

Unit 5: Strategic Marketing Management

Level: 7

Unit type: Optional

Guided learning hours: 45

Credit value: 20

Unit introduction

Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. Marketing is therefore a critical organisational function. An organisation's strategic position, and the positioning of its products and services, depends on creating and implementing intelligent and well-informed strategic marketing plans.

Marketing management seeks to get the business to produce what the customer wants and align all marketing activities to meet customer needs. This unit explores the role of marketing management in setting marketing goals, applying business models to establish a marketing strategy and utilising marketing instruments that contribute towards an organisational approach to marketing.

In order to remain competitive, it is important that organisations focus on establishing, developing and adjusting their strategic marketing plans.

A strategic marketing strategy combines product development, promotion, distribution, pricing, relationship management and other elements of marketing. The strategy identifies an organisation's strategic marketing goals, and explains how they will be achieved within a designated timeframe.

Learners will investigate how marketing plans are designed to contribute towards an organisation's mission and strategic objectives. They will consider the management decisions that have to be taken when implementing different elements of the marketing mix (product, price, people and place) and how marketing plans can be monitored and controlled to maximise the benefits to the organisation and its stakeholders.

This unit requires that learners have access to the marketing management function in an organisation, or they must be provided with a detailed case study.

Learning outcomes and assessment criteria

To pass this unit, the learner needs to meet all the learning outcomes for the unit. The assessment criteria determine the standard required to achieve the unit.

| Learning outcomes | | Assessment criteria | |
|-------------------|--|---------------------|--|
| A | Understand the processes involved in marketing management | A.1 | Analyse the marketing goals that may be set by an organisation |
| | | A.2 | Analyse the processes involved in marketing management |
| | | A.3 | Critically analyse the contribution of marketing management to the achievement of corporate objectives |
| B | Understand the tools used to develop a strategic marketing strategy | B.1 | Analyse the processes involved in strategic marketing |
| | | B.2 | Critically analyse the relationship between marketing management and strategic marketing |
| | | B.3 | Investigate the models used in setting strategic marketing objectives |
| C | Understand how marketing managers use strategic marketing techniques and tactics | C.1 | Investigate the strategic marketing techniques that can be applied by an organisation |
| | | C.2 | Investigate the application of the 7P marketing mix |
| | | C.3 | Evaluate the effectiveness of strategic marketing tactics applied in different organisations |
| D | Understand how marketing management is applied in an organisational context | D.1 | Analyse the role and functions of marketing management in an organisational context |
| | | D.2 | Critically evaluate the appropriateness of strategic marketing objectives in a given context |
| | | D.3 | Evaluate the effectiveness of marketing management in a given organisational context |

Unit content

Learning outcome A: Understand the processes involved in marketing management

- *Marketing goals:* strategic goals, e.g. growth, diversification, market share, market development; economic goals, e.g. sales costs, profitability, contribution margin, margins; psychographic goals, e.g. awareness of brand; image; overall customer satisfaction rates; customer loyalty; SMART objective setting based on key principles – content, extent, time and market segment.
- *Role of marketing management:* marketing as a specialist business function and as a set of organisational processes encompassing all functional areas coordinated by a marketing manager.
- *The application of marketing management processes:* GOSPA (Goals, Objectives, Strategies, Plans and Tactics) corporate performance management process applied to the marketing management function; determining marketing goals, formulating a marketing strategy, applying marketing tools and establishing control processes to monitor key performance indicators, implementing any required remedial action and providing feedback to key decision-makers in the organisation.
- *Corporate strategy:* the nature of strategy and marketing links to corporate strategy, e.g. Michael Porter; links to mission statement, organisational structure, corporate responsibility and ethics; dynamic strategy (Carpenter and Sanders); knowledge management systems.

Learning outcome B: Understand the tools used to develop a strategic marketing strategy

- *Strategic marketing:* key definitions from the Chartered Institute of Marketing and key authors, e.g. Hugh Davidson, Peter Doyle, Philip Kotler, Malcolm McDonald; role and importance of strategic marketing in an organisation; concepts; systematic approach; sequencing and scheduling of activities; integration of activities; resource requirements; timescales; monitoring and control elements.
- *Processes:* strategic marketing planning processes, e.g. Peter Doyle, Malcolm McDonald's strategic marketing analysis, marketing strategy objective setting, perceptual mapping, factor analysis, option evaluation, choice, formulation, implementation and control.
- *Strategic marketing:* key definitions from the Chartered Institute of Marketing and key authors, e.g. Hugh Davidson, Peter Doyle, Philip Kotler, Malcolm McDonald; role and importance of strategic marketing in an organisation; concepts; systematic approach; sequencing and scheduling of activities; integration of activities; resource requirements; timescales; monitoring and control elements.
- *Marketing strategy typologies:* e.g. Porter's generic strategies (focus, cost leadership and quality leadership); core competences (G Johnson and K Scholes, G Hamel and C K Prahalad); competitive advantage (H Davidson, M Porter); investment opportunity evaluation (D F Abell and J S Hammond); General Electric model; Shell directional policy matrix; inside-out planning model (Schultz, Tannenbaum and Lauterborn).

