Bachelor of Commerce in Marketing Management
Marketing 3A
MODULE GUIDE 2015
(First Edition: 2014)

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Using this Guide

This guide has been developed to support your use of the prescribed material for this module. There may be occasions when the prescribed material does not provide sufficient detail regarding a particular idea or principle. In such instances, additional detail may be included in the guide. This guide should not, however, be used as a stand-alone textbook, as the bulk of the information that you will need to engage with will be covered in the prescribed material. You will not pass this module if you only use the module guide to study from.

Various activities and revision questions are included in the learning units of this guide. These are designed to help you to engage with the subject matter as well as to help you prepare for your assessments.

Introduction

This module on Strategic Marketing introduces an approach, which will empower you to improve your understanding of, and participation in Marketing Management. Strategic Marketing is a management process, designed to concentrate the organisations resources on the optimal opportunities, with the primary aim of increasing sales, generating a profit and achieving a sustainable competitive advantage. It includes all basic and long-term activities in the field of marketing that deal with the analysis of the strategic situation of the organisation and the design, evaluation and selection of market-oriented strategies. It is the driver by which the marketing concept is instilled into the heart of the organisation.

This Module Guide is designed to support the prescribed textbook, which provides the global best-practice academic framework for strategic marketing. Both these mediums are designed to build your ability to:

- Demonstrate knowledge and understanding of the concept, principles and processes of strategic marketing;
- Evaluate marketing opportunities in different environments;
- Identify and implement marketing strategies to different business scenarios.

You will be assessed on the material covered in this module. The assessments will include a number of in-class tasks, a test, an assignment and an examination. These assessments will be based on the relevant content contained in the Module Guide and the prescribed textbook. As such you must not rely solely on this guide when studying. It is important that you work from your textbook as well.

To prepare for each session, it is advised that you read through the relevant material for that session and complete the glossary of key terms found at the beginning of each Learning Unit in this Module Guide.

After each Learning Unit there are a number of revision exercises for you to compete. The revision exercises are set in order to underpin your understanding of the material and to determine how much of the content is making sense for you.

Module Resources	
Prescribed Book for this Module	Venter, P. and Jansen Van Rensburg, M. (ed). 2014. *Strategic Marketing: theory and applications for competitive advantage.* 2nd edition. Oxford University Press: Southern Africa. ISBN: 978 0 19 904493 1. *Please note that this Module Guide is intended to support your learning — the content of this module is in the prescribed textbook. You will not succeed in this module if you focus on this Module Guide only.*
Recommended Additional Reading	• Walker, OC. and Mullins, JW. 2011. *Marketing Strategy: A decision-focused approach.* 7th edition. McGraw-Hill Irwin. ISBN: 978-0-07-338115-2; • Jooste, CJ. Strydom, JW. Berndt, A. and du Plessis, PJ. 2012. *Applied Strategic Marketing*. 3rd edition. Heinemann. ISBN: 978-0-796224798. • Hollensen, S. 2013. *Global Marketing*. 6th edition; Pearson. ISBN: 9780273773160; • Mooradian, T. Matzler, K. Ring, L. 2013. *Strategic Marketing: Pearson New International Edition*. Pearson. ISBN: 9781292020563.
Digital and Web Resources	This module has additional digital resources available – log on to the Student Portal, and follow the links to *Supplementary Digital Material.* *The following websites should be accessed in this module as they will add value to your understanding of strategic marketing:* • http://scholar.google.co.za/ • www.marketingteacher.com • www.studymarketing.org • www.tutor2u.net • www.themarketingstudent.com

Module Purpose	
The Purpose of this module is to provide students with the critical skills needed to develop creative marketing strategies to address marketing problems, challenges and opportunities in a variety of different business scenarios.	
Module Outcomes	
MO1	Demonstrate knowledge and understanding of the concepts, principles and processes of strategic marketing.
MO2	Evaluate marketing opportunities in different environments.
MO3	Identify and implement marketing strategies to different business scenarios.

Pacer and Assessment Brief Applicable to Module: MRKT7311

Module Pacer					
Code	**MRKT7311**	**Hour Sessions**	**52**	**Credits**	**18**
Learning Unit 1		**Theme: The Nature of Strategic Marketing**		*Notes on this LU*	
Sessions: 1—9 Related Outcomes: • MO1		Learning Outcomes covered: • Distinguish between the different levels of strategy and marketing; • Describe what strategic marketing is; • Explain the importance of strategic marketing in creating shareholder value; • Broadly describe the process of strategic marketing.		Cross-refer to textbook: Chapter 1, pp.2—27	
Learning Unit 2		**Theme: The Southern African Marketing Environment**		*Notes on this LU*	
Sessions: 10—15 Related Outcomes: • MO2		Learning Outcomes covered: • Understand the importance of market-specific dynamics within various marketing environments; • Identify information sources typically used for environmental scanning process; • Describe the impact of customer demographics and socio-economic conditions on marketing decision-making; • Understand how Living Standards Measures (LMS's) can be used in marketing decision-making and strategy formulation.		Cross-refer to textbook: Chapter 2, pp.28—56	

Learning Unit 3	**Theme: Identify Market Opportunities**	*Notes on this LU*
Sessions: 16—21 Related Outcomes: • MO 2	Learning Outcomes covered: • Conduct an external environmental analysis by taking into account social and demographic, technological, economic, environmental, political, legal and ethical factors, i.e. STEEPLE analysis; • Identify opportunities for a company using an opportunity identification template; • Identify strategic groups in a specific industry; • Conduct an industry analysis using Porter's Five Forces Model; • Perform a market analysis; • Identify a company's weaknesses and strengths based on an analysis of its internal environment; • Use a marketing audit table to conduct a marketing audit; • Analyse a company's financial situation using key financial ratios.	Cross-refer to textbook: Chapter 3, pp.58—97
Learning Unit 4	**Theme: Developing Market Opportunities**	*Notes on this LU*
Sessions: 22—25 Related Outcomes: • MO 2	Learning Outcomes covered: • Evaluate market potential for a given market; • Understand how life cycles influence marketing strategy and planning; • Explain the driving forces behind market-share and market-potential; • Evaluate market opportunities.	Cross-refer to textbook: Chapter 4, pp.98—128

Learning Unit 5	**Theme: Marketing Strategies in the Life Cycle**	*Notes on this LU*
Sessions: 26—33 Related Outcomes: • MO 2 • MO 3	Learning Outcomes covered: • Define a sustainable competitive advantage (SCA); • Review the model for global competitive advantage; • Demonstrate how marketing strategies for growth markets can be used; • Develop marketing strategies for mature and declining markets; • Explain how marketing strategies are evaluated and how the best strategy is identified.	Cross-refer to textbook: Chapter 6, pp.165—202
Learning Unit 6	**Theme: Branding and Positioning**	*Notes on this LU*
Sessions: 34–39 Related Outcomes: • MO 1	Learning Outcomes covered: • Understand the role of brands in an organisation; • Develop a comprehensive brand management framework; • Understand the role of positioning in differentiating an organisation from its competitors; • Apply positioning techniques to develop appearing value propositions.	Cross-refer textbook: Chapter 8. pp.226—262
Learning Unit 7	**Theme: The Marketing Plan**	*Notes on this LU*
Sessions: 40—45 Related Outcomes: • MO 1	Learning Outcomes covered: • Plan segmentation, targeting and positioning; • Plan direction, objectives and marketing support; • Develop marketing strategies and programmes; • Track progress and control implementation; • Develop a strategic marketing plan.	Cross-refer textbook: Chapter 9. pp.264—292

Learning Unit 8	**Theme: Implementation of Marketing Strategies**	*Notes on this LU*
Sessions: 46—52 Related Outcomes: • MO 3	Learning Outcomes covered: • Explain the role and impact of leadership and culture in successful marketing execution; • Develop systems and structures for implementing marketing strategies; • Explain the need for internal marketing and the critical role it plays; • Identify and develop ways to address the challenges of implementing marketing strategies.	Cross-refer textbook: Chapter 10, pp.293—322

Assessments

Integrated Curriculum Engagement (ICE)	
Minimum number of ICE activities to complete	4
Weighting towards the final module mark	10%

Assignments/ Projects	Assignment
Weighting	25%
Duration	15 hours
Submit after	LU 5
Learning Units covered	LU 1 – 4
Resources required	Internet access

Tests/ Examination	Test	Examination
Weighting	30%	35%
Duration	1 hour	2 hours
Total marks	60	120
Open/ closed book	Closed book	Closed book
Resources required		
Learning Units covered	LU 1 – 4	All

Assessment Preparation Guidelines		
	Format of the Assessment ***(The Focus/ Approach/ Objectives)***	**Preparation Hints** ***(How to Prepare, Resources to Use, etc.)***
Assignment	This assignment will challenge you to do some independent reading and research on the material covered in LU1 – 4	You will be required to conduct further research on the assignment topic and apply knowledge to the case study.
Test	The focus of this test will be on LU 1 - 4 Questions will be theory-based, and will consist of a variety of formats, such as Match-the-Column questions, short questions, and paragraph questions.	To prepare effectively for this test you can include the following in your preparation: • Ensure that you work through all the review questions in the LU's tested; • Check if you are confident that you can answer questions relating to all of the Learning Objectives for the LU's covered.

Glossary of Key Terms for this Module

Term	**Definition**	*My Notes*
Learning Unit 1: Chapter 1		
Business strategy		
Competitive advantage		
Marketing strategy		
Marketing mix		
Operational marketing		
Positioning		
Segmentation		
Targeting		
Learning Unit 2: Chapter 2		
Age dependency burden		
All Media and Products Survey (AMPS)		
Fertility rate		
Gender ratio		
Life expectancy at birth		
Living Standards Measure (LSM) Group		
Socio-economic status index (SES Index)		
Socio-economic trends		
Learning Unit 3: Chapter 3		
Environmental scanning		
Financial ratios		
Industry analysis		
Macro environment		
Market analysis		
Marketing audit		
Market opportunity identification		
Learning Unit 4: Chapter 4		
Market opportunity		
Market penetration		
Market potential		
Market share		
Product life cycle		
Rate of entry		
Sales forecast		
Learning Unit 5: Chapter 6		
Capability of an organisation		
Competitive advantage		
Co-operation		
Co-option		

Core competence		
Diversification		
Market development		
Market penetration		
Product development		
Sustainable competitive advantage (SCA)		
Testing strategies		
Learning Unit 6: Chapter 8		
Brand alignment		
Brand identity		
Brand portfolio		
Brand valuation		
Differentiation		
Internal branding		
Positioning		
Learning Unit 7: Chapter 9		
Marketing mix		
Marketing plan		
Marketing planning		
Objectives		
Strategy		
SWOT analysis		
Learning Unit 8: Chapter 10		
Internal marketing		
Marketing orientation		
Marketing strategy implementation		
Marketing structure		
Marketing system		
Additional terms		

Learning Unit 1: The Nature of Strategic Marketing	
Material used for this Learning Unit: • Prescribed text pp.2—27. • Additional notes on strategic marketing are given in this Learning Unit to supplement the prescribed textbook. • Pages to focus on: pp. 2—27.	Cross-ref. to textbook: Chapter 1, pp. 2—27

How to prepare for this Learning Unit:
• Before the first class, be sure that you read the content of this Learning Unit, and Chapter 1, pp. 2—27 in the prescribed textbook.
• As you read these sections, see if you can find the answers to the following questions:
  ○ What is the main focus area of the discipline?
  ○ What role does strategic marketing play in an organisation?
  ○ Who is ultimately responsible for strategic marketing in the organisation?
  ○ Why is it important to understand the different levels of strategy development?	

1. Introduction

Strategic marketing is a management process that directs an organisation in its endeavours to focus its efforts and resources on relevant opportunities, with the goals of creating a sustainable competitive advantage, increasing revenue and attaining profit targets.

