

# Company and Marketing Strategy

Partnering to Build Customer

Engagement, Value , and Relationship



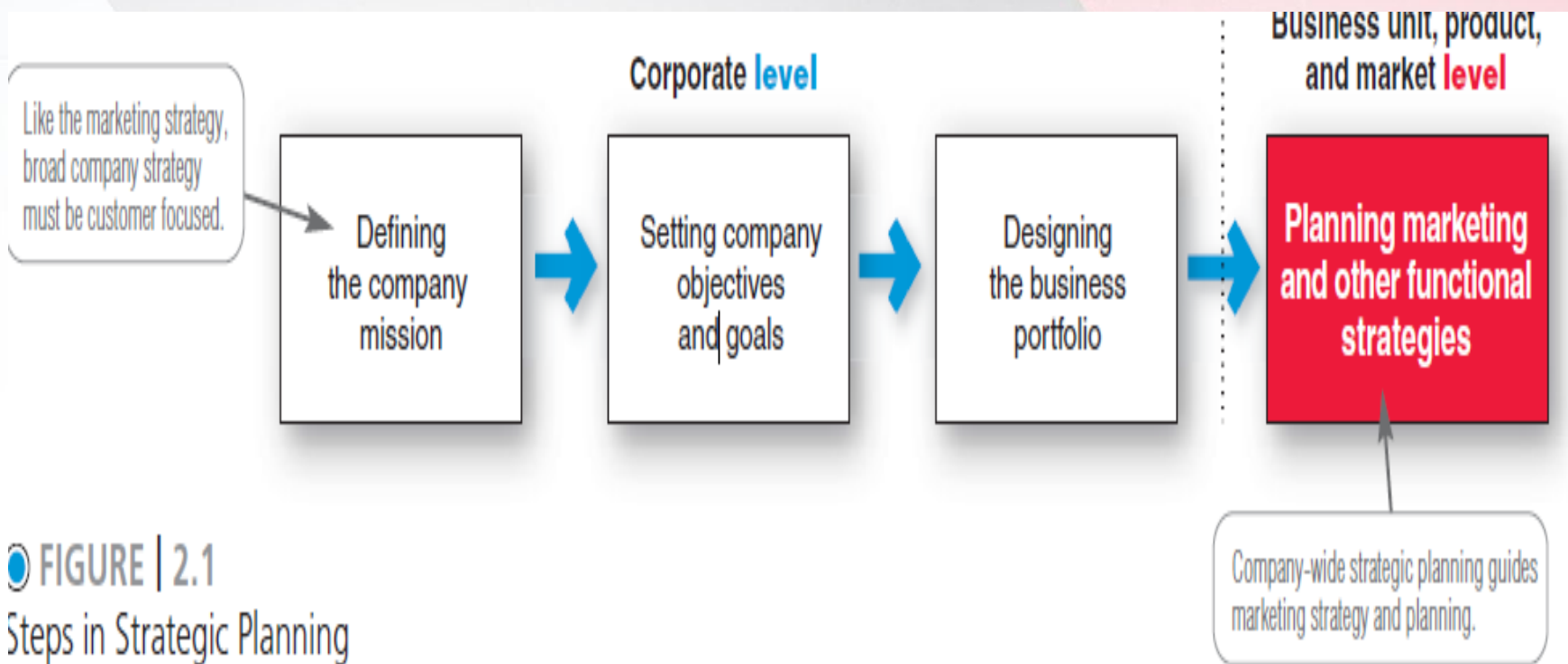
# Company and Marketing Strategy

- Company-wide Strategic Planning: Defining Marketing's Role
- Designing the Business Portfolio
- Planning Marketing: Partnering to Build Customer Relationships
- Marketing Strategy and the Marketing Mix
- Managing the Marketing Effort
- Measuring and Managing Marketing Return on Investment

# Company-wide Strategic Planning: Defining Marketing's Role



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



**FIGURE | 2.1**  
Steps in Strategic Planning

# Companywide Strategic Planning

## Analyzing the Current Business Portfolio

Identify key businesses (strategic business units, or SBUs) that make up the company



```
graph TD; A[Identify key businesses (strategic business units, or SBUs) that make up the company] --> B[Assess the attractiveness of its various SBUs]; B --> C[Decide how much support each SBU deserves];
```

