

Unit 7: Strategic Marketing Management

Unit code: Y/602/2065

QCF Level 7: BTEC Professional

Credit value: 10

Guided learning hours: 30

Unit aim

This unit provides the learner with the understanding and skills to support active engagement in the process of strategic marketing management.

Unit introduction

Marketing is at the core of business. Outperforming the competition requires solid marketing knowledge and precise marketing decision making. An organisation's positioning, and the positioning of its products and services, depend on the formulation and implementation of intelligent and well-informed strategic marketing plans.

All organisations operate in a dynamic marketplace. Competition, consumers, technology and market forces constantly redefine the way organisations operate. Staying competitive means that organisations need to continuously adjust and adapt their customer approach to meet changing needs and expectations. This is increasingly important with the globalisation of markets and the rapid increase in competition from emerging nations such as China, India and Brazil. In today's markets, it is imperative that organisations focus on establishing, developing and adjusting their strategic marketing plans if they are to remain competitive.

Strategic marketing is a way of focusing an organisation's energies and resources on a course of action that can lead to increased sales and dominance of a targeted market. A strategic marketing strategy combines product development, promotion, distribution, pricing, relationship management and other elements of marketing. It identifies an organisation's strategic marketing goals, and explains how they will be achieved, ideally within a designated timeframe.

Without a strategic marketing plan, organisations can waste resources, miss opportunities or, in a worse case scenario, threaten their own survival. Strategic marketing executives have up-to-date knowledge of competitive dynamics and know how to integrate marketing strategy into an overall business strategy. Strategic marketing management provides a comprehensive examination of all the major components of marketing strategies and their integration into organisations. It is the basis for continued success in highly competitive markets.

Learning outcomes and assessment criteria

In order to pass this unit, the evidence that the learner presents for assessment needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria determine the standard required to achieve the unit.

On completion of this unit a learner should:

Learning outcomes	Assessment criteria
1 Understand the principles of strategic marketing management	1.1 discuss the role of strategic marketing in an organisation 1.2 explain the processes involved in strategic marketing 1.3 evaluate the links between strategic marketing and corporate strategy
2 Understand the tools used to develop a strategic marketing strategy	2.1 assess the value of models used in strategic marketing planning 2.2 discuss the links between strategic positioning and marketing tactics 2.3 analyse the merits of relationship marketing in a given strategic marketing strategy
3 Be able to use strategic marketing techniques	3.1 use appropriate marketing techniques to ascertain growth opportunities in a market 3.2 plan how to use marketing strategy options in a market 3.3 create appropriate strategic marketing objectives for a market
4 Be able to respond to changes in the marketing environment	4.1 report on the impact of changes in the external environment on a marketing strategy 4.2 conduct an internal analysis to identify current strengths and weaknesses in a marketing strategy 4.3 propose strategic marketing responses to key emerging themes in a marketing strategy

Unit content

1 Understand the principles of strategic marketing management

Role of strategic marketing: key definitions of strategic marketing from the Chartered Institute of Marketing and key authors (eg 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; timescaling; monitoring and control elements

Processes: strategic marketing planning processes (eg Peter Doyle, Malcolm McDonald) including strategic marketing analysis, marketing strategy objective setting, perceptual mapping, factor analysis, option evaluation, choice, formulation, implementation and control

Links to corporate strategy: the nature of strategy and marketing links to corporate strategy eg Michael Porter; links to mission statement, organisational structure, corporate responsibility and ethics; dynamic strategy (Carpenter and Sanders); knowledge management systems

2 Understand the tools used to develop a strategic marketing strategy

Models: organisation, industry and market environment situation analysis; Porter's Five Forces model; structure, conduct and performance; SWOT (strengths, weaknesses, opportunities, threats) analysis, STEEPLE (social, technological, economical, environmental, political, legal, ethical) analysis, PEST (political, economic, social, technological) analysis, marketing audit; portfolio analysis techniques eg BCG matrix, Product Life Cycle model, Ansoff matrix

Links between strategic positioning and marketing tactics: strategic positioning, defining the future position, information collection, analysis, choice of strategy, implementation, monitoring; links to strategic plan eg internal growth, market penetration, market development, product development, marketing tactics; product tactics eg selection, range, quality, branding; price tactics eg skim pricing, penetration pricing, cost price, market price, price discrimination; promotion tactics eg customer loyalty schemes, product sampling, dealer loaders, extended credit, point of sale (POS) materials; place tactics eg distribution channels, transport management, stock and handling, run through times, terms of delivery

Relationship marketing: direct response marketing strategies eg offensive strategies, obtaining new customers, increasing customer purchase frequency; defensive strategies, increasing customer satisfaction and increasing switching costs; customer retention strategies eg product bundling, cross-selling, cross-promotions, loyalty programmes; customer satisfaction, customer life cycle value; personalised marketing; Payne and Ballantyne's six markets model (internal markets, supplier markets, recruitment markets, referral markets, influence markets, customer markets)

