



STRATEGIC ANALYSIS FOR MARKETING

Strategic analysis for ...

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MARKETING MANAGEMENT TASK

STRATEGIC MARKETING ANALYSES OPERATIONAL MARKETING MANAGEMENT MARKETING CONTROLLING

>Do ???

MARKETING MANAGEMENT TASK

STRATEGIC MARKETING ANALYSES OPERATIONAL MARKETING MANAGEMENT MARKETING CONTROLLING

>Do ???

Strategic analysis for .

- Full warehouse management including cooperation with remote warehouses.
- > Supports all financial and cash flow documents
- Integration of documents from the offer through orders to invoices and warehouse.
- Full integration in the system of financial and accounting functions along with labour costs
- Record
- > Economic

CRM.VISION

- Full customer description
- > Register all contacts with customers
- > Extensive system of task-design.
- Possible extensive analyses on projects and tasks employees
- Integration of projects and tasks with the production or sale
- Cooperation with mobile devices

MRP.VISION

- Extensive defining and description of the technological processes
- > Accounting for production costs budgeting and planning
- Supporting the creation of orders to suppliers by specific algorithms
- > Extensive reporting and analysis
- Support system of results oriented compensation system
- Manufacturing relations



SRM.VISION

S - Suplier



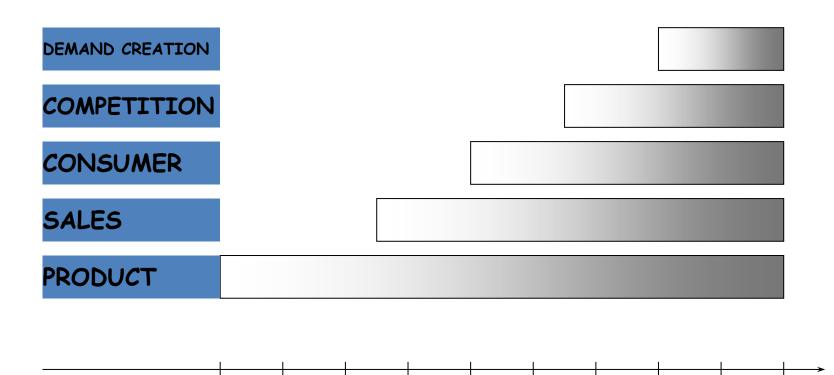
PRM.VISION

▶P - Partner

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EVOLUTION OF MARKETING MANAGEMENT Sources of competitive advantage



1930

1900

1950

1970

1990

Boston Consulting Group BCG PORTFOLIO CONCEPT

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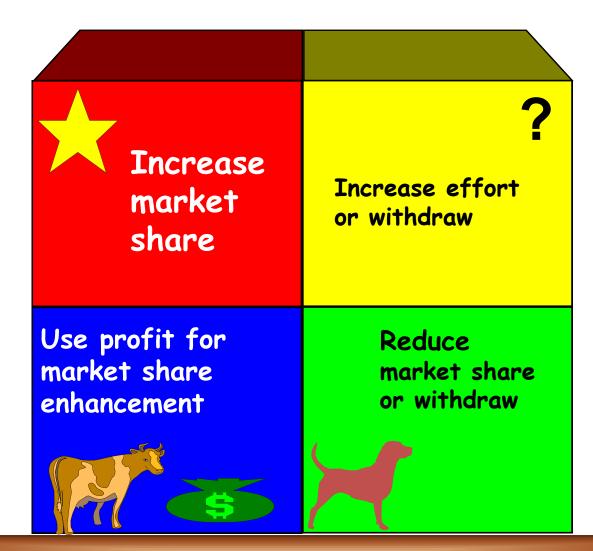
MARKET SHARE

