

## CHAPTER : 2

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# COMPANY AND MARKETING STRATEGY: **PARTNERING TO BUILD CUSTOMER RELATIONSHIPS**

# PARTNERING TO BUILD RELASHIONSHIP

1. Explain **strategic planning**

4. Describe elements of customer-driven **marketing strategy and marketing mix**


## LEARNING GOALS

2. Describe **business portfolios and growth strategies**

3. Detail **marketing's role** in strategic planning

5. List the **marketing management functions**

# WHAT IS STRATEGIC PLANNING?



**The process of developing and maintaining a strategic fit between the organization's goals and capabilities and its changing marketing opportunities**

# STEPS IN STRATEGIC PLANNING:

**STEP 1**

**STEP 2**

**STEP 3**

**STEP 4**

**CORPORATE LEVEL**

**BUSINESS UNIT,  
PRODUCT AND  
MARKET LEVEL**

Defining the  
Company  
Mission

Setting  
company  
objectives  
and goals

Designing  
the business  
portfolio

Planning  
marketing,  
and other  
functional  
Strategies

# MISSION STATEMENT:

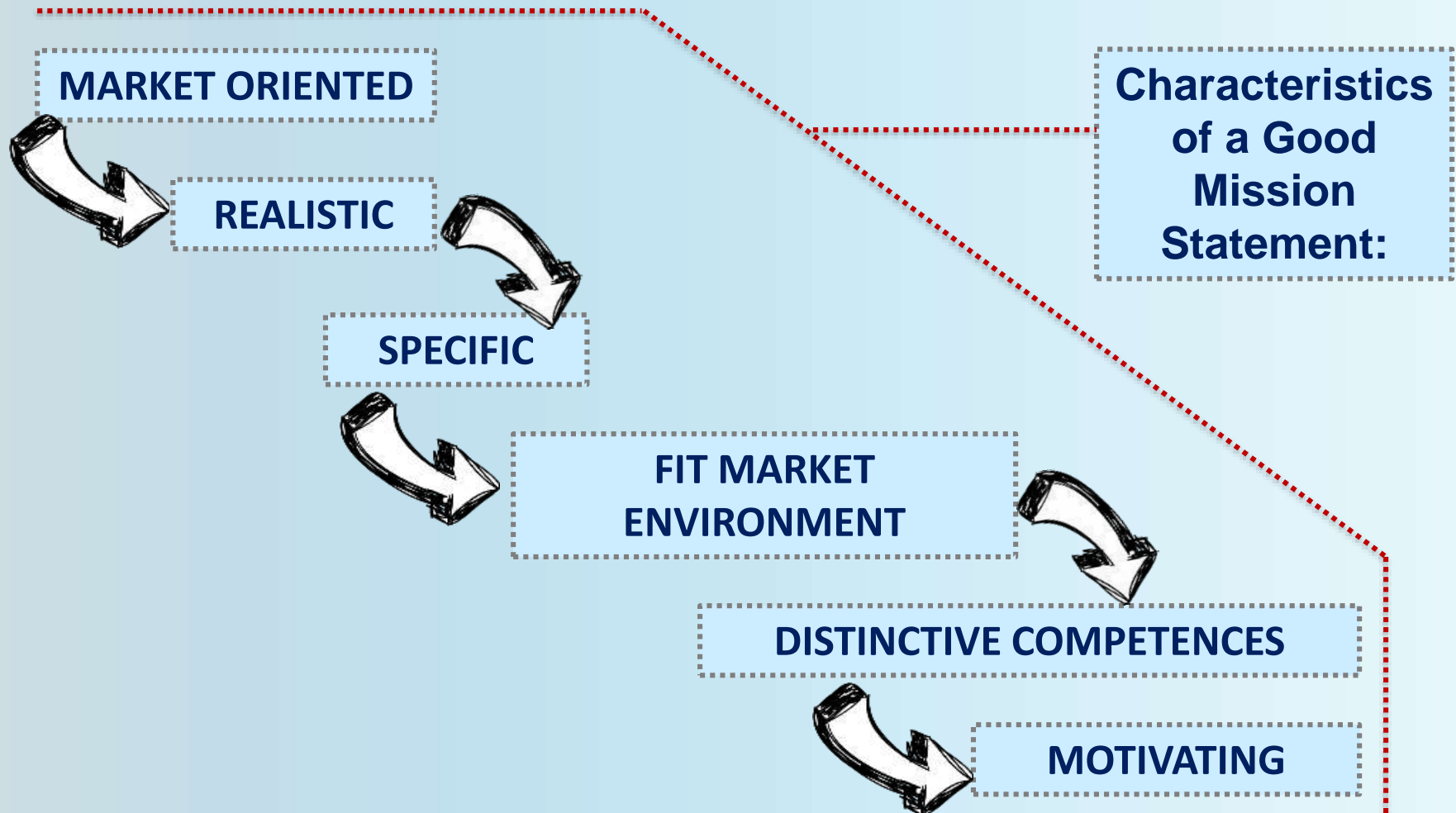
**A statement of the organization's purpose- what it wants to accomplish in the larger environment.**



**A mission statement asks..**

- What is our business?
- Who is the customer?
- What do consumers value?
- What should our business be?

