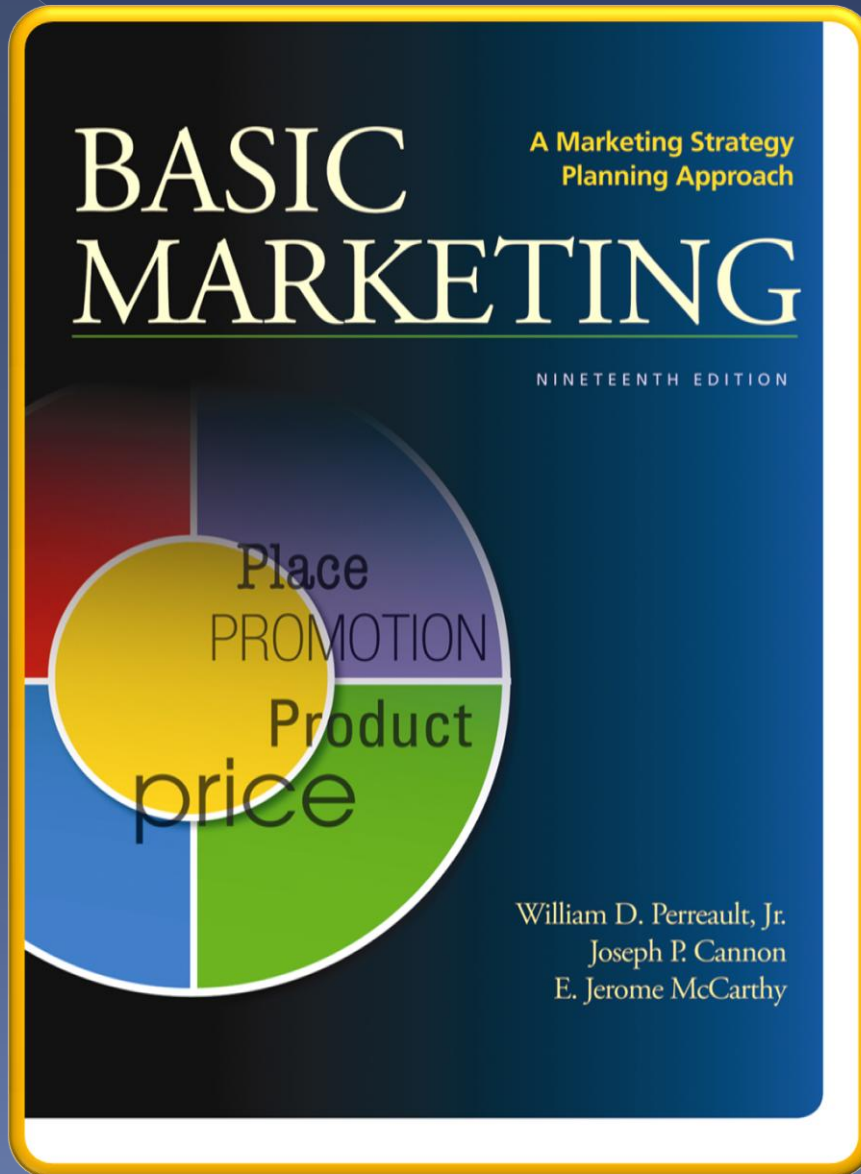


Chapter 2

Marketing Strategy Planning



At the end of this presentation, you should be able to:

1. Understand what a marketing manager does.
2. Know what marketing strategy planning is—and why it is the focus of this book.
3. Understand target marketing.
4. Be familiar with the four Ps in a marketing mix.
5. Know the difference between a marketing strategy, a marketing plan, and a marketing program.

You should now be able to:

6. Understand what customer lifetime value and customer equity are and why marketing strategy planners seek to increase them.
7. Be familiar with the text's framework for marketing strategy planning..
8. Know four broad types of marketing opportunities that help in identifying new strategies.
9. Understand why strategies for opportunities in international markets should be considered.
10. Understand the important new terms.

