

Marketing Management

*Faillite de Brochet
au vin de Lumieres
M...
... d' Ignace
... au
... de framages
Jéhen
...
... Pommes et Caris*

Prepared by : Soft Skills Unit

Course Outline

Lecture 1 : Marketing Principles

Lecture 2 : Market Segmentation and Target Markets

Lecture 3 : Consumer Buying Behavior and Decision Making

Lecture 4 : Marketing plan





Lecture 1 Content

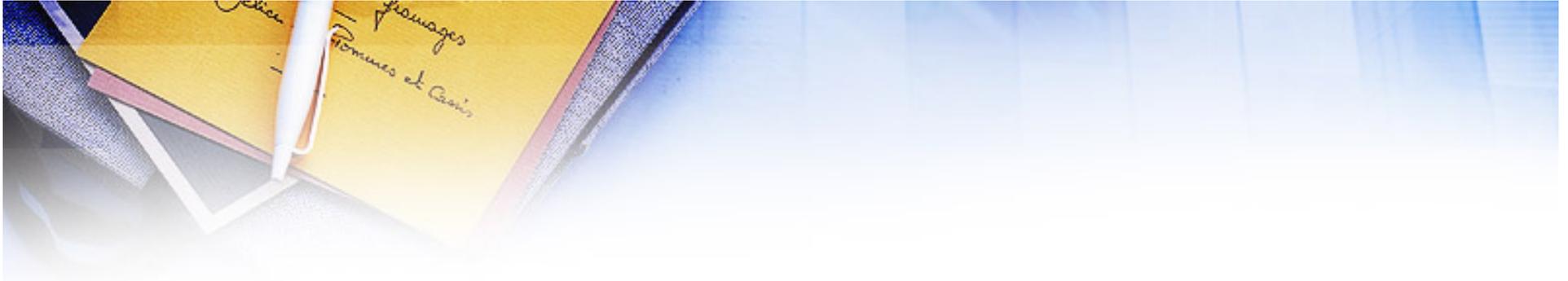
- Definitions
- Concepts
- Difference between Marketing & Selling
- The Marketing Environment
- The Marketing Mix
- The Marketing Strategies



1. Marketing Principles

A. Definitions

- **Marketing deals with identifying & meeting human & social needs**
- **Marketing is a societal process by which individuals and groups obtain what they need through creating , offering and freely exchanging products and services of value with others.**
- **Marketing is the process by which companies create value for customers & build strong customer relationships in order to capture from customers in return.**



B. Concepts

- 1. Customer Needs, Wants and Demands**
- 2. Exchange and Transactions**
- 3. Markets**



B .1. Customer Needs, Wants and Demands

Needs: are the basic human requirements; as food, air, water..etc

Wants: when they are directed to specific objects that might satisfy the need

Ex: want to eat Hamburger

Demands: are wants for specific products backed by an ability to pay.



B .2. Exchange and Transactions

Exchange : is the core concept of marketing; is the process of obtaining a desired product from someone by offering something in return.

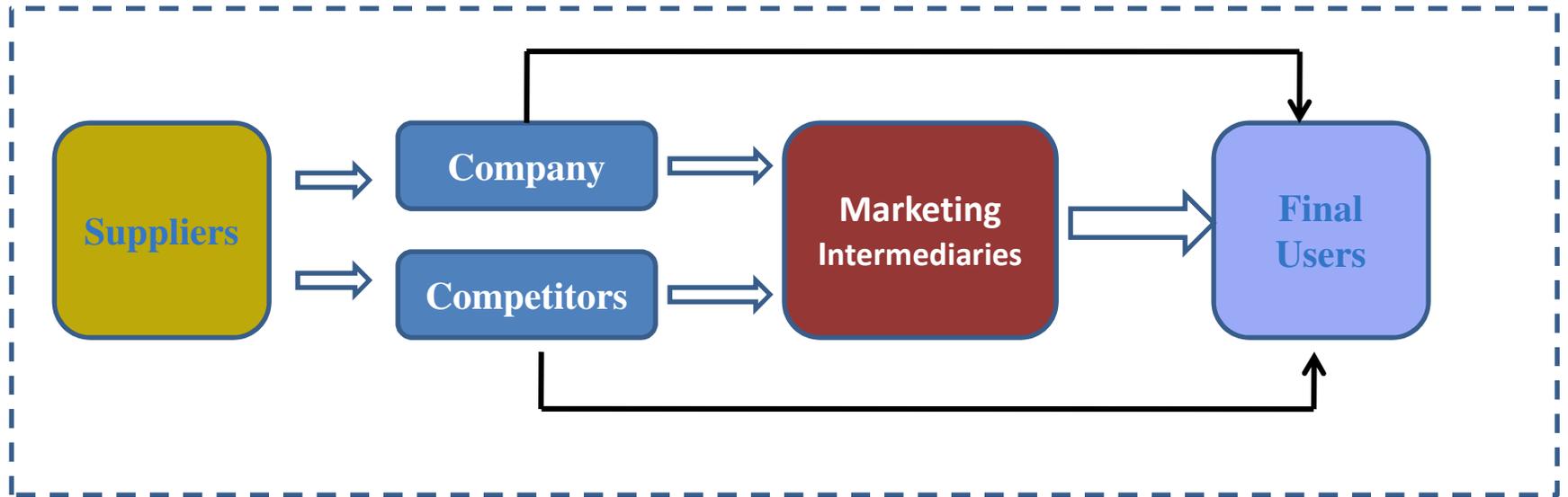
-Exchange is a value creating process because it normally leaves both parties better off.

Transaction : is a trade of values between 2 or more parties

- When an agreement is reached , we say transaction takes place.



B. 3. Markets



Marketing System

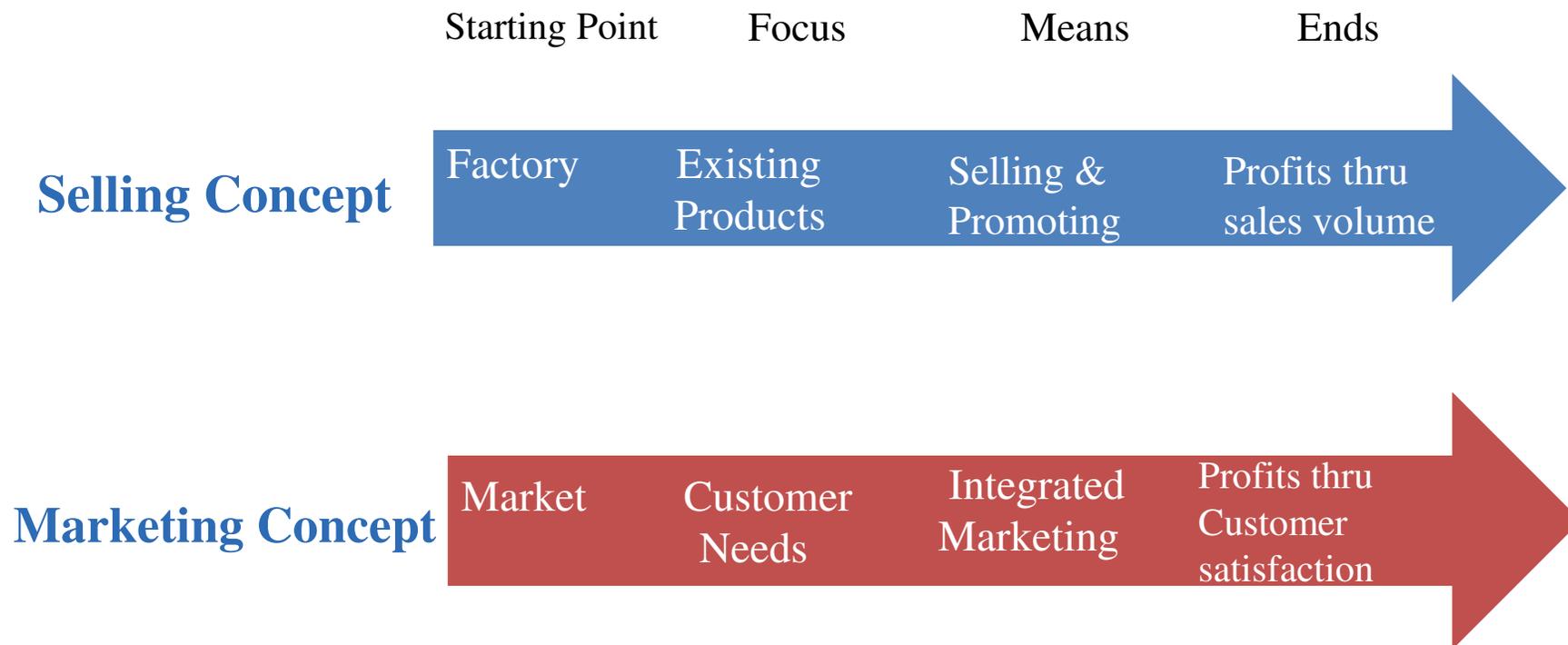


The Market word has many definitions :

- A place where buyers and sellers meet, good and services are offered for sale and transfers for ownership occurs.
- People or organizations with wants to satisfy, money to spend and the willingness to spend.



C. Difference between Marketing & Selling





D. The Marketing Environment

- The actors and forces outside marketing that affect marketing management ability to build and maintain successful relationships with target customers.
- It is made up of microenvironment and macroenvironment.





1. Microenvironment

1. Customers :

- **Consumer Markets ; consists of individuals & households**
- **Business Markets; buy goods & services for further processing**
- **Reseller Markets; buy goods & services to resell at a profit**
- **Government Markets; government agencies that buy goods & services to produce public services**
- **International Markets; consists of buyers in other countries as consumers; producers; resellers....etc**



2. Competitors

3. Suppliers; supply problems that affect the marketing can be supply shortage, or delays, labor strikes , supply costs ...etc



2. **Macro environment**

1. **Economic Factors:** factors that affect consumer buying power & spending patterns as:

- **Changes in Income**
- **Changing customer spending patterns**
- **Unemployment**
- **Inflation**



2. Political / Legal Factors: organizations are affected by :

- Governmental regulations & rules
- Tax regime
- Trade policies
- Special interests

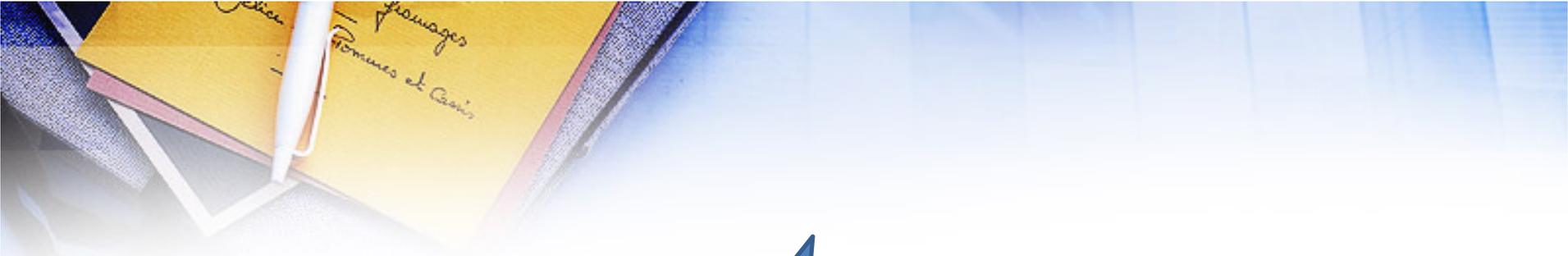
3. Technological Factors: forces that create new technologies, creating new products and opportunities