# DEFINING A MARKET-ORIENTED MISSION:



1

**GOAL 1:**

**EXPLAIN STRATEGIC PLANNING**

# THE BUSINESS PORTFOLIO:

- A business portfolio is the collection of businesses and products that make up the company
- Business portfolio planning involves two steps:

## STEP 1

Analyzing the ***current business*** portfolio and decide which businesses should receive more, less or no investment.

## STEP 2

Shaping the ***future portfolio*** by developing strategies for growth and downsizing.

2

**GOAL 2:**

**DESCRIBE BUSINESS PORTFOLIOS AND GROWTH STRATEGIES**

# BOSTON CONSULTING GROUP MATRIX





# ANALYZING CURRENT BUSINESS PORTFOLIO:

## 1 Build

- Increase market share

## 2 Harvest

- Increases short-term cash flow

## 3 Hold

- Preserve market share

## 4 Divest

- Sell or liquidate

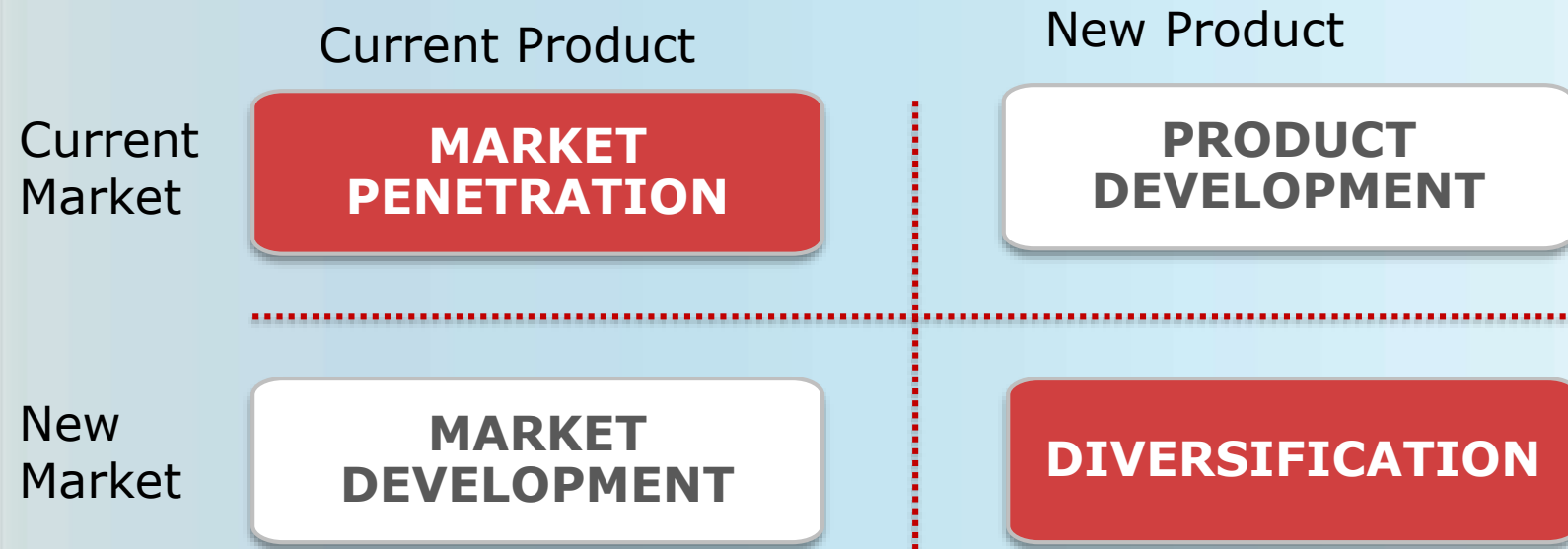
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**GOAL 2:**

**DESCRIBE BUSINESS PORTFOLIOS AND GROWTH STRATEGIES**

# DEVELOPING STRATEGIES FOR GROWTH:

## PRODUCT/ MARKET EXPANSION GRID



2

**GOAL 2:**

**DESCRIBE BUSINESS PORTFOLIOS AND GROWTH STRATEGIES**

# PRODUCT/ MARKET EXPANSION GRID:



**MARKET  
PENETRATION**



Making more sales to current customers without changing its products.