High Low

Market High growth rate

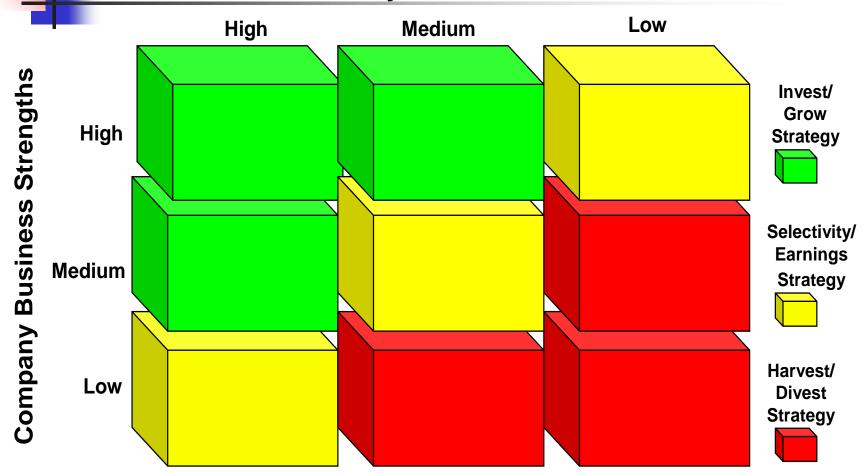
Low

Boston Consulting Group BCG PORTFOLIO CONCEPT



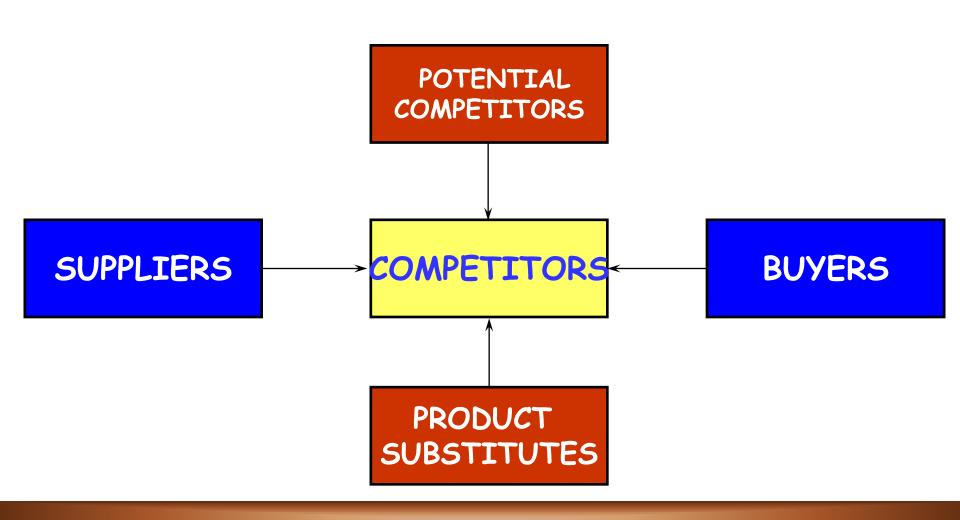
General Electric Business Screen

Industry Attractiveness

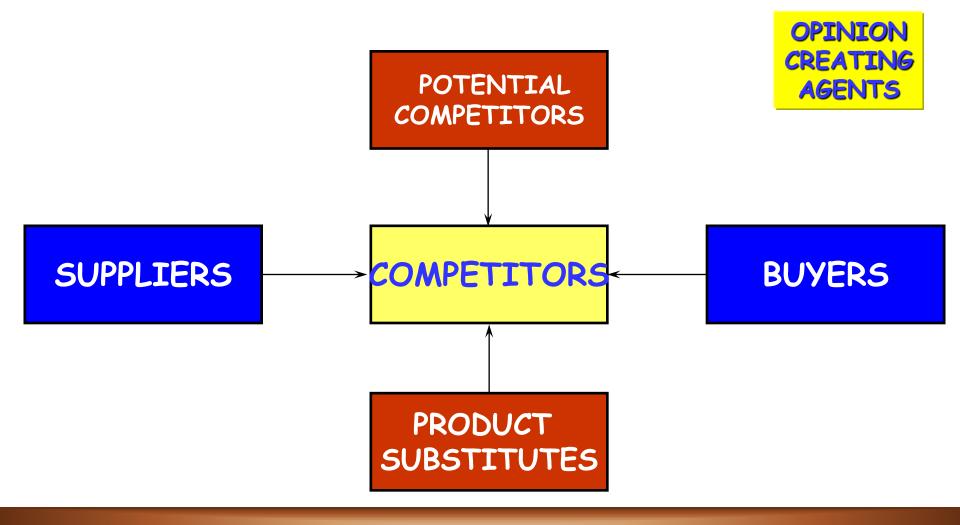


5 Forces Model (Porter)

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5 Forces Model (Porter)



Strategic Model (Porter)

Sources of competitive advantage

Competition type Diversification Cost Diversification Cost leader Broad strategy Strategy Strategy Concentrated concentrated concentrated on on cost diversification

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Finance

Personnel

Production

Markeins

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Finance

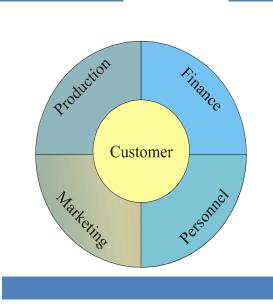
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Production

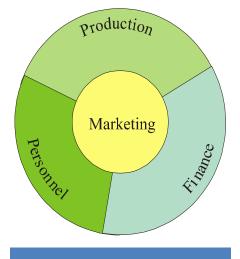
Personnel

ALTERNATIVE MARKETING ROLE

Kotler P: Marketing Mangement, Englewood Cliffs: Prentice-Hall 1988, p. 25.







MARKET TYPES

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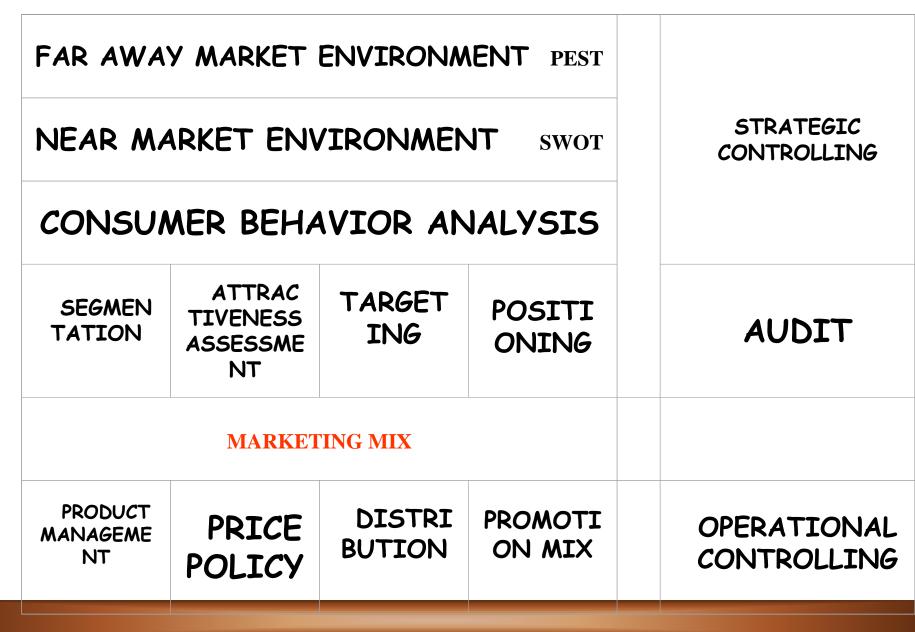
CONSUMPTION >INDUSTRIAL SERVICE *INTERNATIONAL* >NON PROFIT **DISTRIBUTORS GOVERNMENTAL**

MARKETING AREAS

Strategic analysis for ..