- Examples antibiotics; laptops, robotic surgery ..etc



4. Natural Factors : involves the natural resources needed as inputs by marketers and may affect marketing activities; as :

- **Shortage of raw materials**
- **Increased pollution**
- **Energy Sources**



E. The Marketing Mix





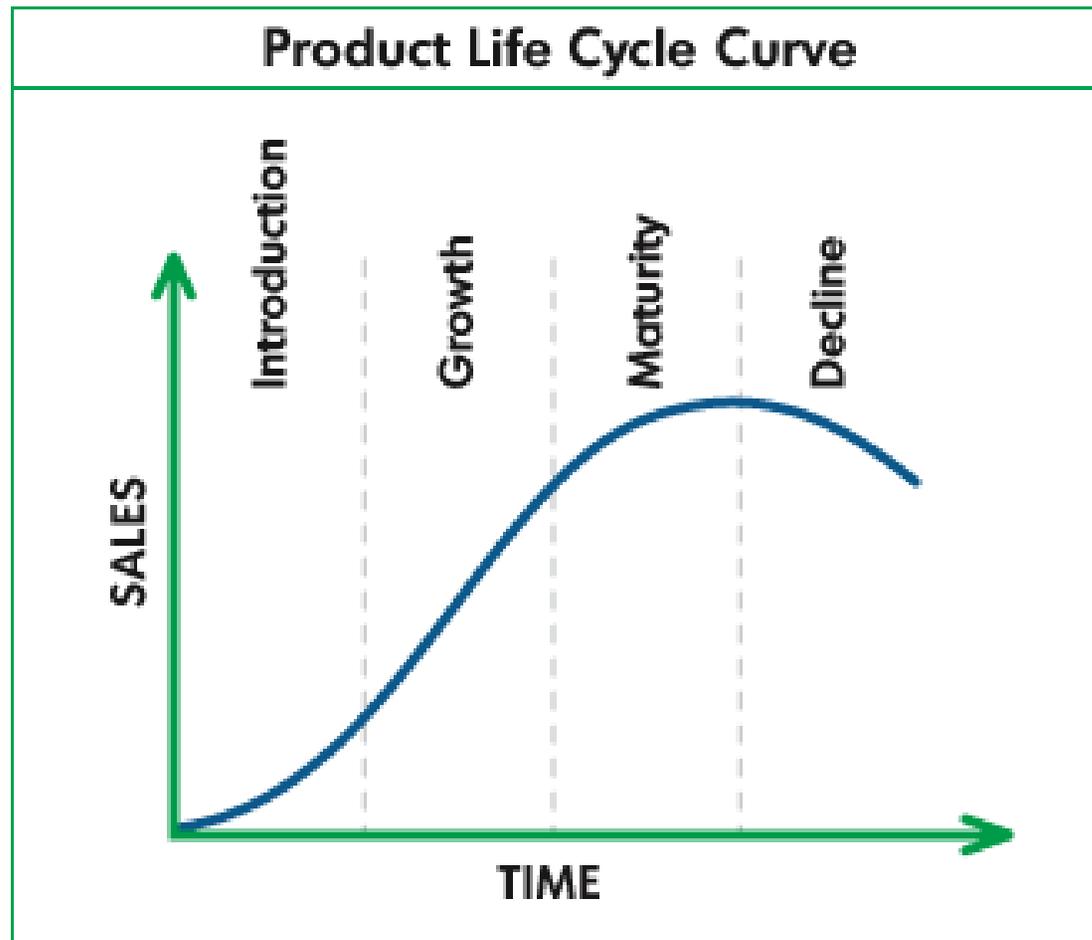
E.1 Product

Products include physical objects, services, events, persons, places, ideas...etc

- 1. Consumer Products**
- 2. Industrial Products**



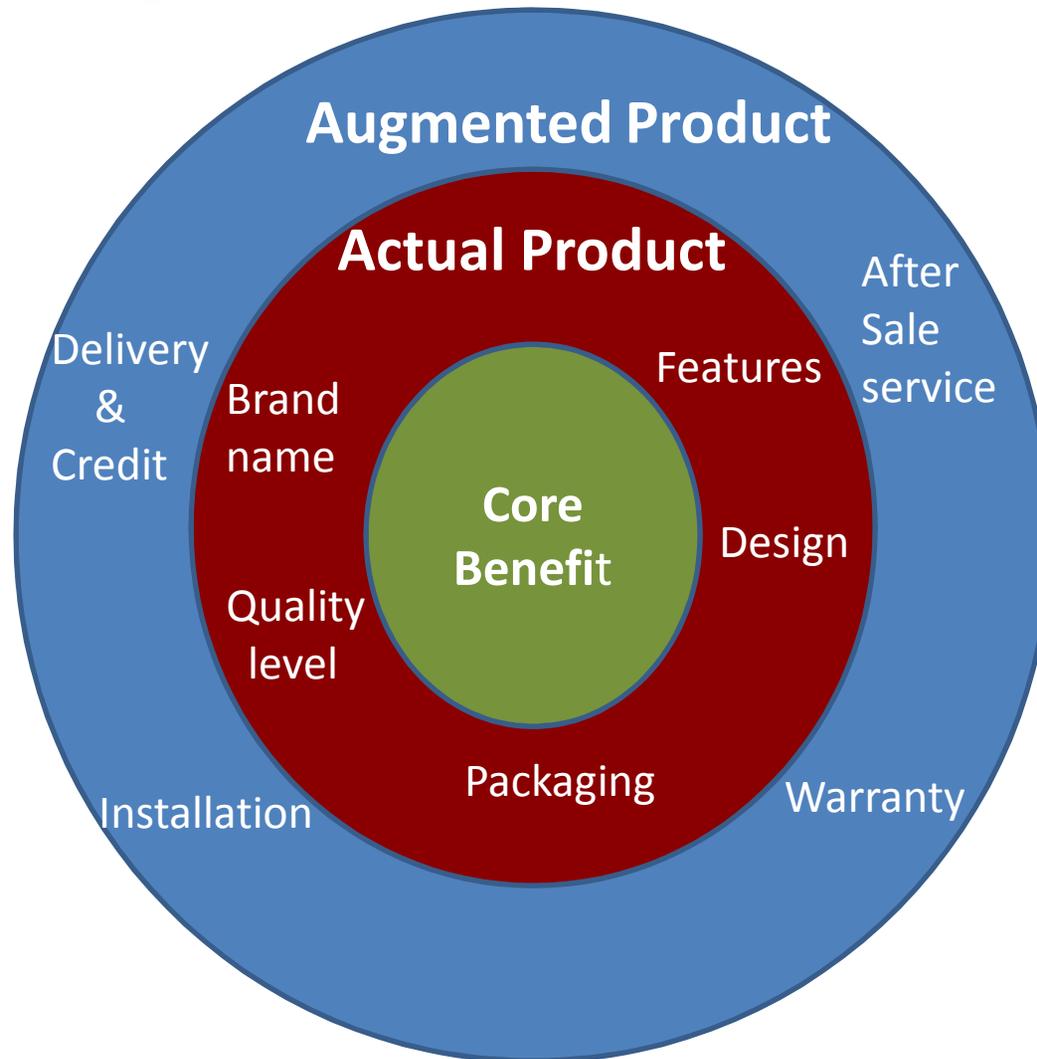
Product Life Cycle

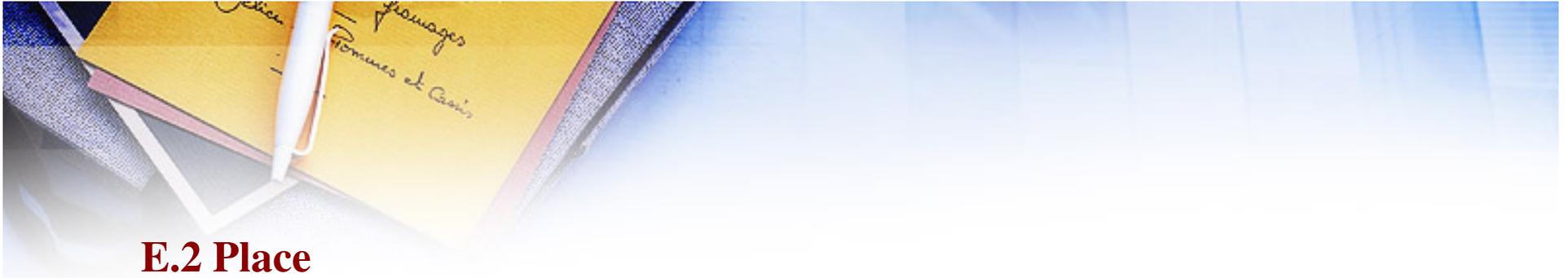


*



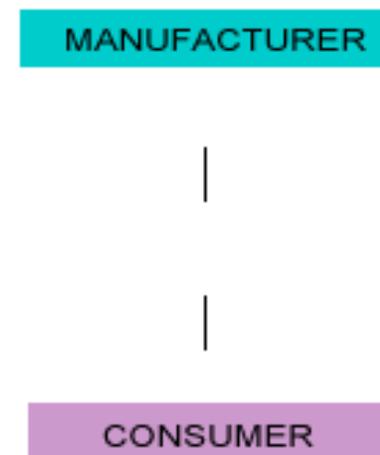
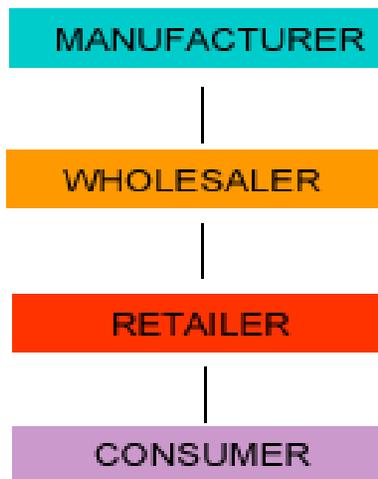
Three Levels Of Product





E.2 Place

- Refers to how an organization will distribute the product or service they are offering to the end user.
- The organization must distribute the product to the user at the right place at the right time.
- Two types of channel of distribution methods are available;





E.3 Price

It is the amount of money charged for a product or service, it is agreed upon that the price offered must cover the cost of the product and return a profit to the producer .

There are 5 marketing objectives to determine the price of a product :

- a. Maximize short term profit**
- b. Maximize current market share**
- c. Market skimming**
- d. Product quality leadership**
- e. Survival**



a. Maximize short term profit

Understanding the market dynamics, will assist the company in making good predictions as to how the customers will react to a particular price.

b. Maximize current market share

Sometimes called **Market Penetration Pricing**; co. sets out to price their product such as to capture the highest amount of market share.

c. Survival

Companies employing this strategy, set the price above the cost of production, ensuring the firm will remain operational.



