

Week 2 Lecture

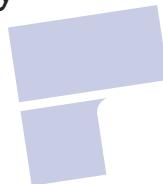
Developing and Implementing Marketing Strategies and Plans



Marketing in a Global Age M003

Today's Learning Objectives

- Value Delivery Process
- Types of Planning
- Planning Summary



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Learning Objective 1

Two Views of the Value Delivery Process

▪ Traditional Physical Process Sequence

- Make the product
- Sell the product

▪ Value Creation and Delivery Sequence

- Choose the value
- Provide the value
- Communicate the value

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Resources and competences

- **Resources** are the assets that organisations have or can call upon (eg from partners or suppliers), **that is, “what we have”**.
- **Competences** are the ways those assets are used or deployed effectively, **that is, “what we do well”**.

Components of Strategic capabilities

Strategic capability		
Resources: what we have, e.g.		Competences: what we do well, e.g.
Machines, buildings, raw materials, products, patents, data bases, computer systems	Physical	Ways of achieving utilisation of plant, efficiency, productivity, flexibility, marketing
Balance sheet, cash flow, suppliers of funds	Financial	Ability to raise funds and manage cash flows, debtors, creditors etc.
Managers, employees, partners, suppliers, customers	Human	How people gain and use experience, skills, knowledge, build relationships, motivate others and innovate

Long-term survival and competitive advantage

Threshold and Distinctive Capabilities

- **Threshold capabilities** are those needed for an organisation to meet the necessary requirements to compete in a given market and achieve parity with competitors in that market – ‘**qualifiers**’.
- **Distinctive capabilities** are those that critically underpin competitive advantage and that others cannot imitate or obtain – ‘**winners**’.

Threshold & Distinctive Capabilities

	Resources	Competences
Threshold capabilities	Threshold resources	Threshold competences
Distinctive capabilities	Distinctive resources	Distinctive competences

Example of Threshold and Distinctive Capabilities - Dan Le Noir Restaurant



Assessing Organizational Resources and Opportunities (cont'd)

- Competitive Advantage
 - The result of a company's matching a core competency (superior skill or resources) to opportunities in the marketplace
 - Manufacturing skills
 - Technical skills
 - Marketing skills

Learning Objective 2

Types of Planning

- **Strategic planning:** a managerial decision process that matches an organisation's resources and capabilities to its market opportunities for long term growth and survival
- **Tactical planning:** a decision process that concentrates on developing detailed plans for strategies and tactics for the short term that support an organisation's long-term strategic plan.



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2-12

What is a marketing plan for?

- To summarise marketplace knowledge
- To show what marketing will accomplish
- To detail marketing strategies, activities
- To explain implementation
- To show how progress will be measured

Learning Objective 3

Planning Summary

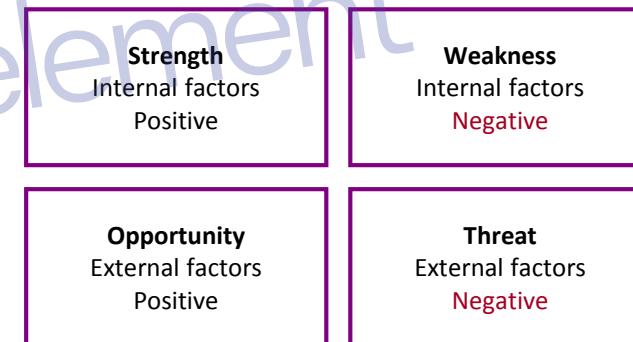
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All plans	Cooper, 1997	Smith et al. 1997: SOSTAC	J. Walter Thompson advertising agency	Typical response
Objectives	What are we trying to achieve?	Situational analysis Objectives	Where are we? Why are we here? Where could we be?	Develop a situational analysis Identify problems Identify opportunities
Strategy	How do we expect to achieve it?	Strategy	How could we get there?	Develop message, media and marketing communications strategy
Tactics	Who are we talking to?	Tactics Action Control	Are we getting there?	Develop message, media and marketing communications tactics Identify the target audience and market profile Develop the scheduling, resource and costing plans Develop a plan to measure or track the effectiveness of campaign

