as cash flow analysis. Using the short-term liabilities to finance the long-term assets may result the low value of current liquidity of the company. The low value of quick liquidity reflects that organization must rely on the eventual sale of its inventories, if necessary. Not even the values of cash liquidity meet the criterion of recommended value. This means that the hotel may have problems to promptly pay its short-term liabilities. These indicators are also related to the average collection period and the creditors' payment period, shown in the following table.

#### 4.6.4 Activity indicators

*Tab. 8. Activity indicators (the own elaboration)*

	2008	2009	2010	2011	2012
Inventory turnover ratio	10	10,3	7,8	6,3	5,5
Inventory turnover	36,4 days	35,5 days	46,9 days	57,6 days	65,9 days
Average collection period	31,1 days	36,3 days	30,4 days	27,6 days	36,7 days
Creditors payment period	57,7 days	84,8 days	83,2 days	71,2 days	101,7 days

The inventory turnover ratio went down in the last four years. In connection with this the inventory turnover increased. The reason for this trend may be seasonal fluctuation and yearly growing inventories in the stock. The value of average collection period varies on average around 32 days. The hotel has maturity of receivables on 10 days for ordinary customers and 30 days for the public and government organizations. The previous table also shows a short delay of paying receivables. It is appropriate when the sum of the inventory turnover and average collection period is higher than the creditors' payment period. In such case there is a financing of inventories and receivables through the supplier credits. This situation occurred in the years 2008, 2009 and 2010. This is advantageous, but it can be reflected at low levels of liquidity.

#### 4.7 SWOT analysis

In this subchapter all previous analysis by SWOT analysis are summarized. There are strengths and weaknesses of SH, and market opportunities and threats.

Tab. 9. SWOT analysis (the own elaboration)

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>• Long tradition</li> <li>• Location</li> <li>• Nice, old-fashioned, family atmosphere of the hotel</li> <li>• Local cuisine</li> <li>• Good conference facilities</li> <li>• Free internet connection throughout the hotel</li> <li>• Interesting range of activities near the hotel</li> <li>• Hall, gifts and cooperation with “Snåsamannen“ Joralf Gjerstad</li> <li>• Cooperation with local Sami people</li> </ul>	<ul style="list-style-type: none"> <li>• Low level of marketing activities, missing marketing plan</li> <li>• Simple organizational structure</li> <li>• Low and unstable occupancy during the year</li> <li>• Unused capacity on the second floor in the old part of the hotel</li> <li>• Some rooms without own shower, toilet and TV</li> <li>• Liquidity and disproportionate amount of inventory</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>• New companies in hotel surroundings</li> <li>• Newly built Sami museum</li> <li>• New attractions and good marketing presentation made by Snåsa commune</li> <li>• Uniform classification for hotels and restaurants</li> <li>• Growing interest of companies in courses and conferences in the region</li> <li>• State support</li> </ul>	<ul style="list-style-type: none"> <li>• New competition – specialized hotels for courses/conferences</li> <li>• Hotels with special offer</li> <li>• Less qualified employees in the region</li> <li>• Rising prices (food, electricity)</li> <li>• Strong prohibition</li> <li>• Generational replacement in the leadership</li> <li>• Missing signs to the hotel on the road E6</li> </ul>

### Strengths

- Local cuisine – is a very important factor for the hotel, because it makes the hotel very special and unique. Most of the guests really appreciate local cuisine while it is some-



thing they can taste just in this place. Each region has its own traditions as well as cuisine. SH is aware of this fact, therefore they use local ingredients of excellent quality and serve everything from home cooking to most delicate dishes. They really keep the tradition of homemade food and local cuisine. Food in Snåsa consists of fish dishes (creamy fish soup; smoked, marinated or baked fish), meat of reindeer (because of local operating of south Sami people), the Urfe – the local breed of cow, lamb and elk of course. Some of the typical local dishes are: the soup-like meal named „Sodd“ (with mutton, meatballs, carrot and potatoes) served with local crunchy flat bread, sour cream porridge with butter, sugar and cinnamon served with salami, soft and flat bread and finally the dessert “Trollkrem” (cranberry cream) served with vanilla sauce. All these dishes are offered at Snåsa Hotell.

- Interesting range of activities near the hotel – are very important, because guests are not limited to stay just in a hotel. They can travel around and enjoy the moment of something unusual. The whole Snåsa is able to offer a lot of options to spend free time. From trekking, skiing, fishing and hunting to visiting various museums, churches, mountain's farms and other places of interest.
- Good conference facilities – is one of the most important term for arranging courses/conferences in a hotel. As it was described in subchapter 4.3, the hotel has relatively many meeting rooms, large conference hall with sufficient capacity and good equipment.

### **Weaknesses**

- Low level of marketing activity – can be very destructive for the organization. Each company should have clear strategy, plans and targets. According to the analysis of marketing plans in SH I found out that the old version made in 2008/2009 has not been updated since that time. So they generally manage hotel from day-to-day right now.
- Missing human resources with appropriate education – particularly in marketing and business economics. According to the organizational structure which is very simple and most of the job, especially management functions, are provided by family members; however, it may seem that there are few people for these functions. And of course the number of full-time employees is also very low.
- Low and unstable occupancy during the year – is a quite common phenomenon in this industry. But the 20% average hotel occupancy is desperately low. This is primarily the consequence of missing marketing activities.

### Opportunities

- Newly built Sami museum – is situated just 2 km from SH. It is still in the development stage, but it should be finished in 2014. It includes a museum, museum's shop, library, restaurant, offices, 3 workshops, an outdoor area and an auditorium with capacity for 100 people. This museum will present South Sami identity, culture, history, language and social life. It will also offer its visitors their typical food and meeting rooms. Hence on one hand it represents be a good opportunity for the hotel how to get another attraction for its guests or offer its accommodation capacity for guests of the Sami museum. On the other hand it can also be a kind of competition for SH in the area of courses/conferences. In this case it could be classified as a threat.
- Uniform classification for hotels and restaurants – is not clearly defined in Norway. But this change could be very helpful. SH has no stars or other marking and it is not a part of any hotel chain, so this could be a chance for a hotel how to get some identification and competitive differentiation. For guests it remains a sign of the level of services they should expect there.

### Threats

- Hotels specialized for courses/conferences or hotels with special offer – which are becoming very popular in these days. This can be a strong competition for a hotel, because these establishments could be very attractive for both important hotel groups of guests – ordinary tourist and corporate clients.
- Less qualified employees in the region - can be really problematic in the future. As it was mentioned in subchapter 4.1 – social and demographics factors, there are still less and less people who live or stay in this commune (region) with adequate education.
- Generational replacement in leadership – could possibly present a threat for this organization, but they do it very slowly and carefully so I do not expect any big troubles with that. Contemporary owner and manager would like to stay in this hotel as long as possible and help to a new manager (his daughter) as much as it will be needed. But anyway the replacement in leadership is always a delicate thing!
- Missing signs to the hotel on the road E6 – is a crucial problem, because a lot of tourists drive the road E6 from the south to the north or opposite and hotel lies just 5 km from this road. However, it is not a hotel management who may decide about it, but the Norwegian Public Roads Administration takes responsibility. Hopefully the hotel will get soon the permission. Otherwise they lose an opportunity to get new potential guests.

## **5 QUESTIONNAIRE SURVEY**

In this chapter the questionnaire survey and its results are described. It was created to complete the analytical part.

### **5.1 Initial situation**

The number of hotels with conference facilities is still growing, but these are usually city hotels or airport hotels which appear most. So there is still space how to reach this group and offer it something extraordinary and unusual outside the city, because an unusual experience is something what is required in these days.

The number of courses and conferences went down in recent years in SH. Compared to 2011 the number was almost half in 2012. Because of this trend and low level awareness of guest requirements, opinions and satisfaction a questionnaire was created.

### **5.2 Questionnaire survey, results of the survey**

The questionnaire survey was focused on corporate clients in two categories. The first one is group with corporate clients who still use hotel and the second one includes corporate clients who do not use hotel anymore.

The main goal of this questionnaire survey was to find out the reason why there are less and less corporate clients in SH, why companies have stopped organize their meetings there, what is crucial for them when they choose the place of conference, how do they evaluate services in SH and what they lack in there.

However corporate clients are also ordinary guests and tourists so the questionnaire was created with the target to find out the requirements and opinions of ordinary tourists also.

This survey was performed in April. The questionnaire was created on the web-site <http://no.surveymonkey.com> in the mother language (Norwegian). This questionnaire is included in Annex No. I of this work in its English version. It was sent to the leaders of courses/conferences by e-mail with the link to this questionnaire. Email addresses were obtained from the internal hotel database. It was sent to 56 existing clients and 84 former clients. Respondents were also motivated to fill out the questionnaires with possible price of winning two free tickets for a local festival including bed and breakfast in the hotel (hotel is the co-organizer of this festival).

### Results of the survey

The questionnaire survey was performed in the period from 11<sup>th</sup> April to 26<sup>th</sup> April. In the case, the questionnaire was not completed after the first week, the reminder was sent.

Total finished questionnaires were returned as follows:

- current clients  $13/56 = 23,2 \%$
- former clients  $6/84 = 7,1 \%$

Results of the questionnaire survey are in Annex No. II of this work. The following table shows just some of the key answers from the respondents.

