

## Lesson 01: What is planning in marketing?

### Role of marketing manager

- Collecting and analysing background product category data
- Utilizing background analysis for marketing
- Implementing the strategy via the marketing mix

### Why Plan?

- Planning ensures survival of the company
- To compete effectively and efficiently for resources and market
- To expand horizontally and laterally
- To motivate employees (because they know what to do)
- Satisfy firm's responsibility to all stakeholders.

**Strategic planning** is the process of developing and maintaining a strategic fit between the organization's goals and capabilities and changing marketing opportunities.

### STEPS in strategic planning

#### Corporate level

- Defining the company mission
- Setting company objectives and goals
- Designing the business portfolio

#### Business-unit, product and market level

- Planning, marketing and other functional strategies

### Elements of the planning process

- **Diagnosis:** Where does the organisation stand?
- **Forecast:** Where is the organisation headed?
- **Objectives:** Where should the organisation go?
- **Strategy:** How should the organization get there?
- **Tactics:** What means should be used by the organization to get there?
- **Feedback/Control:** How should the organization measure its progress?

### Marketing Planning sequence

- Update historical data
- Collect current situational data
- Data analysis
- Develop objective, strategies and programs
- Develop financial documents
- Negotiate final plan
- Measure progress towards objectives
- Audit

### Situation variables ( that influence strategy)

- Customers
- Competition
- Context (industry & competitor)
- Company (internal)

**Marketing Mix:** Product, price, promotion, place, people, physical evidence and process

## ESSENTIAL Characteristics of an effective marketing plan

### Strong top management support

Strong leadership shown by the CEO facilitates cooperation, a common sense of purpose, opportunity and direction needed to develop an effective marketing plan. They need to appreciate the need for marketing planning for it to be used in a meaningful way.

### Compiled by staff

A successful marketing requires people to be involved, not just the marketers, senior management, planners and consultants but people throughout the organization. It ensures that each person's individual skills are utilized, having the plan 'owned' by the employees increases personal responsibility and commitment to their achievement. It helps ensure that plans are realistic and achievable, pulls together all the business functions to build a marketing led culture focused on the common goal of customer satisfaction.

### Thoroughly researched

Based on hard information and not industry experience or gut feeling. Information relating to competitors, markets and wider business environment. It is collected from a variety of sources. Great use of SWOT analysis and the product life cycle analysis when developing marketing plans.

### External competitive focus

Concerned with achieving volume increases by satisfying the needs and wants of target customers better than competitors rather than adopting a more internal focus i.e. improving productivity or operational efficiencies. It is ability to carefully select target markets to distinguish the company's offer from those of its competitors with clearly define and distinctive competitive advantage.

### Proactive / Visionary

Proactive approach to future instead of just monitoring/forecasting and planning accordingly. It allows for a longer-term planning period, by using scenario planning to creatively think and predict likely futures and making assumptions about competitive moves. Extrapolation of the past is becoming less and less appropriate.

### Personalized / Specific

Action orientated, concentrating on what is to be achieved and by whom, when, how and why rather than vague generalizations or overemphasizing on providing detailed information on the current situation. This is demonstrated on having more clearly define marketing goals that is SMART. It makes explicit the importance of each individual's role in its successful implementation

### Continually revised

Does not conform to a single format or layout, it is a working document and open to continual appraisal, review, constructive criticism and feedback. Helps to identify divergence from plan and actions should be taken.

**An ineffective marketing plan has...** weak top management support, is compiled for staff, scantily researched, internal efficiency focus, reactive/based on past, generalized/vague and once a year ritual

## Evolution of strategic planning

### PHASE 1: Budget based planning

- **Financial plan:** extended budget, functional focus → tactical plans

### PHASE 2: Long range planning

- **Corporate long range plan:** trend extrapolation, financial consolidation, decentralized profit centers
  - Capital budgeting process
  - Operating budgets
  - Marketing plan: product market choices, marketing mix

### PHASE 3: Strategic planning

- **Corporate strategic planning:**
  - Corporate mission and objectives
  - Centralized resource allocation
  - Performance monitoring
  - Diversification planning
- **Strategic market plan**
  - Business definition
  - Systematic evaluation and alternatives
  - Tailored objectives
- **Function operating plans**
  - Program plans and annual budgets

