

DEVELOPING A STRATEGIC MARKETING PLAN

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Characteristics of Strategic Planning

Strategic planning is a combination of intuition and research. It requires “informed guesswork” and deep analysis, rather than quantitative calculations.

Strategic planning involves:

- **Looking at the “Big Picture”**
- **Identifying future environmental forces in the Industry**
- **Predicting the response of competitors**
- **Anticipating customer needs**

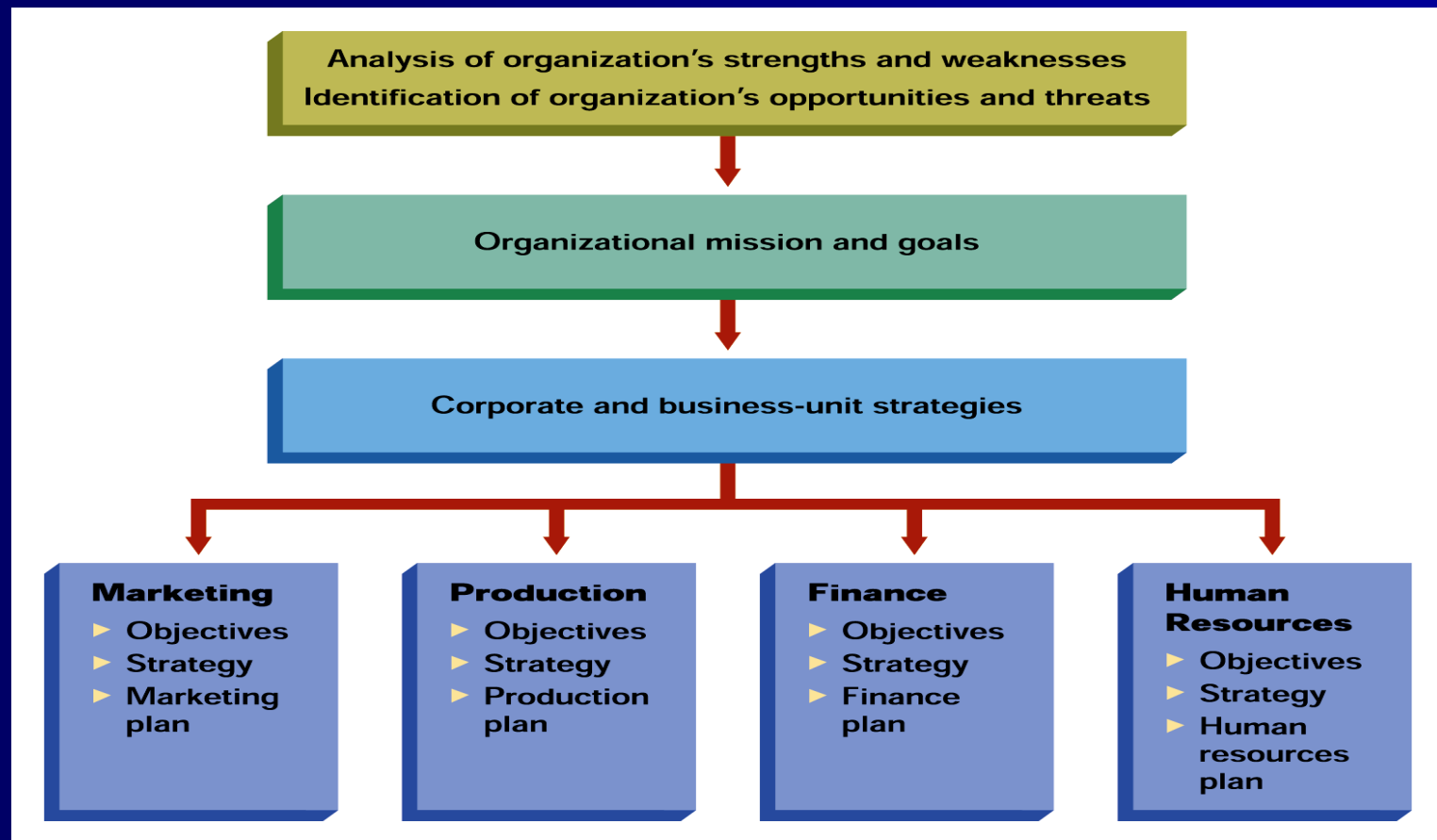
The Purpose of Strategic Planning

Strategic planning is a means of forecasting future business opportunities and positioning corporate resources to leverage them.

