أكاديمية

إعمل بيزنس

المحاضرة الثالثة

MARKETING PLANE
SECOND PART
OBJECTIVES & STRATEGIES

By

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Objectives & Strategies

- ❖ What is difference between goals, objectives, strategies and tactics?
- ❖ What is difference between situational analysis and objectives?
- ❖ What is difference between operational objectives and marketing objectives?

- ❖ What are the most famous marketing objectives?
- ❖ What are criteria of right objectives?
- ❖ What are the types of strategies?

Objectives

What is difference between goals, objectives, strategies and tactics?

- **Goal** : A broad aim toward which your efforts are directed.
- **Objective** : A specific and measurable milestone that must be achieved in order to reach a goal.
- **Strategy** : The method used to achieve an objective.
- **Tactic** : A specific action step required to deliver on strategy.

Case study

If we are "coca cola" and have the following data from analysis between our hands what we have to do???????

- Coca cola has a good R&D capacities.(S)
- There is increase in % of diabetes and opacity in Egyptian market.(O)
- Pepsi cola launch diet Pepsi in order to satisfy this segment.(T)

Based on this analysis I can set my objectives which are:

- **Increase my sales 20% over the previous year.**
- **Take 35% as a market share of no sugar carbonated drinks by the end of 2017.**

How?

What is difference between situational analysis and objectives?

- ✓ When we speak a bout current situation that means we make analysis for this situation.
- ✓ But when we speak a bout some thing we have a desire to do in the future which means that not happen so far that means it is an objective.

Example :

- ✓ There is no carbonated drinks in golf area.(S.A)
- ✓ Coca cola thinking to penetrate this market.(O)

What is difference between operational objectives and marketing objectives?

- ✓ If the objectives related to production or something related to increase number of branches, equipment's, employees. “operational objectives”
- ✓ If the objective is to increase sales, profit, market share, awareness, ROI OR EPS. “marketing objectives”

What are the most famous marketing objectives?

- ✓ Return on investment (ROI).
- ✓ Earning per share (EPS).
- ✓ Growth.
- ✓ Higher rank.
- ✓ Differentiation.
- ✓ Improve image.

But the most important objectives are:

- ✓ Increase awareness.
- ✓ Increase sales.
- ✓ Increase market share.
- ✓ Increase profit.

Increase awareness

For new product……

Marketing plan for both new and old products but it isn't logic to set objective as increase awareness of old product.

But it is logic to set an objective as increase awareness to new product.

Increase sales

Increase sale as unites or values

- We can set the objective to increase sales as unites if it's standard shape. But what happen if my unites different from my competitors?????
- It will not be a right guide because all the time I would like to compare my self with my competitors.
- At this case I prefer to set the objective to increase sales as value.

Objective in this product is to Increase sale as unites or values??

Increase market share

- identify the difference between market share and relative market share?

example : telecommunication market in Egypt.

