MOSAIC mac-b:

A COMPREHENSIVE FRAMEWORK FOR

MARKETING PLANNING

by

DAVID CH'NG

Serial No 67

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ABSTRACT

The marketing planning models commonly found in standard marketing textbooks are logical flow models employing the flowchart format to describe the sequential activities involved in the marketing planning process.

This paper examines in detail six marketing planning models selected from standard marketing textbooks. All but one are textbooks of the 1980s.

Using content analysis, the core planning elements common to all six models are identified. These have been grouped into an acronym MOSAIC which stands for marketing audit, objectives, strategies, action programmes, implementation and control. In addition, four supporting planning elements have also been found and these are mission statement, assumptions, contingency plans and marketing budget; represented by the acronym mac-b.

MOSAIC mac-b presents a comprehensive framework for a formal marketing planning system. It distinguishes between the core and supporting planning elements and helps the planner to focus on the minimum requirements in the planning process. The acronym is easy to remember and may serve as a useful teaching aid. However it has a number of limitations and should not be used as a magic formula for all types of marketing planning situations.

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1. Introduction

Marketing planning models in basic marketing textbooks are presented in the form of logical flow models, proceeding from reviews to objectives, strategies, programmes, budgets and the process is reconvened again. Because it can be represented by a small number of steps, marketing planning appears to be conceptually very simple. Some critics, however, have cautioned against accepting these oversimplified models at face value. They advocate that marketing planning in practice is a complex process, as pointed out by McDonald (1979: 71-72):

"... formalized marketing planning is extremely difficult in practice, perhaps the most difficult of all the marketing skills, for it represents the gestalt of all marketing effort."

Accordingly, these structured approaches to the marketing planning process have ignored the diversity and complexity of most commercial operations. They have very little practical value.

Marketing academicians, on the other hand, have generally continued to support the use of such models for teaching purposes. The very nature of the marketing planning process, which involves many discrete questions and alternative paths, lends itself readily to the language of a flowchart with distinctive planning elements arranged in a logical sequence. In practice, such a generalized planning framework helps to focus the

attention of students (and marketing planners) on the main steps in the marketing planning process, thereby ensuring the right input at the right intervals.

The proliferation of standard marketing textbooks in the 1980s has resulted in a number of variations in the models depicting marketing planning process. It is difficult to ascertain by casual examination just how different these planning models are, or whether some fundamental modifications have been introduced. Students are thrown into disarray as they are confronted with marketing planning models which purport to describe the same process but contain different number of steps arranged in different sequences.

2. Objectives of Study

The overall objective of this paper is to critically evaluate six marketing planning models selected from standard marketing textbooks, making cross-references wherever possible to marketing planning systems currently used in the industry.

The specific objectives of this study are:

- Firstly, to identify the core elements which are common to all marketing planning models studied.
- Secondly, to appraise the validity and significance of planning elements found only in a minority of marketing planning models.
- Thirdly, to formulate a representative version of marketing planning framework which can be used to evaluate all marketing planning models.

Fourthly, to point out the inadequacy, if any, currently found among the marketing planning models presented in the standard marketing textbooks.

3. Definitions.

Marketing planning is a systematic process used by an organization to define its target markets, assess marketing opportunities and resources, set objectives in the markets, formulate marketing strategies and develop a plan for specifying how the marketing mix will be used to achieve the objectives within the given time frame. It is a focussed thinking process.

A marketing plan is a written document containing statements on the target markets, the marketing objectives, assumptions, marketing strategies, tactical programmes, the budget, and the timing for implementing the programmes. It is a blueprint for action.

Marketing audit is a situation analysis of the company's current marketing capability with respect to the environment. It is a reviewing process for examining the external business environment as well as the company's own internal operation. The output of the full marketing audit is summarized in point form under the heading SWOT (strengths, weaknesses, opportunities and threats) analysis. The SWOT analysis is a part of the marketing plan.

Marketing audit is an important element in the marketing planning process.

4. Historical Development

The integration of marketing planning (the process) and marketing plans (the output) into the marketing function was a relatively recent phenomenon.

It had occurred during the period 1952-1977 when the marketing concept became widely accepted by the business community (Myers, Massy and Greyser 1980: 26-27).

The increased customer orientation of the 1960s had affected marketing planning in two ways:

Firstly, there was a greater emphasis to plan from the customer's point of view, and not strictly from the firm's standpoint.

Secondly, behavioural science concepts were incorporated into marketing planning; for instance, the use of market segmentation as the basis for the development of marketing plans (Myers et al 1980: 41, 46).

The 1960s had in fact became the era of marketing's greatest influence and promise. Management had replaced the inadequate corporate long-range planning with the marketing plan and the latter was accepted as the master plan steering the directional growth of the entire company (Day and Wensley 1983:79-80).

However, the strategic planning role of the marketing plan was rather short-lived. The increasing uncertainties and complexities of the marketing environment in the 1970s necessitated new strategic focus on competitive positions and allocation of limited resources. Marketing plan was

ill-equipped to handle such a task and was gradually restricted to a tactical support role at the brand level.

Marketing academicians have generally accepted that marketing planning is a function of the product or brand manager (Assael 1985: 101; Cohen 1987: 7-8) and attempts were made to integrate the marketing planning process into business planning (Jain 1981; Kotler et al 1983: 81; Greenley 1986).

Marketing planning in the 1980s became more formalized (McCarthy and Perreault 1987; Stapleton 1989). There was a rekindled interest in marketing plans due, in part, to a great concern over the rapid rise of marketing costs, improvements in information technology and planning tools, and the broader application and adoption of marketing in general (Kiel, McVey and McColl-Kennedy 1987).

