Chapter 5

To consolidate your learning, the key points from this chapter are summarized here:

■ Describe the strategic planning process and explain the key influences that shape marketing strategy.

The strategic planning process commences at the corporate level, where the organization sets out its overall mission, purpose, and values. These are then converted into measurable goals that apply to the whole organization. Then, depending upon the size of the organization, the range of strategic business units (SBUs) and/or offerings is determined and resources are allocated to support each one. Each SBU and/ or offering has detailed functional and competitive strategies and plans, such as a marketing strategy and plan, developed around it.

There are three key influences on marketing strategy: strategic market analysis, which is concerned with developing knowledge and understanding about the marketplace; strategic marketing goals, which are about what the strategy is intended to achieve; and strategic market action, which is about how the strategies are to be implemented.

■ Analyse current conditions and formulate marketing strategies.

SWOT analysis is used to determine an overall view of the strategic position and highlights the need for a strategy to produce a strong fit between the internal capability (strengths and weaknesses) and the external situation (opportunities and threats). SWOT analysis serves to identify the key issues, and prompts thought about converting weaknesses into strengths and threats into opportunities.

■ Explain the different types of strategic marketing goal and associated growth strategies.

There are several types of strategic marketing goal, but the four main ones are niche, hold, harvest, and divest. However, the vast majority of organizations consider growth to be a primary objective. Although there are different ways of classifying growth, intensive, integrated, or diversified are generally accepted as the main forms.

■ Describe the concepts associated with strategic market action.

Strategic market action is concerned with ways of implementing marketing strategies. Various concepts and frameworks have been proposed, and, of these, we considered ideas about competitive advantage, generic strategies, and competitive positioning.

■ Appreciate the main issues associated with strategy implementation, including the principles of marketing metrics.

The implementation of most strategic marketing plans involves four main issues: the structure and type of marketing function; organizational culture; financial resources; and marketing metrics, or the controls used to measure the effectiveness of the implementation process.

Many companies now use various marketing metrics to monitor performance. These include metrics in the areas of: profit/profitability; sales value and volume; gross margin; (brand) awareness; market share; number of new products; relative price; number of customer complaints; consumer satisfaction; customer advocacy; distribution/availability; total number of customers; marketing spend; perceived quality/esteem; loyalty/retention; and relative perceived quality.

■ Explain the key elements of a marketing plan.

The key elements associated with the structure of a marketing plan are: the overall objectives; product/ market background; market analysis; marketing strategy and goals; marketing programmes; implementation, evaluation, and control. Although depicted as a linear process, many organizations do not follow this process, or do not include all these elements, or undertake many of these elements simultaneously.

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