

Question 3

Learning Outcome 3: Understand how organisations determine their strategic direction and know how to identify and evaluate the various ways in which this can be achieved.

In today's dynamic and highly competitive market there is some criticism of strategic marketing planning in practice. Explain this criticism and suggest an alternative to strategic planning.

Suggested answer:

The main criticisms are:

- Empirical studies have not proved that formal planning processes contribute to success.
- Strategic marketing planning often occurs in an annual cycle, but a firm cannot wait that time to address its problems.
- Some feel that formal planning discourages strategic thinking. Sometimes staff are unwilling to challenge the plan.
- Internal power and politics can influence the plan.

The alternative to strategic planning is an opportunistic approach. This approach suggests that organisations should not bother with strategic planning, but should consider opportunities as they arise and judge them on their individual merits.

The advantages of this approach are:

- Opportunities can be seized as they arise. They may be lost within a more rigid planning framework.

Examiner's comments:

This was probably the most difficult question on the paper. There were some creative answers but most candidates fared poorly and failed to critically identify or evaluate the alternative approaches. As mentioned above, candidates must do exactly what the examiner asks. Here answers required a clear understanding of the criticism of strategic marketing planning and a suggestion of an alternative to strategic planning. Sadly very few answers showed any of the academic underpinning required at Level 6.