



“MARKETING PLAN”



Chapter: 1. Marketing Value

Definition of Marketing

Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

American Marketing Association, 2017

Definition of Marketing

Micro prism & macro prism

Marketing is much more than selling and advertising. It can also be defined through two alternative perspectives: micro-prism and macro-prism.

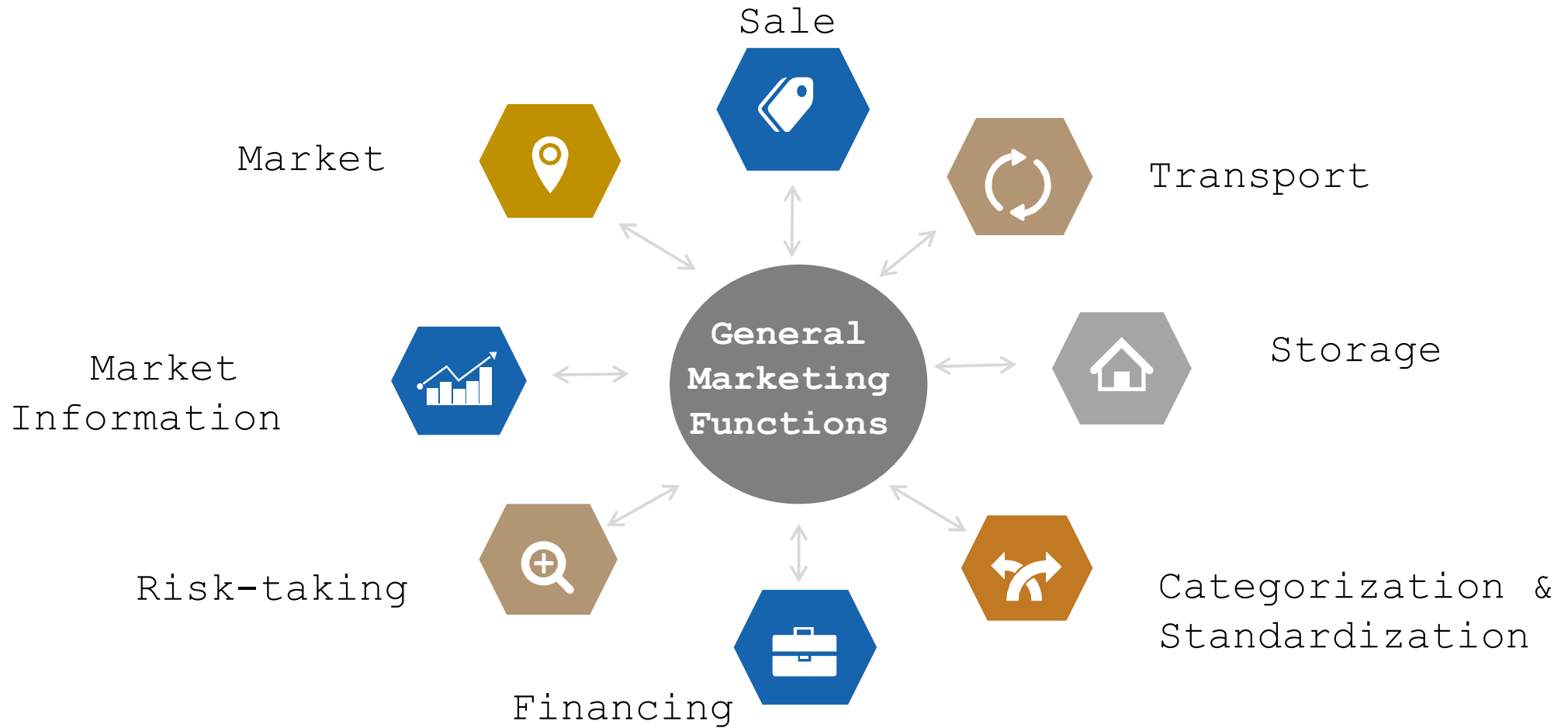
The **micro-prism** of marketing includes actions that:

- anticipate consumer needs
- direct the flow of goods and services to customers
- implement by individual organizations

The **macro-prism** of marketing includes a social process that:

- achieves society-related goals
- effectively matches supply with demand
- interested in how marketing actions affect society, and vice versa

General Marketing Functions



- **Market:** searching and evaluating goods and services
- **Market information:** the collection, analysis and distribution of all the information a marketing manager needs to plan, implement, and control marketing actions to meet needs.
- **Sale:** promoting the product to potential buyers
- **Transport:** movement of goods from one place to another
- **Storage:** keeping stock of goods until customers need them
- **Standardization & Categorization:** classification of products based on their size and quality
- **Financing:** providing necessary cash and credit to produce, transport, store, promote, sell and buy products
- **Risk-taking:** managing responsibility for uncertainty

Who Performs Marketing Functions?

Consumers: they provide marketing information to organizations. The customer's needs drive the company's marketing response.

Intermediaries: companies that specialize in trade (not in production) and perform tasks related to buying and selling.

Partners: companies that provide marketing functions beyond buying and selling :

- Advertising companies,
- Marketing research companies
- Independent product testing laboratories
- Internet service providers (ISPs),
- Transport companies, etc.

Marketing Functions

- Someone must perform general marketing functions.
- There may be specialization in performing these functions.
- Parts can be shifted and shared between those who serve them.

Marketing Functions

Marketing functions are performed by individuals and organizations:

- manufacturers
- wholesalers
- transport companies
- retailers
- online service providers
- advertising companies
- product testing companies
- market research companies
- consumers
- other specialists

Marketing **VS** Production

Marketing

Marketing ensures that suitable goods and services will be produced

Production

- goods production
- services

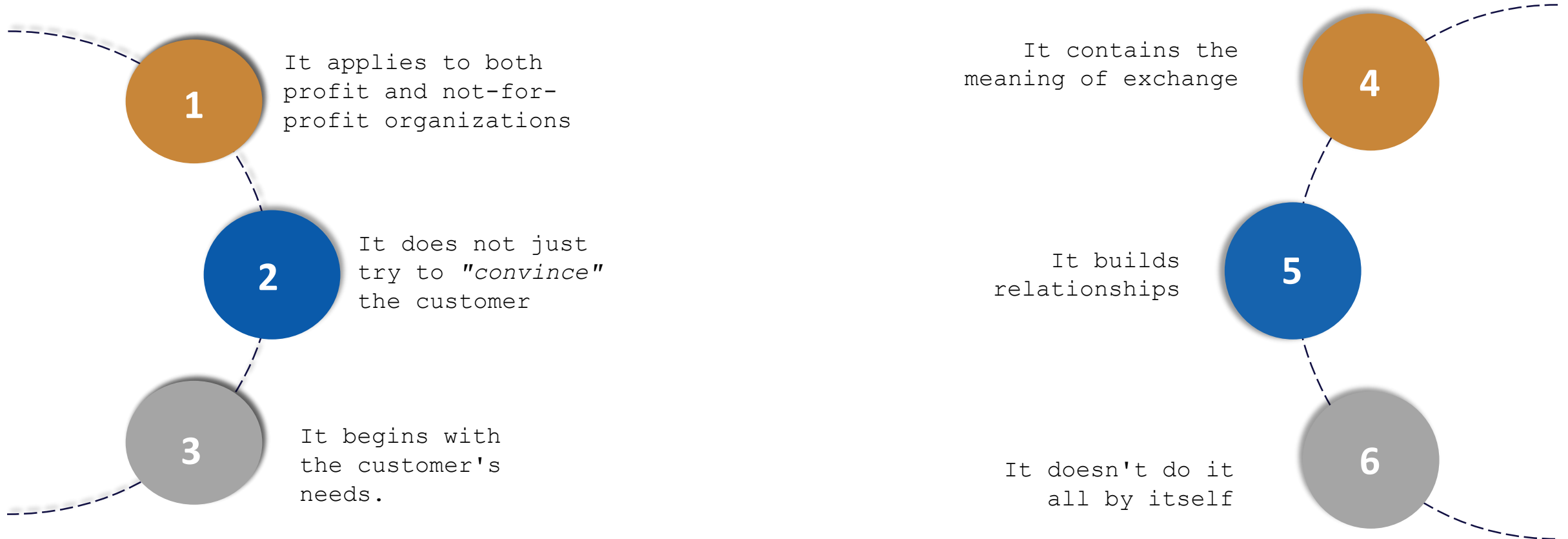
creates customer satisfaction

Both production and marketing are basic economic activities. But some people misunderstand the relationship between them:

Production: includes the manufacture of goods or the provision of services.

Marketing: ensures that the correct goods and services will be produced. It creates customer satisfaction, the extent to which an organization meets customer needs, wants, and expectations.

Basic Marketing Features

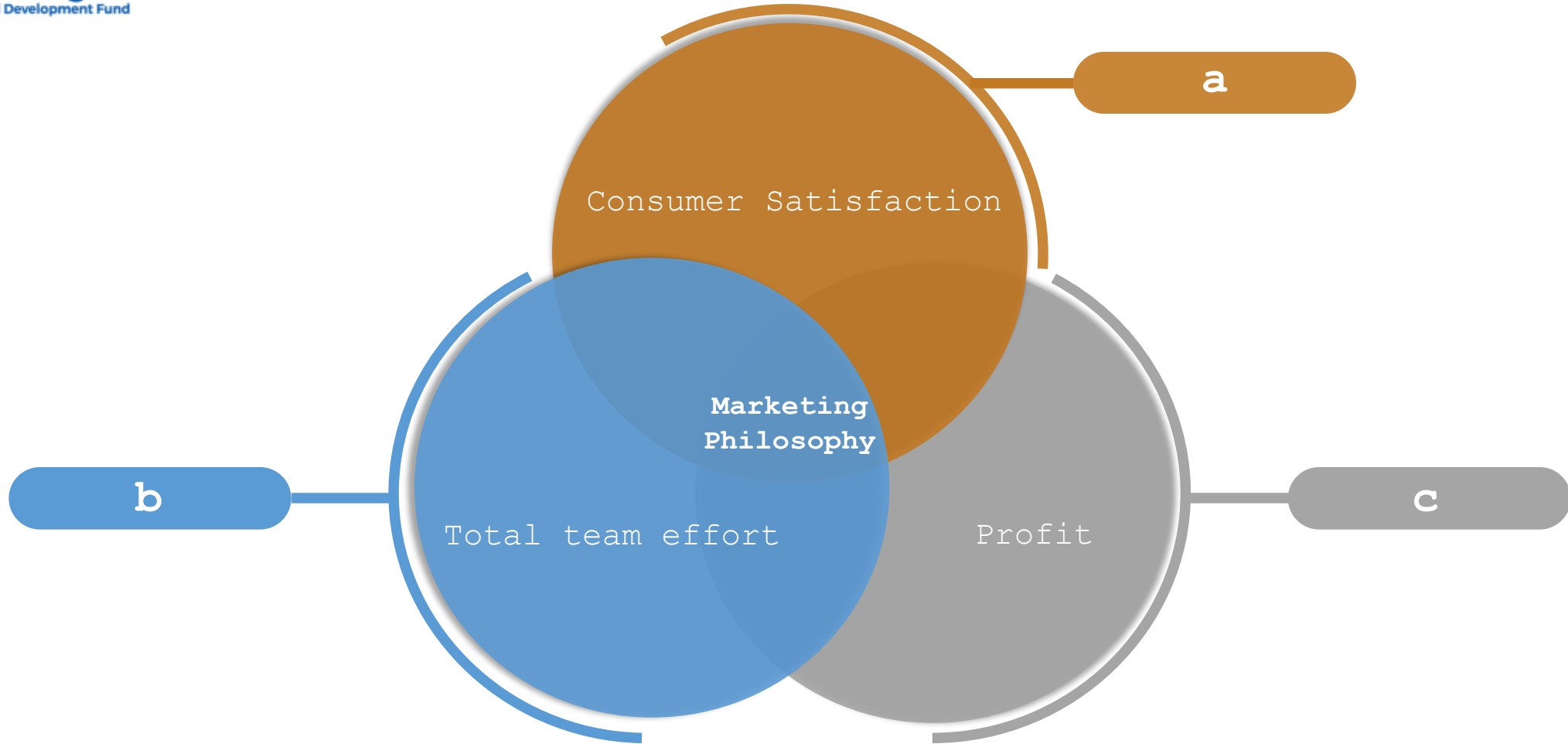


Basic Marketing Features

- Organizations apply marketing management, and nevertheless, beyond this general definition, there are many aspects of marketing that marketing executives should consider
- It does not just try to "*convince*" the customer
- It begins with the customer's need and not the production process
- It does not do everything by itself, nor can it replace other company departments

- It contains the meaning of exchange
- The consumers exchange something of value to obtain something else of value.
- It builds a relationship with the customer and leads to repeat purchases.

