

Spring Session 2018

*Market Planning & Strategy*  
*Notes*  
*24415*

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## Sample Questions to be answered:

### **Market Planning**

How can marketing planning contribute to a firm's success in the market?

Market planning as a term describes the holistic process that entails numerous activities undertaken by firms that serve to ensure their own success in their respective markets. This process entails evaluative goal setting and program starting, environmental analysis coupled with marketing strategy and its very own practical functions, which all serve to ensure the growth and sustainability of firms within their respective market. Simply put: without marketing planning, a firm's chances of success are limited in that they lack the requisite foresight and ability to identify risks, opportunities, and strategies.

### **Paragraph 1: Market programs, goals and evaluations**

- Strategic Business Unit Level:

*A focus on profitability including the:*

- Financing of investments, debts, and expenses
- Financial metrics -> Return on Assets and return on equity.
- Coordination across functions
- E.g. Nestle: International strategy by operating in developed market (by growing and gain economies of scale through foreign direct investment in big companies e.g. licensed the LC1 brand to Müller a large German dairy producer) and low growth countries (Africa) that are high risk but potentially high growth, in terms of profitability.

### **Paragraph 2: Environmental Analysis & Market Strategy**

- Understand branding: Apple
- Customer Relationship Management
- Understanding the worth of and using Supplier Partnerships and Firm to firm partnerships to leverage own success e.g. Coca-Cola and Nestle Partnership in early 1990s to deliver ready-to-drink teas and coffees: benefit to nestle in Coca-Cola's worldwide bottling and expertise in prepared beverages
- Promotion and use of Culture in terms of long term planning and retaining and attracting particular consumers: e.g. Lululemon

### **Paragraph 3: Marketing function:**

*Focuses on market segments and customers*

- Marketing metrics: Sales, market share, customer satisfaction, retention, **Net Promoter Score** (NPS) measures customer loyalty. E.g. Walmart NPS score rise indicates a growth of Customer loyalty in 22/06/2018 by 3 points (now sits at 40)
- Marketing Mix – Synergising and aligning 4P's
- Balanced performance scorecard (BPS) – 4Ps
  - Goals: Translate strategies to daily operational terms (Actions)
    - Set performance measures and drivers
  - Aligns functional units and processes with strategies
  - Strategy as continual learning & updating – feedback loop
- 4 Perspectives:
  - Financial: To succeed financially: how do we appear to shareholders?
  - Internal Process: To satisfy shareholders and customers, what business processes to excel at?
  - Learning and Growth: How to build assets & capabilities
  - Customer: To achieve vision- how to appear to customers
- Market learning: Sensitive to early market signals for change e.g. online shopping, cloud computing
- Assign responsibilities and gauge progress: set goals and KPIs
- Identify capabilities to be developed

### How can a customer-focused planning help a firm build customer-centric capabilities? Examples

Effective and successful customer focused planning allows a firm to build customer-centric capabilities, as the former has the ultimate aim of driving repeat business, customer loyalty and profits. Customer focused planning can achieve this by its impact on customer relationships, the use of customer data and analytics and finally, the re-alignment and adjustments to the business process. In this way firms are adaptive and reactive to customer needs and wants, and thus promoting and enhancing customer-centric capabilities.

#### Paragraph 1: Customer relationships

- Strategy to retain customers & relationship building (develop long term relationships) E.g. Business Chain San-Churros offers free Churros on customer birthdays;