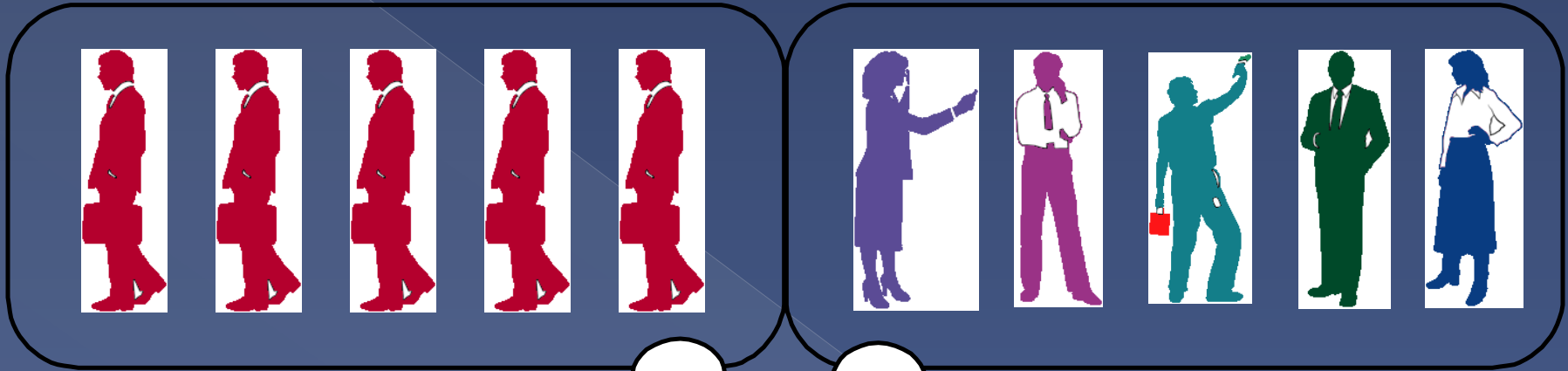
The Management Job in Marketing (Exhibit 2-1)



What is a Marketing Strategy? (Exhibit 2-2)



Selecting a Marketing-Oriented Strategy Is Target Marketing (Exhibit 2-3)



Production-oriented manager sees everyone as basically similar and practices “mass marketing”

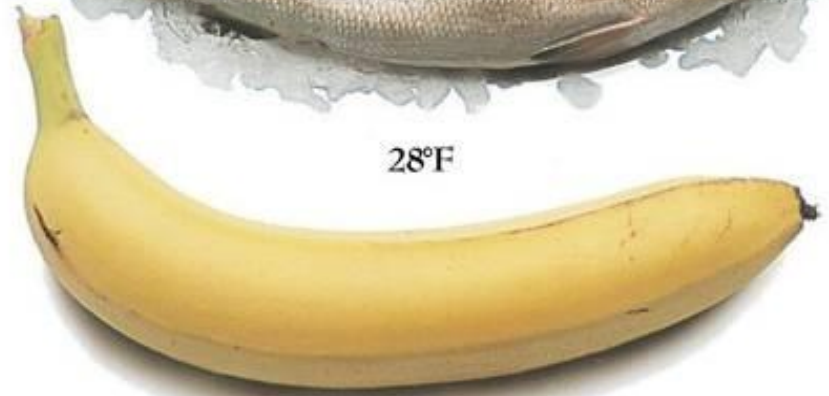


Marketing-oriented manager sees everyone as different and practices “target marketing”

An Application of Target Marketing



28°F

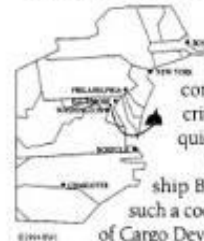


58°F



38°F

Whatever your perishable, BWI has your number.



Most every perishable has its own ideal storage temperature and at Baltimore/Washington International Airport (BWI), we've got yours.

With our advanced on-site cold storage facility and refrigerated distribution, come what may, your perishable goods will not perish! We also know that with these critical shipments time is money. So from on-board to on-the-road, BWI offers one of the quickest turnarounds in the industry. You don't just fly to BWI, you fly through it!

When you consider our highway, port and rail connections, there's every good reason to ship BWI. To discover more about what makes BWI such a cool place for cargo, call Deborah Weiman, Manager of Cargo Development (410) 859-7030. Fax (410) 859-3960.

SHIP BWI
Baltimore/Washington International Airport

Developing Marketing Mixes for Target Markets (Exhibit 2-4)



The Product Element of the Marketing Mix

Save food.



