

Philip **Kotler**

Kevin Lane **Keller**

# Developing Marketing Strategies and Plans

2

# Chapter Questions

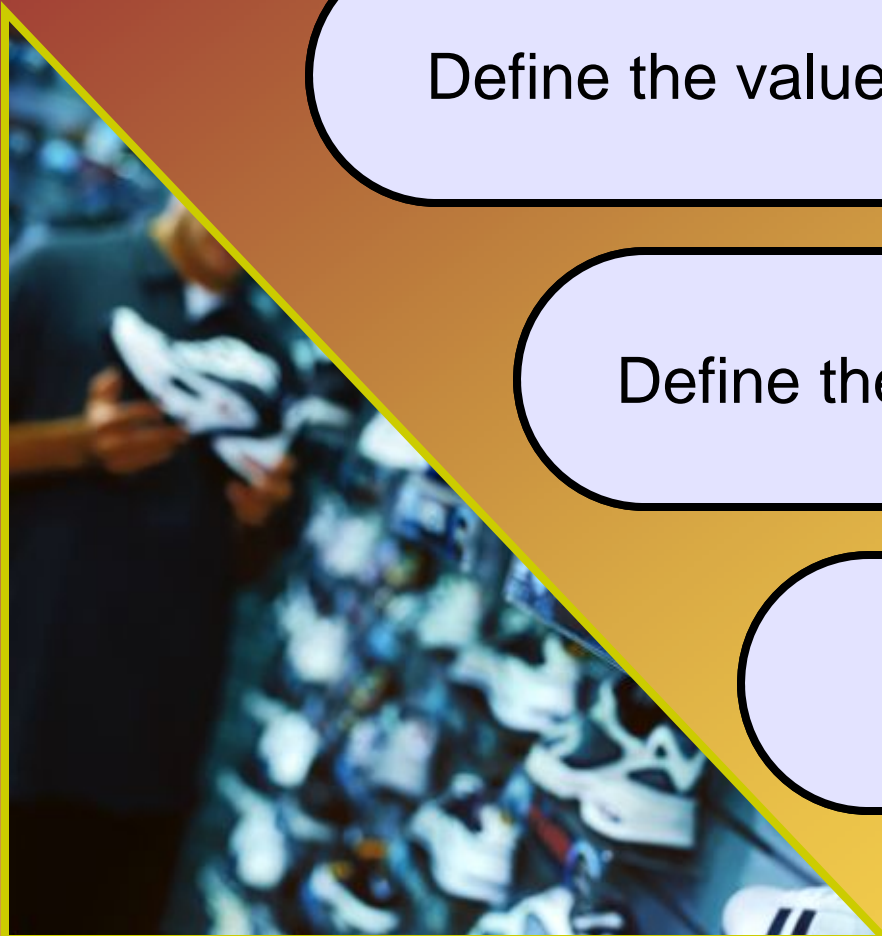
- How does marketing affect customer value?
- How is strategic planning carried out at different levels of the organization?
- What does a marketing plan include?