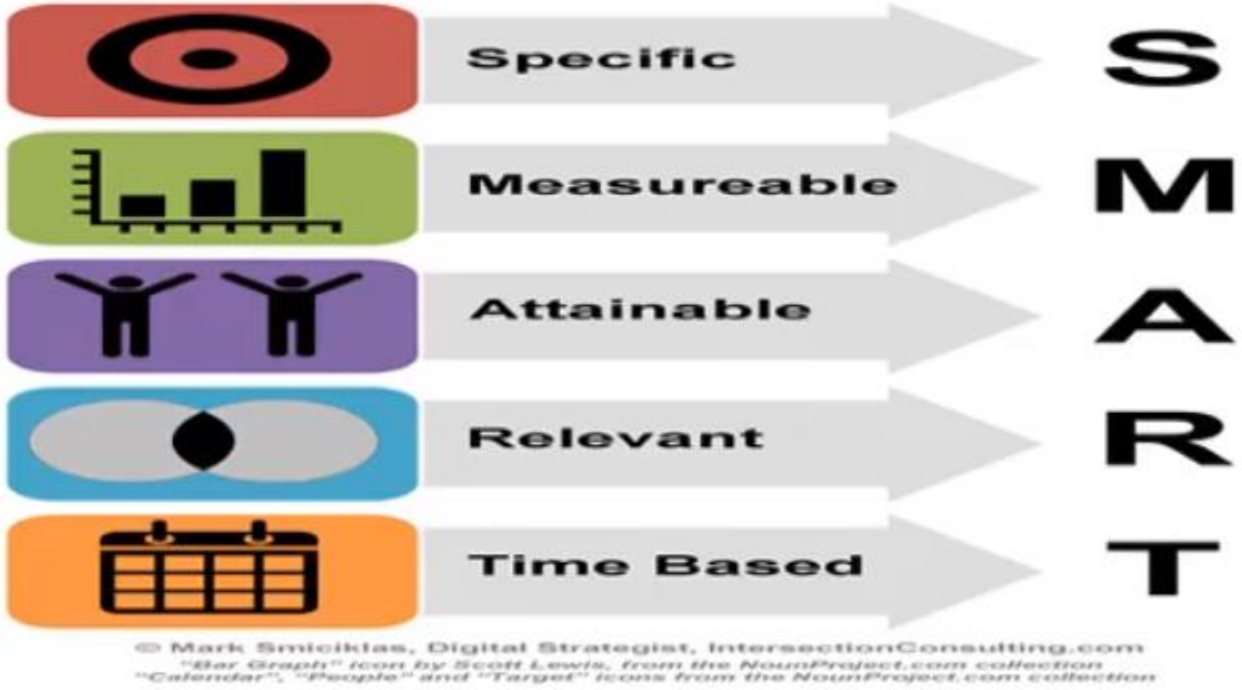
- Idea a bout bench mark and market leader.
- Competition analysis .

leader | Challenger | follower | nicher

example: mineral water in Egypt.

- The most important are leader, challenger and follower.

What are criteria of right objectives?



- **How I can write smart objectives in marketing plan????** ✓
- **How many objectives I should write in marketing plan???** ✓