A marketing strategy includes all basic (short/ medium) and long-term activities in the field of marketing that deal with the analysis and interpretation of the strategic initial situation of an organisation and the formulation, implementation and evaluation of market-oriented strategies and therefore contribute to the goals of the organisation and its marketing objectives.

The Shoprite case study (Strategic Marketing, 2014, p.2) covers *some central elements of strategic marketing.* Find simple language definitions for these elements and summarise these elements in the table below.

Elements	Simple language definition
Purpose	
Vision	
Strategic intent	
Strategic direction	

In this Learning Unit, we will be looking at what the subject of strategic marketing is all about. Strategic marketing establishes a critical link in the creation of a sustainable competitive advantage by supporting all strategic initiatives and leading the market initiatives of the organisation.

The section below includes additional information on the field of strategic marketing as a supplement to the content in the prescribed textbook. Be sure to include this section as part of your preparation for tests and exams, as this will go a long way in your understanding of the theory in the prescribed textbook.

Study figure 1.1 on p.6 of the textbook. Be aware of the tie up between the level of the organisation and the level of strategy and the level of marketing.
It is important that you are able to distinguish between these levels in relation to the responsibility that goes with each level in other words, who is responsible for developing strategies at the various levels.

2. Marketing at the different levels of strategy development

Refer to pp.7—11 of the prescribed textbook.

As briefly discussed above, strategic marketing establishes a critical link in the creation of a sustainable competitive advantage by supporting all strategic initiatives and leading the market initiatives of the organisation. However, it can be argued that products, not organisations compete, and products are the responsibility of business units. This means that the organisation has to manage the business units together with products so that each is competitive ensuring that each contributes to the overall purpose of the organisation.

Refer to the case example "Woolworth's mission statement" on p.9 of the textbook, then visit their website and establish if the information contained in the textbook has been changed.

Marketing at each level of strategy development comprises the following:

- Corporate-level strategy;
- Business-level strategy;
- Marketing strategy;
- Tactical and operational marketing.

Using the table below, describe each level by summarising the relevant content in the textbook pp.7—11.

Level	Description
Corporate	

Business-level	
Marketing	
Tactical and operational	

3. Strategic marketing

3.1. The marketing concept and market orientation

Refer to pp.11—14 of the prescribed textbook.

Another approach to defining strategic marketing is the way an organisation effectively and efficiently differentiates itself from its competitors. This is done by capitalising on its strengths (both current and potential) to provide consistently better value to its customers than its competitors do. In principle it is that simple, but it means a lot more than getting creative with the marketing mix.

In order to master the workings and application of strategic marketing you need to understand the following:

- The marketing concept;
- Market orientation.

Refer to table 1.3 on p.12 of the textbook and ensure that you have refreshed your knowledge with regards to the evolution of the marketing concept.

There are many marketing concepts. In order to create a better understanding of the marketing concept, find a simple language definition and write it down in the first column of the table provided and in the second column interpret this concept in your own words.

Marketing concept	**Concept in your own words**
Example: The American Marketing Association defines marketing as *"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".*	*...Is a management process responsible for the development and implementation of marketing activities that ensures that customers and all other stakeholders of the business needs are met.*

In the table below, summarise the components of market orientation.

Component	**Summary**
Customer orientation	
Competitive orientation	
Inter-functional co-ordination	

Organisational culture	
Long-term profit focus	

3.2. What is strategic marketing?

Refer to pp.14—16 of the prescribed textbook.

Marketing is more than a set of business-related functions, and is a wide-reaching discipline. It is a business philosophy designed to develop mental frameworks (attitudes) which should be the shared responsibility of everyone in the organisation, augmented by both frequent and open communication. Nurturing such an approach of mind reduces the likelihood of crisis and underpins the development of the overall future of an organisation at all levels.

Against this background, strategic marketing as a management process that directs an organisation in its endeavours to focus its efforts and resources on relevant opportunities must take into account five characteristics:

- Strategic marketing is driven by vision, strategic objectives and corporate strategy;
- Strategic marketing is driven by customer needs and heterogeneous markets;
- Strategic marketing focuses on segments where you can compete successfully;
- Strategic marketing is everybody's responsibility;
- Strategic marketing is dynamic.

Using the table below, write a summary on each of the five key characteristics of strategic marketing.

Critically review and discuss Dr Thomas Oosthuizen's comments on p.17 of the textbook; "How strategic is your marketing? Try and get a representative from your college responsible for marketing to enter into the discussion. What is their experience?

Characteristic	Summary
Strategic marketing is driven by vision, strategic objectives and corporate strategy.	
Strategic marketing is driven by customer needs and heterogeneous markets.	
Strategic marketing focuses on segments where you can compete successfully.	
Strategic marketing is everybody's responsibility.	
Strategic marketing is dynamic.	

3.3. The strategic marketing process

Refer to pp.16—19 of the prescribed textbook.

At this stage, the textbook provides insight into what can be expected from the chapters covering the strategic marketing process and explains how each chapter is linked to certain aspects of the process.

The outcome of the strategic marketing process is the strategic marketing plan.

Table 1.5 (p.18 of the textbook) provides an outline of a strategic marketing plan.

3.4. The role of the marketing function in strategic marketing

Refer to pp.19—23 of the prescribed textbook.

Strategic marketing is an interdisciplinary activity; the marketing function plays a leading role in the strategic marketing process.

The marketing function is responsible for:

- Understanding market dynamics (analysis of the environments);
- Identifying potential markets, segments and customers (analysis of the environments);
- Quantifying and qualifying the needs of defined customer groups (segments) within identified markets;
- Determining value propositions to meet segmented needs;
- Communicating value propositions internally to employees and externally to segments (demand stimulation);
- Playing an appropriate part in delivering value propositions (marketing usually only has direct control over marketing communications;
- Monitoring value delivered to segments.

4. Recommended Additional Reading

Chapter 1, pp.1—10: Jooste, CJ. Strydom, JW. Berndt, A. and du Plessis, PJ. 2012. *Applied Strategic Marketing*. 3rd edition. Heinemann. ISBN: 978-0-796224798.

5. Recommended Digital Engagement and Activities

Watch the YouTube video clip on marketing by Steve Jobs, make notes and discuss Steve Jobs opinion on marketing with your fellow students.
http://www.youtube.com/watch?v=c2cDQw-Cmd4&feature=related

6. Interactive Work Space

The purpose of the interactive work space is to provide opportunities for you to engage with the subject matter in the Learning Unit both in and outside the lecture room in preparation for assessments.

View the Levi Strauss marketing strategy, apply the theory you have engaged in this chapter and evaluate the marketing strategy. Share your findings with your fellow students.
http://prezi.com/p2dlvpiajmus/levis-marketing-strategy

6.1 Izimvo Exchange 1

Take 15 minutes to reflect on Porter's generic strategies on p.10 of the textbook. In groups debate and agree on where you think Pick n Pay, Checkers, Spar and Woolworths fits into Porter's model. Be sure to understand the theory of the model first. Each group will choose a spokesperson to present their findings to the class.

6.2 Izimvo Exchange 2

Spend 15 minutes reading "The Daily Sun Shines" scenario on p.20 of the textbook. In your groups, discuss the questions posed at the end of the scenario. Each group will choose a spokesperson to present their findings to the class.

6.3 Activity 1

Purpose:
The purpose of this activity is to draw on and reflect on your existing understanding of marketing.

Task:
Read the questions below and write down your answers which you can use later on for revision. You do not need to give "textbook" answers, but rather ensure that you formulate your own understanding of strategic marketing.

Commentary Related to Activity Design:
You are encouraged to test you own knowledge by first answering the questions without referring to any of your study material. This will help build on your interpretation of the theory presented in your material.

- What challengers are faced by South African marketers?
- In your opinion does the South African government undertake strategic marketing? Motivate you answer.

6.4 Activity 2

Purpose:
The purpose of this activity is to apply the theory given in the textbook on the strategic marketing plan.

Task:
Refer to table 1.5 on p.20 of the textbook which outlines the steps in the strategic marketing plan. Choose one of the big retailers (Pick n Pay, Checkers, Spar and Woolworths) and using the information in step four of the outline, follow the task as detailed in it. Find an appropriate SWOT Matrix and use it to document your information.

Commentary Related to Activity Design:
This activity is designed to take you deeper into the use and application of the SWOT analysis. This management tool is often never used to its full potential by management when establishing the strategic marketing plan.

Notes on Activity 2: The book "Strategic Management: Concepts and Cases" by Fred R. David Chapter 6, p.210 provides excellent information on the application of the SWOT analysis.

6.5 Revision Exercise 1

- Discuss customer centricity and customer value;
- Explore the concept of strategic marketing;

- Discuss tactical and operational marketing.

6.6 Revision Exercise 2

- Identify and explain the strategic marketing process;
- Identify and discuss the three basic targeting strategies;
- Market opportunities can be identified in several ways. What are these ways and briefly discuss each.

Solutions to Exercises

Revision Exercise 1

- Discuss customer centricity and customer value;
- Explore the concept of strategic marketing;
- Discuss tactical and operational marketing.

Questions:	Model Solutions:
Discuss customer centricity and customer value.	Customer-centric marketing involves developing mutually beneficial relationships with customers based on focusing on their individual needs. Customer centricity is pivotal to delivering a unique and distinctive experience in order to acquire, retain and enhance value for target markets in a cost effective way. Marketers must design and communicate an experience around every contact point with the customer. Customer value is best understood through a value equation where customer value = perceived benefits – perceived costs. The marketer can increase the value of the customer offering by increasing the benefits or reducing the costs of the product or services. Benefits can be of a functional or emotional nature, while costs may consist of a monetary value, a time and energy component and psychic expenditure. Therefore, the customers will benefit from and be responsive to an extended value proposition by the marketer if it increases the total value they receive, or if it lowers the total costs of the expected result they desire.
Explore the concept of strategic marketing.	Strategic marketing involves building strong, sustainable competitive positions within selected market segments. Five characteristics are: • It is driven by vision, strategic objectives and corporate strategy; • It is driven by customer needs and heterogeneous markets; • It focuses on segments where you

	can compete successfully; • It is everybody's responsibility; • It is dynamic. Refer p.14 of the textbook.
Discuss tactical and operational marketing.	At the tactical and operational levels, marketing supports the marketing strategy through the marketing mix, expressed in marketing plans. This is a key part of the implementation of marketing strategy. Refer p.811 of the textbook.

Revision Exercise 2

- Identify and explain the strategic marketing process;
- Identify and discuss the three basic targeting strategies;
- Market opportunities can be identified in several ways. What are these ways and briefly discuss each.

Questions:	**Model Solutions:**
Identify and explain the strategic marketing process.	Refer to section 1.3.3 on p.16 of the textbook together with figure 1.5 which depicts the strategic marketing process.
Identify and discuss the three basic targeting strategies.	• Undifferentiated or mass marketing — where one product is offered to the total market; • Differentiated marketing — where a different product is offered to every segment; • Focused marketing — targets a few segments with a product. Refer to p.17 of the textbook.
Market opportunities can be identified in several ways. What are these ways and briefly discuss each.	• Conducting a customer analysis; • Conducting a market demand analysis; • Analysing the competitive landscape; • Analysing the macro- environment; • Conducting an internal analysis. Refer to p.17 as well as Chapter 3 of the textbook.

Learning Unit 2: Theme: The Southern African Marketing Environment	
Material used for this Learning Unit: • Prescribed text pp.28—56. • Additional notes on strategic marketing are given in this Learning Unit to supplement the prescribed textbook. • Pages to focus on: pp. 28—56.	Cross-refer to textbook: Chapter 2, pp. 28—56.

