# Index

4Cs, lifestyle segmentation, 343–4 4Ps, marketing mix, 6–7

ABC see activity-based costing Abell and Hammond's  $3 \times 3$  model, portfolio analysis, 377 Above-average performance, 484–9 AC Nielsen, shoppers segmentation, 345 Accounting-marketing interface, 687–8 Accounting, responsibility accounting, 734-47 ACM see asset- and competency-based marketing Action controls, 752 Activity-based costing (ABC), 92-101 ADL model see Arthur D. Little model Airlines: competition, 256-7 competitive advantage, 400-2 differentiation strategy, 393 Aluminium substitutes, competitor analysis, 235-6 Amazon.com, 449 Ansoff's matrix, marketing objectives, 303-9 Anthony's approach, control, 747-50 Appraisal: investment, 610-24 performance, 736 strategy, 608-10 Arrogance: competitive, 407-9 marketing, 476 The Art of War, 439 Arthur D. Little (ADL) model, portfolio analysis, 376-9 Assessment: competitor analysis, 237-9 marketing performance assessment model, 648–52 portfolio analysis models, 374 product portfolios, 374-9 Asset- and competency-based marketing (ACM), 67-9 Asset-based thinking, 67-9 Atomized marketing, 319-23 Attitudes, consumer behaviour, 177-82

Attitudinal advantages, competitive advantage, 404 Attractiveness: markets, 56–7 segment, 352 Auditing *see* Marketing auditing

Balanced scorecard framework, choice, 580 - 2**Barriers**: market entry, 410 markets, 309 BBC Worldwide, vision/strategy/values, 289-90 BCG matrix see Boston matrix Behaviour see buyer behaviour; consumer behaviour; organizational buying behaviour Behavioural advantages, competitive advantage, 404 Behavioural displacement, control, 758 Behavioural factors, control, 757-62 Behavioural segmentation, 329, 338-41 Beliefs, consumer behaviour, 177-82 Benchmarking: competitive advantage, 416-17 control, 806-9 Benefits: buying decision process, 186-7 categories, 186 marketing auditing, 46–7 Big Hairy Audacious Goals (BHAGs), 301-2 Black-box models, 591-2 BMW cars, 274 Boiled frog syndrome, environmental analysis, 130-1 Boston matrix, portfolio analysis model, 367-74 pitfalls, 370–3 pros and cons, 370-3 Boston strategic environment matrix, 397-8 Brand enthusiasm, segmentation, 340 - 1Brand stretching, market attractiveness, 507

854

Brands/branding: competitive advantage, 412-15 developing, 506-8 strategies, 505-10 trust brands, 412-15 Breakpoints, industry/market, 149–53 British Airways, competition, 256–7 British Rail, control, 742–3 Bruce, David, 85-6 Budgets/budgeting: continuous, 775–6 control, 774-80 flexible, 776-8 format, 780-1 marketing communications, 526 output budgeting, 779-80 periodic, 775-6 PPBS, 778-9 rolling, 775-6 sales, 780-3 ZBB, 778-9 Business performance, competitive advantage, 399 Buy-grid model, organizational buying behaviour, 197-8, 200 Buyer behaviour, 170-4 models/modelling, 171–2, 592 stimulus-response model, 171-2 see also consumer behaviour; organizational buying behaviour Buying decision process: benefits, 186-7 buyer types, 194-5 buying behaviour types, 183-4 buying roles, 183 customer analysis, 182–8 decision types, 193-4 sequential model, 184–5 Bypass attacks, market challenger strategy, 457

Cafédirect, segmentation, 349–50 Capability: analysis see marketing auditing issues, 60–2 Capital rationing, financial evaluation, 618–19 Cash cows, Boston matrix, 369 Cash flow, 613–14 choice criterion, 573-4 examples, 619–22 Cash generation, 555–6 Cash-rich/time-poor segment, consumer change driver, 218 Categorization, customers, 205–6, 210 - 12Cats, dead, 477-8

Centralization vs. decentralization, organizational issues, 717-21 Challengers, market see market challengers Change: consumer change drivers, 215-20 environmental, 124-6 forces for/against, 27-9 organizational, 432 pressures, 682–4 segmentation, 349 Change patterns, environmental analysis, 134-5 Changing business environment, 119-20 Changing emphases, marketing, 31–2 Channels: auditing, 771 management, 528-33 marketing communications, 526 members, 532-3 strategy, 530 structure, 530-2 see also distribution Charity coffee, segmentation, 349–50 Chartered Institute of Marketing, Manufacturing – The Marketing Solution report, 540-7 Cherry-picking, CPA, 90–2 China, Heinz beans positioning, 356 Choice: criteria, 549-86 CSFs, 576-85 financial criteria, 553-65 functional activities, 584-5 multiple criteria, 576-85 non-financial criteria, 553-5, 565-75 strategic alternatives, 583–4 success routes, 584 CIS see competitive intelligence system Closed-loop control, 729-31 Coexistence, competitive relationship, 241–2 Coffee, charity, segmentation, 349–50 Collusion, competitive relationship, 241 - 2Commitments, missions, 287–90 Communication: information, 692–6 missions, 284–7 see also marketing communications Companies, failure, 33–5 Comparative assessment, competitor analysis, 237–9 Comparisons, interfirm comparison, 109 - 12Competency-based thinking, 67-9 *Competing for the Future*, 410–12