# Three V's Approach to Marketing

Define the value segment

Define the value proposition

Define the value network



# Core Business Processes

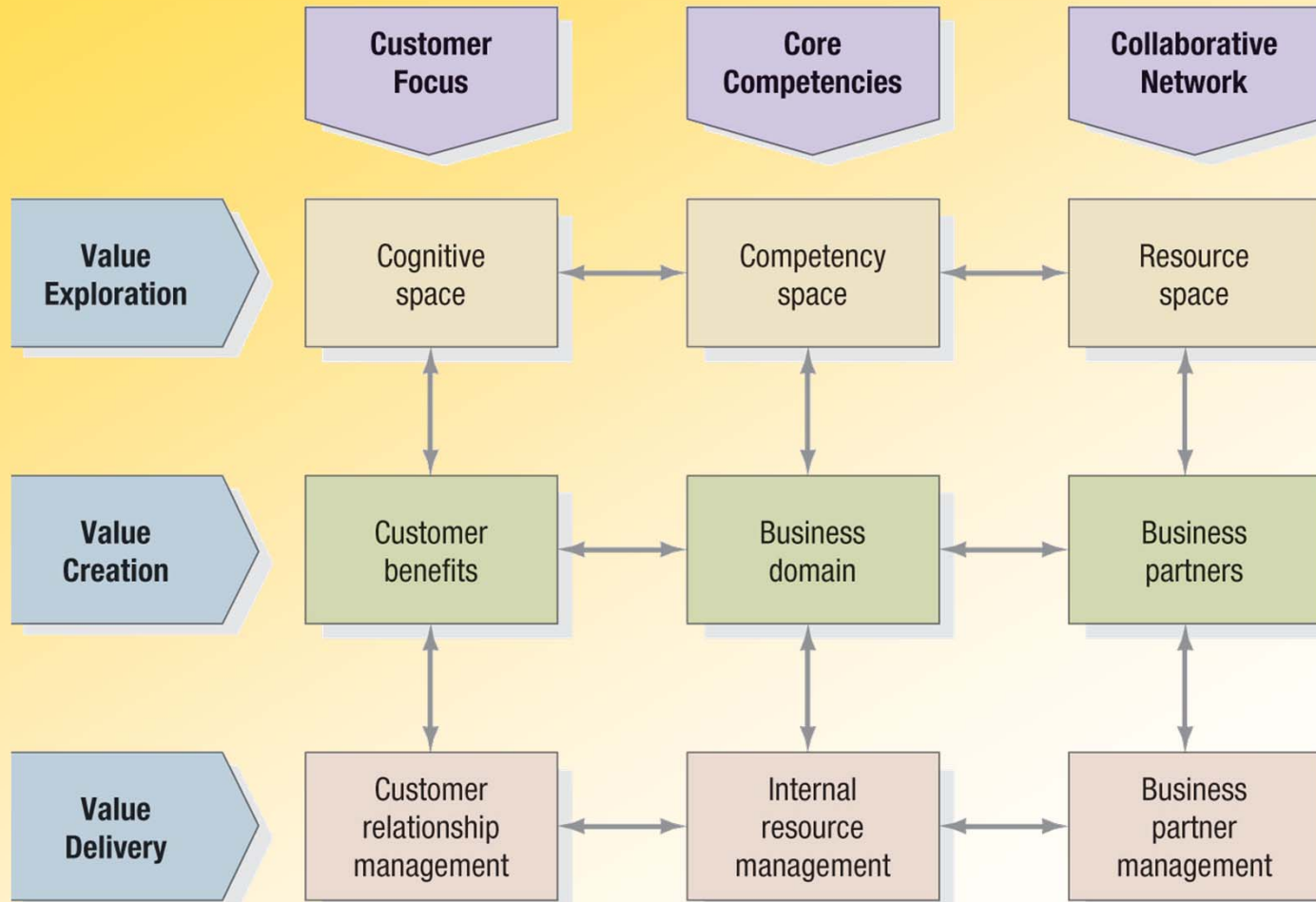
- Market-sensing process
- New-offering realization process
- Customer acquisition process
- Customer relationship management process
- Fulfillment management process

# Core Business Processes

- Product Development Management
- Supply Chain Management
- Customer Relationship Management

(Srivastava, Shervani, and Fahey 1999 *Journal of Marketing*)

