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

Lecture 4 - Strategic Marketing Decisions and Choices

(Researched Examples in blue)

Johnson and Scholes (1999) have three areas of strategic marketing management:

- Strategic Analysis
- Strategic Choices
- Strategic Implementation

Strategic Choices

Strategic choice involves generating a well-justified set of interrelated strategic alternatives and choose from them the ones that will contribute to the achievement of the corporate overall goals and strategic objectives

It answers the *Where we want to be?* part of the planning cycle

Strategic decisions at the corporate level

- Developing/re-stating mission statement
- Directional strategy
- Resource allocation

Strategic decisions at the SBU level

- Choosing Generic Strategy:

Cost leadership strategy, company works hard to achieve the lowest production and distribution costs. Low costs let it price lower than its competitors and win a large market share. Dell Computer, and Wal-Mart are leading practitioners of this strategy

Differentiation strategy, company concentrates on creating a highly differentiated product line and marketing program so that it comes across as the class leader in the industry. IBM an example in information technology products

Focus strategy: *Focus strategies can also be implemented by differentiation strategists and cost strategists.* Here the company focuses its effort on serving a few market segments well rather than going after the whole market. For example, Ritz-Carlton focuses on the top 5 percent of corporate and leisure travelers.

Strategic decisions at the functional level

- Products to offer
- Market segments to target
- Market position tactics

There are several types of directional strategies that can be taken:

Ansoffs Matrix of development (New/ Current Products v New/ Current Markets)

Market Penetration
Market Development
Product Development
Diversification

Growth strategies include concentration and diversification

Stability strategies promote profit development, with no change and caution

Lecture 10 - Distribution & Logistics Strategies

Distribution and logistics

Marketing channels are structures linking groups of individuals or organisations through which a product or service is made available to the consumer or industrial user (Brassington & Pettitt 2000)

Intermediaries consist of wholesalers, retailers, distributors and dealers, agents and broker, franchises and the internet

Distribution system design

Factors influencing channel structure are:
- Choice of outlets
- Consumer concentration: where the consumers will be
- Product characteristics: perishable/ industrial
- Economic and legal restrictions

Strategic channel choices
- Intensive distribution
- 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

Progress must be measured against key performance indicators:

- Customer concerns, such as service quality, response time, cost
- Internal measures, staff productivity and range of skills
- Financial measures, revenue, profitability and costs
- Learning and growth measures, innovation such as rate of new product development, availability of staff training