

MG1002 MARKETING MANAGEMENT | Spring 2025
PART - I:
Understanding Marketing Management

COMPANY ORIENTATIONS...
THE NEW MARKETING REALITIES
MARKETING & CUSTOMER VALUE
CORPORATE & BUSINESS PLANNING

CHAPTER 2

Marketing & Customer Value

The Central Role of Strategic Planning

□ Levels in Strategic Planning [Typical]

- **Corporate** Level
- **Division** Level
- **Business Unit** Level
- **Product** Level

Marketing Plan

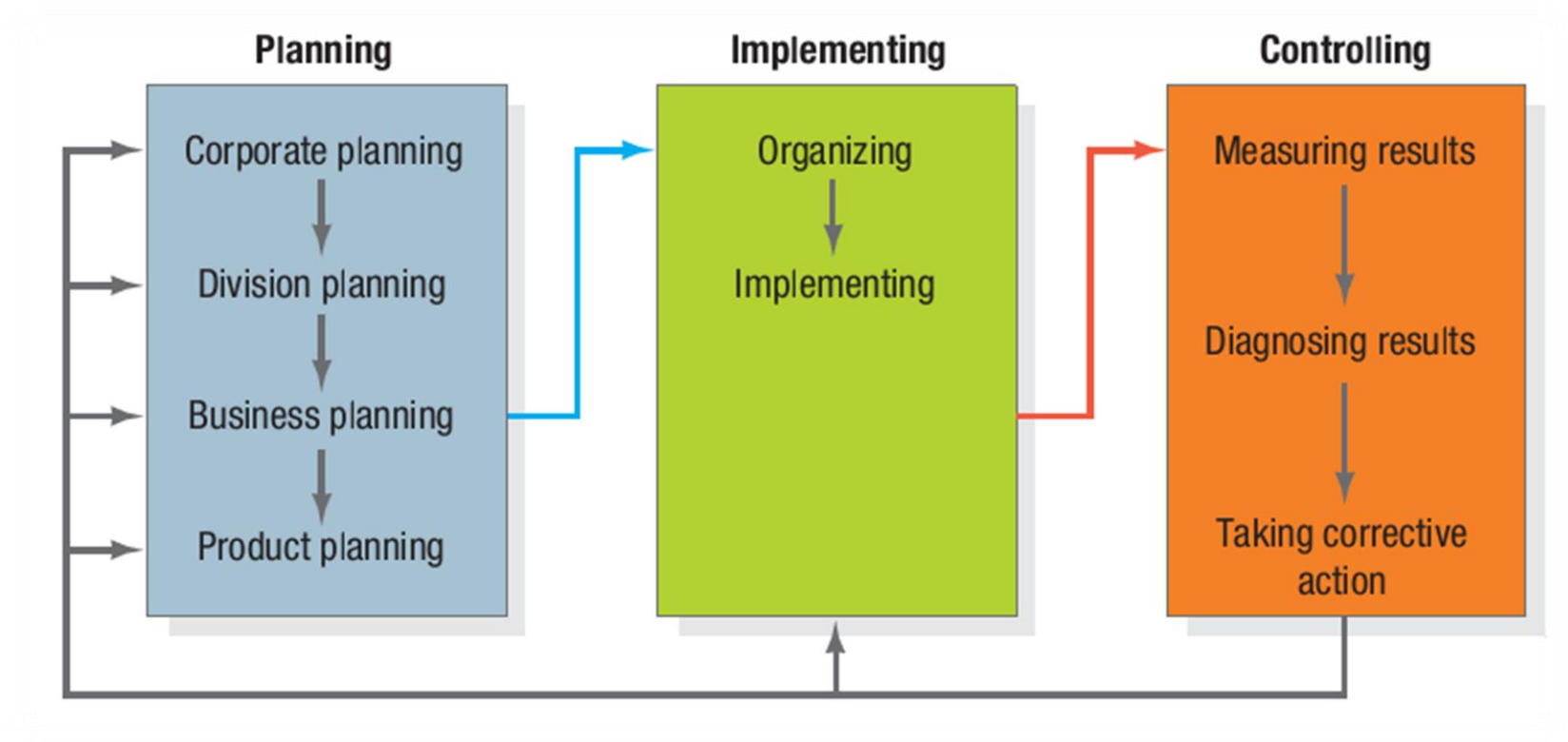
is central instrument for directing and coordinating marketing effort

