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**PROCESS APPROACH TO STRATEGIC MARKETING
ANALYSIS FOR MARKETING PLANNING**

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This paper proposes a dynamic concept of strategic marketing analysis for a particular field of enterprise-strategic business unit (hereinafter abbreviated SMA, SBU) as systematic research into outside and inside environment of SBU. Strategic marketing analysis is conceived as a process where results of certain partial analyses implicate the possibility of maintaining other phases of this process. In the process of the analysis it is necessary to respect mutual relationships of individual parts and determine which parts of the analysis are only possible to be processed after the others have been done and which of them can be maintained simultaneously. This complex and dynamic concept of SMA SBU is proposed so that it allows to formulate varieties of SBU strategic marketing plan and enables to manage successfully all the parts of its processing, i. e. target market selection, target market marketing objectives and goals formulation, draw up strategy positioning and balanced strategy of marketing mix. It also serves for tactical marketing program development, creation of budgets and operative work procedures with target markets.

Introduction

Recent years are characterized by constantly increasing frequency, deepness and range of changes in the worldwide market environment together with globalization, super/hyper competition but also by great changes in social, political and macroeconomical environment. Increasing dynamic technology changes and innovation explosion lead to customer's needs and preference differentiation deepening, to product life cycle shortening and to competitors' fight aggravation. The development of automation, electronization and information technology even more deepens the intensity of competition. Consequently, the destabilization and variance became normal in the world of business. In this dynamically changing macro and micro environment only the companies able to use actively changes in the market environment, search for and create opportunities and eliminate threats resulting from the changes and support their own competitive position can succeed.

To be successful in the more and more demanding market, companies have to anticipate future development and use actively not only the discovered market opportunities but first of all create them and plan them. This is impossible without substantial knowledge of the market environment and without SBU integrating marketing management implementation.

The necessity of marketing approach requires to create a system of strategic marketing planning of individual spheres of enterprise i.e. SBU, in the company. If the system of strategic marketing planning of individual SBU in the company is created, it is necessary to clarify the process of the SBU marketing strategy creation, its implementation and checking of the achieved results. It is necessary to propose a general sequence of SBU strategic marketing planning process, and consequently to clarify the contents of its individual parts and suggest an appropriate methodology for its implementation.

A complex process conceived strategic marketing analysis is an inevitable base for formulation and implementation of marketing strategy for target markets. At present, however, a very narrowed concept of this analysis is typical, carried out mostly irregularly and, as a rule, as late as the company gets in trouble. All approaches published in the literature [1,3,5 *etc.*] dealing with marketing planning consider the analysis as a static matter without mutual relationship identification and without sequencing of its individual parts.

Sequence and Links of Strategic Marketing Analysis Phases

Strategic marketing analysis of strategic business unit should represent systematic research into the outside and inside SBU environment as a basis of strategic marketing planning of this unit. This analysis should be created as a result of broad research and documentation of opportunities and threats in the market and ability of

the company to use these opportunities and eliminate the threats. An improper or insufficient environmental analysis can lead to false decisions in the process of marketing planning. Without the analysis it is impossible to make any step of strategic marketing planning rationally and successfully [1].

There is no unified concept of the analysis for marketing planning. In my opinion, SMA SBU is a process where results of a certain partial analysis implicate the possibility of making next parts of this process. This means that respecting mutual connections of individual parts of the analysis and determination of both the phase sequencing and deciding which phases can be maintained simultaneously is crucial. Based on the research carried out in 1990 – 1999 in companies of chemical industry, I have discoursed and proved the methodology of the process of SMA SBU and subsequent creation and condition implementation of marketing strategy and tactics of SBU in this field [4].

SMA SBU should precede the creation of SBU strategic marketing plan variants and should make it possible successfully manage all the parts of its processing, i.e. target market selection, formulation of marketing targets for target market, formulation of strategy positioning and balanced strategy of marketing mix. It should also serve for creation of tactical marketing programmes, budgets and operative work procedures with target markets.

SMA SBU must provide not only a general evaluation of the market situation but also detailed research into supply and demand in the market. It should include analysis of both the past and the present situation in the market and position of SBU. Especially it should involve research into evolutionary trends and install preconditions for future [2]. The structure of SMA SBU as I proposed in my research work carried out in a chemical company fully respects this requirement. I suggest to perform the process of SMA SBU as illustrated in the flow chart 1 and generally described below.

SMA SBU points out the necessity to recognise situation in the market in terms of size, overall demand and supply development and both the company and SBU's share in them. It should indicate the overall perspective of the given field of enterprise. Then it is necessary to carry out a detailed situation analysis of market segments. It means to identify and describe the segments referring to their needs, preferences, purchasing behaviour and competitions, their own position, influence of marketing macro environment, but primarily to create scenarios of their future development. This information enables to assess their attractiveness.

