

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 5 - Scenarios and Market & Product Strategies

Evaluation and Selection of strategies

The forecast of methods and strategies will come from primary data and secondary data compiled.

Quantitative:

- Time series analysis
- Correlation methods
- Leading indicator
- Market Tests

Qualitative:

- Management judgement
- Sales force surveys
- Panels of experts
- Scenario Techniques

Strategy development has to be based on systematic procedures and strategic tools

The Delphi Technique is a forecasting method based on expert opinion and expert surveys. It looks at the probability of an event occurring, how desirable the event is and what is the feasibility of the event.

It is used for long range forecasting and is rapid and efficient way of gaining information from experts.

The limitations with it are that:

- There could be more influence from a dominant individual
- Group Pressure, a need to conform
- Slow progress
- In hands of facilitator of the programme

The Trend-Impact Analysis is the technique for projecting future trends from information gathered on past behaviour.

It is a combination of statistical methods and human judgement. Past history is first extrapolated by computers and then modified by expert opinion (e.g Delphi technique)

Iterative method used to lower discrepancies

Scenario Building it is the summary of potential actions and events in a likely order of development beginning with a set of conditions based on the current situation/environment/circumstances. (ie PEST factors)

How the uncontrollable factors such as pest influence the controllable factors like the marketing mix

Prepare Background > Select Critical Indicators > Establish past behaviour for each indication > Verify potential future events > Forecast each indicator > Write Scenario

Strategies can be formed for different sections of the market for example:

- The scope: single, multi-market or total market
- The Geography: local, regional, national or international

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%

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. **Creative 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 is 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

Internal employee culture creation and enhancement is to reduce employee turnover, keeping them happier and more productive. Make them feel valued and important

The service experience

Strategists must know the experience consumers want from the service

Five dimensions of quality are (Zeithaml et al 1990):

- Reliability
- Responsiveness
- Empathy
- Assurance
- Tangibles