I	MARKETING NSTRUMENTS		SERVICE	NON-PROFI
MARKET RESEARCH				
	CONSUMER BEHAVIOR			
M A R	PRODUCT			
K E T	PRICE			
I N G	PLACE			
- M I X	PROMOTION	1 and		
СО	NTROLLING			

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strategic analysis to

FAR AWA	Y MARKET	Political Economic Social		
NEAR MA	ARKET ENV	CONTROLLING		
CONSU	NER BEHA			
SEGMEN TATION	ATTRAC TIVENESS ASSESSME NT	TARGET ING	POSITI ONING	AUDIT
	MARKET			
PRODUCT MANAGEME NT	PRICE POLICY	DISTRI BUTION	PROMOTI ON MIX	OPERATIONAL CONTROLLING

strategic analysis to

FAR AWAY MARKET ENVIRONMENT STEP					Social Technologic Economic Political	
NEAR MARKET ENVIRONMENT SWOT					CONTROLLING	
CONSU	NER BEHA	IALYSIS				
SEGMEN TATION	ATTRAC TIVENESS ASSESSME NT	TARGET ING	POSITI ONING		AUDIT	
	MARKET					
PRODUCT MANAGEME NT	PRICE POLICY	DISTRI BUTION	PROMOTI ON MIX		OPERATIONAL CONTROLLING	

STRATEGIC ANALYSES

FAR AWAY MARKET ENVIRONMENT GLOBAL CONTINENTAL >EU *REST* COUNTRYWIDE REGIONAL > VARIANTS PEST **STEP**

STRATEGIC ANALYSES

ELEMENTS POLITICAL AND LEGAL ECONOMIC AND DEMOGRAPHIC SOCIAL AND CULTURAL TECHNOLOGIC AND ECOLOGIC

>PEST versus STEP

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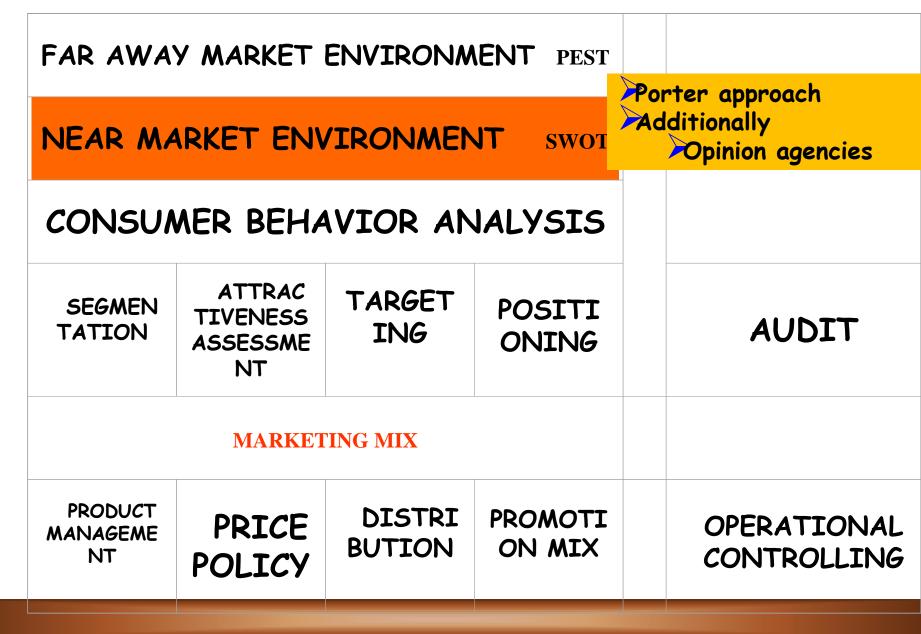
FAR AWA	Y MARKET	ENT PEST	Dy	Relative Dynamics - tendency Straightforward	
NEAR MA	ARKET ENV	JT swot	Checklists Points Decision recommendation		
CONSUMER BEHAVIOR ANALYSIS					ulation rules
SEGMEN TATION	ATTRAC TIVENESS ASSESSME NT	TARGET ING	POSITI ONING		AUDIT
	MARKET				
PRODUCT MANAGEME NT	PRICE POLICY	DISTRI BUTION	PROMOTI ON MIX		OPERATIONAL CONTROLLING

NEAR MARKET ENVIRONMENT SWOT

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- > WEAK SIGNALS
- > STRONG SIGNALS
- > STATE OF ART MONITORING
- > TENDENCY ANALYSIS
- > TENDENCY EXTRAPOLATION
- > INTEGRATION WITH CONSTRAINS (INSIDE AND OUTSIDE)
- > INTEGRATION WITH OTHER ANALYSES RESULTS

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Strategic analysis for .