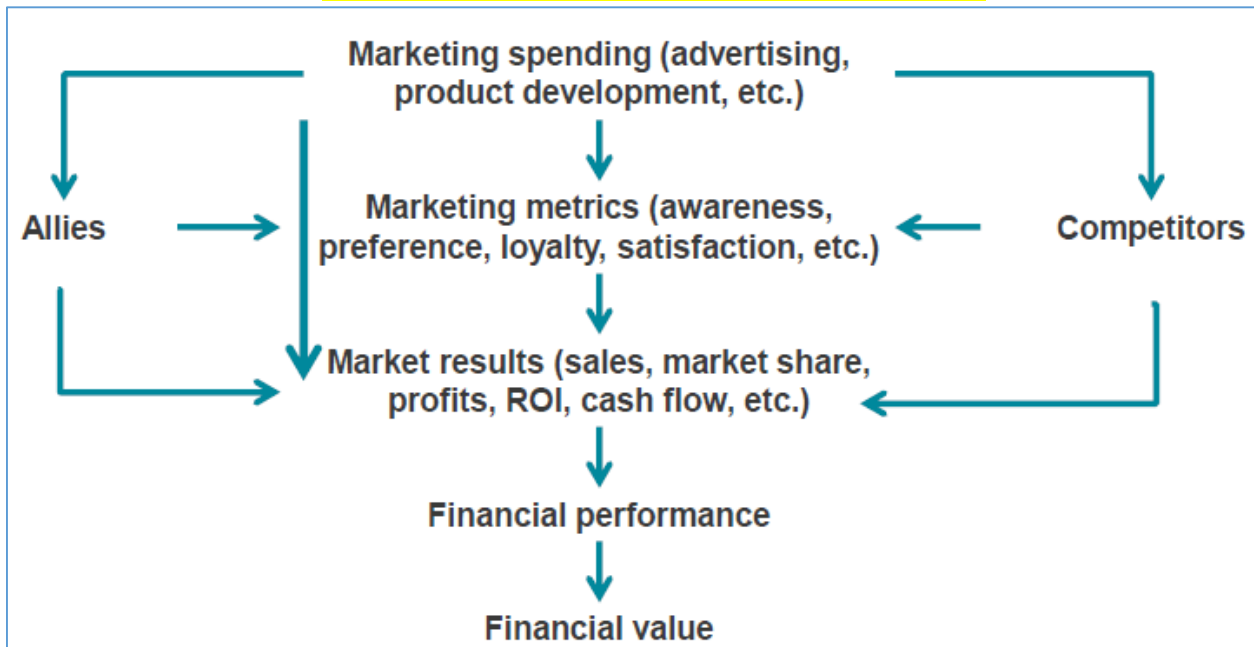


**Components of a marketing plan**

HOW marketing planning differs at different decision levels???

## Lesson 02: Levels of planning and missions statements

### Marketing in the firm context: VALUE for organization



Examines all activities a business performs by disaggregating functions into discrete but interrelated activities from which value stems.

### Levels of planning: a guide to different 'levels' of planning and an emphasis of different types

	Corporate Plan	SBU Plan	Functional Plan
<b>Mission</b>	Developed as part of planning process	May have both corporate and SBU mission	Determined by "your boss"
<b>Industry analysis</b>	Macro, Structure	Macro, Structure, Market	Structure, Market, may be focused on particular segment
<b>Customer analysis</b>	More market size	Segmentation	Profiling
<b>Competitor analysis</b>	Who and how are they better / worse at resources and capabilities	Who and how are they better / worse at portfolio, capabilities	Who and how are they better / worse at project / brand level (marketing mix)
<b>Internal analysis</b>	Resources and capabilities	Portfolio analysis, capabilities	Current strategies
<b>SWOT</b>	The organisation / corporate brand	SBU / Brand	For the project / brand / product
<b>Objectives</b>	Shareholder value	Driven by corporate, value of business	Driven by corporate / SBU, specific to project, marketing mix
<b>Strategies and tactics</b>	Acquisition / divestment of business units	Targeting, positioning, closing the gap	Marketing mix
<b>Budget</b>	The organisation	The business	The project / product plan
<b>Implementation</b>	Marketing philosophy	Marketing audit, internal marketing	Approval, monitoring and control

SBU = strategic business unit:

EXAMPLE: Nestle.

