

Chapter 2

Marketing Strategy Planning



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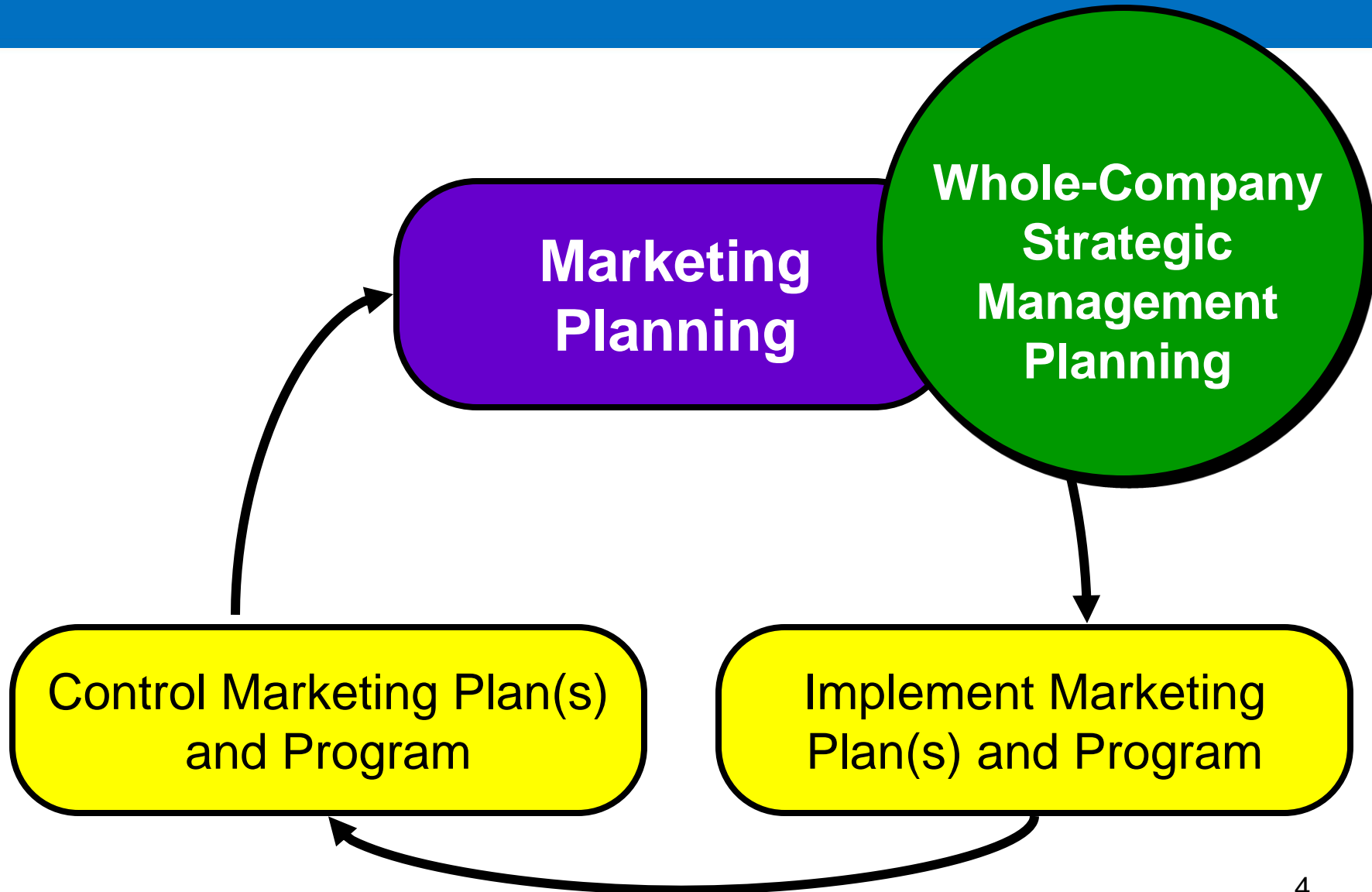
At the end of this presentation, you should be able to:

1. Understand what a marketing manager does.
2. Know what marketing strategy planning is—and why it will be the focus of the book.
3. Understand target marketing.
4. Be familiar with the four Ps in a marketing mix.
5. Know the difference between a marketing strategy, a marketing plan, and a marketing program.
6. Understand what customer equity is and why marketing strategy planners seek to increase it.

At the end of this presentation, you should be able to:

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8. Know four broad types of marketing opportunities that help in identifying new strategies.
9. Understand why strategies for opportunities in international markets should be considered.

The Management Job in Marketing



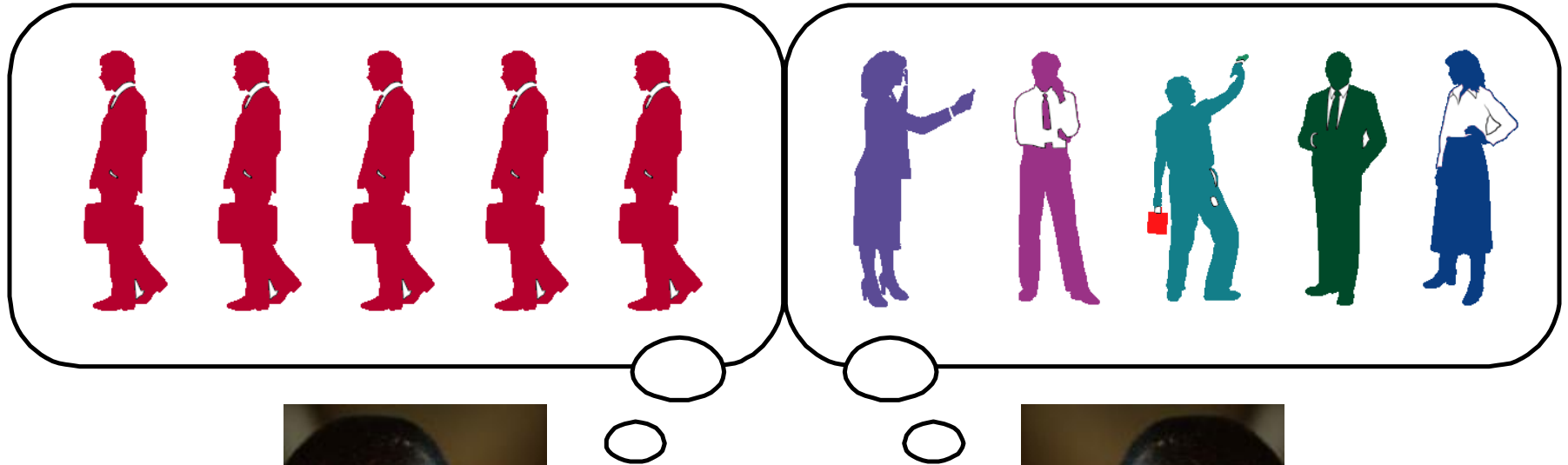
What is a Marketing Strategy? (Exhibit 2-2)

The
marketing mix

C



Selecting a Marketing-Oriented Strategy Is Target Marketing (Exhibit 2-3)



Production-oriented manager sees everyone as basically similar and practices “mass marketing”



Marketing-oriented manager sees everyone as different and practices “target marketing”

An Application of Target Marketing

Whatever your perishable, BWI has your number.



28°F



58°F



38°F

Whatever your perishable, BWI has your number.



Most every perishable has its own ideal storage temperature and at Baltimore/Washington International Airport (BWI), we've got yours.