*Tab. 10. Results of questionnaire survey*

	Current clients		Former clients	
The frequency of the conferences with over-night stay (days/year)	less than 10 days	76,5 %	less than 10 days	71,4 %
	more than 10 days	23,5 %	more than 10 days	28,6 %
The number of participants at conferences	1 – 30	58,4 %	1-30	16,7 %
	31 – 50	33,3 %	31-50	83,3 %
	51 - 75	8,3 %	51-75	0 %
	76 – 100	0 %	76-100	0 %
	more than 100	0 %	more than 100	0 %
The acceptability of a price of 1 420 NOK/per person (including 3-course dinner, accommodation, breakfast, refreshments on the course / conference, lunch and meeting room hire)	No, it's very expensive	0 %	No, it's very expensive	0 %
	No, it's expensive	8,3 %	No, it's expensive	16,7 %
	Yes, it's just right	58,4 %	Yes, it's just right	50,0 %
	Yes, it's cheap	25,0 %	Yes, it's cheap	33,3 %
	Yes, it's very cheap	8,3 %	Yes, it's very cheap	0 %
The way clients find the information about the place of conference	<ul style="list-style-type: none"> <li>• websites</li> <li>• recommendation from superiors/colleagues/friends</li> </ul>		<ul style="list-style-type: none"> <li>• websites</li> <li>• recommendation from superiors/colleagues/friends</li> </ul>	
Sufficient information about SH and its offer	YES – 91,7 %		YES – 83,3 %	
	NO – 8,3 %		NO – 16,7 %	

**Current clients** – 76 % of current customers organize conferences to less than 10 days per year. These conferences usually involve 1-30 participants. The current price of 1 420 NOK for package of conference services is acceptable, maybe even to low. When current clients look for a place of conference, the most used sources of information are websites and recommendations from superiors/colleagues and friends. The 90 % of this group has sufficient information about SH and its offer.

**Former clients** – 71 % of former customers organize conferences to less than 10 days per year. These conferences usually involve 30-50 participants. The current price of 1 420 NOK for package of conference services is acceptable for former clients too. When these clients look for a place of conference, the most used sources of information are websites and recommendations from superiors/colleagues and friends. The 80 % of this group has sufficient information about SH and its offer. Former clients of SH received an additional question about the reason of their termination of attendance in SH. From the potential list of answers were selected the following: *We no longer organize courses and meetings externally, We have agreements with other hotel, We have little knowledge of Snåsa Hotell, Long distance to the Snåsa Hotell, Little activities at the hotel in the evenings, Lack of attractions in the local area.* Other reasons given by respondents were: *A little course activities with overnight stay and No special reason.*

Both groups rated the level of hotel services very positively.

**Due to the low number of respondents, it is needed to take these results with caution.**

## 6 CONCLUSIONS AND STARTING POINTS FOR THE PROJECT

According to the previous analysis and questionnaire survey, the following conclusions can be made.

According to the **basic information about SH** it can be said that:

- Snåsa Hotell is located in a peaceful location with beautiful surrounding nature. It offers a unique interior design, delicious local cuisine, good conference facilities and interesting local attractions outside the hotel.
- On the other side, there are some unused rooms of the original part of the hotel.

Based on the **PESTLE analysis** it can be concluded:

- Norway is a very stable country with strong and developed economy. The number of internet users is very high and the number of tourists is still increasing. The only problem can be the declining number of young educated people living in small towns and villages.

Analysis of **client segmentation** shows that:

- the largest group of hotel guests is ordinary tourists (approximately 70 %), but most of them usually come only during summers. That is the reason why it would be very beneficial to focus on the market niche - corporate clients, in order to offer them the conference facilities Snåsa Hotell has, while:
  - these guests mostly use hotel from autumns till springs when the hotel is occupied very little by ordinary tourists,
  - they are also ordinary tourists who can come and visit the hotel next time privately just with their families,
  - they usually spend more money than ordinary tourists,
  - and it is also a clientele that can come several times a year.

According to the **analysis of competition** can be stated that:

- the major hotel competitors in the field of conferences (who were introduced in the chapter 4.4) are hotels in location up to 60 km from the SH. Their strengths are: modern equipment, they are part of hotel chains (strong brand) and well equipped conference facilities.

- Compared with the whole region (Nord and Sør Trøndelag), where the number of courses and conferences went up in year 2012, the number of courses and conferences in SH went sharply down.

The analysis of the **marketing plans/activities** and **hotel occupancy** reveals:

- the marketing activities are on the very low level and there is no actual marketing plan for SH. This can be the reason for unstable and low occupancy of the hotel during the year and declining number of courses and conferences in the last year.
- The average hotel occupancy is 20 % only. The lowest occupancy is usually during the first and the last four months of the year.

Based on the **financial analysis** can be stated:

- that loss in year 2012 may be the result of slightly higher expenses, lower number of guests and the associated lower revenues. The debt ratio is slowly decreasing.
- SH has low liquidity and may have a disproportionate amount of inventory in the stock.

Based on the **SWOT analysis** can be summarized:

- strengths – location, local cuisine, cooperation with local Sami people, conference facilities;
- weaknesses – low level of marketing activity, missing marketing plan, low and unstable occupancy during the year, liquidity;
- opportunities – growing number of courses/conference in the region, newly built Sami museum, state support for the development of the commune;
- threats – growing competition in the field of conference services, missing signs on the road E6.

Based on the **questionnaire survey** can be concluded:

- that level of awareness of the offer and the SH itself is relatively high.
- Both groups of clients (current and former) organize the conferences to less than 10 days per year and the number of participants is not more than 50 persons. This means that the hotel has sufficient capacity for these clients.
- They search information about the place for conference on the websites and they accept prices of conference services in SH.

## **7 THE PROJECT OF ATTENDANCE INCREASES IN SNÅSA HOTELL**

### **7.1 Description of the project**

In this part the subject, goals, expected benefits and the used methods in the project are described.

#### **7.1.1 The subject of the project**

Based on the previous analyses, it has been found, that Snåsa Hotell A/S has currently no elaborated marketing plan and even for the next period of time. For this reason, the project of the diploma thesis is to focus on creating a marketing plan for the period of years 2013/2014. One part of this project is also its budget, total financial demands and riskiness.

The subject of this project is the creation of a marketing plan for summer-winter 2013 and the whole year 2014. The content of this plan is a strategy aimed at increasing attendance of the hotel; marketing mix created for each group of guests; and marketing activities together with their time and work schedule. The marketing plan deals with all groups of hotel guests, but it concentrates primarily on corporate clients, because there is still the potential; the growing number of courses and conferences is expected in the future.

#### **7.1.2 The goal of the project**

The goal of this project is to create a marketing plan to increase the attendance in SH, especially in the months with lower occupancy. As the above analysis of the occupancy of the hotel shows, its average annual value is around only 20 %. In some months, such as January or February the occupancy was around 10 % only. Since the corporate clientele visit the hotel especially from January to May and from September to December, the marketing plan is mostly focused on the corporate clientele. This is done to increase the hotel occupancy and also to reduce seasonal fluctuations. Since the number of courses and conferences are still growing in the region, it can be assumed that this group could increase its share of the total hotel occupancy. This group formed about 17 % in the recent years, but its share dropped to 11 % in the last year. Hotel has well-equipped conference rooms, so it would be disadvantageous to ignore this group more.



### **7.1.3 Expected benefits of the project**

Expected benefits related with the implementation of the project are:

- increasing of sales and profitability,
- increasing use of hotel services,
- higher and more stable hotel occupancy,
- increased awareness about the SH,
- and increasing hotel competitiveness.

In addition, the hotel receives completely prepared marketing plan which should help to monitor and evaluate the success of the achieved objectives.

### **7.1.4 Methods**

The elaboration of the marketing plan for Snåsa Hotell for years 2013/2014 is based on the theoretical knowledge described in subchapter 1.4, used from the literature by Morrison (1989).

## **8 MARKETING PLAN FOR SNÅSA HOTELL FOR YEAR 2013/2014**

### **8.1 Situational analysis**

In this chapter are presented and summarized some of the results of the analyses, processed in chapter 4, with a higher focus on group of guests using the hotel for courses and conferences. These findings explain the reasons for the emergence and form of a marketing plan.

#### **8.1.1 Analysis of the hotel and its location**

Snåsa Hotell A/S is rather a small family hotel located in a rural environment. The hotel offers its guests a relaxing stay in a beautiful and pure nature. After reconstruction, which began in 1974, it has retained its original part that keeps the spirit of pioneering local hospitality activities. These areas are preserved with original furniture and other accessories with ancient atmosphere, and they remind the way of life of ancestors. Other areas of the hotel are decorated mostly of hunting trophies, historical Snåsa pictures, photographs of Joralf Gjerstad and products or symbols of Lapps. Hotel has an unmistakable atmosphere. The hotel management stands for the traditional Norwegian cuisine and local specialities. Regarding to meeting areas, the hotel has several rooms with different size and capacity, which are presented in chapter 8.1.4 below. These rooms are technically well equipped. The hotel is situated near the village with good facilities. In its surroundings there are several tourist attractions described, which were together with the transport accessibility of the hotel in chapter 3.1.

**The hotel's main objective is to be the hotel Nord Trøndelag given priority in the business, public management and organizations regarding the placement of courses and conferences.**

#### **8.1.2 Analysis of the external environment**

Based on the analysis of the external environment made in Section 4.1 of this work, it can be stated, that Norway is economically a strong country, which experiences the impacts of the crisis in the EU very slightly. Therefore the situation where the companies were forced to save significantly did not occur. Norway is a large country with very low population intensity. Most of the people live in the south of Norway and they are mostly concentrated in larger cities. The population standard of living is on a high level there, and their ability and tendency to travel and discover the beauty of this country is still growing. The negative

aspect of such a strong economy can be discouraging for foreign tourists, for whom the prices of goods and services can be expensive or even unavailable. Such a tourist must search for the cheapest option of accommodation and meals.