How to prepare for this Learning Unit:
• Before the first class, be sure that you read the content of this Learning Unit, and Chapter 2, pp. 28—56 in the prescribed textbook.
• As you read these sections, see if you can find the answers to the following questions:
  ○ What are the market-specific dynamics within various marketing environments?
  ○ What information sources are used for environmental scanning processes?
  ○ How does customer demographics and socio-economic conditions impact on marketing decision-making?
  ○ How can Living Standards Measures (LSM's) be used in marketing decision making and strategy formulation?	

1. Introduction

The aim of this chapter is to introduce different elements of the Southern African marketing environment, emphasising that effective marketing plans should begin with a comprehensive analysis and understanding of the environment in which a business operates.

Perceived changes, which indicate opportunities and threats and newly emerging market segments on which to focus marketing efforts, will form part of this process. Demographic and socio-economic trends that should form part of the environmental overview and analysis of the marketing plan are highlighted.

2. Key concepts in this Learning Unit

This chapter of the textbook discusses the population and demographic factors that drive the number of people in the Southern African marketing environment. It highlights demographic trends and goes on to discuss the socio-economic trends developing in South Africa, with specific reference to the LSM and socio-economic status index (SES index).

2.1. Population size in Southern Africa

Refer to pp.29—30 of the prescribed textbook.

The direct drivers of population size in any population are fertility, mortality and net migration, but in Southern Africa the two main drivers are fertility and mortality. Table 2.1 on p.30 of the textbook provides an overview of what “things looked like” at the end of 2007.

Investigate if Table 2.1 on p.30 of the prescribed textbook has been updated? Tip: The United Nations are responsible for the release of this information.

2.2 Demographic trends in Southern Africa

Refer to pp.30—31 of the prescribed textbook.

Demographic trends in South Africa include; the annual growth rate of the population, the pace of fertility and the impact of HIV/ AIDS.

Refer to figure 2.1 on p.31 of the prescribed textbook. Note that this information includes projections up until 2050.

2.3 South Africa as a case study

Refer to pp.34—39 of the prescribed textbook.

Here the focus is on data and data sources available to marketers within the Southern African environment. The following are covered in this section:

- Population size;
- Population growth;
- Age-gender composition and dependency burden — information on a population's age-gender distribution is valuable for planning and decision-making in marketing as it is intrinsically linked to all aspects of the life cycle, i.e. childhood, education, marriage, childbearing, entry into labour market, retirement, aging, morbidity and mortality;
- Population group composition;
- Population trends;
- Socio-economic trends — information on the economy and the size and structure of the population, such as the labour market and household composition, is essential to understanding many aspects of society. The number of births and deaths, the number of people entering and leaving the country, gender and age structure and the geographical location of the population influence social structures and have implications for both public policy and commercial decisions; refer to pp. 29 – 33
- Sources of information for marketing planning; refer to pp. 48 – 52
- Key issues regarding sources of information for South African marketers.

Dion Chang's latest eBook breaks down contemporary urban groups into bite-sized characters packaged for the retail market. These 12 tribes represent a cross-section of contemporary South Africa, chosen because of cultural influence and spending power. Research these and compare them to the traditional LSM model. Do you think Chang's model should be used by researchers?

Refer to pp.40 – 48
Using the table below, write a summary on each of the following marketing environment elements:

Element	Summary
The Southern African Development Community (SADC)	
The South African Audience Research Foundation (SAARF)	
A two-tiered economy	
Living Standards Measure	

3. Recommended Digital Engagement and Activities

Access the website below, and then in groups discuss the outlook as presented in the article. Report back to the class. In your report you should highlight the main points of the outlook and comment on the impact these factors will have for marketing.

http://www.africaneconomicoutlook.org/en/countries/southern-africa/south-africa/

Read the article by Dion Chang on SA's new Urban Tribes. Highlight the main points discussed.

http://www.thenewage.co.za/50984-12-53-Dion_Chang_explores_SAs_new_urban_tribes

4. Interactive Work Space

The purpose of the interactive work space is to provide opportunities for you to engage with the subject matter in the Learning Unit both in and outside the lecture room in preparation for assessments.

4.1. Izimvo Exchange 1

Read the 'Opening case study" on p.28 of the prescribed textbook and in groups discuss the role of government in the fight against the HIV/ AIDS pandemic. In what way is marketing interested in what government are doing to fight this disease?

4.2. Izimvo Exchange 2

Read "Strategy in Action" on p.47 of the prescribed textbook and in groups discuss what you consider to be the key success factors in such an operation. Conduct further research and comment on the success of this operation.

4.3. Activity 1

Purpose:
The purpose of this activity is to think about demographic trends and factors that are familiar to you and how they may affect marketing practice.

Task:
Think about common products that you and your family buy (such as groceries, clothing, household items, newspapers and magazines). Now think about ways in which the marketing of these products could be affected by the following demographic trends:

- Lower birth rates;
- Ageing population;
- Increased education levels;
- Smaller household sizes.

Commentary Related to Activity Design:
Do not forget to include Southern Africa in your review as the section of the course takes into account the Southern African environment.

4.4. Revision Exercise 1

- List the components of the Southern African marketing environment;
- Review what the acronym PESTLE means;
- Explain what is meant by life expectancy;
- Explain what the domino effect is;
- Discuss the impact that demographic and cultural forces have on the analysis of the social environment;
- Provide a discussion of the age-gender composition and dependency burden.

4.5. Revision Exercise 2

- Explain what is meant by the “uncontrollable” and “controllable” variables that impact on the marketers work;
- Highlight what is meant by socio-economic trends;
- Why is it important that data/ information is accurate?
- Identify and discuss the processes that determine a population and its composition;

Solutions to Exercises

Revision Exercise 1

Questions:	Model Solutions:
• List the components of the Southern African marketing environment.	Population size, population growth, age-gender composition and dependency burden, population group composition, population trends, socio-economic trends, and demographic trends.
• Review what the acronym PESTLE means.	Politics, Economics, Socio-cultural, Technology, Legal and Environment.
• Explain what is meant by life expectancy.	The average period that a person may expect to live or the expected (in the statistical sense) number of years of life remaining at a given age.
• Explain what the domino effect is.	A cumulative effect produced when one event sets off a chain of similar events.
• Discuss the impact that demographic and cultural forces have on the analysis of the social environment.	In analysing the social environment, a marketer needs to look at a host of factors associated with demographic and cultural forces in the light of the impact these may have on the demand for goods and services. Analysing the demographic forces includes the study of human population in terms of size and other characteristics such as geographical distribution, age structure, education levels and income distribution. The rate of HIV/ AIDS has also become a social issue of concern for businesses. A high prevalence of HIV/ AIDS is a source of threat for most businesses as it impacts negatively on employee productivity and consumer spending. For other businesses such as funeral parlours, HIV/ AIDS counselling services and sales of medication, it can be a source of opportunity. Culture has been described as a society's personality. Cultural forces include factors such as language, customs, religion, work patterns and artefacts that give society a distinctive character. Cultural forces affect people's values, attitudes and lifestyles. These determine

	demand for specific products and the way people can generally be expected to respond to marketing efforts.
• Provide a discussion of the age-gender composition and dependency burden.	Refer to section 2.3.3 on p.33 of the prescribed textbook.

Revision Exercise 2

Questions:	Model Solutions:
• Explain what is meant by the "uncontrollable" and "controllable" variables that impacts on the marketers work.	The marketing environment is very dynamic, it changes all the time. These changes can be sources of opportunity to an organisation, or they can pose threats. The ability of any organisation to respond to opportunities and threats is crucially determined by its strengths and weaknesses. Achieving its goals depends in part on its ability to develop and implement marketing strategies that take into consideration developments in the immediate and wider environment in which it operates. The marketing environment consists of three distinct components. These are: • The internal environment; • The market environment; • The macro environment. Top management of a business has direct control over all aspects relating to the internal environment. Businesses deal directly with most of the actors in the market environment. While businesses have no direct control over these external factors, they may be able to exercise some influence over some of them. The macro environment falls outside any individual business's direct sphere of influence.
• Highlight what is meant by socio-economic trends.	Refer to section 2.3.6 on p.39 of the prescribed textbook.

• Why is it important that information is accurate?	Information (and data) must be timely, accurate, complete, oriented, measurable, and applicable. It is vital to effective decision–making. Difficulty will be experienced in ascertaining whether the decisions made were the best choices that could have been made at the time without information. Information is a source of influence and power.
• Identify and discuss the processes that determine a population and its composition.	Refer to section 2.2.1 on p.34 of the prescribed textbook.

Learning Unit 3: Theme: Identifying Market Opportunities	
Material used for this Learning Unit: • Prescribed text on pp.58—97. • Additional notes on strategic marketing are given in this Learning Unit to supplement the prescribed textbook. • Pages to focus on: pp. 58—97.	Cross-refer to textbook: Chapter 3, pp. 58—97.

How to prepare for this Learning Unit:
• Before the first class, be sure that you read the content of this Learning Unit, and Chapter 3, pp. 58—97 in the prescribed textbook.
• As you read these sections, see if you can find the answers to the following questions:
  ○ Define environmental scanning;
  ○ Describe the three-tiered operating environment;
  ○ Review Porter's Five Forces model to refresh your memory.	

1. Introduction

The aim of this chapter is to provide a detailed explanation of the environments that should be scanned as part of the situational analysis. It begins with an external analysis, scanning the macro environment and the market environment to identify opportunities and threats. An internal analysis should then be conducted to identify the business's strengths and weaknesses and determine whether it is able to take advantage of any opportunities or minimise threats.

Read the opening case study on p.58 of the prescribed textbook "Gautrain – changing Gauteng's public transport landscape".

Environmental scanning is used to identify trends so that businesses can proactively respond to them.

2. Key concepts in this Learning Unit

This chapter of the textbook provides insight to the following key concepts:

- A STEEPLE analysis of the external environment;
- An industry analysis using Porter's Five Force model;
- What an internal analysis entails (including a marketing audit and financial analysis);
- An explanation of key financial ratio calculations (used in strategic marketing planning).

2.1 Environmental scanning to identify opportunities

Refer to pp.60 - 61 of the prescribed textbook.

A marketing opportunity can be seen as a gap in the marketplace where a need is not being satisfied sufficiently, representing a chance to design a product, service or idea to bridge the gap and match the expectation in the marketplace.

The operating environment is three-tiered; internal (micro), market and macro environments.

- The internal — the organisation's stakeholders, objectives, culture, structure and resources;
- The market environment — consisting of supplier's, intermediaries, customers and competitors;
- The macro environment — focusing on developments in the political, economic, socio-cultural and technological environments.

Environmental scanning contributes to and improves an organisation's ability to deal with an ever-changing environment in the following ways:

- To identify opportunities and to provide early signals to potential problems;
- It sensitises the organisation to the ever-changing needs of customers and improves its image among its stakeholders by demonstrating concern, sensitivity and responsiveness to the environment;
- It provides a base for qualitative information about the environment.

Using the table below, write a summary on each of the following:

Element	Summary
Environmental scanning,	
The three-tiered operating environment,	
A marketing opportunity,	

The Donald Morris opportunity model.	

2.2 Environmental analysis

Refer to pp.61—72 of the prescribed textbook.

Discovering trends in the macro environment guides marketing decision-making. They can influence the attractiveness of markets as well as the practice of marketing.

The following steps should be followed when analysing trends in the macro environment:

- Step 1: Prioritise trend categories; they must be industry specific;
- Step 2: Monitor information about macro trends; this should include qualitative and quantitative data. This environment includes PEST/ SLEPT/ PESTLE/ STEEPLE analysis. Using STEEPLE acronym the following is covered — social and demographic factors, technological factors, economic factors, environmental factors, political factors, legal factors and ethical factors. Refer to Table 3.1 on p.63 for an opportunity identification template;
- Step 3: Adopt appropriate strategies; anticipation of the impact these trends will have on the organisation must be understood when selecting an appropriate marketing strategy.

