

MARKETING PLAN

12th edition

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2

Developing Marketing Strategies and Plans



Kotler

Keller

Chapter Questions



- How does marketing affect customer value?
- How is strategic planning carried out at different levels of the organization?
- What does a marketing plan include?

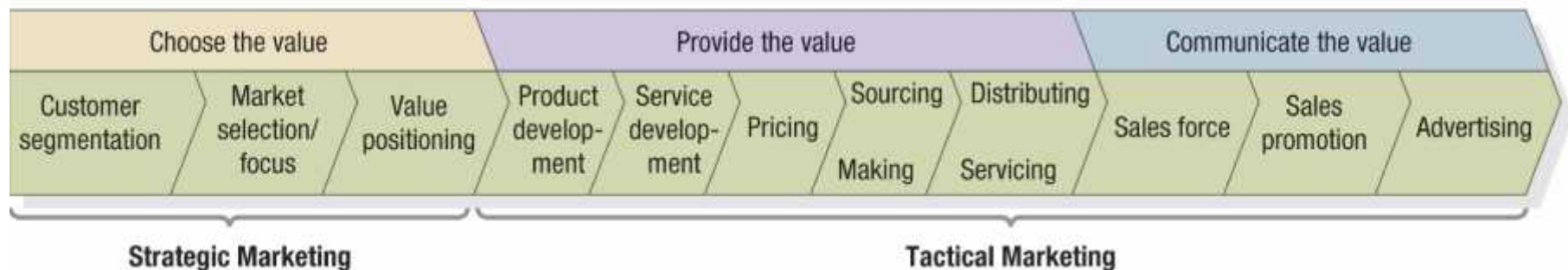
Figure 2.1 The Value Delivery Process



(a) Traditional Physical Process Sequence



(b) Value Creation and Delivery Sequence

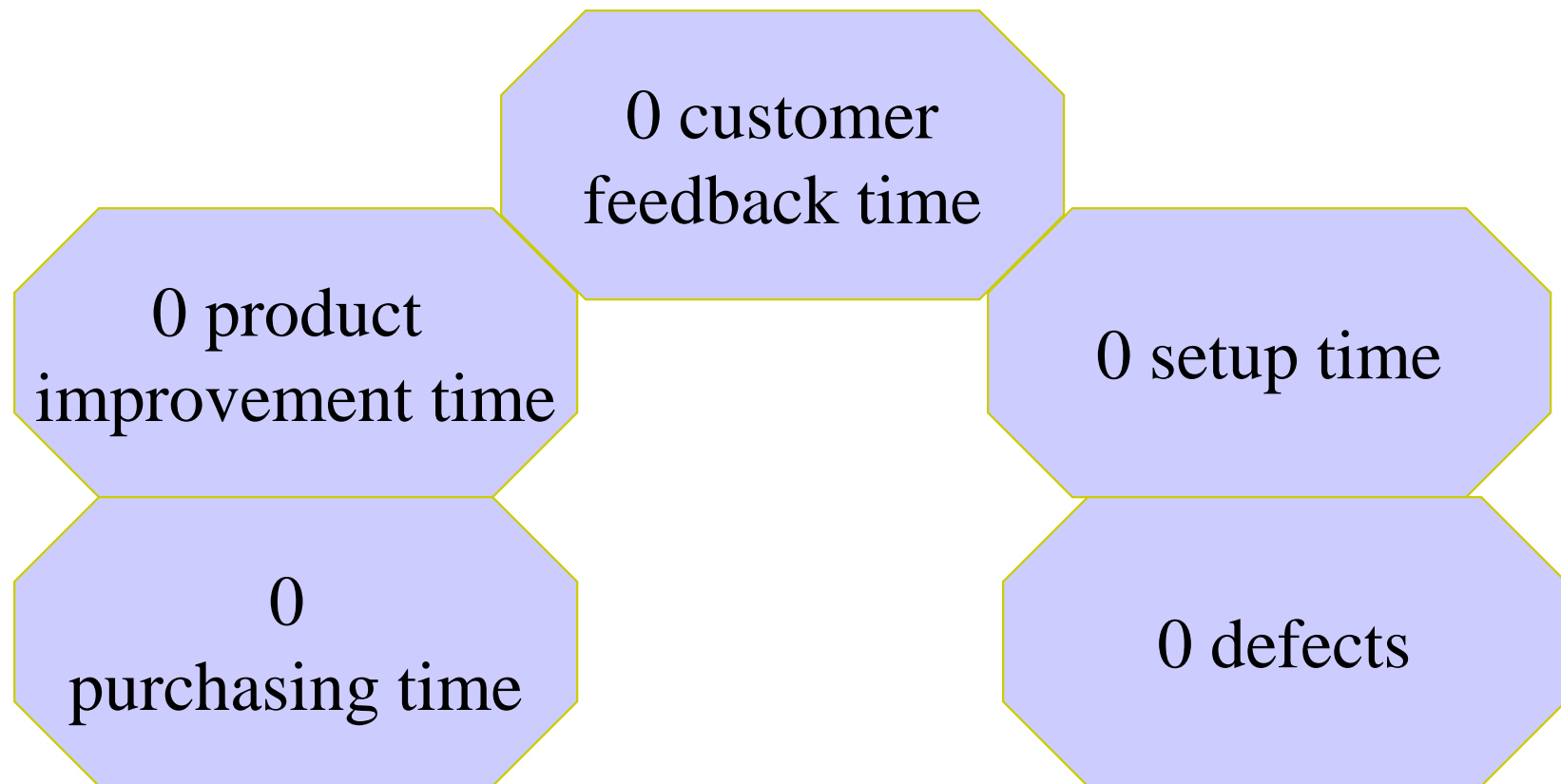


Nike Creates Value



<http://www>

Improving Value Delivery the Japanese Way



3 V's Approach to Marketing



Define the value segment

Define the value proposition

Define the value network

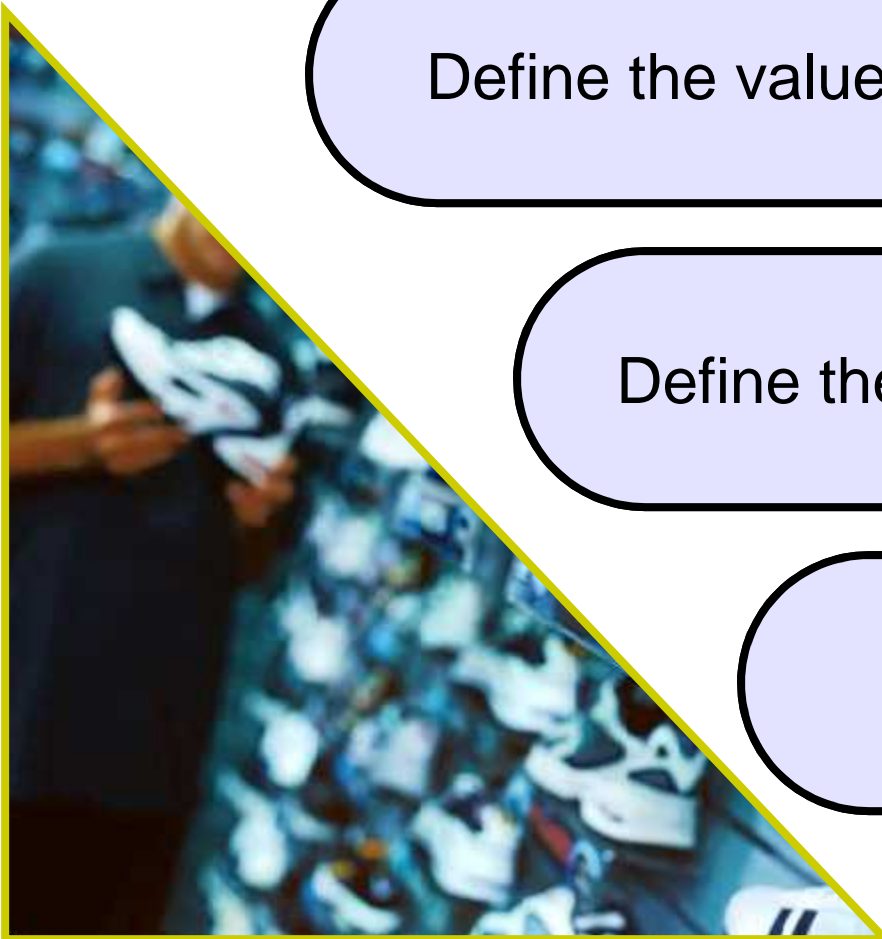


Figure 2.2 Porter's Value Chain



Benchmarks



Organizational
costs
and
performance
measures

Competitor
costs
and
performance
measures

