

Introduction to Marketing Essentials
Prof. Zillur Rahman
Department of Management Studies
Indian Institute of Technology, Roorkee

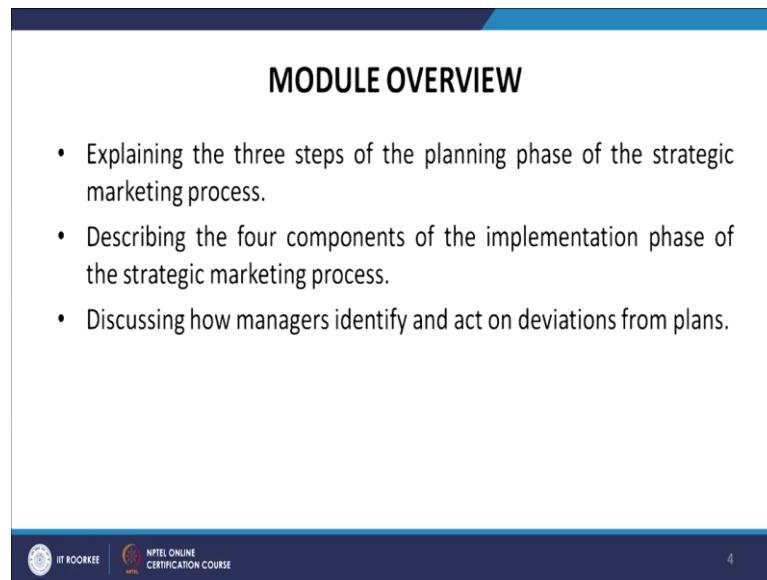
Lecture - 04
Developing Successful Marketing and Organizational Strategies - II

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Welcome to this course on Introduction to Marketing Essentials. We are talking about the second topic in the part 1 that is Developing Successful Marketing and Organizational Strategies.

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The slide is titled "MODULE OVERVIEW" in bold black text. It contains three bullet points: "Explaining the three steps of the planning phase of the strategic marketing process.", "Describing the four components of the implementation phase of the strategic marketing process.", and "Discussing how managers identify and act on deviations from plans." The slide has a blue header and footer. The footer contains the IIT ROORKEE logo, the text "IIT ROORKEE", the NPTEL ONLINE CERTIFICATION COURSE logo, and the number "4".

MODULE OVERVIEW

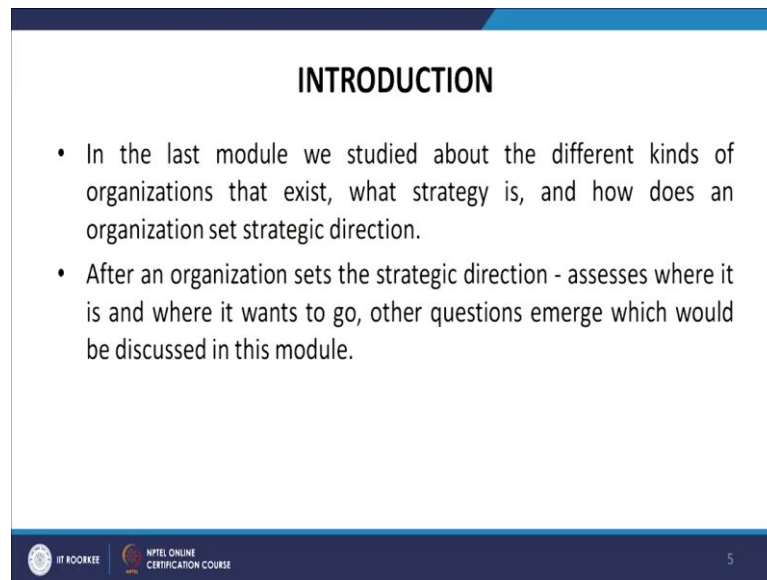
- Explaining the three steps of the planning phase of the strategic marketing process.
- Describing the four components of the implementation phase of the strategic marketing process.
- Discussing how managers identify and act on deviations from plans.

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And we will cover these three things in this module that is module 4th. Explaining the three steps of the planning phase of the strategic marketing process, describing the four components of the implementation phase of the strategic marketing process and then we will discuss how managers identify and act on deviations from plans.

So, what happens when the plans are not met? So, what do managers do? How do they identify and what do they do in that situation. So, in the last module we studied about the different kinds of organizations that exists, what strategy is and how does an organization set strategic direction.

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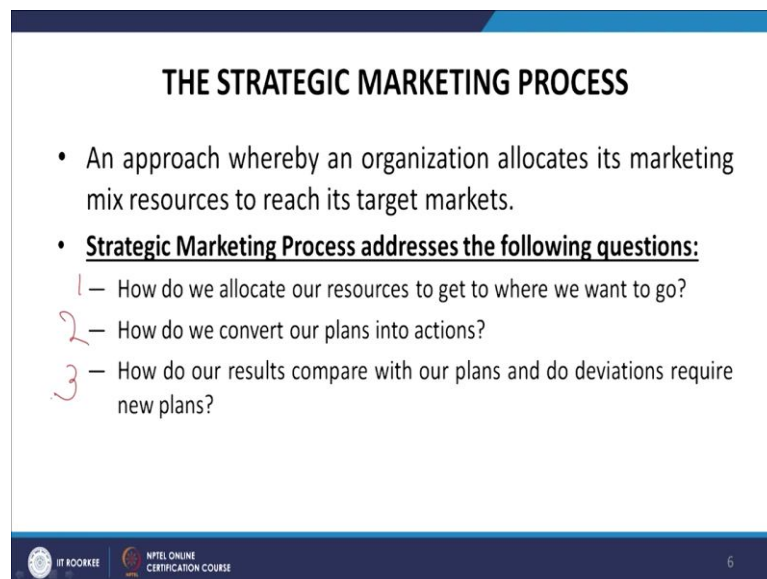
INTRODUCTION

