

BMTP 6016

Strategic Management

Strategy Formulation Tools

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Register



HOSPITALITY
AND
TOURISM
MANAGEMENT



Man Geni Addysg Uwch yng Nghymru
Where Higher Education Began in Wales



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

Where Are We Now?

Module:	Strategic Management
Week	Lecture Topic
1	Module Overview, Strategic Management in business operations & Assignment
2	Strategy and Theoretical Underpinnings
3	Stakeholders in Tourism, Events and Leisure
4	Internal Analysis of a Business
5	External Analysis of a Business
6	Strategy Formulation Tools
No class	Reading Week (9th March to 13th March 2026)
7	Strategic Leadership-Guest lecture
8-10	Political economy, Geopolitical Dynamics, and Strategies
11-13	Module Recap, Assignment Workshop, & Assignment Submission

Today's Objectives

- Strategy Formulation tools:
 - Recap: Porter's Five Forces and PESTLE
 - Ansoff Matrix
- Assignment 1 support

Learning Objective

By the end of today's lecture, you should be able to:

- Revise Porter's Five Forces model and PESTEL
- Discuss Ansoff Matrix

Recap

What did we discuss last week?

Debate 10 minutes

Answer one question below

How important is Porter's Five Forces in today's fast-changing business environment?

What is the strategic value of PESTLE?

Strategic Management

Improve

Improve decision-making: A good strategy helps leaders make smart decisions based on important facts and clear goals, instead of just reacting without thinking.

Gain

Gain a competitive edge: It helps businesses identify their strengths, minimise weaknesses, and capitalise on opportunities, making them more competitive in their industry.

Ensure

Ensure long-term success: Strategic management focuses on the future, helping organisations plan for sustainable growth and avoid short-term, reactive thinking that could hurt them later.

Strategy Formulation Tools

There are several **frameworks** used for business strategy.

Common examples include:

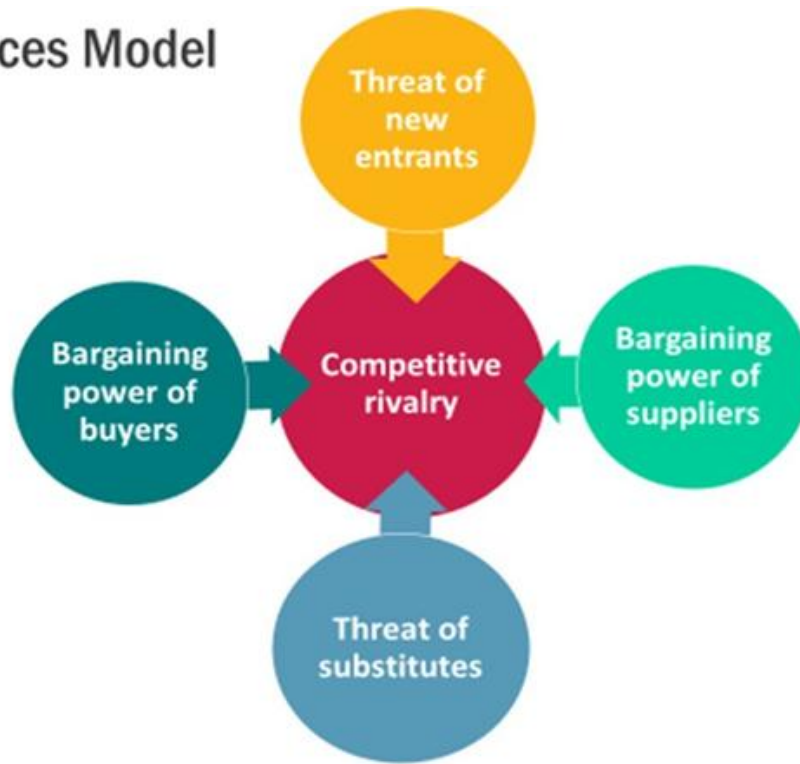
PESTEL Analysis - examines Political, Economic, Social, Technological, Environmental, and Legal factors.

Porter's Five Forces - analyses the level of competition and profitability within an industry.

