

Unit 2 - The Role of Marketing in a Modern Organisation

Planning and the Marketing Process

Previewing the Concepts

- Explain companywide strategic planning and its four steps.
- Discuss how to design business portfolios and growth strategies.
- Explain functional planning strategies and asses marketing's role in strategic planning.
- Describe the marketing process and the forces that influence it.
- List the marketing management functions, including the elements of a marketing plan.

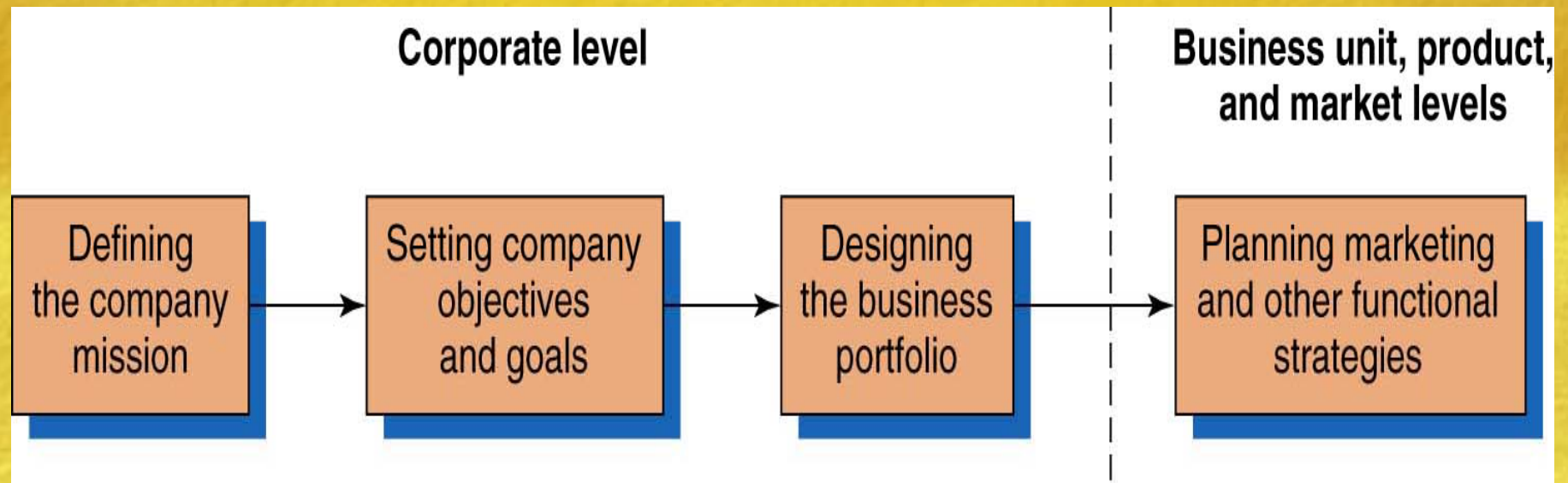
Planning

- Many companies operate without formal plans, yet these plans can provide many benefits such as:
 - ⊙ encouraging management to think ahead systematically,
 - ⊙ forcing managers to clarify objectives and policies, and
 - ⊙ helping the company to anticipate and respond quickly to environmental changes and sudden developments.

Strategic Planning

Strategic Planning is the Process of Developing and Maintaining a Strategic Fit Between the Organizations' Goals and Capabilities and Its Changing Marketing Opportunities.

Steps in Strategic Planning



3M

- A *mission statement* is a statement of an organisation's purpose.
- "... 3M solves people's problems by putting innovation to work for them."
- <http://www.3m.com/>



1 The world wants thinner electronics.

2 We're getting it all on tape.

3M has pioneered a whole new technology: Microflex Circuits – the world's leading mass-produced electronic circuits on tape. They're thinner, smaller, highly reliable, and allow for more connections than rigid circuit boards. They'll go anywhere a designer can dream up: phones, pagers, laptops and printers. We expand the possibilities because we make the leap *from need to...*

3M Innovation

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Setting Company Objectives and Goals

