



# Strategic Planning And The Marketing Process

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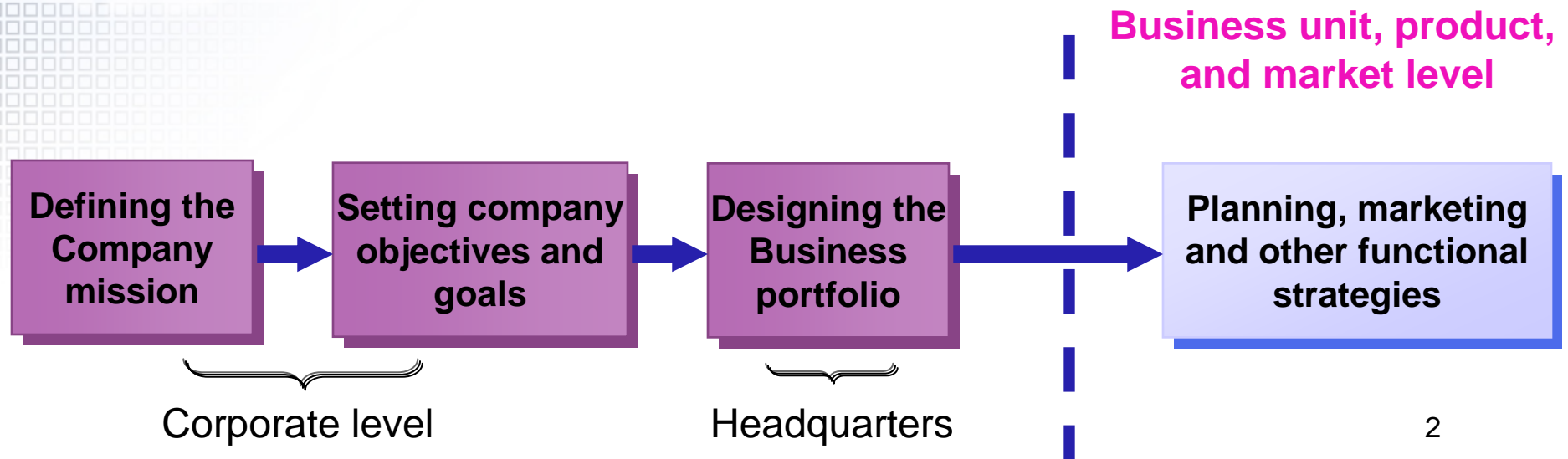
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from Principles of Marketing book chap. 2 Kotler & Armstrong



# Strategic planning

- Some excuses for not planning
- Different types of planning <sup>a33</sup>
- Strategic planning
- Four steps



Slide 2

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long range, annual, strategic  
amirkhany; 2005/02/02



# Defining the Co. 's business & mission

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- Mission statement a1
- Sound mission statement a2

### Slide 3

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- a1**      Mission statement: A statement of the organization's purpose-what it wants to accomplish in the larger environment  
amirkhany; 2005/01/13
- a2**      Sound mission statement: market oriented(IBM), neither too narrow nor too broad, realistic, specific, consistent with market environment, based on Co. 's distinctive competencies, motivating(Microsoft IAYF), beyond making money  
amirkhany; 2005/02/02



# Setting Co. 's objectives & goals

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- **Mission translation** (for each level of management)
- **As specific as possible**



# Designing the business portfolio

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- Business portfolio <sup>a3</sup>
- Portfolio analysis <sup>a5</sup>
- Two steps in business portfolio designing <sup>a4</sup>
- Strategic business units <sup>a34</sup>

