

Strategic Planning and the Marketing Process

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Strategic Planning Process

- **Strategic Planning** is the process of developing and maintaining a strategic fit between the organization's goals and capabilities and its changing marketing opportunities.
- This process involves:
 - **Defining the Company Mission:**
Statement of an organization's purpose - what it wants to accomplish in the larger environment.
 - **Setting Company Objectives and Goals:**
Supporting objectives for each level of

Mission Statements

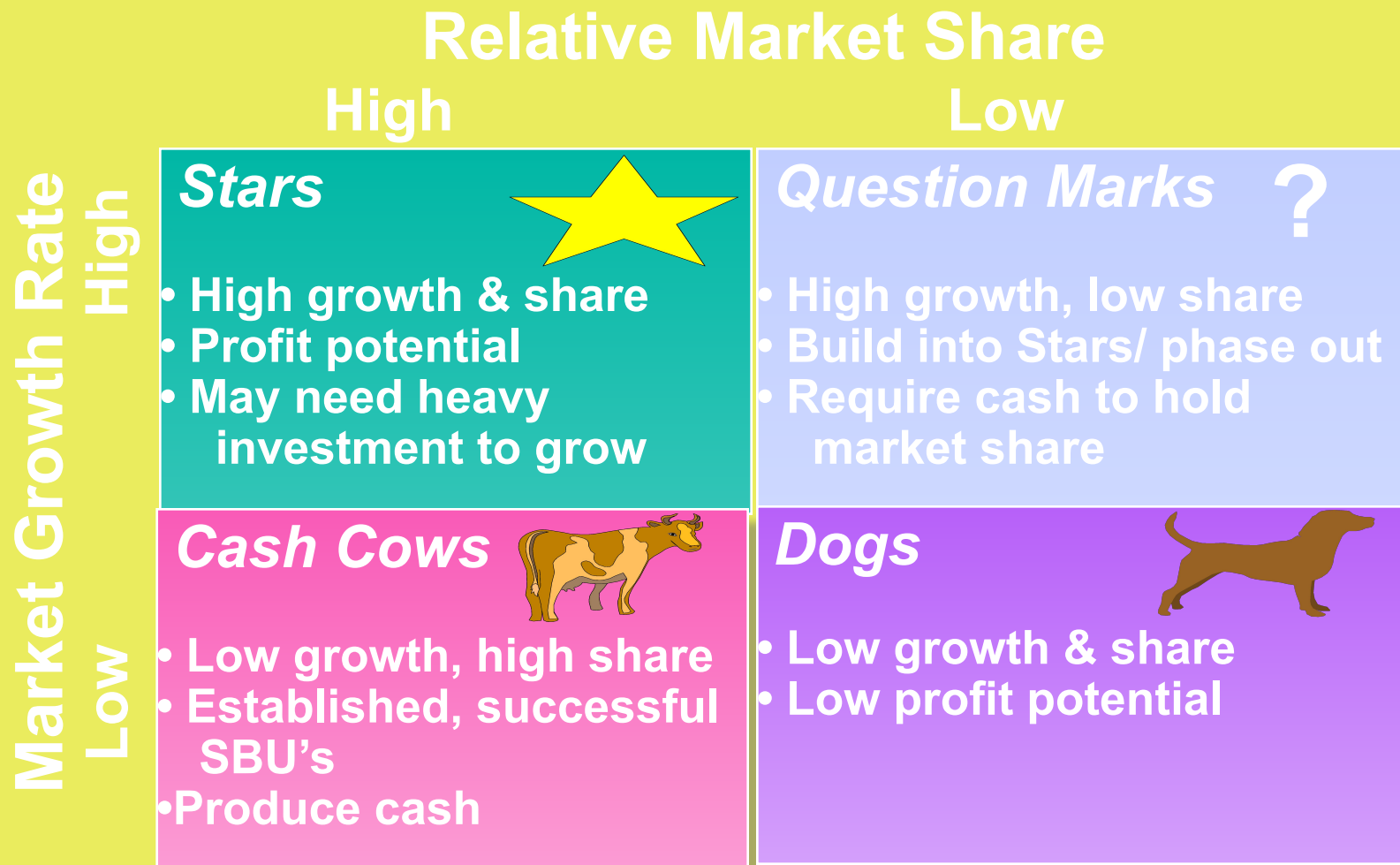
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Designing the Business Portfolio