# A Holistic Marketing Framework



# Levels of a Marketing Plan

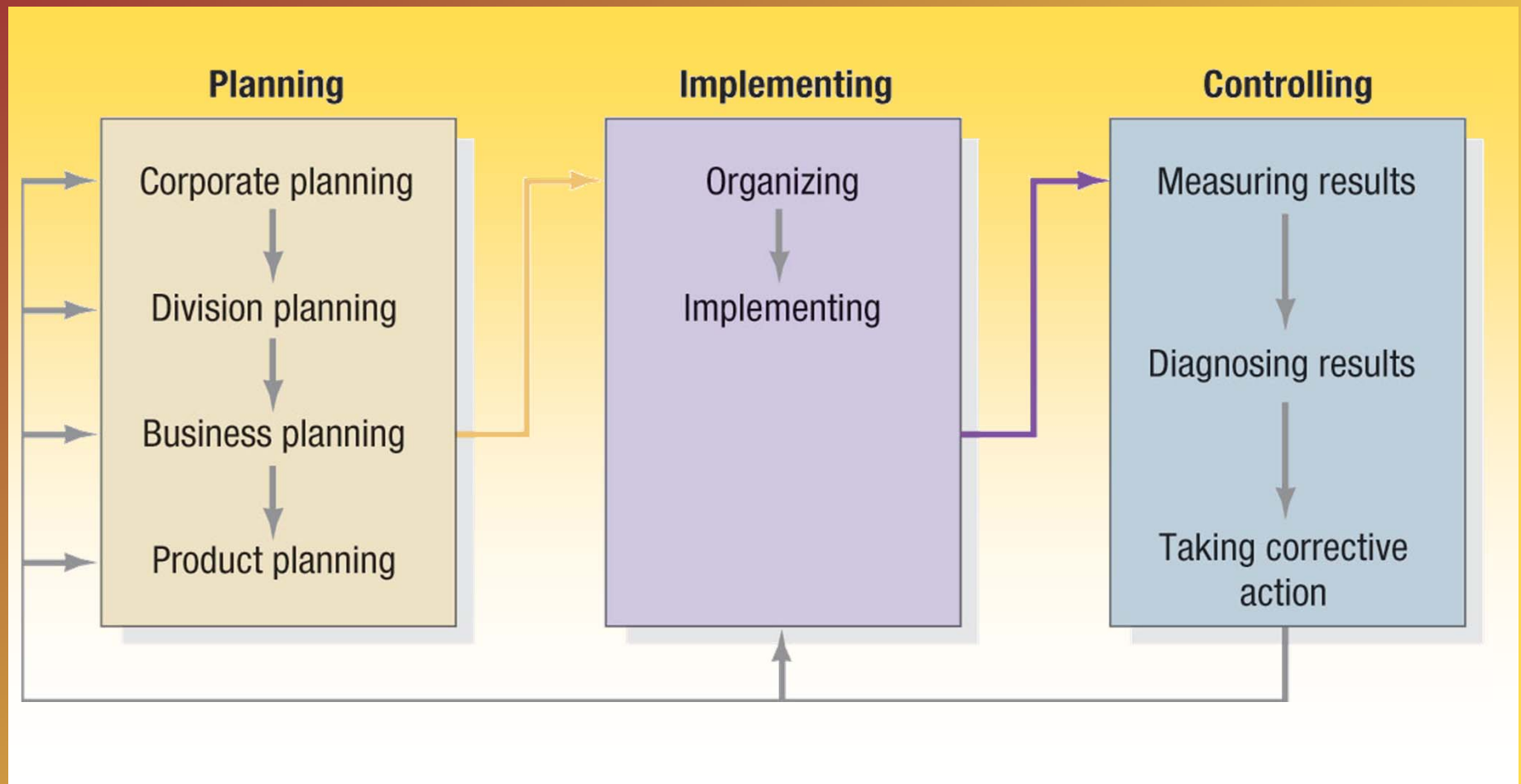
- **Strategic**

- Target marketing decisions
- Value proposition
- Analysis of marketing opportunities

- **Tactical**

- Product features
- Promotion
- Merchandising
- Pricing
- Sales channels
- Service

# Figure 2.1 The Strategic Planning, Implementation, and Control Processes





# Corporate Headquarters' Planning Activities

- Define the corporate mission
- Establish strategic business units (SBUs)
- Assign resources to each SBU
- Assess growth opportunities

# Good Mission Statements

- Focus on a limited number of goals
- Stress major policies and values
- Define major competitive spheres
- Take a long-term view
- Short, memorable, meaningful

## Rubbermaid Commercial Products, Inc.

“Our vision is to be the Global Market Share Leader in each of the markets we serve. We will earn this leadership position by providing to our distributor and end-user customers innovative, high-quality, cost-effective and environmentally responsible products. We will add value to these products by providing legendary customer service through our Uncompromising Commitment to Customer Satisfaction.”

