

Manuel Ramos  
BUS606: Strategic Global Marketing Management: NA  
March 19, 2023

## Module 1

1. A well-developed strategy contains five components. Briefly discuss each one.
  - Scope: The breadth of an organization's strategic domain, including industries, product lines, and market segments it competes in or plans to enter, should reflect the organization's mission and define its essential nature.
  - Goals and objectives: Strategies should specify desired levels of performance on one or more dimensions of performance, such as volume growth or profit contribution, over specified time periods for each business and product-market, and for the organization as a whole.
  - Resource deployments: Formulating a strategy involves deciding how to obtain and allocate limited financial and human resources across businesses, product markets, and functional departments.
  - Sustainable competitive advantage: By examining market opportunities and distinctive competencies, organizations must specify how they will compete in each business and product market to develop and sustain a differential advantage over current and potential competitors.
  - Synergy: When an organization's businesses, product markets, resource deployments, and competencies complement and reinforce each other, they can achieve greater total performance than the sum of their parts.
  
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).
  - I. Conduct a situational analysis to assess the company's current market position, including analyzing the internal and external environment.
  - II. Define the target market(s) for the company's products or services.
  - III. Develop a marketing mix strategy, including product, price, place, and promotion decisions.
  - IV. Determine a budget for implementing the marketing plan.
  - V. Implement the marketing plan by executing the tactics and activities outlined in the plan.
  - VI. Monitor and evaluate the results of the marketing plan, making necessary adjustments as needed.

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?

A marketing plan is a written document that outlines the current situation of a product or service in terms of customers, competitors, and the external environment. It also provides guidelines for objectives, marketing actions, and resource allocation over a planning period.

The most critical sections of the marketing plan, in my opinion, are the Marketing Strategy (VI) and Action Plans (VII) because it outlines the overall strategic approach that will be used to meet the plan's objectives. This section specifies the target market, specific actions to be taken with respect to each of the 4 Ps (product, price, place, and promotion), who is responsible for each action, when the action will be engaged in, and how much will be budgeted for each action. These sections are essential for the effective implementation and coordination of activities across functional departments.

I would also argue that the section on objectives (V) is also critical. The objectives section defines specific and measurable goals that the marketing plan aims to achieve. These goals serve as a benchmark against which the success of the plan can be evaluated. Without clear objectives, it is difficult to determine whether the plan is on track or whether adjustments need to be made.

4. List the components of a well-defined corporate strategy.
  - Scope, mission, and intent
  - Objectives
  - Source 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 strategies: Refers to tactics used to increase market share for existing products or services within existing markets.
  - Product development strategies: Focuses on developing new products or modifying existing ones to meet the needs of current markets or to create new markets.
  - Market development strategies: Involves expanding into new markets with existing products or services to increase revenue and market share.
  - Diversification strategies: Involves entering new markets with new products or services to reduce risk and increase revenue.

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.

Knowledge-based synergies occur when the transfer of competencies, knowledge, or customer-related intangibles from one business unit to another enhances the performance of the latter. For instance, as described in the text, Canon's technical knowledge in the camera business helped it ease into the office copier business. Such synergies are a function of the corporation's scope and mission, its organizational structure, and its allocation of resources.

Corporate identity and the corporate brand can also be a source of synergy for a firm. A strong corporate brand that embodies the firm's identity can help it stand out from its competitors and give it a sustainable advantage in the market. By focusing on a common core of corporate values and competencies, every impression generated by each product's design, packaging, advertising, and promotional materials can help reinforce and strengthen the impact of all the other impressions the firm communicates to its customers, employees, shareholders, and other audiences, generating a bigger bang for its limited marketing budget.

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

- A homogeneous set of markets to serve with a limited number of related technologies: This means that SBUs should have a coherent and consistent business strategy, which is easier to formulate and implement when the SBU focuses on a limited number of related technologies and a homogeneous set of markets.
- Control over those factors necessary for successful performance: SBUs should have control over factors like production, R&D, engineering, marketing, and distribution. This allows the SBU to determine how its share of joint resources is used to carry out its strategy and be responsible for its own profitability.

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

The 'worst' business strategy according to Exhibit 3.1 is the reactor strategy. This is because reactor businesses lack a well-defined competitive strategy, have an inconsistent product-market orientation, are not willing to take risks in new products or market development, and are not aggressive in marketing established products. Reactor businesses are reactive rather than proactive and only respond to environmental pressures when forced to do so. As a result, they are less likely to succeed in the long run compared to businesses that have a clear and well-defined strategy.

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

- In the introductory or early growth stage of life cycle: When an industry is in its early stages, there are many potential customer segments that have not yet been identified or developed. This provides opportunities for a prospector firm to introduce new products and services and create new markets.

- Newly emerging technology with many applications yet undeveloped: When there is a new technology that has not yet been fully explored, a prospector firm can capitalize on this by investing in research and development to create new products and services that use this technology.
- Few established competitors with industry structure still emerging: In a market with few established competitors, a prospector firm can be the first mover and establish itself as the dominant player in the market. Moreover, when the industry structure is still emerging, a prospector firm has greater flexibility to shape the industry in its favor.
- Strong R&D, product engineering, marketing research, and marketing capabilities: A prospector firm requires a strong research and development function to create new products and services, as well as a strong marketing function to identify new markets and customers. Having these capabilities can help the firm to identify new opportunities and pursue them quickly and effectively.

**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).

- Corporate strategy is concerned with determining the scope of the organization, including the range of businesses in which it will operate and the geographical regions it will serve. It involves setting goals and objectives for the organization as a whole and allocating resources to different businesses within the portfolio. The primary source of competitive advantage in corporate strategy is synergies among different businesses within the portfolio.
- Business strategy is focused on how a particular business unit will compete in its specific market. It involves setting goals and objectives for that business unit and allocating resources to achieve those goals. The primary source of competitive advantage in business strategy is the unique value proposition that the business offers to its customers.
- Marketing strategy is concerned with how a company will market its products or services to its target customers. It involves setting goals and objectives for the marketing function and allocating resources to achieve those goals. The primary source of competitive advantage in marketing strategy is the ability to create and communicate a differentiated value proposition to the target customers.

In summary, the key components of these strategies can be compared and contrasted as follows:

|                       |                  |                 |                           |
|-----------------------|------------------|-----------------|---------------------------|
| <u>Key Components</u> | <b>Corporate</b> | <b>Business</b> | <b>Marketing Strategy</b> |
|-----------------------|------------------|-----------------|---------------------------|

|   | <b>Strategy</b>                   | <b>Strategy</b>          |  |
|---|-----------------------------------|--------------------------|--|
| <i>Scope</i>                            | Portfolio of businesses           | Specific business unit   | Product or service   |
| <i>Goals and Objectives</i>             | Organization as a whole           | Business unit            | Marketing function   |
| <i>Allocation of Resources</i>          | Across businesses                 | Within business unit     | Within marketing function                                      |
| <i>Sources of Competitive Advantage</i> | Synergies among businesses        | Unique value proposition | Differentiated value proposition                               |
| <i>Sources of Synergy</i>               | Among businesses in the portfolio | Within the business unit | Between marketing function and other parts of the organization |