>ANALYSIS AREAS **COMPETITORS** SUPPLIERS **BUYERS** SUBSTITUTES **DISTRIBUTION CHANNELS** *POPINION CREATION CENTERS*

Strategic analysis for

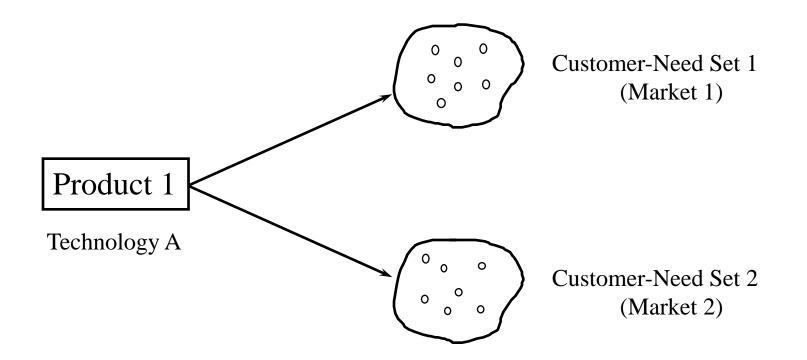
FAR AWA	Y MARKET				
NEAR MA	ARKET ENV	-	STRATEGIC CONTROLLING		
CONSUMER BEHAVIOR ANALYSIS					eds Pyramid scriptive approach
SEGMEN TATION	ATTRAC TIVENESS ASSESSME NT	TARGET ING	POSITI ONING	_	AUDIT
	MARKET				
PRODUCT MANAGEME NT	PRICE POLICY	DISTRI BUTION	PROMOTI ON MIX		OPERATIONAL CONTROLLING

What is a Market

A market consists of all the potential customers sharing a particular need or want who might be willing and able to engage in exchange to satisfy that need or want

-Kotler, Marketing Management

Market Definition



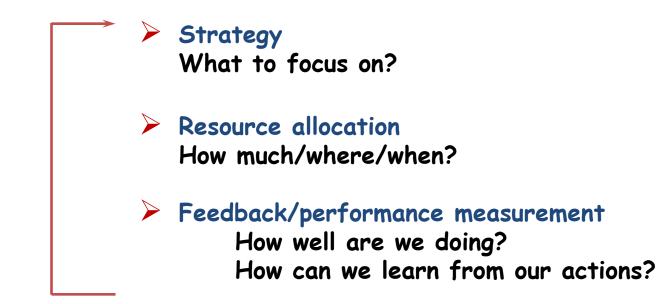
⇒ Common customer needs define a market not a product

Implications

- **1.** Segmentation reflects common customer needs
- 2. Those common needs may be satisfied by similar or dissimilar technologies or have different solutions
- Example: Customer dissatisfaction at long delays at supermarket checkout
- Solution 1: Faster UPC scanner systems Solution 2: Entertainment/Sales systems on checkout lines

Why is Market (Segment) Definition Important?

Helps define....



SEGMENTATION ANALYSIS

SEGMENTATION - GROUP OR CLASSIFY CONSUMERS

SEGMENT ATTRACTIVENESS ASSESSMENT

>TARGET SEGMENTS (MARKETS) SELECTION - TARGETING

POSITIONING

Why Segment?

Better Matching of Customer Needs

Customer needs differ hence allows improved customer satisfaction

Enhanced Profits

By segmenting, price differentials can be introduced and overall profits raised

Enhanced Growth & Retention

Airlines not segmented cabins or car manufacturers didn't offer full range then customers would have been taken by competitors

Opportunities and Threats

- Changing needs creates new markets/segments
- Ignoring segments: motorcycle manufacturers ignoring mopeds

Targeted Marketing Mix

Easier to get mix right to maximise the potential with a particular segment than get it right in the mass market

Market Share

Brand power within a particular niche/segment allows smaller competitors to compete

TO UNDERSTAND CONSUMERS

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WHO BUYS HOW BUYS WHERE BUYS WHEN BUYS WHAT CRITERIA WHEN BUYING (DECISION MAKING PROCESS)

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SEGMENTATION:
 SEGMENTATION CHARACTERISTICS CHOICE
 GROUPING OF CONSUMERS
 A POODT DESCREMENTATION

> A PRORI - DISCRIMINATION

POST HOC - CLASSIFICATION

> GROUPS ANALYSIS

> SEGMENT ATTRACTIVENESS ASSESSMENT

SEGMENTATION ANALYSIS

ONE VARIABLE SEGMENTATION (DISCRIMINATION) STRAIGHTFORWARD

SIRAIGHIFURWARU

LIMITED PRECISION

> MULTI VARIABLE SEGMENTATION (CLASSIFICATION)

> INCREASED PRECISION OF CLIENT DESCRIPTION

> POSSIBLE MORE ADEQUATE MARKETING MIX

DOWNSIDE - INCREASE OF SEGMENTS NUMBER WITH DECREASE OF SEGMENT SIZE

Bases for Defining Markets (Segments)

Preferences

- Price Sensitivity
- Usage
- Attitudes
- Demographics

Demographic and Psychographic: Examples

> Demographics

>Age, Sex, Education, Income, Race

Buying Style

>Brand loyal, Shop around, Style conscious

> Attitude Interest and Opinion

Quiet, Intellectual, Exercised, Well Dressed

Bases for Defining Markets

- Effectiveness of Demographic and Psychographic features for explaining Brand and category preference
 - > Sample 52 product categories, 20 000 respondents
- Results:
 - Effects are weak to moderate association with product use
 - Effects are similar across brands in same product category
 - > Effects differ across product categories
 - > Not useful in predicting relative brand preference