5. Methodology

Content analysis is used to identify, describe and analyse in detail the components of six marketing planning models selected from standard marketing textbooks.

The first stage in the content analysis is to standardize the terminology used to describe the steps in the planning sytems. Variations in the terms employed by various authors include situations analysis, marketing audit, environmental analysis, environment scanning, SWOT analysis, market opportunities assessment, selection of market targets, etc. The confusion tends to centre around an early planning

element commonly referred to as "situation analysis".

Stage two involves the alignment of the various planning elements from all six models so that a direct comparison can be made. This is shown as Table 7.1. Because the objective is to identify core planning elements which are common to all marketing planning systems studied, this procedure inevitably has to omit "unique" planning components proposed by one writer but which are not generally shared by others. Planning elements advocated by two or more models are retained for analysis.

Stage three is the ultimate alignment exercise whereby each planning element is assigned an alphabet; for example m for mission statement definition. The entire planning framework proposed by each model is now represented by an acronym such as most, which stands for Mission, Objectives, Strategies and Tactics. This is shown as Table 7.2.

The system of alphabetical lettering should reflect the core or supporting nature of the planning elements. It is decided that capital letters be used to denote the core, and small letters for the supporting elements. Hence,

	Core Planning Elements		Supporting Planni Elements					
E.g.	Marketing audit	M	Mission statement	m				
	Action programme	A	Assumptions .	a				
	Control	С	Contingency plans	С				

6. Marketing Planning Models

This section attempts to give a brief description of six marketing planning models selected from standard marketing textbooks (See Table 6.1). All these models, with one exception, have been taken from textbooks of the 1980s.

Stern (1966) has been included because of its special place in the literature of marketing planning. It represents one of the earliest attempts at formalizing the marketing planning system and as far as one can see, the marketing planning model has not changed all that much in the last two decades.

One distinguishing feature among all these models is the use of flowcharts to denote the sequential activities which jointly make up the marketing planning process. The proposed planning systems have been simplified into unidirectional pathways with virtually no concurrent activities. Again, the only exception is Stern (1966).

Feedback loops are utilized in McDonald (1984), Assael (1985) and Pride and Ferrell (1989).

The cyclical model proposed by Pride and Ferrell (1989) is unique in its portrayal of marketing planning as a circular, continuing process which is often repeated annually. It was adapted from Luck, Ferrell and Lucas (1989) and both texts have been listed in Table 6.1

Model No.	Author(s)	Title	Publisher	Year
1	Stern, Mark E.	Marketing Planning: A Systems Approach	McGraw-Hill, N.Y.	1966
2	McDonald, Malcolm H.B.	Marketing Plans: How to Prepare Them, How to Use Them	Heineman, London	1984
3	Assael, Henry	Marketing Management: Strategy and Action	Kent, Boston, Mass.	1985
4	Stanton, W.J., Miller, K.E. and Layton, R.A.	Fundamentals of Marketing (1st Australian Edn)	McGraw-Hill, Sydney	1985
5	Cravens, David W. and Woodruff, Robert,B.	Marketing	Addison-Wesley, Reading, Mass.	1986
ба	Pride, William M. and Ferrell, O.C.	Marketing: Concepts and Strategies (6th Edn)	Houghton Mifflin, Boston, Mass.	1989
6b	Luck, David, J., Ferrell, O.C. and Lucas, George H.Jr.	Marketing Strategy and Plans (3rd Edn)	Prentice-Hall International	1989

Table 6.1 Textbook Sources of Marketing Planning Models

6.1 The Systems Approach Model of Stern (1966)

Stern (1966) attempts to apply mathematical models and computer simulation to the marketing planning practices. The central theme throughout the book is the interdependencies of the planning components. The planning framework is shown as Fig.6.1

This model advocates that a marketing plan should start with the definition of the company's mission and goals.

- * The statement of mission and scope delimits the vast number of possible alternatives that are available.
- * The statement of company's goals provides the basic direction for all planning activities.

Although a pioneer in the field, Stern's model exhibits all the essential planning elements found in the later models. The assessment of market opportunities takes into consideration four categories of environmental factors (social, technological, governmental and business) and an estimation of market potential, sales potential and sales forecast. A similar step can be found in most of the other models.

Stern (1966:40-42) introduced a step immediately following market opportunities assessment known as the generation of alternative strategies (See Fig.6.1). A corresponding element can be found in McDonald (1984: 12) and Luck, Ferrell and Lucas (1989:150). The latter refers to "the strategic idea" where planners build up a set or repertoire of various strategems.

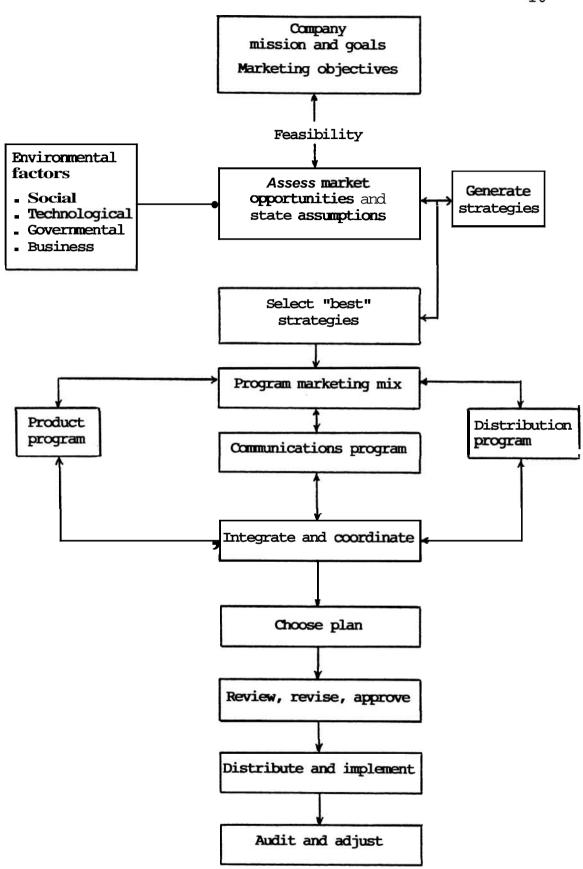


Fig.6.1 The Marketing Planning process (Stern 1966:13)

6.2 The Cranfield Model of McDonald (1984)

This model is the outcome of a research programme conducted at the Cranfield School of Management in the 1970s.