- In the last module we studied about the different kinds of organizations that exist, what strategy is, and how does an organization set strategic direction.
- After an organization sets the strategic direction - assesses where it is and where it wants to go, other questions emerge which would be discussed in this module.

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After an organization sets the strategic direction that is assessing where it is and where does it wants to go, other questions emerge which would be discussed in this module. So, after having decided on the strategic directions there are some other questions. So, those questions will be discussed in this module.

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THE STRATEGIC MARKETING PROCESS

- An approach whereby an organization allocates its marketing mix resources to reach its target markets.
- **Strategic Marketing Process addresses the following questions:**
 - 1 – How do we allocate our resources to get to where we want to go?
 - 2 – How do we convert our plans into actions?
 - 3 – How do our results compare with our plans and do deviations require new plans?

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Let us look at what is this strategic marketing process. An approach whereby an organization allocates its marketing mix resources to reach its target markets. So, that is

the strategic marketing process. So, this strategic marketing process addresses the following questions and what are the questions.

The first question is, how do we allocate our resources to get to where we want to go? Second is, how do we convert our plans into actions? And the third is, how do our results compare with our plans and do deviations require new plans? So, these are the three questions that this strategic marketing process addresses.

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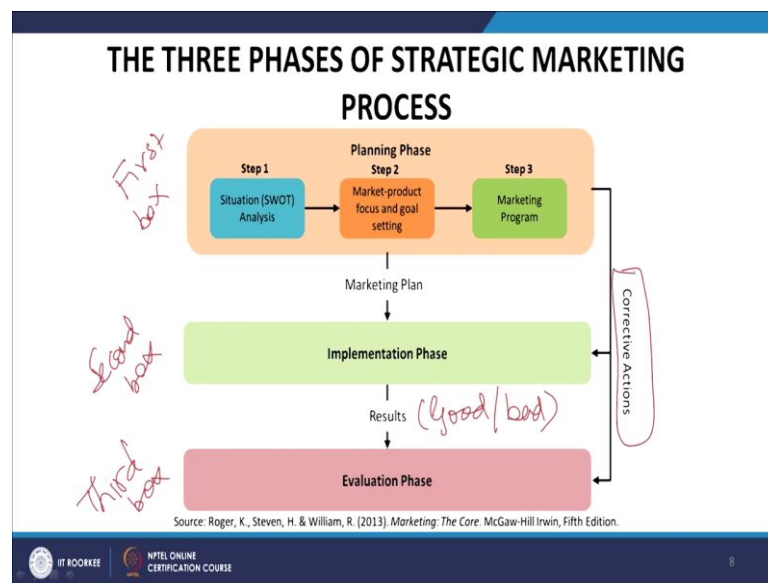
THE STRATEGIC MARKETING PROCESS

- **Strategic Marketing Process has three phases:**
 1. Planning
 2. Implementation
 3. Evaluation

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So, the strategic marketing process has three phases, the first phase is the planning phase, second is the implementation phase and the third is evaluation phase.

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So, these are the three phases of the strategic marketing process look at this first box. This is the first box this is the planning phase, in this the first step is situational analysis and how do we do situational analysis for that, we do SWOT that is Strengths Weaknesses Opportunities Threats. So, the situational analysis is identifying the situation that is where do we stand for that we do SWOT analysis.

The second step in this planning phase is market product focus and goal setting and the third step in this process is the marketing program. Now after completing this planning phase then we move on to the marketing plan and with that we move on to this second box.

So, based on these three steps companies they come up with the marketing plan and based on this marketing plan we come to the second box that is the implementation phase, after implementation; obviously, there will be some kind of results good or bad whatever and thereafter having read the results we move on to this third box that is the evaluation phase.

Now, also keep in mind that in the planning phase we may move on to the second that is the implementation phase or to the evaluation phase and take these corrective actions.

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**THE STRATEGIC MARKETING PROCESS:
THE PLANNING PHASE**

- **The three steps in the planning phase are:**
 1. Situation (SWOT) analysis
 2. Market-product focus and goal setting
 3. The marketing program

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The three steps in the planning phase are so, now, look we are talking about this first box. Now, there are three steps in this planning phase. The first is the situation analysis that is a SWOT analysis, the second is market product focus and goal setting and the third is the marketing program.

What is this situational analysis? Taking stock of where a firm or product has been recently, where it is now, and where it is headed.