## Slide 5

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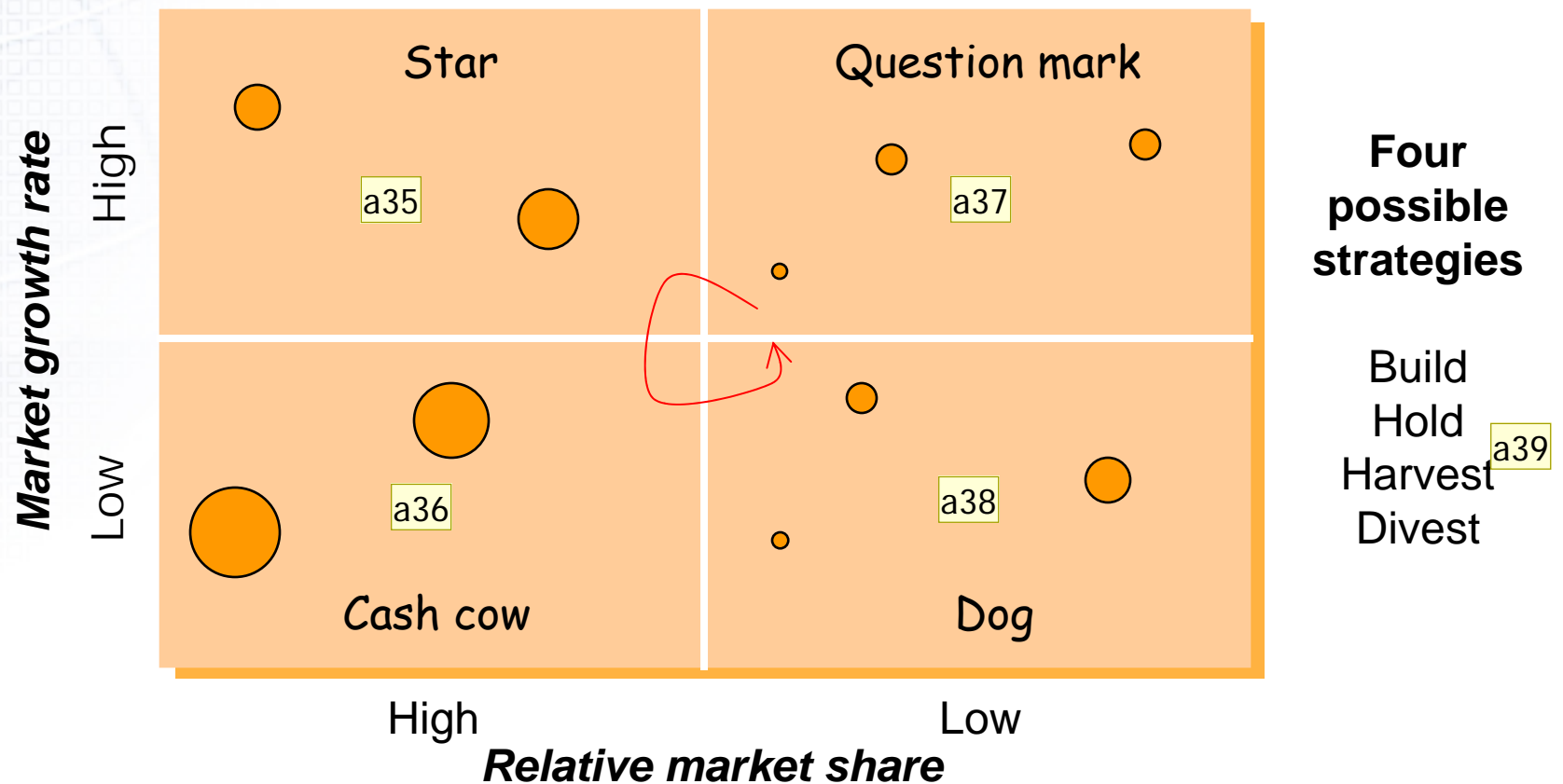
- a3** Business portfolio: The collectionn of businesses and products that make up the company.  
amirkhany; 2005/01/15
- a4** 1) analyze current business portfolio and decide which businesses should receive more, less, or no investment; 2) develop growth strategies for adding new products or businesses to the portfolio.  
amirkhany; 2005/01/15
- a5** 1) identification 2) evaluation  
amirkhany; 2005/02/02
- a34** A unit of the Co. that has a seperate mission and objectives and that can be planned independently from other co. businesses  
amirkhany; 2005/02/02





