

Marketing Management

Session 2

Last Session Summary

- **What is a Market?**
 - **Structure of Flows in a Modern Exchange Economy**
 - **Types of Markets**
- **What is Marketing?**
 - **What is Marketing Management?**
 - **Defining marketing in 21st century**
- **Needs, Wants and Demand**
 - **Types of Needs**
 - **Types of Demands**
- **Segmentation, Target Marketing and Positioning (STP)**
- **Value and Satisfaction**
- **Marketing Mix**

Session Goals

- Ch 2- Strategic Marketing
 - Analysing needs and trends in macro environment
 - Understanding Macro environment
 - Market Oriented Strategic Planning



The New Marketing Realities

- Significant developments are taking place in the marketplace. Marketers need to respond to these developments.
- Societal forces are creating new behaviour, opportunities and challenges.

Major Societal Forces

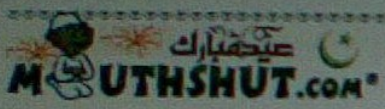
- *Information Technology – shift from industrial age to information age.*
- *Globalisation – global access*
- *Deregulation – increased competition resulting in growth opportunities*
- *Privatisation – increased efficiency – hotels, railways, etc.*
- *Increased Competition- increased promotion, shrunk profits*
- *Industry Convergence – computing and electronics converging ... Dell with MP3*

Cont...

- *Consumer Resistance – resist in buying products which over market*
- *Retail Transformation – now retail outlets offer ‘experiences’*
- *Disintermediation – dot com companies bypassed normal channel. Result in brick companies becoming brick and click companies*

New Consumer Capabilities

- *Increase in buying power – buyers can quote their buying prices*
- *Greater variety of goods & services – Amazon.com from books to everything*
- *Greater amount of information – consumers have no shortage in information*
- *Compare products & services – MouthShut.com, travel sites*



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Cont...

- Easier interacting and placing & receiving orders (24X7)
- Amplified voice to influence peer and public opinion (MySpace, Wikipedia, YouTube, Facebook etc)



New Company Capabilities

- Internet is powerful information and sales channel
- Helps researchers collect richer information and also conduct MR
- Speedier internal and external communication
- Helps target marketing and two way communication. Sites help personalize messages

Cont...

- Marketers can send promotional schemes, use data bases or even send samples
- Opened new avenue for mobile marketing
- Improves purchasing, recruiting, training
- Price comparisons ensure best purchase price

Company's Orientation towards the Marketplace

- *Production Concept*
- **Product Concept**– develop better mousetrap
- *Selling Concept*
- **Marketing Concept**(reactive [basic innovations] & proactive [probe and learn 3M] marketing)
- **Holistic Marketing Concept**– it recognizes that 'everything matters'...
broad integrated perspective necessary.



Holistic Marketing Concept

- Development, design and implementation of marketing programmes, processes and activities that recognises their breadth and interdependencies.

Holistic Marketing Concept





Market Oriented Strategic Planning

“It is more important to do what is strategically right than what is immediately profitable”

Phillip Kotler

Strategic Planning

- Is the managerial process of developing and maintaining a viable fit between the organisation's objectives, skills, and resources and its changing market opportunities.
- Marketing plays a critical role in the strategic planning process.

What is a Marketing Plan?

- **A marketing plan is the central instrument for directing and coordinating the marketing effort.**
- It operates at a strategic and tactical level

Levels of a Marketing Plan

- Strategic

- Target marketing decisions
- Value proposition
- Analysis of marketing opportunities

