

# Strategic Marketing

Lecture 2  
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ADM 2320

I wish to thank my colleague - professor Mike Mulvey - who has so generously shared his teaching materials, as well as numerous pedagogical ideas with me.

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## Strategic Marketing Two Types



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### A. Corporate Marketing Strategy

- External and Internal Intelligence and Analysis
  - SWOT Analysis
- 1. **Industry Outlook**
- 2. **Corporate Goals and Values**
- 3. **Corporate Vision and Mission**
- 4. **Corporate Positioning/Image/Branding**
- 5. **Corporate Growth Strategies**
- 6. **Portfolio Analysis**
- Overall Financial Forecast
- Main Risk Scenarios and Contingency Planning

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# 1. Industry Outlook

- What it is – where is the industry going?
- This is not really a decision, rather an informed and inspired conclusion
- Key Factors:
  - Recent trends, developments, forces
  - Experience, gut feel, inspiration and role, and presence of champions



Porter's Five Forces

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# 2. Corporate Goals and Values

Defined: A corporation's institutional standards of behavior

Importance:

- Building corporate brand, image and reputation
- Source credibility
- Leadership
- Public relations
- Corporate crisis management



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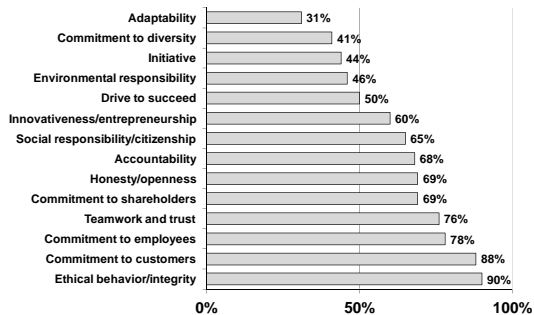
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# Espoused Values Included in Corporate Values Statements



Source: The Aspen Institute and Booz Allen Hamilton, 2004

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### 3. Corporate Vision and Mission

- What is it – within industry outlook, where are we going, e.g. “To be the Number One company in the world of office automation”
- The importance of a mission statement

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### Defining the Corporate Mission

1. What is our business/perspective? (global? Environment? Safety?)
2. What is of value to the customer? (consumer value focus).
3. What do we aspire to become? (Vision component).



“We aspire to be the most admired and valuable company in the world. Our goal is to enrich our customers’ personal lives and to make their businesses more successful by bringing to market exciting and useful communications services, building shareowner value in the process.”

Source: AT&T website 8

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### Good Missions?

GE: “We bring good things to life”

FORD: “We are a global family with a proud heritage, passionately committed to providing personal mobility for people around the world. We anticipate consumer needs and deliver outstanding products and services that improve people’s lives.”

Google: “To organize the world’s information and make it universally accessible and useful”.

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## Microsoft's Vision

- “To put a computer on a desktop in every home....” (1980).
- “To empower people with great software anywhere, on any device,” (1995).
- “To help people and businesses throughout the world to fully realize their potential” (2009).

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## E-Bay's Vision

“We help people trade anything on earth. We will continue to enhance the online trading experiences of all – collectors, dealers, small businesses, unique item seekers, bargain hunters, opportunity sellers, and browsers.”

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## 4. Corporate Positioning/Image/Branding

- What is **corporate positioning** – how we want to be seen by stakeholders in terms of **what we do**
- What is **corporate image** – how we want to be seen in terms of **what kind**, e.g. are we a premium, value, or economy player; or, are we 'cutting edge' or 'trailing edge'; or, are we ethical?
- What is **corporate branding** – an active campaign to establish an awareness of the corporation, its name, its desired positioning and image, and to create positive affect for the corporation

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## Common Corporate Positions

- a) Trustworthy (reliable and honest)
- b) Popular (well-known, good reputation)
- c) Caring (responsible, cares about people)
- d) Efficacious (powerful, gets things done)
- e) Innovative (new ideas, creative)
- f) Traditional (positive heritage)
- g) Practical (efficient, does not waste)



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## 5. Corporate Growth Through New Market Development

- Global firms offering better products or lower prices can attack the company's domestic market.
- The company discovers that some foreign markets present higher profit opportunities than the domestic market.
- The company needs a larger customer base to achieve economies of scale.
- The company wants to reduce its dependence on any one market.
- The company's customers are going abroad and need servicing.



