

22722C

Strategic Marketing Management

Unit code: Y/602/2065

QCF Level 7: BTEC Professional

Credit value: 10

Guided learning hours: 30

Unit aim

This unit provides the learner with the understanding and skills to support active engagement in the process of strategic marketing management.

Unit introduction

Marketing is at the core of business. Outperforming the competition requires solid marketing knowledge and precise marketing decision making. An organisation's positioning, and the positioning of its products and services, depend on the formulation and implementation of intelligent and well-informed strategic marketing plans.

All organisations operate in a dynamic marketplace. Competition, consumers, technology and market forces constantly redefine the way organisations operate. Staying competitive means that organisations need to continuously adjust and adapt their customer approach to meet changing needs and expectations. This is increasingly important with the globalisation of markets and the rapid increase in competition from emerging nations such as China, India and Brazil. In today's markets, it is imperative that organisations focus on establishing, developing and adjusting their strategic marketing plans if they are to remain competitive.

Strategic marketing is a way of focusing an organisation's energies and resources on a course of action that can lead to increased sales and dominance of a targeted market. A strategic marketing strategy combines product development, promotion, distribution, pricing, relationship management and other elements of marketing. It identifies an organisation's strategic marketing goals, and explains how they will be achieved, ideally within a designated timeframe.

Without a strategic marketing plan, organisations can waste resources, miss opportunities or, in a worse case scenario, threaten their own survival. Strategic marketing executives have up-to-date knowledge of competitive dynamics and know how to integrate marketing strategy into an overall business strategy. Strategic marketing management provides a comprehensive examination of all the major components of marketing strategies and their integration into organisations. It is the basis for continued success in highly competitive markets.

Learning outcomes and assessment criteria

In order to pass this unit, the evidence that the learner presents for assessment needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria determine the standard required to achieve the unit.

On completion of this unit a learner should:

Learning outcomes	Assessment criteria
1 Understand the principles of strategic marketing management	1.1 discuss the role of strategic marketing in an organisation 1.2 explain the processes involved in strategic marketing 1.3 evaluate the links between strategic marketing and corporate strategy
2 Understand the tools used to develop a strategic marketing strategy	2.1 assess the value of models used in strategic marketing planning 2.2 discuss the links between strategic positioning and marketing tactics 2.3 analyse the merits of relationship marketing in a given strategic marketing strategy
3 Be able to use strategic marketing techniques	3.1 use appropriate marketing techniques to ascertain growth opportunities in a market 3.2 plan how to use marketing strategy options in a market 3.3 create appropriate strategic marketing objectives for a market
4 Be able to respond to changes in the marketing environment	4.1 report on the impact of changes in the external environment on a marketing strategy 4.2 conduct an internal analysis to identify current strengths and weaknesses in a marketing strategy 4.3 propose strategic marketing responses to key emerging themes in a marketing strategy

Unit content

1 Understand the principles of strategic marketing management

Role of strategic marketing: key definitions of strategic marketing from the Chartered Institute of Marketing and key authors (eg Hugh Davidson; Peter Doyle; Philip Kotler; Malcolm McDonald); role and importance of strategic marketing in an organisation; concepts; systematic approach; sequencing and scheduling of activities; integration of activities; resource requirements; timescaling; monitoring and control elements

Processes: strategic marketing planning processes (eg Peter Doyle, Malcolm McDonald) including strategic marketing analysis, marketing strategy objective setting, perceptual mapping, factor analysis, option evaluation, choice, formulation, implementation and control

Links to corporate strategy: the nature of strategy and marketing links to corporate strategy eg Michael Porter; links to mission statement, organisational structure, corporate responsibility and ethics; dynamic strategy (Carpenter and Sanders); knowledge management systems

2 Understand the tools used to develop a strategic marketing strategy

Models: organisation, industry and market environment situation analysis; Porter's Five Forces model; structure, conduct and performance; SWOT (strengths, weaknesses, opportunities, threats) analysis, STEEPLE (social, technological, economical, environmental, political, legal, ethical) analysis, PEST (political, economic, social, technological) analysis, marketing audit; portfolio analysis techniques eg BCG matrix, Product Life Cycle model, Ansoff matrix

Links between strategic positioning and marketing tactics: strategic positioning, defining the future position, information collection, analysis, choice of strategy, implementation, monitoring; links to strategic plan eg internal growth, market penetration, market development, product development, marketing tactics; product tactics eg selection, range, quality, branding; price tactics eg skim pricing, penetration pricing, cost price, market price, price discrimination; promotion tactics eg customer loyalty schemes, product sampling, dealer loaders, extended credit, point of sale (POS) materials; place tactics eg distribution channels, transport management, stock and handling, run through times, terms of delivery

Relationship marketing: direct response marketing strategies eg offensive strategies, obtaining new customers, increasing customer purchase frequency; defensive strategies, increasing customer satisfaction and increasing switching costs; customer retention strategies eg product bundling, cross-selling, cross-promotions, loyalty programmes; customer satisfaction, customer life cycle value; personalised marketing; Payne and Ballantyne's six markets model (internal markets, supplier markets, recruitment markets, referral markets, influence markets, customer markets)

