



Introduction to Marketing

Strategic Planning for Competitive Advantage

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Learning Outcomes



LO¹

Understand the importance of strategic planning



LO²

Define Strategic Business Units (SBUs)



LO³

Identify strategic alternatives and know a basic outline for a marketing plan



LO⁴

Develop an appropriate business mission statement



LO⁵

Describe the components of a situation analysis



LO⁶

Identify sources of competitive advantage

Strategic Planning

The managerial process of creating and maintaining a fit between the organization's objectives and resources and evolving market opportunities.

The goal is long-term profitability and growth.

Strategic Business Units (SBUs)

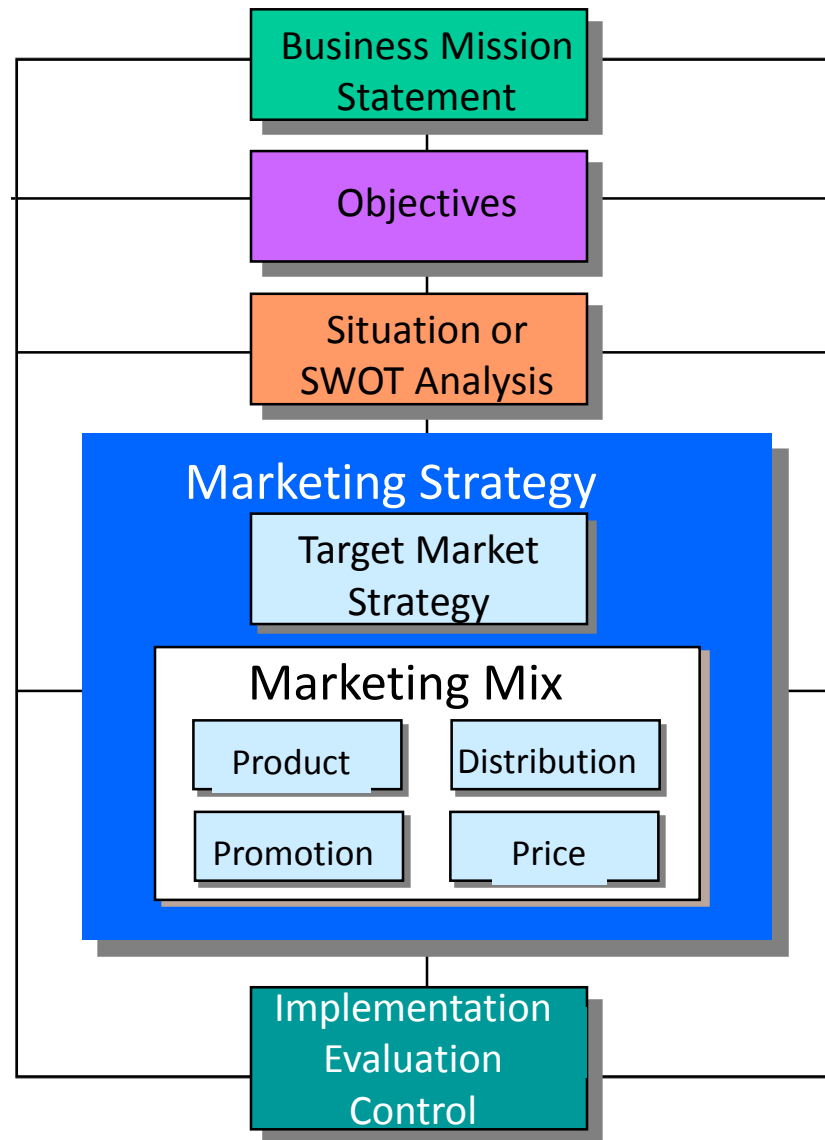
Characteristics:

An SBU HAS...

- **A distinct mission and specific target market**
- **Control over its resources**
- **Its own competitors**
- **It is a single business or collection of related business**
- **Plans independent of other SBUs**

Why Write a Marketing Plan?