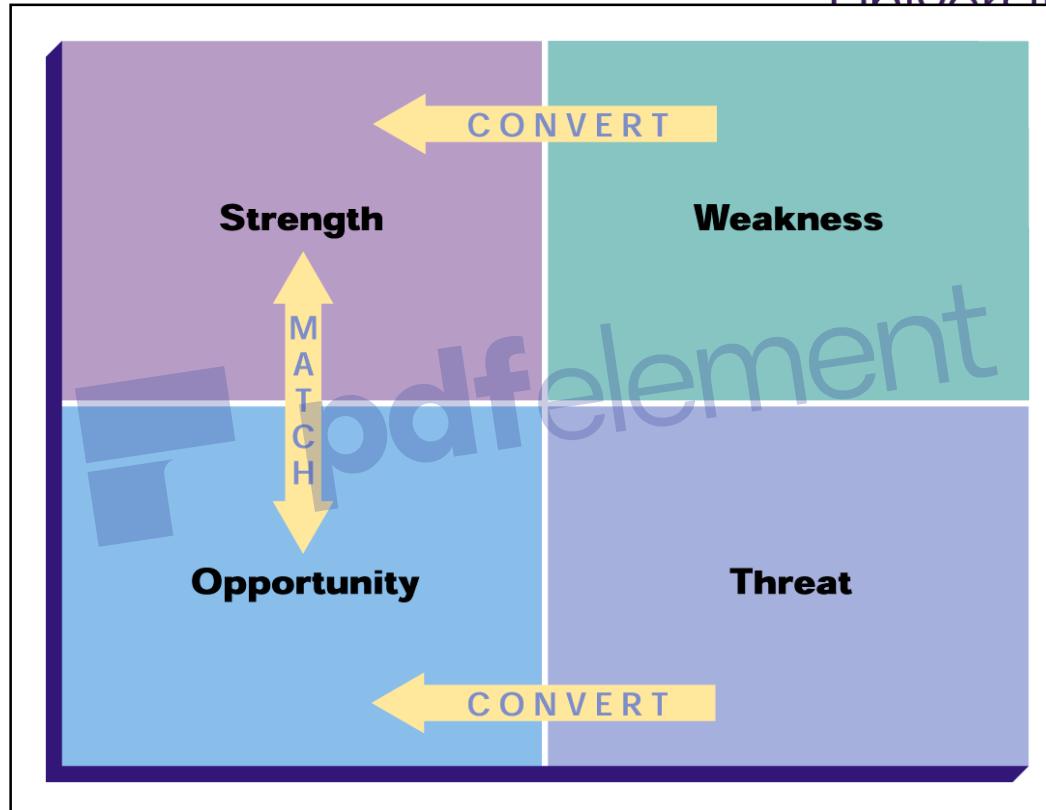


Step 1 - Situational Analysis

- **SWOT analysis:** an analysis of an organisation's strengths and weaknesses and the opportunities and threats in its external environment.
- **Internal environment:** the controllable elements inside an organisation, including its people, its facilities, and how it does things that influence the operations of the organisation.
- **External environment:** the uncontrollable elements outside of the organisation that may affect its performance either positively or negatively.



The Four-Cell SWOT Matrix



Source: Reproduced from Nigel F. Piercy, *Market-Led Strategic Change*. Copyright © 1992, p. 371, with permission from Elsevier Science.