McDonald (1984:209) advocates that the mission statement is the starting point in the marketing planning process, although his flowchart begins with the corporate objectives (See Fig.6.2).

The second step is situation analysis or marketing audit involves reviewing the business environment at large as the company's own internal operation. The SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis features prominently in this model.

In contrast to Stern (1966) which places the development of marketing objectives as the first step in marketing planning (See Fig.6.1), McDonald (1984) has relegated it to a step after situation analysis.

Overall, the Cranfield model *can* be summed up in the following seven basic steps (McDonald 1979: 70-71):

- Gathering relevant information about the external environment and about the company internally;
- Identifying the company's major strengths and weaknesses vis-a-vis the external opportunities and threats facing the company;
- Formulating some basic assumptions about the future;

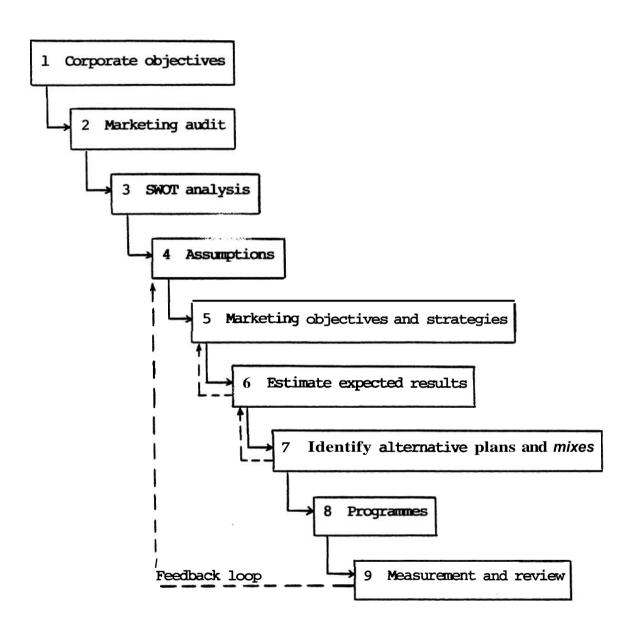


Fig.6.2 The Marketing Planning Process (McDonald 1984:12)

- 4. Laying down the marketing objectives of the business, based on the results of the first three steps;
- 5. Laying down strategies for achieving the objectives;
- 6. Laying down programmes for implementing the strategies to include timing, responsibilities and costs;
- 7. Measuring progress towards achievement of the objectives and reviewing and amending the ongoing plan as necessary.

6.3 The Product Management Planning Model of Assael (1985)

Assael (1985:101) has repeatedly stressed that marketing planning is a function of the product or brand manager. His model tries to incorporate product management and product development into the marketing planning process.

This particular model suffers from unnecessary cramming and complications created by Assael's attempts to make it applicable to two different management functions: the marketing management of an existing product and the commercialization of a new product (See Fig.6.3). It is also surprising that Assael does not include the mission statement in the model as it would have emphasized the need to refer to the policy-making body in the company for guidelines on the direction of new product development.

An unique planning element is the positioning of the product in Step 3. Assael has also built into the logical flow

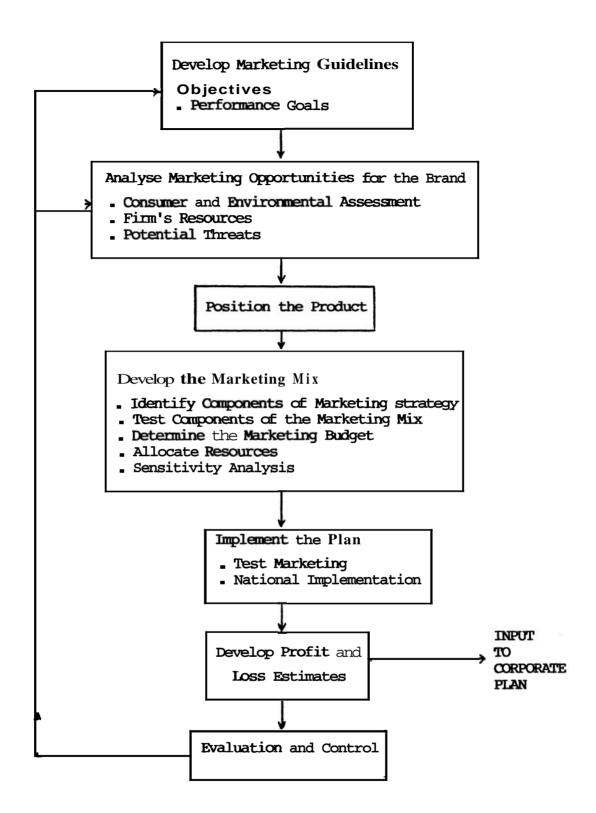


Fig. 6.3 The Marketing Planning Process
(Assael 1985: 102)

model the five steps necessary for the development of the marketing mix - these are not found in the other planning systems.

The cyclical nature of the marketing planning process is illustrated by the feedback mechanisms. Evaluation of sales performance leads to another planning cycle for the brand, as shown in Fig. 6.3. Failures to meet sales goals usually requires adjustments in the marketing mix.