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**THE STRATEGIC MARKETING PROCESS:
THE PLANNING PHASE**

1. **Situation (SWOT) analysis:**
 - Taking stock of where a firm or product has been recently, where it is now, and where it is headed.
 - An effective summary of a situation analysis is a **SWOT analysis**, an acronym describing an organization's appraisal of
 - its internal **S**trengths and **W**eaknesses and
 - its external **O**pportunities and **T**hreats.

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So, where was the firm or product, where it is now and where does it wants to go. An effective summary of situational analysis is a SWOT analysis which is an acronym describing an organization's appraisal of its internal strengths and weaknesses. So, always keep in mind that strengths and weaknesses are internal and its external opportunities and threats. So, opportunities and threats are always external.

So, with this SWOT analysis study we try to identify industry trends, analyze competitors, assess our organization and research present and prospective customers.

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**THE STRATEGIC MARKETING PROCESS:
THE PLANNING PHASE**

1. Situation (SWOT) analysis:

SWOT Analysis Study:

- Identify Industry Trend
- Analyze Competitors
- Assess the Organization
- Research Present and Prospective Customers

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So, these are the four things that we do. We will first try to identify what are the industry trends, and then we will go about analyzing competitors, assessing our own strengths and weaknesses, that is assessing the organization and then we research the present and future customers.

For example assume you are responsible for doing the SWOT analysis for Amul, Amul Company is a well-known name everybody knows that it makes butter and ghee and dahi etcetera, form a SWOT table to identify Amul strengths weaknesses opportunities and threats.

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THE STRATEGIC MARKETING PROCESS: THE PLANNING PHASE

E.g. 1.Situation (SWOT) analysis:

- Assume you are responsible for doing the SWOT analysis for AMUL company. Form a SWOT table to identify AMUL's strengths, weaknesses, opportunities, and threats.
- Note that the SWOT table has four cells formed by the combination of internal versus external factors (the rows) and favorable versus unfavorable factors (the columns).

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Note that the SWOT table has four cells formed by the combination of internal versus external factors that are the rows and favourable versus unfavourable factors that are the columns.

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AMUL COMPANY'S SWOT ANALYSIS

		TYPES OF FACTOR	
		Favourable	Unfavourable
LOCATION OF FACTOR	Internal	Strengths: 1 <ul style="list-style-type: none">• Large Production Capacity• Market leader• Brand recall and brand equity• Best quality• Huge customer base• Indigenous	Weaknesses: 2 <ul style="list-style-type: none">• Lawsuits• Operational cost• Portfolio expansion
	External	Opportunities: 3 <ul style="list-style-type: none">• Per capita milk consumption• International markets• Chocolate production	Threats: 4 <ul style="list-style-type: none">• Increasing competition• International players• Negative media coverage

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Now you see that on the x axis this is a SWOT analysis for Amul on x axis we have the types of factors. So, the factors can be favourable or unfavourable then we have location of these factors where are these factors located externally or internally.

Now, when the type of factor is favourable location of factor is internal then it becomes strength. For example, large production capacity that exists in the company, the company may be a market leader, the company's brand command a huge recall, and brand equity, the company has huge customer base or it is indigenous.

Let us move on to the second that is weakness. So, when the types of factors they are unfavourable while still the location of factors is internal that forms weaknesses. So, weaknesses can be in terms of lawsuits, say the company is facing many lawsuits, operational cost, that is the cost of operational of the company is high and portfolio expansion

Let us look at the opportunities, now again this type of factor is favourable while the location of this factor is external, outside the company. External means outside the company, internal means inside the company. So, the company can have these kind of opportunities for example, per capita milk consumption is increasing company has moved on to international markets and then it has also gone into chocolate and ice cream production.

The fourth is the threats, now here the type of factors is unfavourable while the location of these factors is external to the organization. So, one threat can be increase in competition, another is international players more foreign players from more companies from outside the country are getting in and the third threat can be a negative media coverage that the company may be getting.

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**THE STRATEGIC MARKETING PROCESS:
THE PLANNING PHASE**

1. Situation (SWOT) analysis:

SWOT Analysis Action:

- Build on a strength
- Correct a weakness
- Exploit an opportunity
- Avoid a disaster-laden threat

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What does it tell to the company, what should a company do after doing this SWOT analysis? They can build on strength, correct a weakness, exploit an opportunity or avoid a disaster - laden threat. Now let us look at this second example.

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**THE STRATEGIC MARKETING PROCESS:
THE PLANNING PHASE**

Eg. 2. Situation (SWOT) analysis:

