

Guidelines for Team Marketing Strategy Plans

Marketing strategy is not an exact science. It is an art. Each marketing problem requires unique solutions. If followed carefully, the following general guidelines will enhance your team's performance.

An Introduction to Marketing Strategy

Marketing strategy projects provide students with the opportunity to learn more about solving actual marketing problems. The marketing strategy project itself is a close approximation to actual decision-making. This can provide a valuable learning experience for students as many professional managers use a marketing strategy approach in routine problem solving. The problems are often very complex and require students to sort through information, discern what is relevant, organize the facts, determine concisely what the problem is, formulate alternatives, carefully evaluate the alternatives, choose and defend a particular solution, and determine a method through which to implement the solution.

With practice you can master the marketing strategy method, which will help you sharpen the decision-making skills. People who are able to think strategically and analytically have a much greater probability of success in the business world than others.

An additional reason for using marketing strategy projects is that it allows students to be creative in formulating solutions. Creative solutions to customer problems are highly prized in marketing!

A Recommended Methodology for Marketing Strategy Analysis

The following is a recommended "Twelve Step" methodology for marketing strategy analysis. The actual written or oral presentation must be organized differently from the marketing strategy analysis.

Step One: Gather the Available Data

Quickly gather data on the organization, its products, its industry, its industry and its marketplace. High quality research is often a key difference between strong performance and weak performance. Good research provides you with better insights into the organization, the industry, the customers and marketing. What you don't know will always be dangerous to you.

Whenever possible, you should gather and present information from outside the organization. For example, it is important to research the industry in which the marketing strategy is set. The library is a great source for such data. Directly contacting someone in your organization's industry can often provide additional insight and a different perspective.

Students should utilize every reasonable resource before making decisions. Apply cost/benefit analysis to the collection of outside information. No manager ever makes decisions under the condition of perfect information. Personal experience is also acceptable; however, students should keep in mind that personal experiences are also highly biased by the circumstances of that experience.

Step Two: Situation Analysis (*Determine the relevant facts (analysis) and relate them (synthesis)*)

Once relevant data has been collected, it is necessary to evaluate the data via the situation analysis. An adequate amount of data analysis must be done before the determination of the major problem can be made. You must translate these data into meaningful information. For example, "net sales are \$587,678" by itself is virtually useless. However, "net sales represent a 42% decrease from the previous year's sales" is quite meaningful.

The key facts should be presented and evaluated in the situation analysis. For example, "sales are down" is not as meaningful as "sales dropped 42% from the previous period." A simple rehashing of the major points of the marketing strategy is not appropriate. You should be telling us key points and telling us what they mean. Students should demonstrate the ability to glean the relevant information and find the important, sometimes non-obvious facts that bear upon the problem. A synopsis of these important facts should be presented.

You must separate objective facts from assumptions, opinions, and premises of the persons in the organization. Do not present either yours or someone else's beliefs as facts, unless they can be supported. You may need to make assumptions in the absence of important information. Just be certain to make your assumptions very carefully and state your assumptions explicitly.

All facts are not created equal!! Good marketing strategy analysts must decide if the various facts they uncover are (1) relevant to the problem, (2) irrelevant to the problem, (3) in conflict with other facts, or (4) in conflict with other generally known facts about the industry or business and marketing in general. Justify the choices of which data you wish to use for information purposes when conflicting information appears.

A situation analysis should include examination of the threats and opportunities that face the organization. The only difference between a threat and an opportunity is your point of view. The alternatives that are developed later should address these environmental threats and opportunities. A key criterion in choosing an alternative is its ability to overcome threats and take advantage of opportunities. Where applicable, the long-run and short-run goals of the organization should be included.

Structuring the Situation Analysis Section. Use a subheading for each Strength, Weakness, Opportunity, and Threat section. Use a sub-subheading for specific strengths, etc. Then you should describe each item in detail, including why you classified each as a strength, weakness, etc. Careful explanations are essential.

Step Three: State the Major Problem

Explicitly state the central problem. The central or major problem is that problem which, once solved, solves all other minor problems.

Understanding the difference between symptoms and problems is important. Many students present a symptom as a major problem. The most common errors are considering declining sales, market share, or any other performance variable as the problem. Such outcome variables are always a symptom of a deeper, more central problem. For our purposes the problem is **never** "the organization is losing revenue, profits, customers, etc." The problem has to do with identifying why these losses are occurring. What key, strategic (goal oriented) decisions were made that caused the organization to get into the situation it is now in?