Marketing Philosophy



Marketing Philosophy

- a. **Consumer satisfaction:** customer satisfaction drives the entire company
- b. **Total team effort:** All employees cooperate to achieve this goal
- c. **Profit:** Survival and success require profit

Consumer satisfaction

This ad for Little Remedies shows that the company strives to create customer satisfaction by responding to the needs of parents.



It offers infants and children products free of unnecessary additives such as saccharin, alcohol, artificial flavours, colours, and harmful preservatives.

It meets the needs of people who want specific medical care for their infants and children.

It offers babies/children everything they need and nothing extra.

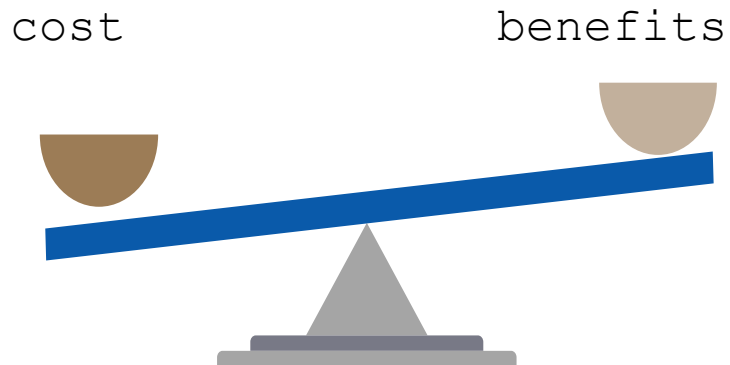
Customer Value

Customer Value is the difference between the benefits a customer perceives to obtain and the cost required.

- Different customers may view benefits and costs in other ways.
- The customer may not “overthink” value as a determinant of their purchasing behaviour.

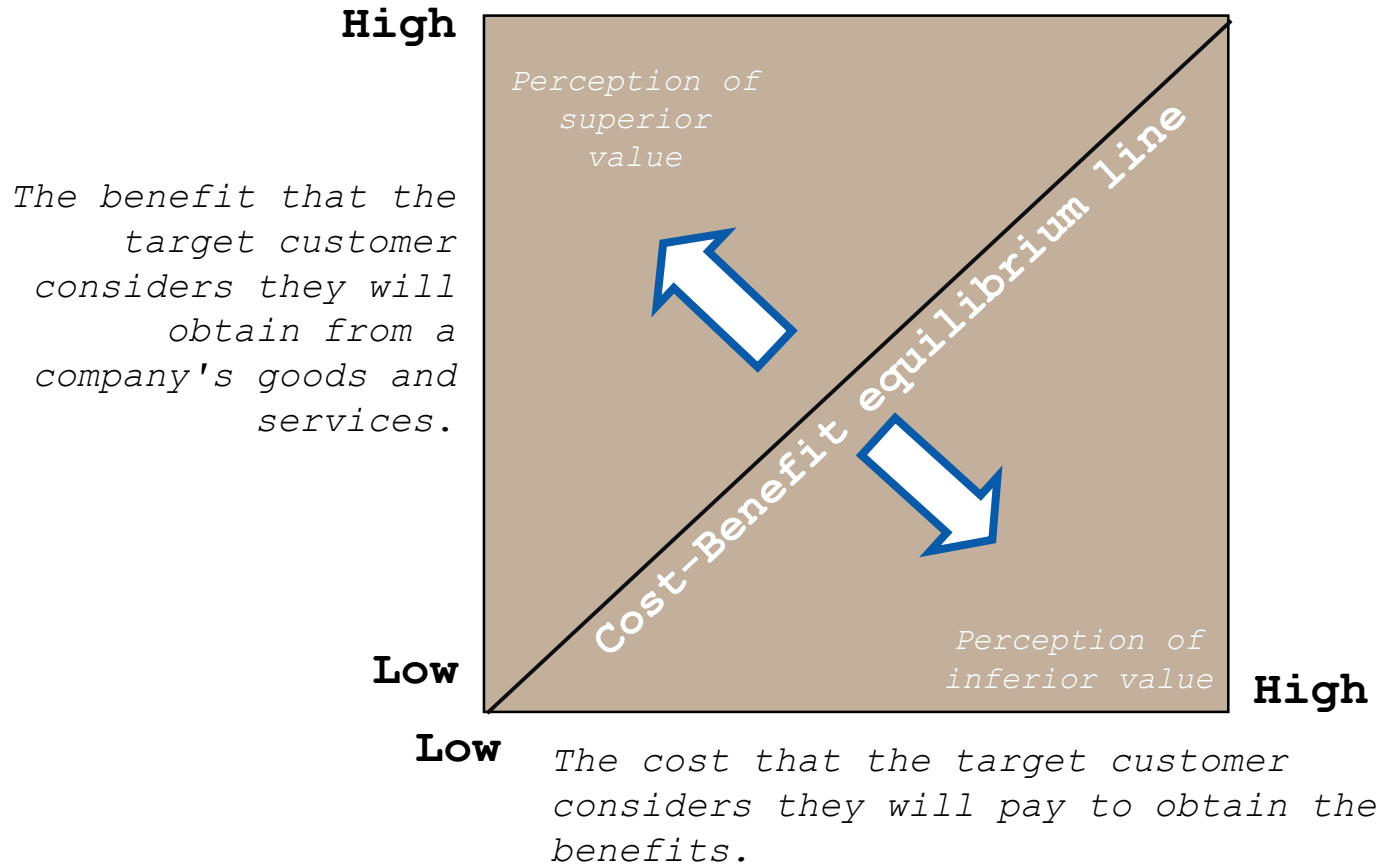
Marketing Philosophy & Customer Value

To better understand what it takes to satisfy the customer, it's helpful to see things from their perspective.



- See things from the customer's perspective
- The customer may not think much of it
- Customer value includes both benefits and costs
- What is the position of competition in all this?
- Customer value

Cost, benefit and customer value



A consumer is more satisfied when the value to the customer is higher (benefits exceed costs)

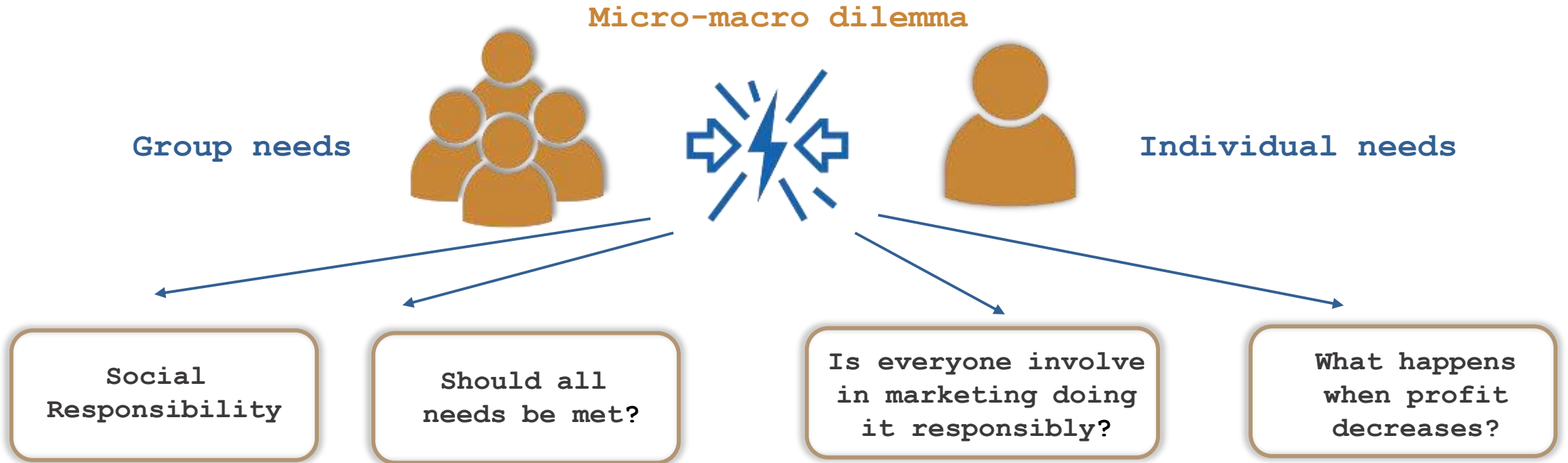
On the other hand, a consumer who considers the costs to be greater than the benefits is not likely to become a customer.

Marketing philosophy & Non-Profit Organizations

The marketing philosophy is also applied to non-profit organizations such as museums, libraries, charities and political parties.

- Nonprofit organizations often mean something different than businesses when discussing support and "satisfied customers."
- Non-profit organizations often exist to achieve goals unrelated to traditional customer satisfaction.
- Many non-profit organizations collect money from non-client groups and spend it on other "clients."

Marketing Philosophy, Social Responsibility and Marketing Ethics



Marketing Philosophy shapes its Ethics.

As marketers:

- We do no harm
- We promote trust in the marketing system
- We embrace ethical values.

Ethical values:

- **Honesty:** Be honest when dealing with customers and those involved in a process
- **Accountability:** taking responsibility for the decisions and marketing strategies we follow
- **Fairness:** to balance the customer needs with the interests of the sellers
- **Respect:** to recognize the fundamental human right of all involved in a process
- **Transparency:** to establish and foster an *"open spirit"* in all marketing functions
- **Responsibility:** To fulfil the financial, legal and humanitarian social obligation that serves the interests of involved parties.

Marketing philosophy & Non-Profit Organizations

Social Responsibility: obligation to improve the organization's positive impact on society

Should all needs be met?

- There are some products used by many people that are not good for them.
- Marketing managers must make decisions based on legal and ethical standards.

Marketing philosophy & Non-Profit Organizations

Is everyone involve in marketing doing it responsibly?

- Sometimes, companies or individuals prioritize their short-term interests at customers' expense.
- When products are complex, customers can be vulnerable to unscrupulous sellers.

What happens when profit decreases

- Some marketing managers deal with it from a long-term perspective.
- Customer satisfaction goes beyond meeting an immediate need.



Chapter 2 .Marketing Plan

Marketing Management Process

Management Strategic Planning
for the entire company:
Combines company resources and market opportunities

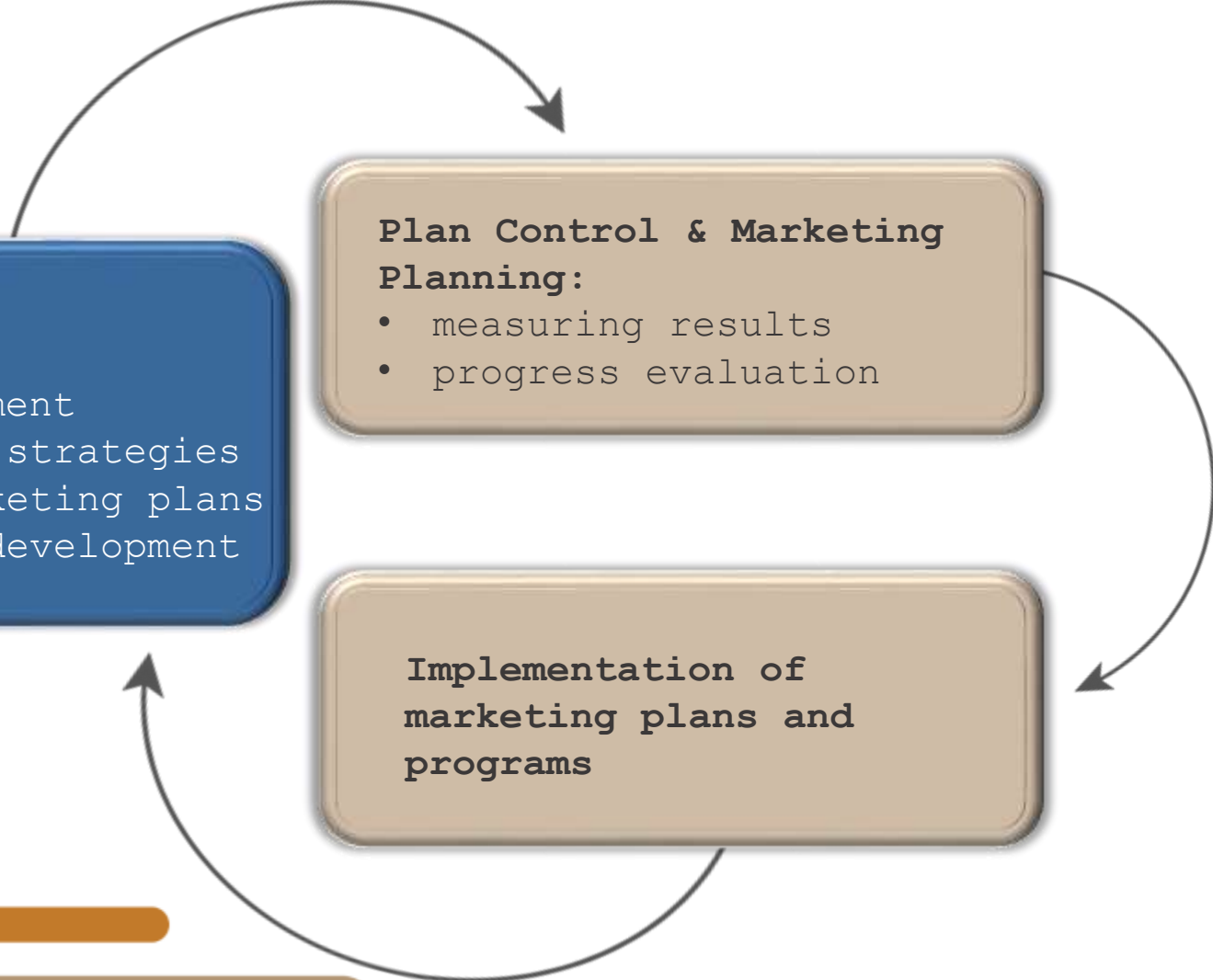
Marketing Planning:

- setting goals
- opportunity assessment
- creating marketing strategies
- preparation of marketing plans
- marketing program development

Plan Control & Marketing Planning:

- measuring results
- progress evaluation

Implementation of marketing plans and programs



Strategic management planning is the process of developing and maintaining the association between an organization's resources and market opportunities

The Marketing Management Process includes:

- a) planning marketing actions,
- b) directing the plan's implementation and
- c) controlling the plan.

