

# MARKETING MANAGEMENT

*12<sup>th</sup> edition*

**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?



# Improving Value Delivery the Japanese Way

- 0 customer feedback time
- 0 product improvement time
- 0 purchasing time
- 0 setup time
- 0 defects



# 3 V's Approach to Marketing

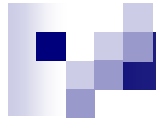
- Define the value segment
- Define the value proposition
- Define the value network



# Benchmarks

Organizational  
costs  
and  
performance  
measures

Competitor  
costs  
and  
performance  
measures



# Core Business Processes

Market  
sensing

Customer  
relationship  
management

New offering  
realization

Fulfillment  
management

Customer  
acquisition



# Characteristics of Core Competencies

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



# 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



# 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

- Industry
- Products
- Competence
- Market segment
- Vertical channels
- Geographical



## 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

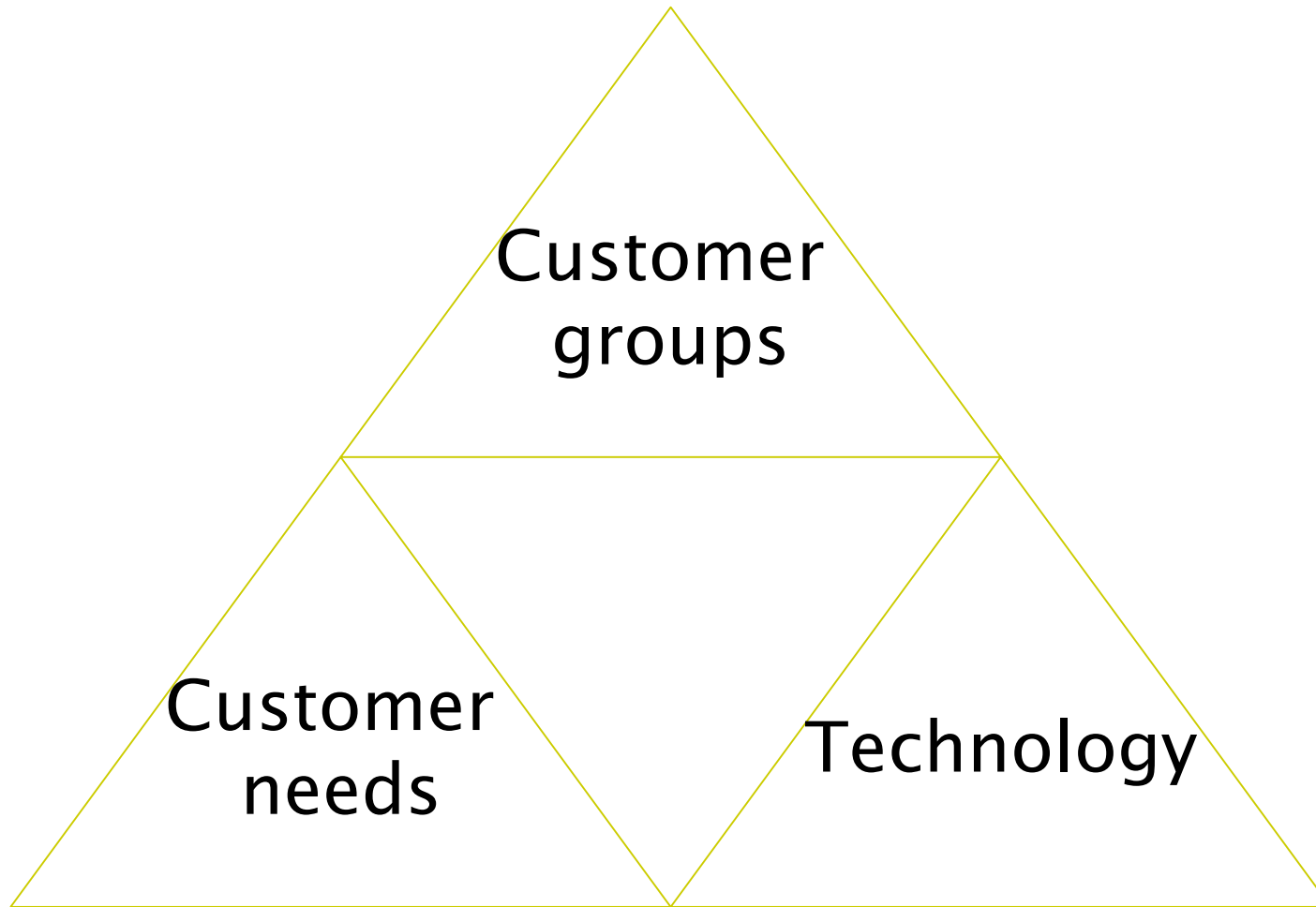
“The purpose of Motorola is to honorably serve the needs of the community by providing products and services of superior quality at a fair price to our customers; to do this so as to earn an adequate profit which is required for the total enterprise to grow; and by doing so, provide the opportunity for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



# eBay

**“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.”**

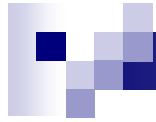
# Dimensions That Define A Business





# 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



# Organizations

- Culture
- Policies
- Structure



# 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?



# 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



# Categories of Marketing Alliances

- Product or Service Alliances
- Promotional Alliances
- Logistics Alliances
- Pricing collaborations



# 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?