The best problem statements, use action-oriented terms, identify the marketing tools needed, and focus on customers. An example of a central problem might be: "XYZ, Inc. needs to adjust its marketing mix to better serve its elderly customers." A second example might be: "ABC Organization must revamp its channels of distribution in order to respond to the changing lifestyles of its customers."

In almost any marketing strategy, the information necessary to determine and resolve a problem is limited. If you need more information to reduce the risk of making a bad decision, go find it. If you can't find it and run out of human, financial, technical and time resources to continue the search, you have entered the real world of decision-making. You will have to make decisions without complete and perfect information. There will be risk. Do not cop-out with a problem statement that says you don't have enough information so that is the problem!

The importance of properly identifying the major problem cannot be overstated. Your problem identification determines the structure of the rest of your marketing strategy. Alternatives and solutions are easily derived, *if* the problem is correctly determined. If not, the alternatives and solutions are inadequate. This part of the analysis should be done slowly and thoroughly.

Structuring the Problem Identification Section. Your Problem Identification section should begin by simply stating the problem. *This is the only time a one-sentence paragraph is acceptable.* After stating the problem, you should devote one or more paragraphs to explaining why this is your problem and why it needs to be solved.

Step Four: Significant Aspects of the Central Problem

Once the central problem has been determined, it is necessary to break down the problem into its significant aspects. By breaking down the major problem into its logical parts, the solution to the major problem becomes nothing more than finding solutions to the minor parts. For example, sales management problems seldom involve only one issue, such as compensation, territories, or personnel. The reason for breaking down the problem is the way the human mind works. It is difficult for the human intellect to grasp more than a single item at a time. By breaking down the problem into smaller, more understandable parts, we are formatting the information so our mind can deal with it. When students fail to dissect the problem, they are overwhelmed by feelings of confusion and inability to deal with the problem. An example of a significant aspect of the central problem might be: “the sales force needs to be compensated properly for collecting market information.” Significant aspects of the problem should always be explained in your paper or presentation.

Step Five: Develop Alternatives

Your examination of the aspects of the central problem, combined with the situation analysis, will lead to developing a list of possible alternatives that might lead to the ultimate solution of the major problem. The list of alternatives should contain a minimum of three alternatives and a maximum of five alternatives. The alternative development process requires considerable thought, creativity, and imagination.

It is important that all of the alternatives you present have the capability of solving the problem. In short, each alternative must be *effective*. That means each alternative would be effective if implemented and could be implemented given the environment of the firm, the decision-making authority of the principle decision maker, and the resources of the organization.

Several major errors are often committed in developing alternatives. Do not bother presenting an alternative that is ludicrous, ridiculous, foolish, infeasible or impossible. Do not fire the owner. Do not fire everybody. Caution should be exercised in proposing the organization invent a miraculous new product that will solve all the organization's problems. Do not suggest “doing nothing” unless justification can be made that no problem exists or that the firm is somehow helpless to react. Something can always be done. Do not present a few “straw men” alternatives that could never be accepted, so your “favorite son” alternative can be easily chosen. Keep capital restraints in mind. Do not propose buying General Motors to hedge against market cycles in the Yo-Yo market. Do not propose non-marketing alternatives (investing in junk bonds). Do not, for the purposes of this class, consider “further research” as a stand-alone alternative.

Researching the Alternatives. Carefully research all key aspects of their alternatives to ensure that the alternative is consistent with good marketing practice. Such research should start with the many wonderful marketing articles and books in our library. Knowledge is power! *Use the most current and most powerful marketing ideas!*

Structuring the Alternatives Section. There are numerous ways to structure your Alternatives section. Considerable thought should be given to selecting the structure. At all times, the structure must follow logically from the problem identification. If the problem is a pricing problem, then the alternatives should each be an alternative strategy for solving the pricing problem. Your grade on the marketing strategy will depend greatly on whether or not your final solution solves the central problem you identified.

Alternatives must be detailed and actionable. That is, the alternatives must be sufficiently detailed so that a manager could immediately call for the execution of the alternative. Most importantly, your alternatives must in some way solve the problem. You *must* logically tie your alternative to the problem.