Benefits of Strategic Planning

- **Corporate goals and priorities are set and a clear path is provided for management and employees**
- **Future performance becomes more predictable**
- **Resources can be allocated more efficiently and growth is more seamless**
- **A basis for corporate and employee evaluation is created**
- **Management is given a framework for responding to new events and for developing strategies to handle unanticipated conditions**

Components of Strategic Planning



Market Research is Critical

- Market research contributes directly to the quality of any strategic plan – deep research is the only way to define your current and future target markets, the products/services that should be offered, and the marketing mix.
- Reactionary, unresearched strategy is ineffective

Research must determine:

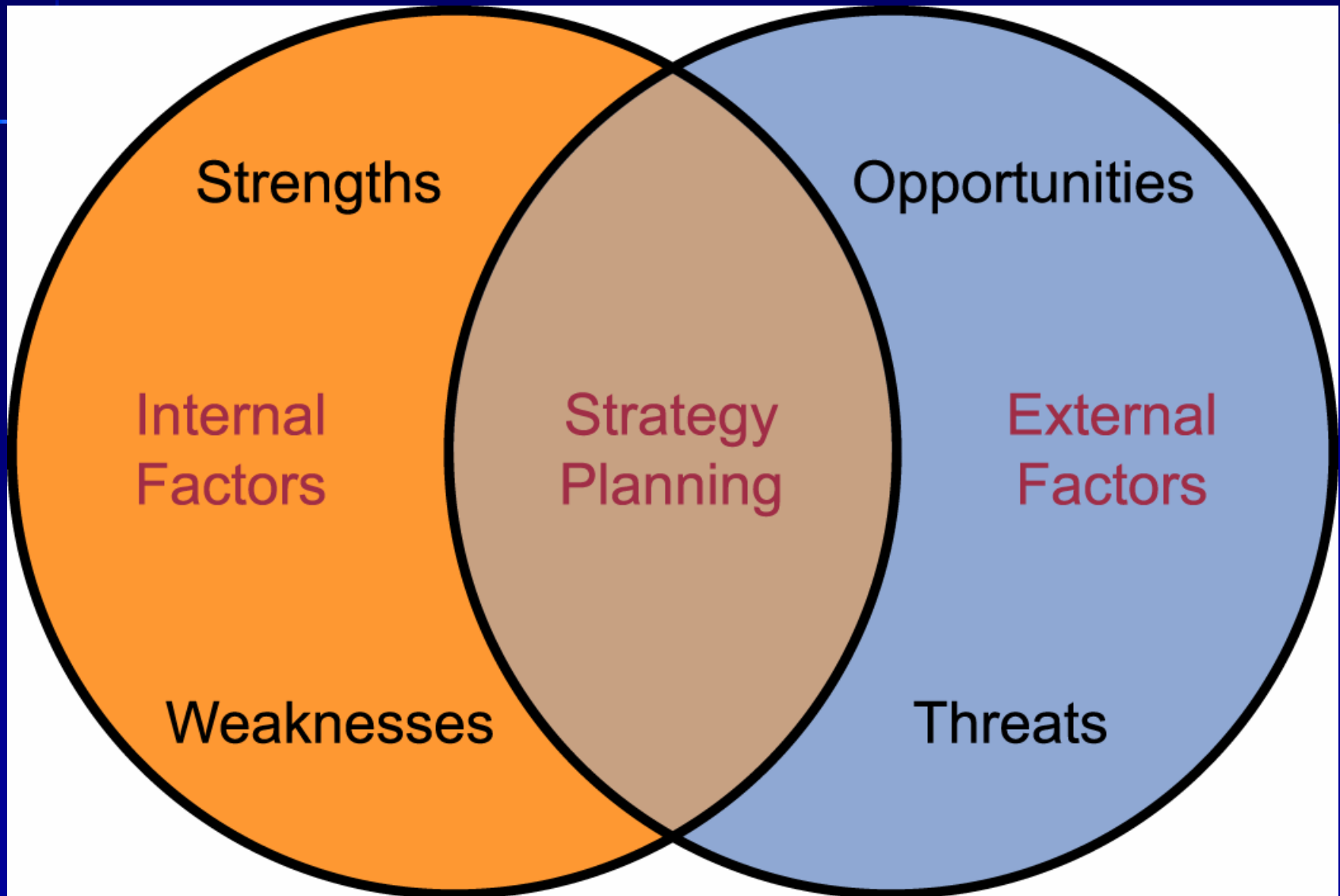
- The best way to segment the market;
- Which target markets are most worthwhile to pursue;
- Which products or services will most appeal to the target market;
- How the product or service should be priced; and
- Which sales locations are most desirable.