- **Corporate level:** what the company trying to achieve, not how they are managing their brands *e.g. being the leader of nutrition health and wellness by investing in people, innovation, consumer engagement, out of home consumption. Provides overall direction of the business.*
- **Business level:** Strategic units *e.g. pet care, health care, Nespresso coffee and food based products.* At the SBU level we are trying to drive growth in sales in these areas and how they contribute to the organization's overall goal.
- **Marketing level**

An **objective** is an end to be achieved. It is a carefully written goal design to achieve a desired effect and address issues/challenges identified from analysis to help take the firm into the future. It must be **SMART**: *Specific, Measurable, Actionable, Realistic and Timely.*

### Objectives at different planning levels

**Corporate plan:** *Shareholder value*

- Aggregated across all business unit: revenue, profitability, ROI, **EPS** (*earnings per share*), other stakeholder contribution

**Business plan:** *Driven by corporate, value of business*

- Aggregated across all product markets within business unit: sales growth, new product/market growth, profitability, ROI, cash flow, strengthening bases of competitive advantage

**Functional plan:** *Driven by corporate/SBU, specific to project, marketing mix*

- For specific product-market: sales, market share, contribution margin, customer satisfaction  
The choice of marketing objectives depends on attractiveness of segments, phase in PLC, competition, company objectives and strategies, financial resources etc...

### Type of levels of plans and strategies Wk 7 & 8

- **Corporate plan (the firm):** Which set of businesses should we be in, overall choice of value
  - *Where to compete, Who to compete and with whom to compete?*
  - mode of entry of new businesses and deletion of existing businesses (divestment), adding new businesses (diversification), mode of exit (sell-off), effective management of businesses (resource allocation)
- **Business plan (an element of the firm):** How to maintain competitive advantage i.e. Positioning of the brand
  - *Determination of current portfolio, forecasting and evaluation of portfolio, determination of desire portfolio*
  - Competitive advantage within products, new products, new customers, markets and segments advantage, positioning access, channels, scale and scope of activities
- **Marketing (functional for the business):** Elaboration of marketing mix
  - Brand, product, product line level, allocation of marketing effort and product market, marketing mix

**Mission Statements**....is a management tool for focusing attention on organizational goals. It is the purpose of a vision and strategic intent of a firm.

**Asem (Klemm)** and associates classified missions into **four different types**:

- **The pure mission:** representation of the company's long term objectives, based on philosophies of top management *e.g. "We want to make an increasing contribution to the information supply and the formation of public opinion in the UK"*
- **Strategic objectives:** Global presentation of the company's desired direction and positions *e.g. "We want become the market leader in the magazine industry"*
- **Quantified planning objectives:** Concrete objectives for a specified period *e.g. "Next year we want to profits 10% higher than this year's profit"*
- **Market (business definition):** Definition of the scope and activities of the company *e.g. "We publish newspapers and magazines"*

**Piercy's** \ perhaps a market or segment or a particular category or product of the business.

## Lesson 12: Review and viva preparation

There's only two places where sales come from either from increasing marketing size, or increasing your market share. There are two sources of growth (new customers) either due to increase in market size, from competitors or a combination of both.

## VIVA VOCE EXAMPLES – Always refer to weekly readings and slides

### Week 2 Levels of planning and objectives

- What are the characteristics of an "effective marketing plan"? (Effective vs Ineffective plan)
- What are the components of the marketing plan?
- What are the steps in the marketing planning sequence?
- What is the "marketing planning sequence" and how is it different from the "strategic planning process"?  
Marketing plan is the outcome of the marketing planning sequence/process. Some parts of the planning sequence feed into the marketing plan.

### Week 3 Industry and competitor analysis

- What are "critical success factors" in a marketing plan?
- In which section of and what type of plan would you use Porter's 5 forces?
- What are Porter's five forces that affect industry attractiveness?
- What are the key areas to include in the industry analysis section?

### Week 4 Customer Analysis and Segmentation

- How and why should a firm do a market segment?
- Does the firm act on a segment at the corporate, SBU or functional level?

### Week 5 Internal analysis and metrics

- Discuss the role of marketing metrics in internal analysis.
- How would metrics tell us to cut costs, or make changes in marketing strategy for e.g. if our margin is small
- What is the GE matrix?
- What is Porter's Value chain?

And MORE when you purchase full notes