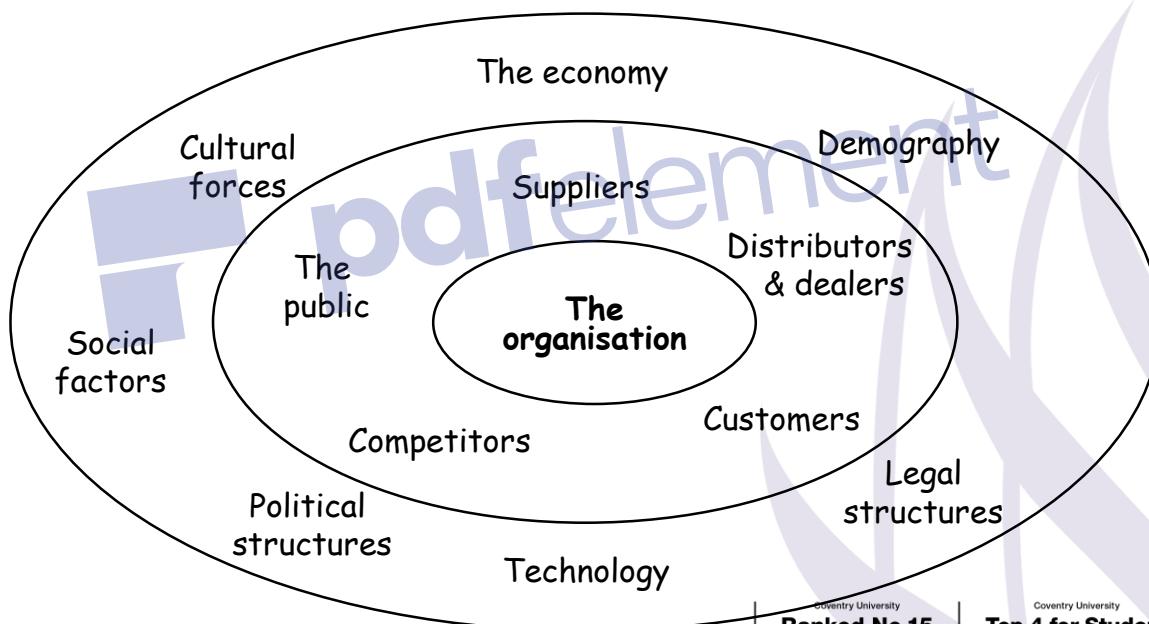
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FIGURE 2.2
LHE Survey 2014/2015 -
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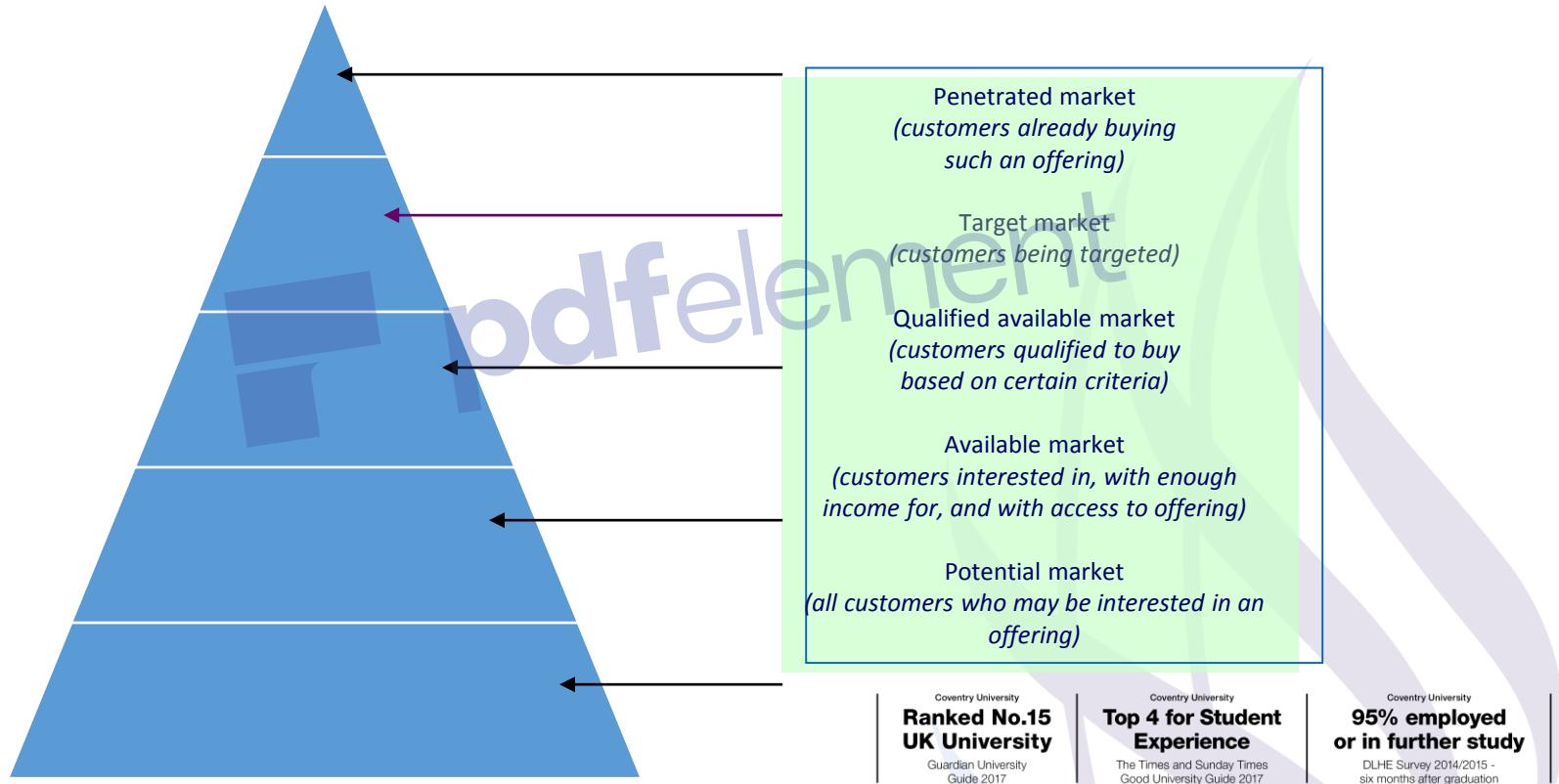
Step 1 - Situational Analysis

