

Introduction to Marketing Planning

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- New Brand

Monk Ad
Problems
Second life

Facebook
Solid Ink

xerox



Today's discussion

- Overview of Marketing Planning
 - Marketing Planning Defined
 - Contents of a marketing Plan
- Developing a Marketing Plan
 - Research and Analyze the Current Situation
 - Understand markets and Customers
 - Plan Segmentation, Targeting, and Positioning
 - Plan Direction, Objectives and marketing Support
 - Develop Marketing Strategies and Programs
 - Prepare to Track Progress and Control the Plan

- Preparing for Marketing Planning

- Primary Marketing Tools

- 4 Ps

- Supporting the Marketing Mix

- Guiding Principles

- Expect Change

- Emphasize Relationships

- Involve Everyone

- Seek Alliances

- Be Innovative

Overview of Marketing Planning

- Nestle
- China
- Turkey
- India



Nestlé. Based in Switzerland, Nestlé has a diverse product portfolio of foods, beverages, and pet foods for global markets. Alert to an increase in health problems such as diabetes and obesity, the company has begun dishing up diet-friendly foods such as cereal bars that do not cause blood sugar levels to spike. The company is also more active in China, which an executive calls “the fastest and most competitive market in the world” because of burgeoning demand and intense rivalry from both international and local firms. Nestlé has profited by creating food items specifically for China—such as sesame-chocolate cubes—and developing an adaptable distribution system to get products to outlying communities. In Argentina, the company has prospered, despite a difficult economic situation, through brand-building campaigns, product introductions, and periodic price promotions.³

Crash test MG 6

Nanjing Automobile Group. This Chinese automaker recently bought the equipment and name of Britain's MG Rover to form MG Motors. Now it is preparing to leverage the MG brand's reputation in the global marketplace. "We don't want to be a company that simply exports out of China," states Duke T. Hale, head of MG Motors. Instead, he says, the company will design and build cars in local markets, profiting from the competitive advantage of "a brand name that still resonates" with European and American drivers. Following its plan, MG Motors is recruiting dealers in Europe and the United States, readying U.K. and U.S. factories, updating the MG car designs, and determining the package of pricing and features that will attract buyers and build profits.¹



Yum Brands. KFC, Pizza Hut, Taco Bell, Long John Silver's, and A&W are among the well-known fast-food brands in Yum's global empire. Within the United States, the company is pursuing growth by developing new products based on studies of customer needs. After research found that a large percentage of office workers eat lunch at their desks, KFC created a marketing plan to introduce the Mashed Potato Bowl, a convenient, one-bowl take-out lunch featuring bite-size pieces of chicken, cheese, corn, and potatoes or rice. Testing at several KFC locations helped marketers gauge consumer appeal and refine the ingredients to make preparation easier. Interestingly, the company has learned that customers prefer Yum restaurants that feature more than one brand, such as KFC and Pizza Hut. Putting several brands under one roof gives family members with different tastes a wider variety of choices (and boosts sales and profit margins for Yum). The company also has a separate marketing plan for expanding in Asian markets.⁶

PepsiCo. The U.S. soft-drink market is barely growing and intensely competitive, yet New York-based PepsiCo is growing through higher sales of diet sodas, bottled water, energy drinks, and snacks. The company is always testing different activities; for instance, it recently gave Wal-Mart an exclusive on the introduction of Slice One fruit-flavored diet soda. Another marketing move involved a slight recipe change to make Mountain Dew and Diet Mountain Dew taste more alike—a move that drew both complaints and compliments. After the chief marketing officer listened to customers on both sides, she ultimately decided against switching back to the old formula. Now, she says, “the calls have died down and the [sales] volume is up. We definitely made the right call.” Although Pepsi’s North American beverage volume continues to rise, its international volume is rising even faster, suggesting higher profit potential overseas.⁷

EXHIBIT 1.2 Main Sections of a Marketing Plan

Section	Description
Executive summary	Briefly reviews the plan's highlights and objectives.
Current marketing situation	Summarizes environmental trends: <ul style="list-style-type: none">Internal and external situational analysis (products, markets, previous results, competitors, other environmental forces)SWOT analysis (internal strengths and weaknesses, external opportunities and threats)
Objectives and issues	Outlines the specific marketing objectives to be achieved and identifies issues that may affect the organization's attainment of these objectives.
Target market	Explains the segmentation, targeting, and positioning decisions and analyzes the market and segments to be targeted through marketing strategy.
Marketing strategy	Shows the strategy to be used in achieving the marketing objectives.
Marketing programs	Lays out the programs supporting the marketing strategy, including specific activities, schedules, and responsibilities for: <ul style="list-style-type: none">ProductPricePlace (channel)PromotionServiceInternal marketing
Financial plans	Details expected revenues, expenses, and profits based on the marketing programs in the plan.
Implementation controls	Indicates how progress toward objectives will be measured and how adjustments will be made to keep programs on track.