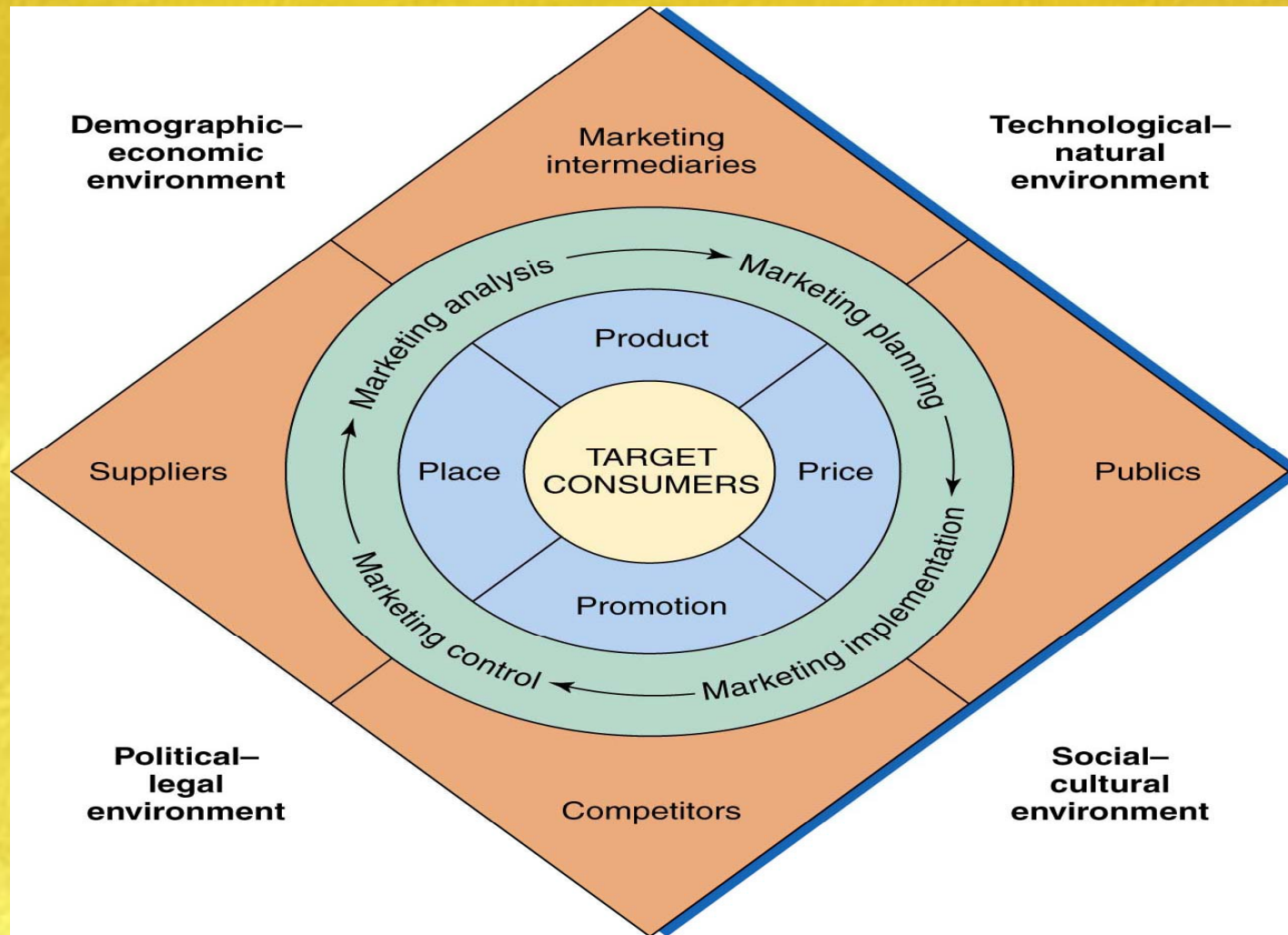


Designing the Business Portfolio

- The business portfolio is the collection of businesses and products that make up the company.
- The company must:
 - ⊙ analyse its current business portfolio or Strategic Business Units (SBU's),
 - ⊙ decide which SBU's should receive more, less, or no investment,
 - ⊙ develop growth strategies for adding new products or businesses to the portfolio.

QuickTime™ and a
TIFF (Uncompressed) decompressor
are needed to see this picture.

The Marketing Process