2.3 Industry and market analysis

Refer to pp.72—80 of the prescribed textbook.

This market consists of suppliers, intermediaries, customers and competitors (elements of the industry in which the business operates).

Strategic group analysis — this concept is based on the idea that the strategic diversity and complexity of an industry can be simplified by classifying businesses into different competitive groups. A strategic group consists of businesses that employ a similar mix of strategy elements (markets served, price, channels, advertising, in-store promotions and personal selling). They will react to the same environmental changes owing to similarities.

Industry analysis of competitive structure — Michael Porter's framework involves industries being influenced by five forces; bargaining power of suppliers, bargaining power of buyers, threat of new entrants, threat of substitutes and rivalry between existing direct competitors.

- Refer to Table 3.2 on p.73 of the prescribed textbook "Competitive structure template for suppliers";
- Refer to Table 3.3 on p.74 of the prescribed textbook "Competitive structure template for buyers";
- Refer to Table 3.4 on p.75 of the prescribed textbook "Competitive structure template for new entrants";
- Refer to Table 3.5 on p.76 of the prescribed textbook "Competitive structure template for substitutes";
- Refer to Table 3.6 on p.76 of the prescribed textbook 'Competitive structure template for rivals".

Using the table below, write a summary on Porter's Five Forces model based on each element:

Element	Summary
Bargaining power of suppliers	
Bargaining power of buyers	
Threat of new entrants	

Search the internet or any marketing book for a model depicting Michael Porter's "Five Forces" model. Replicate this model and file it for revision purposes. Ensure that all factors covered in your textbook are included in the model.

Threats of substitutes	
Rivalry among competitors	

Market analysis: This section covers; market definition, emerging sub-markets, market and sub-market profitability, cost structure, distribution systems, trends and developments and key success factors.

Using the table below, write a summary on each of the elements making up the analysis of a market:

Element	Summary
Market definition	
Emerging sub-markets	
Market and sub-market profitability	
Cost structure	
Distribution systems	
Trends and developments	
Key success factors	

2.4 Internal analysis

Refer to pp.80—90 of the prescribed textbook

Here the focus is on the business's strengths and weaknesses. The question that may arise is whether the business should limit itself to the opportunities where it possess the strengths needed, or consider other opportunities where it has to acquire or develop certain "new" strengths.

- Refer to Table 3.8 on p.81 of the prescribed textbook "Internal analysis checklist";

- Refer to Table 3.9 on p.83 of the prescribed textbook "The marketing audit".

Using the table below, write a summary on each of the elements making up the internal analysis of a business:

Element	Summary
Marketing audit	
Financial analysis	
Four steps when conducting a ratio analysis	

3. Recommended Digital Engagement and Activities

Access the article below. In groups discuss the notion of "thinking like an entrepreneur" when it comes to looking for opportunities in the market. Report back to the class.

In your discussion you should highlight the main points of the article and comment on the impact these factors will have for marketing.

http://blog.cogswell.edu/2011/04/identifying-market-opportunities/

Read the article by Matt Ehrlichman CEO of Porch on "Five Tips to identify a market for your Start-Up". Highlight the main points discussed and ask yourself if these apply equally to small as well as big business. Why?

http://www.forbes.com/sites/theyec/2013/06/21/five-tips-to-identify-a-market-for-your-startup/

4. Interactive Work Space

The purpose of the interactive work space is to provide opportunities for you to engage with the subject matter in the Learning Unit both in and outside the lecture room in preparation for assessments.

4.1 Izimvo Exchange 1

Read the perspective on p.68 of the prescribed textbook 'Consumer Confidence' and research the current state of consumer confidence in South Africa. Why is marketing interested in global consumer confidence as well as South Africa?

4.2 Izimvo Exchange 2

Read Strategy in Action — "Vodacom's mobile marketing results" on p.67 of the prescribed textbook and in groups discuss the importance of digital marketing in the South African context. Do not forget to consider the aspect of cyber marketing and it's limitations in South Africa.

4.3 Activity 1

Purpose:
The purpose of this activity is to create an opportunity to practice working with financial ratios.

Task:
Visit the Business Finance Online website and complete the interactive ratio analysis exercise

http://www.zenwealth.com/BusinessFinanceOnline/RA/RatioAnalysis.html

Commentary Related to Activity Design:
This exercise demonstrates how to analyse financial statements using ratio analysis. The worksheet on the website functions as a calculator; data can be entered into the fields and then buttons are clicked to view the solutions.

Use financial information for the Body Shop and New Clicks available in their annual reports, which you can access on their website (http://newclicks.co.za) under investor relations.

4.4 Activity 2

Purpose:
The purpose of this activity is to help you gain better understanding of the challenge to maintain a competitive advantage.

Task:
Visit the 12 Manage website http://www.12manage.com/i_m.html and register for free tips and papers related to management. Under marketing click on "Competitive Advantage Framework" and read up on Michael Porter's three generic strategies for competitive advantage. After reading the closing case study on p.101 of the prescribed textbook "The Body Shop and New Clicks Holdings" where do you think they are on this model and why?

Commentary Related to Activity Design:
Your conclusion will be based on the information provided. This means that it is an opinion that you need to formulate, using the model to guide you. The idea is that you understand the model and its application.

4.5 Revision Exercise 1

- Why is it crucial to undertake a situation analysis in developing a marketing plan?
- What are the main functions of a situation analysis?
- What is the main role of a strategic marketing plan?
- Why is it more of a challenge to maintain a competitive advantage?
- Briefly describe three steps that marketers should take in order to analyse trends.

4.6 Revision Exercise 2

- Explain how ethical factors in marketing could impact on a business such as Nando's;
- What is meant by a clearly defined market?
- Discuss the four steps that marketers should follow when conducting a ratio analysis;
- Distinguish between a fad and a trend;
- What three questions help marketers to detect a real trend as opposed to a fad?

Solutions to Exercises

Revision Exercise 1

Questions:	Model Solutions:
Why is it crucial to undertake a situation analysis in developing a marketing plan?	Refer to p.90 of the prescribed textbook.
What are the main functions of a situation analysis?	Refer to p.90 of the prescribed textbook.
What is the main role of a strategic marketing plan?	Refer to p.90 of the prescribed textbook.
Why is it more of a challenge to maintain a competitive advantage?	Refer to p.90 of the prescribed textbook.
Briefly describe three steps that marketers should take in order to analyse trends.	Refer to p.80 of the prescribed textbook.

Revision Exercise 2

Questions:	Model Solutions:
Explain how ethical factors in marketing could impact on a business such as Nando's.	Refer to p.71 of the prescribed textbook.
What is meant by a clearly defined market?	Refer to p.77 of the prescribed textbook.
Discuss the four steps that marketers should follow when conducting a ratio analysis.	Refer to p.85 of the prescribed textbook.
Distinguish between a fad and a trend.	Refer to p.80 of the prescribed textbook.
What three questions help marketers to detect a real trend as opposed to a fad?	Refer to p.80 of the prescribed textbook.

Learning Unit 4: Theme: Developing Market Opportunities	
Material used for this Learning Unit: • Prescribed text pp.98—128. • Additional notes on strategic marketing are given in this Learning Unit to supplement the prescribed textbook. • Pages to focus on: pp. 98—128.	Cross-refer to textbook: Chapter 4, pp. 98—128.

How to prepare for this Learning Unit:
• Before the first class, be sure that you read the content of this Learning Unit, and Chapter 4, pp. 98—128 in the prescribed textbook.
• As you read these sections, see if you can find the answers to the following questions (you might have to look beyond the prescribed textbook):
  ○ What is the difference between a forecast of market potential and a sales forecast?
  ○ Does the adoption process impact on the market opportunity analysis?
  ○ What factors influence a marketer when it comes to adopting a marketing strategy?
  ○ Do all products and services have a life cycle? Substantiate your answer.	

1. Introduction

The aim of this chapter is to bring into focus the development of opportunities, which includes analysing the present and potential size of the market growth, market share and sales forecasts. It is concluded by evaluating the opportunities presented within these markets.

The idea is to turn a consumer's dreams into reality and in order to do this; marketers must develop market opportunities into viable business ventures.

2. Key concepts in this Learning Unit

Defining the potential of markets in terms of:

- market penetration;
- market growth;
- the Product Life Cycle (PLC);
- Marketing opportunity analysis;
- Forecasting;
- Evaluating opportunities.

2.1 Market potential

Refer to pp.101—105 of the prescribed textbook.

This is the maximum number of customers who can enter the market given a specific market definition. Once the number of potential customers has been determined, the size of the market demand can be calculated.

Market size is usually measured by revenue or unit sales for a defined product-market within a specified time period. But because there are a fixed number of customers for each product or service, who buy at a certain rate of purchase, any product or service will have a certain level of market demand over time is finite.

It is strategically important to marketers to establish market potential and know the maximum number of units that can be consumed by the defined market, because once a market reaches its full potential, or saturates, it is difficult to find new customers.

Untapped market potential: Often sales do not match the market potential in a certain year because a business's production and distribution systems cannot meet the needs of consumers during the period of interest. There are five major forces that can restrict a market from reaching its full potential:

- Awareness: Being aware of a products existence and understand its benefits;
- Availability: If a product is not in stock or freely available, market demand will be reduced;
- Ability to use: Products perceived by customers to be technically complicated;
- Benefit deficiency: Not all customers have the same product and lifestyle needs and some may not find the benefits of a product attractive or compelling enough to buy it;
- Affordability.

2.2 Market growth

Refer to pp.105—112 of the prescribed textbook.

Market growth is determined by the current market penetration and rate of entry.
In the table below, write up a definition of each element determining market growth:

Element	Definition
Market penetration	
Rate of entry	

Find other definitions other than those in the textbook to simplify them. Go online to complete this activity.

Rate of market development – this is determined by finding new customers. Consider the following:

Element	Summary
The customer buying process.	Refer to figure 4.2 “Customer buying process” on pp.106 of the prescribed textbook. Four stages are passed through: • Product awareness; • Recognition of the need for the product; • Evaluation of alternatives; • Purchase decision.
Customer and product adoption.	Refer to table 4.2 “Customer and product adoption forces” on pp.107 of the prescribed textbook. It is becoming increasingly difficult to convince consumers to adopt innovations. Only relationship skills, which are difficult to manage, seem to make a difference. Marketers should ask themselves what they can

Provide a definition of the basic views found in the chapter of the prescribed textbook for each element of the table adjacent to this box.

	do to ensure that consumers will adopt their new products.
Managing customer and product adoption.	The first step is dealing with expected change. Most innovations demand behaviour changes, so it is important for marketers to ask what kind of change is required from consumers. Marketers who understand the scope of change that their innovations require can accept and mange, or proactively minimise the underlying resistance to change.
Product Life Cycle (PLC).	Refer to table 4.3 pp.110 of the prescribed textbook "Characteristics of the PLC and implications for strategy". The PLC reflects how products and services pass through a number of distinct stages from their introduction through to their removal from the market.

In the table below describe the characteristics of each stage of the PLC. Each stage presents unique opportunities and threats to a business. By understanding the characteristics of each major stage, marketers can define objectives, formulate strategies and develop action plans more effectively.

Stage	Characteristics
Introduction	
Growth	
Maturity	

Select two different products from two different industries. One a FMCG product the other technology based. Plot them on where you think they are on the PLC curve and discuss why they are might move through the stages of the PLC at a different pace.

Decline	

Market share

Refer to p.113 of the prescribed textbook.

Market share indicates how a business is performing relative to its competitors and is calculated by dividing the business's share of total sales of all businesses for a specified product-market.

$$\text{Market share} = \frac{\text{Businesses share}}{\text{Total market share}}$$

2.3 Market forecasting

Refer to pp.114—116 of the prescribed textbook

Forecasting is not an exact science. In order to deal with market volatility, marketers need to forecast market performance so that they can best allocate resources and exploit competitive advantages and market opportunities.