As in other countries, in Norway there are also several regions with different local culture and tradition, which lures tourists for knowledge of something new. So an increase interest of "urban" tourists who travel for discovering something unusual could be expected.

An interesting discovery is the high percentage of Norwegian users of internet and their online shopping. This way of communication and promotion could become very effective. The local problem which might be rising for SH in the future, based on a declining number of local residents, could be missing human resources and lower use of services of the local population.

### **8.1.3 Analysis of client segmentation**

Individually groups of guests of SH are described in chapter 4.2. The division has been made on the basis of their common behavioural traits and consumption of services. So there may be found the groups: "Holiday/leisure", "Courses/conferences", "Employment/business" and "Local guests". First three groups use the hotel for overnight stay. The last group does not use accommodation services and therefore is not included in the statistics. However it would be appropriate not to forget this group, but to devote it attention. Because of the primary focus for the segment of Courses/conferences in the marketing plan, the group is described in more details in the text below.

#### **8.1.3.1 Courses/conferences**

This group can include labour unions and business organizations, professional associations, religious organizations, scientific associations, the military, women's organizations or educational institutions (Kirářová, 2006). These organizations are specific for their higher demands for services. They require conference facilities with sufficient capacity, high-quality technical equipment, and access of daylight mostly. They also need a space for breaks during seminars, saloons for social dinners or evening programs, good range of food and drinks, personal attention and flexibility of the hotel staff. Besides these participants are not demanding as for the outside hotel activities. The program of courses and conferences is usually very time consuming and participants hardly find a little free time for other activities. On the contrary, social evenings with music or sitting at the bar are very desirable.

Their expenses are higher in this direction. Such seminars are held usually from autumn to spring. These organizations hold corporate (Christmas) parties to their employees in the winter months November/December. Seminars or parties in these cases are usually reserved in advance. Organizations mostly seek for a contract price in this case as it is often a larger number of participants. The cost of lodging and meals is covered by companies in most cases and expenses at the bar and other extra expenses are covered by the actual participants. The advantage of obtaining such a clientele is an increased hotel occupancy in the period of low utilization of ordinary tourists. If managers and participants are satisfied with the services of the hotel, they are come back not only in the part of their duties, but also privately.

#### **8.1.4 Analysis of hotel products and services**

Services and products offered by the hotel can be generally summarized in: accommodation services, catering services, additional services and personal services. The contents of these services are described in chapter 4.3 of this work.

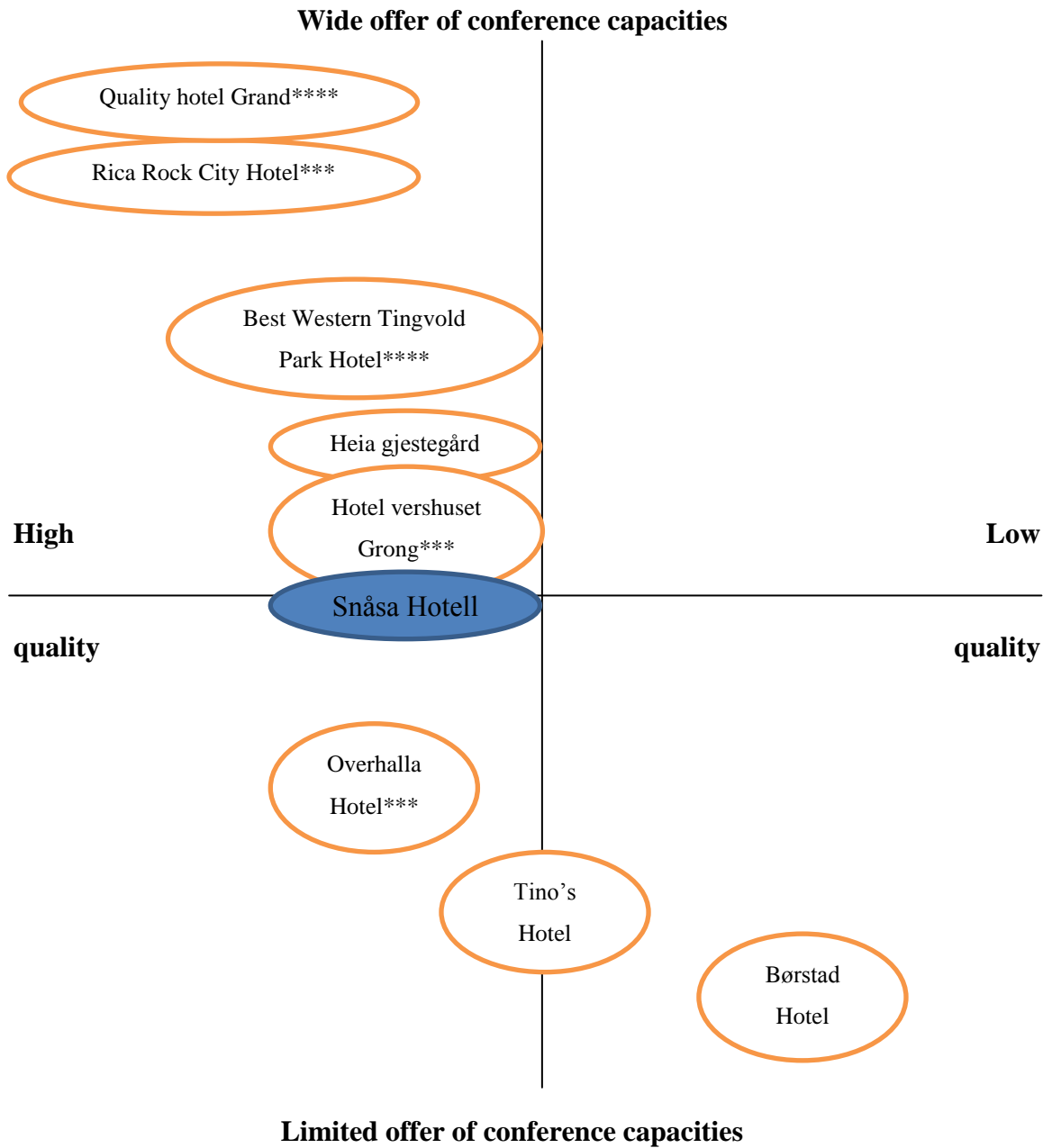
Because the hotel is special built for courses and conferences, it offers these services to corporate clientele. It includes meeting rooms and a conference hall for meetings/courses/conferences with capacity:

- Storsal 120 - 150 persons
- Grana 50 persons
- Leiråa 30 persons
- Luru 20 persons
- Steinsal 20 persons
- 2-3 group rooms.

All these rooms have daylight and they are equipped with: wireless speaker system with lapel microphone, video and data projector, and wireless networking. Hotel can also offer rest areas in different sizes.

#### **8.1.5 Analysis of the main competition**

Local and regional competition for SH is presented in chapter 4.4. On the following picture there is demonstrated the position of SH compared with some of its **local** competitors (up to 60 km) according to the level of quality and capacity of conference facilities. This analysis is performed on the own discretion of the author.



*Pic. 6. Position on the market by the level and capacity of conference facilities (the own elaboration)*

The wide offer of conference facilities means that the hotel has conference rooms for more than 300 people together. High quality was then derived from the level of technical equipment of these conference rooms and their modernity. Based on this view, it can be stated that the highest quality and a wide offer of conference facilities are provided in Quality hotel Grand\*\*\*\* and Rica Rock City Hotel\*\*\*\*. On the contrary, no conference facilities or a limited offer is proposed in Børstad Hotel and Tino’s Hotel. Snåsa Hotell is approximately in the middle.

**8.1.6 Analysis of market potential**

In order to identify current and potential clients in section of courses and conferences, a questionnaire was created, which was focused on current and former clients of the hotel. This questionnaire should, among other things, answer the question whether former clients may become its potential clientele again. The aim was to find out what were the reasons for termination of their collaboration with the hotel. Based on the results of the questionnaire it was found out that some companies either do not perform their courses and conferences externally or distance to SH do not suit them. These clients are past for the hotel and it does not make sense to continue or to pursue them. The second group of respondents had only little information about the offer of the hotel and these clients are still interesting and available for SH.

**8.1.7 SWOT analysis**

This analysis is focused only on the group of courses/conferences. There are strengths and weaknesses of SH and market opportunities and threats in area of courses/conferences.

*Tab. 11. SWOT analysis – courses/conferences (the own elaboration)*

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>• Well-equipped conference facilities</li> <li>• Spaces for corporate parties</li> <li>• Possibility of evening programs (with life music)</li> <li>• Willing and flexible staff</li> <li>• Quality gastronomic services</li> <li>• Location (in the middle of the region)</li> </ul>	<ul style="list-style-type: none"> <li>• Marketing activities on the low level</li> <li>• Missing marketing plan for recent years and future</li> <li>• Low number of current corporate clients</li> </ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>• Return of former corporate clients</li> <li>• The discovery of new potential clients</li> <li>• Long-term contracts with companies</li> <li>• Growing interest in the courses, conferences and corporate events in the region</li> </ul>	<ul style="list-style-type: none"> <li>• Competition in the form of hotels belonging to the hotel chains</li> <li>• A growing number of hotels with capacitive and technically equipped conference rooms</li> </ul>

The SH has facilities for conferences and corporate events. Excellent local cuisine will certainly appreciate the participants arriving from distant places. Weakness of this hotel is

that these services are not adequately marketed and sold. This needs to be changed, because there are still opportunities to reach more new clients and on the other side there is also a growing number of hotels with conference facilities.

