



# MARKETING STRATEGY

O.C. Ferrell • Michael D. Hartline • George H. Lucas Jr. • David Luck

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O.C. Ferrell  
Colorado State University

Michael D. Hartline  
Louisiana State University

George H. Lucas Jr.  
U.S.Learning, Inc.

David Luck  
Southern Illinois University

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## **Dedication**

*To my wife, Linda*  
— O.C. Ferrell

*To my wife, Marsha, and my daughters, Meghan and Madison*  
— Michael Hartline

*To my wife, Linda, and my sons, Taylor and Austin*  
— George Lucas

*To my wife, Adele*  
— David J. Luck

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# PREFACE

*Marketing Strategy* provides a practical, straightforward approach to analyzing, planning, and implementing marketing strategies. Our focus is the creative process involved in applying the knowledge and concepts of marketing to the development of marketing strategy. Integration of marketing's many decisions and coordination with functional areas of business are important to the success of both companies and nonprofit organizations. Twenty-two cases are available in this book to prepare students in critical thinking, decision making and the development of an entrepreneurial spirit.

*Marketing Strategy* provides a comprehensive framework for the development of competitive marketing strategies that achieve organizational goals and objectives and build competitive advantage. The core of our strategic market planning framework is the organization's analysis of internal strengths and weaknesses and external opportunities and threats (SWOT analysis). Our framework describes all the activities and processes necessary to develop a marketing plan, including the implementation, evaluation, and control of a firm's marketing activities. We stress that effective marketing strategies and plans are developed in concert with the organization's mission and goals as well as plans from other functional areas. The end result of the strategic market planning process is an overall strategic market plan that outlines the activities and resources required to fulfill the organization's mission and achieve its goals and objectives. We offer many examples of successful planning and implementation to illustrate how to capitalize on an organization's strengths and gain competitive advantage.

## **Purpose**

This book was written to address the challenges of strategic market planning in a rapidly changing environment. We view strategic market planning not only as a process for achieving organizational goals, but also to build long-term relationships with customers. Creating a customer orientation takes an imaginative, visionary, and courageous leader, one who is capable of relinquishing control over the organization. We have therefore integrated the importance of customer orientation throughout the entire text. Topics such as creating a competitive advantage based on customer value, the implementation process, and the internal marketing process are thoroughly covered. We have also included social, ethical, electronic commerce, and global considerations throughout the text as well as covered specifically in Chapter 10. Addressing these issues in strategic market planning can help organizations gain competitive advantage in our dynamic marketing environment.

While our framework provides for the use of sophisticated research and decision-making processes, we have employed a practical perspective that will permit marketing managers in any size organization to develop and plan a marketing strategy. We have avoided esoteric, abstract, and highly theoretical material that does not relate to typical marketing strategy decision making in most organizations. The marketing plan template that we include in Appendix B has been used by a number of organizations in successfully planning their marketing strategies. Many companies report

great success in using our planning approach partially due to the ease of communicating the plan to all functional areas of the business.

### **Target Audience**

This text is relevant for a number of educational environments, including undergraduate, graduate, and corporate university courses. At the undergraduate level, it is appropriate for the capstone course or any second-level integrating course, often labeled “marketing management,” “marketing strategy,” or “marketing policies.” At this level, it provides an excellent framework to use with cases and/or a computer simulation approach to teaching. At the graduate level, the book is appropriate for courses dealing with strategic market planning, competitive marketing strategies, or as a supplement for any course that takes a case or computer simulation focus. A growing segment of the market, corporate training can utilize this text when educating business professionals who are developing marketing plans of their own or interpreting and implementing the plans of others.

### **Cases**

Most of the cases in the text were written specifically for this book and describe the strategic situations of real-world, identifiable organizations. All of the cases were updated to Spring 1998. Because these cases feature real companies, students have an opportunity to update them, using the library or company Web sites, to find the latest information. In addition to cases prepared specifically for this book, instructors can customize a casebook from the cases listed on the Dryden case library at <http://www.dryden.com/mktng/marketingcase/>. Many additional resources for students can be found at the text’s web site at <http://www.dryden.com/mktng/ferrell/>. These resources include a guide for analyzing and preparing case studies as well as links to company Web sites for all cases.

