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ASSIGNMENT

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1. BUSINESS DESCRIPTION

Mills Business Travel (MBT) is an online travel site that specialises in business travel and accommodation. The company sell airline, train and ferry tickets, as well as hotel rooms to small and medium sized businesses based in and around the UK, and would expand to larger businesses at the end of year two.

Phase 1 of the business is based around establishing the business as a stable online retailer of tickets.

Phase 2 of the business would be to expand in to marketing larger businesses and providing them with the opportunity to open accounts with the company, and then paying the balance of those accounts on a quarterly basis. It would also entail the sale of more complex tickets, such as booking meeting rooms, restaurants and conferences on the behalf of these larger businesses.

The final planned phase would be to expand the coverage area of the tickets sold into the larger European Economic Community, to encourage and support business interactions with both struggling and developing economies within the EEC.

2. COMPETITOR ANALYSIS

The main competitors for this type of business would be websites such as redspottedhankey.com, cheapticket.co.uk and flightcentre.co.uk. These three websites offer travel tickets over various ranges, domestic, pan-European and worldwide for particular methods of travel.

However, none offer a centralised platform to sell tickets for different transport methods, which would be a unique point for MBT. By adding the option to book accommodation as well as tickets in a single platform is also unique; packaging these two together could offer businesses a larger incentive to use MBT as their booking agency, due to the reduced amount of time they would spend trying to source tickets that are either cheaper than other providers, or are a similar price.

There is significant growth in the sector of budget business travel and accommodation tickets to justify a new venture such as MBT. With the current economic climate encouraging businesses to attempt to cut costs, they seem to be reducing their total spend on travel tickets – often trying to avoid travelling altogether and use conference calling facilities instead. As such, a low-cost business travel agency would have a good place in the market.

3. STRENGTHS

- Selling through relationships. We will get to know our customers, one by one. By maintaining a database of communication with the businesses we have as customers, the sales force will be able to maintain the relationship, and keep their business.

4. WEAKNESSES

- During the early stages of MBT, the main weakness of the business will be the costs. Other established companies in this sector will already be generating revenue, and will already have paid accountants and lawyers their respective fees.
- A secondary weakness of MBT would be brand power. The general public will know the names of existing businesses, and MBT won't be able to match that. At the current stage, we don't have the name that can flow into national advertising. This is why effective marketing is important.

5. OPPORTUNITIES

- MBT is an Internet-based business within the UK. The Internet contributes to 8.3% of the UK economy, which is the biggest share of the countries in the G20 [1]. Due to this fact, MBT is in the best possible position to become a successful business.
- MBT will focus on Business-to-business relationships as the business moves into phase 2. We can establish relationships with businesses and get to know their travel patterns - trying to offer them the best deals to keep their custom.
- A lot of online travel companies have no human interaction as part of the ticket purchase process. As MBT would be selling to businesses - where time is money - discussing travel arrangements with a real person (who knows about the company) can save them a lot of time and effort.

6. THREATS

- The price of fuel and the price of train travel are likely to increase dramatically over the next 10 years. As such, ticket costs for these services will also increase, subsequently reducing the amount of profit available to be made from ticket sales.
- Demand might outweigh staffing. As MBT is a relatively small company, if we start to receive a large number of ticket orders in a short period of time, the quality of service

might drop, and our customers may become frustrated, so it will be important to manage this effectively, with the possibility of using agency staff.

7. PERSONNEL

Managing Director

The managing director will be responsible for the overall management of the business, and ensuring that the finances are well managed.

Technical Director

The technical director will be responsible for all of the technical aspects of the business. Their background should be from a Computer Science or programming perspective, and be able to understand technical jargon and 'translate' it to other members of staff, and to other business people.

Web Developers

Web developers will have the responsibility of developing and maintaining the company website and ticket portal. They should have relevant qualifications, and have experience with e-commerce applications. They should be focused on providing a hassle free and intuitive user interface for business people to use.

Marketing Manager

The marketing manager will be in charge of marketing. They should be very familiar with digital marketing and advertising, particularly with exploring opportunities for viral marketing campaigns.

HR Manager

The HR manager will be tasked with managing the workforce. Particularly, ensuring that the workplace matches criteria set out by the Government and that staff are kept happy. A happy workforce is a productive workforce.

Sales and Purchasing Team

The sales and purchasing team will be negotiating with travel companies for tickets at the best rate possible, on an individual basis initially. Eventually, a link between the MBT website system and travel companies will be established – hopefully during the payment process. This will enable us to reduce the amount of time that staff will be negotiating with other companies, so that their efforts can be focused on maintaining business relationships.

8. MARKETING

As stated in the previous section, marketing will be managed by the Marketing manager. Personally, I have no experience with marketing, so I don't think that it would be my place to make any major marketing recommendations.

What I can recommend however, is the types of marketing that I find to be the most effective, and the best way for me to demonstrate that is with a short list.

- Targeted adverts on various websites (via agencies such as DoubleClick). Persistency will split the audience, some will get annoyed by the adverts, and others will 'give in' to the marketing.
- Viral ad campaigns (<http://www.youtube.com/watch?v=HZNNfxocLIU>). They make people talk about the products they are advertising, and stick in people's mind. Uploading the video to various free video sharing websites would also be a lot cheaper than TV advertising.
- Traditional advertising (TV, newspaper, billboards, buses etc.)

9. REFERENCES

- [1] BBC, "UK is the 'most Internet-based major economy'," BBC, 19 March 2012. [Online]. Available: <http://www.bbc.co.uk/news/business-17405016>. [Accessed 25 March 2012].