

**MARKETING STRATEGY AND ENVIRONMENT**

**Planning:** provides five main benefits to organisations:

1. Allows management to be proactive rather than reactive
2. Can organise activities in an intergraded and coordinated way – staff know what success looks like in their role
3. All members of an organisation are able to identify and understand the direction of senior management
4. All organised activities can be compared to the plan to ensure goals are achieved
5. an organisation can compare the plan with actual results

**Strategic decisions:**

are about:

- o the long-term direction of the organisation
- o the scope of an organisations activities
- o gaining advantage over competitors
- o addressing changes in the business environment
- o building on resources and competencies (capability)
- o meeting values and expectations of stakeholders which affect optimal decisions

are likely to:

- o be complex in nature
- o be made in situations of uncertainty
- o affect operational decisions
- o require an integrated approach (both inside and outside the organisation)
- o involve considerable change

**McDonald’s suggested 10 Principles to achieve effective marketing planning**

1. Strategy before tactics
2. Situate marketing within operations
3. Share values about marketing
4. Structure around markets
5. Scan the environment thoroughly
6. Summarise information in SWOT analysis
7. Skills and knowledge
8. Systematise the process
9. Sequence and objectives
10. Style and culture

**Strategic plan:** not a linear model in actual fact, all happening at the same time, backwards and forwards



**Marketing Strategy:** the leavers we can pull to drive a certain activity or evoke a certain response



**Mass Marketing:** everyone is the same, wants and receives the same message

**Target Marketing:** everyone is different, tailored to individual needs

**Levels of Strategy**

- o Corporate level (multiple business units)
  - Determine overall scope of the organisation

- Add value to the different business units
- Meet expectations of stakeholders
- o Business level (strategic business unit)
  - How to compete successfully in particular markets
- o Operational (strategic business unit)
  - How different parts of organisations deliver strategy

**Products:** something of value which a person would not have if they did not participate in the exchange, can be tangible or intangible, sometimes additional service and benefits are built around the core product itself

**4 P's or Marketing:**

- o Product
  - o Place
  - o Promotion
  - o Price
- (physical evidence, process, people)

**Marketing Plan:** a written statement of marketing strategy and the time-related details for carrying out the strategy

**Details:**

- What marketing is offered
- To what target market
- For how long
- What resources (costs) are needed and at what rate
- What results are expected
- What control procedures will be used

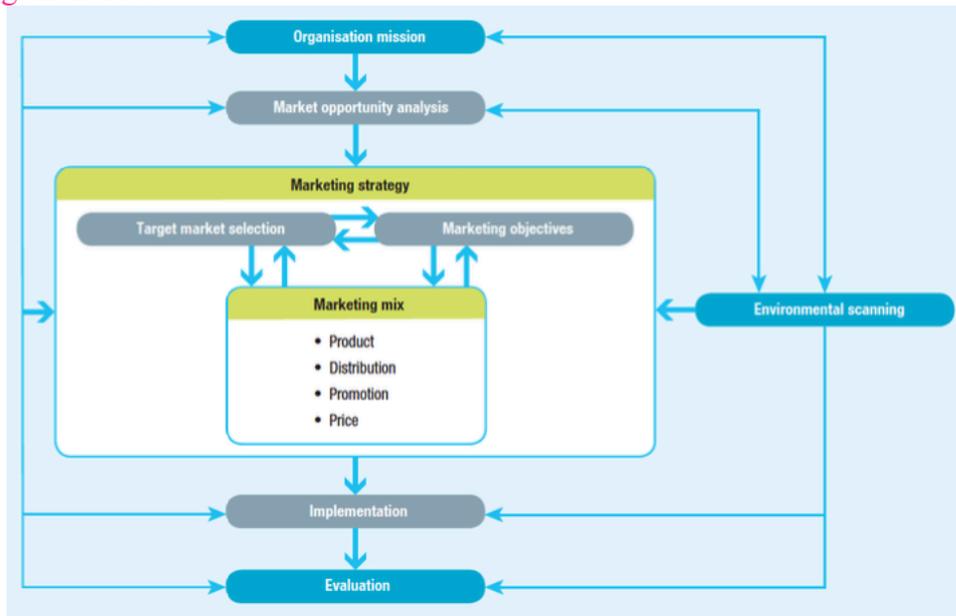
**Elements:**

Distribution plans → promotion plans → pricing plans → product mix plans → marketing mix