- Marketing Plan

- Part I

- Part II

- Part III

- Part IV

Research and Analyze the Current Situation



- Starbucks (Joe magazine)
- Sony (New Competition from new rivals)
- Michaels Stores ([Scrapbooking](#) near term sales increasing 40% a year)

Understand markets and Customers

- Segmentation
- Targeting
- Positioning



Objectives and marketing Support

- What makes a good objective?
- Sustainable Marketing
 - The establishment, maintenance and enhancement of customer relationships so that objectives of the parties involved are met without compromising future generations
 - Fed Ex cutting air pollution 30,000 low-emission diesel-electric vans over the next decade.

Marketing Strategies and Programs

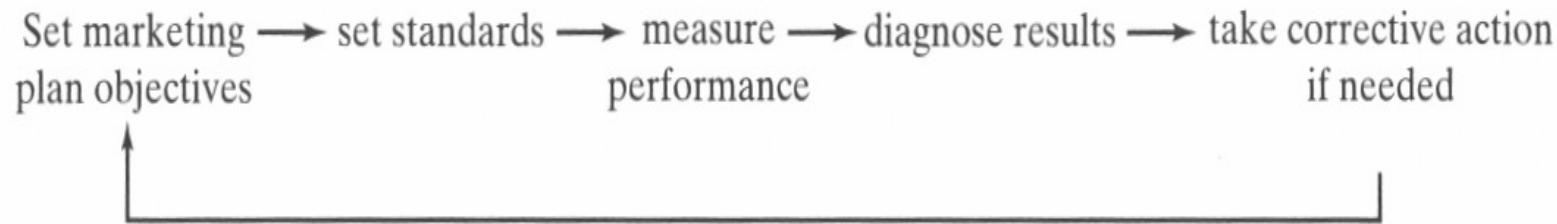
EXHIBIT 1.3 Six Approaches to Growth

Product Offers		
Markets	Penetrate existing markets with current product offers	Modify current product offers for existing markets
	Market current product offers in expanded geographic areas	Modify current product offers for dispersed markets
	Expand current product offers to entirely new markets	Modify current product offers for entirely new markets
Innovate product offers for existing markets		
Innovate product offers geographically		
Diversify by innovating product offers for entirely new markets		



