MKTG303: Marketing Strategy: Analysis and Decisions

UNIT OUTLINE
First Semester, 2005

Lectures: Thursdays 2-5pm E7B T2 and Thursdays 6-9pm E7B 263

Unit Convenor: Leanne Carter

Prerequisites: MKTG202; MKTG203

Students in this unit should read the Unit Outline carefully at the beginning of the semester. It contains important information about the unit. If anything in it is unclear, please consult the teaching staff for this unit.
ABOUT THIS UNIT

- This is a single semester (half-year) 3-credit point unit. The number of credit points a unit is worth is determined by the number of hours a student is expected to spend each week attending lectures, reading and preparing assignments. For a single semester unit, students are expected to spend 4 hours per credit point each week on work related to the unit. Students are strongly advised to prepare their study timetable accordingly. Successful performance in the exam requires knowledge and understanding of the content of the lectures and set readings.

- This subject provides an analytical overview of marketing strategy in the broader context of corporate and business unit strategy. It builds on the general marketing knowledge students have gained in market research, consumer behaviour and marketing management.

TEACHING STAFF

- Lecturer: Patricia McManus
  Mobile 0417714477
  Email: pmcmanus@efs.mq.edu.au
  Room: C5C 335
  Consultation time: 11am-12noon Thursdays (other times available by appointment)

CLASSES

- Lectures will be held in E7B T2 on Thursday from 2.00pm– 5.00pm and on Thursday evening from 6.00 to 9.00pm in E7B 263. The unit timetable can be found on the University web site at: http://www.timetables.mq.edu.au/

- In order to successfully complete the Unit you must:
  - Attend and participate in the weekly lectures.
  - Participate in Case Study analysis and discussion.
  - Complete the two assignments (individual case study and a group assignment).
  - Complete a final exam (with a mark of 50% or better).
  - Satisfactory assignment work and attendance may be used to determine a marginal grade.
REQUIRED AND RECOMMENDED TEXTS AND/OR MATERIALS

- Prescribed text

- Prescribed unit materials (if any)
  Marketing Strategy Case Book (MKTG 303)

- Additional texts - available at the library


UNIT WEB PAGE

- The web page for this unit can be found at: [http://online.mq.edu.au](http://online.mq.edu.au).

LEARNING OUTCOMES

- The learning outcomes of this unit is to develop knowledge and skills that enable students to:

  (1) Critically analyse business environments both external to the firm and within the organisation;
  (2) Gain knowledge of the process by which organisations can develop a strategic and sustainable competitive advantage;
  (3) Assess marketing strategies from the standpoint of growth, market share, and profitability; and within the context of the market environment.
  (4) Understand marketing investment decisions and choices.

The focus is on a customer-oriented approach to the marketing organisation, market definition, and market segmentation, as well as an entrepreneurial approach to strategic choice. Throughout the course, the emphasis is on the analysis process: identifying
information needs, acquiring the necessary information, interpreting it and using it as the basis for business recommendations.

In addition to the discipline-based learning objectives, all academic programs at Macquarie seek to develop students' generic skills - critical thinking, independent work, teamwork, writing skills, and problem-solving skills. in a range of areas.

**TEACHING AND LEARNING STRATEGY**

- 13 seminars of three hours each plus one online lesson. The teaching and learning process will comprise of lectures, case studies, group exercises, and discussions. Students are expected to participate in class discussion; read in advance the relevant chapter of the text book; follow current developments in the business sector.

**Lecture Program**

**Lecture 1: Introduction and Overview Subject Outline Strategic Role of Marketing**

**Lecture 2: Strategic Decisions: Marketing Implications of Corporate Strategy decisions.**
- Corporate Scope- Defining the Firm’s Mission.
- Corporate Objectives
- Enhancing Shareholder Value.
- Corporate growth strategies

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- Corporate Scope- Defining the Firm’s Mission.
- Corporate Objectives
- Enhancing Shareholder Value.
- Corporate growth strategies

**Lecture 4: Environmental Analysis**
- Identifying attractive markets
- Industry analysis and competitive advantage
- Industry Analysis and Competitive Advantage.

**Lecture 5: – Measuring Market Opportunities**
- Market Knowledge Systems
- Marketing research: Strategic decision making
- What questions do marketers need to ask when conducting marketing research

**Lecture 6: Targeting Attractive Market Segments**
- The segmentation process
- Defining market segments
- Innovative segmentation
- Targeting strategies
Lecture 7: - Differentiation and Positioning Decisions.
- Physical versus perceptual product positioning
- The positioning process
- Branding strategy

Lecture 8: Formulating marketing strategies for new markets
- Market entry strategies: Is it better to be a pioneer or a follower?
- Strategic Marketing programs for Pioneers
- Follower strategies
- Strategies for new products and services.

