

## Assignment Week 1, Marketing MBA, Carla Valentina Ritz

### Short Answer (4 to 5 sentences)

**1. A well-developed strategy contains five components. Briefly discuss each one.**

The five components of a well-crafted strategy include an organization's scope, which refers to the number and type of industries, product lines, and market segments in which it competes. In addition, objectives must be formulated and set, and each company must identify what financial and human resources are available to it. It is also important to clarify how the organization can position itself to develop a competitive advantage and what advantage one has over current and potential competitors. Finally, the authors describe how synergy is created when the company's business units, product markets, resources, and competencies complement and reinforce each other.

**2. Exhibit 1.9 describes the process of formulating and implementing a marketing strategy. Provide a top-level bulleted list of the process (There is no need for a lot of detail. Throughout the class, we will cover the entire process).**

The formulation and implementation of marketing strategies is a process that involves planning and implementing many interrelated decisions about what to do, when to do it, and how to do it.

- Marketing opportunity analysis
  - o Understanding Market Opportunities
  - o Measuring Market Opportunities
  - o Market Segmentation
  - o Targeting
  - o Positioning Decisions
- Formulating Marketing Strategies for Specific Situations
  - o New market entries
  - o Growth markets
  - o Mature and declining markets
  - o New economy
- Implementation and control
  - o Implementing business and marketing strategies
  - o Controlling marketing strategies and programs

**3. Define what a marketing plan is. Exhibit 1.10 lists the contents of a marketing plan. Which section is the most important, in your opinion, and why?**

The authors have defined it as follows: “A marketing plan is a written document detailing the current situation with respect to customers, competitors, and the external environment and providing guidelines for objectives, marketing actions, and resource allocations over the planning period for either an existing or a proposed product or service. “(Walker, =. & Mullins, J.)

The entire plan is to be seen as a unit and each step is therefore equally important. However, I am convinced that you can learn a lot from the past and see which past steps successful and which ones need to be adjusted. So, if I had to limit myself to one section, I would say that (3.) Performance review is the most important in my eyes.

**4. List the components of a well-defined corporate strategy.**

- Scope, mission, and intent
- Goals, and objectives
- Sources of competitive advantage
- Development strategy
- Resource allocation
- Sources of synergy

**5. Define each of the following (one sentence for each will suffice): market penetration strategies, product development strategies, market development strategies, and diversification strategies.**

- Market penetration strategy:  
A company works towards a higher market share by leveraging existing products in existing markets. This could include persuading existing customers to make further purchases, persuading new customers to buy, or even poaching customers from competitors.
- Product development strategy:  
In the product development strategy, the company introduces a new product to an existing market. This usually does not involve the introduction of a completely new product, but one that is designed to better meet the needs of existing customers.
- Market development strategy:  
This strategy involves introducing the existing product into a new market. This means that other regions or new international markets are opened nationally.
- Diversification strategy:  
In this strategy, the company introduces a new product to a new market.

**6. A firm always wants to increase synergy across its various businesses and product markets. Describe any two sources of synergy described in the text.**

One source of synergy is **knowledge-based synergies**. These synergies are at the corporate level and are knowledge-based. That is, the performance of a business unit is improved by the transfer of skills, knowledge, or customer-related intangibles from other business units. Another source is the **corporate identity and the corporate brand as a source of synergy**. By focusing on a common core of corporate values and competencies, any impression created by the design, packaging, or advertising of any product can help amplify the impact of all other impressions the company gives to its customers, etc., and thereby provide greater value for its limited marketing resources.

**7. Briefly describe two characteristics of strategic business units (SBUs).**

SBUs are responsible for their own profitability and have a homogeneous set of markets to serve. They have a limited number of related technologies, which means they minimize diversity across their product market entries.

**8. Exhibit 3.1 describes four business strategies. Of the four, which one is clearly the 'worst' to be for a company? Why?**

In the book, there are listed four different business strategies: Prospector, Defender, Analyzer, and Reactor. In my eyes, the reactor strategy is the worst one because they haven't clearly defined any product market development or didn't even have a competitive strategy. Moreover they just respond when it is forced to by environmental pressure.

**9. Describe the environmental factors that make the prospector business strategy favorable. Exhibit 3.5 may assist with this.**

The Prospector has strong R&D, product engineering, market research, and marketing capabilities. As well as the fact, that they have just a few established competitors and are always emerging with new technologies. Prospectors have many potential customer segments and the industry they are in is introductory or early stage.

**Long Answer (8 to 10 sentences)**

**1. Compare and contrast corporate, business, and marketing strategies based on the five key components. Exhibit 1.2 in the text may assist with this. (Note: If easier, feel free to use a table or bullet format, vice writing a paragraph(s))**

Strategy components	Corporate	Business	Marketing
Scope	<ul style="list-style-type: none"> <li>- “Which business should we be in?”</li> <li>- Conglomerate diversification</li> <li>- Vertical integration</li> <li>- Acquisition and divestiture policies</li> </ul>	<ul style="list-style-type: none"> <li>- “Which product markets should we be in within this business or industry?”</li> <li>- Business development strategy</li> <li>- Concentric diversification</li> </ul>	<ul style="list-style-type: none"> <li>- Target market definition</li> <li>- Product-line depth and breadth</li> <li>- Branding policies</li> <li>- Product-market development plan</li> <li>- Line extension and product elimination plans</li> </ul>
Goals and objectives	<ul style="list-style-type: none"> <li>- Revenue growth</li> <li>- Profitability</li> <li>- ROI</li> <li>- Earnings per share</li> <li>- Contributions to stakeholder</li> </ul>	<ul style="list-style-type: none"> <li>- Sales growth</li> <li>- New product</li> <li>- Profitability</li> <li>- ROI</li> <li>- Cash flow</li> <li>- Competitive advantage</li> </ul>	<ul style="list-style-type: none"> <li>- Sales</li> <li>- Market share</li> <li>- Contribution margin</li> <li>- Customer satisfaction</li> </ul>
Allocation of resources	<ul style="list-style-type: none"> <li>- businesses in the corporate portfolio</li> <li>- functions shared by multiple businesses</li> </ul>	<ul style="list-style-type: none"> <li>- product-market entries in the business unit</li> <li>- functional departments within the business unit</li> </ul>	<ul style="list-style-type: none"> <li>- components of the marketing plan</li> </ul>
Sources of competitive advantage	<ul style="list-style-type: none"> <li>- superior corporate financial or human resources</li> <li>- more corporate R&amp;D</li> <li>- better organizational processes</li> </ul>	<ul style="list-style-type: none"> <li>- competitive strategy; business unit’s competencies relative to competitors in its industry</li> </ul>	<ul style="list-style-type: none"> <li>- effective product positioning: superiority on one or more components of the marketing mix relative to competitors within a specific product-market</li> </ul>
Sources of synergy	<ul style="list-style-type: none"> <li>- Shared resources</li> <li>- Technologies</li> <li>- functional competencies across businesses within the firm</li> </ul>	<ul style="list-style-type: none"> <li>- Shared resources</li> <li>- functional competencies across product markets within industry</li> </ul>	<ul style="list-style-type: none"> <li>- shared marketing resources</li> <li>- competencies</li> <li>- activities across product-market entries</li> </ul>