Marketing Control

EXHIBIT 1.4 Marketing Control



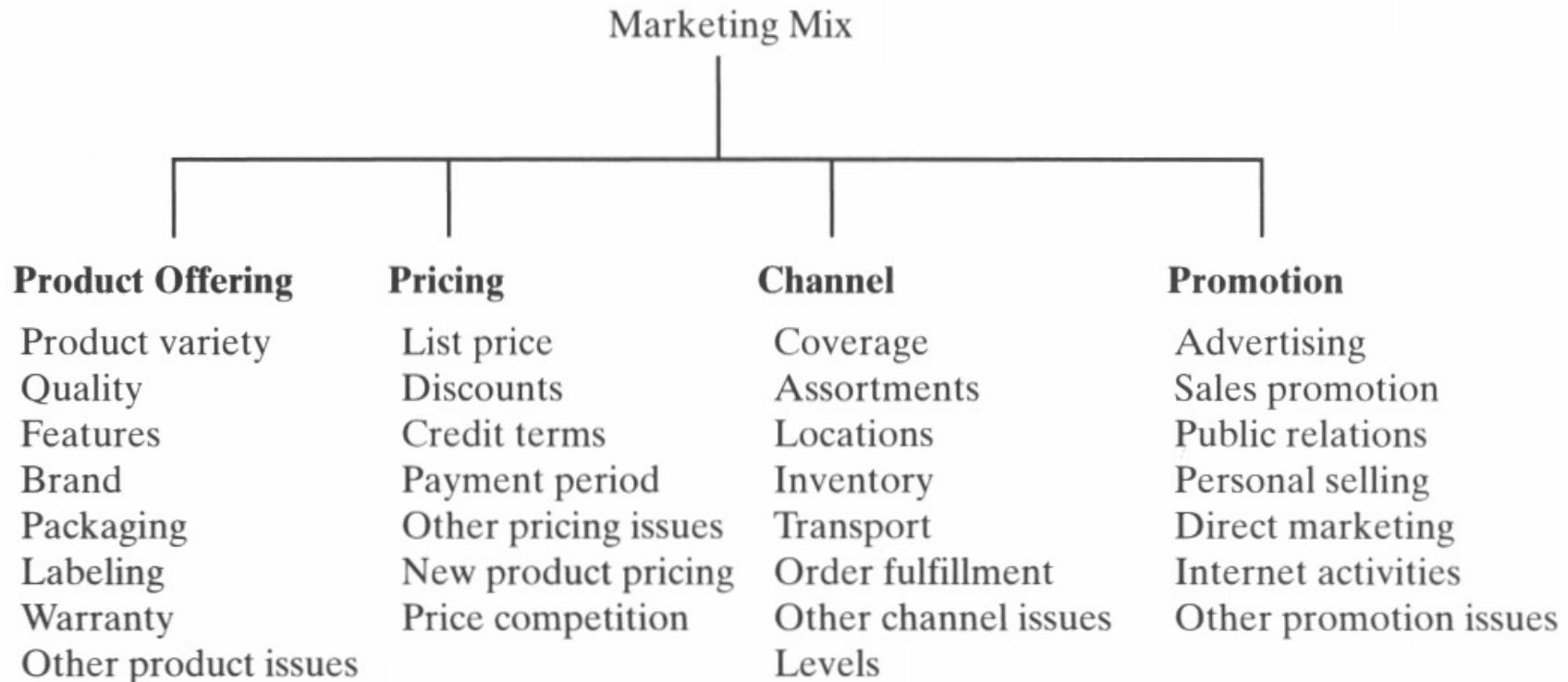
- On going process continuous process
- Living.com upscale furniture store on-line
 - Few upscale manufacturers wanted to sell on-line
 - Thought customers would browse in store and buy on-line (opposite happened)
 - Failed to account for returned merchandize (just threw it away)