### **Key Features of Marketing Strategy**

- Twenty-two cases providing up-to-date opportunities to apply the text material to real world situations. A final integrating case can be used for an independent case study or as the background for developing a marketing plan.
- An emphasis on the development of the marketing plan, including the “how” and “why” of each of its component parts. The SWOT (strengths, weaknesses, opportunities, and threats) analysis approach to marketing planning used in the text is both powerful and easy to use.
- A detailed and comprehensive set of Marketing Plan Worksheets provided in Appendix A helps to ensure that students and/or managers do not omit important factors in developing strategic marketing plans. It is also useful for organizing the vast amounts of data and information collected during the marketing planning process.
- An example marketing plan, provided in Appendix B, illustrates the format and writing style used in creating an actual marketing plan document.
- Integration of the global aspects of marketing planning throughout the text, with more detailed coverage provided in Chapter 10. Many of the cases focus on global marketing issues and decisions.

- Coverage of ethics and social responsibility issues in Chapter 10 that will help satisfy AACSB requirements in this important area. A specific case, Columbia HCA provides an opportunity to explore the relationship of marketing ethics and marketing strategy.
- Coverage of the role of electronic commerce and the Internet is discussed in Chapter 10. The collection of relevant data and information through electronic sources is thoroughly discussed in Chapter 3.
- Examples of the challenges that real organizations face as they engage in strategic marketing planning and management. Well-known companies such as Apple Computer, Home Depot, Wal-Mart, Kodak, and Microsoft illustrate many of the issues faced in developing marketing strategy.
- A completely user-friendly text that is both easy to read and understand, with numerous exhibits, a complete subject index, and familiar marketing terminology.
- A state-of-the-art Web site to support the text material and cases.

For students, the Web site provides the following:

- Additional reading material not found in the text, including a tutorial on how to perform case analysis.
- Online exercises for each chapter in the text.
- Links to useful Web sites, including important sources of research data and information.
- Online exams to help prepare students for actual course exams.
- A downloadable, electronic version of the marketing plan Worksheets found in Appendix A.
- Helpful information on choosing a marketing career, developing an individualized marketing plan, and finding a good marketing job.

For instructors, the Web site provides the following:

- Password-protected site
- Additional reading material not found in the text
- Downloadable, electronic versions of the lecture outlines and case notes from the Instructor's Resource Manual. These additional materials can be downloaded for editing before using them in the classroom.

### **Instructor's Resource Materials**

The Instructor's Resource Manual with text bank and case notes for *Marketing Strategy* is available to assist the instructor using our text. We provide the following teaching aids:

- Detailed lecture outlines to guide class discussion. The outlines can be used to review chapter content quickly before class or to gain an overview of the entire book. These outlines can also be downloaded from our text's Web site. Instructors can download the outlines and add their own personal notes and examples before class.
- A test bank consisting of multiple choice and discussion questions.
- Case teaching notes that provide a uniform format to help the instructor evaluate cases before use, or to assist instructors in leading case analysis and class



discussion. These case notes are also available on our text's Web site. While there are many approaches to using cases in class, our notes are designed to help the instructor identify key issues and alternatives as they relate to the content of the case and corresponding text chapters.

- Transparency masters from the exhibits and tables in the text. Through the use of the text's web site, instructors can also download additional presentation materials that are not found in the text.
- In addition to these materials, additional instructional aids can be found on our text's web site, <http://www.dryden.com/mktng/ferrell/>. Professors may choose from any of these teaching materials, tailoring them to their specific goals and course schedules. In addition, the text and cases may be supplemented with articles, business simulations, and/or videos.

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# ABOUT THE AUTHORS

**O.C. Ferrell, Ph.D.**  
***Colorado State University***

O.C. Ferrell (Ph.D., Louisiana State University) is a Professor of Marketing and Business Ethics at Colorado State University. He is a past president of the Academic Council of the American Marketing Association. He chaired the American Marketing Association Ethics Committee that developed the AMA Code of Ethics and more recently co-chaired an AMA Marketing Exchange Colloquium in Vienna, Austria. He is co-chair of the 1999 Academy of Marketing Science Annual Conference. He is also a Southern Marketing Association Fellow and a Southwestern Marketing Association Fellow.

Dr. Ferrell teaches marketing strategy courses at the graduate and undergraduate levels including the capstone marketing course. He taught a course on competitive marketing strategies at Thammasat University in Bangkok, Thailand using an early draft of this text. In addition, he is the author or co-author of 15 books and approximately 60 academic articles.

Dr. Ferrell has extensive experience speaking and assisting businesses and professional associations. He has been a major event speaker for organizations such as General Motors, Society of American Florists, Water Quality Association, and National Bank of Commerce of Mississippi. He served as a marketing and business ethics expert witness for a number of leading law firms throughout the United States.

Dr. Ferrell and his wife Linda live in Ft. Collins and enjoy skiing, golf, fishing, and international travel.

**Michael D. Hartline, Ph.D.**  
***Louisiana State University***

Michael D. Hartline received his Ph.D. from the University of Memphis and his MBA and BS from Jacksonville State University (Alabama). He taught at the University of Arkansas at Little Rock before joining the marketing faculty of the E. J. Ourso College of Business Administration at Louisiana State University in 1994.

Dr. Hartline has won awards for teaching and research excellence and has made many presentations to industry and academic groups. He has served as a consultant to several for-profit and non-profit organizations in the areas of marketing plan development, market feasibility analysis, customer satisfaction measurement, employee training, and pricing policy.

Dr. Hartline and his wife Marsha live in Baton Rouge with their two daughters, Meghan and Madison, and a psychotic Chihuahua named Nugget. His hobbies include church activities, golf, personal computing, college football, and reading.

**George H. Lucas Jr., Ph.D.**  
***President, U.S.Learning, Inc.***

George Lucas has spent his entire career in the customer relationship development business. After receiving his bachelors degree from the University of Missouri, Columbia, Lucas served in field sales positions with American Hospital Supply Corporation and Pitney Bowes. He then returned to Missouri University to complete his MBA, and later his Ph.D. Following graduate school he accepted a position on the Graduate Faculty of Texas A&M University's Marketing Department, where he served as one of the founding Faculty Committee members for the now internationally recognized Center for Retailing Studies. While there he was also a research fellow for the Institute for Ventures in New Technology (INVENT). In 1987, he joined the faculty of the University of Memphis, where he served as a full professor on the Graduate Faculty of the Fogelman College of Business and Economics until January 1998. He now serves as president of U.S.Learning, Inc., a corporate training firm. He is highly regarded as a marketing strategy, international marketing, retailing, personal selling, and negotiation speaker, trainer, and researcher, and has published numerous articles in leading marketing and business journals. Dr. Lucas is frequently quoted in the business sections of magazines, newspapers, and trade publications, and is a featured presenter in one of the most frequently aired cable television programs on personal selling.

He lives in Memphis with his wife Linda and sons, Taylor and Austin. His hobbies include golf, fishing, and coaching youth soccer.

**David J. Luck, Ph.D.**  
***Southern Illinois University***

David Luck received his Ph.D. from the University of Texas after receiving a bachelors degree from Dartmouth College, 1934, and a masters from University of Pennsylvania, 1940.

Dr. Luck has taught in marketing faculties at several universities—most notably Michigan State University, University of Illinois, and Southern Illinois University. He has published several books in marketing strategy and marketing research. His chief focus has been strategies for product development. He has also conducted marketing research in Ford Motor Company and has had consulting roles at many business firms.

Dr. Luck is a highly respected scholar who has played an important role in the development of marketing thought.

His contributions have helped shape marketing theory and practice over the past 50 years.