In this session, we will recap Porter's Five Forces and PESTLE.
Discuss Ansoff Matrix.

Porter's Five Forces

Porter's Five Forces Model



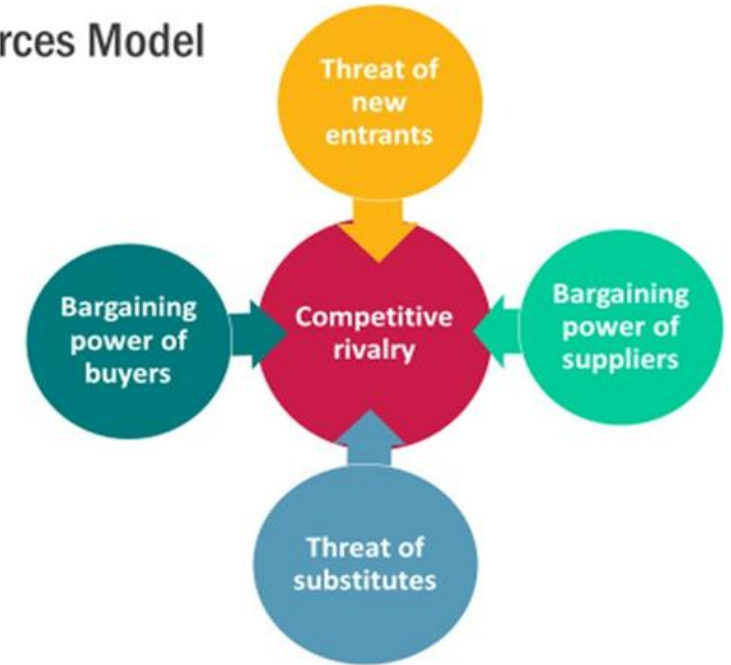
A tool used to analyse the environment/ level of competition for a business

It helps determine a business's attractiveness and profitability

Threat of new entrants

- This looks at the threat of new competitors entering the market
- New competitors will enviably gain some market share
- Rivalry will intensify
- This is less likely to occur if an industry has 'high barriers of entry' (*e.g. it is hard to set up a business in that market*)

Porter's Five Forces Model



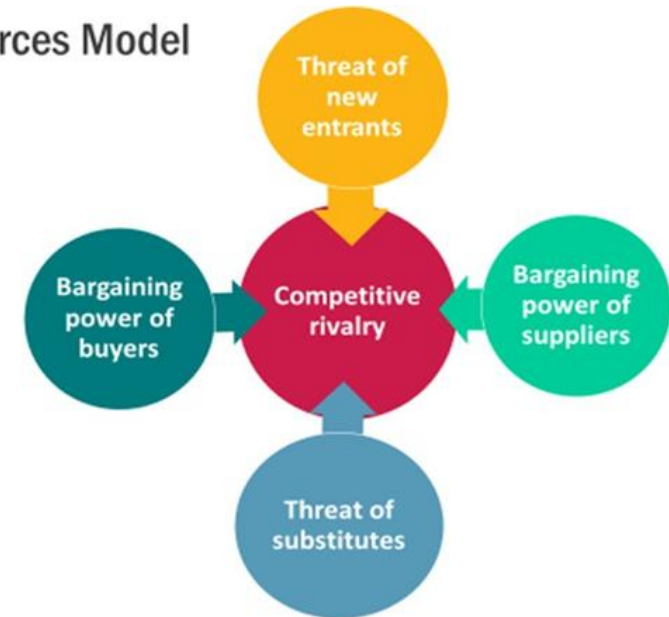
Barriers to Entry

How easy or difficult is it to set up a new business in that industry.