Core Business Processes



Market
sensing

Customer
relationship
management

New offering
Realization/research

Fulfillment
management

Customer
acquisition



Wal-Mart's stock replenishment process is legendary



Characteristics of Core Competencies



- A source of competitive advantage
- Applications in a wide variety of markets
- Difficult to imitate

Netflix's Distinctive Capabilities



www.netflix.com/Default

Search Web | New Toolbar Update | Bookmarks | My Yahoo! | Yahoo! | Messenger | Mail | Fin

NETFLIX The #1 Online DVD Rental Service with nearly 3,000,000 members! [Buy/Redeem Gift](#) | [Member Sign In](#)

Welcome | [How It Works](#) | [Browse Selection](#) | [Start Your FREE TRIAL](#)

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NETFLIX
is the **best** way
to rent movies.

Rent all the DVDs you want for
\$17.99 a month — **NO LATE FEES!**

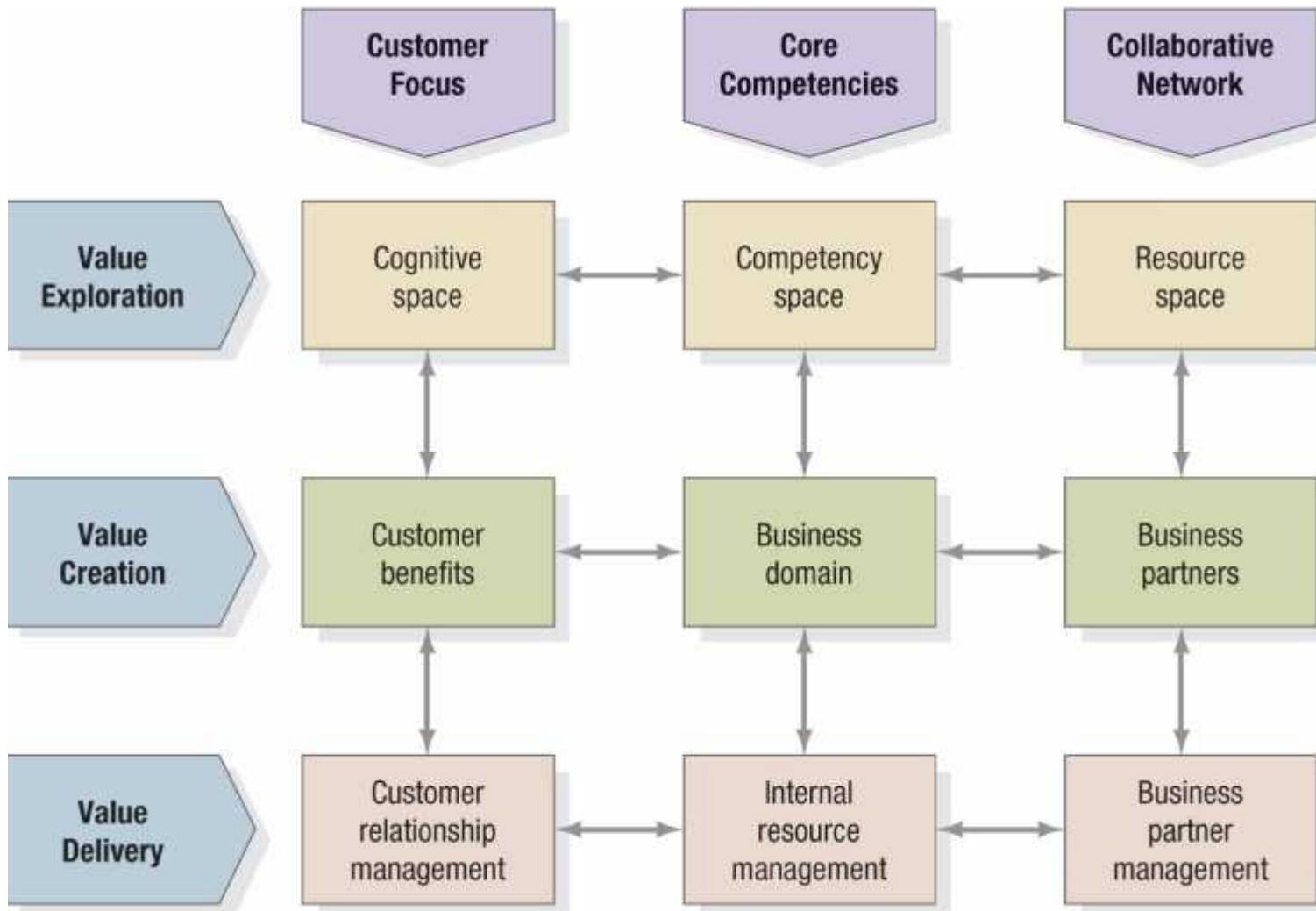
[Start FREE Trial](#)