3 Be able to use strategic marketing techniques

Marketing techniques: setting marketing objectives and marketing strategy, targeting markets; segmenting markets eg geographic, demographic, psychographic, behaviour; profiling markets eg revenue potential, market share potential, profitability potential; positioning segmented markets eg market leader or product line extension, mass marketing or targeted marketing, direct or indirect sales

Strategy options: Porter's generic strategies (focus, cost leadership and differentiation); 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; market leadership; market dominance strategies; market leader, market challenger, market follower, market nicher; innovation strategies; market pioneer; close followers, late followers; offensive, defensive and value-based marketing strategies

Strategic marketing objectives: marketing mix – 7 Ps (Product, Price, Place, Promotion, People, Process, Physical evidence); marketing activity strategies for product/service, pricing, distribution, promotion (advertising, sales promotion, personal selling, direct marketing, public relations), people (internal, intermediaries, customer service), processes and physical evidence, e-marketing strategy; customer relationship management; resource requirements (financial, people, marketing); integration of marketing activity strategies

4 Be able to respond to changes in the marketing environment

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: 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

Strategic marketing responses: emerging themes eg impact of globalisation, the strength or weakness of competitors, importance of environmental factors, changes in the political environment, the state of the economy, the exchange rate, health and safety factors

Essential guidance for tutors

Delivery

For learning outcome 1, it is possible that some learners will have had experience of developing aspects of marketing at an operational or strategic level in their own organisation. They need to be encouraged to share their experiences to provide a valuable source of discussion. A useful starting point would be a tutor-led discussion on the role of strategic marketing in organisations to draw out some of the processes involved in strategic marketing. A case study would help to pull the strands together and introduce learners to the links between strategic marketing and corporate strategy.

For learning outcome 2, tutor input will be required on the tools used in the process of strategic marketing planning. Learners need to have a broad knowledge of the range of models that are available and make an assessment of the value of the models used in strategic marketing planning. Tutors can draw on the experiences of learners and use these as a basis for discussion. Case studies will be a useful way of providing examples of models being used in practice. Current examples of relationship marketing from the internet could be utilised, and with tutor input, this could be developed further to incorporate the links between strategic positioning and marketing tactics.

For learning outcome 3, tutor input will be required to introduce learners to the range of strategic marketing techniques. It is important that examples are used to show how marketing theory and models are applied. Tutors can use examples such as the General Electric model and the Shell directional policy matrix to bring the theory 'to life'. Learners will need to apply the principles of strategic marketing and use strategic marketing techniques in a selected market. It is therefore important that the theory and models are delivered in a way that links them with current practice.

For learning outcome 4, after tutor input and discussion on changes in the external environment, one way of delivering this outcome is to provide learners with an example of a strategic marketing strategy. This would lend itself to group work where learners are asked to report back on how they think current changes in the external environment would impact on the marketing strategy. This could be developed further with the groups proposing strategic marketing responses to the key emerging themes.

Outline learning plan

The outline learning plan has been included in this unit as guidance and can be used in conjunction with the programme of suggested assignments.

The outline learning plan demonstrates one way in planning the delivery and assessment of this unit.

Topic and suggested assignments/activities and/assessment
Introduction to unit and programme of assignments
Role of strategic marketing – tutor input, definitions, case study, discussions
Strategic marketing processes – tutor input, group discussions
Strategic marketing and links to corporate strategy – tutor input with examples
Strategic marketing models – tutor input, tutor-led discussions
Strategic positioning and marketing tactics – tutor input, case studies, tutor-led discussion
Relationship marketing – tutor input with examples
Assignment 1: Developing and Managing a Strategic Marketing Plan
Marketing techniques for growth – case studies and discussion
Use of marketing strategy options in a given market – tutor examples and discussion
Strategic marketing objectives – tutor-led discussion with examples
Changes in the external environment – topical discussion, newspaper articles, web-based articles
Strengths and weaknesses of a marketing strategy – things to consider, tutor input and discussion
Emerging themes – tutor input with examples and discussion
Assignment 2: Applying Strategic Marketing Management Techniques to a Market Situation
Review of unit and programme of assignments

Assessment

For assessment of this unit, learners will need to apply knowledge and understanding of strategic marketing management and research information and apply their knowledge to their selected organisation.

For AC1.1, learners need to show that they understand the difference between strategic and tactical marketing. They need to use established models and definitions to develop their discussion.

For AC1.2, learners will be expected to understand and explain the processes involved in strategic marketing. This will involve looking at a range of processes and learners may wish to draw on their own experiences in the workplace to amplify their points.

For AC1.3, learners are expected to understand that the process of strategic marketing does not take place in a vacuum. They will need to show that they can evaluate the links between strategic marketing and corporate strategy and provide examples of those links.

For AC2.1, learners need to research the models used in strategic planning. They will need to make judgements and assess the value of the models for strategic marketing planning.

For AC2.2, learners need to understand that when strategic plans are put into operation, day-to-day tactical decisions have to be made. In their discussion, they need to provide examples of how tactics are related to strategic positioning decisions.