PRODUCT STRATEGY

Key issues in marketing products or services:

- What “pain” is being felt by the target market;
- Can you heal the pain?;
- Are you treating a symptom or the disease?;
- Is the pain part of an epidemic or an isolated outbreak?
- Is your solution part of your core competency?

S.W.O.T. Analysis



Questions to Ask Yourself

- What is our mission?
- What are our strengths and weaknesses?
- Who is our client?
- What does the client consider value?
- What is our product or service?
- Who are our competition?
- What have been the results? What are the opportunities?

General Electric Matrix

Industry Attractiveness

High
Med
Low



Strong Med Weak

Business Strengths

TARGET MARKETS

Target Markets

Target market: a group of customers (people or firms) at whom the company aims its marketing effort.

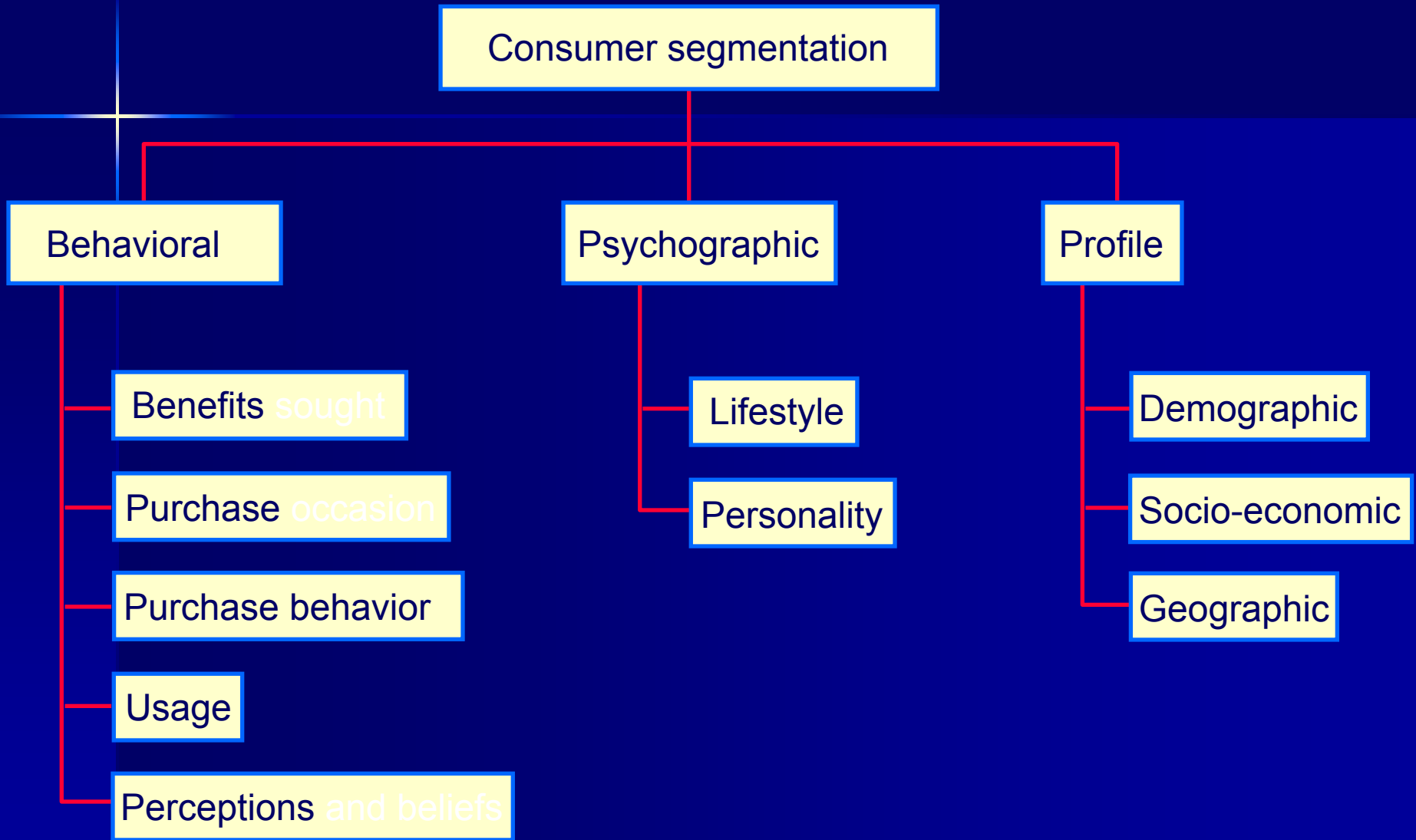
Defining the Target Market

- Knowing your target market is key to all parts of your strategic planning
- The target market will determine your product/service offering – NOT VICE VERSA
- The target market is not limited to the current time-frame
- The target market is not necessarily the existing client base
- The target market ultimately are those that you identify as the best clients

Marketing and Targeting

- Once the most desirable customer base has been identified, this base should be divided into "useful" segments
- Only by understanding the various segments can a strategy be developed for penetrating the market and an appropriate product/service devised
- Common threads across segments should be identified to provide maximum opportunity

Segmenting markets



Understanding the Client: Examples of Segmentation

- An aid to defining “useful” segments of populations is information **demographics**.
- Knowledge about the dimensions of people’s lives -- like age, income, location, cultural values and prejudices -- enable you to understand potential clients and to make decisions about which segments to pursue and how.

Understanding the Customer

-- Demographics

- Age
- Nationality
- Sex
- Income
- Education
- Occupation
- Religion
- Nationality
- Language/Race
- Geographic Segment
- Urban, Rural, Suburban
- Climate, North, South

Target Market



The 4 P's and the Target client

