Company and Marketing Strategy: Partnering to Build Customer Relationships

SESSION 2

School of Business
Semester 1, 2014
Company Wide Strategic Planning: Defining Marketing’s Role
Defining a Market-Oriented Mission

“At the heart of The Chevron Way is our Vision to be the global energy company most admired for its people, partnership and performance “

- Chevron, global oil and energy company

“To constantly improve what is essential to human progress by mastering science and technology.”

- Dow Chemical, chemical engineering company

“Undisputed Marketplace Leadership ”

- Hershey’s, chocolate manufacturer
Goodman Fielder has focused its corporate strategy on development and exploitation of strengths in technology and distribution to strengthen customer relationships.
Designing the Business Portfolio
Analysing the Current Business Portfolio

Under the classic Boston Consulting Group portfolio planning approach, the company invests funds from mature, successful products and businesses (cash cows) to support promising products and businesses in faster-growing markets (stars and question marks), hoping to turn them into future cash cows.

The company must decide how much it will invest in each product or business (SBU). For each SBU, it must decide whether to build, hold, harvest or divest.
Developing Strategies for Growth and Downsizing

Figure 2.3
The product/market expansion grid
Planning Marketing: Partnering to Build Customer Relationships

Marketers must continually plan their analysis, implementation, and control activities.
Partnering with other Company Departments
Partnering with others in the Marketing System
Marketing Strategy and the Marketing Mix

Figure 2.4
Managing marketing strategies and the marketing mix

At its core, marketing is all about creating customer value and profitable customer relationships.

Marketing strategy involves two key questions: Which customers will we serve (segmentation and targeting)? and How will we create value for them (differentiation and positioning)? Then, the company designs a marketing program—the marketing mix—that delivers the intended value to targeted consumers.
Customer Driven Marketing Strategy

- Market Segmentation
- Market Targeting
- Market differentiation and positioning
Developing an Integrated Marketing Mix

- Product
- Price
- Placement
- Promotion
- People
- Process
- Physical evidence
Managing the Marketing Effort

Figure 2.5
Managing marketing: Analysis, planning, implementation and control

The first part of the chapter dealt with this – developing company-wide and marketing strategies and plans.

We will close the chapter by looking at how marketers manage those strategies and plans—how they implement marketing strategies and programs and evaluate the results.
Marketing Analysis

The goal of SWOT analysis is to match the company strengths to attractive opportunities in the environment, while eliminating or overcoming the weaknesses and minimising the threats.

**Internal**
- **Strengths**: Internal capabilities that may help a company reach its objectives
- **Weaknesses**: Internal limitations that may interfere with a company's ability to achieve its objectives

**External**
- **Opportunities**: External factors that the company may be able to exploit to its advantage
- **Threats**: Current and emerging external factors that may challenge the company's performance

Hang on to this one! SWOT analysis (pronounced 'swat' analysis) is a widely used tool for conducting a situation analysis. You will find yourself using it a lot in the future, especially when analysing business cases.
Marketing Planning

A marketing plan would include:

- Executive Summary
- Current market situation
- Threats and opportunities analysis
- Objectives and issues
- Marketing strategy
- Action programs
- Budgets
- Controls
Marketing Implementation

Figure 2.5
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Marketing Department Organisation

• Functional Organisation

• Geographic Organisation

• Product Management Organisation

• Market or Customer Management Organisation
Marketing Control

Four Steps of Marketing Control:

• Set specific marketing goals.

• Measure performance in the marketplace

• Evaluate difference between expected and actual performance

• Take corrective action
Measuring and Managing Return on Marketing Investment

Beyond measuring return on marketing investment in terms of standard performance measures such as sales or market share, many companies are using customer-relationship measures such as customer satisfaction, retention and equity. These are more difficult to measure, but capture both current and future performance.

Figure 2.8
Return on marketing investment