E.4 Promotion

There are 5 different key types of promotion :

- 1. Advertising**
- 2. Sales Promotion**
- 3. Public Relations**
- 4. Personal Selling**
- 5. Direct Marketing**

Cont'd



1. Advertising

- Popular means of reaching a target audience.
- Cost effective way to build awareness.
- To create a good ad, the marketer must create a message that is distinct, meaningful and credible.
- There are many advertising 'media' such as newspapers, magazines and journals, television, cinema, outdoor advertising (such as posters, bus sides).



We know toys inside and out.



www.toysrus.com



Sample of Good ADs

Cont'd





 **SENSODYNE**[®]
Protects



Sample of Bad ADs

it
irWIN toy

Keep your 'i' on the ball

Visit us at the Irwin Toy Showroom
200 5th Avenue Suite 1307, New York City

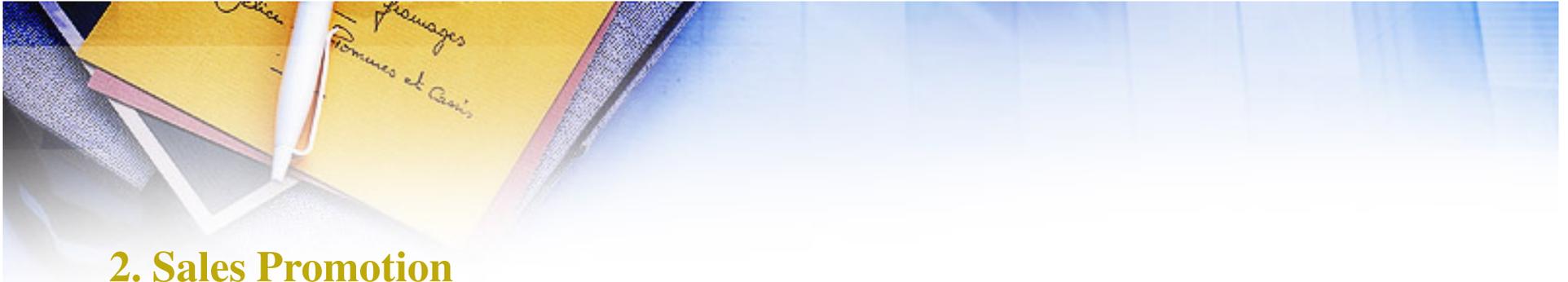


Video Clips Ads

Apple MAC

Mac vs. PC

Mcdonalds



2. Sales Promotion

- Short term incentives to encourage customers to make a purchase.
- There are many sales promotion types as :
 - a. Advertising Specialties: A product imprinted with a logo as mugs, T shirts..etc
 - b. Cash Rebates: A partial refund to the buyer
 - c. Discounting : reducing the listed price for a limited period of time
 - d. Coupons
 - e. Samples

N.B Advertising offers reasons to buy a product or service, sales promotion offers reasons to buy now

Cont'd



3. Public Relations

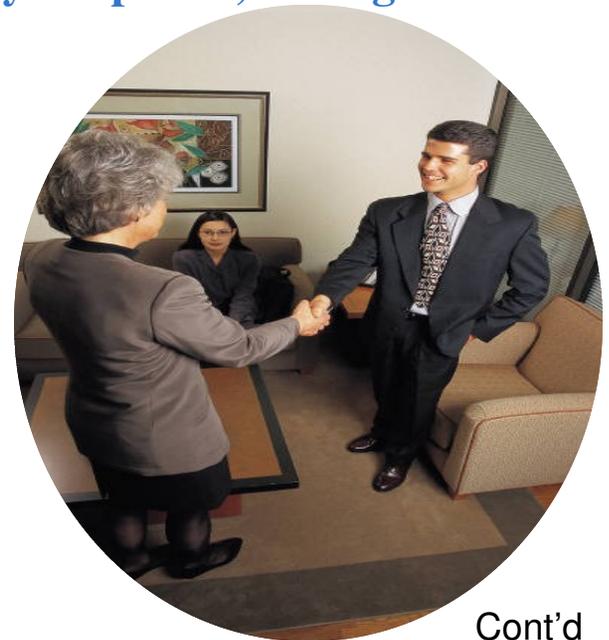
- **Used to obtain favorable publicity, building good corporate image and handling unfavorable rumors, stories and events**
- **Influence the public beliefs, feelings and opinions about the company .**
- **Mass promotion tool & cheap**
- **There are several types of public relations :**
 - a. **Written material as brochures, magazines, articles..etc**
 - b. **Special Events as presentations, conference**
 - c. **Public Service Activities as donating money, volunteers or resources to activities designed to a social cause**
 - d. **Speeches as giving talks**

Cont'd



4. Personal Selling

- **Personal presentation by the firm's sales force for the purpose of making sales & building customer relations**
- **The sales message can be customized to meet the needs of the customer.**
- **Involves 2 way personal communication as face-to-face, by telephone, through video or web conference.**



Cont'd



5. Direct Marketing

- **Direct marketing is a type of advertising campaign that seeks to elicit an action (such as an order, a visit to a store or Web site, or a request for further information) from a selected group of consumers in response to a communication from the marketer.**

- **Types of direct marketing:**

- **Direct Mail**
- **Telemarketing**
- **Email Marketing**
- **Catalogs**
- **Websites**





4 Ps Versus 4Cs

- Robert Lauterborn suggested that the sellers' 4 Ps correspond to the Customers' 4 Cs

4 Ps

Product

Price

Place

Promotion

4 Cs

Customer Solution

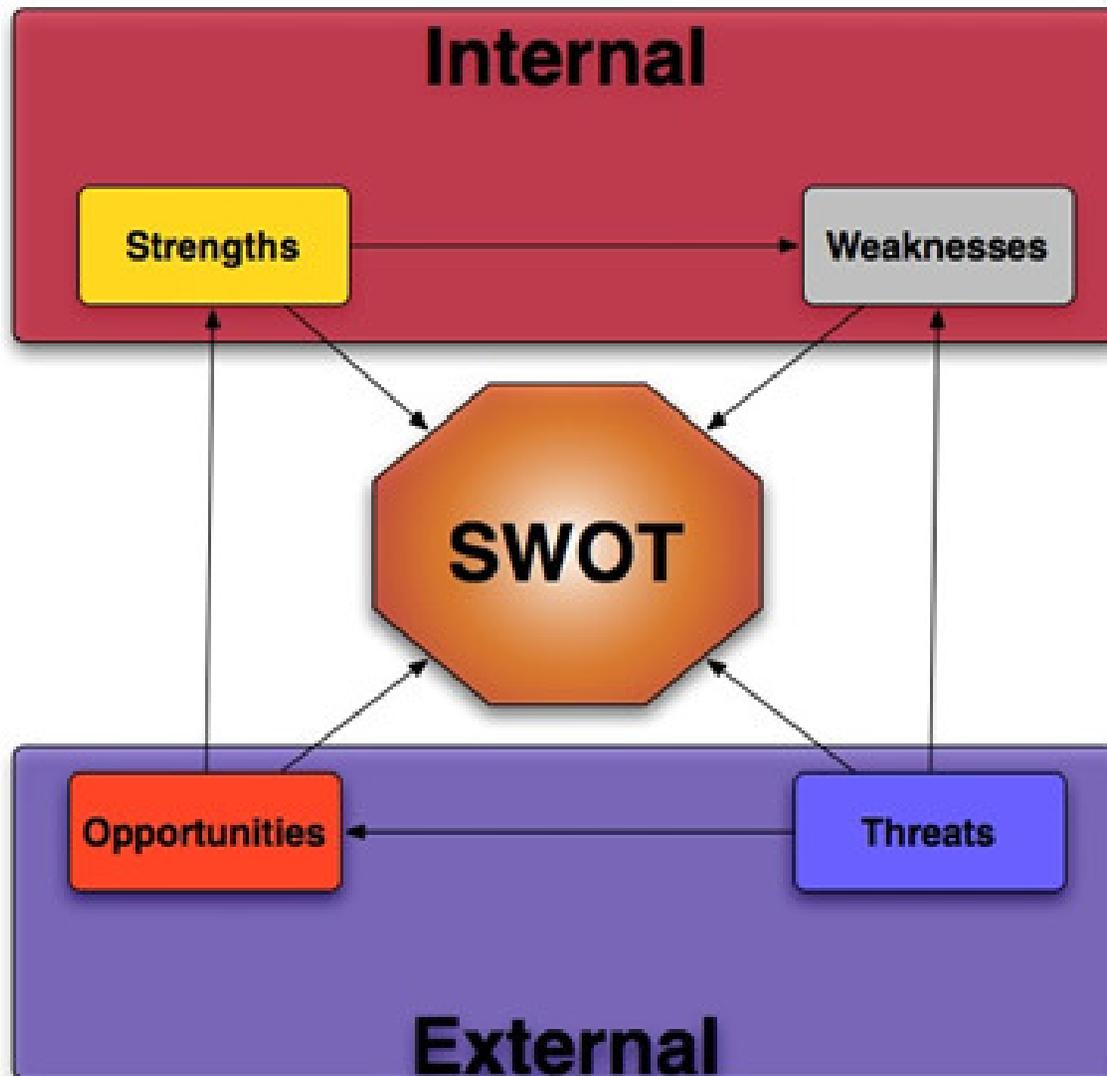
Customer Cost

Convenience

Communication



F. The Marketing Strategies





What is Organization's SWOT ?

- It is a marketing strategy that involves monitoring the external and internal marketing environment.
- Internal environment (strengths / weakness) analysis:
 - A **strength** is something a firm does well or a characteristic that enhances its competitiveness.
 - A **weakness** is something a firm lacks, does poorly, or a condition placing it at a disadvantage



Strength can be ...

- **Valuable competencies or know-how**
- **Valuable physical assets**
- **Valuable human assets**
- **Valuable organizational assets**
- **Valuable intangible assets- e.g. “Image”**
- **Important competitive capabilities**
- **An attribute that places an organization in a position of competitive advantage**
- **Alliances with capable partners**



Weakness can be ...

- **Deficiencies in know-how or expertise or competencies**
- **Lack of important physical, organizational, or intangible assets**
- **Missing capabilities in key areas**
- **High unit cost**
- **Poor relationship with employees / suppliers**



- **External environment (opportunities / Threats) analysis:**
 - An ***opportunity*** is a factor that the company may be able to exploit to its advantage.
 - An ***environmental Threat*** current and emerging external factors that may challenge the company's performance.



Sources of a marketing opportunity...

- **Diversify your business interests**
- **Is to supply an existing product or service in a new or superior way.**
- **A new product.**
- **Changes in use of technology opening up opportunities for your business to utilize these technologies such as Ecommerce or Internet sales**



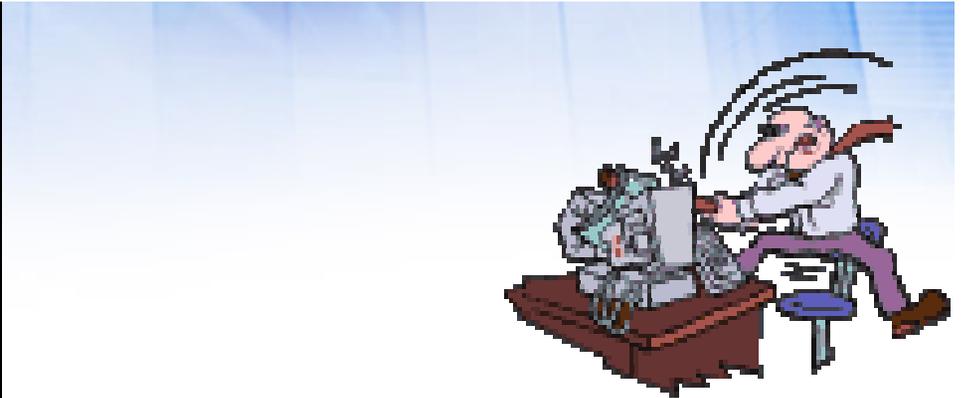
Examples of threats...