Marketers need to develop

- Knowledge of markets and customers
- Core Competencies
- Relationships

Primary Marketing tools

EXHIBIT 1.5 The Marketing Mix



Supporting the Marketing Mix

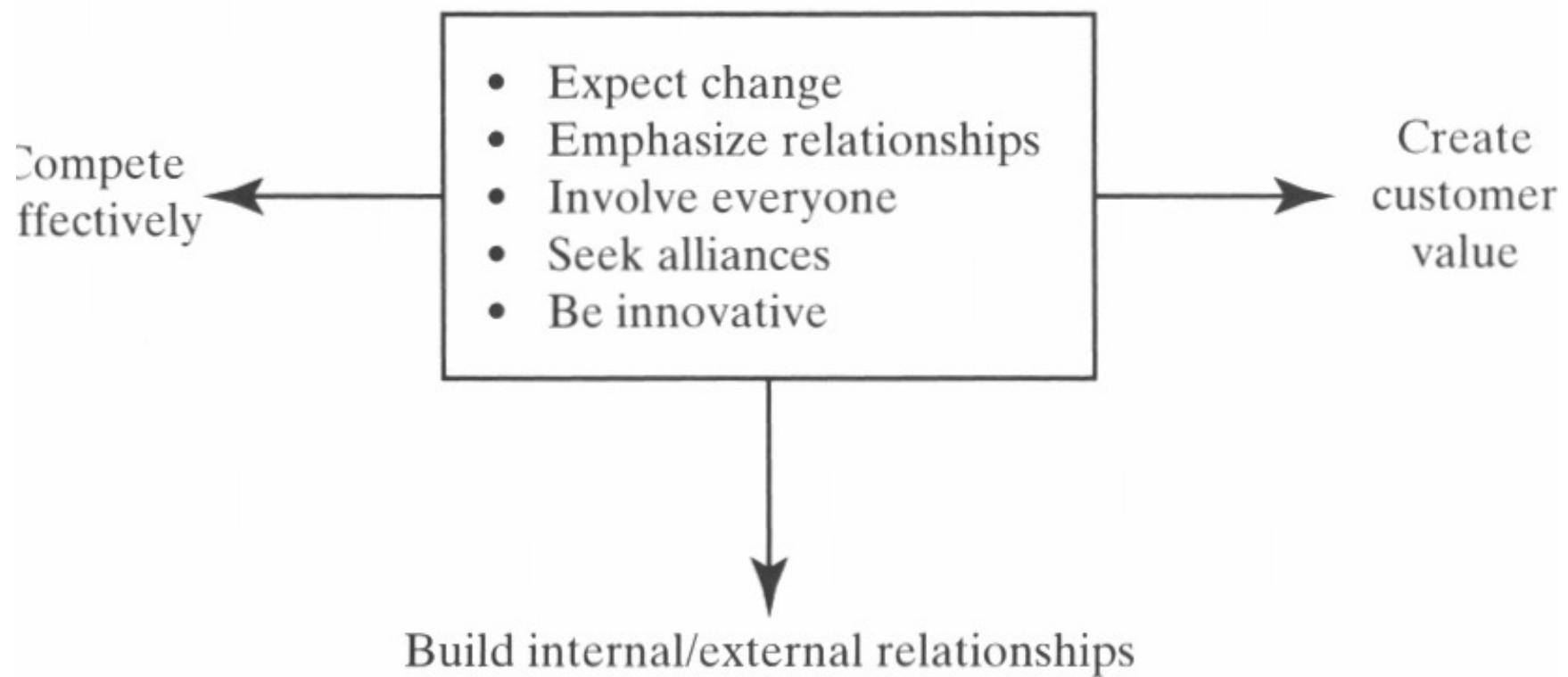
- Service is the key

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“Satisfaction by The Rolling Stones was the first song we played while you were on hold!”

1.6 Guiding Principles of Marketing Planning



Escada. Fashion never stands still, which is why Escada, a women's apparel chain based in Germany, introduces as many as 15 full product lines every year. The company also watches for suddenly hot looks or colors and makes these the basis of periodic "minicollections" produced between regularly scheduled line introductions, bringing shoppers back again and again in search of the latest styles. "It is a reaction to the ever-faster fashion cycle and to retailers like H&M and Zara, who react to new trends very quickly," says an Escada official. The company continues to revamp its offerings, adding "more modern and youthful" clothing to "attract the daughters but keep the mothers," according to the design director.³⁸

Calvin Ball

- When the ball goes up the rules change

WHEN IT SNOWS, YOU CAN GO SLEDDING. WHEN IT'S WINDY, YOU CAN FLY KITES. WHEN IT'S HOT, YOU CAN GO SWIMMING.

