

- Measure performance
- Respond to changing environment
- Become aware of problems

The questions involved in planning consist of Where are we now? Where do we want to go? How do we get there? How do we know we have arrived?

The planning cycle model

1. Where are we now?
2. Where do we want to be?
3. How might we get there?
4. Which is the best way?
5. How can we ensure arrival?

Stage one is answered best with a Situational analysis. This focuses on the company mission statement and conducting an internal and external audit. Analysing both the micro and macro environment. SWOT and PEST can both be used to analyse this

The mission of the company acts as the starting point for any strategic plan and must coincide with it

The mission comprises of:

Strategic intent - Where we intend to be

Company Values - Principles

Distinctive competencies - What we do well/ Core Skills

Competitive positioning - Differential Advantage

Market definition - Customer Targets

Objectives must be **SMART**

Specific

Measurable

Attainable

Relevant

Time-based

Jaguar Land Rovers mission is to deliver products faster. Be a leader in environmental innovation. Customer comes first

Their objectives look at sustainable business practices, lowering environmental impact, customers needs in the future, improving lives of communities and technology.

Objectives are SMART as they are specific measurable attainable relevant and time based

- **Reduce average tailpipe emissions by 25% by 2015.**
- **Reduce environmental impacts across the product lifecycle by 30% by 2020.**
- **Reduce waste to landfill from manufacturing operations to 4.77 kg/vehicle produced to achieve zero waste across operations by 2020.**
- **Support global communities by offsetting 5m tonnes of CO2 and improve 5m lives around the world by 2020.**

The Internal audit is the analysis of internal skills, financial resources, quality of management, information systems, communications, image and assets

Examples Banks such as Barclays outsource their customer support services from overseas call centres for a cheaper cost

The extended marketing mix applies to only services:

- People

British Airways: Extensive recruitment procedure tests, Undergo training, International cabin crew with knowledge of language and culture

- Process

Structured process which attempts to make traveling procedure easy and efficient as well as safe

- Physical evidence (sensoral appearance of environment)

Uniform standards and appearance, logos, pleasant internal appearance of aircraft, different classes of travel

Servqual measures the scale of quality in services through 10 elements

1. Reliability
2. Responsiveness
3. Competence
4. Access
5. Courtesy
6. Communication
7. Credibility
8. Security
9. Understanding consumer
10. Tangibles

Service sector is fastest growing sector world wide

Operational Excellence

Is a way in which services can achieve strategic success. It is concerned with

1. **Streamlining**
2. **Cost Cutting**
3. **Create Strategic Alliances**
4. **Internal culture creation and enhancement**

Cost Cutting tends to be a result of increasing competition, slow industry growth projections, increasing equality across providers and increasing levels of customer expectations

Metters and Vargas (2000) argue that for services to streamline and improve efficiencies, they must redesign the jobs of the personnel involved in the service delivery process

Available technology can help to cut costs while improving the service such as apps

However when technology isn't available management should consider decoupling service tasks to gain efficiency. By becoming a:

- Cost leader
- Cheap convenience
- Dedicated service
- Premium service

Creative strategic alliances involves partnering between different service providers in order to strengthen brands and cut costs.

This can be done by Brand sharing alliances or Asset sharing alliances or outsourcing

- Selective distribution
- Exclusive distribution

There are different types of channels

- Physical flow - the physical movement of goods
- Title flow - the passage of ownership, such as car
- Information flow - feedback and exchange of information

Vertical marketing systems

Corporate marketing systems

Franchise systems

Co-operative and voluntary groups

Strategic Issues in channels can be caused by management conflicts such as:

- Goal incompatibility
- Position, role and domain incongruence
- Communication breakdown
- Ideological differences

Other issues can be growth of multi-channels and E-commerce

Buyer's perspective of distribution

- Availability
- Speed
- Reliable
- Range of choice
- Empathy when supply is interrupted
- Convenience
- Service and support
- Good price

The primary concerns of buyers are access, search, possession and transaction

Channel design decisions are based on

- Analysis of **customer service needs** - *identifying the market channels that can deliver appropriate value to customer*
- Defining **channel objectives and constraints** - *which segments should we serve and which channel to use for each*
- Identifying **key channel alternatives** - direct marketing, brokers, agents, whole sellers, retailers, e-commerce
- Evaluate alternatives - economic, control, level of flexibility

The integrated marketing effort model looks at both the marketing aspect and physical distribution efforts of marketing as a whole.

Marketing effort consists of obtaining demand - through marketing (4Ps)

Physical distribution effort consists of servicing demand which are the *logistics*

Logistics is the physical movement of goods down the distribution system it consists of:

- Order processing
- Warehousing
- Customer Service
- Stock management
- Transportation