855

Competition: competitive relationship, 241-2 hypercompetition, 155–7 negative-sum games, 484 performance against, 468-9 pricing, 520-2 zero-sum games, 484 Competitive advantage, 385-423 airlines, 400-2 approaches, 397-9 attitudinal advantages, 404 behavioural advantages, 404 benchmarking, 416–17 brands/branding, 412-15 business performance, 399 choice criterion, 567-8 commandments, 410-12 developing, 54-7 e-business, 417-22 easyJet, 400-2 erosion, 155-7, 412-15 exploiting, 405-7 gaining, 405 Gillette, 567-8 hypercompetition, 155-7 industry types, 397-8 management advantages, 404 marketing mix advantages, 404 order winners/qualifiers, 407-9 organizational paradigms, 410–12 positioning, 355-9 rebuilding, 422-3 role, strategic marketing planning, 396-423 self-delusion, 405-7 size, 397-9 'so what?' test, 406 sources, 54-7 staff resources advantages, 404 sustaining, 405-7, 567-8 ten most significant, 402–3 Tesco, 404 third knowledge revolution, 415-16 trust brands, 412-15 value chain, 70-1, 396-8 Competitive arrogance, 407-9 Competitive behaviour, evolutionary cycle, 151–2 Competitive disadvantage, 409–10 Competitive intelligence system (CIS), 251 - 5Competitive intensity, 190–1 Competitive knowledge, virtuous circle, 406Competitive myopia, 407-9 Competitive position, choice criterion, 568-70

Competitive sclerosis, 407-9 Competitive strategy, 481-3 elements, 20 as a game, 466-7 see also marketing strategy Competitiveness, future, marketing strategy, 466-74 Competitor analysis, 221-67 aluminium substitutes, 235-6 auditing, 772 barriers, 224 character of competition, 245-6 CIS, 251-5 comparative assessment, 237-9 competitive dynamics, 232–3 competitive stance, 255-61 competitive status, 243-4 competitor profiling, 799-806, 808-9 corporate espionage, 257-8 cost behaviour, 249-50 cost structure, 249-50 Eastman Kodak, 226 ethical conflict, 255-61 identifying competitors, 230-6 industry structure types, 233-4 intelligence gathering, 251-61 market perspective, 235-6 objectives, identifying competitors', 246 - 7perception, competition, 232-5 PLC, 250 Porter's approach, 228–30 product portfolios, 239-41 questions, 225-8 reasons, 225 relationships, competitive, 241-6 response profiles, 228–30, 248–50 steps, 227-8 strategic groups, 242–5 strategy development, 250-1 strengths, competitors', 236–41 vulnerability, 240-1 weaknesses, competitors', 236-41 Competitor profiling, 799-806, 808-9 Competitors' objectives, 298–300 Complex environments, environmental analysis, 126–7 Complicated simplicity, 190–1 Compounding, time value of money, 614-15 Computers, industry breakpoints, 149-50, 151 Concentrated marketing, 319–23 Conflict, competitive relationship, 241-2 Connective marketing, transaction marketing, 214

Consumer behaviour: attitudes, 177-82 beliefs, 177-82 cultural factors, 175 factors influencing, 174-82 family influences, 176-7 learning, 177-82 models, 187-8 motivation, 177-82 opinion leaders, 176 perception, 177-82 perception issues, 180-2 personal influences, 177 psychological influences, 177-82 reference groups, 175–7 selection attention, 180-2 social factors, 175-7 see also buyer behaviour Consumer change, drivers, 215–20 Consumer franchise, choice criterion, 575 Consumers: new, 172-4, 188-92 super-powered consumers, 191 Continuous budgets/budgeting, 775-6 Contraction defence, market share, 441–2 Contribution margin, control, 744 Contribution, marketing, 88–9 Contribution to management, marketing, 29-31 Control, 723-811 action controls, 752 Anthony's approach, 747-50 approaches, 747-57 auditing, 771-4 behavioural displacement, 758 behavioural factors, 757-62 benchmarking, 806–9 British Rail, 742–3 budgets/budgeting, 774-80 closed-loop control, 729-31 competitor profiling, 799-806 concepts, 728–34 contribution margin, 744 corrective action, 798-809 cost centres, 742 cultural control, 770 defining, 726-8 entrapment, 759–62 escalation, 759-62 expense centres, 742 feedback control, 729-34 feedforward control, 729-34 financial controls, 753 forms, 767–71 gamesmanship, 758 information, 804 input controls, 770 investment centres, 745-7