Marketing Management Process

All tasks are **interconnected**, proving that marketing management is a continuous process. During planning, implementation guidelines are formulated that specify the expected results. These are used during testing to see if everything went as planned.

The connection of control with planning is also crucial, as the information about the results often leads to adjusting the plans or even creating new ones.

Targeted Marketing

Every marketing strategy identifies some target-customers. This approach is called **Targeted Marketing*** and advocates the formation of the marketing mix based on the process of specific target-customers.

In contrast, **Mass Marketing** addresses the entire market and assumes that all consumers are the same and that all are potential customers.

**Targeted marketing does not necessarily address small market segments but a homogeneous ones.*

Targeted Marketing

The main reason it is necessary to target specific customers is that, it will allow us to develop a **marketing mix** that will satisfy the particular needs of those customers better than any other company.

Marketing Plan

Marketing planning is a process that the business follows in order to be able to adapt to the changing conditions of the market and the marketing environment.

Result of this process constitutes the **marketing plan**.

The marketing plan is a dynamic tool for planning and controlling the future activity of a business in a defined period of time.

The marketing plan refers to the following:

- o In the first steps of a newly founded or under formation business
- o In all the operations of a small or a large business
- o In the commercial department of a small or large business

A fixed period of time is considered to be:

- The first years of operation of a start-up or the development of a new activity (introducing a new product, entering a new market)
- The following 2 to 5 years of a company's operation

Marketing Plan

The marketing plan aims to answer key marketing strategy questions.

- How did we get here?
- Where are we now?
- Where do we want to go in the future?
- How do we get where we want to go?

Marketing Plan



Marketing plan benefits for new or under formation company:

- ❑ It helps companies to clearly state the marketing objectives and puts the participants in the process of thinking about the message they want to get across to potential consumers.
- ❑ It captures the capabilities and qualifications of the business team.
- ❑ It reveals any gaps in the knowledge of various marketing tactics.
- ❑ It recognizes the strengths and weaknesses of the business while identifying needs and problems that might not have been noticed.

Marketing Plan

Marketing plan benefits for new or under formation company:



- It helps identify the appropriate target market in order to place the company's product.
- It captures the necessary resources for the development of the business and the required volume of sales that will ensure its viability.
- Contributes to the attraction and retention of consumers
- It helps to create a competitive advantage.

Marketing Plan

Marketing plan benefits for an existing business:



- It contributes to highlighting the company's competitive advantages
- It provides a clear picture of the market, customers and competitors of the business
- It helps make decisions based on the objectives and marketing strategy of the business.
- It helps in understanding customer needs and loyalty
- Creates relationships of trust with customers

Marketing Plan

Marketing plan benefits for an existing business:



- Contributes to identifying opportunities to penetrate the target market and re-engineering operations in case of errors
- It helps to increase sales and customer consumption.
- It strengthens the company's corporate image.
- It highlights the maturity of the business and its flexibility in the challenges arising from competition.

Marketing Plan

The creation of a marketing plan is distinguished in three phases:

- A) Planning phase:** in this phase, marketing managers define the mission and objectives of the business and evaluate the situations

- B) Implementation phase:** marketing executives identify and evaluate different opportunities by engaging in the segmentation, targeting, and positioning process. Then they develop and implement the marketing mix using the four "p's" and the SWOT analysis

Marketing Plan

3) Implementation & Control phase: the part of the strategic marketing planning process where the performance of the marketing strategy is evaluated and necessary corrective actions are taken

Marketing Plan

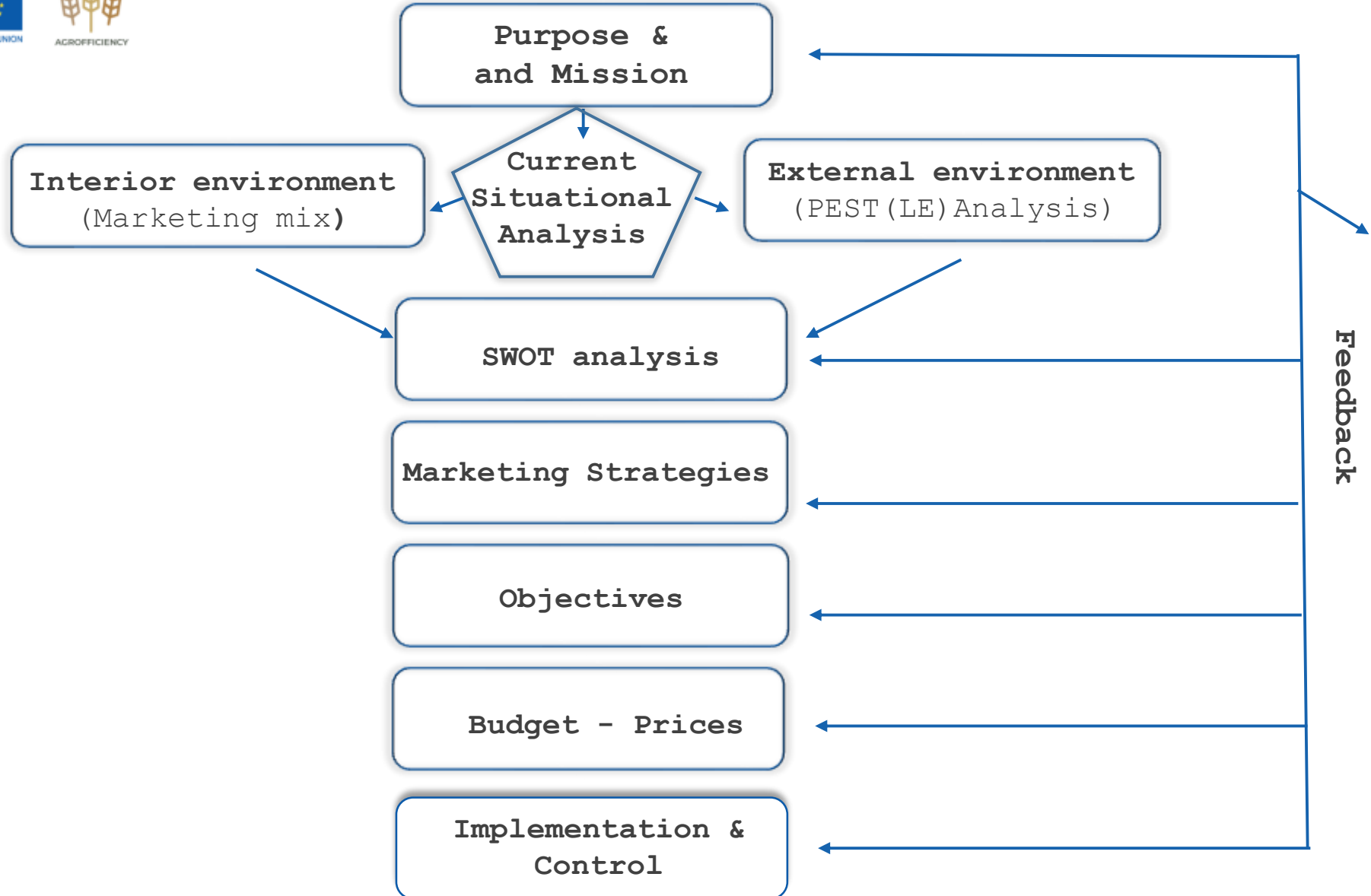
General tips for an attractive Marketing Plan



Pay attention to the following:

- Clear and understandable text with simple speech without becoming too pretentious,
- Use clear and straightforward language to capture your thoughts so they can be understood even by unfamiliar readers,
- Concise and concise text without sprawling (satisfactory length is a text of 30-50 pages),
- Presentable with a professional look, no grammar or grammatical errors (an untidy-looking text creates a negative impression on the reader),
- Text structure with sections and subsections,
- A well-structured text puts the reader at ease.

Marketing Plan



Purpose & Mission

Purpose of Marketing Plan: Brief justification of the purpose of drawing up the plan (e.g. new product introduction, introduction to new markets, continued development of existing products, annual review and planning, etc.)

Setting goals according to the information contained in the plan (e.g. setting goals for the next year, reporting a department to be included in a Business Plan etc.).

Purpose & Mission

Mission Statement: It consists of a short and well-written paragraph that determines the firm's long-term vision of the organization based on the history of the business, its resources and capabilities, and its environment.

Current Situational Analysis

The **Current Situation Analysis** must contain the following:

1. Brief history
2. Size, market share, growth, profits
3. Production capacity (in tons)
4. Technological infrastructure (e.g. ERP, CRM)
5. Reputation
6. Ability to compete in various business areas

INTERIOR ENVIRONMENT ANALYSIS

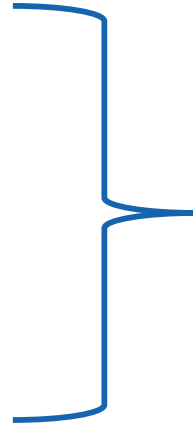


Interior environment

The Interior environment analysis relates with the **marketing mix**: The term marketing mix describes a set of actions and tactics that a company uses to place a product or service in the market in order to promote it. The best-known form of defining the marketing mix is the **4Ps**.

Interior environment

- **P**roduct
- **P**rice
- **P**lace (distribution)
- **P**romotion



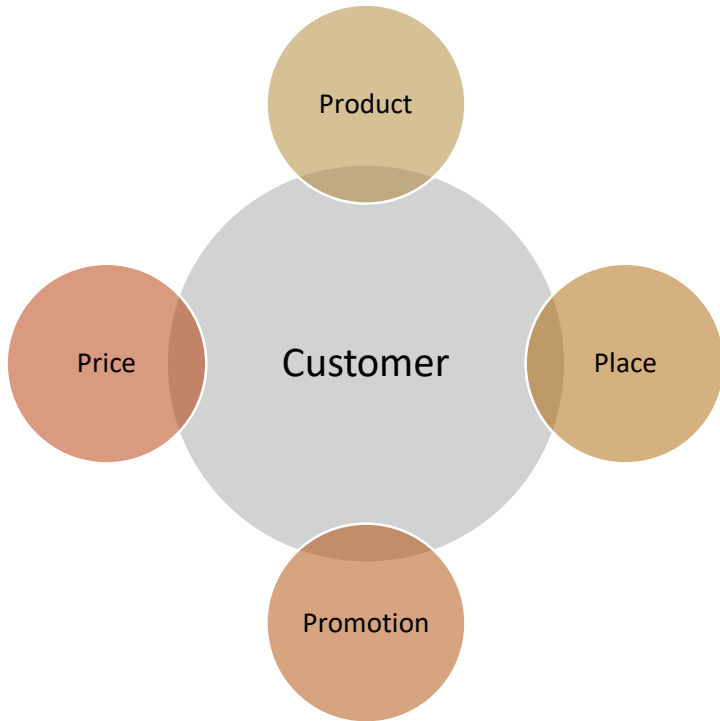
4P's

People, **p**rocess, and **p**hysical evidence are extensions of the original Four Ps and are relevant to current trends in marketing.