- Over 40,000 Titles - Classics to New Releases.
- Free Shipping Both Ways.
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- Always have up to 3 DVDs at home.
- No Commitments. Cancel Anytime.

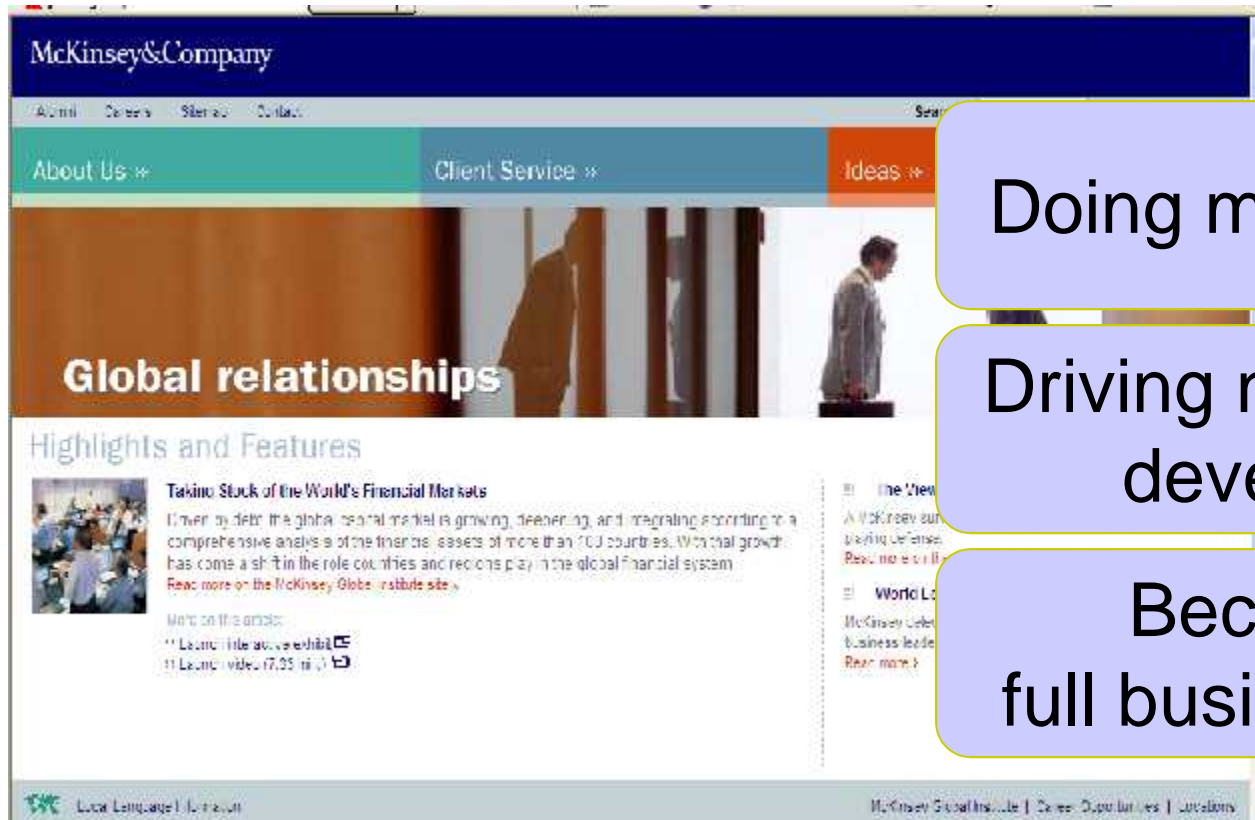
Netflix is the BEST way to rent movies

A photograph of a young man and woman sitting on a couch, smiling and watching a movie. In front of them is a coffee table with a bowl of popcorn, a glass of wine, and several Netflix DVD cases. The scene is dimly lit, suggesting a movie night at home.

