**HAPPY TOURS**

Happy Tours is a tourism company that owns a chain of hotels around Turkey. Happy Tours ran a promotion in which any family booking 5 nights in Happy in Cappadocia Hotel between the dates 1st May and 16th May automatically qualified for a free balloon trip. The balloon trips normally cost around 150 euro per person and Happy Tours had an arrangement with a balloon company, Colourful Balloons, to buy trips for 1000 guests at 70 euro. Unfortunately, the promotion was incredibly successful and instead of the forecasted number of 1000, 3000 guests applied and qualified for their free trips.

To find a solution to this problem a meeting is going to be held on 18th April 2012 at the conference room of the company. The participants are as follows:

Managing Director and Chair: Alexandra/Alexander Kemplin

Marketing Director: Adriana/Adrian Lewinski

Finance Director: Sam Smith

Sales Director: Julia/Julian Hobbs

Promotion Agency Owner: Mel Bryson

Agenda:

1. Report on promotion for Happy in Cappadocia
2. Financial situation
3. Insurance position
4. Legal situation
5. Brainstorming on possible solutions to the problem

Note: The Chairperson is free to change or update the agenda as he wishes. However, if he/she does so, all participants must be informed about the final agenda before the meeting starts.

**Role card for the Sales Director: Julia/Julian Hobbs**

As a department you weren’t given a specific quota on sales; therefore, as demand continued increasing your sales team at “sales points” continued applying the promotion into every purchase made on the specific location. You weren’t briefed on stopping after the 1000th sales. However, even if you were told so, some amount of extras would be inevitable since coordinating all branches would be impossible without the existence of an efficient software system and well connection to company intranet.

You think that this meeting is a good opportunity for you to bring up the subject of inefficiency of the IT Department. In your opinion, all computers have to be replaced with new models and much better software should be installed in them. You feel like ancient machinery and out of date software programmes should get the blame for this communication problem between Sales Department and the Marketing Department.

Sales Director gets away from the subject by going into problems regarding the IT Department.

**Role card for Managing Director and Chair: Alexandra/Alexander Kemplin**

You are furious because your company’s well-built reputation is at stake. For years you have worked for developing an image of a company that stands for trust and commitment. You worked hard to satisfy customers with a service that was beyond their expectations. As a result the company built a considerable amount of loyal customers. However, now because of a poorly designed promotion everything may go upside down and negative word of mouth may destroy the company reputation completely.

You immediately want to find a solution to this problem without making it public and of course you are after a solution that is cost-effective.

Firstly, you want to find out whose fault it is and make sure that such a thing never happens again. It is important to listen to the story from your Marketing Director’s and Sales Director’s views as well as the Agency’s.

Following the agenda items you want your team to brainstorm on possible solutions.

Keep Marketing Director mainly responsible from this situation because of this unsuccessful promotional activity that will cost huge amount of money to the company. Ask him/her why he/she didn’t contact the Legal Department during organisation of the promotional activity. If he/she had done so, the Legal Department would tell him/her to set a maximum amount of applicants for the promotion or include a statement in the leaflet like “First 1000 applicants will benefit from this promotion”. Also, ask the Marketing Director whether he/she has insured the promotion for the unexpected number of applications and if so learn about this figure.

Ask Agency Owner how did he/she come up with the figure of “1000 guests”?

Find out how this unexpected amount of sales wasn’t realised by the Sales Department before it was too late.

Do not forget to ask for Finance Director’s opinion in financing this extra expenditure.

Follow the agenda; make sure all items on the agenda are discussed fully, and every participant finishes what he/she wants to say.

Do not hesitate to stop someone when he/she gets away from the agenda item.

Finance Director’s mind seems to be loaded with something else lately. Be sure to keep his mind in the meeting and ask for his/her opinion several times just to keep him in the meeting.

Be sure to make a fruitful ending by either coming up with a satisfactory solution or dismissing the meeting to make some research on a viable outcome.

**Role card for Marketing Director: Adriana/Adrian Lewinski**

You knew this promotion would be very successful and you expected some amount of overbooking; however, even you hadn’t planned such a big demand on the holiday package. Now you wish you had made a better price calculation that would make a considerable increase on the income of the company rather than causing a huge loss in the balance sheet.