- *Strategic options*: market leadership; market dominance strategies; market leader, market challenger, market follower, market niche; innovation strategies; market pioneer; close followers, late followers; offensive, defensive and value-based marketing strategies.
- *Marketing tools and models*: organisation, industry and market environment situation analysis; Porter's Five Forces model; competitor analysis; SWOT (strengths, weaknesses, opportunities, threats) analysis, STEEPLE (social, technological, economic, environmental, political, legal, ethical) analysis), PEST (political, economic, social, technological) analysis, marketing audit, the 5C model.
- *Marketing analysis techniques*: e.g. BCG matrix, product life cycle model, Ansoff matrix.
- *Marketing policies*: product policy; price policy; distribution policy; communication policy.

Learning outcome C: Understand how marketing managers use strategic marketing techniques and tactics

- *Marketing techniques*: setting marketing objectives and marketing strategy, targeting markets; segmenting markets, e.g. geographic, demographic, psychographic, behaviour; profiling markets, e.g. revenue potential, market share potential, profitability potential, positioning segmented markets, e.g. market leader or product line extension, mass marketing or niche marketing, direct or indirect sales; customer relationship marketing (CRM) features and implications for business strategies; market pioneer; close followers, late followers; offensive, defensive and value-based marketing strategies.
- *The extended marketing mix*: the 7P model (product, place, price, promotion, people, processes, physical evidence); marketing strategies for product/service, pricing, distribution, promotion, e.g. advertising, sales promotion, personal selling, direct marketing, public relations, people, e.g. internal, intermediaries, customer service, processes and physical evidence, e-marketing strategy; resource requirements, e.g. financial, people, marketing.
- *Marketing tactics*: pricing tactics, e.g. skim pricing, penetration pricing, cost price, market price, price discrimination.
- *Promotion tactics*: push strategies, e.g. the promotional mix, customer loyalty schemes, product sampling, dealer loaders, extended credit, point of sale (POS) materials.
- *Place tactics*: pull strategies, e.g. distribution channels, online channels and smart technology, transport management, stock and handling, run through times, terms of delivery.
- *Communication tactics*: e.g. print, promotions, branding, the marketing message (content of the communication); role and importance of social media.

Learning outcome D: Understand how marketing management is applied in an organisational context

- *Emerging themes in an organisational context:* e.g. product portfolio, organisational structure and culture, impact of globalisation, the strength or weakness of competitors, importance of environmental factors, changes in the political environment, the state of the economy, economic indicators, influence of social media.
- *Organisational responses to changes in the external environment:* shift from supply to demand environment; fashionisation of markets; micro-markets; rising expectations; technological change; competition; globalisation; importance of customer service; commoditisation; erosion of brands; new constraints.
- *Strengths and weaknesses of marketing management in an organisational context:* focus of marketing objectives, links to corporate strategy, speed of new product developments, ability to customise, ability to handle information to gain competitive advantage; e-marketing position, core focus, target markets, nature and potential of key market segments, partnerships with customers and other stakeholders, organisational structure, innovation strategies, timescales, resource requirements, budgets, monitoring, review and control mechanisms.
- *Impact analysis:* economic and psychographic impact, e.g. sales volume and value, costs, profitability, margins, shareholder value, brand recognition, customer loyalty and retention; digital marketing metrics, e.g. page views, bounce rate, exit rate, conversion rate, click through rate, new visitors, and average length of session.

Essential information for assessors

Essential resources

There are no specialist resources needed for this unit.

Suggested assessment approach

This section must be read in conjunction with *Section 6: Assessment*.

This unit is assessed internally by the centre and externally verified by Pearson.

The table below shows the suggested approach to assessments.

