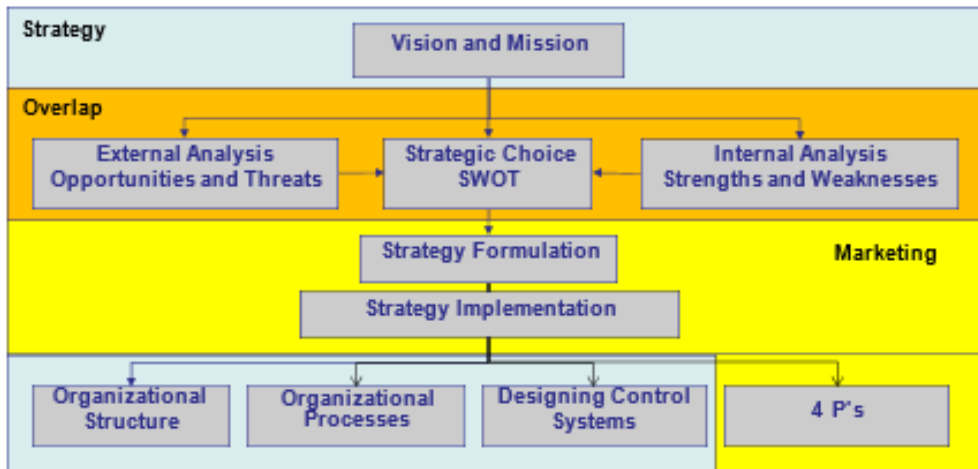


Lecture 1: Introduction

Main Strategy Model from a Marketing Perspective



High overlap between marketing plan and business plan

Tactical marketing components (e.g. 4P's) are not the focus of the class, but will be an important part of the class discussion

Definitions

Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders (American Marketing Association).

Marketing is the science and art of exploring, creating, and delivering value to satisfy the needs of a target market at a profit. Marketing identifies unfulfilled needs and desires. It defines, measures and quantifies the size of the identified market and the profit potential. It pinpoints which segments the company is capable of serving best and it designs and promotes the appropriate products and services (Phillip Kotler).

Marketing Concept

- The Marketing Concept states that if a business or organization is to achieve profitability, the entire organization must be oriented towards satisfying consumer needs, wants and aspirations.
- In other words, the Marketing Concept holds that the key to success is through determining the needs/wants/aspirations of target markets and delivering these more effectively and efficiently than competitors
- Implications
 - Organizations must concentrate on the customer and not the product or the company.
 - Organizations should revolve around the customer and not the other way around.
 - The purpose of a business is to create and keep a customer

What is Marketing Strategy?

Create

Communicate

Deliver

Value

Target Market

Profit

Strategy Perspective

History of Strategic Management

- The word “strategy” derives from the Greek word stratēgos; which derives from two words:
 - "stratos" – meaning army.
 - "ago" – which is the ancient Greek for leading/guiding/moving
- Based on ancient military and political behaviour, e.g.
- Sun Tzu 500 BC (“The Art of war”)
- Machiavelli 15th century (“el Principe”)
- Von Clausewitz 17th century (“Vom Kriege”)

Strategy in Business



Debrief

- **What happened?**
 - Moves & counter-moves.
- **Resources?**
 - Which were used Resources (throwing arm, speed)?
- **Planning/Improvisation?**
 - How effective were initial plans? Emerging Strategies?
- **Who won?**