For AC2.3, learners need to show that they understand the nature of relationship marketing. They need to discuss the place of relationship marketing in a strategic marketing plan and then analyse the merits of using this marketing technique.

For AC3.1, learners need to use a selected organisation to research and ascertain growth opportunities in a specific market. Evidence needs to be more than anecdotal and include real-time data to support the research, for example statistical data, current economic data, data from the organisation and data on markets.

For AC3.2, learners need to show that they understand the importance of marketing strategy options. They need to plan appropriate options and apply them to the organisational context they are using.

For AC3.3, learners need to pull all the strands of their learning together successfully to create appropriate strategic marketing objectives for their selected market. The objectives should follow logically from the research undertaken on the organisation and the selected market.

For AC4.1, learners need to research the current external environment. They need to report on the extent to which identified changes will impact on the marketing strategy for their selected organisation.

For AC4.2, learners need to look closely at their selected organisation. They need to conduct an internal analysis to identify current strengths and weaknesses in their marketing strategy as applied to their selected organisation.

For AC4.3, learners need to identify key emerging themes affecting their selected organisation. These could be local, national or global. They will need to apply their understanding and propose strategic marketing responses to these emerging themes.

Programme of suggested assignments

The table below shows a programme of suggested assignments that cover the criteria in the assessment grid. This is for guidance only and it is recommended that centres either write their own assignments or adapt Edexcel assignments to meet local needs and resources.

Assessment criteria covered	Assignment title	Scenario	Assessment method
AC 1.1 ,1.2, 1.3, 2.1, 2.2, 2.3	Developing and Managing a Strategic Marketing Plan	The learner works as a marketing manager. They have been asked to write a report, to be presented to the board of directors, on how a strategic marketing plan should be developed and managed in the organisation.	Report
AC 3.1, 3.2, 3.3, 4.1, 4.2, 4.3	Applying Strategic Marketing Management Techniques to a Market Situation	Using their own organisation or selecting a organisation they are familiar with, the learner uses strategic marketing techniques and creates appropriate marketing objectives for a defined market, showing how they would respond to changes in the marketing environment.	Presentation

Essential resources

There are no essential resources required for this unit.

Indicative resource materials

Textbooks

Best R J – *Market-based Management: Strategies for Growing Customer Value and Profitability, 5th Edition* (Prentice Hall, 2009) ISBN 0132336537

Chernev A – *Strategic Marketing Management, 5th Edition* (Brightstar Media, 2009) ISBN 0982512635

Hastings H and Saperstein J – *Improve Your Marketing to Grow Your Business* (Wharton School Publishing, 2007) ISBN 0132331594

Hooley G, Saunders J, Piercy N F and Nicoulaud B – *Marketing Strategy and Competitive Positioning, 4th Edition* (Financial Times/Prentice Hall, 2007) ISBN 0273706977

Kotler P and Armstrong G – *Principles of Marketing, 13th Edition* (Prentice Hall, 2008) ISBN 0136079415

Kotler P and Keller K L – *A Framework for Marketing Management* (Pearson Education, 2008) ISBN 0137131844

Lambin J J – *Market Driven Management: Strategic and Operational Marketing, 2nd Edition* (Palgrave Macmillan, 2007) ISBN 1403998523

McDonald M – *Malcolm McDonald on Marketing Planning: Understanding Marketing Plans and Strategy* (Kogan-Page, 2007) ISBN 0749451491

Mukerjee K – *Customer Relationship Management: A Strategic Approach to Marketing* (Prentice Hall of India, 2007) ISBN 8120332857

Mullins J, Walker O C and Boyd H W – *Marketing Management: A Strategic Decision-Making Approach, 7th Edition* (McGraw-Hill Higher Education, 2009) ISBN 007126776X

Palmer R, Cockton J and Cooper G – *Managing Marketing: Marketing Success Through Good Management Practice* (Butterworth-Heinemann, 2007) ISBN 0750668989

Tollin K and Carù A (Eds) – *Strategic Market Creation: A New Perspective on Marketing and Innovation Management* (John Wiley and Sons, 2008) ISBN 0470694270

Winer R and Dhar R – *Marketing Management, 4th Edition* (Pearson Education, 2010) ISBN 0130387924

Journals

- European Journal of Marketing* (Emerald)
- International Journal of Research in Marketing* (Elsevier)
- The Journal of Customer Behaviour* (Westburn Publishers Ltd)
- Journal of Interactive Marketing* (Elsevier)
- Journal of Marketing Communications* (Routledge)
- Journal of Strategic Marketing* (Routledge)
- The Marketing Review* (Westburn Publishers Ltd)

Websites

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| en.wikipedia.org | Articles on strategic marketing and further links |
| www.businessballs.com | Management learning resources and articles and links on strategic marketing management |
| www.idea.gov.uk | Local Government Improvement and Development – developing a strategic communication strategy in the public sector which applies equally to the private sector |
| www.managementhelp.com | Articles on strategic marketing planning and further links |
| www.marketingpower.com | American Marketing Association – marketing articles |