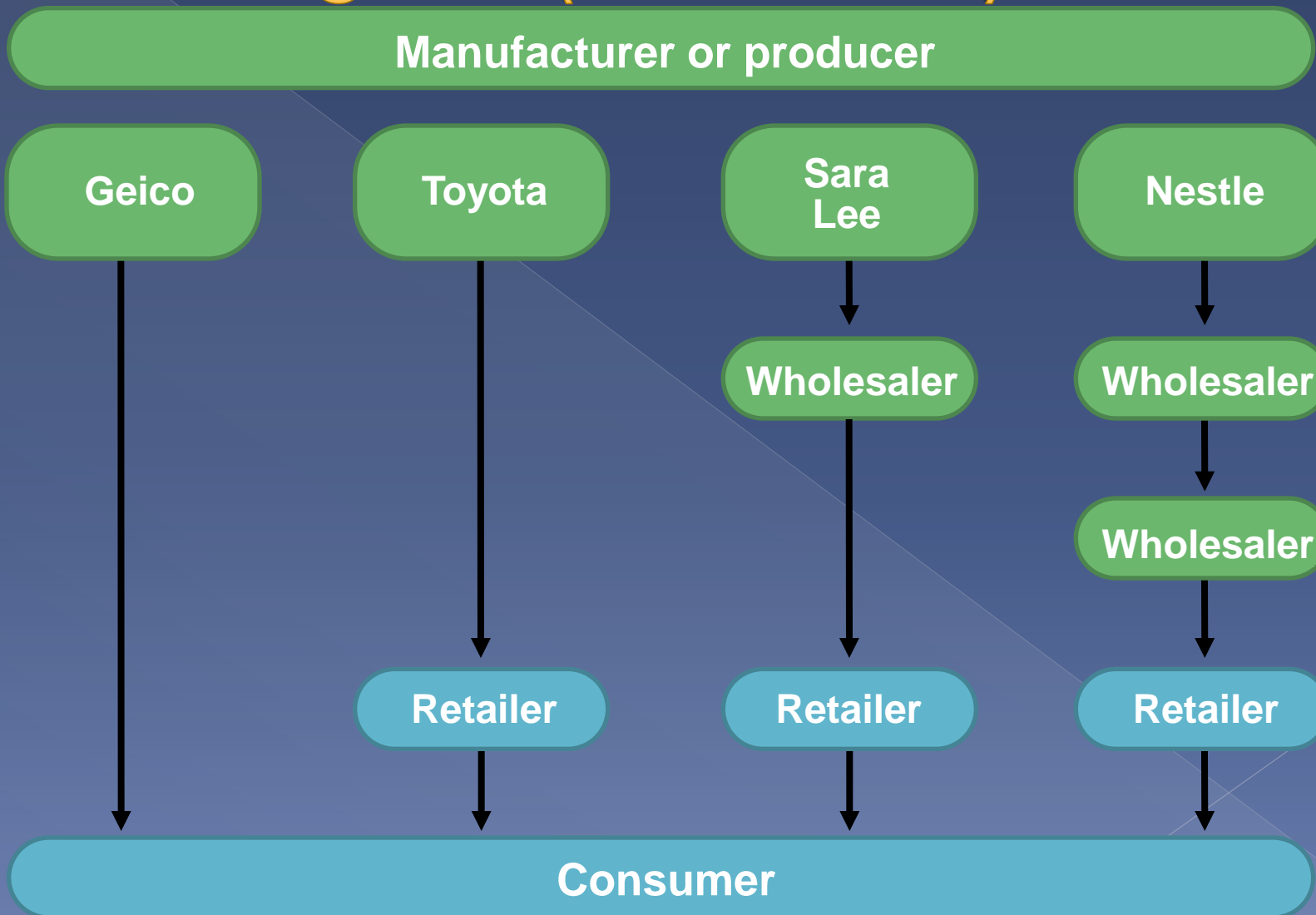
Save space.



New Rubbermaid collapsible containers fold to just one inch flat with the lid on and stack neatly in any cabinet or drawer. They not only save space, they're microwave and dishwasher safe and backed by a lifetime warranty. Visit a nearby retailer or www.rubbermaid.com/collapsibles for a demonstration.