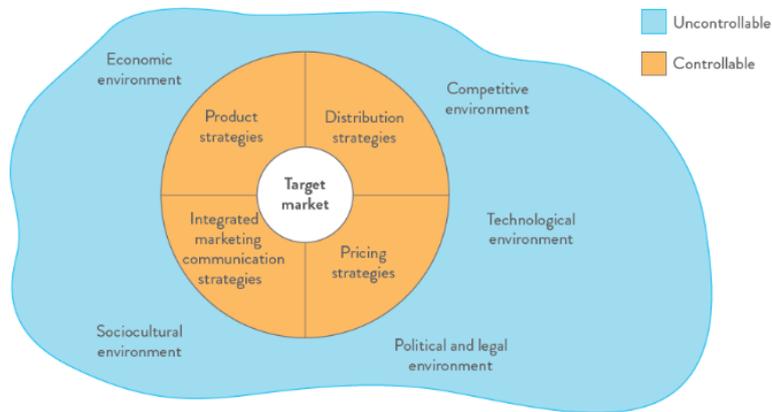
- Executive summary
- Current marketing situation
- Threats and opportunity analysis
- Objectives and issues
- Marketing strategy
- Action programs
- Budgets
- Controls

**Marketing Program:** blends all the company's marketing plans into one big plan which is an integrated part of the whole company strategic plan, requires an effective 'building up' process

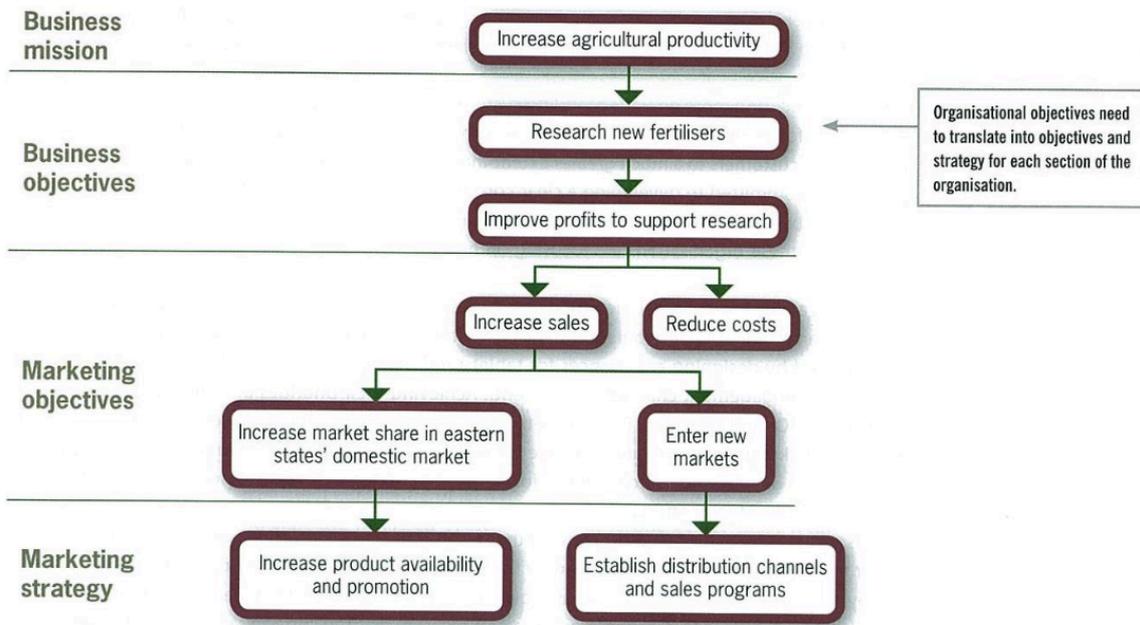




Environmental Scanning



Hierarchy of Objectives



Hierarchy of objectives for a fertiliser company

Company Objectives/ Goals

Have to be SMART

Specific, Measurable, Achievable, Realistic, Time-bound

SWOT Analysis

Internal:

Strengths: things the company does well

Weaknesses: things the company does not do well

External:

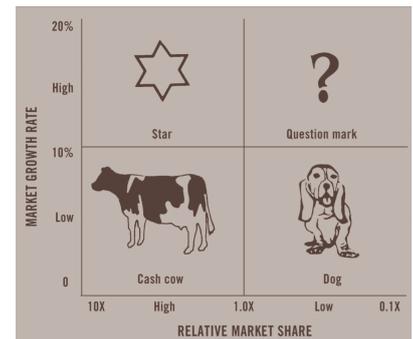
Opportunities: conditions in the external environment that favour strengths

Threats: conditions in the external environment that don't relate to strengths or favour current weaknesses

- Be realistic
- Be comprehensive
- Be specific; avoid 'grey' areas
- Prioritise the issues you identify
- Have the courage to dream
- Compare your practice with that of your competition
- Keep it short and simple
- SWOT is subjective; all team members prepare a SWOT

**The Boston Consulting Group (BCG) Matrix**

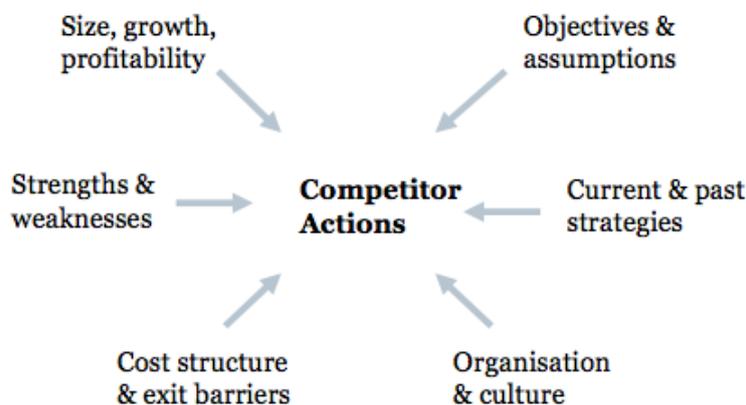
- Star: fast-growing market leader
- Cash cow: usually generates more cash than it needs to maintain its market share
- Problem child (question mark): shows rapid growth but poor profit margins
- Dog: low growth potential and small market share



**Opportunities for development**

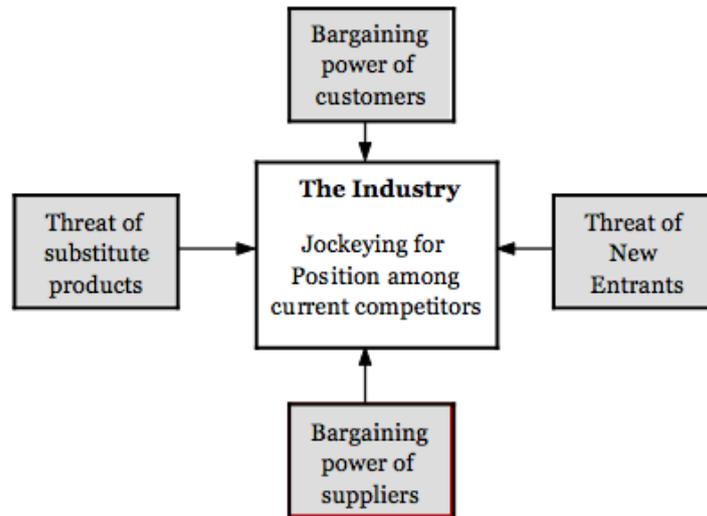
	Present products	New products
Present markets	Market penetration	Product development
New markets	Market development	Diversification

**Competitor Analysis**



Purpose:

- To predict future competitive moves
- To identify areas of competitive vulnerability
- To predict competitors' reactions to own strategy
- Framework:
- Target market, product, place, promotion, price, competitive barriers, likely response of company's current or planned strategy, competitor 1's strengths and weaknesses, competitor 2's strengths and weaknesses... etc



**Competitive Advantage:** the company has a marketing mix that the target market sees as better than the competitors

Requires the company to:

- Understand current competitors' offerings
- Anticipate competitor's likely plans
- Monitor effects of changes in competition

Might also involve:

- Building close relationships with customers
- Focusing on superior implementation of marketing plan

Competitive strategies

	Lower Cost	Differentiation
Broad Target	<p><b>Cost Leadership</b>                      = become low cost producer in industry</p>	<p><b>Differentiation</b>                      = be unique along some dimensions that are valued by buyers</p>
Narrow Target	<p><b>Cost Focus</b>                      = become low cost producer in a segment or group of segments</p>	<p><b>Differentiation Focus</b>                      = be unique in a segment or group of segments</p>