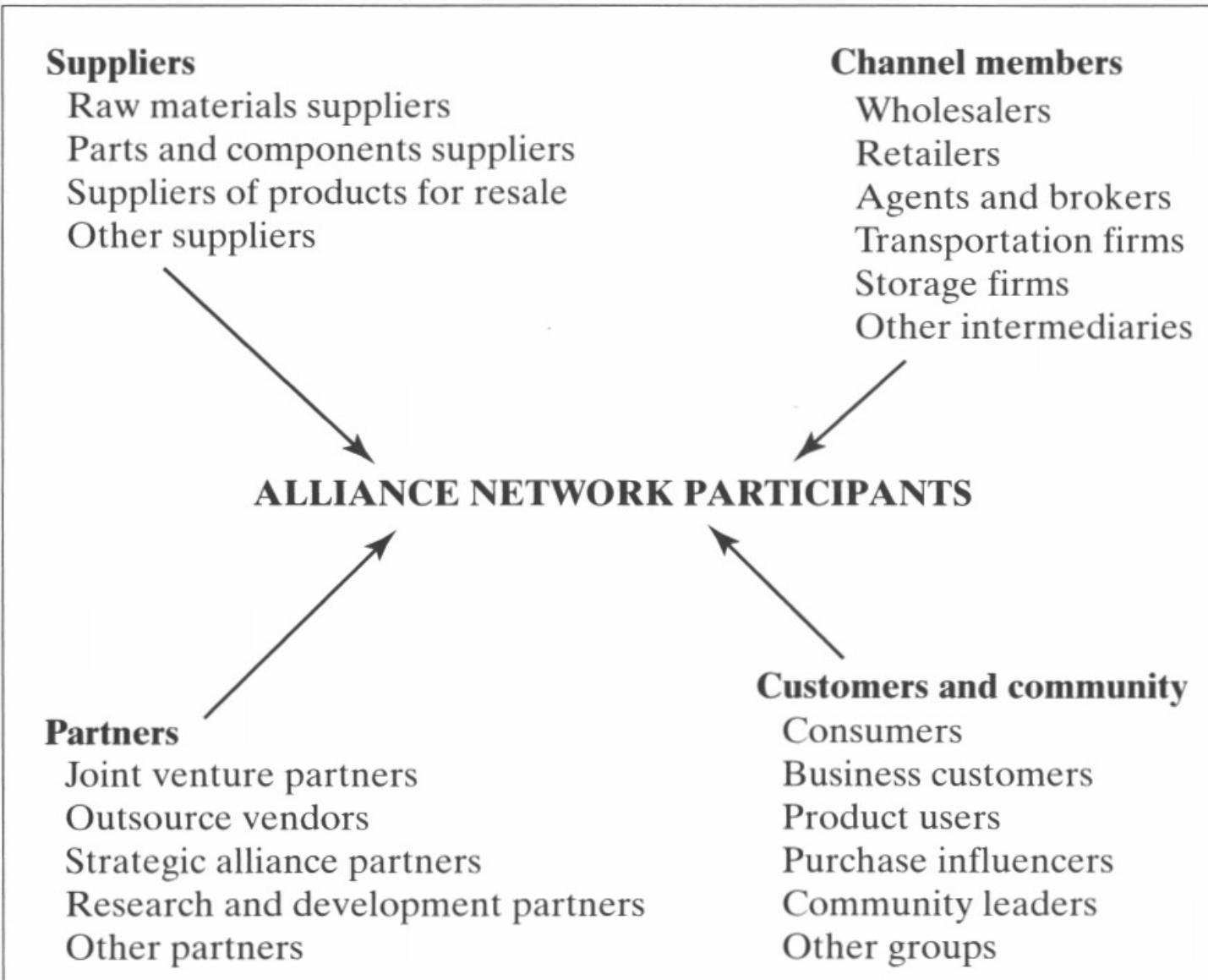


..THE ONLY SPORT IS DRIVING
MOM CRAZY.



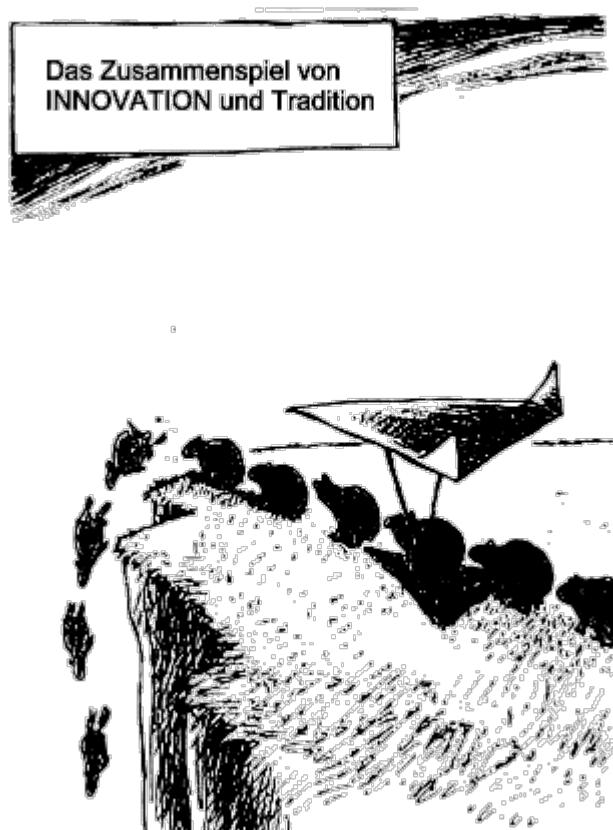
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EXHIBIT 1.7 Building a Network of Alliances



Be Innovative

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**"I introduced the world's first
nose-top computer 18 months ago.
Sales are slower than originally anticipated."**

Business is clicking along for Blue Nile (www.bluenile.com). Customers can now log on to the site to review pages of information about diamonds and gemstones before they buy online. Customers can even try the stones in settings of different sizes and shapes. Since a single diamond can sell for up to \$300,000, it is not surprising that customers spend a great deal of time on the company's Web pages before ordering. More than half the company's sales are now made online, up from 10 percent in 2000. The company also sells engagement rings, although the site also features a "ring gallery" where customers can view rings from other companies. The company's enthusiastic customer response has helped Blue Nile expand into the United Kingdom, where it has just opened a U.K. division as it surpasses \$200 million in annual sales.

