


CHAPTER TWO
Marketing Strategy Planning



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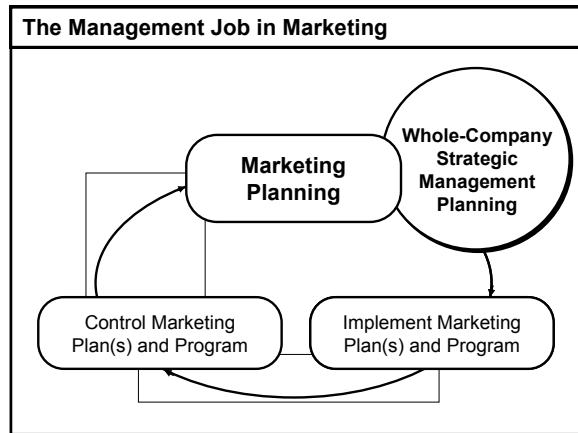
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When we finish this lecture you should

1. Understand what a marketing manager does.
2. Know what marketing strategy planning is—and why it will be the focus of the book.
3. Understand target marketing.
4. Be familiar with the four Ps in a marketing mix.
5. Know the difference between a marketing strategy, a marketing plan, and a marketing program.
6. Understand what customer equity is and why marketing strategy planners seek to increase it.

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8. Know four broad types of marketing opportunities that help in identifying new strategies.
9. Understand why strategies for opportunities in international markets should be considered.



What is Marketing Strategy Planning? (Exhibit 2-2)



The marketing mix
C

Selecting a Marketing-Oriented Strategy Is Target Marketing (Exhibit 2-3)



Production-oriented manager sees everyone as basically similar and practices "mass marketing"

Marketing-oriented manager sees everyone as different and practices "target marketing"

An Application of Target Marketing

Whatever your perishable, Bwi has your number.

SHIP Bwi

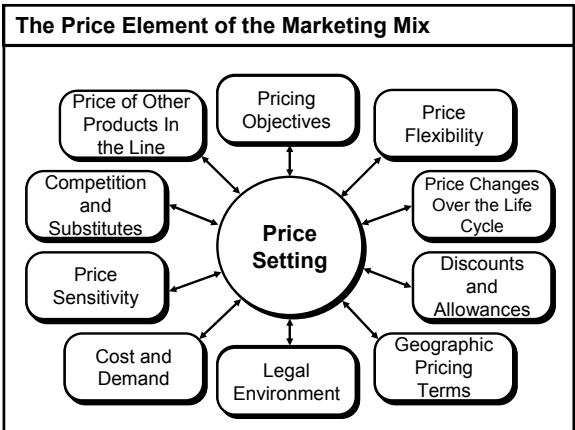
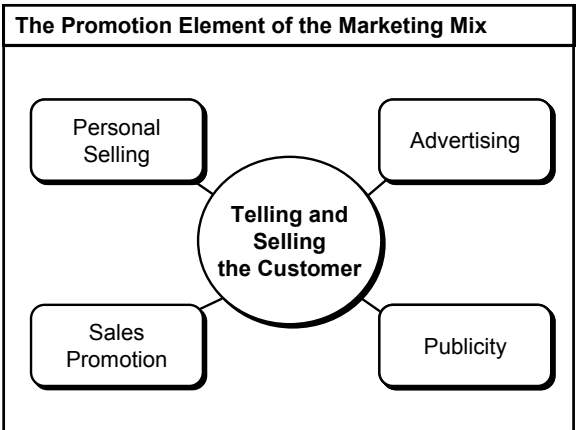
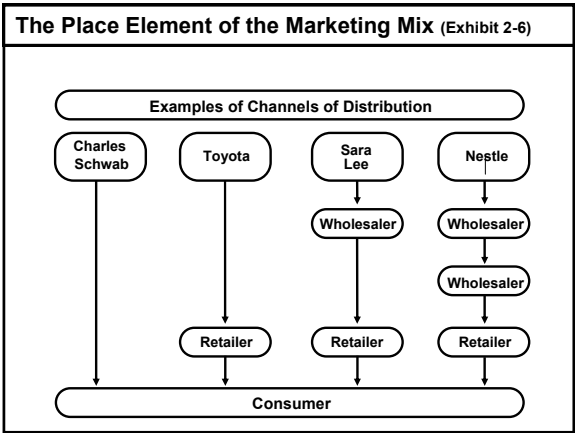