Figure 2.3 A Holistic Marketing Framework



Challenges Facing CMO's



Doing more with less

Driving new business development

Becoming a full business partner

Levels of a Marketing Plan



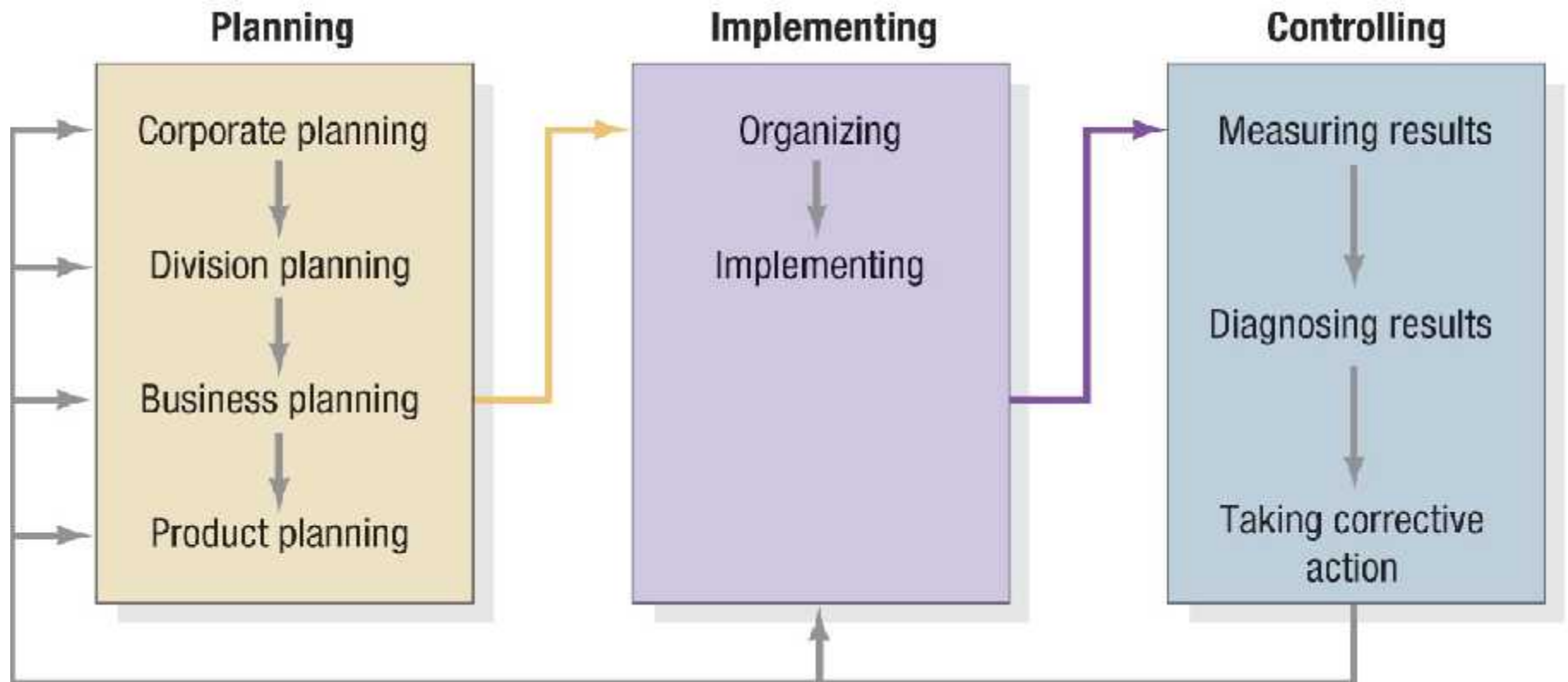
- Strategic

- Target marketing decisions
- Value proposition
- Analysis of marketing opportunities

- Tactical

- Product features
- Promotion
- Merchandising
- Pricing
- Sales channels
- Service

Figure 2.4 The Strategic Planning, Implementation, and Control Processes



Corporate headquarters' planning activities



- Define the corporate mission
- Establish SBUs
- Assign resources to each SBU
- Assess growth opportunities

Good Mission Statements



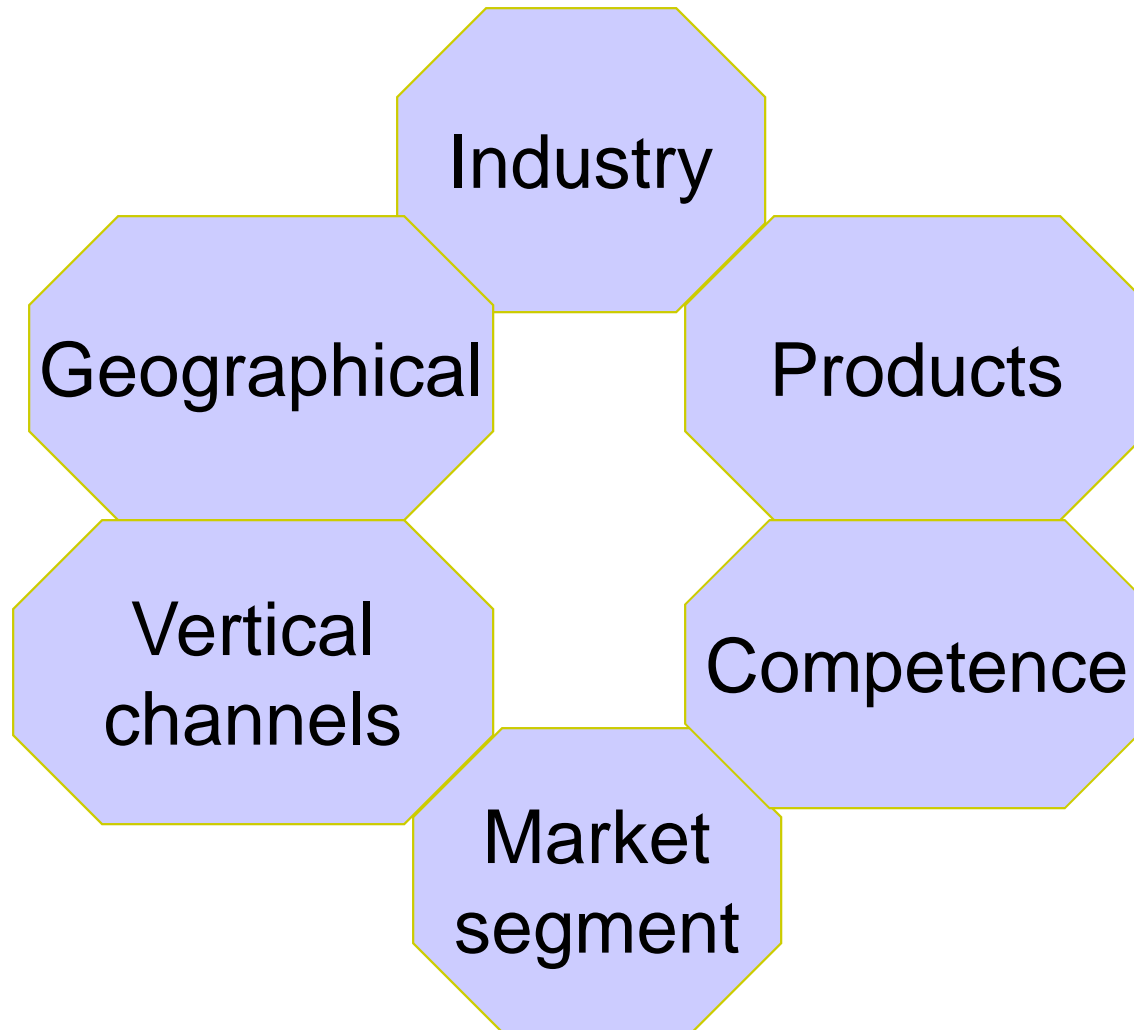
Focus on limited number of goals

Stress major policies and values

Define major competitive spheres



Major Competitive Spheres



GE's breakthroughs in the process of desalination crosses multiple competitive spheres



By 2015, two-thirds of the world will be water-stressed. Desalination plants like this one help to relieve water shortages.



