MR1100 Marketing I - PT (CL) - Unit 2.  Strategic Marketing Process -    Learning Objectives

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|  | **Unit 2: Strategic Marketing Process** | |
|  | **Learning Objectives:** |  |
|  | Upon completion of this unit the learner should be able to:   1. Review the strategic management process 2. Discuss the importance of planning 3. Review product/market expansion strategies |  |
|  | **Overview of this Unit** |  |
|  | This unit looks at how organizations define their business, set goals and plan marketing strategies to achieve those goals. |  |

MR1100 Marketing I - PT (CL) - Unit 2.  Strategic Marketing Process -    Unit/Chapter 2 Summary Video \*New\* (please view this video)

ocess -    Strategy

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| **Strategy** |
| Strategy involves the planning and the execution of the planning.  Strategic planning is a process that plans for the long term.  Strategic planning can take place at two levels:   |  |  | | --- | --- | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/Bullet12.gif | ***Corporate Level*** - strategic corporate planning | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/Bullet12.gif | ***Product level*** - strategic marketing; also known as *business unit level*; *functional level* refers to specialized activities such as finance, research and development, etc.  Marketing tends to happen at the functional level where strategies from corporate level are implemented. | |

MR1100 Marketing I - PT (CL) - Unit 2.  Strategic Marketing Process -    Strategic Corporate Planning

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| **Strategic *Corporate* Planning** |
| Steps are taken at the Corporate or top level to develop long-run approaches to corporate survival and growth.   |  |  | | --- | --- | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/Bullet12.gif | Define the corporate ***Mission*** -What it is we do, to whom do we do it to, how we do it, and why we do it. | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/Bullet12.gif | Set specific and measurable ***Goals & Objectives***, or targets to be met by my organization.  These objectives may include such things as:   * Survival * Profit * Sales Revenue * Market share * Social responsibility * Shareholder value * Customer value * Employee welfare * Quality * Unit sales |   **Setting Strategic Directions - Assessing the Organization**  ***Where are we now?***   * Who are our **customers?** * What do we do well? (**Competencies**) * What do we do better than anybody else? (**Competitive Advantage**) * Who are our **Competitors**?   ***Where do we want to go?***  [***The Boston Consulting Group's Growth Share Matrix***](http://www.valuebasedmanagement.net/methods_bcgmatrix.html)- A graphical approach to resource allocation within a multi-segmented corporation. The growth-share matrix analyzes different divisions within a corporation and compares their growth rates and market shares with those of competitors.  https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/bcg_matrix.gif   |  |  | | --- | --- | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/cow.gif | ***Cash Cows*** are strategic business units (SBU) that generate large amounts of cash, they have a large share of a slow-growth market and provide cash to invest in other areas. | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/star.gif | ***Stars*** have a high share of a high growth market but don't always provide enough cash to support their own growth. They often turn into cash cows. | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/question.gif | ***Question Marks*** are often problem products that require a large infusion of cash just to maintain their market share. | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/dog.gif | ***Dogs*** are SBUs that have a low share in a low growth market.  They may generate enough cash to keep going but they will probably never become winners.  Generally accepted principle is to drop SBUs in this quadrant. |   ***Market-Product Analysis***  [***Ansoff's Product-Market Grid***](http://www.12manage.com/methods_productmarketgrid.html) is a model that has been used to determine business growth opportunities.  https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/market_analysis.gif  **Seize Organizational Opportunities**  Key opportunities exist in fields where the organization is better than competitors - so called *Distinctive Competencies.*  The organization should attempt to seize opportunities in areas that not only is it better than competitors, but in areas where they will/can retain their advantage - so called *Sustainable Competitive Advantages.* |

MR1100 Marketing I - PT (CL) - Unit 2.  Strategic Marketing Process -    Strategic Marketing

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| **Strategic Marketing** |
| ***Strategic Marketing*** is a process directed at the product and market levels so as to allocate resources to viable marketing opportunities.  It includes Planning, Implementation and Control.  This process yields a ***Marketing Plan***.  **Key Questions to Ask**  At the Strategic Marketing level, pose these questions:   * Where are we now? * Where do we want to go? * How do we allocate resources to get to where we want to go? * How do we convert our plans into actions? * How do our results compare with our plans, and do deviations require new plans of action? |

MR1100 Marketing I - PT (CL) - Unit 2.  Strategic Marketing Process -    The Strategic Marketing Process

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| **The Strategic Marketing Process** |
| https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/strategic_marketing.gif |

MR1100 Marketing I - PT (CL) - Unit 2.  Strategic Marketing Process -    Strategic Marketing Process: The Planning Phase - Step 1