- Provides a basis for comparison of actual and expected performance
- Provides clearly stated activities to work toward common goals
- Serves as a reference for the success of future activities
- Provides an examination of the marketing environment
- Allows entry into the marketplace with awareness



Defining the Business Mission

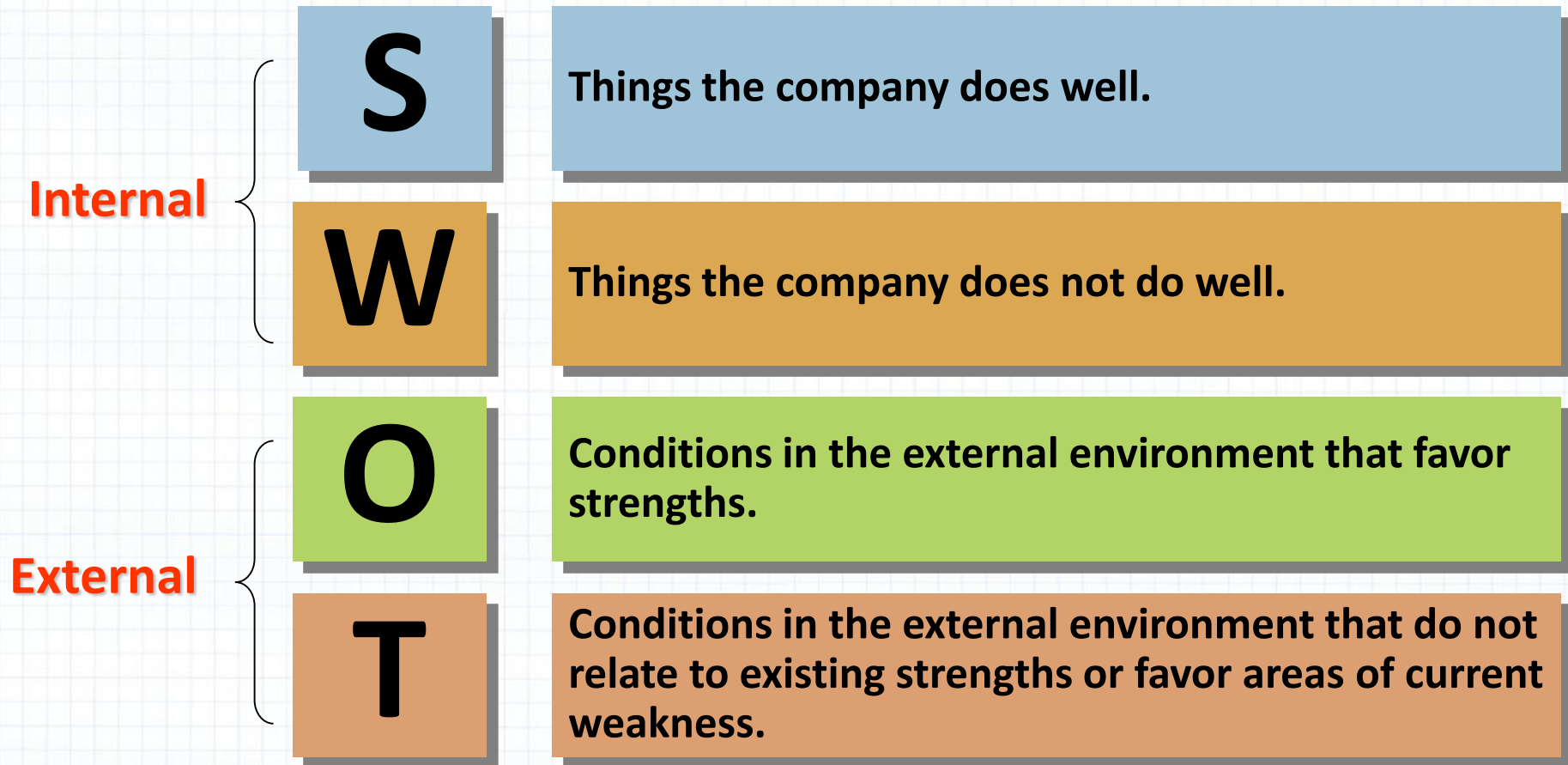
- Answers the question, “What business are we in?”
- Focuses on the market(s) rather than the good or service
- Strategic Business Units (SBUs) may also have a mission statement

Marketing Objectives

- Realistic
- Measurable
- Time specific
- Compared to a benchmark

“Our objective is to increase sales of Purina brand cat food by 15 percent over 2009 sales of \$300 million.”