You were after a promotion that would take you to the position of Managing Director and you felt this holiday promotion in Cappadocia would be the final step that would reach you into your goal. But now even your current chair is at stake. You need to keep your head high in this meeting and do everything to come out if this problem with your dignity.

You made the plan of the promotion based on past experience. In the past years for a similar promotion the company had only received 300 reservations. A balloon trip is an activity that is highly expensive and the location chosen for this promotion, Cappadocia is a very popular holiday destination; therefore, you naturally expected more demand than previous years. To make an accurate prediction you worked with the agency “Tip Top” and they advised you to make preparations for 1000 customers.

You know it’s mainly your fault, but you can always blame the agency “Tip Top” on giving you wrong advice. After all, that’s why Happy Tours pays them a great deal of money. Tip Top should have made a much more accurate calculation and warned you on the negativities of overbooking. Depending on how the meeting goes, you may think of threatening the agency on never working with them again and if they seem not to take any responsibility on this big problem of yours, you may pronounce the word “sue” to make them take a step back.

Your second getaway will be to raise the issue of miscommunication faced between the Sales Department and the Marketing Department during booking of the holiday package. This is actually a part of a plan you have made with your colleague the Sales Director. He will deliberately divert the conversation to the inefficiency of the IT Department and consequently confuse the Managing Director.

You have also insured the promotion for overbooking of 500 customers which should solve the financial problem only partly.

Neither you nor the Managing Director would like seeing or hearing Happy Tour’s name in the news with unsatisfied customers complaining to get their money back. Therefore, you expect the Managing Director to handle a brainstorming session on possible solutions to the problem.

Here are your suggestions for the team’s brainstorming session:

1. Contact Colourful Balloons, the balloon company, to make a new contract for more customers with a lower price. Balloon companies in Cappadocia are low-scale companies with limited capacity. If Colourful Balloons doesn’t have the capacity to meet this demand, offer to contact other balloon companies.
2. Offer to search for alternative activities such as wine tasting, one day guided tour on touristic places of Cappadocia, dinner in an authentic restaurant, etc.
3. Offer some customers to visit the hotel at another time.

**Role card for the “Tip Top” Agency Owner: Mel Bryson**

Happy Tours has been your client for the past 5 years and you have worked with them on several promotions and activities. Happy Tours is an important client for you.

For this promotion firstly you evaluated customer demand for Happy Tour’s hotels. Secondly, you used your experience gained from other clients. For similar promotions the average customer demand was 768. Based on Happy Tour’s market share and company reputation, 30% more demand was expected and when the calculation was done, the number was reached into 998,4 which was rounded to 1000.

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| **Years** | **Promotional Activities for Happy Tours** | **Total Number of Customers** |
| 2007 | Happy in Antalya | 700 |
| 2008 | Happy in Bodrum | 750 |
| 2009 | Happy in Bodrum | 990 |
| 2010 | Happy in Çeşme | 550 |
| 2011 | Happy in Bodrum | 850 |

As an agency you feel mainly responsible from arranging the activity, making the entire organisation and leading the client through this process with your advice and recommendations. However, after all it’s the client company’s promotion and final decisions should be taken by the client company.

Although you wouldn’t like to lose a big and an important client like Happy Tours, you have no intention of taking either any responsibility or financial liability regarding this case.

**Role card for the Finance Director: Sam Smith**

The financial crisis around the world is showing itself in this business too. You had to work with long-term credit with some tour agencies that use your hotels and in this time of year you’re still trying to collect past year’s receivables.

You feel exhausted and your mind is elsewhere. This meeting in early Friday morning is only a pain for you. You have loads of phone calls to make to contact clients with debts to you before the weekend arrives. Thus, you want this meeting to be finished as soon as possible.

You believe that it isn’t possible to meet this extra demand with marketing department’s budget. Therefore, this debt has to be financed from company income which will have to show itself as “loss” in the company balance sheet. If the amount of this loss gets bigger, company’s shares in the stock are of course negatively influenced.

Also, you have learned enough marketing to know that all promotional activities are taken under guarantee through insurance to avoid some kind of miscalculated expense. Happy Tours needs al the money it can get to get out of this problem. Thus, you have to bring up the subject of insurance during this meeting and inquire from the marketing manager whether he has insured the promotion or not and for how much overbooking.

You believe as a company you have to do everything to minimise the amount of loss. To be able to do this of course, you need approval of your Managing Director.