Strategic Marketing Planning

Second edition

Colin Gilligan
Emeritus Professor of Marketing
Sheffield Hallam University and Visiting Professor,
Newcastle Business School

and

Richard M. S. Wilson
Emeritus Professor of Business Administration & Financial
Management at Loughborough University Business School and
Visiting Professor in the Department of Information Science at
Loughborough University
## Contents

*Preface to the Second Edition*  
 ix  

*Overview of the Book's Structure*  
 xi  

1 **Introduction**  
   1.1 Learning Objectives  
   1.2 The Nature of Marketing (or, 'Delivering Value and Winning Customer Preference')  
   1.3 The Management Process  
   1.4 Strategic Decisions and the Nature of Strategy  
   1.5 The Marketing/Strategy Interface  
   1.6 Summary  

2 **Strategic Marketing Planning and the Marketing Plan**  
   2.1 Learning Objectives  
   2.2 Introduction  
   2.3 The Role of Strategic Marketing Planning  
   2.4 So What is Marketing Strategy?  
   2.5 The Three Dimensions of Planning  
   2.6 Summary  
     41  

**Stage One: Where Are We Now? Strategic and Marketing Analysis**  

3 **Marketing Auditing and the Analysis of Capability**  
   3.1 Learning Objectives  
   3.2 Introduction  
   3.3 Reviewing Marketing Effectiveness  
   3.4 The Role of SWOT Analysis  
   3.5 Competitive Advantage and the Value Chain  
   3.6 Conducting Effective Audits  
   3.7 Summary  
     73  

84  

85  

102  

104  

109
## Contents

### 4 Segmental, Productivity and Ratio Analysis
- 4.1 Learning Objectives
- 4.2 Introduction
- 4.3 The Clarification of Cost Categories
- 4.4 Marketing Cost Analysis: Aims and Methods
- 4.5 An Illustration of Segmental Analysis
- 4.6 An Alternative Approach to Segmental Analysis
- 4.7 Customer Profitability Analysis
- 4.8 Marketing Experimentation
- 4.9 The Nature of Productivity
- 4.10 The Use of Ratios
- 4.11 Analysing Ratios and Trends
- 4.12 Ratios and Interfirm Comparison
- 4.13 A Strategic Approach
- 4.14 Summary

### 5 Market and Environmental Analysis
- 5.1 Learning Objectives
- 5.2 Introduction
- 5.3 Analysing the Environment
- 5.4 The Nature of the Marketing Environment
- 5.5 The Evolution of Environmental Analysis
- 5.6 The Political, Economic, Social and Technological Environments
- 5.7 Coming to Terms with Industry and Market Breakpoints
- 5.8 Coming to Terms with the Very Different Future: The Implications for Marketing Planning
- 5.9 Approaches to Environmental Analysis and Scanning
- 5.10 Summary

### 6 Approaches to Customer Analysis
- 6.1 Learning Objectives
- 6.2 Introduction
- 6.3 Coming to Terms with Buyer Behaviour
- 6.4 Factors Influencing Consumer Behaviour
- 6.5 The Buying Decision Process
- 6.6 The Rise of the New Consumer and the Implications for Marketing Planning
- 6.7 Organizational Buying Behaviour
- 6.8 The Growth of Relationship Marketing
- 6.9 Summary

*Appendix: The Drivers of Consumer Change*

### 7 Approaches to Competitor Analysis
- 7.1 Learning Objectives
- 7.2 Introduction
Stage Two: Where do We Want to Be? Strategic Direction and Strategy Formulation

8 Missions and Objectives
8.1 Learning Objectives
8.2 Introduction
8.3 The Purpose of Planning
8.4 Establishing the Corporate Mission
8.5 Influences on Objectives and Strategy
8.6 Guidelines for Establishing Objectives and Setting Goals and Targets
8.7 The Development of Strategies
8.8 Summary

9 Market Segmentation, Targeting and Positioning
9.1 Learning Objectives
9.2 Introduction
9.3 The Nature and Purpose of Segmentation
9.4 Approaches to Segmenting Markets
9.5 Factors Affecting the Feasibility of Segmentation
9.6 Approaches to Segmentation
9.7 The Bases for Segmentation
9.8 Geographic and Geodemographic Techniques
9.9 Demographic Segmentation
9.10 Behavioural Segmentation
9.11 Psychographic and Lifestyle Segmentation
9.12 Approaches to Segmenting Industrial Markets
9.13 Market Targeting
9.14 Deciding on the Breadth of Market Coverage
9.15 Product Positioning: The Battle for the Mind
9.16 Summary
10 The Formulation of Strategy 1: Analysing the Product Portfolio 379
  10.1 Learning Objectives 379
  10.2 Introduction 379
  10.3 The Development of Strategic Perspectives 379
  10.4 Models of Portfolio Analysis 384
  10.5 Market Attractiveness and Business Position Assessment 392
  10.6 Criticisms of Portfolio Analysis 398
  10.7 Summary 401

11 The Formulation of Strategy 2: Generic Strategies and the Significance of Competitive Advantage 403
  11.1 Learning Objectives 403
  11.2 Introduction 403
  11.3 Types of Strategy 404
  11.4 Porter's Three Generic Competitive Strategies 407
  11.5 Competitive Advantage and Its Pivotal Role in Strategic Marketing Planning 413
  11.6 Summary 453

12 The Formulation of Strategy 3: Strategies for Leaders, Followers, Challengers and Nichers 455
  12.1 Learning Objectives 455
  12.2 Introduction 455
  12.3 The Influence of Market Position on Strategy 455
  12.4 Strategies for Market Leaders 457
  12.5 Marketing Strategy and Military Analogies: Lessons for Market Leaders 468
  12.6 Strategies for Market Challengers 483
  12.7 Strategies for Market Followers 495
  12.8 Strategies for Market Nichers 497
  12.9 Military Analogies and Competitive Strategy: A Brief Summary 498
  12.10 The Inevitability of Strategic Wear-out (or, The Law of Marketing Gravity and Why Dead Cats Only Bounce Once) 506
  12.11 The Influence of Product Evolution and the Product Life Cycle on Strategy 510
  12.12 Summary 518

Bibliography 519

Index 537