This can be determined by:

- Investment costs or capital required
- Regulation or legal restrictions
- Buying power of current firms in that market
- Access to suppliers or distribution channels
- How well you can differentiate your product

Porter's Five Forces Model



Porter's Five Forces Model



Bargaining power of Suppliers

This is looking at the level of 'power' the supplier has over the business

- A high level of power would lead to suppliers increasing their prices as they know the business will make it
- Higher power often come from there being very little alternatives for the business to choose from so they are reliant on that supplier

Bargaining power of Buyers

If the buyer has more power over the suppliers, it will often result in the supplier lowering the price

e.g. Large supermarkets will have big buying power of their suppliers

Threat of substitute products

This refers to how many other products are there in the market that meet the same need

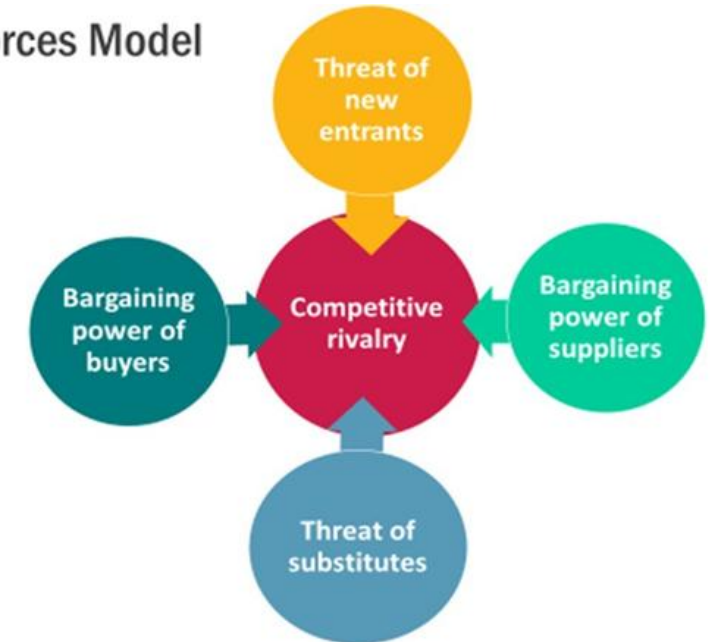
Substitute products can be produced in different industries but still satisfy customer needs

e.g. If an airline is too expensive , a customer might get the train which will still get them to the destination and cause the airline to lose a customer

The threat of substitutes can limit the prices charged by a firm because they need to remain as competitive as possible

Businesses can rely on customer loyalty here to ensure customers 'do not switch'

Porter's Five Forces Model



Competitive rivalry

Competitive rivalry refers to **how intensely firms compete within an industry** industry-how strongly firms compete for market share and customers. High rivalry can limit profitability but also drive innovation. Key factors to consider include:

Market structure: Whether the industry is fragmented or dominated by a few large firms.

Market growth: Whether the industry is growing rapidly or in a slow, mature phase.

Product differentiation: The extent to which products are unique or customers can easily switch to competitors.

Costs and exit barriers: High fixed costs or exit barriers that keep firms competing aggressively.

Mergers and acquisitions: Competitors gaining power or market share through consolidation.

Global dynamics: International competition creating new opportunities or threats.

Porter's Five Forces Model



Competitive rivalry

Think about the implication of each statement below in terms of rivalry among existing competitors

- If there are many companies in the industry
- A slow-growing industry
- A fast-growing industry
- If products or services are very similar and not easily distinguished from one another

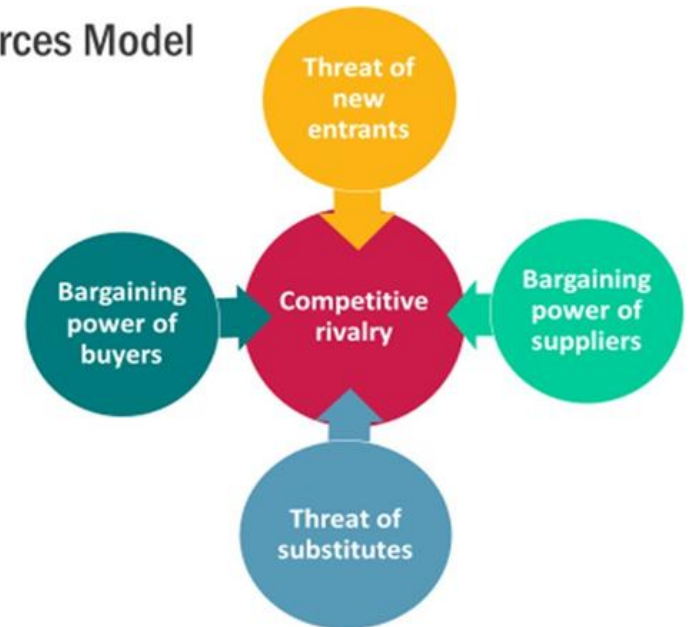
Porter's Five Forces Model



Why is this important for strategy?