Rubbermaid

The Place Element of the Marketing Mix (Exhibit 2-6)



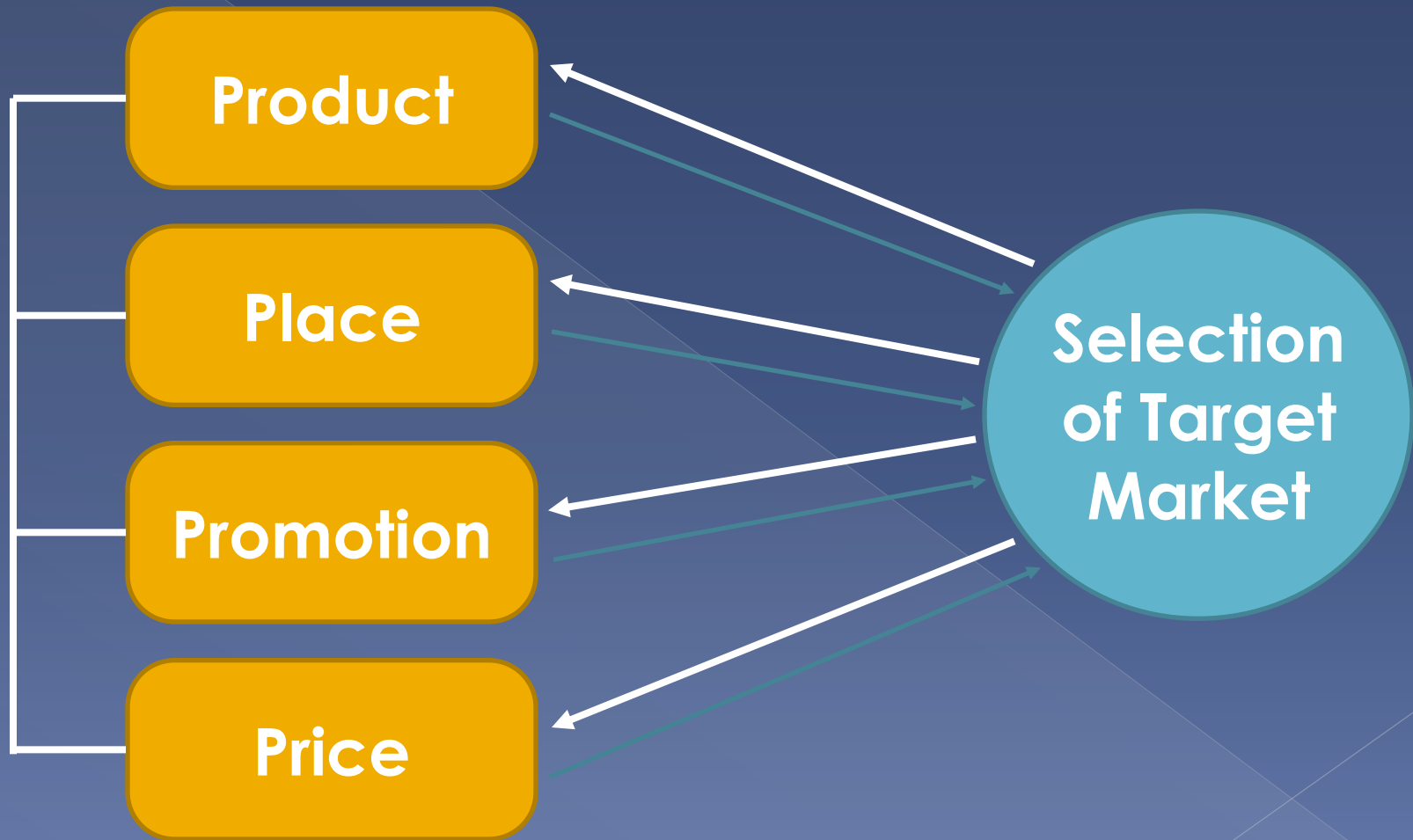
The Promotion Element of the Marketing Mix



The Price Element of the Marketing Mix



All Four Ps Contribute to the Whole



Understanding the Target Market Leads to Good Strategies!

Checking Your Knowledge

General Motors is considering increasing the length of its bumper-to-bumper warranty on new vehicles from 3 years to 5 years. The marketing mix variable being considered here is:

- A. product.
- B. personnel.
- C. place.
- D. promotion.
- E. price.

Checking Your Knowledge

A television network is trying to generate interest in a new television show in advance of its premiere. The network sends out press releases and makes the star of the new show available for guest appearances on TV and radio talk shows. The marketing mix variable involved here is:

- A. product.
- B. personnel.
- C. place.
- D. promotion.
- E. price.

Elements of a Firm's Marketing Program (Figure 2-8)



Checking Your Knowledge

An entrepreneurial teenager decides to start a new dog-walking business aimed at dog owners who have to leave their pets at home alone during regular working hours. The teenager develops a thorough description of the people in her target market and their needs. She then comes up with a general outline of the services she will offer, some price ranges, the geographic area she will serve, and some low-cost promotion ideas. What has she developed so far?