Marketing Mix - 4P's

The **marketing mix** encompasses a range of factors that are considered when marketing a product, including what consumers want, how the product or service meets or fails to meet those wants, how the product or service is perceived in the world, how it stands out from the competition, and how the company that produces it interacts with its customers.

Marketing Mix - 4P's



The customer is the target of all marketing efforts and for this, is at the diagram's center.

01 Product

"**Product**" is about developing the right product for the target-market. It can be material goods, services, or a combination of both. Creating a marketing campaign starts with an understanding of the product itself:

- Who needs it, and why?
- What does it do that no competitor's product can do?

Perhaps it's a new thing altogether and is so compelling in its design or function that consumers will have to have it when they see it. The marketer's job is to define the product and its qualities and introduce it to the consumer.

01 Product

Defining the product also is key to its distribution. Marketers need to understand the **life cycle** of a product, and business executives need to have a plan for dealing with products at every stage of the life cycle.

The product type also dictates how much it will be the **price**, where it should **be placed**, and how it should be **promoted**. Many of the most successful products have been the first in their category

4P's

02 Price

Price is the amount that consumers will be willing to pay for a product. Marketers must link the price to the product's real and perceived value while also considering supply costs, seasonal discounts, competitors' prices, and retail markup.

In some cases, business decision-makers may raise the price of a product to give it the appearance of luxury or exclusivity. Or, they may lower the price so more consumers will try it.

02 Price

Marketers also need to determine when and if discounting is appropriate. A discount can draw in more customers, but it can also give the impression that the product is less desirable than it was.

03 Place

"Place" (distribution) includes all the decisions that lead the right product to the target-market. No product is helpful to the customer if it is unavailable when and where he needs it.

03 Place

The decision is critical: Business executives always aim to get their products in front of the consumers who are the most likely to buy them. That means placing a product only in certain stores and displaying it to the best advantage.

The term place also refers to advertising the product in suitable media to get consumers' attention.

04 Promotion

The goal of **promotion** is to communicate to consumers that they need this product and that it is priced appropriately. Promotion encompasses advertising, public relations, and the overall media strategy for introducing a product.

04 Promotion

Marketers tend to tie promotion and placement elements together to reach their core audiences. For example, In the digital age, the "place" and "promotion" factors are as much online as offline. Specifically, where a product appears on a company's web page or social media and which types of search functions will trigger targeted ads for the product.

Marketing Mix – new P's

The focus on the four Ps – product, price, place, and promotion – has been a core tenet of marketing since the 1950s. Three newer Ps expand the marketing mix for the 21st century and are **People**, **process**, and **physical** evidence.

Marketing Mix – new P's

The term **People** places the focus on the personalities that represent the product. In the current era, that means not only sales and customer service employees but also social media influencers, and viral media campaigns.

The term **Process** is logistics. Consumers increasingly demand fast and efficient delivery of the things they want when they want them.

Marketing Mix – new P's

Physical evidence is perhaps the most thoroughly modern of the seven Ps. A professionally-designed website with excellent functionality, an "About" section that lists the principals of the company and its physical address, professional packaging, and efficient delivery service are all critical to convincing the consumer that your product is not only qualitative, but it also exists.

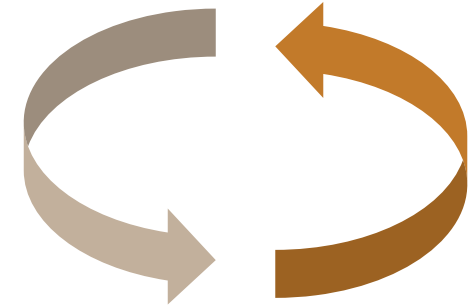
Marketing Mix – new P's

Suppose a company sells diamond jewellery on a website. In that case, it must be immediately apparent to the consumer that you are a legitimate, established business that will deliver as promised.

Marketing Mix

It is essential to emphasize that target market selection, and marketing mix development **interact**.

Therefore, the decisions regarding these two aspects of marketing strategy must be made **simultaneously**.



EXTERNAL ENVIRONMENT ANALYSIS

External micro & macro
environment analysis



The **market analysis** contains the following:

- **Market Segment:** An identifiable group of consumers with standard requirements that are or may become necessary in defining a distinct product strategy
- **Attributes used for segmentation:** demographic factors, brand loyalty, attitudes/opinions about the brand product, psychographic characteristics, product usage pattern, purchase volume, purchasing behavior, purchase method, geographic location, price sensitivity.

Market analysis

In a marketing plan what is **the need** that we are serving? This is perhaps the essential part of the plan. It's not about the physical product we offer but its intangible effects on consumers.

External environment

External Micro-Environment

Market analysis - Market trends

The market trend analysis describes information such as:

- What factors seem to be changing the market? (e.g. change in eating habits)
- What factors seem to change how businesses operate in the marketplace? (e.g. internet)
- What changes are new market trends bringing?
- The way a business will react depends on the sector in which it operates (e.g. an insurance company responds with special offers to the ageing baby boomers)

Market analysis - Market Development

Is the market growing, is it static, or is it shrinking? (e.g. the mobile telephony market ten years ago was growing rapidly)

The information can come from sectoral studies (e.g. ICAP), from university research, from surveys carried out in the Media, from the country's embassy (if a company also operates in foreign markets)

External environment

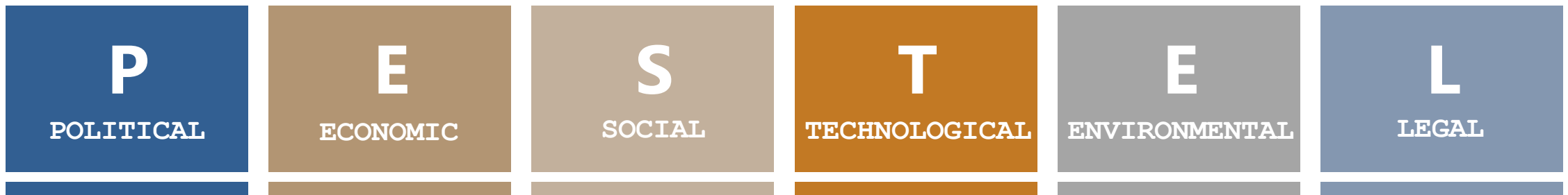
External Micro-Environment

Stakeholder analysis:

- Customers
- Distributors
- Suppliers
- Competitors
- Media
- Politicians
- Local society
- Activists

External Macro-Environment

PEST (LE) analysis is a strategic marketing tool which is often used in the Marketing Plan and in which analyzed the following factors: political, Economical, Social, Technological, Environmental, Legal.



Political environment studies the political factors that can affect a company's strategy. Such are:

- Political system stability
- Regulatory framework of the operational field, freedoms, restrictions or prohibitions, control mechanisms
- Labour laws and labour relations
- Taxation system
- Government policies on commercial promotion and Commercial competition

Political environment (continuity)

- Participation of the country in international trade agreements and Government choices in matters of health, education, defence, of state structures that affect entrepreneurship
- The political environment also includes what operates at a local level (e.g. Local and County, the municipality, Region, etc.).

These factors are essential because they can even allow or prohibit the operation of a business

The economic environment analyzes in general terms the economic life of a country or society. Factors that the effect are:

- Loan interest rates
- Inflation rate
- Currency rates
- Employment levels & Unemployment
- GDP development prospects

Economic environment (continuity)

The specific factors are of great importance in the decisions taken by the companies. For example, interest rates determine the cost of borrowing, which is an essential source, while exchange rates affect the price of imports and exports. In the field of Marketing, the economic environment can determine whether a market is viable for a product.

For example, an area with a high unemployment rate is less suitable for more elastic goods (e.g. luxury goods) but remains ideal for more inelastic goods (e.g. necessities).

Social environment is quite significant because the structure of a society, the perceptions of its inhabitants, the demographics, psychographic and other characteristics affect the business active in this society.

Social environment examines and analyzes topics such as:

- Dominant religions and languages
- Cultural influences on lifestyle and consumption
- Sensitivities in health, safety, and social issues
- welfare
- Perceptions of local and imported products
- Differentiation of social roles of men and women

Social environment (continuity)

Social trends play an essential role in the demand of products, thus, also in the general operation of the business.

A firm can differentiate its strategy based on the social environment to achieve an increase in sales and a general improvement of its position.

Technological environment also has a decisive role in this shaping the environment, which is why it is crucial for a business.

The development of technology and innovation, the transfer of technology and know-how etc., are decisive for many business functions. The change in the **technological environment** can have effects, from the reduction of production cost and operation of a company to the creation of new markets, the possible existence of obstacles to entry into them or the acquisition of comparative advantage of one enterprise over others.

Technological environment (continuity)

Refers to:

- Investments in infrastructure and activities for research & development (R&D), technological changes, and automation. Technologies that lead to smaller products cost and better quality
- Technologies that ensure more innovative products and services
- Technologies that "open" new distribution channels

Technological environment (continuity)

Refers to:

- Technologies that enable new ways of viewing & communicating with the customer
- Technological factors can cause and set new conditions for the launch of new market products to determine their adequate level production and therefore cost and lead to outsourcing decisions

In **natural environment** analyses, ecological issues and environmental interests are examined, such as climate change, which can affect areas such as security, crops, tourism, etc.

In addition, the information and awareness of the population on the dangers of human activity in the natural environment also impact how businesses operate. For example, companies that operate environmentally friendly enjoy the appreciation of environmentally conscious citizens.

The **environmental issues**, such as renewable energy sources and organic products, can create new markets.

In the **law environment** are outlined legal-legislative frameworks such as Commercial Law, labour laws, commission competition, the legislative arrangements for the protection of consumers and anything else related to the legislative context. They can indirectly affect the operation of a business.

Those who use the term PEST include the legal context in the political environment, although their separation clearly improves resolution

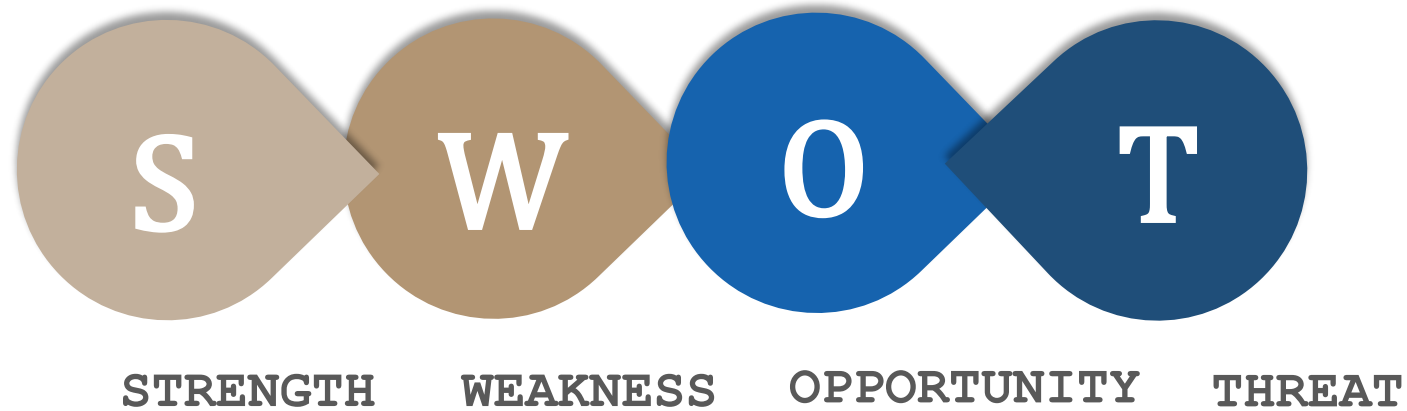
External environment



It should be noted that none of the above environments must be considered more important than the rest, as they all play a crucial role in operating businesses

SWOT Analysis

The **SWOT analysis** is a strategic planning tool used to analyze a company's internal and external environment when deciding its goals or aims. During the SWOT analysis, are examined the **Strengths** and **Weaknesses** of a business or organization, as well as the **Opportunities** and **Threats**.



SWOT Analysis



Strengths are considered comparative advantages of the business, which a company should be utilized and at the same time, an effort should be made to maintain and further develop them.

Weaknesses are considered those characteristics of the business for which improvement measures should be taken.

