

# Role of mission statements in guiding marketing planning



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Based on the Oxford Dictionaries, "role" is a function or position that somebody has or is expected to have in an organization, in society or in a relationship. "Mission" is defined as an important task given to a person or group of people and it is also defined as a strongly felt aim or ambition. Whereas "statement" is referred as a definite or clear facts, views, aims or plans that has stated in a document. "Mission statement" is a summary statement of a company's or organization's purpose about what it wants to accomplish in the larger environment. Broadly defined, marketing is a social and managerial process by which individuals and organizations obtain what they need and want through creating and exchanging value with others. "Planning" is an act or a process of identifying goals or plans for something such as future performance. Thus, "marketing planning" can be defined as the process of deciding the marketing strategies of the future which the environment keeps changing. Marketing planning includes how to change the marketing mix (4P) which is price, place, promotion and product in order to meet the overall strategies objectives of the organization.

Mission statement is playing an important role with the overall strategic planning of an organization. All of the strategic planning of an organization should base on the mission of an organization that had been set. Strategic planning include all the long-range plans, strategic plans and also annual plans which include decision making about the human resource management, production and operation finance and it is also concerned about the marketing planning.

The topic that we discuss is about the role of the mission statement in guiding mission statement. Marketing planning is just a part of the strategic  
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planning and it supports company's strategic planning with more detailed plans for specific marketing opportunities. Thus, the decision making about the marketing planning is also need based on the mission statement of an organization. We approach our topic by few dimensions. Firstly, we find out criteria of a good mission statement which is important to every organization. After that, we did the advantages of a good mission statement and disadvantages of a poor mission statement to an organization. We analysed examples of a good and poor mission statements of two companies guiding the marketing planning. We also discuss about marketing planning in depth. Finally, we link the role of mission statement in guiding the marketing planning.

## **2.0 Criteria of a Good Mission Statement**

A well-defined mission statement is very important to guide people in the organization, clearly defines who the customer is and what services and products the businesses are intended to provide. A good mission statement should contain some criteria. First, a good mission statement should be market-oriented. A market-oriented mission statement focuses on satisfying customer's needs. A mission statement should focus on satisfying customer needs rather than being focused on the product or service. This is because products and technologies will eventually become outdated, but basic market needs may last forever. For instance, mission of Disney is not simply run theme park. Its mission is to “ create fantasies which is a place where America still works the way it's supposed to.

A good mission statement should also base on the company's competitive advantage. An organization should base its mission on its distinctive  
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competencies which is a competitively superior company resource that the company performs well in comparison to its competitors. It needs to stay focused on specific traits of target or niche markets such as quality of products, customer service before and after sales and so on. This can ensure the customers know more about the advantages of the company and then create customer's loyalty. For instance, McDonald's core competence is providing low-cost food and fast service to large groups of customers, especially for the younger group.

Besides that, good mission statements should be motivating. The mission statement should be able to inspire commitment among employees, customers, partners, and funding agencies about what this company will do or produce. It should not focus on making more sales or profit to prevent employees feel stress and demotivated. A company should make their employees feel that their work are significant and meaningful by contributing in human's live. Some organizations highlight the inspirational value of their mission statement above all else and using it to express the company's philosophy and values.

A mission statement should be realistic. Mission statement should be able to achieve and a company should avoid to makes the mission too narrow or too broad until beyond its ability to achieve. Mission statement that includes everything or over promise will not give a clear indication of what the business is about to customers. Besides that, an unrealistic mission statement will not have great credibility and this will decrease the motivation of employees to achieve it. Instead, the best mission statements are direct and powerful. Example of the mission that is too broad is " providing society  
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with superior products and services through innovations and solutions that satisfy customer needs and improve the quality of life.” Example of mission that too narrow is “ providing toys” has proved too narrow a scope for Toys-R-Us.

Furthermore, a good mission statement should be specific, short and concise. A long, vague or generic mission statement is lack of resonance and meaning. They will not be remembered by anyone because it is too long and vague, and will likely be dismissed by employees or customers as it is too difficult to understand. Many mission statements are written for public relations purposes and lack specific, workable guidelines. It is a precise statement of purpose. The mission statement should not be longer than 25 words because if the mission is too long, it will make employees forget easily. Some consultants recommended that the mission statement should be short enough that an employee can easily remember it and readily repeat it.