The Five Cs

- Company
 - ⊙ Internal Resources, Capabilities
- Customers
 - ⊙ Needs, wants and characteristics of current & potential Customers
- Competitors
 - ⊙ Strengths and Weaknesses of competitors
- Collaborations
 - ⊙ Opportunities and Threats
- Context
 - ⊙ Environment

Macroenvironment



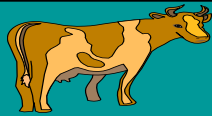

● PESTLE

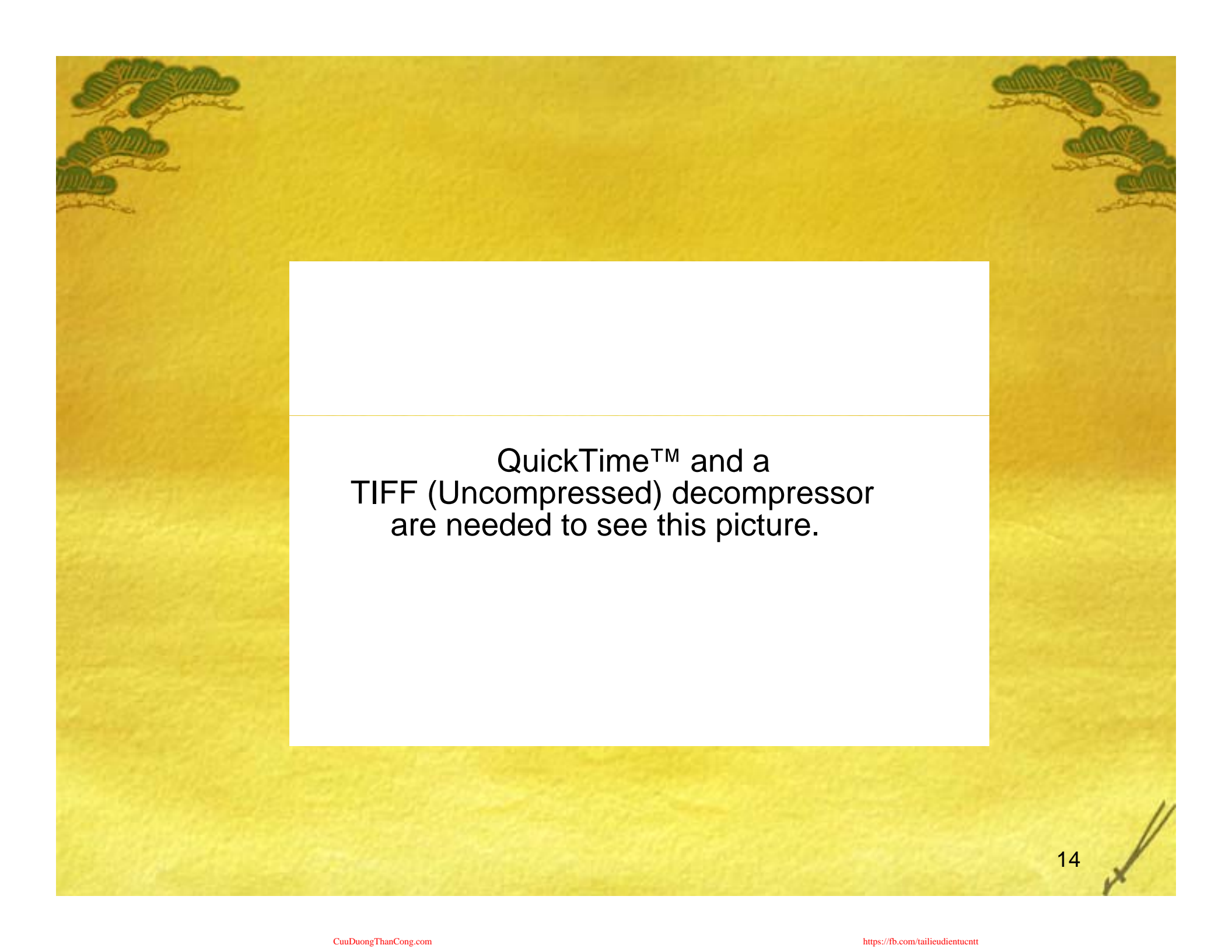
- ⊙ Political Issues
- ⊙ Economic Forces
- ⊙ Socio-cultural Changes
- ⊙ Technological Changes
- ⊙ Legal and Regulatory Changes
- ⊙ Environmental Forces