Assess the attractiveness of its various SBUs

Decide how much support each SBU deserves

# Growth-share matrix

## 2.2 The BCG growth-share matrix



# Problems with Matrix Approaches

- Difficulty in defining SBUs and measuring market share and growth
- Time consuming
- Expensive
- Focus on current businesses, not future planning

# Developing Strategies for Growth and Downsizing

- Product/market expansion grid is a tool for identifying company growth opportunities through market penetration, market development, product development, or diversification



# Developing Strategies for Growth and Downsizing Product/Market Expansion Grid Strategies



# Developing Strategies for Growth and Downsizing

## Product/market expansion grid strategies

	Current products	New products
Current markets	1. Market-penetration strategy	3. Product-development strategy
New markets	2. Market-development strategy	(Diversification strategy)

# Developing Strategies for Growth and Downsizing

- Downsizing is the reduction of the business portfolio by eliminating products or business units that are not profitable or that no longer fit the company's overall strategy

# Partnering to Build Customer Relationships

- Value chain is a series of departments that carry out value-creating activities to design, produce, market, deliver, and support a firm's products

# Partnering with other company departments

- The firm's success depends not only on how well each department performs its work but also on how well the various departments coordinate their activities.

# Partnering with others in the marketing system

More companies today are partnering with other member of the supply chain to improve the performance of the customer **value delivery network**.

# Marketing Strategy and the Marketing Mix

## A. Customer Value-Driven Marketing Strategy

Marketing strategy = The marketing logic by which the company hopes to create this customer value and achieve these profitable relationships.

To succeed in today's competitive marketplace, a company must first understand customer needs and wants to satisfy customers. But, there are too many different kinds of consumers with too many different kinds of needs. Each company must divide up the total market, choose the best segments, and design strategies for profitably serving chosen segments. This process involves:

### 1. Market Segmentation

Dividing a market into distinct groups of buyers who have different needs, characteristics, or behaviors, and who might require separate products or marketing programs.

## 2. Market Targeting

The process of evaluating each market segment's attractiveness and selecting one or more segments to enter.

## 3. Market Differentiation and Positioning

### Positioning

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

### Differentiation

Actually differentiating the market offering to create superior customer value.



## B. Developing an Integrated Marketing Mix

Marketing mix = The set of tactical marketing tools product, price, place, and promotion that the firm blends to produce the response it wants in the target market.

Guided by marketing strategy, the company designs an integrated marketing mix made up of factors under its control—product, price, place, and promotion, to find the best marketing strategy and mix, the company engages in marketing analysis, planning, implementation, and control.

