

A creative report on strategic marketing marketing essay



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According to Baker (2000) marketing is like the disciplines of engineering, medicine and architecture which are based on the establishment of knowledge that is developed by other disciplines and then transformed into a new body of knowledge which supports professional practice. Chartered Institute of Marketing defines Marketing as “ The Management process responsible for identifying, anticipating and satisfying consumers requirements profitably.” Acc to Silk (2006) marketing is all about creating and exchanging values with customers. It plays a very important role with setting a firms decision.

This report is about strategic marketing and corporate strategy, the differences between tactical marketing and strategic marketing. Providing information why day to day tactical decisions need to be made and why there has to be given much importance to relationship marketing. Several models have been shown to give an idea of strategic marketing planning. Examples of TNT case studies have been provided as well.

Q1. Learners need to show that they understand the difference between strategic and tactical marketing. They need to use established models and definitions to develop their discussion.

Strategy is the creation of unique decisions, creating a ‘ fit’ within an organisation and it requires making decisions during competitive scenarios Porter (2011). According to Kotler (2010) with so many Business Graduates all who develop strategies, there is a lack of understanding of this word. The reason being there is too much information out there but until now there is no one has attempted to present the real meaning of Strategic Management

that explains what is really required to survive in unpleasant atmosphere that a business can face.

According to McDonald (2008) All organisations need a marketing plan, Long term marketing plans are known as strategic marketing it usually covers up three to five years and short term marketing operations are known as tactical marketing that covers a short period that is one year or less. Tactical marketing takes into consideration the combination of the marketing mix that is price, place, promotion and distribution to reach the chosen market Kroon (1995).

Strategic Marketing is all about getting a plan together to use the full potential of the organisations resources and tactics in order to achieve its corporate objectives Simms (2005). According to McDonald (2008) Strategic marketing should always be completed first as managers prefer selling products that are least resisted by customers.

Taking into consideration TNT strategies they put the customers above everything else. They believe in communication within everyone in the organisation to discuss how the company will achieve their targets. TNT has a strategy Map that serves as a practical guide and a framework to achieve the overall business objectives of growing profits.

TNT strategies are served through a series of tactics such as Operational Excellence, Customer Relationship Management and Innovation. Where, operational excellence is achieved through fast and reliable services.

Customer relationship is improved through understanding the needs of the customer and Innovation is thought upon the future needs of the customer.
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Q2. Learners will be expected to understand and explain the processes involved in strategic marketing. This will involve looking at a range of processes and learners may wish to draw on their own experiences in the workplace to amplify their points.

According to Doyle (2006) Strategic marketing planning is about developing and maintaining a practical fit between the firms strategy and organisation and its changing environment.

Chandrasekhar (2010) asserts that one of the processes involved in strategic marketing planning is Perceptual Mapping. Perceptual mapping is a methodical technique that displays the behaviour of consumers. A consumer buying behaviour drives him towards a proposition that is created by a brand, which is distinct from other brands.

According to Piercy cited by Wilson (2009) strategic marketing planning consists of three principals that are interrelated dimensions that are:

Analytical Dimensions that are concerned with techniques, systems, procedures and planning models.

Behavioural Dimensions that are related to nature, extent of participation, commitment from members and motivation.

Organizational Dimensions are concerned with management style, information flows, processes and structures.

Taking into consideration TNT Strategy steps Strategic Marketing aims at having a distinctive position in the market, building core strengths that

attract high quality staff and loyal customers. TNT recognises that people are the foundation on which it builds customer focused strategy. The organisation is committed to employee development. TNT has put together effective training programmes. All managers are experts in their field thus making new employees effective more quickly.

Q3. Learners are expected to understand that the process of strategic marketing does not take place in a vacuum. They will need to show that they can evaluate the links between strategic marketing and corporate strategy and provide examples of those links.

A dynamic environment is an active environment. Pride (2012) asserts that Strategic marketing requires a dynamic environment and hence cannot take place in a vacuum. The marketing environment consists of Political, Social, Technological, Legal, and Economical factors that affect the marketing mix. It is hard to predict what the buyers and sellers want.

According to Cole (2003) corporate strategies are decision making process that produces the plan for the organisation. It deals with general issues of product market strategy, and the decision process at level of strategic business unit (SBU) has to produce and implement, a strategy aimed at gaining sustaining competitive advantage.