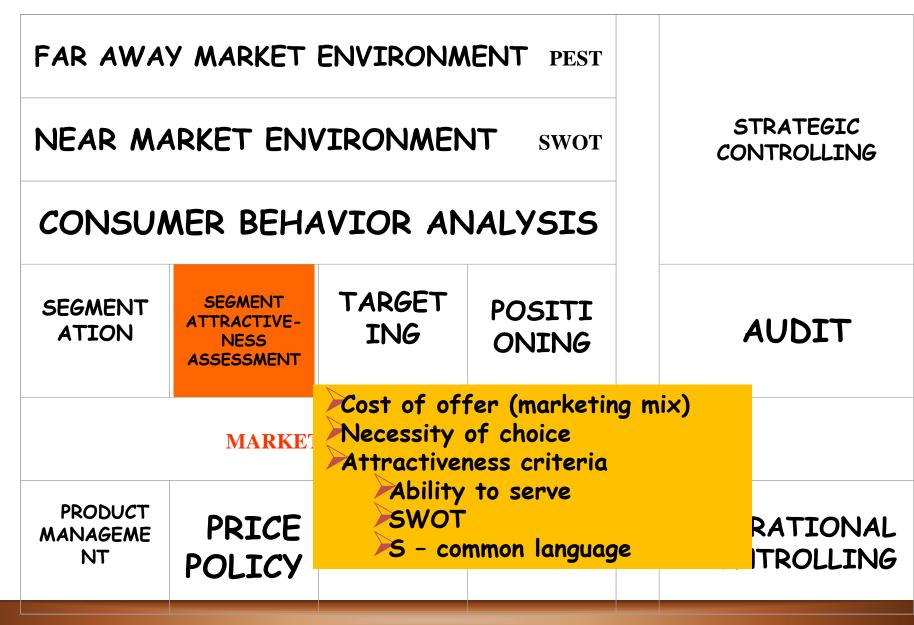
Bases for Defining Markets

- DEMOGRAPHIC variables such as age, income, and social class are considered like descriptors of people that cut across use situations. (Allenby et al, Market Research, 2002)
- > Example:
 - > Younger people more likely to use new brands (beer)
 - Rich people buy innovative products more often than poor people do

Which Segments to Serve? — Segment Attractiveness Criteria

Criterion	Examples of Considerations
I. Size and Growth	
1. Size	 Market potential, current market penetration
	 Past growth forecasts of technology change
II. Structural Character	istics
3. Competition	 Barriers to entry, barriers to exit, position of competitors, ability to retaliate
4. Segment saturatio	$n \cdot Gaps$ in the market
-	 Patentability of products, barriers to entry
6. Environmental risk	 Economic, political, and technological change
III.	Product-Market Fit
7. Fit	$m \cdot$ Coherence with company's strengths and image
8. Relationships with	 Synergy, cost interactions, image transfers, cannibalization
	$m \cdot$ Entry costs, margin levels, return on investment

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Order of Entry

- Numerous studies provide evidence for pioneering advantage. In general:
 - Early followers can get no more than 60% of pioneer's market share
 - Late followers can achieve at most 40% of that achieved by pioneer
- Also, asymmetries in marketing mix due to order of entry have been reported (Bowman et al, 1996):
 - > Market response to price is lower for late entrants (all else equal)
 - Market response to promotion expenditures of non-durables are lower for late entrants

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> SEGMENTS ARE TO BE:

- > MEASURABLE (SALES POTENTIAL, COST AND PROFIT)
- LARGE LARGE ENOUGH TO COVER ADDITIONAL COSTS WITH ADDITIONAL TRANSACTIONS
- > APPROACHABLE
 - >TECHNICALLY, TECHNOLOGICALLY
 - FINANCIALLY
 - >LEGALLY (REGULATED)
- STABLE