SWOT Analysis



Strengths and weaknesses emerge from analyzing the current situation regarding the internal environment, while the **opportunities** and **threats** from the external environment

SWOT Analysis - Examples

Strengths - Examples:

- For a large company: being known in the market
- For a small business: being flexible
- It has a good sales organization
- It has a good distribution network
- It has a Quality Image
- It produces its products in Greece



STRENGTH

SWOT Analysis - Examples

Strengths - Examples:

- Strong credit ability
- Existence of a patent or copyright
- Educated and trusted employees
- A business is in a good location
- Something that a company may offer which does no anyone else provides!



STRENGTH

SWOT Analysis Examples

Weaknesses - Examples

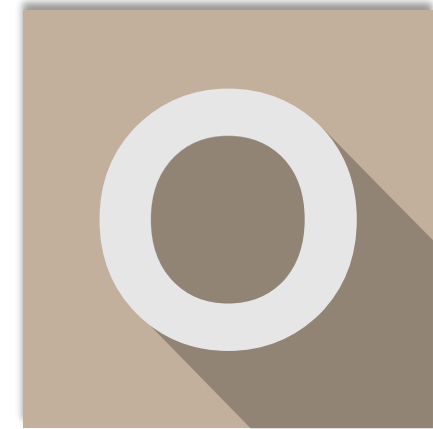
- For small business: being threatened by the big ones
- Inadequate sales organization
- Inability to hire suitable staff
- It has a poor-quality image
- It does not have a good distribution network or customer service network
- Only one production unit in an area with high labor costs. Poor financial management.
- Insufficient working capital
- Inability to collect debts from customers
- Non-adoption of marketing practices.
- Unskilled and untrained staff
- Problems in its operations (e.g. in production, distribution, promotion, pricing, etc.)



WEAKNESS

Opportunities - examples:

- The domestic currency "fell" as a result of which the company's products are more attractive abroad
- Changing eating habits
- Change in prevailing social conditions
- Abolition of customs duties in foreign countries

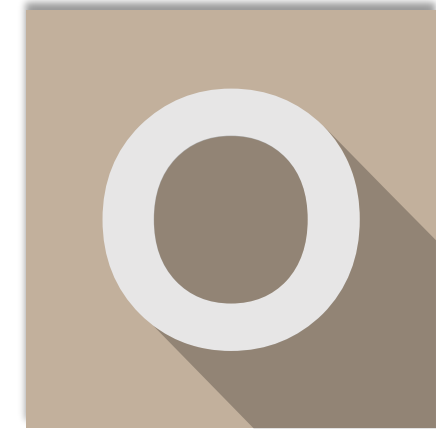


OPPORTUNITY

SWOT Analysis Examples

Opportunities - examples:

- Subsidies from National and European development programs (e.g. ESPA).
- Changes in consumer preferences
- The development of new distribution channels (e.g. through Internet, Social Media)
- Technological progress (new materials, new methods of production, intelligent systems, ai etc.).



OPPORTUNITY

SWOT Analysis Examples

Threats - examples:

- The business's most significant customer recently bought out one of its biggest competitors
- Foreign competitors build a factory in the country
- The bulk of the company's exports are sold in dollars (US)
- A competitor developed an innovation and dropped prices
- A global financial crisis.



THREAT

SWOT Analysis Examples

Threats - examples:

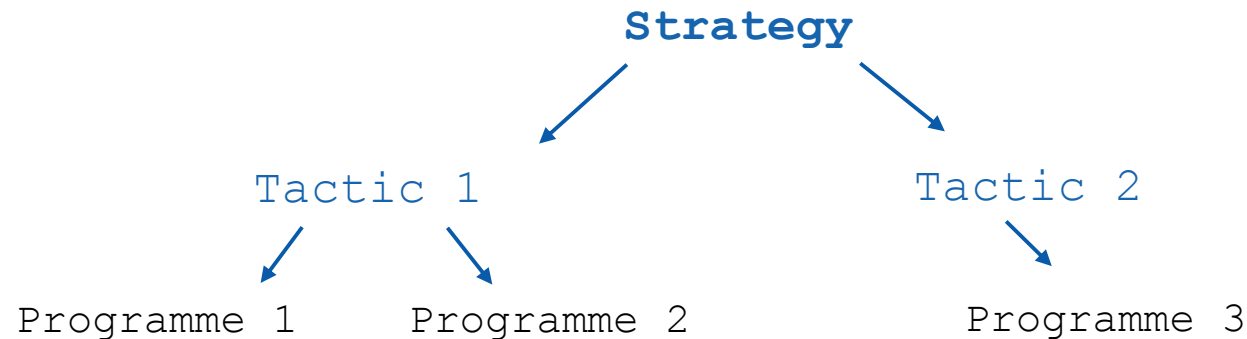
- A possible reduction in consumption.
- The increase in prices from Suppliers
- Changes in legislation (e.g. tax increase, etc.)
- International political and economic circumstances (e.g. terrorism, price oil increase, etc.)



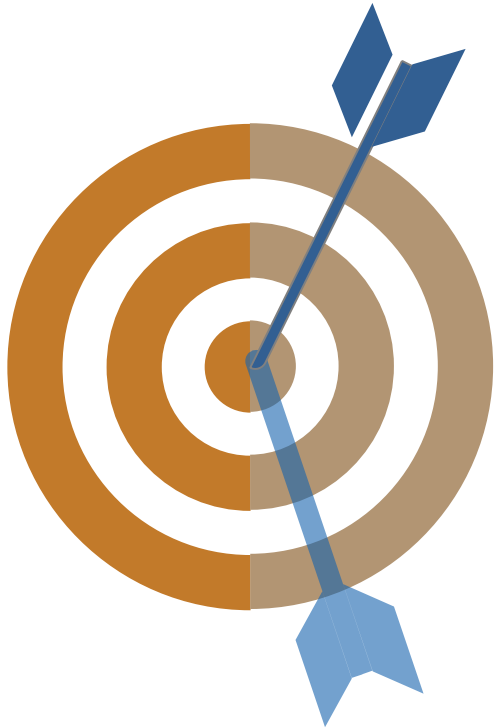
THREAT

Marketing Strategy

- **Strategies** refer to how we will implement the goals that have been set
- General strategies are converted into specific tactics and these into even more specialized programs of action



Marketing Strategies



➤ **Porter's Competition Strategy**

➤ **Matrix Ansoff**

i. Penetration Strategy - Market Concentration

ii. Product development strategy

iii. Market development strategy

iv. The strategy of diversification of activities

➤ **Segmentation, Targeting & Positioning of market:**

Marketing Strategy

Porter's Competition Strategy

According to Porter, there are four **basic competitive strategies**, and each organization can follow only one of them. These strategies are:

- Cost reduction across the industry
- Cost reduction in one sector of the industry
- Differentiation: best product-service across the industry
- Differentiation: better product-service in one sector of the industry

Marketing Strategy

Porter's Competition Strategy



Also, it is essential to mention that the strategy should be different from that of competitors as competitors can copy them effectively. Therefore, problems can arise in businesses or organizations.

Marketing Strategy

Porter's Competition Strategy

Organizations first analyze their industry's structure and position through

Porter's 5 forces model.

Then using this analysis, they formulate their competitive strategy.

Subsequently, they should then organize and develop their internal structure to effectively implement this strategy.

Marketing Strategy

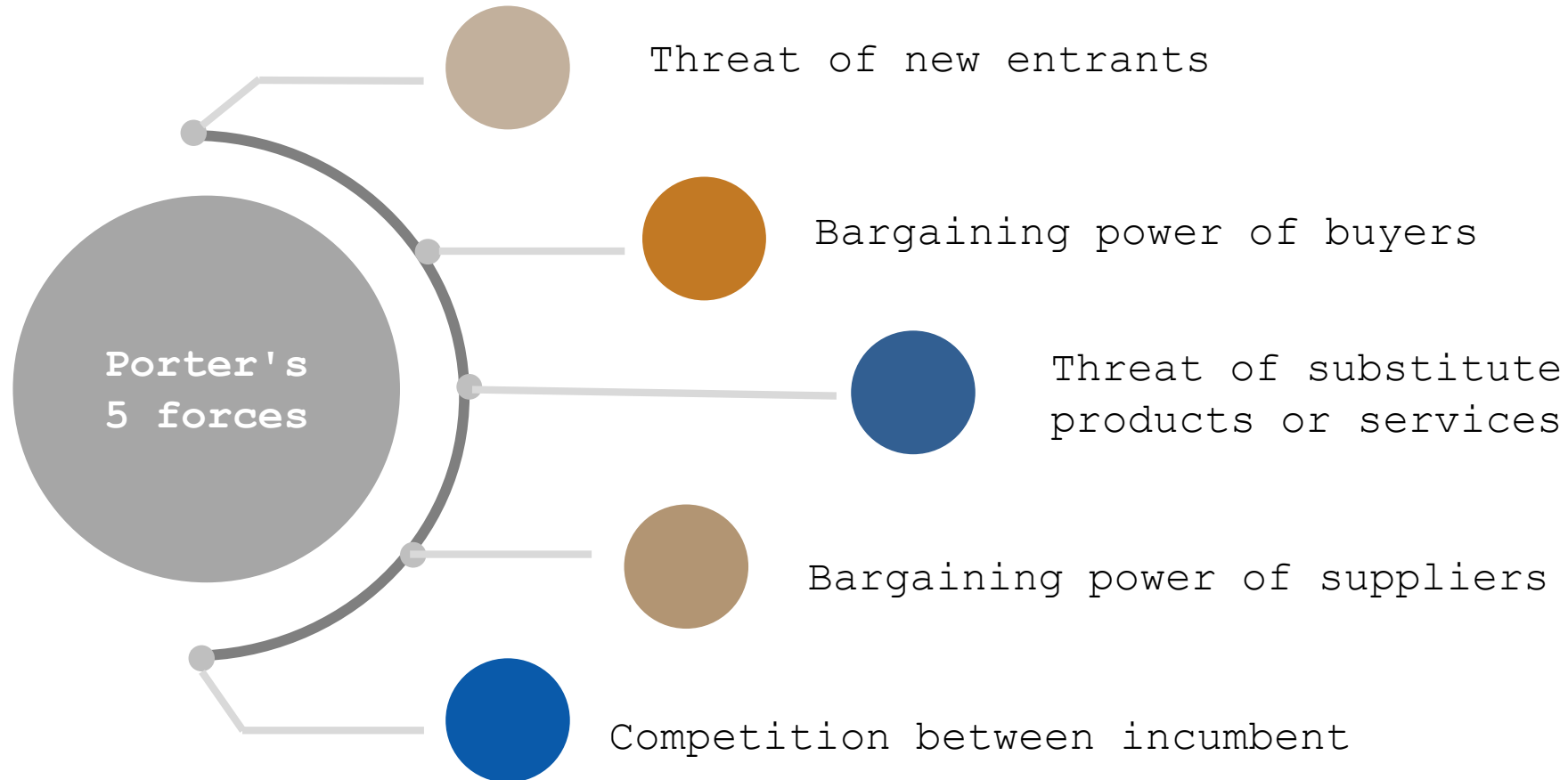
Porter's Competition Strategy

Porter's five forces is a model that identifies and analyzes five competitive forces that shape each industry and help identify its weaknesses and strengths. It often defines an industry's structure so that a company can determine its corporate strategy.

The five forces are:

Marketing Strategy

Porter's 5 forces model



Threat of new entrants: Companies that do not operate competitively in the industry can potentially do so.

Buyers' bargaining power : In some cases, customers may have bargaining power. As a result, they can reduce the industry's profits (a large number of orders, the existence of many competitors, economies of scale, etc.)

Threat of substitute products or services: Competitors' products can fulfill the same market needs at a lower cost or other advantages for the end consumer.

Bargaining power of suppliers: Suppliers' bargaining power: If suppliers raise their prices, they can cause a decrease in profits for firms in the industry. (when a product is vital for the business, when there are no other suppliers who can fulfil a specific order, etc.)