Planning direction, objectives, and marketing support

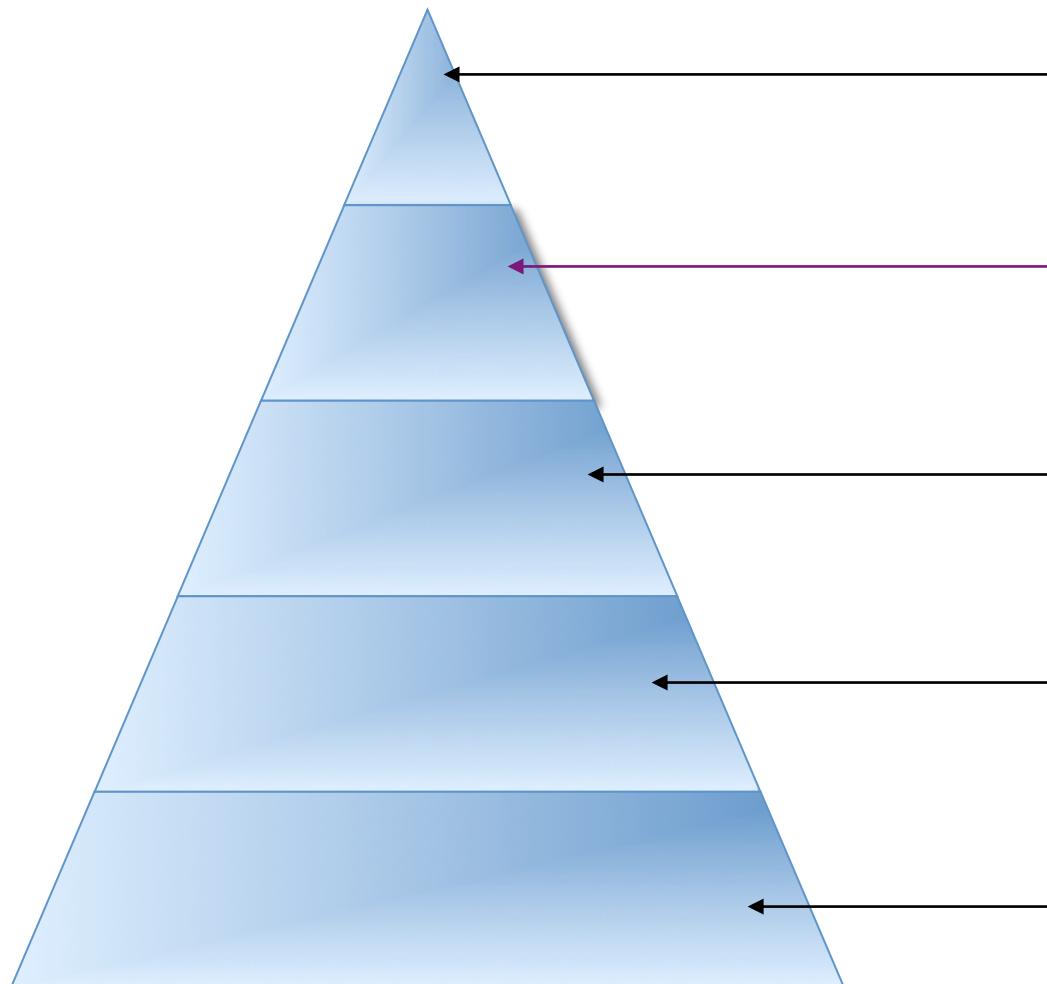
- Determine strategic direction
- Set objectives
- Plan customer service support
- Plan internal marketing support



Approaches to growth

Product Offers		
Markets	Penetrate existing markets with current product offers	Modify current product offers for existing markets
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Exhibit source: Adapted from Alan R. Andreasen and Philip Kotler, *Strategic Marketing for Non-Profit Organizations*, 6e (Upper Saddle River, NJ: Prentice Hall, 2003), 81.



