

There are only 3 marketing strategies needed to grow a business

1. Increase the number of customers
2. Increase the average transaction amount
3. Increase the frequency of repurchase

Common Pitfalls of Marketers and Entrepreneurs

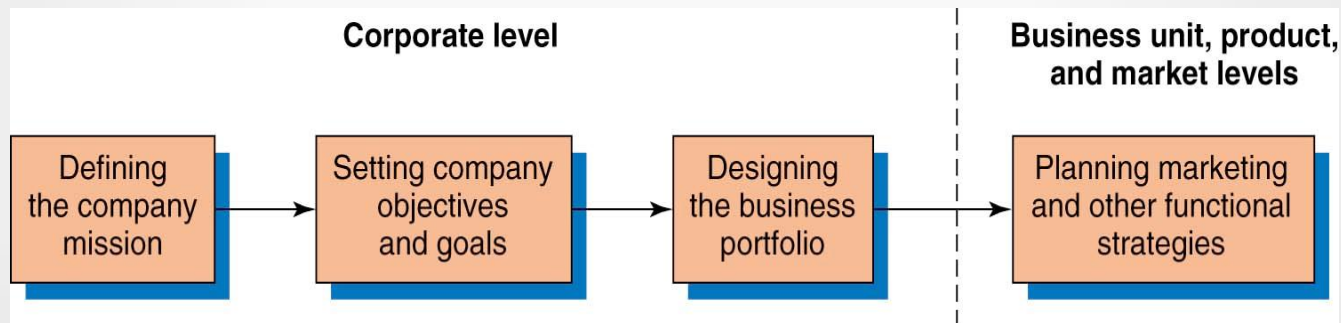
- Unrealistic growth expectations
- Preoccupation with product issues
- Excessive faith in the benefits of growth
- Minimization of competing products and services

Key Questions

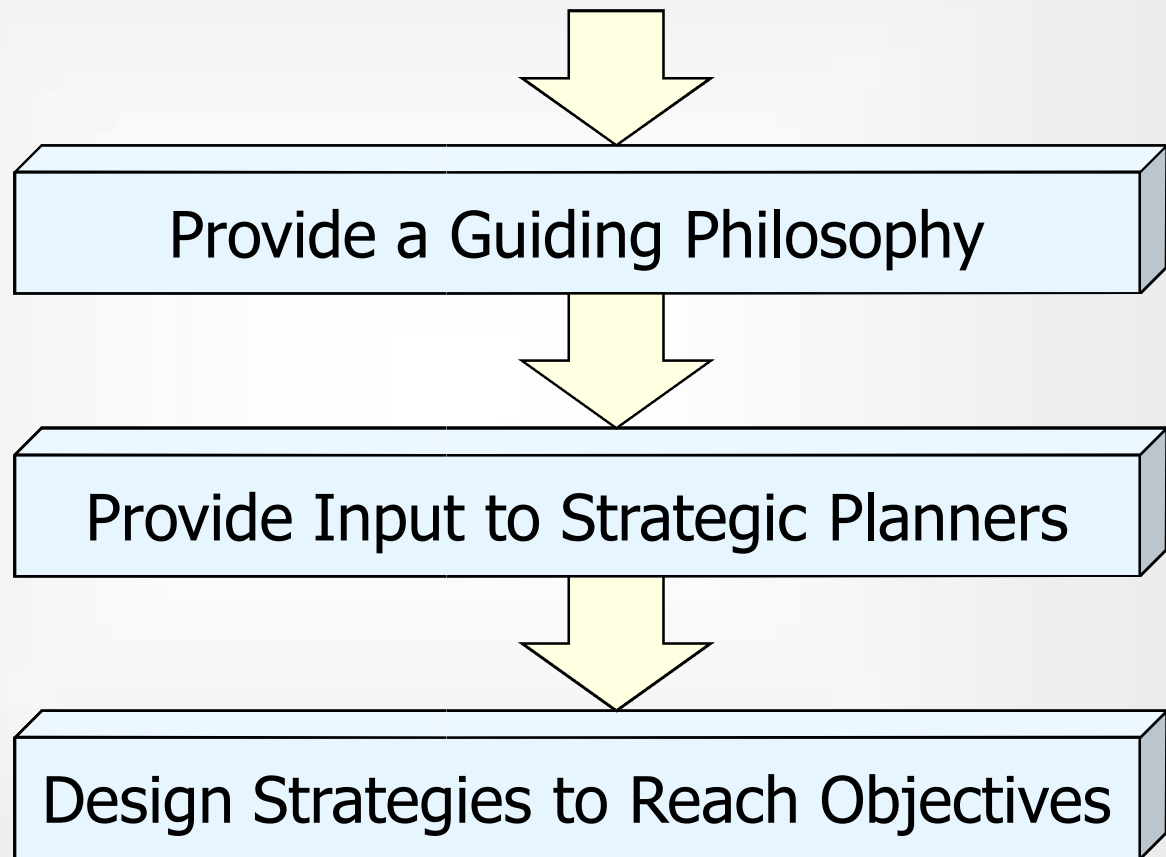
- **What is our competitive advantage?**
- **Who values our competitive advantage?**

What Is Strategic Planning?

