

Principles of Marketing

DBB 1313

**DIPLOMA PENGURUSAN HAJI & UMRAH
DSK SCHOOL OF MANAGEMENT IIC**

CHAPTER 2

“ANALYZING MARKET OPPORTUNITIES”

Learning Outcomes

LO¹

Understand the importance of strategic marketing and know a basic outline for a marketing plan

LO²

Develop an appropriate business mission statement

LO³

Explain the components of a situation analysis

Learning Outcomes

LO⁴

Explain the criteria for stating good marketing objectives

LO⁵

Identify sources of competitive advantage

LO⁶

Identify strategic alternatives

LO⁷

Explain why implementation, evaluation, and control of the marketing plan are necessary

The Nature of Strategic Planning

LO¹

**Understand the importance
of strategic marketing
and know a basic outline
for a marketing plan.**

Strategic Planning

The managerial process of creating and maintaining a fit between the organization's objectives and resources and evolving market opportunities.

The goal is long-term profitability and growth.

Strategic Marketing Management

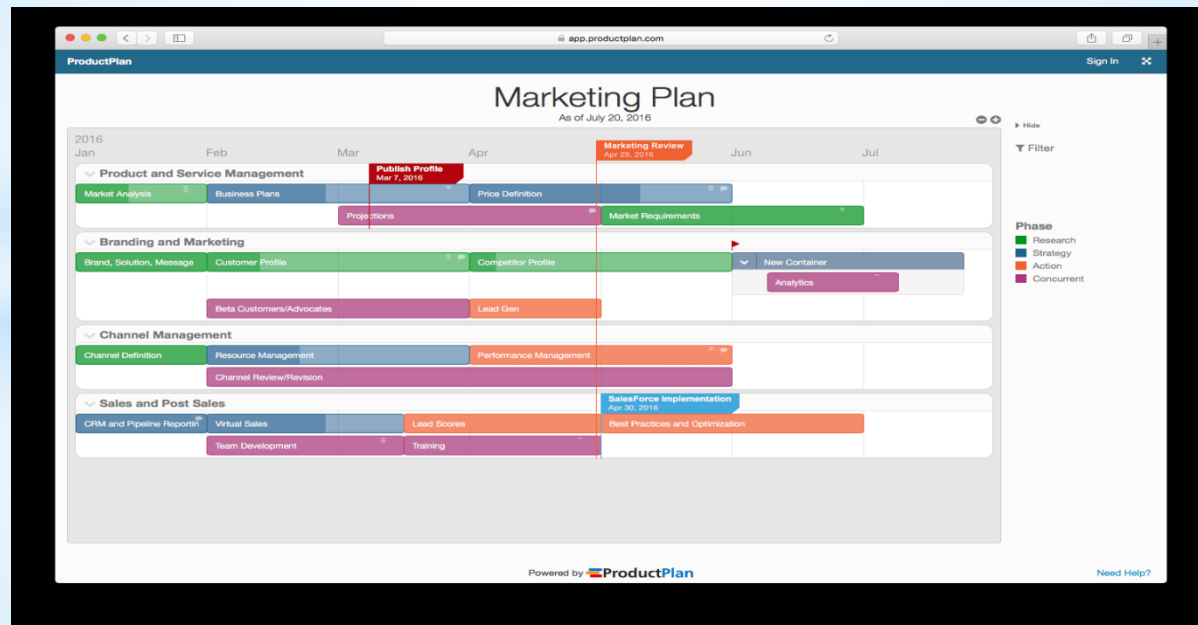
What is the organization's main activity?

How will it reach its goals?

THE ANSWER IS A MARKETING PLAN.

Marketing Planning

Marketing Plan- A written document that acts as a guidebook for the marketing manager.



Why Write a Marketing Plan?

- **Provides a basis for comparison of actual and expected performance**
- **Provides clearly stated activities to work toward common goals**
- **Serves as a reference for the success of future activities**
- **Provides an examination of the marketing environment**
- **Allows entry into the marketplace with awareness**

Marketing Plan Elements

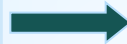


LO¹

Review Learning Outcome

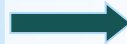
The Importance of Strategic Marketing

What



Strategic Planning

Why



**Long-term profitability
and growth**

How



Write a marketing plan

Defining the Business Mission

LO² Develop an appropriate business mission statement.

We aim to provide
our customers with
the best cough drops
available on the
market

wikiHow

Business Mission

KFC - To maximize profitability, improve shareholder value and deliver sustainable growth year after year.



Samsung - To devote our talent and technology to create superior products and services that contribute to a better global society



IKEA - To offer a wide range of home furnishing items of good design and function, excellent quality and durability at prices so low that the majority of people can afford to buy them.



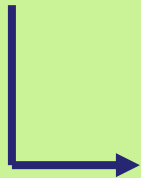
LO²

Review Learning Outcome

Business Mission Statement

Q: What business are we in?