SBU deals with specific concerns that are

Decisions about market segmentation taking into account the activities of competitors.

Promotion that is personal selling, advertising expenditure, media
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Products that is brand name packaging, variety etc

Pricing that is basic premium, discounting and credit

Market research that is customer surveys etc

Corporate strategy and strategic marketing are a link to the Mission statement-

According to Lancaster (2006) Marketing objectives relate to several topics such as product market scope, market shares, sales etc. This section of marketing links the corporate strategy with the mission statement. Defining the extent of business in future, being a part of the mission statement that reflects on corporate objectives.

Knowledge management systems-

Knowledge management deals with questions such as What, Why, How, When, Where. Strategic management takes into account long term goals. According to Maier (2004) it covers formulation, evaluation, implementation, values, responsibilities and managerial capabilities, which connect both strategic and operational decision making all high level of command. Several writers have discovered that strategic relevance of knowledge in general and knowledge management in particular go hand in hand.

Corporate responsibility and ethics-

Ethics are behaviour codes that are designed to have ethical responsibilities rights, obligations and duties Cragg (2005). According to Sims (2003)

Organisations must not only know the rights and interests of the stakeholders and employees but also of outsiders that get affected by the businesses actions. In order to be successful in today's complicated and active environment businesses must show interest and incorporate responsibility when defining their strategy or making important decisions.

Taking TNT into consideration it is understood that organisations do not become market leaders by chance. It takes careful planning, outstanding quality, vision and highly trained staff. TNT has linked its strategic marketing with corporate strategy looking into the needs of their current customers by providing then customer satisfaction as they know that it is more cost effective to keep the business on repeat rather than find new customers.

Q4. Learners need to research the models used in strategic planning. They will need to make judgements and assess the value of the models for strategic marketing planning.

Strategic planning takes into consideration situation analysis. According to Williams (1996) a situation analysis takes into consideration the current business situation. It answers questions such as where are we. Where are we headed? The answers to these questions assist decision makers in assessing factors that can affect their business.

There are several models such as the SWOT, PESTLE, Porters 5 force model, BCG matrix and Product life Cycle Model, Ansoff matrix that can be used in strategic planning.

Ansoff Matrix- According to Bachmeier (2008) the Ansoff model suggests that several strategies can be used at once. It is based on beliefs that the most appropriate growth strategies are based on decision to sell old or new products or vice versa. The Ansoff matrix is used by managers for decision making and to forecast. It is also used to describe optional strategies in a growing economy.

SWOT- the Swot analysis takes into consideration the Strengths, Weaknesses, Opportunities and Threats faced by an organisation. According to Hartline (2011) a swot analysis is underestimated in its value in planning. The benefits of Swot analysis are;

Simple- A Swot analysis requires no extensive training. The person doing the Swot has to have a comprehensive understanding nature of the organisation.

Lower Costs- A swot can reduce the costs associated with strategic planning.

Flexibility- Swot can enhance the quality of the strategic planning. If comprehensive systems are present they can be prearranged to feed information directly onto the SWOT framework.

Integration and Synthesis- the Swot gives the analyst the ability to combine different information's both of quantitative and qualitative nature.

Collaboration- the Swot analysis encourages the collaboration and information exchange between different functional areas. By observing what competitors do analyst can solve problems and eliminate disagreements that could crop up before the final marketing plan is made.

Porter's 5 force model-

Porter's 5 force model takes into account the

Risk of entry by potential competitors

The intensity of rivalry among established companies

The bargaining power of buyers

The bargaining power of suppliers

The closeness of substitutes to an industry's product

According to Jones (2008) the task a manager faces is recognising how the changes in the five forces would give rise to opportunities or threats therefore formulating appropriate strategic responses.

Product life Cycle- According to Smallwood (1974) product life cycles also known as PLC is a periodic table that provides a framework to group products. It is useful to introduce new products and dispose old ones. The PLC has stages such as introduction, growth, maturity, decline and terminate.

PESTLE- the pestle deals with Political, economical Social, technological, legal and environmental changes that can affect the organisation. According to Henry (2008) the pestle is a tool that identifies and monitors weak signals to recognise the cracks within the environment. It gives a link between the general and competitive environment that can become important forces for change in a competitive environment.

