



Marketing Planning 312

Chapter 4

Leveraging Competitive Advantage

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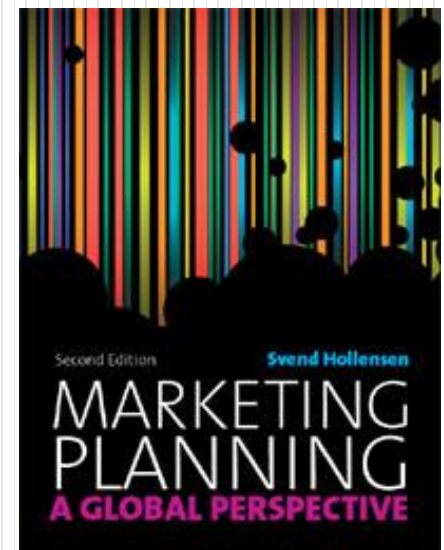
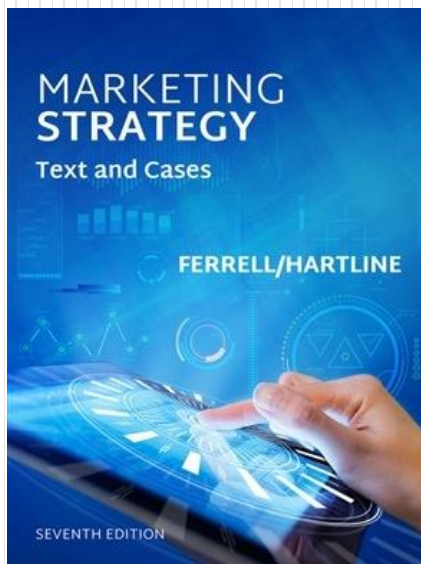


FIGURE 1.1: The stages of building a marketing plan

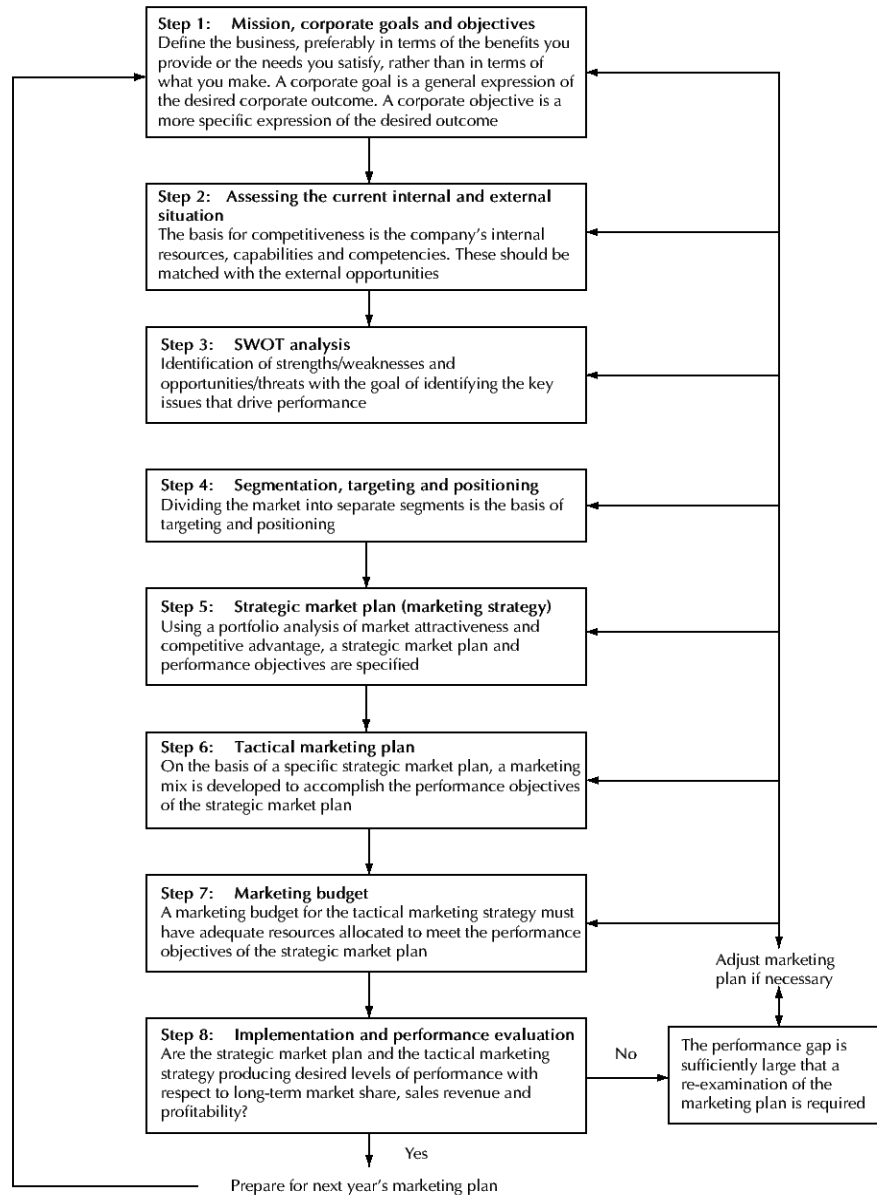
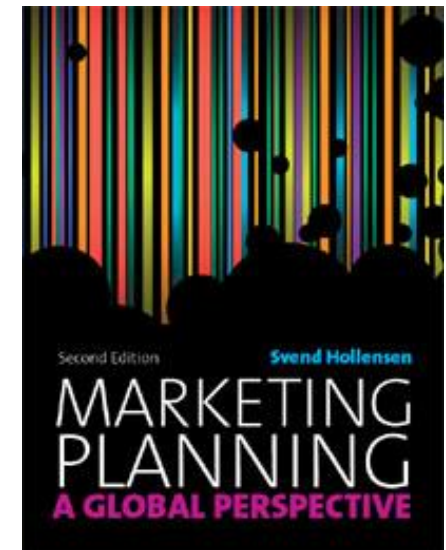