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| **Strategic Marketing Process: The Planning Phase - Step 1** |
| https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/step1.jpg  ***Situational Analysis and SWOT (Strengths, Weaknesses, Opportunities & Threats)***  A *situational analysis* asks: *What is the current situation with the market or product?* There are many internal and external sources from which to draw this information.  The SWOT analysis is a key tool to determining the answer to: *What is the current situation with the market or the product?* It is a key planning tool used to detect key opportunities.  SWOT is the analysis of key:   |  |  | | --- | --- | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/bullet.gif | ***Internal Strengths*** - things that are within the organization's control | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/bullet.gif | ***Internal Weaknesses*** - things that are within the organization's control | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/bullet.gif | ***External Opportunities*** - things that can be acted upon | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/bullet.gif | ***External Threats*** - things to be watched |   From the SWOT process, plans can be made to build on/improve strengths, detect and fix weaknesses, seize opportunities and be aware of potential threats. https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/swot.gif  https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/swot_tows.gif  ***S-O Strategies*** - look for opportunities that are a good fit with the organization's strengths  ***W-O Strategies*** - overcome weaknesses to pursue opportunities  ***S-T Strategies*** - identify ways for the organization to overcome threats so it can pursue opportunities  ***W-T Strategies*** - find ways to identify weaknesses so that it can defend itself against external threats |

MR1100 Marketing I - PT (CL) - Unit 2.  Strategic Marketing Process -    Strategic Marketing Process: The Planning Phase - Step 2

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| **Strategic Marketing Process: The Planning Phase - Step 2** |
| https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/step2.jpg  ***Market-Product Focus and Goal Setting***  Organizations must find a focus for their product offerings.  This focus is found using ***market segmentation*** which involves putting buyers into groups or segments that have common needs and will respond in a similar way to marketing programs. Organizations use *market segmentation* to focus their marketing programs to better satisfy their customers.  Segmenting the market can satisfy any one of the following organization goals:   * reduce expenses * improve cash flow * improve productivity * improve service delivery * improve competitive/market position   Activities may include:   |  |  | | --- | --- | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/pin.gif | Set marketing and product goals | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/pin.gif | Select target markets | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/pin.gif | Find ***points of difference*** - characteristics of a product that make it superior to competitors' products | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/pin.gif | Position the product | |

MR1100 Marketing I - PT (CL) - Unit 2.  Strategic Marketing Process -    Strategic Marketing Process: The Planning Phase - Step 3

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| **Strategic Marketing Process: The Planning Phase - Step 3** |
| https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/step3.jpg  ***Marketing Program***  This step in the Strategic Marketing Process - Planning Phase looks at developing the program's marketing mix and its budget.  This is done once Step 2 is completed - finding the target market.  Each component of the marketing mix, the 4 P's, are combined to provide the organization with a comprehensive, cohesive marketing program.  https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/marketing_mix.gif  Courtesy: McGraw-Hill Ryerson |

MR1100 Marketing I - PT (CL) - Unit 2.  Strategic Marketing Process -    Strategic Marketing Process - The Marketing Plan

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| **Strategic Marketing Process - The Marketing Plan** |
| The end result of the Planning Phase is the ***Marketing Plan*** which is a comprehensive plan for marketing activities for a product or a company for a specified period of time such as one year or 5 years.  Key steps in the Marketing Plan:   |  |  | | --- | --- | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/1.gif | ***Situational Analysis*** - see previous notes | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/2.gif | ***SWOT Analysis*** - see previous notes | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/3.gif | ***Set Marketing Objectives***   * Marketing objectives must be clear, attainable and measurable targets * Key objectives center around Sales, Market Share and Customer Satisfaction | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/4.gif | ***Develop a Strategy to Achieve the Marketing Objectives***   * Key strategies center around reducing cost or increasing revenues. Typical Marketing Strategies in order to increase revenues   + *Product Development* - develop a new product for an existing market   + *Market Development* - enter a new market with an existing product   + *Market Penetration* - sell more of a current product to your existing market   + *Diversification* - sell a new product to a new market | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/5.gif | ***Adjust the Marketing Mix to Suit the Strategy***   * Determine the best product, the best price, the best promotion, and the best distribution methods to meet the objectives | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/6.gif | ***Set the Budget***   * Plan for the costs of implementing the strategy | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/7.gif | ***Hire the right people for the job and assign their roles*** - see *The Implementation Phase* | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/8.gif | ***Control the Strategy Implementation and Evaluate the Strategies Effectiveness in Achieving the Set Objectives*** - see *The Control Phase*   * Sometimes, especially if the time from situational analysis to planning to implementation is long there will be a gap created into what is sold versus what could have been sold if the required changes (implementation) could have been made sooner.  This situation is known as the ***Planning Gap*** | |

MR1100 Marketing I - PT (CL) - Unit 2.  Strategic Marketing Process -    Strategic Marketing Process - Implementation Phase

