

Marketing Management

MGM 612

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Lecture - 3- Marketing strategy



Chapter 3

Marketing strategy

Lecture 3

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Learning Outcomes

After studying this chapter you should be able to:

- ☐ Marketing strategy (Introduction, define, Developing and Creating)
- ☐ History of strategic marketing management
- ☐ Marketing strategy vs. marketing plan
- ☐ Market Analysis
- ☐ Explain The (4 P's) and (7 P's) of Marketing



MARKETING STRATEGY



Marketing Strategy: Introduction

Marketing:

is the process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return.

What is strategy?

A fundamental pattern of present and planned objectives, resource deployments, and interactions of an organization with markets, competitors, and other environmental factors.

Your strategy comes before your plan

As soon as you have determined what your marketing strategy is, you can draw up a marketing plan. The plan describes how you are going to execute your strategy. It also shows how you will evaluate its effectiveness or success.

Marketing Strategy: Introduction

- **Corporate strategy**
 - organizations scope and resource deployment
- **Business-level strategy**
 - competitive strategy of a business unit in its industry
- **Marketing strategy**
 - targeting, segmenting and positioning for a product. Figuring out the marketing mix

Marketing strategy define

☐ Marketing strategy

can be defined as a process that can allow an organization to concentrate its resources on the optimal opportunities with the goals of increasing sales and achieving a sustainable competitive advantage.

☐ Marketing strategy

includes all basic and long-term activities in the field of marketing that deal with the analysis of the strategic initial situation of a company and the formulation, evaluation and selection of market-oriented strategies and therefore contribute to the goals of the company and its marketing objectives.

Developing a marketing strategy

Marketing strategy involves careful and precise scanning of the internal and external environments:

- ❑ **Internal environmental** factors include the marketing mix and marketing mix modeling, plus performance analysis and strategic constraints.
- ❑ **External environmental** factors include customer analysis, competitor analysis, target market analysis, as well as evaluation of any elements of the technological, economic, cultural or political/legal environment likely to impact success.

Many people use the two terms interchangeably, but their meanings are quite different.

❖ Marketing strategy

This includes an explanation of the goals a company needs to achieve with its marketing efforts. A company's business goals shape its strategy.

❖ Marketing plan

A business' marketing plan describes how it is going to achieve its marketing goals.

Creating a marketing strategy

To Creating a marketing strategy:

1. Targeting and positioning
2. promotional tactics
3. Monitoring and evaluation

Creating a marketing strategy

- Creating a marketing strategy

- ✓ **Targeting and positioning**

You must target the market segments that represent the greatest profits for your business. What your product or service offers must meet the needs and expectations of the target market you have selected.

- ✓ **promotional tactics**

When you have designed your marketing strategy, you need to decide how to make sure your target segment knows about your product or service. You must also tell them why and how your product can meet their needs.

- ✓ **Monitoring and evaluation**

You must monitor and evaluate or assess your strategy. It is important. Unfortunately, many people in business skip this part

The marketing concept

What is the marketing concept?

**“...determining the needs and wants of target markets and delivering the desired satisfactions more effectively and efficiently than competitor’s do.”
(Kotler et al, ‘96)**

What is strategic marketing management?

Definition of strategic marketing management

- ❑ Strategic marketing management is the process of implementing your business' mission through specific and strategic processes in order to maximize your current marketing plan.
- ❑ Essentially, it is the act of making strategic decisions within a marketing plan in order to better that plan.

History of strategic marketing management

Over the past nearly 30 years, strategic management has evolved considerably compared to what it is today.

- 1. Budgeting**
- 2. Long-range planning**
- 3. Strategic planning**
- 4. Strategic marketing management**

History of strategic marketing management

1. Budgeting

- Initially, strategic management, marketing, and otherwise were simply referred to as budgeting. Just as the name suggests, the methodology was mainly concerned with budgetary and control mechanisms. The methodology itself used the budget and its many variants as a way to manage marketing plans and marketing audits.

2. Long-range planning

- After budgeting, long-range planning emerged as the focus shifted towards forecasting. Using trends at the time, predictions were made concerning sales, costs, and profits.