● PEST

- ⊙ Political/Legal Factors
- ⊙ Economic Factors
- ⊙ Socio-cultural Factors
- ⊙ Technological Changes

Analyzing Current SBU's: BCG Growth-Share Matrix

		Relative Market Share	
		High	Low
Market Growth Rate	High	<i>Stars</i>  <ul style="list-style-type: none"> • High growth & share • Profit potential • May need heavy investment to grow 	<i>Question Marks</i>  <ul style="list-style-type: none"> • High growth, low share • Build into Stars or phase out • Require cash to hold market share
	Low	<i>Cash Cows</i>  <ul style="list-style-type: none"> • Low growth, high share • Established, successful SBU's • Produce cash 	<i>Dogs</i>  <ul style="list-style-type: none"> • Low growth & share • Low profit potential



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The GE Matrix

Business Strength

Strong Average Weak

**Industry Attract-
iveness**

High

Medium

Low

Problems With Matrix Approaches

Can be Difficult, Time-Consuming, Costly to Implement



Difficult to Define SBU's & Measure Market Share/Growth

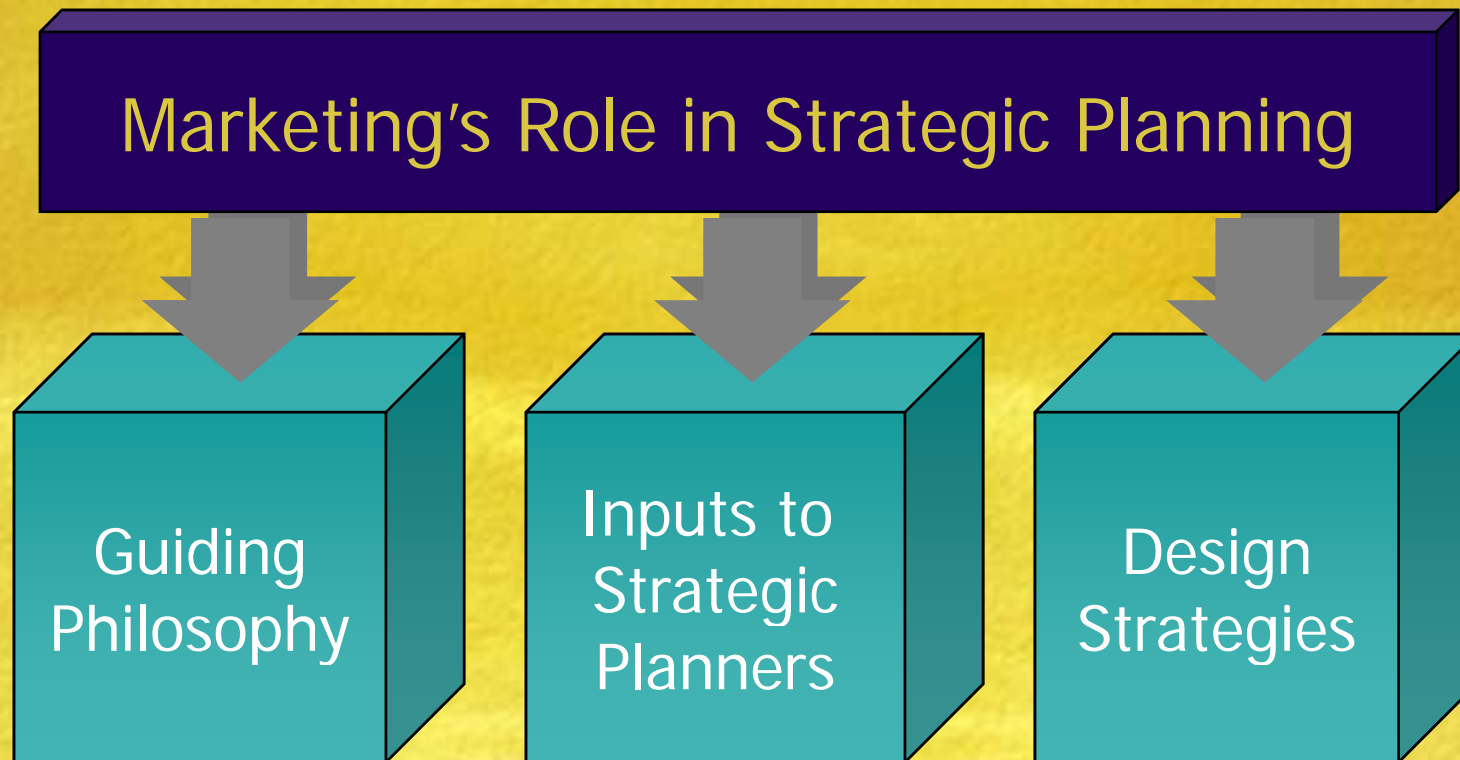


Focus on Current Businesses, But Not Future Planning



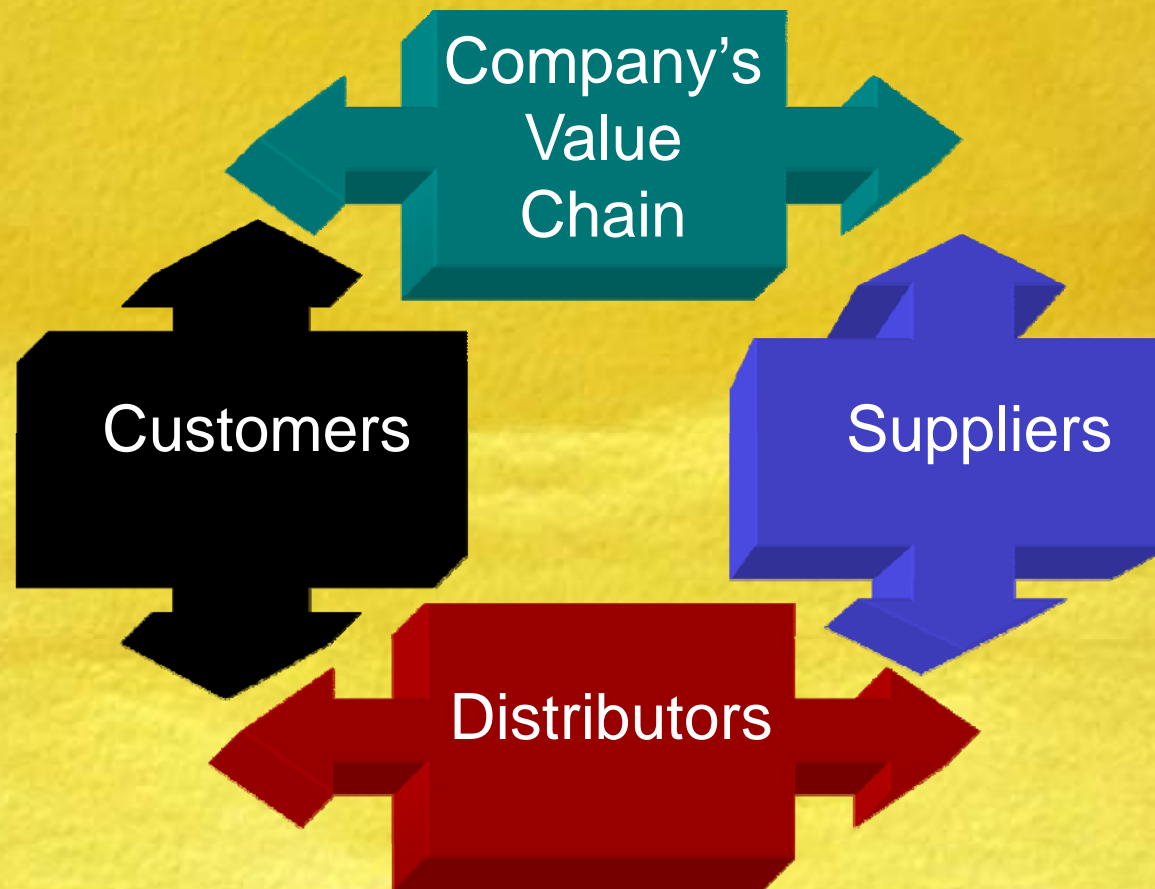
Can Lead to Unwise Expansion or Diversification