## Marketing tools:

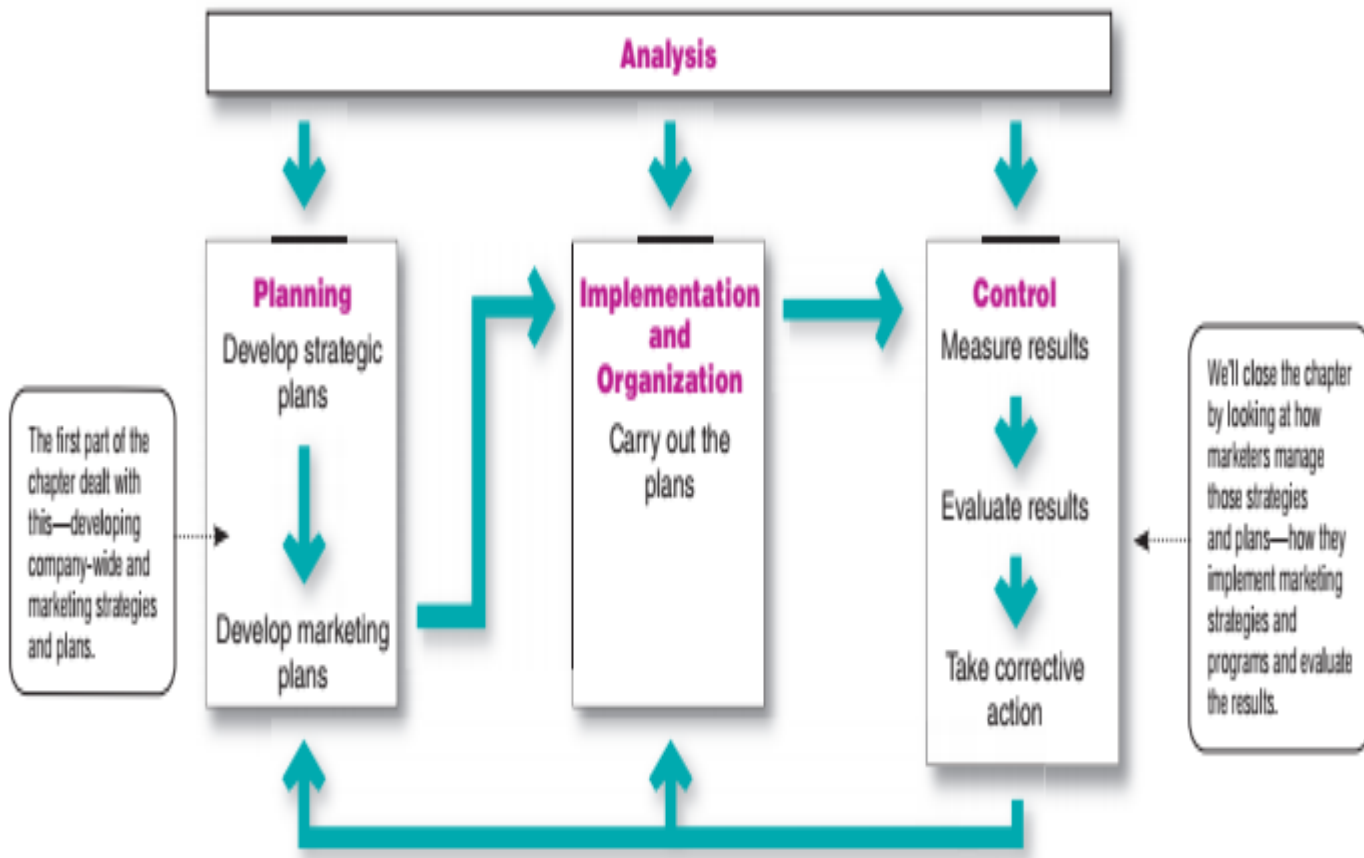
1. Product means the goods-and-services combination the company offers to the target market.
2. Price is the amount of money customers must pay to obtain the product.
3. Place includes company activities that make the product available to target consumers.
4. Promotion refers to activities that communicate the merits of the product and persuade target customers to buy it.

An effective marketing program blends the marketing mix elements into an integrated marketing program designed to achieve the company's marketing objectives by engaging consumers and delivering value to them.



# **MANAGING THE MARKETING EFFORT**

# Marketing Analysis



## SWOT Analysis: Strengths (S), Weaknesses (W), Opportunities (O), and Threats (T)

The goal of SWOT analysis is to match the company's strengths to attractive opportunities in the environment, while eliminating or overcoming the weaknesses and minimizing the threats.

**Internal**

**External**

### **Strengths**

Internal capabilities that may help a company reach its objectives

### **Weaknesses**

Internal limitations that may interfere with a company's ability to achieve its objectives

### **Opportunities**

External factors that the company may be able to exploit to its advantage

### **Threats**

Current and emerging external factors that may challenge the company's performance

**Positive**

**Negative**

Hang on to this figure! SWOT analysis (pronounced "swal" analysis) is a widely used tool for conducting a situation analysis. You'll find yourself using it a lot in the future, especially when analyzing business cases.

# Marketing Planning

- Through strategic planning, the company decides what it wants to do with each business unit. Marketing planning involves choosing marketing strategies that will help the company attain its overall strategic objectives. A detailed marketing plan is needed for each business, product, or brand.