Competition between incumbent: The company's desire to increase its market share in their sector

Matrix Ansoff

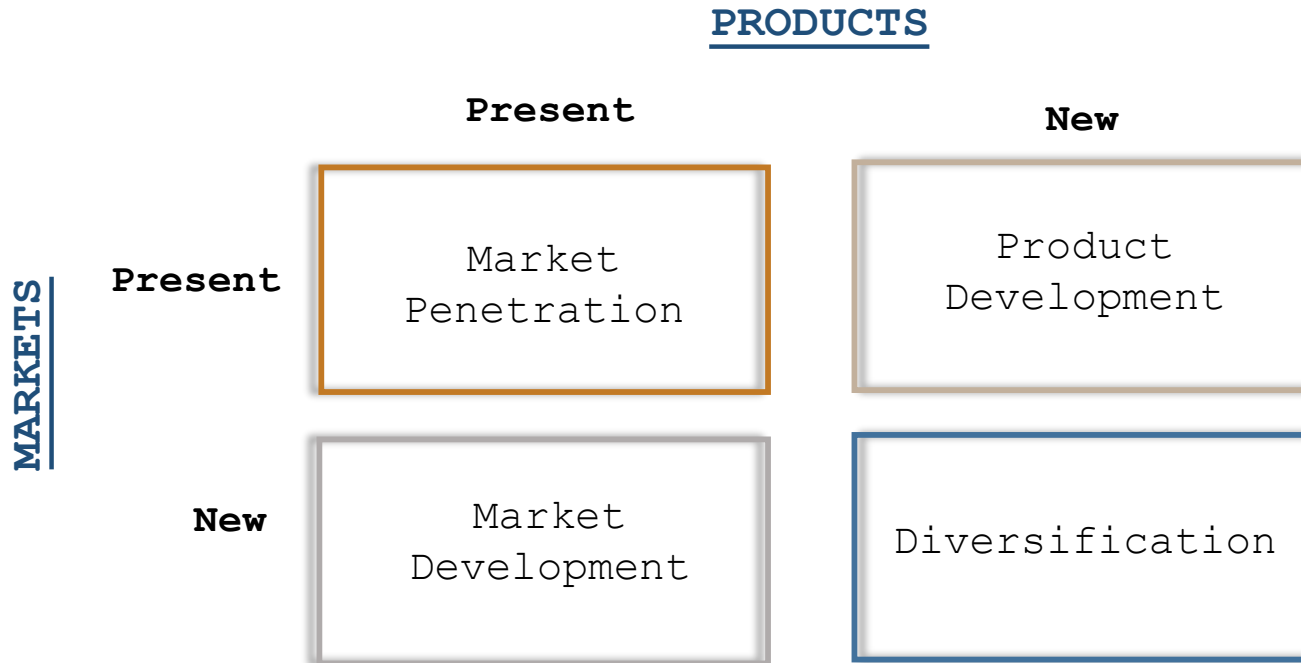
The **Ansoff matrix** is an essential tool of strategic marketing that helps choose growth strategies related to the market and the company's products. The product-market matrix examines the potential for developing existing and new products in existing and new markets, as well as the risk associated with each.

Therefore, marketing objectives are only about **products** and **markets**.



Marketing Strategy

Matrix Ansoff



Marketing Strategy

Matrix Ansoff

In this framework, Ansoff suggests four possible courses of action for a business:

- i. Penetration Strategy - Market Concentration:** It refers to the sale of existing products in existing markets
- ii. Product development strategy:** It refers to the creation of new products for existing markets
- iii. Market development strategy:** It refers to the sale of existing products in new markets
- iv. The strategy of diversification of activities:** It refers to the creation of new products for new markets.

Marketing Strategy

Matrix Ansoff - The market penetration-concentration strategy

I. The market penetration-concentration strategy is based on market penetration and focuses on selling existing products in existing markets in order to increase market share by using the company's existing resources.

This particular strategy is characterized as a low-risk strategy and is usually chosen first over the others. However, the possibility of achieving a high growth rate through this is very slight.

Marketing Strategy

Matrix Ansoff - The market penetration-concentration strategy

The **ways to achieve** the market penetration strategy are:

- By increasing the use of the product by existing customers,
- By reducing the size of the product,
- By attracting consumers who use competing products,
- By encouraging potential consumers to use the product,
- By lowering the price of the product, etc.

Marketing Strategy

Matrix Ansoff - The market penetration- concentration strategy

The **conditions for using** this strategy are the following:

- Current markets should not be saturated,
- The market needs to grow and the shares to decrease,
- Increase the product sales price without particular actions,
- To decline competitor's market share,
- To be able to increase consumption by existing consumers,

Marketing Strategy

Matrix Ansoff - The market penetration- concentration strategy

The **conditions for using** (continuity)

- There should be barriers to the new competitor's entry,
- To expect an increase in substitutes prices,
- To have economies of scale,
- There should be no alternative strategies that are considered more appropriate.

Marketing Strategy

Matrix Ansoff – Product development strategy

II. Product development strategy refers to developing new products or modifying existing ones to sell them in existing markets. This strategy has **three ways** of implementation:

- **Innovation:** development of new products to replace existing ones.
- **Modification:** increasing the value of the existing ones by creating new features.
- **Expanding** the range: product line extension

Marketing Strategy

Matrix Ansoff – Product development strategy

This strategy is used by companies with a significant market share that are trying to expand that share through new product development. This is a high-cost and high-risk strategy.

Marketing Strategy

Matrix Ansoff – Product development strategy

To use this method, we must know the following:

- ❑ The size of the market we want to invest in and the necessary market share in order to make the investment profitable,
- ❑ The competitors and their reaction time to our company's actions,
- ❑ The sales effect of new products relative to existing ones.

Marketing Strategy

Matrix Ansoff – The market development strategy

III. The market development strategy is based on the promotion of existing products in new markets, i.e. the product does not change but is made available to a different audience.

Marketing Strategy

Matrix Ansoff – The market development strategy

There are several ways this strategy can be implemented:

- By selling existing products in new geographic markets (nationally and internationally) where they do not exist.
- By winning customers who belong to other market segments
- By entering different distribution channels.

Marketing Strategy

Matrix Ansoff – The market development strategy

It is **ideal** when:

- There are new, not expensive and, at the same time, unreliable distribution channels.
- Businesses have excess capacity that needs to be channeled somewhere.
- There are untapped or unsaturated markets.
- Conditions have been created that facilitate it, such as new legislation that allows new sales.

Marketing Strategy

Matrix Ansoff – The differentiation strategy

IV. The differentiation strategy is based on selling entirely new products to new customers, i.e. moving away from a company's existing products and existing markets. Essentially, this is a more general direction of business development.

Marketing Strategy

Matrix Ansoff – The differentiation strategy

There are two types of strategic diversification:

- **Related diversification:** when a company develops in areas related to its previous business activity.
- **Unrelated differentiation** constitutes an entirely new activity with no similarities to other company activities.

Marketing Strategy

Segmentation, Targeting & Positioning of Market

4. Segmentation, Targeting & Positioning of market: The process of segmenting the market, targeting its segments and positioning the product is based on the fact that companies have limited resources and, consequently, cannot satisfy all the needs of consumers with a limited number of products or services.

Marketing Strategy

Segmentation, Targeting & Positioning of Market

The three steps of the process are carried out in order because a product cannot be positioned without first targeting a market segment, which has been selected after the process of segmentation analysis.

Marketing Strategy

Segmentation, Targeting & Positioning of Market

Segmentation

- a) Base identification & market segmentation
- b) Profile development of each resulting segment

Targeting

- a) Assess the attractiveness of each segment
- b) Select target segment or target segments

Position

- a) Identify possible placement ideas in each section
- b) Selection and development of the selected placement

Market Segmentation

The **advantages** of segmentation are the following:


- Better satisfaction of consumer needs
- Increasing profitability
- Greater growth opportunities
- Customer retention
- More targeted communication
- Opportunities to dominate the individual market segment

Marketing Strategy

Segmentation, Targeting & Positioning

Market segmentation can take the following four forms:

Market Segmentation

- 
- a) at the level of departments,
 - b) at the level of nests,
 - c) in local level,
 - d) at individual level.

Marketing Strategy

Segmentation, Targeting & Positioning

a) Segmentation at the level of departments

The concept of marketing department refers to a large group within the market. In market segmentation, a business agrees that buyers differ in their buying attitudes and power depending on their income, and they also have different desires and buying habits.

Consumers in each segment are considered quite similar in terms of their wants and needs, but they also have some distinct differences and are not identical.

Marketing Strategy

Segmentation, Targeting & Positioning

b) Segmentation at the level of "nests"

Nest Marketing is a more defined group within a segment and consists of consumers who may have more specialized needs for products than other consumers in the segment.

Marketing Strategy

Segmentation, Targeting & Positioning

b) Segmentation at the level of nests

The nest is a small market that is not served by competitive products. Nests are created by dividing a section into sub-sections or highlighting a group with specific characteristics. These groups have particular needs for goods or services with unique features.

Marketing Strategy

Segmentation, Targeting & Positioning

b) Segmentation at the level of nests

An example of a “nest” is a particular group of tourists who, during their vacations, have specific nutritional needs due to health problems, such as high blood pressure, diabetes, etc.

Nest marketing is a **valuable tool for small businesses** which have realized nests needs, because several consumers are willing to pay more for better services or products.

Marketing Strategy

Segmentation, Targeting & Positioning

c) Segmentation in local level

Local Marketing can provide a powerful force to the businesses that follow it. This type of marketing has been designed and adapted for a specific area - neighborhood, resulting in immediate consumer response.

c) Segmentation in local level

First must be defined the boundaries of the local area must be. Is this a local community? Suburb, state or country?

A company knowing this information can decide, for example, which media (local newspapers, local radio) it should be used in or to promote its products or services locally.

d) Segmentation at individual level

Individual marketing: This marketing technique refers to an era where the absence of technology, and therefore a lack of machinery, forced consumers to be served individually. For example, a tailor sewed clothes, a shoemaker made shoes, etc., so everyone had a service tailored to their requirements.

This particular technique still appears today for different reasons and to meet different needs.

Marketing Strategy

Segmentation, Targeting & Positioning

Segmentation Method

Business managers can identify market segments through various methods and variables. The primary method for determining the essential segments involves the following stages:



Research



Analysis



Profiling

Marketing Strategy

Segmentation, Targeting & Positioning

Segmentation Method

Research: Every marketing researcher is informed about consumers' motives, attitudes and behaviour through interviews and discussions with consumers or questionnaires. Based on this process, valuable data can be collected, such as how to use the product.

Marketing Strategy

Segmentation, Targeting & Positioning

Segmentation Method

Analysis: In this phase, the researcher analyses the data collected from the research. Firstly they identify the factors that show the most significant correlation with each other and then create several sections that differ significantly from each other.

Creating a **profile:** each group of consumers that has emerged from the research and analysis is characterized by a profile based on their characteristics or behaviour.

Marketing Strategy

Segmentation, Targeting & Positioning

Segmentation Variables

In order to segment the consumer markets, two groups of variables are used, which are related to the characteristics of the consumers. The first group, is mainly associated with consumers' **geographical**, **demographic** and **psychographic characteristics**.

Marketing Strategy

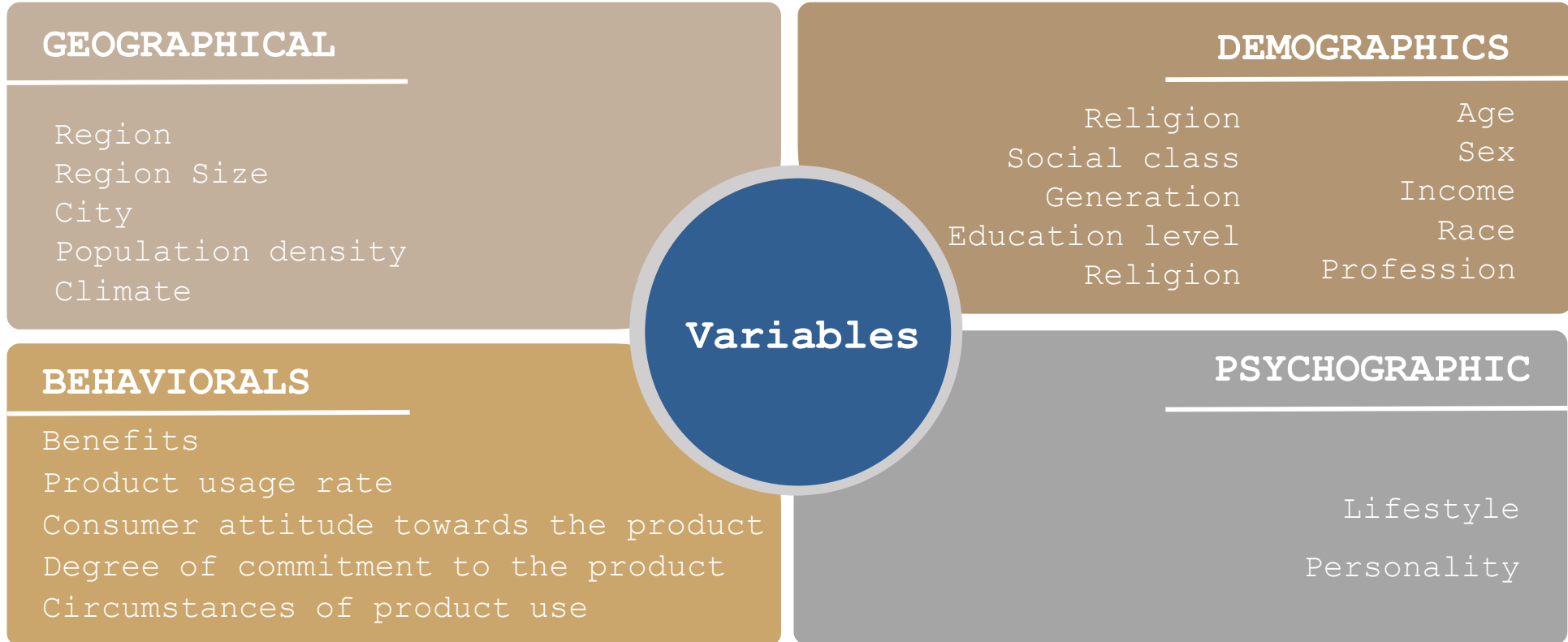
Segmentation, Targeting & Positioning

Segmentation Variables

The second group involves consumer's **reactions** and **behaviour** in the framework of the benefits that consumers seek from consuming particular goods, the circumstances in which they use them or the brands they use

Marketing Strategy

Segmentation, Targeting & Positioning



Industrial Market Segmentation:

There are many possible dimensions of Segmentation in industrial markets. Among them are:

- Type of buyer-seller relationship - relationships can vary from weak to strong loyalty to a supplier.
- Customer type - customers may be segmented according to whether they are service providers, government agencies, or industries.
- Demographic variables include geographic locations, company size, or industry.