- “The best portfolio is the one that best fits the company’s strengths and weaknesses to opportunities in the environment.”
- A **Strategic Business Unit (SBU)** is a unit of the company:
 - that has a separate mission and objectives, and
 - that can be planned independently from other company businesses.
- The company must:
 - analyze its current business portfolio or Strategic Business Units (SBU’s),

Analyzing Current SBU's: Boston Consulting Group Approach



Problems With Matrix Approaches

Can be Difficult, Time-Consuming, & Costly to Implement

Difficult to Define SBU's & Measure Market Share/
Growth

Focus on Current Businesses, But Not future Planning

Can Lead to Unwise Expansion or Diversification

Developing Growth Strategies

Product/ Market Expansion Grid

	Existing Products	New Products
Existing Markets	1. Market Penetration	3. Product Development
New Markets	2. Market Development	4. Diversification

Product/ Market Expansion Grid

- **Market Penetration:** making more sales to current customers without changing products. How? Cut prices, increase advertising, get products into more stores.
- **Market Development:** identifying and developing new markets for its current products. How? Identify new demographic or geographic markets.
- **Product Development:** offering modified or new products to current markets. How? New styles, sizes, colors, or other modified products.

Marketing's Role in Strategic Planning

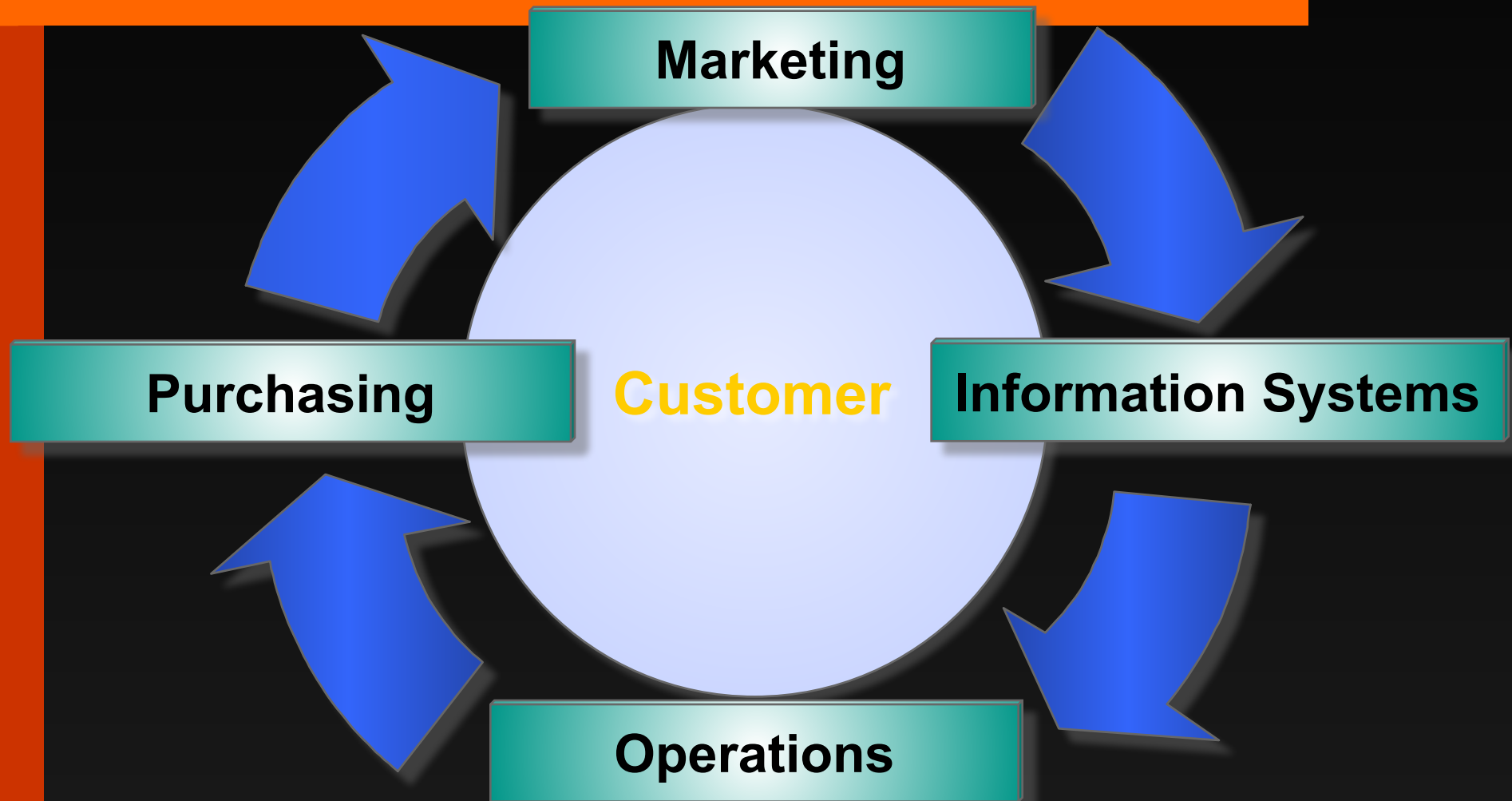
**Provides a
Guiding
Philosophy**

**Provides
Inputs
to
Strategic
Planners**

**Designs
Strategies
for Reaching
Unit's
Objectives**

A Company's Value Chain

Each Department in a Company Carries Out Value-Creating Activities to Design, Produce, Market, Deliver, and Support the Firm's Products.

