BRAND MANAGEMENT

MACMILLAN STUDIES IN MARKETING MANAGEMENT

General Editor: Professor Michael J. Baker
University of Strathclyde

This series is designed to fill the need for a compact treatment of major aspects of marketing management and practice based essentially upon European institutions and experience. This is not to suggest that experience and practice in other advanced economies will be ignored, but rather that the treatment will reflect European custom and attitudes as opposed to American, which has tended to dominate so much of the marketing literature.

Each volume is the work of an acknowledged authority on that subject and combines distillation of the best and most up-to-date research findings with a clear statement of their relevance to improved managerial practice. A concise style is followed throughout, and extensive use is made of summaries, check-lists and references to related work. Thus each work may be viewed as both an introduction to and a reference work on its particular subject. Further, while each book is self-contained, the series as a whole comprises a handbook of marketing management.

The series is designed for both students and practitioners of marketing. Lecturers will find the treatment adequate as the foundation for in-depth study of each topic by more advanced students who have already pursued an introductory and broadly based course in marketing. Similarly, managers will find each book to be both a useful *aide-mémoire* and a reference source.

The titles so far published in the series are:

Michael J. Baker, *Marketing – Theory and Practice*

Michael J. Baker and Ronald McTavish, *Product Policy and Management*

J. R. Bureau, *Brand Management: Planning and Control*

Roy W. Hill and T. J. Hillier, *Organisational Buying Behaviour*

Frank Jefkins, *Public Relations in Marketing*

F. Livesey, *Pricing*

J. M. Livingstone, *International Marketing Management*

J. M. Livingstone, *A Management Guide to Market Research*

Ronald McTavish and Angus Maitland, *Industrial Marketing*

BRAND MANAGEMENT

PLANNING AND CONTROL

J. R. Bureau
Lecturer in the Department of Marketing
University of Strathclyde

M

© J. R. Bureau 1981

Softcover reprint of the hardcover 1st edition 1981 978-0-333-31902-4

All rights reserved. No part of this publication
may be reproduced or transmitted, in any form
or by any means, without permission.

First published 1981 by
THE MACMILLAN PRESS LTD
London and Basingstoke
Companies and representatives throughout the world

ISBN 978-0-333-31903-1 ISBN 978-1-349-86068-5 (eBook)
DOI 10.1007/978-1-349-86068-5

Typeset in 11/12pt Baskerville by
STYLESET LIMITED
Salisbury, Wiltshire

To April

The paperback edition of this book is sold subject to the condition that it shall not, by way of trade or otherwise, be lent, resold, hired out, or otherwise circulated without the publisher's prior consent, in any form of binding or cover other than that in which it is published, and without a similar condition including this condition being imposed on the subsequent purchaser.

Contents

<i>Acknowledgements</i>	ix
<i>Introduction</i>	xi

PART I OPERATIONAL PLANNING

1 The Brand Manager	3
The role of the brand manager	3
Responsibilities	4
The brand manager and the company	6
Control of the marketing-planning function	9
2 Operational Planning Needs	11
3 The Operational Marketing Plan	17
The primacy of the plan	17
Objectives of the operating marketing plan	20
Basic structure of the plan	21
The purposes of the operational marketing plan	25
4 The Product Plan	29
Introduction	29
The approach to product planning	30
Major areas of review	34
Product-plan format	35
5 Product Strategy	41
Product formulation and packaging	41
Product costs and prices	46
6 Promotional Policy	55
Advertising	56
Consumer and trade promotions	65
Sales aids	77
Public relations	78

vi CONTENTS

7 Sales Policy	81
Trade terms	81
The unit sales forecast	84
Trade coverage	85
Salesmen's incentives	86
8 The Revenue Account	87
9 Performance Objectives	91
10 Contributors to the Product Plan	95
11 Plan Approval	100
Planning calendar	104

PART II OPERATIONAL EXECUTION AND CONTROL

12 Product Control	109
Marketing versus manufacturing needs	109
Resolving conflicts	113
13 Selling Control	118
Sales targets	118
Sales-order analysis	119
Sales-force administration	121
14 Promotional Control	137
Introduction	137
Advertising control	140
Control of consumer and trade promotions	153
15 Financial Control	159
Introduction	159
Revenue and price	161
Expenditures	178
The revenue account	193
16 Control and Market Research	199
Benefits of market research	200
Limitations of market research	203
Control data	205

PART III POSTSCRIPT

17 Brand Management and the Future	231
Improving the data base	231
Increasing centralisation of marketing control	232
Changes in the market-place	232
Marketing personnel	234
<i>Glossary of Terms used in Marketing Accountancy</i>	237
<i>Notes</i>	242
<i>References</i>	244
<i>Index</i>	247

Acknowledgements

Much of this book has been based on the experiences of marketing which I have culled from work in the field of brand management, selling, advertising and market research. To that extent my indebtedness for the book's virtues is to that multitude of marketing people who directly and indirectly taught me the craft. The book's vices are my own responsibility. While it is impossible for me to list those from whom I thus benefited, I must at least acknowledge the immense debt I owe to Gillette Industries Ltd, in whose offices I worked for many years and from whose managers I learned so much. Hindsight, and a knowledge of the marketing abilities of other companies, make me aware of the very high level of business competence exercised by that company.