https://www.youtube.com/watch?v=_I9u3IOsyI0
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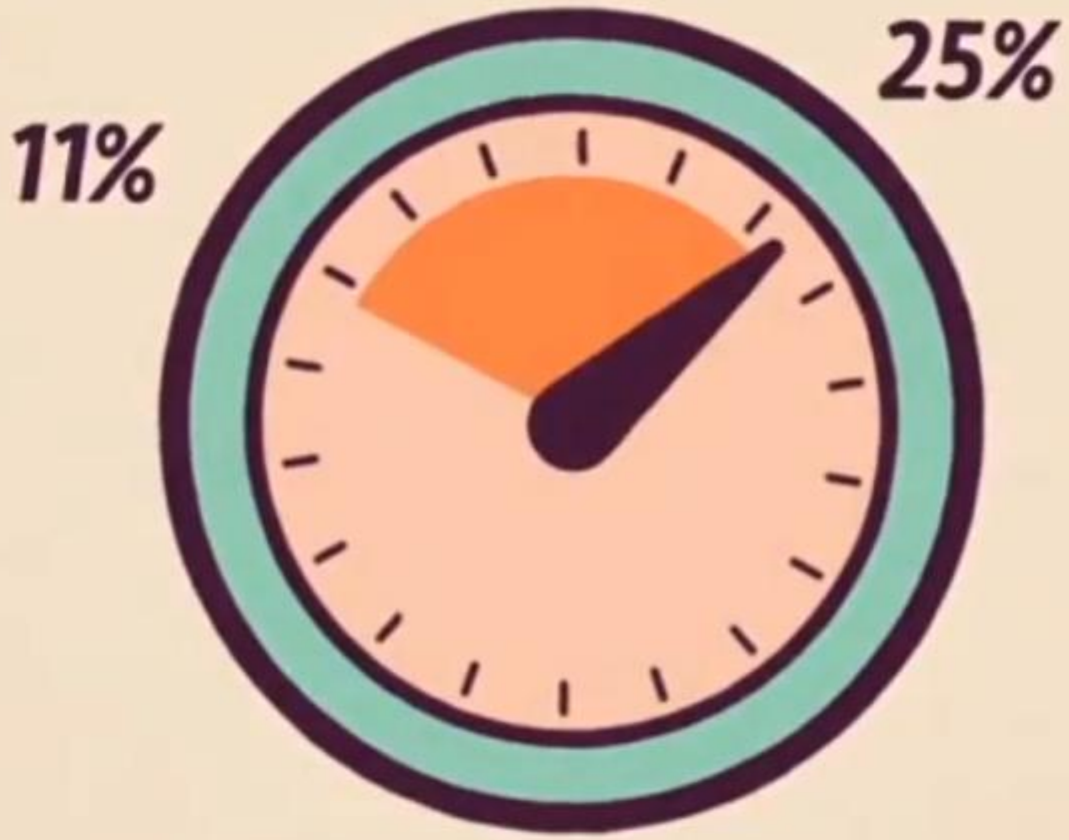
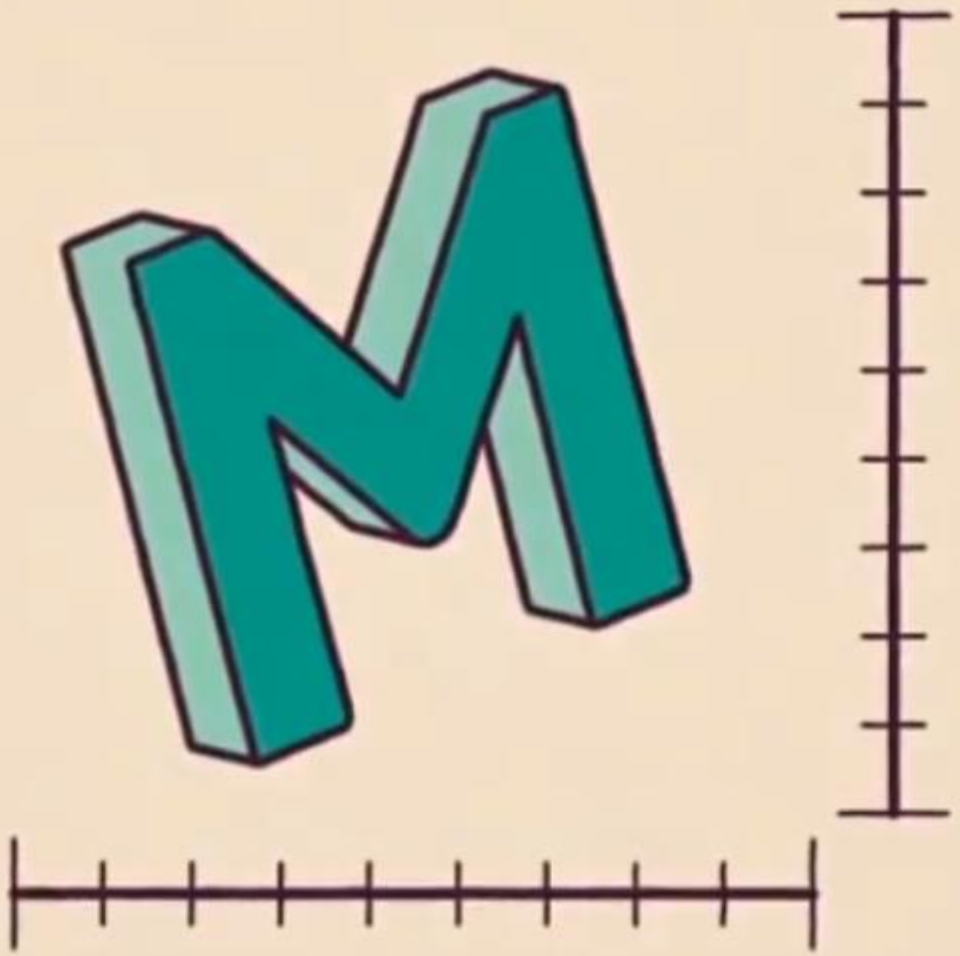


PRODUCTIVITY

SMART

goals

Specific



Measurable

Attainable

→ R →

Relevant

Time - Based

Strategies

What are the types of strategies?

There are 2 types of strategies:

Growth strategies:

- I need to grow this year with % more than previous year.
- Mandatory to set growth strategy in any marketing plan.