A: Business mission statement



**focus on markets
served and benefits
customers seek**

OUR MISSION

The mission of The Walt Disney Company is to be one of the world's leading producers and providers of entertainment and information. Using our portfolio of brands to differentiate our content, services and consumer products, we seek to develop the most creative, innovative and profitable entertainment experiences and related products in the world.

Conducting a Situation Analysis

LO³

**Explain the components
of a situation analysis.**

Conducting a Situation Analysis

SWOT Analysis- Identifying internal strengths and weaknesses and also examining external opportunities and threats.

SWOT Analysis

Internal	S	Things the company does well.
	W	Things the company does not do well.
External	O	Conditions in the external environment that favor strengths.
	T	Conditions in the external environment that do not relate to existing strengths or favor areas of current weakness.

SWOT Analysis on Apple



Strength

- Customer loyalty
- Leading innovator in mobile device technology
- Brand reputation

Weaknesses

- High price
- Incompatibility with different OS
- Defect in new products

Opportunities

- High demand of iPhone
- International growth
- Increasing demand for cloud based services

Threats

- Android OS growth
- Competition from Samsung Galaxy Phone

SAMSUNG



iPhone



LO³

Review Learning Outcome Components of a Situation Analysis

INTERNAL

Strengths

- production costs
- marketing skills
- financial resources
- image
- technology

Weaknesses

ENVIRONMENT

Setting Marketing Plan Objectives

LO⁴

Explain the criteria for stating good marketing objectives.

Marketing Objective

**A statement of what is
to be accomplished
through marketing activities.**

Marketing Objectives

- **Realistic**
- **Measurable**
- **Time specific**

“Our objective is to increase sales of Purina brand cat food by 15 percent over 2020 sales of \$300 million.”



Your Pet, Our Passion.®

Review Learning Outcome Criteria for Good Marketing Objectives

**Realistic, measurable, and time-specific objectives
consistent with the firm's objectives:**

- 1. Communicate marketing management philosophy**
- 2. Provide management direction**
- 3. Motivate employees**
- 4. Force executives to think clearly**
- 5. Allow for better evaluation of results**

Competitive Advantage

LO⁵

Identify sources of competitive advantage.

Competitive Advantage

Competitive Advantage - The set of unique features of a company and its products that are perceived by the target market as significant and superior to the competition.

Competitive Advantage

Types of Competitive Advantage

Cost Leadership

Product/Service Differentiation



Cost Leadership

**Being the low-cost competitor
in an industry
while maintaining satisfactory
profit margins.**

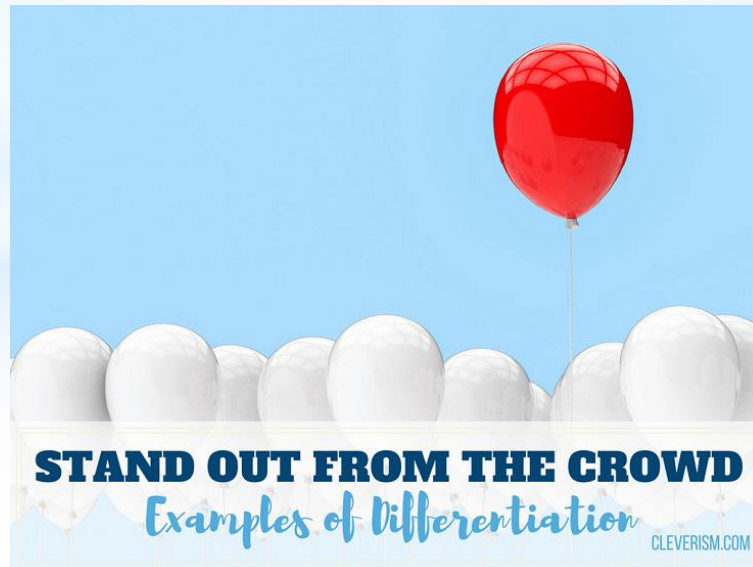


To make a successful Cost Leadership strategy, organizations need to:

- **Obtain inexpensive raw materials**
- **Create efficient plant operations**
- **Design products for ease of manufacture**
- **Control overhead costs**

Product/Service Differentiation

Differentiation involves making your products or services different , unique and more attractive than your competitors



STAND OUT FROM THE CROWD

Examples of Differentiation

CLEVERISM.COM

Examples of Product/Service Differentiation

- **Brand names**
- **High quality**
- **Product reliability**
- **Good image and services**