Rubbermaid Commercial Products, Inc.



“Our vision is to be the Global Market Share Leader in each of the markets we serve. We will earn this leadership position by providing to our distributor and end-user customers innovative, high-quality, cost-effective and environmentally responsible products. We will add value to these products by providing legendary customer service through our uncompromising Commitment to Customer Satisfaction.”

Motorola



“The purpose of Motorola is to honorably serve the needs of the community by providing products and services of superior quality at a fair price to our customers; to do this so as to earn an adequate profit which is required for the total enterprise to grow; and by doing so, provide the opportunity for our employees and shareholders to achieve their personal objectives.”



“We help people trade anything on earth. We will continue to enhance the online trading experiences of all – collectors, dealers, small businesses, unique item seekers, bargain hunters, opportunity sellers, and browsers.”

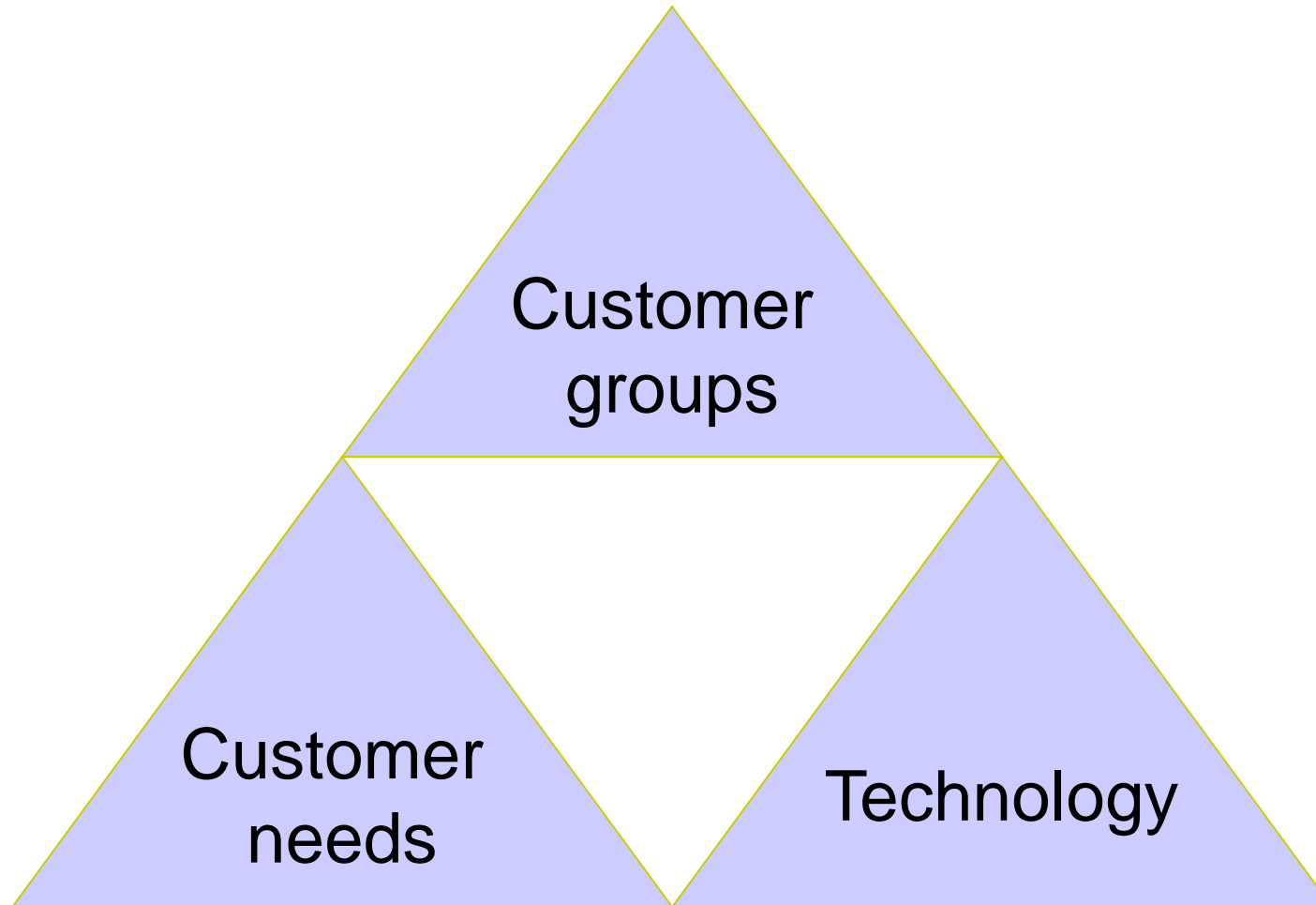
Table 2.2

Product Orientation vs. Market Orientation



Company	Product	Market
Missouri-Pacific Railroad	We run a railroad	We are a people-and-goods mover
Xerox	We make copying equipment	We improve office productivity
Standard Oil	We sell gasoline	We supply energy
Columbia Pictures	We make movies	We entertain people

Dimensions That Define A Business



Characteristics of SBUs



- It is a single business or collection of related businesses
- It has its own set of competitors
- It has a leader responsible for
 - Strategic planning
 - Profitability
 - Efficiency