# Analyzing the current business portfolio

## The BCG growth-share matrix <sup>a14</sup>



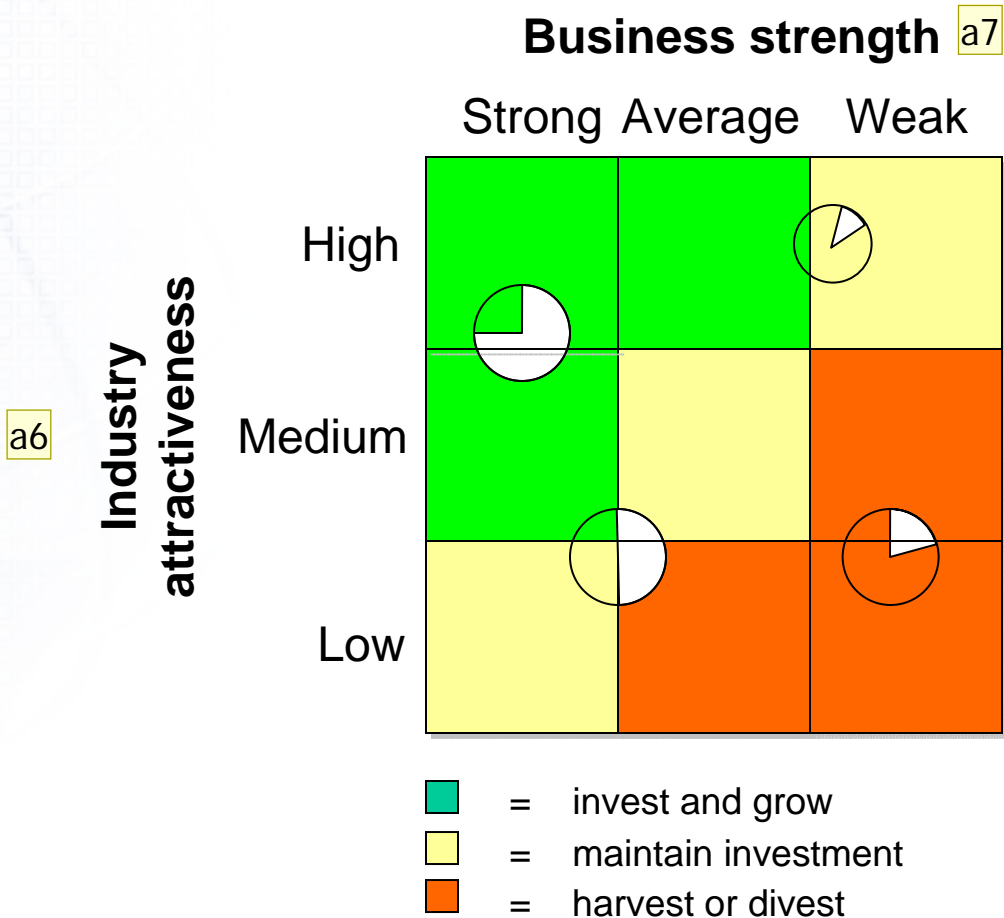
## Slide 6

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- a14**      The areas of the circles are proportional to the SBU's dollar sales  
amirkhany; 2005/01/15
- a35**      Heavy investment to finance their rapid growth  
amirkhany; 2005/02/02
- a36**      Less investment to hold their market share  
amirkhany; 2005/02/02
- a37**      need a lot of cash to hold their share let alone increase it.  
amirkhany; 2005/02/02
- a38**      they may just generate enough cash to maintain themselves  
amirkhany; 2005/02/02
- a39**      Harvesting ----> Milking its short-term cash flow regardless of the long-term effect  
amirkhany; 2005/02/02



# Analyzing the current business portfolio



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**General Electric's strategic business-planning grid** a8

