
PART 4) Marketing planning and forecasting – strategies and plans

- Corporate, business and marketing strategies
 - Process of marketing strategic decisioning
 - Marketing planning
 - Components of marketing plan
 - Implementing and controlling of marketing plan
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Why is marketing planning necessary?

- systematic thinking by management
 - better co-ordination of company efforts
 - development of better performance standards for control
 - sharpening of objectives and policies
 - better prepare for sudden new developments
 - managers have a vivid sense of participation
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Criticisms of marketing planning

- formal plans can be quickly overtaken by events
 - elements of the plan may be kept secret for no reason
 - gulf between senior managers and implementing managers
 - the plan needs a sub-scheme of actions
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Marketing Planning in General

Match resources to
market
opportunities

**Whole-Company
Management
Planning**

**(1) Marketing
Planning**

**Adjust Plans
As Needed**

**(3) Control Marketing
Plan(s)**

**(2) Implement Marketing
Plan(s)**

Strategic thinking - origins

- 70's in the USA – due to shock waves
 - oil crisis
 - double digit inflation
 - economic recession
 - tough Japanese competition
 - key sectors in economy deregulated
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SBU (Strategic Business Unit)

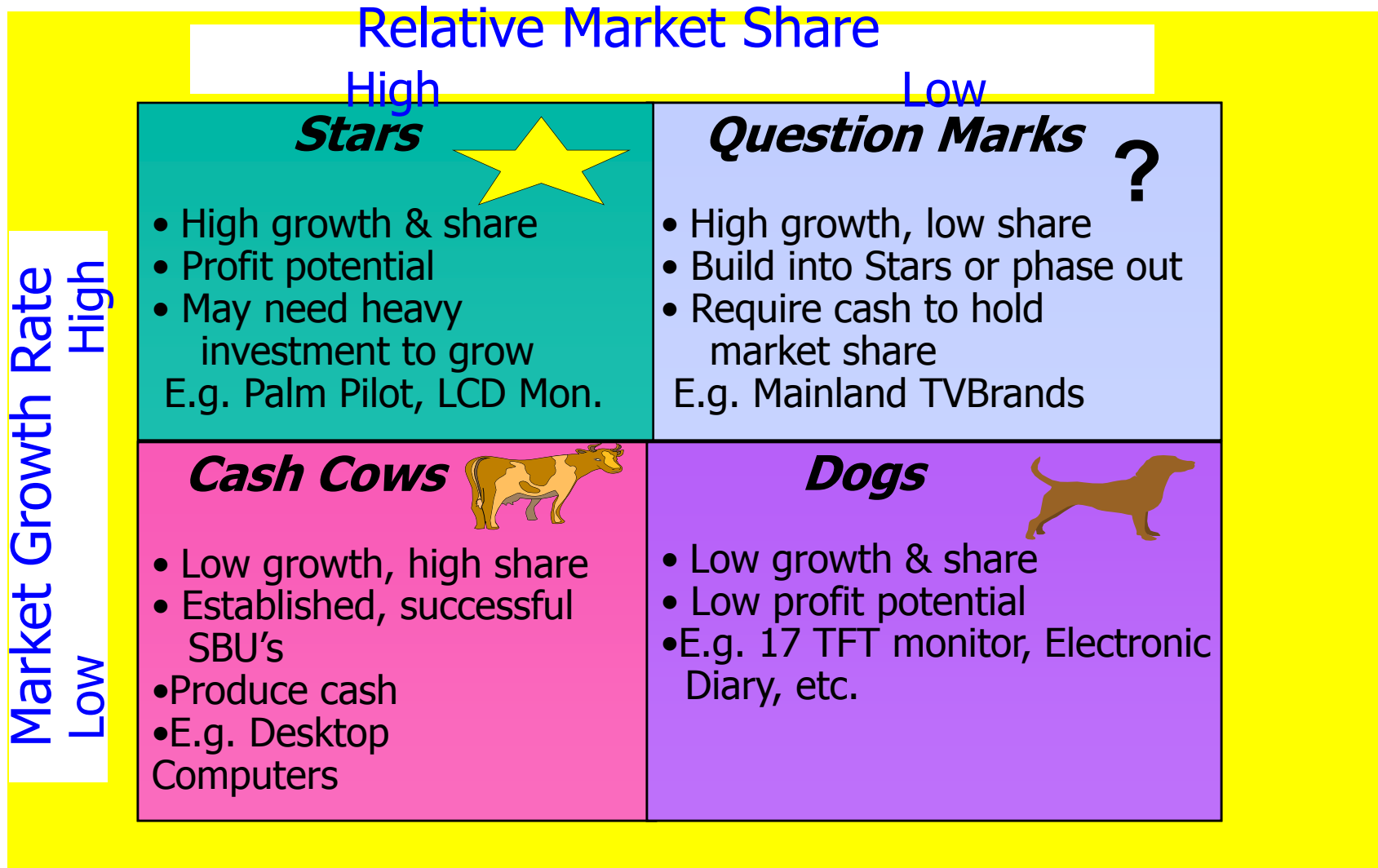
- business unit within the overall corporate identity which is distinguishable from other business - large enough and homogeneous enough to exercise control over most strategic factors affecting their performance
 - it serves a defined external market
 - the competitors can be recognised
 - responsible manager - managed as self contained planning unit
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WALMARK®

