



MONASH  
BUSINESS  
SCHOOL

# MKC1200 – Principles of Marketing

## Week 11

## Marketing Strategy

*Chapter 2 of the prescribed text*



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## Learning Objectives:

- Describe the strategic planning process and how it is affected by organisational resources and opportunities
- Understand the process of creating a marketing plan
- Describe the marketing implementation process and the major approaches to marketing implementation

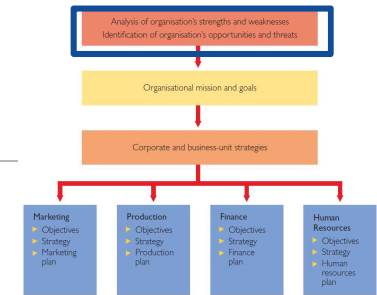
# The Strategic Planning Process

- The process of establishing an organisational mission and formulating goals, corporate strategy, marketing objectives, marketing strategy and a marketing plan

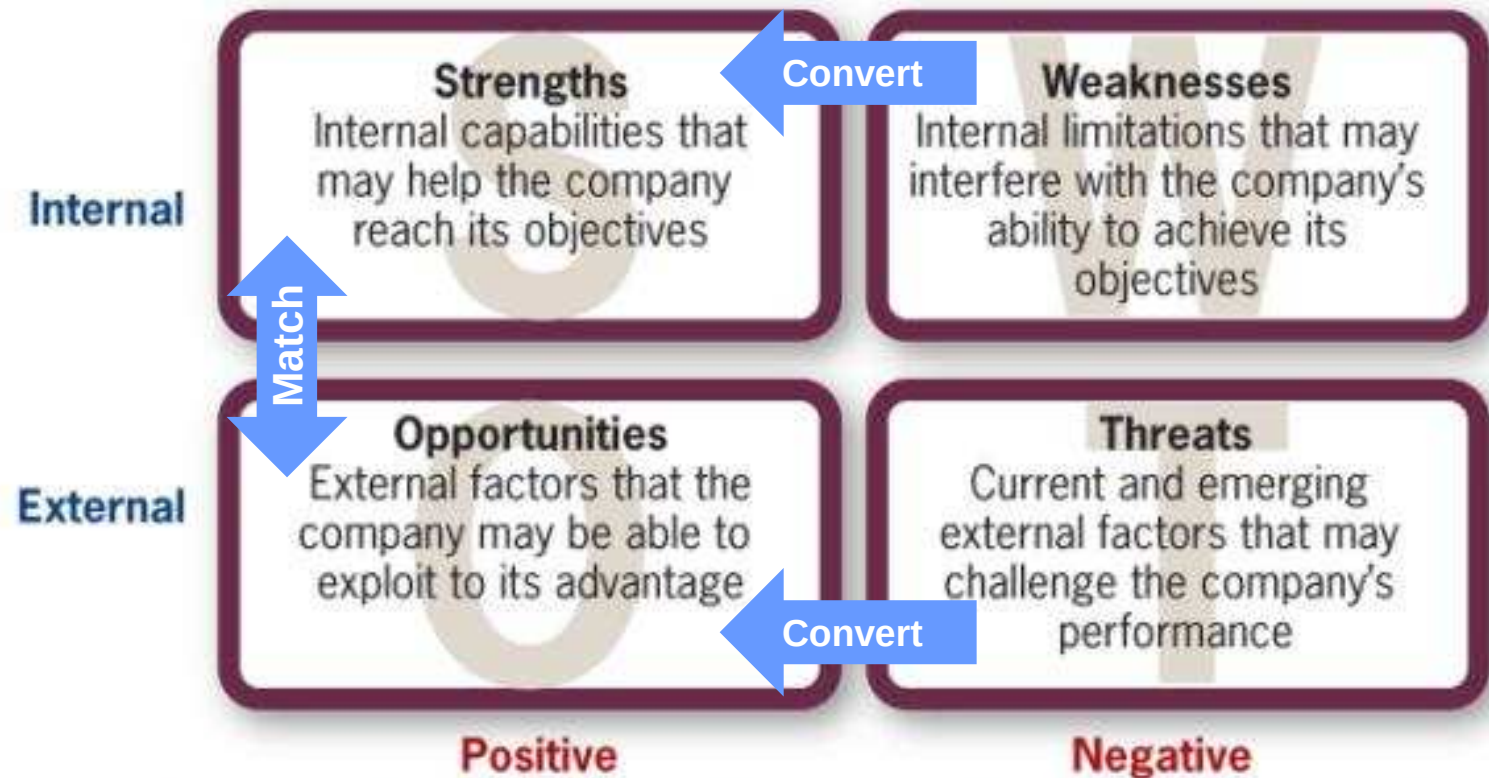


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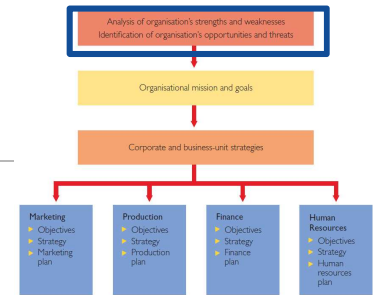
(Figure 2.1, Pride 2e, p. 53)