## **8.2 Selection of marketing strategy**

### **8.2.1 Target markets and marketing strategy**

Marketing plan covers all the guests divided into groups specified above, i.e. "Holiday/leisure", "Courses/conferences", "Employment/business" and "Local guests". Here is used the "concentrated marketing strategy." Since the marketing plan deals deeper with the group of "Courses/conferences", in this case "one target market strategy" is applied.

### **8.2.2 Marketing objectives**

Based on the hotel occupancy and client segmentation analyses can be stated that SH has relatively a stable clientele. The average yearly hotel occupancy in the last 4 years was around 20 %. The largest group of guests form regular tourists, they represented almost 73 % in year 2012, and the remaining 27 % is distributed among the participants on courses/conference (11 %) and employment/business (16 %).

Marketing objectives follow up on previous objectives of the hotel, so the main goal of this marketing plan is to increase total visit rate and sales in Snåsa Hotell. In numeric terms is as follows:

- **the monthly increase in the number of occupied beds by 12 % in September-December 2013, and increase the use of bed capacity by 2 % in 2014;**
- **increase sales by at least 150 000 NOK in autumn/winter 2013, and about 400 000 NOK in 2014.**

Since the hotel would like to focus on the group of guests, who use the hotel for courses and conferences, there is another of the objectives:

- **to increase the proportion of courses and conferences in total hotel occupancy from the current 11 % (in year 2012) to 20 % till the end of the year 2014.**

The path leading to the fulfilment of the above-identified marketing objectives should lead through **higher level of marketing activities (promotion) and refurbishment and upgrading of marketing mix.**

### **8.2.3 Marketing mix**

In this subchapter all components of marketing mix and their relationship to the achievement of marketing objectives are shortly described.

#### **8.2.3.1 Product**

Apart from selling accommodation, catering, supplementary and other services described in chapter 4.3, the hotel also offers services specifically designed for corporate clients. These services include:

- Conference services - provide spaces, equipment and related services with the holding of various meetings, seminars, courses or conferences. These services are related to non-resident and local businesses, organizations and associations.
- Company events - are social events, held on the occasion of various anniversaries, important events or as a reward or consideration of the organization for its employees. In this case the hotel provides, among other things, music (or other program) and decoration. Sales of these services will be very important for SH in the future.

#### **8.2.3.2 Price**

Prices are set up for each group of guests separately. Prices for accommodation are different by room type respectively by the number of persons per room. For regular tourists still varies according to the season, prices are lower in summer and higher in winter. In the case of corporate clients and employment/business are prices a little higher for accommodation in comparison of prices for ordinary tourists. However, these clients usually buy a product in a package form where the prices are fixed to the entire package – that means the catering and accommodation services together. In its final form they are released more preferably than the services separately. Other services are charged for all guests equally. Nowadays, when the world is governed by discounts and customers hardly can hear of anything else, it would be good to use that.

#### **8.2.3.3 Place**

Once a guest arrives to the hotel, the best way of selling is the personal contact and offer of services, flexibly responsive to the specific current requirements. The sale takes place at the reception. The questioning on its needs and satisfaction, its comments or compliments and real effort to meet its requirements become part of it. It is a sign of honour for the guests.



But before a guest really arrives to the hotel, there is the need to take advantage of other places where the hotel offers its services, can reach out and sell them.

Holiday/leisure - in this group tourists most uses internet booking portals and the actual hotel website. Another alternative are brochures and information of travel agency. Last, but not least, is the information centre located in the village centre. As previously mentioned most of these guests come to the hotel unannounced or place its order by phone the same day. In this case, the most important point of sale is the reception.

Courses/conferences - the best way of sale is personal contact especially for this group of people. Establishing such a contact is via a personal visit of company or via a telephone contact. The clientele is more demanding and want to be ensured that the hotel is able to provide everything. Orders are carried out for a long time in advance, so the client has enough time and opportunity to personally visit the hotel, arrange details on-site, by telephone or e-mail. Hotel website, internet search or a special website offering places of courses/conferences may be also used. These pages should contain enough information both for the content as for the visual part, as well.

Employment/business – here are hotel website with e-mail and telephone contact in particular.

Local guests – for this group of customers local newspaper is the most effective means. Nowadays the Facebook is enjoying a great popularity, especially for young people it is a very popular means of communication. Hotel has its own Facebook profile, too. It could become one of the points of sale primarily for local residents.

#### **8.2.3.4 Promotion**

Promotion is performed in many forms. Increase traffic and sales, both from corporate clients, ordinary and local guests will be done firstly by sales promotion. This form will be in the form of various discounts or otherwise good coupons.

The aim is also to request and enforce location signs for the hotel on the road E6.

#### **8.2.3.5 People**

As previously mentioned earlier in this work, people are one of the most important elements creating the services. The dependence of the level of services on the human factor is in the hotel industry/hospitality very high. Therefore it is very important that each em-

ployee is aware of it. It is vital that the main participants are familiarized with the objectives of the hotel and the points of marketing plan.

#### ***8.2.3.6 Packaging and programming***

Currently the hotel offers only one package for corporate clients using the hotel for the night. This package includes: a rent a conference room with the required equipment, refreshments during meetings, a dinner with 3-course menu, a breakfast and a lunch. For local meetings package includes: a rent a room with adequate equipment and light refreshments such as coffee/tea and some snacks to eat.

In case of further requirements the price has to be made individually.

#### ***8.2.3.7 Cooperation***

Hotel cooperates mainly with the local community and local clubs and organizations in organizing various festivals or other celebrations. This cooperation should be extended by the newly built Sami museum in the future.

## 9 IMPLEMENTATION OF THE PLAN

### 9.1 Action plan

Reflecting the current, not too favourable, financial situation of the hotel (summarized in chapter 4.6), it is an effort to achieve the above marketing objectives with the lowest financial costs. The following section describes the steps to achieve them.

#### 9.1.1 The increase of hotel occupancy by corporate clients

- **Increase the sales of conference services**

Product – in this case it would be best to focus on selling of conference services to previous customers with the potential to become actual customers again, and the whole new potential clients as well. Price – would be the same as for current clients. Place & promotion - to these guests would be personally handed all information about the conference facilities along with a personal invitation to visit the hotel. It would also be appropriate for all clients, who use conference services, to create detailed information on the hotel website. Especially the section courses/conference is important to describe the various conference rooms with a capacity corresponding to different ways of sitting. There will be stated the equipment of the rooms and also the photos will present the client a better idea. Finally there will be listed other services that the hotel is able to provide (such as: type of refreshments during the conference, proposed evening menu, refreshments and evening program in “Eldhuset”, other evening programs, live music, etc.), mode of transport, possible activities in the surrounding area and the contact on persons responsible for providing these services. Information from these sites will also be a part of information documents that will be handed over personally to new companies at a personal visit. It would be desirable to set keywords on the hotel website by which SH is found by Internet search engines. These words might be: course, conference, hotel, accommodation, Nord Trøndelag, Snåsa.

In order for an overview of clients a database in the hotel will be established. The profiles of individual companies will be recorded to this database. There will be contacts listed to the main organizers of meetings, their important and specific requirements, methods of ordering and communication, served menu (in order to always offer something new to the guests), evenings and other programs. Therefore, such a generated database will help at the next order to fit client’s needs. The hotel will have an overview of its clients and will know approximately what to expect. When a social evening takes place at the end of the day, it

would be very vital if the hotel owner or his representative welcomes the guests and says a few words about the place/hotel. Then he might thank for the visit and express the hope for the next meeting. The day of departure (or a few days after the conference) should be left a short questionnaire to the company, where could be examined whether and how they were satisfied with the services. People – for this entire group will be reserved one person who will be looking for potential future clients, visiting them, presenting them the information materials about SH and its offer. The same person, together with the sales manager, shall keep the database of companies, taking care of completeness of the information on the website, handle orders and take care of all the components of marketing mix. This person should be able to deal with people, perform good organizational and communicational skills. Packaging - as well as current companies, it will be offered a package containing the accommodation, catering and conference services.

- **Increasing the frequency of corporate parties**

Product – sale of corporate parties and major corporate events. Price - accommodation and catering services will be provided as standard, the prices of other services will depend on their performances and costs. Place & promotion - as in the case of conference services, it will be given a special section on the hotel website, room size, seating options and options for serving, dining menu and evening program possibilities. The photos will constitute part of it with a contact for the responsible person. These information`s could be in electronic form and would be also sent by e-mail. Sales promotion would be in the form of quantity discounts or coupons. Discounts may be granted to the companies for purpose of organizing another conferences or corporate events and of course to the employees themselves, who could privately use a hotel services as well. These discounts would cover the accommodation, in the amount of 10 %. People – the same person who is responsible for selling conference services will equally take care of the sale of corporate parties and events. Responsibilities will be similar.

### **9.1.2 Increase the sales of hotel services by ordinary guests**

Product – to these guests will be offered a classic accommodation and food services. Price, place & promotion – it will be differentiated between the internet and standard prices. Internet prices will be slightly lower, about 10 %. These internet prices will be presented at internet booking portals such as *www.booking.com*. They would continue to be presented as the prices for the rooms as rooms including 3-course dinner as well. The price of such

a bought dinner will be lower than the current price of purchased menu at the restaurant, about 12 %. So the price will be then 220 NOK for one 3-course dinner. Guests will be informed about this bargain on the website. This method of selling food services could help the restaurant management in estimating the daily demand for catering services and sell this type of services.