Johnson and Schole's approach, 753 - 5Luck and Ferrell's approach, 755–7 mechanisms, 767-71 Merchant's approach, 750-3 negative attitudes, 758-9 open-loop control, 728-9 output controls, 770 personnel controls, 752-3 planning and, 747-50 process, 726-8 process control, 770 profit centres, 742-5 railways, 742-3 response model, 799-801 results controls, 751-2 self-control, 769 short-termism, 759 social control, 769-70 standards, 740-1 strategic, 667-75 strategic triangle, 804–5 systems, 726-8 variance analysis, 780–92 see also performance; planning Controllable profit, 744 Cooperation, competitive relationship, 241 - 2Core competencies, 473–4 Corporate espionage, 257-8 Corporate planning, 45 Corrective action, control, 798-809 Corruption, organizational buying behaviour, 202, 203 Cost analysis, marketing see marketing cost analysis Cost behaviour, competitor analysis, 249 - 50Cost categories, clarification, 80-1 Cost centres, control, 742 Cost leadership, 556–7 Cost leadership strategy, 388–96 Cost problems, 697–703 Cost structure, competitor analysis, 249 - 50Cost-volume-profit (CVP) analysis, 593-610 examples, 601–10 Costs: experience effect, 558-60 over time, 557-60 Counter-offensive defence, market share, 443 CPA see critical path analysis; customer profitability analysis Critical events, segmentation, 341 Critical path analysis (CPA), models/modelling, 661–3

Critical success factors (CSFs), choice criterion, 576-85 Criticisms, marketing, 36–7 CRM see customer relationship management Cross-Cultural Consumer Characterization (4Cs), lifestyle segmentation, 343-4 CSFs see critical success factors Cultural control, 770 Cultural environment, 142-7 corruption, 202, 203 see also organizational culture; social analysis Cultural factors, consumer behaviour, 175 Customer analysis, 167-220 buyer behaviour, 170-4 buying decision process, 182-8 consumer behaviour, 174-82 marketing planning, 188–92 new consumers, 188-92 organizational buying behaviour, 192-202 relationship marketing, 202-14 Customer community, 212-13 Customer focus, 3-7, 155, 169-70 market leaders, 444-6 market research, 444-6 see also customer analysis Customer loyalty chain, relationship marketing, 206-7 Customer marketing, 32-3, 34 Customer needs, understanding, 169-70 Customer profitability analysis (CPA), 89-101 defining, 89 illustration, 90-2 implementation, 90 Customer promiscuity, 213 Customer relationship management (CRM), 210-12 Customer service audit, 772-4 Customers: categorization, 205-6, 210-12 new, 172-4 CVP analysis see cost-volume-profit analysis

Daimler-Benz, TOWS matrix, 66 Dead cats bouncing, 477–8 Decentralization vs. centralization, organizational issues, 717–21 Decision-making, 7–10 buying decision process, 182–8 criteria, 638–42 decision trees, 631–5

Laplace criterion, 639-42 models/modelling, 592 NPD, 640-2 pay-off matrix, 631-2, 636 probability theory, 629-30 profitability, 560-5 risk analysis, 630-7 see also buying decision process; risk; strategic decisions Defending market share see market share Demographic environment, 142–7 consumer change driver, 216–17 see also social analysis Demographic segmentation, 329, 332-7 industrial markets, 346 Design, organizational, 713-17 Differentiated marketing, 319-23 Differentiation strategy, 388–96 Direct profit, 744–5 Directional policy matrix (DPM), 642-3 portfolio analysis, 376-7 Discounting: financial evaluation, 616-18 time value of money, 614-15 Distribution: planning, 528 strategy, 528 see also channels Distribution audit, 771-4 Distribution cost control, variance analysis, 788-90 Diversification, market share, 441 Dogs, Boston matrix, 369 Domination, market, 157-9 DPM see directional policy matrix Dynamic environments, environmental analysis, 126-7 Dyson, market challenger, 449-53

**E-business:** competitive advantage, 417–22 strategic thinking, 417–18 Eastman Kodak, competitor analysis, 226 EasyJet, competitive advantage, 400–2 *Eating the Big Fish*, 459–60 Economic analysis, 122-3, 136-48, 608-11 Economic appraisal, strategy, 608–10 **Effectiveness:** vs. efficiency, 14-15, 553-5 marketing, 18, 50-3 marketing auditing, 71–5 SWOT analysis, 62–3 Efficiency: criteria, 554 vs. effectiveness, 14-15, 553-5 variance analysis, 792 Electronic marketing, 34

858

Encirclement attacks, market challenger strategy, 456-7 Entrapment, control, 759-62 Environmental analysis, 117-66 approaches, 136-9, 159-65 boiled frog syndrome, 130-1 change patterns, 134–5 complex environments, 126-7 dynamic environments, 126-7 environment types, 124 evolution, 136–9 future issues, 134-6 implications, environmental change, 124 - 6macro-environment, 129-30 marketing environment, nature of, 128-36 micro-environment, 129-30 new marketing environment, 133-5 PEST analysis, 122-3, 136-48 scanning, 159-65 stages, 121-2, 136-9 static environments, 126-7 strategic windows, 130-3 trends, 154 Escalation, control, 759-62 Espionage, corporate, 257-8 Ethical conflict, competitor analysis, 255-61 Ethical consumerism, consumer change driver, 219 Evaluation: financial, 615-22 strategic, 539-47 Evolution, environmental analysis, 136-9 Evolution, product, strategy, 478-84 Evolutionary cycle, competitive behaviour, 151–2 Excellence, above-average, 484–9 Excellence framework, 541–2 Expanding market share, market leaders, 431 Expense centres, control, 742 Experience effect: costs, 558-60 pricing, 558-60 profitability, 558–60 Experimentation, marketing, 101–2, 653–6 External influences: objectives, 291-2 pressures, 680-4 see also PEST analysis