Refer to table 4.3 "How to select a forecasting method" on p.114 of the prescribed textbook.

Refer to Table 4.4 on p.117 which highlights the advantages and disadvantages of forecasting techniques.

Use the table below to write up a summary of some of the more established forecasting methods:

Forecasting method	Summary
User expectations.	
Sales Force estimates.	
Jury of executive opinion (judgemental forecasting).	
Delphi technique.	

Can you add any other forecasting methods to the list of forecasting methods provided in the prescribed textbook?

Market test.	
Traditional time-series analysis.	
Advanced time-series analysis.	
Econometric methods.	
Input-output analysis.	
Statistical demand analysis.	

2.4 Market opportunity development framework

Refer to pp.116—118 of the prescribed textbook.

In order to grow market share and exploit share potential, marketing strategy involves selecting target markets and developing marketing mix programmes to reach these markets. Success is determined by a proper opportunity analysis, market segmentation and market targeting. A market opportunity refers to the intersection of organisational capability and customer needs. Opportunities arise from identifying new types of buyers, uncovering unsatisfied needs of buyers or creating new ways or means to satisfy buyer needs.

Refer to Figure 4.4 “Market opportunity analysis” on p.118 of the prescribed textbook.

Use the table below to write up a summary of the process of analysing market opportunities:

Go back to your previous marketing notes (first year marketing) and refresh your knowledge on the SWOT analysis.

The process	Summary
External analysis	
Financial analysis	
Internal analysis	

2.5 Evaluating opportunities

Refer to pp.119—120 of the prescribed textbook.

Refer to Figure 4.5 “GE’s strategic planning grid” on p.119 of the prescribed textbook. This grid requires marketers to evaluate opportunities against industry attractiveness as well as the businesses strengths. This approach helps marketers to translate information about the industry along with internal strategic considerations into relevant screening criteria.

3. Recommended Digital Engagement and Activities

Watch the video on a Market Penetration Strategy. Each student is to write up a summary of the presentation.

http://www.youtube.com/watch?v=KwfcGljGBJY

Visit the website link below on the Adoption Process. Each student is to write up a summary of the presentation.

http://www.marketingteacher.com/lesson-store/lesson-adoption-process.html

4. Interactive Work Space

The purpose of the interactive work space is to provide opportunities for you to engage with the subject matter in the Learning Unit both in and outside the lecture room in preparation for assessments.

4.1 Izimvo Exchange 1

Divide the class into four groups. Each group will be given a section of information sources for market and industry analysis (Table 4.1 on p.103 of the prescribed textbook). Each group must review the description provided and add at least two more information sources to each list.

4.2 Izimvo Exchange 2

Divide the class into groups and each group will debate a step in the customer buying process (figure 4.2 on p.106 of the prescribed textbook) and present it to the rest of the class.

4.3 Activity 1

Purpose:
The purpose of this activity is to link the theory of customer buying process to your own experience.

Task:
Think about a recent purchase where you have engaged in complex buying behaviour. If you cannot think of such a recollection, think someone in your family instead that displayed complex buying behaviour.

- Describe the stages in the buying decision process that you/ they went through;
- How were these processes and the final decisions you/ they made influenced by the elements of marketing environment?

Commentary Related to Activity Design:
The stages you/they have identified may coincide with those depicted in Figure 4.2 (p.106) but you/ they may also have skipped some or gone through them in a different order.

The information sources, the brands you/ they considered, the attributes you/ they found important, how the different brands match your/ their needs and the final decision you/ they made will, of course, depend on the product you/ they were buying, as well as your/ their preferences.

4.4 Activity 2

Purpose:
The purpose of this exercise is to provide greater insight to the understanding of the types of forecast techniques available to management.

Task:
Refer to Table 4.4 "Advantages and disadvantages of forecasting techniques" on p.117 of the prescribed textbook and answer the following questions?

- Would you use a single forecasting technique/ method when undertaking forecasting or would you use a combination of different methods and why?
- Would you choose a forecasting method based on its fitness for the current job or one based on its past forecast accuracy? Why?

Commentary Related to Activity Design:
Forecasting techniques take one of two basic approaches: The first involves using previous sales figures as a basis for future sales estimation; the second is a more holistic approach using several indicators, i.e. internal metrics, industry sales and development, etc. as bases for future predictions.

4.5 Revision Exercise 1

- Cite two examples of products or services in each stage of the PLC. Motivate your answer;
- Define sales forecasting;
- An internal analysis should comprise three elements. What are they?
- A financial analysis should consider the financial impact of alternatives in terms of three elements. What are they?
- Define the market opportunity development framework.

4.6 Revision Exercise 2

- List and discuss the four categories of innovations.
- Life-cycle thinking traditionally revolved around the product. This is just one element of life-cycle management. What are the others?
- How would you go about managing consumer resistance?

- Thomas Edison warned that “opportunity is missed by most people because it is dressed in overalls and looks like work”. Discuss this statement.

Solutions to Exercises

Revision Exercise 1

Questions:	Model Solutions:
Cite two examples of products or services in each stage of the PLC. Motivate your answer.	Lecturer's discretion to be used and guidance provided.
Define sales forecasting.	Refer to p.123 of the prescribed textbook.
An internal analysis should comprise three elements. What are they?	Refer to p.118 of the prescribed textbook.
A financial analysis should consider the financial impact of alternatives in terms of three elements. What are they?	Refer to p.116 of the prescribed textbook.
Define the market opportunity development framework.	Refer to p.116 of the prescribed textbook.

Revision Exercise 2

Questions:	Model Solutions:
List and discuss the four categories of innovations.	Refer to p.108 of the prescribed textbook
Life-cycle thinking traditionally revolved around the product. This is just one element of life-cycle management. What are the others?	Refer to pp.108 – 114 of the prescribed textbook.
How would you go about managing consumer resistance?	Refer to p.109 of the prescribed textbook.
Thomas Edison warned that "opportunity is missed by most people because it is dressed in overalls and looks like work". Discuss this statement.	Lecturer's discretion to be used and guidance provided.

Learning Unit 5: Theme: Marketing Strategies in the Life-Cycle	
Material used for this Learning Unit: • Prescribed text Chapter 6, pp.195—202. • Additional notes on strategic marketing are provided in this Learning Unit to supplement the prescribed textbook. • Pages to focus on: pp. 195—202. • Read through Chapter 5 of the prescribed textbook as a recap of work previously covered.	Cross-refer to textbook: Chapter 6, pp. 195—202.

How to prepare for this Learning Unit:
• Before the first class, be sure that you read the content of this Learning Unit, Chapter 6, and pp. 195—202 and in the prescribed textbook.
• As you read these sections, see if you can find the answers to the following questions (you might have to look beyond the prescribed textbook):
  ○ Why are marketers interested in the life cycle of products and services?
  ○ Why is it so difficult to convert SCA's into marketing strategies?
  ○ Is there a relationship between competency and competence?	

1. Introduction

The aim of this chapter is to present marketing strategies that are appropriate during various stages of the product life cycle. The chapter also deals with the crucial question of how to determine the best strategy to adopt given a business's environment. The main criteria that are considered are suitability, feasibility and acceptability.

2. Key concepts in this Learning Unit

Key concepts covered in this section include:

- Sustainable competitive advantage (SCA): This occurs when an organisation successfully formulates and executes business strategies that are different from and create more value than the strategies of its competitors;
- Global competitive advantage: Created by the four C's: Competition, creation and innovation, co-operation and co-option;
- Sources of global competitive advantage;

- Marketing strategies for growth markets: Market penetration, product development, market development and diversification.
- Marketing strategies for mature and declining markets;
- Testing strategies.

3. Sustainable competitive advantage (SCA)

An analysis of each word may help to understand what a SCA entails. To accomplish this, complete the table below to define each word as detailed above.

Word	Refers to
Sustainable	
Competitive	
Advantage	

Read the opening case study "Shoprite's growth strategy based on one of their SCAS" on p.165 of the prescribed textbook. Do you agree with Shoprite's growth strategy?

3.1 The steps in creating a SCA

Refer to pp.169—171 of the prescribed textbook.

Refer to Figure 6.1 on p. 168 which illustrates the Steps in creating a SCA.

- Evaluate organisational resources — establish organisations strengths and weaknesses;
- Organisational capabilities — the combination and integration of the various resources available to an organisation. A SCA will only occur when resources and capabilities are valuable, exceptional, costly to emulate and non-substitutable;
- Core competencies — once the four requirements above are met, resources and capabilities become core competencies;
- SCA will result.

Refer to pp.169—171 of the prescribed textbook.

Read the "Strategy in action — Toyota Prius Hybrid: A car ahead of its time" on p.170 of the prescribed textbook. Answer the two questions that follow this case study.

Using the table below define the key aspects of creating a SCA.

Aspect	Definition
Valuable resources,	
Exceptional resources,	
Resources that are costly to emulate,	
Resources that are non-substitutable,	

3.2 Global competitive advantage

Refer to pp.171—172 of the prescribed textbook.

Here we need to establish if there is a difference between competitive advantages obtained domestically and internationally. Figure 6.3 on p.173 of the prescribed textbook provides a model for global competitive advantage. Three generic forms of global competitive advantage are:

- Ownership-based;
- Access-based;
- Proficiency-based.

Use the table below to define each form.

Generic form	Definition
Ownership-based,	
Access-based,	
Proficiency-based,	

3.3 Sources of global competitive advantage

Refer to pp.172—182 of the prescribed textbook.

Figure 6.3 on p.173 of the prescribed textbook "Model for global competitive advantage" illustrates the four C's of global competitive advantage. These are:

- Competition;
- Creation and innovation;
- Co-operation;
- Co-option.

Use the table provided below to summarise each of the four C's.

The C's	Summary
Competition,	
Creation and innovation,	
Co-operation,	
Co-option,	

Refer to Figure 6.3 "Model for global competitive advantage" on p.173 of the prescribed textbook. In your opinion, are there any similarities between this model and Porter's Five Forces model?

3.3.1 Competition

Refer to pp.172—176 of the prescribed textbook.

Competition can be described as competitive action against a rival or rivals. Figure 6.4 p.173 of the prescribed textbook illustrates six methods for creating a competitive advantage in a competitive environment.

Use the table below to make a summary of each of the methods.

Method	Summary
Timing and positioning (first-mover advantage),	
Pre-emptive move,	
Direct/ frontal attack,	
Flanking attack,	
Encirclement,	
Concentration,	

3.3.2 Creation and innovation

Refer to pp.176—179 of prescribed textbook.

Innovation is one of best ways of creating a SCA. Creation ties in with innovation — a new product is created and is then sustained by the innovation process.

Use the table below to write up a summary on each of the ways innovation can be used to develop a SCA.

Innovation method	Summary
Creating new products or markets,	
Effective organisational structure,	
Organisational learning,	
Superior corporate culture and creative HR practice,	

3.3.3 Co-operation

Refer to pp.179—181 of the prescribed textbook.

Using co-operation to create a competitive advantage implies that an organisation must initiate or participate in collaborative agreements with other businesses (alliances are formed in order to overcome a common competitor). Figure 6.5 “Six methods for creating competitive advantage through co-operation” on p.180 of the prescribed textbook illustrates six methods for creating a competitive advantage through co-operation.

Use the table below to write up a summary of each of these methods.

Co-operation method	Summary
Obtaining a foothold,	
Pooling resources and sharing risks,	
Sharing complementary resources and skills,	
Learning from partners,	
Building alliances,	

Multiple alliances,	

3.3.4 Co-option

Refer to pp.181—182 of the prescribed textbook.

Co-option involves collaboration between different parties or organisations to create a competitive advantage by eliminating threats or seizing opportunities. Figure 6.6 “Five methods for creating a competitive advantage using co-option” on p.181 of the prescribed textbook illustrates five methods for creating a competitive advantage using co-option.