### **9.1.3 Increase attendance of local inhabitants**

Product - hotel should focus on services for the local population as well. Most of their visits is performed due to their own needs and initiatives. The hotel should take this initiative and organize its own events in the form of weekend (entertaining-social) evenings – it would be a live music evenings, themed evenings or balls. Or it could be an invitation to taste the newly established menu. This could be very beneficial, because Snåsa is relatively quiet place with less frequent social events. Especially during the long winters, when people don't have so much work around the farm and have more free time, hotel can organize various social events. This could also become interesting in the eyes of young Norwegians, who have a desire to have fun. Snåsa would become more attractive place to live for them.

Place & promotion – information about the following events would have been placed on the hotel website and on the Facebook profile too. Some of the possibilities would be small posters hung on the door of the local supermarket and other public buildings if possible. Another possibility is also an advertisement in the local weekly. Information about planned events will be particularly disseminated through the reception!

Before each event to be held at the hotel will be created flyers that will be left at the hotel rooms and reception.

### **9.1.4 Responsibility for the activities and time schedule**

This marketing plan is drawn up for the period summer-winter 2013 and the whole year 2014. It is valid from 1<sup>st</sup> July 2013. Each marketing activity must begin in sufficient time. This means if the hotel wants to increase its occupancy during the autumn/winter, it must begin with the preparation and promotion of their services in the summer. The following table shows the activities related to the increase in occupancy and sales of hotel services, responsible persons for their performance and time schedule.

This is divided separately for 2013 and 2014.

Tab. 12. Time and work schedule for summer-winter 2013 (the own elaboration)

Activity	Responsibility	Period of time
Determining the person responsible for activities related to corporate clients.	Hotel manager	July
Application for a permit placement of direction indicators to the hotel, on the road E6.	Hotel manager	July
Photographing of conference and common rooms.	Assistant of sales manager	July
Updating the websites for corporate clients, creation of keywords which corporate clients look up on web browser	Sales manager	July
Creating (updating) an offer of accommodation and gastronomic services for ordinary tourist on web page <i>www.booking.com</i> .	Sales manager	July
Creation a list of potential clients.	Assistant of sales manager	July - August
Creation of information materials (brochures)	Assistant of sales manager	July - August
Contacting potential organizations and arranging appointments with the leaders.	Assistant of sales manager	August – September
Personal visit to potential customers, handover of brochures.	Sales manager/Assistant of manager	August - October
Establishing and maintaining the database of corporate clients	Assistant of sales manager	September – December
Preparation and publicity the event e.g. "wild game feast", which will be held on weekend in October.	Sales manager/Assistant of sales manager	September
The creation of short questionnaire and its distribution after the conference.	Assistant of sales manager/Receptionist	September – November
Preparation and sending the invitations for corporate events (e.g. Christmas parties) for the corporate clients.	Sales manager/Assistant of sales manager	September – October
Preparation and publicity the event "Christmas ball", which will be held on weekend in December.	Sales manager/Assistant of sales manager	November
Taking photos of corporate parties, balls and other events, and their placement on hotel website.	Assistant of sales manager	September – December

Activity	Responsibility	Period of time
Check of the plan.	Sales manager/ Hotel manager	July - December
Evaluation of the plan.	Sales manager Hotel manager	December

*Tab. 13. Time and work schedule for year 2014 (the own elaboration)*

Activity	Responsibility	Period of time
Creation a new list of potential clients.	Assistant of sales manager	January
Contacting potential organizations and arranging appointments with the leaders.	Assistant of sales manager	January - March
Personal visits and distribution of brochures to new companies.	Sales manager/ Assistant of sales manager	January - February
Sending special offer to current corporate clients.	Assistant of sales manager	January - February
Distribution of short questionnaire after the conference.	Assistant of sales manager/ Receptionist	January – May
Preparation and publicity the event e.g. “Mother’s Day“, which will be held on 9. 2. 2014 and "Valentine’s Day", which will be held on 14. 2. 2014	Sales manager/ Assistant of sales manager	January – February
Creation and distribution of flyers for NORWAY’S NATIONAL DAY (17. May), and their placement on the hotel rooms and reception.	Sales manager/ Assistant of sales manager	April – May
Creation and distribution of flyers for SNÅSADAGAN (13.-16. June), and their placement on the hotel rooms and reception.	Sales manager/ Assistant of sales manager	April – June
Creation and distribution of flyers for SNÅSAVATNET / FISKEFESTIVAL (5.–7. July), and their placement on the hotel rooms and reception.	Sales manager/ Assistant of sales manager	May – July
Contacting potential organizations and arranging appointments with the leaders.	Assistant of sales manager	August
Personal visits and distribution of brochures to new companies.	Sales manager/ Assistant of sales manager	August – September
Sending special offer to current corporate clients.	Assistant of sales manager	August – September

Activity	Responsibility	Period of time
Preparation and sending the invitations for corporate events (e.g. Christmas parties) for the corporate clients.	Sales manager/ Assistant of sales manager	October
Distribution of short questionnaire after the conference or corporate party.	Assistant of sales manager/ Receptionist	October - December
Preparation and publicity the event "Christmas ball", which will be held on weekend in December.	Sales manager/ Assistant of sales manager	November
Taking photos of corporate parties, balls and other events, and their placement on hotel website.	Assistant of sales manager	January - December
Maintaining the database of corporate clients	Assistant of sales manager	January - December
Check of the plan.	Sales manager/ Hotel manager	January – December
Evaluation of the plan and creating a new one, for next years.	Sales manager Hotel manager	December

## 9.2 Budget for summer-winter 2013

This chapter deals with the costs associated with marketing activities that should be undertaken to increase the visit rate of the hotel. The costs are linked with the period summer-winter 2013. SH does not have any separate marketing budget. They use last year's accounting as a template. Therefore the budget is created based on combination of "approach goal - task" and "zero based budgeting". There are listed all the costs, both causing and not causing the need for use of funds.

### 9.2.1 The costs related with increasing of the sales of conference services

Sale manager will visit the new organizations in his working time, so there are only extra expenses connected to the trips.

- Maximal travel expenses for 30 trips up to 100 km one way (car expenses + fuel, food) **9 000 NOK**

Creating and printing of the information materials for new corporate clients will be done by company - *Optimalprint*. These information materials will be processed in form of



a brochure folded, on 200 grams smoothed paper format A5 (148x210 mm), on 4 pages, print double-sided and coloured.

- Brochure 1 piece à 7,54 NOK (including tax and delivery).

The graphic design will be used from the Optimalprint gallery and created for SH by the sales manager. This is free of charge so brochures (100 pieces) will cost **754 NOK**.

- Photographing of conference and common rooms and updating the websites has no extra expenses. This will be done with digital camera of sale manager.
- Contacting potential organizations and arranging appointments with the leaders, phone costs **300 NOK**.
- The creation of short questionnaire and its electronic distribution after the conference has no extra costs.

### **9.2.2 The costs related with the increase of the frequency of corporate events**

Preparation and sending the invitations for the corporate events (e.g. Christmas parties) for the corporate clients will be distributed electronically, so there will be no extra costs.

### **9.2.3 The costs related with the increase of the sales of hotel services for ordinary guests**

Creating (updating) an offer of accommodation and gastronomic services for ordinary tourist on web page *www.booking.com* has no extra costs.

### **9.2.4 The costs related with the increase of the sales for local inhabitants**

Preparation and publicity of the event e.g. "wild game feast", which will be held on weekend in October and preparation and publicity the event "Christmas ball", which will be held on weekend in December. This will be done through Facebook profile and on the reception with no extra costs, and flyers created and printed on the hotel printer.

- These flyers will be printed on A4 format, coloured. Total number of 20 pieces – 10 pieces for each event (1 piece à 2,50 NOK), for **50 NOK**.

The person responsible for marketing activities will be selected from among the employees of the hotel, so there are no additional costs.

The total costs related to the marketing activities in period summer-winter 2013 are **10 104 NOK**.

### 9.3 Budget for year 2014

The budget for year 2014 was elaborated on the same conditions, as the budget for summer-winter 2013.

#### 9.3.1 The costs related with increasing of the sales of conference services

- Maximal travel expenses for 40 trips up to 100 km one way (car expenses + fuel, food) = **12 000 NOK**.
- Contacting potential organizations and arranging appointments with the leaders, phone costs **500 NOK**.

The creation of short questionnaire and its electronic distribution after the conference, as well as sending the special offer for the corporate clients has no extra costs. There are no costs for brochures too.

#### 9.3.2 The costs related with increasing of the frequency of corporate events

As well as in year 2013, the preparation and sending the invitations for corporate events (e.g. Christmas parties) for the corporate clients will be done electronically, so there will be no extra costs. Taking photos of corporate parties and actualization of hotel websites has no extra expenses too.

#### 9.3.3 The costs related with increase of the sales of hotel services for the ordinary guests and local residents.

Preparation and promotion of the events, which will be held during the year 2014, will be done through Facebook profile with no extra costs, and flyers created and printed on the hotel printer.

- Some flyers will be printed on A5 format, coloured. Total number of 300 pieces – 100 pieces for each event (1 piece à 1,20 NOK) for **360 NOK**. These flyers will be left on hotel rooms and reception.
- Some flyers will be printed on A4 format, coloured. Total number of 50 pieces – 10 pieces for each event (1 piece à 2,5 NOK) for **125 NOK**.
- Snåsavatnet/Fiskefestival is promoted together with other local associations so the costs of sales promotion are divided. There will be reserved **10 000 NOK**.