Lecture 9: Formulating marketing strategies in high growth, highly competitive markets.
- Opportunities and risks in growth markets
- Share growth strategies
- Marketing objectives for share leaders
- Marketing strategies in growth market

Lecture 10: Formulating Marketing Strategies in declining and mature markets
- Strategic choices in mature markets
- Strategies for maintaining competitive advantage
- Strategies for maintaining current market share
- Strategies for extending volume growth
- Customer Satisfaction and Loyalty

Lecture 11: Marketing Strategies for the New - Economy
- The inherent advantages and disadvantages of the new- economy for marketers
- Developing a new- economy strategy: a decision framework.

Lecture 12 - Marketing Planning and Implementation
- Organisational structures
- Recent trends in organisational design
- Marketing Plans: Implementing marketing actions

Lecture 13 Measuring and Delivering Marketing performance
- Setting Standards of performance
- Specifying and obtaining feedback data
- Taking corrective action.
RELATIONSHIP BETWEEN ASSESSMENT AND LEARNING OUTCOMES

- Statement of the rationale for the modes of assessment (that is, how do the assessment tasks fulfil and evaluate the stated learning outcomes of the unit).

All assignment tasks are compulsory. You will need to complete three assignment assessment tasks and pass a final examination to satisfy the course requirements.

| Assessment 1 – Case Study Analysis | Due Date: (see table below) | 15% |
| Assessment 2 – Strategic Marketing Plan | Due Date : 2 June | 25% |
| Assessment 3- In-class participation | See weekly program p.4-6 | 10% |
| Assessment 4- Final Examination | Date TBA | 50% |

1. Assessment Task ONE: Individual In-depth Case Study Analysis – 15 Marks

Select one of the following cases: for your analysis from the cases provided in your study kit.
- Case Study: Absolute Vodka (Due Date : Week 4 – 24 March)
- Case Study: Citibank (Due Date: Week 8 – 5 May)
- Case Study: MCI Vision (Due Date : Week 10 - 19 May)
- (ONLY ANALYSE ONE CASE of your choice do not submit an analysis on all three cases)

Once the case has been discussed during the lecture no late submissions will be accepted.

Mark: 15%

In-depth Case Study Analysis Guidelines

I. Define the business problem or the key issues for the business.
II. Make a clear statement of Corporate, SBU (if relevant to case) and marketing objectives. These objectives may not have been formally stated in the case write-up, you need to utilise the information in the case to construct performance oriented objectives. The marketing objectives should cover areas of product, price, distribution and communication objectives.
III. The second part of the analysis is to analyse the internal and external environmental factors (Situation Analysis) that will have impact on the organisations marketing strategies. This is an important part of any strategic marketing analysis. It is also most prone to deficiencies. The situation Analysis must be diagnostic. It must not simply repeat facts from the case write-up. Situation analysis can be both quantitative and
qualitative and there may be a variety of situational factors and dimensions to consider. These could include:

- Competitive, economic, technological, regulatory, cultural factors impacting on business decisions.
- Market characteristics (especially; market size, market growth, geographic location of customers or suppliers, buyer behaviour etc.)
- Organisations resources, capabilities, core competencies, and competitive advantage.
- Portfolio Analysis
- Channel member behaviour (power relationships, power base, attitudes between channel members)
- Competitor Analysis.

The situation analysis must be developed with a view of using the information to construct effective business and marketing strategies. Therefore the information needs to be selective and appropriate. Analysis that does not guide decision-making is superfluous. You can supplement the case information with information you obtain from other sources. However you must ensure that these sources are dated to prior to the time of the case situation and the information is public and not confidential. All sources must be properly referenced.

IV. This section will present and evaluate two distinct Marketing Strategy Plans. Each of these plans must be complete in all relevant elements and both reasonable and feasible. The plans must present strategic solutions for the organisation in order for the organisation to meet its business and marketing objectives, (see case book for further guidelines on case analysis).

V. You must recommend one of the plans you have evaluated. Justify your recommendations by how you believe its advantages outweigh its disadvantages. Develop a coherent and logical argument. Note trade-offs and limitations to your recommendations.

2. Assessment Task TWO: Strategic Marketing Plan – In groups of 3 (three) or 4 (four) – 25 Marks - Limit 3000 Words Due on week 11

Guidelines for Preparing the Strategic Marketing Plan

Select an organisation or industry of your choice that markets a product or service. You may decide to choose a particular industry and identify a gap for a new product concept (hypothetical or real) or prepare a marketing plan for an existing products or services. These can be business to business or consumer products or services or a mixture of these.

