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MARKETING: The Core 5/e

CHAPTER
2
DEVELOPING
SUCCESSFUL
MARKETING AND
ORGANIZATIONAL
STRATEGIES

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**WANT TO BE AN ENTREPRENEUR?: GET AN "A" IN A
CORRESPONDENCE COURSE IN ICE CREAM MAKING!**

LO1

**TODAY'S ORGANIZATIONS
KINDS OF ORGANIZATIONS**

- Organization —→ ➤ Offerings
- Business Firm
 - Profit
- Nonprofit Organization
- Industry



FIGURE 2-A How an industry is structured



L01

TODAY'S ORGANIZATIONS
What is Strategy?

- > Can't Be "All Things to All People"
- Limited Resources to Market Offerings
- > Strategy

FIGURE 2-1 The board of directors oversees the three levels of strategy in organizations: corporate, business unit, and functional



FIGURE 2-2 Visionary organizations:
(1) establish a foundation, (2) set a direction,
and (3) create strategies to successfully
develop and market their offerings



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L02 A. STRATEGY IN VISIONARY ORGANIZATIONS
ORGANIZATIONAL FOUNDATION (WHY)

► **Core Values**

- Stakeholders

► **Mission or Vision**

- Mission Statement



► **Organizational Culture**



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L02 Star Trek Enterprise
Why is a mission statement important?



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**L02 B. STRATEGY IN VISIONARY ORGANIZATIONS
ORGANIZATIONAL DIRECTION (WHAT)**

> Business

- What do we do?
- What business are we *really* in?



> Business Model



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**L02 MARKETING MATTERS
The Netflix Launch and
Its Continually Changing Business Model!**



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**L02 STRATEGY IN VISIONARY ORGANIZATIONS
ORGANIZATIONAL DIRECTION (WHAT)**

> Goals or Objectives

- Profit
- Customer Satisfaction
- Sales (\$ or #)
- Employee Welfare
- Market Share
- Social Responsibility
- Quality
- Efficiency

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L02

STRATEGY IN VISIONARY ORGANIZATIONS ORGANIZATIONAL DIRECTION (WHAT)

> **Goals or Objectives: S.M.A.R.T.**

- **S**pecific
- **M**easurable
- **A**ttainable
- **R**elevant
- **T**ime-Based

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L03

STRATEGY IN VISIONARY ORGANIZATIONS DASHBOARDS, METRICS, AND PLANS

> **Marketing Dashboard**



> **Marketing Metric**

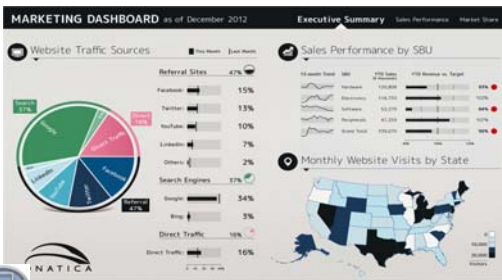
> **Marketing Plan**



> **Business Plan**

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FIGURE 2-3 An effective marketing dashboard like Sonatica's helps managers assess a business situation at a glance



Source: Dundas Data Visualization

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FIGURE 2-3A Marketing Dashboard: Website Traffic Sources

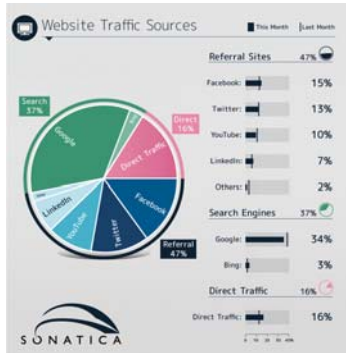


FIGURE 2-3B Marketing Dashboard: Sales Performance by SBU

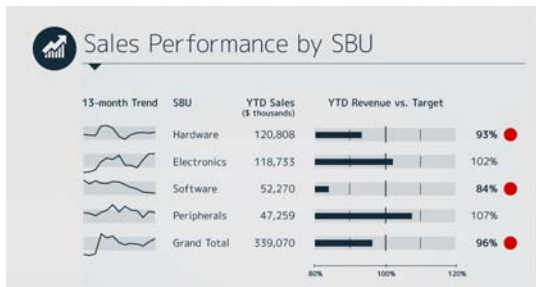


FIGURE 2-3C Marketing Dashboard: Monthly Website Visits by State



L04 SETTING STRATEGIC DIRECTIONS
WHERE ARE WE NOW?

> **Competencies: What do we do best?**

- Competitive Advantage 

> **Customers**



2-28

L04 SETTING STRATEGIC DIRECTIONS
WHERE ARE WE NOW?

> **Competitors**

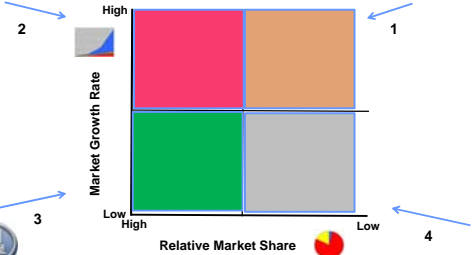


Who are Lands' End's Intertype Competitors?