Strategic Marketing Plan lays out target markets & value proposition

Tactical Marketing Plan lays out specifics of marketing activities

Marketing & Customer Value

The Central Role of Strategic Planning



Corporate & Division Strategic Planning

Different **Planning** Activities

- Four Planning Activities
(at Corporate & Division level)
 - 1. Defining the Corporate Mission
 - 2. Establishing Strategic Business Units
 - 3. Assigning Resources to each SBU
 - 4. Assessing Growth Opportunities

Corporate & Division Strategic Planning

1. Defining the Corporate Mission

- Peter Drucker's classic questions for identifying the corporate mission
 - ▣ What is our business?
 - ▣ Who is the customer?
 - ▣ What is of value to our customer?
 - ▣ What will our business be?
 - ▣ What should our business be?

Corporate & Division Strategic Planning

1. Defining the Corporate Mission

□ Mission Statements

- Focus on **LIMITED** goals
- Stress company's major policies & values
- Define the major competitive spheres:
 - Industry (in which company operates)
 - Products & Applications
 - Competence
 - Market Segment
 - Vertical (channels)
 - Geographical

Corporate & Division Strategic Planning

2 & 3. Defining Business / Establishing SBUs & Assigning Resources to SBUs

- A business?
 - ▣ is a Customer-satisfying process
 - ▣ is NOT a Goods-producing process

Company	Product definition	Market definition
Daewoo Pakistan	We run buses	We are a people-and-goods mover
Xerox	We make copying equipment	We improve office productivity
PSO	We sell gasoline	We supply energy
Columbia Pictures	We make movies	We entertain people
Beaconhouse	We run schools & university	We educate people

Corporate & Division Strategic Planning

2 & 3. Defining Business / Establishing SBUs & Assigning Resources to SBUs

A Strategic Business Unit (SBU) is:

Single business or collection of related businesses which **can be planned from the rest of the company**