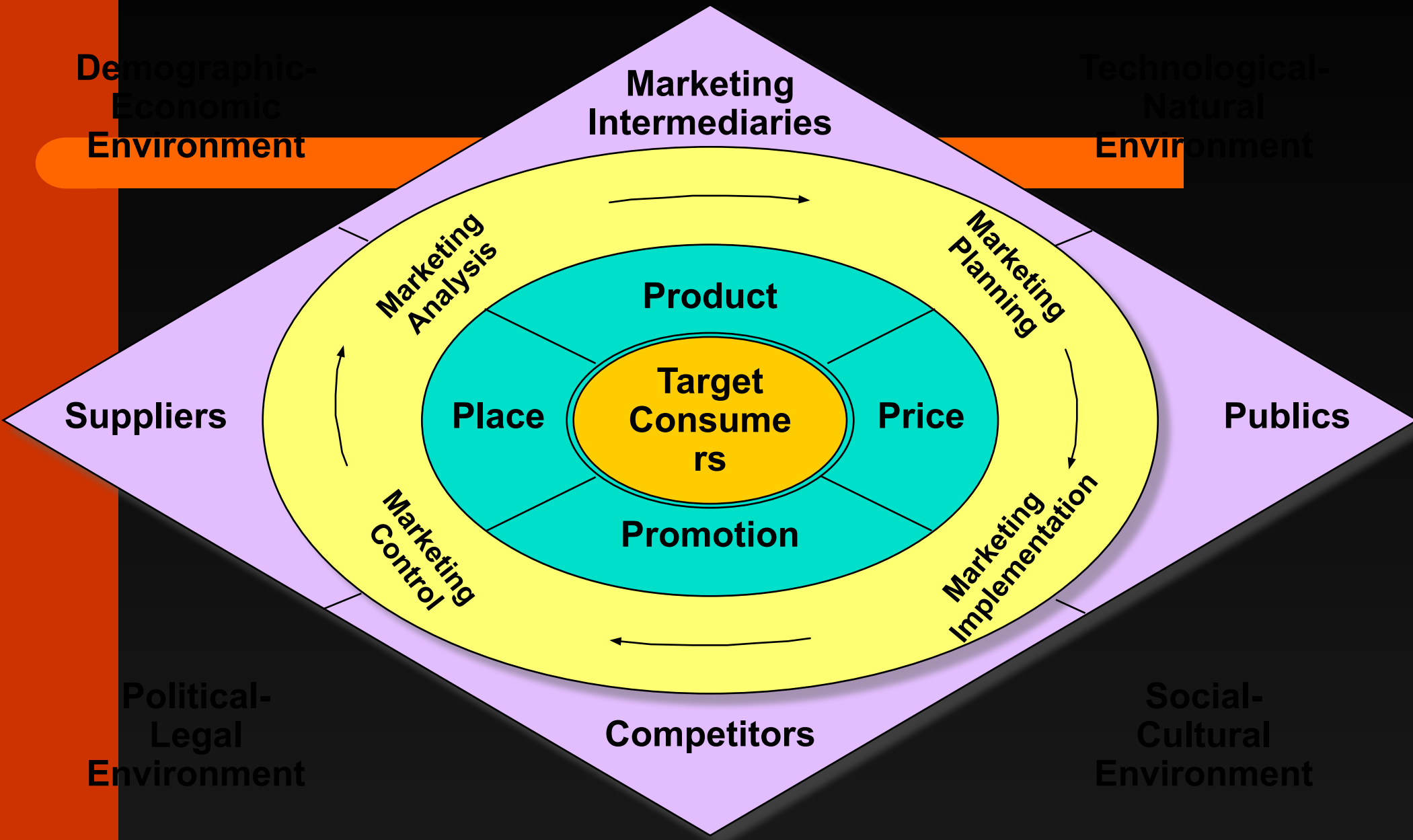




Speed Bump: Linking the Concepts

- **What does Strategic Planning have to do with marketing?**
- **What are Levi Strauss & Co.'s mission and strategy?**
- **What roles do other functional departments play?**
- **How can Levi Strauss's marketers work more effectively with these other functions to maximize overall customer value?**

The Marketing Process



Process of Selecting Target Consumers

- **Market Segmentation:** process of dividing a market into distinct groups of buyers (segments) with different needs, etc. who might require separate products.