## Slide 7

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- a6** Industry attractiveness: Market size, market growth rate, industry profit margin, amount of competition, seasonality and cyclicality, and industry cost structure  
amirkhany; 2005/01/15
- a7** Business strength: Relative co. 's market share, price competitiveness, product quality, customer and market knowledge, sales effectiveness, and geographic advantages  
amirkhany; 2005/01/15
- a8** \*\*\*\*\*Problems with matrix approaches\*\*\*\*\*  
amirkhany; 2005/01/15
- a16** The area of the circles are proportional to the relative sizes of industries in which these SBUs compete.  
The pie slices within the circles represent each SBU's market share.  
amirkhany; 2005/01/16



# Developing growth strategies <sup>a40</sup>

	Existing products	New products
Existing markets	<sup>a9</sup> Market penetration	<sup>a10</sup> Product development
New markets	<sup>a11</sup> Market development	<sup>a12</sup> Diversification

Market opportunity identification through product-market expansion grid

## Slide 8

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- a9**      Market penetration: A strategy for company growth by increasing sales of current products to current market segments without changing the products  
amirkhany; 2005/01/15
- a10**     Product development: A strategy for company growth by offering modified or new products to current market segments. developing the product concept into physical product.  
amirkhany; 2005/01/15
- a11**     Market development: A strategy for company growth by identifying and developing new market segments for current company products  
amirkhany; 2005/01/15
- a12**     Diversification: A strategy for company growth by starting up or acquiring businesses outside the company's current products and markets  
amirkhany; 2005/02/03
- a40**     Profitable growth  
amirkhany; 2005/02/03



# Planning cross-functional strategies

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- Marketing's role in strategic planning
- Marketing and other business functions
- Cross-functional conflict

## Slide 9

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**a13**

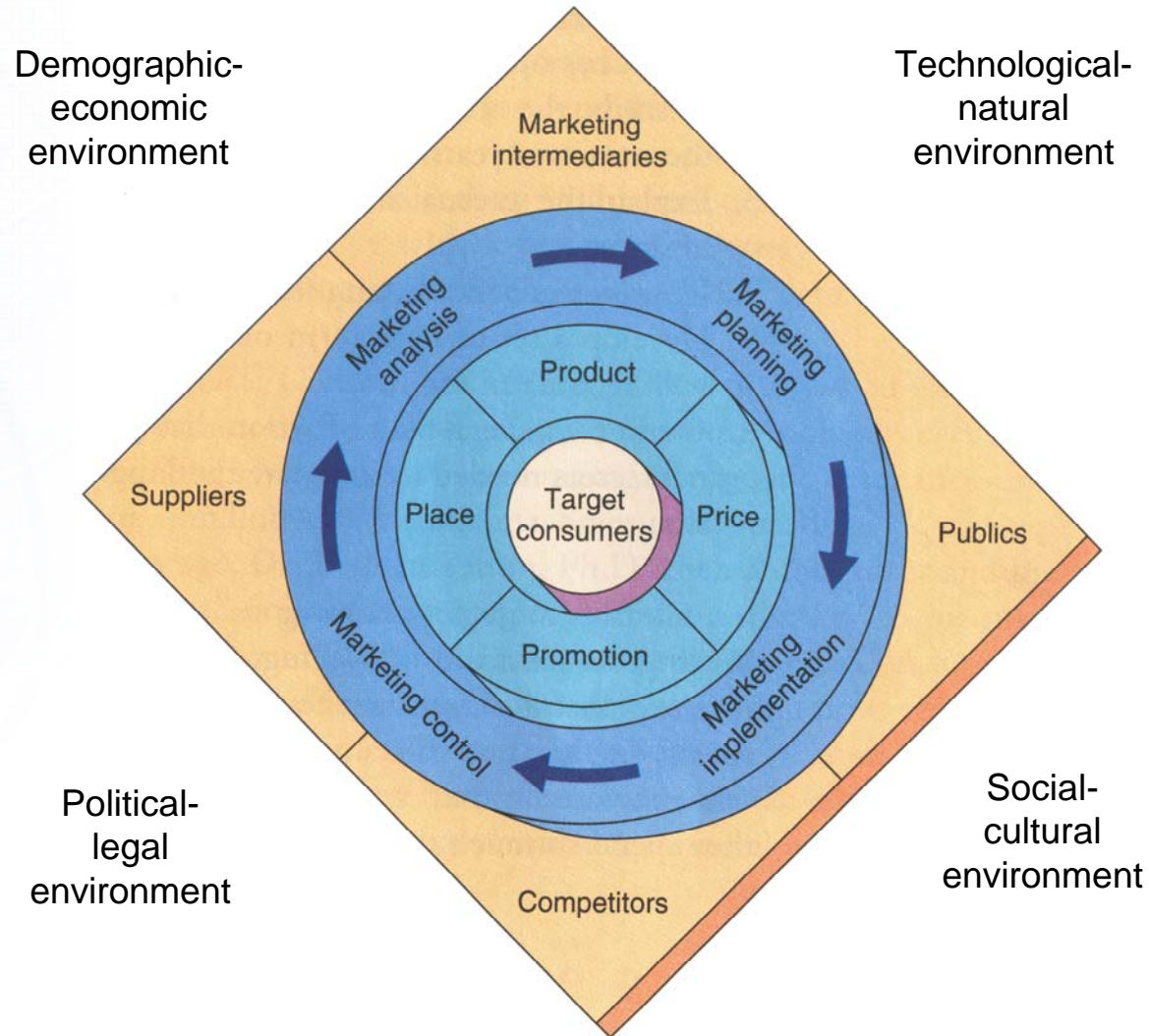
Marketing's role in strategic planning: 1.marketing concept as a guiding philosophy 2.provides inputs to starategic planners by helping to identify active market opportunities and by asesing the firm's potential to take advantage of them 3.within individual business units, designs sterategies for reaching the unit's objectives out of profit.

