

UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS

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**Cambridge International Diploma in Management
Higher Professional Level**

Scheme of Work

4268
Strategic Marketing
Optional Module



UNIVERSITY *of* CAMBRIDGE
International Examinations

MODULE NUMBER (OPTIONAL) 4268: STRATEGIC MARKETING

BRIEF INTRODUCTION AND MODULE OUTLINE

This optional module considers how to identify and evaluate strategic marketing options in order to determine and propose a suitable marketing strategy. However, it is important to remember that this module is part of a general management qualification and at this level candidates should therefore study marketing from a strategic managerial perspective, rather than as marketing specialists. Consequently, emphasis should be placed on the development and application of strategic management tools and skills, and the contributions which managers can realistically be expected to make to the overall success of the organisation in the marketplace.

The module stresses the importance of understanding the market in which the organisation is operating and its position within the market. Candidates need to understand the range of research and analytical methods and tools that can be used to gather and analyse market and customer information. They should be able to apply strategic analytical tools, such as PESTEL and Porter's Five Force Analysis and build on this analysis to identify and evaluate suitable strategic options.

Candidates will need to understand the significance of different types of markets and market relations e.g. monopoly, oligopoly and perfect competition as well as the economics and basic implications of supply and demand. The module also introduces a number of key marketing terms, principles and models which will need explaining and contextualising e.g. market segmentation, product life-cycle, Boston and Ansoff matrices.

Barriers to success and risk analysis are considered and it may be appropriate to link these to the aspects of change management, which are explored in more detail in the optional module Organisational Behaviour and Change Management.

There is considerable overlap between this module and the core module, Strategic Management. This is because at Higher Professional level, and from a general manager's perspective, many of the same concepts and methods are used to identify, select, propose, implement and evaluate many different types of strategy.

Aspects of the Strategic Management module will therefore need re-visiting and the teaching of this module will need to be carefully planned with reference to the core module.

Assessment Objectives:

1. Analyse the competitive market
2. Determine market segmentation
3. Identify marketing options in line with the organisational strategy
4. Identify potential barriers to success and analyse risks
5. Evaluate marketing options and propose a marketing plan in line with the strategy

RECOMMENDED PRIOR KNOWLEDGE

No prior knowledge is required; however, candidates should be encouraged to research and critically review the marketing strategy of their own and other organisations.

Background reading would also help to promote understanding and it may be useful to direct candidates to research and read up on particular issues in advance of teaching. Marketing books aimed at non-specialists and case studies will help candidates to familiarise themselves with marketing terms, principles and concepts.

SUGGESTED TEACHING ORDER / SUMMARY SCHEME OF WORK

Although there are no specific requirements for prior knowledge, candidates will benefit from studying the core module Strategic Management first, as many of the concepts and analytical models introduced in the Strategic Management module are also of relevance to Strategic Marketing.

The Strategic Marketing module is made up of 5 assessment objectives. It begins with an analysis of the market, which is then used to determine, propose and evaluate a suitable marketing strategy.

The Units should be used as a guide to the order of teaching; however, there are a number of different ways in which the teaching of this module could be approached. One suggestion is to adopt a more holistic approach. Using a case study / organisational scenario or their own organisation, candidates could be taken through the process suggested by the Units to propose a comprehensive marketing strategy.

It is likely that some of the skills and knowledge may already have been covered in either the Strategic Management module or the Organisational Behaviour and Change Management module, in which case, to avoid repetition, candidates need only be reminded of these and their importance in the context of Strategic Marketing.

The column headed **Explanation of Competence Criteria** is designed to give an indication of the main content to be covered and should help with this planning detail.

UNITS / ASSESSMENT OBJECTIVES: SUGGESTED ORDER

1	<p>Analyse the competitive market</p> <p>This unit stresses the importance of understanding the market in which the organisation is operating and its position within the market. Candidates need to understand the range of research and analytical methods and tools which can be used to gather and analyse market and customer information, and be able to build on this analysis to identify and evaluate suitable strategic options.</p>
2	<p>Determine market segmentation</p> <p>This unit looks at the options available to the organisation for marketing its products or services in line with its strategic objectives. Candidates need to understand market segmenting, competitor and buyer behaviour and the impact of factors in the macro and micro economic climate. They should be able to apply a range of models and techniques to analyse the environment in which the organisation is operating and so determine its options e.g. protect or build on current position, product or service development, diversification.</p>
3	<p>Identify marketing options in line with the organisational strategy</p> <p>This unit builds on the analysis begun in Unit 2 and looks in more detail at the options available to the organisation given its strategic market position and objectives. A range of analytical models and techniques should be applied to determine the most suitable marketing strategy for the organisation.</p>
4	<p>Identify potential barriers to success and analyse risks</p> <p>This unit focuses on the organisations capacity for change and the internal factors which may inhibit a successful change e.g. culture, value systems. Risk assessment strategies are also an important part of this unit.</p>
5	<p>Evaluate marketing options and propose a marketing plan in line with the strategy</p> <p>Building on their research and analysis, candidates are required to recommend and justify a marketing strategy that is linked to the organisation's objectives and its plans for the future. The proposal should be comprehensive and stem from an analysis of the findings, with reference to relevant models.</p> <p>Candidates should also show that they have considered the difficulties associated with the implementation of strategic change and have assessed the risks involved.</p>