# Motorola

“The purpose of Motorola is to honorably serve the needs of the community by providing products and services of superior quality at a fair price to our customers; to do this so as to earn an adequate profit which is required for the total enterprise to grow; and by doing so, provide the opportunity for our employees and shareholders to achieve their personal objectives.”

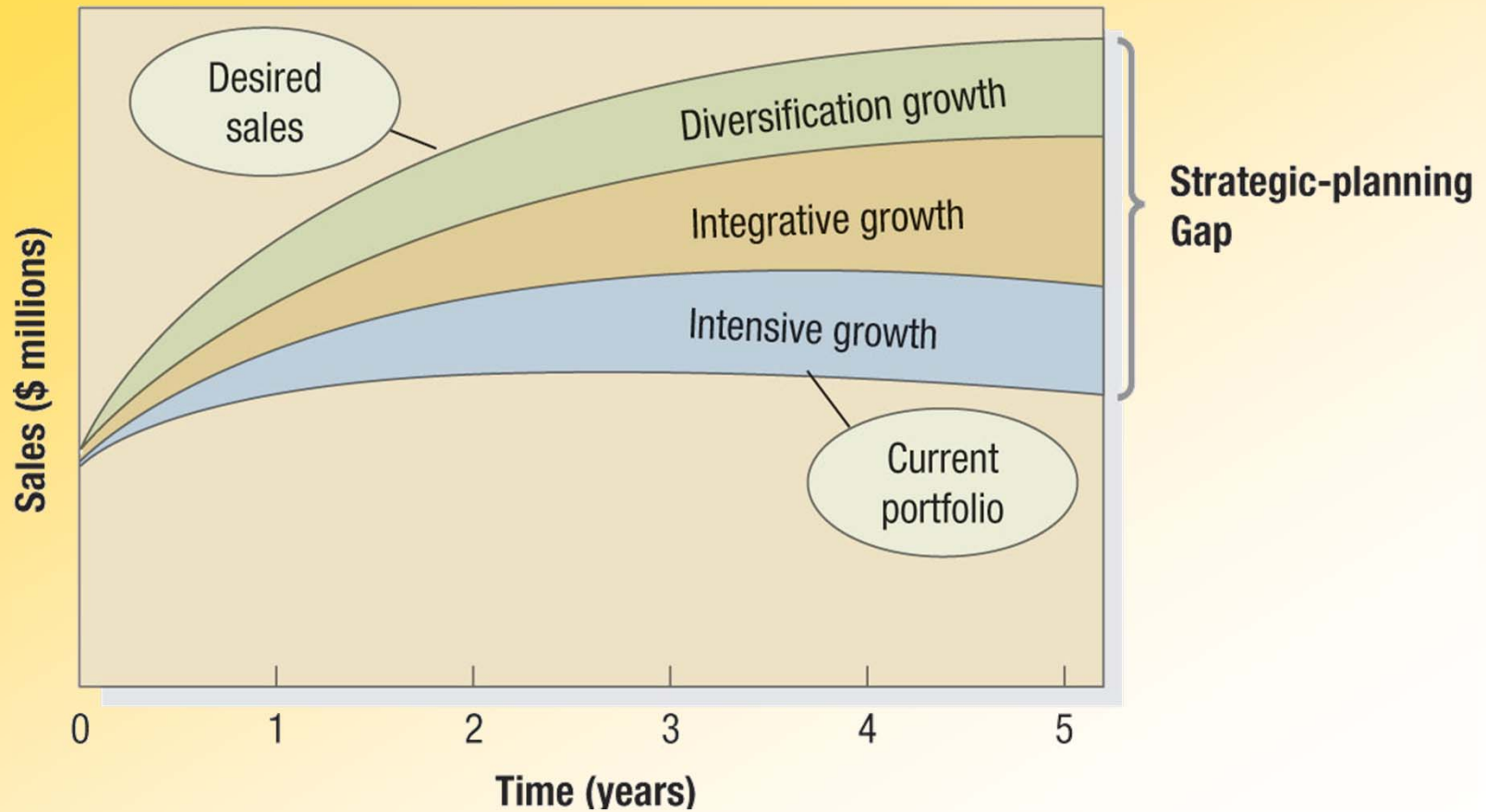
# eBay

“We help people trade anything on earth. We will continue to enhance the online trading experiences of all—collectors, dealers, small businesses, unique item seekers, bargain hunters, opportunity sellers, and browsers.”

**Table 2.3**  
**Product Orientation vs. Market Orientation**

<b>Company</b>	<b>Product</b>	<b>Market</b>
Union-Pacific Railroad	We run a railroad	We are a people-and-goods mover
Xerox	We make copying equipment	We improve office productivity
Standard Oil	We sell gasoline	We supply energy
Columbia Pictures	We make movies	We entertain people

# Figure 2.2 The Strategic Planning Gap



# Ansoff's Product-Market Expansion Grid

	<b>Current Products</b>	<b>New Products</b>
<b>Current Markets</b>	1. Market-penetration strategy	3. Product-development strategy