Industrial Market Segmentation:

- How the customer will use the product - the product will be used in an installation as a component or raw material.
- Type of buying situation - some characteristics of the buying situation may include the number of people involved in the purchase or whether the buying process is centralized or decentralized.
- Shopping methods refer to factors such as whether the buyer uses promotions, supplier analysis, e-commerce sites, or other shopping methods.

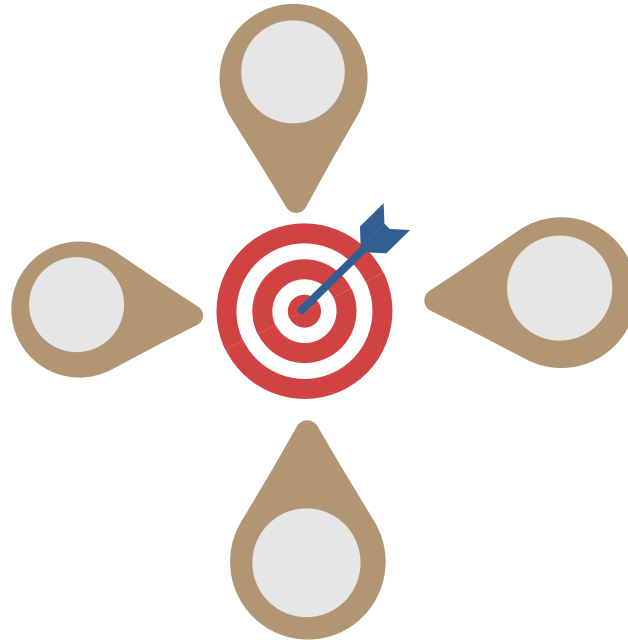
Marketing Strategy

Segmentation, Targeting & Positioning

TARGETING

Undifferentiated marketing

Aggregate or focused marketing



Differentiated Marketing:

Focused Marketing

Targeting

Undifferentiated marketing: The business ignores what can differentiate consumers and focuses on what they have in common. It targets a large number and range of consumers.

Differentiated Marketing: The firm targets more than one market segment and develops different products and different marketing mixes for each market segment.

Marketing Strategy

Segmentation, Targeting & Positioning

Targeting

Concentrated or focused marketing essentially involves concentrating the company's means and resources on one or two market segments and targeting a leading position. It is suitable when business resources are limited.

Focused marketing: The business targets small markets that have highly specialized needs.

Marketing Strategy

Segmentation, Targeting & Positioning

Positioning definition:

Positioning defines the product's positioning in the mind of the average consumer of the target market. It can be accomplished by making the consumer perceive the product the way the company wants. There are **four primary** positionings:

- The best position
- The competitive position
- The Niche Position
- The new category

Marketing Strategy

Segmentation, Targeting & Positioning

Positioning

The process of placing a product on the market involves **developing a set of attractive opportunities** in the company's objectives and development strategies.

It is followed by the analysis of the competitors to identify the weaknesses of each competitor separately and exploit its capabilities business, in such a way as to differentiate the company from its competitors.

Positioning

The steps in the Positioning process are the following:

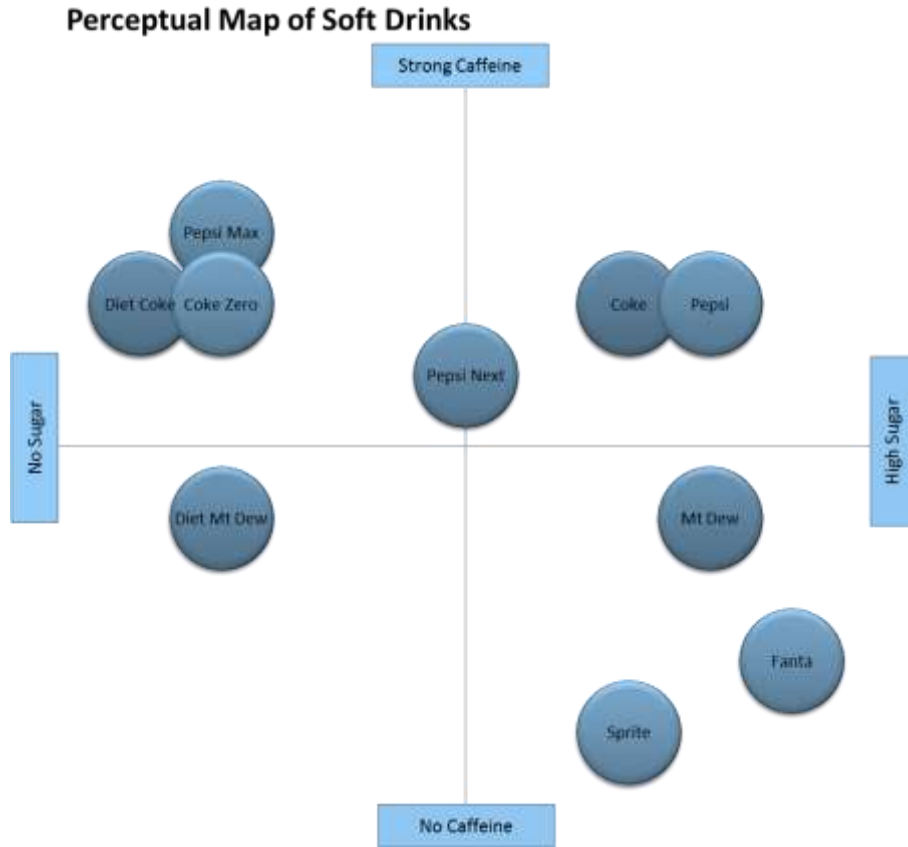
1. Identification-location of competitors.
2. Determining how the consumer perceives and evaluates the competitors.
3. Determination of competitors' positions.
4. Analysis of consumers - customers.
5. Choice of product location of the business.
6. Monitoring of the position.

Positioning

The **Perceptual Maps** is the methodological tool that associated with Positioning. Successful Positioning of a product on the market, presupposes conquering a separate section in the consumer's mind about the competitive ones.

Marketing Strategy

Segmentation, Targeting & Positioning



Example:
Diet Coke **Vs** Coca-Cola Zero
Brand Positioning -
Perceptual map Coca Cola

Marketing Objectives

Marketing objectives are actionable targets designed to provide overall direction and clear and specific actions. The marketing objectives must be **“smart”**:

SMART

Marketing Objectives

Specific: What specific variables (e.g. awareness/surprise/persuasion etc.)

Measurable: How will we measure these variables?

Achievable: Is such a goal achievable?

Realistic: Is it realistic? Is it relevant to the brand and the overall competitive context?

Targeted/**T**imed: Who is the audience? In what time frame should it be achieved?

SMART

Marketing Objectives

Marketing Objective: determination of marketing objectives in the sectors of:

- Prospects of the target market
- Promotion Objectives
- Distribution channel objectives
- Objectives of market research
- Research and development objectives
- Other Goals (e.g. New Partnerships)

Marketing Strategy

Budget

Based on the company's goals, marketing managers must develop a set of pricing goals and policies:

Pricing objectives and policies should formulate:

- How flexible prices will be,
- At what levels will prices be set during the life cycle of the product
- When and to whom will be given discounts and allowances
- How will be handled the shipping costs

Prices reflect many dimensions, affecting customer value and purchasing behaviour.

Marketing Strategy

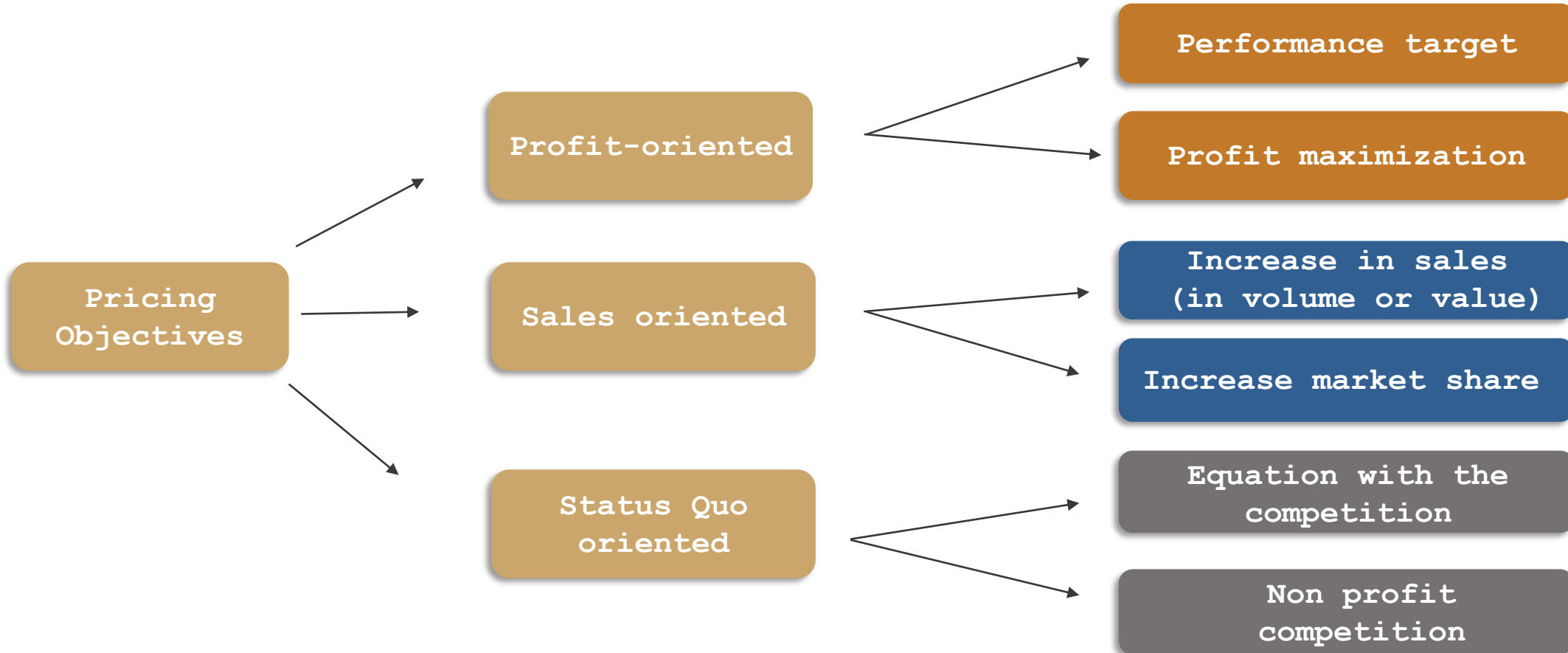
Budget

Pricing goals should flow from, and match with corporate and marketing goals. They must be clearly stated because they directly affect pricing policies and also the methods used to set prices.

Pricing policies also affect other aspects of the marketing mix as marketing managers use strategic planning to support the information communicated to consumers through product price.

Marketing Strategy

Budget



PROFIT ORIENTED OBJECTIVE

A performance target has managerial advantages in the framework of a large company, as actual performance can be compared to the target.

Some companies eliminate departments or products that do not achieve their performance goals, while in other cases, executives aim for merely satisfactory performance, seeking that this performance will ensure the survival of the company

PROFIT ORIENTED OBJECTIVE

A profit maximization objective is to make as much profit as possible.