6.4 Cravens and Woodruff (1986)

This is a highly conventional model which contains only five steps in the preparation of a marketing plan (See Fig. 6.4).

It starts with a situation assessment which includes a SWOT analysis. As in the case of McDonald (1984), the setting of marketing objectives only takes place after market targets have been selected.

The marketing programme incorporates an estimation of the market response to a planned marketing programme. The product life cycle concept is employed to refine the marketing mix (Cravens and Woodruff 1986:625-627).

The final steps of budgeting, implementing and controlling enable the marketing manager to monitor actual results during the planning period.

A major shortcoming of this model is that it tends to portray marketing planning as a unidirectional process.

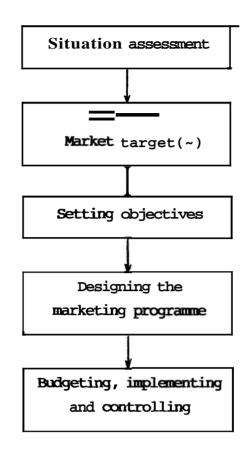


Fig. 6.4 The Marketing Planning Process
(Cravens and Woodruff 1986:614)

6.5 Stanton, Miller and Layton (1985)

A typical, generalised framework for carrying out the marketing planning process which bears a lot of resemblence to the model proposed by Cravens and Woodruff (1986).

The only difference is that the marketing objectives are defined prior to the selection of market targets (See Fig. 6.5).

This model shares with Cravens and Woodruff (1986) the pitfalls of (a) no linkage to the corporate plan, and (b) the impression of a unidirectional pathway.

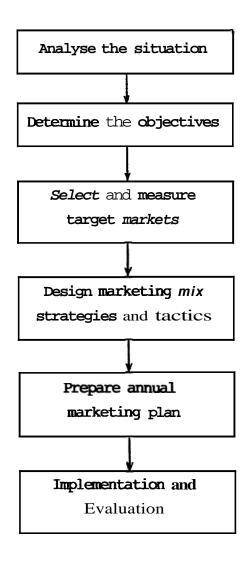


Fig.6.5 <u>The Marketing Planning Process</u>
(Stanton, Miller and layton 1985:522)

6.6 The Cyclical Model of Pride and Ferrell (1989)

Pride and Ferrell (1989) maintain that marketing planning cycle is a more accurate description of the process. Given the high acceptance rate among companies on marketing planning, it is more likely for a planner to start with an existing marketing plan. Fig. 6.6 illustrates marketing

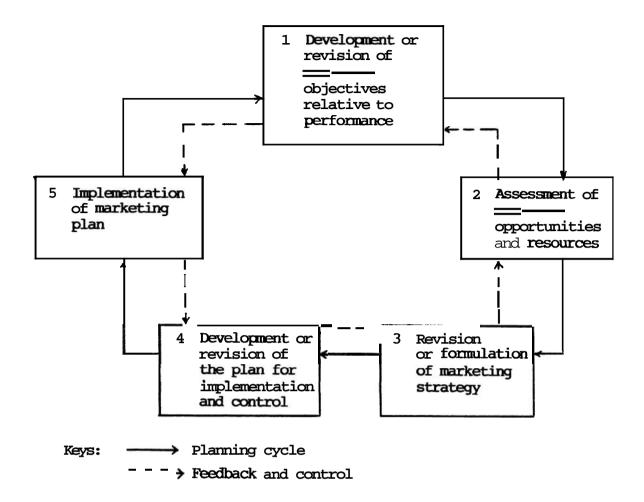


Fig.6.6 The Marketing Planning Process
(Pride and Ferrell 1989:647)

planning as a circular process. As the dotted feedback lines in the figure indicate, planning is not unidirectional. Feedback is used to coordinate and synchronize all stages of the planning cycle.

7. Results

Tables 7.1 and 7.2 represent the results of a two-staged content analysis.

Each column in Table 7.1 contains the proposed activities of a marketing planning model arranged in the sequence originally suggested by the authors. By aligning the planning elements of all six models horizontally, the similarities and differences in the nature of the steps proposed and the order for carrying them out are highlighted. One limitation of this analysis is that inevitably some details are lost in the alignment exercise. The purpose is to identify the core elements in the planning process common to the formal planning systems selected for study.

Table 7.2 is compiled by standardizing and classifying the activities in each model. This is achieved by assigning to each distinct component in the marketing planning process an alphabet, such as c for contingency planning and E for marketing environment analysis. The series of planning elements in each model is thereby reduced to an acronym; for example, Stern (1966) is represented by mOESTIC.

Table 7.2 highlights the variability among a group of models which purport to represent the same process. Even when only the core planning elements are being considered, there are variations in the nature and number of elements included, as well as the sequence prescribed.

It should be pointed out, however, that the absence of a planning element in a model does not imply that the author(s) has removed that particular component from the marketing planning process altogether. The fact that it is not

1. Stem (1966)	2. McDonald (1984)	3. Assael (1985)	4. Cravens & Woodruff (1986)	5. Stanton et al (1985)	6. Pride & Ferrell (1989)	
Mission & goals	Corporate objectives					
Marketing objectives		Marketing objectives & goals			Marketing objectives	
Assessing marketing opportunities Environmental factors	Marketing audit SWOT analysis	Assessing marketing opportunities SWOT analysis Consumer & environment assessment	Situation assessment Selecting market targets	Situation analysis	Assessing marketing opportuni ties	
Assumptions	Assumptions					
	Marketing Objectives		Marketing objectives	Marketing objectives		
				Select & measure target markets		
Strategies	Marketing strategies	Develop marketing strategies	Design marketing Strategies & tactics		Marketing strategies	
	Estimate expected results	Budgeting	Budgeting			
	Alternate plans	Sensitivity analysis				
Programmes	Programmes	Programmes			Programmes	
Implementation & control	Implementation & control	Implementation & control	Implementation & control	Implementation & control	<pre>Implemen- tation & control</pre>	