● Table 2.2 | Contents of a Marketing Plan

Section	Purpose
Executive summary	Presents a brief summary of the main goals and recommendations of the plan for management review, helping top management find the plan's major points quickly.
Current marketing situation	Describes the target market and the company's position in it, including information about the market, product performance, competition, and distribution. This section includes the following: <ul style="list-style-type: none"><li>• A <i>market description</i> that defines the market and major segments and then reviews customer needs and factors in the marketing environment that may affect customer purchasing.</li><li>• A <i>product review</i> that shows sales, prices, and gross margins of the major products in the product line.</li><li>• A <i>review of competition</i> that identifies major competitors and assesses their market positions and strategies for product quality, pricing, distribution, and promotion.</li><li>• A <i>review of distribution</i> that evaluates recent sales trends and other developments in major distribution channels.</li></ul>
Threats and opportunities analysis	Assesses major threats and opportunities that the product might face, helping management to anticipate important positive or negative developments that might have an impact on the firm and its strategies.
Objectives and issues	States the marketing objectives that the company would like to attain during the plan's term and discusses key issues that will affect their attainment.
Marketing strategy	Outlines the broad marketing logic by which the business unit hopes to engage customers, create customer value, and build customer relationships, plus the specifics of target markets, positioning, and marketing expenditure levels. How will the company create value for customers in order to capture value from customers in return? This section also outlines specific strategies for each marketing mix element and explains how each responds to the threats, opportunities, and critical issues spelled out earlier in the plan.
Action programs	Spells out how marketing strategies will be turned into specific action programs that answer the following questions: <i>What</i> will be done? <i>When</i> will it be done? <i>Who</i> will do it? <i>How</i> much will it cost?
Budgets	Details a supporting marketing budget that is essentially a projected profit-and-loss statement. It shows expected revenues and expected costs of production, distribution, and marketing. The difference is the projected profit. The budget becomes the basis for materials buying, production scheduling, personnel planning, and marketing operations.
Controls	Outlines the controls that will be used to monitor progress, allow management to review implementation results, and spot products that are not meeting their goals. It includes measures of return on marketing investment.

# Marketing Implementation

- Marketing implementation is the process that turns marketing plans into marketing actions to accomplish strategic marketing objectives. Whereas marketing planning addresses the what and why of marketing activities, implementation addresses the who, where, when, and how



# Marketing Department Organization

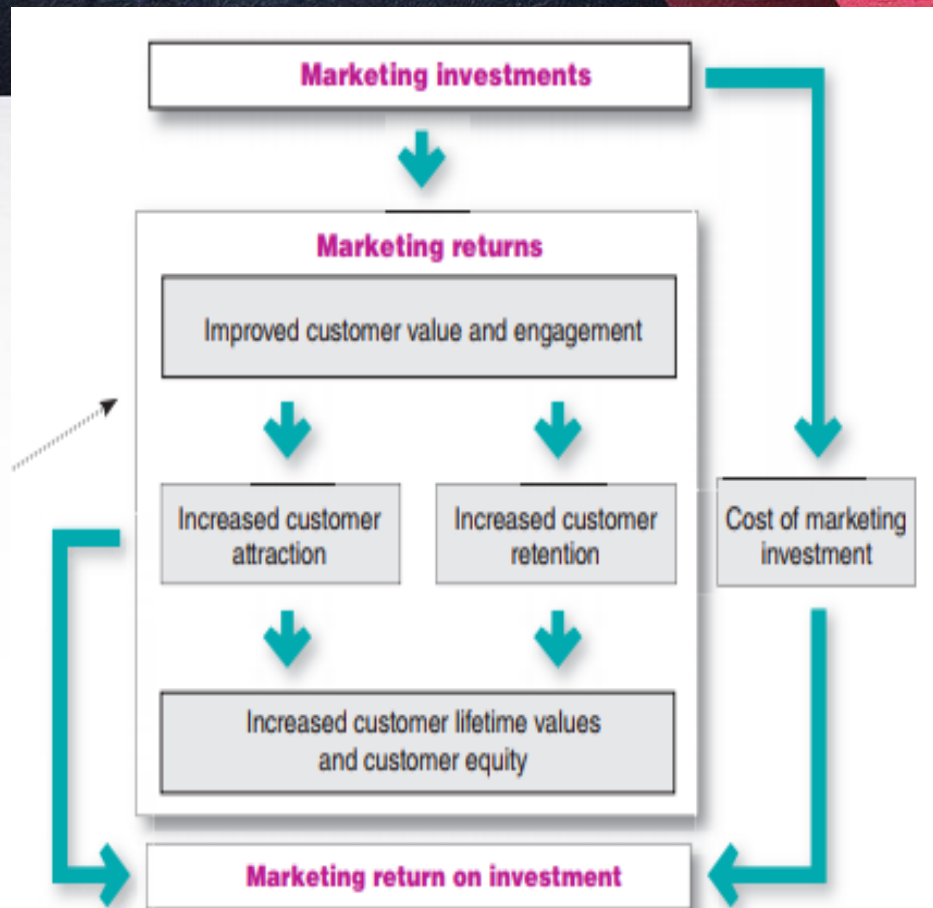
- The company must design a marketing organization that can carry out marketing strategies and plans.
- If the company is very small, one person might do all the research, selling, advertising, customer service, and other marketing work.
- In large companies, this department contains many specialists—product and market managers, sales managers and salespeople, market researchers, and advertising and social media experts, among others. To head up such large marketing organizations, many companies have now created a chief marketing officer (or CMO) position.