Q5. Learners need to understand that when strategic plans are put into operation, day to day tactical decisions have to be made. In their discussion, they need to provide examples of how tactics are related to strategic positioning decisions.

Strategic decisions outline the approach whereas tactical decisions involve various implementation strategies which are needed to carry out a strategy. Tactics can come under demand oriented or cost oriented tactics Winston (1993). According to Fisher (2006) tactics explain how to implement strategy. It describes what is to be done and who will do it.

Strategic positioning-

According to Abrams (2003) a strategic position gives a touchstone to business decisions. Eg. As mission statements is used as a guidance for the long term vision a strategic position influences every aspect of the business that is development of products operations, marketing, location etc. It is important to find a strategy that brings out your strengths and opportunities in a competitive environment. Strategic positioning helps in allocation of resources.

Defining future positioning-

According to Bower (2003) the management has to manage change and place the business at an optimum position within its environment. That requires deciding where the position or placing is. In order to discover what that position is a strategic decision is required. Strategic management is

therefore illustrated as defining a future position to match resources to that vision.

Price Tactics-

According to Lamb (2010) price tactics are distinctive. Managers use these tactics for several reasons. It can be to offer wide variety of merchandise, stimulate demand for a particular product. There are other several price tactics Lamb (2010) explains such as Single price tactic, flexible pricing, price lining, professional services pricing and two part pricing.

Single price tactic- A merchant uses a single price tactic for all goods or sometimes two or three prices. Example; Pound land, where all products are sold for a pound. Single price tactics remove price comparisons from the buyers mind. The merchant enjoys the simple pricing system and less clerical errors.

Flexible Price tactic- means a different customer pay different prices for the same product brought in equal quantities. The disadvantage of this tactic is the lack of dependable profits due to the weak will of high paying consumers, thus lowering the price of a product just to make a sale and possible conflicts among sellers.

Price lining tactic- When a seller creates a series of prices for a particular type of goods, it creates a price line. Price lining reduces confusion to an extent for both consumer and salesman. Price lines enable the seller to reach several market segments.

Product tactics- Product tactics talks about selling, quality and branding. All of these aspects are highly important in setting appropriate strategic plans.

Promotion tactics- According to Mullin (2010) Sales promotion is short term, tactical weapon that is available to the business but it has enormous strengths. There is a problem if the offer changes too often as the brand would lose its identity. If promotion is too little rivals take over. Therefore there is a very high need of the balance of tactics and strategy in using sales promotion effectively.

Q6 Learners need to show that they understand the nature of relationship marketing. They need to discuss the place of relationship marketing in a strategic marketing plan and then analyse the merits of using this marketing technique.

According to Buttle (1996) Relationship marketing is concerned with attracting, developing and retaining customer relationships. Relationship marketing is a combination of customer service and quality management. It is also described as the relationship between suppliers and customers.

According to Payne and Ballantyne cited by Ranchhod (2004) relationship marketing focuses on customer retention, high customer service, high customer commitment, long time scale.

According to freeman (2010) the six market model by Payne and Ballantyne can define relationships with customers thus making a sound strategic marketing plan. The six markets include Customer markets, Referral markets, Supplier markets, Influencer markets and Employee markets.

Marketing techniques are all about setting marketing objectives, segmenting markets, profiling markets, and targeting markets.

Marketing objectives- McDonald (2008) states that Marketing objectives and strategies are the essential steps that are involved in the marketing planning process. Through which all information that is gathered from the customer market and product audit is then chosen to make decisions about marketing direction and delivery. Without objectives strategy decisions would all take place in a vacuum.

Market Segmentation- Cant (2007) asserts that market segmentation divides the market in a uniform group that responds differently to marketing thus implying that every group or segment can be targeted by different marketing mix. A market segmentation helps establishing the price a consumer is prepared to pay.

Conclusion-

Strategic marketing management is all about developing the right plan that will bring profits to the organisation. The report has covered several topics such as knowledge management styles and focuses on models such as SWOT, Porters 5 force model etc. It discusses how strategy helps in pricing and promotions. Marketing objectives and market segmentation are important factors in developing a strategic marketing plan.