- It can help a firm identify the attractiveness of a certain industry
- Evaluate investment options
- Assess the level of competitive within the market
- Make the decision on 'where to next'
- Lead to changes to be made on certain products or services

Porter's Five Forces Model



Coffee Break

35 minutes



Case Studies

See next slides

Event Students Discussion and Presentation **50 mins**

The International Government Relations & Political Campaigns Forum is scheduled to take place in Washington, DC in March 2026. The event will bring together political leaders, campaign strategists, policymakers, media representatives, academics, and international delegates to discuss global governance, diplomacy, and political campaigning in a rapidly changing world.

As a strategic event consultant, you have been commissioned to develop a strategic management analysis for the event organisers.

Assignment Task

Critically evaluate the strategic planning and management considerations required to successfully deliver the International Government Relations & Political Campaigns Forum in Washington, DC.

Your analysis should:

1. Conduct a PESTLE or Porter's Five Forces analysis of the external environment influencing the event.
2. Identify and evaluate key stakeholders and their potential interests and power.
3. Assess potential political, reputational, and security risks, and propose mitigation strategies.
4. Develop strategic recommendations to ensure the event achieves its objectives while maintaining political neutrality, safety, and international credibility.
5. Reflect on the role of location (Washington, DC) as a strategic host destination for a politically sensitive global forum.

Tourism Students Discussion and Presentation 50mins

Times Square is one of the most iconic and visited tourist attractions in the world, attracting millions of domestic and international visitors annually. Known for its digital billboards, entertainment venues, retail outlets, and cultural significance, it plays a vital role in New York City's tourism economy. However, it also faces challenges related to overcrowding, safety, commercialisation, sustainability, and destination image management.

You have been appointed as a strategic tourism consultant to advise the Times Square Alliance on ensuring the long-term sustainability and competitiveness of Times Square as a global tourist destination.

Assignment Task

Critically evaluate the strategic management challenges and opportunities facing Times Square as a major urban tourism destination in the USA.

Your analysis should:

1. Conduct a PESTLE or Porter's Five Forces analysis to examine the external factors influencing Times Square.
2. Assess the external opportunities and threats.
3. Identify key stakeholders and evaluate their influence on destination management.
4. Analyse issues relating to overtourism, sustainability, and destination image.
5. Provide strategic recommendations to enhance long-term competitiveness and responsible tourism management.

Strategy Formulation Tools

PESTLE Analysis

- PESTLE Analysis is a tool that helps tourism and event businesses understand external factors affecting their success.
- By examining these factors, they can plan better and adapt to changes in the world.

PESTLE Analysis

Political factors play a crucial role in shaping operations, opportunities, and challenges.

- **Government Policies:** Rules like travel restrictions, promotion efforts, and safety standards influence how easily tourists can visit.
- **Political Stability:** A stable political climate attracts tourists, while unrest can deter them and harm a destination's image.
- **Travel Restrictions and Regulations:** Visa requirements and health regulations set by governments can either encourage or discourage tourist visits.

PESTLE Analysis

Economic factors are essential for understanding how the financial environment influences the tourism and events industry.

- **Economic Growth:** When a country's economy grows, people have more money to spend on travel, boosting tourism.
- **Inflation Rates:** High inflation makes travel more expensive, which can discourage tourists, while low inflation encourages travel spending.
- **Disposable Income:** Higher disposable income allows people to spend more on travel and entertainment, benefiting tourism.

PESTLE Analysis

Social factors refer to the cultural, demographic, and societal trends that influence the tourism and events industry.