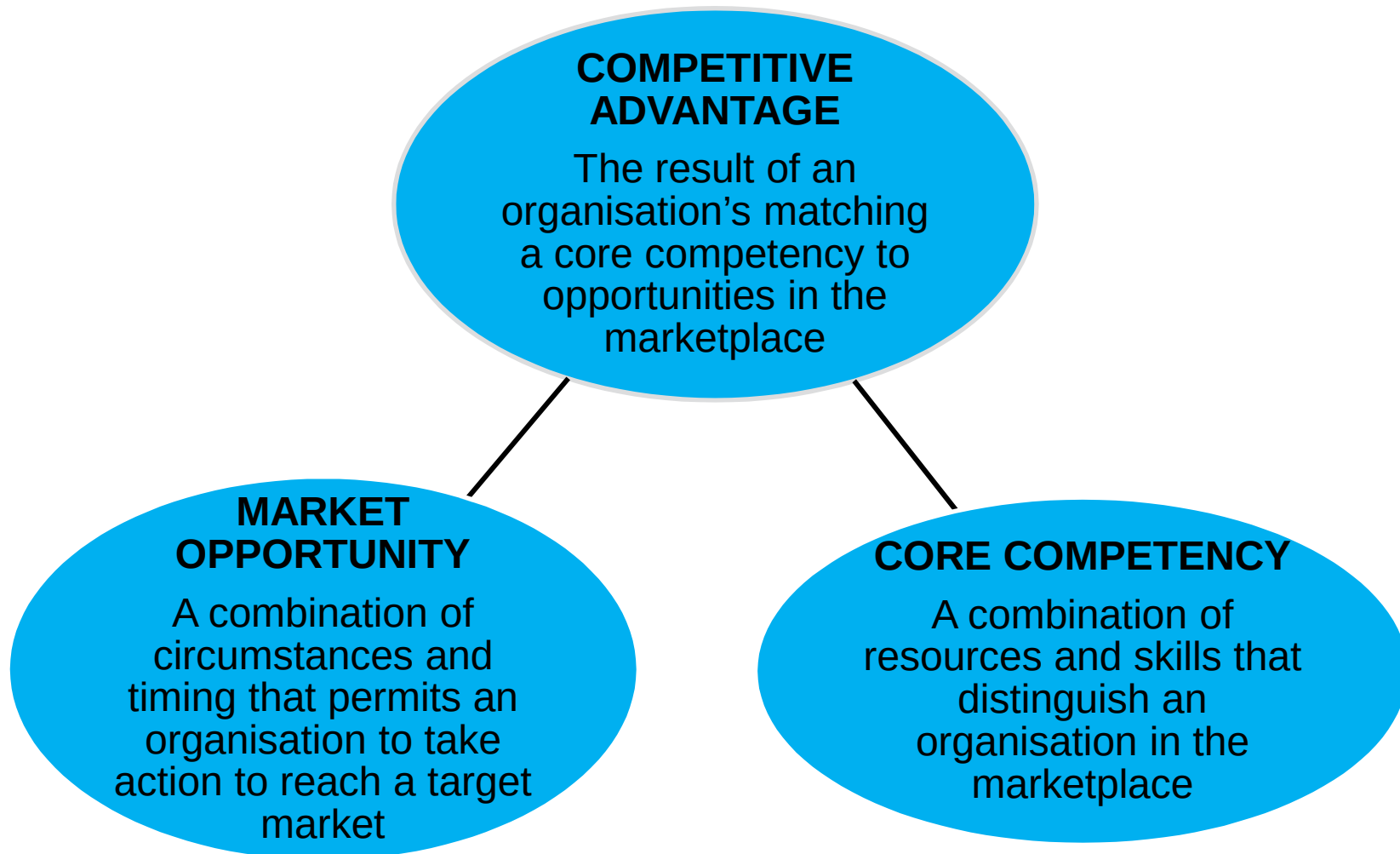
# SWOT Analysis



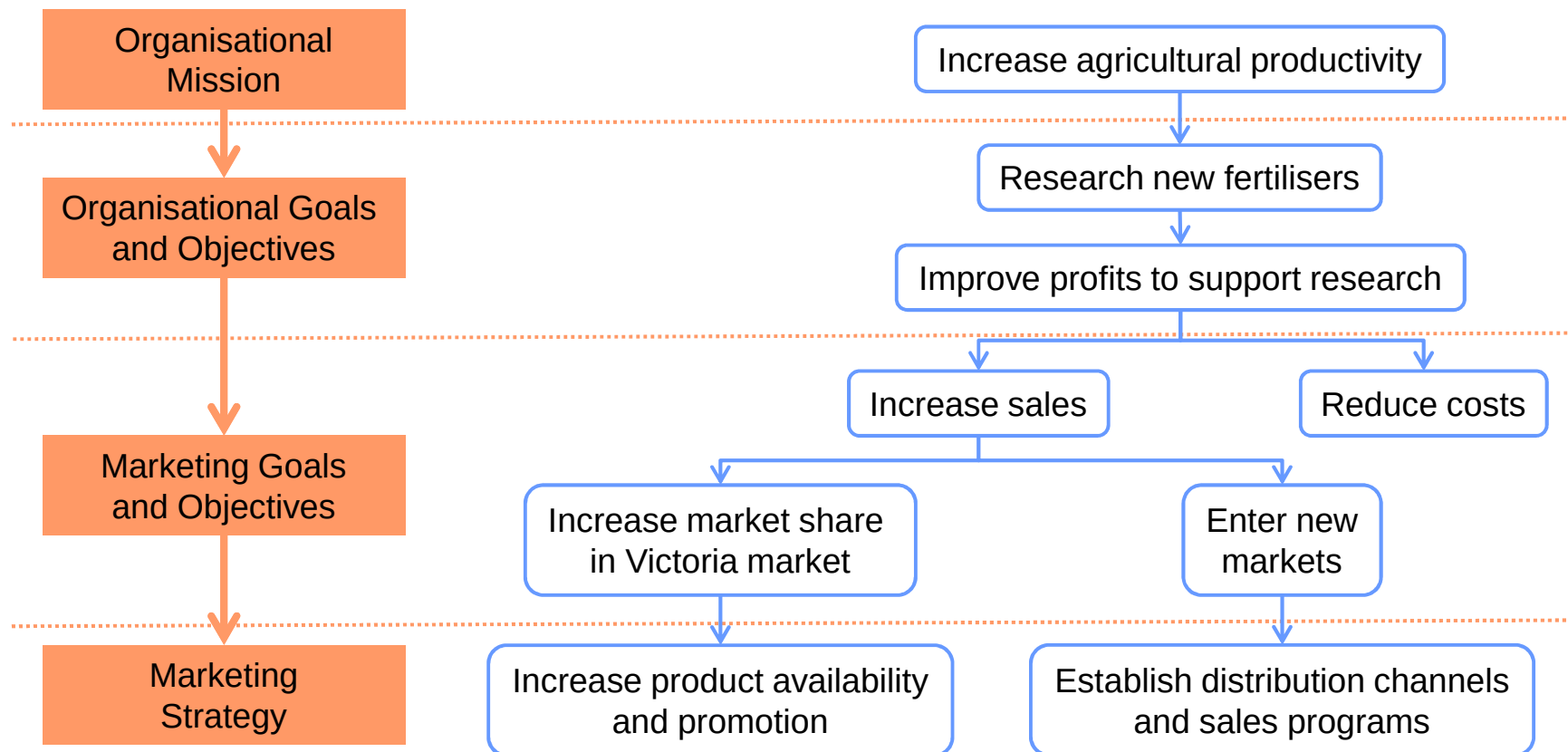
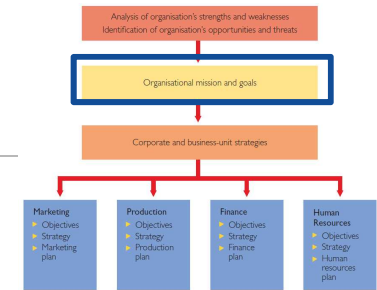
(Figure 3.10, Kotler et al., 2013, p. 78)