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| **Strategic Marketing Process - Implementation Phase** |
| The *Implementation Phase* of the Strategic Marketing Process involves four components:   |  |  | | --- | --- | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/1.gif | ***Obtaining Resources*** - finding the financial resources to implement the plan | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/2.gif | ***Designing the Marketing Organization*** - this involves having an organization that would include product managers or marketing managers to implement the plan. | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/3.gif | ***Developing Schedules*** - a marketing plan should be implemented according to a plan.  It should be laid out by days, weeks, months or even years. | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/4.gif | ***Executing the Marketing Plan*** - effective execution requires attention to detail for both marketing strategies and marketing tactics.  A *marketing strategy* means that a marketing goal will be achieved using the marketing plan.  *Marketing tactics* involves the day-to-day decisions needed to implement the plan. | |

MR1100 Marketing I - PT (CL) - Unit 2.  Strategic Marketing Process -    Strategic Marketing Process - Control Phase

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| **Strategic Marketing Process - Control Phase** |
| The control phase of the strategic marketing process will attempt to keep the marketing program moving in the direction set out in the marketing plan.  The *Control Phase* will seek to keep the plan on track by:   |  |  | | --- | --- | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/n_1.jpg | ***Comparing Results with Plans to Identify Deviations*** - this stage involves comparing the actual results of the marketing campaign, through its sales, to see if the marketing plan is working.  Sales are compared to before and after the campaign. | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/n_2.jpg | ***Acting on the Deviations*** - once the evaluation is complete, if the actual performance is less than expected, changes can be made to the marketing plan to increase sales.  This process can be repeated many times. | |

MR1100 Marketing I - PT (CL) - Unit 2.  Strategic Marketing Process -    Unit 2 Study Questions

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| **Unit 2 Study Questions** |
| **MARKETING CONCEPTS AND PERSPECTIVES**   1. (a)  Explain what a vision statement is.  (b)  Using Coca-Cola as an example from the chapter, explain how it gives a strategic direction to its organization.  (c)  Create a vision statement for your own career.  [***Answer***](https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/unit2/unit2_answers/unit2_ch2q1_answers.html) 2. (a)  How might top management try to change the 'corporate culture' of its organization?  (b)  What has George Fisher done at Kodak to change its corporate culture?  [***Answer***](https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/unit2/unit2_answers/unit2_ch2q2_answers.html) 3. Write a comparable, plausible mission statement for its two other major groups:  (a) your college or university's business school and (b)  Air Canada.  [***Answer***](https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/unit2/unit2_answers/unit2_ch2q3_answers.html) 4. Why does a product often start as a question mark and then move counterclockwise around BCG's growth-share matrix?  [***Answer***](https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/unit2/unit2_answers/unit2_ch2q4_answers.html) 5. What organizational or business unit competencies best describe  (a)  your college or university,  (b)  your favourite restaurant, and  (c)  the company that manufactures the computer you own or use most often.  [***Answer***](https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/unit2/unit2_answers/unit2_ch2q5_answers.html) 6. What is the main result of each of the three phases of the strategic marketing process?  (a)  planning,  (b)  implementation, and  (c)  control?  [**Answer**](https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/unit2/unit2_answers/unit2_ch2q6_answers.html) 7. Select one strength, one weakness, one opportunity, and one threat from the SWOT analysis for Rollerblade, Inc. shown in Figure 2-6, and suggest a specific possible action that might result.  [***Answer***](https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/unit2/unit2_answers/unit2_ch2q7_answers.html) 8. Many Canadian liberal arts colleges traditionally have offered an undergraduate degree in liberal arts (the product) to full-time 18 to 22-year-old students (the market).  How might such a college use the four market-product expansion strategies to compete in 2000 and beyond?  [**Answer**](https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/unit2/unit2_answers/unit2_ch2q8_answers.html) 9. The goal-setting step in the planning phase of the strategic marketing process sets quantified objectives for use in the control phase.  What actions are suggested for a marketing manager if measured results are below objectives?  Above objectives?  [**Answer**](https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/unit2/unit2_answers/unit2_ch2q9_answers.html) |

MR1100 Marketing I - PT (CL) - Unit 2.  Strategic Marketing Process -    Unit 2 Text book Quiz

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| **Unit 2 Text Book Quizzes** |
| |  |  | | --- | --- | |  | Try these Quizzes to test your knowledge of Unit 2 - Chapter 2 of the Book  McGraw-Hill Site  [Unit 2 Quiz 1 Link](http://highered.mcgraw-hill.com/sites/0070898332/student_view0/chapter2/multiple_choice_quiz.html)  [Unit 2 Quiz 2 Link](http://highered.mcgraw-hill.com/sites/0070898332/student_view0/chapter2/multiple_choice_quiz_2.html)  [Unit 2 Quiz 3 Link](http://highered.mcgraw-hill.com/sites/0070898332/student_view0/chapter2/multiple_choice_quiz_3.html) | |

MR1100 Marketing I - PT (CL) - Unit 2.  Strategic Marketing Process -    Unit 2 Concept Check and Internet Exercises

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| **Unit 2 Concept Check and Internet Exercises** |
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MR1100 Marketing I - PT (CL) - Unit 2.  Strategic Marketing Process -    Unit 2 Video Case

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| **Unit 2 Video Case** |
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