ABSTRACT

The purpose of this research project is to develop a conceptual model of strategic marketing planning for OPK Marketing Services - (OPKMS). The model helps in formulating an effective strategic marketing plan to drive superior business performance. This paper adopted Susman’s action research model with the combination of qualitative and quantitative approaches as the research methodology. The finding shows that the proposed conceptual model of strategic marketing planning is effective as all the action taken in accordance to the model has positive impact on OPKMS business performance. The integrative approach allows managers to further explore different concepts and school of thoughts to formulate a well rounded marketing strategy rather than only focus on a particular concept or school of thought. The proposition of this study is that integrative approach drawn from contingency theory is critical as the literatures found that there is no one size fit for all solution. However, a structured planning process is necessary to get the logical sequence right, and workshop is one of the best ways to deal with cultural and cognitive hurdles to actualize the practice of strategic marketing.

INTRODUCTION

The global business climate is getting competitive driven by trade liberalization, technology diversity and uncertainty. Therefore, strategic marketing is a very crucial element for every business to succeed these days as it can provides a company with overall direction and helps management to identify market requirements to designs the best match products or services with the company’s core competencies to drive superior business performance.

While most studies found strategic marketing planning can bring advantage to the companies, nevertheless only few companies were able to adopt strategic marketing concept into its daily business operation effectively. This is due to the fact that implementation of strategic marketing planning is not as straightforward as prescribed in the literature (McDonald, 1992). In most cases, the companies were restrained to practice strategic marketing due to lack of marketing proficiency (Reid and Hinkley, 1989). For that reason, companies continually search for ways to improve the effectiveness of its strategic marketing practice in order to win in the marketplace and it was hoped that this study would offer some general insights. More specifically, this paper attempt to further improve -OPKMS business performance by establishing a structured strategic marketing planning model to develop an effective strategic marketing plan.

Background Information of OPKMS

OPK Marketing Services Sdn. Bhd. (OPKMS) is the marketing arm of OPK Inter-Corporation Sdn. Bhd. and OPK Co. Ltd., Japan. The principal activity of OPKMS is to provide material handling equipment and total material handling solution to domestic and oversea industry market including product modification and made to order services. OPKMS have two brands to cater different target market segments. Basically OPKMS is positioned as premium brand to cater MNC segment, its selling proposition is to offer highest quality and advance features at premium price, particularly Japanese factories in Malaysia. Whereas, OIC is positioned as medium brand or best value brand to target SMI segment with acceptable quality and common features at average price. OPKMS has set up three branches and form strong relationship with many established dealers covering the major industry areas throughout Malaysia. OPKMS
also has an effective maintenance team to provide fast post sales and quality maintenance service for the valuable customers.

**RESEARCH METHOD**

This paper adopted Susman’s Action Research Model (Susman, 1985) to carry out the research, because interventions are constantly required during the course of study. The chosen action research model comprises five phases, namely diagnosing, action planning, taking action, evaluating and specifying learning as illustrated in Figure 1.

![Figure 1. Action Research Model for OPKMS Project in SMP](image)

**Phase One: Diagnosing**

This research model begins with the diagnosing phase, non-structured interview, observation and focus group were adopted as the research instruments to gather preliminary information of the company to identify and define the problem.

**Phase Two: Action Planning**

The next phase is action planning in which alternative solutions for the problem identified earlier was developed and determined the course of action to resolve the problem. At this point, comprehensive literature review on strategic marketing and strategic management were conducted. The key area of the literature that relevant to the project is identified, namely general practice and concept of strategic marketing and strategic management as well as strategic planning process. Consequently, a conceptual model of strategic marketing planning is developed to guide the rest of this project.
Phase Three: Taking Action

Strategic marketing workshop is engaged as the main instrument to develop an effective strategic marketing plan for OPKMS with the participation of its sales and marketing personnel as well as the intervention of the researcher. The workshop is designed to begin with a seminar on the general concepts and practices of strategic marketing followed by an overview on the conceptual model of strategic marketing planning developed in previous phase. The main objective of the seminar is to ensure the participants have a necessary understanding within the area of study. The next session of the workshop is to embark on the structured strategic marketing planning process by working through the sequence of the conceptual model designed in the previous phase. The first session is working on strategic marketing analysis, the second one is focusing on strategic marketing formulation and the last one is dealing with strategic marketing implementation. Subsequently, the workshop will be wrapped up with a presentation of the completed strategic marketing plan and a post workshop assessment. The post workshop assessment is to evaluate the level of understanding of the participants on the strategic marketing plan and the effectiveness of the mean of workshop being conducted.