amirkhany; 2005/01/15





# The marketing process



**Factors influencing company marketing strategy**



# Connecting with consumers

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- Market segmentation a15
  - Market segment a17
- Market targeting a18
- Market positioning a20
  - Possible competitive advantages
  - Offering greater value to chosen target segments
  - Delivering the value  
(differentiating the co.'s marketing offer)

## Slide 11

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- a15**      Market segmentation: dividing market into distinct groups of buyers on the basis of needs, characteristics, or behavior who might require separate products or marketing mixes  
amirkhany; 2005/01/15
- a17**      Market segment: A group of consumers who respond in a similar way to a given set of marketing efforts  
amirkhany; 2005/01/16
- a18**      Market targeting: The process of evaluating each market segment's attractiveness and selecting one or more segments to enter  
amirkhany; 2005/01/16
- a20**      Market positioning: Arranging for a product to occupy a clear, distinctive, and desirable place relative to competing products in the minds of target consumers  
amirkhany; 2005/01/16



# Marketing strategies for competitive advantages <sup>a21</sup>

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- Market leader strategy
- Market challenger strategy
- Market follower strategy
- Market nicher strategy

## Slide 12

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-----Marketing strategies must be geared to the needs of consumers and also to the strategies of competitors.

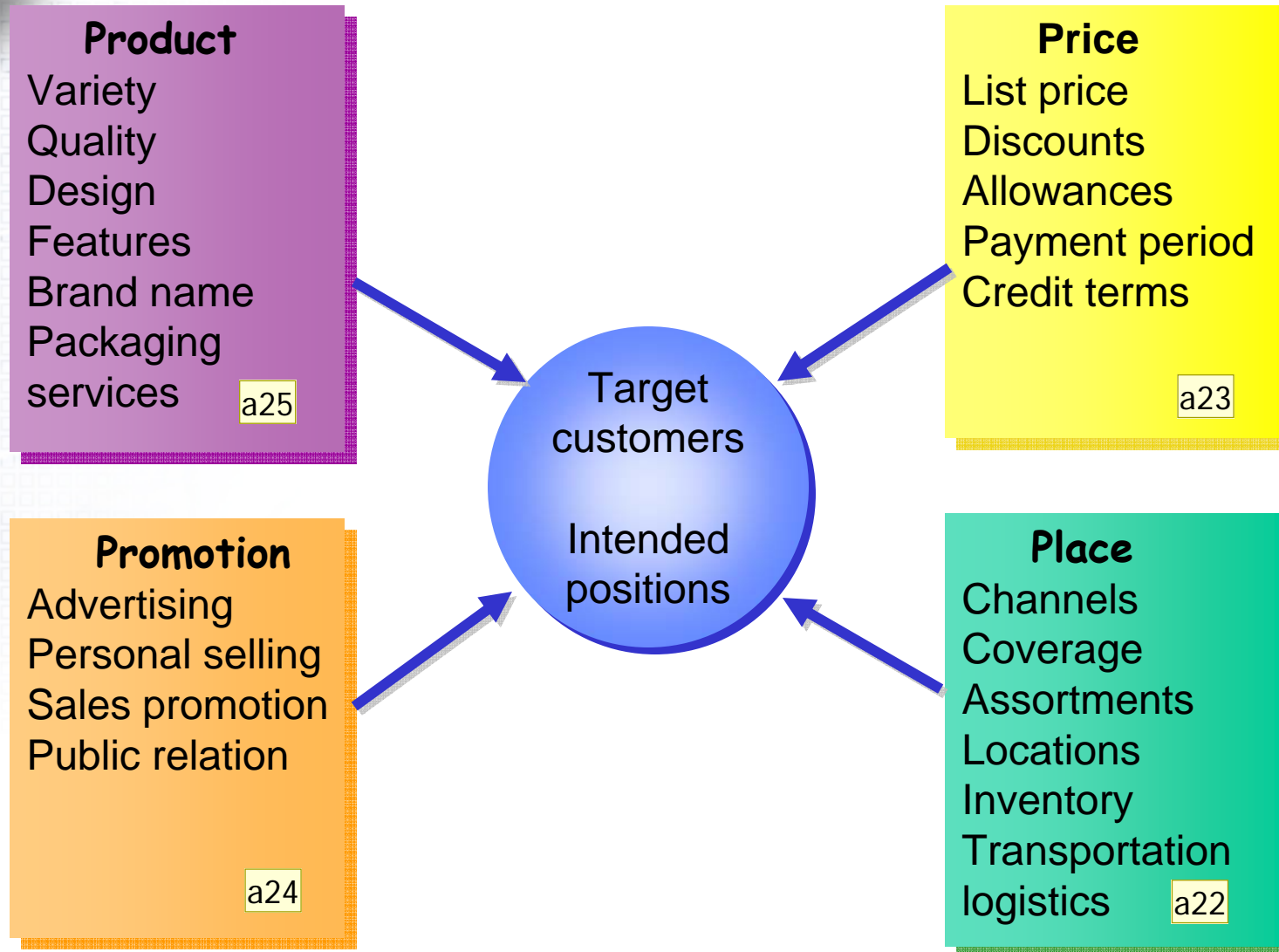
-----Designing competitive marketing strategies begins with thorough competitor analysis.

-----Competitive marketing strategy a co. adopts depends on its industry position.

amirkhany; 2005/01/16



# Developing the marketing mix a26



The four Ps of the marketing mix

## Slide 13

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- a22** Place includes company activities that make product available to target consumers  
amirkhany; 2005/01/16
- a23** Price: the amount of money consumers have to pay to obtain the product  
amirkhany; 2005/01/16
- a24** Promotion means activities that communicate the merits of the product and persuade target customers to buy it.  
\*\*\*\*\*  
sales, cash debates, and low financing rates as added purchase incentives  
amirkhany; 2005/01/16
- a25** Product means the goods-and-services combination the company offers to the target market  
amirkhany; 2005/01/16
- a26** Marketing mix: The set of controllable tactical marketing tools-product, price, place, promotion- that that the firm blends to produce the response it wants in the target market.  
amirkhany; 2005/01/16



# Developing the marketing mix

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- Some concerns for 4Ps
- 4Cs (4Ps from the buyers viewpoint):

