Strategic marketing essay

Business, Accounting

Running head: STRATEGIC MARKETING PROCESS Strategic Marketing Process Strategic Marketing Process In order for an organization to reach its target markets, it must use the strategic marketing process to allocate its marketing mix resources. The marketing mix is elements, such as price, product, place, and promotion (also known as the 4 " P"'s) used in the make up the marketing process (Bayne & Hardin, 2002). It is important for an organization to have a good understanding of the marketing mix. Each element is important when developing a marketing plan (Bayne & Hardin). It is equally important to understand that to accurately utilize the marketing process; the organization must follow another process which consists of three phases and are usually formalized in a marketing plan (Bayne & Hardin).

The phases are planning, implementation and control. The planning phase consists of (a) a situation analysis of the organization's strengths, weaknesses, opportunities, and threats; (also known as a SWOT analysis) (b) a market-product focus through market segmentation, points of difference analysis, and goal setting; and (c) a marketing program that specifies the budget and activities (marketing strategies and tactics) for each marketing mix element (Logman, 1997). The implementation phase carries out the marketing plan that emerges from the planning phase. It has four key elements: obtaining resources, designing the marketing organization, developing schedules, and executing the marketing program (Logman). The control phase compares the results from the implemented marketing program with the marketing plan's goals to identify the " planning gaps" and take actions to exploit positive deviations or correct negative ones (Bayne &

Hardin, 2002). As mentioned in paragraph one, there are elements, 4” P”’s, that make up the marketing mix and used in the marketing process. An explanation of price would be, “ what is the highest amount that the customer will pay for the product or service (Logman, 1997)? Many times setting the incorrect price level is the beginning of the end for an organization.

An organization must be sure that the price is not too high or too low. Mistakes either way will hurt the organization’s income. When an organization is starting out, it is important that they focus their price levels on breaking-even (Bayne & Hardin, 2002). A break-even analysis is necessary to determine the price to set to avoid a loss. (Bayne & Hardin) An explanation for product would be, “ what you are trying to sell to the customer (Logman)? ” An organization needs to have an in depth understanding about what it is they are marketing. Development of the product’s size, quality, design, brand name, and packaging are important when trying to match with customer’s needs and wants (Logman). An organization should explain how their product’s features benefit the customer. For place, an explanation would be, “ where will the customer meets the product (Logman, 1997)? ” The question is how does the customer get to that place? An organization needs to make sure the product or service they are offering is in the appropriate location where its target markets can reach it (Logman).

An obvious example of poor placement is developing a ski resort in Houston, TX. It is also important to look at the transportation that could be necessary to reach its customers and the geographical barriers that might exist (Kyle, 2001). Finally promotions explanation would be, “ what is the method in which the customer will gain knowledge about the product and be persuaded to purchase it (Logman)? ” There are many different types of promotional activities that can be used to help gain knowledge, exposure, and desire to purchase (Logman). A few of those activities would be personal propaganda: creating and distributing your own brochures, newsletters, fliers, posters, coupons, sponsorships, and the list could go on and on (Logman). When planning these different activities, it is very important to estimate what they will cost and factor that into the organization’s operating budget. Customer loyalty is one of the most powerful weapons an organization has in its strategic arsenal (American Marketing Association, 2003).

However, most companies do not fully understand the value of customer loyalty or realize its potential for enhancing customer relationships (BusinessTown. om, 2003). So how does all of this affect the end customer? A recent trend focused the marketing mix directly on the customer. Instead of the 4 “ P’s”, there is the 4 “ C’s. ” These 4” C”’s customer value, cost to customer, convenience to the buyer and communication (American Marketing Association).

Customer value is how much the customer values the product; cost to the customer includes customer’s time and energy, along with the price of the product; convenience for the buyer is similar to place explained earlier in the paper; and communication which is similar to promotion, also explained earlier in the paper (American Marketing Association). Organizations must also realize the importance of using marketing strategies. Some marketing strategies have both long and short term benefits. Short-term strategies create immediate revenue (Kyle, 2001). Sales and accounting people often prefer these to long-term approaches because the results are direct and quantifiable (Kyle).

The disadvantage of relying strictly on short-term approaches is the effect is temporary and they tend to be limited-time techniques that do not work well over time (Kyle). Long-term strategies build brand and company awareness, and give sales revenue a gradual, permanent boost (Kyle). Some of the benefits are indirect and cannot always be directly associated with profit and for this reason, long-term strategies can be difficult to execute when the focus is short-term (Kyle). References American Marketing Association (2003).

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