LIST OF RESOURCES

In addition to the marketing books cited on the Higher Professional Level booklist, *Principles of Marketing: European Edition* by Kotler, Armstrong, Saunders and Wong (ISBN 0273684566) is also recommended.

In addition, most strategic management textbooks at Higher Professional Level will include relevant sections on environmental analysis and strategic positioning, including:

 Thompson *Strategic Management: Awareness and Change* (2001) ISBN 1861525877
 Johnson and K Scholes, *Exploring Corporate Strategy: Text and Cases with Business Dictionary* (2003) ISBN 0582843294
G Lancaster, L Massingham and R Ashford *Essentials of Marketing* (2001) ISBN 0077098609
C Lovelock, J Wirtz and H Keh *Services Marketing in Asia: Managing People, Technology and Strategy* (2001) ISBN 0130605662

From a teaching perspective, *MBA Management Models* by Sue Harding and Trevor Long (ISBN 0566081377) is an excellent summary of management models most commonly used in this and other modules.

There are also a wealth of readable and interesting case studies focusing on various aspects of strategic marketing. Many of these are available on line, for example, through The Times 100 website or the CMI, or may be accessed through each organisation's dedicated web site. G Johnson and K Scholes, *Exploring Corporate Strategy* (Text and Cases version) is also a good source of case study material.

UNIT 1: Analyse the Competitive Market

Recommended prior knowledge: No prior knowledge is required, however, candidates should be encouraged to research and critically review the marketing strategy of their own and other organisations.

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Outline: This unit stresses the importance of understanding the market in which the organisation is operating and its position within the market. Candidates need to understand the range of research and analytical methods and tools which can be used to gather and analyse market and customer information, and be able to build on this analysis to identify and evaluate suitable strategic marketing options.

COMPETENCE CRITERIA		EXPLANATION OF COMPETENCE CRITERIA	SUGGESTED TEACHING ACTIVITIES
1.1	Clarify the purpose of market analysis	<ul style="list-style-type: none"> • why analyse the environment? • the role of analysis in informing marketing decisions 	<p>It is suggested that a holistic approach is adopted for this module and that candidates work through the units gathering and analysing information which will inform the marketing plan which is to be proposed in the final unit (Unit 5).</p> <p>Candidates will need to be introduced to, or reminded of, the applicability of various models and tools and short activities based on their own organisations, or mini case studies could be used to help to explain and demonstrate their use.</p> <p>Once candidates have developed this understanding it is useful if they work in small groups to apply them to the organisation on which they are focussing throughout the module. If several candidates use the same organisation this will reduce the amount of time which each candidate needs to spend researching the organisation and its market and provide them with the opportunity to share and debate ideas.</p> <p>Begin this unit by putting strategic marketing in context and explaining the need for up to date and detailed information about the organisation, its objectives and future business plans. Remind candidates of the way in which the organisation is influenced by external as well as internal factors and stress the importance of environmental analysis.</p>
1.2	Collect relevant information	<ul style="list-style-type: none"> • what information is needed to carry out environmental analysis and determine the market position of the organisation? • internal and external sources of information • research methods 	
1.3	Analyse information and draw conclusions	<ul style="list-style-type: none"> • apply marketing and strategic analytical tools to draw conclusions from this information 	<p>Ask candidates to identify the information that is needed for environmental analysis and positioning.</p> <p>Discuss the sources and methods of gathering this information, and the advantages and constraints of each. The way in which developments in technology have affected the gathering and analysis of market and customer information should also be discussed.</p> <p>Remind candidates of the importance of presenting and analysing data in a way that assists and informs decision making.</p>