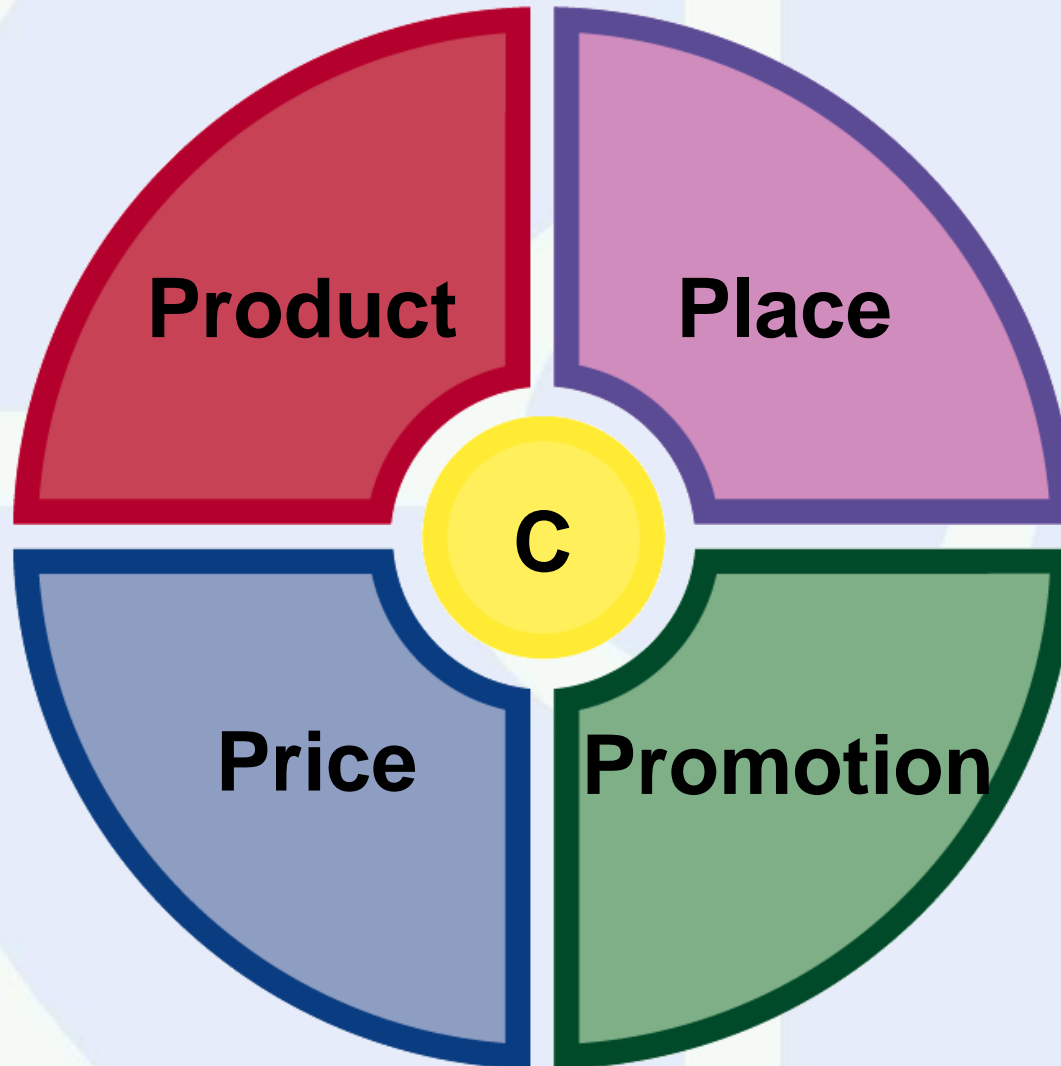
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Developing Marketing Mixes for Target Markets

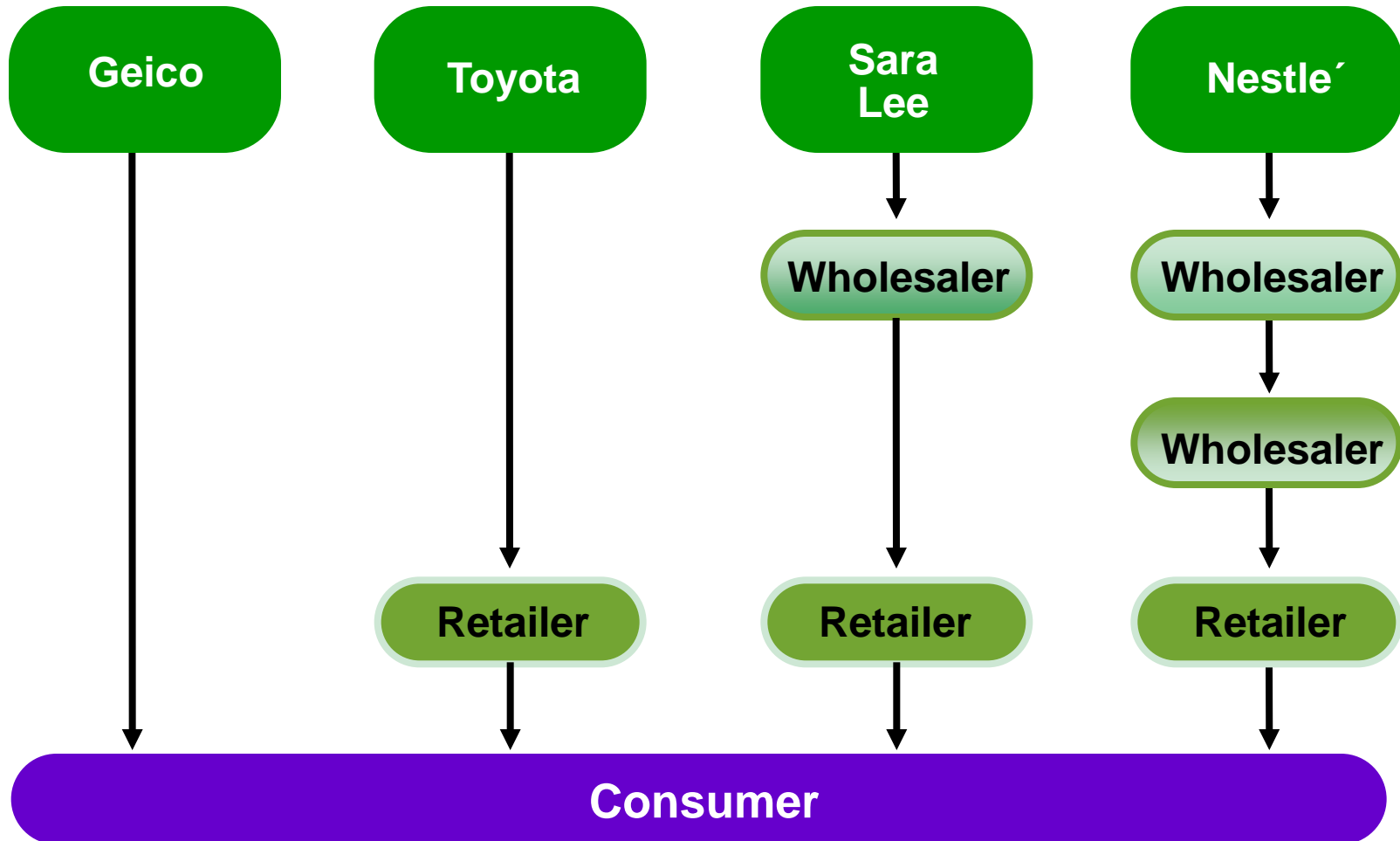
(Exhibit 2-4)



