Effective Marketing Planning and Performance of Hospitality Establishments in Port Harcourt

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ABSTRACT
This study investigates how effective marketing planning impacts on the performance of the hospitality industry, using two selected relatively 5-Star level hotels in Port Harcourt. Noticeably, there has been aggressive competition in the hospitality industry these days. Pooling on Role Theory, the study extrapolates that the adoption of effective marketing planning may increase the performance of hospitality industry in Port Harcourt, Rivers State. To achieve this objective, a cross sectional survey research design was used in data collection and this involved the use of questionnaire and interview. Four hypotheses were formulated and tested using Pearson Product Moment Correlation Coefficient at 0.05 significant level, that is 95% confident level. The study involved the distribution of eighty copies of structured questionnaire to top and middle-level personnel of the study hotels. Seventy copies of the questionnaire were correctly completed and returned representing 84.7% return rate. Data analysis was carried out using Statistical Package for Social Sciences software, version 20. The study revealed that effective marketing planning enhanced the performance of hospitality establishments in Port Harcourt. On the basis of these findings, the study recommends among others, that those hotels that intend to increase performance should endeavour to adopt effective marketing planning.

1. Introduction
Failure to plan leads to poor performance of an establishment. In hotel industry, some hotels tend to generate more profitability than others owing to the ability to adopt effective marketing planning in business operations. Greater profitability is achieved when effective marketing planning is inclusive in decision making of a firm.

Indicators can be leading or lagging, showing the level of firm’s performance. Lagging indicators are poor performance of the firm, while leading indicators have greater significance or robust performance of the firm. Performance of a company is the most important to encourage customers to come to it. Therefore, individuals or group of them who are in authority for running firms must increase performance through novel business plans and procedures in order to update the operations and transactions during the business life cycle. Firm’s performance management is the process whereby the organization is able to execute business plan so as to equal corporate and functional strategies with objectives (Bititci, Carrie & McDevitt, 1997). These scholars also put up with performance measurement to be at the core performance management process; this is important to the efficient and particularly, effective workings of performance management. Performance measurement is critical for effective management of any firm (Demirbag; Tatoglu; Tekinkus; & Zaim, 2006). This shows that the process of firm’s improvement will not be possible without measuring the end results. Therefore, organizational performance improvement requires measurements to identify the level to which the use of organizational resources impact business performance (Madu; Aheto; Kuei; & Winokur, 1996 and Gadenne & Sharma, 2002).

The success of a firm is mainly clarified by the firm’s performance over a certain period of time. Measurement of firm’s performance usually offers significant priceless information to tolerate management monitoring of performance, advanced motivation, report progress, identify problems and publication (Waggoner, Neely & Kennerley, 1999). Consequently, it is to the best interest of the firm to evaluate the performance.

Effective marketing planning adopted by hotel owners/managers may have significant positive effects on the performance of hotel firms (Bititci et al, 1997). The prior scholars considered firm performance in financial firm in Malaysia (Al-Matari; Al-Swidi; & Bt Fadzil, 2014). Other scholars looked at firm performance in Small and Medium Enterprises (SMEs) in United Kingdom (Garengo, Biazzo, & Bititci, 2005). The present study however, considers performance of some hotels existing in Port Harcourt, Rivers State. Again, the existing paper is ready to empirically examine the knob between effective marketing planning and performance of hotels in Port Harcourt. Hypotheses were stated to guide the study.

