**24415- MARKET PLANNING AND STRATERGY**

**LECTURE 1**

**Marketing strategy:** making managerial decisions regarding how to create distinctive positions in the marketplace and how to deliver unique customer value. Involves the where to compete (segmentation, targeting) and how to win (differentiation, positioning and 4Ps) of the market.

The essence of company strategies:

* Company strategies are about building capabilities, finding a distinctive way to compete (competitive position), and creating unique customer value.

Challenges for consumers

* Unlimited product choices that have comparable features
* Consumers have high expectations for product quality, shopping convenience and brand experience
* Consumers have ultra-low or short-term brand loyalty
* Consumers expect companies to care for customer relationships

Implications

* Differentiation and branding
* Product and business model innovation
* Customer insights and relationships
* Social responsibility

Challenges for marketers

* Media fragmentation:
* Consumers use diverse channels to asses product and brand info
* Conventional mass media lose effectiveness (e.g. super bowl ads) to reach out large audiences
* Consumers trust less in mass brands and their advertising
* Consumer access abundant third-party product reviews and influencer endorsements

Implications

* Micro-targeting- personalised advertising
* Shift budget from mass to digital, individualised media
* Influencer marketing

**What is marketing:**

* Customer value creation perspective: marketing refers to process involved in creating, delivering and communicating value to the customers. This perspective emphasises how marketing satisfies customer needs and wants, generating value for customers.
* Organisational capability perspective: refers to the organisational capability of forecasting, detecting and adapting to market changes. This perspective emphasises how the strategic role of marketing in an organisation, supporting the organisations competitiveness.

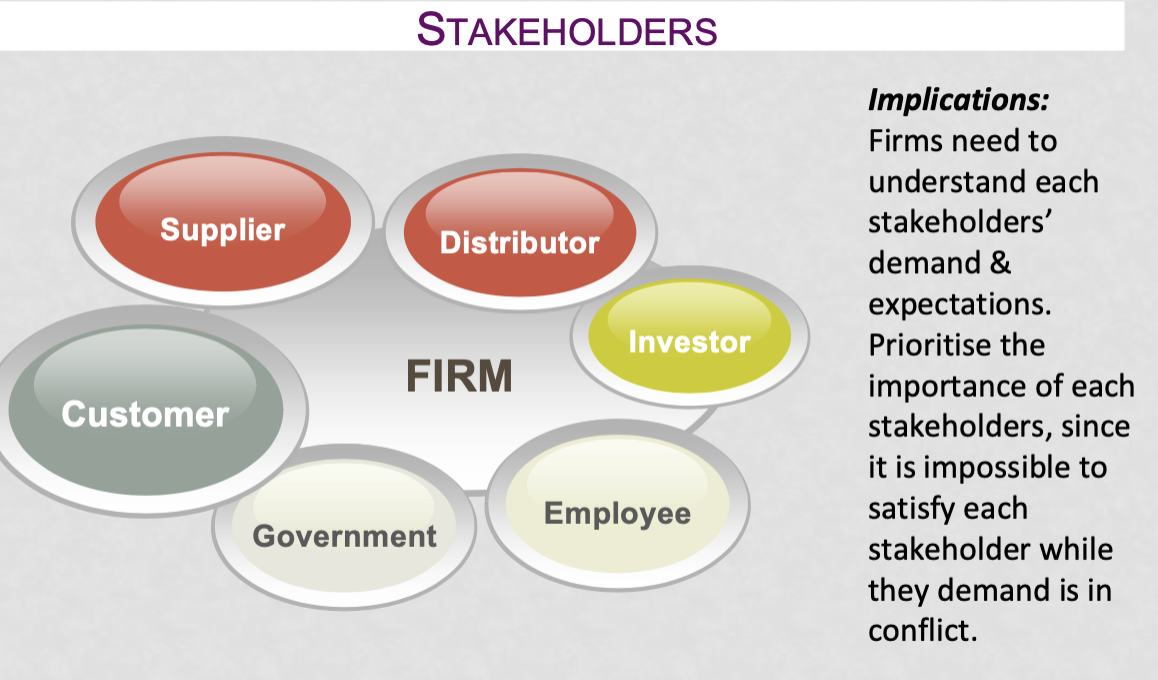
Utility: refers to the ability of a company’s products/offerings to satisfy customers needs or wants. In marketing utility is equivalent to customer value.

