

Libyan International Medical University
Faculty of Business Administration



Strategic Marketing: A Book Review

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01 INTRODUCTION

BOOK AUTHORS



Alexander Chernev

A professor of marketing at the Kellogg School of Management, Northwestern University.



Philip Kotler

An American marketing author, consultant, and professor; at the Kellogg School of Management at Northwestern University.

INTRODUCTION

Strategic Marketing is defined as a marketing strategy which is a process that involves identifying the various markets and customers that are important to the company. It is also designed to plan and develop products that will meet the needs of these markets.

The marketing strategy is also the plan or a strategy that the marketing function follows to achieve its goals and objectives. It is typically formulated at a marketing mix level. **(Kotler, Philip, Andreasen, R., A., Kotler, & Philip. 1987).**

“Marketing is the whole business seen from the point of view of its final result, that is ,from the customer’s point of view.”

Peter Drucker, founder of modern management theory

02 MARKET DRIVEN STRATEGY



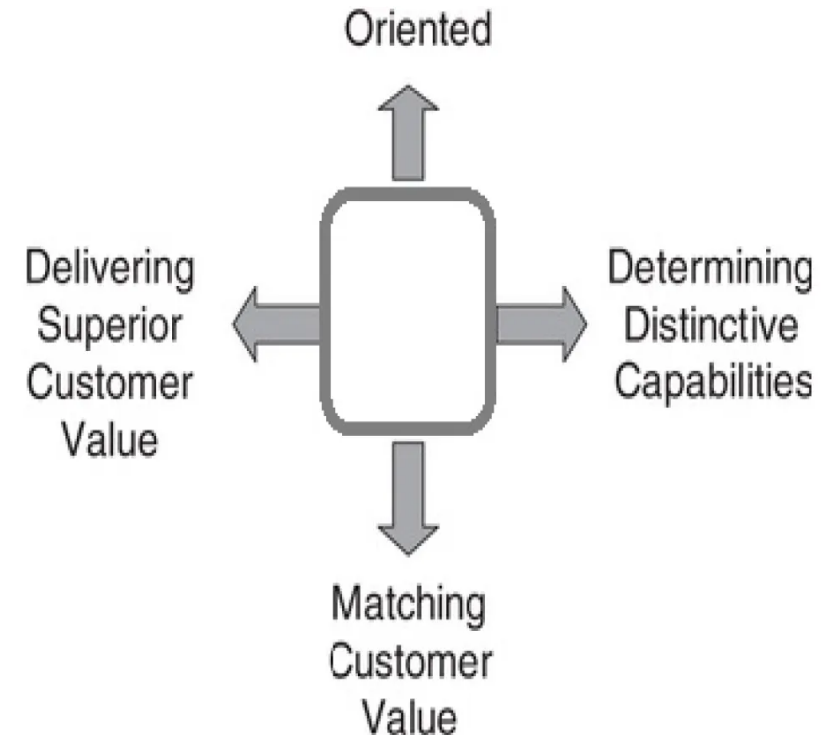
MARKET DRIVEN STRATEGY

- The strategy that is formulated based on the customer's needs and wants and the environments.
 - The starting point of development of the strategy is always based upon the customers that form the market and then comes competitors, the strengths and weaknesses of the firm, the economic condition, the cultural forces and other market environments.
-



CHARACTERISTICS OF MARKET DRIVEN STRATEGY

- According to *Craven and Piercy (2009)*, there are four main characteristics of market-driven strategy which are:
 - 1) Market oriented.
 - 2) Matching customer value with the firm's capabilities.
 - 3) Identifying distinctive capabilities.
 - 4) Delivering superior customer value.



Piercy, N. F., Cravens, D. W., & Lane, N. (2009). Sales management control level and competencies: Antecedents and consequences. *Industrial Marketing Management*, 38(4), 459-467.