It has its **own** set of **competitors**

It has a **manager** - responsible for strategic planning and profit performance

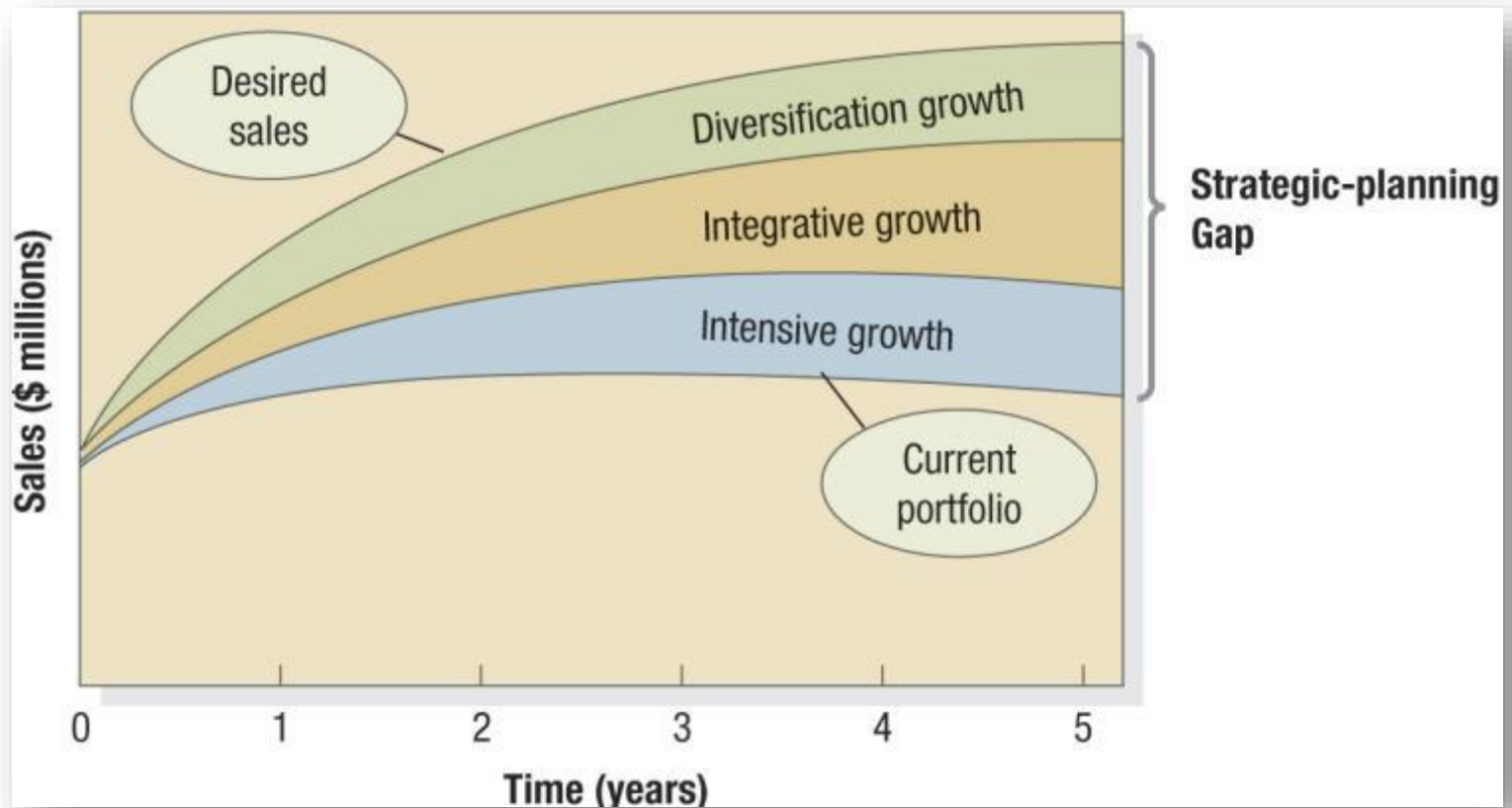
□ **Assigning Resources to SBU** is done using portfolio management tools and techniques e.g. BCG Matrix / GE Matrix etc.

(Not covered here – Google for own interest)

Corporate & Division Strategic Planning

4. Assessing Growth Opportunities

□ Strategic Planning Gap

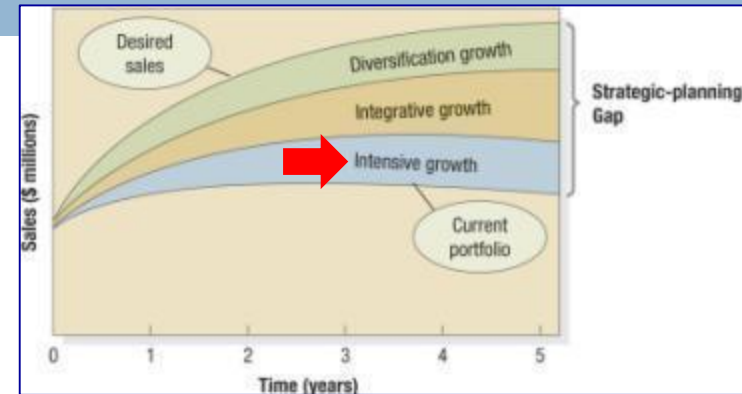


Corporate & Division Strategic Planning

4. Assessing Growth Opportunities

□ Intensive Growth

- Ansoff Product-Market Expansion Grid



	Current Products	New Products
Current Markets	1. Market-penetration strategy	3. Product-development strategy
New Markets	2. Market-development strategy	(Diversification strategy)