Table 7.1 Comparison of Planning Elements in Six Marketing Planning Models

Model	Planning Elements									
Stern (1966)	m	0	E		S		Т		I	С
McDonald (1984)	m	E	0		S	С	T		I	С
Assael (1985)		0	E		S	С	T	b	I	С
Stanton et al (1985)		E ₁	0	Е ₂	S		т		I	С
Cravens & Woodruff (1986)		E	0	2	S		T	b	I	С
Pride & Ferrell (1989)		0	E		S		Т		I	С

Table 7.2 Components and Sequence of Planning Elements in Six Marketing Planning Models

Keys: m Mission Statement/Corporate Objectives

- O Marketing Objectives
- E Marketing Environment Analysis/Situation Analysis/Marketing Audit/SWOT Analysis/ Assessment of Market Opportunities/ Selection of Market Targets

(Note: Stanton et al subdivided this element into two, designated here as $\mathbf{E_1}$ and $\mathbf{E_2}$).

- S Marketing Strategies
- b Marketing Budgets
- c Contingency Plans/Sensitivity Analysis
- T Marketing Tactics/Programme of Action
- I <u>Implementation</u>
- C Marketing Control

included in the flowchart probably indicates that the author(s) believes it constitutes a part of a planning element rather than a distinct component by itself.

7.1 The Marketing Planning Elements

7.1.a Mission Statement/Corporate Objectives (m)
Only Stern (1966) and McDonald (1984) have started
their formal marketing planning systems by referring to the company's mission statement and
corporate objectives.

7.1.b Marketing Objectives (0)

Half the models studied have advocated that marketing objectives should be determined prior to an assessment of the current market status and outlook for the product covered by the plan. The remainders have placed situation analysis ahead of the objectives.

The writing of marketing objectives is a planning element common to all models studied.

7.1.c Situation Analysis (E)

This is the component which attempts to answer the vital question in a marketing plan, "Where are we now?". Situation analysis reviews numerous aspects of the market and marketing effort that form the subject of the plan.

Both Assael (1985) and Pride and Ferrell (1989) have adopted the situation analysis as their starting points in the entire marketing planning process. McDonald (1984) relegates it to Step 2, following the mission statement but preceding the marketing objectives.

Situation analysis is without a doubt an extremely important step in the marketing planning process. It has been labelled the "marketing backdrop". In gractice, situation analysis comes under different names such as marketing audit, SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis, environment scanning, assessment of marketing opportunities and selection of market targets. Situation analysis is either arranged to be conducted before or after the definition of marketing objectives. An exception is found in Stanton et al (1985) which subdivides the situs lysis into two parts (See Table 7.2) and publiched them on both sides of the marketing objectives.

Situation analysis is a common planning element in all models studied.

7.1.d Assumptions (Not shown in Table 7.2)

In Table 7.1, Stern (1966) and McDonald (1984) have incorporated "assumptions as a separate step in the planning process. They are not stated explicitly in the other models.

7.1 .e Marketing Strategies (S)

A strategy operates as the connecting link between the problems, objectives and detailed action, This step seeks to answer the question, "How are we going to get there?". It is generally constructed within the four P's framework.

The establishment of marketing strategies is a common planning element in all models studied.

7.1.f Contingency Planning (c)

The intent of contingency planning is to find a way to continue meeting the marketing objectives if some of the assumptions in the marketing plan do not materialize. Alternate plans may be formulated beforehand in anticipation of possible changes.

Sensitivity analysis is a form of contingency planning. The process is an attempt to test how "sensitive" the marketing mix elements in the strategy are regard to different internal and external conditions.

The contingency planning step is only found in McDonald (1984) and Assael (1985).

7.1.g Marketing Programmes/Tactics (T)

This stage represents the culmination of the planning effort. It spells out the actual steps by which strategies will be implemented to achieve the established marketing objectives. Each activity is time-phased; responsibility and roles are designated.

The action programme is a common planning element in all models studied.

7.1.h Marketing Budget (b)

The setting of a marketing budget does not normally constitute a separate step in the marketing planning process, but it is an important sub-step in the action programme. A budget is needed to allocate

marketing expenditures to the components of the marketing mix.

Marketing budget receives specific mention only in Assael (1985) and Cravens and Woodruff (1986).

7.1.i Implementation and Control (I,C)

These are common planning elements in all models studied.

8. Analysis

Overall, the content analysis has found six core (or basic) planning elements in the marketing planning process, these are:

- 1. Marketing audit or situation analysis
- 2. Marketing objectives
- 3. Marketing strategy
- 4. Action programmes
- 5. Implementation
- 6. Control

These activities are common to all the models studied.

Four supporting planning elements have been found in some, but not all the models studied. These are:

- 1. Mission statement /corporate objectives
- 2. Assumptions
- 3. Contingency plans
- 4. Marketing budget

8.1 The MOSAIC Framework for Marketing Planning

The six core planning elements can be summarized into MOSAIC, an acronym for Marketing audit, Objectives, Strategies, Action programmes, Implementation and Control.