03 MARKET ORIENTATION



MARKET ORIENTATION

- The authors defined Market orientation as a culture of organization that requires a whole employees effort on acquiring information regarding the customers, the competitors and the market, share the information and take actions to the information.
 - It also focus on the customer's satisfaction needs and wants, focus on competitors and requires all effort and coordination of all department in the organization.
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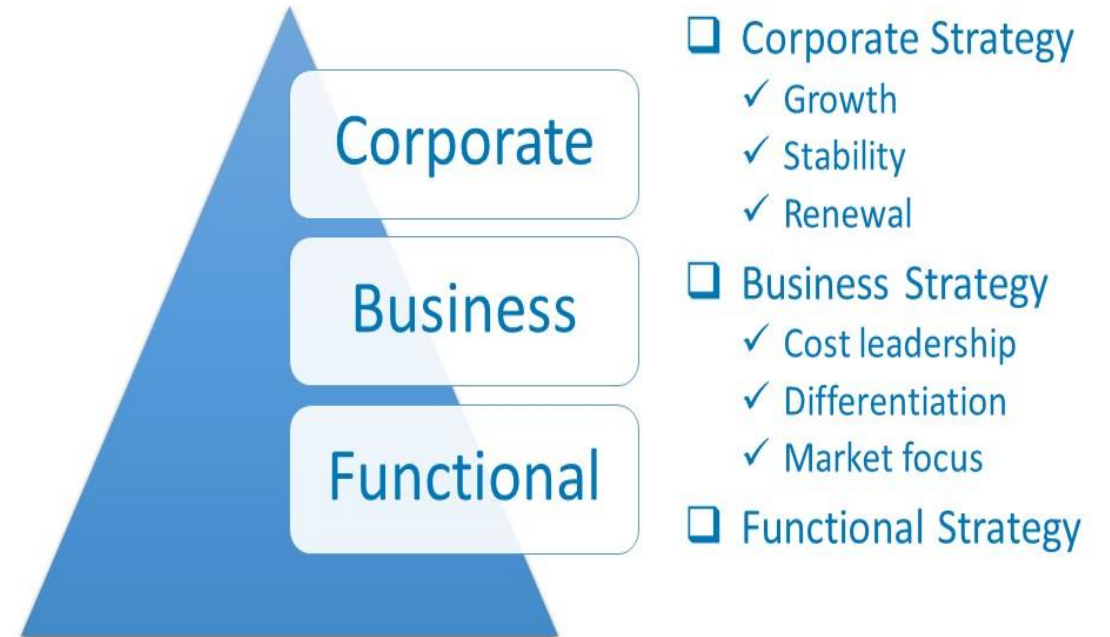
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**CORPORATE,
BUSINESS AND
MARKETING
STRATEGY**

