Chapter 2

Marketing strategy and plan

- Define a marketing strategy.

- Describe the elements of a marketing plan.

- Analyze a marketing situation using SWOT analyses.

- Describe how a firm chooses which consumer group(s) to pursue with its marketing efforts.

- Outline the implementation of the marketing mix as a means to increase customer value.

- Evaluate marketing performance.

- Describe how firms grow their business.

What is a **Marketing Strategy?**

1. Identifies a firm's target markets
2. Identifies a related **marketing mix** (4 Ps)
3. Identifies bases on which to build a **sustainable competitive advantage**

What is a **Marketing Strategy?**

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Can you name some firms that have a good competitive advantage?

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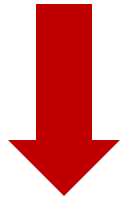# Advantage over the competition that **cannot be easily copied**

Value-based strategies to:

1. **Retain** customers
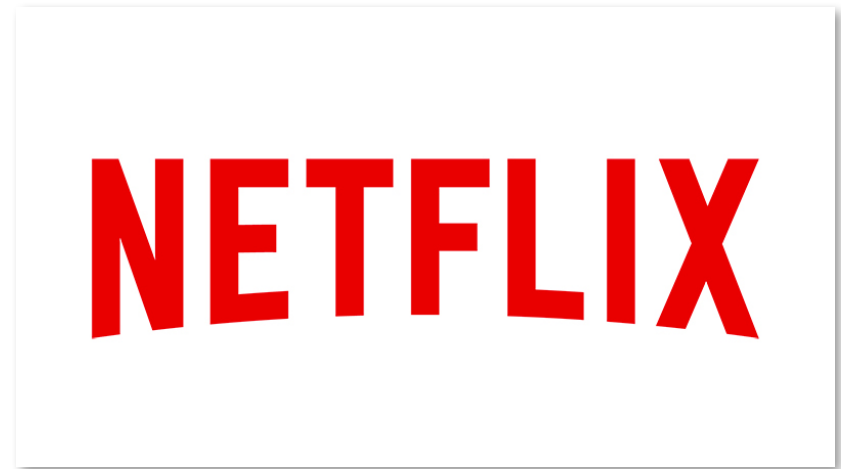2. Provide outstanding customer service

Achieved through:
1. Efficient operations
2. Excellent supply chain

- Reduce costs
- Have the right stock

GOAL: Provide what customers want, when they want, and at the right price

Create products with **high perceived value**

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"The three most important things in retailing are location, location, location."
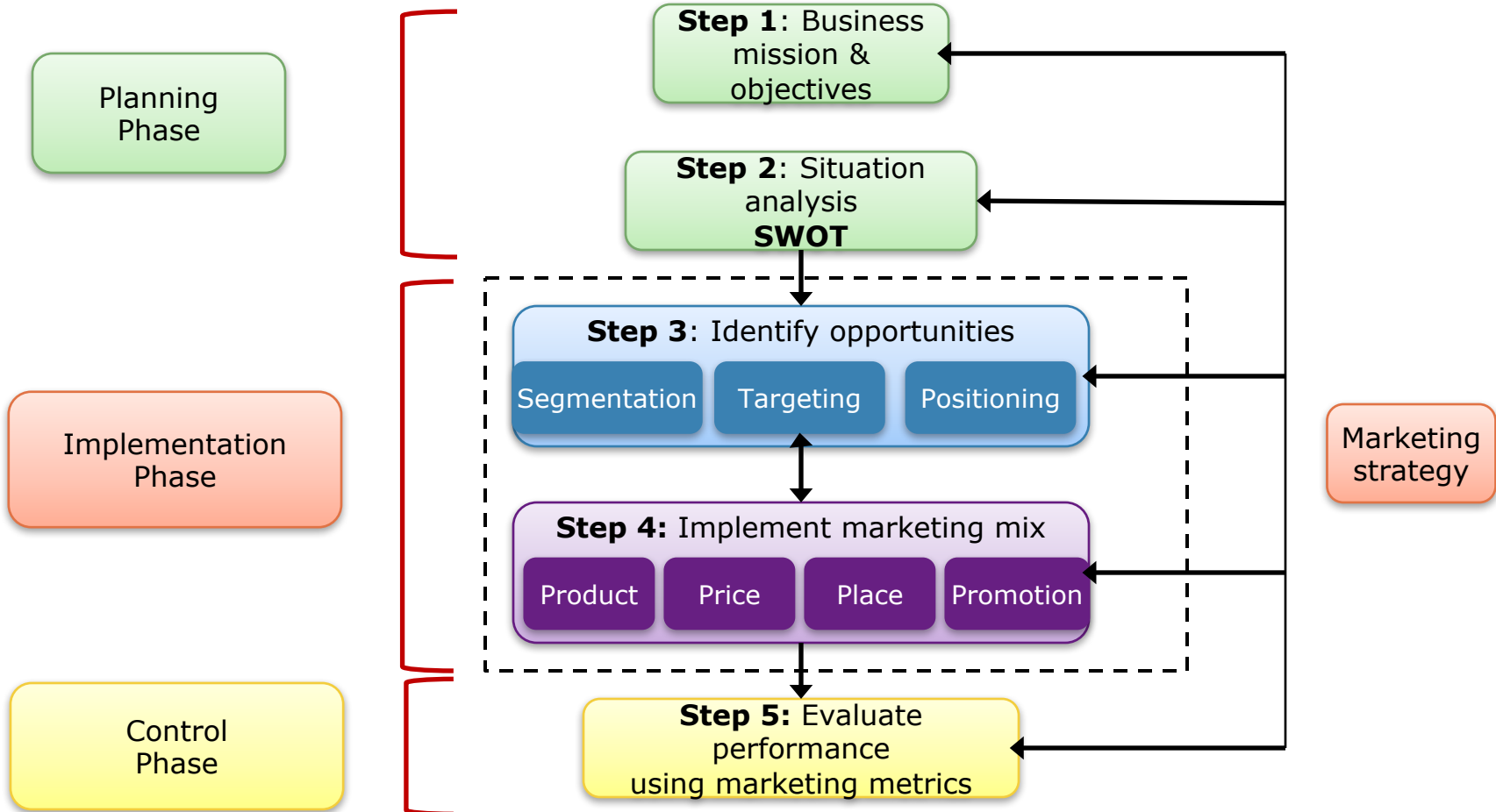