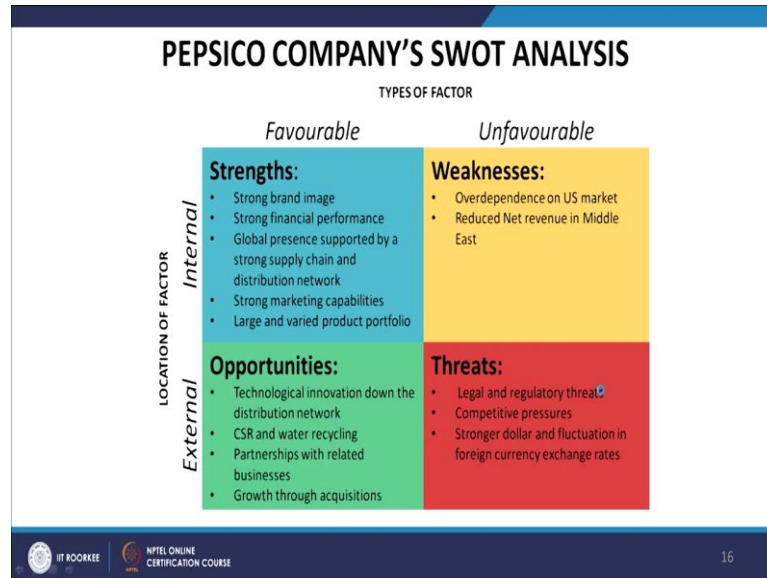
- Assume you are responsible for doing the SWOT analysis for PepsiCo company. Make a SWOT table to identify PepsiCo's strengths, weaknesses, opportunities, and threats.
- Convert the Strengths, Weakness, Opportunities and Threats identified in SWOT analysis to actionable strategies and plans.

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Assume that you are responsible for doing the SWOT analysis for PepsiCo Company. Make a SWOT table to identify PepsiCo's strengths, weaknesses, opportunities and threats. Convert the strengths, weaknesses, opportunities and threats identified in SWOT analysis into actionable strategies and plans.

So, one thing is that you are just looking at the strengths, weaknesses, opportunities and threats then what next. So, we will also talk about how to convert them into actionable strategies and plans.

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So, again for PepsiCo the strength can be strong brand names, strong financial performance, global presence supported by a global supply chain and distribution network, strong marketing capabilities and large and varied product portfolio.

Now, weaknesses as you understand are the types of factors which are unfavourable, but the location of the factor these factors they lie within the company. So, one weakness can be over dependence on the US markets most of their sales come from the US market and another weakness can be reduced net revenue in Middle East.

Now, let us look at the opportunities they are favourable factors that lie outside the organization, technological innovation down the distribution network. So, the distribution network they are adopting to the technology change and technological innovation. CSR and water recycling, partnerships with related businesses and growth through acquisition.

And the threats can be legal and regulatory threats, competitive pressures, stronger dollar and fluctuation in foreign currency exchange rates.

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PEPSICO COMPANY'S SWOT ANALYSIS

	Strengths (Internal, Positive)	Weaknesses (Internal, Negative)
Opportunities (External, Positive)	Strength-Opportunity Strategies Which of the company's strengths can be used to maximize the opportunities identified? 2	Weakness-Opportunity Strategies What actions can you take to minimize the company's weaknesses using the opportunities you identified? 2
Threats (External, Negative)	Strength-Threats Strategies How can you use the company's strengths to minimize the threats you have identified? 3	Weakness-Threats Strategies How can you minimize the company's weaknesses to avoid the threats you identified? A

TYPES OF FACTOR

		Favourable	Unfavourable
LOCATION OF FACTOR	Internal	Strengths: Strong brand image Strong financial performance Global presence supported by a strong supply chain and distribution network Strong marketing capabilities Legal and patent protection barriers	Weaknesses: Overdependence on US market Reduced retail volume in volatile East
	External	Opportunities: Technological innovation down the distribution network CSR and water recycling Partnerships with related businesses Growth through acquisitions	Threats: Legal and regulatory threats Competitive pressure Longer debt and fluctuation in foreign currency exchange rates

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Now, these are some actions that need to be taken. So, I am still showing here the SWOT analysis of PepsiCo. So, what happens on the left hand side we have opportunities, external positive, threats, external negative on the y axis. On the x axis we have strength and weaknesses, strengths are internal, but they are positive weaknesses they are internal and they are negative.

So, now let us look at this strength - opportunities strategies, which of the company's strengths can be used to maximize the opportunities identified? Let us move on to the second one that is weakness - opportunity strategies, what actions can you take to minimize the company's weaknesses using the opportunities you identified?

In this third cell we are looking at the threats, which are external to the company and they are negative while we have some strengths, strengths are internal and positive, how can you use the company's strengths to minimize the threats you have identified?

In this we are looking at the weaknesses and threats together. How can you minimize the company's weaknesses to avoid the threats you identified? Now; obviously, the idea is that every company will have limited resources and it has to decide whether it should move to the first cell, the second cell, the third cell and the fourth cell, what it should do after doing SWOT.

So, this matrix tells the company, what they should do, what are the possible alternatives that a company can choose from. Now it depends from company to company, one company may choose the first one another company may choose the second one, the third may choose the third one or yet another can choose the fourth one.