- **Changing customer tastes**
- **Technological advances**
- **Tax increase**
- **Change in governmental policies**
- **Closing of geographic markets**



Build on your

Strengths

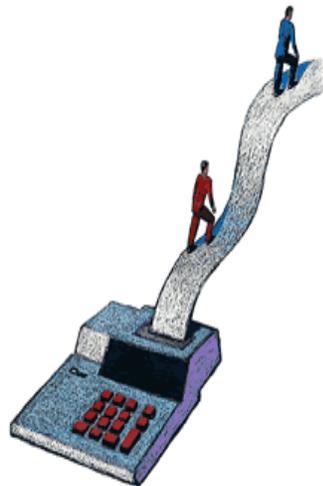


Recognize your

Weakness

Evaluate your

Opportunities



Research your

Threats



*



Tools for Strategy Formulation

- **SO Strategies:** Use strengths to take advantage of Opportunities
- **WO Strategies:** Overcome weaknesses to take advantage of Opportunities
- **ST Strategies:** Use Strengths to avoid Threats
- **WT Strategies:** Minimize Weaknesses and avoid Threats

Identifying Market Segments and Targets



Feuille de Brochet
—
vin de Lumière
—
Mette d'Ignace
—
Plat de fromage
—
Jélie
—
Pommes et Caviar



Lecture 2 Outline

- Market segmentation
- Market Targeting
- Differentiation & Positioning



1. Market Segmentation

Dividing a market into smaller groups with distinct needs, characteristics, or behaviors who might require separate products or marketing mixes.

N.B Through market segmentation; companies divide large, heterogeneous markets into smaller segments that can be reached more efficiently and effectively with products and services that match their unique needs.



A. Segmenting Consumer Markets

- 1. Geographic Segmentation**
- 2. Demographic Segmentation**
- 3. Psychographic Segmentation**
- 4. Behavioral Segmentation**



A.1. Geographic Segmentation

Calls for dividing the market into geographical units such as nations, states, regions, countries, cities or neighborhoods.

EXAMPLES

- A company shipped low calorie snack foods to stores in neighborhoods near weight watchers clinics.**
- P&G introduced curry Pringles in England and Funky Soy Pringles in Asia**



A .2. Demographic Segmentation

Divides a market into groups based on variables as age, gender, family size, income, education, occupation, race, generation and nationality.

Age: consumer needs and wants change with age.

Gender: has been used in clothing, cosmetics and magazines.

Income: used by marketers of products & services as automobiles, clothing and travel.



A .3. Psychographic Segmentation

Divides buyers into different groups based on social class, lifestyle, or personality characteristics.



A .4. Behavioral Segmentation

Divides buyers into groups based on their knowledge, attitudes, uses or responses to a product.

Occasions: Buyers can be grouped according to occasions when they get the idea to buy, actually make their purchase or use the purchased item.

Usage Rate: Markets can be segmented into light, medium and heavy product Users.

Loyalty Status: markets can be segmented by consumer loyalty.



B. Segmenting International Markets

- **Companies can segment international markets using one or a combination of several variables, ex. Geographic location, grouping countries by region as Asia, Middle East or Western Europe.**
- **Geographic segmentation assumes that nations close to one another have common traits and behaviors. But this is not the case ex. United States and Canada.**
- **World markets can be segmented on the basis of economic factors . Ex. Countries might be grouped by population income levels or overall level of economic development**



C. Requirements for Effective Segmentation

To be useful, market segments must be :

- **Measurable**
- **Accessible**
- **Substantial**
- **Differentiable**
- **Actionable**



2. Market Targeting

- A. Evaluating Market Segments**
- B. Selecting Target Market Segments**
- C. Choosing a Target Strategy**



A. Evaluating Market Segments

To evaluate we must look at 3 factors:

Segment Size and Growth: Company must collect & analyze current segment sales, growth rates and expected profitability for various segments

Segment Structural Attractiveness: Ex. A segment is less attractive if it already contains many strong competitors. The existence of many actual or potential substitutes will limit profits.

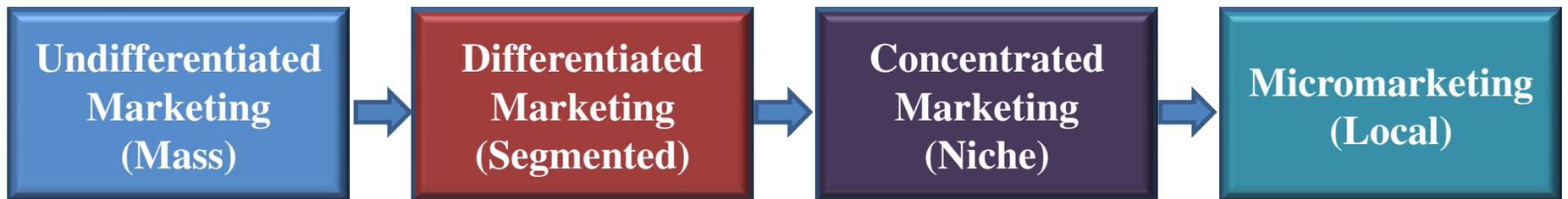
Company Objectives and Resources

N.B The company should enter only segments in which it can offer superior value and gain advantages over competitors



B. Selecting Target Market Segments

Target Market Definition: consists of a set of buyers who share common needs or characteristics that the company decides to serve.



Targeting Broadly

Targeting Narrowly

N.B The differentiated & concentrated tailor the offers & marketing programs while the Micro marketing tailors the products and the marketing programs

*



3. Differentiation and Positioning

Differentiation: to be branded, products must be differentiated from competitors' ones.

Dimensions of product differentiation :

- **Form:** size, shape or physical structure ex: aspirin
- **Features** ex: telephone (waiting, caller id...etc)
- **Performance quality:** is the level at which the product is operating
- **Durability:** a measure of product's expected operating life under natural or stressful conditions ex kitchen appliances, vehicles
- **Reliability:** measuring product's malfunction or failure ex home appliance
- **Style :** Product's look and feel to the buyer

Cont'd



Dimensions of service differentiation:

- **Ordering ease:** how easy for the customer to place an order ex. **Delivery**
- **Delivery:** how well the product is delivered to the customer. Includes speed ,
accuracy and care
- **Installation :** refers to the work done to make a product operational in location
- **Customer Training:**
- **Maintenance and repair**



Product Position : is the way the product is defined by consumers on important attributes– the place the product occupies in consumer's minds relative to competing products. A product must have a unique identity.

EXAMPLES

In the automobile market;

- **Toyota Yaris & Honda positioned as Economy**
- **Mercedes and Cadillac positioned as Luxury**
- **BMW & Porsche positioned as Performance**



N.B

Product Position is the complex set of perceptions, impressions and feelings that consumers have for the product compared with the competing products.



Select Customers to serve

Decide on a value proposition

Segmentation
Divide the total market into smaller segments

Differentiation
Differentiate the market offering to create superior customer value

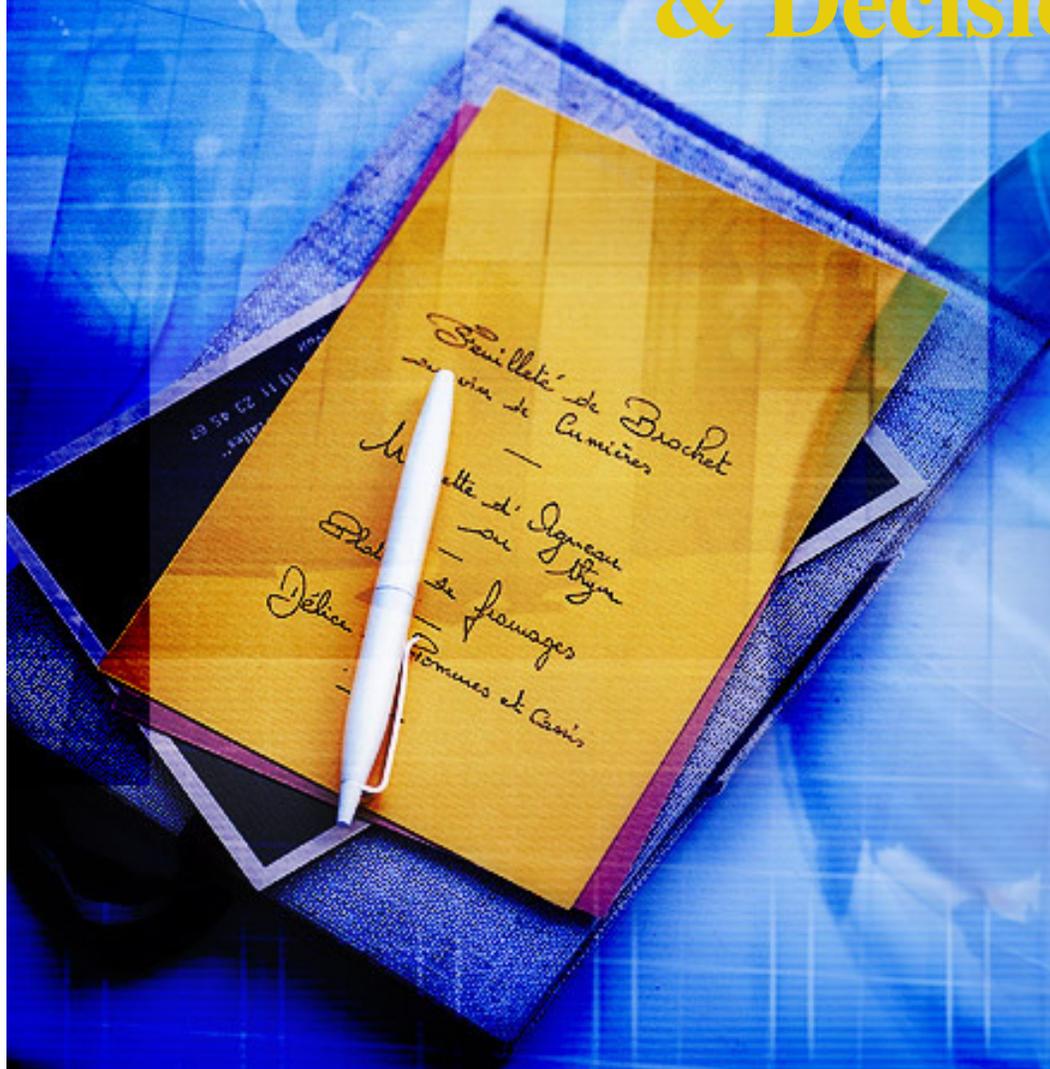
Targeting
Select the segment or segments to enter