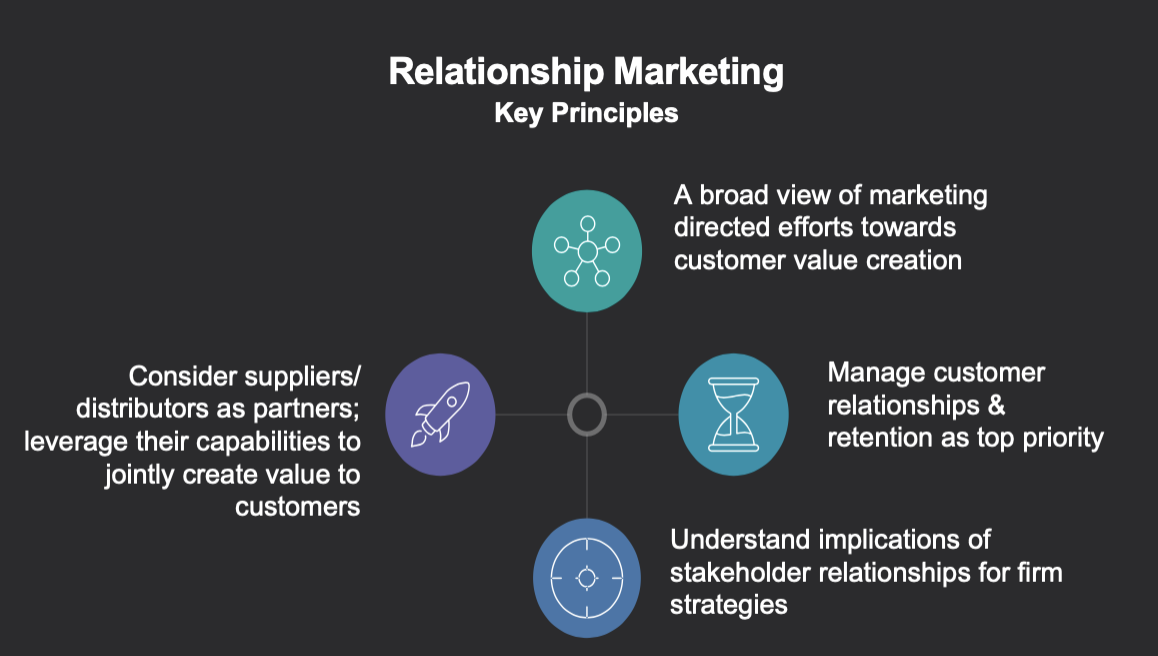
Utilitarian VS. Hedonic value: a product can provide both forms.