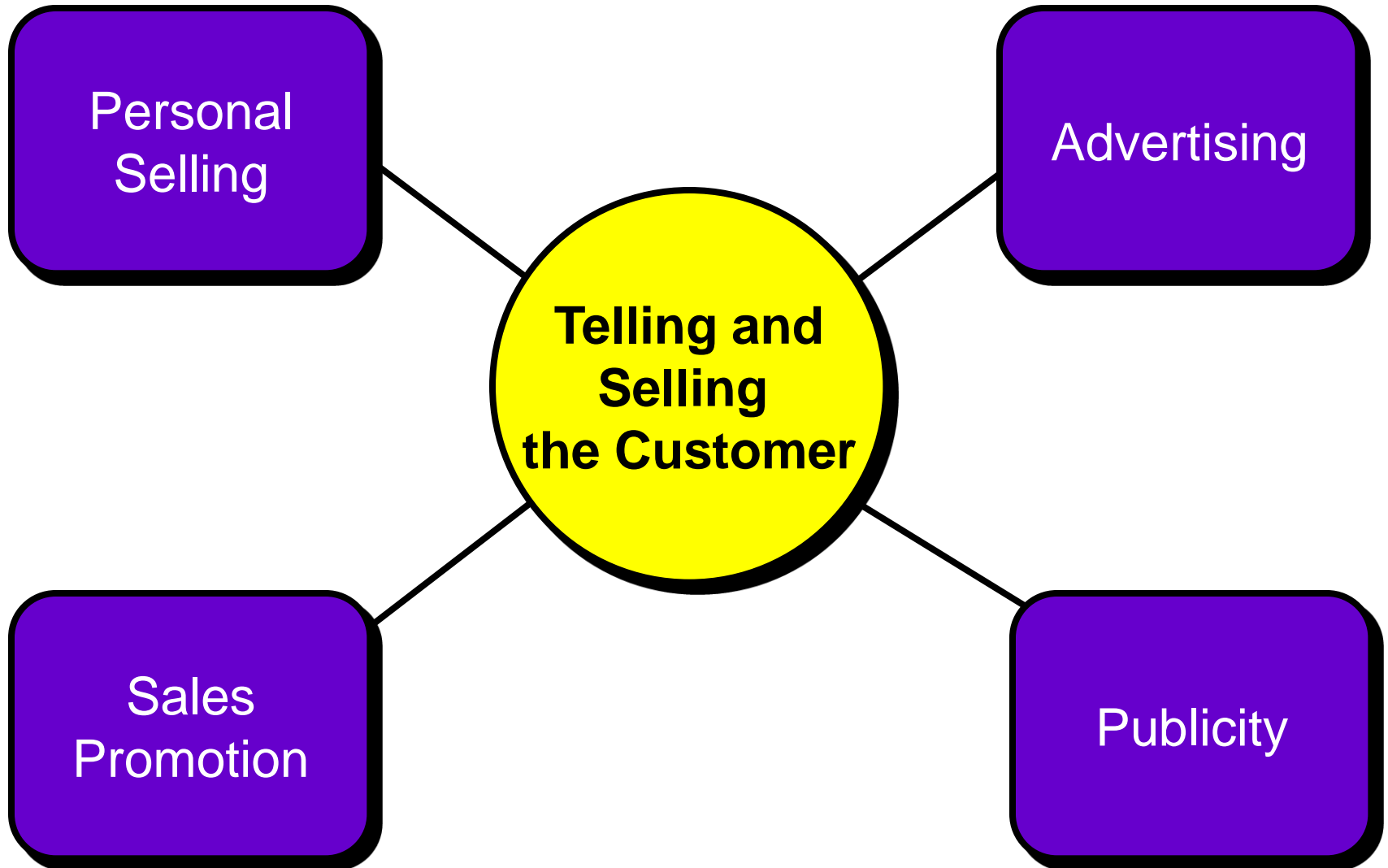
The Place Element of the Marketing Mix

(Exhibit 2-6)