The total costs related to the marketing activities in year 2014 = **22 985 NOK**.

## 9.4 Control activities

Fulfilments of marketing objectives must be continuously monitored. Measuring and comparing the marketing plan with the reality will take place each month. This control will be provided by the sales and hotel manager. Final review and evaluation of the marketing plan and its success will be performed at the end of the calendar year.

In the case of unexpected internal or external changes that could affect or alter the implementation of marketing plan, the appropriate action will be taken or the marketing plan will be modified.

### 9.4.1 Monitored indicators

The amount of sales, hotel occupancy and the share of corporate clients in the total number of guests, costs of marketing activities and guest satisfaction, will be monitored.

**Sales and hotel occupancy** - these two objectives will be monitored by the internal booking and administration system - *VisBook*.

- **The monthly increase in the number of occupied beds by 12 % in September-December 2013**

The planned increase of the number of occupied beds by 12 % in September - December in September to December last year (refer to Tab. 4.)

*Tab. 14. The monthly increase in the number of occupied beds by 12 % in September-December 2013 (the own elaboration)*

Month	2012	2013	The increase in number of occupied beds
	Occupied beds	The increased number of occupied beds by 12 %	
September	313	351	+ 38
October	266	298	+ 32
November	346	388	+ 42
December	153	171	+ 18
TOTAL	1 078	1208	+ 130

- **Increase sales about 150 000 NOK in September-December 2013**

The total sale constitutes 80 % of accommodation services and 20 % of other services (gastro-nomic services, additional services, personal services, etc.). In order to fulfil marketing objectives should be achieved 120 000 NOK from the sale of accommodation services and 30 000 NOK from other services.

- **Increase the use of bed capacity by 2 % in 2014**

If the number of occupied beds in 2013 is the same as in 2012 (refer to Tab. 4. in subchapter 4.5), and it changes only in the last four months by 12 % (refer to above Tab. 14.), it will be the total number of 4 375 occupied beds at the end of the year 2013. In order to increase the use of the bed capacity about 2 %, it must the number of hotel guests increase by at least 443 persons in 2014. The following table demonstrates the varying degrees of use of bed occupancy. In this case, number of operating days is 346 and there are 64 available beds every day in SH.

*Tab. 15. Number of occupied beds in varying degrees of use of bed occupancy (the own elaboration)*

Bed occupancy	Number of occupied beds
100 %	22 144
70 %	15 500
40 %	8 857
19,76 % (in year 2013)	4 375
21,76 % (in year 2014)	4 818

- **Increase sales by 400 000 NOK in 2014**

In order to fulfil marketing objectives should be achieved 320 000 NOK from the sale of accommodation services and 80 000 NOK from other services.

**The share of corporate clients in the total number of guests** - the number of corporate clients and their share in the total number of guests will be also monitored by *VisBook*. To meet the marketing objectives it is necessary to achieved 20% share of the total number of guests in 2014. If the total number of guests will increase to 4 818 in year 2014 and the group of corporate clients should form 20 % of total guests, then number of corporate clients must be at least 964 persons in year 2014.

**Costs related to marketing activities** - in this case, hotel management compares the budget of the marketing plan with the actual amount of expended funds.

## Guest satisfaction

The guest satisfaction will be monitored using short questionnaires and using comments on the web-site *booking.com*.

## 9.5 Valuation of activities

In this subchapter the marketing plan is subjected to a cost and risk analysis.

### 9.5.1 Cost analysis

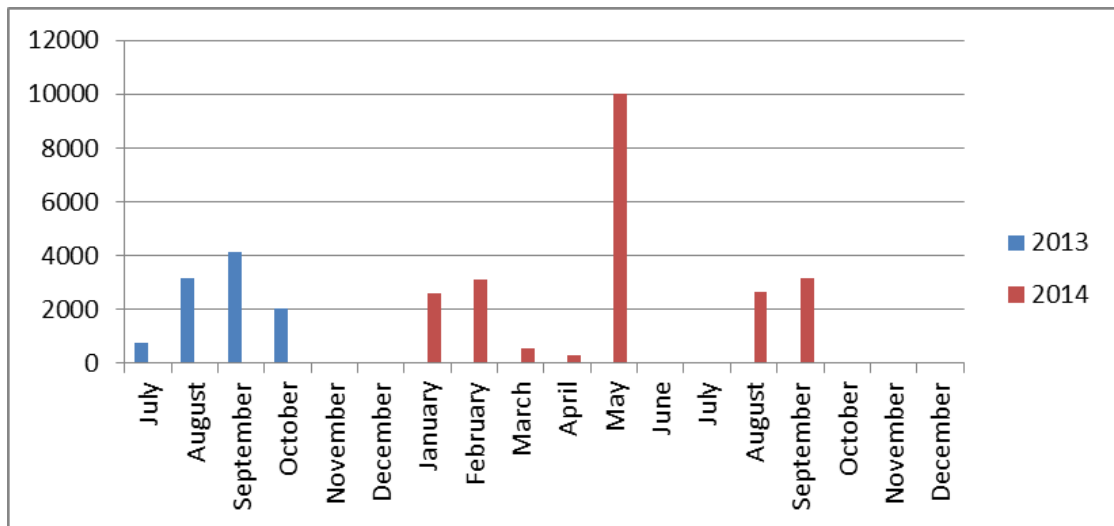
Following cost analysis shows the costs needed for the fulfilment of the marketing objectives.

*Tab. 16. Cost analysis (the own elaboration)*

Objective	Activities	Expenses	
		2013	2014
Increase the sales of conference services	• Creation of brochures	754 NOK	0 NOK
	• Arranging appointments with corporate clients (phone costs)	300 NOK	500 NOK
	• Personal meetings out of the hotel (travel expenses)	9 000 NOK	12 000 NOK
		= 10 104 NOK	= 12 500 NOK
Increase the frequency of corporate events	• Invitations for corporate clients	0 NOK	0 NOK
	• Actualization of hotel websites		
		= 0 NOK	= 0 NOK
Increase the sales of hotel services by ordinary guests and increase attendance of local inhabitants	• Updating websites and creating a new offer for ordinary tourists	0 NOK	0 NOK
	• Printing of flyers A5 format	0 NOK	360 NOK
	• Printing of flyers A4 format	50 NOK	125 NOK
	• Snåsavatnet/Fiskefestival	0 NOK	10 000 NOK
		= 50 NOK	= 10 485 NOK
<b>Total expenses</b>		<b>= 10 154 NOK</b>	<b>= 22 985 NOK</b>

According to the previous table can be stated that the most expensive items are travel expenses and the marketing promotion of SNĀSAVATNET / FISKEFESTIVAL.

The amount of 10 154 NOK will be used for marketing activities in year 2013 and 22 985 NOK in year 2014. Next graph demonstrates the development of costs during the individual months of summer-winter 2013 and the whole year 2014. Due to the preparation and distribution of promotional materials and personal visits to corporate clients, the higher costs are in the months of August and September 2013, and in the months of January, February, August and September 2014. The highest expenses are in May 2014. This is because of expenses on the marketing promotion of event SNĀSAVATNET / FISKEFESTIVAL.



Pic. 7. Costs in individual months (in NOK) (the own elaboration)

### 9.5.2 Break-even point (BEP)

BEP (number of occupied rooms) = Fixed costs / (price per room – variable costs per room)

Daily fixed costs = 10 000 NOK

Price per room (average) = 1 065 NOK

Variable costs per room (average) = 200 NOK

Daily BEP =  $10\,000 / (1065 - 200) = \underline{12 \text{ rooms}}$

→ **12 rooms need to be occupied every day to cover the fixed costs of the hotel.**

- **Break-even point autumn/winter 2013 with no marketing costs**

BEP =  $10\,000 \times 122 \text{ (days)} / (1065 - 200) = \underline{1\,410 \text{ (rooms)}}$

- **Break-even point autumn/winter 2013 including marketing costs**

Costs for marketing propagation autumn/winter 2013 = 10 154 NOK

$$\text{BEP} = (10\,000 \times 122 \text{ (days)} + 10\,154) / (1065 - 200) = \underline{1\,422 \text{ (rooms)}}$$

To achieve the breaking point, when the additional costs of marketing are added, it needs to be occupying **12 more rooms** in the period autumn/winter 2013.

- **Break-even point 2014 with no marketing costs**

$$\text{BEP} = 10\,000 \times 365 \text{ (days)} / (1065 - 200) = \underline{4\,220 \text{ (rooms)}}$$

- **Break-even point 2014 including marketing costs**

$$\text{BEP} = (10\,000 \times 365 \text{ (days)} + 22\,985) / (1065 - 200) = \underline{4\,246 \text{ (rooms)}}$$

To achieve the breaking point, when the additional costs of marketing are added, it needs to be occupying **26 more rooms** in year 2014.

### 9.5.3 Risk analysis

During the implementation of plan, unexpected events that could threaten the success of the plan may occur. Therefore it is beneficial to undergo a plan by risk analysis. This analysis will help reveal any potential risks, their level of seriousness and probability of occurrence. Based on this analysis the risks are divided into three intervals as follows:

- low risk, in interval 0,00 – 0,10
- medium risk, in interval 0,11 – 0,21
- high risk, in interval 0,22 – 0,49.