2. Theoretical framework and Hypotheses
The convention of theory in the existing study is never to establish all ‘truth’ around effective marketing planning of the firm; it is to avoid a ‘fruitless carousel’ with the aim to know the concept of performance in the specific background of hotel establishment adoption of effective marketing planning in decision making of the firm. The Role Theory was proposed by Banton (1996). The main idea is that individuals have numerous roles in life and that these roles emanate with instructions on how these individuals should behave.
Banton defines a role as the expected behaviour associated with a social position which is referred to as a social status-a position in a social system involving designated rights and obligations. In hotel establishment, individual employees have a particular activity to fulfill which is based on existing instructions of the firm on how the employees should go about such a duty. This anticipated behavior is usually related to the position (rights and obligations) designated to such employees. Role theory highlights the enlarged recognition of the importance of the person-to-person encounter between the service providers and clients which assumes the overall success of the marketing effort. Many pure service situations are characterized by a high level of face-to-face interactions. It is proposed that, the interaction between a service provider and a customer is an important determinant of the customer’s total satisfaction with the service (Anyanwu, 2013). The recognition of the importance of this encounter is specifically significant in these situations when the service component of the total offering is a major element of that offering. Business whether small or great is concerned about increasing effective marketing planning- the most effective marketing planning are those that are targeted toward a particular not a general audience. Effective marketing planning focuses on main benefits based on the audience’s interest, view point, and delivered at the right time. That is, when the audience is expected to pay attention to and interested in the message being delivered. In marketing planning literature, adaptation is achieved through the process of flexibility which is the extent to which managers are willing to explore alternatives and new decision-making options, with respect to objectives, strategies, tactics, implementation and control (Greenley & Bayus, 1994). Slack resources are the means for achieving flexibility and adaptation in marketing planning (Sharfman & Dean, 1997 and Greenley & Oktengil, 1998). Slack resources propose that companies should not fully deploy their resources, but should retain, spare or slack some resources to enable change to strategies (Milliken & Lant, 1991; Miller, 1994 and Sharfman & Dean, 1997). When unexpected opportunity arises, slack tolerates for formulating marketing strategy options and to track the new opportunity rudely (Evans, 1991).

3. Firm Performance

Studies based on performance of a firm have gained increasing popularity both in research and practice. Today, firms’ performance measurement is common place in all sectors of commerce and industry; private sectors; public sectors (government departments, non-governmental organisations and charity homes). The focus of any organization remains continuous performance because only through performance an organization is able to grow and progress. Organizational performance involves the actual output (results) of an organization when measured against the organizational intended outputs (goals and objectives). Organizational performance is neither a one-dimensional theoretical construct nor characterized with a single operational measure. Performance at the firm level is measured in many different ways. The multidimensionality of organizational performance is recognized in accounting (Callen, 1991), finances (Henri, 2004) and discussed theoretically in the management literature (Venkatraman & Ramanujam, 1986). Performance is a set of financial and nonfinancial indicators which offer information on the degree of achievement of objectives and results of an organization (Lebans & Euske, 2006).

Organizational performance includes three specific areas of firm outcomes: i. Product/Service market performance-sales, market share and others; ii. Financial performance-profits, return on assets, return on investment and others; and iii. Shareholder return-total shareholder return, economic value added and others (Richard; Devinney; George; & Gerry, 2009). The importance of hotel performance analysis allows an understanding of the magnitudes where a hotel under-perform, meets, or exceeds customer importance. Whereas the effects of the other variables will enable the hotel to adapt product more effectively to the market segments, the hotel wishes to attract and ensuring that properties meet the needs of a diverse range of consumers (Wilkins, 2010).