TARGETING

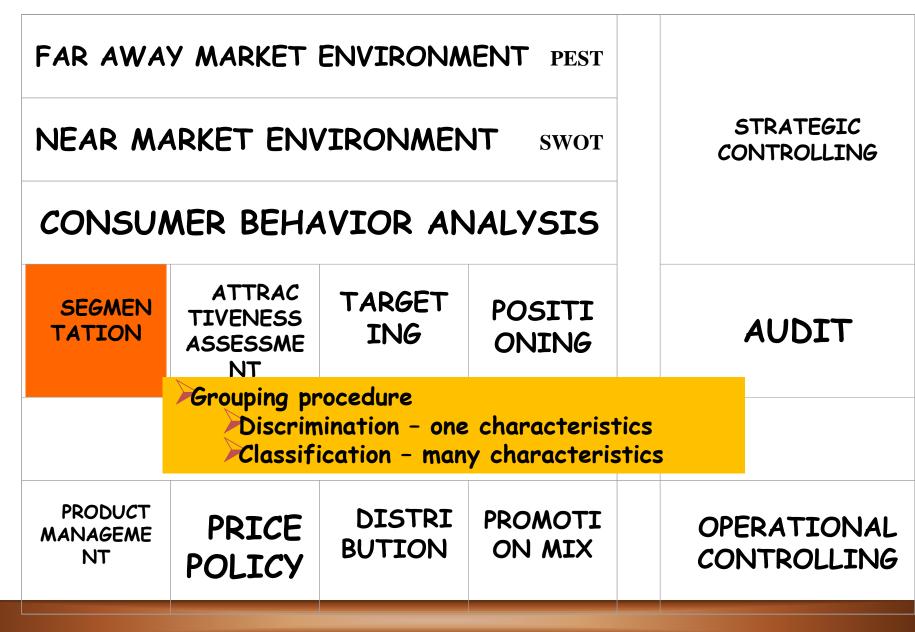
> TARGET SEGMENTS SELECTION - TARGETING

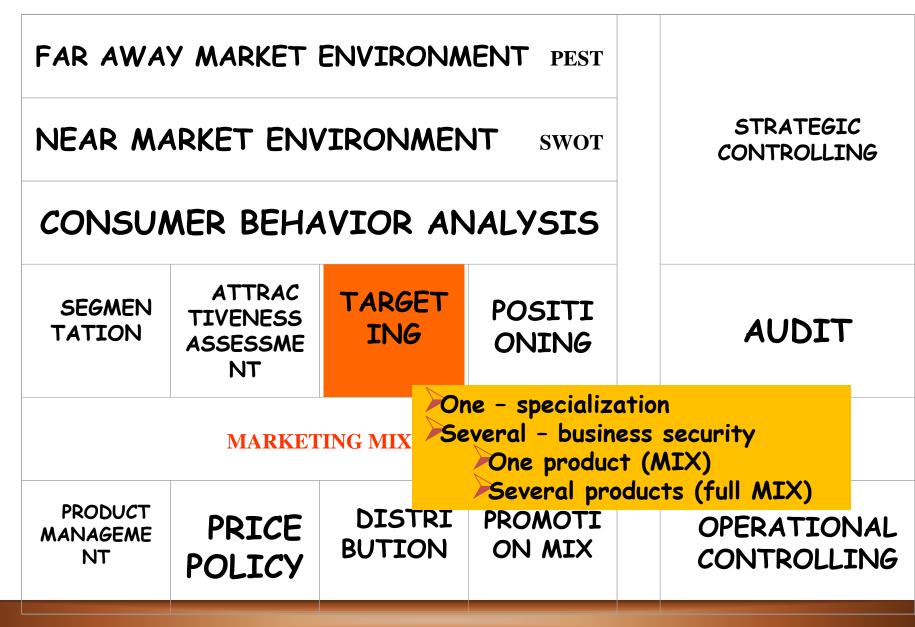
- CONCENTRATION ON ONE SEGMENT WITH ONE PRODUCT
- >ONE PRODUCT OFFERED TO MANY SEGMENTS (MODIFICATION)
- FULL MARKETING MIX (MANY PRODUCTS) ADDRESSED TOWARD MANY SEGMENTS

ALTERNATIVE STRATEGIES OF TARGETING

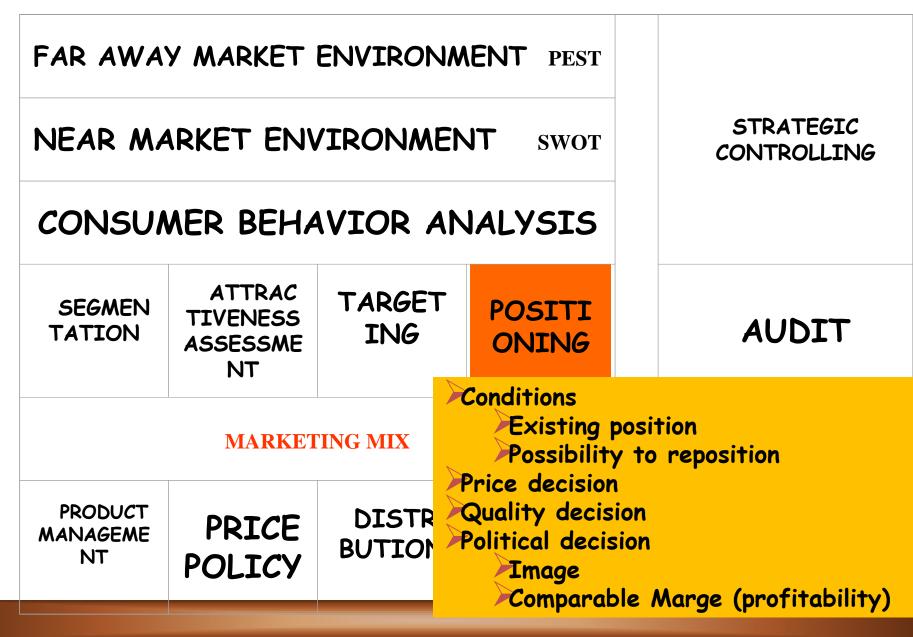
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>MULTI SEGMENT >CONCENTRATION





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POSITIONING

DECISION WHERE (AND HOW) TO LOCATE OFFER (PRODUCT) IN TARGET SEGMENT

>UNDERSTAND CONSUMER PERCEPTION PROCESS (CRITERIA)

TO TRANSLATE CONSUMER NEEDS AND WANTS INTO MARKETING MIX DECISIONS

POSITIONING

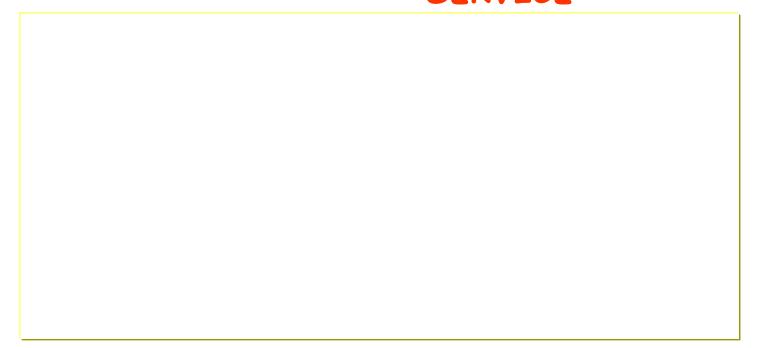
> III POSITIONING IS BEING DONE IN CONSUMER HEAD (MIND) AND NOT (SOLELY) AS A RESULT OF THE POSITIONING DECISION

> POSITIONING IS BEING DONE WITH EVERY SINGLE ACTION OF THE FIRM

ALTERNATIVE POSITIONING STRATEGIES - LEADER OF: QUALITY



ALTERNATIVE POSITIONING STRATEGIES - LEADER OF: QUALITY SERVICE



ALTERNATIVE POSITIONING STRATEGIES - LEADER OF: QUALITY SERVICE TECHNOLOGY

ALTERNATIVE POSITIONING STRATEGIES - LEADER OF QUALITY SERVICE TECHNOLOGY INNOVATION

ALTERNATIVE POSITIONING STRATEGIES - LEADER OF QUALITY SERVICE TECHNOLOGY INNOVATION

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ELASTICITY

ALTERNATIVE POSITIONING STRATEGIES - LEADER OF QUALITY SERVICE TECHNOLOGY INNOVATION ELASTICITY CONTACTS. RELATIONS

60/75

ALTERNATIVE POSITIONING STRATEGIES LEADER OF QUALITY SERVICE TECHNOLOGY INNOVATION ELASTICITY CONTACTS, RELATIONS PRESTIGE