The order of the initials, M-O-S-A-I-C, represents the sequence of planning events. As the planner moves from one step to the next, the acronym guides the user in seeking answers to three vital questions: (a) Where are we now? (b) Where do we want to go? (c) How do we get there? (See Fig. 8.1)

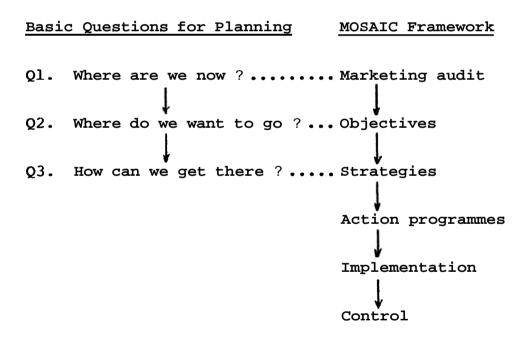


Fig. 8.1 The Basic MOSAIC Framework for Marketing Planning

The M-O-S-A-I-C framework contains only the core elements essential to the marketing planning process. A comprehensive marketing planning system also needs to take into consideration a number of significant planning elements such as the definition of mission statement and corporate objectives, assumptions, contingency plans and marketing budget. These supporting elements can be grouped into an acronym mac-b which stands for Mission statement, Assumptions, Contingency plans and Budget. The supporting ining fit into the MOSAIC framework as shown in Fig.8.2 overleaf.

9. Discussion

Opinions vary as to the desirability of a formalized planning system which can be applied to any company situation. Hopkins (1983:6-9) suggest that no hard and fast rules should apply. There must be room for diversity and the marketing planning process should be tailored to suit individual marketing situations and management styles.

Ames (1968) also warn against the blind applications of a marketing planning format to different types of commercial operations. The key determinants for a successful marketing plan vary considerably among consumer, industrial and service companies.

On the other hand, a formalized framework for marketing planning offersat least four advantages:

(1) It is an invaluable tool for teaching purposes.

A logical flow model of the marketing planning

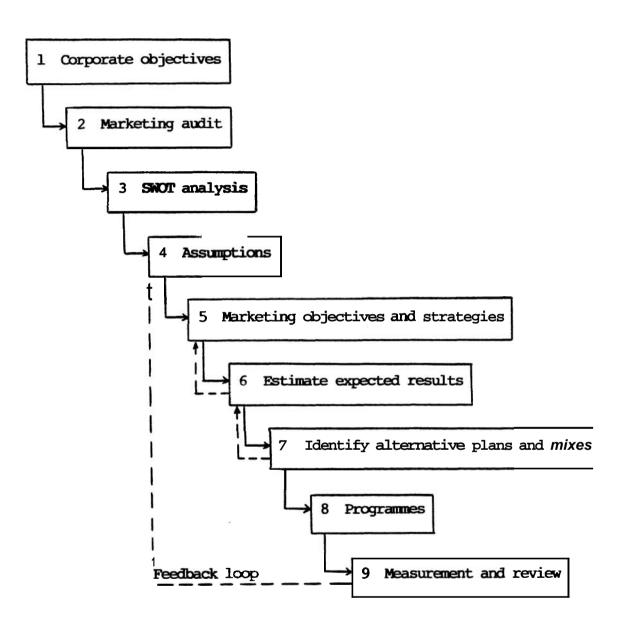


Fig.6.2 The Marketing Planning Process (McDonald 1984:12)

- 4. Laying down the marketing objectives of the business, based on the results of the first three steps;
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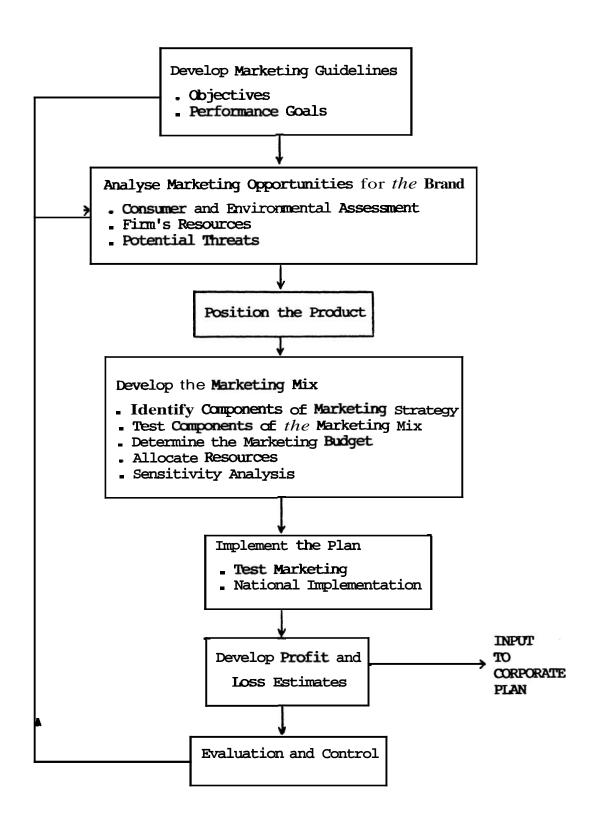


Fig. 6.3 <u>The Marketing Planning Process</u>
(Assael 1985: 102)

model the five steps necessary for the development of the marketing mix - these are not found in the other planning systems.

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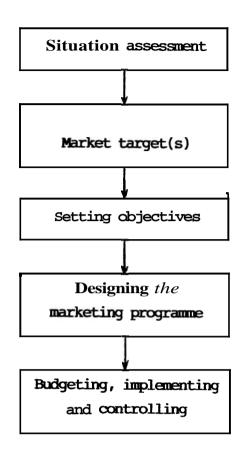


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6.5 Stanton, Miller and Layton (1985)

A typical, generalised framework for carrying out the marketing planning process which bears a lot of resemblence to the model proposed by Cravens and Woodruff (1986).

The only difference is that the marketing objectives are defined prior to the selection of market targets (See Fig. 6.5).