Use the table below to write up a summary of each of these methods.

Co-option method	Summary
Tacit collusion,	
Enlisting a third party,	
Lobbying the government	
Engaging influential stakeholders,	
Co-opting customers,	

3.4 Marketing strategies for growth markets

Refer to pp.182—190 of the prescribed textbook.

Growth is the only option for an organisation to survive and prosper in the fast-changing business environment of today. Growth is also important for an organisation that wants to attain its primary objective, namely profit maximisation. Growth can be achieved in four different ways:

- Market penetration;
- Product development;
- Market development;
- Diversification.

Use the table below to make a summary of each of the growth options mentioned.

Growth option	Summary
Market penetration,	
Product development,	
Market development,	
Diversification,	

Take time to review Ansoff's competitive strategies matrix.

3.5 Marketing strategies for mature and declining markets

Refer to pp.190—193 of the prescribed textbook.

The declining stage of the life cycle is usually characterised by lower sales figures and reduced profits. This is also a time when some competitors will consider exiting the market. However, this is not always the correct decision.

3.5.1 Characteristics of mature and declining market

Refer to p.191 of the prescribed textbook.

Use the table below to write up a summary on each of the characteristics of a mature and declining market.

Market characteristic	Summary
The occurrence of excess capacity.	
Competition which intensifies.	
Problems in creating product differentiation.	
Problems with distribution channels.	
Problems in realising increased profits and lower costs.	

Considering the characteristics of mature and declining markets, in your opinion do you think that the soft drink markets both here in South Africa as well as abroad needs to rethink marketing strategy? Why?

3.5.2 Strategies in mature and declining markets

Refer to p.191 of the prescribed textbook.

Four strategies can be considered as options in declining and hostile markets.

Use the table below to write up a summary on each of the strategies of a mature and hostile market.

Strategy	Summary
Growth by revitalising the industry or a sub-segment of the market.	
Being a profitable survivor.	
Milk or harvest.	
Exit or liquidate.	

It has been stated that print media is under pressure from the rapid development in technology. More and more consumers are using electronic media to access information. What approach should print media adopt in order to counter this growing trend? Should it consider any of the four options presented in the prescribed textbook?

3.5.3 Testing strategies

Refer to p.193 of the prescribed textbook.

Figure 6.7 “Generic testing criteria for different strategies” on p.193 depicts the generic testing criteria.

Use the table below to write up a summary on each of the criteria for different strategies.

Criteria	Summary
Suitability	
Feasibility	
Acceptability	

What should marketers consider when evaluating testing methods?

4. Recommended Digital Engagement and Activities

The link below is a video which discusses various marketing strategies to be applied as a product moves through various stages of its life cycle. After viewing it, select a product which you consume and decide where it is in its life cycle. Will it be in this stage for much longer? Why?

http://www.youtube.com/watch?v=nBx4XZ2xvNM

This video presents and discusses Ansoff's growth strategies. View it and make a summary of it.

http://www.youtube.com/watch?v=rGEZd2rcQjY

5. Interactive Work Space

The purpose of the interactive work space is to provide opportunities for you to engage with the subject matter in the Learning Unit both in and outside the lecture room in preparation for assessments.

5.1 Izimvo Exchange 1

Divide the class into groups. Each group is to read and discuss "Strategy in action — 1st for Women" on p.178 of the prescribed textbook. Debate whether or not this 1st for Women's strategy is high risk and if it will be sustainable in the future?

5.2 Activity 1

Purpose:
The purpose of this activity is to assist you in the understanding of global competitive advantage.

Task:
Using "Strategy in action — Red Bull's encirclement strategy" on p.178 of the prescribed textbook, discuss ways that Red Bull is able to grow its market for its energy drink during a global economic recession.

Commentary Related to Activity Design:
Give thought to Red Bull's positioning in the market. Is it an energy drink in the true sense of the word?

5.3 Activity 2

Purpose:
The purpose of this activity is to assist you in gaining greater insight into the diversification growth strategy.

Task:
Read the case example "Nike" on p.186 of the prescribed textbook and provide an opinion on whether or not Nike will be able to diversify its business even further. What do you think it might be able to add to its product range and why?

Commentary Related to Activity Design:
You need to research Nike's current product range and marketing strategy to be in a position to answer this question. Consider the types of diversification, related and unrelated.

5.4 Revision Exercise 1

- Identify the SCA's of a global business of your choice;
- List the steps in creating a SCA;
- Define a core competency;
- List the three generic forms of global competitive advantage;
- List the four C's of global competitive advantage.

5.5 Revision Exercise 2

- List the six methods for creating a competitive advantage through competition;
- Explain the six methods for creating a competitive advantage through co-operation;
- Explain the five methods for creating a competitive advantage using co-option;
- Explain market penetration as a growth strategy;
- Explain market development as a growth strategy.

Solutions to Exercises

Revision Exercise 1

Questions:	Model Solutions:
Identify the SCA's of a global business of your choice.	Lecturer's discretion to be used and guidance provided.
List the steps in creating a SCA.	Refer to p.167 of the prescribed textbook.
Define a core competency.	Refer to p.169 of the prescribed textbook.
List the three generic forms of global competitive advantage.	Refer to p.172 of the prescribed textbook.
List the four C's of global competitive advantage.	Refer to p.172 of the prescribed textbook.

Revision Exercise 2

Questions:	Model Solutions:
List the six methods for creating a competitive advantage through competition.	Refer to p.173 of the prescribed textbook.
Explain the six methods for creating a competitive advantage through co-operation.	Refer to pp.179—181 of the prescribed textbook.
Explain the five methods for creating a competitive advantage using co-option.	Refer to pp.181—182 of the prescribed textbook.
Explain market penetration as a growth strategy.	Refer to p.184 of the prescribed textbook.
Explain market development as a growth strategy.	Refer to pp.185—186 of the prescribed textbook.

Learning Unit 6: Theme: Branding and Positioning	
Material used for this Learning Unit: • Prescribed text, Chapter 8, pp.226—262. • Additional notes on strategic marketing are given in this Learning Unit to supplement the prescribed textbook. • Pages to focus on: pp. 226—262.	Cross-refer to textbook: Chapter 8, pp. 226—262.

How to prepare for this Learning Unit:
• Before the first class, be sure that you read the content of this Learning Unit, and Chapter 8, pp. 226—262 in the prescribed textbook.
• As you read these sections, see if you can find the answers to the following questions (you might have to look beyond the prescribed textbook):
  ○ Why are brands an integral part of our daily lives?
  ○ Do you agree that brands are the result of behaviour and exist in the mind of the customer?
  ○ Do you agree that brands are central to marketing strategy? Why?	

1. Introduction

This chapter focuses on the role of brands in the organisation and the application of differentiation which ensures competitive advantage, meeting business goals.

Brand decision-making is often heated, subjective and challenging for marketers. The chapter sets out a range of factors for marketers to consider when developing, evolving and repositioning brands for improved commercial performance and long-term enhancement of brand equity.

2. Key concepts in this Learning Unit

The following key concepts are found in this chapter:

- The concept of a brand;
- Building a brand;
- Positioning;
- Managing the brand;
- Brand measurement;
- Brand portfolio strategy.

2.1 The concept of brand

Refer to pp.227 – 228 of the prescribed textbook.

There are many concepts of what a brand is all about. Branding is the use of a name, term, symbol or design — or a combination thereof — to identify a product or service. What is not taken into account is the emotional aspect of branding.

Therefore taking this into account, branding is not only about ubiquity, visibility and functionality; it is about bonding emotionally with people in their daily life. Only when a product or a service kindles an emotional dialogue with the consumer, can this product or service qualify to be a brand.

2.2 Building a brand

Refer to pp.228—232 of the prescribed textbook.

At a practical level it is important for marketers to recognise that a brand should lie at the heart of business strategy and should be built across a range of channels to market, directed by a solid positioning and the development of a central plan. For the company brand, this translates into an overall corporate reputation.

Marketers should also recognise that brand needs to connect with a multiplicity of audiences. While customer connection is critical, it has become increasingly necessary for a brand to build resonance and affiliation with a broader range of stakeholders.

Use the table below to make a summary of the key components of branding.

Key component	Summary
Brand identity and elements	
Brand Advantage model	

2.3 Positioning

Refer to pp.232—240 of the prescribed textbook.

The idea of positioning has its origins in the work of Plato who asserted that "memories evoke related memories, thus colouring interpretation". The idea acknowledges that consumers face a myriad of daily brand, product and service choices and that if they were to objectively re-evaluate the cost, benefits and relative advantage of each offering each time they made a purchase, they would struggle to get much done. Consumers therefore "automatically" locate or "position" a known offering on a set of relevant criteria, relative to others in order to simplify buying decisions.

Where exactly consumers position an offering in their minds is informed by a diverse set of influences, including memories of their own or others' experiences. An opportunity exists for marketers to 'colour' consumer's interpretations by influencing the positioning of their brand, product or service offerings.

Use the table below to make a summary of the key components of positioning.

Key component	Summary
Positioning definition	
The positioning process	

Read "Strategy in action — Cennergi: powering progress." on p.235 of the prescribed textbook and reflect on the brand position.

2.4 Managing the brand

Refer to pp.240—245 of the prescribed textbook.

Branding is a dynamic, constantly evolving business process that requires on-going attention and resources within an organisation. Innovative changes are made to the brand on an annual basis ensuring that a competitive edge is maintained.

Refer to Four-step process for aligning employees with the promise that a brand makes on p.241 of the prescribed textbook and reflect on the importance of aligning brand strategy within a business internally.

2.4.1 Brand alignment — internal and external

Refer to pp.241—243 of the prescribed textbook.

Use the table below to write up an over of internal brand alignment.

Element	Summary
Internal brand alignment	

Refer to p 241 of the prescribed textbook Leadership in internal brand building – summaries the two behavioural competencies that are crucial in the leadership process.

Use the table below to write up a list of common pitfalls in the process of the use of internal branding as a management strategy.

Common pitfalls	Summary

2.4.2 Brand rejuvenation — remaining relevant

Refer to pp.243—245 of the prescribed textbook.

Brand rejuvenation can take varying forms depending on market circumstances and business conditions. In certain instances this involves extending a brand into a new product or service category or it may involve extending or rejuvenating the brand portfolio. It could simply be a matter of enhancing an outdated image in an evolutionary manner, to remain relevant and connected to the needs and values of the target market.

2.4.3 Brand measurement

Refer to p.245 of the prescribed textbook.

Use the table below to write up a summary of the key elements of brand measurement

Key element	Summary
Tracking performance	
Brand valuation and equity	

2.4.4 Brand portfolio strategy

Refer to pp.246—248 of the prescribed portfolio

A brand portfolio strategy involves organising, managing and marketing more than one brand owned by a single business. The focus point in a brand portfolio is the balance and link between brands, in the same way that a financial portfolio attempts to maximise return and minimise risk.

Managing a brand portfolio strategy involves carefully defining and managing the relationships between the brands that should function as members of a team rather than individually.

Use the table provided to write up a summary on the three key dimensions of an organisation's brand portfolio strategy.

Key dimension	Summary
Scope	
Competition	
Positioning	

Refer to "Strategy in action – Nando's" on p.248 of the prescribed textbook. Reflect on the statement: "We changed the way the world feels about chicken. Now we will change the way the world feels about fast food". What does Nando's Peri Deli mean to you?

2.4.4.1 Building a brand portfolio

Refer to pp.248—251 of the prescribed textbook

Use the table provided to write up a summary on the three phases in building a brand portfolio.

Refer to Figure 8.11 "Process to renew brand portfolio" on p.249 of the prescribed textbook.

Phase	Summary
Brand accumulation	
Brand reformation	
Brand development model	

Use the table provided to write up a summary of the steps in the brand portfolio renewal framework.

