

Improving your sales and marketing SWOT



I regularly see hotel sales and marketing SWOT analyses, but rarely see one that I believe is doing an effective job for the business. Is it time to review yours?

A good SWOT analysis should be the starting point for initiating product development, directing your marketing priorities and focusing your communications strategy.

The SWOTs I see are generally just the result of a brainstorming session without any further thought applied.

Looking at the 'SW' or strengths and weaknesses of the SWOT

Your strengths and weaknesses analysis will be significantly improved if you add the word 'competitive' - so it becomes competitive strengths and competitive weaknesses. Implicit in the idea of 'competitive' is that the competitive feature also has to meet consumer needs.

As an exercise, take your existing strengths analysis and, for **each 'strength'**, ask yourself:

- Is it really true that this 'strength' gives you a competitive advantage? If it does, keep it as a 'strength'.
- If, on the other hand, this 'strength' meets consumer needs but, on reflection, your offer is similar to competitors, then reclassify it as a 'positive feature'.

Now do the same for your existing weaknesses and, for **each 'weakness'**, ask yourself:

- Is it really true that this 'weakness' places you at a competitive disadvantage? If it does, record it as a 'weakness'.
- If, on the other hand, this 'weakness' is a consumer need that, on reflection, is not met by you but also is not met by your competitors, then reclassify it as a 'negative feature'.

I would be surprised if this did not dramatically alter your views on the strengths and weaknesses analysis of your business.

Building strengths and weaknesses from scratch

The following steps are suggested to help you develop a strengths and weaknesses analysis.

1. First of all, identify your most important market segments. For **each segment in turn**, undertake the following steps.
2. Identify your key competitors for the market segment. If you have not visited your competitors, now is a good time to get to know them better.
3. For the market segment, do one or both of the following:
 - Brainstorm strengths and weaknesses but, as you proceed, always ask the following questions. Is this a competitive advantage? Is this a positive feature? Is this a competitive disadvantage? Is this a negative feature?
 - Make a list of the '**market segment needs**' - these are the factors customers/ consumers might use to evaluate/compare your hotel with your competitors.

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- Make a matrix with 'competitors' as rows and 'market segment needs' as columns.
- Write a cryptic statement of how this market segment might view your hotel as meeting the need.
- Now, for each competitor, make your own assessment as to whether or not their offer is: much better, better, similar, worse or much worse than your own. Be flexible about the comparison – 'better/more' or 'superior' might be more appropriate for a particular feature.

4. Now, review your analysis and create a summary matrix.

Market segment: **A N Other**

Competitive strengths	Competitive weaknesses
-	-
-	-
-	-
-	-
Positive features	Negative features
-	-
-	-
-	-
-	-

Avoid single word statements - these usually lack clarity or are ambiguous about the point being made. Use short statements and maybe include a number, so it is absolutely clear what you mean (from the viewpoint of customers). This approach will guide you towards appropriate action. The more care you put into expressing the strengths/weaknesses, the more likely you are to take the best possible action.

5. Review the above matrix carefully. Examine each entry. Would somebody, not involved in your business, know exactly what is the point being made?
6. Repeat steps (2) to (5) for each market segment.

This appraisal should help you.

- ◆ *Prioritise markets:* it is generally better to be more ambitious about growing markets, where your competitive strengths outweigh your weaknesses.
- ◆ *Define product development:* how can you invest in building on your strengths? Could you invest to reduce the impact of weaknesses? Be wary here - true weaknesses can be very difficult to overcome.
- ◆ *Check your price positioning:* in the marketplace, price is usually used to 'balance' strengths/weaknesses. Genuine strengths should translate into price premiums and weaknesses into discounts.
- ◆ *Focus communications:* strengths should take a prominent role in communications and be backed up with 'positive features'.

Creating a strong and robust strengths and weaknesses analysis is time consuming but the effort will be rewarded with a sales and marketing strategy and action plan that's more focused on beating the competition.

Let me know if this works for you.

Note: The next edition of *hotelmatters* will include an article on the 'OT' or 'opportunities and threats' of the SWOT.

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