When you begin the alternatives section (whether orally or in writing), you should start by identifying the name of each alternative and briefly commenting on each alternative. Then use a subheading for each and describe the alternative in general terms followed by a more detailed description of the key elements of strategy you would use for the alternative.

Naming the Alternatives. The best names for alternatives capture the essence of the alternative. The names chosen should not give away your preferred alternative, e.g., “Best Choice.” The names should not be inappropriate. Once, a team doing a drug prevention marketing strategy presentation inappropriately named an alternative “Shoot Up Drugs.” The names should not be nonsensical. Don't name your alternatives “Snap,” “Crackle” and “Pop,” unless those names have some meaning that is logically linked to the organization.

Step Six: Evaluate the Alternatives

Now that a reasonable list of alternatives has been selected that can solve the central problem, the next step is to evaluate the alternatives. This evaluation is done to determine which alternative is most *efficient*.

Each alternative should be carefully evaluated based upon the available evidence. This includes all the information obtained from your research. You should organize the evaluation of the alternatives according to *advantages and disadvantages*. The evaluations should be placed in the paper or presentation *immediately following each alternative*.

The validity of your recommendation rests on your evaluations. Your analysis should be thorough, insightful and complete. Therefore, much of your grade is determined by the persuasiveness of your arguments and their ability to solve the central problem. Sometimes the data necessary for evaluation will be obvious and in the form needed for evaluation. Often, the data must be gleaned from tables or exhibits and rearranged. A major shortcoming of many student projects is failing to properly use the quantitative and qualitative data available. Do not dismiss negatives associated with an alternative to make your recommendation stronger.

Do not dismiss the *human dimensions* of the problem. Examine the underlying motivations of the people involved. What are their biases? What are their expectations? How will they perceive the alternatives? Who will support the alternatives? Do they have the power in the organization necessary to implement the alternative?

Remember that all alternatives are capable of solving the problem. You will be focusing on the relative efficiency of each alternative in solving the problem.

Step Seven: Make a Recommendation

The accumulated facts should lead you to a logical, reasoned conclusion. Be very explicit in recommending an alternative. State your recommendation immediately and clearly. Do not make the recommendation conditional, unless the condition is well justified and supported. It is very important to state explicitly how the central problem is solved by the recommended course of action.

Step Eight: Justify Your Recommendation

Support for the decision and the criteria used in its determination should be carefully presented. In developing criteria, weighting the evidence is usually warranted. That is, some evidence and some considerations are far more important than other evidence and considerations. In choosing a recommendation, do not simply take a vote and choose the alternative with the most pros and fewest cons. Also, *do not use an analysis grid that relies on arbitrarily assigned weights*.

Careful consideration should be given to potential risk and potential gain/loss. Any acquisition of risks should be addressed, and the acceptance of risk should be taken only with the increased probability of greater payoffs.

Step Nine: Implement the Recommendation

The last major step in marketing strategy is implementing the recommendation. A plan should be formulated putting the recommended program into action. Sometimes in this last step students become painfully

aware that, while the recommendation is good, it is impossible to implement well (try a different alternative). It is not acceptable to recommend that the implementation be turned over to someone else.

Implementation can be a very detailed process. For the purposes of this class you must address significant implementation details to ensure the feasibility of the alternative in a timely and resource efficient manner. Remember, the implementation is as important as the planning of it, but the focus of this course is toward the strategic thinking part of the marketing process as opposed to the tactical portion of getting things done.

Discuss any logical sequence that must be followed in the implementation. This should include a *timetable*. Implementation should also estimate the costs of the recommendation. This should include a *budget*.

Step Ten: Write the Written Presentation and/or Prepare the Oral Presentation

Only when you have completed the entire process in Steps 1-9 are you ready to prepare an oral and written presentation of your marketing strategy. Your written and oral presentation should be highly structured. Use headings and subheadings.

Even though the analysis process requires that you observe, analyze and synthesize the situation before determining the problem, ***it is mandatory that you present the problem identification before the situation analysis.*** You are trying to sell your marketing strategy solution. It will be much more effective when you start with the problem and carefully build your logic to the solution.

Written Papers. There is a page limit for the body of your paper of 20 to 25 pages. This limit does not include references or appendices.