SWOT Analysis



Environmental Scanning

Environmental Scanning

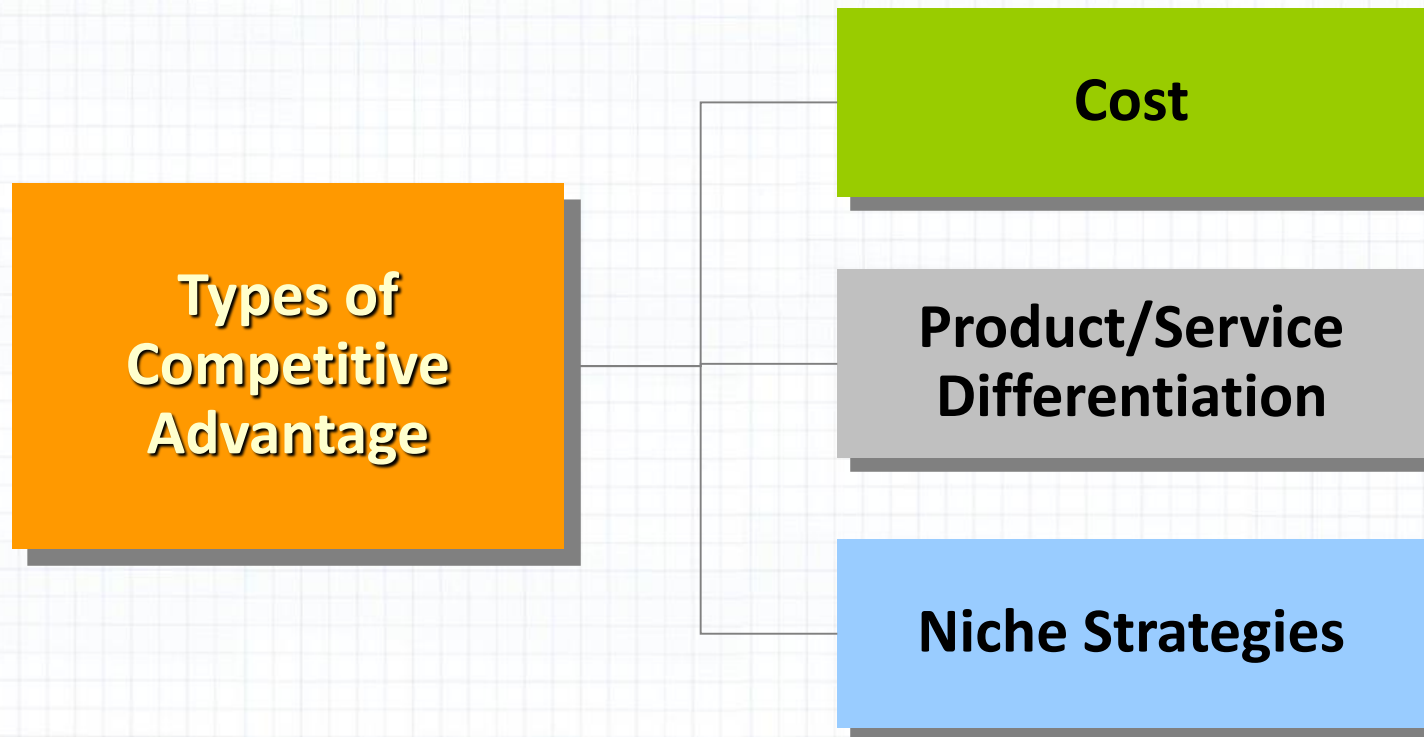
The collection
and interpretation of information about
forces, events, and relationships in the
external environment that may affect the
future of the organization or the
implementation of the marketing plan.

Competitive Advantage

Competitive Advantage

The set of unique features of a company
And its products that are perceived by
the target market as significant and
superior to the competition.

Competitive Advantage



Sources of Cost Reduction

Experience Curves

Efficient Labor

No-frills Products

Government Subsidies

Product Design

Reengineering

Production Innovations

New Delivery Methods

Sources of Differential Competitive Advantage

Value impressions

- Features of a product that signal value

Augmented product

- Features of a product that are not expected by the customer

Niche Competitive Advantage

- ◆ Used by small companies with limited resources
- ◆ May be used in a limited geographic market
- ◆ Product line may be focused on a specific product line

Examples





Target Market Strategy

- **Segment the market based on groups with similar characteristics**
- **Analyze the market based on attractiveness of market segments**
- **Select one or more target markets**