Phase Four: Evaluating

At the evaluating phase, the main task is to assess the effectiveness of the strategic marketing plan by measuring OPKMS business performance in a quarter after the workshop. Strategic evaluation activities seek to identify opportunities or performance gaps, and initiate actions to take advantage of the opportunities or to correct existing and pending problems. According to Kotler (2000), the typical business performance indicators for sales organization are sales performance, sales force and sales promotion efficiency.

Phase Five: Specifying Learning

Finally, the evaluation of the intervention outcomes will be interpreted and discussed in last phase known as specifying learning. At this point, the researcher will identify the finding of this project and determine how successful the research being conducted.

DIAGNOSING PHASE

Even OPKMS is able to provide customer quick post sales services to all its clients without compromising on quality up to now. However, the Managing Director of OPKMS feels getting difficult to communicate his business direction and strategies to its sales and marketing team as the company is growing bigger in size. For this reason, the authors joined OPKMS to investigate the cause of the problem and resolve the situation. The finding of preliminary investigation including non-structured interview, observation study and focus group indicated that to certain extent, OPKMS is practicing strategic marketing planning as most of the participants able to describe some of its existing marketing strategies. Nevertheless, every business directions and decisions were made by managing director of OPKMS based on his own judgment and those directions and strategies were not put in writing with a formal strategic marketing planning system, yet exist in the form of oral understandings and commitments among managers. Therefore, most of the managers are not well versed on those marketing directions and strategies as the information is communicated in a non-structured sequence and very fragmented. Furthermore, oral communication can be easily forgotten and overlooked without any trace. The company might lose its competitive edge radically resulting drop-off in sales and customer satisfaction, if the above issues are not resolved in time.

In this context, the purpose of this study is to formalize the practice of strategic marketing planning in OPKMS by using action research methodology resulting in a form of strategic marketing plan to drive superior business performance.
PHASE ONE: ACTION PLANNING

In this phase the main tasks are to provide alternative solutions for the problem identified earlier and determined the course of action to resolve the problem. Accordingly, comprehensive literature review on strategic marketing and strategic management were conducted, and a conceptual model of strategic marketing planning is developed to guide the rest of this project at this phase.

Literature Review

Market dynamics and others factors have caused drastic changes in marketing practice. From having focused initially on gaining new customers, current marketing practice is more relating to retain existing customers (Hutt and Speh, 2001). However, the recent studies found the notion of transaction marketing is still relevant at present, and many businesses practice transaction marketing concurrently with various types of relationship marketing known as pluralistic marketing (Egan, 2001).

The existing management and marketing literature revealed that studies on strategy research, specifically on marketing, concentrate in two different aspects, namely strategic content and strategic process (Rajagopalan and Spreitzer, 1997; Ashill et al, 2003). Content school emphasizes the investigation on the fit of organization to its external environment; whereas process school believes formalized the strategic marketing planning process to attain superior performance. However, considering that companies should attain both external and internal fit to achieve superior performance, at the same time, the processes of strategy formulation and implementation is not separable activities (Lawrence and Lorsch 1967). As such, there is a need for an integrative approach that incorporates both schools of thought. Integrative approach is based on the idea that the formulation and implementation processes influence the content of a strategy; meanwhile, the processes themselves are determined by previous strategic decisions (Jemison, 1981).

In practice, many companies still operate without formal strategic marketing plan, particularly small and medium companies and industrial companies due to lack of strategic marketing planning system or ability (Barton, 1994). Even strategic marketing planning can bring advantage to the companies yet, only few companies were able to implement strategic marketing concept effectively. In continuously changing business environments, top management could not cope with the environmental changes without involving middle managers (Barlett and Goshal, 1994). Therefore, the primarily role of managers in strategic planning is to detect the environmental changes and provide up to date market information for top managements to make strategic decisions (Webster, 1992).

The recent strategy literature is dominating by the activities-based view writers such as Michael Porter (1981), W.Chan Kim and his associate Renee Mauborgne (2005). While Porter stresses how a company gains an advantage over its competitors to sustain superior performance through competition advantage, conversely Kim and Mauborgne contend how to create an uncontested market space and make the competition irrelevant through value innovation.

On the other hand, some of the evidence also indicates that implementation of strategic planning is not as straightforward as prescribed in the literature. In general, McDonald (1996) identified two common hurdles to adopt strategic marketing, namely cultural, a lack of belief in marketing planning and cognitive, a lack of knowledge and skill.

According to Aaker (1998), workshop is a very effective mean of learning, team building and strategic marketing planning. Since, it allows the top management and middle managers to exchange views and information, and develop the marketing strategy collaboratively. In view of that the outcome of the workshop is an effective business plan that has the input from both top management and middle manger and with the understanding and commitment of the team.