History of strategic marketing management

3. Strategic planning

- During the 70s and 80s, strategic planning placed focus on overall direction and control over planning. There was still a bit of forecasting involved, but the main focus was on the business side of things.

4. Strategic marketing management

- The idea behind strategic marketing management is to adapt to your market as things change around you. The goal remains the same, but the path that leads you towards your goal can change.

The benefits of strategic marketing management con.

- Here are a few of the advantages in implementing a strategic marketing strategy:
 1. A better understanding of the market
 2. Helps identify the strategic direction
 3. Can have a big pay off

A better understanding of the market

- **A better understanding of the market**
- The research involved in properly implementing strategic marketing management will inevitably end in a better understanding of your given market. Research regarding domestic and international markets, competition, and market trends will need to be conducted.

Helps identify the strategic direction

- **Helps identify the strategic direction**
- **Strategic marketing management involves making better decisions that align your plan with the company's goals.**

Can have a big pay off

- **Can have a big pay off**
- If implemented correctly, strategic marketing management can yield some impressive results for a business. The result could be a better handle on budget, and an overall increase in the longevity of a business

Examples of strategic marketing management

- Remember, strategic marketing management involves making strategic decisions within your current marketing plan in order to maximize your plan. A good example of this would be tesla and how they market themselves.

Market Analysis

- **Market analysis is a procedure of assessing and identifying various internal and external factors and conditions in a market within a specific niche. Essentially, the key insights that are gained from market analysis relate to:**
 - Evaluating the market size
 - Pinpointing growth trends
 - Defining and learning about the target audience
 - Getting an in-depth look at the competitive landscape; and
 - Identifying business goals

Market Analysis Techniques for Building a Solid Marketing Strategy

Step 1: Defining Business Goals

Step 2: Assessing Market Size

Step 3: Identifying Market Trends And Growth Rate

Step 4: Getting an In-Depth Look at Competitors

Step 5: Identifying the Right Demographic

Step 6: Accounting for Internal and External Factors

What Does Market Analysis Include?

Market analysis can take into account a whole variety of factors, but there are a few key points we suggest you focus on. They are:

- **Market volume**
- **Market value**
- **Market need**
- **Competition**
- **Regulation**

The Difference Market Analysis and Marketing Plan

• Market Analysis Describes Targets (Who & Why)

- **Customers**
- **Competition**
- **Competitive Advantage**
- **Critical Success Factors**
- **Critical Risks**
- **Potential Sales/Market Share**

• Marketing Plan Describes Tactics (How)

- **Product Positioning**
- **Price**
- **Placement**
- **Promotion**
- **Sales Process**
- **Partnerships**

Ways to Target the Market

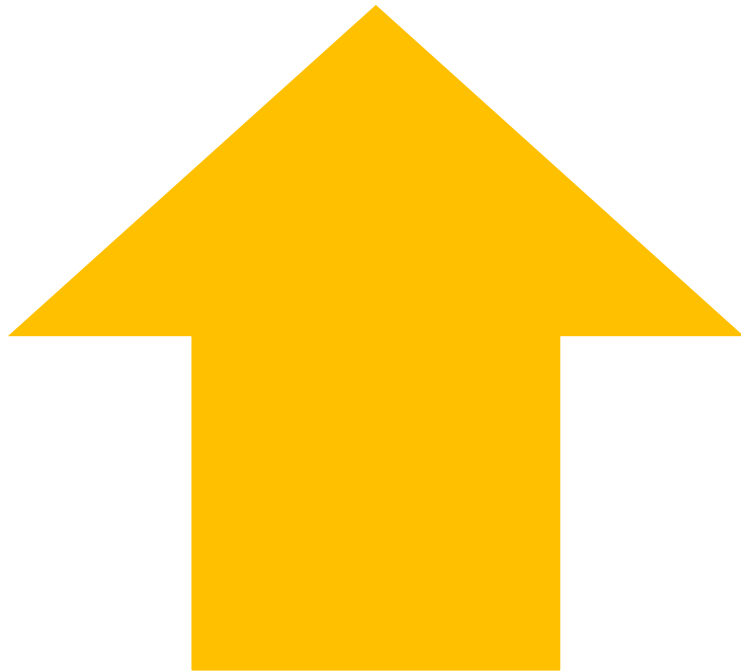
- **Geographic**
 - local, regional, national, international
- **Demographic**
 - B2C: gender, age, income, education, ethnicity
 - B2B: revenues, employees, industry
- **Psychographic**
 - values, lifestyles, hobbies
- **Behavioral**
 - benefits sought, usage rate

Who Is My Competition?