Planning Cross-Functional Strategies

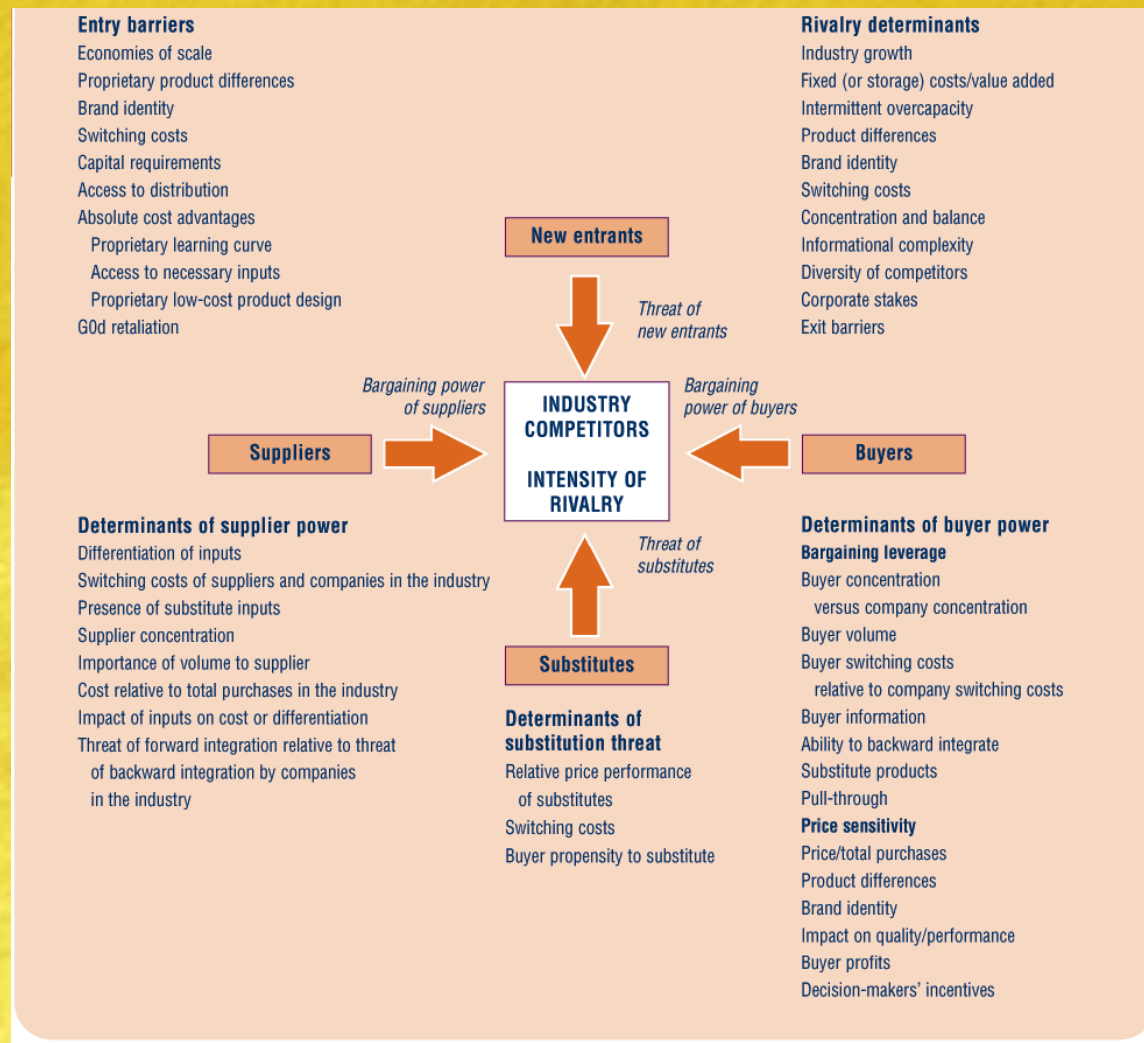


Customer Satisfaction

Value Delivery Network



Porter's 5 Forces Model



SWOT Analysis

Draws Together strategic conclusions and their implications based on the facts

	Positive Implications	Negative Implications
Internal	Strengths	Weaknesses
External	Opportunities	Threats