Create value for Targeted customers

Positioning
Position the market offering in the minds of target customers



Consumer Buying Behavior & Decision Making





Lecture 3 Content

- Consumer behavior
- Stages of Consumer behavior
- Factors affecting the consumer buyer process
- Managing customer relationships
- Customer satisfaction and customer retention



1. Consumer Behavior:

- **The mental and emotional processes and physical activities people engage in when they select, purchase, use, and dispose of products or services to satisfy particular needs and desires.**
- **Buying Behavior is the decision processes and acts of people involved in buying and using products.**
- **why consumers make the purchases that they make?**
- **what factors influence consumer purchases?**
- **The changing factors in our society.**



2. Stages of the Consumer Buying Process

- **Actual purchasing is only one stage of the process.**
- **Not all decision processes lead to a purchase.**
- **All consumer decisions do not always include all 6 stages, determined by the degree of complexity**



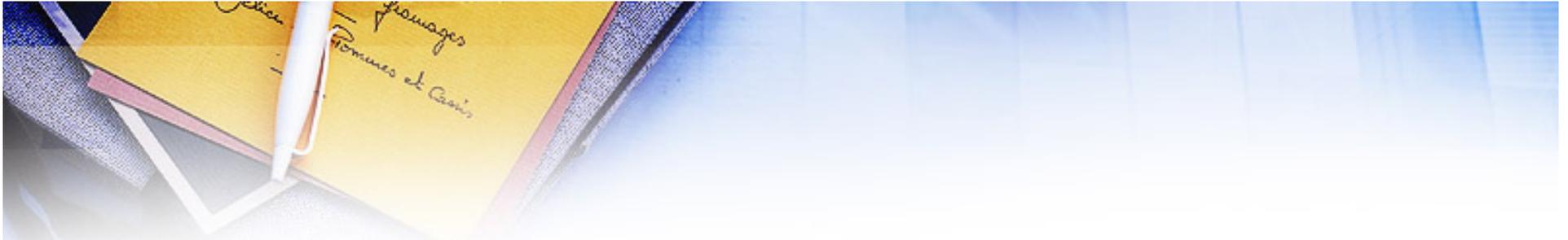
The 6 stages are:

1- Problem Recognition (awareness of need):

**Difference between the desired state and the actual condition. Hunger--Food.
Hunger stimulates your need to eat.**

2-Information search:

- Internal search, memory.**
- External search if you need more information. Friends and relatives (word of mouth). Marketer dominated sources; comparison shopping; public sources etc.**



3-Evaluation of Alternatives:

- **Need to establish criteria for evaluation, features the buyer wants or does not want.**
- Rank/weight alternatives or resume search.**

4-Purchase decision:

Choose buying alternative, includes product, package, store, method of purchase etc.

5-Purchase:

- **The key issue for marketers during the purchase stage are product availability as its critical.**
- **Without it, customers will not purchase from you but will find someone else who can deliver the product.**



6-Post-Purchase Evaluation:

In the context of attracting and retaining customers, post-purchase evaluation is the connection between the buying process and the development of long term customer relationships.



Factors affecting the consumer buying process



1-Decision-Making Complexity:

- **Complexity of purchasing is a primary reason why buying process vary across consumers. (buying a first home, a first car, selecting the right college)**
- **These kinds of purchases can be very involving as they include high personal, social or financial risk.**
- **Customers spending a great deal of time,effort and sometimes money to ensure that they make the right decision.**



2-Individual Influences:

- **Individual factors (age, lifecycle, occupation)**
- **The range of individual influences that can affect the buying process is quite extensive.**
- **Individual factors are fairly easy to understand and incorporate to the marketing strategy.**



3-Social Influences:

- **Social factors (culture, social class)**
- **Reference groups and opinion leaders have an important impact on consumer's buying processes.**
- **A consumer's purchase decisions tend to fall in line with the advice, beliefs and actions of one or more reference groups.**



4-Situational Influences:

- **Physical influences.**
- **Social and interpersonal influences.**
- **Temporal influences.**
- **Purchase task or product usage influences.**
- **Consumer dispositional influences.**



4. Managing Customer Relationships

**“There is only one boss
THE CUSTOMER**

**And he can fire anyone , simply by spending his money
Somewhere else”**

**-Sam Walton,
Founder of WalMart**



What Is Business?

BUSINESS = PRODUCT x CUSTOMER

Product = R&D & Manufacturing

Customer = Marketing + Sales + Customer Support

-Harvard Business Review



Why Are We In Business?

1. **Get More new Customers**
2. **Keep them Longer**
3. **Grow them Into bigger Customers**



Marketing Moves:

The Old Approach:

- 1. Generating an Idea.**
- 2. Conducting Market Research.**
- 3. Developing a Product.**
- 4. Market Testing.**
- 5. Going to Market.**

This approach is relatively slow, and unresponsive



Marketing Moves:

The New Approach:

- **Find wants and fill them!**
- **Make what will sell, instead of trying to sell what you make!**
- **Love the customer, not the product!**



Marketing Moves:

Forces Reshaping the New Economy: (20th Century)

- 1. Digitalization.**
- 2. Connectivity.**
- 3. Globalization.**
- 4. Industry Convergence.**
- 5. Customization. (Customer Empowerment)**

Cont'd



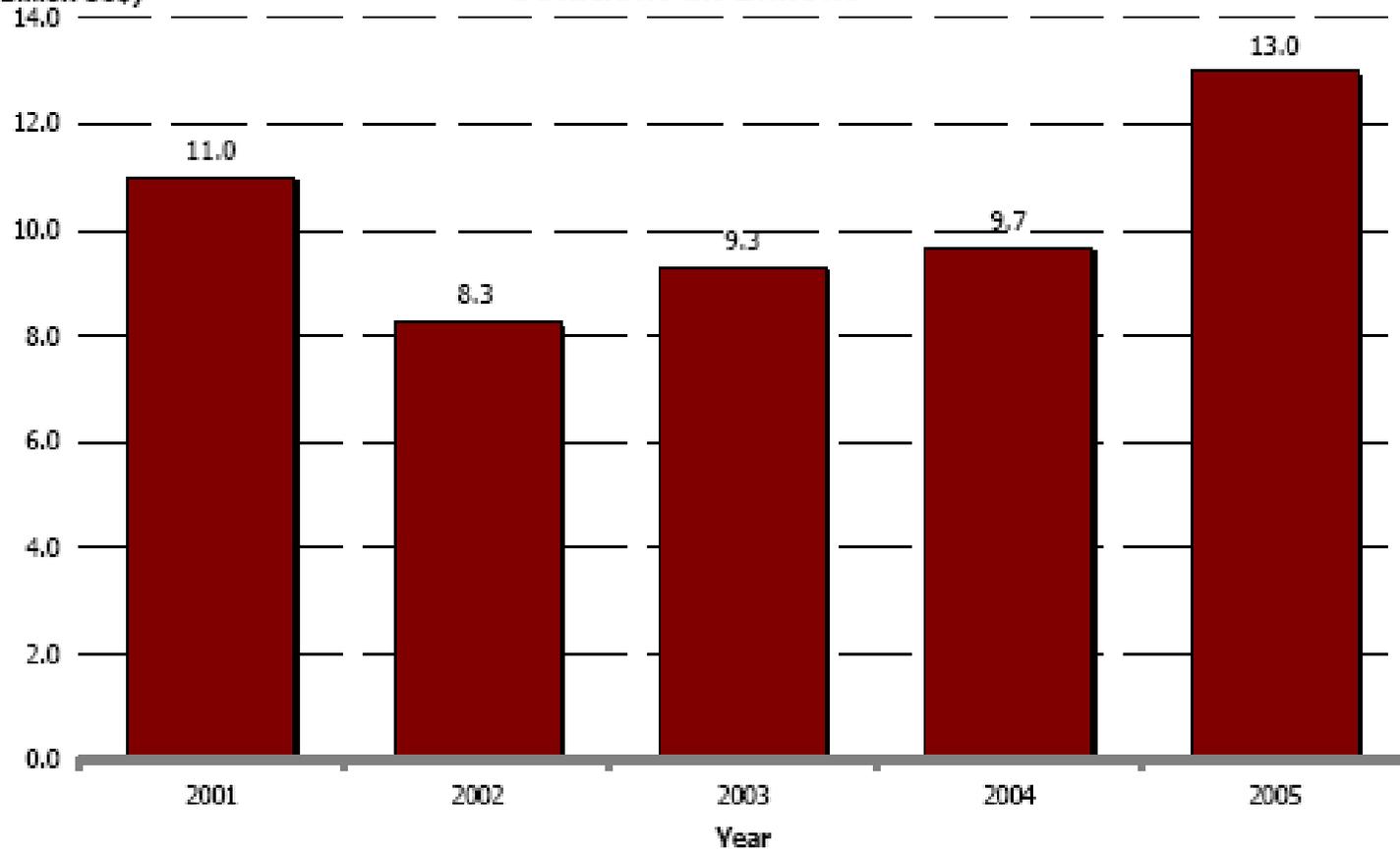
Customer Relationship Management

The paradigm shift from product focus to a customer focus has resulted in Customer Relationship Management (CRM) being on the business agendas across all major industries, and most visibly in consumer based businesses. Business spent on CRM solutions around 13Billion Dollars during 2005.



Total Worldwide Spending On CRM Solutions In Billions

(In Billion US\$)



CRM Software spendings and trends research, eMarketer, August 2005, Page: 17*



CRM & Marketing Definition

CRM Definition	Marketing New Definition
<p><u>CRM</u> represents an enterprise business strategy that involves <u>focusing knowledge, business processes</u> and <u>organizational structures</u> around customers and prospect for the whole organization.</p>	<p><u>MARKETING</u> is an organizational function and a set of processes for <u>creating, communicating and delivering</u> value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders.</p>



5. Customer Satisfaction and Customer Retention

- Customer satisfaction is the key to customer retention**
- Fully satisfied customers are more likely to become loyal customers.**
- Customer satisfaction is a big challenge for marketers.**



What can marketers do to manage customer satisfaction ?

1.Understand what can go wrong

2.Focus on controllable issues

3.Manage customers expectations

4.Offer satisfaction guarantees

5.Make it easy for customer to complain

6.Create loyalty programs

7.Make customer satisfaction measurement an ongoing priority



Value Creation and Delivery Sequence

Traditional Process Sequence

<u>Make the Product</u>	<u>Sell the Product</u>
Design Product	Price Product
Make Product	Sell Product
	Advertise/Promote
	Distribute

New Process Sequence

<u>Choose Value</u>	<u>Provide Value</u>	<u>Communicate Value</u>
Customer Seg.	Product Dev.	Sales Force
Target Market Sel.	Service Dev.	Sales Prom.
Value Positioning	Pricing	Advertising
	Distributing	



What is Customer Satisfaction?

Satisfaction is a person's feelings of pleasure resulting from comparing a product's actual performance to his/her expectations about that product.

*"It is no longer enough to satisfy customers.
You must delight them."*

- Philip Kotler



What is Customer Satisfaction?

- It is easier and **five times cheaper** to keep a customer than to gain a new one



VS.

