

# Contents

<i>Preface</i>	<b>xi</b>
<i>Overview of the book's structure</i>	<b>xiii</b>
<b>1 Introduction</b>	<b>1</b>
1.1 Learning objectives	3
1.2 The nature of marketing	3
1.3 The management process	7
1.4 Strategic decisions and the nature of strategy	11
1.5 The marketing/strategy interface	19
1.6 Summary	37
<b>Stage One: Where are we now? Strategic and marketing analysis</b>	<b>41</b>
<b>2 Marketing auditing and the analysis of capability</b>	<b>43</b>
2.1 Learning objectives	45
2.2 Introduction	45
2.3 Reviewing marketing effectiveness	50
2.4 The role of SWOT analysis	53
2.5 Competitive advantage and the value chain	70
2.6 Conducting effective audits	71
2.7 Summary	75
<b>3 Segmental, productivity and ratio analysis</b>	<b>77</b>
3.1 Learning objectives	79
3.2 Introduction	79
3.3 The clarification of cost categories	80
3.4 Marketing cost analysis: aims and methods	81
3.5 An illustration of segmental analysis	86
3.6 An alternative approach to segmental analysis	88
3.7 Customer profitability analysis	89
3.8 Marketing experimentation	101
3.9 The nature of productivity	102
3.10 The use of ratios	104
3.11 Analysing ratios and trends	107
3.12 Ratios and interfirm comparison	109



3.13	A strategic approach	112
3.14	Summary	116
<b>4</b>	<b>Market and environmental analysis</b>	<b>117</b>
4.1	Learning objectives	119
4.2	Introduction: the changing business environment (or the new marketing reality)	119
4.3	Analysing the environment	120
4.4	The nature of the marketing environment	128
4.5	The evolution of environmental analysis	136
4.6	The political, economic, social and technological environments	139
4.7	Coming to terms with the industry and market breakpoints	149
4.8	Coming to terms with the very different future: the implications for marketing planning	153
4.9	Approaches to environmental analysis and scanning	159
4.10	Summary	165
<b>5</b>	<b>Approaches to customer analysis</b>	<b>167</b>
5.1	Learning objectives	169
5.2	Introduction	169
5.3	Coming to terms with buyer behaviour	170
5.4	Factors influencing consumer behaviour	174
5.5	The buying decision process	182
5.6	The rise of the new consumer and the implications for marketing planning	188
5.7	Organizational buying behaviour	192
5.8	The growth of relationship marketing	202
5.9	Summary	214
	Appendix: The drivers of consumer change	215
<b>6</b>	<b>Approaches to competitor analysis</b>	<b>221</b>
6.1	Learning objectives	223
6.2	Introduction	223
6.3	Against whom are we competing?	230
6.4	Identifying and evaluating competitors' strengths and weaknesses	236
6.5	Evaluating competitive relationships and analysing how organizations compete	241
6.6	Identifying competitors' objectives	246
6.7	Identifying competitors' likely response profiles	248
6.8	Competitor analysis and the development of strategy	250
6.9	The competitive intelligence system	251
6.10	The development of a competitive stance: the potential for ethical conflict	255
6.11	Summary	261



<b>Stage Two: Where do we want to be? Strategic direction and strategic formulation</b>	<b>265</b>
<b>7 Missions and objectives</b>	<b>269</b>
7.1 Learning objectives	271
7.2 Introduction	271
7.3 The purpose of planning	274
7.4 Establishing the corporate mission	277
7.5 Influences on objectives and strategy	290
7.6 Guidelines for establishing objectives and setting goals and targets	294
7.7 The development of strategies	310
7.8 Summary	313
<b>8 Market segmentation, targeting and positioning</b>	<b>315</b>
8.1 Learning objectives	317
8.2 Introduction	317
8.3 The nature and purpose of segmentation	318
8.4 Approaches to segmenting markets	323
8.5 Factors affecting the feasibility of segmentation	326
8.6 Approaches to segmentation	327
8.7 The bases for segmentation	328
8.8 Geographic and geodemographic techniques	330
8.9 Demographic segmentation	332
8.10 Behavioural segmentation	338
8.11 Psychographic and lifestyle segmentation	341
8.12 Approaches to segmenting industrial markets	345
8.13 Market targeting	347
8.14 Deciding on the breadth of market coverage	350
8.15 Product positioning	353
8.16 Summary	359
<b>9 The formulation of strategy – 1: analysing the product portfolio</b>	<b>361</b>
9.1 Learning objectives	363
9.2 Introduction	363
9.3 The development of strategic perspectives	363
9.4 Models of portfolio analysis	367
9.5 Market attractiveness and business position assessment	374
9.6 Criticisms of portfolio analysis	379
9.7 Summary	383
<b>10 The formulation of strategy – 2: generic strategies and the significance of competitive advantage</b>	<b>385</b>
10.1 Learning objectives	387
10.2 Introduction	387