- **Market Segment** - consumers who respond in similar way to a given set of marketing efforts.
- **Market Targeting:** evaluating each market segment's attractiveness and

Marketing Mix- The Four P's

Product

Goods-and-service
combination a
company offers a
target market

Price

Amount of money
consumers have
to pay to obtain
the product

Target
Customers

Intended
Positioning

Activities that
persuade target
customers to buy
the product

Promotion

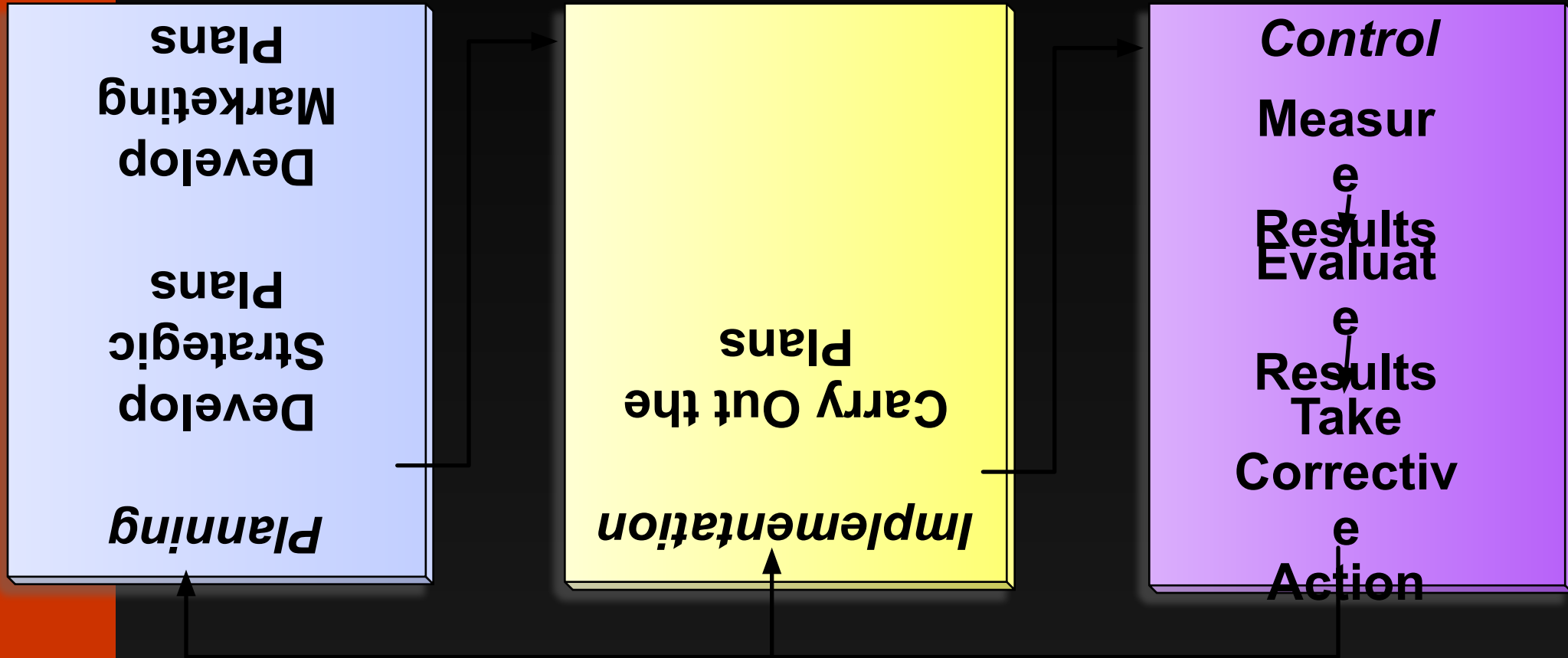
Company activities
that make the
product available
to
target customers