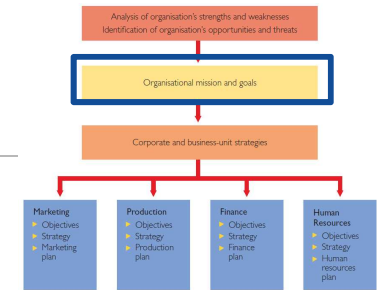
# Assessing Organisational Resources and Opportunities



# Establishing an Organisational Mission and Marketing Goals

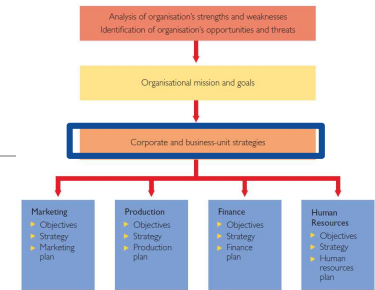


(Adapted from Figure 3.2, Kotler et al., 2013, p. 61)



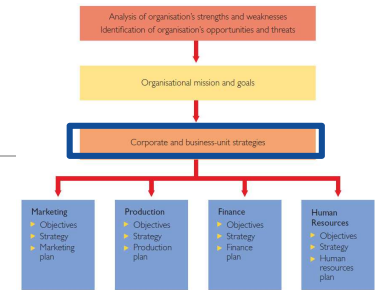
# Establishing an Organisational Mission and Marketing Goals

- **Mission statement** – A long-term view of what the organisation wants to become
  - Who are our customers?
  - What is our core competency?
- **Organisational goals** focus on the end results that the organisation seeks
- **Marketing goal** – A statement of what is to be accomplished through marketing activities
  - Should be stated in clear, simple terms
  - Should be accurately measurable
  - Should specify a time frame for accomplishment
  - Should be consistent with business-unit and corporate strategy