Failure, companies, 33–5 Family influences: consumer behaviour, 176–7 consumer change driver, 216–17 Family life cycle, segmentation, 332 - 4Feedback: control, 729-34 marketing, problems, 688-90 Feedforward, control, 729-34 Fiat Group, operational/strategic issues, balancing, 17 Financial controls, 753 Financial criteria, choice, 553-65 Financial evaluation, 615–22 alternative proposals, 618 capital rationing, 618–19 discounting, 616-18 IRR, 616 key financial factors, 697 NPV, 616 traditional, 615-16 Flank attacks, market challenger strategy, 455–6 Flanking defence, market share, 441 Flexible budgets/budgeting, 776-8 Focus: customers, 3-7, 155, 169-70 marketing, 32-3 marketing auditing, 47-8 marketing planning, 310-13 segmentation, 351-3 strategic planning, 310–13 strategy, 388-96 Followers, market see market followers Forces for/against change, 27-9 Four Cs, lifestyle segmentation, 343-4 Four Ps, marketing mix, 6–7 Freudian theory, motivation, 178-9 Frogs (boiled frog syndrome), 130-1 Frontal attacks, market challenger strategy, 454–5 Full market coverage, segmentation, 351 Functional activities, choice, 584–5 Future: choice criterion, 574-5 see also risk Future issues: environmental analysis, 134-6 planning, 153–9

Gamesmanship, control, 758 Gap analysis, growth, 566–7 General Electric (GE): key success factors, 582–3 multifactor portfolio matrix, 375–6, 643–6 Geodemographic segmentation, 329, 330–2 Geographic segmentation, 329, 330–2

859

Gillette: competitive advantage, 567-8 CVP analysis, 608–10 economic analysis, 608-11 Globalization, 27 Goals: BHAGs, 301-2 setting, 294-309 see also objectives Grey market, 144–5 Growth: choice criterion, 565-7 gap analysis, 566–7 Growth rates, products/markets, 504 Growth-share matrix, portfolio analysis model, 367-74 Guerrilla attacks, market challenger strategy, 458-9

Häagen-Dazs ice-cream, 471–3 Harley Davidson: competitor analysis, 231–2 customer analysis, 170 Health, consumer change driver, 219–20 Heinz beans, positioning, 356 Herzberg's theory, motivation, 179 Honda, 456–7 Hypercompetition, 155–7

IBM Corporation, organizational buying behaviour, 200 Ice-cream, Häagen-Dazs, 471-3 Identifying competitors, competitor analysis, 230-6 Illustrations: CPA, 90-2 marketing cost analysis, 85-6, 90-2 segmental analysis, 86-8 Implementation: problems, 673 strategic, 667-75 tactical, 673-5 Income, segmentation, 334–6 Income statement, marketing-oriented, 561 - 2Individuality, law of increasing individuality, 190-1 Indulgence, consumer change driver, 220 Industrial buying see organizational buying behaviour Industrial markets, segmentation, 345–7 Industry breakpoints, 149–53 Industry structure types, competitor analysis, 233-4 Industry types, competitive advantage, 397-8

Information: adequacy, 690-7 CIS, 251-5 control, 804 cost/value, 637 Initiatives, marketing, 444–6 Input controls, 770 Intelligence gathering: CIS, 251–5 competitor analysis, 251-61 Interest groups, 15–16 Interfirm comparison, ratio analysis, 109 - 12Internal marketing, 708–10 Internal rate of return (IRR), financial evaluation, 616 Internet see e-business Interruption marketing, 418–19 Investment, appraisal, 610–24 Investment centres, control, 745-7 IRR see internal rate of return

JICNARS, segmentation, 336–7 Johnson and Schole's approach, control, 753–5

Key financial factors, marketing performance, 697 Key success factors, 582–3 Kodak, competitor analysis, 226

Laplace criterion, decision-making, 639 - 42Law of increasing individuality, 190–1 Law of marketing gravity, 474–8 Leaders, market see market leaders Leadership, missions, 287–90 Learning, consumer behaviour, 177-82 Learning, market, 164–5 Learning process, organizations, 164 - 5Left-handed organizations, 21–2 Legal environment, 140–1 see also political analysis Levi's: differentiation strategy, 394–5 one-to-one marketing, 322 Life cycle, product see product life cycle Lifestyle segmentation, 341–5 4Cs, 343–4 VALS framework, 342–3 Linear programming, models/modelling, 656 - 61

Liquidity, choice criterion, 573-4

860

Loyalty marketing: customer loyalty chain, 206–7 relationship marketing, 209–12 Loyalty status, segmentation, 340–1 Luck and Ferrell's approach, control, 755–7

