

Chapter 2

COMPANY AND MARKETING STRATEGY: PARTNERING TO BUILD CUSTOMER RELATIONSHIPS

Md. Afnan Hossain

Lecturer, School of Business & Economics

Objective 1

- Company-Wide Strategic Planning and its Four Steps

Companywide Strategic Planning

A **strategy** is a theory about how to gain competitive advantages.

Strategic planning is the process of developing and maintaining a strategic fit between the organization's goals and capabilities and its changing marketing opportunities.

Steps in Strategic Planning



Defining a Market-Oriented Mission

- The **mission statement** is the organization's purpose, what it wants to accomplish in the larger environment.
- Market-oriented mission statement defines the business in terms of satisfying basic customer needs.



*We help you organize the world's
information and make it universally
accessible and useful.*

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

Objective 2



- Design Business Portfolio and Develop Growth Strategies

The business portfolio is the collection of businesses and products that make up the company.

Portfolio analysis is a major activity in strategic planning whereby management evaluates the products and businesses that make up the company.

Analyzing the Current Business Portfolio

Strategic business units can be

- Company division (e.g. Unilever – Food and drink, Home Care, Personal Care, Water Purifier)
- Product line within a division (e.g. Personal Care)



- Single product or brand



Problems with Matrix Approaches

- Difficulty in defining SBUs and measuring market share and growth
- Time consuming
- Expensive
- Focus on current businesses, not future planning

Developing Strategies for Growth and Downsizing

- **Product/market expansion grid** is a tool for identifying company growth opportunities through market penetration, market development, product development, or diversification.

Ansoff's Product/Market Expansion Grid

	Existing products	New products
Existing Markets	Market penetration strategy	Product development strategy
New Markets	Market development strategy	Diversification strategy

Example - Ben & Jerry's (Product/Market Expansion Grid)

Markets	PRODUCTS	
	Current	New
Current	<p>Market penetration Selling more Ben & Jerry's super premium ice cream to Americans</p>	<p>Product development Selling a new product such as children's clothing under the Ben & Jerry's brand to Americans</p>
New	<p>Market development Selling more Ben & Jerry's super premium ice cream in South American markets for the first time</p>	<p>Diversification Selling a new product such as children's clothing in South American markets for the first time</p>

Downsizing is the reduction of the business portfolio by eliminating products or business units that are not profitable or that no longer fit the company's overall strategy.

Objective 3



- Marketing's Role in Strategic Planning and How Marketing Works With the Partners to Create and Deliver Customer Value

Partnering to Build Customer Relationships

Value chain is a series of departments that carry out value-creating activities to design, produce, market, deliver, and support a firm's products.



Partnering to Build Customer Relationships

Value delivery network is made up of the company, suppliers, distributors, and ultimately customers - to improve performance of the entire system.

Throughout the world, McDonald's finely tuned value delivery system delivers a high standard of QSCV.



Objective 4

- Describe the Elements of a Customer-driven Marketing Strategy and Mix and the Forces that Influence it

Marketing Strategy and the Marketing Mix



Customer-Driven Marketing Strategy

Market segmentation is the division of a market into distinct groups of buyers who have different needs, characteristics, or behavior and who might require separate products or marketing mixes.

Market segment is a group of consumers who respond in a similar way to a given set of marketing efforts.

Customer-Driven Marketing Strategy

Market targeting is the process of evaluating each market segment's attractiveness and selecting one or more segments to enter.

