

Key Issues

marketing planning process • marketing audit • SWOT analysis • strategic management • strategic planning • business objectives • Ashridge mission model • Ansoff matrix • BCG matrix • strategic thrust • strategic options • core strategy • Porter's competitive forces

Planning or Strategy?

Before we turn to look at marketing planning issues in detail it is important to recognise and discriminate between some key terms we use in our discussion of strategy and planning. You may be already familiar with some of the following ideas, others may be new, however, make sure that you can distinguish between the following terms:

- business mission
- business objectives
- organisational objectives
- strategic objectives
- strategic thrust
- core strategy.

They are interdependent ideas but differ in the role they play in the organisation and what they do to help the organisation meet the business goals. You can think of these ideas in linear terms (Figure 1).



Figure 1: The objectives tree

Compare Figure 1 with Figure 2.1, page 31, the marketing planning process, to see how the marketing planning process fits into broader organisational strategy. We discuss the marketing planning process model in more detail later.

Marketing planning serves the objectives of the **marketing strategy** which in turn serves the objectives of the **strategic plan**, while **strategic management** is concerned with ensuring that all parts of the business, including marketing, deliver **business objectives** in line with the stated **mission**.

The aim is that organisations have correlating **business and organisational objectives** that are mutually supportive. For example, Company X may have the **business objective** of growing by 20% this year and an **organisational objective** which supports that, for example, to cascade a cultural climate through the organisation, which will empower staff and help support the business objectives.

When we distinguish between **marketing planning** and **strategic planning**, the important factor to recognise is that **marketing planning** is part of broader **strategic planning**. The role of strategic planning is to ensure that a plan is designed which will enable the organisation to meet **business and organisational objectives**. The role of **strategic management** is to manage this process by setting management tasks and goals for departments and evaluating success in achieving those goals in line with the strategic plan which in turn is based on stated organisational or business objectives.

Q ACTIVITY 1: QUESTION

Consider your own organisation or one that you are familiar with. What are your organisation's business objectives? Does it have a stated mission? If it does, try and compare this with its business objectives. What are your organisation's organisational objectives? Its marketing objectives? What is the level of inter-relatedness of these three top level objectives?

A ACTIVITY 1: ANSWER

Marketing **management** is crucial to strategy because it is marketing which moderates and manages the interface between the company and its environment. Marketing **planning** is important to ensure that the marketing mix for the product or service matches customer need as well as looking for opportunities to market other products to new markets. There are inevitably some marketing management decisions to be made to decide the direction and scope of the marketing plan and to keep it on target and a **marketing strategy** is often devised to include **marketing planning** ideas, **marketing management** activities and the wider organisational **strategic plan**.

It is also the role of marketing to inform the wider **strategic plan** of any need to change focus, based on what marketing research finds about changes in the wider environment. This is an example of how marketing must market itself internally within the organisation to ensure that its messages are understood and hopefully acted upon. It can be a source of conflict in organisations, which have a strong marketing team, but where the strategic focus is drawn from another department, often finance, for example.

This is typical of many UK Local Authorities, which for socio-legal reasons, for example, enforced competitive tendering on the one hand and Customer Charter initiatives on the other, are becoming customer driven but find it hard to shake off the traditional notion that the organisation's strategic goals are set and monitored by the Treasurer's Department.

Conflict is also potentially present between marketing and sales departments who may share the same objectives but can interpret the path to those objectives quite differently. We look at this in more detail when we investigate marketing implementation and application in Chapter 18.

In their internal structure, many organisations exhibit elements of both typologies – it is rare to find an organisation in which all departments conform to one form of orientation.

In a marketing manager's ideal world, companies would be easy places to run. They would market one product only, have a forward-thinking marketing team who would devise a successful marketing strategy which would translate directly into a workable and achievable marketing plan. Marketing would be responsible for setting, implementing and controlling the mission statement, business objectives, organisational objectives and overall strategy. The organisation naturally would be run along lines of a successful marketing-orientated business; every department would recognise, own and support the objectives set for them by the marketing-led Board of Directors, Senior Management team, Chief Executive Officer or Management Committee (depending on the form of constitution taken by the organisation).

In real life, however things are seldom so simple; even in organisations which overtly declare themselves to be customer driven, there can be disagreements or gaps between various levels of the strategic and operational planning process and this may affect the success of the marketing plan.

Note Figure 2.2, page 34, the Ashridge Mission Model that shows the dialectic between mission, strategy and culture.

Development of Marketing Communications

The Marketing Planning process is predicated on some key planning questions:

- Where are we now?
- How did we get there?
- Where are we heading?
- Where would we like to be?
- How do we get there?
- Are we on course?

The first three questions form the backbone of the **marketing audit**. Before we can decide where we would like to be, we need to know where we already are. In itself the audit is only of benefit if we use the information to make informed choices about our next move. The need for accurate and complete, up-to-date information is critical to the relevance and usefulness of the finished audit.

Jobber defines a marketing audit as: ‘A systematic examination of a business’s marketing environment, objectives, strategies and activities with a view to identifying key strategic issues, problem areas and opportunities’.

Read Jobber, pages 35-38 on marketing audits and SWOT analysis. Stop reading when you reach the heading Marketing objectives.

A SWOT is essentially a one-page summary of ‘Where are we now?’. We can apply **SW** analysis to the micro-environment and **OT** to the macro-environment. It can be a useful device to visualise the issues that the business faces and the driving forces for change. It can also prompt ideas for ways forward by building on the strengths and addressing the weaknesses in order to take advantage of the external opportunities whilst avoiding the threats.

Marketing Objectives

Before we focus on the two areas of objective setting for marketing, let us see how they fit into the wider marketing planning process. Note Figure 2.1, page 31, The marketing planning process. As you can see from this diagram, it is the **objectives** which inform **core strategy**. Competitive advantage cannot be won without clear objectives or strategic thrust.

Marketing planning at the business level ends with marketing objectives – after that, planning issues centre around marketing management areas of mix decisions, implementation and methods of control. It is clear that marketing teams need strategic thinkers to come up with the core strategy and organisers to process and deliver that strategy.

Read from the heading Marketing objectives in Jobber, page 38 to page 43, The rewards of marketing planning.

In your reading, you need to be able to identify and differentiate between the following concepts:

- strategic thrust
- strategic objectives
- target markets
- competitor targets

Also make sure that you can discriminate between the features of the strategies of:

- build
- hold
- harvest
- divest.

Q ACTIVITY 2: QUESTION

Look at Figure 2.4 on page 39, which gives four strategic thrust options.

This is the Ansoff matrix. Identify companies that have pursued one of the given options. You will need to identify four companies for each quartile of the matrix. In which quartile does brand extension fit? Are you aware of any companies that have developed a strategic thrust in more than one quartile?

A ACTIVITY 2: ANSWER

You will notice that under the sub-heading, Strategic objectives on page 39, reference is made to product portfolios and the Boston Consulting Group Growth-Share Matrix. Look at the matrix. This is sometimes called the BCG Matrix or the Boston Box (Figure 8.8, page 231).

You will see that Figure 8.8 uses the nomenclature we have just encountered in terms of strategic options – build, hold, harvest, divest.