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## Product-Market Expansion Grid

		Product Emphasis	
		Existing Products	New Products
Market Emphasis	Existing Markets	Market Penetration	Product Development
	New Markets	Market Development	Diversification

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## Right-hand Rings: A Case in Market Development

- **The Wall Street Journal**, August 14, 2003.
- The DeBeers Group, a diamond cartel that controls roughly 60% of the world's output, is attempting to create a new market. The traditional diamond engagement ring market, a \$4.3 billion left-hand market, favors larger stones. However, DeBeers produces a much greater number of smaller diamonds. The recently launched advertising campaign targets the woman's right hand with rings designed to create a market for these smaller diamonds.
- Sixteen new designs, in varying price ranges, are geared to appeal to women aged 30 to 54 with household incomes of over \$100,000. DeBeers hopes that this affluent group might want to own several of these "right-hand rings." One of their slogans commands, "Women of the world, raise your right hand." And if DeBeers has their way, it will be adorned with one of their new "right-hand rings" sparkling with multiple small diamonds.



A DIAMOND IS FOREVER

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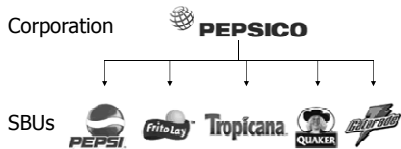
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## 6. The Business Portfolio: SBUs

- Single business or collection of related businesses that can be planned for separately
- Has its own set of competitors
- Has a manager who is responsible for strategic planning and profit



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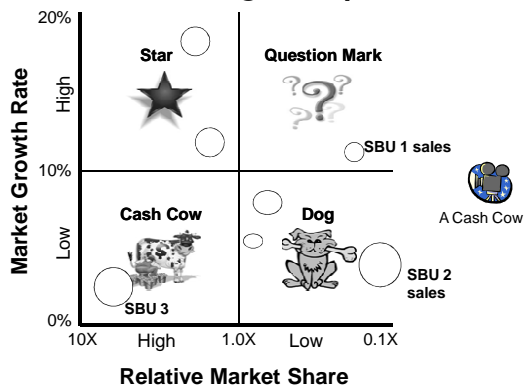
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## Boston Consulting Group Matrix




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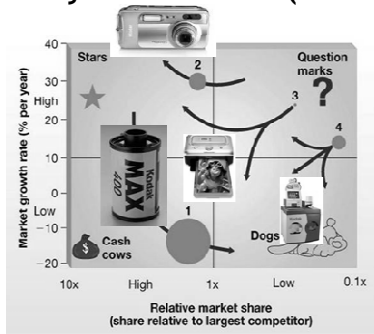
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## Boston Consulting Group Portfolio Analysis for Kodak (2005)



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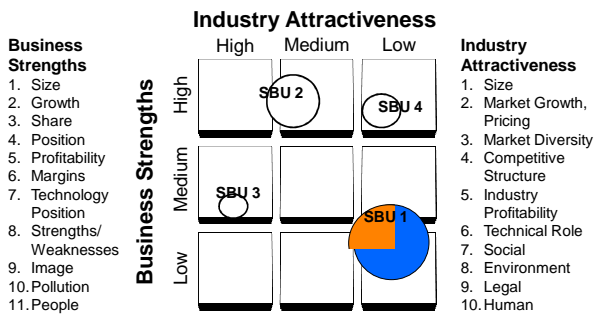
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## General Electric's Strategic Planning Grid




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## Levels of Planning

- Strategic Planning
  - Performed by top management
  - Focus on firm's overall objectives and strategy
  - Emphasis on current market situation and opportunities
- Tactical Planning
  - Performed by middle managers
  - Focus on specific brand or SBU
  - Details specific marketing tactics (i.e., merchandising, pricing, advertising, channels, service)

"Choose the value"



"Provide the value"  
"Communicate the value"