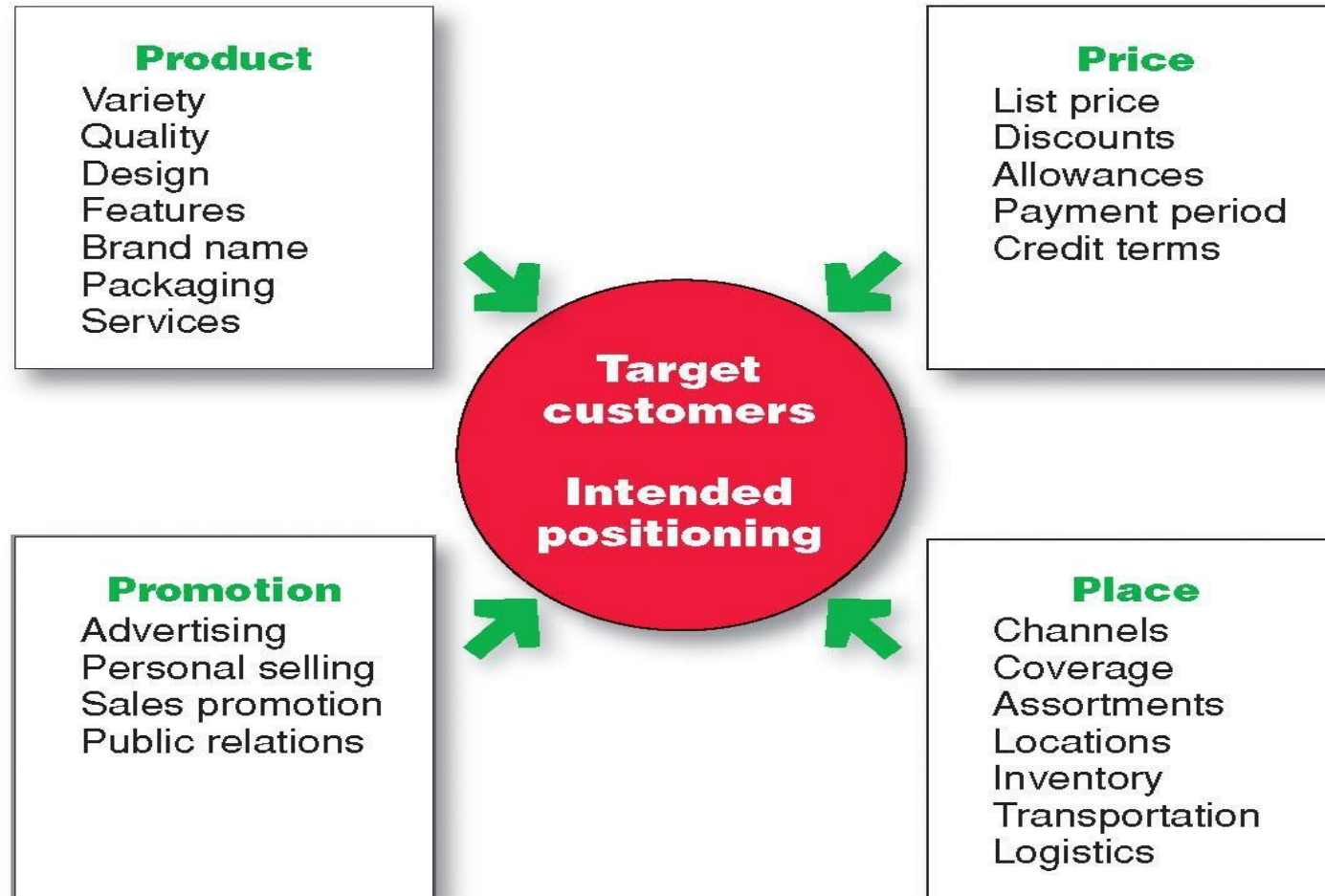
Market positioning is the arranging for a product to occupy a clear, distinctive, and desirable place relative to competing products in the minds of the target consumer.

Marketing Strategy and the Marketing Mix

Developing an Integrated Marketing Mix

Marketing mix is the set of controllable marketing tools—product, price, place, and promotion—that the firm blends to produce the response it wants in the target market.