Steps	Summary
1.	
2.	
3.	
4.	
5.	

2.4.4.2 Brand architecture

Refer to pp.251—252 of the prescribed textbook.

With reference to Figure 8.14 "The brand relationship spectrum" on p.251 of the prescribed textbook, review the four strategies and nine sub-strategies and reflect on the examples of each as detailed in the Brand architecture section.

Brand architecture defines an organisation's approach to how a brand signs a product and whether it does so independently of another brand. The architecture therefore flows from the organisation's brand portfolio and focuses on the names and images employed across the portfolio.

3. Recommended Digital Engagement and Activities

Visit the British American Tobacco South Africa website and review the group's brands. What do you notice in terms of the age of the brands? Why do you think this is so? In terms of brand architecture, how would you describe British American Tobacco South Africa?

http://www.batsa.co.za

4. Interactive Work Space

The purpose of the interactive work space is to provide opportunities for you to engage with the subject matter in the Learning Unit both in and outside the lecture room in preparation for assessments.

4.1 Izimvo Exchange 1

What would you do with the current Springbok brand if it were your decision as marketing director? Objectively motivate your answer and share it with the class.

4.2 Izimvo Exchange 2

Why do you think the Virgin brand has been able to stretch so far and traverse so many industry sectors and product or service offerings? Share your opinion(s) with the class.

4.3 Activity 1

Purpose:
The purpose of this activity is for you to investigate the use of the Brand Advantage model and to assist you in understanding that branding tools are available to be used to aid branding decisions.

Task:
Study Figure 8.2 “The Brand Advantage model” on p.283 of the prescribed textbook. Can you find any other brand decision making tools that aid branding decisions? Share these with the class.

4.4 Revision Exercise 1

- Define stakeholders;
- Define what a name is (under brand elements);
- Define what design is (under the brand elements);
- Define Points-of-Parity (POP) and Points-of-difference (POD);
- What is a positioning statement?

4.5 Revision Exercise 2

- Define brand repositioning;
- Name the eight categories for brand classification;
- List possible reasons for deleting brands;
- Name the organisational associations which define the corporate brand;
- The corporate brand defines the organisation. Why?

Solutions to Exercises

Revision Exercise 1

Questions:	Model Solutions:
Define stakeholders.	Refer to p.228 of the prescribed textbook.
Define what a name is (under brand elements).	Refer to pp.229 – 230 of the prescribed textbook.
Define what design is (under the brand elements).	Refer to p.232 of the prescribed textbook.
Define Points-of-Parity (POP) and Points-of-difference (POD).	Refer to pp.234—236 of the prescribed textbook.
What is a positioning statement?	Refer to p.239 of the prescribed textbook.

Revision Exercise 2

Questions:	Model Solutions:
Define brand repositioning.	Refer to p.244 of the prescribed textbook.
Name the eight categories for brand classification.	Refer to p.250 of the prescribed textbook.
List possible reasons for deleting brands.	Refer to p.252 of the prescribed textbook.
Name the organisational associations which define the corporate brand.	Refer to p.252 of the prescribed textbook.
The corporate brand defines the organisation. Why?	Refer to p.252 of the prescribed textbook.

Learning Unit 7: Theme: The Marketing Plan	
Material used for this Learning Unit: • Prescribed text Chapter 9, pp.264—292. • Additional notes on strategic marketing are given in this Learning Unit to supplement the prescribed textbook. Pages to focus on pp. 264—292..	Cross-refer to textbook: Chapter 9, pp. 264—292..

How to prepare for this Learning Unit:
• Before the first class, be sure that you read the content of this Learning Unit, and Chapter 9, pp. 264—292. in the prescribed textbook.
• As you read these sections, see if you can find the answers to the following questions (you might have to look beyond the prescribed textbook):
  ○ How does the marketing plan differ from a business plan?
  ○ Why does the first step in the marketing planning process involve a situation analysis?
  ○ Why do marketing mix elements differ from one industry to another?	

1. Introduction

When marketing programmes fail, it is usually not due to a lack of recourse and talent but due to a lack of planning, focus and consistent action. This chapter provides an overview of the process that contributes to the development of a viable marketing plan. This process enables marketers to make informed decisions about the most appropriate marketing paths to profits, market share and other objectives. The aim is to enable marketers to produce a marketing plan that documents appropriate strategies and programmes for the chosen markets.

2. Key concepts in this Learning Unit

This chapter of the textbook the following key aspects are found:

- The definition of marketing planning;
- The marketing planning process;
- The marketing plan structure;
- Obstacles to the marketing plan.

2.1 Marketing planning defined

Refer to pp.265—269 of the prescribed textbook.

According to Venter and Jansen van Rensburg marketing planning can be defined as the structured process of determining how to provide value to customers, the organisation and key stakeholders by researching and analysing the current situation, including markets and customers; developing and documenting marketing's objectives, strategies and programmes; and implementing, evaluating and controlling marketing activities to achieve the objectives.

Use the table below to write up a summary on the two perspectives applied to marketing planning.

Perspective	Summary
Strategic	
Operational (tactical)	

Draw Figure 9.1 p.266 and include all the elements making up each stage of the marketing planning process.

Both strategic and operational plans should:

- Explain intended strategies for building relationships by creating, communicating and delivering value to customers;
- Outline the activities that employees will undertake to reach objectives, including gaining value for the organisation;
- Show the mechanisms for measuring progress toward objectives;
- Allow for adjustments if actual results are off course or the environment shifts.

2.1.1 Benefits of planning

Refer to p.267 of the prescribed textbook.

Use the table provided to write up a summary of the main outcomes of marketing planning within an organisation.

Outcome	Summary

Can you think of any other benefits of planning?

2.1.2 Positioning marketing planning within strategic and marketing management

Refer to pp.267 – 269 of the prescribed textbook.

Strategic marketing presents a useful process for a business to formulate its marketing strategies against its internal and external market environments. This process includes the following stages:

Draw up a list of properties of effective strategy. Refer to p.270 of the prescribed textbook.

- Defining the markets;
- Grouping customers according to their needs;
- Selecting target markets;
- Creating value propositions to meet the needs of the target markets;
- Communicating to, and getting the buy-in of internal stakeholders;
- Delivering value propositions to selected target markets;
- Monitoring and controlling marketing activities.

Using Figure 9.4 on p.275 of the prescribed textbook, add in any other elements of the marketing mix that might not be listed.

2.2 The marketing planning process

Refer to pp.269—282 of the prescribed textbook.

Refer to Figure 8.1 p.252 of the prescribed textbook and use the following table to write up a summary of each of the stages of the marketing planning process.

Stage	Summary
Market intelligence	
Opportunity analysis	
Marketing objectives	

Review Table 9.2 p.274 of the prescribed textbook and ensure that you understand how to assess objectives.

Marketing strategies	
Marketing programmes	

2.2.1 The budget

Refer to pp.281 – 282 of the prescribed textbook.

Specifying a marketing budget is perhaps the most difficult part of the marketing planning process. Although budgeting is not a precise process, there must be a logical connection between the strategy and performance objectives and the marketing budget. There are three approaches to producing a marketing plan and the marketing mix strategy designed to achieve the target level of performance.

Use the table below to write up a summary of the three approaches.

Approach	Summary
Top-down budgeting	
Customer mix budgeting	
Bottom-up budgeting	

2.3 Marketing plan structure

Refer to pp.282 – 283 of the prescribed textbook.

Refer to Table 9.5 “Marketing plan structure” on p.283 of the prescribed textbook. Note that the structure must be comprehensive and flexible enough for markets to adapt it to their unique requirements.

2.4 Obstacles to the marketing plan

Refer to pp.283 – 284 of the prescribed textbook.

Refer to Figure 9.5 “Major obstacles to developing and implementing marketing plans” on p.284 of the prescribed textbook. Changes have been made to the focus and content of strategic planning efforts and marketing plans. These changes are:

- There is a renewed customer focus;
- There has been a move from operational planning to a more balanced strategic planning approach.

This means shifting the focus from products to the unique requirements of specific target market segments. Note, that a link must be created between marketing activities and other functional areas of the business.

3. Recommended Digital Engagement and Activities

View the video using the link below and give thought to what is presented to you.
Does this model make marketing planning any easier?

http://www.youtube.com/watch?v=OntGJxfgWWY

View the video using the link below and make a summary of what you hear from Philip Kotler.

http://www.youtube.com/watch?v=bilOOPuAvTY

4. Interactive Work Space

The purpose of the interactive work space is to provide opportunities for you to engage with the subject matter in the Learning Unit both in and outside the lecture room in preparation for assessments.

4.1 Izimvo Exchange 1

In groups, explore the concept of the organisation's strategic competitive position in a market which can influence strategy. Select a well-known FMCG business and establish what its competitive position is. Share you findings with the class.

4.2 Activity 1

Purpose:
The purpose of this activity is to create greater insight into the marketing planning process.

Task:
Read the closing case study "Pay -TV Multichoice not backing down" on p.287 of the prescribed textbook. Answer the questions as detailed at the end of the case.

4.3 Revision Exercise 1

- What does a marketing strategy consist of?
- Define marketing planning;
- List the properties of an effective strategy;
- Described the structure of a marketing audit;

- Define marketing programmes.

4.4 Revision Exercise 2

- List the guidelines for a good marketing plan;
- Why is the development of a marketing budget so important to the success of the marketing plan?

Solutions to Exercises

Revision Exercise 1

Questions:	Model Solutions:
What does a marketing strategy consist of?	Refer to p.265 of the prescribed textbook.
Define marketing planning.	Refer to p.265 of the prescribed textbook.
List the properties of an effective strategy.	Refer to p.267 of the prescribed textbook.
Described the structure of a marketing audit.	Refer to p.270 of the prescribed textbook and Chapter 3 of the prescribed textbook.
Define marketing programmes.	Refer to p.274 of the prescribed textbook.

Revision Exercise 2

Questions:	Model Solutions:
List the guidelines for a good marketing plan.	Refer to p.282 of the prescribed textbook.
Why is the development of a marketing budget so important to the success of the marketing plan?	Refer to p.281 of the prescribed textbook.

Learning Unit 8: Theme: Implementation of Marketing Strategies	
Material used for this Learning Unit: • Prescribed text Chapter 10, pp.293—322. • Additional notes on strategic marketing are given in this Learning Unit to supplement the prescribed textbook. • Pages to focus on: pp. 293—322.	Cross-refer to textbook: Chapter 10, pp.293—322.

How to prepare for this Learning Unit:
• Before the first class, be sure that you read the content of this Learning Unit, and Chapter 10, pp.293—322 in the prescribed textbook.
• As you read these sections, see if you can find the answers to the following questions (you might have to look beyond the prescribed textbook):
  ○ What is the role of effective leadership in successful marketing execution?
  ○ What is the impact of culture on successful marketing execution?
  ○ Why is internal marketing important in successful marketing execution?	

1. Introduction

Marketing strategy implementation is ultimately where brands and organisations truly make a difference. The intellectual process of marketing and branding strategy is stimulating, creative and rewarding — it should however, be tempered with the reality of executing the marketing strategy that has been created. Effective marketing implementation is critical to an organisation and poor execution has a direct effect on the ability of the marketing function to impact business performance.

2. Key concepts in this Learning Unit

This chapter of the textbook the following key aspects are found:

- The role and impact of leadership and culture;
- Systems and structure used to support the implementation of marketing strategies;
- Internal marketing;
- Barriers to implementation.

2.1 Leadership and culture

Refer to pp.298—301 of the prescribed textbook.

2.1.1 Leadership

Refer to pp.298—299 of the prescribed textbook.

There is a strong correlation between successful marketing implementation and the degree of direction and leadership given by senior management. Style can play a vital role in overcoming barriers to implementation. Businesses with strong top-down influences are ultimately more effective at marketing strategy implementation.