## **4Ps**

Product  
Price  
Place  
promotion

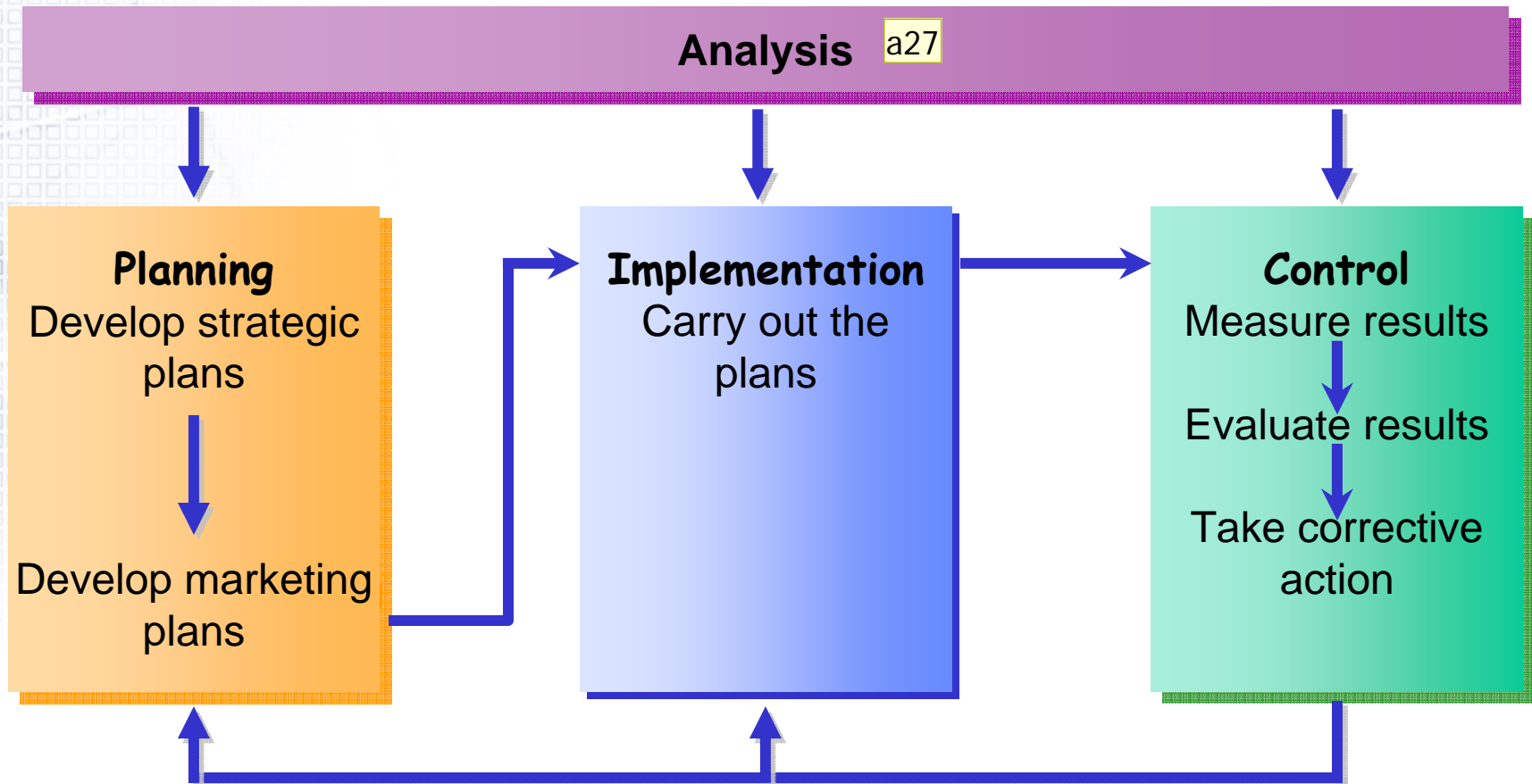
## **4Cs**

Customer solutions  
Customer value  
Convenience  
Communication





# Managing the marketing effort



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Evaluations and information

amirkhany; 2005/01/16



# Marketing planning a28

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- A typical product or brand plan
  - Executive summary
  - Current marketing situations
  - Threats and opportunities analysis
  - Objectives and issues
  - Marketing strategies a29
  - Action programs
  - Budgets
  - Controls

## Slide 16

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**a28** A detailed marketing plan is needed for each business, product, or brand

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**a29** Marketing strategy: The marketing logic whereby the co. hopes to achieve its marketing objectives.