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PEPSICO COMPANY'S SWOT ANALYSIS		
	Strengths (Internal, Positive)	Weaknesses (Internal, Negative)
Opportunities (External, Positive)	Strength-Opportunity Strategies <ul style="list-style-type: none"> • <i>Releasing low cost options (smaller portion sizes)</i> of its products will help the brand grow faster internationally. • <i>Finding growth internationally</i> also help it overcome the losses that time to happen due to currency fluctuations in individual markets. 	Strength-Threats Strategies <ul style="list-style-type: none"> • To minimize the competitive threat, Pepsi must focus specifically on marketing of its brand, product innovation and of <i>using its digital capabilities better</i>. • <i>Forming partnerships</i> with other related businesses as well as <i>acquiring smaller businesses</i> will minimize the threat from a stronger dollar and currency conversion rates.
Threats (External, Negative)	Weakness- Opportunity Strategies <ul style="list-style-type: none"> • <i>Innovating the distribution network internationally and investing in partnerships</i> will also help at reducing the brand's dependence on the US market. • Partnerships and acquisitions and <i>extending its e-commerce</i> will also help the brand to grow faster and reduce the losses that happen due to currency fluctuations. 	Weakness- Threats Strategies <ul style="list-style-type: none"> • <i>Reducing its dependence on the US market</i> will also help the brand overcome some of the competitive threat. • <i>Increased international e-commerce presence</i> will help it battle the losses happening due to economic fluctuations in individual markets. • It must <i>focus on the Asian market</i> which are currently the fastest growing economies in the world.

Now, again let us look at it in detail. So, strength - opportunities strategies, releasing low cost option that is smaller portion size of its product will help the brand grow fast internationally. Second is finding growth internationally it helps to overcome the losses that may happen due to currency fluctuations in individual markets.

Now, let us look at the second one where we are looking at the strength - threat strategies, to minimize the competitive threat, PepsiCo must focus specifically on marketing of its brand, product innovation and of using its digital capabilities better. They can also form partnerships with other related businesses as well as they can acquire smaller businesses which will minimize the threat from stronger dollar or currency conversion rates.

Here in this third one they can match weaknesses and opportunities. So, this is called as Weaknesses - opportunity Strategies, innovating the distribution network internationally and investing in partnerships will also help in reducing the brand's dependence on the US market. They can develop partnerships and they can acquire and extend its e-

commerce that will also help the brand to grow faster and reduce the losses that happen due to currency fluctuations.

Now, they can also match weaknesses with threats. So, what are these weaknesses-threats strategies, first is they can reduce their dependence on the US market it will also help the brand overcome some of the competitive threats. Second is increased international e-commerce presence will help it battle the losses happening due to economic fluctuations in individual markets. It must focus on the Asian markets which are currently the fastest growing economies in this world.

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**THE STRATEGIC MARKETING PROCESS:
THE PLANNING PHASE**

2. Market-product focus and goal setting:
This phase includes determining which products will be directed toward which customers and specifying measurable marketing objectives to be achieved.

- I. Market Segmentation
- II. Goal Setting

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The second step of this planning process is the market - product focus and the goal setting. This phase includes determining which products will be directed towards which customers and specifying measurable marketing objectives that are to be achieved. So, here two things are to be done, market segmentation and goal setting.

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**THE STRATEGIC MARKETING PROCESS:
THE PLANNING PHASE**

2. Market-product focus and goal setting:

I. Market Segmentation:

It involves aggregating prospective buyers into groups, or segments, that (1) have common needs and (2) will respond similarly to a marketing action.

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So, what do we do in market segmentation, it involves aggregating prospective buyers into groups or segments that have these two things, first is they have a common need and second they will respond similarly to a marketing action.

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**THE STRATEGIC MARKETING PROCESS:
THE PLANNING PHASE**

2. Market-product focus and goal setting:

II. Goal Setting:

- Set marketing and product goals
- Select target markets
- Find **Points of difference**: Those characteristics of a product that make it superior to competitive substitutes
- Position the product

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Another thing that needs to be done is the goal setting, set marketing and product goals, select target markets, find the point of differences. What are these points of differences, those characteristics of a product that makes it superior to competitive substitutes and then you position the product.

The third thing is the marketing programs, this step involves addressing the how aspect of a strategic marketing process. It involves developing the programs, marketing mix that is the four Ps and its budget, each marketing mix element is combined to provide a cohesive marketing program.

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THE STRATEGIC MARKETING PROCESS: THE PLANNING PHASE

3. Marketing Program:

- 1 – Product strategy
- 2 – Price strategy
- 3 – Promotion strategy
- 4 – Place (Distribution) strategy

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What are included in a marketing program, it includes the product strategy, the price strategy, the promotion strategy and the place or the distribution strategies. So, these are the four strategies that are included in this marketing program.

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The four Ps elements of the marketing mix must be blended to produce a cohesive marketing program.

Marketing manager

Product <ul style="list-style-type: none"> • Features • Brand name • Packaging • Service • Warranty 	Price <ul style="list-style-type: none"> • List price • Discounts • Allowances • Credit terms • Payment period 	Promotion <ul style="list-style-type: none"> • Advertising • Personal selling • Public relations • Sales promotion • Direct marketing 	Place <ul style="list-style-type: none"> • Outlets • Channels • Coverage • Transportation • Stock level
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Cohesive marketing program

Source: Roger, K., Steven, H. & William, R. (2013). *Marketing: The Core*. McGraw-Hill Irwin, Fifth Edition.

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So, now this figure depicts the four P elements of the marketing mix they must be blended to produce a cohesive marketing program. So, here we have this marketing manager who is responsible for developing a marketing program, the product may include features, brand name, packaging, service, warranty.

The price includes the listed price, discounts, allowances, credit terms and payment period. Promotion includes advertising, personal selling, public relations, sales promotion and direct marketing. And the place includes outlets, channels, coverage, transportation and stock levels.