Place



Four Marketing Management Functions

Marketing Analysis of Company's Situation



Contents of a Marketing Plan

Executive Summary

Current Marketing Situation

Threats and Opportunities

Objectives and Issues

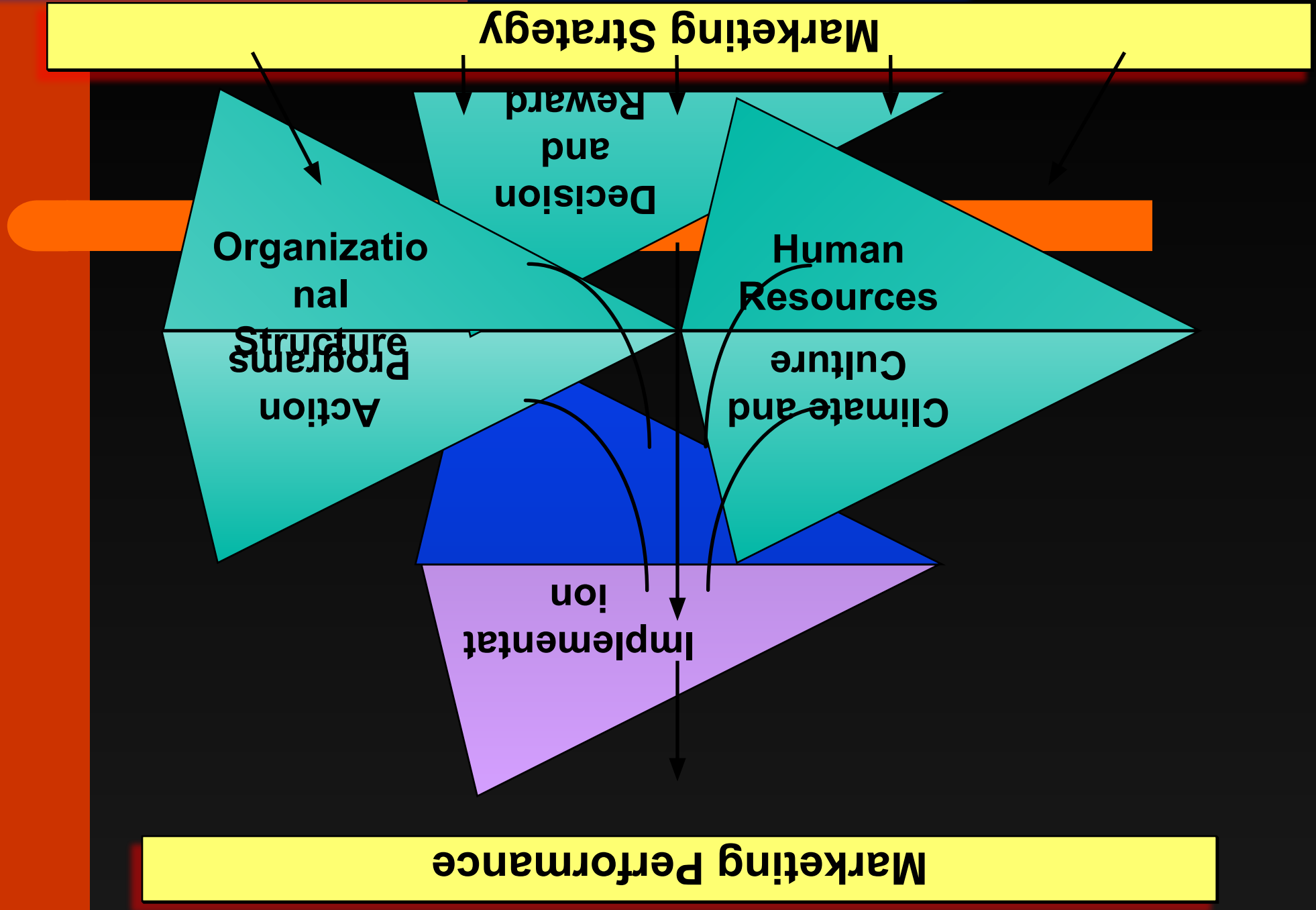
Marketing Strategy

Action Programs