Macro-environment, environmental analysis, 129–30 Management advantages, competitive advantage, 404 Management control see control Management, marketing's contribution, 29 - 31Management process, 7-10 Management reports, 809–10 Managers, types, 136 Manufacturing – The Marketing Solution, Chartered Institute of Marketing report, 540-7 Market analysis, 117–66 Market attractiveness: brand stretching, 507 product portfolios, 374-9 Market boundaries, market share, 437 - 8Market breakpoints, 149–53 Market challengers, 427–8 strategies, 447-61, 481-3 Market coverage, segmentation, 350-3 Market domination, 157-9 Market followers, 427-8 strategies, 461-3, 481-3 Market leaders: customer focus, 444-6 defending market share, 430-1 discipline, 487-8 expanding market share, 431 organizational change, 432 strategies, 428-38, 481-3 Market learning, 164–5 Market nichers, 428 segmentation, 351–3 strategies, 463-5 supernichers, 464–5 Market position, strategy, 427–8 Market research: customer focus, 444-6 Sony, 444 Market share: broadening, 438 choice criterion, 570–1 contraction defence, 441-2 counter-offensive defence, 443 defence strategies, 430–1, 439–43 diversification, 441 flanking defence, 441

market boundaries, 437-8 market challengers, 447-61 market followers, 461-3 market leaders defence, 430-1 market nichers, 463-5 mindset, 460 mobile defence, 440-1 PIMS, 432-7 position defence, 439-40 pre-emptive defence, 442 profitability, 432–7 redefining, 438 strategies, 425-90 unconventional behaviour defence, 443 variance analysis, 784–5 Market specialization, segmentation, 351 Marketing changing emphases, 31–2 contribution to management, 29-31 criticisms, 36-7 defining, 3-7 dimensions, 287 focus, 32-3 'mid-life crisis', 22-5 nature of, 3-7 paradigms, 32-3, 34 redefining, 25-31 results, 24 viewpoints, 7-10 Marketing ability, performance, 545–6 Marketing arrogance, 476 competitive arrogance, 407-9 Marketing auditing, 43–76 benefits, 46-7 components, 74-5 comprehensive, 71-2 control, 771-4 defining, 46-7 distribution audit, 771-4 effectiveness, 71-5 elements, 46-7 focus, 47–8 independent, 72-3 process, 74 reasons, 73-4 regular, 73 results, 75 stages, 48-50 structure, 47-8 systematic, 72 Marketing communications, 523–7 budgets/budgeting, 526 channels, 526 messages, 525 objectives, 524-5 response-hierarchy models, 524-5 target audiences, 524 tools, 526-7

86

Marketing contribution, 88-9 Marketing cost analysis: ABC, 92-101 aims, 81-6 CPA, 89-101 illustrations, 85-6, 90-2 methods, 81-6 pubs, 85-6 segmental analysis, 86-9 segmental costs, 83-4 Marketing effectiveness: dimensions, 18 reviewing, 50-3 Marketing environment: marketing mix, 497-8 see also environmental analysis Marketing experimentation, 101–2, 653 - 6Marketing feedback, problems, 688-90 Marketing gravity, law of, 474-8 Marketing initiatives, 444–6 Marketing mix, 6–7, 127–8 brand strategies, 505-10 channels, 528-33 competitive advantage, 404 distribution, 528 integrating, 536 marketing communications, 523-7 marketing environment, 497–8 new products, 510-15 pricing policies/strategies, 515-23 product decisions/strategy, 497-8 product policy, 500-5 products, defining, 497-500 products development, 510-15 promotion, 523-7 relationship marketing, 208–9 soft elements, 534-5 strategic management, 495-547 Marketing myopia, 210-12, 407-9, 476 Marketing objectives, 302-9 Marketing organization, structure, 738 Marketing orientation, 703–10 defining, 704-5 developing, 706-7 internal marketing, 708-10 recognizing, 705-6 Marketing performance assessment model, 648-52 Marketing planning: competitive advantage, 396-423 customer analysis, 188–92 focus, 310–13 problems, 276–7 strategic, 396-423 cf. strategic planning, 19 Marketing processes, performance, 544 - 5

Marketing strategy: competitiveness, future, 466-74 market share, 425-90 military analogies, 438-74 process, 20 valuing, 622–4 Marketing/strategy interface, 19-37 Marketing structures, 717-21 Marketing subsystem, problems, 684–8 Markets: attractiveness, 56–7 barriers, 309 profitability, 309 volatility, 27 Marks & Spencer, competitive advantage, 407-9 Marshallian model, motivation, 178 Maslow's theory, motivation, 179-80 Mass customization, 90-2 Mass marketing, 32-3, 34 Matrix models, 642-8 Mature markets, 482-3 Mercedes-Benz, TOWS matrix, 66 Merchant's approach, control, 750–3 Messages, marketing communications, 525 Micro-environment, environmental analysis, 129-30 'Mid-life crisis', marketing's, 22-5 Military analogies: marketing strategy, 438-74 summary, 465-74 Sun Tzu, 439 Mindset, market share, 460 Mini cars, positioning, 357-8 Missions, 269-314 characteristics, 79-80, 280-1 commitments, 287-90 communication, 284-7 developing, 281 establishing, 277–90 examples, 279-80, 284 influences, 281-2 leadership, 287-90 modifying, 281 starting point, 283 visioning, 284-7 Mobile defence, market share, 440–1 Monitor, lifestyle segmentation, 344 Monopolies, competitor analysis, 233–4 Motivation, consumer behaviour, 177 - 82Multifactor portfolio matrix, 375–6, 643-6 Myopia: competitive, 407-9 marketing, 476 relationship marketing, 210-12