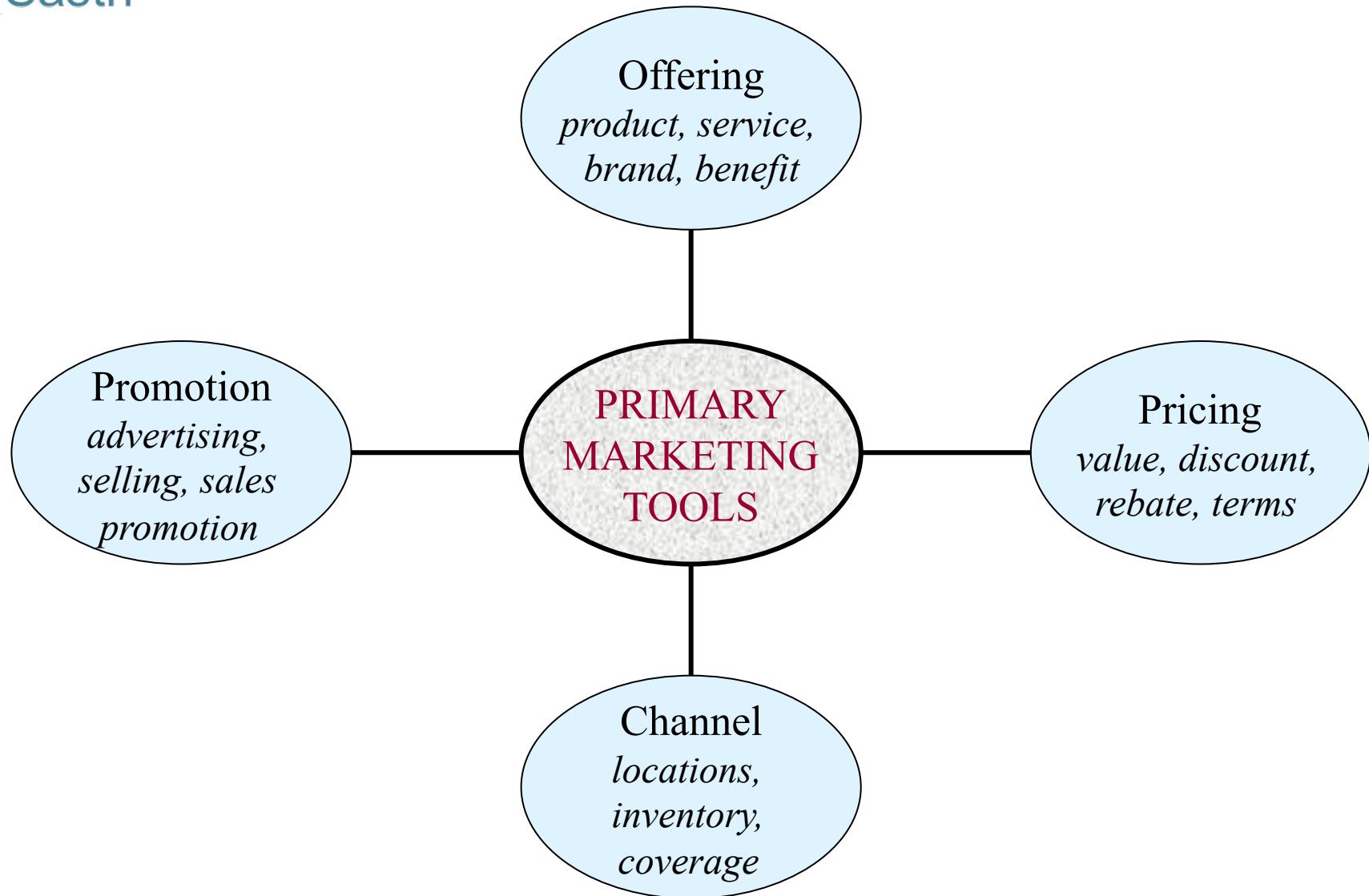
Penetrated market
(*customers already buying such an offering*)

Target market
(*customers being targeted*)

Qualified available market
(*customers qualified to buy based on certain criteria*)

Available market
(*customers interested in, with enough income for, and with access to offering*)

Potential market
(*all customers who may be interested in an offering*)



Preparing to track progress and control implementation

- Develop sales forecasts
- Create budgets and schedules
- Plan to measure performance
- Diagnose results
- Adjust activities as needed