This model shares with Cravens and Woodruff (1986) the pitfalls of (a) no linkage to the corporate plan, and (b) the impression of a unidirectional pathway.

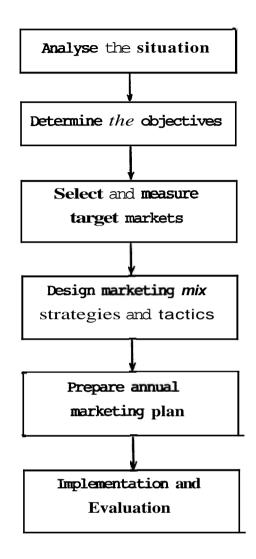


Fig. 6.5 The Marketing Planning Process
(Stanton, Miller and layton 1985:522)

6.6 The Cyclical Model of Pride and Ferrell (1989)

Pride and Ferrell (1989) maintain that marketing planning cycle is a more accurate description of the process. Given the high acceptance rate among companies on marketing planning, it is more likely for a planner to start with an existing marketing plan. Fig. 6.6 illustrates marketing

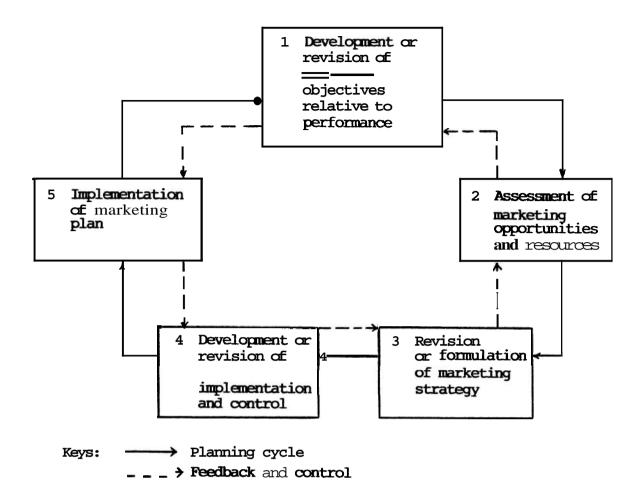


Fig.6.6 The Marketing Planning Process
(Pride and Ferrell 1989:647)

planning as a circular process. As the dotted feedback lines in the figure indicate, planning is not unidirectional. Feedback is used to coordinate and synchronize all stages of the planning cycle.

7. Results

Tables 7.1 and 7.2 represent the results of a two-staged content analysis.

Each column in Table 7.1 contains the proposed activities of a marketing planning model arranged in the sequence originally suggested by the authors. By aligning the planning elements of all six models horizontally, the similarities and differences in the nature of the steps proposed and the order for carrying them out are highlighted. One limitation of this analysis is that inevitably some details are lost in the alignment exercise. The purpose is to identify the core elements in the planning process common to the formal planning systems selected for study.

Table 7.2 is compiled by standardizing and classifying the activities in each model. This is achieved by assigning to each distinct component in the marketing planning process an alphabet, such as c for contingency planning and E for marketing environment analysis. The series of planning elements in each model is thereby reduced to an acronym; for example, Stern (1966) is represented by mOESTIC.

Table 7.2 highlights the variability among a group of models which purport to represent the same process. Even when only the core planning elements are being considered, there are variations in the nature and number of elements included, as well as the sequence prescribed.

It should be pointed out, however, that the absence of a planning element in a model does not imply that the author(s) has removed that particular component from the marketing planning process altogether. The fact that it is not

1. Stern (1966)	2. McDonald (1984)	3. Assael (1985)	4. Cravens & Woodruff (1986)	5. Stanton et al (1985)	6. Pride & Ferrell (1989)	
Mission & goals	Corporate objectives					
Marketing objectives		Marketing objectives & goals			Marketing objectives	
Assessing marketing opportunities Environmental factors	Marketing audit SWOT analysis	Assessing marketing opportunities SWOT analysis Consumer & environment assessment	Situation assessment Selecting market targets	Situation analysis	Assessing marketing opportuni ties	
Assumptions	Assumptions					
	Marketing Objectives		Marketing objectives	Marketing objectives		
				Select & measure target markets		
Strategies	Marketing strategies	Develop marketing strategies	Design marketing programme	Strategies & tactics	Marketing strategies	
	Estimate expected results	Budgeting	Budgeting			
	Alternate plans	Sensitivity analysis				
Programmes	Programmes	Programmes			Programmes	
Implementation & control	Implementation & control	Implementation & control	Implementation & control	Implementation & control	Implemen- tation & control	

Table 7.1 Comparison of Planning Elements in Six Marketing Planning Models

Model	Planning Elements									
Stern (1966)	m	0	Е		s		Т		I	ŋ
McDonald (1984)		E	0		s	С	Т		I	С
Assael (1985)		0	E		s	С	T	b	I	С
Stanton et al (1985)		E ₁	0	E ₂	s		Т		I	С
Cravens & Woodruff (1986)		E	0	2	s		т	b	I	С
Pride & Ferrell (1989)		0	E		S		T		I	С

Table 7.2 Components and Sequence of Planning Elements in Six Marketing Planning Models

Keys: m Mission Statement/Corporate Objectives

- Marketing Objectives
- E Marketing Environment Analysis/Situation Analysis/Marketing Audit/SWOT Analysis/ Assessment of Market Opportunities/ Selection of Market Targets

(Note: Stanton et al subdivided this element into two, designated here as E_1 and E_2).

- S Marketing Strategies
- b Marketing Budgets
- c Contingency Plans/Sensitivity Analysis
- T Marketing Tactics/Programme of Action
- I <u>Implementation</u>
- C Marketing Control

included in the flowchart probably indicates that the author(s) believes it constitutes a part of a planning element rather than a distinct component by itself.