862

National Statistics Socio-Economic Classification (NS-SEC), 336-7 Negative attitudes, control, 758-9 Negative-sum games, competition, 484 Neo-marketing organizations, 36-7 Net present value (NPV): examples, 619-22 financial evaluation, 616 Network analysis, models/modelling, 661–3 New consumers, 172–4 customer analysis, 188–92 New product development (NPD): decision-making, 640–2 marketing mix, 510–15 role, 512-14 strategies, 514–15 Nichers, market see market nichers Non-financial criteria, choice, 553–5, 565-75 NPD see new product development NPV see net present value NS-SEC see National Statistics Socio-Economic Classification

Objectives, 269-314 BHAGs, 301-2 competitors', 298-300 corporate, 297-8 establishing, 294-309 external influences, 291-2 identifying competitors', 246-7 influences, 290-4 marketing, 302–9 marketing communications, 524–5 offensive corporate, 300-1 pricing, 518-19 primary, 295 secondary, 295 three Ps, 295-6 time horizons, 296 Observable data, competitor analysis, 252 - 3Occupation, segmentation, 334–6 Oligopolies, competitor analysis, 233–4 One-to-one marketing, 32–3 Levi's, 322 Open-loop control, 728-9 Operating variables, industrial markets segmentation, 346 Operational/strategic issues, balancing, 17 - 18Opinion leaders, consumer behaviour, 176Opportunistic data, competitor analysis, 252 - 3

**Opportunities:** marketing, 444-6 see also SWOT analysis Opportunity cost, 82 Order winners/qualifiers, competitive advantage, 407-9 Organizational buying behaviour, 192–202 buy-grid model, 197-8, 200 corruption, 202, 203 influences, 195–7 interaction model, 201–2 risk, 198-9 stages, 197-8 Organizational change, market leaders, 432 Organizational culture: implications, 292–4 significance, 292-4 Organizational design, 713–17 Organizational issues, 713-21 centralization vs. decentralization, 717 - 21organizational design, 713–17 Organizational paradigms, competitive advantage, 410-12 Organizations: learning process, 164–5 left-handed, 21-2 market learning, 164–5 neo-marketing, 36-7 right-handed, 21-2 right-side-up, 22, 23 types, 21-2 wrong-side-up, 22, 23 Orientation, marketing see marketing orientation Output budgeting, 779-80 Output controls, 770 Overall cost leadership strategy, 388–96

Paradigms, marketing, 32–3, 34 Partnerships, marketing mix, 127–8 Pay-off matrix, decision-making, 631–2, 636 PDM audit, 772 Perception: consumer behaviour, 177-82 issues, 180-2 Performance: above-average, 484-9 appraisal, 736 balanced scorecard framework, 580-2 business, competitive advantage, 399 against competition, 468-9 key success factors, 582–3 leveraging, 470 marketing ability, 545-6

863

marketing performance assessment model, 648-52 marketing processes, 544–5 products, 792-3 see also choice; control Performance-importance matrix, 57–60 Periodic budgets/budgeting, 775-6 Permission marketing, 418–19 Personal characteristics, industrial markets segmentation, 346 Personal influences, consumer behaviour, 177 Personnel controls, 752–3 Personnel-marketing interface, 686-7 PERT see programme evaluation and review technique PEST analysis, environmental analysis, 122-3, 136-48 PIMS see Profit Impact of Market Strategy Planning: control and, 747-50 corporate, 45 distribution, 528 elements, 274-5 future issues, 153-9 orientation, 711-12 purpose, 274-7 stages, 275-6 strategic cf. marketing, 19 strategic planning process, 271–3 see also control; marketing planning Planning-programming-budgeting system (PPBS), 778-9 PLC see product life cycle Political analysis, 122-3, 136-48 Porter's approach, competitor analysis, 228 - 30Porter's five-force model, 348 Porter's strategy types, 387–96 Portfolio analysis: pricing, 557 product policy, 502 Portfolio analysis models: Abell and Hammond's  $3 \times 3$  model, 377 ADL model, 376-9 assessment, 374 Boston matrix, 367–74 criticisms, 379-82 DPM, 376-7 multifactor portfolio matrix, 375-6, 643-6 pitfalls, 370-3 product portfolios, 367-79 Position defence, market share, 439–40 Positioning, 315–60 breakfast cereals, 354-5 competitive advantage, 355-9 errors, 355-6