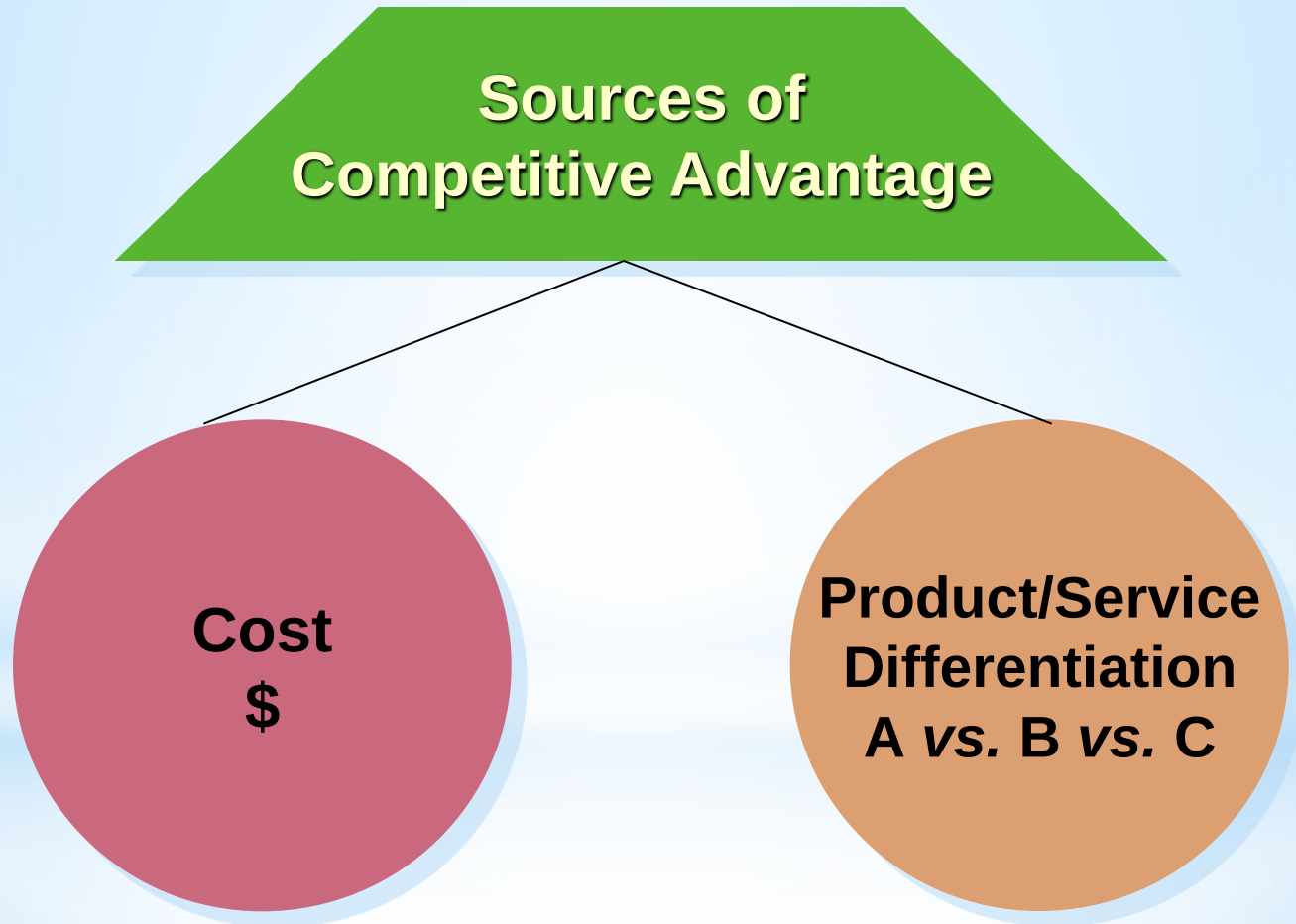


To make a successful Differentiation strategy, organizations need to:

- **Have a good research, development and innovation.**
- **Deliver high-quality products or services.**
- **Have an effective sales and marketing, so that the market understands the benefits offered by the differentiated offerings**

Review Learning Outcome

Sources of Competitive Advantage



Strategic Alternatives

LO⁶

Identify strategic alternatives.

Strategic Alternatives

Market Penetration	Increase market share among existing customers
Market Development	Attract new customers to existing products
Product Development	Create new products for present markets
Diversification	Introduce new products into new markets

Strategic Alternatives Matrix

	<i>Present Product</i>	<i>New Product</i>
<i>Present Market</i>	Market Penetration	Product Development
<i>New Market</i>	Market Development	Diversification

LO⁶

Review Learning Outcome

Strategic Alternatives

Identify strategic alternatives

Market development = ↑ customers

Market penetration = ↑ share

Product development = ↑ products

Diversification = ↑ new products +
new markets

Following Up on the Marketing Plan

LO⁷

Explain why implementation, evaluation, and control of the marketing plan are necessary.

Following Up the Marketing Plan

- * Measure the outcomes of the marketing activities against the original objectives and targets**
- * Continuous evaluation helps the marketing team to focus on modifying or introducing new goals to better achieve objectives**



Review Learning Outcome

Implementation, Evaluation, and Control

Implementation

Product
Place
Promotion
Price

Evaluation

Met
objectives?

Audits

- comprehensive
- systematic
- independent
- periodic