- A. A marketing program
- B. A marketing plan
- C. A SWOT analysis
- D. A marketing strategy
- E. Differentiation and segmentation

Checking Your Knowledge

A large consumer products company markets several different lines of products, with many individual products in each line. Each product has its own marketing plan. The company president wants to bring together all of the different marketing plans into a single integrated document that can become part of the company's strategic plan. It appears that the company president plans to create a(n):

- A. marketing super-plan.
- B. marketing program.
- C. marketing strategy.
- D. operational plan.
- E. mass-marketing approach.

Customer Lifetime Value

**Relationships
That Develop
Satisfied
Customers**

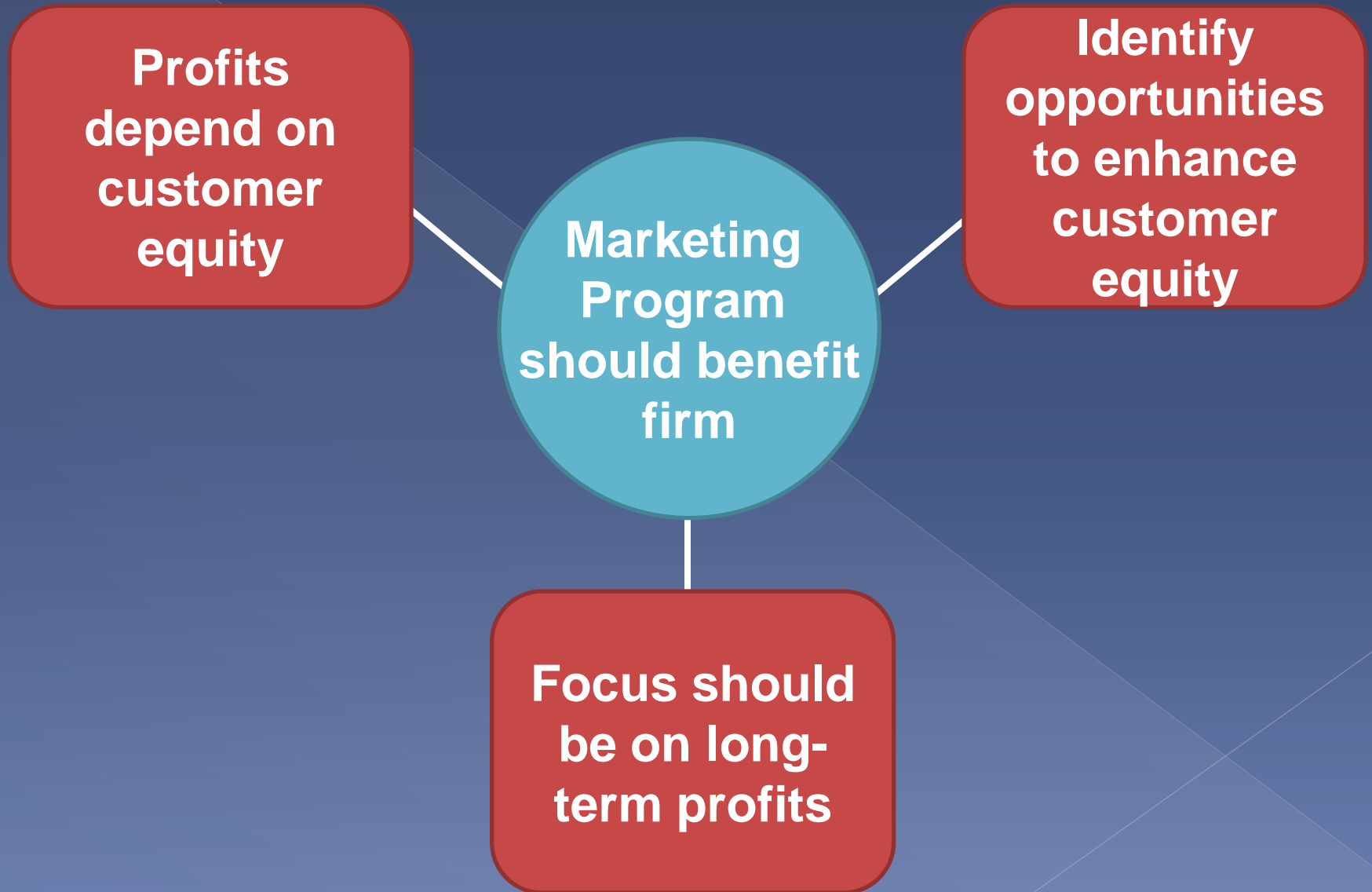
+

Time

=

**Return
Business**

Customer Equity



The Importance of Marketing Strategy Planning

Revise Marketing Strategies to Address Evolving Customer Needs



**Model T
produced
using an
assembly line**

**Mid-1920s:
Model A
launched in
more than 20
different styles**

**1960s: Launched
Mustang, a
sporty car**

**2004: Launched
Escape, the first
hybrid SUV**

**2009: Ford uses
Hybrid Viral
Marketing to
Launch new
Subcompact**

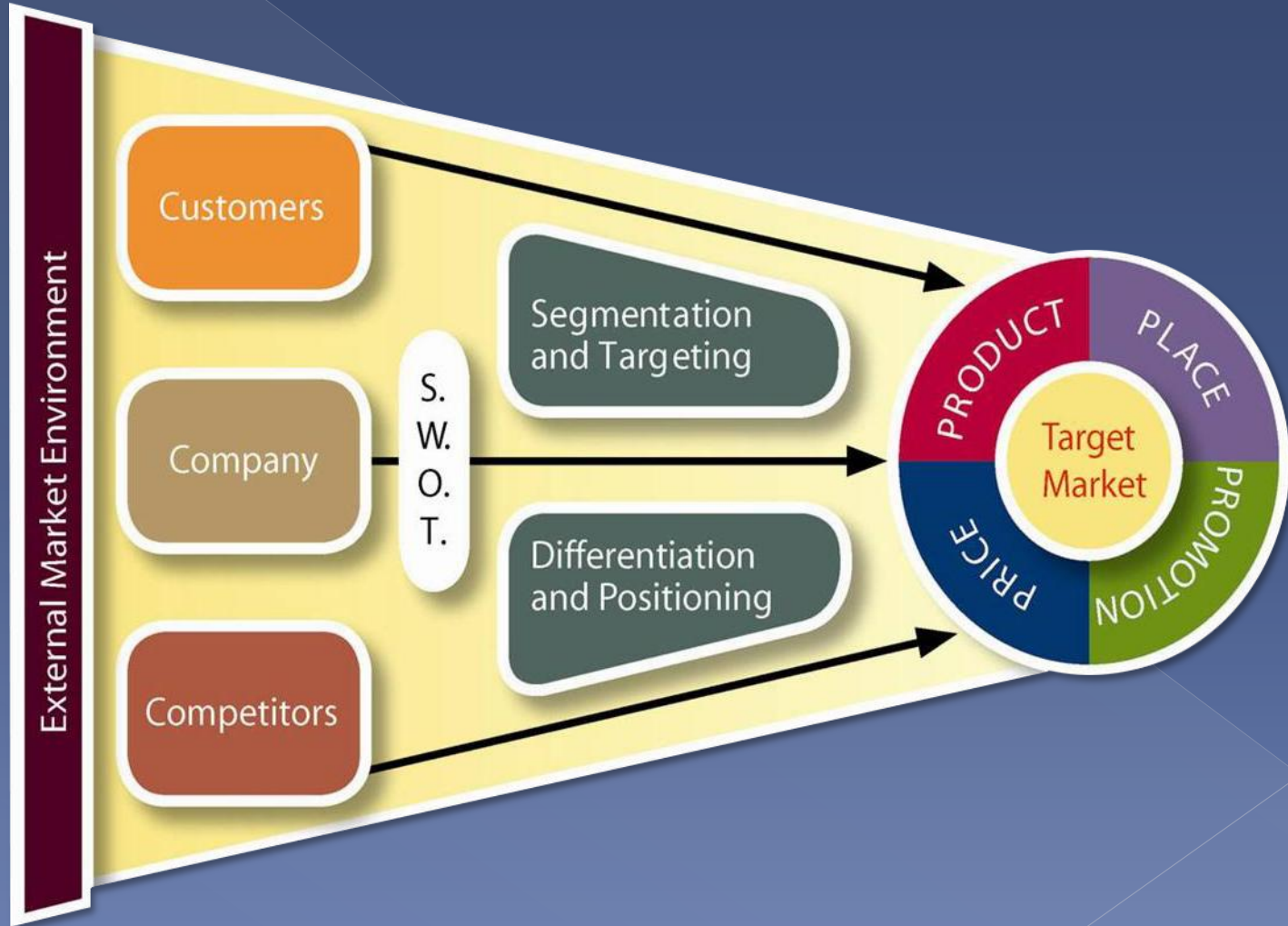
Attractive Opportunities



The Importance of Good Research



Marketing Strategy Planning Process Highlights Opportunities (Exhibit 2-9)