# Brief Table of Contents

## **Chapter 1**

Strategic Market Planning 1

## **Chapter 2**

Developing the Marketing Plan 16

## **Chapter 3**

Environmental Analysis 30

## **Chapter 4**

SWOT: The Analysis of Strengths, Weaknesses, Opportunities and Threats 55

## **Chapter 5**

Mission, Goals, and Objectives 77

## **Chapter 6**

Marketing Strategy Decisions 92

## **Chapter 7**

Selecting and Developing the Marketing Strategy 110

## **Chapter 8**

Marketing Implementation 129

## **Chapter 9**

Financial Assessment and Marketing Control 149

## **Chapter 10**

Social, Electronic Commerce, and Global Considerations in Strategic  
Market Planning 165

Cases 185

Appendix A 355

Appendix B 366

Index 391

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# Table of Contents

## **Chapter 1: Strategic Market Planning 1**

### *Introduction 1*

### *An Overview of Strategic Market Planning 1*

### *The Strategic Market Planning Process 4*

Organizational Mission, Goals, and Objectives 4

Corporate or Business-Unit Strategy 5

Marketing Goals and Objectives 7

Marketing Strategy 7

Marketing Implementation 8

Evaluation and Control 8

### *The Marketing Plan 9*

Purposes and Significance of the Marketing Plan 9

Organizational Aspects of the Marketing Plan 10

### *Strategic Market Planning in the Customer-Oriented Organization 11*

Building a Customer-Oriented Organization 12

Using Strategic Planning to Build Relationships and Create Value 13

### *Key Insights from Chapter 1 14*

## **Chapter 2: Developing The Marketing Plan 16**

### *Introduction 16*

### *The Structure of the Marketing Plan 17*

Executive Summary 18

Environmental Analysis 18

SWOT Analysis (Strengths, Weaknesses, Opportunities, and Threats) 19

Strengths and Weaknesses 19

Opportunities and Threats 20

Matching Strengths and Weaknesses to the Environment 21

Marketing Goals and Objectives 21

Marketing Strategies 22

Marketing Implementation 23

Evaluation and Control 24

### *Problems in Creating Marketing Plans 24*

### *Using the Marketing Plan 25*

### *Developing Your Own Marketing Plan 27*

### *Key Lessons from Chapter 2 28*

## **Chapter 3: Environmental Analysis 30**

### *Introduction 30*

### *Important Caveats of Environmental Analysis 31*

Environmental Analysis Is Not a Panacea 31

Data Is Not the Same as Information 32

The Benefits of Data Analysis Must Outweigh the Costs	32
<b><i>Components of Environmental Analysis</i></b>	<b>32</b>
The External Environment	33
Competitive Forces	33
Economic Growth and Stability	38
Political Trends	38
Legal and Regulatory Factors	39
Changes in Technology	39
Cultural Trends	40
The Customer Environment	42
Who Are Our Current and Potential Customers?	42
What Do Our Customers Do with Our Products?	42
Where Do Our Customers Purchase Our Products?	42
When Do Our Customers Purchase Our Products?	44
Why (and How) Do Our Customers Select Our Products?	44
Why Do Potential Customers Not Purchase Our Products?	44
The Internal Environment	45
Current Objectives and Performance	46
Level of Available Resources	46
Organizational Culture and Structure	46
<b><i>Collecting Environmental Data and Information</i></b>	<b>47</b>
Sources of Environmental Data	47
Internal Data Sources	47
Government Sources	50
Periodicals/Book Sources	50
Commercial Sources	50
A Blend of Sources	50
Overcoming Problems in Data Collection	51
<b><i>Key Insights from Chapter 3</i></b>	<b>52</b>
<b>Chapter 4: SWOT: The Analysis Of Strengths, Weaknesses, Opportunities And Threats</b>	<b>55</b>
<b><i>Introduction</i></b>	<b>55</b>
<b><i>Important Issues in SWOT Analysis</i></b>	<b>55</b>
Benefits of SWOT Analysis	56
Directives for a Productive SWOT Analysis	57
Stay Focused	57
Search Extensively for Competitors	58
Collaborate with Other Functional Areas	59
Examine Issues from the Customers' Perspective	59
Separate Internal Issues from External Issues	61
<b><i>The Elements of SWOT Analysis</i></b>	<b>61</b>
Strengths and Weaknesses	62
Opportunities and Threats	63
Changes in the Competitive Environment	63
Changes in the Sociocultural Environment	64
Changes in the Political/Legal Environment	64
Changes in the Internal Organizational Environment	65