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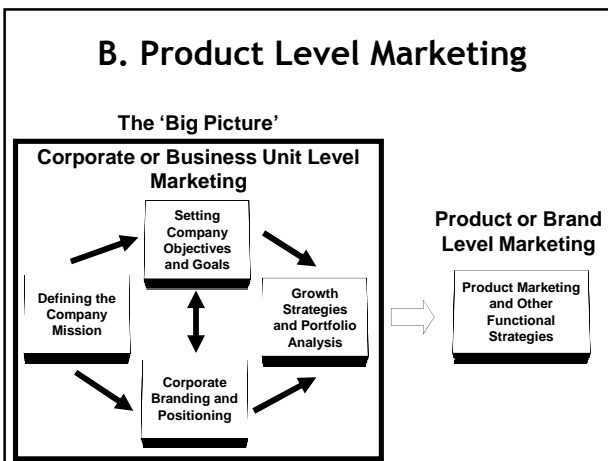
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## B. Product Level Marketing



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## Outline of a Product Level Marketing Plan

- ✓ Executive summary
- ✓ Table of contents
- ✓ Situation analysis
- ✓ Marketing strategy
- ✓ Financial projections
- ✓ Implementation controls



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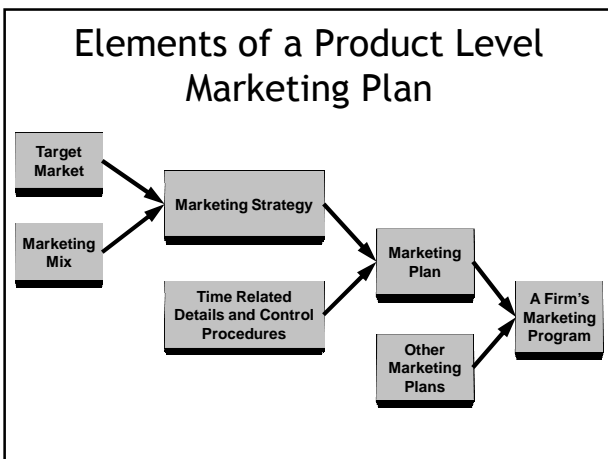
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## Elements of a Product Level Marketing Plan



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- ### Marketing Strategy Questions
- Who Are Your Customers?
    - AIO, Lifestyles, Expectations, Size
  - What Does Your Target Market Want?
    - Needs, Benefits Sought, Preferences
  - Can You Provide What They Want?
    - Define USP, Constraints and Limitations
  - Scan the Environment?
    - Threats, Opportunities, and Limitations
  - The Right Marketing Mix?
    - The 4Ps, Packaging, and Positioning
  - Have you considered various risks/contingencies?

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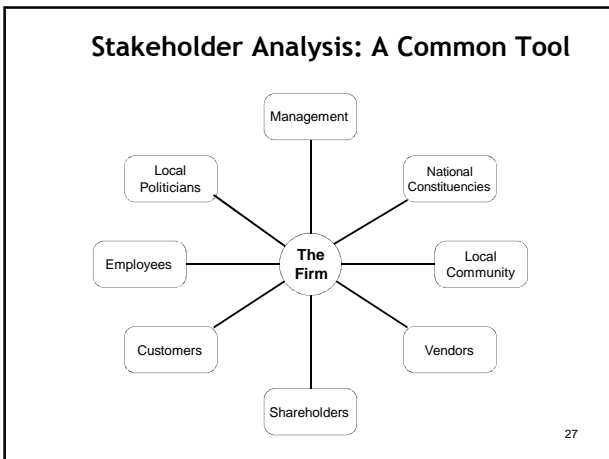
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## SWOT Analysis: A Common Tool

	<b>Strengths</b> – What are the firm's strengths?
<b>Internal</b>	<b>Weaknesses</b> – What are the firm's weaknesses?
<b>External</b>	<b>Opportunities</b> – What opportunities are present in the market?
	<b>Threats</b> – What might threaten the firm's position in the market?

- SWOT is a presentation framework to illustrate obvious issues – it is NOT strategy
- OR SWOT can be used as a conclusion of your detailed environmental analysis.

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## Beer Marketing in Canada

- Experts and novices differ in their ability to perceive differences between products
- To many, quality (beer taste) is not a differentiating choice factor
- Culture and market structure have a profound impact on brand perceptions and consumption .



"Beer Necessities"

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