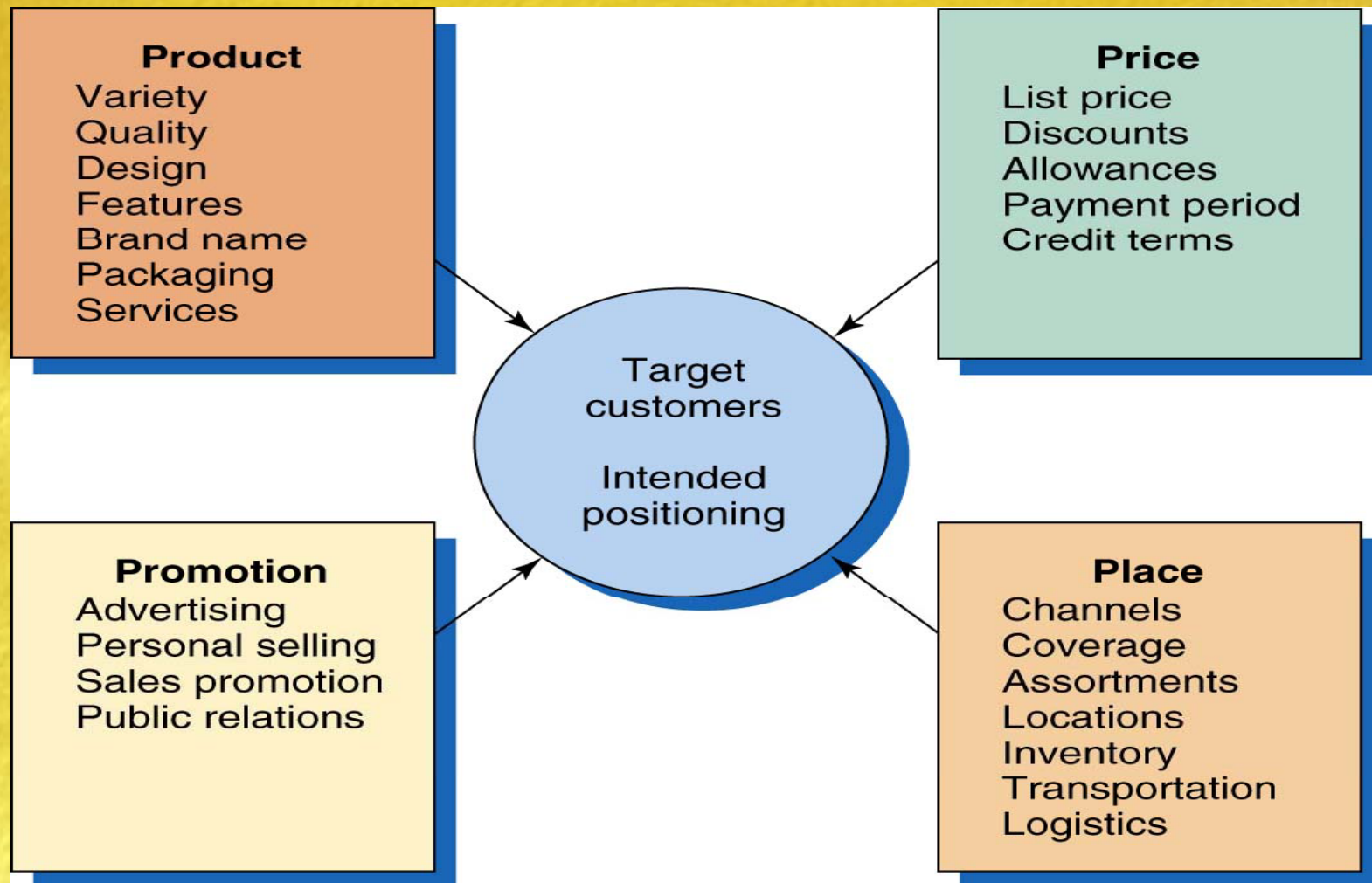
Connecting With Customers

- Market Segmentation: determining distinct groups of buyers (segments) with different needs, characteristics, or behavior.
- Market Targeting: evaluating each segment's attractiveness and selecting one or more segments to enter.
- Market Positioning: arranging for a product to occupy a clear, distinctive, and desirable place relative to competing products in the minds of target consumers. i.e. Chevy Blazer is “like a rock.”

Discussion Question

- What is the difference between a market segment and a market target?

