

# Marketing Plans for Service Businesses

**A complete guide**

Malcolm McDonald and Adrian Payne



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# Contents

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<i>Preface</i>	<i>vii</i>
<i>The structure of this book and how to use it</i>	<i>ix</i>
<i>List of figures</i>	<i>xi</i>
1 Marketing and services	1
2 The nature of services marketing	17
3 Marketing planning for services: the process	37
4 Marketing planning for services: the problems	49
5 Marketing planning Phase One: the strategic context	63
6 Marketing planning Phase Two: the situation review (Part 1)	87
7 Marketing planning Phase Two: the situation review (Part 2)	115
8 Marketing planning Phase Three: marketing strategy formulation	147
9 Marketing planning Phase Four: resource allocation, monitoring and detailed planning (Part 1: The Budget, the Service Product Plan and the Communications Plan)	169
10 Marketing planning Phase Four: resource allocation, monitoring and detailed planning (Part 2: Price, Place, People, Processes and Customer Service)	207
11 Organizing for marketing planning	235
12 A step-by-step marketing planning system for services	271
<i>Examples of marketing plans</i>	<i>331</i>
<i>Glossary of marketing planning terms</i>	<i>379</i>
<i>References</i>	<i>387</i>
<i>Index</i>	<i>393</i>

# Preface

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Elsevier Butterworth-Heinemann's principal book on marketing planning is *Marketing Plans: How to prepare them, how to use them* (2002, 5th edn).

This latest book in the series is in recognition of the growing importance of the service sector in Western economies and of the significant differences between product and service marketing.

The world of services marketing has changed dramatically during the past five years. The easy, high-growth markets have been replaced by mature, low-growth demand patterns that have forced suppliers to question their erstwhile successful business models, such as, for example, those that consisted largely of making 'products' and selling them to intermediaries, who magically got rid of them somehow to an unsophisticated general public who were in awe (or ignorance) of complicated products such as pensions.

Today, however, there is in Europe a situation of government regulation, oversupply, and more importantly, a sophisticated consumer who has been empowered by the Internet. This has forced service providers to pay attention for the first time to the needs of the consumers of their services. This means that they have been forced to pay attention to marketing.

The original text, *Marketing Plans: How to prepare them, how to use them*, has sold over a quarter of a million copies around the world. It is recommended that this latest text be used in conjunction with the original text by those working within the service sector. Taken together, the two books represent an extremely powerful contribution to understanding the domain of marketing planning, which has its own special challenges.

The two authors work with many of the world's leading service organizations in their role as professors of marketing at one of Europe's most prestigious business schools. We have sought to combine the experience of Europe's first full-time professor of services marketing (Adrian Payne) with the acknowledged leadership of Cranfield University in the domain of marketing planning (Malcolm McDonald) to produce a unique text for those who are faced with the special challenge of producing world-class marketing plans for services where there are no tangible products.

The approaches outlined in this book have been used extensively by us in a large number of services organizations.

We believe you will find, in the pages of this book, the answer to the challenge of creating marketing plans that produce significantly improved bottom-line results.

We gratefully acknowledge the help of Margrit Bass with the development of this book.

*Malcolm McDonald  
Adrian Payne  
Cranfield University*

# The structure of this book and how to use it

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This book consists of twelve chapters, some examples of marketing plans and a glossary of terms used in marketing planning.

Chapter 1 provides a broad view of marketing as it relates to services. It describes the marketing concept and some misunderstandings about marketing.

Chapter 2 considers the nature of services and relationship marketing.

Chapter 3 provides an overview of the four key phases of the marketing planning process.

Chapter 4 looks at the barriers that can prevent a service organization being successful in introducing marketing planning.

Chapters 5 to 10 provide a detailed examination of each of the four phases in the marketing planning process and an explanation of the frameworks and techniques which are useful in undertaking these tasks.

Chapter 11 examines some of the key organizational aspects relating to marketing planning. These issues, although not directly part of the marketing planning process itself, have an important and profound impact on its ultimate effectiveness. Here we discuss the role of marketing intelligence systems; market research; to what extent the introduction of marketing planning is appropriate at the different stages of development of an organization; and finally, the issue of how a service organization can develop or improve its marketing orientation.

Chapter 12 provides structures for a three-year strategic marketing plan, a one-year detailed marketing plan and a headquarters consolidated plan of several strategic businesses unit (SBU) strategic marketing plans. These structures will help with implementing the processes and frameworks outlined earlier in this book. Also, in Examples, are a number of marketing plans which illustrate what strategic marketing plans actually look like in different types of service organizations.

For those readers who are new to marketing planning, it will be beneficial to skim-read Chapter 11 and the marketing plans in the examples before starting at Chapter 1.

Those readers who have read widely on the services sector and are familiar with the services marketing literature can start at Chapter 3.

We suggest that all readers should undertake a close examination of the process aspects in the text, covered in Chapters 5 to 10. We also recommend that Chapter 9 is read thoroughly as, although not directly about the

marketing planning process, it addresses many of the issues which are critical to successful implementation of a marketing planning system.

However, it should be recognized that a little learning is a dangerous thing. While Chapter 12 and the examples of marketing plans provide a clear overview as to how a marketing plan is structured, we advise a thorough examination of the detailed discussion of each of the key steps. For those seriously interested in either initiating marketing planning or in improving the quality of their marketing planning, we strongly recommend them to study the whole book before attempting to use any of the systems and plans provided at the back of the book.

Finally, we have provided references for statements made in the text, but in order to make this book easier to read, we have included these at the end of the book rather than at the end of each chapter.

Best of luck – and happy and profitable marketing planning.