Inside the marketing environment

1. Macroenvironment

- Broad forces that can affect performance

3. Microenvironment

- Groups that more directly influence performance

Using environmental scanning

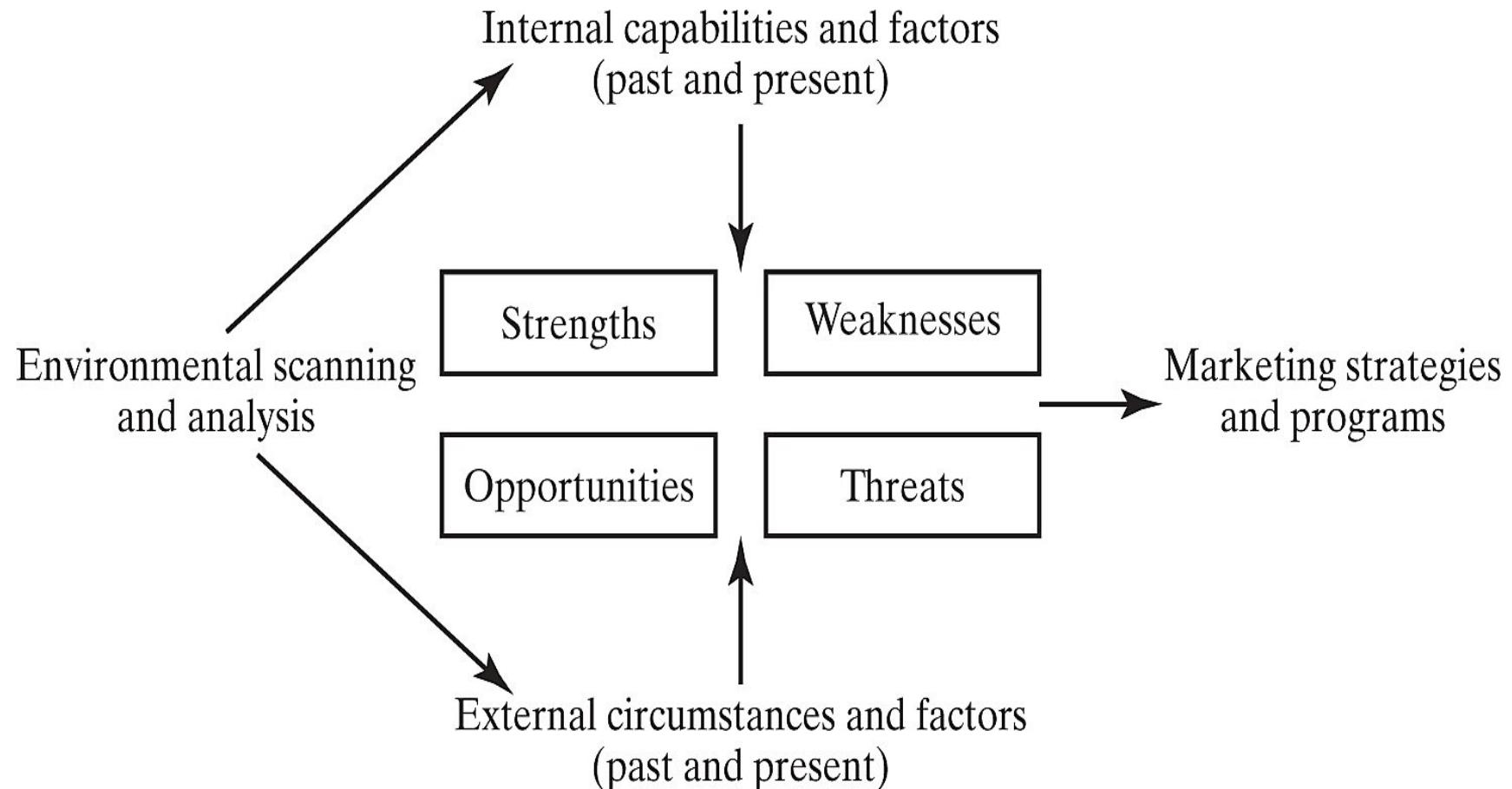


Exhibit source: Marian Burk Wood, *Marketing Planning: Principles into Practice* (Harlow, Essex, England: Pearson Education, 2004), 40.

SWOT analysis

Strengths Internal capabilities that can help the organization achieve its objectives	Weaknesses Internal factors that can prevent the organization from achieving its objectives
Opportunities External circumstances that may be exploited for higher performance	Threats External circumstances that might hinder performance

Analyzing the internal environment

- Mission
- Resources
- Offerings
- Previous results
- Keys to success, warning signs
- Business relationships

Analyzing the external environment

- Demographic trends
- Economic trends
- Ecological trends
- Technological trends
- Political-legal trends
- Social-cultural trends
- Competitors

Judging strengths & weaknesses

Past Performance Trends

Comparison against Competitors

Are organizational
resources and capabilities
strengths or weaknesses?

Specific Goals
or Targets

Personal Opinions of
Strategic Decision Makers

Exhibit source: Mary K. Coulter, *Strategic Management in Action* (Upper Saddle River, NJ: Prentice Hall, 1998), 141.

Sample SWOT: FedEx

Strengths	Weaknesses
<ul style="list-style-type: none">▪ FedEx, Kinko's brands▪ Air, ground strength▪ Stable workforce	<ul style="list-style-type: none">▪ Possible labor actions▪ Slower growth in package volume
Opportunities	Threats
<ul style="list-style-type: none">▪ New markets (China)▪ Custom/special services▪ More channels (Kinko's)	<ul style="list-style-type: none">▪ Intense competition▪ Technology▪ Fuel costs

Controlling implementation

Annual plan control

Check progress toward marketing plan and program objectives

Profitability control

Check progress toward profit-related objectives

Productivity control

Check progress toward higher efficiency in marketing activities

Strategic control

Check effectiveness in managing marketing, relationships, ethics, social responsibility