### **3. 0 Advantages of Having a Good Mission Statement**

If a company do not know where it is going, any road will get it there. This is why every company needs a mission statement. Mission statements are quite popular among the large companies. For instance, Bostonbased consultants Bain & Co. recently surveyed the use of mission statements. More than 9 out of 10 Fortune 500 firms use them. They are more widely used than another management tools. Why is it so? This is because the cost of creating a mission statement is small, and it gives a useful guide to the company in the marketing planning. Company can operating their business well without a high cost in create the mission statement.

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Besides that, with a good mission statement, employees do not have to run to some rulebook every time they make a decision if they live by the guiding principles. They can simply look at the mission statement to remind them what their boss would have them to do. This can prevent a lot of meetings that annoy the employees. This can save the time and reduce stress of the employees caused by meetings. Therefore, employees can perform well in marketing planning without any feel of uncomfortable and work in condition of pressure.

Furthermore, the process of defining a mission statement will help managers of a company to determine whether the scope of their effort is too big and unnecessarily competes with incumbents or is too small and does not capture the real market opportunity. A too big scope of their effort can lead to big and unnecessary expenses. On the other hand, a too small scope of their effort can cause the company become uncompetitive in the market as well. A too big or too small effort will affect the company in its performance.

Another advantage comes from creating the mission statement itself. Unless we are in a business by ourselves, the mission is created usually by gathering people to give opinion about what kind of business to start and what the people want the business to do. The act of creating a mission statement helps people talk about these things exactly, and helps to generate a positive regard for the business the group is about to undertake.

Other than that, mission statements resemble all guide, they characterize where the corporation stands as of now and where it wants to take it in due course, and how it will accomplish the company targets. Therefore, when a

shareholder or a salesperson reads the mission statement, it provides them an impression of the whole corporation in one diminutive paragraph. They will then create a sentiment about the organization, a conviction that they will believe for the remainder of their years.

Assuredly, a simple and strongly worded mission statement helps to excite and hold the letter-perfect ability in the business world. Most definitely, capital is vital, but there are many different types of skilled workers who would like to develop a craft in an improving, niche corporation, and possessing a mission statement can help them to convey that representation. The benefits of having a mission statement are far too vital to be overlooked, and it is so very much suggested that every business be obliged to create a mission statement so that just about one and all, employees, shareholders, vendors, third parties, and so on are informed of its mission.

#### **4.0 Disadvantages of Having a Poor Mission Statement**

It will bring some disadvantage to a company if the company has a poor mission statement. Some mission statements are unrealistic. The mission statements that are unrealistic such as over promise will not give a clear indication of what the business is about. There is also no credibility if the mission statement is not realistic. For instance, in October 2002 Microsoft changed its mission statement from “ To empower people through great software – in any time, any place, and on any device” to “ To enable people and businesses throughout the world to realize their full potential”. Is the new mission statement realistic? Does it give any indication what Microsoft is

about? The answer is no. This can cause the mission statement to be beyond the ability of the company to achieve.

Some mission statements are unclear. A clear mission statement is very important to give others a clear vision about the company. People will understand more about the company and feel confident towards it with a clear mission statement. A clear mission statement provides a means of evaluating and screening the marketing plan. Employees need clear mission statement also to understand what the company want and do well in their job. For instance, General Electric's "Boundaryless ... Speed ...Stretch" or Ball Corp.'s pledge to maintain high levels of social responsibility sound good, but leave the reader asking "What does it means?" This means that the mission statement is unclear. An unclear mission statement will make employees feel confuse about their job and they not sure about what they have to do as an employee. It will also disturb the evaluating and screening of the marketing plan by company to make the marketing decisions consistent with the mission.

Furthermore, a long and complicated mission statement will also bring disadvantage to business. Long and complicated mission statement will make employees hard to remember and understand the meaning of the mission statement. Employees will feel confuse about the mission statement and easily forget it. This can lead to misunderstand the meaning of the mission statement and misleading marketing planning. This is because of mission statement provides an outline of how the marketing plan should seek to fulfil the mission. Therefore, without a short and easily understood mission statement, marketing planning cannot perform well.

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Some mission statements are narrow. A narrow mission statement is not suitable for the business which wishes to expand business to global market. A mission statement should not limit a company's area of service or expertise too narrowly because of the customer needs, and customers can change rapidly especially in the fast-paced world of electronic commerce. A narrowly mission statement cannot match with the changing variable and make the business become not competitive to compete in the global market. So that, a mission statement should be broad enough to allow the company to meet those needs without annual revisions of the statement.

## **5.0 Marketing Planning**

Businesses are operating in an extremely dynamic and competitive environment. The ability of a business to be profitable influenced a lot by the environmental factors which are interconnected. It is understandable to try to bring some order to this complex situation by understanding the commercial environment and bringing some strategic sense to the process of marketing products and services by marketing planning.