ALTERNATIVE POSITIONING STRATEGIES LEADER OF QUALITY SERVICE TECHNOLOGY INNOVATION ELASTICITY CONTACTS, RELATIONS PRESTIGE **KNOWLEDGE**

ALTERNATIVE POSITIONING STRATEGIES LEADER OF QUALITY SERVICE TECHNOLOGY **INNOVATION** ELASTICITY CONTACTS, RELATIONS PRESTIGE KNOWLEDGE PRICE CHEAPEST MOST EXPENSIVE

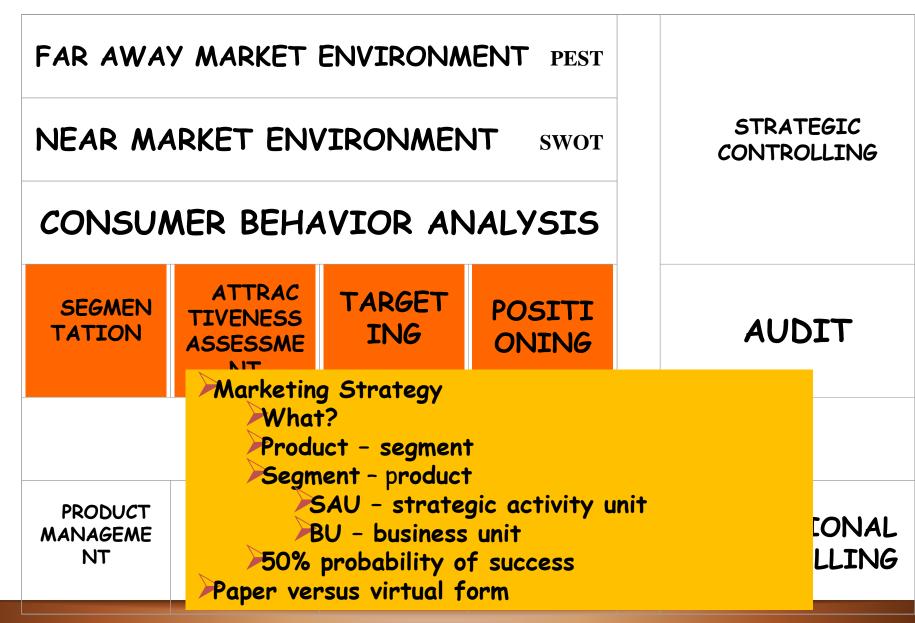
ALTERNATIVE POSITIONING STRATEGIES LEADER OF QUALITY SERVICE TECHNOLOGY INNOVATION ELASTICITY CONTACTS, RELATIONS PRESTIGE KNOWLEDGE PRICE CHEAPEST **MOST EXPENSIVE** VALUE (QUANTITY/PRICE)

ALTERNATIVE POSITIONING STRATEGIES LEADER OF QUALITY SERVICE TECHNOLOGY INNOVATION ELASTICITY CONTACTS, RELATIONS PRESTIGE KNOWLEDGE PRICE CHEAPEST MOST EXPENSIVE VALUE (QUANTITY/PRICE) **GLOBAL**

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Slaid 240

Starting with page 241 more on segmentation

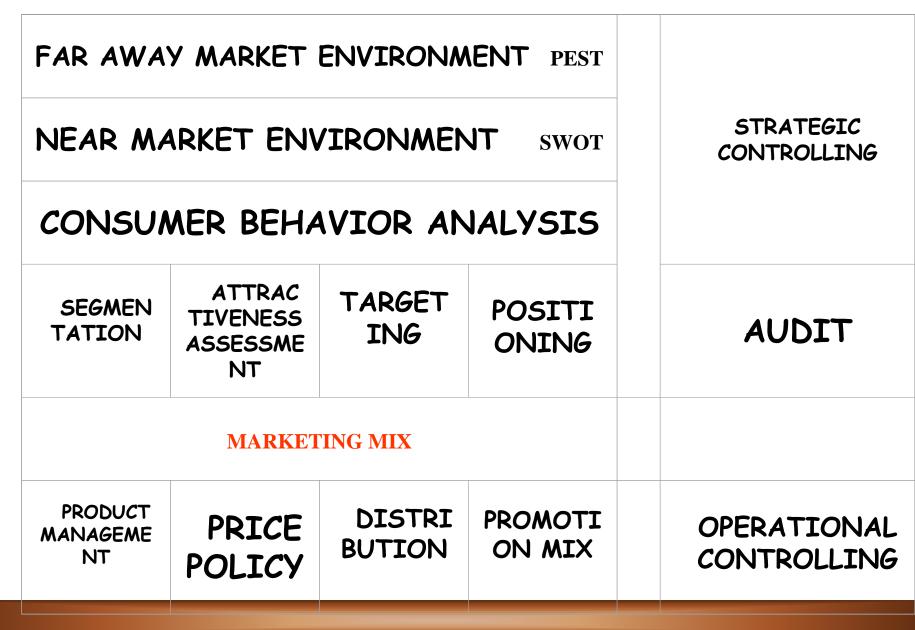


ALTERNATIVE MARKETING STRATEGIES

ONE MAY DEFINE DIVERSE BASES FOR STRATEGY FORMULATION

- PROFIT (volume; rate),
- MARKET SHARE,
- > SALES (volume),
- **GROWTH**,
- PRODUCT CREATION WHICH IS ROBUST AGAINST ACTIONS OF COMPETITORS