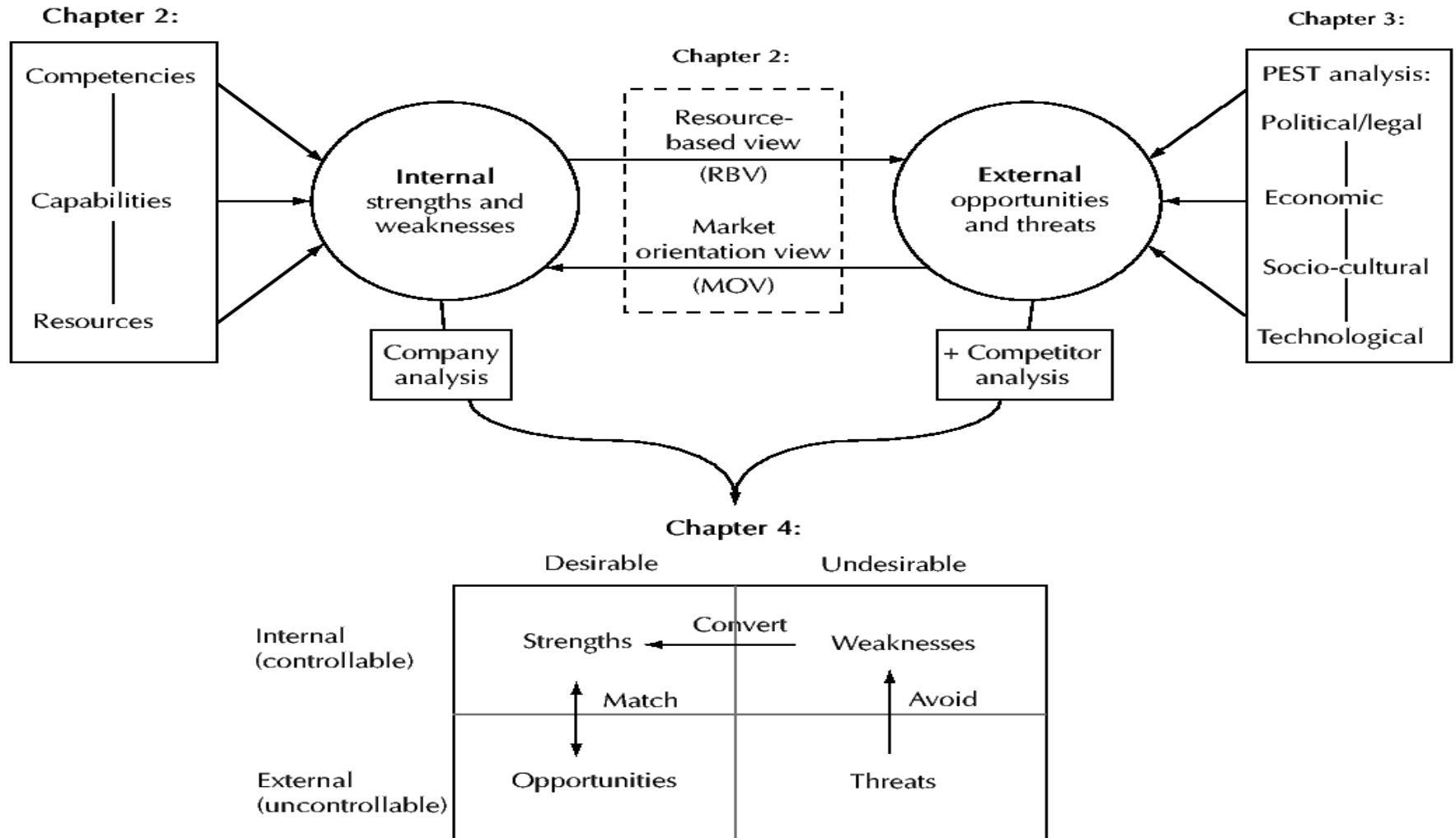
Figure 1.1: The stages of building a marketing plan