			<p>Focussing on the study organisation, suggest that they produce a time line of critical events and also represent other information in a more appropriate format.</p> <p>For example, use charts and line graphs to help to identify trends, peaks and troughs in business activity, sales, revenue, customer turnover etc. Similar comparable data could be prepared for competitors.</p> <p>Introduce candidates to the range of tools which can be used to analyse information about the competitive market e.g. PEST(LE), Porter's Diamond, Porter's Five Force Analysis. Porter's Barriers and Profitability Models. Assist them to apply these to the study organisation and its market.</p> <p>Other generic management tools should also be applied to analyse the position and capabilities of the organisation e.g. financial tools and ratios to ascertain profitability.</p> <p>Remind candidates of the reason why they need to build up a detailed profile of the organisation, its market and competitors.</p>
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UNIT 2: Determine Market Segmentation

Recommended prior knowledge: No prior knowledge is required, however, candidates should be encouraged to research and critically review the marketing strategy of their own and other organisations.

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Outline: This unit looks at the options available to the organisation for marketing its products or services in line with its strategic objectives. Candidates need to understand market segmenting, competitor and buyer behaviour and the impact of factors in the macro and micro economic climate. They should be able to apply a range of models and techniques to analyse the environment in which the organisation is operating and so determine its options e.g. protect or build on current position, product or service development, diversification.

COMPETENCE CRITERIA		EXPLANATION OF COMPETENCE CRITERIA	SUGGESTED TEACHING ACTIVITIES
2.1	Identify segments	<ul style="list-style-type: none"> • how are the products and services of the organisation segmented? • can new segments be created? • describe competitor activity in relation to these segments? 	<p>Assist candidates to analyse the market in more detail by identifying and analysing the study organisations market segments. Help them to research and analyse information about customer profiles and buying habits, sales etc to identify market segments and missed opportunities i.e. opportunities to create new segments.</p> <p>As part of this initial analysis, the products / services of the organisation should be analysed in more detail. Introduce candidates to the concept of the product life cycle and the BCG matrix – stars, question marks / problem children, cash cows, dogs. These can be difficult concepts to understand and familiar / high profile organisations and their products should be used to demonstrate their application.</p>
2.2	Analyse options	<ul style="list-style-type: none"> • explore and analyse the range of options open to the organisation e.g. sector growth vs. relative market share 	<p>Based on this initial analysis, ask candidates to outline the main options open to the organisation, and their respective advantages and disadvantages.</p> <p>Ensuring that options are matched to organisational strengths and capabilities is an integral part of analysing and selecting options. A SWOT would help with this analysis.</p>

UNIT 3: Identify Marketing Options in line with the Organisational Strategy

Recommended prior knowledge: No prior knowledge is required, however, candidates should be encouraged to research and critically review the marketing strategy of their own and other organisations.

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Outline: This unit builds on the analysis begun in Unit 2 and looks in more detail at the strategic marketing options available to the organisation given its strategic market position and objectives. A range of analytical models and techniques should be applied to determine the most suitable marketing strategy for the organisation.

COMPETENCE CRITERIA		EXPLANATION OF COMPETENCE CRITERIA	SUGGESTED TEACHING ACTIVITIES
3.1	Identify and analyse marketing options	<ul style="list-style-type: none"> research and analyse the strategic marketing options open to the organisation e.g. product / service development, market penetration, diversification. use appropriate models to explain and present these options e.g. Ansoff, Porter, BCG 	<p>This Unit requires candidates to carry out a more detailed analysis of the options that they have outlined in Unit 2. Candidates need to be taken through the strategic marketing options open to the organisation (these are given in the module syllabus). Links to the strategic objectives are important here.</p> <p>Appropriate models and tools should be introduced to help candidates to analyse these options. e.g. Ansoff's Matrix, Hamermesh's Company Position / Industry attractiveness Screen</p>
3.2	Determine strategic options	<ul style="list-style-type: none"> filtering the options to arrive at the most appropriate marketing option(s) 	<p>The principles underpinning the strategic marketing options should also be explored. For example are they based upon the principle of securing competitive advantage through adding value? or is it price based? or, quality based?</p> <p>Issues associated with organisational capacity and capability should be considered here as should the concept of strategic fit.</p>

UNIT 4: Identify Potential Barriers to Success and Analyse Risks

Recommended prior knowledge: No prior knowledge is required, however, candidates should be encouraged to research and critically review the marketing strategy of their own and other organisations.

Background reading would also help to promote understanding and it may be useful to direct candidates to research and read up on a particular issue in advance of teaching. Marketing books aimed at non-specialists and case studies will help candidates to familiarise themselves with marketing terms, principles and concepts.

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Outline: This unit focuses on the organisations capacity for change and the internal factors which may inhibit a successful change e.g. culture, value systems. Risk assessment strategies are also an important part of this unit.