Developing an Integrated Marketing Mix

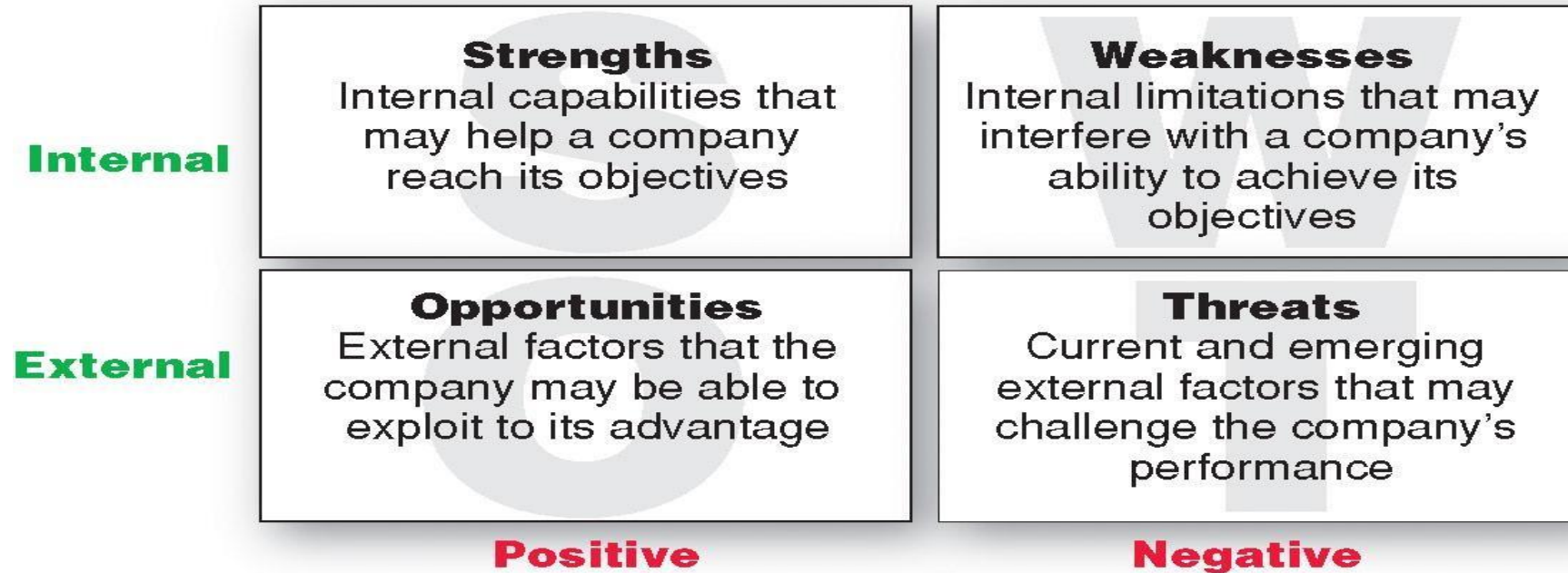


Objective 5

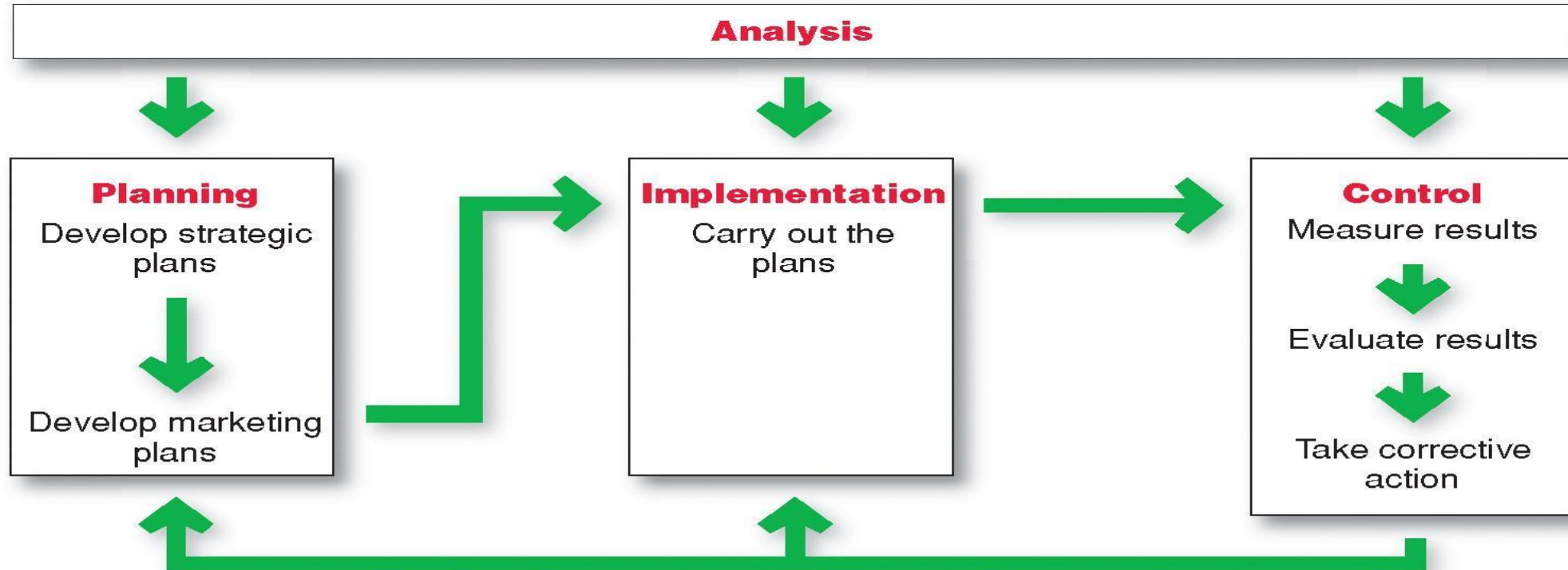


- Discussion on Marketing Management Functions: Analysis, Planning, Implementation, Control and the Importance of Measuring ROI

Marketing Analysis – SWOT Analysis



Managing the Marketing Effort



Return on Marketing Investment (Marketing ROI)



Return on marketing investment

(Marketing ROI) is the net return from a marketing investment divided by the costs of the marketing investment.

Marketing ROI provides a measurement of the profits generated by investments in marketing activities.

Thank
You