So, this marketing manager he makes a program on a combination based on these and it then gives a cohesive marketing program that is a unique combination of these four Ps. What are the four components of the implementation phase?

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**THE STRATEGIC MARKETING PROCESS:
THE IMPLEMENTATION PHASE**

- The four components of the implementation phase are:
 - 1 • Obtaining resources
 - 2 • Designing the marketing organization
 - 3 • Defining precise tasks, responsibilities and deadlines
 - 4 • Executing the marketing program

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The first component of implementation phase is to obtain resources, second is designing the marketing organization, the third is defining precise task responsibilities and deadlines and then the fourth component of this implementation phase is executing the marketing program.

So, what do we do in the first component of this implementation phase that is obtaining resources, how do we obtain resources?

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THE STRATEGIC MARKETING PROCESS: THE IMPLEMENTATION PHASE

- **Obtaining resources:** A key task in the implementation phase of the strategic marketing process is finding adequate people and financial resources to deliver the marketing program successfully.
- **Designing the marketing organization:** A marketing program needs a marketing organization to implement it.

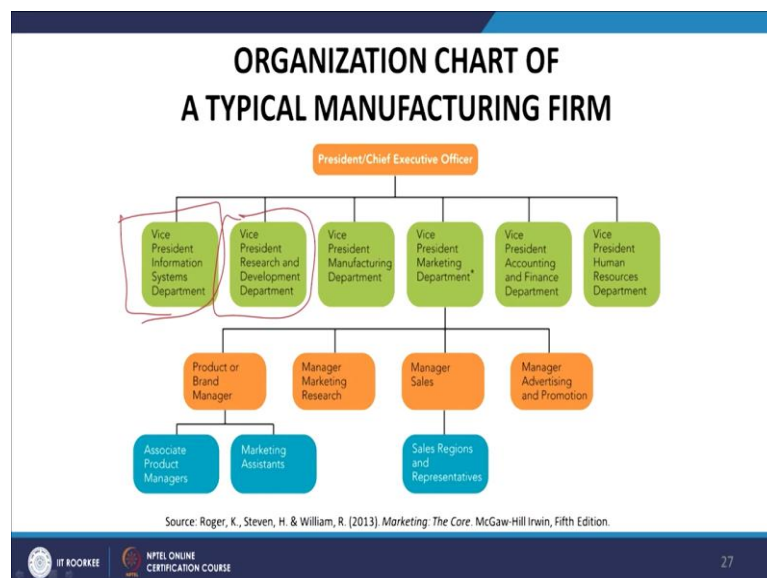
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A key task in the implementation phase of the strategic marketing process is finding adequate people and financial resources to deliver the marketing program successfully. The second is designing the marketing organization; a marketing program needs a marketing organization to implement it.

So, it will not be implemented on its own, there has to be a marketing organization that will implement this marketing program. And this is an organization chart of a typical manufacturing company.

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At the top is the president or the chief executive officer, then you have a vice president responsible for information system department, similarly there is a vice president that is responsible for research and development, then there is a vice president that looks after the manufacturing department, a vice president for marketing department, a vice president for accounting and finance department and a vice president for human resource departments.

And in marketing under this vice president of marketing department there are product and brand managers, manager of marketing research, manager of sales and manager of manager of advertising and sales promotion.

Now, under this product or brand managers there are associate product managers then there can be marketing assistants, under manager sales there can be sales regions and sales representatives.

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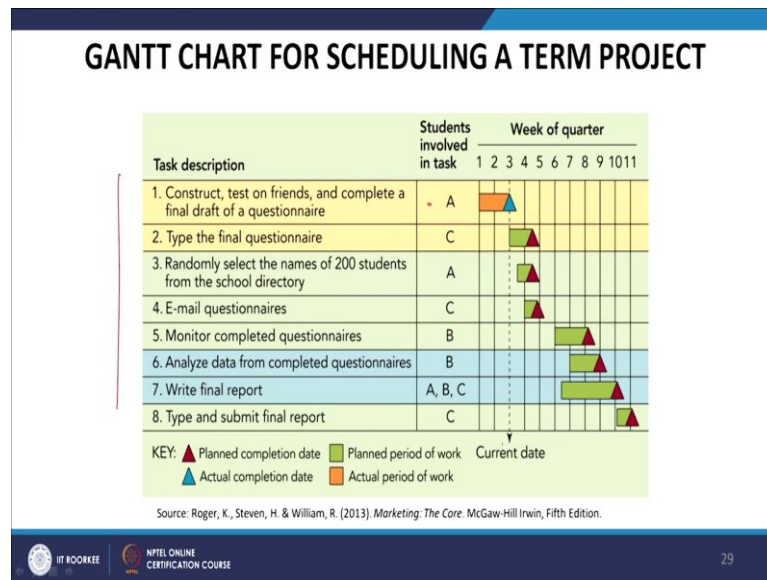
**THE STRATEGIC MARKETING PROCESS:
THE IMPLEMENTATION PHASE**

- **Defining precise tasks, responsibilities and deadlines :**
 - Action Item List: This is an aid to implementing a marketing plan consisting of four columns:
 - 1 • The Task
 - 2 • The Person responsible for task
 - 3 • Date to finish task
 - 4 • The Deliverable
 - Gantt chart: Graph of a program schedule

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Now, defining specific tasks, responsibilities and deadlines. So, there is an action item list, this is an aid to implementing a marketing plan consisting of four columns. The first column is the task, the second column is the person responsible for doing that task, the third column is by which date this task will be finished and the fourth is what are the deliverables, what will be the outcome. So, there is this Gantt chart that is a graph of a program schedule.