3 **Be able to use strategic marketing techniques**

Marketing techniques: setting marketing objectives and marketing strategy, targeting markets; segmenting markets eg geographic, demographic, psychographic, behaviour; profiling markets eg revenue potential, market share potential, profitability potential; positioning segmented markets eg market leader or product line extension, mass marketing or targeted marketing, direct or indirect sales

Strategy options: Porter's generic strategies (focus, cost leadership and differentiation); core competences (G Johnson and K Scholes, G Hamel and C K Prahalad); competitive advantage (H Davidson, M Porter); investment opportunity evaluation (D F Abell and J S Hammond); General Electric model; Shell directional policy matrix; market leadership; market dominance strategies; market leader, market challenger, market follower, market nicher; innovation strategies; market pioneer; close followers, late followers; offensive, defensive and value-based marketing strategies

Strategic marketing objectives: marketing mix – 7 Ps (Product, Price, Place, Promotion, People, Process, Physical evidence); marketing activity strategies for product/service, pricing, distribution, promotion (advertising, sales promotion, personal selling, direct marketing, public relations), people (internal, intermediaries, customer service), processes and physical evidence, e-marketing strategy; customer relationship management; resource requirements (financial, people, marketing); integration of marketing activity strategies

4 **Be able to respond to changes in the marketing environment**

Changes in the external environment: shift from supply to demand environment; fashionisation of markets; micro-markets; rising expectations; technological change; competition; globalisation; importance of customer service; commoditisation; erosion of brands; new constraints

Strengths and weaknesses: focus of marketing objectives, links to corporate strategy, speed of new product developments, ability to customise, ability to handle information to gain competitive advantage; e-marketing position, core focus, target markets, nature and potential of key market segments, partnerships with customers and other stakeholders, organisational structure, innovation strategies, timescales, resource requirements, budgets, monitoring, review and control mechanisms

Strategic marketing responses: emerging themes eg impact of globalisation, the strength or weakness of competitors, importance of environmental factors, changes in the political environment, the state of the economy, the exchange rate, health and safety factors

Essential resources

There are no essential resources required for this unit.

Indicative resource materials

Textbooks

Best R J – *Market-based Management: Strategies for Growing Customer Value and Profitability, 5th Edition* (Prentice Hall, 2009) ISBN 0132336537

Chernev A – *Strategic Marketing Management, 5th Edition* (Brightstar Media, 2009) ISBN 0982512635

Hastings H and Saperstein J – *Improve Your Marketing to Grow Your Business* (Wharton School Publishing, 2007) ISBN 0132331594

Hooley G, Saunders J, Piercy N F and Nicoulaud B – *Marketing Strategy and Competitive Positioning, 4th Edition* (Financial Times/Prentice Hall, 2007) ISBN 0273706977

Kotler P and Armstrong G – *Principles of Marketing, 13th Edition* (Prentice Hall, 2008) ISBN 0136079415

Kotler P and Keller K L – *A Framework for Marketing Management* (Pearson Education, 2008) ISBN 0137131844

Lambin J J – *Market Driven Management: Strategic and Operational Marketing, 2nd Edition* (Palgrave Macmillan, 2007) ISBN 1403998523

McDonald M – *Malcolm McDonald on Marketing Planning: Understanding Marketing Plans and Strategy* (Kogan-Page, 2007) ISBN 0749451491

Mukerjee K – *Customer Relationship Management: A Strategic Approach to Marketing* (Prentice Hall of India, 2007) ISBN 8120332857

Mullins J, Walker O C and Boyd H W – *Marketing Management: A Strategic Decision-Making Approach, 7th Edition* (McGraw-Hill Higher Education, 2009) ISBN 007126776X

Palmer R, Cockton J and Cooper G – *Managing Marketing: Marketing Success Through Good Management Practice* (Butterworth-Heinemann, 2007) ISBN 0750668989

Tollin K and Carù A (Eds) – *Strategic Market Creation: A New Perspective on Marketing and Innovation Management* (John Wiley and Sons, 2008) ISBN 0470694270

Winer R and Dhar R – *Marketing Management, 4th Edition* (Pearson Education, 2010) ISBN 0130387924

Journals

European Journal of Marketing (Emerald)

International Journal of Research in Marketing (Elsevier)

The Journal of Customer Behaviour (Westburn Publishers Ltd)

Journal of Interactive Marketing (Elsevier)

Journal of Marketing Communications (Routledge)

Journal of Strategic Marketing (Routledge)

The Marketing Review (Westburn Publishers Ltd)

Websites

en.wikipedia.org

Articles on strategic marketing and further links

www.businessballs.com

Management learning resources and articles and links on strategic marketing management

www.idea.gov.uk

Local Government Improvement and Development – developing a strategic communication strategy in the public sector which applies equally to the private sector

www.managementhelp.com

Articles on strategic marketing planning and further links

www.marketingpower.com

American Marketing Association – marketing articles

