

# 1. Today's Challenges to Marketers

## Marketing strategy concepts, models & frameworks

### Marketing strategy

Making managerial decisions on how to create **distinctive positions** in marketplace and how to deliver **unique customer value**

- Where to play? (market, segmentation, targeting)
- How to win? (differentiation, positioning, 4Ps)

### Market

Group of individuals or institutions with similar needs that can be met by a specific product

- **Marketspace:** electronic marketplaces unbound by time or space
- **Metamarket:** cluster of closely related goods and services that centre around a specific consumption activity
- **Metamediary:** provides a single access point where buyers can locate and contact many different sellers in the metamarket

### Exchange

- Process of obtaining something of value by offering something in return
- **The transfer of goods, services, or ideas in return for something of value**

### Challenges for Marketers

The primary reason for the shift in **value proposition** in today's economy – **speed and efficiency of the internet**

### What is marketing?

- **Value-creation perspective:** the business activities involved in **creating, delivering & communicating value** to customers
- **Strategic perspective:** company's organisational capabilities of *forecasting, detecting & adapting to market changes*
- "Activities, set of institutions, and processes for creating, communicating, delivering, and **exchanging offerings** that have value for **customers, clients, partners and society**" (AMA 2007)

### Product vs Utility

Features (phone)	Value/Utility
Make a call	Communicate
Take photos	Treasured moments
Messaging	Connect, socialise, work

- **Utility:** ability of a product to satisfy a customer's needs/want
  - **Form utility:** product contains **distinguishing attributes that set them apart from competition**

- **Time** utility: product is **available** when customer wants it
- **Place** utility: product is available where customers want it
- **Possession** utility: deals with **easy transfer of ownership** or title
- **Psychological** utility: product provides **positive experiential attributes** that customers find satisfying

### **Relationship Marketing**

- A broad view of marketing directed towards ***customer value and managing customer relationships***
- Understand implications of relationships with stakeholders
- Consider suppliers/ distributors as partners – leverage their competence in strategies

## **Marketing Activities and Decisions**

### **Strategic Planning**

- **Strategy:** firm's game plan for success
- **Tactical planning:** focusing on ***specific markets or market segments*** and the marketing programs that meet their needs
- **Marketing plan:** outline the marketing program

### **Research and analysis**

- **Internal analysis:** analysing the firm's *current and future performance* and sustainability strategies
- **Competitive intelligence:** analysing *competing* businesses
- **Environmental scanning:** analysing the *external* environment
- **Situation analysis:** collecting and interpreting internal, competitive, and environmental information

### **Developing competitive advantage**

- Advantage a firm has over competitors
- Serve customer needs and maintain relationships with important stakeholders
- Sets a strategic focus to the entire marketing program

### **Marketing strategy decisions**

- **Market segmentation** and target marketing
- **Marketing program decisions**
  - Creating a link between product benefits and customer needs
  - Pricing decisions
  - Distribution and supply chain management
  - Integrated marketing communication (IMC) or promotion

- **Branding and product positioning**
  - Establishing a mental image of the product in the minds of target buyers
- **Social responsibility and ethics:**
  - **Social responsibility:** firm's obligation to maximise positive impact on society whilst minimising negative impact
  - **Marketing ethics:** principles and standards that define acceptable conduct in marketing activities
- **Marketing implementation and control:** process of executing the marketing plan – should be controlled to ensure that the strategy stays on course
- **Developing and maintaining customer relationships** – shifting from transactional marketing to relationship marketing