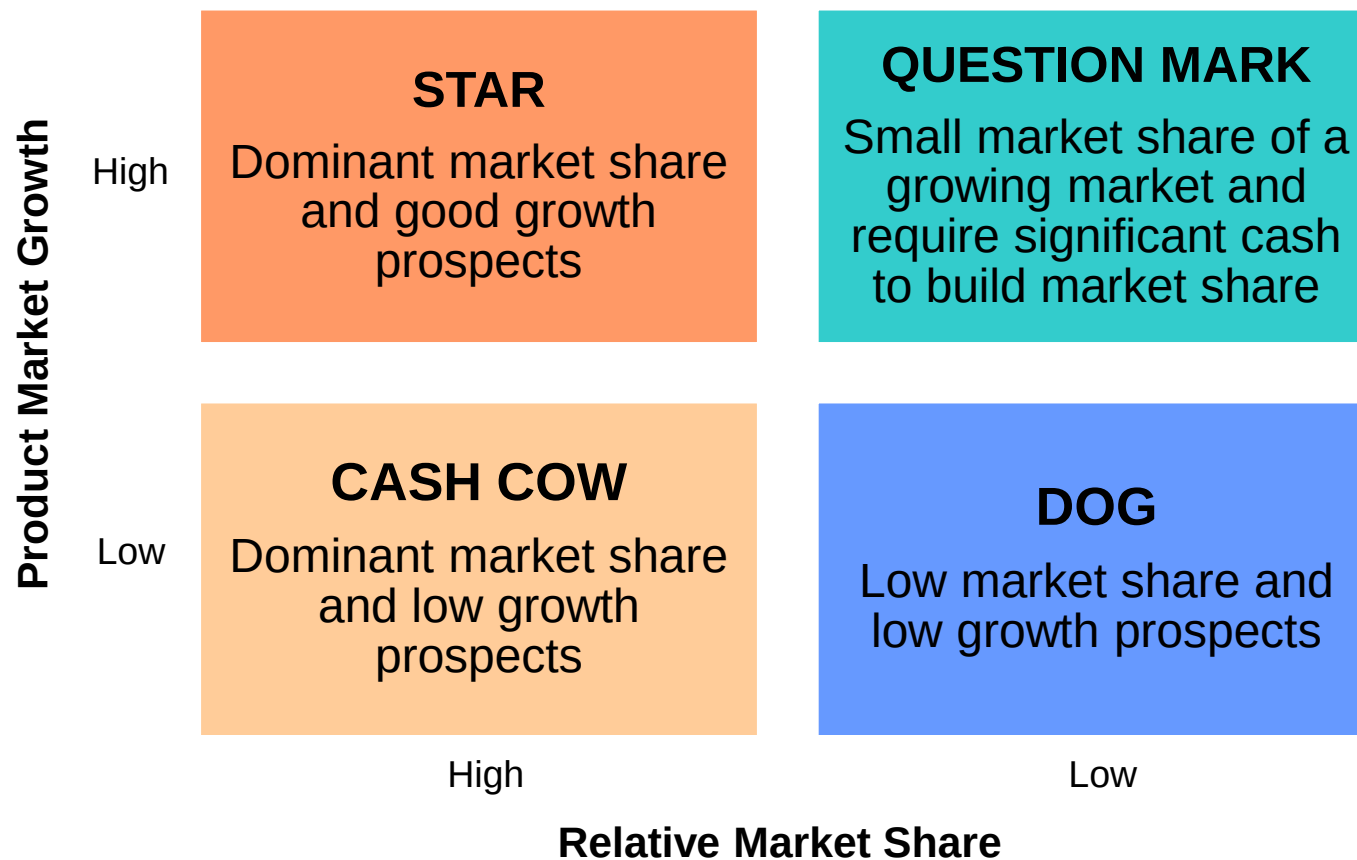


## Corporate and SBU Strategies

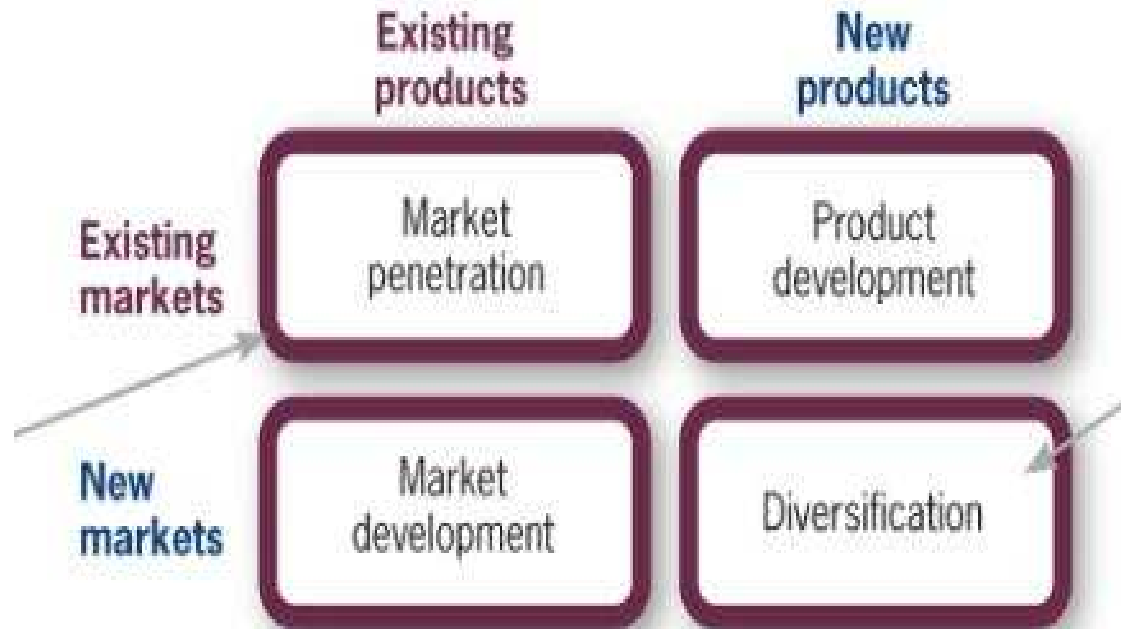
- **Corporate strategy** – A strategy that determines the means for utilising resources in the various functional areas to reach the organisation's goals
- Business unit strategy
  - **Strategic business unit (SBU)** – A division, product line, or other profit centre within a parent company
  - Using a **growth-share matrix (BCG matrix)**, a company can classify all its SBUs
  - The **product/market expansion grid (Ansoff's matrix)** is a framework for detecting intensive growth strategies for companies looking for new opportunities to increase sales and profits