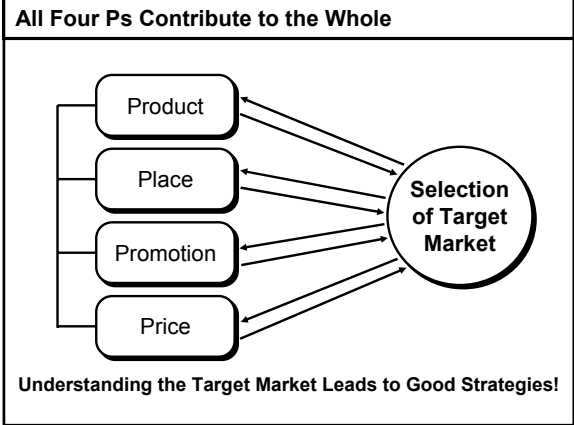
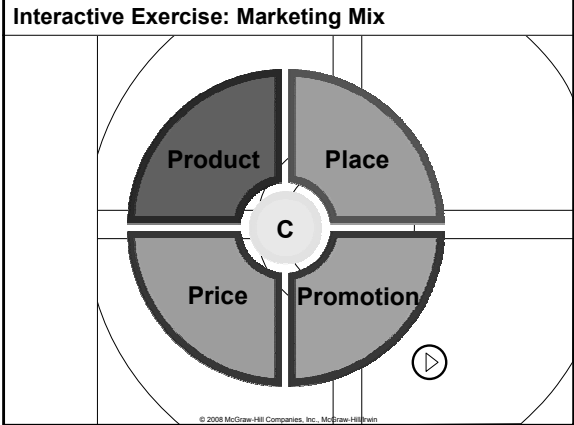
The Product Element of the Marketing Mix

iMARK for customer, site and market analysis

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ALL ACCESS PASS Anywhere, Anytime





Checking your knowledge

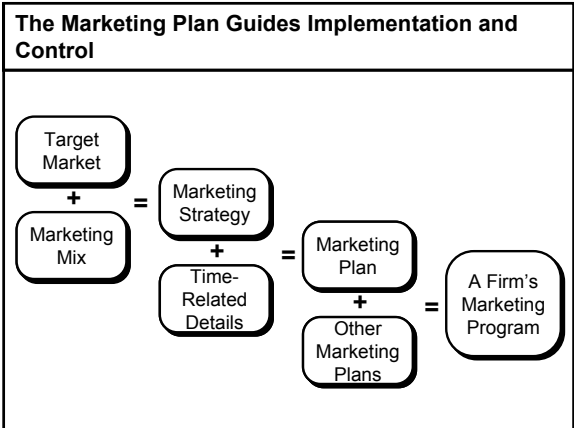
General Motors is considering increasing the length of its bumper-to-bumper warranty on new vehicles from 3 years to 5 years. The marketing mix variable being considered here is:

- A. product.
- B. personnel.
- C. place.
- D. promotion.
- E. price.

Checking your knowledge

A television network is trying to generate interest in a new television show in advance of its premiere. The network sends out press releases and makes the star of the new show available for guest appearances on TV and radio talk shows. The marketing mix variable involved here is:

- A. product.
- B. personnel.
- C. place.
- D. promotion.
- E. price.



Checking your knowledge

An entrepreneurial teenager decides to start a new dog-walking business aimed at dog owners who have to leave their pets at home alone during regular working hours. The teenage develops a thorough description of the people in her target market and their needs. She then comes up with a general outline of the services she will offer, some price ranges, the geographic area she will serve, and some low-cost promotion ideas. What has she developed so far?

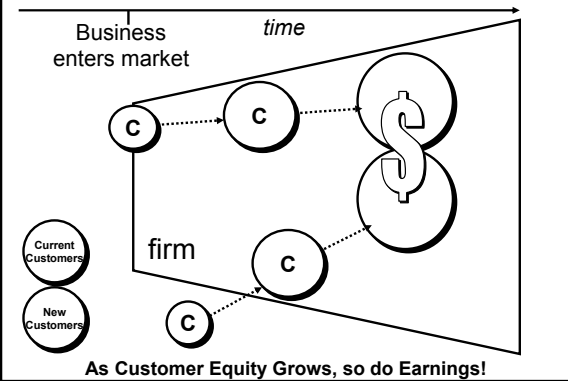
- A. A marketing program
- B. A marketing plan
- C. A SWOT analysis
- D. A marketing strategy
- E. Differentiation and segmentation

Checking your knowledge

A large consumer products company markets several different lines of products, with many individual products in each line. Each product has its own marketing plan. The company president wants to bring together all of the different marketing plans into a single integrated document that can become part of the company's strategic plan. It appears that the company president needs a:

- A. marketing super-plan.
- B. marketing program.
- C. marketing strategy.
- D. operational plan.
- E. mass-marketing approach.

