

CHAPTER 2: DEVELOPING MARKETING STRATEGIES AND PLANS

Value Chain - Value chain is a tool for identifying ways to create more customer values. It includes set of activities that a firm performs in order to deliver a valuable product to the market.

- Primary value chain activities

- 1) Inbound logistics
- 2) Operations
- 3) Outbound logistics
- 4) Marketing
- 5) Service

- Support activities

- 1) Procurements
- 2) Technological development
- 3) HRM
- 4) Firm infrastructure

Core Competency

- Introduced by KC Prahalad and Gary Hamel
- Core competencies fulfil three criteria
 - 1) Provides potential access to a wide variety of market
 - 2) Should make a significant contribution to perceived consumer benefits
 - 3) Difficult to be imitated

Eg- can be certain products, set of skills, production techniques, etc

Marketing plan is the central instrument for directing and coordinating the marketing effort

- Strategic
 - Target marketing decisions
 - Value proposition
 - Analysis of marketing opportunities
- Tactical
 - Product features
 - Promotion
 - Merchandising
 - Pricing
 - Sales channels
 - Service

Plans undertaken by corporate headquarters

1) Defining the corporate mission

2) Establishing strategic business units (SBU)

An SBU has three characteristics:

- It's a single business or a collection of related business, that can be planned separately from rest of the company
- It has it's own set of competitors
- It has a leader responsible for strategic planning and responsibility

3) Assigning resources to each SBU

4) Assessing growth opportunities

Accessing growth opportunities

- Here it's about planning to enter in new businesses, downsizing and terminating older business.

1) Intensive growth strategies

To improve the existing businesses

- Market penetration strategy
- Market development strategy
- Product development strategy

2) Integrative growth

- a) Forward integration
- b) Backward integration
- c) Horizontal integration

3) Diversification growth

- a) Concentric diversification
- b) Horizontal diversification
- c) Unrelated/Conglomerate diversification

4) Downsizing and divesting older businesses

Business unit strategic planning process



2) SWOT ANALYSIS



3) GOAL FORMULATION

- Goals are objectives that are specific with respect to magnitude and time
- Goal formulation and MBO
- Four criterias to be met for an MBO system to work
 - They must be arranged hierarchically, from most to least important
 - Objectives should be quantitative from most to least important
 - Goals should be realistic
 - Objectives must be consistent

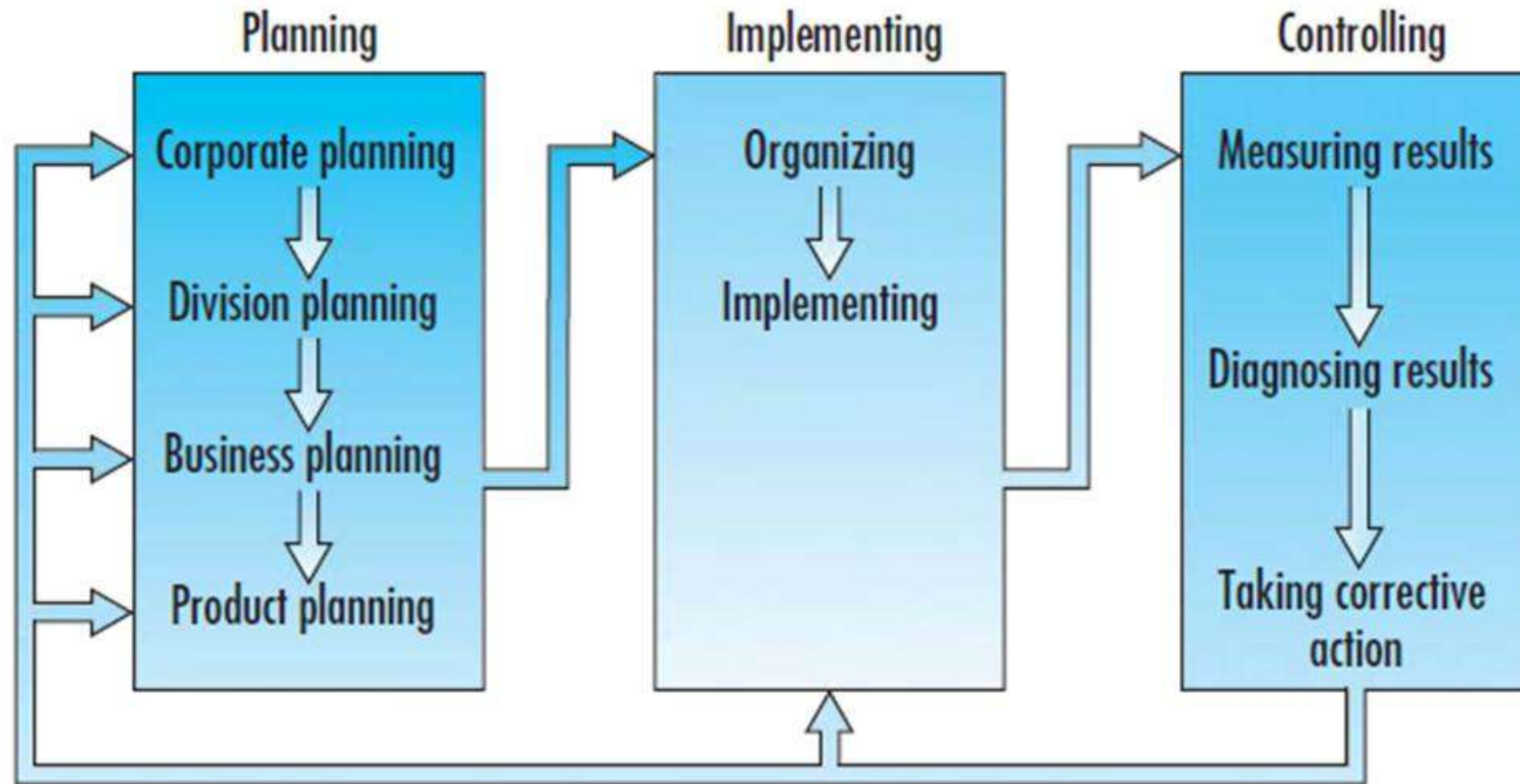
4) Strategy formulation

- Strategy is a game plan for achieving the goals which can contribute towards the achievement of those mission.
- a) Porter's Generic Strategies
 - Cost leadership strategy
 - Differentiation strategy
 - Focus strategy
- b) Strategic alliances
 - Product or service alliances
 - Promotional alliances
 - Logistic alliances
 - Pricing collaborations

5) Program formulation

6) Implementation

7) Feedback and control



MARKETING PLAN

- A marketing plan is a written document that summarizes what marketer has learned about the market and indicates how firms plans to reach its marketing objectives. It contains tactical guidelines for the marketing programs and financial allocations over the planning period.
- Contents of a marketing plan
 - Executive summary and table of contents
 - Situation analysis
 - Marketing strategy
 - Financial projections
 - Implementation controls

THANK YOU