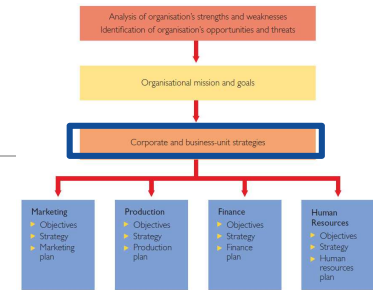
# Growth-Share Matrix (BCG Matrix)

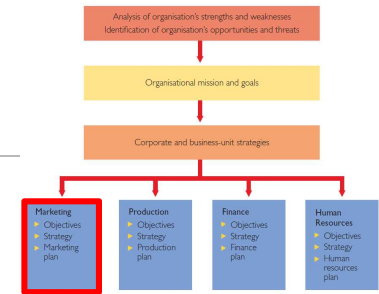


# Product/Market Expansion Grid (Ansoff's Matrix)



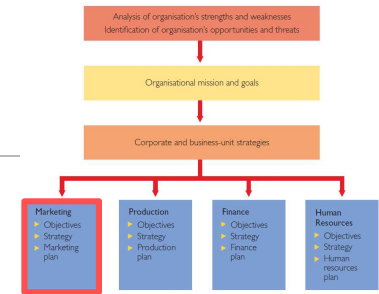
(Figure 3.5, Kotler et al., 2013, p. 68)





- **Marketing strategy** – A plan of action for identifying and analysing a target market and developing a marketing mix to meet the needs of that market
- Characteristics of effective marketing strategy
  - Reflects overall direction of organisation
  - Coordinated with firm's functional areas
  - Contributes to achievement of marketing objectives and organisational goals

# Marketing Strategy



## Marketing Strategy

### Target Market Selection

Selecting an appropriate target market may be the most important decision a company has to make

### Creating a Marketing Mix

All marketing mix decisions should be consistent with the business unit and corporate strategies

Consistency and flexibility are key attributes of good marketing-mix decisions

## Creating the Marketing Plan

- **Marketing planning** – The process of assessing opportunities and resources, determining objectives, defining strategies and establishing guidelines for implementation and control of the marketing program
- **Marketing plan** – A written document that specifies the activities to be performed to implement and control an organisation's marketing activities
  - A living document, adapted as needed to the changing business environment

# Components of the Marketing Plan

| Plan component           | Component summary                                                                            | Highlights                                                                                                                                         |                         |
|--------------------------|----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| Executive summary        | One- to two-stage synopsis of the entire marketing plan                                      |                                                                                                                                                    |                         |
| Environmental analysis   | Information about the company's current situation with respect to the marketing environment  | 1 Assessment of marketing environment factors<br>2 Assessment of target market(s)<br>3 Assessment of current market-ing objectives and performance | ← Week 2                |
| SWOT analysis            | Assessment of the organisation's strengths, weaknesses, opportunities and threats            | 1 Strengths<br>2 Weaknesses<br>3 Opportunities<br>4 Threats                                                                                        |                         |
| Marketing objectives     | Specification of the company's marketing objectives                                          | Qualitative measures of what is to be accomplished                                                                                                 |                         |
| Marketing strategies     | Outline of how the company will achieve its objectives                                       | 1 Target market(s)<br>2 Marketing mix                                                                                                              | ← Week 5<br>← Week 6-10 |
| Marketing implementation | Outline of how the company will implement its marketing strategies                           | 1 Marketing organisation<br>2 Activities and responsibilities<br>3 Implementation timetable                                                        |                         |
| Evaluation and control   | Explanation of how the company will measure and evaluate the results of the implemented plan | 1 Performance standards<br>2 Financial controls<br>3 Monitoring procedures (audits)                                                                |                         |