Customer Equity (Exhibit 2-9)



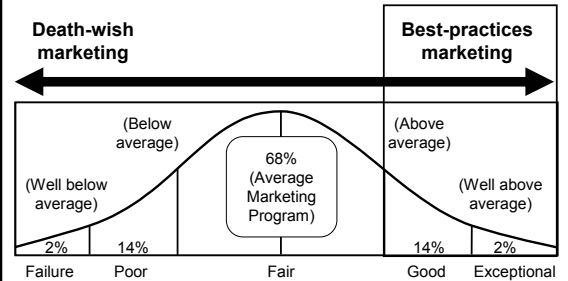
The Importance of Marketing Strategy Planning

Strategy Decisions Usually Determine Success and Failure

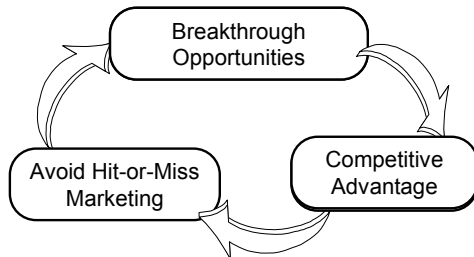


- Timex had captured a large market share
- Low price, dependability, good ads, unconventional channels
- Stiff competition arose
- New product refinements

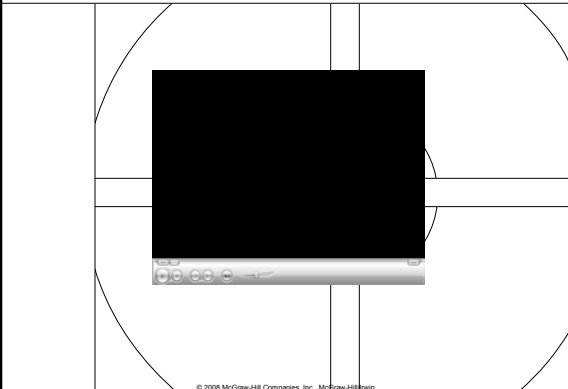
Creative Strategy Planning Needed for Survival



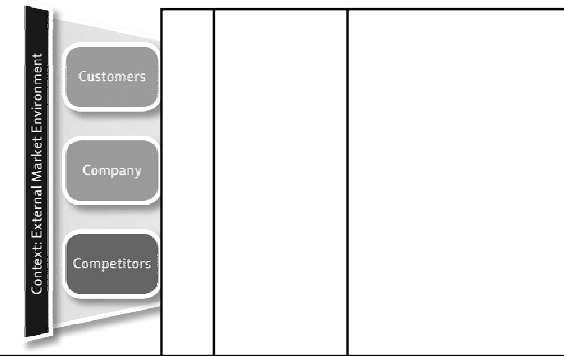
What Are Attractive Opportunities?



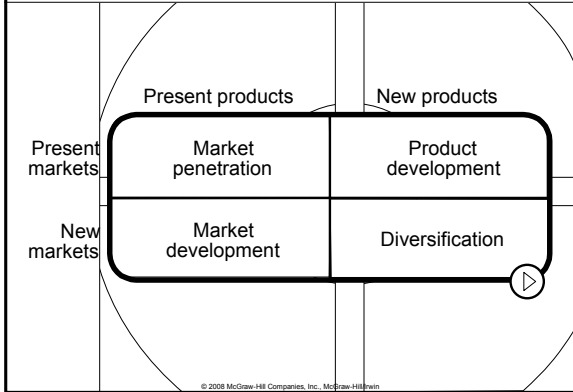
The Importance of Good Research



Marketing Strategy Planning Process Highlights Opportunities (Exhibit 2-11)



Interactive Exercise: Marketing Strategy



Checking your knowledge

A large metropolitan university has an established summer-school program that offers a wide variety of classes to its current students. To expand enrollment, the school started promoting its summer school to students who live in the area and are home for the summer, even though they attend other universities during the regular school year. This effort is an example of:

- A. market penetration.
- B. market development.
- C. product development.
- D. diversification.
- E. a breakthrough opportunity.