- Located on campus
  - Target students
- Located in malls
  - Target families

Use data to:
- Predict consumers needs
- Personalized targeting
- Improve the company product/service

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Planning Phase

Implementation Phase

Control Phase

Step 1: Business mission & objectives

Step 2: Situation analysis **SWOT**

Step 3: Identify opportunities
- Segmentation
- Targeting
- Positioning

Step 4: Implement marketing mix
- Product
- Price
- Place
- Promotion

Step 5: Evaluate performance using marketing metrics

Marketing strategy

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- **Nike's mission statement** is "To bring inspiration and innovation to every athlete* in the world."

* "If you have a body, you are an athlete."
-- Bill Bowerman

Conduct a Situation Analysis Using SWOT

Example: When McDonald's entered the specialty coffee market:

▼ **EXHIBIT 2.4** SWOT Analysis for Starbucks, McDonald's, and Dunkin' Donuts

		Environment	Evaluation
		Positive	*Negative*
Starbucks	**Internal**	**Stengths**	**Weaknesses**
		Strong brand identity	Reliance on joint ventures and licensed stores
		Retail & grocery store network	Rapid growth erodes customer experience
	External	**Opportunities**	**Threats**
		Expansion in China	Potential saturation of the U.S. market
McDonald's	**Internal**	**Strengths**	**Weaknesses**
		Strong brand identity	Sensitive to changing global markets
		Global retail store network	Price elastic target market
	External	**Opportunities**	**Threats**
		New product categories	Future sourcing sustainability
		Ronald McDonald house	Customers nonacceptance of McCafe
Dunkin' Donuts	**Internal**	**Strengths**	**Weaknesses**
		Strong regional brand identity	Mass-market focused
		Loyalty program	Franchise inconsistency
	External	**Opportunities**	**Threats**
		Retail store growth in the U.S.	Intense competition in the specialty and overall coffee market
		Global retail expansion	Economic instability for franchisees

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Segmentation

Targeting

Targeting

Positioning

Apple MacBook

Product Value Creation	**Price** Value Capture
Place Value Delivery	**Promotion** Value Communication

Through extensive **marketing research**, Apple knows what you look for in a laptop, how much you are willing to pay for the features you want, where you will shop, etc.

- Using marketing metrics, e.g.,

  – **Market share → % of market accounted by a specific company**

  – **Market growth rate** (of the market in which the product competes)

	Existing Products	New Products
Existing Markets	**Market Penetration** (Sales, promotions, ads)	**Product Development**
New Markets	**Market Development**	**Diversification** Highest Risk!!