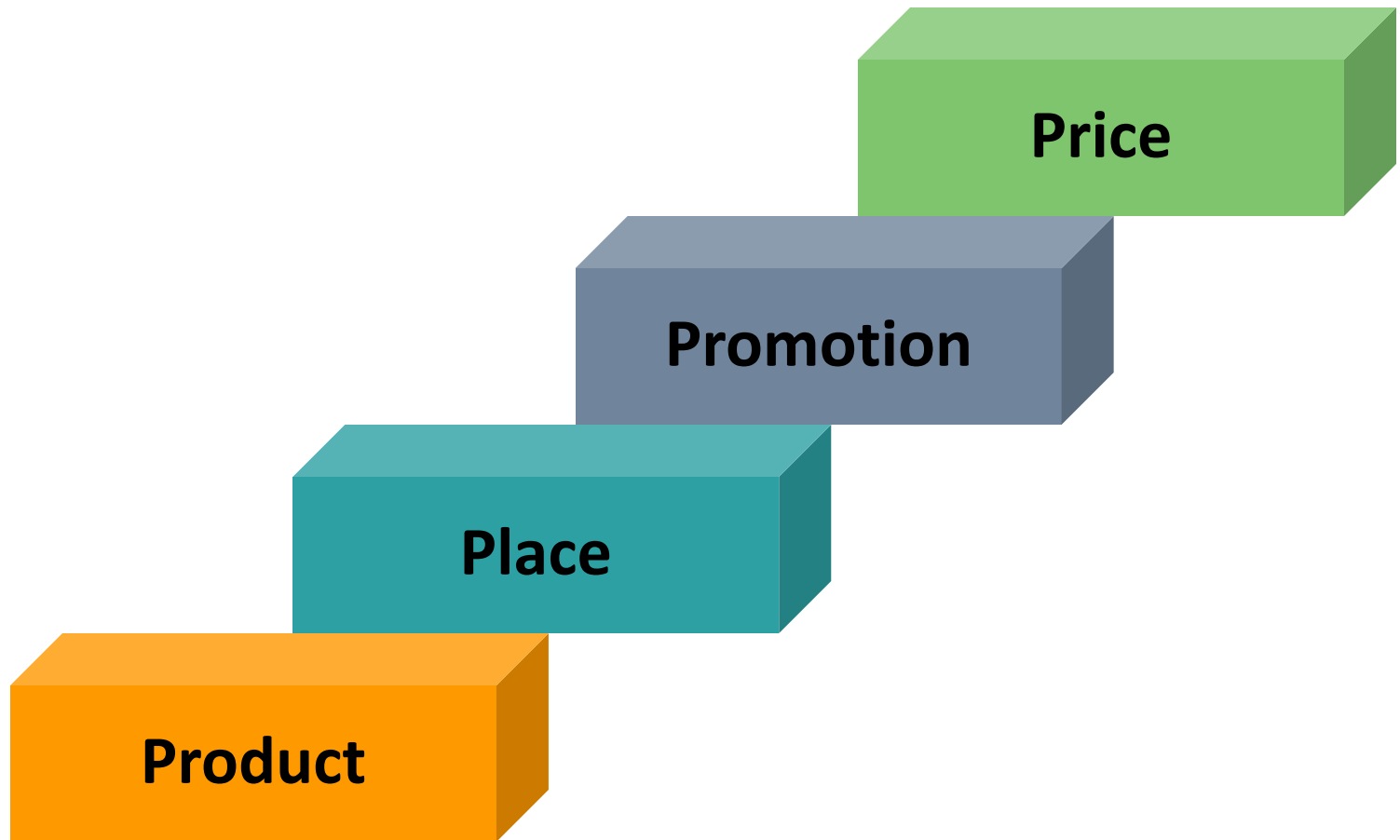
Target Market Strategy

**Appeal to the entire market
with one marketing mix**

**Concentrate on one
marketing segment**

**Appeal to multiple markets
with multiple marketing mixes**

Marketing Mix: The “Four Ps”



Ansoff Matrix

	<i>Present Product</i>	<i>New Product</i>
<i>Present Market</i>	Market Penetration	Product Development
<i>New Market</i>	Market Development	Diversification

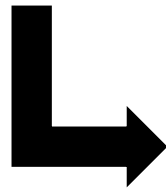
Strategic Alternatives

Market Penetration	Increase market share among existing customers
Market Development	Attract new customers to existing products
Product Development	Create new products for present markets
Diversification	Introduce new products into new markets