# Marketing Control

- evaluating the results of marketing strategies and plans and taking corrective action to ensure that the objectives are attained.
- Operating control involves checking ongoing performance against the annual plan and taking corrective action when necessary.

# Measuring and Managing Marketing Return on Investment

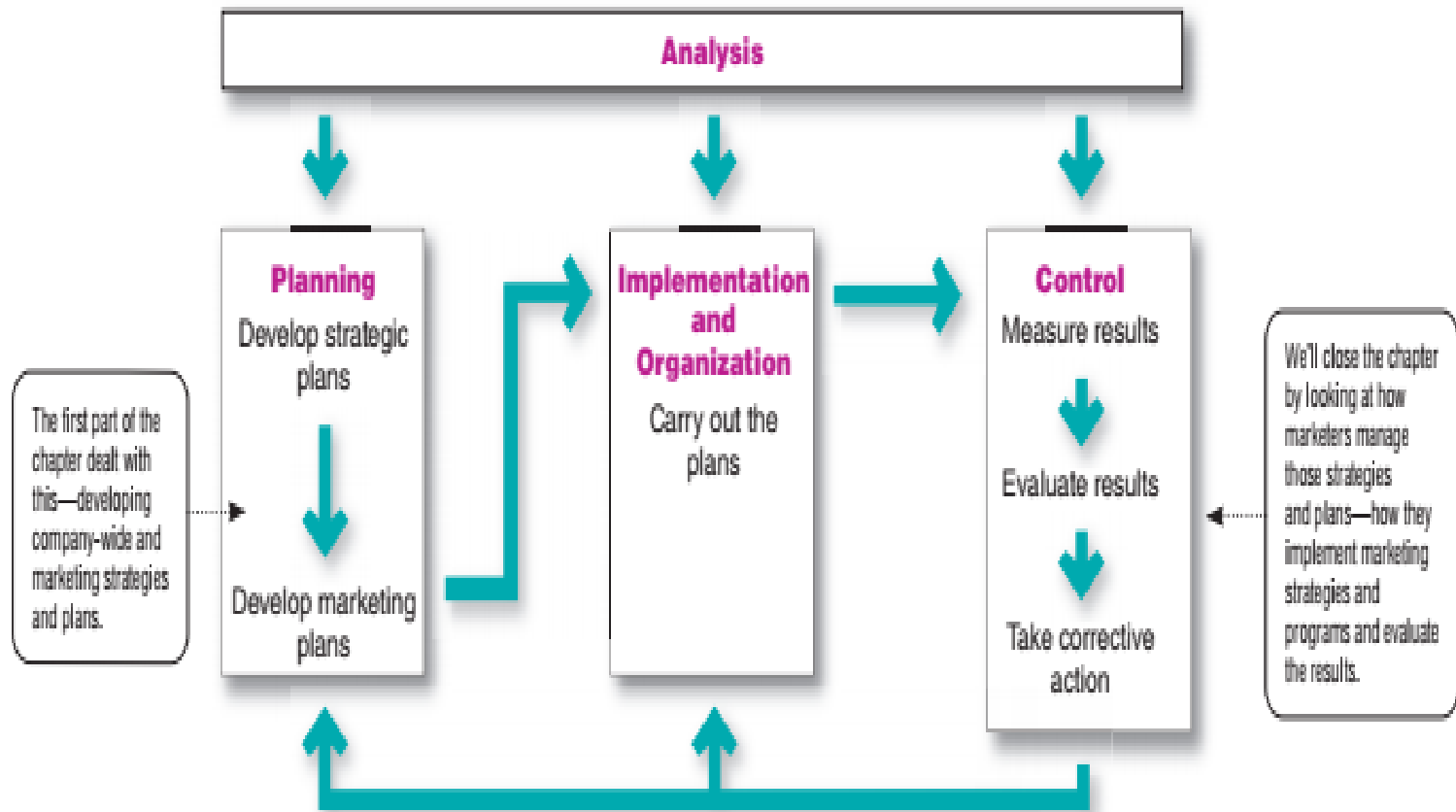
- Marketing managers must ensure that their marketing dollars are being well spent.
- One important marketing performance measure is marketing return on investment (or marketing ROI).