Use the table below to list Tom Boardman's 10 steps for "building a vision-guided, values-driven organisation" (shifting an organisation).

Step	Summary
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	

Use the table below to list Tom Boardman's seven keys to successful business leadership.

Step	Summary
1	
2	
3	
4	
5	
6	

7	

2.1.2 Culture

Refer to pp.299—301 of the prescribed textbook.

Culture is identified as a socially-constructed reality and identifies the following properties that emerge when we relate behavioural and learning principles to organisational culture

Complete the table making a summary of each property

Property	Summary

Refer to Figure 9.1 "Seven levels of organisational consciousness" on p.283 in the prescribed textbook. Visit the link below for a more comprehensive explanation of this cultural transformation tool.

http://www.valuescentre.com/uploads/2010-07-06/The%207%20Levels%20of%20Organisational%20Consciousness.pdf

2.2 Systems and structure

Refer to pp.301—310 of the prescribed textbook.

There are a series of ever-intensifying external pressures on an organisation that will perpetually call for an environment of change and challenge an organisation's ability to move with change.

Use the table below to list examples of changes to which organisations are subject.

Property	Summary
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

Review figure 10.6 "Pressures for change" on p.303 of the prescribed textbook. Make a summary of this.

2.2.1 Systems models

Refer to pp.302—305 of the prescribed textbook.

There are three models for marketing strategy implementation.

Use the table provided below to write up a summary on each.

Review Figure 10.9 "Environmental variety and marketing centralisation" on p.309 of the prescribed textbook. Ensure that you understand the concept of it.

Model	Summary
Change model	
Collaborative model	

Cultural model	

2.2.2 Structural considerations

Refer to p.305 of the prescribed textbook.

Marketing structure should channel collaboration, prescribe means of communication and allocate power and responsibility. Structuring a marketing department is not simply a matter of establishing one and unleashing it on an organisation; rather it involves allocating marketing activities and responsibilities throughout various levels of the entire organisational structure, which optimises the chances of success in marketing strategy implementation.

Write a summary of the three broad issues that marketers should consider when analysing the environment. Refer to p.306 of the prescribed textbook.

2.3 Internal marketing

Refer to pp.295—296 of the prescribed textbook.

Internal marketing is attracting, developing, motivating and retaining qualified employees through job-products that satisfy their needs. Internal marketing is the philosophy of treating employees as customers — indeed, wooing employees — and is the strategy of shaping job-products to fit human needs.

Buell proposes four categories for divisional marketing organisations. What are they? Refer to pp.307—308 of the prescribed textbook.

2.4 Barriers to implementation

Refer to pp.310—314 of the prescribed textbook.

In this section we take a pragmatic view of some barriers to marketing strategy implementation and how marketers may overcome obstacles through practical observation, examples and insights.

In the table provided below, write up summaries on these barriers to marketing strategy implementation.

Refer to Figure 10.1 “An approach to internal marketing segmentation” on p.296 of the prescribed textbook. Research the concept and establish if there are any more elements to the approach.

Barrier	Summary
Geography	

List Keller’s 10 golden rules for global branding that African marketers may use as a guide. Refer to p.310 of the prescribed textbook.

Language and culture	
Project management and production capability	
Internal behaviour	
Cost	
Marketing orientation	

3. Recommended Digital Engagement and Activities

View the video using the link below. Make a summary of what is discussed in it.

http://www.youtube.com/watch?v=LkesApAMSQk

View the video using the link below. Be aware that communicating your strategy is crucial to implementing it (to both the internal as well as the external environment).

http://www.youtube.com/watch?v=9XXmT5Bms6k

4. Interactive Work Space

The purpose of the interactive work space is to provide opportunities for you to engage with the subject matter in the Learning Unit both in and outside the lecture room in preparation for assessments.

4.1 Izimvo Exchange 1

Refer to the closing case study on p.318 of the prescribed textbook. Read it carefully and answer the questions that follow in the textbook

Share your findings with the class.

4.2 Activity 1

Purpose:
The purpose of this activity is to create greater insight into the impact that language and culture has on the implementation of a strategic marketing plan.

Task:
Read the short case example "Growth across the continent" on p.312 of the prescribed textbook. Comment on the statement; "one size fits all" approach to building brand and implementing marketing strategy in cross-border markets is futile.

4.4 Revision Exercise 1

- Define leadership;
- Define culture;
- Explain internal marketing;
- State the advantages and disadvantages of expansion of a business.

4.5 Revision Exercise 2

- Define market orientation;
- How would you go about improving the marketing orientation of a business?
- Do you think that South Africa is marketing orientated? Why?
- Do you think that South Africa has implemented a strategic marketing plan effectively? Why?

- What do you see as South Africa's biggest hurdle to effective marketing implementation? How do you think this can be overcome?

Solutions to Exercises

Revision Exercise 1

Questions:	Model Solutions:
Define leadership.	Refer to p.298 of the prescribed textbook.
Define culture.	Refer to p.299 of the prescribed textbook.
Explain internal marketing.	Refer to p.295 of the prescribed textbook.
State the advantages and disadvantages of expansion of a business.	Refer to p.311 of the prescribed textbook.

Revision Exercise 2

Questions:	Model Solutions:
Define market orientation.	Refer to p.314 of the prescribed textbook.
How would you go about improving the marketing orientation of a business?	Lecturer discretion to be used with reference to the theory in the textbook and guidance provided.
Do you think that South Africa is marketing orientated? Why?	Lecturer discretion to be used with reference to the theory in the textbook and guidance provided.
Do you think that South Africa has implemented a strategic marketing plan effectively? Why?	Lecturer discretion to be used with reference to the theory in the textbook and guidance provided.
What do you see as South Africa's biggest hurdle to effective marketing implementation? How do you think this can be overcome?	Lecturer discretion to be used with reference to the theory in the textbook and guidance provided.

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Intellectual Property

Plagiarism occurs in a variety of forms. Ultimately though, it refers to the use of the words, ideas or images of another person without acknowledging the source using the required conventions. The IIE publishes a Quick Reference Guide that provides more detailed guidance, but a brief description of plagiarism and referencing is included below for your reference. It is vital that you are familiar with this information and the Intellectual Integrity Policy before attempting any assignments.

Introduction to Referencing and Plagiarism

What is 'Plagiarism'?

'Plagiarism' is the act of taking someone's words or ideas and presenting them as your own.

What is 'Referencing'?

'Referencing' is the act of citing or giving credit to the authors of any work that you have referred to or consulted. A 'reference' then refers to a citation (a credit) or the actual information from a publication that is referred to.

Referencing is the acknowledgment of any work that is not your own, but is used by you in an academic document. It is simply a way of giving credit to and acknowledging the ideas and words of others.

When writing assignments, students are required to acknowledge the work, words or ideas of others through the technique of referencing. Referencing occurs in the text at the place where the work of others is being cited, and at the end of the document, in the bibliography.

The bibliography is a list of all the work (published and unpublished) that a writer has read in the course of preparing a piece of writing. This includes items that are not directly cited in the work.

A reference is required when you:

- Quote directly: when you use the exact words as they appear in the source;
- Copy directly: when you copy data, figures, tables, images, music, videos or frameworks;
- Summarise: when you write a short account of what is in the source;
- Paraphrase: when you state the work, words and ideas of someone else in your own words.

It is standard practice in the academic world to recognise and respect the ownership of ideas, known as intellectual property, through good referencing techniques. However, there are other reasons why referencing is useful.

Good Reasons for Referencing

It is good academic practice to reference because:

- It enhances the quality of your writing;
- It demonstrates the scope, depth and breadth of your research;
- It gives structure and strength to the aims of your article or paper;
- It endorses your arguments;
- It allows readers to access source documents relating to your work, quickly and easily.

Sources

The following would count as 'sources':

- Books,
- Chapters from books,
- Encyclopaedia,
- Articles,
- Journals,
- Magazines,
- Periodicals,
- Newspaper articles,
- Items from the Internet (images, videos, etc.),
- Pictures,
- Unpublished notes, articles, papers, books, manuscripts, dissertations, theses, etc.,
- Diagrams,
- Videos,
- Films,
- Music,
- Works of fiction (novels, short stories or poetry).

What You Need to Document from the Hard Copy Source You are Using

(Not every detail will be applicable in every case. However, the following lists provide a guide to what information is needed.)

You need to acknowledge:

- The words or work of the author(s),
- The author(s)'s or editor(s)'s full names,
- If your source is a group/ organisation/ body, you need all the details,
- Name of the journal, periodical, magazine, book, etc.,
- Edition,
- Publisher's name,
- Place of publication (i.e. the city of publication),
- Year of publication,

- Volume number,
- Issue number,
- Page numbers.

What You Need to Document if you are Citing Electronic Sources

- Author(s)'s/ editor(s)'s name,
- Title of the page,
- Title of the site,
- Copyright date, or the date that the page was last updated,
- Full Internet address of page(s),
- Date you accessed/ viewed the source,
- Any other relevant information pertaining to the web page or website.

Referencing Systems

There are a number of referencing systems in use and each has its own consistent rules. While these may differ from system-to-system, the referencing system followed needs to be used consistently, throughout the text. Different referencing systems cannot be mixed in the same piece of work!

A detailed guide to referencing, entitled Referencing and Plagiarism Guide is available from your library. Please refer to it if you require further assistance.

When is Referencing Not Necessary?

This is a difficult question to answer – usually when something is 'common knowledge'. However, it is not always clear what 'common knowledge' is.

Examples of 'common knowledge' are:

- Nelson Mandela was released from prison in 1990;
- The world's largest diamond was found in South Africa;
- South Africa is divided into nine (9) provinces;
- The lion is also known as 'The King of the Jungle'.
- $E = mc^2$
- The sky is blue.

Usually, all of the above examples would not be referenced. The equation $E = mc^2$ is Einstein's famous equation for calculations of total energy and has become so familiar that it is not referenced to Einstein.

Sometimes what we think is 'common knowledge', is not. For example, the above statement about the sky being blue is only partly true. The light from the sun looks white, but it is actually made up of all the colours of the rainbow. Sunlight reaches the Earth's atmosphere and is scattered in all directions by all the gases and particles in the air. The smallest particles are by coincidence the same length as the wavelength

of blue light. Blue is scattered more than the other colours because it travels as shorter, smaller waves. It is not entirely accurate then to claim that the sky is blue. It is thus generally safer to always check your facts and try to find a reputable source for your claim.

Important Plagiarism Reminders

The IIE respects the intellectual property of other people and requires its students to be familiar with the necessary referencing conventions. Please ensure that you seek assistance in this regard before submitting work if you are uncertain.

If you fail to acknowledge the work or ideas of others or do so inadequately this will be handled in terms of the Intellectual Integrity Policy (available in the library) and/ or the Student Code of Conduct – depending on whether or not plagiarism and/ or cheating (passing off the work of other people as your own by copying the work of other students or copying off the Internet or from another source) is suspected.

Your campus offers individual and group training on referencing conventions – please speak to your librarian or ADC/ Campus Co-Navigator in this regard.

<u>Reiteration of the Declaration you have signed:</u>

1. I have been informed about the seriousness of acts of plagiarism.
2. I understand what plagiarism is.
3. I am aware that The Independent Institute of Education (IIE) has a policy regarding plagiarism and that it does not accept acts of plagiarism.
4. I am aware that the Intellectual Integrity Policy and the Student Code of Conduct prescribe the consequences of plagiarism.
5. I am aware that referencing guides are available in my student handbook or equivalent and in the library and that following them is a requirement for successful completion of my programme.
6. I am aware that should I require support or assistance in using referencing guides to avoid plagiarism I may speak to the lecturers, the librarian or the campus ADC/ Campus Co-Navigator.
7. I am aware of the consequences of plagiarism.

Please ask for assistance prior to submitting work if you are at all unsure.