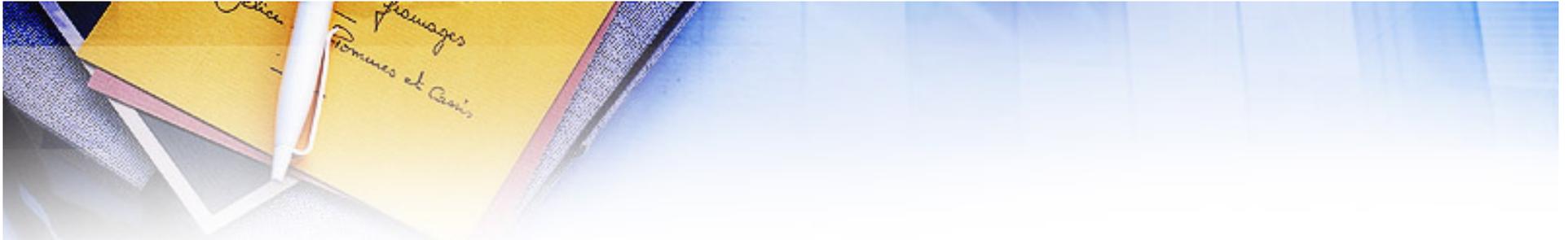




**1 in 4 unhappy
Customers
switch**

**1 in 27 unhappy
customers
complain**

1 Unhappy Customer Can Turn to 27 Unhappy Customers



What is a Loyal Customers...?

1. Shows Behavioral Commitment

- **Buys from only one supplier, even though other options exist**
- **Increasingly buys more and more from a particular supplier**
- **Provides constructive feedback/suggestions**

2. Exhibits Psychological Commitment

- **Wouldn't consider terminating the relationship--psychological commitment**
- **Has a positive attitude about the supplier**
- **Says good things about the supplier**



Why are Loyal Customers Good ?

- **Loyal customers tend to spend more with the organization over time.**
- **On average costs of relationship maintenance are lower than new customer costs.**
- **Lifetime value of a customer can be very high.**

What is a Marketing Plan?



Feuilleté de Brochet
—
vin de Lumière
—
Mette d'Ignace
—
Plat de fromage
—
Jélic
—
Pommes et Caris



Lecture 4 Content

- What is a marketing plan?
- Importance of marketing plan
- Reasons of undertaking marketing plan
- Marketing Plan Structure
 - Purpose and mission
 - Situation analysis
 - SWOT analysis
 - Marketing goals & objectives
 - Marketing strategies
 - Marketing implementation
 - Budgeting
 - Evaluation & control



1. What is a Marketing Plan?

The Marketing Plan is a highly detailed, heavily researched and well written report that many inside and possibly outside the organization will evaluate. It is an essential document for both large corporate marketing departments and for startup companies.





2. Importance of Marketing Plan

- **Forces the marketing personnel to look internally in order to fully understand the results of past marketing decisions.**
- **Forces the marketing personnel to look externally in order to fully understand the market in which they operate.**
- **Sets future goals and provides direction for future marketing efforts that everyone within the organization should understand and support.**
- **Marketing plan is a key component in obtaining funding to pursue new initiatives.**



3. Reasons for Undertaking a Marketing Plan

- **Needed as part of the yearly planning process within the marketing functional area.**
- **Needed for a specialized strategy to introduce something new, such as new product planning, entering new markets, or trying a new strategy to fix an existing problem.**
- **It is a component within an overall business plan, such as a new business proposal to the financial community.**



Purpose of the Marketing Plan

Offer brief explanation for why this plan was produced

- e.g., introduce new product, enter new markets, continue growth of existing product, yearly review and planning document, etc.

Suggest what may be done with the information contained in the plan

- e.g., set targets to be achieved in the next year, represents a departmental report to be included in larger business or strategic plan, etc.



Marketing Plan Structure

Executive Summary

- a) **Synopsis**
- b) **Major aspects of the marketing plan**

Vision & Mission Statements – Pre defined

Situation Analysis

- a) **Analysis of the internal environment**
- b) **Analysis of the customer environment**
- c) **Analysis of the external environment**

SWOT Analysis

- a) **Strengths**
- b) **Weaknesses**
- c) **Opportunities**
- d) **Threats**
- e) **Analysis of the SWOT matrix**
- f) **Establishing a strategic focus**

Cont'd



Marketing Plan Structure

Marketing Goals & Objectives

- a) Marketing goals
- b) Marketing objectives

Marketing Strategies

- a) Primary target market and marketing mix
- b) secondary target market and marketing mix

Marketing Implementation

- a) Structural issues
- b) Tactical marketing activities

Budgeting

Evaluation & Control

- a) Formal marketing control
- b) Informal marketing control
- c) Financial assessments



1-Executive Summary

Brief overview of the company history and background

- **The executive summary is an outline of the overall marketing plan**
- **Provides an overview of the plan**
- **Scope and time frame for the plan.**
- **The purpose of an executive summary is to summarize the key points of a document for its readers, saving them time and preparing them for the upcoming content.**
- **Executive summary should be the last element to be written.**



2-Vision: (Pre determined)

In developing the vision consider:

Company History

How company started and major events of the company, products, markets served, etc.

Resources and Competencies

Consider what the company currently possesses by answering the following:

- What are we good at?**
- What is special about us compared to current and future competitors (in general terms do not need to mention names)?**

Cont'd



- **What do we do that gives us a competitive advantage?**

Consider the questions above in term of:

People, products, financial position, technical and research capabilities, partnership/supply chain relations, others

Environment

Consider the conditions in which company operates including:

Physical (e.g., facilities), equipment, political regulatory, competitive, economic, technological, others

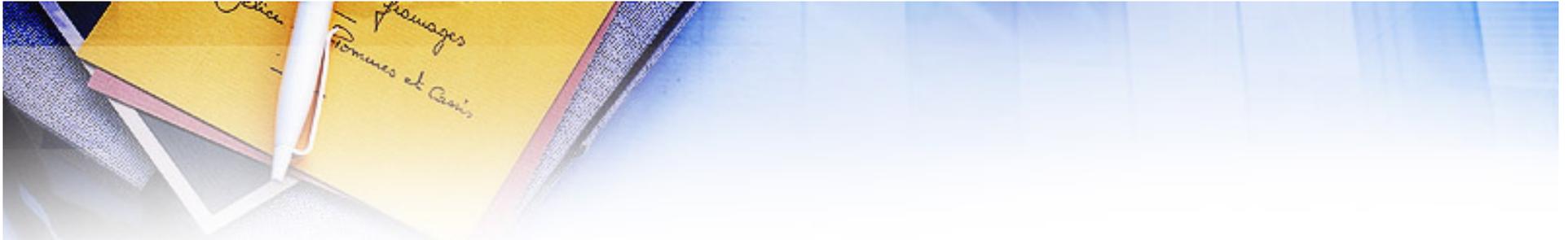


Mission Statement: (Pre determined)

- **For larger firms this may already exist in a public way (e.g., found in annual report, found on corporate website) but for many others this may need to be formulated.**
- **The mission statement consists of a short, razor sharp paragraph**
- **Identifies a stable (i.e., not dramatically changing every year), long-run mission of the organization that can answer such questions as:**



- **Why is the company in business?**
- **What markets do we serve and why do we serve these markets?**
- **In general terms, what are the main benefits we offer our customers?**
 - **Example:** a low price software provider may state they offer “practical and highly affordable business solutions”
- **What does this company want to be known for?**
- **What is the company out to prove to the industry, customers, partners, employees, etc.?**
- **What is the general corporate philosophy for doing business?**
- **What products/services does the company offer?**



3-Situation Analysis (past, present)

Collecting and analyzing marketing information

- **Situational analysis is designed to take a snapshot of where things stand at the time the plan is presented.**
- **This part of the Marketing Plan is extremely important and quite time consuming. For many, finding the numbers may be difficult, especially for those entering new markets.**

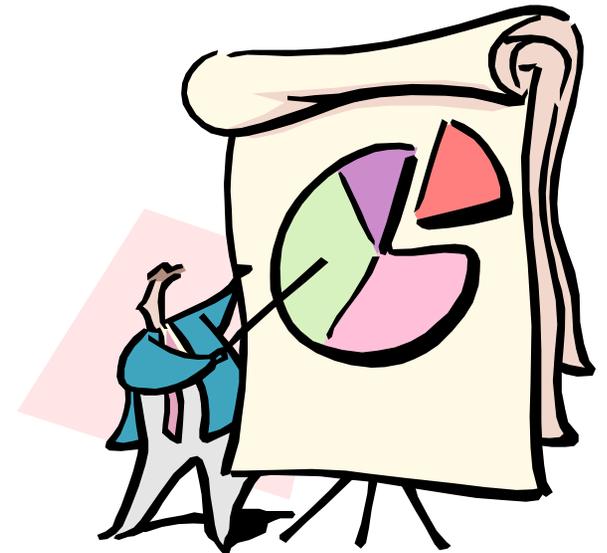
Summarize all information in the Situational Analysis.

Cont'd



- **To develop a marketing plan, we have to examine the major elements of situation analysis (5 C's in Marketing)**

- 1. Company**
- 2. Collaborators**
- 3. Customers**
- 4. Competitors**
- 5. Climate**





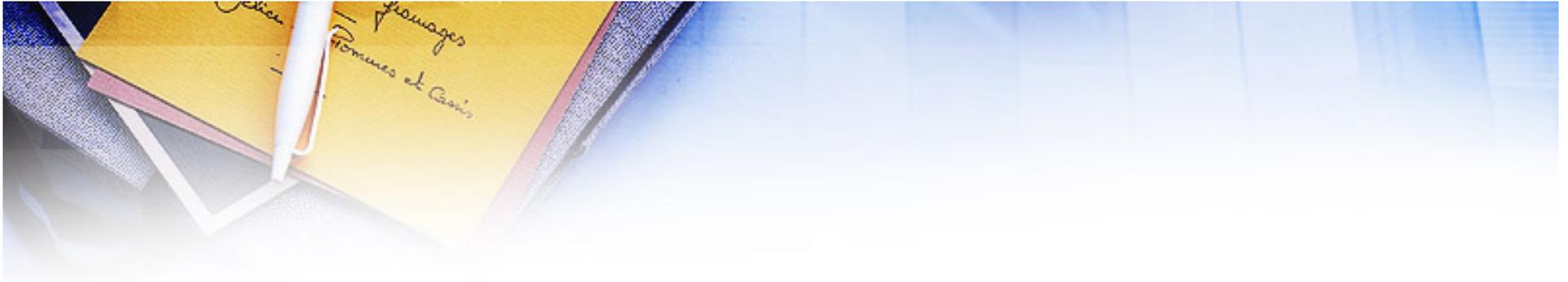
4- SWOT Analysis





5- Marketing Goals & Objectives

- 1. Formal statements of the desired and expected outcomes resulting from marketing plan.**
- 2. Goals: broad and simple statements of what will be accomplished through the marketing strategy.**
- 3. Its function is to guide the development of objectives and to provide direction for resource allocation decisions.**
- 4. S.M.A.R.T Objectives.**
- 5. Marketing goals and objectives should be consistent with the company's mission.**