I. Briefly describe the product(s) or service(s). Describe its basic features and benefits, its target market, the assortment on offer.
II. Develop a comprehensive and focussed Situation Analysis evaluating both the internal and external environmental factors that are likely to impact on the industry and on the products and services of your organisation. This is perhaps the most important part of the analysis for marketing strategy decisions as it enables to measure the size of the market opportunity and provide information to support the strategies outlined in the Marketing Plan. The situational factors to consider could include any of the following:

- External environment- Demographic, Economic, Political/Legal, Socio-cultural, Technological.
- Competitive environment.
- Internal environment- Organisations resources, capabilities and core competencies.

III. State clear and explicit business and marketing objectives based on the size of the market opportunity and expected return on investment. An objective is a quantified goal identifying what is expected when. It specifies the end results expected. Objectives should also be included for the following program components (1) product, (2) price, (3) distribution, (4) promotion (salesforce, advertising, sales promotion and public relations).

IV. Positioning Statement – Write statements that describe how you want each market target to perceive the products or services relative to competition. State the core concept used to position the product (brand) in the eyes and mind of the targeted buyer. The positioning statement should describe: (1) What criteria or benefits the customer when buying a product along with the level of importance, (2) What we offer that differentiates our product from competition, and (3) The limitations of competitive products.

V. Develop an overall marketing strategy for the organisation and the product(s), focussing on how the organisation can achieve its stated marketing objectives. You may have more than one strategic option. Clearly evaluate your options and build a concise argument for your strategy selection, using data collected to justify the best option.

VI. Marketing Mix Strategy for each market target.
- Product strategy – Identify the key benefits the product offers to meet consumer needs. Other issues that may be addressed would be new product suggestions, adjustments in the mix of existing products, and product deletion candidates.
• **Price strategy** – The overall pricing strategy (ie competitive, premium priced etc) should be identified along with a cost/benefit analysis if applicable. Identify what role you want price to play. What is the breakeven position based on the pricing strategy.

• **Distribution Strategy** – Describe specific distribution strategies for each market target. Issues to be addressed are intensity of distribution (market coverage), how distribution will be accomplished, and assistance provided to distributors. The role of the sales force, wholesalers and distributors should also be considered.

• **Promotion Strategy** – Promotion strategy is used to initiate and maintain a flow of communication between company and the target market. To assist in developing the communications program, the attributes and benefits of your product or service should be identified for each market target. How the product differs from competition (competitive advantage) should be listed. Strategies should be listed for personal selling, advertising, sales promotion, and public relations activities.

VII. Coordination with other business functions – Indicate other departments/functions that have responsibilities for implementing the marketing plan.

VIII. Estimate of sales forecasts and budgets – Based on the size and potential growth of the market, estimate potential sales for the product, market share and the marketing expenditure required to achieve marketing objectives over a three year period. (These should only be estimates, based on publicly available data from such sources as ABS or industry publications).

IX. Contingency Plans – Indicate how your plans should be modified if events should occur that are different from those assumed in the plan.

3. Assessment Task Three: In-Class Participation - 10 Marks (10%). Limit -200 Words.

You are to prepare one page analysis for each of the cases outlined in your casebook. Three students will be selected randomly to present their case analysis during the lecture, other students will be selected to comment and ask questions. You must therefore be ready to present your case analysis and understand the key issues in the case.

If you are not selected to present your case, you must submit your written presentation as part of your participation mark on the day the case presentations are scheduled. Late submissions will not be accepted. If you are submitting a full case analysis as outlined in assessment task two, you do not need to prepare a two page analysis on the same case.

Due on week 4: Case Study Absolute Vodka.
Due on week 6: Case Study Goodyear: The Aquatred launch.

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Due on week 8: Case Study Citibank: launching the Credit Card in Asia Pacific.
Due on week 9: Case Study Gillette Safety Razor Division: Cassette project.
Due on week 10: Case study MCI Vision.
Due on week 11: Case Study Dell Computer Corp.
Due on week 12: Case Study: Benetton.

The Case Analysis should focus on:

a) What are the key issues and problems in the case?
b) How does the marketing theory apply to the case situation?
c) What are the relevant marketing strategy
d) Solutions to key marketing or business problems outlined in the case?

4. Final Examination

There will be a three-hour examination that is worth 50% of the assessment for the course. You must obtain a pass (50% or greater) in this examination, regardless of the marks you achieve in the assignment, to pass the subject. All students are expected to sit for the final examination at the scheduled time. The exam will incorporate theoretical concepts with case study application studied in class.

The University Examination period in First / Second Half Year 2005 is from 15 June to 29 June.

You are expected to present yourself for examination at the time and place designated in the University Examination Timetable. The timetable will be available in Draft form approximately eight weeks before the commencement of the examinations and in Final form approximately four weeks before the commencement of the examinations. http://www.timetables.mq.edu.au/exam

The only exception to not sitting an examination at the designated time is because of documented illness or unavoidable disruption. In these circumstances you may wish to consider applying for Special Consideration. Information about unavoidable disruption and the special consideration process is available at http://www.reg.mq.edu.au/Forms/APSCons.pdf

If a Supplementary Examination is granted as a result of the Special Consideration process the examination will be scheduled after the conclusion of the official examination period. (Individual Divisions may wish to signal when the Division's Supplementaries are normally scheduled.)