The table below shows the risks according to their probability of occurrence and level of impact on the implementation of the marketing plan. The measures taken against these risks are described below.

*Tab. 17. Risk analysis (the own elaboration)*

Risk	Probability of risk			Degree of impact			Result
	Low 0,1	Medium 0,4	High 0,7	Low 0,1	Medium 0,4	High 0,7	
Low number of contacted clients	X					X	0,07

Risk	Probability of risk			Degree of impact			Result
	Low 0,1	Medium 0,4	High 0,7	Low 0,1	Medium 0,4	High 0,7	
Target group dissatisfaction with the services provided		X				X	0,28
Low solvency of companies	X				X		0,04
More attractive offer of competition			X			X	0,49
Lack of financial resources for marketing	X				X		0,04
Employee turnover	X				X		0,04
Overloaded assistant of the sales manager		X			X		0,16
Delay plan	X				X		0,04

### High risks

- Target group dissatisfaction with the services provided – this situation will be solved by questionnaire survey. The survey should detect the reason of dissatisfaction. If possible, the appropriate action will be taken to change it.
- More attractive offer of competition – this is the highest risk that may threaten the fulfilment of the marketing objectives. In this case, the competition and its offer will be monitored. If possible, the appropriate action will be taken to change this.

### Medium risks

- Overloaded assistant of the sales manager – this risk may occur at the beginning of the implementation of marketing plan. This problem may be solved by assigning certain activities to the receptionist or to the sales manager.



- Low participation at events for ordinary tourist and local residents – in this case the marketing promotion could be extended, e.g. in regional newspaper, and a questionnaire survey can be performed for finding out the reason why tourists and local residents are not interested.

### Low risks

- Lack of interest in services provided for corporate clients – based on the analysis of regional demand of conference services, the disinterest is not expected. However, in the case of disinterest, the questionnaire or the telephone interviewing will be done to determine the causes.
- Low number of contacted corporations – The assistant of sales manager is in charge for these activities, so it is assumed, that the mistake may be on her side. Causes of low number of contacted corporate clients will be explained on the meeting with the sales manager and a hotel manager.
- Low solvency of companies – This situation is not expected, because of the positive economic development of Norway. However, such a trouble could be possibly solved by using advances of invoice.
- Lack of financial resources for marketing – The expenses on marketing are not such a high, but travel expenses of the sales manager constitute the most expensive item. In the case of reducing costs, the number of printed brochures for new clients and the number of personal visits will be reduced. This step may be compensated using a personal invitation for a visit the hotel (made by phone or mail), and informing the clients of the conference services right there.
- Employee turnover – This situation can be alleviated by increasing of the attention and the motivation of employees together with an effective way of rewarding and evaluating their work.
- Delay plan – a small time delay is not a problem, but it is important to respect the term of preparation of promotional materials and holding the events.

## CONCLUSION

The aim of this thesis was to increase attendance in Snåsa Hotell. After the analyses of internal and external business environment, it was found that hotel faced a sharp decline in organized courses and conferences in the hotel last year. This decrease was about 6 %. Corporate clients are one of the groups of guests who are also provided by hotel services. The specificities and positive contribution of this group were listed earlier in this work.

The analysis also showed that hotel currently has no marketing plan, which would serve as guidelines for the management of marketing activities. Based on these findings, a marketing plan for the summer-winter 2013 and for the whole year 2014 is developed in the project part. The marketing plan includes all the essential parts and is aimed primarily at increasing attendance by corporate clients. The plan aim is to increase the share of corporate clients in the total number of guests by 6 %, increase sales of period 150 000 NOK autumn/winter 2013 and 400 000 NOK in 2014. Another goal was to increase the monthly number of occupied beds by 12 % in the autumn/winter 2013 and increase bed occupancy by 2 % in 2014. Marketing strategy for achieving these objectives went through marketing mix adjustment and increase of marketing activities, especially effective promotion. The marketing plan also includes budget for each period, years 2013 and 2014, and control activities necessary for comparing planned and actual achievements. There were determined figures, which the hotel should reached to meet the marketing goals mentioned above. These figures are related to the number of occupied beds, revenues and shares of corporate clients in the total number of guests. In the end, the marketing plan was put through to economic and risk analysis, which showed that the largest cost of marketing activities will be caused during August and September 2013 and January, February, August and September 2014. These items represent costs on the brochures for corporate clients and travel expenses associated with a personal visit to clients. The risk that could most endanger the success of the plan and the fulfilment of its objectives is the possibility of attractive offers from competitors.

Through the process of this thesis, I realized the importance of marketing planning, budgeting and management of marketing activities. I clarified the basic requirements of the marketing plan and its contribution to the management of the hotel; as well as, I was able to look into the problems of hotel operations.

I hope that this work will benefit the hotel and contribute to hotel further development.

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**LIST OF USED SYMBOLS AND ABBREVIATIONS**

A/S	a type of Norwegian stock-based company
EFTA	The European Free Trade Association
e.g.	For example
etc.	And so on
EU	The European Union
GDP	Gross domestic product
i.e.	That is
km	kilometre
NATO	The North Atlantic Treaty Organization
NOK	Norwegian crown
OECD	Organisation for Economic Co-operation and Development
SH	Snåsa Hotell
TV	television
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNWTO	United Nations World Tourism Organization
VAT	value added tax
WTO	The World Trade Organization
WTTC	The World Travel & Tourism Council
WW II	World War II

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## **LIST OF ATTACHMENTS**

- A I Questionnaire
- A II Results of questionnaire survey
- A III Pictures of Snåsa Hotell

## ANNEX NO. I: QUESTIONNAIRE

Dear customers of Snása Hotell,

I'm a Master Student of Thomas Bata University in Zlín in Czech Republic and I'm writing a diploma thesis about Snása Hotell. I would like to ask you, as a current /former customer of Snása Hotell, for a help by filling in this questionnaire, which is very important for my research and can help to increase the level of hotel services.

By completing this questionnaire you are entered to win the premium. This will not take more than 10 minutes.

Thank you for your time and help!

Yours sincerely,

Bc. Irena Dudková

---

1. What kind of business/organization do you represent? (Please choose the right answer)

- a) Private sector
- b) Government/semi-public companies
- c) Public sector
- d) Organization
- e) Others (please specify).....

2. How often do you organize courses/conferences with overnight stay?

\_\_\_\_\_ days per year

3. How many people usually participate in your courses/conferences? (Please circle the right answer)

1 - 30                  31 - 50                  51 – 75                  76 - 100                  more than 100

4. How crucial are the following subjects on your choice of destination for your courses/conferences? Rank from 1 (not crucial) to 5 (very crucial)!

- |   |   |   |   |   |   |
|---|---|---|---|---|---|
| a) Equipment and standard of the rooms in general | 1 | 2 | 3 | 4 | 5 |
| • Rooms for disabled                              | 1 | 2 | 3 | 4 | 5 |

• Wooden floors in rooms	1	2	3	4	5
• Light colours in the rooms	1	2	3	4	5
• Modern style rooms	1	2	3	4	5
• Several TV channels and pay-TV	1	2	3	4	5
• Phone in rooms	1	2	3	4	5
• Internet access	1	2	3	4	5
• Others (please specify).....					
b) Equipment of conference rooms in general	1	2	3	4	5
• Standard equipment (whiteboard, flipchart, projector, internet access, microphone)	1	2	3	4	5
• Daylight	1	2	3	4	5
• Air quality in meeting rooms	1	2	3	4	5
• Others (please specify).....					
5. How important from 1 (not important) to 5 (very important) is the hotel's location in relation to:					
• Company/Organization's Head Office	1	2	3	4	5
• Airport	1	2	3	4	5
• Highway (E6)	1	2	3	4	5
• Railway	1	2	3	4	5
• Distance from bigger city	1	2	3	4	5
• Countryside	1	2	3	4	5
6. How important are the following points in your choice of location for your courses/conferences? Select from 1 (not important) to 5 (very important)!					
a) Way of booking	1	2	3	4	5
b) Hotel reputation	1	2	3	4	5
c) Type of food	1	2	3	4	5

• Local food	1	2	3	4	5
• International cuisine	1	2	3	4	5
• Nutritious food	1	2	3	4	5
• Vegetarian/vegan food	1	2	3	4	5
d) Access to activities at the hotel in general	1	2	3	4	5
• Sauna	1	2	3	4	5
• Entertainment/cultural program in the evening	1	2	3	4	5
• Evenings with live music	1	2	3	4	5
• Storytelling/increase knowledge about food, drink, local history, "Snåsaman" etc.	1	2	3	4	5
• Others (please specify).....					
e) Activities in the surrounding in general	1	2	3	4	5
• Dining/entertainment in outdoor areas	1	2	3	4	5
• Fitness facilities	1	2	3	4	5
• Museums, churches, sightseeing	1	2	3	4	5
• Visit the "Snåsaman's" museum/childhood home	1	2	3	4	5
• Others (please specify).....					

