

***Company and
Marketing Strategy:
Partnering to Build
Customer Relationships***

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Strategic Planning

- Strategic planning is defined as:
 - “The process of developing and maintaining a strategic fit between the organization’s goals and capabilities and its changing marketing opportunities.”

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Strategic Planning

- Planning activities occur at the business unit, product, and market levels, and include:
 - Defining the purpose and mission
 - Setting objectives and goals
 - Designing the business portfolio
 - Developing detailed marketing and departmental plans

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Strategic Planning

- Mission statements should . . .
 - serve as a guide for what the organization wants to accomplish.
 - be “market-oriented” rather than “product-oriented”.
 - be neither too narrow, nor too broad.
 - fit with the market environment.
 - be motivating.

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Strategic Planning

- Mission statements guide the development of objectives and goals.
 - Objectives are developed at each level in the organization hierarchy.
 - Strategies are developed to accomplish these objectives.

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Strategic Planning

- *Business portfolio:*
“the collection of businesses and products that make up the company.”
- Designing the business portfolio is a key element of the strategic planning process.

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Strategic Planning

Portfolio Design

- **Step 1:**
Analyze the current business portfolio
- **Step 2:**
Shape the future business portfolio

- Identify strategic business units (SBUs)
- Assess each SBU:
 - The BCG growth-share matrix classifies SBUs into one of four categories using the:
 - ◊ Market growth rate
 - ◊ SBU's relative market share within the market.

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Strategic Planning

BCG Growth-Share Matrix

High Market Growth	Stars	Question Marks
Low Market Growth	Cash Cows	Dogs
	High Relative Market Share	Low Relative Market Share

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Strategic Planning

Portfolio Design

- **Step 1:**
Analyze the current business portfolio
- **Step 2:**
Shape the future business portfolio

- Determine the future role of each SBU and choose the appropriate resource allocation strategy:
 - Build
 - Hold
 - Harvest
 - Divest
- SBUs change positions over time

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Strategic Planning

- Matrix approaches to formal planning share many problems:
 - Difficult, time-consuming, and costly to implement.
 - Focus only on current businesses.
 - Too strongly emphasize market share growth or growth via diversification.

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Strategic Planning

- Designing the business portfolio also involves:
 - Developing strategies for growth by identifying, evaluating, and selecting promising new market opportunities.
 - ◊ Product/market expansion grid
 - Developing strategies for downsizing the business portfolio.

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Strategic Planning

Product/Market Expansion Grid

	Existing Products	New Products
Existing Markets	Market Penetration	Product Development
New Markets	Market Development	Diversification

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Planning Marketing

- Marketing plays a key role in the strategic planning process.
- Marketers must practice CRM and Partner Relationship Management.
 - Partnering with other departments in the company as well as other firms in the marketing system helps to build a superior *value delivery-network*.

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The Marketing Process

Key Elements

- *Analyzing marketing opportunities*
 - *Selecting target markets*
 - *Developing the marketing mix*
 - *Managing the marketing effort*
- The strategic planning and business portfolio analysis processes help to identify and evaluate marketing opportunities.
 - The purpose of the marketing process is to help the firm plan how to capitalize on these opportunities.

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The Marketing Process

Key Elements

- *Analyzing marketing opportunities*
 - *Selecting target markets*
 - *Developing the marketing mix*
 - *Managing the marketing effort*
- The segmentation process divides the total market into *market segments*.
 - *Target marketing* determines which segment(s) are pursued.
 - The *market positioning* for the product is then determined.

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The Marketing Process

Key Elements

- *Analyzing marketing opportunities*
 - *Selecting target markets*
 - *Developing the marketing mix*
 - *Managing the marketing effort*
- Competitor analysis guides competitive marketing strategy development.
 - Strategy leads to tactics by way of the marketing mix:
 - The "Four Ps" – product, price, place, promotion (seller viewpoint)
 - The "Four Cs" – customer solution, cost, convenience, and communication (customer viewpoint)

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The Marketing Process

Key Elements

- *Analyzing marketing opportunities*
 - *Selecting target markets*
 - *Developing the marketing mix*
 - *Managing the marketing effort*
- Marketing analysis
 - Provides information helpful in planning, implementation, and control
 - Marketing planning
 - Strategies and tactics
 - Marketing implementation
 - Turns plans into action
 - Marketing control
 - Operating control
 - Strategic control
 - ◊ *Marketing audit*

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