Budgets

Controls

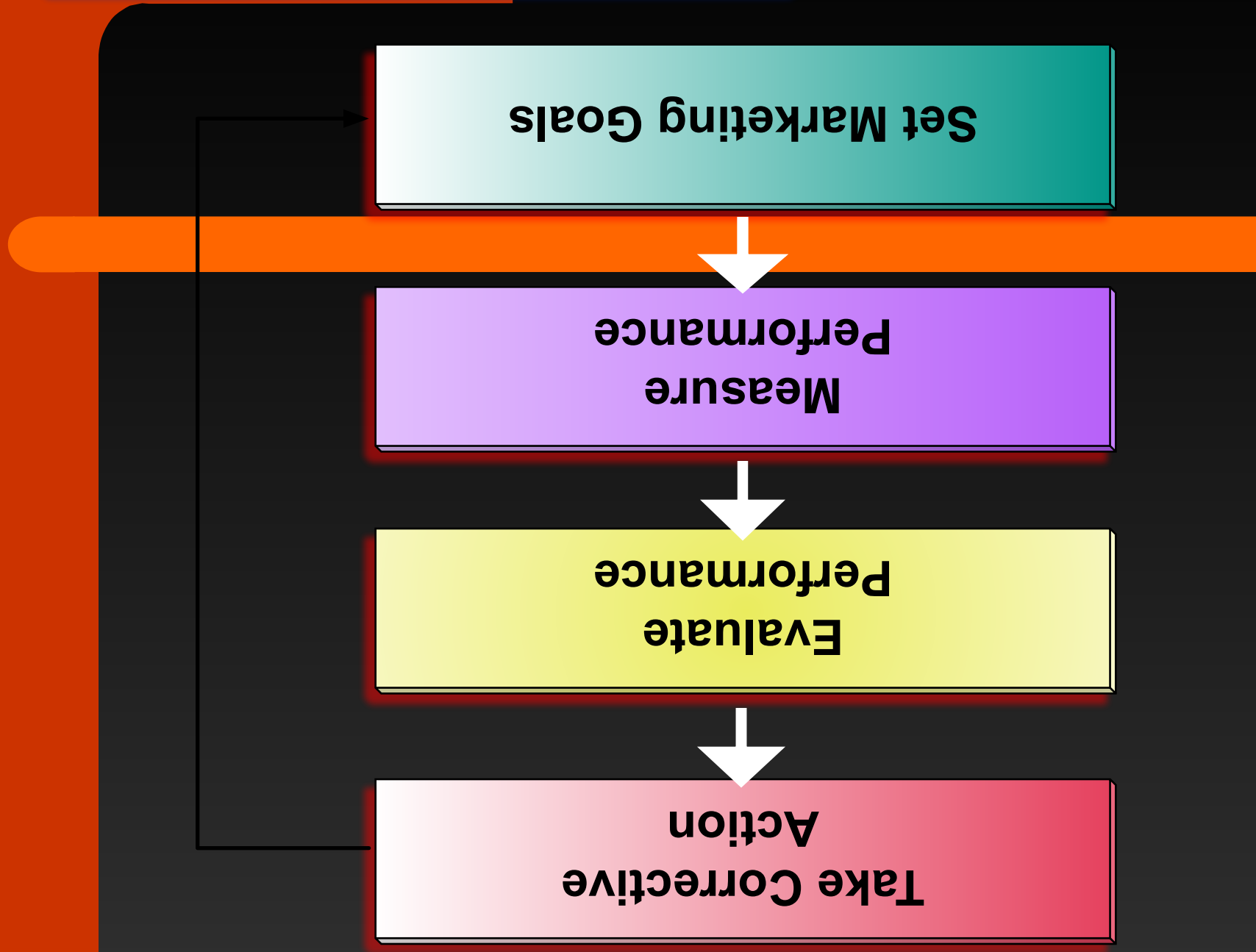
Marketing Implementation



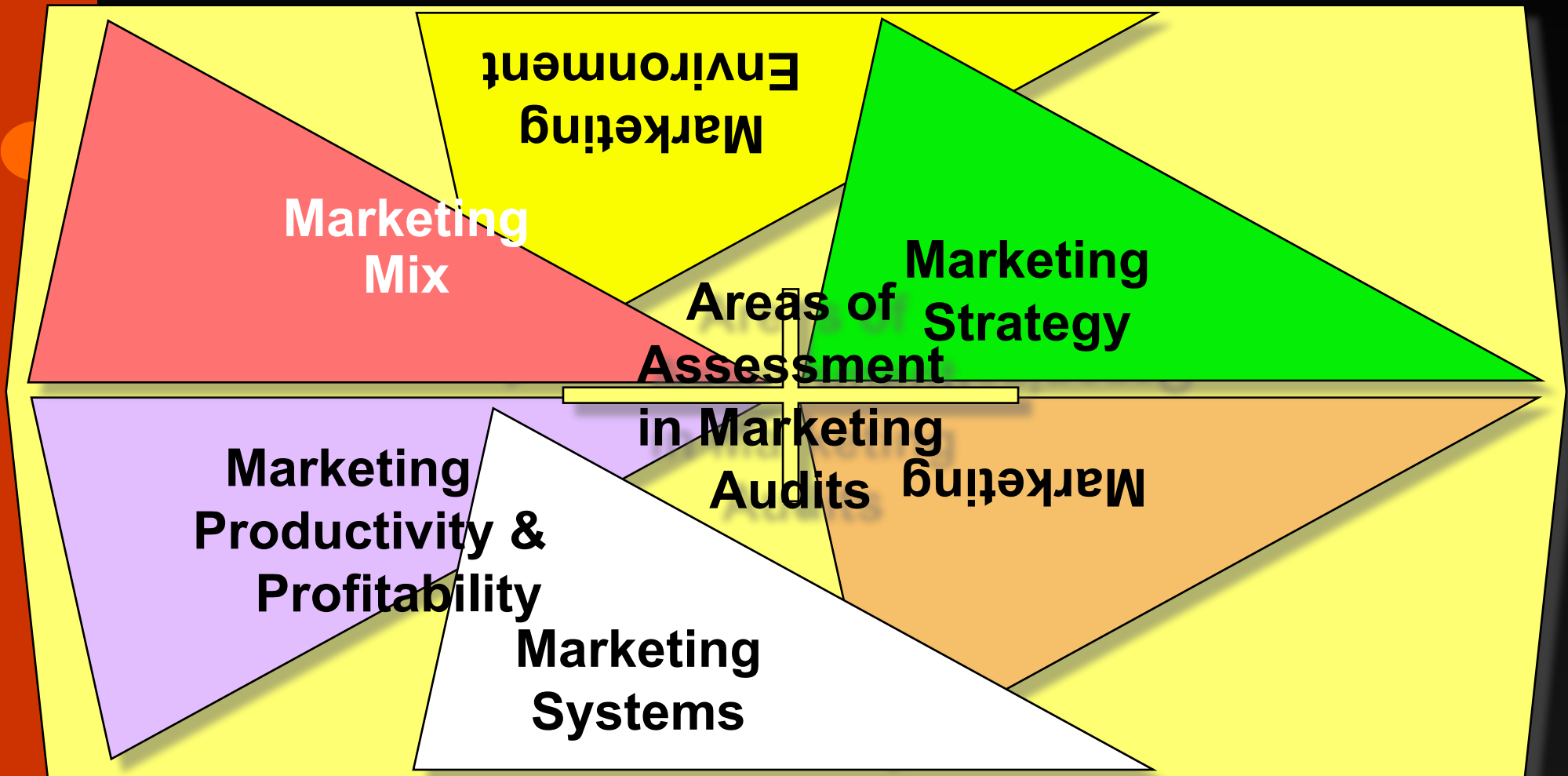
Marketing Department Organization



Marketing Control



Marketing Audits





- Explain company-wide strategic planning and its four steps.
- Discuss how to design business portfolios and develop growth strategies.
- Explain functional planning strategies and marketing's role in strategic planning.
- Describe the marketing process and the forces that influence it.
- List the marketing management functions, including the elements of a marketing plan