CORPORATE MARKETING STRATEGY

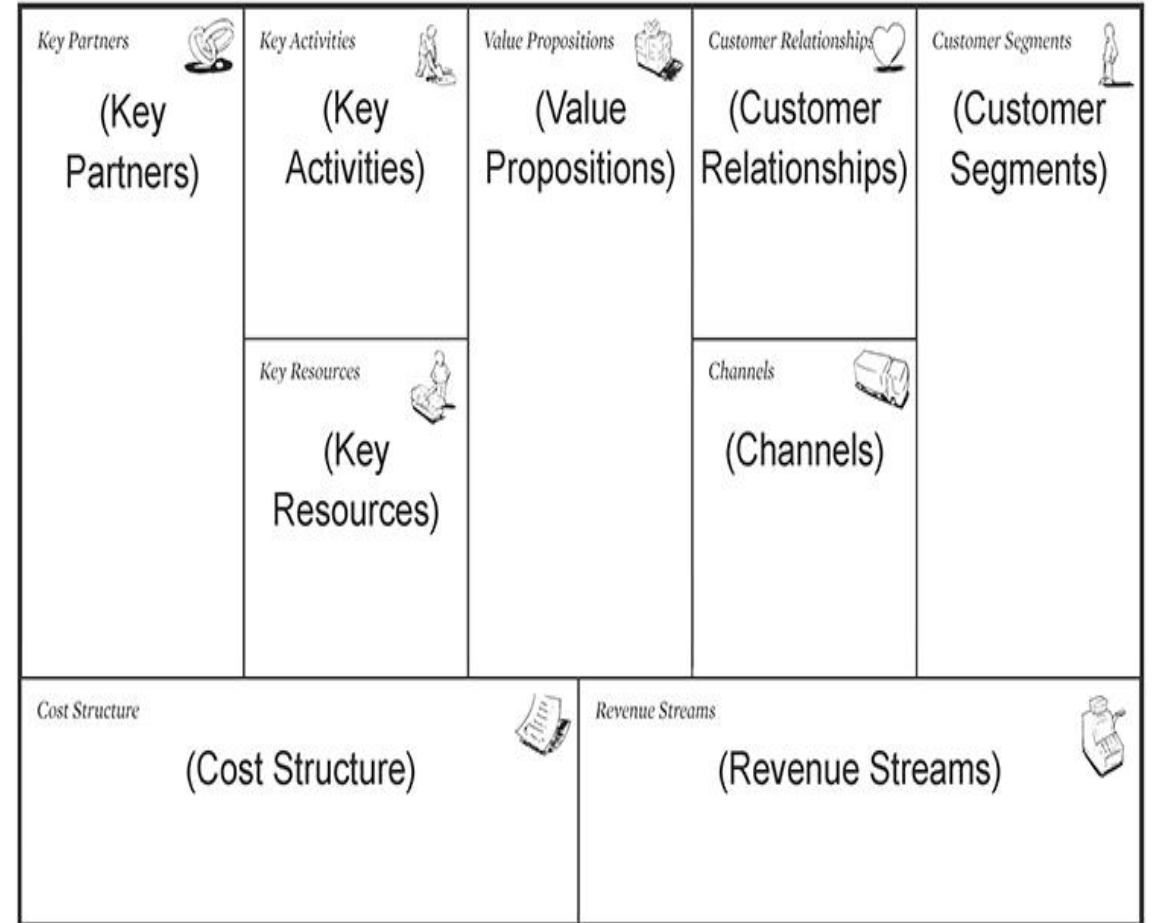
- It concerns how a diversified company intends to establish business positions in different industries and the actions and approaches to improve the performance of the group of business the company has diversified into (*Thomson & Strickland, 2001*).
- Among the major concern of this level are determining the corporate vision or mission, the corporate objectives, corporate strategies (growth), resource allocation, establish synergy among the business and structure of the organization.
- The responsibility belong to corporate level managers.

The Three Levels of Strategy



BUSINESS MARKETING STRATEGY

- It concerns the actions and approaches to produce successful performance in one specific line of business. The central business strategy issue is how to build stronger long-term competitive position or sustainable competitive advantage *(Thomson & Strickland, 2001)*.
- Among strategies that are executed at this level are such as deciding what product/service attributes offer the best chance to win a competitive advantage.



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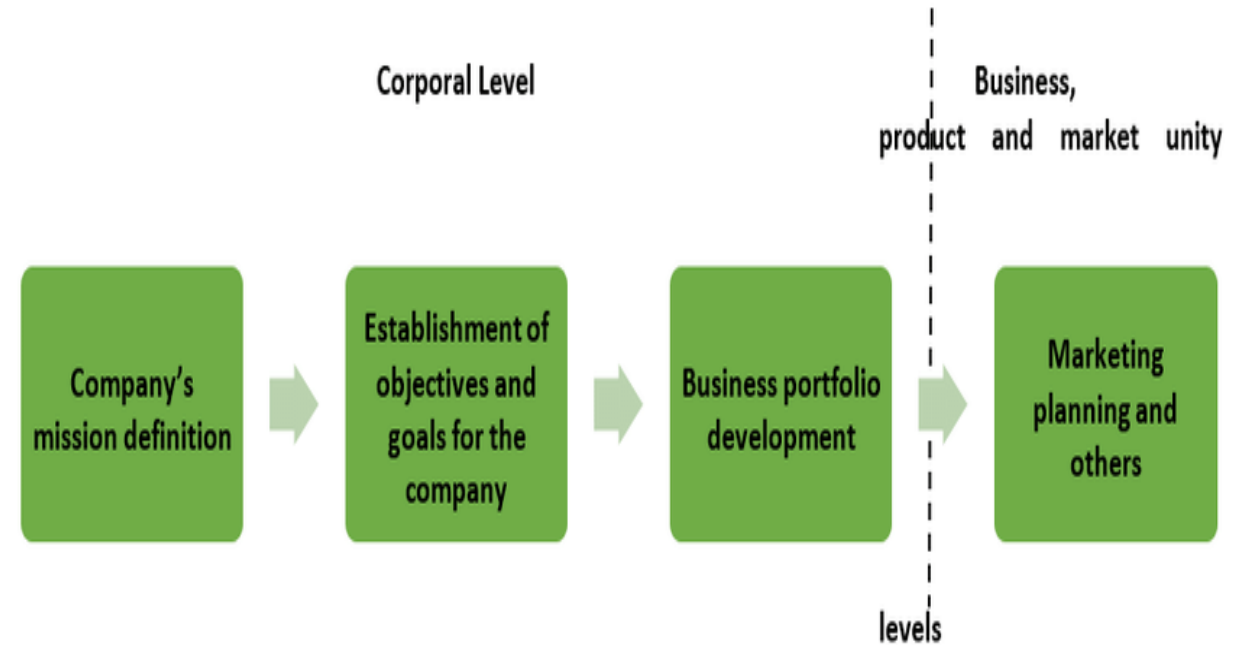
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05 STRATEGIC PLANNING