Figure 2.5 The Strategic Planning Gap

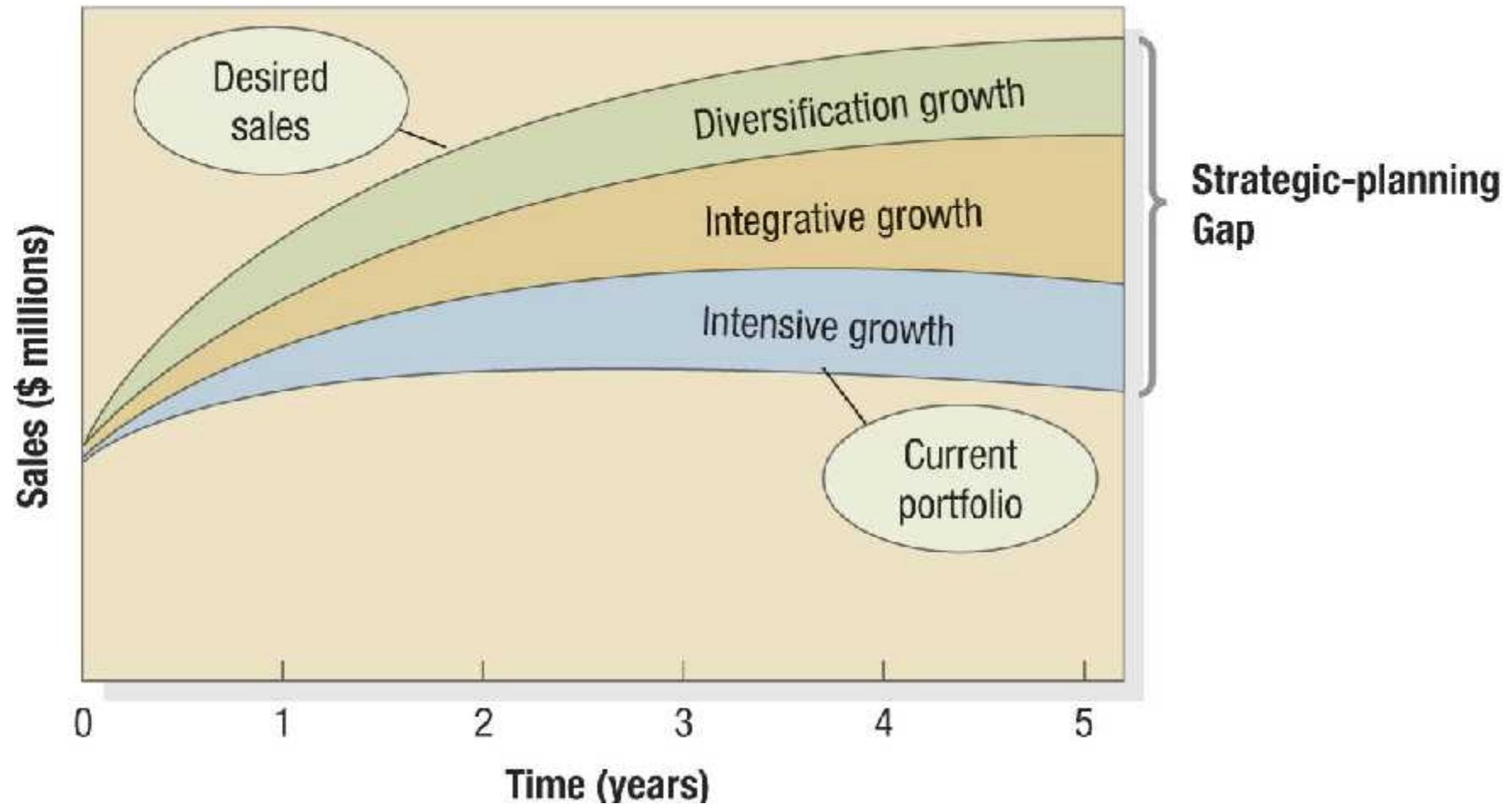


Figure 2.6

Ansoff's Product-Market Expansion Grid



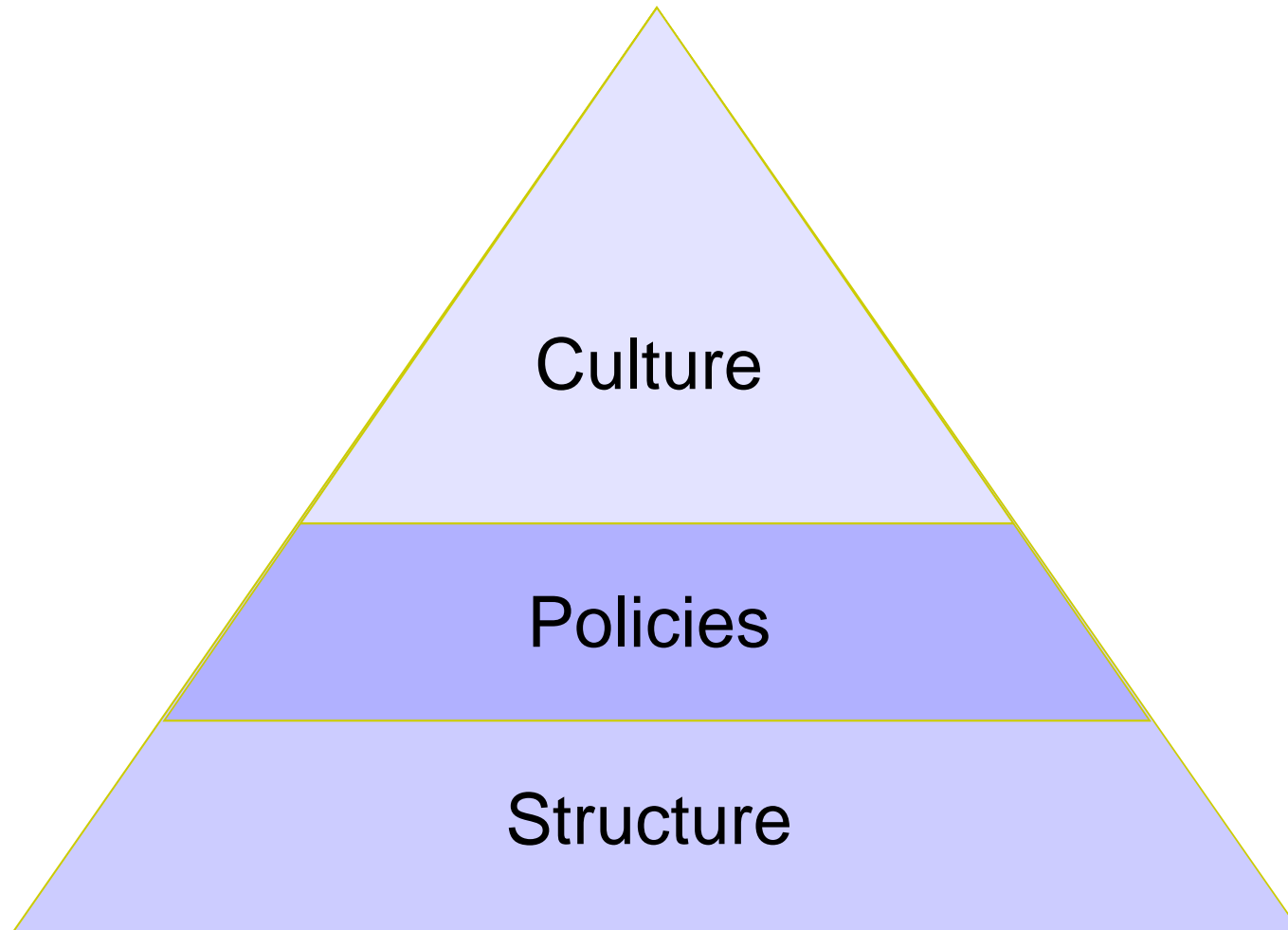
	Current Products	New Products
Current Markets	1. Market-penetration strategy	3. Product-development strategy
New Markets	2. Market-development strategy	(Diversification strategy)

