



CHAPTER 2: MARKETING PLANNING

OBJECTIVES

- **Learn** how to conduct a SWOT analysis.
- **List** the three key areas of an internal company analysis.
- **Identify** the factors in a PEST analysis.
- **Explain** the concept of market segmentation.
- **Analyze** a target market.
- **Differentiate** between mass marketing and market segmentation.

GOOD MARKETING RELIES ON GOOD PLANS...

-It's critical to look at itself and its business environment.

-Companies develop marketing strategies around the SWOT analysis.

- **SWOT Analysis** is an assessment that lists a company's strengths, weaknesses, opportunities, and threats.
- **Internal** (S,W) vs. **External** (O,T)

INTERNAL STRENGTHS & WEAKNESSES

The internal analysis centers around three Cs:

- **Company**

- Includes a review of the staff, the company's financial situation, its production capabilities, and each aspect of the marketing mix.
- Example: What is the companies mission statement and is everyone following it?

- **Customers**

- Studies customer buying habits, revealing patterns and offering insights into product offerings and pricing strategies.

- **Competition**

- Identifies its certain strengths and weaknesses when compared to its competitors.

EXTERNAL OPPORTUNITIES & THREATS

Competition

- To stay competitive, companies need to conduct an analysis on an ongoing basis to make adjustments to their marketing mix.
- Example: A competitor going out of business

Threats

Factors that influence the business that you have no control over.

Example: Legal issues, getting sued, decline in natural resources

PEST ANALYSIS

Environmental Scan

- An **environmental scan** is an analysis of outside influences that may have an impact on an organization. Includes **4** areas:
 - Political (political issues, music downloading)
 - Economic (recession, importing, trade)
 - Socio-Cultural: (changes in attitudes, lifestyles, and opinions)
 - Technological (new technology, bad choices)

3 LITTLE PIGS.....

-Let's do a SWOT analysis for the 3 Little Pigs who opened a Bacon Shop...

-They now want to create a franchise.....

-S

-W

-O

-T

MARKET SEGMENTATION

- There are four ways to segment the market

	Definition	General Example	Detailed Example
Demographics	A statistic that describes a population	Age, gender, income, ethnicity	
Geographics	Based on where people live	National, state, local	
Psychographics	Grouping people with similar feelings	Similar attitudes, opinions, interests, activities	
Behavioral Characteristics	Based on purchasing-related behavior	Different methods of research	

MASS MARKET VS. SEGMENTATION

- Mass Market: Involves a single marketing strategy to reach all customers
- Advantages:
- Disadvantages:



NICHE MARKETING

Advantages:

Disadvantages: