

# **Strategic Planning Process in Industrial Marketing**

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# Strategic Planning Process in Industrial Marketing

## Stage 4: Strategic Choices

*This stage has four steps:*

1. Product and new product strategies.
2. Pricing policies and strategies.
3. The promotional plan and
4. The distribution plan.

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## Product and New Product Strategies

*Product strategy recognition needs to be given to the three interrelated elements of the product*

- (i) The product physical attributes including its performance, style and quality.
- (ii) The benefits or 'bundle of satisfactions' that it delivers to the buyer and
- (iii) The marketing support services such as delivery, installation and after-sales service.

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*Two ways in which new products are added in industries:*

## **1. Acquisition:**

- (a) The organization can buy other Firms
- (b) It can buy a license or franchise and
- (c) It can buy patents.

## **2. Internal new product development.**

**This can be done in two ways:**

- (a) Products developed by in-house R&D.
- (b) Products developed by outside agencies.

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## 2. Pricing Policies and Strategies

*Prices are influenced by some significant factors:*

- (i) Corporate objectives
- (ii) Competitive stance
- (iii) Nature and structure of competition
- (iv) Product life-cycle
- (v) Customers and negotiations
- (vi) Government regulations and
- (vii) Industrial consortiums.

***Because of its flexibility, price can be used in a variety of ways as a tactical weapon, including boosting short-term sales and reflecting geographical or segmentation differences.***

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## 3. The Promotional Plan

Marketing communications represent the most visible face of the organization. The relationships that exist between the communications or promotions mix and the other elements of the marketing mix



*Fig.5.9 : The Promotions mix and its contribution to marketing strategy*

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## 4. The Distribution Plan

*The distribution plan focuses on the set of decisions relating to the processes which are concerned with the flow of supplies, intermediaries and end users.*

*Major decision areas in channel management are-*

- formulating the channel strategy
- designing the channel structure
- selecting and motivating the channel members
- co-ordinating channel strategy with the marketing mix
- evaluating channel member performance.

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## Stage 5: Strategic Evaluation

*Strategic evaluation criteria-*

<b>Financial</b>	<b>Non-financial</b>
Liquidity	Sales volume
Cash generation	Market share
Profit	Growth rate
Cost leadership	Risk exposure
Earnings per share	Competitive position
Shareholders value	Customer satisfaction
Share price	Reliance on new products

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## State 6: Strategic Implementation and Control

The pressures on marketing organizations are as shown in Figure and have significant implications for marketing planning and control. The strategists must develop understanding, a commitment and skill to deal proactively with new situations



**Thank You**