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L03 SETTING STRATEGIC DIRECTIONS
WHERE DO WE WANT TO GO?

> **Business Portfolio Analysis (BCG)**



2-28

L04

Kodak Consumer-Related Products What SBU type in the BCG growth-share matrix?



Kodak digital camera



Kodak digital photo printer



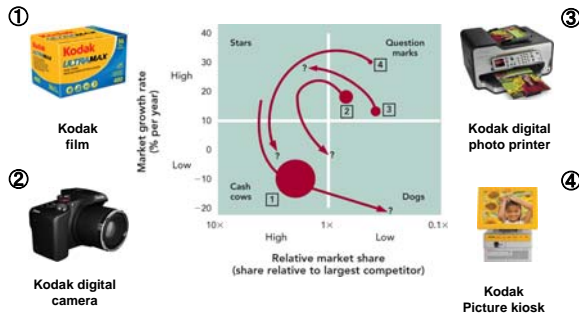
Kodak film



Kodak Picture kiosk

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FIGURE 2-4 BCG business portfolio analysis for Kodak's consumer SBUs for 2003 (red circle) and 2012 (red arrow)



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L04

SETTING STRATEGIC DIRECTIONS WHERE DO WE WANT TO GO?

> Diversification Analysis

- Market Penetration
- Market Development
- Product Development
- Diversification



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FIGURE 2-5 Four alternative market-product strategies for Ben & Jerry's to expand sales revenues using diversification analysis

MARKETS	PRODUCTS	
	Current	New
Current		
New		

LO5 C. THE STRATEGIC MARKETING PROCESS

> **Strategic Marketing Process**

- How Do We Allocate Our Resources to Get to Where We Want to Go?
- How Do We Convert Our Plans into Actions?
- How Do Our Results Compare With Our Plans and Do Deviations Require New Plans?



FIGURE 2-6 The strategic marketing process has three phases: planning, implementation, and evaluation



LO5

THE STRATEGIC MARKETING PROCESS THE PLANNING PHASE

► Step 1: Situation (SWOT) Analysis

- **SWOT Analysis Study**
 - Identify Industry Trends
 - Analyze Competitors
 - Assess the Organization
 - Research Present and Prospective Customers



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FIGURE 2-8 The four Ps elements of the marketing mix must be blended to produce a cohesive marketing program



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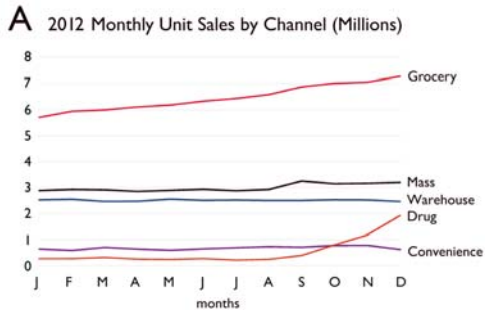
FIGURE 2-G Tasks and time needed to complete a term project

It is the beginning of the term, which is 11 weeks long. Shown below are the tasks you might face as a member of a student team that must complete a marketing research project using a mail questionnaire. The elapsed time to complete all the tasks is 15 weeks. How do you finish the project in an 11-week term?

TASK	TIME (WEEKS)
1. Construct and test a rough-draft of a questionnaire for clarity with friends (in person, not by mail).	2
2. Type up and make copies of the final questionnaire.	2
3. Randomly select the names of 200 students from the school directory.	1
4. Address and stamp envelopes; then mail the questionnaires.	1
5. Collect returned questionnaires.	3
6. Tabulate and analyze the data from the questionnaires.	2
7. Write the final report and prepare tables.	3
8. Type the final report and submit it to the instructor.	1
Total time necessary to complete all marketing research activities:	15

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FIGURE 2-11 The marketing dashboard for General Mills' Warm Delights Minis (WDM): Monthly unit sales by channel



LO3 STRATEGY IN VISIONARY ORGANIZATIONS TYPES OF MARKETING PLANS

- > Long-Range Marketing Plans
- > Annual Marketing Plans



FIGURE 2-B Elements in typical marketing and business plans targeted at different audiences

ELEMENT OF THE PLAN	MARKETING PLAN		BUSINESS PLAN	
	Internal Audience (To direct the firm)	External Audience (To raise capital)	Internal Audience (To direct the firm)	External Audience (To raise capital)
1. Executive summary	✓	✓	✓	✓
2. Description of the organization		✓		✓
3. Strategic plan/focus		✓		✓
4. Situation analysis	✓	✓	✓	✓
5. Market-product focus	✓	✓	✓	✓
6. Marketing program strategy and tactics	✓	✓	✓	✓
7. R&D and operations program			✓	✓
8. Financial projections	✓	✓	✓	✓
9. Organizational structure		✓	✓	✓
10. Implementation plan	✓	✓	✓	✓
11. Evaluation plan			✓	
Appendix A. Biographies of key personnel		✓		✓
Appendix B-7 Details on other topics	✓	✓	✓	✓