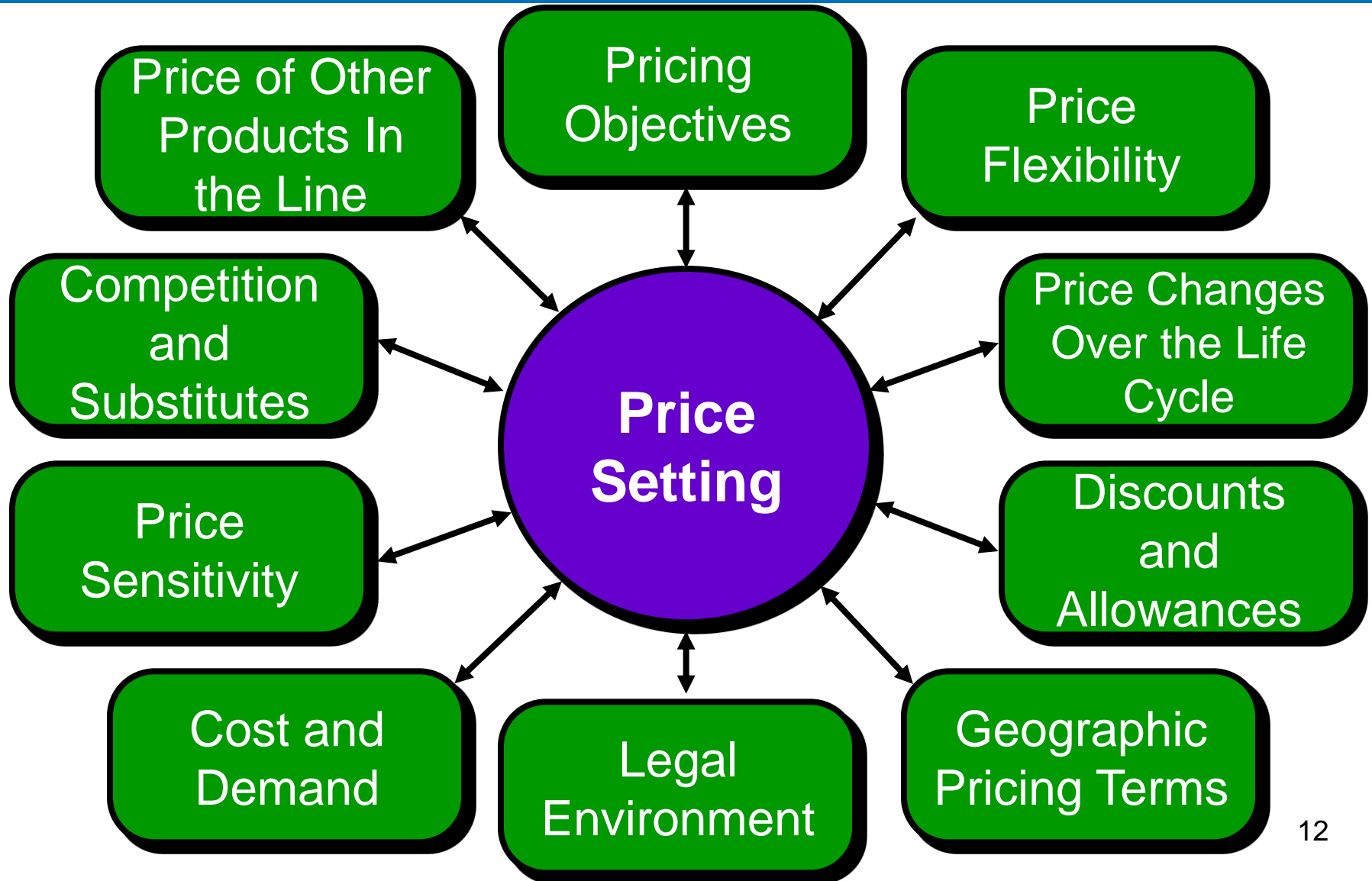
Examples of Channels of Distribution



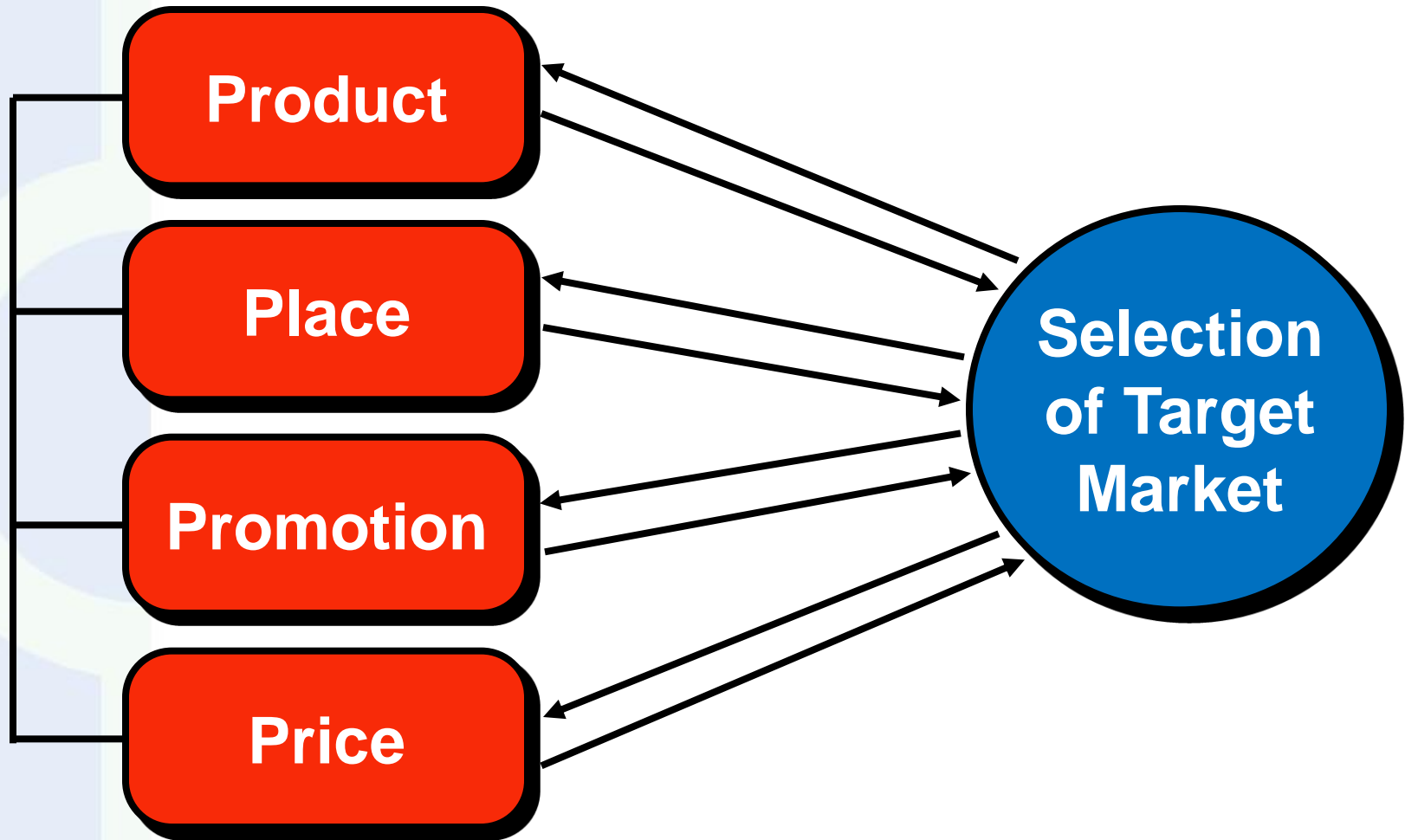
The Promotion Element of the Marketing Mix



The Price Element of the Marketing Mix



All Four Ps Contribute to the Whole



Understanding the Target Market Leads to Good Strategies!

Checking Your Knowledge

General Motors is considering increasing the length of its bumper-to-bumper warranty on new vehicles from 3 years to 5 years. The marketing mix variable being considered here is:

- A. product.
- B. personnel.
- C. place.
- D. promotion.
- E. price.

Checking Your Knowledge

A television network is trying to generate interest in a new television show in advance of its premiere. The network sends out press releases and makes the star of the new show available for guest appearances on TV and radio talk shows. The marketing mix variable involved here is:

- A. product.
- B. personnel.
- C. place.
- D. promotion.
- E. price.

Elements of a Firm's Marketing Program

(Figure 2-8)



Checking Your Knowledge

An entrepreneurial teenager decides to start a new dog-walking business aimed at dog owners who have to leave their pets at home alone during regular working hours. The teenage develops a thorough description of the people in her target market and their needs. She then comes up with a general outline of the services she will offer, some price ranges, the geographic area she will serve, and some low-cost promotion ideas. What has she developed so far?

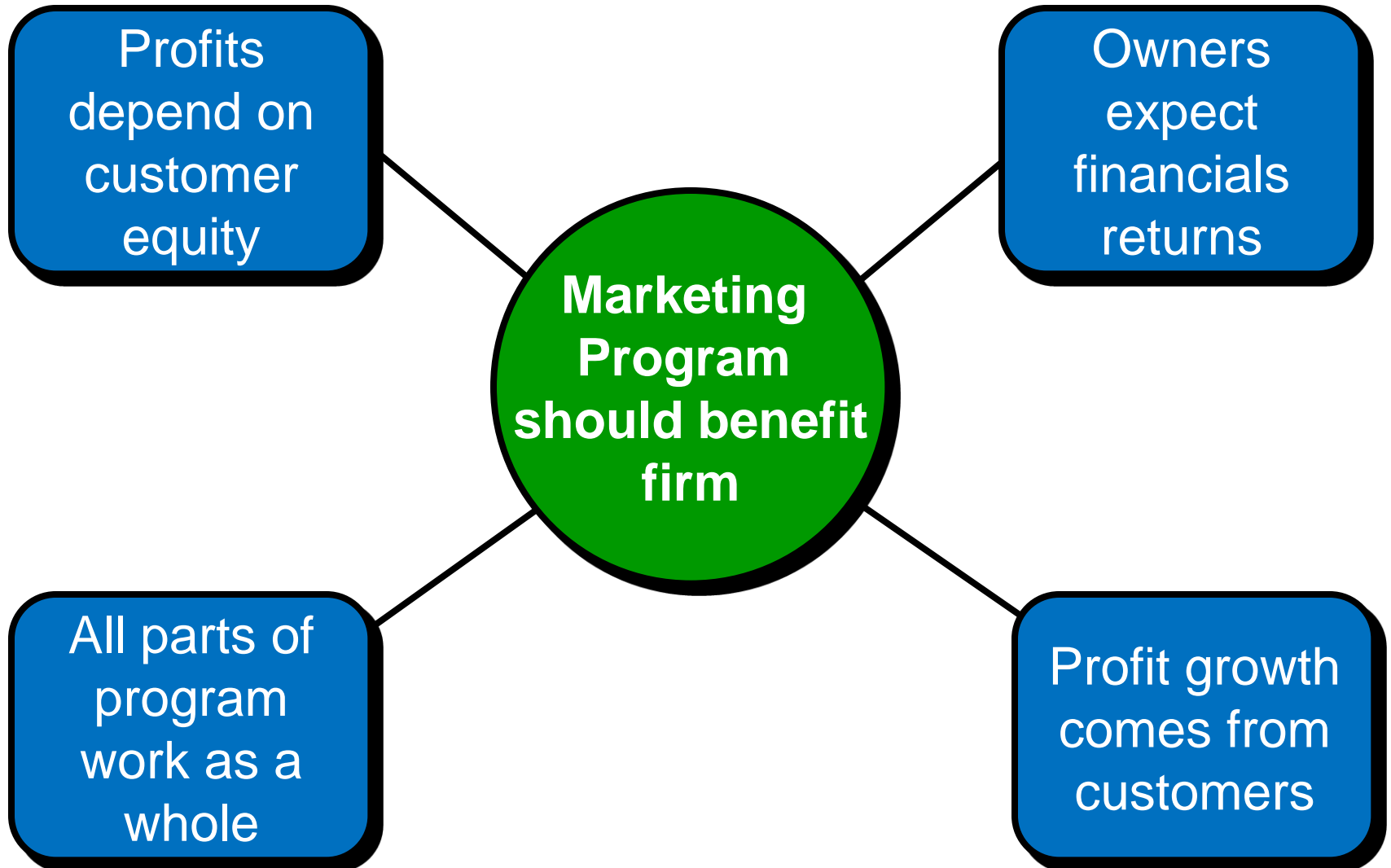
- A. A marketing program
- B. A marketing plan
- C. A SWOT analysis
- D. A marketing strategy
- E. Differentiation and segmentation