Marketing planning is a systematic approach to the development of marketing and the achievement of goals. According to Professor Malcom MacDonald, marketing planning can be defined as the logical sequence and a series of activities leading to the setting of marketing objectives and the formulation of plan to achieve them. (<http://tutor2u.net/business/presentations/marketing/marketingplanning/default.html>).

Marketing planning can also be define as the planning process that yields decisions in how a business unit can best compete in the targeted market to

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serve. (<http://marketing.about.com/od/marketingglossary/g/stratplandef.htm>). In marketing, there are a lot of decisions to be made. For example, the market mix (4Ps) which takes quite a number of factors into consideration. Without a proper planning, the company might take the wrong step in their actions.

The key questions of marketing planning are: Where are we now? Where do we want to go? How are we going to get there? How do we ensure we get there? These are the questions to consider while planning for a market plan. These questions guide the organisation to understand their current situation and plan effectively for the future.

Marketing planning is an essential task that must be done continually. It is important to prerequisite for obtaining funding whether it is a large marketer seeking funding for its department or is a small startup company looking for initial capital. Plan formulation will give a strategy which will help the company to identify the source of fund, the amount of fund they need and where to allocate it.

As mentioned, marketers consider many factors while making a decision. The main factors are those associated with the reaction of customers to an organization changing marketing efforts. However, while facing decisions, marketers not only consider the customers reaction but also other things that are not customers related. For example, marketing decisions affect an organization's financial condition directly. Marketers' efforts generate the funds through sales needed for the company's sustainability, but do so while using company resource which is the expenditure of funds. Controls must be

applied correctly to insure the results of what the organization spends through marketing meet expectations meaning that we have positive return on investment.

Marketing planning also help those who involve in marketing to look internally and externally. By looking internally, marketers can look into the past and see the decision made before and the results from it. This could help marketers to revise a better plan and a better idea to increase their market in the segment they plan to serve. By looking externally, marketers can understand more about the market they serve. If the marketers can understand more about the market they serve, such as the market environment, strength and weakness and also the customers they serve, it can help the marketers to come out with a more effective idea to serve the segment market they had targeted.

#### Graphic 1 Steps in strategic marketing planning

The graphic above shows the steps in strategic marketing planning. In Phase one which is the goal setting, the mission and the corporate objective is set. Situation review is done in phase two. In this phase, we will do the marketing audit, SWOT analysis and assumption. Formulation of marketing objectives and strategies, estimation of expected results, identification of alternative plans and mixes happens in phase three when we formulate strategy. In phase four which is the phase for resource allocation and monitoring, we do the budget and also a first year detailed implementation of programme. After all four phases, marketer will make a measurement and review. If the plan does not go accordingly, we will start all over again from phase two

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starting from the market audit. For every step in the marketing planning, if any problem is found, it will go back to the previous steps.

Starting from phase two, it is actually the beginning of strategic planning. Marketing planning can be divided into two: strategic planning and tactical planning. Strategic planning focuses on doing the right things while tactical planning focuses on doing things right. Strategic plan is a plan for three years and above in a broad focus. It is mainly concern with position in markets, objectives, strategies and resources. The best example is product position. As for tactical marketing planning, it is a one year plan with narrow focus. Tactical plan is concern about detailed scheduling and costing, actions needed for each year of the strategic plan. For example of tactical planning is choice of advertising media.

Marketing planning is important. Marketers should be very careful while doing their marketing planning to ensure that they will gain profit from the effort they made. A successful marketing planning may lead to the success of the company and guiding the company to achieve its mission while vice versa if they take the wrong steps.

## **5. 1 Examples of Mission Statement**

As mentioned, a mission statement is important to guide the marketing planning. Companies try to achieve their mission in every way. Mission statement is a summary statement of a company's or an organization's purpose about what it wants to accomplish in the larger environment. A good mission statement can help the company or an organization to achieve what it wants.

A good mission statement should be visionary, broad, realistic, motivational, short and concise and easily understood. Starbucks Coffee Company's mission statement is "to inspire and nurture the human spirit - one person, one cup and one neighbourhood at a time." Does it meet all the criteria a mission statement should have?