STRATEGIC PLANNING

- Strategic planning is defined as: “The process of developing and maintaining a strategic fit between the organization’s goals and capabilities and its changing marketing opportunities.”
- **Step 1 Strategic Planning Mission** statements guide the development of objectives and goals.
- **Step 2 Objectives** are developed at each level in the organization hierarchy. Strategies are developed to accomplish these objectives.
- **Step 3 Strategic Planning Business portfolio:** the collection of businesses and products that make up the company. Designing the business portfolio is a key step in the strategic planning process.



Steps in the Strategic Planning Process

EXAMPLE

eBay

- We help people trade anything on earth. We will continue to enhance the online trading experiences of all: collectors, dealers, small businesses, unique item seekers, bargain hunters, opportunity sellers, and browsers.
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STRATEGIC POSITIONING



STRATEGIC POSITIONING

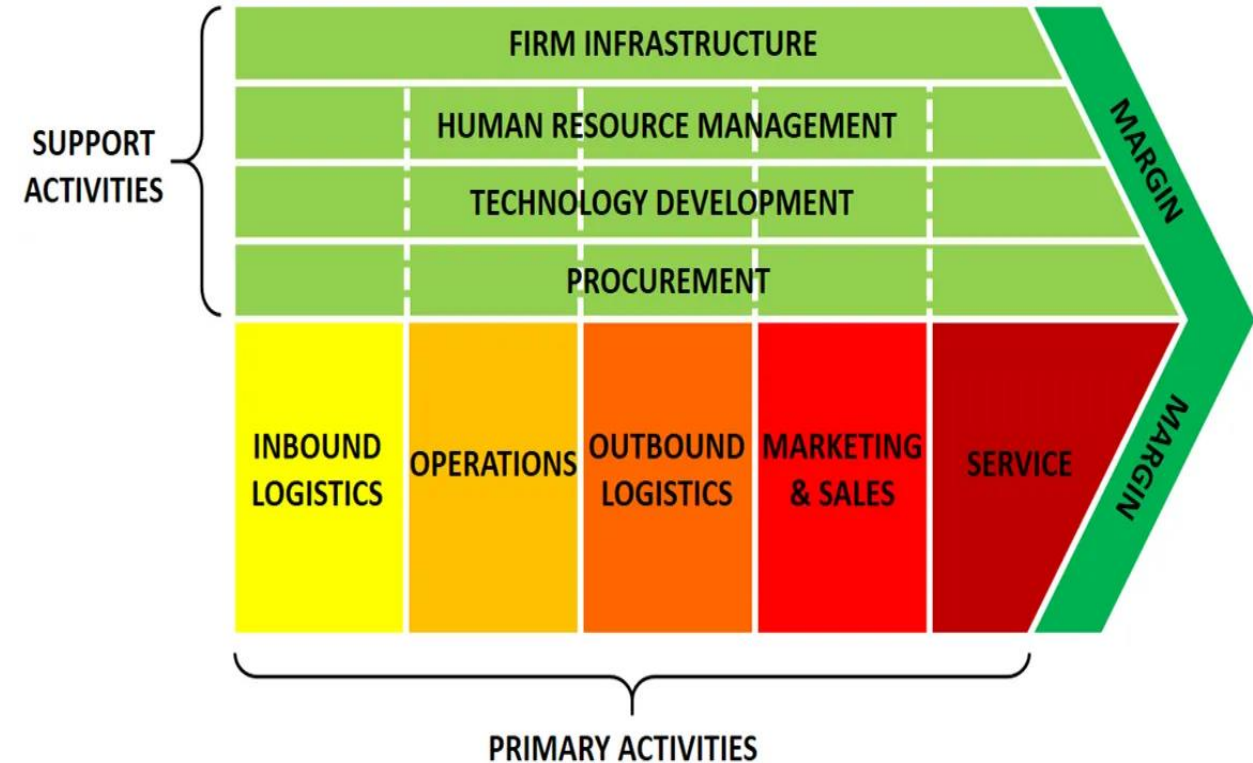
- Strategic positioning is concerned with the way in which a business as a whole distinguishes itself in a valuable way from its competitors and delivers value to specific customer segments (*Wickham, 2001: 230*).
- Strategic positioning is focused on how an organization sets itself apart from the competition and delivers a benefit to target customers.