Developing the Marketing Mix



The 4 P's & 4 C's of the Marketing Mix

● 4 P's

- ⦿ Product
- ⦿ Price
- ⦿ Place
- ⦿ Promotion

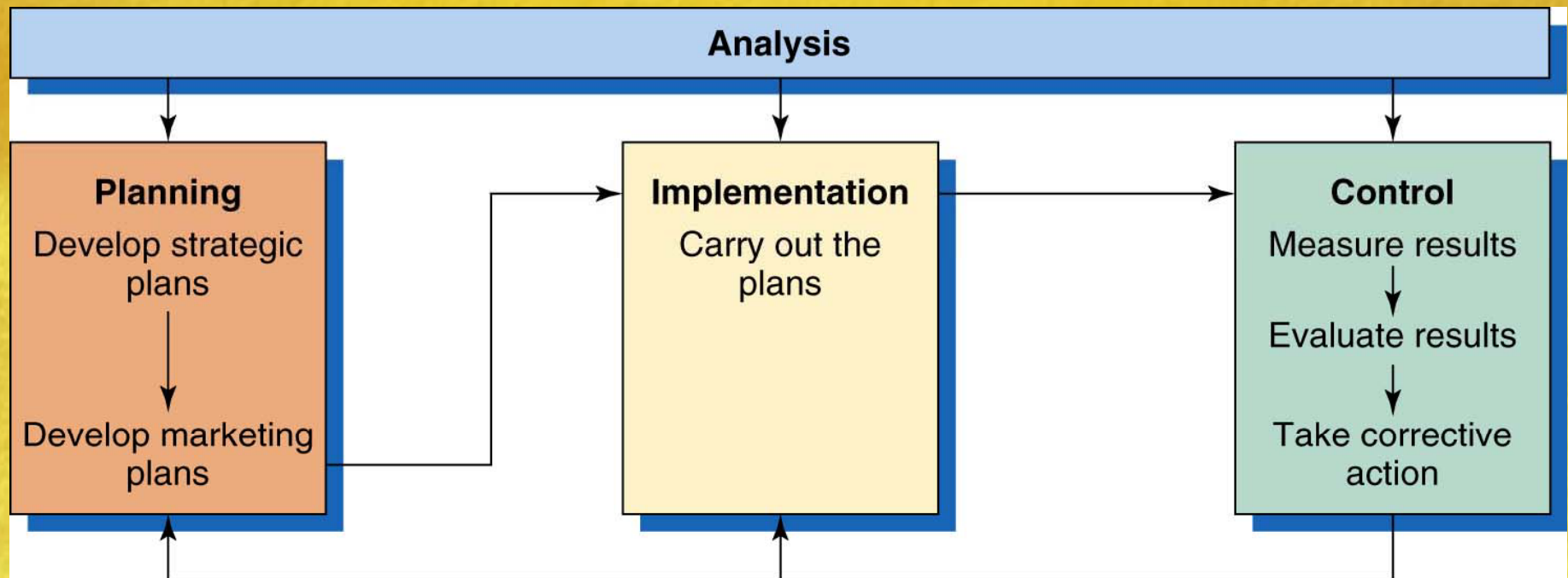
● 4 C's

- ⦿ Customer Solution
- ⦿ Customer Cost
- ⦿ Convenience
- ⦿ Communication

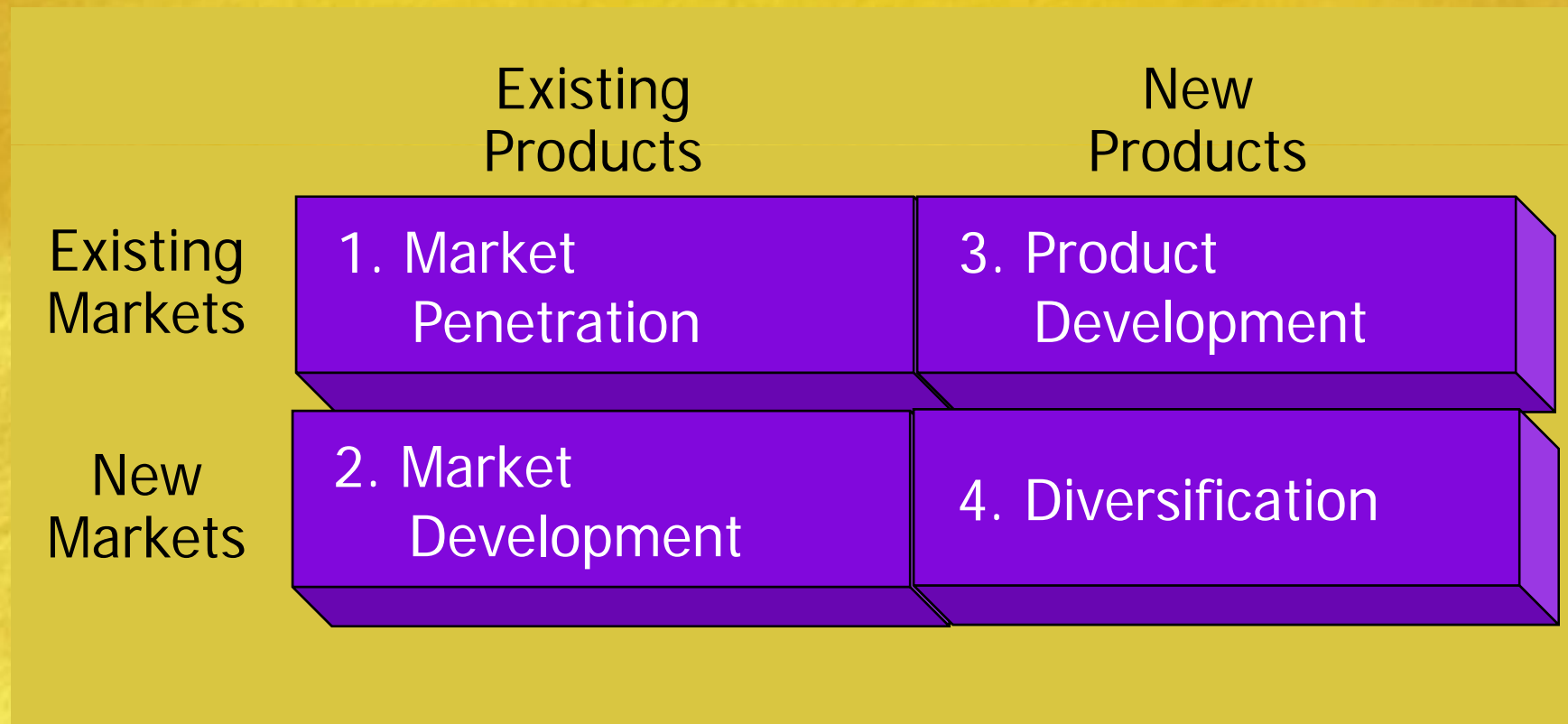
Sometimes there are some extra Ps

- People
- Physical Evidence
- Process

Managing the Marketing Effort



Product/Market Expansion Grid



Product/Market Expansion Grid Based on Starbucks

- Market Penetration: making more sales to current customers without changing its products.
 - ⊙ How? Add new stores in current market areas, improvements in advertising, prices, etc.
- Market Development: identify and develop new markets for its current products.
 - ⊙ How? Review new demographic (senior consumers) or geographic (Asian, European & Australian) markets.

Product/Market Expansion Grid Based on Starbucks

- Product Development: offering modified or new products to current markets.
 - ⊙ How? Increasing food offerings, sell coffee in supermarkets, extend to Frappuccino drinks.
- Diversification: start up or buy businesses outside current products and markets.
 - ⊙ How? Currently testing two new restaurant concepts – Cafe Starbucks and Circadia, or branded casual clothing.