Competitive strategies:

- what I should do to exceed my competitors.
- It isn't mandatory to set competitive strategy in marketing plan. **What is the case???**

Growth strategies

Growth strategies

The method that a company uses in order to achieve their goals for expansion. In order to achieve growth I have 4 ways as what is known as "Ansoff model".

Growth strategies

- In "Ansoff model" we dividing market based on 2 dimensions "existing & new" market.
- Also dividing the product on 2 dimensions "existing & new" product and that generates 4 types of strategies:
  - Market penetration strategy.
  - Product development strategy.
  - Market development strategy.
  - Diversification strategy "Related & Unrelated".

Market penetration strategy

- Using existent product between my hands to extend my market share in the same market.
- That can be achieved by 2 ways:
  - Conversion non user to a user.
  - Increase the current customer's consumption.
- If I apply this strategy. Is the growth will be in a violent way???? Why????

Product development strategy

- In this strategy we depending on using a new product in the same market to achieve growth.
- This new product could be:
  - Partial product “Coca Cola & Coca Zero”
  - Complete product “ Coca Cola & Dasani Water”
- The new product has the name “Pipe Line”

Why????

Market development strategy

- In this strategy we depending on opening new markets using the same product to achieve growth.
- This new market could be:
  - New coverage area. “I sell in Dubai and I want to open a new market in Abu Zabi”
  - Exporting outside the country. “I sell in Egypt and I want to open a new market in Lebanon”.
  - New uncovered segment “I sell Jonson& Jonson shampoo for babes then to adults.

Diversification strategy

- In this strategy we depending on using a new product in new market to achieve growth.
- This kind of strategies could be:
  - related diversification :using my current experience to develop a new project. “steel & ceramics” may be same equipment, same raw martial, same knowledge, same experience…….
  - unrelated diversification :no intersection between old project and a new project. “construction & media” different equipment, different raw martial, different knowledge, different experience…….
- It is consider contingency plan because if I have single business unite that consider very risky.
- Why????

Growth strategies

- Can I apply all of growth strategies at the same time?
- If I applied all of growth strategies with which one I should start? And with which one I should end?
- Why market penetration strategy less risky?
- Why diversification strategy high risk?
- Give an example to an org. applied all those strategies?

Competitive strategies (Generic –Porter)

Competitive strategies

defined as the long term plan of a particular company in order to gain competitive advantage over its competitors in the industry. It is aimed at generating a superior ROI (Return on Investment). Such type of strategies play a very important role when industry is very competitive and consumers are provided with almost similar products.

Competitive strategies

In order to achieve Competitive strategy I have 3 ways to do that:

- Cost leadership strategy.
- Differentiation strategy.
- Focus (Niche) strategy.

Cost leadership strategy

- This kind of strategies Review the ability to present a generic products at lowest possible price regardless the level of quality for this products.
- If the Org. producing an original product can't use this kind of strategies.
- The most famous who follow this kind of strategies are "Chinese"

Differentiation strategy

- This kind of strategies Review the ability to present an original products at highest quality regardless the price of these products.
- What is my competitive advantages that gives me superiority and have edge over my competitors? (USP)
- What is the competitive advantages of "VOLVO"?
- It is very dangerous to use only single competitive advantage. Why???

Differentiation strategy cont.,

- The competitive advantage not low price or basic feature for the product. “Caterpillar”.
- What do you need in a car?? “Audi ad.” it is an example to org. using more than single competitive advantage to make it difficult to any competitor to compete.
- Org. should avoid canapulization.
- What is canapulization???
- Examples: “Arial and Bonux”

CAT® Lift Trucks

Focus (Niche) strategy

- This kind of strategies depending on satisfying a very small segment in the market and focus in it.
- To say that this product sold under focus strategy it should linked with 2 criteria:
  - Very expensive.
  - Little supply.

Notes a bout strategies

- When I set strategy. If it's growth strategy I can't do all 4 strategies at same time but I can do them as steps as we mention before. "Starbucks"
- If I apply in generic strategy I have to choose only one for the product not for whole the company.
- That means normally I use cost leadership strategy for a product and use differentiation strategy to another product.