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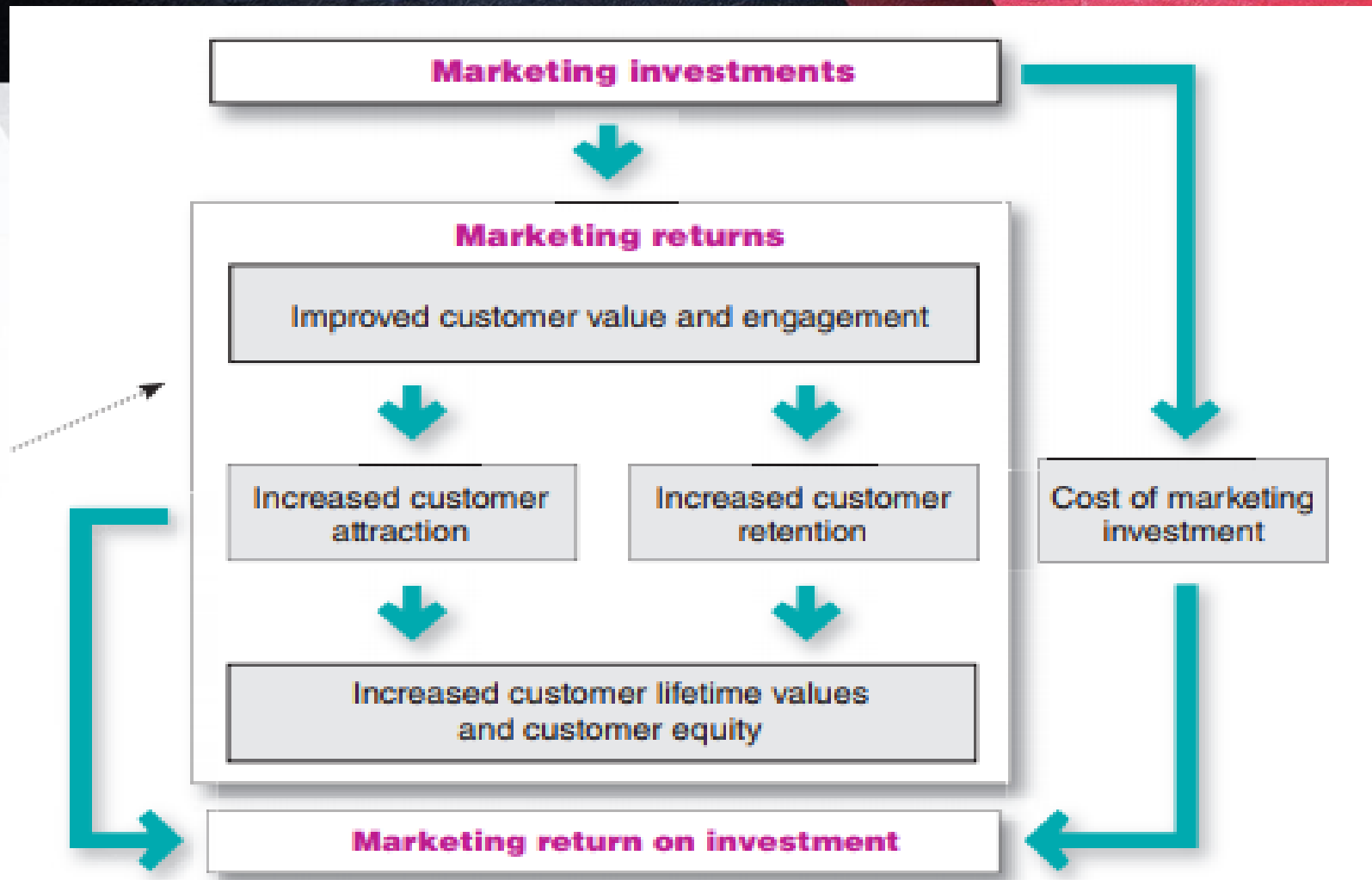
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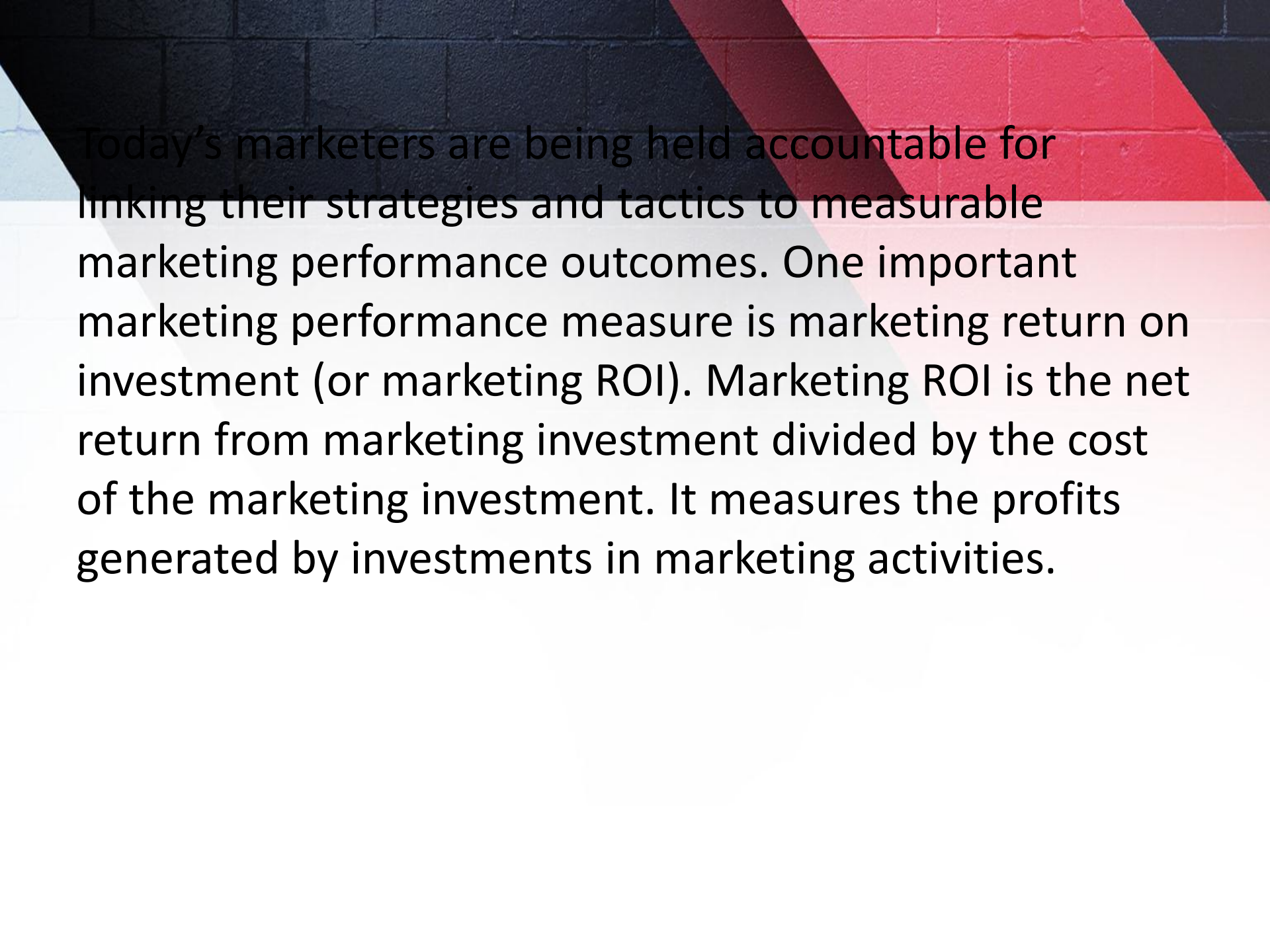
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MEASURING AND MANAGING  
MARKETING RETURN ON  
INVESTMENT



Today's marketers are being held accountable for linking their strategies and tactics to measurable marketing performance outcomes. One important marketing performance measure is marketing return on investment (or marketing ROI). Marketing ROI is the net return from marketing investment divided by the cost of the marketing investment. It measures the profits generated by investments in marketing activities.



# Marketing Investment



## Marketing Returns

Improved customer value and engagement



Increased customer attraction

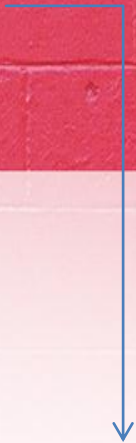


Increased customer retention



Increased customer lifetime values and customer equity

Cost of marketing investment



# Marketing Return on Investment



- Thankyou