Contents of a Marketing Plan

Executive Summary

Current Marketing Situation

Threats and Opportunity Analysis

Objectives

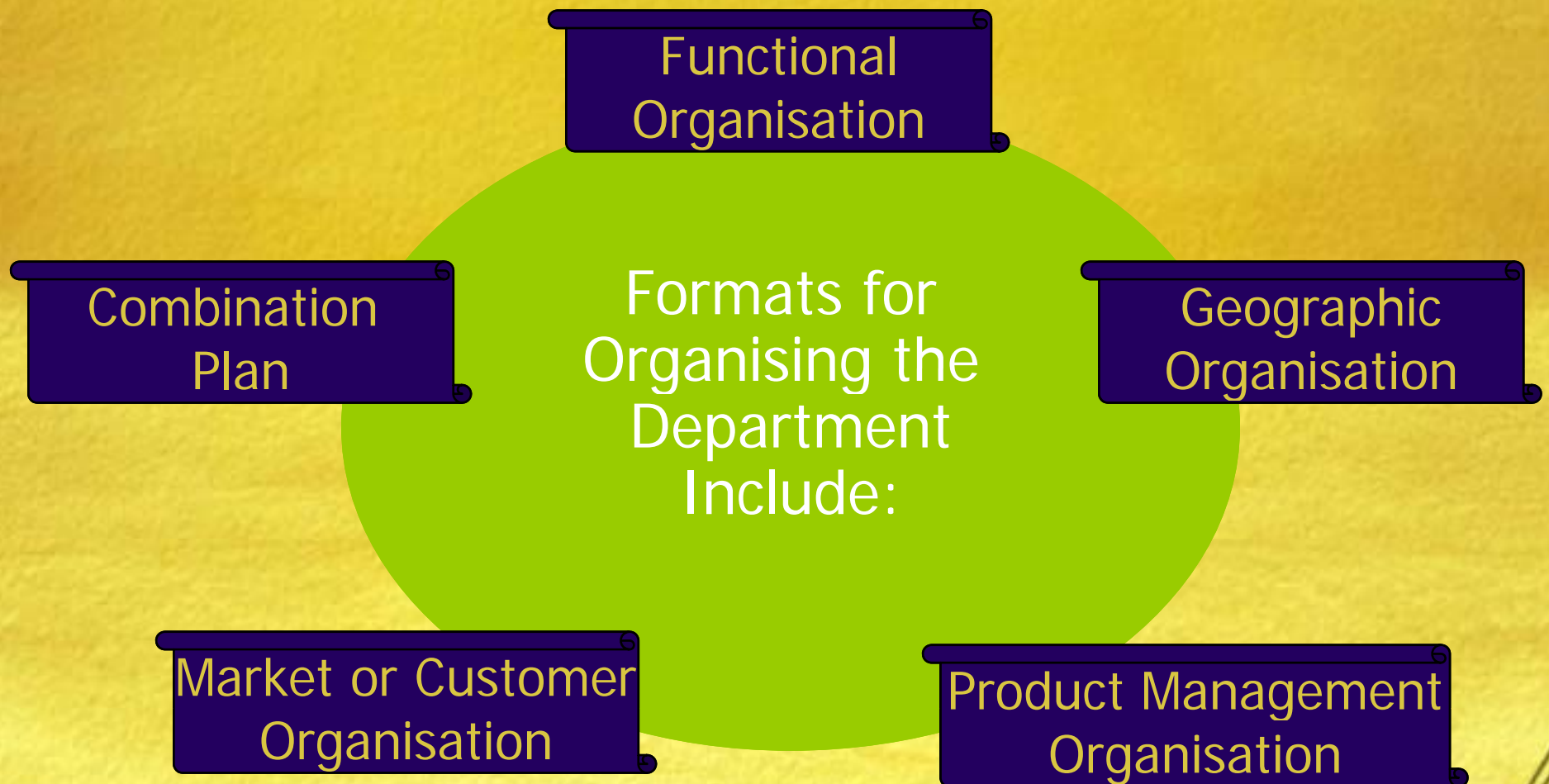
Marketing Strategy

Action Programs

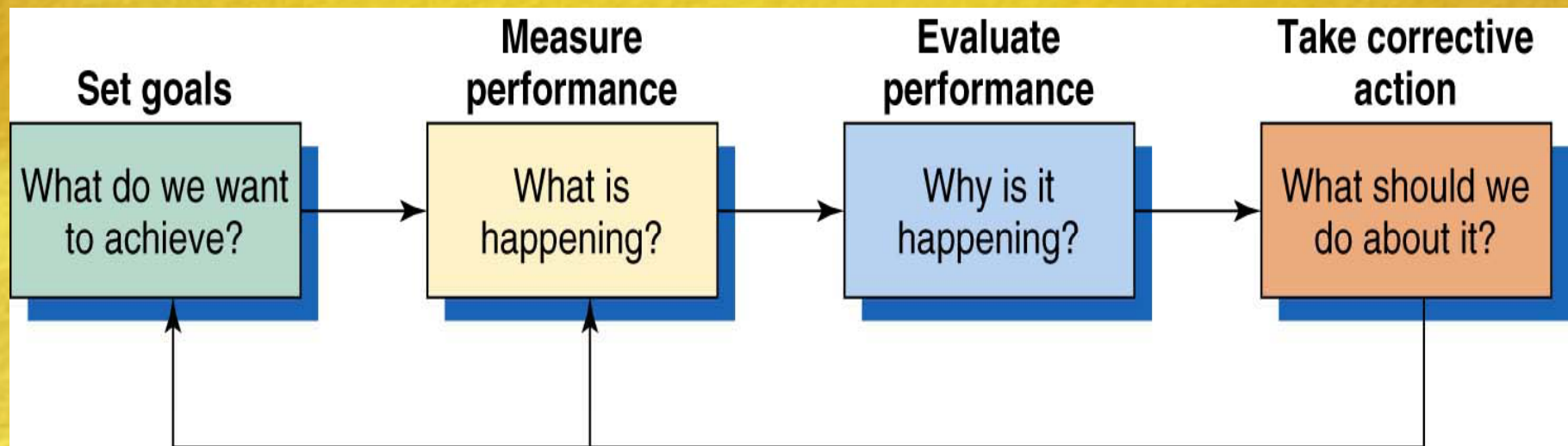
Budgets

Controls

Marketing Department Organisation



Marketing Control Process



Review of Concept Connections

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