Example of Mobinil Goals:

To increase subscribers' loyalty by simplifying tariffs, stimulating usage, and a determined effort to reinforce their customer intimacy leadership by :

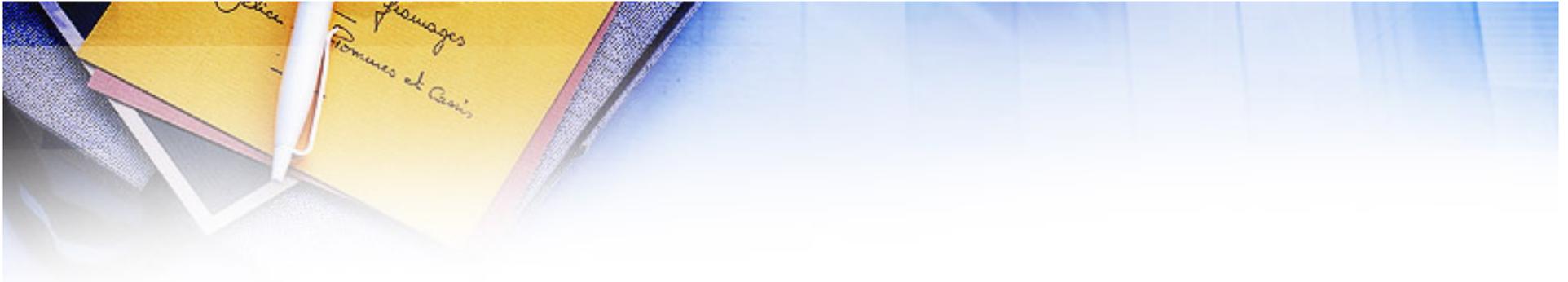
- Competitive, segmented offers and promotions tailored to meet the needs of different subscribers' profiles, both customer and cooperate.
- Development of innovative service offerings to include bouquets and bundles of different mobile services to satisfy customers' various needs.
- Constant expansion and enhancement of network quality and coverage.



6- Marketing Strategy

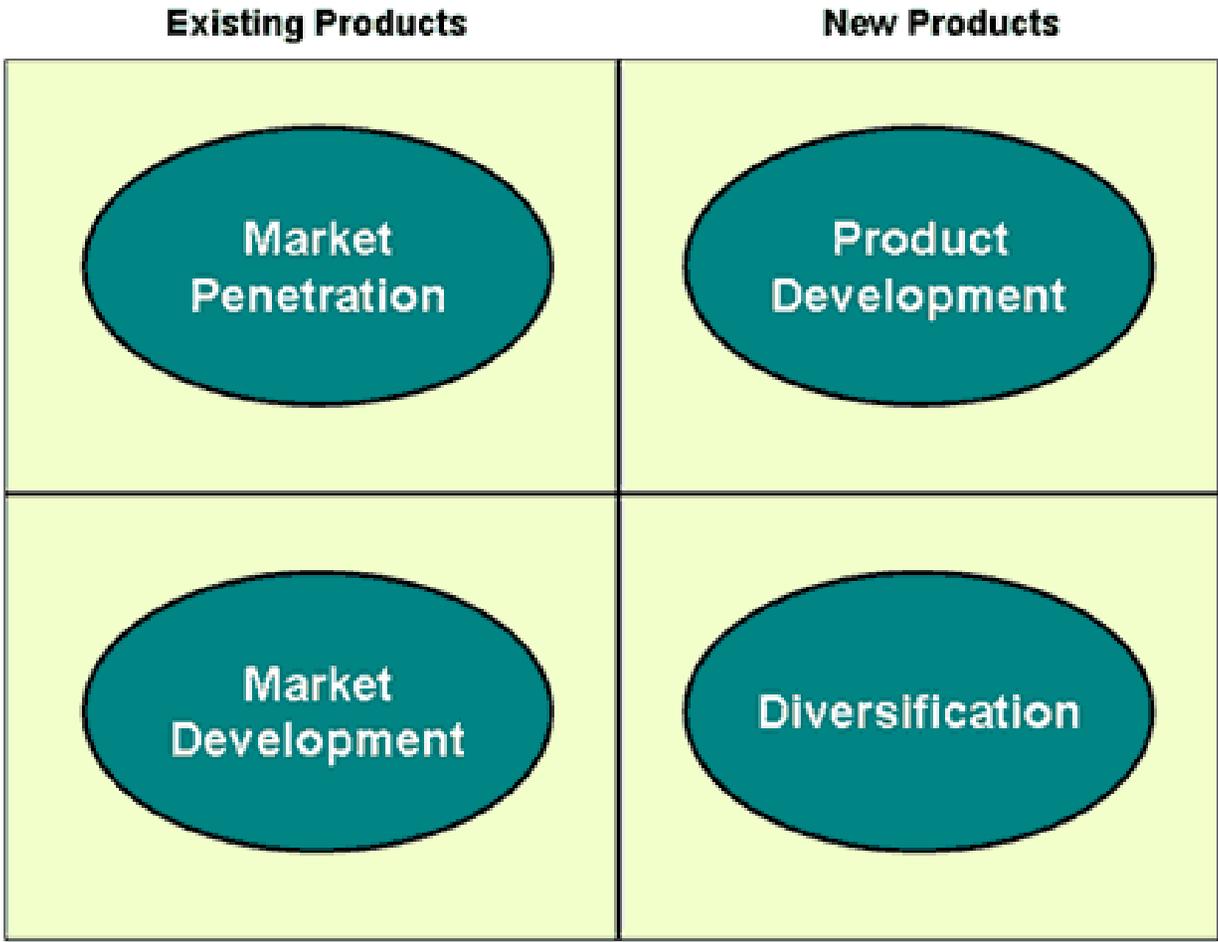
- **Identifying the general marketing strategy under which this plan is being developed.**
- **Marketing strategies involve selecting and analyzing target markets.**
- **Creating, maintaining the appropriate marketing mix (4P's) to satisfy the needs of those target markets.**
- **It is very possible that a product will follow more than one strategy (e.g., sell more of same product to current customers but also find new customers in new markets).**

Cont'd

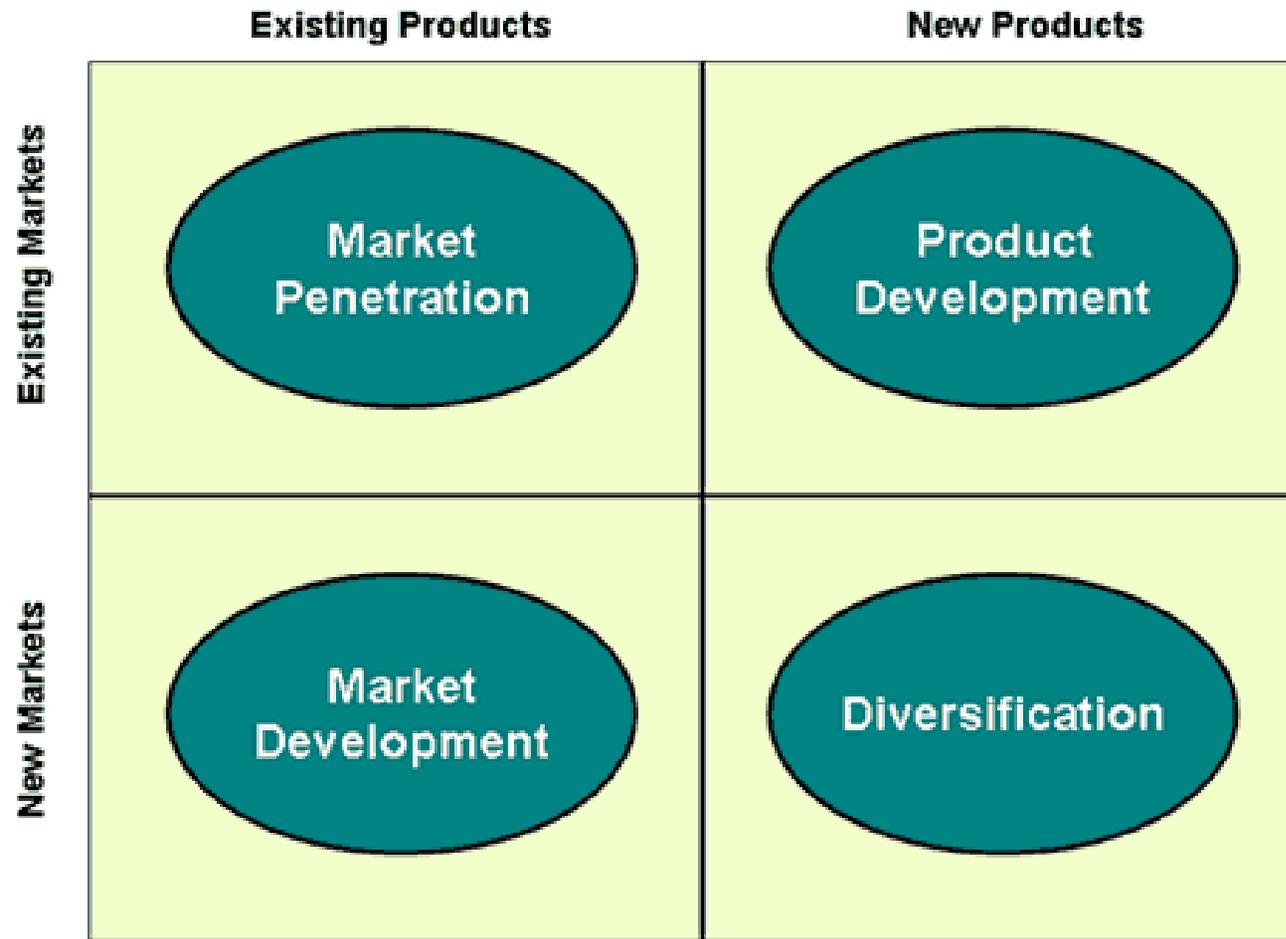


Strategies generally fall under one of the following (or in some cases more than one) strategy:

- 1. Ansoff's product / market matrix**
- 2. The BCG Matrix**
- 3. Porter Model for Competitive Forces**



Ansoff Matrix



Cont'd



- **The output from the Ansoff product/market matrix is a series of suggested growth strategies that set the direction for the business strategy. These are described below:**

1. Market penetration

- **Business focuses on selling existing products into existing markets.**

Market penetration seeks to achieve many objectives



2. Market development

- **To sell its existing products into new markets.**
- **Business seeks many possible ways of approaching this strategy, including:**
 - **New geographical markets; for example exporting the product to a new country.**
 - **New product dimensions or packaging:**
for example :New distribution channels.

Different pricing policies to attract different customers or create new market segments.