7. How important is price in your choice of place for your seminars/conferences? Select from 1 (not important) to 5 (very important)!      1      2      3      4      5

8. Is the price 1.420 NOK for one person (including 3-course dinner, accommodation, and breakfast, refreshments on the course/conference, lunch and meeting room hire) acceptable to you? (Please choose the correct answer)

- No, it's very expensive
- No, it's expensive
- Yes, it's just right
- Yes, it's cheap
- Yes, it's very cheap

9. How do you find Snåsa Hotell related to the following subjects? Rank from 1 (not good) to 5 (very good)!

• Room capacity	1	2	3	4	5
• Standard of the room	1	2	3	4	5
• Capacity of single rooms	1	2	3	4	5
• Capacity of course/conference/meeting rooms	1	2	3	4	5
• Equipment on course/conference/meeting rooms	1	2	3	4	5
• Price of services	1	2	3	4	5
• Quality of food	1	2	3	4	5
• Activities available at the hotel	1	2	3	4	5
• Activities available in the surrounding area	1	2	3	4	5
• Way of booking	1	2	3	4	5
• The hotel's reputation	1	2	3	4	5
• Service (behaviour, willingness to help)	1	2	3	4	5
• Location of the hotel	1	2	3	4	5

10. How would you rate the quality of services in Snåsa Hotell? Rank from 1 (not good) to 5 (very good)!

1      2      3      4      5

11. How do you find information about place for your conference? (Select one or more answers)

- Websites
- Brochures
- Recommendation from superiors/colleagues/friends
- Others (please specify).....

12. How do you book your courses/conferences? (Select one or more answers)

- By phone
- By e-mail



- Little activities at the hotel in the evenings
- Missing space to relax at the hotel
- Lack of attractions in the local area
- Poor communication with the hotel
- Others (please specify).....

16. Contact Information (optional)

By providing contact information you are in the draw and you can win 2 pieces free tickets to SNÅSAVATNET/FISKEFESTIVAL with the party and the room and breakfast at the hotel (6 - 7 June 2013).

Name:

Company:

Address:

Address 2:

City/Town:

E-mail:

Phone:

THANK YOU FOR YOUR HELP!



## ANNEX NO. II: RESULTS OF QUESTIONNAIRE SURVEY

Question No. 1. What kind of business/organization do you represent? (Please choose the right answer)

Current clients		Former clients	
Private sector	25 %	Private sector	37,5 %
Government/semi-public companies	6,3 %	Government/semi-public companies	12,5 %
Public sector	12,4 %	Public sector	50 %
Organization	56,3 %	Organization	0 %
Others	0 %	Others	0 %

Question No. 2. How often do you organize courses/conferences with overnight stay? (Days per year)

	0-5 days	6-10 days	11-15 days	16-20 days	more than 20 days
Current clients	10	3	2	2	0
Former clients	5	0	0	0	1

Question No. 3. How many people usually participate in your courses/conferences?

<u>Persons</u>		<u>Persons</u>	
1 - 30	56,3 %	1-30	16,7 %
31 - 50	31,3 %	31-50	83,3 %
51 - 75	12,4 %	51-75	0 %
76 - 100	0 %	76-100	0 %
more than 100	0 %	more than 100	0 %

Question No. 4. - 6. How crucial are the following subjects on your choice of destination for your courses/conferences? Rank from 1 (not crucial) to 5 (very crucial)!

	Current clients					Former clients				
	1	2	3	4	5	1	2	3	4	5
Equipment and standard of the rooms in general	0	1	3	8	2	0	0	2	1	2
Rooms for disabled	2	1	2	5	4	2	1	1	1	0
Wooden floors in rooms	2	3	5	3	1	2	1	1	0	1
Light colors in the rooms	2	2	5	4	1	0	2	2	0	1
Modern style rooms	1	5	4	5	0	1	1	3	0	0
Several TV channels and pay-TV	6	3	4	1	0	4	1	0	0	0
Phone in rooms	7	3	4	1	0	5	0	0	0	0
Internet access	0	0	0	3	12	0	1	0	1	3
Others	good cleaning, good, stable and fast Internet connection					X				
Equipment of course/conference/ meeting rooms in general	0	0	1	5	7	0	0	0	2	3
Standard equipment (whiteboard, flip-chart, projector, internet access, microphone)	0	0	0	7	6	0	0	0	1	4
Daylight	0	1	2	6	4	0	0	1	2	2
Air quality in meeting rooms	0	0	0	4	9	0	0	0	0	5
Others	nice and helpful personal					X				
Company / Organization's Head Office	2	2	6	0	2	0	0	4	0	1
Airport	0	3	7	2	0	0	1	2	2	0
Highway (E6)	0	2	5	3	2	0	0	2	3	0
Railway	1	1	7	2	1	0	1	1	2	1
Distance from bigger city	1	3	8	0	0	2	1	1	1	0
Countryside	2	4	4	2	0	0	2	2	1	0
Way of booking	0	4	4	3	2	0	1	4	0	0

	Current clients					Former clients				
	1	2	3	4	5	1	2	3	4	5
Hotel reputation	0	2	2	5	4	0	0	3	1	1
Type of food	0	0	1	6	5	0	0	0	3	2
Local food	1	1	3	3	5	0	0	2	3	0
International cuisine	3	4	3	3	0	2	2	1	0	0
Nutritious food	0	0	5	5	3	0	1	3	1	0
Vegetarian/vegan food	1	1	6	2	2	1	3	0	1	0
Access to activities at the hotel in general	1	4	6	1	0	0	2	2	1	0
Sauna	6	3	3	0	0	1	3	1	0	0
Entertainment/cul. program in the evening	2	4	5	0	1	0	2	3	0	0
Evenings with live music	6	2	3	1	0	1	2	1	0	1
Storytelling / increase knowledge	2	3	3	4	0	1	0	2	2	0
Others	X					X				
Activities in the surrounding in general	2	2	5	2	0	0	2	3	0	0
Dining / entertainment in outdoor areas	2	2	4	3	1	0	3	0	1	1
Fitness facilities	5	2	3	2	0	0	2	2	1	0
Museums, churches, sightseeing	4	4	4	0	0	3	2	0	0	0
Visit the "Snåsamannen´s" museum/	4	2	4	2	0	3	2	0	0	0
Others	X					X				

Question No. 7. How important is price in your choice of place for your seminars /conferences? Select from 1 (not important) to 5 (very important)!

	Current clients					Former clients				
	1	2	3	4	5	1	2	3	4	5
Price	0	0	3	3	5	0	1	1	2	1

Question No. 8. Is the price 1.420 NOK for one person (including 3-course dinner, accommodation, breakfast, refreshments on the course / conference, lunch and meeting room hire) acceptable to you? (Please choose the correct answer)

No, it's very expensive	0 %	No, it's very expensive	0 %
No, it's expensive	7,7 %	No, it's expensive	16,7 %
Yes, it's just right	61,5 %	Yes, it's just right	50,0 %
Yes, it's cheap	23,1 %	Yes, it's cheap	33,3 %
Yes, it's very cheap	7,7 %	Yes, it's very cheap	0 %

Question No. 9. How do you find Snåsa Hotell related to the following subjects? Rank from 1 (not good) to 5 (very good)!

	Current clients					Former clients				
	1	2	3	4	5	1	2	3	4	5
Room capacity	0	2	1	9	0	0	0	0	3	2
Standard of the room	1	2	7	2	0	0	0	0	3	2
Capacity of single rooms	0	2	5	3	1	0	0	1	3	1
Capacity of course/conference/meeting rooms	0	0	3	4	4	0	0	1	2	2
Equipment on course/conference/meeting rooms	0	1	5	1	4	0	0	1	1	3
Price of services	0	0	4	3	4	0	0	2	1	2
Quality of food	0	1	1	5	5	0	0	0	2	3
Activities available at the hotel	1	1	8	2	0	0	0	3	1	1
Activities available in the surrounding area	1	1	7	2	1	1	0	2	1	1
Way of booking	0	0	4	5	3	0	0	1	2	2
The hotel's reputation	0	0	6	3	3	0	0	1	2	2
Service (behaviour, willingness to help)	0	0	0	4	8	0	0	0	2	3
Location of the hotel	0	0	5	4	3	0	0	1	2	2

Question No. 10. How would you rate the quality of services in Snåsa Hotell? Rank from 1 (not good) to 5 (very good)!

	Current clients					Former clients				
	1	2	3	4	5	1	2	3	4	5
Quality of services	0	1	4	5	3	0	0	1	3	2

Question No. 11. How do you find information about place for your conference? (Select one or more answers)

Alternatives	Current clients	Former clients
Websites	10	4
Brochures	0	0
Recommendation from superiors /colleagues/friends	5	4
Other	X	X

Question No. 12. How do you book your courses/conferences? (Select one or more answers)

Alternatives	Current clients	Former clients
By phone	10	4
By e-mail	9	3
At the hotel	1	0
By online booking services	1	0
By the hotel's homepage	2	1
Other	X	X

Question No. 13 Do you have enough information about Snåsa Hotell and its offer?

YES	92,3 %	YES	83,3 %
NO	7,7 %	NO	16,7 %

Question No. 14 What other services would you like to have in Snåsa Hotell?

Current clients	- more information about Snåsa as a adopted south Sami commune
Former clients	- live music

**Question only for the former customers**

Question No. 15 What is the reason you have stopped using Snåsa Hotell for your courses / conferences / meetings? (You can select multiple options)

- We no longer organize courses and meetings externally 1x
- We have agreements with other hotel 1x
- We have little knowledge of Snåsa Hotell 1x
- Long distance to the Snåsa Hotell 2x
- Little activities at the hotel in the evenings 1x
- Lack of attractions in the local area 1x
- Others - a little courses activities with overnight stay; no special reason;

### ANNEX NO. III: PICTURES OF SNÅSA HOTELL



*Snåsa Hotell A/S (Firmanett.no, 2013)*



*Fireplace lounge (Firmanett.no, 2013)*



*Meeting room Grana (Firmanett.no, 2013)*



*Eldhuset (Firmanett.no, 2013)*