PESTEL Analysis





Step 2 - Understanding Markets and customers: Defining the market



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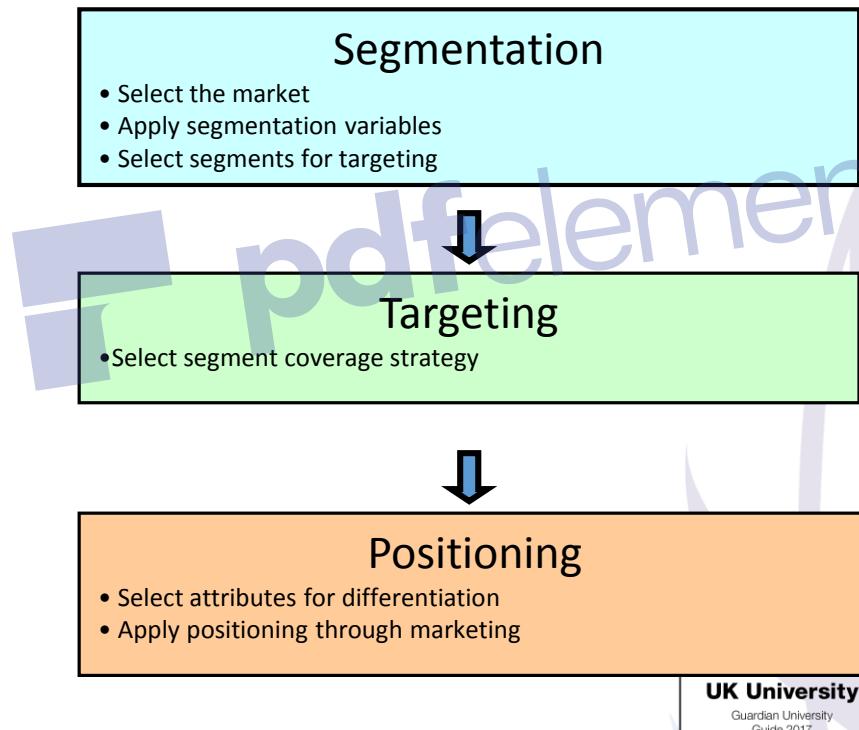
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Step 3 - Using segmentation, targeting, and positioning (STP)