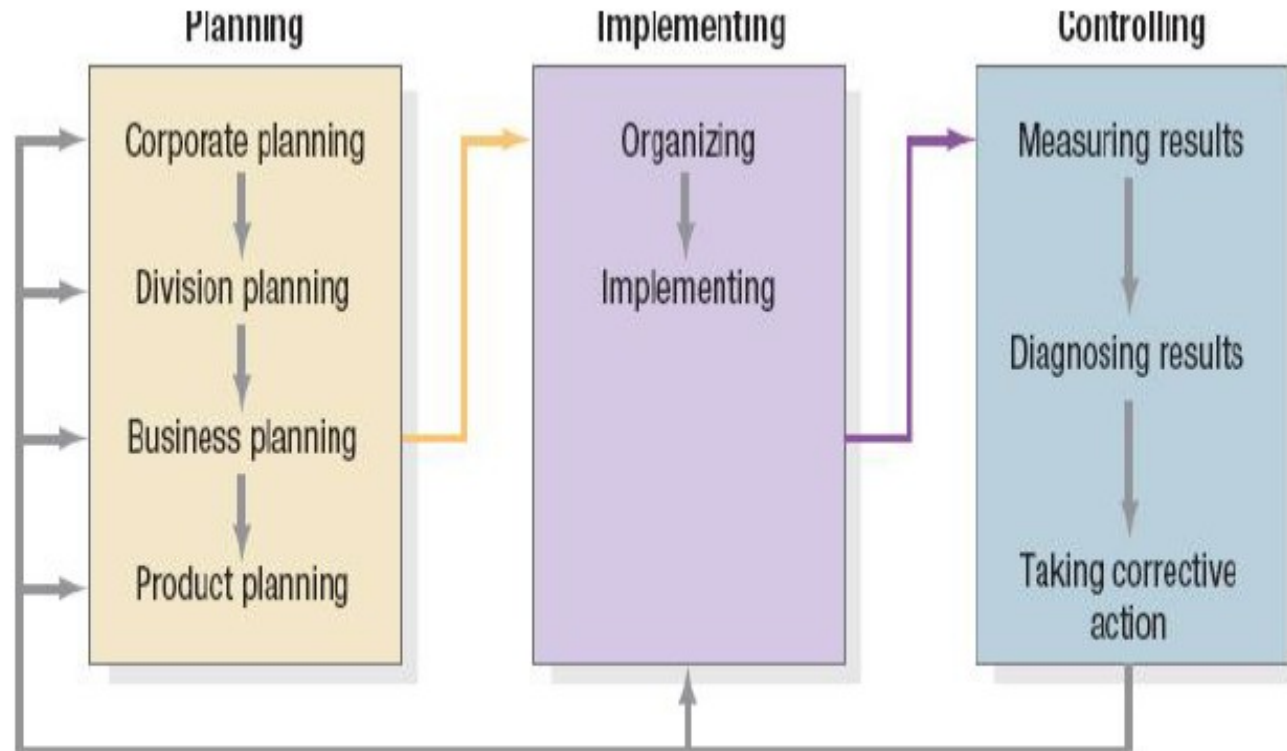
Lays down target markets and value to be delivered