Checking Your Knowledge

A large consumer products company markets several different lines of products, with many individual products in each line. Each product has its own marketing plan. The company president wants to bring together all of the different marketing plans into a single integrated document that can become part of the company's strategic plan. It appears that the company president plans to create a:

- A. marketing super-plan.
- B. marketing program.
- C. marketing strategy.
- D. operational plan.
- E. mass-marketing approach.

Customer Equity



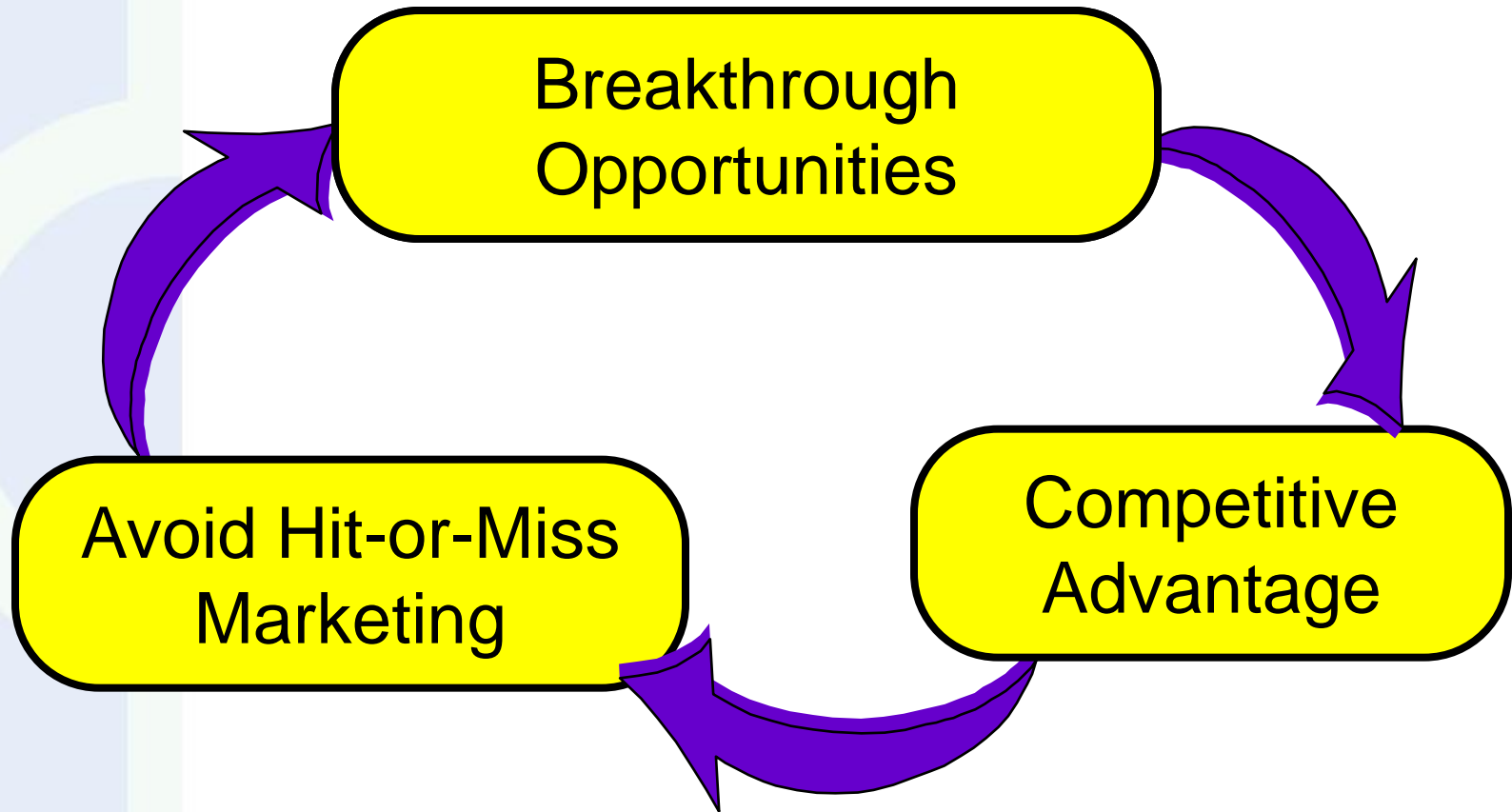
The Importance of Marketing Strategy Planning