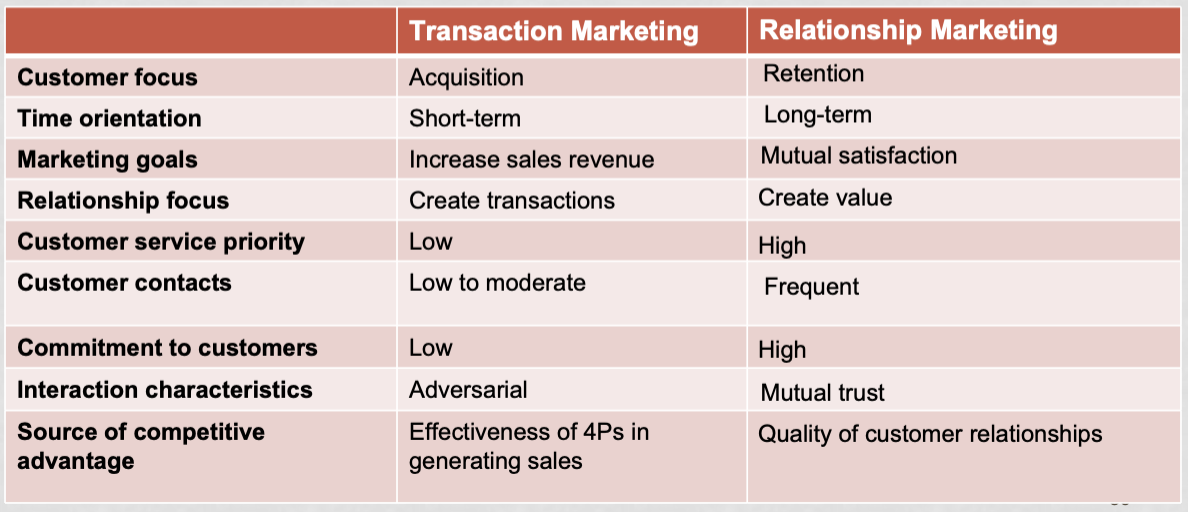
* Utilitarian value:
* make a call/communicate
* take photos
* access internet/search info
* messaging/communicate
* GPS/shorten driving time
* Games/kill time
* Hedonic value
* Feel connected with peers
* Keep treasured moments
* Reduce boredom
* Socialising, emotional connection
* Reduce anxiety about getting lost
* Excitement, entertainment

Relationship marketing

* Broad view of marketing directed towards customer value manage customer relationships
* Understand implications of relationships with stakeholders
* Consider suppliers/distributors as partners as leverage their competence in strategy





**Traditional vs relationship marketing**

**LECTURE 2 – Strategic marketing planning**

**Marketing strategy**: is an outcome of managerial decisions on:

* Which market to enter
* Whom you target
* How to differentiate and position
* How to innovate
* How to bond with customers

**Market Planning involves:**

* Situational analysis
* Strategy formulation
* Goals and objectives
* Implementation
* Evaluation and control
* Vigilant market learning
* Aligning the organisation to the market

What is strategic marketing planning: MP answer 3 fundamental business questions

1. How is our business doing (current state)
2. What should the business be doing? (future desired state)
3. How do we get there? (approach to reach the desired state)

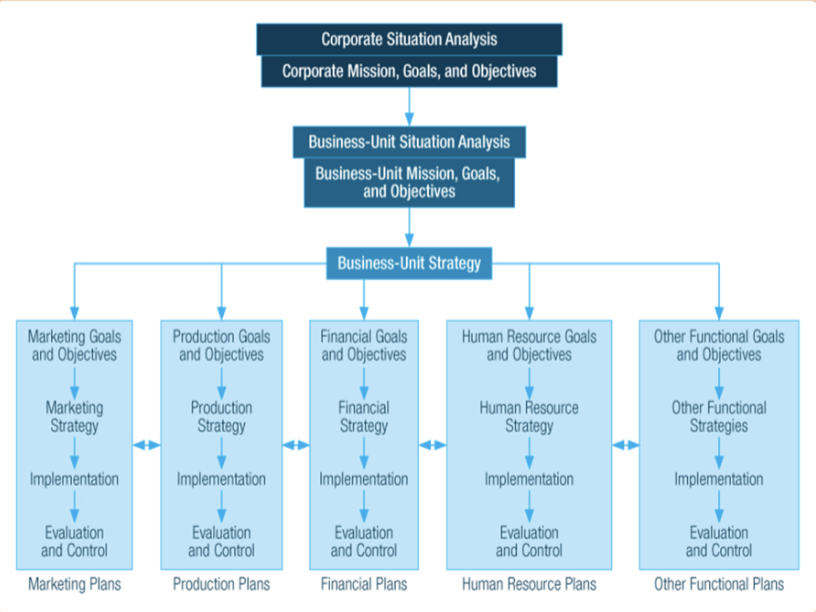
What does market planning do?

* Market learning
* Scan early market signals for change
* Changes in products, offerings, channels, brand positioning in the marketplace
* Identify business opportunities arising from these changes
* Align organisation to market needs
* Strategy congruent with market changes, supported by internal resources and capabilities- achieve strategic fit
* Put strategies into actions
* Assign responsibility to different departments and external partners, set performance indicators and monitor progress.