Step 3 - Variables for Segmentation

- Demographic
- Psychographic
- Behavioral

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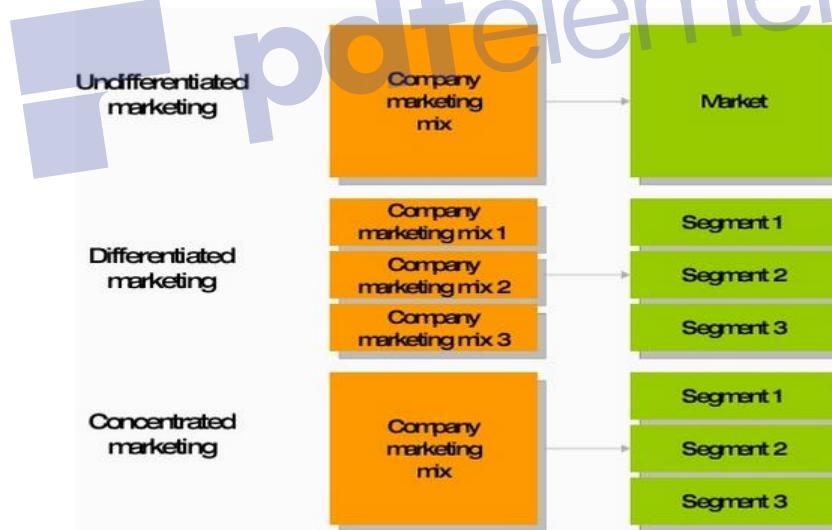
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1. Concentrated marketing - Target only one segment

2. Undifferentiated marketing - Target all segments with same strategy

3. Differentiated marketing - Use a separate strategy to target each segment



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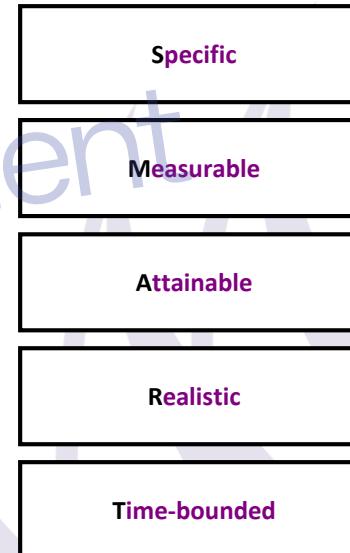


Step 4 - Objectives

- **Objectives:** specific accomplishments or outcomes that an organisation hopes to achieve by a specific time.

Can be expressed in terms of:

- **Performance measures** such as sales revenue, profitability (ROI), market share
- **Product terms** such as innovation, industry leadership, quality
- **Customer terms** such as satisfaction
- **Social responsibility**
- To be effective, an objective needs to pass the **SMART test**.