Competition = everybody who's after the same consumer dollar you are.

- ☐ Direct Competitors
- ☐ Indirect Competitors
- ☐ Possible New Entrants

Creating a Competitive Advantage



Having a Sustainable Competitive Advantage allows you to distinguish your product from the competition's. It's what gives you a significant edge. The basis of your SCA must not be able to be duplicated or imitated and is not substitutable.

Creating a Competitive Advantage

- **Intangible Items**

- **Superior Product/Brand**
 - Quality
 - Selection
 - Availability
- **Operational Excellence**
- **Innovation Leadership**
- **Intimate Customer Relationships/Experiences**
- **Cost Advantage**

The Marketing Plan

- **What Is a Marketing Plan?**
- A marketing plan is an operational document that outlines an advertising strategy that an organization will implement to generate leads and reach its target market.
- A marketing plan details the outreach and Public relations campaigns to be undertaken over a period, including how the company will measure the effect of these initiatives.

The functions and components of a marketing plan include the following:

- Market research to support pricing decisions and new market entries
- Tailored messaging that targets certain demographics and geographic areas
- Platform selection for product and service promotion—digital, radio, Internet, trade magazines, and the mix of those platforms for each campaign
- Metrics that measure the results of marketing efforts and their reporting timelines

Structure of a Marketing Plan

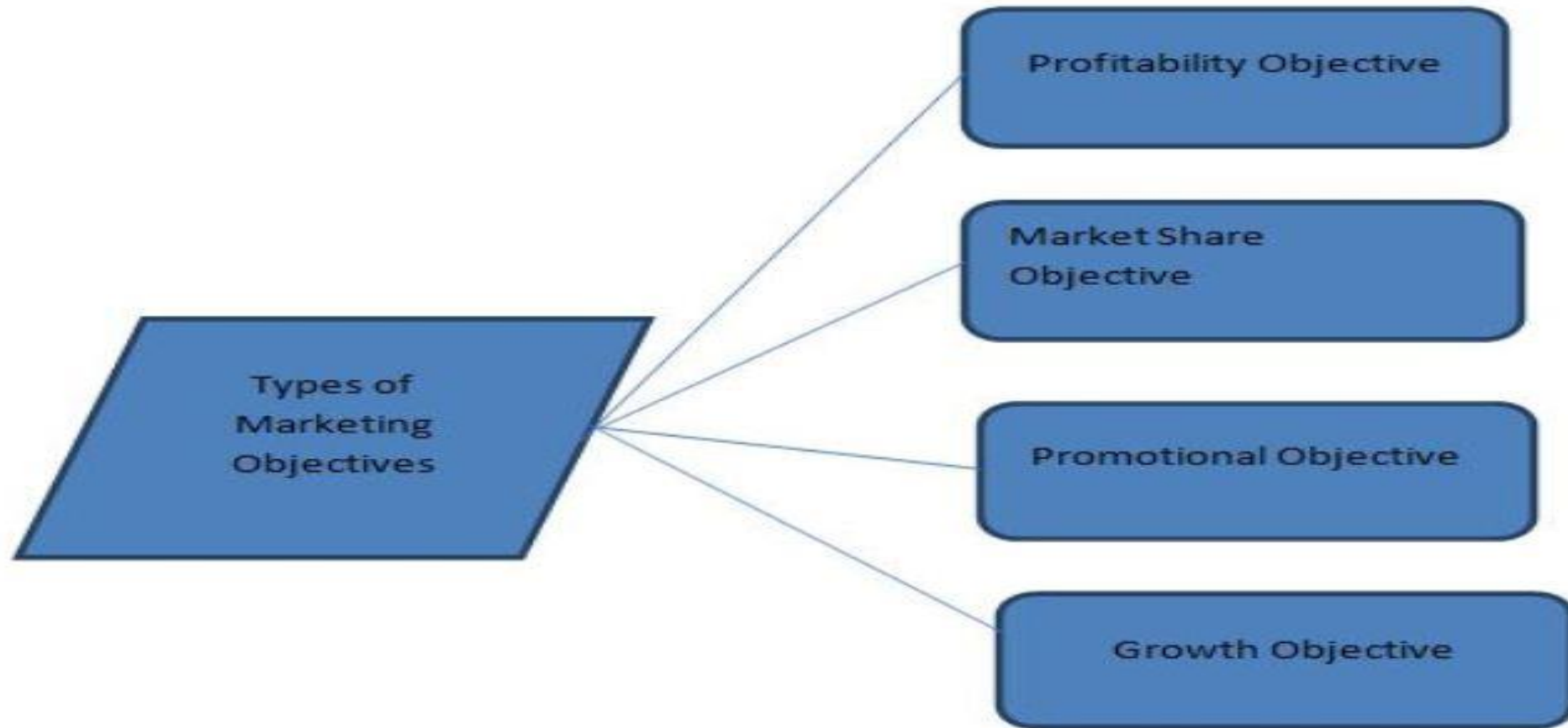
The structure of a marketing plan can include the following sections:

- 1. Marketing Plan Objectives**
- 2. Market Research – Market Analysis/Consumer Analysis**
- 3. Target Market**
- 4. SWOT Analysis**
- 5. Marketing Strategy**
- 6. Marketing Budget**

Marketing Objectives

- **Marketing objectives are goals set by business houses to promote its goods and services to its consumers within a specific timeframe. Marketing objectives are the strategy's set to attain the overall growth of the organization.**

TYPES OF MARKETING OBJECTIVES



SWOT Analysis

Strengths

- Low Salary and Benefits overhead
- Quick to respond to market changes
- Light weight and flat hierarchy resulting quicker decision making

Weaknesses

- Existing workload too high
- No previous project planning experiences
- Missing expertise in some areas

Opportunities

- Need to increase market share
- Could convert existing products for new markets

Threats

- Business partners has little loyalty
- Larger competitors get majority of market share and more famous brand name
- Cost of technology investment

The marketing mix

- The marketing mix is the combination of variables that a business uses to carry out its marketing strategy and meet customer needs.

The marketing mix is often called the 4Ps:

- Product
- Price
- Place
- Promotion

The 4 P's of Marketing explained

Product	Promotion	Place	Price
1. Is there a demand for the product or service? 2. How to make the product appeal to consumer 3. Packaging—including the design, color, size, and brand names	1. Making customers aware of a product 2. Advertising 3. Coupons 4. Rebates 5. Sales 6. Free give aways 7. Publicity	1. Distribution is getting the right product to the right place at the right time in the right amount and in the right condition 2. Storage 3. Warehousing 4. Transporting	1. How much are customers willing to pay? 2. Is the price competitive with other products? 3. Can the company make a profit?

The 7 P's of services marketing

The 7 Ps of Services Marketing



People

- ❖ **People: People are a defining factor in a service delivery process, since a service is inseparable from the person providing it.**
- ❖ **Thus, a restaurant is known as much for its food as for the service provided by its staff. The same is true of banks and department stores. Consequently, customer service training for staff has become a top priority for many organizations today**

Process

- ❖ **Process:** The process of service delivery is crucial since it ensures that the same standard of service is repeatedly delivered to the customers.
- ❖ Therefore, most companies have a service blue print which provides the details of the service delivery process, often going down to even defining the service script and the greeting phrases to be used by the service staff.

Physical Evidence

- ❖ **Physical Evidence:** Since services are intangible in nature most service providers strive to incorporate certain tangible elements into their offering to enhance customer experience.
- ❖ Thus, there are hair salons that have well designed waiting areas often with magazines and plush sofas for patrons to read and relax while they await their turn. Similarly, restaurants invest heavily in their interior design and decorations to offer a tangible and unique experience to their guests



Thank You