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explain how each strategy responds to the threats, opportunities, and critical issues spelled out earlier in the plan

amirkhany; 2005/01/16



# Marketing implementation <sup>a30</sup>

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- Who, where, when, how <sup>a31</sup>
- Influencing factors:
  - Skillful and motivated staff
  - Co.'s formal organization structure
  - Strategies fitted with co. culture

## Slide 17

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- a30** Marketing implementation: the process that turns marketing strategies and plans into marketing actions in order to accomplish strategic marketing objectives  
amirkhany; 2005/01/16
- a31** whereas planning addresses what and why  
amirkhany; 2005/01/16



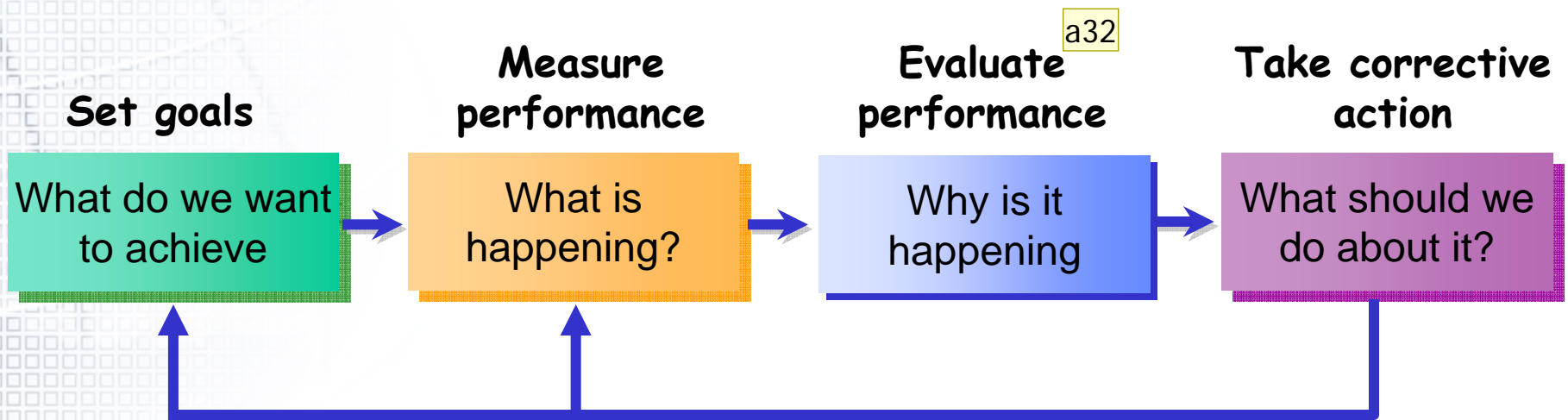
# Marketing department organization

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- Small co. s
- Functional organization
- Geographical organization
- Product management organization
  - Brand management organization
  - Category management organization
  - Customer management organization
- Market management organization
- Combination of all above



# Marketing control



**The control process**



**Slide 19**

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**a32**

evaluate the causes of any differences between expected and actual performances

amirkhany; 2005/02/03



# Marketing control

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- Operating control <sup>a41</sup>
- Strategic control <sup>a42</sup>
  - Marketing audit <sup>a43</sup>

## Slide 20

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- a41**      Operating control: involves checking ongoing performance against the annual plan and taking correcting actions when necessary  
amirkhany; 2005/02/03
- a42**      Strategic control: involves looking at whether the Co. 's basic strategies are well matched to its opportunities.  
amirkhany; 2005/02/03
- a43**      Marketing Audit: A comprehensive, independent, annual examination of a co. 's environment, objectives, strategies, and activities to determine problem areas and opportunities and to recommend a plan of action to improve the marketing performance.  
amirkhany; 2005/02/03