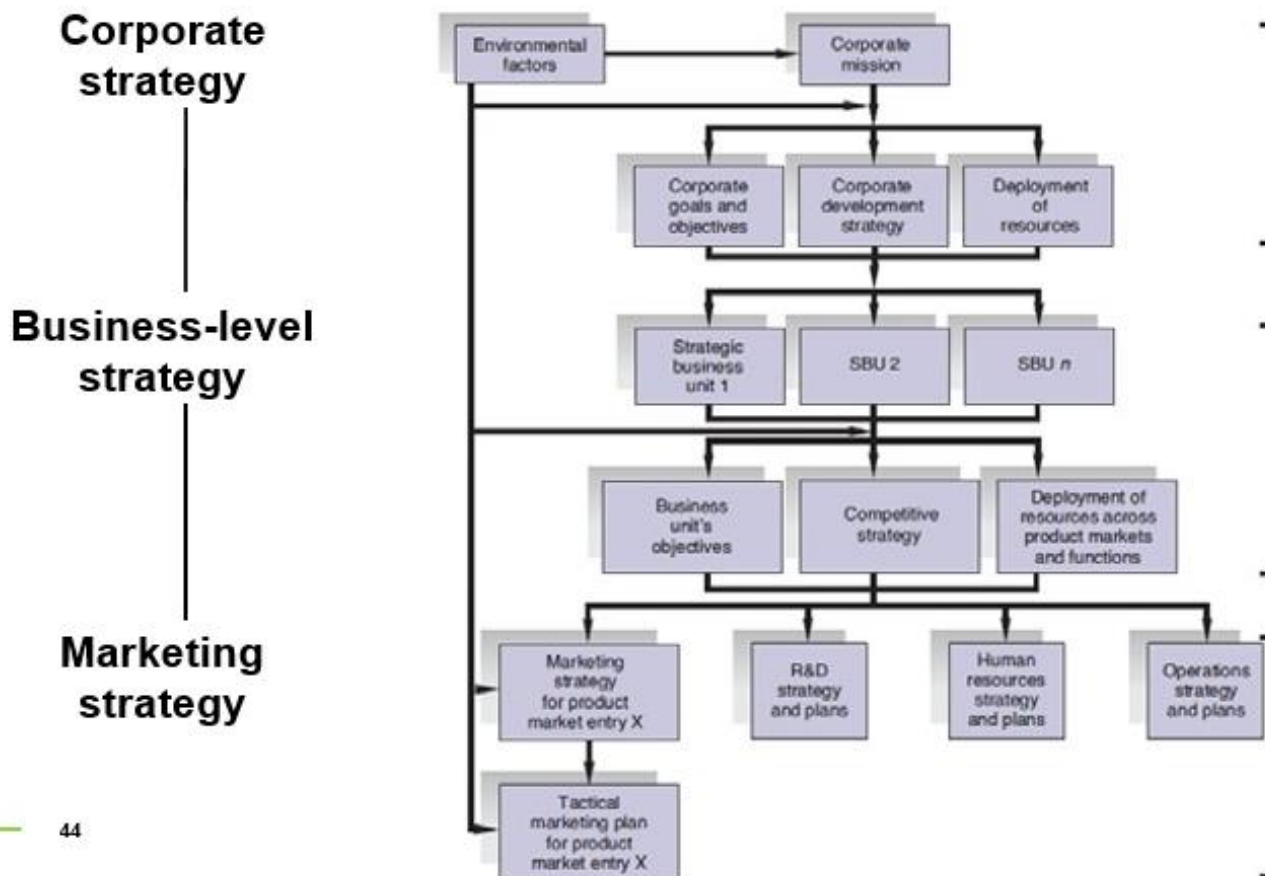
Levels of Strategy



Networks in the airline industry



- Network level Strategies
- Defines the boundaries of the firm and the interaction with its environment
- Corporate Strategy:
 - In which business do we want to compete and how to coordinate this business?
- Business Strategy
 - How to compete in each business
- Functional Strategy
 - How to implement strategies within the functional areas of the business



Lecture 2: External Analysis I

Mainstream Strategy Model



Macroeconomic Environment

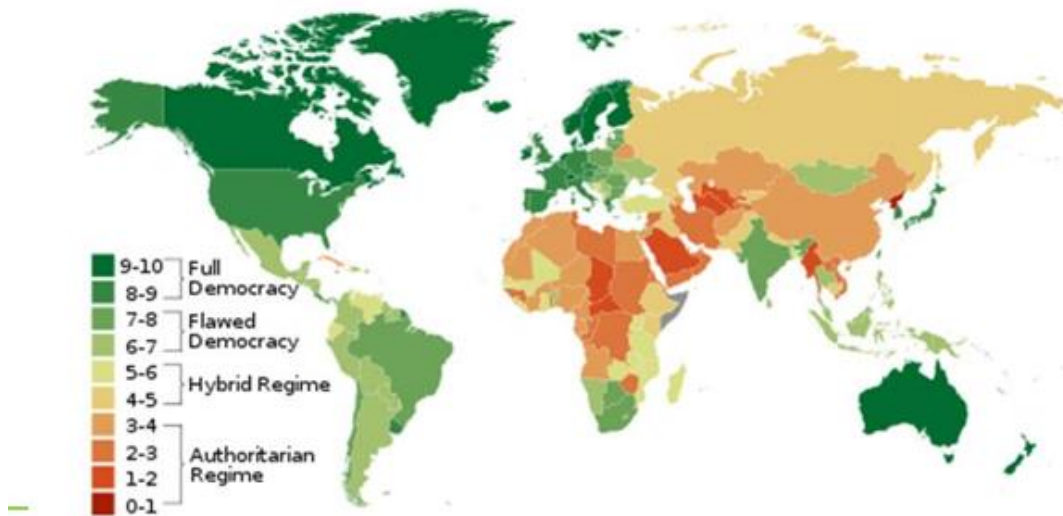
External Analysis

- **Environmental Analysis**
 - Concerned with the identification of trends and events that may influence strategy formation and implementation.
 - Analyst must be selective with the information they see as relevant
 - don't analyse too much information
 - focus on key issues
- **Factors external to an industry**
 - Political/Regulatory
 - Economic
 - Social
 - Technological
 - Environmental
 - Legal

Factors external to an industry, usually beyond a firm's control

Political

- Democracy Index (The Economist)



Economic

Crude oil spot prices
US dollars per barrel