- WALMARK company was established in 1990
- it has extended its activities into multiple fields (foodstuffs and agriculture)
- strategic orientation at pharmacy: sale of the agricultural SBU in 2001 and the non-alcoholic beverage SBU in 2004
- fully concentrates now on the market of food complements, medicaments and food for sportsmen
- Pharmacy medicaments – at least 10 % of turnover
- Now – number one in food supplements in CZ, second in SK, HU
- By 2012 number one in central Europe



Strategic Planning: BCG Matrix



GE (General Electric) Matrix

Business Strength 

Strong

Medium

Weak

Market Attractiveness 

High

Medium

Low

5.00

3.67

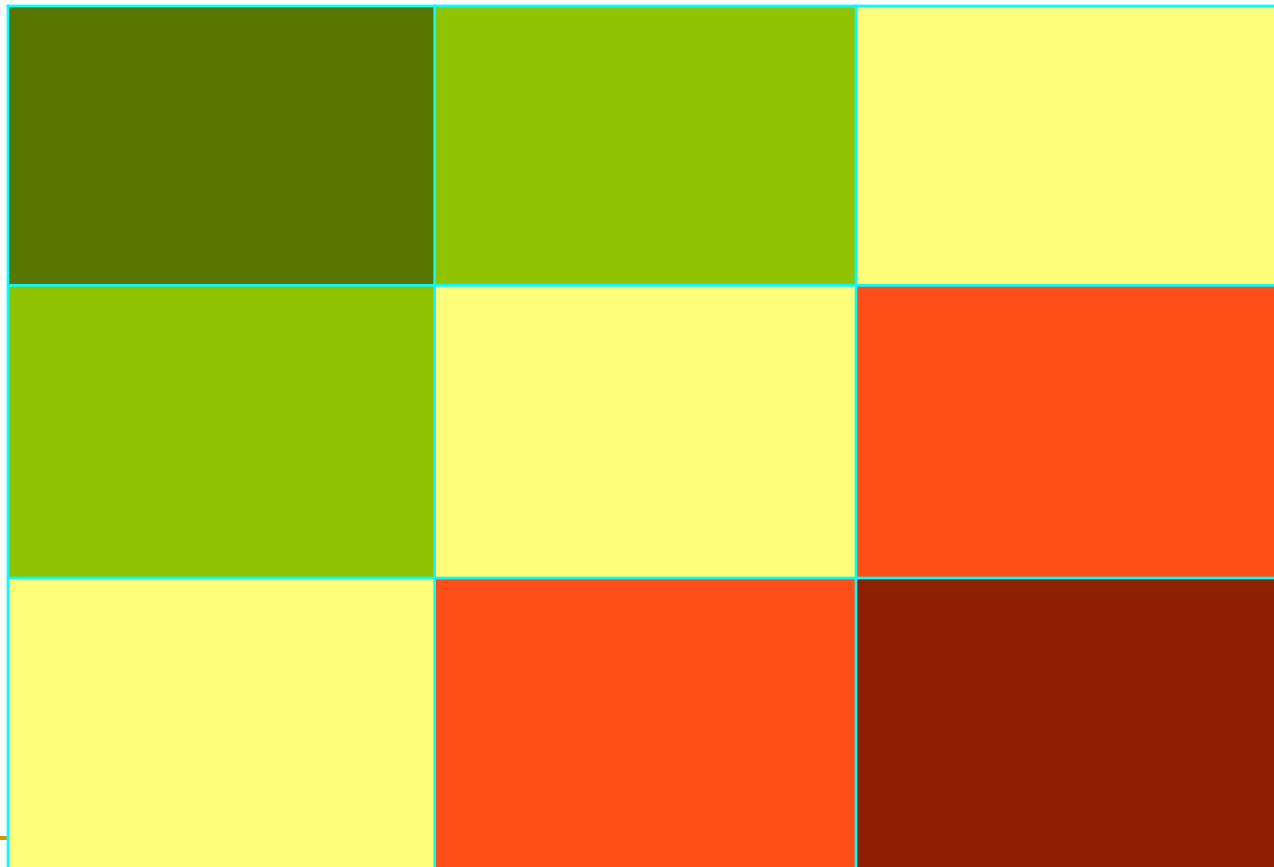
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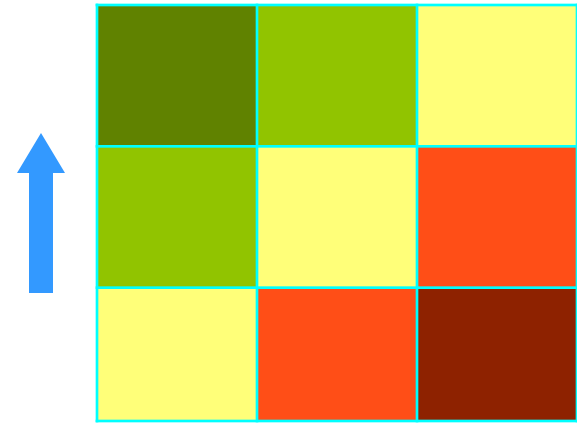
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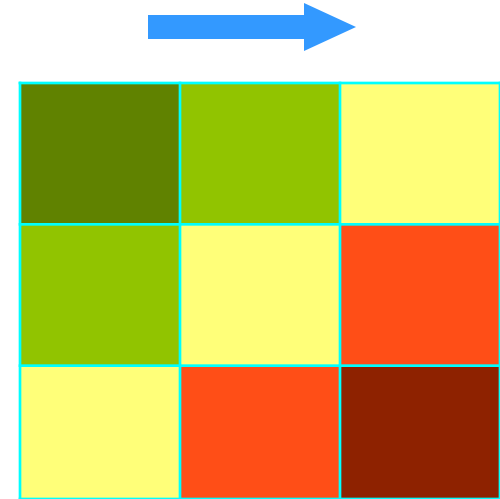
Market Attractiveness