4. Firm’s Effective Marketing Planning

Marketing planning is a systematic process that involves determining marketing objectives, market and brand, positioning strategies, the assessment of marketing opportunities and capabilities, agreeing target, creating marketing programs, seeking competitive advantage, allocating resources and developing a plan for implementation and control (Rupik & Żyminkowski, 2014). Agreeing to Piercy & Morgan (1990), marketing planning model comprises of three main and interrelated elements: analytical, behavioural, and organizational. The effectiveness of marketing planning process and the definitive value of the marketing plan are therefore determined by the way in which the three elements are managed (Gilligan & Wilson, 2009). The analytical element of planning refers to the tools which managers use to plan. The analytical element is concerned with a series of techniques, procedures, and structure for planning in order to make the analytical element comprehensive and written marketing plans (Harris, 1996; Piercy, 2002). The behavioural dimension of the planning process encompasses of how such a process occurs and relates to the nature and extent of the participation, motivation and commitment from members of the management team. The organisational dimension is concerned with organisational structures, information flows, culture and management signals (Piercy & Morgan, 1990; Piercy, 2002). Although, basing on the existing theory of Smith (2006) and McDonald (2007) on relationship between internal environment and marketing planning, Rupik and Żyminkowski (2014) assumed that organizational structure and culture are not dimensions of marketing planning process but rather the moderators (or conditions). However, these scholars distinguished the other two dimensions of marketing planning process: analytical and behavioral which are closely related to the quality and implementability of marketing plan (planning output). Analytical dimension, as these scholars said, includes three components - comprehensiveness, formalization, and behavioral participation, described by a few variables. i. Comprehensiveness is referred to the required objective scope of marketing planning in the firm which include market segmentation and selection, positioning; marketing mix, product / market strategies; and the role of marketing planning in corporate strategic planning. Information is related to the possession of knowledge on market entities (customers, competitors, and others) and firm’s market and competitive position which is necessary in effective marketing planning. ii. Formalization concerns the aspects of formality in marketing planning process (written document – marketing plan and formal planning procedures and standards. iii. The behavioral dimension contains two components.
These are participation and attitudes which are also characterized by a few variables. a) Participation relates to the players who are engaged in both internal and external marketing planning. ii). Attitudes (beliefs and behaviors) of those tactical managers who are responsible for ultimate implementation of marketing plans.

The conception of firm effective marketing planning has remained extensively deliberated by sundry earlier researchers. Effective marketing planning was studied in large organizations in Australia by Taghian and Shaw (2005). The study of these scholars showed that effective marketing planning is related to the large business performance in Australia. Akinycle (2011) studied strategic marketing in oil and gas industry in Nigeria. The study of this scholar suggested that oil and gas marketing companies in Nigeria have comparative advantages in adopting various marketing strategies.

Ruekert and Walker (1987) suggest that marketing personnel have an important coordinating role in linking demands from outside the firm with the operational sections that fulfill these demands. Greenley, Hooley & Saunders (2004) argue that the key management processes are proactive management, competitive aggression, innovative management, organisational learning, market orientation, and slack resources. Sharfman & Dean (1997) and Greenley & Oktemgil (1998) proposed flexibility and adaptation in marketing planning process. However, marketing planning is proxied by flexibility and slack resources. In the existing study, these two dimensions are important to firm marketing planning. Flexibility as a dimension of firm marketing planning and a key process for achieving adaptation (Aaker & Mascarenhas, 1984; Greenley & Oktemgil, 1997; and Sharfman & Dean, 1997) is the extent to which managers are willing to explore alternative and new decision-making options, when it comes to objectives, strategies, tactics, implementation and control (Greenley, Hooley & Saunders, 2004). Concerning flexibility in the extant study is the willingness of a hotel manager to use new and other methods of decision making to satisfy the needs and desires of hotel users (customers). Conversely, slack resources are the real or possible resources that allow a firm to successfully adapt to changes, by providing the means for adapting strategies to external environment (Cyert & March, 1963) and for pursuing opportunities in the future (Yang, Leone, & Alden, 1992; Greenley and Oktemgil, 1998; Sharfman et al., 1988), as the slack resources can be used in a discretionary manner, knowing that the slack resources are not committed to necessary expenditure (Dimmick & Murray, 1978 and Riahi-Belkaoui, 1998). Therefore, slack resources permit for flexibility in marketing planning decision. In the present study, slack resources allow hotel managers to experiment with new ways of managing the marketing mix, such as innovative advertising, hotel location, housekeeping standard, and price (Barsky & Labagh, 1992). Others include enhanced after sales services and technical innovation in product benefit (Greenley, Hooley & Saunders, 2004. The researcher has taken this footnote to investigate if effective marketing planning is related to performance of hotel establishments in Port Harcourt.