The Growth of Starbucks



<http://www>

Organizations



Merging Corporate Culture?

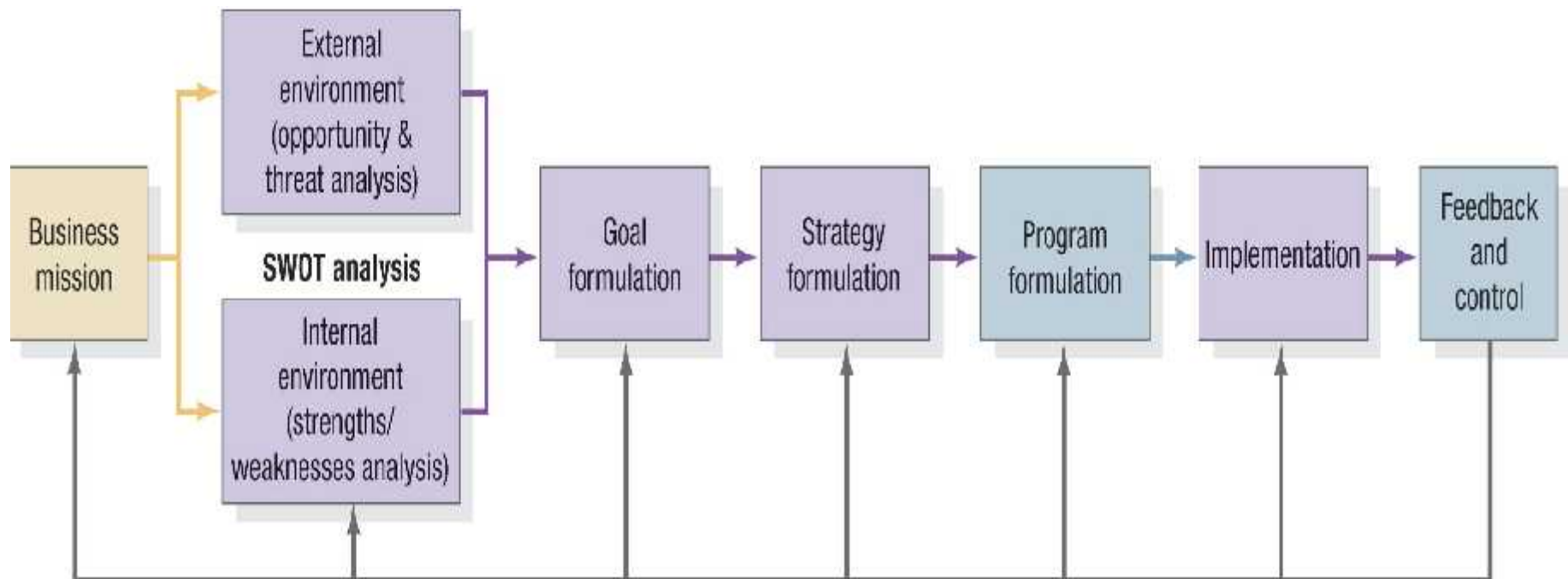


Mercedes-Benz



DAIMLERCHRYSLER

Figure 2.7 The Business Unit Strategic Planning Process



SWOT Analysis



Strengths

Weaknesses

Opportunities

Threats

Market Opportunity Analysis (MOA)



- Can the benefits involved in the opportunity be articulated convincingly to a defined target market?
- Can the target market be located and reached with cost-effective media and trade channels?
- Does the company possess or have access to the critical capabilities and resources needed to deliver the customer benefits?

Market Opportunity Analysis (MOA)_2



- Can the company deliver the benefits better than any actual or potential competitors?
- Will the financial rate of return meet or exceed the company's required threshold for investment?

