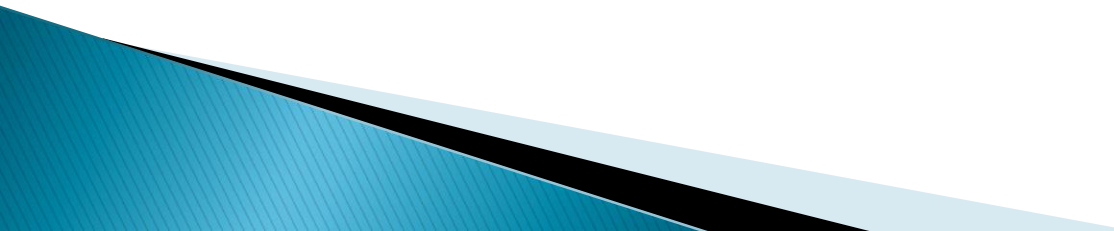


“Developing Marketing Strategies & Plans”

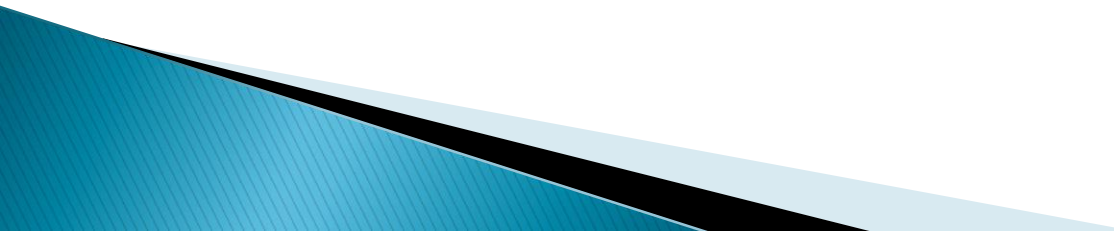
Key Questions?

- ▶ How does marketing affect customer value?
 - ▶ How is strategic planning carried out at different levels of the organization?
 - ▶ What does a marketing plan include?
- 

Three V's Approach to Marketing

1. *Value exploration* – new opportunities?
2. *Value creation* – new offerings?
3. *Value delivery* – deliver more efficiently?

Characteristics of Core Competencies

- ▶ A source of competitive advantage
 - ▶ Applications in a wide variety of markets
 - ▶ Difficult to imitate
- 

What is a Marketing Plan?

A marketing plan is the central instrument for directing and coordinating the marketing effort.

It operates at a strategic and tactical level.



Levels of a Marketing Plan

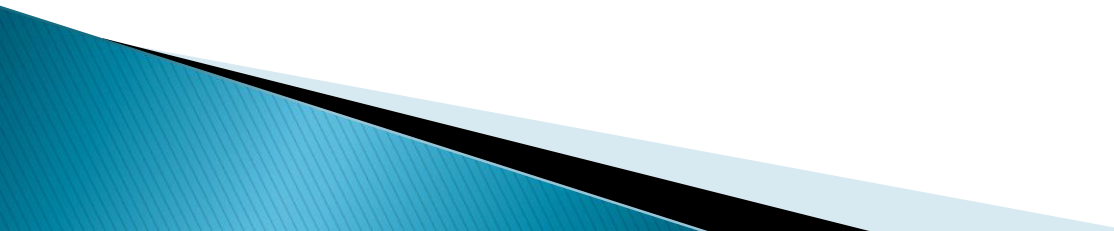
▶ Strategic

- Target marketing decisions
- Value proposition
- Analysis of marketing opportunities

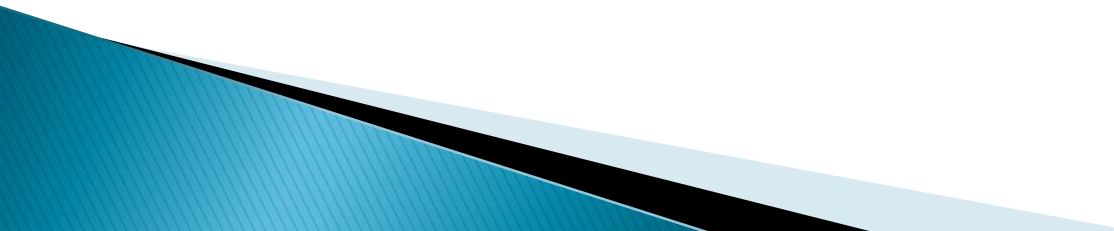
▶ Tactical

- Product features
- Promotion
- Merchandising
- Pricing
- Sales channels
- Service