5. Strategic Flexibility and Firm Performance

In continually changing business environmental conditions, a firm’s capacity to change course speedily and to reconfigure strategically is essential to the success of the firm in achieving sustainable competitive advantage (Hitt, Keats, & DeMarie, 1998). The study examined the impact of flexibility on performance in the context of strategic marketing planning. Flexibility is a difficult and multi-dimensional concept that appears hard to define to the satisfactory of everyone. However, flexibility is related to a firm’s capacity to adjust to environmental changes and exploit available opportunities resulting from environmental changes (Dreyer & Grönhaug, 2004). Consequently, the study suggests that flexibility is the ability of a firm to do something different from what was formerly planned for. Many empirical evidences agree that strategic flexibility energizes firm performance (Grewal & Tansuhaj, 2001; Spicer & Sadler-Smith, 2006; Alpkan et al., 2007; Nadkarni A Narayanan, 2007). Firms will succeed only if the firms have such adaptive capacity known as strategic marketing planning flexibility.

Strategic flexibility is conceptualized in two different ways: i. Flexibility with respect to variation and diversity strategies. ii. Flexibility with regard to the degree at which companies can rapidly change from one strategy to another (Slack, 1983). Again, there is proactive flexibility and reactive flexibility. There is an important distinction between proactive flexibility and reactive flexibility. Proactive flexibility involves the ability to expect changes in the future environment, whereas reactive flexibility shows the ability to rapidly and effectively respond to changes in the current environment once they become evident (Johnson, Lee, Saini, & Grohmann, 2003; Celuch, Murphy, & Callaway., 2007). The notion of planning flexibility is to investigate how environmental and firm characteristics impact on the design of strategic planning systems (Kukalis, 1989). It is also suggested that the concept of flexibility in planning is preparing strategic plans that are changeable, adaptive, and responsive; and the organizational ability to change these plans when scary (Barringer and Bluedorn, 1999; Alpkan, Yilmaz, & Kaya, 2007). Flexibility is necessary in strategic planning procedure. Strategic flexibility can influence firm performance by promoting creativity, innovation, and improved competitive capability (Hitt et al., Johnson et al., 2003, 1998). On the basis of this thought, the study has the strong view that strategic flexibility can have positive influence on the performance of firm. Based on these, the present study therefore, proposes these hypotheses:

H01: There is no significant association between strategic flexibility and innovation in hotel establishment in Port Harcourt

H02: There is no significant association between strategic flexibility and public image/perception in hotel establishment in Port Harcourt.

6. Strategic Slack Resources and Firm Performance

Firm's slack resources are linked to firm performance (Daniel, Lohrke, Fornaciari, & Turner Jr., 2004). Slack is one of the capital-based firm resources which embrace financial, physical, human, and organizational resources that an organization employs to implement strategies designs to improve firm efficiency and effectiveness. In the existing literature, there are various definitions of slack. Organizational slack refers to those resources, that an organization has acquired which cannot be committed to a necessary expenditure but are used in a discretionary manner (George, 2005). The more discretionary resources are, the broader the diversity of contingencies these resources (financial, physical, human, time, and organizational) can be employed by a firm. Organizational slack indicates different ways in which resources and energy that would have been devoted to pursuing organizational goals are now channeled
into other things. In a turbulent business environment, slack resources are needed to help ensure long-term survival of a firm.

It is argued that for resources to be regarded as slack, the resources must be potentially recoverable or redeployed (Sharfman et al., 1988). Some researchers have considered different forms of slack in terms of ease of recovery. Time frame for recoverability is also vital, knowing that budgets and performances appraisals usually follow annual cycles. The excess resources that can be recovered within one year are known as short-term slack, but where otherwise, it becomes long-term slack. Bourgeois and Singh (1983) proposed three classes of slack: absorbed, unabsorbed and potential. Slack potential represents the ability of a firm to borrow or to generate resources in the future. In the present study, potential slack is the extent that a hotel firm’s borrowing power increases, the managers can potentially access to larger amount of resources. An organization’s total slack is determined as the specific sum of the level of absorbed, unabsorbed and potential slack. Thus, potential (or unabsorbed) slack can be viewed as short-term slack, while committed (absorbed) slack can be viewed as long-term slack.

