CHAPTER 2
CORPORATE, BUSINESS AND MARKETING STRATEGY

• Corporate strategy
• Business and marketing strategy
• Marketing strategy process
• Internet strategy
• Preparing the marketing plan
Components of CORPORATE STRATEGY

Deciding the Scope, Mission and Strategic Intent

Corporate Objectives

Strategy

Resource allocation for Achieving objectives

Synergies

CORPORATE STRATEGY COMPONENTS

- Scope: Management’s long-term vision for the corporation
- Objectives: the dimensions of performance upon which to focus and the levels of achievement required.
- Strategies: concerned with how the company can achieve its growth objectives
- Resource allocation: the division of limited resources across businesses and opportunities.
- Synergies: highlight competences, resources, and capabilities that drive efficiency and effectiveness in the business. Essential to success is matching the capabilities of the organization with opportunities to provide long-term superior customer value
CHARACTERISTICS OF SUCCESSFUL STRATEGY

- Unique competitive position for the company.
- Activities tailored to strategy.
- Clear trade-offs and choices vis-à-vis competitors.
- Competitive advantage arises from fit across activities.
- Sustainability comes from the activity system not the parts.
- Operational effectiveness a given.


BUSINESS AND MARKETING STRATEGY

- Developing the strategic plan for each business
- Business and marketing strategy must be consistent with the corporate strategy and integrated with other functional strategies.
- Strategic marketing:
  - Developing a vision about the markets of interest to the organization, select market target strategies, setting objectives, and developing, implementing and managing the marketing program positioning strategies designed to meet the value requirements of customers in each market target
MARKETING STRATEGY PROCESS

Markets, segments & customer value

Implementing and Managing Market-driven Strategies

Designing Market-driven Strategy

Market-driven Program Development

Markets, segments and customer value

Market & competitor Analysis

Continuous Learning About Markets

Segmenting Markets
MARKET-DRIVEN STRATEGIES

Designing Market-Driven Strategies

- Market-customer targeting and Strategic Positioning
- Marketing Relationship Strategies
- Planning for New Products

Market-Driven Program Development

- Product strategy
- Positioning strategy
- Market target
- Distribution strategy
- Promotion strategy
- Price strategy

The marketing mix strategies implement the positioning strategy
MARKETING PLAN OUTLINE

1. **Strategic Situation Summary**
   
   Summarize the key points from your situation analysis (market analysis, segments, industry/competition) in order to recount the major events and provide information to better understand the strategies outlined in the marketing plan.

2. **Market-Targets and Objectives**
   
   The market target may be defined demographically (key characteristics only), geographically, or in social/economic terms. Each market target should have needs and wants that differ to some degree from other targets. These differences may be with respect to types of products purchased, use situation, frequency of purchase, and other variations that indicate a need to alter the positioning strategy to fit the needs and wants of each target.

   An objective is a quantified goal identifying what is expected when. It specifies the end results expected. The objectives should be written for each target market. Objectives should also be included for the following program components: (1) product, (2) price, (3) distribution, (4) promotion (salesforce, advertising, sales promotion, and public relations), and (5) technical services.
III. Positioning Statements

Write statements that describe how you want each market target to perceive each product relative to competition. State the core concept used to position the product (brand) in the eyes and mind of the targeted buyer. The positioning statement should describe: (1) What criteria or benefits the customer considers when buying a product along with the level of importance, (2) What we offer that differentiates our product from competition, and (3) The limitations of competitive products.

IV. Market Mix Strategy for Each Market Target

A. Product Strategy

Identify how each product fits the market target. Other issues that may be addressed would be new product suggestions, adjustments in the mix of existing products, and product deletion candidates.

B. Price Strategy

The overall pricing strategy (i.e., competitive, premium-priced, etc.) should be identified along with a cost/benefit analysis if applicable. Identify what role you want price to play, i.e., increase share, maintenance, etc.

C. Distribution Strategy

Describe specific distribution strategies for each market target. Issues to be addressed are intensity of distribution (market coverage), how distribution will be accomplished, and assistance provided to distributors. The role of the sales force in distribution strategy should also be considered.

D. Promotion Strategy

Promotion strategy is used to initiate and maintain a flow of communication between the company and the market target. To assist in developing the communications program, the attributes or benefits of our product should be identified for each market target. How our product differs from competition (competitive advantage) should be listed. The sales force's responsibilities in fulfilling the market plan must be integrated into the promotion strategy. Strategies should be listed for (1) personal selling, (2) advertising, (3) sales promotion, and (4) public relations.
E. Marketing Research

Describe the market research problem and the kind of information needed. Include a statement which addresses why this information is needed. The specific market research strategies can be written once the above two steps have been followed.

V. Coordination with Other Business Functions

Indicate other departments/functions that have responsibilities for implementing the marketing plan.

VI. Sales Forecasts and Budgets

VII. Contingency Plans

Indicate how your plans should be modified if events should occur that are different from those assumed in the plan.

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**INTERNATIONAL PLANNING PROCESS**

Information derived from each phase, market research, and evaluation of program performance

Phase 1
- Preliminary analysis and screening: Matching company/country needs
  - Environmental factors: company/character, and screening criteria
    - Company character
      - Philosophy
      - Objectives
      - Resources
      - Management style
      - Organization
      - Financial limitations
      - Management and marketing skills
      - Risks
      - Other
    - Host country/ies constraints
      - Economic
      - Political
      - Socioeconomic
      - Other

Phase 2
- Adapting the marketing mix to target increase
  - Matching mix requirements
    - Product
      - Adaptation
      - Brand name
      - Features
      - Marketing
      - Price
      - Style
    - Price
      - Credit
      - Discounts
    - Promotion
      - Advertising
      - Personal selling
      - Media
      - Message
      - Sales promotion
      - Distribution
      - Logistics
      - Channels

Phase 3
- Marketing plan development
  - Situation analysis
  - Objectives and goals
  - Strategy and tactics
  - Budget
  - Action programs

Phase 4
- Implementation, evaluation, and control
  - Objectives
  - Standards
  - Assignment of responsibilities
  - Measure performance
  - Correct for error

Review Question

➢ What are the steps in the corporate strategy process? List the characteristics of a successful strategy.