Market Penetration

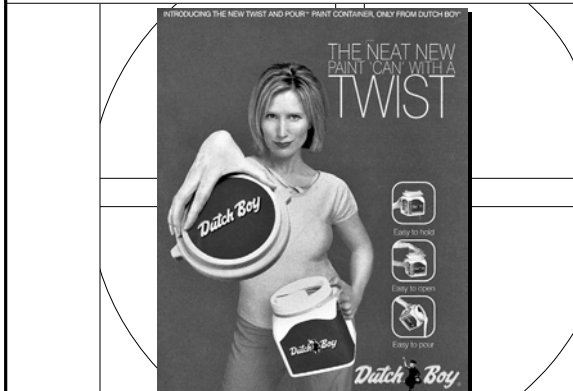


Checking your knowledge

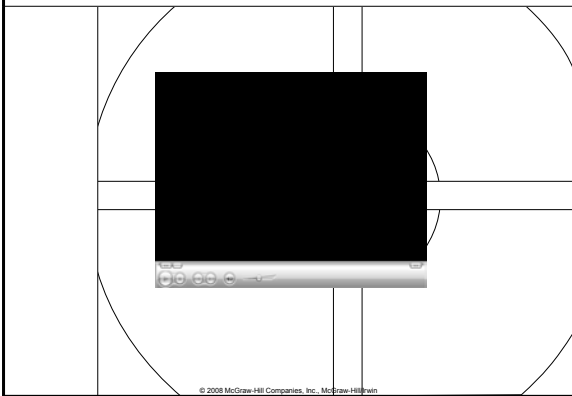
An electronics superstore sends a special coupon to its current customers offering them a special discount for purchases made during an upcoming week that occurs during a traditionally slow sales period. This is an example of:

- A. market penetration.
- B. market development.
- C. product development.
- D. diversification.
- E. a breakthrough opportunity.

Product Development

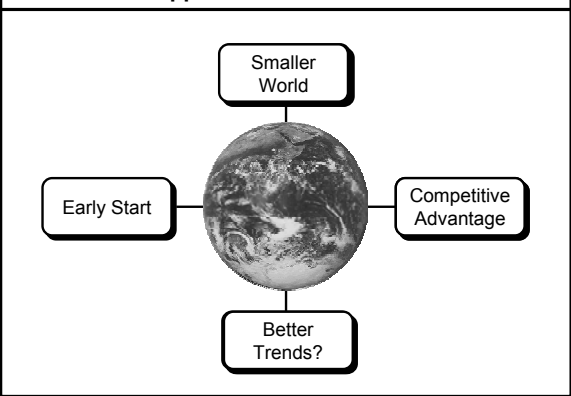


Product Development

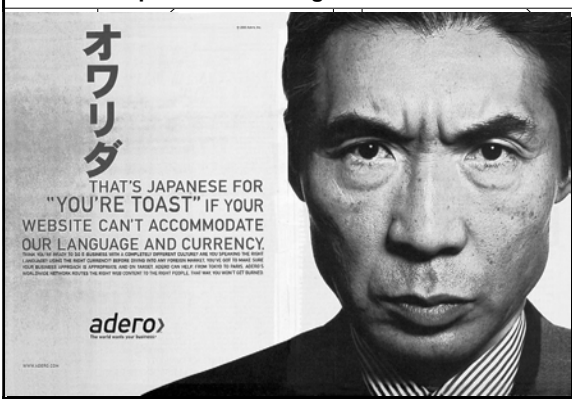


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International Opportunities Should Be Considered



Global Competitive Advantage



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Key Terms

- Marketing management process
- Strategic (management) planning
- Marketing strategy
- Target market
- Marketing mix
- Target marketing
- Mass marketing
- Channel of distribution
- Personal selling
- Customer service
- Mass selling
- Advertising
- Publicity
- Sales promotion
- Marketing plan
- Implementation
- Operational decisions
- Marketing program
- Customer equity
- Breakthrough opportunities

Key Terms

- Competitive advantage
- Differentiation
- S.W.O.T. analysis
- Market penetration
- Market development
- Product development
- Diversification