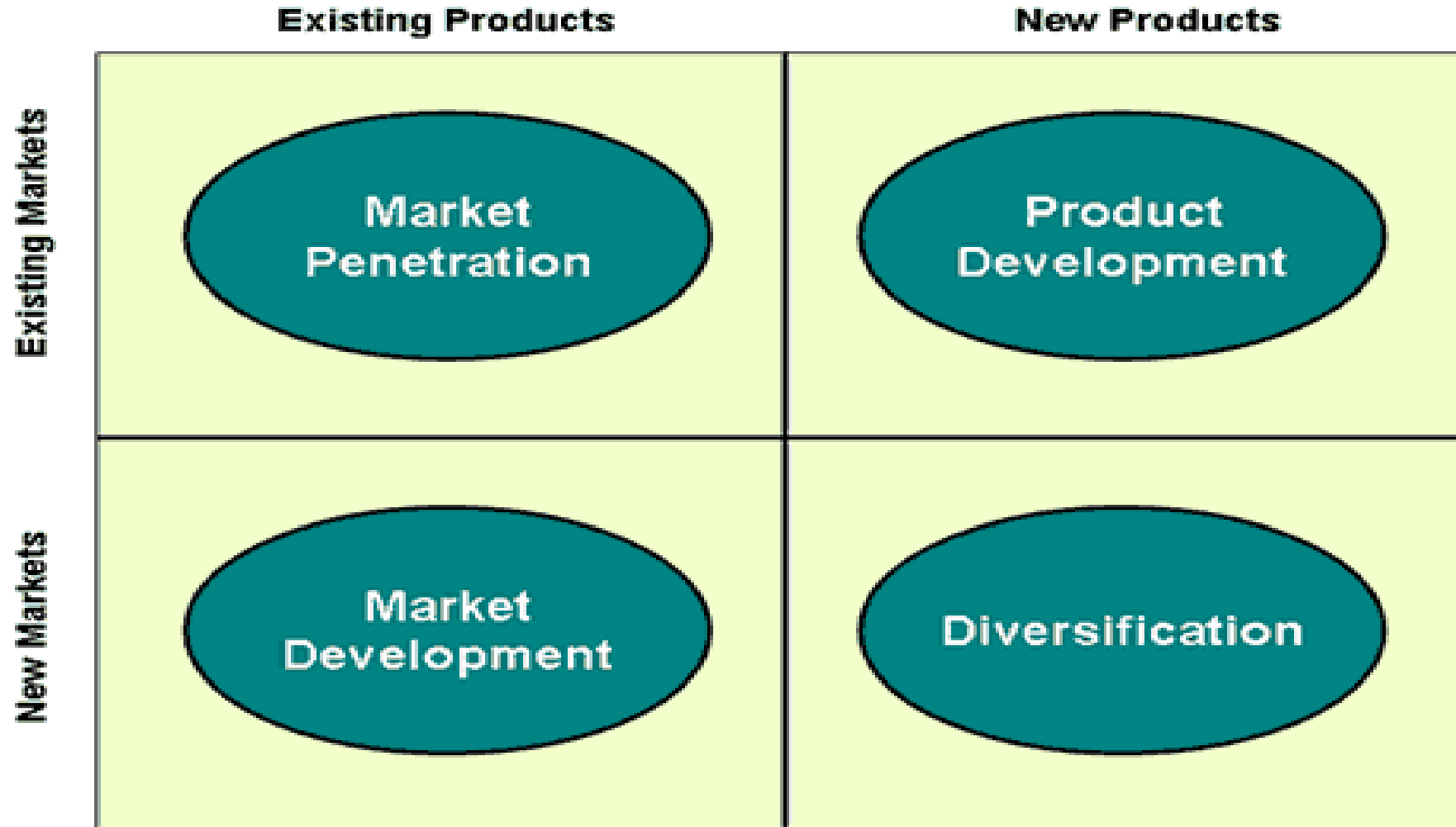
Corporate Headquarters' Planning Activities

- ▶ Define the corporate mission
 - ▶ Establish strategic business units (SBUs)
 - ▶ Assign resources to each SBU
 - ▶ Assess growth opportunities
- 

Characteristics of SBU's

- ▶ It is a single business or collection of related businesses
 - ▶ It has its own set of competitors
 - ▶ It has a leader responsible for strategic planning and profitability
- 

Growth Strategies–Market Expansion Grid



Growth Strategies–Market Expansion Grid

Current markets

Current products

New Products

<p>Market Penetration Strategies</p> <ul style="list-style-type: none"> • Increase market share • Increase product usage: <ul style="list-style-type: none"> - increase frequency of use - increase quantity used - new application 	<p>Product Development Strategies</p> <ul style="list-style-type: none"> • Product improvement • Product line extensions • New products for same markets
<p>Market Development Strategies</p> <ul style="list-style-type: none"> • Expand markets for existing products <ul style="list-style-type: none"> - geographic expansion - target new segments 	<p>Diversification Strategies</p> <ul style="list-style-type: none"> • Vertical Integration: <ul style="list-style-type: none"> - forward integration - backward integration • Diversification into related businesses (concentric diversification) • Diversification into unrelated businesses (conglomerate diversification)

New markets

SWOT Analysis

Strengths

S

- Your specialist marketing expertise
- A new, innovative product or service
- Location of your business
- Quality processes and procedures
- Any other aspect of your business that adds value to your product or service

Weaknesses

W

- Lack of marketing expertise
- Undifferentiated products or services (i.e. in relation to your competitors)
- Location of your business
- Poor quality goods or services
- Damaged reputation

Internal factors

Opportunities

O

- A developing market such as the Internet
- Mergers, joint ventures or strategic alliances
- Moving into new market segments that offer improved profits
- A new international market
- A market vacated by an ineffective competitor

Threats

T

- A new competitor in your home market
- Price wars with competitors
- A competitor has a new, innovative product or service
- Competitors have superior access to channels of distribution
- Taxation is introduced on your product or service

External factors

Positive

Negative

Market Opportunity Analysis (MOA)

1. Can benefits convince target markets?

2. Can target markets be reached with cost-effective media & trade channels?

3. Possess resources to deliver benefits?

Market Opportunity Analysis (MOA)
To evaluate opportunities
To determine attractiveness & probability of success

4. Are benefits better than competitors?

5. Is it profitable?