To sum up, many general concepts, school of thoughts and practices had been developed a long the years as discussed above. However, there is still no one best way to put in order for different companies working into diverse industries and conditions. As such, an integrative approach drawn from contingency theory is needed to take various perspectives into consideration to find the best match marketing strategy for a company. While the above discussion presents only a general concept to approach this study, more detailed of the conceptual model will be discussed later.
The Conceptual Model

Many studies found that no one best way to manage different organizations running in different industries and market conditions. Therefore, the top section of conceptual model as shown in Figure 2, adopts integrative approach derives from contingency theory to incorporate various marketing concepts to allows managers to further explore different concepts and school of thoughts to formulate a well rounded marketing strategy rather than only focus on a particular concept or school of thought, such as pluralistic marketing, competitive advantage, value innovation and strategic content and strategic process.

![Strategic Marketing Planning Model](image)

Figure 2. Strategic Marketing Planning Model

The structured planning process in the middle section of the conceptual model enables the company to plan and work out all the marketing activities in a logical sequence. First of all, the company has to set a clear strategic direction and various analytical tools have been adopted to analyze the external and internal business environment such as SWOT, Strategy Canvas and Four Action Framework.

The next step is to formulate marketing strategy based on the outcome of strategic marketing analysis which comprise of setting market objective, targeting market segmentation, market positioning and strategic selection.

The last step is to interpret and reformulate the selected marketing strategy to tactical or operational level that mean define the marketing strategy as strategic decisions made by the company in relation to the ways to achieve the marketing objectives. The marketing strategy itself generally concerns the major elements of marketing mixes, namely product strategy, price strategy, distribution strategy, promotion strategy, sales force strategy and service strategy.

In order to put the conceptual model into action, an operational mechanism is designed to formalize the planning process to ensure the involvement of the top management and middle managers through strategic marketing workshop sessions to confront the cultural and cognitive hurdles. The ultimate goal of the conceptual model is to formulate an effective strategic marketing plan for OPKMS to attain superior performance.
PHASE THREE: TAKING ACTION

At this point, the study has entered the action taking phase and the implementation involves converting the conceptual model of strategic marketing planning into a series of actions in a formal and structured manner to formulate an effective strategic marketing plan for OPKMS.

Strategic Marketing Workshop

There were seven participants taking part in the strategic marketing workshop, including the managing director, the marketing manager and three sales managers as well as two senior sales executives from head office and branches. The strategic marketing workshop comprises of a seminar session and actual planning exercise. The seminar is designed to train the participants with the necessary understanding of strategic marketing planning to overcome the cognitive hurdler. Whereas the actual planning exercise is designed to formalize the entire strategic marketing planning process to ensure top management and middle managers involvement to beat the cultural hurdler. In short, the design of the strategic marketing workshop is both conceptual and experiential.

Figure 3, shown the strategic marketing workshop was scheduled into five sessions over five month time period. Breakdown the entire strategic marketing planning process into few planning exercise sessions allow the facilitator to record and analyze the outcome of each planning session in the document. Spreading out the workshop over a longer period also allow the participants to expand their information base, conduct analyses as well as conceive and consider more alternative strategies. The workshop was concluded with a presentation of the strategic marketing plan, and a post workshop assessment was carried out to evaluate the level of understanding of all participants on the strategic marketing plan as well as the effectiveness of the workshop being conducted.

The outcome of post workshop evaluation shows that all participants were having a better view on OPKMS marketing strategy after the workshop. The role of the facilitator is both instructor and catalyst for the entire workshop. The challenges faced during the workshop are the learning capabilities of the participants are different, and the personalities and power issues also agitating the actual planning exercise.

<table>
<thead>
<tr>
<th>Workshop</th>
<th>Activity</th>
<th>Subject</th>
<th>Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Session 1</td>
<td>Seminar</td>
<td>The Concepts and the Conceptual Model of Strategic Marketing Planning.</td>
<td>To ensure participants equip with basic understanding and skill within the area of study.</td>
</tr>
<tr>
<td>Session 2</td>
<td>Planning Exercise</td>
<td>Strategic Marketing Analysis</td>
<td>To set strategic direction and conduct analysis on internal and external business environment.</td>
</tr>
<tr>
<td>Session 3</td>
<td>Planning Exercise</td>
<td>Strategic Marketing Formulation</td>
<td>To set market objective, market segmentation and positioning as well as strategic selection.</td>
</tr>
<tr>
<td>Session 4</td>
<td>Planning Exercise</td>
<td>Strategic Marketing Implementation</td>
<td>To turn strategy into action plan with right marketing mix.</td>
</tr>
<tr>
<td>Session 5</td>
<td>Presentation</td>
<td>Presentation of SMP Post Workshop Assessment</td>
<td>To refine and finalize the content of the strategic marketing plan</td>
</tr>
</tbody>
</table>