RBV vs. MOV

- The Resource Based View (RBV) is an inside-out perspective
- The Market Orientation View (MOV) is an outside-in perspective as illustrated below

FIGURE 4.1: The structure of Chapters 2, 3 and 4



MARKETING STRATEGY

Text and Cases

FERRELL/HARTLINE

SEVENTH EDITION

Chapter 4

Developing Competitive Advantage and Strategic Focus

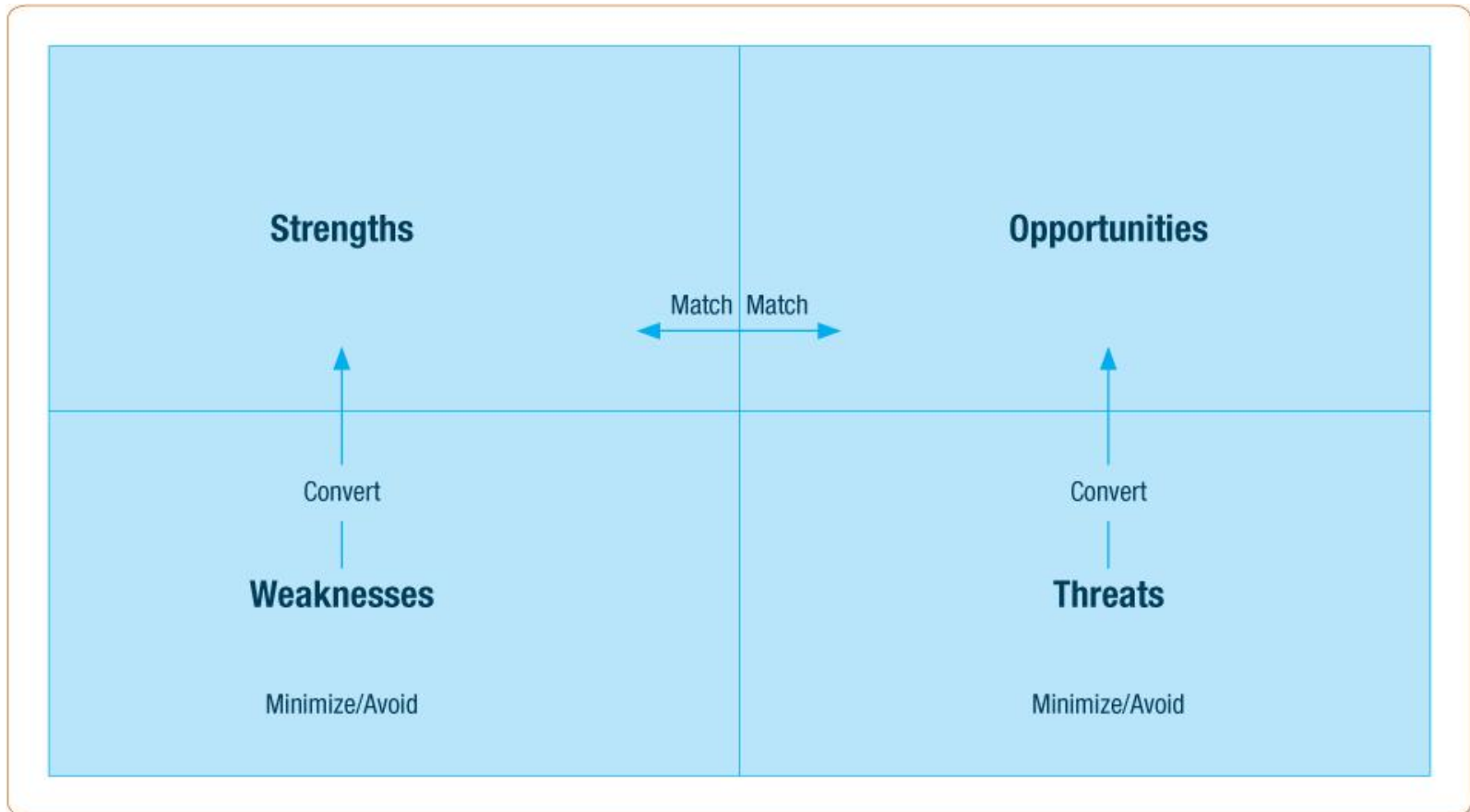
Potential Issues to Consider in a SWOT Analysis

Potential internal strengths	Potential external opportunities
Abundant financial resources	Rapid market growth
Well-known brand name	Mishap of a rival firm
Economies of scale	Government deregulation
Proprietary technology	New technology
Better marketing skills	Demographic shifts
Potential internal weaknesses	Potential external threats
Lack of strategic direction	Entry of foreign competitors
Limited financial resources	Product life cycle in decline
Weak spending on R&D	Changing customer needs/tastes
Very narrow product line	Economic boom/downturn
Internal political problems	New technology

The SWOT Matrix

- Four-cell array used to visually evaluate elements of SWOT analysis
- Should be based on customer perceptions, not perceptions of the manager
- Elements with the highest total ratings should have the greatest influence in developing the strategy
- Focus on competitive advantages by matching strengths with opportunities

Exhibit 4.5 - The SWOT Matrix



Source: Adapted from Nigel Piercy, *Market-Led Strategic Change* (Oxford, UK: Butterworth-Heinemann, 2002).

Developing and Leveraging Competitive Advantages

- Competitive advantages
 - Can arise from many internal and external sources
 - Refer to real differences between competing firms
 - Can be based on perception rather than reality
 - Should possess a specific benefit for customers to be of value to firms

Developing and Leveraging Competitive Advantages (Continued)