**MARKET  
DEVELOPMENT**

**PRODUCT  
DEVELOPMENT**

**DIVERSIFICATION**

- **How? Add new stores in current market areas, improve advertising, prices, service or store design.**

2

**GOAL 2:**

**DESCRIBE BUSINESS PORTFOLIOS AND GROWTH STRATEGIES**

# PRODUCT/ MARKET EXPANSION GRID:

**MARKET  
PENETRATION**

**MARKET  
DEVELOPMENT**

**PRODUCT  
DEVELOPMENT**

**DIVERSIFICATION**

Develop new markets for its current products

- **How? Identify new demographic or geographic markets.**

2

**GOAL 2:**

**DESCRIBE BUSINESS PORTFOLIOS AND GROWTH STRATEGIES**

# PRODUCT/ MARKET EXPANSION GRID:

**MARKET  
PENETRATION**

**MARKET  
DEVELOPMENT**

**PRODUCT  
DEVELOPMENT**

**DIVERSIFICATION**

offering modified or new products to current markets.

- **How? New styles, flavors, colors, or modified products.**

2

**GOAL 2:**

**DESCRIBE BUSINESS PORTFOLIOS AND GROWTH STRATEGIES**

# PRODUCT/ MARKET EXPANSION GRID:

**MARKET  
PENETRATION**

**MARKET  
DEVELOPMENT**

**PRODUCT  
DEVELOPMENT**

**DIVERSIFICATION**

New products for new markets.

- How? Start up or buy new businesses.

2

**GOAL 2:**

**DESCRIBE BUSINESS PORTFOLIOS AND GROWTH STRATEGIES**

# MARKETING's ROLE IN STRATEGIC PLANNING:

- ☐ Provide a guiding philosophy
- ☐ Identify attractive opportunities
- ☐ Design effective strategies
- ☐ Build strong value chains
- ☐ Form superior value delivery networks



3

## GOAL 3:

DETAIL MARKETING's ROLE IN STRATEGIC PLANNING

# CUSTOMER DRIVEN MARKETING STRATEGY:

## MARKET SEGMENT

- A group of consumers who respond in a similar way to a given set of marketing effort

## TARGETING

- Evaluating each segment's attractiveness and selecting one or more segments to enter.

## POSITIONING

- Arranging for a product to occupy a clear, distinctive, and desirable place relative to competing products in the minds of target consumers.





# MARKETING MIX:

❑ The marketing mix includes controllable and tactical marketing tools known as the 4P's

❑ The 4P's include

- Product
- Place
- Promotion
- Price

# DEVELOPING THE: MARKETING MIX:

## PRODUCT

Variety  
Quality  
Design  
Features  
Brand name  
Packaging  
services

## PROMOTION

Advertising  
Personal selling  
Sales Promotion  
Public relations

## PRICE

List price  
Discounts  
Allowances  
Payment  
period  
Credit terms

## PLACE

Channels  
Coverage  
Assortments  
Locations  
Inventory  
Transportation  
Logistics