Based on the mission statement, Starbucks Coffee Company is visionary by aspire to inspire and nurture the human spirit with their product. The statement is broad enough. As we all know, Starbucks Coffee Company is famous for its Coffee. However, it also serves other beverage. In the mission statement, Starbucks Coffee Company did not mention the word Coffee. It does not limit itself to only selling Coffee. Instead of using "one person, one cup of coffee and one neighbourhood at a time" in their mission statement, Starbucks Coffee Company uses "one person, one cup and one neighbourhood at a time" which help Starbucks Coffee Company to not limit itself in the products they provide.

The mission statement of Starbucks Coffee Company is realistic. It is achievable by the company. Some company will overpromise in their mission statement. In this case, they will produce an unrealistic mission statement that is impossible to achieve. However, Starbucks Coffee Company did not make the same mistake. It is possible to inspire and nurture the human spirit with their product in one person having a cup of their product in a neighbourhood at a time.

Starbucks Coffee Company's mission statement is motivational. As mentioned just now, the mission statement should not be set too high. It

should also not be too easy to achieve. Some challenge is needed to achieve the mission so that the mission provides motivation to the employees. By stating to have a person having a cup in a neighbourhood at a time, Starbucks Coffee Company sets a challenging but achievable mission. It is not easy to have at least one person to have your product in a neighbourhood at a time because it figuratively means that to have a person to drink a cup of Starbucks Coffee Company's product in every neighbourhood that has a Starbucks Coffee Company outlet at all times. Besides that, it uses its inspirational value to motivate its employee. By stating that they will inspire and nurture the human spirit, it inspires employees' and customers' commitment.

A short and concise mission statement should not more than 25 words. Starbucks Coffee Company's mission statement is short but very clear. In its mission statement, Starbucks Coffee Company shows that it is trying to inspire and nurture the human spirit with their product by a person having a cup of Starbucks Coffee Company product in a neighbourhood at a time. It also clearly shows that its product is beverage as indicated by the word " a cup". The mission statement of Starbucks Coffee Company is easily understood. It uses simple word so that everyone can understand just by looking at it.

Starbucks Coffee Company has design a good mission statement. It clearly shows what the company wants to achieve and what it can provide in a simple and easily understood form. However, some company does not have a good mission statement.

Bayer is a global enterprise with core competencies in the fields of health care, nutrition and high-tech materials. (<http://www.bayer.com/en/Profile-and-Organization.aspx>). Its mission statement is “ Bayer: Science For A Better Life”. In terms of visionary, Bayer shows that it wanted to create a better life for humankind through science. The mission statement is realistic. It is possible to create a better life through science especially when Bayer focuses on health care, nutrition and other high-tech material which can help to make life easier.

It is motivational as it expresses the company value and philosophy which could engage the employees and customers to the company. By stating that to create a better life out of science, Bayer tells the company employees that they are actually doing something that could make an impact to the humankind. Employee will be motivated as they can see themselves engaging in a company which they could contribute something to the society.

Bayer’s mission statement seems to have no problem. However, in terms of short and concise, Bayer did not achieve it. The mission is short but it is not concise enough. The mission statement is telling us that Bayer is serving some science related product. We do not know that what kind of product they actually serve. Will it be healthcare? Will it be a environmental-related product or is it a lab to produce new innovative products? The mission statement is too broad that we do not understand the actual product Bayer is producing. Besides that, it does not show how the company could make a better life out of science. The mission statement is very unclear.

The mission statement is easily understood literally. The problem is the mission statement is not clear in the sense of it is too simple. It does not clarify on the product it produces and how does it make the world a better place. It only gives the idea of producing or using science to make a world a better place without further explain on what type of better place Bayer can provide.

In conclusion, a mission statement should be able to bring out the message of what the company wants to achieve, brings motivation and can be understand easily by others. A mission statement can help the company to act as a guideline. That is why a mission statement should be clear and precise.

## **6. 0 How the Mission Statement Guide the Marketing Planning**

It is vital that a marketing plan has a mission statement that states the purpose of the marketing plan, and explaining why a person is in a business. Both personal and business goals should be included in the mission statement. Although the mission statement is usually a short paragraph, of one to three sentences long, but it is important because it focuses a company's attention on the company's most important goal.

The marketing plan's mission statement will review company's business goals and objectives and identify marketing strategies that will achieve them. The managers and employees who do not understand their organizations goals and objectives will face a significant challenge and have a higher likelihood will not achieve it. Without a clear understanding,



managers and employees might be making a decisions without the benefit of the guidance that provided by the organizations goals and objectives. Many of them will get lost along the journey and most likely will become side tracked because having no road signs to directing them down the right road. This is not their fault, they probably will not recognize the importance of their activities play in achieving the goals and objectives. When managers and employees clearly understand and agree with the organizations goals and objectives, everyone has a much higher degree of probability of achieving the results that the organizations desired. The goals and objective must be realistic, measurable, quantifiable, and attainable.