Singh (1983) debated that slack resources facilitate innovation in hotel establishments because innovation activities consume resources, and the risk associated with innovation can be better borne by the hotel establishments that enjoy greater resources. Slack resources are useful only to the level that such resources are properly allocated to the innovation effort. Since innovation processes drain resources, the search for slack resources then becomes instrumental. Slack also creates funds that can be redirected toward projects with uncertain outcomes, fostering an environment for innovation. The relationship between slack resources and firm innovation can be viewed as a special case of the relationship between slack resources and firm performance (Geiger & Cashon, 2002). This has led the study to propose these hypotheses:

H03: There is no significant association between slack resources and innovation in hotel establishment in Port Harcourt

H04: There is no significant association between slack resources and public image/perception in hotel establishment in Port Harcourt

7. Methodology

In the present study, the research design is a cross-sectional survey, whereas the nature of study is quasi-explanatory. This study was conducted among 5 statistically selected hotels in Port Harcourt. The respondents were made up of 70 statistically selected top and middle-level employees of the selected hospitality establishments in the study area. Data were collected with the aid of personal interview and structured questionnaire designed to elicit responses. Validity of research instrument was ascertained by peer and expert group reviews, while the reliability of data collection instruments was achieved with the aid of SPSS software version 20.0 giving rise to Cronbach Alpha result of 0.844. The formulated 4 hypotheses were tested with the aid of SPSS using Pearson Product Moment Correlation Technique, at 0.05 significant level.

Empirical Results

H01: There is no significant association between strategic flexibility and innovation in Hotel establishments in Port Harcourt

<table>
<thead>
<tr>
<th>Statistical Tool</th>
<th>Correlations</th>
<th>Strategic Flexibility (SF)</th>
<th>Innovation (INNO)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson’s Product Moment Statistics (r)</td>
<td>Strategic Flexibility (SF) Correlation Coefficient Significant level (2-tailed) Sample size (N)</td>
<td>1.000</td>
<td>.941**</td>
</tr>
<tr>
<td>Innoviation (INNO) Correlation Coefficient Significant level (2-tailed) Sample size (N)</td>
<td>.941**</td>
<td>1.000</td>
<td></td>
</tr>
</tbody>
</table>

**Correlation is significant at 0.05 level (2-tailed); p < 0.05

A clear examination of the result shown in the table above indicates that business process strategic flexibility exhibited a strong positive significant association on innovation, a measure of performance of hotel establishments in Port Harcourt (r = 0.941; P < 0.05). In view of this, the researcher arrived at the decision of rejecting the null hypotheses, since the p value is less than 0.05. Strategic Flexibility has strong positive relationship with innovation in hotel establishments in the study area.

H02: There is no significant association between strategic flexibility and public image/perception in hotel establishments in Port Harcourt.

<table>
<thead>
<tr>
<th>Statistica 1 Tool</th>
<th>Correlation</th>
<th>Public Image/Perception (PIP)</th>
<th>Strategic Flexibility (SF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson’s Product Moment Statistics (r)</td>
<td>Public Image/Perception (PIP) Correlation Coefficient Significant level (2-tailed) Sample size (N)</td>
<td>1.000</td>
<td>.703**</td>
</tr>
<tr>
<td>Strategic flexibility (SF) Correlation Coefficient Significant level (2-tailed) Sample size (N)</td>
<td>.703**</td>
<td>1.000</td>
<td></td>
</tr>
</tbody>
</table>

**Correlation is significant at 0.05 level (2-tailed); p < 0.05

A clear examination of the result shown in the table 2 above shows that strategic flexibility as a dimension of effective marketing planning and public image/perception as a measure of performance in hotel establishments in Port Harcourt.

H03: There is no significant association between slack resources and innovation in hotel establishment in Port Harcourt.

A clear examination of the results shown in table 3 shows that slack resources exhibited a positive significance on innovation in hotel establishment in Port Harcourt (r = 0.606; p < 0.05)
Therefore, the researcher rejects the null hypothesis, since p value is less than 0.05. As a result, slack resources have a strong positive relationship with innovation.