Heinz, 356 influences, 353-4 Mini cars, 357–8 pricing, 358 product positioning, 353-9 product positioning matrix, 646-8 repositioning strategies, 359 stages, 317-18 Wal-Mart, 358 PPBS see planning-programmingbudgeting system Pre-emptive defence, market share, 442 Pressures: change, 682-4 marketing organizations, 680-4 Price variance, variance analysis, 792 Pricing: approaches, 517-18 choice criterion, 572-3 competition, 520-2 cuts, 557 decisions, 557 experience effect, 558-60 information, 696 methods, 520-2 objectives, 518-19 policies, 515-23 portfolio analysis, 557 positioning, 358 price/quality strategies, 556-7 strategies, 515-23 tactical weapon, 522-3 zero-sum games, 557 Probability theory, decision-making, 629-30 Process control, 770 Product decisions/strategy, 497–8 Product evolution, strategy, 478–84 Product life cycle (PLC), 250 CVP analysis, 604–7 product policy, 500-2 strategy, 478-84 Product line, CVP analysis, 604–7 Product management, information, 696 Product policy: dimensions, 500-5 PLC, 500-2 portfolio analysis, 502 Product portfolios, 361-83 business position assessment, 374–9 competitor analysis, 239-41 market attractiveness, 374-9 portfolio analysis models, 367–79 strategic perspectives, 363–7 Product positioning see positioning Product positioning matrix, 646–8 see also positioning Product specialization, segmentation, 350

Production-marketing interface, 686 Productivity analysis, 77-116 Productivity, nature of, 102–4 Products: defining, 498-500 developing, 510-15 elements, 498-500 new, 510-15, 640-2 performance, 792-3 as strategic variable, 502–5 Profit centres, control, 742–5 Profit Impact of Market Strategy (PIMS), 112 - 15market share, 432-7 ROI, 434 Profit statement, marketing-oriented, 561-3 Profitability: analysis, 560-5 choice criterion, 571-2 controllable profit, 744 cost-volume-profit analysis, 593-610 CPA, 89–101 decision-making, 560-5 defining, 560 direct profit, 744-5 experience effect, 558-60 market share, 432-7 markets, 309 models/modelling, 593 sales, 700 Programme evaluation and review technique (PERT), models/ modelling, 661-3 Programming, models/modelling, 656–61 Promotion: integrating, 527 marketing mix, 523–7 Psychographic segmentation, 329, 341–5 Psychological influences, consumer behaviour, 177–82 Psychological life cycle, segmentation, 334 Pubs, marketing cost analysis, 85–6 Purchasing approaches, industrial markets segmentation, 346 Purchasing-marketing interface, 686

Quality assurance: marketing, 670 TQM, 669 Question marks, Boston matrix, 369

Railways, control, 742–3 Ratio analysis, 77–116 interfirm comparison, 109–12 ratio pyramid, 106–7

trends. 107-9 use of, 104-7 Recorded data, competitor analysis, 252–3 Redefining marketing, 25–31 Reference groups, consumer behaviour, 175 - 7Relationship marketing, 202–14 customer categorization, 210-12 customer loyalty chain, 206-7 loyalty marketing, 209–12 marketing mix, 208–9 myopia, 210-12 SAS, 206-8 strategy, 205-8 cf. transaction marketing, 203-4 Relationships, competitive, 241-6 Reports: management reports, 809-10 Manufacturing – The Marketing Solution, 540 - 7Resource availability, choice criterion, 573-4 Response-hierarchy models, marketing communications, 524–5 Response model, control, 799-801 Response profiles, competitor analysis, 228-30, 248-50 Responsibility accounting, 734–47 Responsibility issues, strategic planning, 364-5 **Results:** controls, 751-2 marketing, 24 marketing auditing, 75 Return on investment (ROI), 104-7 PIMS, 434 Return on sales, choice criterion, 571–2 Right-handed organizations, 21–2 Right-side-up organizations, 22, 23 Risk, 7 models/modelling, 627–42 NPD, 511–12 organizational buying behaviour, 198-9 risk analysis, 630–7 ROI see return on investment Rolling budgets/budgeting, 775-6 Royal Society of Arts (RSA), 'Tomorrow's Company' inquiry, 552–3 Safeway, market challenger strategy, 458 SAGACITY, segmentation, 334 Sales:

budgets/budgeting, 780–3 choice criterion, 570–1 models/modelling, 593 profitability, 700 variance analysis, 780–3, 794–5

865

Sales operations, information, 696-7 Salesforce, benchmarking, 806-7 SAS see Scandinavian Airlines System SBUs see strategic business units Scandinavian Airlines System (SAS), relationship marketing, 206-8 Scanning, environmental analysis, 159 - 65Segmental analysis, 77–116 ABC, 92-101 alternative approach, 88–9 exercise, 92-101 illustration, 86-8 Segmental costs, marketing cost analysis, 83-4 Segmentation, 315-60 approaches, 323–8 bases, 328-9 behavioural, 329, 338-41 brand enthusiasm, 340-1 change, 349 changing nature of, 325-6 charity coffee, 349-50 critical events, 341 dialogue of the deaf, 347 feasibility, 326-7 full market coverage, 351 industrial markets, 345-7 lifestyle, 341-5 loyalty status, 340-1 market coverage, 350-3 market niching, 351-3 market specialization, 351 market targeting, 347-50 nature of, 318-23 product positioning, 353–9 product specialization, 350 purpose, 318-23 segment attractiveness, 352 selective specialization, 350 single segment concentration, 350 stages, 317-18 structural attractiveness, 348 user status, 339-40 Selection attention, consumer behaviour, 180 - 2Selective specialization, segmentation, 350 Self-control, 769 Self-delusion, competitive advantage, 405 - 7Sensitivity analyses, models/modelling, 590 Sex, segmentation, 337 Shareholder value, 565, 622-4 Shoppers segmentation, 345 Short-termism, control, 759 Single-parent families, 142–3

