

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

FEPSOS is a good way of conducting the internal and external audit:

- **F**unctions (4 Ps or 7 Ps)
- **E**nvironment (Micro and Macro)
- **P**roductivity
- **S**ystems (Marketing information systems)
- **O**rganisation
- **S**trategy

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Lecture 7 - Packaging Strategies

Packaging in the marketing mix
(Researched Examples in blue)

The reasons of packaging are to:

Functional

Protect product/ freshness
Allow easy storage
Facilitate distribution

Promotional

Attract attention/ create involvement
Communication
Sales promotions

It provides the brand image and brand awareness and association of brands, symbols and imagery

Good packaging should:

- Gain attention
- Be distinctive
- Instruct and inform
- Signify value for money or image of luxury
- Help persuade
- Reflect the personality of the brand
- Motivate Brand choice

Packaging can communicate brands associations and movements (such as charities and fairtrade) as well as product information

For Example Cadbury's chocolate displays the fairtrade logo to communicate its beliefs and involvement in the lives of cocoa farmers whose livelihood depends on fair prices.

Packaging prevents food waste and makes more products available to consumers

Sustainable packaging is optimising the use of material, water and energy and minimising waste from both the product and packaging.

The aim is to minimise the environmental impact throughout the lifecycle of the product

Extraction of raw materials > Design and production > Packaging and Distribution > Use and maintenance > Disposal > Incineration and landfilling

This is the natural process of product lifecycle. In order to be sustainable there needs to be reuse, recovery and recycling of materials and components. Rather than using up natural resources and wasting it.

One way of being sustainable and reducing environmental impact is to squeeze more final product into less single-use packaging by increasing the concentration of a formula. On-shelf examples include Robinson's super concentrate Squashd fruit squash and Unilever's compressed deodorants.

Innocent has been working hard to integrate recycled content into its packaging since 2003 as part of its sustainable packaging strategy. Recycled plastic content is currently at 50%

Lecture 9 - Pricing and Communications Strategy

Price is the marketing mix tool that produces revenue and must be treated as part of the overall brand strategy

The concepts of price are the

- **Customers** and their ability to afford and willingness to pay
- **Competitors** and their pricing strategies
- **Costs** of production

The objectives of pricing is:

- Maximising profitability
- Return on investments
- Increase *cash flow*
- Grow *market share*
- Optimise *production capacity*
- Product perception
- *Barrier* to entry

Pricing decisions are determined by both internal and external factors.

Internal factors consist of:

- Marketing objectives
- Costs, brand image
- Target market
- Marketing mix

External factors would be the

- nature of the market,
- price elasticity of demand,
- competition and
- other environmental factors

Pricing approaches can either be a **premium pricing** strategy, where *price is high to signify highest quality*

or **Economy pricing** *low and affordable prices*

The key elements to pricing are:

Value - perceived value to customers

Variable - whether prices can change over time or in terms of payment

Variety - can be set at different levels, such as bundling

Visible - they may be open and visible or hidden and confusing

Virtual

Pricing decisions for new products can either choose to be:

Market skimming: High initial prices before being reduced due to demand

Market penetrating: Low initial prices before being raised. Used to attract clients and new customers