

Example answers for marketing management exam paper



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5. Identify and describe some problems and challenges to marketing managers in relation to change and innovation. Critically discuss the links between strategic marketing management and the change environment with particular reference to Levitt's (1960) seminal article "Marketing Myopia".

In the marketing context, change brought about by economic recession, disruptive technologies usage and privation can all affect the stability of market environment (Sirmon, Hitt and Ireland, 2007). Global economy is accelerating at a fast rate giving way to competitive risks and opportunities. Therefore, effective strategic planning is incumbent that could help marketers to survive and improve their company performance in turbulent environments (Ireland and Hitt, 2005).

Change environment and strategic marketing management:

Strategic management involves the role played by managers to align business organization with changing environment. Mostly business organizations are being regulated on narrow vision, therefore in order to bring about change and innovation, the corporate vision of organization must be reexamined to define markets in a broader context. This was the crux of Levitt's article "marketing myopia", i. e. marketers focus on the products instead of customer.

According to him the environmental change is not a major contributor in the problems faced by industries rather it is the constricted stance of their marketing managers or decision makers. It is basically the failure linked with the top management's inability to cope with the business beyond the narrow confines of conventional production procedures.

False myths like prediction of an avid market share due to increase in population, absence of substitutes and total reliance on mass production lead to marketing myopia. Approach of the marketers should be customer centric rather than product centric as Levitt has rightfully given the example of Henry Ford, the founder of Ford Motors who adopted the strategy to lessen cost price of cars to attract more customers. Technology cannot always guarantee successful market outcomes therefore sometimes firms have to give away their personal profits to gain long term market survival.

The strategic marketing management and its interaction with the firm's environment play a vital moderating role. As both components are regarded dynamic, it is less frequent that the firms succumb to the tendencies of marketing myopia. Contrary to that if the marketing environment is static, myopic stance is inevitable and the firm will have to suffer the consequences. For avoiding myopia, a firm will have to adjust with the changing market demands (Lichtenthal, and Iyer, 2003).

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Table: Typology of firm-environment links

To deal with the change environment, firms can develop new strategies with the aid of McKinsey 7S Model that have the tendency to foresee hard factors (e. g. systems, structure) and soft factors (like culture, education level of employees, shared values etc). The method is also helpful for merger and acquisition (Egner, 2009).

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Hard Elements

Soft Elements

Strategy

Structure

Systems

Shared Values

Skills

Style

Staff

2. What are competencies and capabilities? Argue the importance of a marketing manager assessing business competencies and capabilities in the fulfillment of corporate and marketing objectives. Use examples of competences and capabilities to illustrate your answer.

Competencies and capabilities:

These concepts of strategic management refer to the ability of a business organization to provide the services being promised to potential clients. Both are interrelated but differ in their applicability in the marketing context.

Competencies might be regarded as the skills possessed by a firm on which the marketing manager or retailer can make strategic decisions. These can

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be brought about by providing high level customer service or skills like utilization of modern technology by the marketing company. An example of competencies could be the CRM initiatives of the real estate firm, Barratt Developments PLC.

Capabilities are reflected through the business organization's actual behavior encompassing the ability of the firm to expand its resource base in order to attain competitive advantage in the market. They can be judged on the basis of firm's values, resources and processes (e. g. communication and decision making pattern).

Importance of marketing manager:

Every business organization possesses some core competencies that are required to be critically evaluated for proper market functioning in coming years. Therefore, managers of a business organization should start developing and planning strategies to achieve these competencies beforehand. For example with the wide scale implementation of the e-tailing concept, maintaining and designing of a website could be the competence that is deemed crucial for success among competitors (Sullivan and Adcock, 2002, p. 323).

Skills can be bought in the retail sector yet the onset of developing skills is regarded a better option.

Resources and skills for example the retail staff human resources should be honed into the capability for providing a service at a specific marketing level. According to Kotler (1997) for delivering satisfaction to the clients, a good

marketing manager should be able to determine the needs for customer satisfaction and express them through organization's capabilities.

By strategically investing in resources, development of capability and competencies should be planned by the marketing managers in relation to the marketing objectives set forth by the firm based on the knowledge of current business environment and strategies that are possible to execute. Although development of competencies and capabilities are sometimes difficult to control, managers must predict the future requirements by taking into account current needs (Sullivan and Adcock, 2002, p. 323).