Single segment concentration, segmentation, 350 Situational factors, industrial markets segmentation, 346 Skoda cars, 181-2 'So what?' test, competitive advantage, 406 Social analysis, 122-3, 136-48 Social classification, segmentation, 332-6 Social control, 769-70 Sony, market research, 444 Staff resources advantages, competitive advantage, 404 Stars, Boston matrix, 369 Static environments, environmental analysis, 126–7 Stimulus-response model, buyer behaviour, 171-2 Strategic alternatives, choice, 583-4 Strategic analysis, 11, 41 Strategic business units (SBUs), 365–74 Strategic choice, 11 Strategic control, 667–75 Strategic decisions, 11–18 see also decision-making Strategic direction, 265-6, 303-4 Strategic evaluation, 539-47 Strategic groups, competitor analysis, 242 - 5Strategic implementation, 12, 667-75 Strategic management, marketing mix, 495-547 Strategic/operational issues, balancing, 17-18 Strategic perspectives, product portfolios, 363 - 7Strategic planning: focus, 310-13 cf. marketing planning, 19 process, 271-3 responsibility issues, 364–5 Strategic triangle, control, 804–5 Strategic wear-out, 474–8 Strategic windows, environmental analysis, 130–3 Strategies: brands/branding, 505–10 channels, 530 cost leadership, 388-96 defining, 13-14 developing, 310-13 differentiation, 388–96 distribution, 528 economic appraisal, 608–10 elements, 13-14 focus, 388-96 formulation, 265-6

Strategies (Continued) generic, 387-96 influences, 290-4 levels, 12-13 market challengers, 447-61 market followers, 461-3 market leaders, 428-38 market nichers, 463-5 market position, 427-8 market share, 425–90 nature of, 11–18 PLC, 478-84 pricing, 515-23 product evolution, 478-84 pursuing, 389 relationship marketing, 205–8 repositioning, 359 selecting, 389 types, 387-90 Strategy/marketing interface, 19-37 Strengths: competitors', 236-41 identifying, 57-60, 236-41 interdepartmental, 60-2 see also SWOT analysis Structural attractiveness, segmentation, 348 Subsystems, marketing, problems, 684-8 Success routes, choice, 584 Sun Tzu, military analogies, 439 Supernichers, market nichers, 464–5 Swatch, visioning, 286 Swiss watch industry, 131-3, 286 SWOT analysis: criticism, 63-4 effectiveness, 62-3 post-modern SWOT, 67, 68 role, 53–69 TOWS matrix, 63–7 value, 65-7

Target audiences, marketing communications, 524 Target marketing, 32–3, 34 Targeting, 315-60 stages, 317–18 Targets: setting, 294-309 see also objectives Taylor Nelson, Monitor, lifestyle segmentation, 344 Technological analysis, 122–3, 147–8 Technological change, 27, 147–8 mass customization, 90-2 Tesco, competitive advantage, 404 Third knowledge revolution, competitive advantage, 415–16

Third-wave companies, 157-9 Threats see SWOT analysis Three Ps, objectives, 295-6 Thriving on Chaos, 551–2 Time horizons, objectives, 296 Time value of money, 614–15 'Tomorrow's Company' inquiry, RSA, 552 - 3Total quality management (TQM), 669 Tower Records, CPA, 90–2 TOWS matrix: SWOT analysis, 63–7 value, 65-7 TQM see total quality management Transaction marketing, 210–12 connective marketing, 214 cf. relationship marketing, 203–4 Treats, consumer change driver, 220 Trends: analysing, 107-9 environmental analysis, 154 world-changing megatrends, 148 Trust brands, competitive advantage, 412-15

Uncertainty: models/modelling, 627–42 *see also* risk Unconventional behaviour defence, market share, 443 Undifferentiated marketing, 319–23 User status, segmentation, 339–40

VALS framework, lifestyle segmentation, 342-3 Value: consumer change driver, 218–19 shareholder value, 565, 622-4 Value chain, competitive advantage, 70–1,396–8 Valuing market strategies, shareholder value, 622–4 Variance analysis: control, 780-92 distribution cost control, 788-90 efficiency variance, 792 examples, 790-2 market share, 784–5 price variance, 792 sales, 780-3, 794-5 variance investigation decision, 795-8 Veblen's model, motivation, 179 Virgin Atlantic airways, competition, 256–7 Visioning, missions, 284–7 Volatility, markets, 27

Volume: choice criterion, 572, 573 cost-volume-profit analysis, 593–610 Vulnerability, competitor analysis, 240–1

Waitrose, competitive advantage, 416 Wal-Mart: competitive advantage, 416 positioning, 358 War *see* military analogies Watch industry, 131–3 Weaknesses: competitors', 236–41 identifying, 57–60, 236–41 interdepartmental, 60–2 see also SWOT analysis Whitbread company, 278 Women, changing face of, 145–6 Wrong-side-up organizations, 22, 23

Yamaha, 456–7 Young & Rubicam, 4Cs, lifestyle segmentation, 343–4 Youth market, 173–4

Zero-base budgeting (ZBB), 778–9 Zero-sum games: competition, 484 price cuts, 557