When preparing the assessment for this unit, the learner should be given an Assignment brief designed by the tutor. This brief should be set in a specific organisational context, it should draw on learning from the unit, and be designed in a way that enables learners to meet all the assessment criteria.

| Learning outcome | Suggested assessment approach |
|---|--|
| A Understand the processes involved in marketing management | <p>The assessment may comprise two assignments. The first assignment should focus on the processes and tools involved in strategic marketing management, whilst the second could involve learners in the application and impact of strategic marketing management in an organisational context.</p> <p>In both assignments learners could select a specific organisation, which could either be their own workplace or another organisation they may be familiar with. Tutors should ensure that, whatever organisations are chosen by learners, learners are able to access sufficient information to meet the requirements of the assessment criteria. It is also acceptable for both assignments to be conducted using a comparative analysis approach, enabling learners to identify the approaches to strategic marketing management taken in different markets and organisational contexts.</p> <p>In the first assignment learners should pull together the links between strategic marketing and corporate strategy. This will involve learners identifying the corporate objectives of an organisation and then analysing the links between these objectives and the various elements of the organisation's marketing strategy. Learners need to exhibit a good knowledge of the range of models that are available and make an assessment of the value of the models used in strategic marketing planning.</p> <p>Learners are therefore expected to analyse the application of different theoretical marketing models and marketing analysis techniques and how far</p> |
| B Understand the tools used to develop a strategic marketing strategy | |

| Learning outcome | Suggested assessment approach |
|--|---|
| | <p>these models and techniques may have influenced the development of an organisation's marketing strategy. The assignment should include an analysis of the possible strategic options that may have been considered by the organisation. This should involve the application of the GOSPA (Goals, objectives, strategies, plans and tactics) corporate management process.</p> <p>The assignment must give learners the opportunity to evaluate the usefulness of the theoretical marketing models and techniques in an organisational context.</p> |
| C Understand how marketing managers use strategic marketing techniques and tactics | <p>The second assignment requires learners to explore the link between strategic positioning, strategic management techniques and marketing tactics. Learners will need to apply the principles of strategic marketing and analyse the use of strategic marketing techniques in a selected market. The assignment can be based on the learners' own workplaces or job role or require them to undertake in-depth research into an organisation.</p> |
| D Understand how marketing management is applied in an organisational context | <p>It would be useful for learners to choose an organisation that is operating in an environment that requires it to refocus its marketing strategy and associated tactics. For example, this could include an organisation's response to stakeholder pressure including the need to address socio-economic imperatives such as climate change and social issues, as well as the impact of technology on both product design and the changing nature of customer relationship management.</p> <p>The assignment must require learners to undertake an impact analysis of the effectiveness of an organisation's marketing strategy and the tactics it has used to achieve its strategic objectives.</p> |

Assessment requirements

Learning outcome A

To achieve learning outcome A, learners must identify the specific marketing goals of an organisation and how these goals contribute to the organisation's strategic objectives and overall mission statement. Learners must show how the GOSPA corporate performance management process could be applied to marketing management processes in a specific organisational context and analyse how these processes are coordinated across different functional areas within a business. Learners must provide evidence that shows that they have a good understanding of the processes involved in marketing management, including the feedback loop to corporate decision-makers.

Learning outcome B

To achieve learning outcome B, learners must show a good understanding of the application of strategic marketing models in an organisational context and how marketing activities are coordinated and scheduled to maximise their effectiveness in terms of such aspects as product innovation, pricing decisions and marketing communications. Learners should provide appropriate examples to show that they understand the difference between marketing management and strategic marketing. Learners must analyse how marketing analysis techniques may have influenced an organisation's marketing strategy. Learners must provide evidence of a market analysis, using appropriate models and marketing analysis techniques, based on an organisation operating in a specific market. The analysis should be accompanied by an overview of the implications of the learner's own analysis for the organisation's marketing strategy and how far these match those of the organisation's marketing strategy.

Learning outcome C

To achieve learning outcome C, learners must produce a report that provides a range of evidence showing how strategic marketing techniques have been applied by organisations operating in the same or different market sectors. This could cover aspects such as market segmentation and profiling and the link with different marketing strategies. Learners must show a good understanding of the application of marketing tactics applied in each of the components of the 4P marketing model and how the extended 7P marketing model influences and impacts on an organisation's marketing tactics, including its corporate communications strategy.

Learning outcome D

To achieve learning outcome D, learners must identify how changing factors within an organisation's external environment have impacted on its marketing tactics. Learners must evaluate the effectiveness and appropriateness of an organisation's response to the changing nature of its external environment. The evaluation should be based on an in-depth analysis of the strengths and weaknesses of its marketing management strategy and its associated marketing tactics.

Learners must evaluate the effectiveness of an organisation's marketing tactics using appropriate performance indicators mapped against an organisation's corporate objectives and, where possible, its own performance targets.