- **Strategic Planning** is the process of developing and maintaining a strategic *fit* between the organization's goals and capabilities and its changing marketing opportunities.
- Steps in Strategic Planning:



Marketing's Role in SP



The Strategic Marketing Process

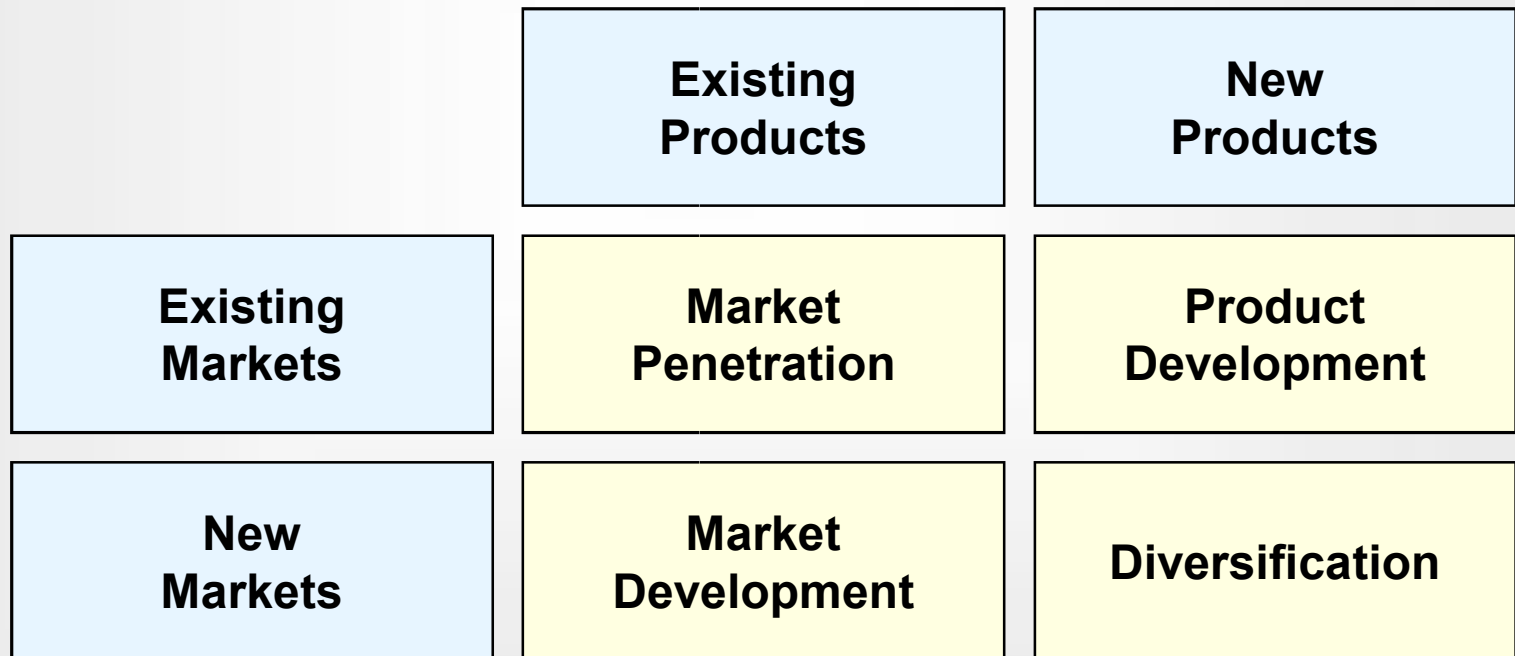
1. Analyze current situation.
2. Analyze marketing opportunities.
3. Select target markets.
4. Develop the marketing mix.
5. Manage the marketing effort.

1. Analyze Current Situation

- Portfolio analysis
 - Evaluates relative strength of all products & services in the company.

2. Analyze Opportunities

- *Product-Market Expansion Grid* identifies four potential growth areas:



Growth at Tim Hortons

- To maintain its phenomenal growth in an increasingly over-caffeinated marketplace, Tim Hortons uses an ambitious, well-planned multi-pronged growth strategy.



Tim Hortons & PME Grid

- Market penetration
 - Make more sales to current customers without changing products.
 - Add new stores in current market areas; improve advertising, prices, menu, service.
- Market development
 - Develop new markets for current products.
 - Review new demographic such as women, youth.
 - Examine large potential U.S. market.
- Product development
 - Offering modified or new products to current markets.
 - Add lunch offerings and iced drinks, sell coffee in supermarkets, co-brand products.
- Diversification
 - Start up or buy businesses outside current products and markets.
 - Making and selling CDs, testing restaurant concepts or branding casual clothing.

Example

- *Product-Market Expansion Grid*

	Existing Products	New Products
Existing Markets	Vinyl Siding	Wood Composite
New Markets	Pasadena	Continuous Rain Gutter CB and Pasadena

3. Select Target Segment

A. *Segment market:*

- Divide larger market into groups of people with similar demands and responses
- Each market may require separate products or marketing programs.
 - What different types of needs and behaviours do consumers have?



3. Select Target Segment

B. Target Marketing:

- involves evaluating each market segment's attractiveness and selecting one or more segments to enter
- Markets may be segmented according to:
 - Demographic variables
 - Geographic location
- Good target segments must be able to sustain profitability.

3. Select Target Segment

C. *Position:*

- Create differentiation relative to competing products in minds of target customers.
- Process begins with differentiating the company's marketing offer so it gives consumers more value.

Positioning & Perceptual mapping

- **Positioning** refers to developing a distinct image for the product or service in the mind of the consumer in order to differentiate the offering from those of competitors.
- **Perceptual Mapping** is a research technique that enables marketers to plot graphically consumers' perceptions concerning product attributes of specific brands in relation to competitive brands.

Map