## 2. Strategic Marketing Planning

### Marketing planning vs Marketing strategy

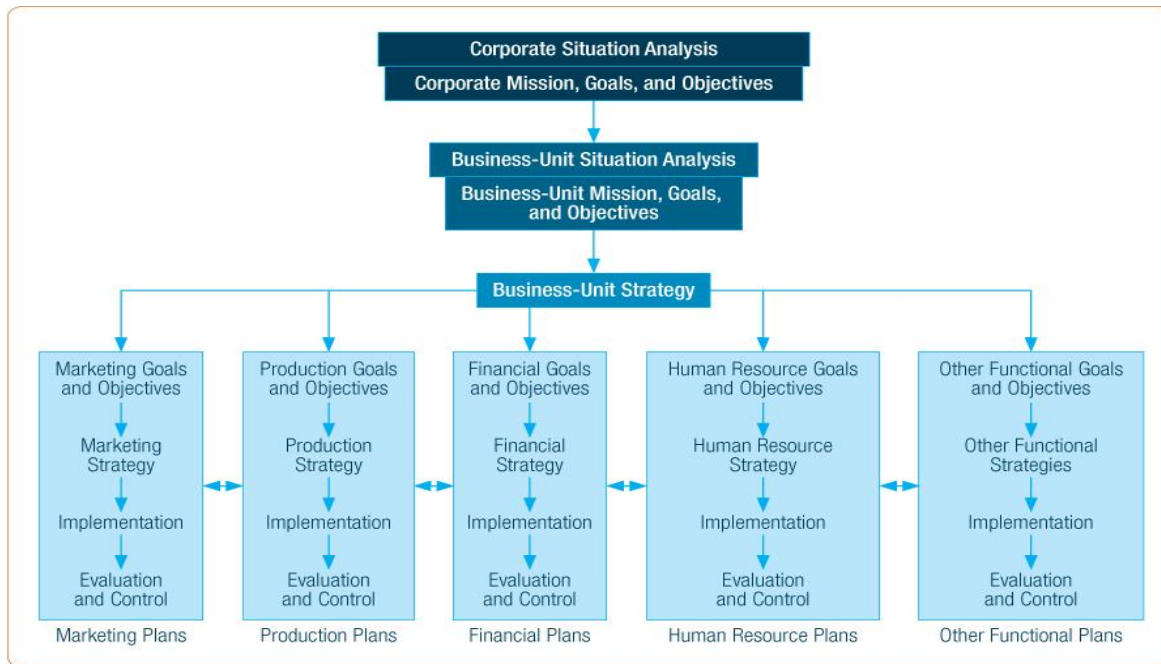
Marketing Planning	Marketing Strategy
<ul style="list-style-type: none"> <li>• Blueprint of a firm's marketing objectives – <b><i>how the organisation will achieve its goals and objectives</i></b></li> <li>• <b><i>Situation analysis</i></b>: in-depth analysis of firm's <b>internal and external environments</b></li> <li>• Strategy formulation</li> <li>• <b>Goals &amp; objectives</b>: gauge progress toward goals</li> <li>• <b>Implementation</b> – provide specifics regarding allocation of resources and marketing activities</li> <li>• <b>Evaluation &amp; Control</b></li> <li>• Vigilant market learning <ul style="list-style-type: none"> <li>○ <b><i>Sensitive to early market changes</i></b></li> <li>○ E.g., cloud computing, online shopping, shared-economy</li> </ul> </li> <li>• Align organisation to the market <ul style="list-style-type: none"> <li>○ <b><i>Strategy congruent with market changes</i></b> &amp; internal resources</li> </ul> </li> <li>• Assign responsibility <ul style="list-style-type: none"> <li>○ <b><i>Inform employees</i></b> about their roles and functions</li> </ul> </li> </ul>	<p>Decisions on:</p> <ul style="list-style-type: none"> <li>• Compete in <i>which markets</i></li> <li>• Whom you <i>target</i></li> <li>• How to <i>differentiate</i></li> <li>• How to <i>innovate</i></li> <li>• How to <i>bond</i> with customers</li> <li>• How to <i>align with 4Ps</i></li> </ul>

- The ***strategic planning*** process begins with ***SITUATION ANALYSIS***
  - Analysis of the firm's ***internal, customer, and external environments***
- ***Marketing plan***: the handbook of marketing ***implementation, evaluation and control***

## BUSINESS PLANNING: STRATEGIC BUSINESS UNIT

### Strategic Planning Process: **Business-Unit Strategy**

- Utilise and **integrate organisation's resources**
- Carry out organisation's **mission statement** – core competencies, competitive advantages, responsibilities
- Achieve desired **goals and objectives**
- Determines the nature and **future direction of each business unit**
- **Leverage the firm's capabilities** that provides a competitive or differential advantage – convince customers of the superiority of their advantages



### Strategic Planning Process: **Functional Strategy**

- Integrates efforts focused on **achieving the area's stated objectives**
  - Fits the **needs and purposes of the functional area**
  - Realistic with available resources and environment
  - Consistent with organisation's mission, goals, and objectives
- Should be evaluated to determine its effect on sales, costs, image, and profitability

### Strategic Planning Process: **Implementation**

- Involves activities that **execute the functional area strategy**
- All functional plans have 2 target markets
  - **External** market – customers, investors, suppliers, and society
  - **Internal** market – employees, managers, and executives
- Firms must rely on their internal market for a functional strategy to be implemented successfully