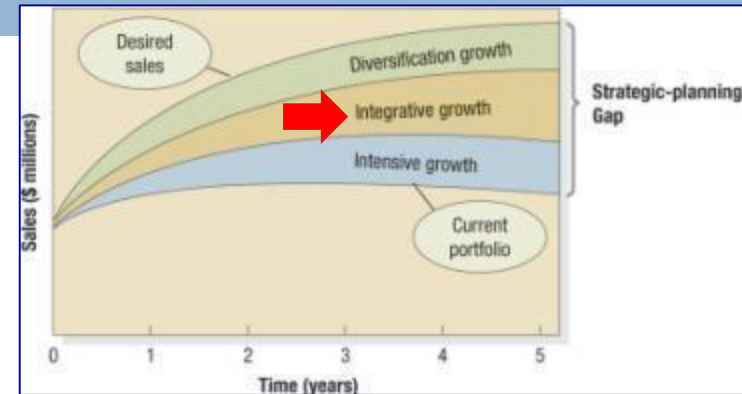
Corporate & Division Strategic Planning

4. Assessing Growth Opportunities

□ Integrative Growth

□ 'Integrations'

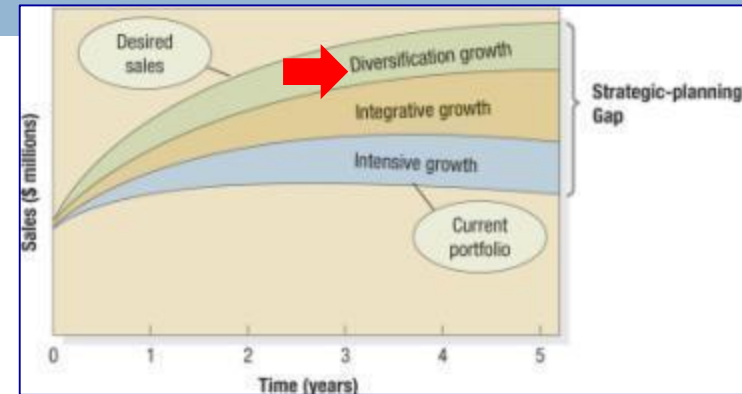
- Backward: Acquire Suppliers
- Forward: Acquire distributors/suppliers
- Horizontal: Acquire Competitors