- Tactical

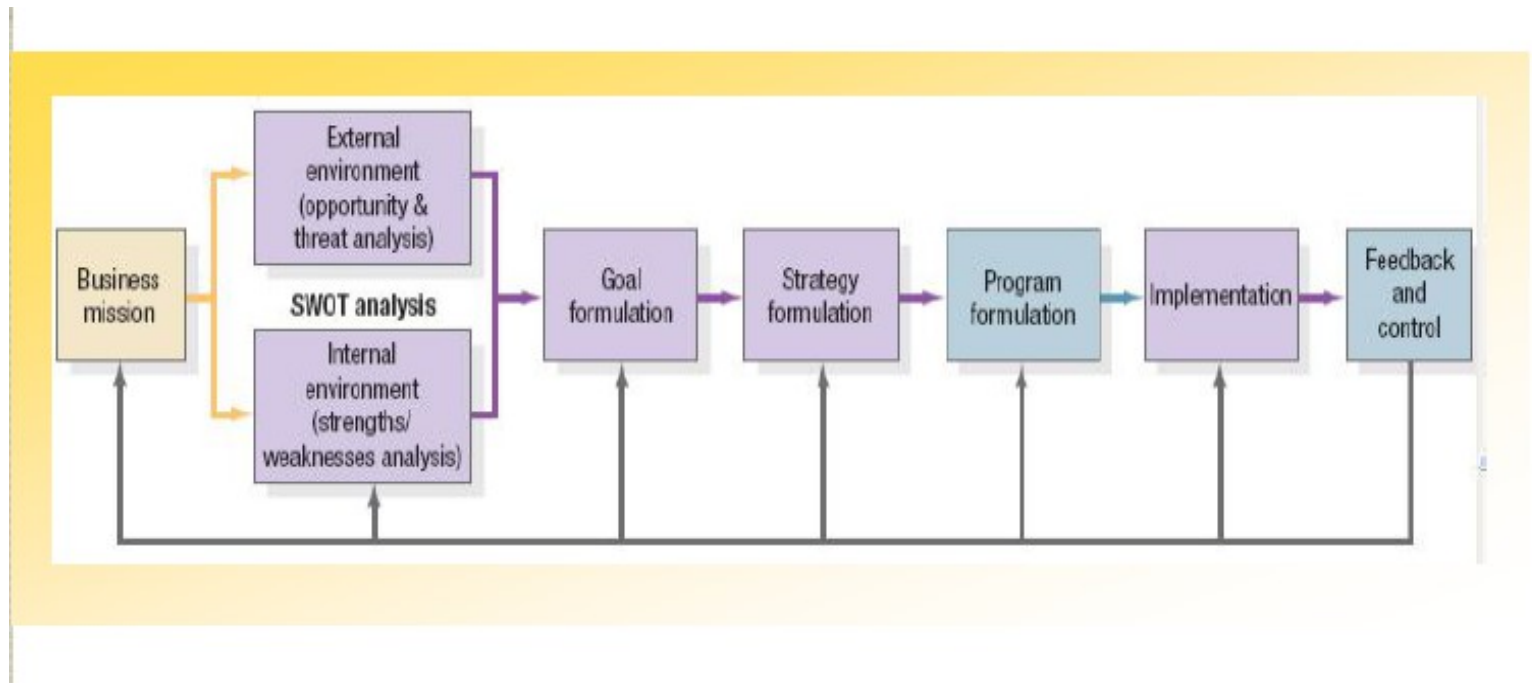
- Product features
- Promotion
- Merchandising
- Pricing
- Sales channels
- Service

Specifies marketing tactics

The Strategic Planning, Implementation, and Control Process



The Business Unit Strategic Planning Process



Business Mission

- Business unit mission must be within the broader company mission.
- Good mission statement must focus on:
 - 1.Focus on limited number of goals
 - 2.Stress major policies and values
 - 3.Define major competitive spheres



Motorola

“The purpose of Motorola is to honourably 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.”



SWOT Analysis

- It is a way of monitoring the external and internal marketing environment.
- 1.Strengths
- 2.Weaknesses
- 3.Opportunities
- 4.Threats

Goal Formulation

- After knowing SWOT analysis results, we can develop specific goals for planning period. These are time bound objectives. Normally multi-objectives
- Objectives could be like sales growth, reducing risks, innovation etc.
- MBO done for managing them.

Strategic Formulation

- *Strategy: game plan for getting there.....*

1. Marketing Strategy

2. Technology Strategy

3. Sourcing Strategy

Porter's Generic Strategies

- Overall cost leadership
- Differentiation
- Focus

- Firms pursuing same strategy directed to same target market constitute *a strategic group*

Strategic Alliances

- **Product or Service Alliances**- (HUL/Pepsi for Lipton Iced Tea)
- **Promotional Alliances**- (P&G and Bombay Dyeing for Ariel)
- **Logistics Alliances**– Mitsui Co Ltd Japan & Transport Corporation of India joined hands for ToyotaKirloskar
- **Pricing collaborations**– Emirates, Hilton Hotels and Hertz Rent a car



Programme Formulation, Implementation, Feedback & Control

- Post strategies development, detailed support plan to be developed.
- Poor implementation can sabotage excellent strategies
- Estimate implementation costs
- Strategy one of the 7 elements of successful businesses practices.

McKinsey's 7S Framework

- Strategy
- Structure
- Systems
- Style
- Skills
- Staff
- Shared Values

hardware

software



Nature & Contents of Marketing Plan

- A marketing plan is a written document that summarizes what the marketer has learned about the marketplace and indicates how firms plan to reach its marketing objectives.



Contents of Marketing Plan

- Executive Summary & Table of Contents
- Situation Analysis
- Opportunity and issue analysis
- Objectives
- MarketingStrategy
- Action Programs
- Projected profit andloss statement



Thank You