This pricing does not always lead to high prices. Low prices can expand the market size and result in sales and profits.

If one company makes big profits, other companies will try to copy or improve its offers. Often this leads to lower prices.

SALES ORIENTED OBJECTIVE

A sales-oriented objective is to achieve a certain level of sales (in units or value) or to increase market share - without reference to profits.

Some businesses are more concerned with increasing sales than profits, believing that growing sales always means more profits. This is sometimes true in the short term. But in the long run, such an approach can cause problems when the company's costs increase faster than sales.

Marketing Strategy

Budget

SALES ORIENTED OBJECTIVE

As many companies face periods of declining profits, despite an increase in their sales, management should pay more attention to profits and not just focus on sales.

SALES ORIENTED OBJECTIVE

Many companies are trying to get a particular market share (percentage). A firm with a large market share may have better economies of scale than its competitors.

A company with a long-term perspective may aim for an increased market share in a growing market, hoping that future sales volume will justify the short-term profit sacrifice.

Market share goals have the same limitations as sales growth goals. If achieved at a minimal price, a larger market share can lead to unprofitable "success".

STATUS QUO OBJECTIVES

Companies that are satisfied with existing market share and profits sometimes adopt status quo objectives. They may want fixed prices or prices at competitor levels or even avoid competition.

A status quo oriented price target, can be part of an overall aggressive marketing strategy that focuses on non-price competition.

Marketing Strategy

Pricing

Pricing policies usually lead to controlled prices - prices that are set consciously. Many companies, instead of leaving the daily market forces (or auctions) deciding on the prices, set them themselves.

They may hold their prices constant for an extended period of time or change them more often if needed to achieve goals. However, they cannot always achieve this, as, at the same time, other businesses try to control prices.

Marketing Strategy

Pricing

Some other companies don't even try to check prices. They adopt the competition's levels or, even worse, try to exceed their costs without considering the issue of demand. They act like they have no choice in pricing.

One of the first decisions a marketing manager must make is whether to adopt the one-price or flexible-price policy.

Marketing Strategy

Pricing

One-price policy means that all customers who buy products under the same conditions and in the exact quantities are asked to pay the same price.

In the USA, most businesses use the one-price policy - for administrative convenience and maintaining also a favourable climate among customers.

Marketing Strategy

Pricing

Flexible-price policy means that different customers pay different prices for the same products in the same quantities.

Decisions focus more on the types of customers and the discounts that will correspond to them.

Marketing Strategy

Pricing

The advantage of **flexible pricing** is that the seller can adjust the price based on competitors' prices, the customer's relationship, and the customer's bargaining power.

Marketing Strategy

Pricing

However, the **disadvantage of flexible pricing** is that customers may become disgruntled if they find out that others paid a lower price for the same marketing mix, which may cause intense conflict within the channel.

For example, a supermarket chain may stop stocking a supplier's products who refused to offer the same prices as another supermarket chain.

Marketing Strategy

Pricing

The skimming-price policy tries to sell at the top (foam) of the market - at the top of the demand curve - at a higher price before targeting more price-sensitive customers.

Skimming can maximize the profits of an innovative product during its market entry stage. It's also a good policy if a business doesn't know enough about the product demand curve, as sometimes it's safer to start pricing at a high price, which can be lowered if customers react negatively.

Marketing Strategy

Pricing

The skimming-price policy is often criticized, mainly when companies use the skimming-policy on new products that have social utility, such as a life-saving medicine protected by a patent. Many people who need this medicine may not be able to afford it.

On the other hand, problems can be raised if companies are not motivated to take risks and develop new products.

Marketing Strategy

Pricing

The penetration pricing policy tries to sell to the whole market at a low price. This approach may be an appropriate choice when the market elite - those who are willing to pay a high price - consists of very few people.

A penetration policy is even more attractive when selling a more significant quantity entails lower costs due to economies of scale.

Marketing Strategy

Pricing

The penetration pricing policy can also be an appropriate choice if the company expects intense competition after entering the market.

Of course, even a low penetration price does not permanently drive competitors out of the market. Product life cycles are constantly evolving. However, the company that succeeds in leading the way in a new market often maintains its advantage.

Marketing Strategy

Pricing

Low prices attract customers. Thus, marketing executives often use introductory price dealing. That is temporary price reductions for quickly entering products into a market and achieving consumer testing.

However, these temporarily reduced prices should not be confused with low penetration prices. By then, the company hopes that customers will have decided it's worth repurchasing the product at its regular price. Market entry price offers must be part of a broader marketing strategy.

Marketing Strategy

Pricing

The established competitors usually choose not to follow the introductory price dealing of new firms - as long as the entry period does not last long or is highly successful.

Some competitors make introductory price dealing on the framework of entry-level offers in order to discourage their customers from shopping elsewhere.

Pricing

Discount policies

The basic list prices are the prices that end customers or users are usually requested to pay for the products. Discounts are reductions in the list price that a seller makes to buyers and are very useful in strategic planning.

The quantity discounts are made in order to encourage consumers to purchase larger quantities. There are two types of quantity discounts: the cumulative and noncumulative quantity discounts.

Marketing Strategy

Pricing

The cumulative quantity discounts apply to purchases over a given period of time - for example, a year - and the discount increases as the quantity purchased increases.

These promotions encourage repeat purchases by reducing the cost of additional purchases for the customer. It is a way of achieving loyalty and an ongoing relationship with the customer.

Marketing Strategy

Pricing

The noncumulative quantity discounts apply to individual orders only. Such discounts encourage greater purchase volume but do not connect the buyer with the seller after making a purchase.

Seasonal discounts are offered to encourage consumers to buy something earlier than according to existing demand. This type of discount tends to normalize sales over the year.

Service companies face irregular demand and often use seasonal discounts.

Marketing Strategy

Implementation & Control

A marketing plan is a powerful tool. As important as it is to draw up a comprehensive, realistic marketing plan, it is equally important to monitor its implementation and the degree of achievement of its objectives and to update it whenever necessary.

Marketing Strategy

Implementation & Control

Monitoring and reviewing the program implementation progress of a marketing plan:

- Review progress by reporting period
- Comparison results regarding target
- Identifying the points that show time, quantitative or qualitative deviations and lagging issues
- Identifying any problems and risks to achieving the design
- Implementation of corrective actions

Marketing Strategy

Implementation & Control

The basic questions for the application of a marketing Plan are:

- ✓ Who is responsible for completing the design and the implementation of MKT programs?
- ✓ Who is responsible for each part of the marketing plan?
- ✓ How often is the planning process carried out?
- ✓ Who is responsible for evaluation and approval of marketing plans?
- ✓ What mechanisms do we have for the evaluation and the control of the realization and execution of its programs marketing plan?

Marketing Strategy

Contingency Planning

- What should be done when something goes wrong?
- It is essential to have an optimistic scenario, a standard scenario and a pessimistic scenario
- The contingency plan can emerge from the threat review
- It is also essential to develop a crisis management plan



Chapter: 3. Case Study*

** Source: Papachristoforou Christina, 2019,
Developing a business plan for the creation of a
standard production unit and functional &
innovative development of agri-food products*

Marketing Strategy

Case Study

The case study concerns a family business that operates in the Laconia area and deals with innovative agri-food products.

Purpose & Mission

The company's philosophy is that the consumer should be able to meet his biological needs with superior quality products by knowing who, where and how these products are produced and developing a relationship of trust between the company and the producer.

The company's purpose is to create a firm brand name promoting modern functional, and innovative agro-food products, with an emphasis on olives and citrus fruits with their ingredients, derivatives and by-products.

Current Situational Analysis

Nowadays, this family business owns 130 acres of olive and orange groves, from which an average production of 450 tons of citrus fruit and 7 tons of olive oil results annually.

Within the next five years, a further increase in production of approximately 45-50% in olive oil is expected due to new indoor plantings that have been carried out on its lands.

Current Situational Analysis

It produces and markets agricultural products in their primary form while standardizing and promoting certified functional food with a health claim. More specifically, currently available for retail and wholesale:

- Extra virgin olive oil for wholesale
- Standardized extra virgin olive oil, low acidity

Current Situational Analysis

- Standardized gourd oil, with extremely low acidity and a high concentration of polyphenols
- Standardized dried olive leaves for decoction in a 30gr package.
- Citrus fruits (oranges - tangerines) for wholesale sale



STRENGTH

SWOT Analysis - STRENGTH

- Satisfactory availability of A' materials of high nutritional value
- Environmentally friendly production method - Integrated Management System
- Conditions, know-how and innovative ideas for creating new products
- Low cost of production of the new products due to company's own A' materials.

SWOT Analysis - STRENGTH

- Full product traceability system
- The location of the production units: Different areas with different microclimate - a variety of aromas in products but also its avoidance in the event of a total disaster, as well as easy access to productive units to collect and direct the processing and storage of products



STRENGTH

Marketing Strategy

Case Study

SWOT Analysis - WEAKNESS

- Need for capital to set up facilities and purchase of specialized mechanical equipment
- New Brand name in the market
- Workers without specialized knowledge of the cultivation processes and the standardization processes



WEAKNESS

SWOT Analysis - WEAKNESS

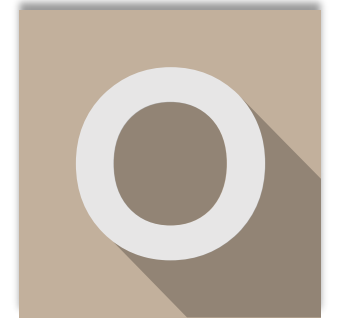


- Out-of-date training program for workers.
- Burden of production costs because the olive oil is extracted and standardized in external partners
- Absence of previous experience with standardization and promotion of the same brand name

Marketing Strategy

Case Study

SWOT Analysis – OPPORTUNITY



OPPORTUNITY

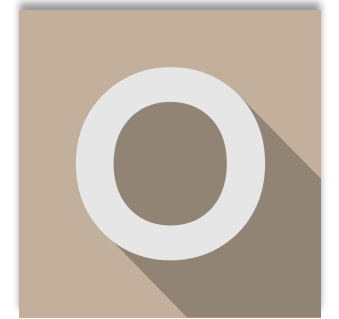
- Growing demand for organic food
- Subsidies from National and European development projects
- Perspective for collaboration with the research centre of the country
- Prospect to cooperate with producers from the broader region of Laconia to dispose of their product

Marketing Strategy

Case Study

SWOT Analysis – OPPORTUNITY

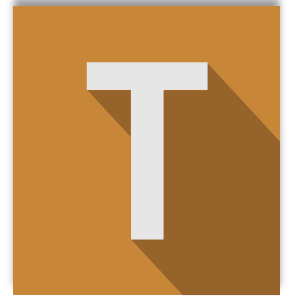
- The global trend for search foods of high nutritional value and the recognition of the value of Laconians products
- Trend of the new generation of Greeks consumers to support domestic products



OPPORTUNITY

SWOT Analysis – THREAT

- Unfair competition
- Increase in olive oil production worldwide
- Uncertain & constantly changing tax system in Greece.
- High dependence on quality and quantity of production due to climatic conditions or other unpredictable factors.
- High competition in Greece and abroad from multinational companies with a long-term presence in the market



THREAT

Marketing Strategy

Segmentation: Demographic & Behavioral criteria

The company will address mainly the family heads (especially women) aged 30-60, of medium and high economic status and with high or higher education, who are informed about new products and making their purchases in specialized market stores and via the Web.

These consumers are price-conscious and consistently look for value in their purchases. They are informed and are sensitized on nutrition and health issues. They recognize the contribution of agricultural products and include them in their daily diet in order to prevent diseases and enhance their health.

Segmentation – Geographical criteria

Currently, customers (retail and wholesale) are located across Greece, the United Kingdom, France, Romania and Sweden. However, the future target is the consumers of northern Europe (mainly Germany, Belgium and Poland) due to their growing preference for Greek agri-food products and raising awareness of functional foods.

Subsequently, the company will attempt to penetrate a part of the American market

Pricing Strategy

At the framework of Marketing Strategic, the company will follow penetration pricing. The goal is to offer high-quality products at a very competitive price. This combination will help the company to enter the market in order to create loyal new customers from scratch.

The final prices will be formed by calculating the unit cost, the desired profit margin, the competitors' prices, and the transport and marketing costs.

Promotion and Distribution

To publicize both the brand name and its products, the company intends to follow a series of traditional and non-traditional tactical marketing in order to create a valuable network of buyers, resellers and promotion media.

Interreg
Greece-Bulgaria
European Regional Development Fund



THANK YOU!