Marketing Strategy Planning



Interactive Exercise: Marketing Strategy

	Present products	New products
Present markets	Market penetration	Product development
New markets	Market development	Diversification

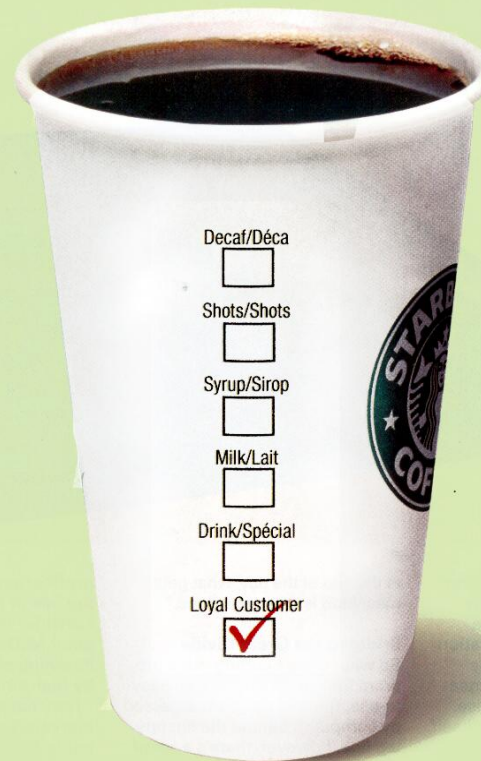


Checking Your Knowledge

A large metropolitan university has an established summer- school program that offers a wide variety of classes to its current students. To expand enrollment, the school started promoting its summer school to students who live in the area and are home for the summer, even though they attend other universities during the regular school year. This effort is an example of:

- A. market penetration.
- B. market development.
- C. product development.
- D. diversification.
- E. a breakthrough opportunity.

Market Penetration



Show your appreciation with a gift they'll enjoy.

This newly designed Starbucks Card, available only through our Corporate Sales program, is the perfect way to treat someone you work with to something they'll enjoy. The Cards are loadable in denominations of \$3 to \$500, and the Card carrier can be personalized with a custom message. So if you know somebody who deserves your appreciation, say thank you with the gift of Starbucks.

Call 1-800-611-1669 or visit Starbucks.com/corporatesales to order or to learn more about our program.



Checking Your Knowledge

An electronics superstore sends a special coupon to its current customers offering them a special discount for purchases made during an upcoming week that occurs during a traditionally slow sales period. This is an example of:

- A. market penetration.
- B. market development.
- C. product development.
- D. diversification.
- E. a breakthrough opportunity.

Product Development

**WE SPENT YEARS PERFECTING WHAT GOES INTO OUR MEDICINE.
NOW WE'VE PERFECTED THE WAY IT COMES OUT.**



Only Tylenol® Extra Strength Rapid Release Gels have laser-drilled holes — designed to release powerful medicine, even faster than before. Rapid release. Rapid relief.

*Take only as directed. tylenol.com

STOP. THINK.