Figure 3. Strategic Marketing Workshop Schedule

PHASE FOUR: EVALUATING

The intended outcome of the strategic marketing planning exercise is to boost superior business performance. As such, sales performance and efficiencies of sales force as well as promotion are the best indicators to evaluate the effectiveness of the strategic marketing plan. OPKMS sales performance in term of monetary value is growing after the workshop, even the sales volume by unit is dropping. This implied that the sales and marketing managers are focusing more on premium range items instead of medium range items as they having better understanding on OPKMS marketing strategy now.

The workshop also triggered OPKMS sales and marketing managers to practice strategic thinking in their daily routine to solve complex issues and develop new way to get things done in more efficient manner. Most of all, the
commitment toward the company’s marketing strategy had drastically increased among the sales and marketing managers after the workshop as they are engaging in the entire marketing strategy making process. The radical improvement of OPKMS sales force efficiency is mainly due to the sales force known how to identify potential customers and utilize sales resource more effectively to secure additional sales. The assessment of this study concludes that the strategic marketing plan formulated by OPKMS sales and marketing managers during the workshop is effective as all the action taken for this project has positive impact on its business performance after the workshop.

**PHASE FIVE: SPECIFYING LEARNING**

This study provides some insights for OPKMS top management and middle managers concerning the practice of strategic marketing planning. Many general concepts, school of thoughts and practices of strategic marketing had been developed along the years, but there is still no one size fit for all solution. As a result the study draws the concepts from the contingency theory to enable the researcher to utilize an integrative approach instead of a unilateral approach to develop a conceptual model of strategic marketing planning.

The integrative approach allows the participants of strategic marketing planning to further explore different concepts and school of thought to formulate a well rounded marketing strategy rather than focus on a particular concept or school of thought only. In other word, this approach will expand the scope and enhance the creativeness of strategic thinking of the participants in developing an innovative marketing strategy. The structured process with logical sequential steps is very important in strategic marketing planning such as strategic marketing analysis, strategic marketing formulation and implementation. Nevertheless, the strategic planning tools and tactics in every structured step can be flexible to change depending on the condition or requirement as long as the application is correctly put in place.

Strategic marketing workshop is an effective operational tool to implement the conceptual model as it can strengthen the marketing competence and build up the ownership or commitment of the participants during the strategy formulation process as it can overcome the cognitive hurdler and also can formalize the entire strategic marketing planning process to engage the top management and middle managers to breakthrough the cultural hurdle.

In view of that the workshop facilitator must study the organizational culture and the competence level of the participants meticulously before conducting a successful workshop. The facilitator must design the workshop according to the company culture and the competence of the participants as well as arrange the suitable learning material for the participants. On the other hand, top management must also commit to give full support to create an organizational atmosphere which promotes openness, innovativeness, and responsiveness. The workshop could be done in single or few workshops scheduled over one or few months time period. However, spreading out the planning process over a longer period allows time to expand the information base, conduct analyses, and conceive and consider more strategic alternative.

**LIMITATION OF THE STUDY**

The conceptual model of strategic marketing only recommended using integrative or multilateral approach that offer flexibility to match the external business environments, and the processes of the marketing strategy formulation and implementation, but no further details or substances to conceive the entire proposition comprehensively. In addition, this project only focused on the marketing activities at strategic level, in practice, good marketing strategy must supplemented by details tactical and operational plan.

Finally, this study only analyzes from the limited point of view as only a company was involved in the project. The outcomes could be biased as it gives weight to OPKMS. To make the conceptual model more reliable same study should carry out in others company to further testify the effectiveness of the conceptual model.
CONCLUSION

Implementing a strategic marketing planning is not merely a matter of making use of analytical and planning tools or a sequential step of actions. It involves several dimensions, which are dynamic and complex. The lack of its utilization within organizations represents that the marketing planning is not as simple as prescribed in the literature. Accordingly, this study has developed a conceptual model of strategic marketing planning for OPKMS to formulate a strategic marketing plan to boost superior business performance. Based on the analysis of OPKMS business performance after the workshop, this study concludes that the conceptual model of strategic marketing planning is effective as all the action taken in accordance with the conceptual model has positive impact on OPKMS business performance after the workshop.

REFERENCES