Besides that, the role of mission statement play in marketing planning is it provides an outline of how the marketing plan should look for to fulfil the mission. The outline is like a map showing the best way to the organization to carry out the marketing activities. An outline provides focus and integrated in the organization goal to ensure the marketing activity. It enables everyone in the organization to know exactly what will happen and when it happens. It will also help the business to take benefits of market opportunities to ensure the business remain good in reputation by preparing for possible problem. It helps to positioning the business in a better place to react to unexpected events and identify the right marketing mix. When a business does have an outline of the marketing plan, the business will know what are the specific thing it need to do and focus on things that important in running the business. Normally, every plan's laid out has a specific target so that progress can be monitored well. A marketing plan usually covers the transactions for years and most likely the company still have a standing

business in the years to come. It might seem like a large undertaking just to complete a full marketing plan. Nevertheless, the success of a business is depends greatly on the quality and feature of this plan. The research conducted enables company to restrict its target markets, and enables the company to set a price point for its product that will be acceptable to its market. Starting or running a business without according a good detailed and well researched marketing plan is a sure way to waste money on advertising. Lastly, a marketing plan should be followed and updated regularly. If a company understand its customers better, the company will be better suited to make decisions on how better to approach them in order to increase sales.

Besides that, the mission statement provides a mean of evaluating and screening the marketing plan and evaluates that whether marketing decisions are consistent with the mission. There are four roles in the process of evaluating the marketing planning. First is the investment justification which shows the return on investment for a program. Some marketing programs are designed to raise awareness or advance brand equity rather than directly impact sales. In these cases, it is significant to try to describe key performance indicators, or results that lead to sales, and put a value to them prior to actually performing the evaluation. If a company can objectively do this, then it can always calculate a cost versus a benefit correctly. Second, improve efficiency of program that intended on repeating. If the program of a company did not show the positive return on investment, then an adjustment is needed rather than thrown away. Third, prioritize program means select the program that are has better driving result. If all program resulting in positive return, a formula will be use to select the best

result in returning. Most businesses have limited resources when it comes to marketing dollars, so this becomes even more important to pledge the best overall marketing plan is in place. Finally is public relation. If a business growth message is vital to convey to its customers or investors, nothing is more convincing than cold hard facts. Evaluation makes the company's financial to become specific. In today's business environment, everyone wants to see the financial results.

In addition, mission statements provide an incentive to implement the marketing planning. To carry out the marketing plan, the action plan distributes the required finances and skilled manpower to make it happen. The first resource to distribute it is the employees that will handle each activity and their responsibility in each task. A company has to make sure that they have both enough people to complete the task and the right person for the job. For instance, a company may find it best to use sales personnel for meeting a sales-based objective. Company should budget not only its time, but also its management's time and the time for each person on the activity. Financial budgeting will make sure that the plan stays within the expenses the business can afford. For small enterprises that often employ family members, it is important to account and budget relatives' time too. As the manager or an owner of the business, it is important to keep monitor over the marketing plan. A company should distribute a person to be responsible for the entire marketing plan if it is possible. Tasks should be controlled to ensure that they meet the schedule and budget. When actual implementation does not match the original plan, changes should be monitored and the plan should be revised to match those changes. If a plan

falls behind, activities should be rearranged and budget should be reallocated to keep the plan moving forward successfully. A proper implementation will give a company an edge that its competition will find it hard to match. Besides that, a continuous successful implementation of the marketing plan will give company a sustainable competitive advantage that cannot be exceeded, not until the company falters.

To avoid business mission statements from falling into marketing myopia, it is quite important to focus on prevalent and impending market conditions, as well as evaluating the benefits and value the business will bring to both, current and potential clientele. Company should always think about long-term when composing its business mission statement. Thinking long term automatically will widen its perspective and increase business's chances of survival. Marketing myopia meaning the mission statement fails to address the advantages and value that the business provides to its customers and instead defines the business in the terms of goods and services. Therefore, in the marketing planning, the mission statement is important to make sure that it focuses on current market conditions to guide the marketing planning. A market-oriented business understands the cost and revenue dynamics not only of its immediate target customers but also of all markets beyond, for demand in the immediate and "upstream" markets is derived from the demand in the original "downstream" markets. Hence, a market-driven business develops a comprehensive understanding of its customers's business and how customers in the immediate and "downstream" markets perceive value. Employ