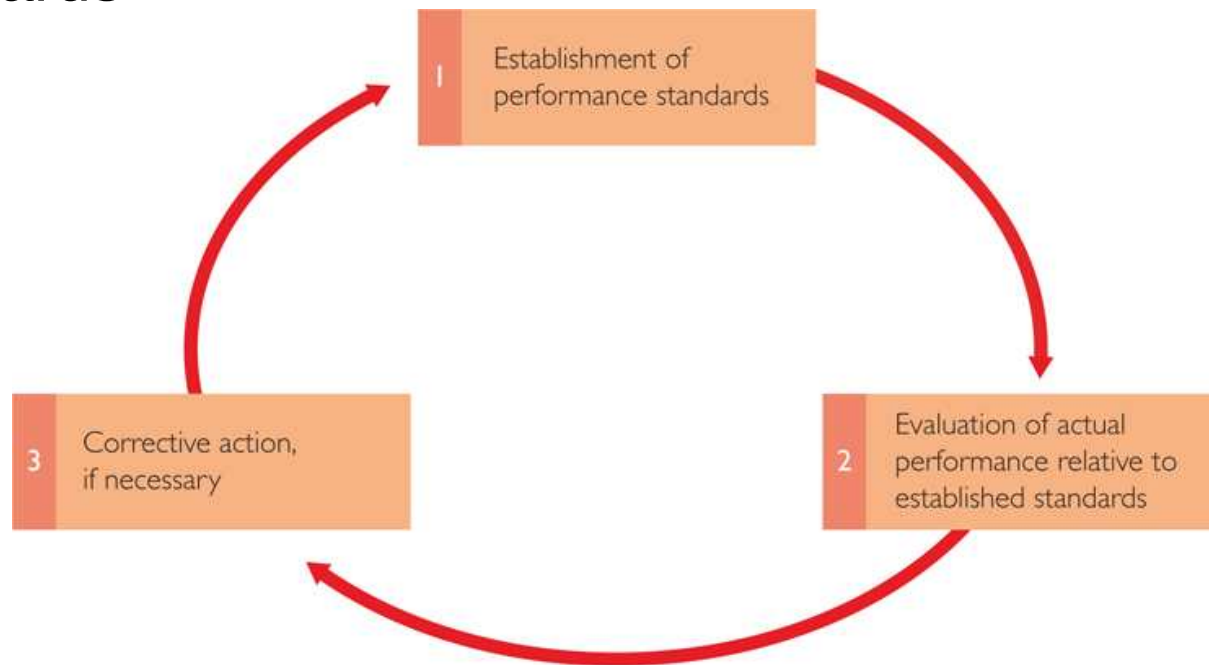
(Table 2.2, Pride 2e, p. 65)

# Marketing Implementation

- **Marketing implementation** – The process of executing marketing strategies
- One approach to marketing implementation is **internal marketing** – coordinating internal exchanges between the company and its employees to achieve successful external exchanges between the company and its customers
- How effectively a company's marketing management can implement marketing strategies also depends on how the marketing unit is organised
  - Centralised vs. decentralised organisation
  - Marketing unit can be organised according to 1) functions, 2) products, 3) regions or 4) types of customers

## Controlling Marketing Activities

- **Marketing control process** – Establishing performance standards and trying to match actual performance to those standards



(Figure 2.5, Pride 2e, p. 71)



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## Summary:

- Marketers should understand the strategic planning process and how it is affected by organisational resources and opportunities
- Marketers need to be familiar with strategic planning tools, such as SWOT analysis, BCG matrix, Ansoff's matrix
- The outcome of marketing planning is the development of a marketing plan, which outlines all activities necessary to implement marketing strategies
- Marketing implementation is the process of executing marketing strategies