Strategy Decisions Usually Determine Success and Failure

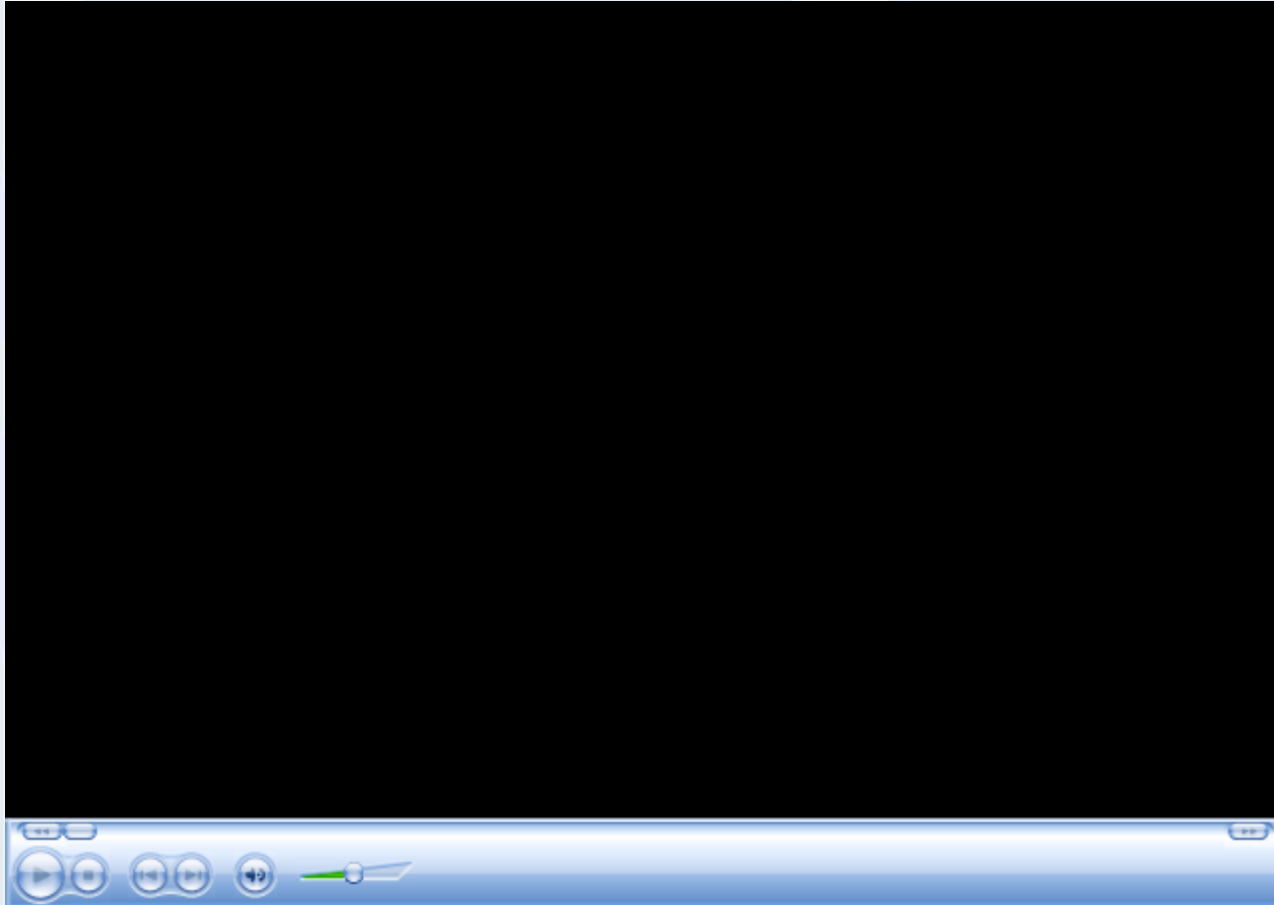


- Timex had captured a large market share
- Low price, dependability, good ads, unconventional channels
- Stiff competition arose
- New product refinements

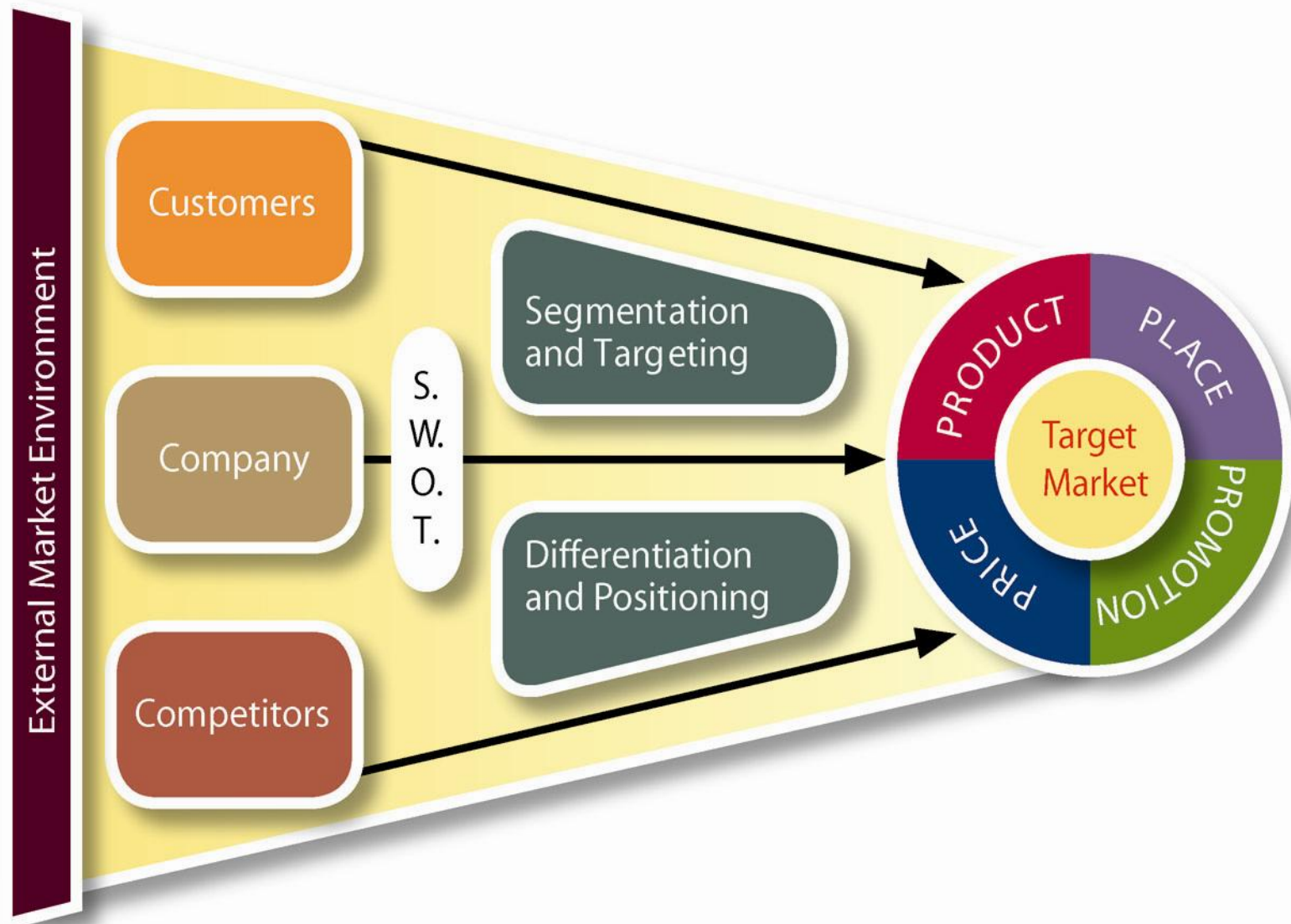
What Are Attractive Opportunities?