TARGET  
CUSTOMERS

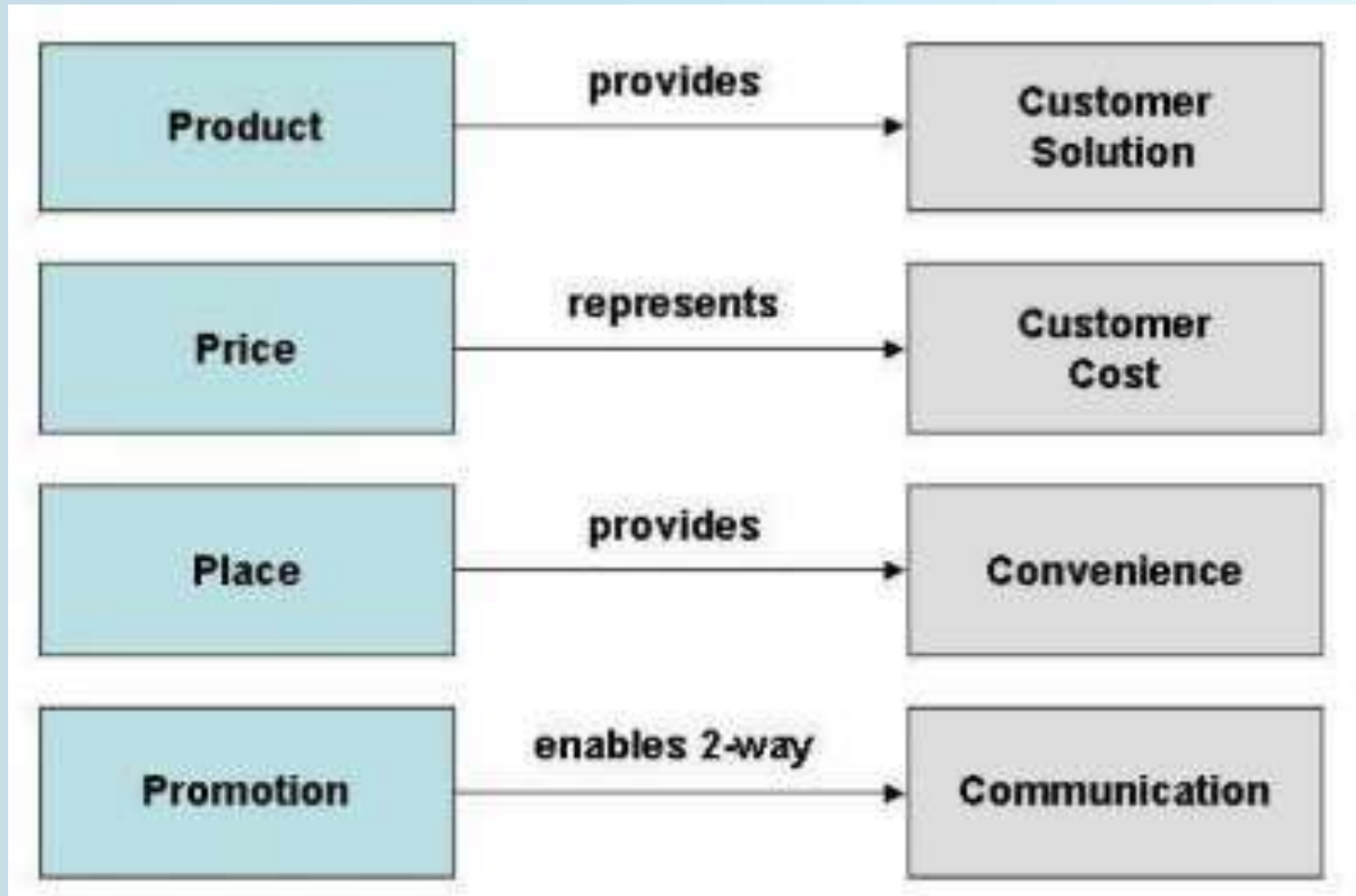
INTENDED  
POSITIONING

4

**GOAL 4:**

**DESCRIBE ELEMENTS OF CUSTOMER-DRIVEN STRATEGY**

# THE 4P's & 4C's OF THE MARKETING MIX:



4

**GOAL 4:**

**DESCRIBE ELEMENTS OF CUSTOMER-DRIVEN STRATEGY**

# MANAGING THE MARKETING EFFORT:

## Marketing Functions



**ANALYSIS**



**PLANNING**

**IMPLEMENTATION**

**CONTROL**

## SWOT Analysis

- Finding opportunities
- Avoiding threats
- Understanding strengths
- Analyzing weaknesses

5

**GOAL 5:**

**LIST THE MARKETING MANAGEMENT FUNCTIONS**

# MANAGING THE MARKETING EFFORT:

## Marketing Functions

ANALYSIS

PLANNING

IMPLEMENTATION

CONTROL



## Marketing plans include:

*Executive summary*  
*Current market situation*  
*Threats and opportunities analysis*  
*Objectives and issues*  
*Marketing strategy*  
*Action programs*  
*Budget*  
*Controls*

5

**GOAL 5:**

**LIST THE MARKETING MANAGEMENT FUNCTIONS**

# MANAGING THE MARKETING EFFORT:

## Marketing Functions

ANALYSIS

PLANNING

IMPLEMENTATION

CONTROL

- Plans are turned into action with day-to-day activities
- Good implementation is a challenge

5

**GOAL 5:**

**LIST THE MARKETING MANAGEMENT FUNCTIONS**

# MANAGING THE MARKETING EFFORT:

## Marketing Functions

**ANALYSIS**

**PLANNING**

**IMPLEMENTATION**

**CONTROL**

- Evaluation of the results of marketing strategies and plans
- Checks for differences between goals and performance
- Corrective actions

5

**GOAL 5:**

**LIST THE MARKETING MANAGEMENT FUNCTIONS**