Product Development



International Opportunities Should Be Considered



Global Competitive Advantage

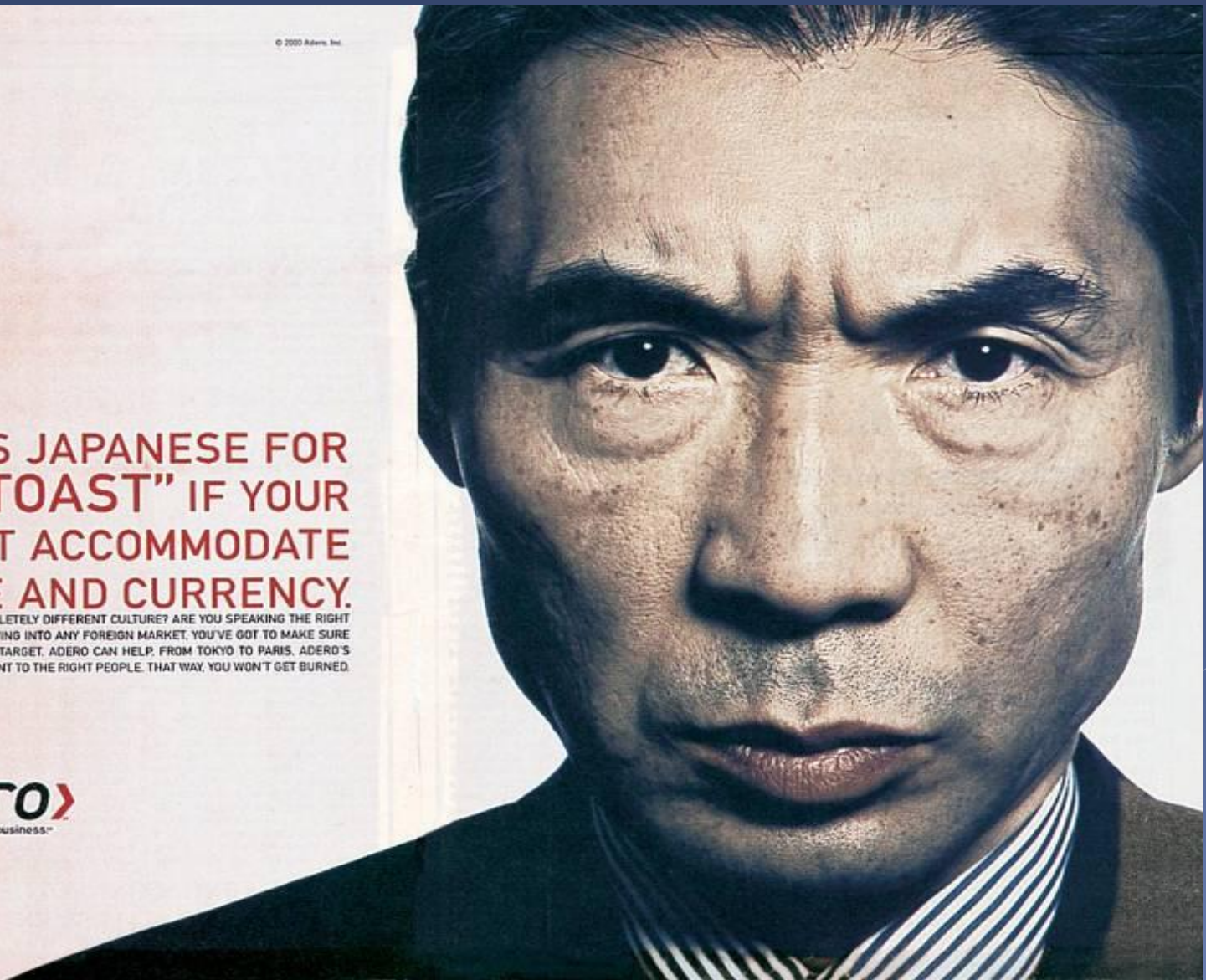
オワリダ

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THAT'S JAPANESE FOR
"YOU'RE TOAST" IF YOUR
WEBSITE CAN'T ACCOMMODATE
OUR LANGUAGE AND CURRENCY.

THINK YOU'RE READY TO DO E-BUSINESS WITH A COMPLETELY DIFFERENT CULTURE? ARE YOU SPEAKING THE RIGHT LANGUAGE? USING THE RIGHT CURRENCY? BEFORE DIVING INTO ANY FOREIGN MARKET, YOU'VE GOT TO MAKE SURE YOUR BUSINESS APPROACH IS APPROPRIATE AND ON TARGET. ADERO CAN HELP. FROM TOKYO TO PARIS, ADERO'S WORLDWIDE NETWORK ROUTES THE RIGHT WEB CONTENT TO THE RIGHT PEOPLE. THAT WAY, YOU WON'T GET BURNED.

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The world wants your business.™



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Key Terms

1. marketing management process
2. strategic (management) planning
3. marketing strategy
4. target market
5. marketing mix
6. target marketing
7. mass marketing
8. channel of distribution
9. personal selling
10. customer service
11. mass selling
12. advertising
13. publicity
14. sales promotion
15. marketing plan
16. implementation
17. operational decisions
18. marketing program

Key Terms

19. customer lifetime value
20. customer equity
21. breakthrough opportunities
22. competitive advantage
23. s.w.o.t. analysis
24. differentiation
25. market penetration
26. market development
27. product development
28. diversification