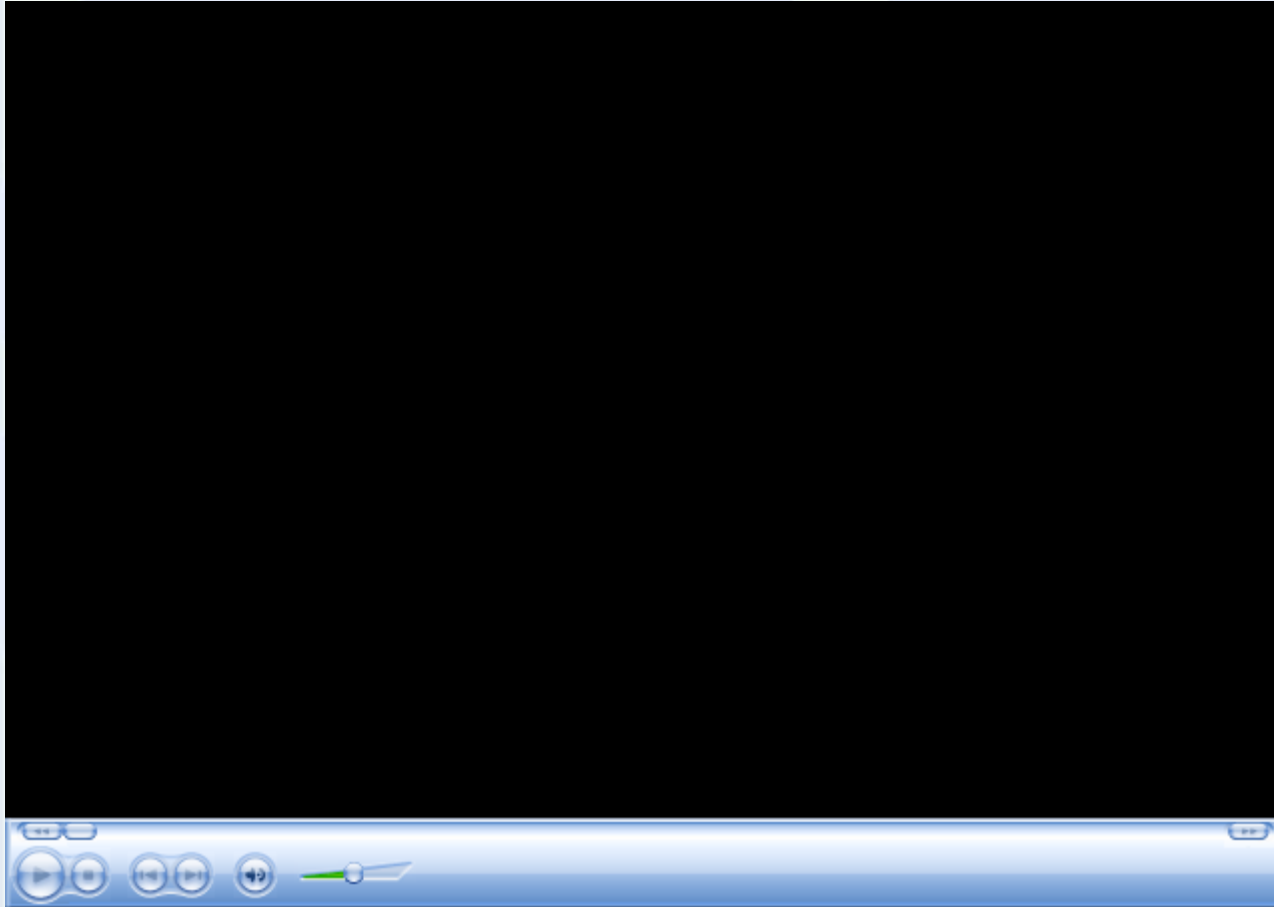
The Importance of Good Research



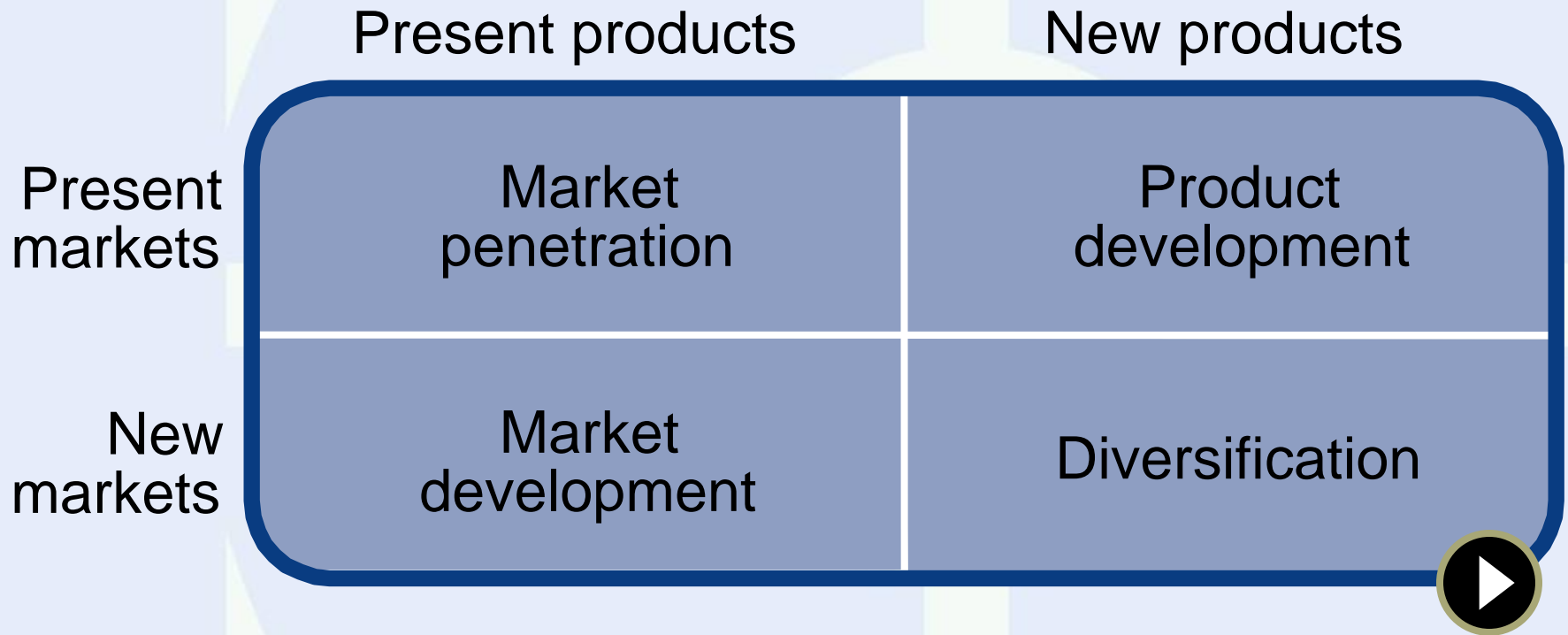
Marketing Strategy Planning Process Highlights Opportunities (Exhibit 2-9)



Marketing Strategy Planning



Interactive Exercise: Marketing Strategy



Checking Your Knowledge

A large metropolitan university has an established summer-school program that offers a wide variety of classes to its current students. To expand enrollment, the school started promoting its summer school to students who live in the area and are home for the summer, even though they attend other universities during the regular school year.

This effort is an example of:

- A. market penetration.
- B. market development.
- C. product development.
- D. diversification.
- E. a breakthrough opportunity.

Market Penetration



Don't you wish you had
They're the perfect way to clean up
when you can't get close to soap and
water. So keep them handy.

wipes?

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Checking Your Knowledge

An electronics superstore sends a special coupon to its current customers offering them a special discount for purchases made during an upcoming week that occurs during a traditionally slow sales period. This is an example of:

- A. market penetration.
- B. market development.
- C. product development.
- D. diversification.
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Product Development



**Holds tight...
*Out of sight.***



New Scotch® Transparent Duct Tape puts an end to ugly repairs. This revolutionary new addition to the Scotch® family of tape products is strong, easy to handle, and lasts six times longer than ordinary grey duct tape.* Scotch® Transparent Duct Tape holds tight...*out of sight!*

