Strategic Marketing Management Notes

Lecture 1 - Introduction & Planning Process

(Researched Examples in blue)

Marketing Management consists of 4 Stages:

Analysis - of the market, competitors, company and customers
Planning - marketing objectives, segments, target consumers, strategies and marketing mix
Implementation - allocation of staff and resources, time-scales, responsibilities and delegation
Control - Accountability of activities, profitability and return on investment, customer feedback

Strategic Marketing Planning begins with

Corporate objectives -> Marketing Audit -> Marketing Objectives -> Marketing Strategies -> Marketing Programmes -> Budgets -> finally Control and Evaluation

There are three levels of strategy which follow a hierarchy of development

Corporate Strategy describes a company's overall direction in terms of its general attitude toward growth and the management of its various businesses and product lines to achieve a balanced portfolio of products and services.

Pizza Hut, a subsidiary of the Yum! brands, for example has a corporate strategy to take advantage of their existing scale and quickly grow the brand in both developed and emerging markets.

Business Strategy, sometimes called competitive strategy, is developed at divisional level and emphasises improvement of the competitive position of a corporation's products or services in the specific industry or market segment served by that division.

Their business strategy to improve competitive position is to pull together to achieve a simple understandable business goal: have a clear win against competitor in a taste test.

Functional Strategy is concerned with maximising resources productivity. Within the constraints of the corporate and business strategies around them, functional departments, such as marketing, finance, R&D and production, develop strategies to pull together their various activities and competencies to improve performance.

Their functional strategy is to align all the departments in order to improve customer service, delivery time and order accuracy.

The purpose of planning
- Structure company's behaviour
- Allocation of resources
- Systematic decision-making

Lecture 2 - SWOT and PESTEL ANALYSES

(Researched Examples in blue)

Analysing the Marketing Environment is best done with SWOT and PESTEL

SWOT

Is best used as a situation assessment for the foundation for strategy formulation. It forms part of the micro environment analysis which is defined as what the organisation deals with directly on a day to day basis.

Following the mission and corporate objectives and the internal/ external audit, identification of the SWOT should be completed in order to develop the strategy.

SWOT for Jaguar Land Rover

Strengths:
- **Image of Luxury**
- **History of Culture**
- **Quality**
- **Technological developments**
- **Distribution channels**

Weaknesses:
- **No smaller car range**
- **Engineering**
- **R&D disadvantage**

Opportunities:
- **Combination of both Jaguar and Land Rover**
- **Economic growth**
- **Japanese market opening up**
- **New technology available**

Threats:
- **Stiff competition in luxury car market**
- **Substitutes for luxury cars (reliable cars instead)**
- **Environmental pressures**

PESTEL

Is part of the external macro environment which are uncontrollable factors that influence the organisations decision making and strategies.

The macro environment is dynamic and constantly changing and so for an organisation to develop an effective strategy they must anticipate and predict any changes or indicators of change.

PESTEL consists of:

Political
Economic
Socio-Cultural
Technological
Environmental
Legal

- Brand Strength/ loyalty
- Growth
- Market share
- Strengths and Weaknesses
- Management
- Technology

It is measured by strong medium and weak matrixes. Which determines whether investment for *growth should be the strategy or selectivity or harvesting/divesting.*

Advantages:
- Development from BCG matrix
- Looks at different elements of industry
- Helps extract information about strengths and weaknesses and to devise strategies to accelerate and improve performance.

Limitations:
- Process is subjective to different businesses, the weight given to a factor by one business may be different to the weight/importance given to it by another
- The formulation of a G.E. matrix is very expensive and time consuming
- Investment strategies are often not implemented in an accurate and proper manner.
- Doesn't offer specific strategies

- The entry strategy: first-in, early, or laggard entry
- Commitment strategy
- Dilution

Product strategies look at McKinsey's Management of Innovation. The 8 factors for success are:

- Bias towards action
- Simple line and team staff organisation
- Continued contact with customers
- Productivity improvement via people
- Encouragement of autonomy & entrepreneurship
- Loose & tight controls
- Stress on one key business value
- Sticking to what it knows best!