**SWOT-Driven Strategic Planning 65**

Analysis of the SWOT Matrix 66

Matching Strengths to Opportunities to Create

Competitive Advantage 68

Real vs. Perceived Capabilities and Advantages 68

Matching Strengths to Opportunities: An Example 70

Converting Weaknesses and Threats 72

Strategies for Minimizing/Avoiding Weaknesses and Threats 73

Moving Beyond SWOT Analysis 74

**Key Insights from Chapter 4 74****Chapter 5: Mission, Goals, And Objectives 77****Introduction 77****The Mission Statement 78**

Elements of the Mission Statement 78

Customer-Focused Mission Statements 79

Mission Width and Stability 80

**Marketing Goals and Objectives 84**

Developing Goals 84

Attainability 85

Consistency 85

Comprehensiveness 85

Uncertainty 86

Developing Objectives 86

Attainability 87

Continuity 87

Time Frame 89

Assignment of Responsibility 89

**Moving from Goals to Objectives and Beyond 89****Key Insights from Chapter 5 90****Chapter 6: Marketing Strategy Decisions 92****Introduction 92****Market Segmentation and Target Marketing Decisions 92**

Mass Marketing 93

Market Segmentation 93

Variables for Segmenting Markets 93

Market Segmentation Approaches 94

Niche Marketing 95

Customized Marketing 95

Identifying the Characteristics and Needs of the Target Market 95

**Developing the Marketing Mix 96**

Product Decisions 96

Pricing Decisions 98

Promotion Decisions 99

Distribution Decisions 100

Marketing Channel Alternatives 101



Implications of Channel Alternatives	102
Supply Chain Management	103
<b><i>Differentiation and Positioning</i></b>	<b>104</b>
Differentiation Strategies	104
Product Descriptors	104
Customer Support Services	106
Image	106
Positioning Strategies	106
Strengthen Current Position	106
Move to a New Position	107
Reposition the Competition	107
<b><i>Key Insights from Chapter 6</i></b>	<b>108</b>
<b>Chapter 7: Selecting And Developing The Marketing Strategy</b>	<b>110</b>
<b><i>Introduction</i></b>	<b>110</b>
<b><i>Criteria for Selecting the Marketing Strategy</i></b>	<b>110</b>
Strategic Characteristics	110
Life Cycle Considerations	113
Development Stage	114
Introduction Stage	115
Growth Stage	116
Maturity Stage	117
Decline Stage	118
<b><i>Creating a Competitive Advantage Based on Customer Value</i></b>	<b>119</b>
The Value Formula	120
Customer Benefits	120
Customer Costs	121
Competing on Value	121
<b><i>Marketing Strategy for Specialized Products</i></b>	<b>122</b>
Services	122
Product Considerations	122
Price Considerations	124
Promotion Considerations	124
Distribution Considerations	124
Business-to-Business Markets	125
Unique Characteristics of Business-to-Business Markets	125
Marketing Mixes for Business-to-Business Products	127
<b><i>Key Insights from Chapter 7</i></b>	<b>128</b>
<b>Chapter 8: Marketing Implementation</b>	<b>129</b>
<b><i>Introduction</i></b>	<b>129</b>
<b><i>Marketing Implementation Defined</i></b>	<b>130</b>
<b><i>Issues in Marketing Implementation</i></b>	<b>130</b>
Planning and Implementation Are Interdependent Processes	130
Planning and Implementation Are Constantly Evolving	132
Planning and Implementation Are Separated	132
<b><i>The Components of Marketing Implementation</i></b>	<b>132</b>