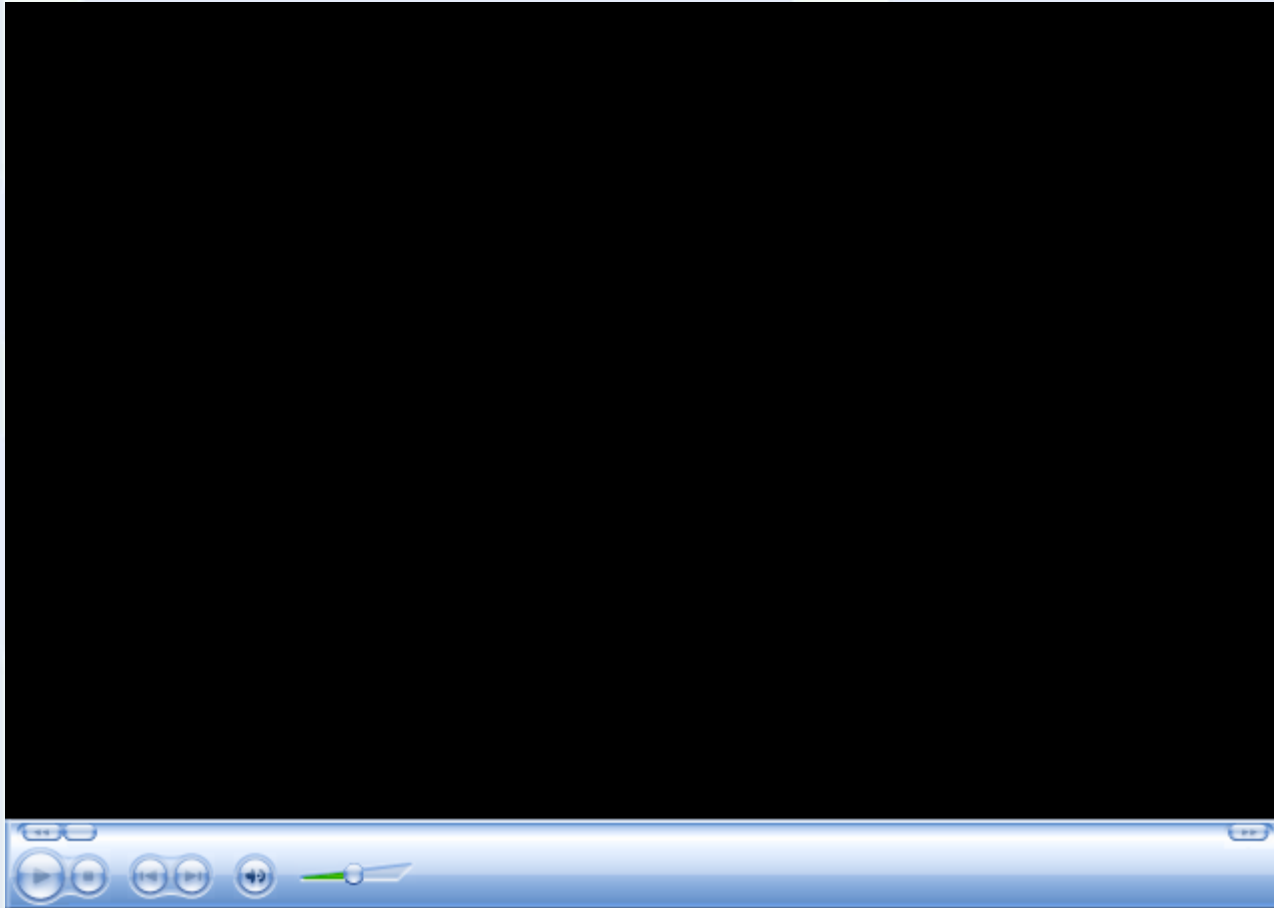


*Based on tensile strength. Scotch® Transparent Duct Tape is 6 times stronger than ordinary grey duct tape. Scotch® Transparent Duct Tape is made of polyethylene and adhesive. © 2008 3M. All rights reserved.

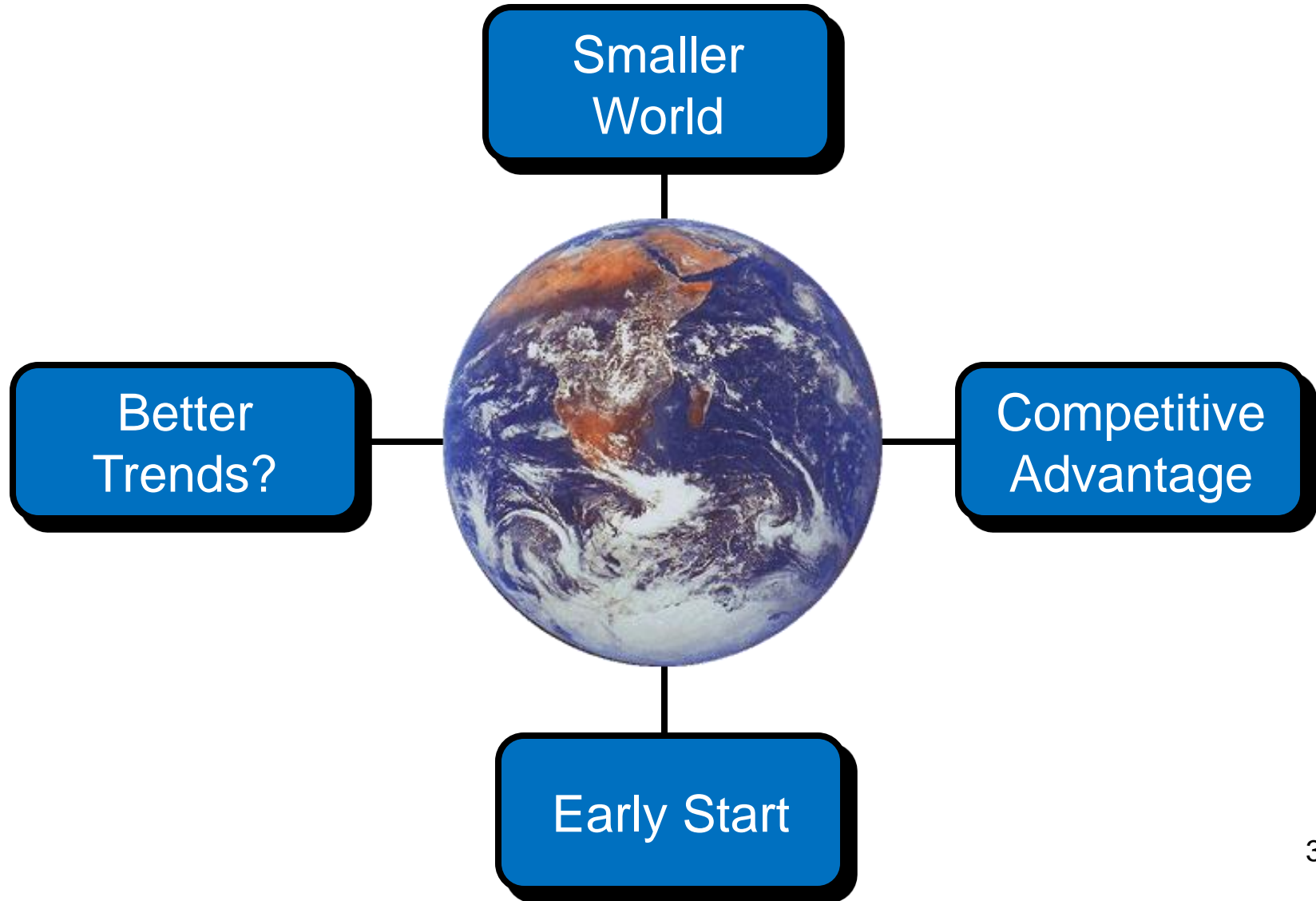


- Vitamin® Air-Cleaning Filters
- Command® Adhesive
- Scotch-Bond® Primer & Topcoats
- Scotch-Bond® Adhesive Resin
- Scotch-Bond® Scotch Springs
- Scotch-Bond® Scotch Springs
- Scotch® Transparent Tape
- Scotch® Transparent Tape
- Scotch® Repair Kits
- Scotch® Repair Kits
- Scotch® Repair Kits

Product Development



International Opportunities Should Be Considered



Global Competitive Advantage

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Key Terms

- Marketing management process
- Strategic (management) planning
- Marketing strategy
- Target market
- Marketing mix
- Target marketing
- Mass marketing
- Channel of distribution
- Personal selling
- Customer service
- Mass selling
- Advertising
- Publicity
- Sales promotion
- Marketing plan
- Implementation
- Operational decisions
- Marketing program
- Customer equity

Key Terms

- Breakthrough opportunities
- Competitive advantage
- Differentiation
- S.W.O.T. analysis
- Market penetration
- Market development
- Product development
- Diversification