COMPETENCE CRITERIA		EXPLANATION OF COMPETENCE CRITERIA	SUGGESTED TEACHING ACTIVITIES
4.1	Review organisational capability to change and identify potential barriers to success	<ul style="list-style-type: none"> • how does the capacity and capability of the organisation to adapt to change affect the preferred marketing option? • what factors may act as barriers to the implementation of a changed marketing strategy? 	<p>Candidates need to be reminded of the importance of aligning people to change and new strategies.</p> <p>Aspects of the Organisational Behaviour and Change Management module should be re-visited and candidates should focus on how they might minimise or handle any resistance to change.</p> <p>Internal and external factors need to be considered, including market entry and exit barriers (see Units 1 and 2)</p>
4.2	Analyse risks	<ul style="list-style-type: none"> • what are the risks associated with changing marketing strategy and how can these be calculated and minimised? 	<p>Candidates need to appreciate the importance of forecasting and analysing risk, including looking at competitor marketing strategies.</p> <p>Strategies for calculating and minimising risk need to be explored and candidates should identify contingency plans to support the marketing strategy they are proposing for the study organisation.</p>

UNIT 5: Evaluate Marketing Options and Propose a Marketing Plan in line with the Strategy

Recommended prior knowledge: No prior knowledge is required, however, candidates should be encouraged to research and critically review the marketing strategy of their own and other organisations.

Background reading would also help to promote understanding and it may be useful to direct candidates to research and read up on a particular issue in advance of teaching. Marketing books aimed at non-specialists and case studies will help candidates to familiarise themselves with marketing terms, principles and concepts.

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Outline: Building on their research and analysis, candidates are required to recommend and justify a strategic marketing plan that is linked to the organisation's objectives and its plans for the future. The proposal should be comprehensive and stem from an analysis of the findings, with reference to relevant models.

Candidates should also show that they have considered the difficulties associated with the implementation of strategic change and have assessed the risks involved.

COMPETENCE CRITERIA		EXPLANATION OF COMPETENCE CRITERIA	SUGGESTED TEACHING ACTIVITIES
			Particularly if you are adopting a holistic approach to the teaching of this module, many of the skills and knowledge from this unit will have been covered elsewhere, or in other modules. To avoid unnecessary repetition, it is suggested that these concepts are briefly re-visited and contextualised
5.1	Evaluate marketing options	<ul style="list-style-type: none"> research and analyse all information to determine the most suitable strategy for the organisation consider the options in terms of strategic fit and funding options 	<p>Candidates need to check their option(s) for strategic fit and consider how the strategic marketing plan will be funded. Having researched and analysed information about the organisation and the environment in which it operates, candidates must ensure that they use this information to determine the most suitable strategy for the organisation.</p> <p>It can be helpful for candidates to work in groups and to systematically review all the information to agree a way forward. Candidates may need help with techniques for presenting and reviewing large amounts of information and decision making.</p>
5.2	Forecast and calculate potential returns on investment	<ul style="list-style-type: none"> consider how to fund the proposed strategy understand how to forecast and calculate returns on investment e.g. revenue, cost-benefit analysis 	It is here that the candidate needs to consider the cost implications of their proposed approach. The strategic marketing plan proposed must be financially viable. This will include a cost benefit analysis, take into account product life cycle, look at value-added activities and forecast financial viability. Financial techniques will have been covered in the Financial Management module, but a detailed financial analysis is not required here.
5.3	Propose a marketing plan	<ul style="list-style-type: none"> propose and justify a suitable marketing plan which is aligned to the organisations business strategy and future plans 	<p>Throughout the previous units, candidates will have identified and evaluated the strategic marketing options appropriate to the organisation. Based on this analysis candidates should propose a comprehensive strategic marketing plan.</p> <p>The preparation of detailed implementation plans will have been covered in other modules (Strategic Management) and it is sufficient for candidates to produce a business like proposal, taking into account issues of timescales, targets/objectives, monitoring and evaluation etc.</p>

			<p>The proposal must be comprehensive and obviously stem from the candidates' research and analysis. The justification must show an understanding of wider managerial considerations, including financial viability and strategic change management. It must also demonstrate an understanding of the importance of aligning marketing strategy with business strategy and the organisations plans for the future.</p> <p>It can be interesting and valuable for each group of candidates to present their proposals to the rest of the group. This can lead to an interesting discussion about the validity and reliability of various analytical tools and the sensitivity of strategic decisions to analysis.</p> <p>Conclude the module with a reminder of the role of the manager in determining and implementing marketing strategy.</p>
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