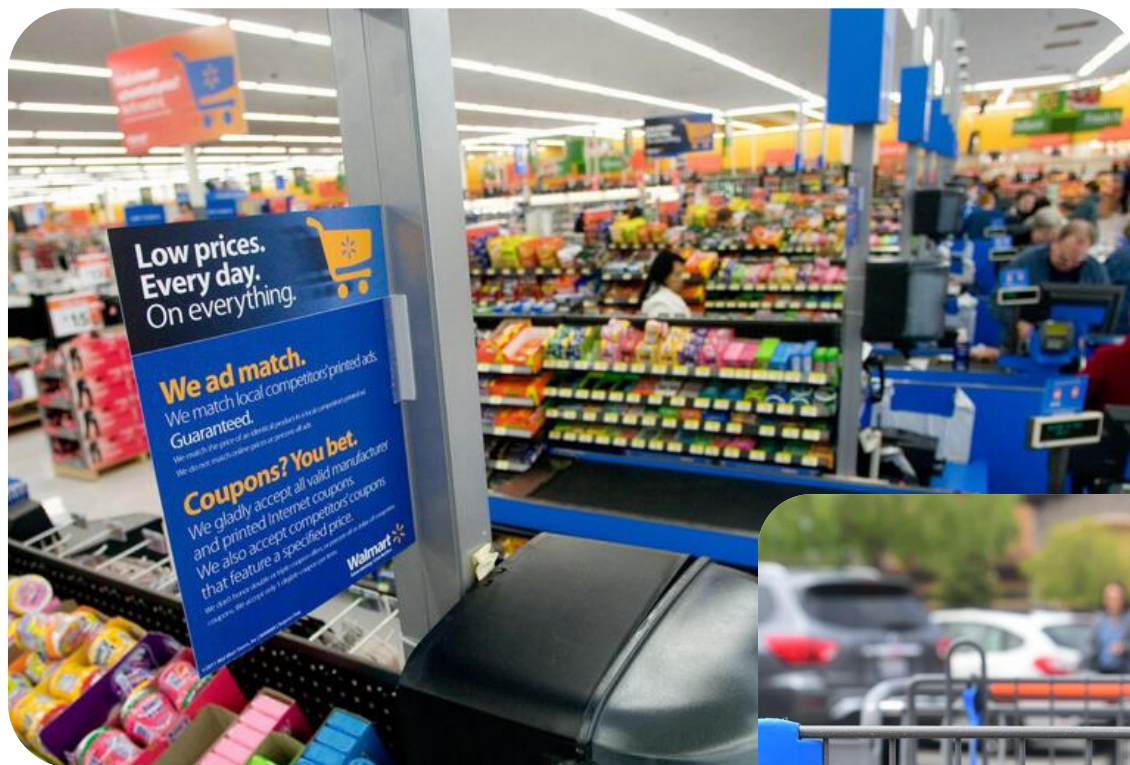
- Based on one of the following strategies:
 - Operational excellence
 - Product leadership
 - Customer intimacy

Sources of Competitive Advantage

- Relational advantages
- Legal advantages
- Organizational advantages
- Human resource advantages
- Product advantages
- Pricing advantages
- Promotion advantages
- Distribution advantages

Core Competencies Necessary for Competitive Advantage Strategies

- Operational excellence - Walmart and Dell
 - Core competencies
 - Low cost operations and totally dependable product supply
 - Common attributes
 - Target a broad, heterogeneous market of price-sensitive buyers
 - Maintain a system to avoid waste and highly reward efficiency improvement



Core Competencies Necessary for Competitive Advantage Strategies

(Continued 1)

- Product leadership - 3M and Pfizer
 - Core competencies
 - Basic research or rapid research interpretation
 - Excellent marketing skills
 - Common attributes
 - Target narrow, homogeneous market segments
 - Maintain organizational cultures characterized by decentralization, adaptability, entrepreneurship, creativity, and the expectation of learning from failure

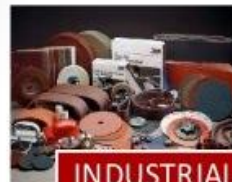
Sacrifice nothing with the beauty and durability of 3M Scotchgard Resilient Floor Protector.



3M Science.
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Products of 3M

3M Science.
Applied to Life.™



INDUSTRIAL



MEDICAL



SAFETY



ELECTRICAL



OFFICE



CLEANING

Core Competencies Necessary for Competitive Advantage Strategies

(Continued 2)

- Customer intimacy - Nordstrom and Amazon
 - Core competencies
 - Exceptional skills in discovering customer needs
 - Problem solving proficiency
 - Common attributes
 - Decentralize most decision-making authority to the customer-contact level
 - Assess all relationships with customers or alliance partners





LOONEY TUNES



"That's all Folks!"