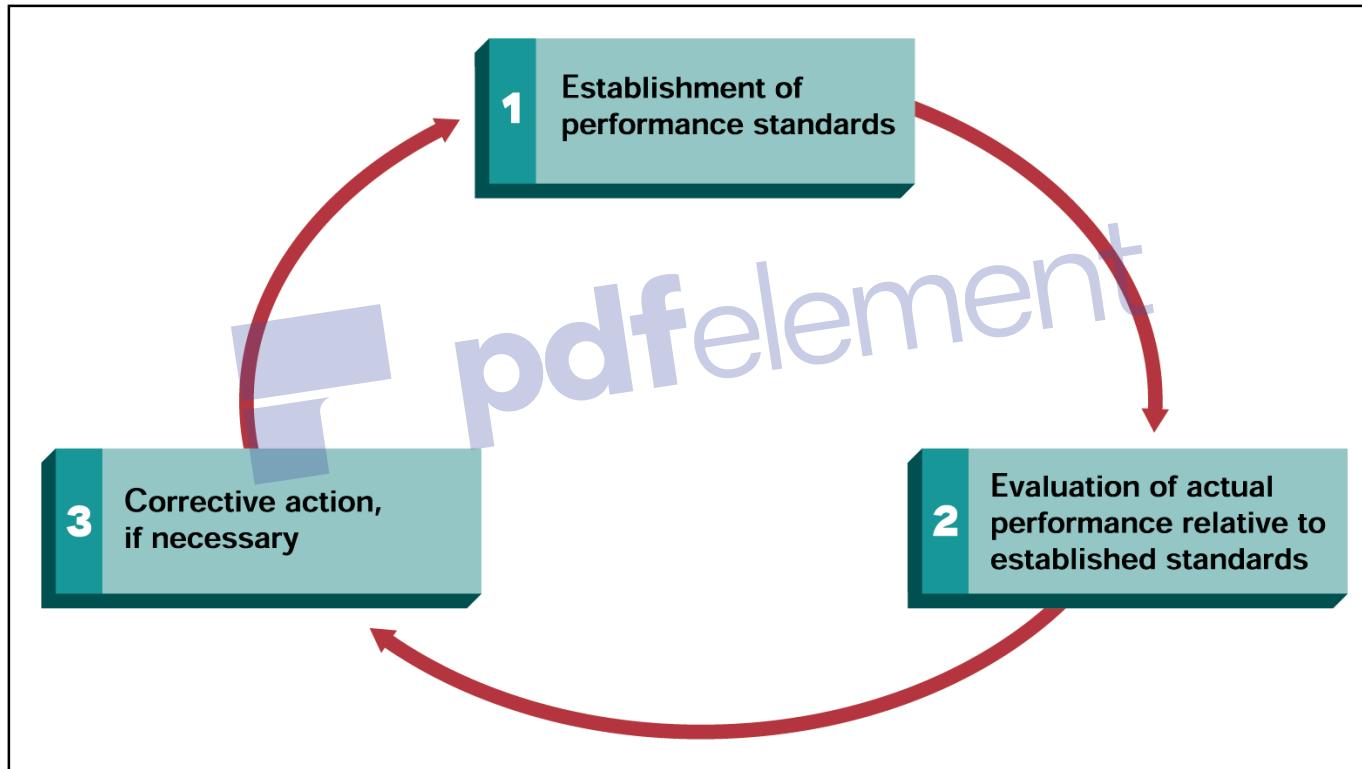


Step 5 & 6 – Implementing Marketing Strategies

- Marketing Implementation
 - The process of putting marketing strategies into action
- Intended Strategy
 - The strategy that the company decides on during the planning phase
- Realized Strategy
 - The strategy that actually takes place



Step 6 -The Marketing Control Process



- Marketing Control Process

- Establishing performance standards and trying to match actual performance to those standards

- Establishing Performance Standards

- Expected levels of performance

- Taking Corrective Action

- Improve actual performance
 - Reduce or change the performance standards
 - Do both

Step 6 - Controlling Marketing Activities (cont'd)

▪ Problems in Controlling

Marketing Activities

- Lack of the information required to control activities
- Uncontrollable influence of market environment changes on marketing activities
- Time lag that occurs between marketing campaigns and their results delays corrective actions



EXHIBIT 1.2 Main Sections of a Marketing Plan

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Section	Description
Executive summary	Briefly reviews the plan's highlights and objectives.
Current marketing situation	Summarizes environmental trends: <ul style="list-style-type: none">Internal and external situational analysis (products, markets, previous results, competitors, other environmental forces)SWOT analysis (internal strengths and weaknesses, external opportunities and threats)
Objectives and issues	Outlines the specific marketing objectives to be achieved and identifies issues that may affect the organization's attainment of these objectives.
Target market	Explains the segmentation, targeting, and positioning decisions and analyzes the market and segments to be targeted through marketing strategy.
Marketing strategy	Shows the strategy to be used in achieving the marketing objectives.
Marketing programs	Lays out the programs supporting the marketing strategy, including specific activities, schedules, and responsibilities for: <ul style="list-style-type: none">ProductPricePlace (channel)PromotionServiceInternal marketing
Financial plans	NOT REQUIRED FOR M003, CW2 marketing programs in the plan.
Implementation controls	Indicates how progress toward objectives will be measured and how adjustments will be made to keep programs on track.