STRATEGIC POSITIONING FIGURE

PORTER'S VALUE CHAIN

- A value chain is a set of activities that an organization carries out to create value for its customers. Porter proposed a general-purpose value chain that companies can use to examine all of their activities, and see how they're connected. The way in which value chain activities are performed determines costs and affects profits, so this tool can help you understand the sources of value for their organization.
- The value that's created and captured by a company is the profit margin:
Value Created and Captured – Cost of Creating that Value = Margin



PORTER'S VALUE CHAIN

Primary Activities

Primary activities relate directly to the physical creation, sale, maintenance and support of a product or service. They consist of the following:

Inbound logistics :These are all the processes related to receiving, storing, and distributing inputs internally. Your supplier relationships are a key factor in creating value here.

Operations :These are the transformation activities that change inputs into outputs that are sold to customers

Outbound logistics :These activities deliver your product or service to your customer. These are things like collection, storage, and distribution systems, and they may be internal or external to your organization.

Marketing and sales :These are the processes you use to persuade clients to purchase from you instead of your competitors

Service : These are the activities related to maintaining the value of your product or service to your customers, once it's been purchased.

Support Activities

These activities support the primary functions above. In our diagram, the dotted lines show that each support, or secondary, activity can play a role in each primary activity. For example, procurement supports operations with certain activities, but it also supports marketing and sales with other activities.

Procurement (purchasing) :This is what the organization does to get the resources it needs to operate. This includes finding vendors and negotiating best prices.

Human resource management :This is how well a company recruits, hires, trains, motivates, rewards, and retains its workers. People are a significant source of value, so businesses can create a clear advantage with good HR practices.

Technological development :These activities relate to managing and processing information, as well as protecting a company's knowledge base. Minimizing information technology costs, staying current with technological advances, and maintaining technical excellence are sources of value creation.

Infrastructure : These are a company's support systems, and the functions that allow it to maintain daily operations. Accounting, legal, administrative, and general management are examples of necessary infrastructure that businesses can use to their advantage.

Companies use these primary and support activities as "building blocks" to create a valuable product or service.

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CONCLUSION



CONCLUSION

- A strategy is a plan that integrates an organization's major goals, policies, decisions and sequences of action into a cohesive whole.
- It can apply at all levels in an organization and pertain to any of the functional areas of management. there may be production, financial, marketing, personnel and corporate strategies, just to name a few.
- Strategy is concerned with effectiveness rather than efficiency and is the process of analyzing the environment and designing the fit between the organization, its resources and objectives and the environment.