FedEx



FedEx added Sunday deliveries based on customer requests and market demand

Figure 2.8 Opportunity Matrix



(a) Opportunity Matrix

		Success Probability	
		High	Low
Attractiveness	High	1	2
	Low	3	4

1. Company develops more powerful lighting system
2. Company develops device to measure energy efficiency of any lighting system
3. Company develops device to measure illumination level
4. Company develops software program to teach lighting fundamentals to TV studio personnel

Figure 2.8 Threat Matrix



(b) Threat Matrix

Probability of Occurrence

		High	Low
Seriousness	High	1	2
	Low	3	4

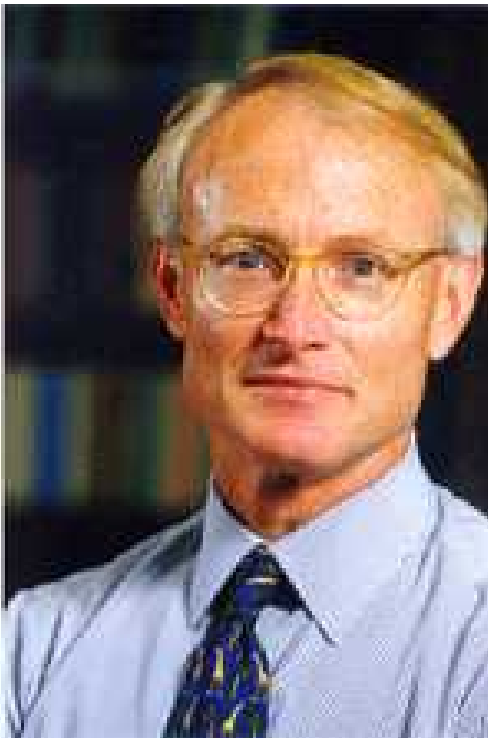
1. Competitor develops superior lighting system
2. Major prolonged economic depression
3. Higher costs
4. Legislation to reduce number of TV studio licenses

Goal Formulation and MBO



- Requirements for using MBO
 - Unit's objectives must be hierarchical
 - Objectives should be quantitative
 - Goals should be realistic
 - Objectives must be consistent

Porter's Generic Strategies



Overall Cost Leadership

Differentiation

Focus

The Star Alliance



Categories of Marketing Alliances

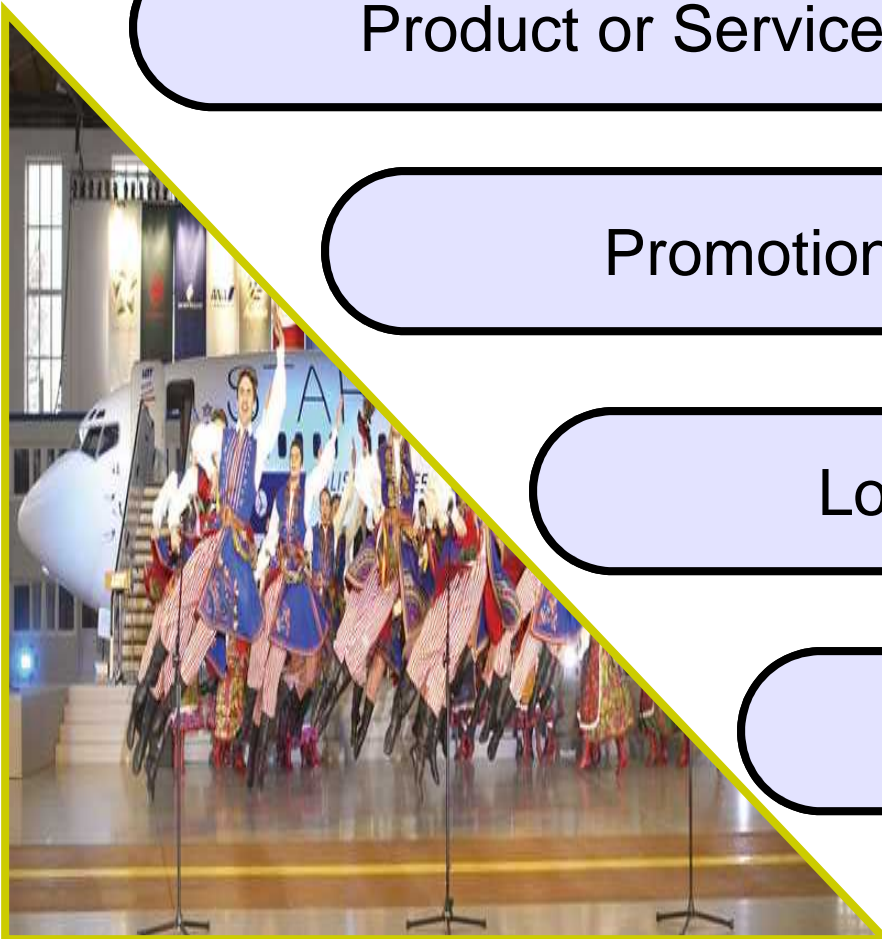


Product or Service Alliances

Promotional Alliances

Logistics Alliances

Pricing Collaborations



Feedback and Control



The screenshot shows the Kraft Foods website homepage with a blue header and navigation menu. The main content area features several promotional banners and news items.

Kraft Foods kraftfoods.com
Get Recipes

Home Profile Investors Newsroom Responsibility Careers Brands Contacts Search

CHOCOLAT **JELLO** **INSTANT PUDDING** **Philadelphia** **SUCHARD**

Kraft '05 Brand Milestones Cross Centuries

Oreo: Milk's Favorite Cookie

Latest News

- Kraft Foods Co. Launched Tassimo Hot Beverage System in the U.S.: New Technology Drives Real Liquid Milk for Cappuccinos, Lattes [more>>](#)
- Kraft Foods Declares Regular Quarterly Dividend of \$0.205 Per Share [more>>](#)
- Kraft Foods to Stop Production of *Lowfat* Hummus Product [more>>](#)

SHREDDED WHEAT **Sensible Solution** **New Initiatives Increase Visibility of Better-for-You Food Choices**

Snacks for the Slopes

Related Websites... **International Websites...**

KFT Kraft Foods \$31.87 Change -0.38
Minimum 23 minutes delayed

All of the sites appear in local language(s)

Marketing Plan Contents



- ✓ Executive summary
- ✓ Table of contents
- ✓ Situation analysis
- ✓ Marketing strategy
- ✓ Financial projections
- ✓ Implementation controls

Evaluating a Marketing Plan



- ✓ Is the plan simple?
- ✓ Is the plan specific?
- ✓ Is the plan realistic?
- ✓ Is the plan complete?

Marketing Debate

✓ What good is a mission statement?

Take a position:

1. Mission statements are critical to a successful marketing organization.
2. Mission statements rarely provide useful marketing value.

Marketing Debate



- ✓ What implications do Porter's value chain and the holistic marketing orientation model have for marketing planning?