<b>New Markets</b>	2. Market-development strategy	(Diversification strategy)



# Figure 2.4 Opportunity Matrix

(a) Opportunity Matrix

		Success Probability	
		High	Low
Attractiveness	High	1	2
	Low	3	4

1. Company develops more powerful lighting system
2. Company develops device to measure energy efficiency of any lighting system
3. Company develops device to measure illumination level
4. Company develops software program to teach lighting fundamentals to TV studio personnel

# Figure 2.4 Threat Matrix

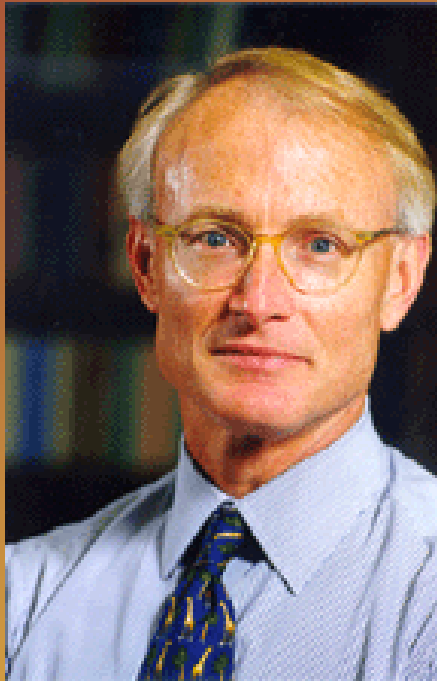
(b) Threat Matrix

**Probability of Occurrence**

		High	Low
Seriousness	High	1	2
	Low	3	4

1. Competitor develops superior lighting system
2. Major prolonged economic depression
3. Higher costs
4. Legislation to reduce number of TV studio licenses

# Porter's Generic Strategies



Overall Cost Leadership

Differentiation

Focus

# Categories of Marketing Alliances

Product or Service Alliances

Promotional Alliances

Logistics Alliances

Pricing Collaborations

# Marketing Plan Contents

- ✓ Executive summary
- ✓ Table of contents
- ✓ Situation analysis
- ✓ Marketing strategy
- ✓ Financial projections
- ✓ Implementation controls