3. Product development

- **Business aims to introduce new products into existing markets.**

4. Diversification

- **Business markets new products in new markets.**
- **This is an inherently more risk strategy because the business is moving into markets in which it has little or no experience.**



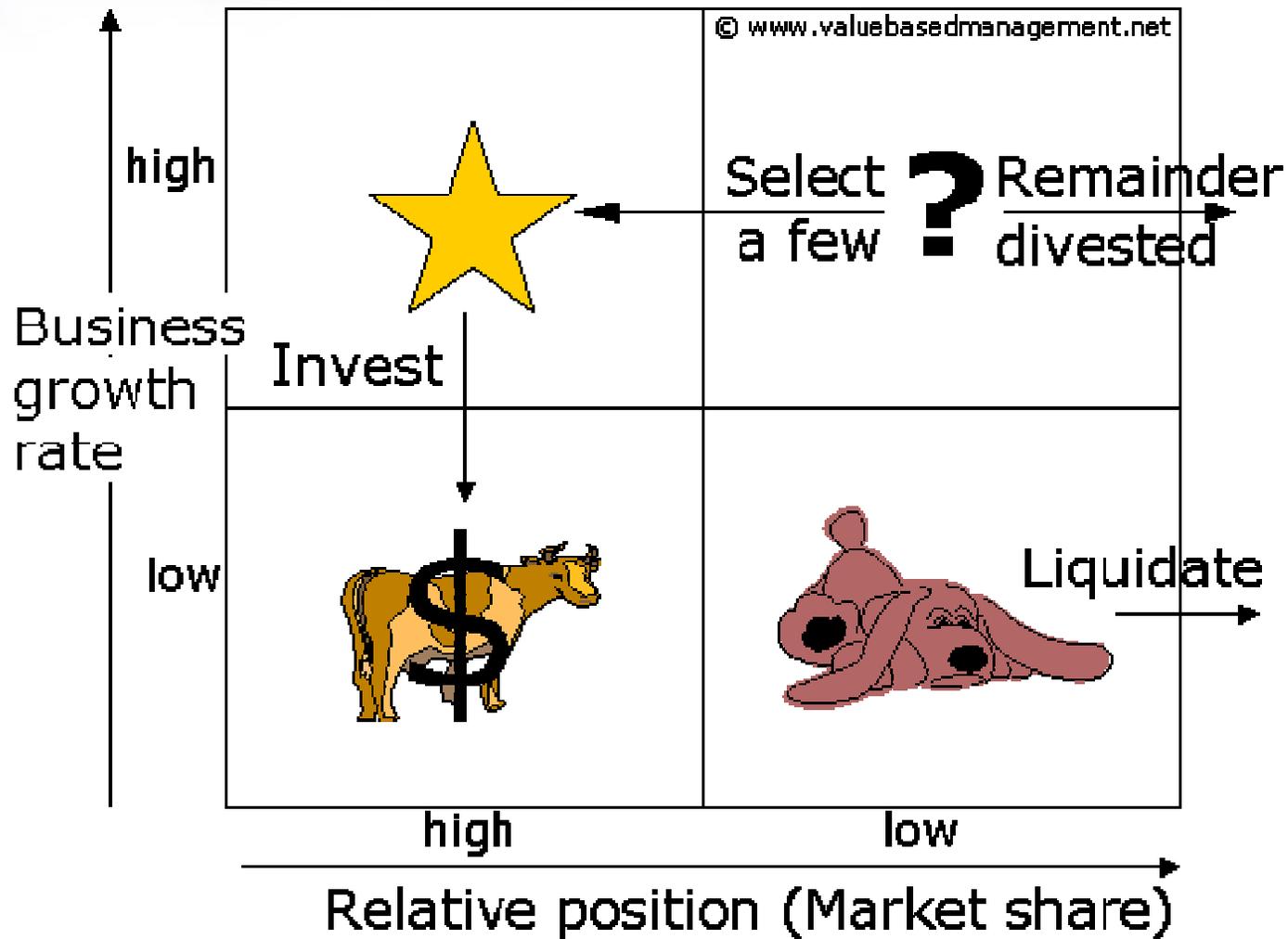
The BCG Matrix Product Portfolio Method

The BCG matrix method is based on the Product Life Cycle theory that can be used to determine what priorities should be given in the product portfolio of a business unit.

Placing products in the BCG matrix results in 4 categories in a portfolio of a company:

Cont'd

The BCG Matrix



Cont'd



1. Stars (=high growth, high market share)

- Use large amounts of cash and are leaders in the business so they should also generate large amounts of cash.

2. Cash Cows (=low growth, high market share)

- Profits and cash generation should be high and because of the low growth, investments needed should be low. Keep profits high

3. Dogs (=low growth, low market share)

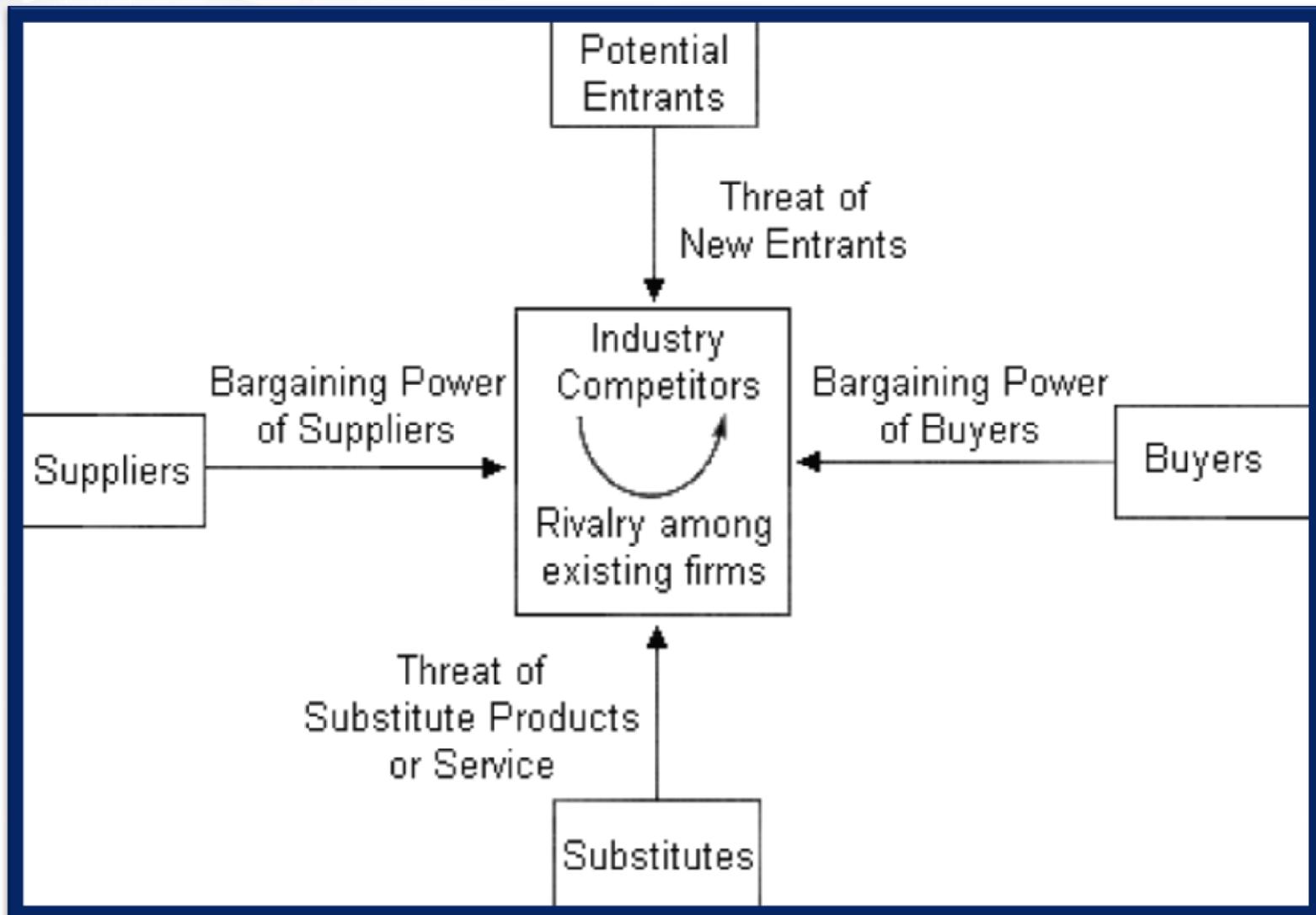
- Avoid and minimize the number of dogs in a company.
- Beware of expensive 'turn around plans'.
- Deliver cash, otherwise liquidate.



4. Question Marks (= high growth, low market share)

- **Have the worst cash characteristics of all, because high demands and low returns due to low market share.**
- **If nothing is done to change the market share, question marks will simply absorb great amounts of cash and later, as the growth stops, a dog.**

Porter model for Competitive Forces





Porter model for Competitive Forces

- **The Five Forces model of Porter** is a business unit strategy tool that is used to make an analysis of the attractiveness (value...) of an industry structure. The **Competitive Forces** analysis is made by the identification of 5 fundamental competitive forces:
 - The **entry of competitors** (how easy or difficult is it for new entrants to start to compete, which barriers do exist).
 - The **threat of substitutes** (how easy can our product or service be substituted, especially cheaper).
 - The **bargaining power of buyers** (how strong is the position of buyers, can they work together to order large volumes).

Cont'd

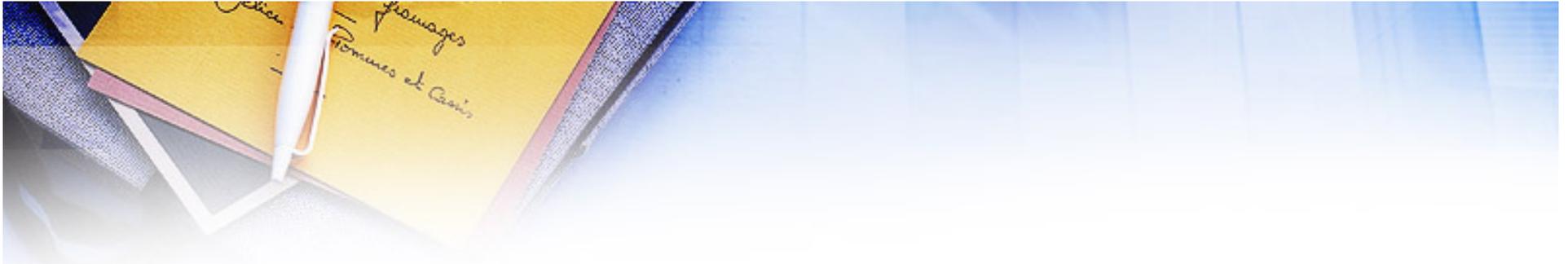


- The **bargaining power of suppliers** (how strong is the position of sellers, are there many or only few potential suppliers, is there a monopoly).
- The challenge among the **existing players** (is there a strong competition between the existing players, is one player very dominant or all equal in strength/size).



7- Marketing Implementation

- **What specific marketing activities will be undertaken?**
- **How will these activities be performed?**
- **When will these activities be performed?**
- **Who is responsible for the completion of these activities?**
- **How will the completion of planned activities be monitored?**
- **How much will these activities cost?**



8- Budgeting

It includes a projected profit- loss statement. It shows expected revenues and expected costs of (production, distribution and marketing).





9- Evaluation and Control

- **How the results of the plan will be evaluated and controlled?**
- **Establishing performance standards.**
- **Assessing actual performance by comparing them with the performance standards.**
- **Taking corrective actions to reduce discrepancies between desired and actual performance.**
- **Performance standards can be based on increases in sales volume , market share or profitability.**



Thank You