

Week 1: Marketing Planning and Analysis

Appreciate the need for strategic planning and supply chain management (153 – 158)

The roles of marketing within Supply/Demand Chain Management

S/DCM (element)	Role of Marketing
<p>Process</p> <p>Managing integration between demand and supply</p>	<ol style="list-style-type: none"> 1. Dissemination of customer & market information 2. Improved effect of marketing activities from integrating processes 3. Encouraging a demand-driven information needs
<p>Configuration (how we do things)</p> <p>Managing structure between integrated processes & customer segments</p>	<ol style="list-style-type: none"> 1. Linking external customer segmentation with internal segmentation of production, logistics and purchasing 2. Gaining knowledge of changing customer needs as basis for structurally adapting the supply chain
<p>Social Interaction</p> <p>Managing working relationship between marketing & SCM</p>	<ol style="list-style-type: none"> 3. Exchanging timely information with SCM about customer segment, new customer opportunities, new product opportunities, etc. 4. Collaborate with SCM for a mutual understanding of the information exchanged and collective goals

Understand and apply the process of marketing planning (158 – 167)

Elements of a typical marketing plan

Analysis – corporate mission, marketing audit, SWOT

Objectives – grow, maintain, harvest, divest

Strategies – competitive strategies, product/market decisions, STP, branding

Tactics - Marketing mix programmes (market data, market analysis, target market strategy)

Implementation – resources, responsibilities, time scales

Control – measurement, evaluation, feedback

Process of segmenting: pulling market (data) apart – putting data back together again – enables marketers to develop target market strategies

Criteria:

- **Measurability**
- **Accessibility**
- **Substantiality**
- **Responsiveness**

Measurability

- The amount of information available about customers for a segment

Accessibility

- Amount of marketing effort a company can focus on customers in the segment
- How many customers? How much effort required? What are customers worth to suppliers?

Substantiality

- Are the segments large and profitable enough to justify using a separate target market strategy
- We can alter at least one component of price, product, place, or promotion strategy to reach a target
- E.g. promotion and distribution strategy may be the same for 3 targets, but the product and pricing strategies may differ
- Determine the size of the market using segmentation based on:
 - Market characteristics
 - Customer characteristics

Responsiveness

- Will the customers respond to the target market strategy developed for the segment

Bases for segmenting a market

Macro Bases – Market Characteristics

- **Customer location**
- **Customer size**
- **Market served by customer**
- **Usage rates**
- **Purchase situation**

Customer Size: Dividing markets into segments based on customer usage highlights customers that are heterogeneous and homogenous on certain characteristics. These include buying method and promotion tools required, channel requirements, product range, type of customer relationship, importance of individual customers, etc.

Single vs Multiple Sourcing

Multiple Sourcing Advantages	Single Sourcing Advantages
<ul style="list-style-type: none">• Avoids supplier dependence• Bargaining leverage• (to maintain low prices)• Insurance against disrupted supply• Not limited to capacity of single supplier• Access to more supplier data• Stimulus to competition• Greater prompt to innovation	<ul style="list-style-type: none">• One relationship to manage• Greater commitment• Clearer responsibilities• More leverage over supplier• Simplified monitoring• Easier supplier training• Cheaper tooling costs• Simplified scheduling

Target Market Strategy

Current Supplier/Multiple Sourcing: if the customer is using multiple sourcing, you will argue for maintaining yourself as one of the multiple source suppliers OR argue for the customer changing to a single source supplier

Current Supplier/Single Sourcing: if the customer is using single sourcing, you will argue for the advantages of maintaining yourself as the single source supplier

Non-current Supplier/Multiple Sourcing: if the you are not able to become a single source supplier, you will argue for become one of the multiple source suppliers

Non-current Supplier/Single Sourcing: if the customer is using single sourcing, you will argue for the advantages of you becoming the single source supplier

Apply an understanding of business buyer behaviour

Applying concepts of business markets and business buying behaviour

1. Segment and develop target market strategies using the characteristics and of business markets and the types of customers in business-to-business markets
2. Segment and develop target market strategies using customer buying behaviour

APMC manufacturers film products -> also possible to use intermediaries -> APCM's customers are food or drink manufacturers -> retailers

Application segmenting on customer buying behaviour

- Customers can be segmented on their behavior and characteristics
- Later, part of the target market strategy will be based on customers' buying behavior