Corporate & Division Strategic Planning

4. Assessing Growth Opportunities

□ Diversification Growth



- When good opportunities can be found outside current business

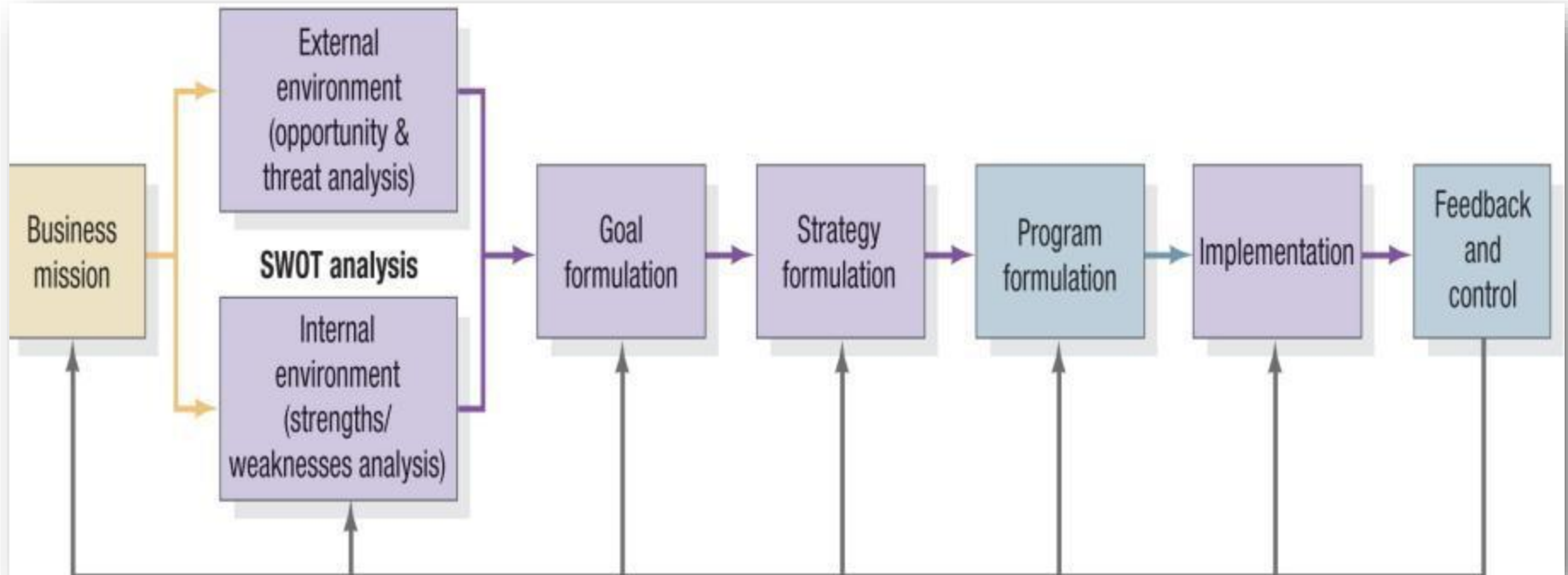
N.B. This relates to new line of business NOT products

□ Downsizing & Divesting

- Pruning & harvesting current portfolio

Business Unit Strategic Planning

Process



Business Unit Strategic Planning

SWOT Analysis

□ SWOT

▣ Internal Environment Analysis

- Strengths
- Weaknesses

▣ External Environment Analysis

- Opportunities
- Threats

Business Unit Strategic Planning

Goal Formation

- Setting objectives &
MBO - Managing by Objectives

- **Goals** should have these characteristics
 1. They must be arranged hierarchically from the most to least important
 2. Objectives should be stated quantitatively whenever possible
 3. Goals should be realistic
 4. Objectives must be consistent