08 REFLECTION

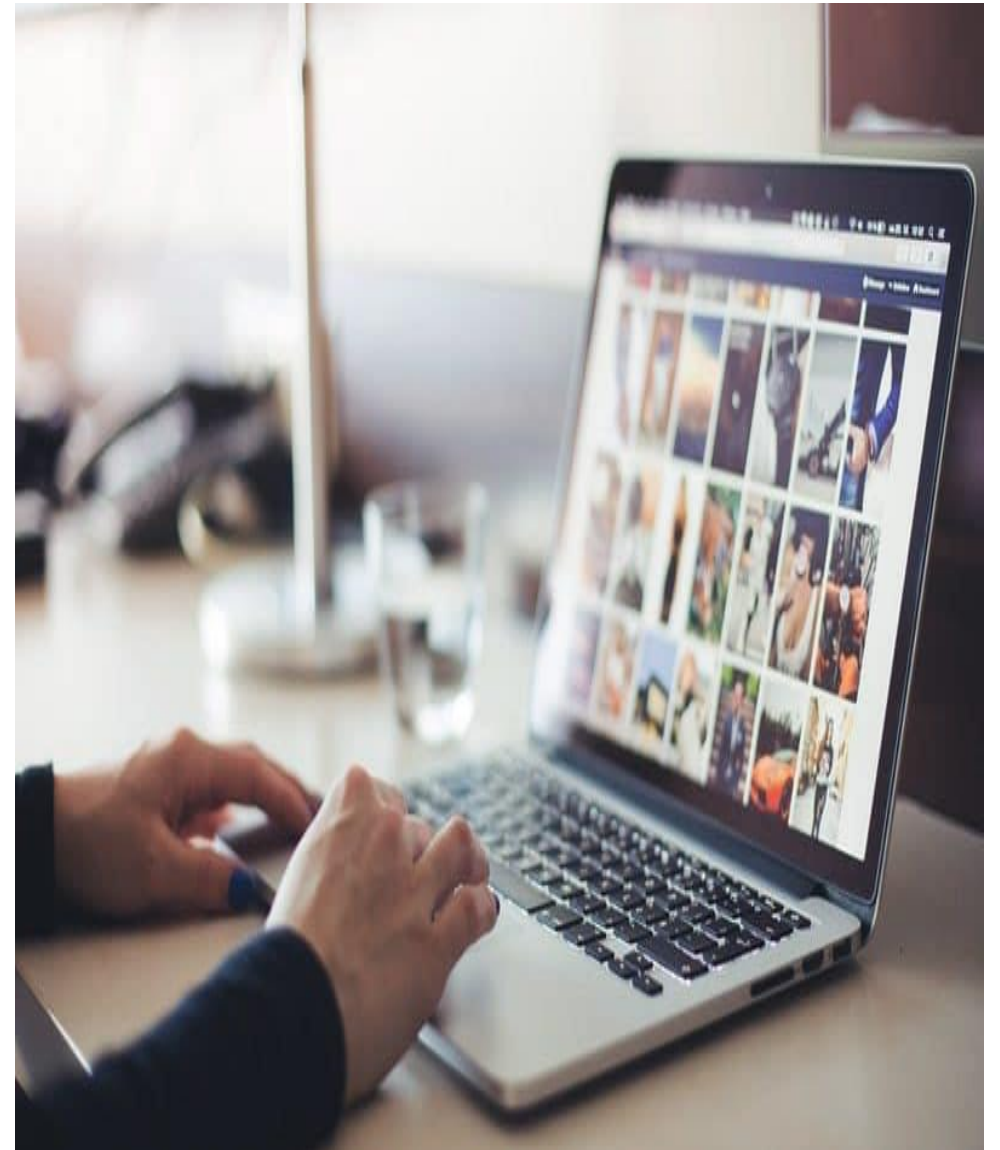
REFLECTION

- In my opinion, since strategic Marketing is the use of marketing disciplines to achieve organizational goals by developing and maintaining a sustainable competitive advantage. It addresses high-level considerations such as what markets to target, which services to offer and how to price and promote them.
- My recommendation for the Libyan business enterprises is to understand how strategic marketing works, look to competitors to for the effectiveness of their pricing and marketing materials. They need to access rapidly growing set of tools that can automate the marketing process. The big challenge in professional services marketing has been to balance the need to remain value with the need for personal attention to business development.



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**THANK YOU!
ANY QUESTIONS ?**