- Issue of what is “right” for the target client becomes the determining factor within the marketing strategy.
 - The Right Product
 - The Right Price
 - The Right Place
 - The Right Promotion

Environment Variables

- The product, price, place and promotion are all controllable.
- Environmental variables are distinct in that they are uncontrollable
 - Cultural and social environment
 - Economic and technological environment
 - Competitive environment
 - Political and legal environment

COMPETITIVE STRATEGIES

Competitive Factors

- Exploit quality differences that command higher prices
- Identify new markets, either for other commodities or enterprises, or new buyers
- Add services (monitoring, upgrades, etc.)
- Develop proprietary offerings
- Reduce risk (guarantees, etc.)

Positioning Strategies



Competitive Objective for Bangladeshi IT Companies

***To be the best-cost provider-* giving customers more value for the money by combining low cost with an emphasis on upscale differentiation**

PRICE STRATEGY

Pricing Techniques

- Qualitative
 - Unique value/prestige of offering
 - Substitute awareness
 - Total client expenditure relative to income
- Skim pricing
- Psychological pricing
- Penetration pricing

DISTRIBUTION STRATEGY

Marketing Channels

- **Reseller, Value Added Reseller, System Integrator, Licensee, etc.**
- **Choosing a credible and robust marketing channel is key; reliance on Bangladeshi diaspora is not advised**

Direct Sales

- **Corporate clients – know the budget cycle, the decision tree, and the corporate culture**
- **Government clients – know purchasing requirements (restrictions on purchases from foreign corporations, etc.), budget cycle, and bidding process**

PROMOTION STRATEGY

Tailor Promotion Strategy to Specific Objective:

- **To provide information about the product/service;**
- **To stimulate demand**
- **To differentiate product/service or build brand image**
- **To counter competitors**
- **To respond to news**

Promotion Techniques

- **Advertising – selection of media is key**
- **Public relations/publicity**
- **Networking**
- **Presentations**

Bringing It All Together



Sources/Adaptation from:

Faye Butts, "Developing Strategic Marketing Plans for Horticultural Firms"

McGraw Hill, "Developing Innovative Marketing Plans"