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So, let us look at the Gantt chart for scheduling a term project, here there are listed eight different types of task. The first task is to construct, test on friends and complete a final draft of a questionnaire. Now who is the student involved in this task that is A, how much week of the quarter it will take. So, in a quarter there are 11 weeks this constructing testing on a friend and completing the final draft of a questionnaire will take more than 3 weeks.

The second activity, the second task is to type the final questionnaire, here the student involved will be C and this task will start from the third week and it will go up till 5th week.

The third task is to randomly select the names of 200 students from the school directory, this task will be done by A student it will start between 3rd and 4th week and it will go up till the end of the 5th week.

The fourth task is to E-mail this questionnaire to those respondents, 200 students. this will be done by the C student and it will start in the 4th week and go up somewhere between 5th and 6th week.

The 5th task is to monitor this completed questionnaires, now this task will be done by B he will go through all the questionnaires and this task will; obviously, start from the 6th week and it will go up to somewhere between 8th to 9th week. The 6th task is to analyze

data from completed questionnaire now that will be done by B and it will start from the 7th week and move up till between 9 to 10th week.

The 7th task is to write down the final report, now all these ABC will sit down and write the final report. And this task will start from somewhere between 6 to 7th week and extend up to between 10 to 11th week.

And the 8th task is to type and submit the final report. So, that will be done by C and it will start between 10 to 11th week and complete after 11th week and this arrow shows the current date.

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**THE STRATEGIC MARKETING PROCESS:
THE IMPLEMENTATION PHASE**

- **Executing the Marketing Program** : Marketing plans are meaningless without effective execution of those plans.
- This requires attention to detail for both marketing strategies and marketing tactics.
 - **Marketing strategy**: The means by which a marketing goal is to be achieved.
 - **Marketing tactics**: Detailed day-to-day operational decisions essential to the overall success of marketing strategies.

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Now executing this marketing program, marketing plans are meaningless without effective execution of those plans. This requires attention to the details for both marketing strategies and marketing tactics. So, for executing this marketing program there should be emphasis on the details of both the marketing strategies and the marketing tactics.

What is marketing strategy, the means by which marketing goals is to be achieved. What are marketing tactics, detailed day- to-day operational decisions are relating to the overall success of this marketing program. So, this marketing strategy is more broad based in marketing tactics we will decide that on which date, how much units will be sold, and by the end of this month how much total units should be sold.

So, this marketing tactics is more detailed while in a strategy we just decide on the goals.

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**THE STRATEGIC MARKETING PROCESS:
THE EVALUATION PHASE**

- **Comparing results with plans to identify deviations**
 - Planning gap
- **Acting on deviations**
 - Exploiting a positive deviation
 - Correcting a negative deviation

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Then comparing results with plans to identify the deviations these are called as the planning gap, the gap between the results and what we had planned for is called as the planning gap, then what to do with this planning gap?

Next step is to act on deviations. Exploiting a positive deviation for example, you have sold more number of units then it was planned for so that is a positive deviation. And we have to correct the negative deviation when you are selling less than what was decided for that is a negative deviation and that need some corrections.

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THE STRATEGIC MARKETING PROCESS: THE EVALUATION PHASE

- **Comparing results with plans to identify deviations**
 - Planning gap: It is the difference between the projection of the path to reach a new goal and the projection of the path of the results of a plan already in place.
 - The ultimate purpose of the firm's marketing program is to "fill in" this planning gap.
 - Following slides show examples of "Planning gap" faced by Kodak and Apple.

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Now, how to go about comparing results with plan to identify these deviations, planning gap it is the difference between the projections of the path to reach a new goal and the projections of the path of the results of a plan already in place. The ultimate purpose of a firm's marketing program is to "fill in" this planning gap. So, this planning gap, gap between what was desired for and what was achieved is to be filled. The following slide shows the "planning gap" faced by Kodak and Apple.

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THE STRATEGIC MARKETING PROCESS: THE EVALUATION PHASE

- The evaluation phase requires that Kodak compare actual results with goals to identify planning gap and move its future sales revenue line from the no-growth line BC up to the challenging target of line BD.
- But poor performance can result in actual sales revenues (line BE) being far less than the targeted levels.

Source: Roger, K., Steven, H. & William, R. (2013). *Marketing: The Core*. McGraw-Hill Irwin, Fifth Edition.

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The evaluation phase requires that Kodak compares actual results with goals. So, as to identify planning gap and move its future sales revenues line from the no growth line that is BC up to the challenging target of line BD. So, this is the line BC and this is the line BD and this is the planning gap, but poor performance can result in actual sales revenues that is line BE it is going here. So, that is far less than the targeted levels.

