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E-Content BBA402- Marketing Management

Lecture 5- Marketing Strategy, Mission, Marketing Planning
Process, Implementation and Budget, SWOT, BCG.

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Why is a Market Strategy Important?

TOP 20 REASONS STARTUPS FAIL^[1]

Note: You may notice that the percentages in this equal far greater than 100%. This is because there are often multiple reasons a startup failed.

1. No Market Need (42%)
2. Ran Out of Cash (29%)
3. Not the Right Team (23%)
4. Get Outcompeted (19%)
5. Pricing/Cost Issues (18%)
6. Poor Product (17%)
7. Need/Lack Business Model (17%)
8. Poor Marketing (14%)
9. Ignore Customers (14%)
10. Product Mis-Timed (13%)
11. Lose Focus (13%)
12. Disharmony on Team/Investors (13%)
13. Pivot gone bad (10%)
14. Lack Passion (9%)
15. Bad Location (9%)
16. No Financing/Investor Interest (8%)
17. Legal Challenges (8%)
18. Don't Use Network/Advisors (8%)
19. Burn Out (8%)
20. Failure to Pivot (7%)

What is Strategy?



Strategy Identifies Where We Will Compete

- The strategy determines which markets we will pursue, where we will sell our goods and services
- Focuses efforts on a specific target market
- Tactics indicate specific actions that we will take in those markets.



Strategy Describes the Unique Value for Customers

- When developing a strategy, the aim is to identify unique benefits in the products or services that customers value and that differ from what competitors offer
- A strategy should define and clarify the unique value.
- Tactics include the tasks of creating, delivering, and expanding the value



Strategy Explains How the Company's Assets Will Create Unique Value

- How do the company's activities interact and reinforce one another?
- For an organization to define a strategy that creates a unique and valuable position, it must bring together and align the various capabilities and resources of the business
- Tactics are planned to reinforce this unique value
- Effective tactics, or specific actions, must support the strategy in order for the customer to have a consistent experience with the product or service that aligns with the unique value that the company is seeking to deliver

Strategy Determines How the Company Will Sustain Unique Value

- Over time, competitors will try to eliminate the company's advantage or copy the areas where it is successful
- How will the company continue to provide unique value and protect or expand the areas in which it has an advantage?
- As the company refines its strategy retain or expand its advantage, the tactics must also be adjusted to execute the strategy effectively

Mission Statement

The mission statement explains why an organization exists

THE MARKETING PLANNING PROCESS



Effective Objectives are:

- Specific
- Measurable
- Have a time frame



Aligning Annual Company and Marketing Objectives: Example 1

- Company Objective: Increase profitability by 6% over prior year
- 1. **Marketing Objective:** Increase the average selling price of the product from \$186 to \$198
- 2. **Marketing Objective:** Complete end-of-life process for three products with profit margins below 3%
- 3. **Marketing Objective:** Increase sales of star product 30% over prior year

Aligning Annual Company and Marketing Objectives: Example 2

- Company Objective: Increase market share in one key market by 4%
- 1. **Marketing Objective:** Implement a competitive-positioning campaign relative to a key competitor
- 2. **Marketing Objective:** Introduce two new products to market
- 3. **Marketing Objective:** Introduce major enhancements in two product lines
- 4. **Marketing Objective:** Bring two new distribution partners on board to expand coverage to new major markets