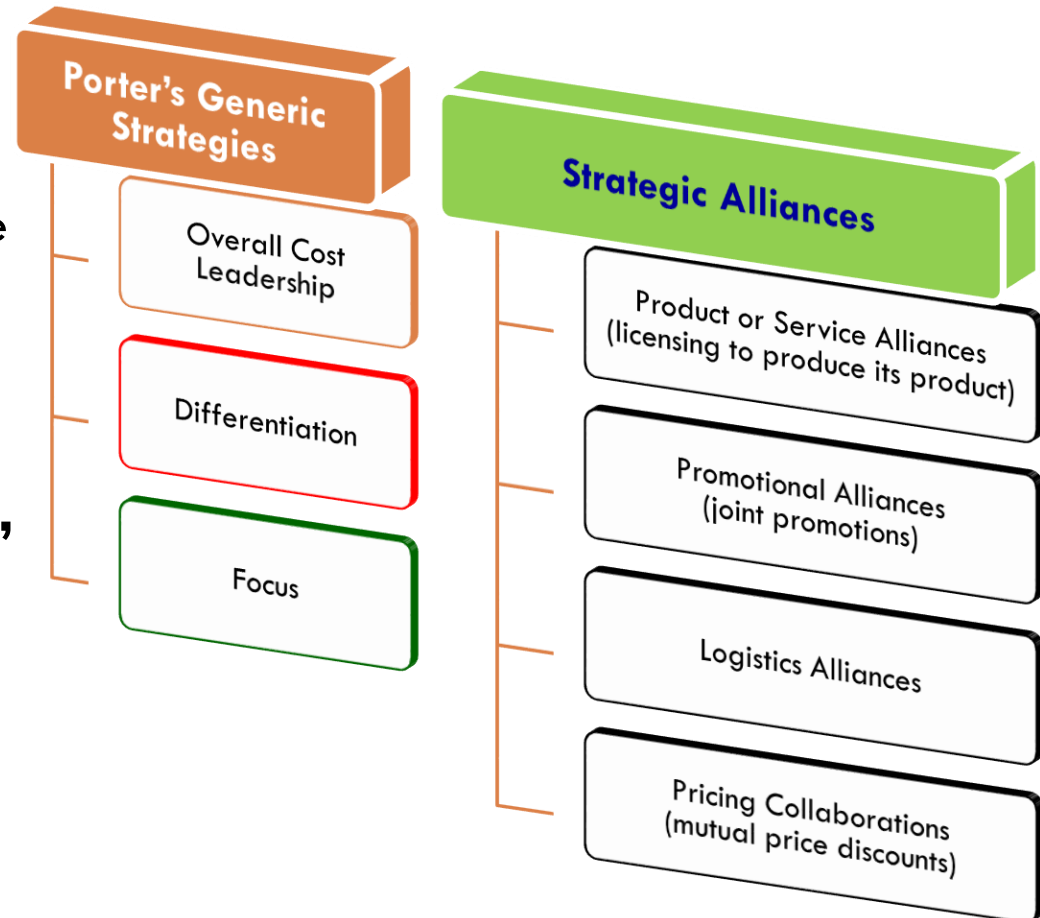
Business Unit Strategic Planning

Strategic Formulation

□ **Goals:** What a business wants to achieve

□ **Strategy:**
A game plan for getting there

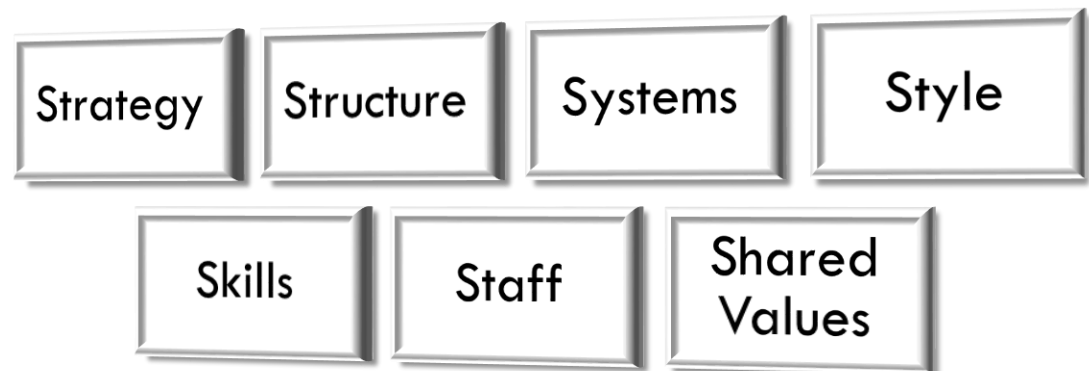
□ **Examples of 'Strategies'**
>>



Business Unit Strategic Planning

Program Formulation & Implementation

- Great Marketing Strategy can fail - If poorly implemented
- **Strategy** is one the seven elements in business practice!
(McKinsey) – other elements are important in implementation
- Strategy, Structure and Systems- Hardware
- Style, Skills, Staff, Shared values-Software



Business Unit Strategic Planning

Feedback & Control

- Need to track results and monitor new developments
- Need to continuously examine changing environment and to adopt to new goals and behaviors

Product Planning: Marketing Plan

- Marketing Plan
- A written document that summarizes what the marketer has learned about the marketplace and indicates how the firm plans to reach its marketing objectives