Strategic business unit (SBU)

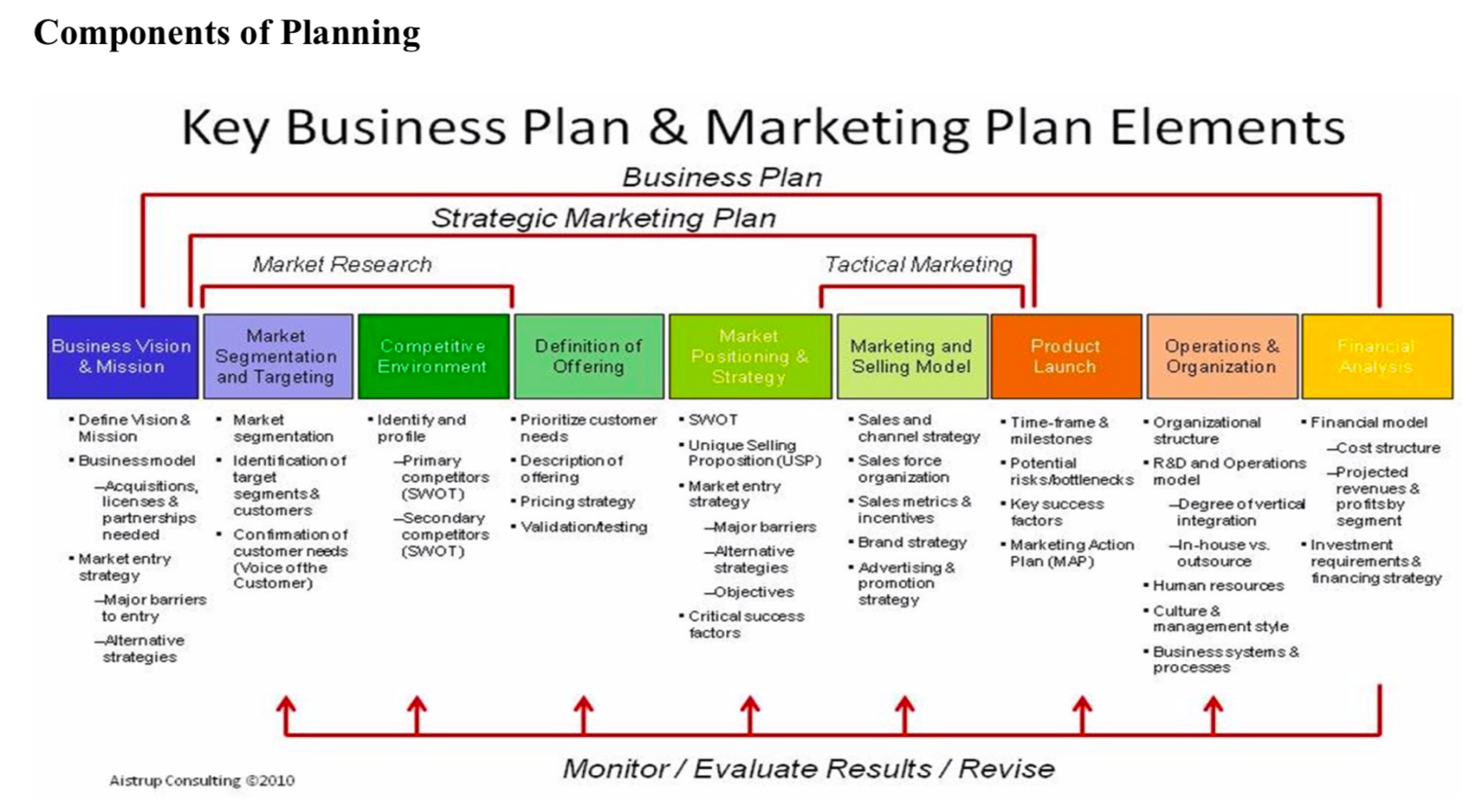
* SBU is a semi-independent organisational unit with its own resources and financial goals.
* A SBU typically manages its own production, supply chain, logistics and marketing while shares the secondary functions with sister SBUs
* SBU catered to different product categories and customer needs.