7.1 The Marketing Planning Elements

7.1.a Mission Statement/Corporate Objectives (m)
Only Stern (1966) and McDonald (1984) have started their formal marketing planning systems by referring to the company's mission statement and corporate objectives.

7.1.b Marketing Objectives (0)

Half the models studied have advocated that marketing objectives should be determined prior to an assessment of the current market status and outlook for the product covered by the plan. The remainders have placed situation analysis ahead of the objectives.

The writing of marketing objectives is a planning element common to all models studied.

7.1.c Situation Analysis (E)

This is the component which attempts to answer the vital question in a marketing plan, "Where are we now?". Situation analysis reviews numerous aspects of the market and marketing effort that form the subject of the plan.

Both Assael (1985) and Pride and Ferrell (1989) have adopted the situation analysis as their starting points in the entire marketing planning process.

McDonald (1984) relegates it to Step 2, following the mission statement but preceding the marketing objectives.

Situation analysis is without a doubt an extremely important step in the marketing planning process. It has been labelled the "marketing backdrop". In practice, situation analysis comes under different names such as marketing audit, SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis, environment scanning, assessment of marketing opportunities and selection of market targets. Situation analysis is either arranged to be conducted before or after the definition of marketing objectives. An exception is found in Stanton et al (1985) which subdivides the situitysis into two parts (See Table 7.2) and publiched them on both sides of the marketing objectives.

Situation analysis is a common planning element in all models studied.

7.1.d Assumptions (Not shown in Table 7.2)

In Table 7.1, Stern (1966) and McDonald (1984) have incorporated "assumptions as a separate step in the planning process. They are not stated explicitly in the other models.

7.1.e Marketing Strategies (S)

A strategy operates as the connecting link between the problems, objectives and detailed action. This step seeks to answer the question, "How are we going to get there?". It is generally constructed within the four P's framework.

The establishment of marketing strategies is a common planning element in all models studied.

7.1.f Contingency Planning (c)

The intent of contingency planning is to find a way to continue meeting the marketing objectives if some of the assumptions in the marketing plan do not materialize. Alternate plans may be formulated beforehand in anticipation of possible changes.

Sensitivity analysis is a form of contingency planning. The process is an attempt to test how "sensitive" the marketing mix elements in the strategy are regard to different internal and external conditions.

The contingency planning step is only found in McDonald (1984) and Assael (1985).

7.1.g Marketing **Programmes/Tactics (T)**

This stage represents the culmination of the planning effort. It spells out the actual steps by which strategies will be implemented to achieve the established marketing objectives. Each activity is time-phased; responsibility and roles are designated.

The action programme is a common planning element in all models studied.

7.1.h Marketing Budget (b)

The setting of a marketing budget does not normally constitute a separate step in the marketing planning process, but it is an important sub-step in the action programme. A budget is needed to allocate

marketing expenditures to the components of the marketing mix.

Marketing budget receives specific mention only in Assael (1985) and Cravens and Woodruff (1986).

7.1 Implementation and Control (I,C)

These are common planning elements in all models studied.

8. Analysis

Overall, the content analysis has found six core (or basic) planning elements in the marketing planning process, these are:

- 1. Marketing audit or situation analysis
- 2. Marketing objectives
- 3. Marketing strategy
- 4. Action programmes
- 5. Implementation
- 6. Control

These activities are common to all the models studied.

Four supporting planning elements have been found in some, but not all the models studied, These are:

- 1. Mission statement /corporate objectives
- 2. Assumptions
- 3. Contingency plans
- 4. Marketing budget

8.1 The MOSAIC Framework for Marketing Planning

The six core planning elements can be summarized into MOSAIC, an acronym for Marketing audit, Objectives, Strategies, Action programmes, Implementation and Control.

The order of the initials, M-O-S-A-I-C, represents the sequence of planning events. As the planner moves from one step to the next, the acronym guides the user in seeking answers to three vital questions: (a) Where are we now? (b) Where do we want to go? (c) How do we get there? (See Fig. 8.1)

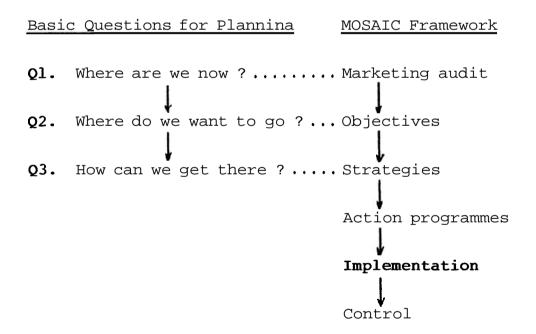


Fig. 8.1 The Basic MOSAIC Framework for Marketing Planning

The M-O-S-A-I-C framework contains only the core elements essential to the marketing planning process. A comprehensive marketing planning system also needs to take into consideration a number of significant planning elements such as the definition of mission statement and corporate objectives, assumptions, contingency plans and marketing budget. These supporting elements can be grouped into an acronym mac-b which stands for Mission statement, Assumptions, Contingency plans and Budget. The supporting ining fit into the MOSAIC framework as shown in Fig.8.2 overleaf.

9. Discussion

Opinions vary as to the desirability of a formalized planning system which can be applied to any company situation. Hopkins (1983:6-9) suggest that no hard and fast rules should apply. There must be room for diversity and the marketing planning process should be tailored to suit individual marketing situations and management styles. Armes (1968) also warn against the blind applications of a marketing planning format to cifferent types of commercial operations. The key determinants for a successful marketing plan vary considerably among consumer, industrial and service companies.

On the other hand, a formalized framework for marketing planning offersat least four advantages:

(1) It is an invaluable tool for teaching purposes. A logical flow model of the marketing planning