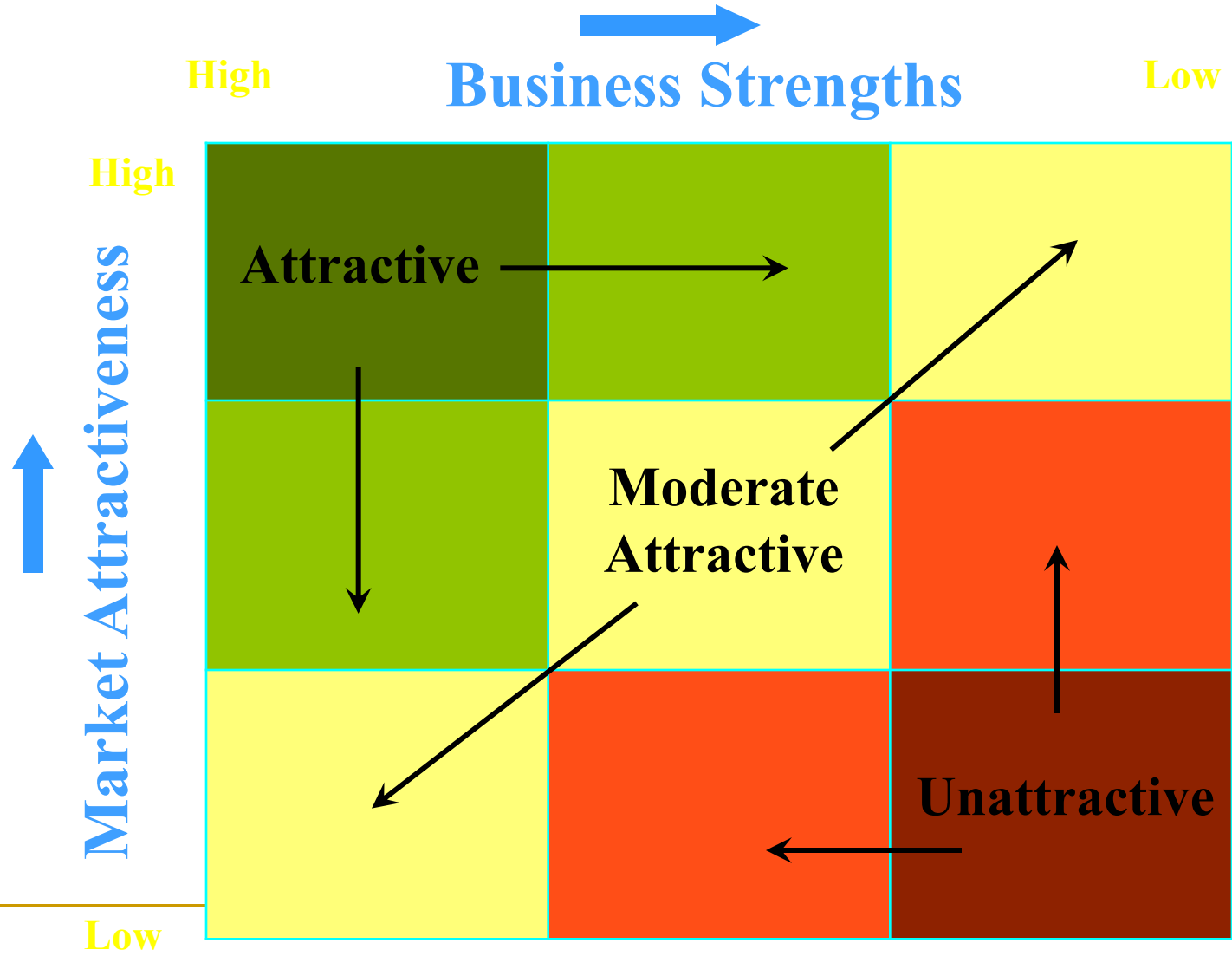
- Annual market growth rate
- Overall market size
- Historical profit margin
- Current size of market
- Market structure
- Market rivalry
- Demand variability
- Global opportunities