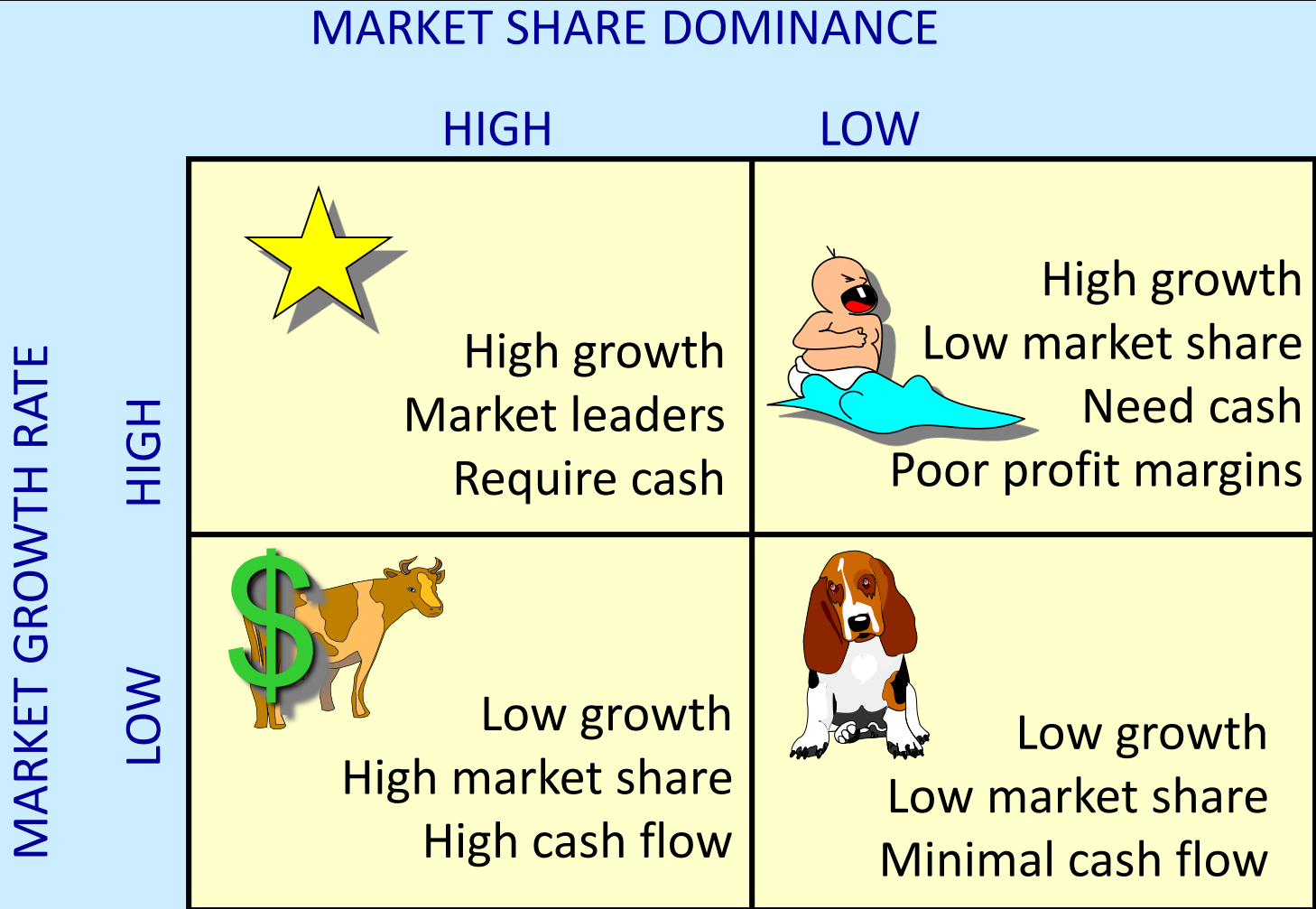






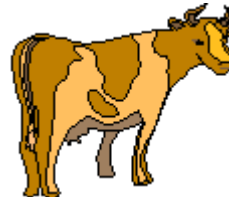
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BCG Portfolio Matrix



Portfolio Matrix Strategies

Build
Hold
Harvest
Divest



Following Up the Marketing Plan

- Implementation
- Evaluation
- Control
 - Marketing audit is...
 - **Comprehensive**
 - **Systematic**
 - **Independent**
 - **Periodic**
 - Postaudit tasks

Effective Strategic Planning

Requires...

- **Continual attention – ongoing rather than annual**
- **Creativity – challenging assumptions**
- **Management Commitment – support and participation from the top**