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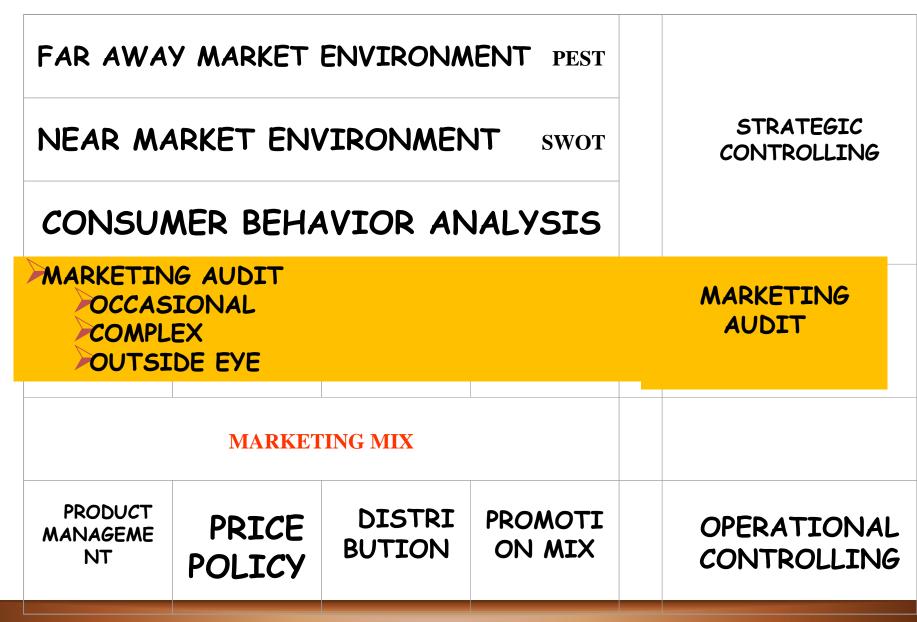
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	FAR AWAY M		Communication Policy – Promotion Mix Advertisement				
	NEAR MARKE		-Radio Internet				
	SEGMEN TATION	A TIV ASS		s)			
				ents			
	PRODUCT MANAGEME NT		RICE LICY	DISTRI BUTION	PROMOTION MIX	OPERATIO CONTROLL	

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OPERATIVE MARKETING CONTROLLING

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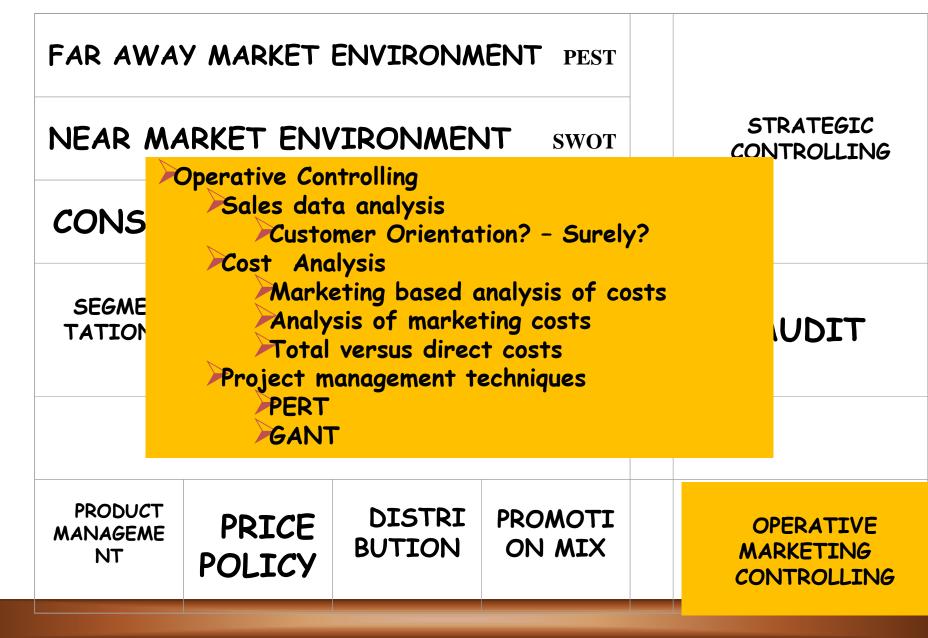
> OPERATIVE MARKETING CONTROLLING

- >SETTING STANDARDS (PLANS, GOALS) 5
- > MEASUREMENT OF THE QUALITY OF WORK (MONITORING)

>STATING (MEASURING) THE GAPS

R = S - M = O+; O-CORRECTIVE DECISIONS DK=KS; KO

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MARKETING STRATEGY. DOCUMENT STRUCTURE: IDENTIFICATION INFORMATION TITLE PAGE, TOPIC (TITLE), PLACE, DATE, USER NAME, WHO PREPARED, CONTENT, MANAGERIAL SUMMARY, MAIN BODY INTRODUCTION, STRATEGIC MARKETING GOALS, TACTIC MARKETING GOALS, OPERATIVE MARKETING GOALS, ASSUMPTIONS FOR MARKETING PLAN, **RECOMMENDATIONS** (SUGGESTIONS);

APPENDICES

PROCEDURE

Strategic analysis for

ANALYSIS **STRATEGIC** *POPERATIVE* CONTROL >MARKETING PLANNING STRATEGY FORMULATION POPERATIVE PLAN FORMULATION *IMPLEMENTATION* CONTROL DZIEKUJE ZA UWAGE THANK YOU FOR YOUR KIND ATTENTION