It is more important to do what is strategically right than what is immediately profitable.
Organizational Level

- Corporate Level ⇒ Corporate Strategic Plan
- Division Level ⇒ Fund Allocation Plan
- Business Unit Level ⇒ Profit Oriented Plan
- Product Level ⇒ Marketing Plan
Strategic Planning

- Strategic marketing plan
- Tactical marketing plan
- Marketing plan
All corporate headquarters undertake four planning activities

- Defining the Corporate Mission
- Establishing Strategic Business Units (SBUs)
- Assigning resources to each SBU
- Assessing growth opportunities
Defining the Corporate Mission

- Characteristics of Good Mission:
  - Focus in limited number of goals
  - Stress on the company’s major policies & values
  - Define the major competitive sphere
  - Have a long-term view
Defining the Corporate Mission

- Mission statements define which competitive scopes the company will operate in
  - Industry scope
  - Products and applications scope
  - Competence scope
  - Market-segment scope
  - Vertical scope
  - Geographical scope
Establishing Strategic Business Units (SBUs)

Business:

- Superior to product definition
- Customer-satisfying process, not a goods-producing process
- Products are transient; basic needs and customer groups endure forever
- Example: transportation is a need; the horse and carriage, the automobile, the railroad, the airline, and the truck are products that meet that need
### Product-Oriented versus Market-Oriented: Definitions of a Business

<table>
<thead>
<tr>
<th>Company</th>
<th>Product Definition</th>
<th>Market Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Missouri-Pacific Railroad</td>
<td>We run a railroad</td>
<td>We are a people-and-goods mover</td>
</tr>
<tr>
<td>Xerox</td>
<td>We make copying equipment</td>
<td>We help improve office productivity</td>
</tr>
<tr>
<td>Standard Oil</td>
<td>We sell gasoline</td>
<td>We supply energy</td>
</tr>
<tr>
<td>Columbia Pictures</td>
<td>We make movies</td>
<td>We market entertainment</td>
</tr>
<tr>
<td>Encyclopaedia</td>
<td>We sell encyclopedias</td>
<td>We distribute Information</td>
</tr>
<tr>
<td>Carrier</td>
<td>We make air conditioners and furnaces</td>
<td>We provide climate control in the home</td>
</tr>
</tbody>
</table>
Three Characteristics of SBUs

- Single business or collection of related businesses that can be planned for separately
- Has its own set of competitors
- Has a manager who is responsible for strategic planning and profit

SBU Strategies

SBU Lifecycle
Assessing growth opportunities:

- Planning new businesses
  - Intensive Growth, achieve further growth within current businesses
  - Integrative Growth, build or acquire businesses that are related to current businesses
  - Diversification Growth, add attractive businesses unrelated to current businesses

- Downsizing and Terminate Older Businesses
Market-penetration Strategy

Product-development Strategy

Market-development Strategy

(Diversification Strategy)
Business Unit Strategic Planning

❖ Business Mission

❖ SWOT Analysis
  ▪ External Environment Analysis (Opportunity and Threat Analysis)
    • Marketing Opportunity
      - Buying opportunity more convenient or efficient
      - Meet the need for more information and advice
      - Customize an offering that was previously only available in standard form
Marketing Opportunity Analysis (MOA)

- Can the benefits be articulated to a target market?
- Can the target market be reached with cost-effective media and trade channels?
- Does the company have the critical capabilities to deliver the customer benefits?
- Can the company deliver these benefits better than any actual or potential competitors?
- Will the rate of return meet the required threshold of investment?
Opportunity and Threat Matrices

(a) Opportunity matrix

<table>
<thead>
<tr>
<th>Attractiveness</th>
<th>Success Probability</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Low</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>4</td>
</tr>
</tbody>
</table>

Opportunities:
1. Company develops a more powerful lighting system
2. Company develops a device for measuring the energy efficiency of any lighting system
3. Company develops a device for measuring illumination level
4. Company develops a software program to teach lighting fundamentals to TV studio personnel

(b) Threat matrix

<table>
<thead>
<tr>
<th>Seriousness</th>
<th>Probability of Occurrence</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Low</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>4</td>
</tr>
</tbody>
</table>

Threats:
1. Competitor develops a superior lighting system
2. Major prolonged economic depression
3. Higher costs
4. Legislation to reduce number of TV studio licenses
Business Unit Strategic Planning

- Internal Environmental Analysis (Strength/Weakness Analysis)
- Goal Formation
- Strategic Formulation
  - Strategy
- Porter’s Generic Strategies
  - Overall cost leadership
  - Differentiation
  - Focus
Business Unit Strategic Planning

- Operational Effectiveness and Strategy
  - Strategic group
  - Strategic alliances

- Marketing Alliances
  - Product or service alliances
  - Promotional alliances
  - Logistical alliances
  - Pricing collaborations

- Partner Relationship Management, PRM

- Program Formulation and Implementation

- Feedback and Control
The Marketing Process

- Steps in the Planning Process
  - The marketing process
- Analyzing Market Opportunities
- Developing Marketing Strategies
- Planning Marketing Programs
- Managing the Marketing Effort
  - Annual-plan control
  - Profitability control
  - Strategic control
Factors Influencing Company Marketing Strategy

Demographic/economic environment

Technological/physical environment

Suppliers

Target customers

Marketing intermediaries

Marketing information system

Marketing planning system

Marketing organization and implementation system

Marketing control system

Place

Price

Promotion

Product

Competitors

Social/cultural environment

Political/legal environment
Product Planning: The Nature and Contents of a Marketing Plan

Contents of the Marketing Plan

- Executive Summary
- Current Marketing Situation
- Opportunity and issue analysis
- Objectives
- Marketing strategy
- Action programs
- Financial projections
- Implementation controls
Thank You!

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Mata Kuliah: Pemasaran (TKI 4212)