Business planning at SBU

* Top down vs bottom up approach in business planning
* Top down: top executives decide on sales and spending for each marketing team
* Bottom up: each marketing team sets its own goals, sales forecast and budget for marketing spend.

**Business planning vs Marketing planning**

* Business planning is typically performed by the top management of a SBU, which encompasses planning across multiple organisational functions, especially a firm’s primary activities, including operations, logistics, supply chain management, R&D. Business planning emphasises the financial performance of a SBU as the ultimate goal, it also deals with other financial issues like capital raising, debt management, and investments.



**Goals and objectives**

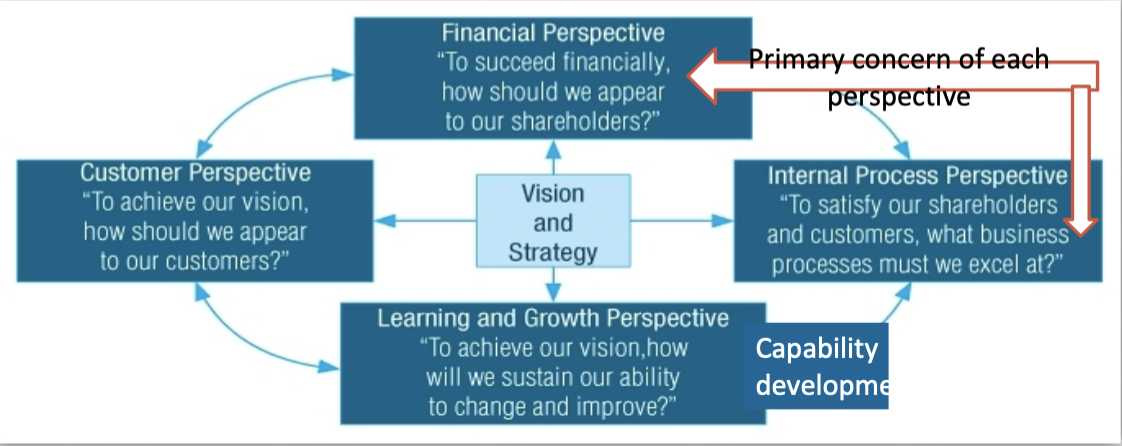
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| SBU | MARKETING DEPARTMENT |
| Focus on finances as goals   * Investments, debt, expenses | Focus on market competitiveness and brand equity as goals |
| Use financial metrics to measure performance e.g. profitability/ROA | Use marketing metrics to measure performance   * Sales * Brand awareness * Customer satisfaction and retention |
| Oversee coordination across departments (e.g. sales, logistics, production, procurement, HR) to enhance efficiency and reduce operating costs | Oversee synergy and complementarity across 4p activities |

Customer focused planning: market planning should be customer driven

* Aim to develop long-term relationships
* Understand and identify organisational drivers of customer satisfaction and loyalty
* Emphasise market intelligence
* Reconfigure business processes across organisational functions to enhance customer value and adapt to emergent customer needs

**Strategy implementation- balanced scorecard**

* Balanced scorecard is a business planning process/tool that links financial budgets with strategic goals. The firm’s strategy is formulated in 4 different interlinked perspectives. The goals of the learning perspective supports internal process goals, which in turn supports customer-related goals, which ultimate help to achieve financial goals at the company level.



* Scorecard a powerful tool that facilitates implementation of business & marketing strategy across organisational units, which ensures the right initiatives are undertaken and performance targets are measured. It also demonstrate the linkages of strategic goals across 4 perspectives.

**Monitoring and evaluation of marketing plan**

* Managers need to monitor & evaluate marketing plan at three levels: (i) Operational activities, (ii) Strategy implementation, and (iii) Strategy formulation
* Operational activities review emphasises short-term issues/problems arising from daily operations & business processes
* Strategy implementation reviews assess the progress of the strategy towards to the targeted goals
* Strategy formulation reviews assess the correctness of assumption underlying the link between