- **Demographics:** Age, gender, income, and family structure influence travel preferences. Younger travellers often prefer budget options and adventures, while older travellers typically seek luxury and guided tours. Businesses should tailor their services to these differences.
- **Lifestyle Changes:** Evolving lifestyles lead to shifts in travel habits, with trends like wellness tourism and remote work influencing travel choices. Adapting to these trends can help businesses attract more customers.
- **Social Media Influence:** Social media significantly impacts travel decisions, with platforms like Instagram and Facebook offering inspiration and recommendations. Positive reviews and appealing photos can sway tourists' destinations and experiences.

PESTLE Analysis

Technological factors refer to the impact of technology on the tourism and events industry. These factors can shape how businesses operate, how customers interact with services, and how experiences are delivered.

- **Online Booking Systems:** Technology simplifies booking flights, accommodations, and activities online. Websites and apps enable users to compare prices, read reviews, and make reservations, improving the customer experience.
- **Social Media and Marketing:** Platforms like Instagram, Facebook, and Twitter are vital for tourism marketing. Businesses use them to share content, engage with customers, and promote services, with positive reviews influencing potential travellers.
- **Automation and Chatbots:** AI chatbots manage customer inquiries and bookings, providing instant support. This technology enhances efficiency, reduces wait times, and offers 24/7 assistance, improving the customer experience.

PESTLE Analysis

Legal factors are the laws and regulations impacting the tourism and events industry. They are essential for compliance, protecting businesses, and safeguarding consumers.

- **Health and Safety Regulations:** Laws ensure tourism businesses, like hotels and restaurants, provide safe environments for guests, preventing accidents and protecting everyone.
- **Employment Laws:** These laws govern employer-employee relationships, including hiring, working conditions, and wages. Adhering to labour laws is essential for fair treatment and a positive workplace in tourism.
- **Travel Regulations and Visa Requirements:** Different countries have specific rules for visas and entry. Travel companies and event organisers must understand and follow these regulations for smooth travel experiences.

PESTLE Analysis

Environmental factors are the ecological aspects affecting the tourism and events industry. They are increasingly important as businesses work to reduce their impact on the planet and adapt to changing conditions.

- **Climate Change:** Climate change leads to extreme weather events, which can disrupt travel and events, prompting travellers to seek more sustainable options.
- **Natural Disasters:** Destinations at risk for natural disasters, like earthquakes or hurricanes, may see a decline in tourism as travellers avoid these areas. Businesses need contingency plans for such situations.
- **Sustainability Practices:** There is growing demand for eco-friendly tourism. Travelers prefer sustainable options like green accommodations and responsible wildlife tourism, so businesses focusing on sustainability can attract environmentally-conscious customers.

Strategy Formulation Tools

The Ansoff Matrix

The Ansoff Matrix is a strategic planning tool for the tourism and events industry that helps businesses determine growth strategies by analysing current and new markets alongside existing and new products or services.

The four main growth strategies are:

1. Market Penetration: Existing products/services in existing markets.
2. Product Development: New products/services in existing markets.
3. Market Development: Existing products/services in new markets.
4. Diversification: New products/services in new markets.

Ansoff Matrix



The Ansoff Matrix

1. Market Penetration

(Selling more of what you already offer to the same people)

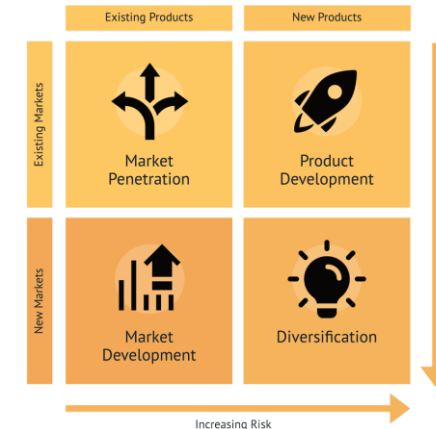
- Goal: Get more customers from your current market.

- Example:

A hotel offering special discounts or loyalty programs to attract more bookings from regular guests.