Product Planning: Marketing Plan

Typical Contents of a MARKETING PLAN>>

Executive Summary &
TOC

Situation Analysis

Marketing Strategy

Financial Projections

Implementation Controls

Very important: Self Read Exercise

Review marketing plan given in book

Marketing in Practice

Part - 1

Lakson Group - One of most prolific conglomerates

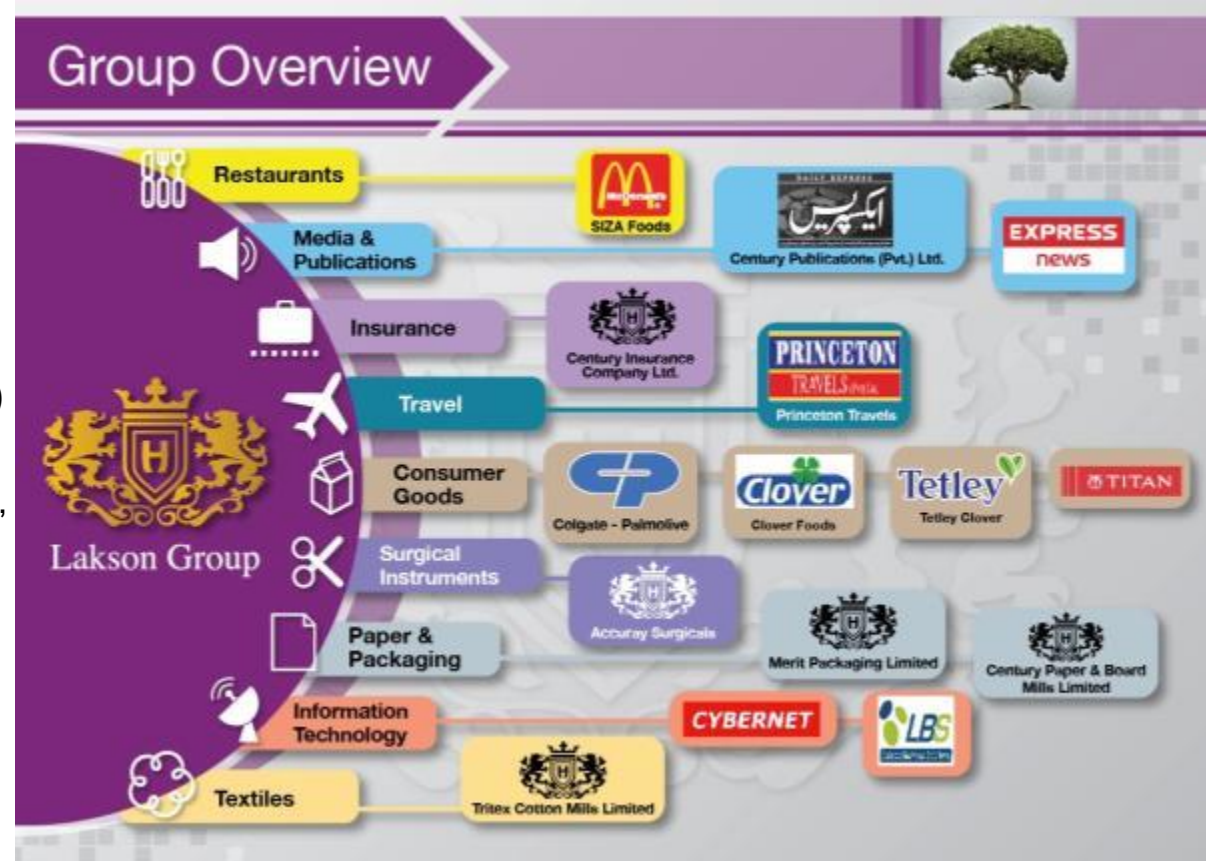
Planning horizons

What kind of planning will be done at:

- **Corporate / Division level**
 - **Lakson group**
(The complete conglomerate)
 - **Media division**
(one of the divisions)
- **Business Unit planning**
 - **Express News**
(an SBU within media division)
- **Product Planning**
 - Launching a new “News show”
(a “product” for the SBU)

Lakson Group

Planning at different levels



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