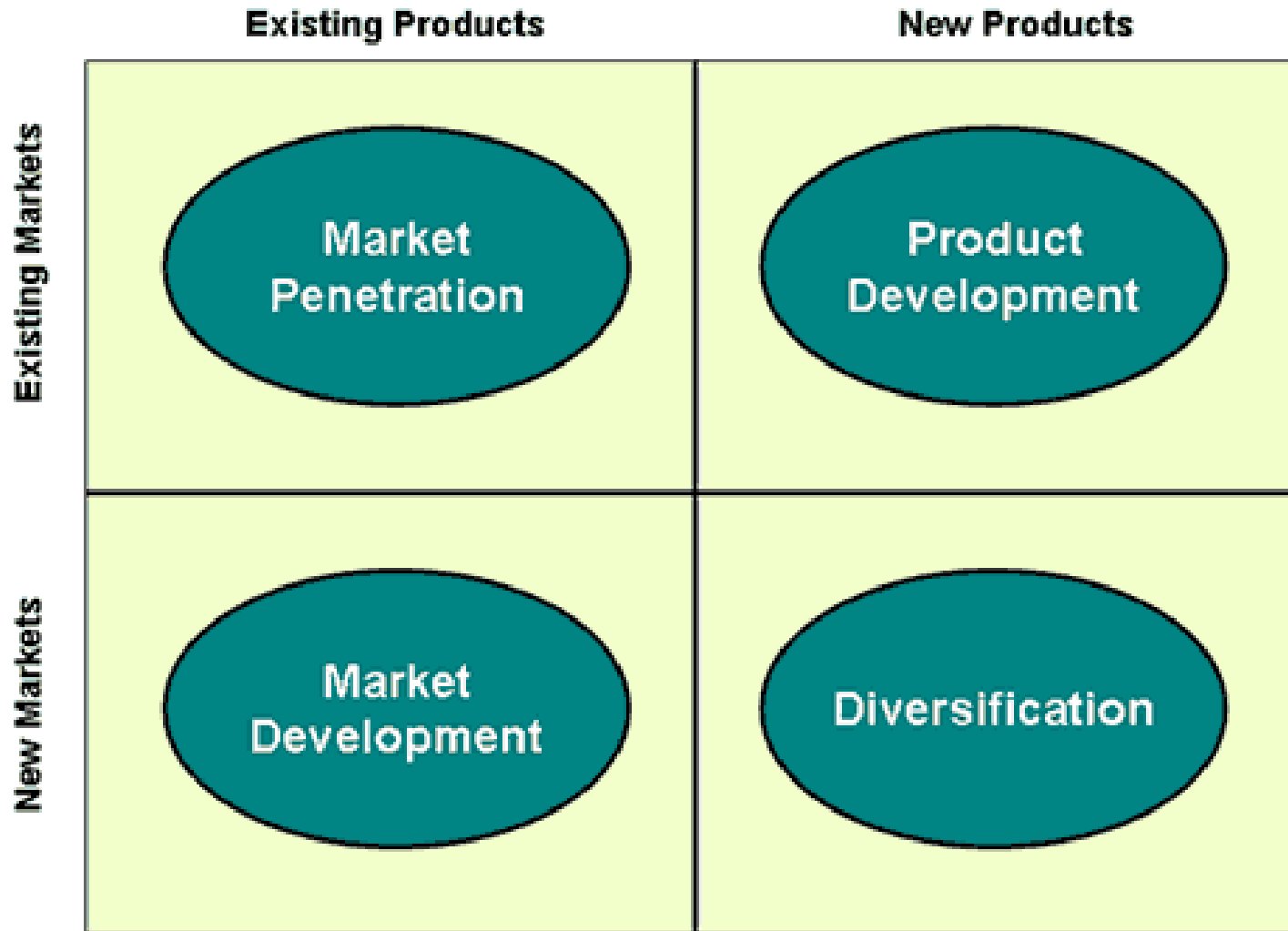
Business Strenght

- **Current market share**
- **Brand image**
- **Brand equity**
- **Production capacity**
- **Corporate image**
- **Profit margins relative to competitors**
- **R & D performance**
- **Managerial personal**
- **Promotional effectiveness**





Growth Matrix (Ansoff Matrix)



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- Assignment of responsibilities, tasks and timing
 - Awareness of problems, opportunities and threats
 - Essential marketing information may have been missing
 - if implementation is not carefully controlled by managers, the plan is worthless!
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Marketing Plans

Executive Summary

Current Marketing Situation

Threats and Opportunities

Objectives and Issues

Marketing Strategy

Action Programs

Budgets

Controls

Conclusion

- Marketing planning – essential activity of any marketing manager
 - SBU – defined as autonomous unit
 - BCG, GE & Ansoff
 - Marketing plans
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