At the beginning it is pragmatic to consider overall trends in the market first in marketing macro environment and second the situation in branch in terms of overall market size, market development and overall situation in competition environment. Also it is useful to perform a detailed analysis of the past SBU results in context with results of the entire company to make evident a few things: the SBU's share in all the company results, main SBU products and markets, how much the accomplishments satisfy the aspiration of management of SBU, management of

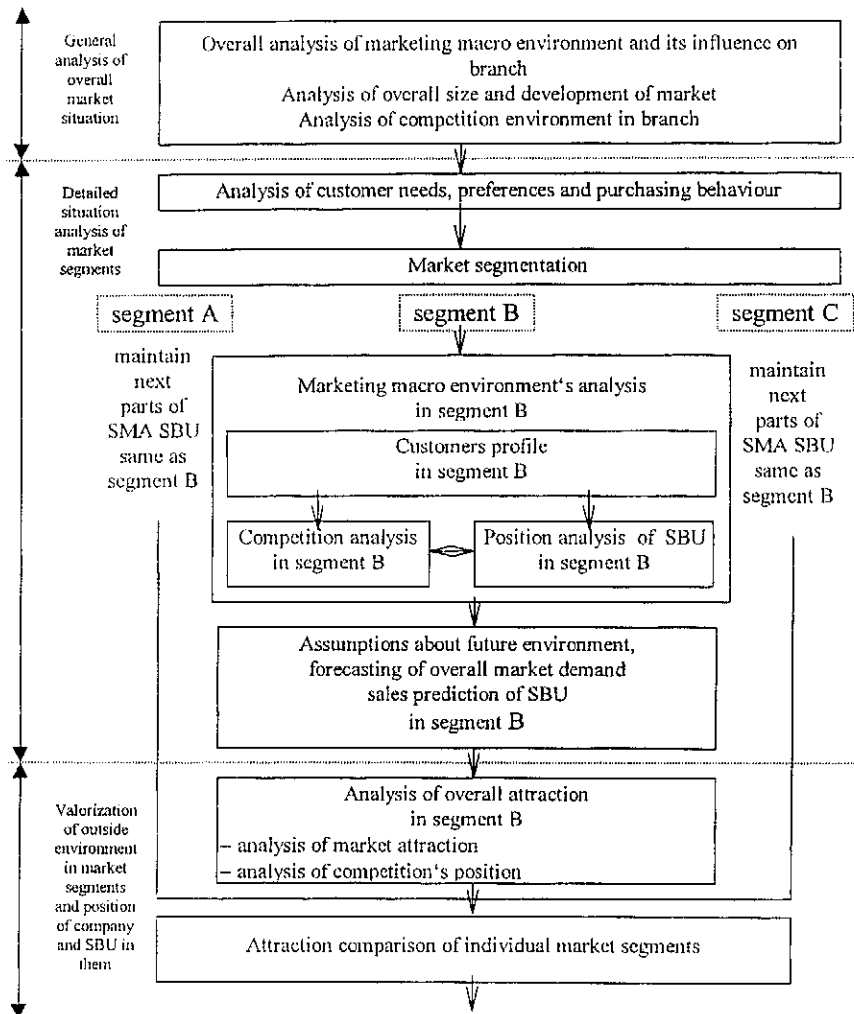


Fig. 1 Process of strategic marketing analysis of SBU

company, owners and other concerned groups. It will offer basic insight into future perspectives of the enterprise.

In the next phase a thorough situation analysis of the outside and inside environment based on topical information from market and company is to come. It is necessary to analyse needs, preferences and purchasing behaviour of present customers or potential customers (if production capacity is not exhausted or economic results in the present markets are unsatisfactory) and customers' agglomeration into market segments. Market segmentation enables better control of SBU activities in the market area. Next phases of SMA SBU are to be maintained

for each segment separately. It is useful to analyse the impact of changes in marketing macro environment on SBU because they predetermine the future manners of all barter participants in market segment. It is pragmatic to set the profile of customers in each segment including their needs and preferences specifications. This enables to clarify the profile of competition and SBU itself for each segment based on competition analysis and its own resources and abilities in the process of operating in the market segment. Objectives and manners of subjects on the side of supply should be evaluated from the point of view of needs and preferences of each market segment.

Results of these analyses are then used for determination of planning future development preconditions of the environment particular elements, for forecasting potential market demand and for anticipating SBU sales for each market segment. This cognitive phase of SMA SBU is a basis for the evaluational phase consisting in assessing overall attractivity of particular market segments in terms of each market segment attractivity and of SBU competitive position in observed market segment. It is basically a SWOT analysis of individual market segments.

Conclusion

As evident from previous SMA SBU has to be performed step by step. The individual parts are logically tied together. Previous phases implicate next and only as a summary they form basis for strategic marketing planning of SBU. It comes to the finding that only such a comprehensive carried SMA SBU can be a sufficient basis for meeting attractive target markets and for drawing up an appropriate marketing strategy and tactics for these markets.

Within the framework of the research carried out in chemical industry companies I have made up general methodology for practical maintaining of SMA SBU. Experience from application of these general procedures in various SBU in chemical industry companies proved that it is further necessary to modify them in dependence on a range of factors: according to target market character (consumer market, industrial market or state administration market), according to the way of product processing (mechanic-technological way of processing or chemical-technological way of processing), according to type of customers (producer or middleman), according to sale territories and their marketing environment specifics, according to the number of customers in market segments, according to their purchase volumes, according to the used types of distribution channels to target markets (direct or indirect channels of distributions), according to a degree of cohesion of business relations with the target market (short and long term relations), if it is a bulk production or made-to-order chemical specialities, whether or not sale and material flows are subject to special legal rules (e.g. sale of pharmaceutical and food substances, medicines, explosives) *etc.* A description of such specifics however exceeds the possible scope of this paper.

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