The following marketing strategy headings must be used in every *written marketing strategy* in this exact order:

- Executive Summary
- Introduction
- Problem Identification
- Situation Analysis
- Alternatives
- Recommendation & Implementation
- Conclusion

Oral Presentations. The maximum time allowed for the presentation is 30 minutes. The following marketing strategy headings must be used in every *oral presentation of the marketing strategy* in this exact order:

- Introduction
- Problem Identification
- Situation Analysis
- Alternatives
- Recommendation & Implementation
- Conclusion

Your oral presentation should reflect your mastery of skills necessary to compete in the business environment. The final product should be professionally prepared and presented. The visual presentation should reflect the quality that went into the preparation of your marketing strategy. The use of tables and charts is quite helpful. The best presentations go beyond ordinary. They are special. They are creative. They are inspired.

Computerized slides, flip charts, videotapes, and other visual aids may be used to enhance your presentations. You should use PowerPoint to create your presentation slides. Make sure you have mastered the software. It is easy to look foolish if you don't. Make sure your slides are informative, legible, and free of typos.

Step Eleven: Reflect, Re-examine, Revise & Rehearse

Two dangers face you: (1) What you don't know; and (2) What you haven't done. You cannot eliminate these dangers, but you can minimize them. Give it your best shot! Marketing strategy can be one of the most powerful tools in your academic training.

Structure - Content - Style. Double-check the structure of your marketing strategy. Double-check the content of your marketing strategy. Double-check the style of your marketing strategy. Don't overlook the critical importance of an effective introduction and conclusion.

Shoes - Glasses. Are you still wearing the correct marketing management shoes? Have you been wearing your marketing glasses?

Revise. Carefully revise and edit your oral and written presentations. Follow the Presentation Guidelines and the Paper Guidelines. Also, for the written presentations you should use the Point-Saver Checklist. Use extreme care!

Rehearse. Rehearsal is essential to success on the oral marketing strategy presentations. Don't rehearse in front of the class when your grade hangs in the balance. You are encouraged to videotape yourselves during rehearsals. It is a very effective learning experience to see yourself on videotape. Videotaping helps everybody improve.

Step Twelve: Finish the Strategy

Oral presentations must be very professional and students are expected to dress accordingly. Questions will be asked after the presentation.

Materials Submitted

All teams will submit their written marketing strategy papers in class on **April 26, 2012**.

All teams must submit their "oral presentation notes" at the beginning of class on **May 8, 2012**. These "notes" should include a copy of all PowerPoint slides or other materials you plan to use during your oral presentation. All key issues from your presentation should be included. You should print your presentation slides in compressed format (two, three, or four slides to the page is preferred).

Any late (more than 5 minutes) written or oral assignments will be penalized one letter grade.

Common Mistakes in Doing Marketing Strategy

The following is a list of common mistakes in doing marketing strategy:

1. Failing to follow the steps of the process. Marketing strategy is a problem solving process. You must follow the process!
2. Concluding that the data are inadequate to reach a decision. Either work with what is available and make some assumptions, or go elsewhere and get some more information.
3. Failing to deal adequately with the numerical data. Some students ignore numerical information that would dramatically change the analysis. No excuse is acceptable for failing to analyze data. You must know your marketing math!

4. Failing to deal adequately with the qualitative data. Despite the lack of numerical precision with qualitative data, you must carefully analyze all qualitative data. Quite frequently, qualitative data are rich in information and insights.
5. Failing to cover the marketing strategy in sufficient depth. Many students choose to ignore data that do not support the most straightforward recommendation. Keep in mind that the grade received is determined not by what is recommended but by how the analysis led to the recommendation. Pursue your topic with rigor.
6. Failing to organize the report adequately. Occasionally students simply string together a series of random compound sentences that start nowhere and go nowhere. When this happens, I don't complete reading the report.
7. Failing to be decisive. Being decisive is especially important in making recommendations. You must make a decision and stick with it.
8. Lacking specificity. Alternatives and recommendations should be specific. Be certain that the reader understands exactly what the alternatives are and what is being recommended. Do not just increase bonuses; increase bonuses by 20%.
9. Lacking logic. Some students fail to analyze the situation, develop alternatives, and make recommendations based upon any logical or systematic formulation. Students should develop "if...then" relationships and support why the "then" is a logical extension of the "if."