10.3	Types of strategy	387
10.4	Porter's three generic competitive strategies	390
10.5	Competitive advantage and its pivotal role in strategic marketing planning	396
10.6	Summary	423
<b>11</b>	<b>The formulation of strategy – 3: strategies for leaders, followers, challengers and nichers</b>	<b>425</b>
11.1	Learning objectives	427
11.2	Introduction	427
11.3	The influence of market position on strategy	427
11.4	Strategies for market leaders	428
11.5	Marketing strategy and military analogies: lessons for market leaders	438
11.6	Strategies for market challengers	447
11.7	Strategies for market followers	461
11.8	Strategies for market nichers	463
11.9	Military analogies and competitive strategy: a brief summary	465
11.10	The inevitability of strategic wear-out (or the law of marketing gravity and why dead cats only bounce once)	474
11.11	The influence of product evolution and the product life cycle on strategy	478
11.12	Achieving above-average performance and excellence	484
11.13	Summary	489
	<b>Stage Three: How might we get there? Strategic choice</b>	<b>493</b>
<b>12</b>	<b>The strategic management of the marketing mix</b>	<b>495</b>
12.1	Learning objectives	497
12.2	Introduction	497
12.3	Product decisions and strategy	497
12.4	What is a product?	498
12.5	The dimensions of product policy	500
12.6	Brand strategies	505
12.7	The development of new products	510
12.8	Pricing policies and strategies	515
12.9	Approaches to price setting	517
12.10	Deciding on the pricing objectives	518
12.11	Methods of pricing	520
12.12	Using price as a tactical weapon	522
12.13	Promotion and marketing communications	523
12.14	Distribution strategies and the distribution plan	528
12.15	Channel management	528
12.16	The 'soft' elements of the marketing mix	534



12.17	Integrating the elements of the marketing mix	536
12.18	Summary	536
<b>Stage Four: Which way is best? Strategic evaluation</b>		<b>539</b>
<b>13</b>	<b>Criteria of choice</b>	<b>549</b>
13.1	Learning objectives	551
13.2	Introduction	551
13.3	Financial versus non-financial criteria; effectiveness versus efficiency	553
13.4	Financial criteria	555
13.5	Non-financial criteria	565
13.6	Multiple criteria	576
13.7	Summary	585
<b>14</b>	<b>Modelling approaches – 1</b>	<b>587</b>
14.1	Learning objectives	589
14.2	Introduction	589
14.3	Cost–volume–profit analysis	593
14.4	Investment appraisal	610
14.5	Summary	624
<b>15</b>	<b>Modelling approaches – 2</b>	<b>625</b>
15.1	Learning objectives	627
15.2	Introduction	627
15.3	Allowing for risk and uncertainty	627
15.4	Matrix models	642
15.5	The marketing performance assessment model	648
15.6	Some other approaches to modelling	652
15.7	Summary	664
<b>Stage Five: How can we ensure arrival? Strategic implementation and control</b>		<b>667</b>
<b>16</b>	<b>Problems to overcome</b>	<b>677</b>
16.1	Learning objectives	679
16.2	Introduction	679
16.3	Pressures	680
16.4	Problems in the marketing subsystem	684
16.5	Problems of marketing feedback	688
16.6	Information adequacy	690
16.7	Cost problems	697
16.8	Marketing orientation	703
16.9	Planning orientation	711



16.10	Organizational issues	713
16.11	Summary	721
<b>17</b>	<b>Management control – 1</b>	<b>723</b>
17.1	Learning objectives	725
17.2	Introduction to control	725
17.3	Control defined	726
17.4	Basic control concepts	728
17.5	Responsibility accounting	734
17.6	Approaches to control	747
17.7	Some behavioural factors	757
17.8	Summary	762
<b>18</b>	<b>Management control – 2</b>	<b>765</b>
18.1	Learning objectives	767
18.2	Introduction	767
18.3	Controls	767
18.4	Taking corrective action	798
18.5	Management reports	809
18.6	Summary	811
	<b><i>Bibliography</i></b>	<b>813</b>
	<b><i>Index</i></b>	<b>853</b>