You are advised that it is Macquarie University policy not to set early examinations for individuals or groups of students. All students are expected to ensure that they are available until the end of the teaching semester, that is the final day of the official examination period.
PLAGIARISM

The University defines plagiarism in its rules: "Plagiarism involves using the work of another person and presenting it as one's own." Plagiarism is a serious breach of the University's rules and carries significant penalties. You must read the University's practices and procedures on plagiarism. These can be found in the Handbook of Undergraduate Studies or on the web at: http://www.student.mq.edu.au/plagiarism/

The policies and procedures explain what plagiarism is, how to avoid it, the procedures that will be taken in cases of suspected plagiarism, and the penalties if you are found guilty. Penalties may include a deduction of marks, failure in the unit, and/or referral to the University Discipline Committee.

UNIVERSITY POLICY ON GRADING

Academic Senate has a set of guidelines on the distribution of grades across the range from fail to high distinction. Your final result will include one of these grades plus a standardised numerical grade (SNG).

On occasion your raw mark for a unit (i.e., the total of your marks for each assessment item) may not be the same as the SNG which you receive. Under the Senate guidelines, results may be scaled to ensure that there is a degree of comparability across the university, so that units with the same past performances of their students should achieve similar results.

It is important that you realise that the policy does not require that a minimum number of students are to be failed in any unit. In fact it does something like the opposite, in requiring examiners to explain their actions if more than 20% of students fail in a unit.

The process of scaling does not change the order of marks among students. A student who receives a higher raw mark than another will also receive a higher final scaled mark.


STUDENT SUPPORT SERVICES

Macquarie University provides a range of Academic Student Support Services. Details of these services can accessed at http://www.student.mq.edu.au.
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<th>Topic</th>
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| Week 2 10 March       | Strategic Decisions: Marketing Implications of Corporate Strategy decisions.  
  - Corporate Scope- Defining the Firm’s Mission.  
  - Corporate Objectives  
  - Enhancing Shareholder Value.  
  R. McKenna, “Marketing is Everything”, *HBR*, Jan-Feb 1991. |
| Week 3 17 March       | Business Strategies and Their Marketing Implications  
  - The concept of strategic fit  
  - Strategic decisions at the business unit level  
  - The underlying dimensions of alternative business strategies  
  - Marketing implications of different business strategies.  
  B. Shapiro, V. Rangan, T. Morartry, “Manage Customers for Profits (Not Just Sales)”, *HBR*, Sep-Oct 1987 |
| Week 4 24 March       | Environmental Analysis  
  - Identifying attractive markets  
  - Industry analysis and competitive advantage  
  Case Study: Absolute Vodka |
| Week 5 30 March       | Measuring Market Opportunities  
  - Market Knowledge Systems  
  - Marketing research: Strategic decision making  
  - What questions do marketers need to ask when conducting marketing research | Walker, Boyd, and Larreche, Ch 6, “Measuring Market Opportunities”  
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<th>Week 6 7 April</th>
<th>Targeting Attractive Market Segments</th>
<th>Walker, Boyd, and Larreche, Ch 7, “Targeting Attractive Market Segments”</th>
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<tbody>
<tr>
<td></td>
<td>• The segmentation process</td>
<td>B.P. Shapiro, T.V. Bonoma, “How to Segment Industrial Markets”, <em>HBR</em>, May-Jun 1984</td>
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<td>• Defining market segments</td>
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<td>• Innovative segmentation</td>
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<td>• Targeting strategies</td>
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<th>Week 7 14 April</th>
<th>Differentiation and Positioning Decisions.</th>
<th>Walker, Boyd, and Larreche, Ch 8, “Differentiation and Positioning”.</th>
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<td>• The positioning process</td>
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| Break          |                                            |                                                                          |

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<th>Walker, Boyd, and Larreche, Ch 9, “Marketing Strategies for New Market Entries”</th>
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<td>• Strategic Marketing programs for Pioneers</td>
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Case Study: Citibank: launching the Credit Card in Asia Pacific

Case Study: Gillette Safety Razor Division: Cassette project
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<td>• Developing a new-economy strategy: a decision framework.</td>
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<td>Walker, Boyd, and Larreche, Ch 12, “Marketing Strategies for the new Economy”</td>
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<td>Case Study: Dell Computer Corp.</td>
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<td>• Organisational structures</td>
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<td>• Marketing Plans: Implementing marketing actions</td>
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<td>Walker, Boyd, and Larreche, Ch 13, “Organising and Planning for effective Implementation”</td>
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<td>Walker, Boyd, and Larreche, Ch 14, “Organising and Planning for effective Implementation”</td>
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