An event organiser might run more ads to get more people to attend the same kind of events.

What strategies can organisations implement to increase their market share?



The Ansoff Matrix

2. Product Development

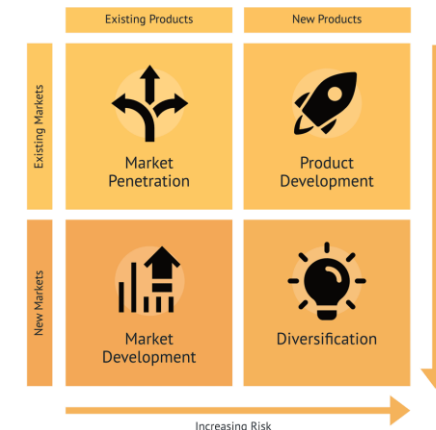
(Offering something new to your current customers)

- Goal: Create new products or services for the people you already serve.
- Example:

A tour company adding new types of tours, like adventure tours or food tours, for the same customers.

An event planner might introduce new activities or themes to their existing events.

What could an events or tourism organisation implement within this strategy?



The Ansoff Matrix

3. Market Development

(Taking what you already offer to new customers)

- Goal: Sell your existing products or services to new markets or regions.

- Example:

A hotel chain expanding into new cities or countries with the same style of hotels.

An event company might take an event they've been running locally and start offering it in other cities.

What can organisations offer to gain new customers?

The Ansoff Matrix

4. Diversification

(Offering something new to new customers)

- Goal: Create new products or services and sell them to a completely new market.
- Example:

A hotel chain starting a new type of business, like opening restaurants or spas in different locations.

An event company might create a completely new kind of event for a different audience, like moving from corporate events to music festivals.

What can organisations do to diversify their offering?

Exercise

Activity:

1. Choose an organisation of your choice (You can use the organisation you have chosen for Assignment 1).
2. Using the Ansoff Matrix, select one of the strategies and apply it to your chosen organisation.

The four main growth strategies include;

- Market Penetration (Existing Products/Services + Existing Markets)
- Product Development (New Products/Services + Existing Markets)
- Market Development (Existing Products/Services + New Markets)
- Diversification (New Products/Services + New Markets)

Other Strategy Tools

Tool	Purpose	Benefits	Common Uses in Research	Examples of Application in UK Hospitality and Hotel Market
PEAS (Problem, Evidence, Analysis, Solution)	Structured reasoning and argumentation	Encourages logical flow. Supports evidence-based writing Easy to apply in research	Policy analysis critical analysis Problem-solving reports	Exploring the impact of rising energy costs on hotel operations and proposing sustainable cost-reduction strategies
5 Whys	Root cause analysis	Simple and intuitive. Reveals systemic issues Avoids superficial conclusions	Operational audits HR and staffing issues. Reflective writing	Investigating the underlying causes of high staff turnover in city-centre hotels or poor guest satisfaction in budget accommodations
DPSIR (Drivers, Pressures, State, Impact, Response)	Systems-thinking for environmental and policy analysis	Holistic view of cause-effect. Links human activity to outcomes. Supports sustainability research	Evaluating the environmental pressures of increased tourism in national parks and the response strategies adopted by local hospitality providers	Environmental impact studies
STAR (Situation, Task, Action, Result)	Case study and performance evaluation	- Clear narrative structure. Highlights decision-making. Useful for real-world scenarios	Reviewing how hotels implemented contactless check-in systems during COVID-19 and analysing the outcomes for guest satisfaction and operational efficiency	Leadership analysis. Innovation case studies. Crisis response reviews

Assignment 1

Submission due 17th March 2026

Refer to the module handbook for details

Any questions-please email me between Monday 9th March and Thursday 12th March 2026

Recap

What did we discuss today?

- ✓ Understanding strategy formulation tools
- ✓ Assignment 1

Any Questions?

Next Week...

No class-Reading Week: 9th March-13th March 2026

Lecture resumes: Friday 20th March 2026-Guest lecture

Thank You For Joining

See you next week!

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