Table 3. Result of hypothesis test using Pearson Product Moment Correlation on slack resources as a dimension of effect marketing planning and innovation as a measure of performance in hotel establishment in Port Harcourt.

<table>
<thead>
<tr>
<th>Statistical Tool</th>
<th>Correlations</th>
<th>Slack Resources (SR)</th>
<th>Innovation (INNO)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson’s Product Moment Statistics (r)</td>
<td>Slack Resources Correlation Coefficient Significant level (2-tailed)</td>
<td>1.000</td>
<td>0.606**</td>
</tr>
<tr>
<td></td>
<td>Sample size (N)</td>
<td>70</td>
<td>70</td>
</tr>
<tr>
<td>Innovation (INNO) Correlation Coefficient Significant level (2-tailed)</td>
<td>0.606**</td>
<td>1.000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sample size (N)</td>
<td>70</td>
<td>70</td>
</tr>
</tbody>
</table>

**correlation is significant at 0.05 level (2-tailed); p< 0.05

HO4: There is no significant relationship between slack resources and public image/perception in hotel establishment in Port Harcourt.

Table 4. Results of hypothesis test using Pearson’s Product Moment Correlation on slack resources as a dimension of effective marketing planning and public image/perception as a measure of performance in hotel establishment in Port Harcourt.

<table>
<thead>
<tr>
<th>Statistical Tool</th>
<th>Correlations</th>
<th>Public Image / Perception(SF)</th>
<th>Slack Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson’s Product Moment Statistics (r)</td>
<td>Slack Resources Correlation Coefficient Significant level (2-tailed)</td>
<td>.731**</td>
<td>1.000</td>
</tr>
<tr>
<td></td>
<td>Sample size (N)</td>
<td>.000</td>
<td>70</td>
</tr>
<tr>
<td>Public image/perception Correlation Coefficient Significant level (2-tailed)</td>
<td>1.000**</td>
<td>.731**</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sample size (N)</td>
<td>70</td>
<td>.000</td>
</tr>
</tbody>
</table>

**correlation is significant at 0.05 level (2-tailed); p< 0.05

Related, a closer examination of the results in table 4 shows that slack resources exhibited a positive significance on public image/perception (r = 0.731; P<0.05). In regard to this, the null hypothesis is rejected, because the p value in the analysis is less than 0.05. In effect, effective marketing planning has a strong positive relationship with public image/perception in hotel establishment in Port Harcourt.

Discussion of Findings

Results of the present study show that there is a significant and positive relationship between strategic flexibility and innovation (correlation coefficient=0. 941). The results also propose that strategic flexibility is positively related to public image/perception (correlation coefficient= 0.703). Put together, strategic flexibility is significantly and positively related to the measures of hotel performance.

Several empirical evidences subscribe to the fact that strategic flexibility affects firm performance (Alpkan et al., 2007; Nadkarni A Narayanan, 2007).

Also, in the present study, the results show that there is significant association between slack resources and innovation (correlation coefficient=0.606).

This shows that funds created by firm’s slack resources can be redirected toward projects with uncertain outcomes, nurturing an environment for innovation (Geiger & Cashon, 2002). The relationship between slack resources and firm innovation can be viewed as a special case of the relationship between slack resources and firm performance. Again, results indicate that there is significant relationship between slack resources and public image/perception (correlation coefficient=0.731). The result of this study show significant and positive relationship between slack resources and the measures of hotel performance.

Conclusions and Recommendations

Based on the results of the empirical analysis and theoretical foundation of the study, the study concludes that, effective marketing planning positively and strongly correlates with performance in hotel establishments in Port Harcourt. It therefore, becomes expedient for managers of hotel establishments in Port Harcourt to strategically avail themselves of benefits of effective marketing planning, which impacts positively on strategic performance of hotel establishment in Port Harcourt. The study recommends that managers of hotel establishments in the study area should explore the windows of strategic opportunities in effective marketing planning to ensure good performance and sustainability of hotel establishments in Port Harcourt.

References