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THE STRATEGIC MARKETING PROCESS: THE EVALUATION PHASE

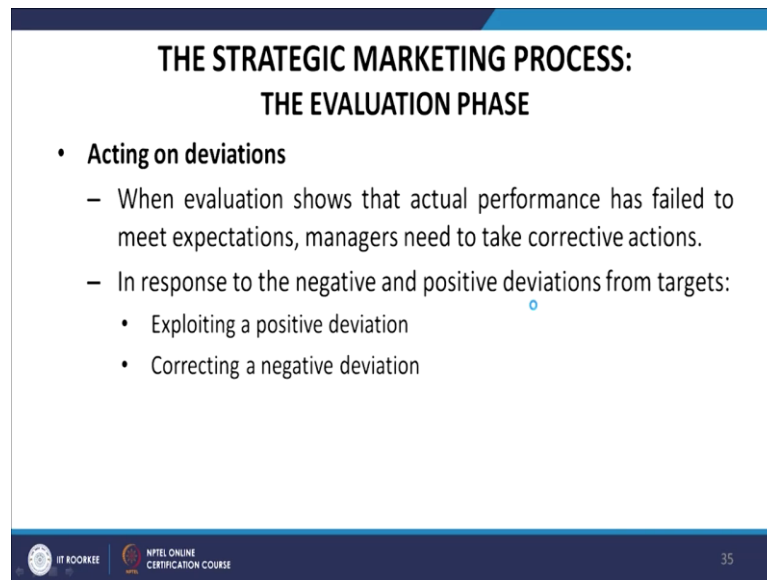
- The evaluation phase requires that Apple compare actual results with goals to identify and act on deviations to fill in the “planning gap.”
- In this case the actual sales revenue has surpassed the desired sales revenue, projection of the path to reach a new goal.

Source: Roger, K., Steven, H. & William, R. (2013) *Marketing: The Core*. McGraw-Hill Irwin, Fifth Edition.

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The evaluation phase requires that apple compare actual results with goals to identify and act on deviations to fill in the “planning gap.” In this case the actual sales revenue has surpassed the desired sales revenue projection of the path to reach a new goal. So, now, these actual sales are much more than what they had planned for.

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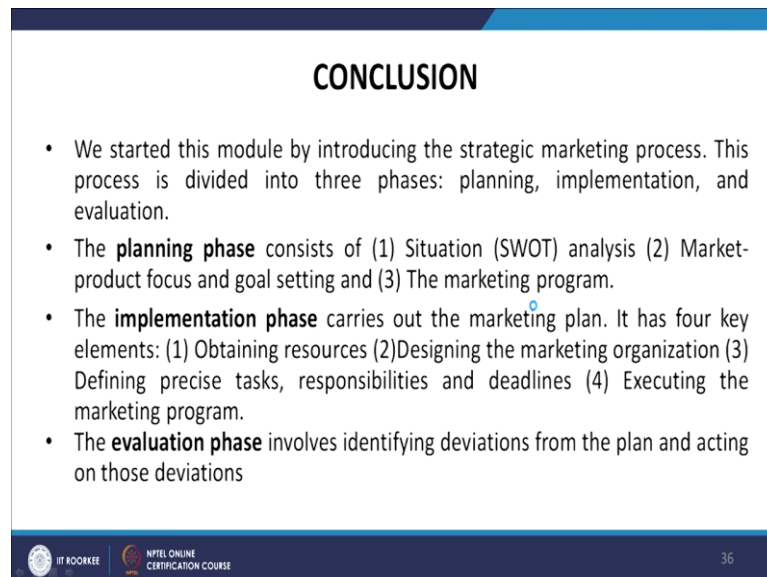
**THE STRATEGIC MARKETING PROCESS:
THE EVALUATION PHASE**

- **Acting on deviations**
 - When evaluation shows that actual performance has failed to meet expectations, managers need to take corrective actions.
 - In response to the negative and positive deviations from targets:
 - Exploiting a positive deviation
 - Correcting a negative deviation

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Now, how to go about acting on these deviations, when evaluation shows that actual performance has failed to meet expectations, managers need to take corrective actions. In response to the negative or positive deviations from targets what they should do is to exploit the positive deviation or they should look for correcting a negative deviation.

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CONCLUSION

- We started this module by introducing the strategic marketing process. This process is divided into three phases: planning, implementation, and evaluation.
- The **planning phase** consists of (1) Situation (SWOT) analysis (2) Market-product focus and goal setting and (3) The marketing program.
- The **implementation phase** carries out the marketing plan. It has four key elements: (1) Obtaining resources (2) Designing the marketing organization (3) Defining precise tasks, responsibilities and deadlines (4) Executing the marketing program.
- The **evaluation phase** involves identifying deviations from the plan and acting on those deviations

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To conclude we started this module by introducing the strategic marketing process. This process is divided into three phases; planning phase, implementation phase and the

evaluation phase. The planning phase consists of the first that is situational analysis, the second is market product focus and goal setting and the third is the marketing program.

The implementation phase carries out the marketing plan it has four key elements the first is obtaining resources, the second is designing the marketing organization, the third is defining precise task responsibilities and deadlines and the fourth is executing the marketing program.

The evaluation phase involves identifying deviations from the plan and acting on those deviations the deviations can be positive or they can be negative. So, there has to be some action that needs to be taken in both these cases.

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These are the three books from which the material for this module was taken.

Thank you.