I am also in debt to Professor Michael Baker, who gave me the encouragement and guidance to persevere in the writing of the book. Finally, I would like to thank Mrs Jean Davidson for the constant good cheer in the face of the worst of all adversities, my handwriting, which enabled her to complete the typing of the manuscript.

J.R.B.

Introduction

The successful business enterprise seeks to master the environment in which it chooses to operate. Its mastery is rarely complete. Even the most sophisticated organisations find themselves subjected to unexpected periods of strain and uncertainty. Their determination to remain on a chosen course may be severely tested. The systems they employ and the people recruited to implement the systems may be profoundly shaken. Revenue declines, progress halts, profits and confidence are reduced.

The underlying thesis of this book is that, even *with* intelligent and conscientious marketing planning, the path of the business enterprise is frequently thorny, hazardous and unpredictable; without it it is always more chaotic, frequently disastrous and occasionally terminal.

All companies plan, more or less. Casually or systematically, continuously or sporadically, comprehensively or patchily. Even the narrowest and most limited experience of running a business organisation produces an instant recognition of the importance of planning. If nothing else, planning helps to insulate the mind from the traumas of too many unexpected setbacks. And, when setbacks do occur, planning systems provide a framework for their solution, a foundation on which order can be reconstructed from chaos.

Subject only to the important proviso that planning, like any other virtue, may itself become the means to generate inertia, conservatism and incompetence, very few successful organisations question its value, and most are securely founded on its benefits.

Inevitably there are an infinite number of variations in the planning techniques, styles and formats adopted by a group as heterogeneous as that of the business community. Despite such variations, there are ways of categorising planning needs and systems which serve to underlie certain constants essential to the planning function. One such

categorisation is that which differentiates between long-term and short-term planning requirements.

Strategic planning, concerned with the *long-term* success of the business operation, is a discipline which seeks to regulate the general direction to be taken by the enterprise. Strategy concerns itself with an organisation's purpose, mission, broad goals, primary objectives. The determination of such strategy is always seen as a primary responsibility of the organisation's most senior management: the Chairman, the Managing Director, the members of the Board. Strategy takes note of, but is not primarily dominated by, the next year or two in the life of the organisation. It seeks, instead, to look steadfastly at a more distant horizon – three or five, or ten or even twenty years ahead – in order to shape the organisation's future.

Operational planning, on the other hand, is concerned to determine the *short-term* competence of the business enterprise. It will seek to outline the activities required to achieve immediate goals: those which require to be reached in the next three, six, twelve or eighteen months.

Strategic planning will always affect operational planning: logic suggests that operational planning must rationally be a reflection of strategy. If responsibility for strategic planning tends to lie with senior management, operational planning will be the responsibility, and reflect the competence, of the organisation's senior, middle and – frequently – junior management.

Boths forms of planning – strategic and operational – are a necessary prerequisite to an effective *marketing function*, as they are to the efficiency of all the major activities and departments within the business organisation. Using the terms as defined, it follows that:

1. The *strategic marketing plan* is that element of the over-all organisational strategic plan which will determine the activities required to achieve the *long-term marketing goals of the organisation*.
2. The *operational marketing plan* is that element of the over-all organisational operational plan concerned to

determine the activities required to reach the *short-term marketing goals* of the organisation.

This book is primarily concerned with operational marketing planning, particularly as it applies to consumer-goods companies, though many of its principles may be applied to industrial-goods companies. This concern with operational rather than strategic planning is partly due to the fact that texts on strategy abound, while those on operational planning do not. For the student wishing to start with strategy — as he should — he is recommended to read any of a number of recognised authorities on the subject: perhaps H. I. Ansoff's *Corporate Strategy*, or J. Argenti's *Systematic Corporate Planning*.

While this book is concerned to outline the scope and objectives of operational marketing planning, such planning systems are not, of course, ends in themselves. A plan, *per se*, is simply an inert set of good intentions until action is taken to execute its recommendations. Such actions can only be successfully related to planning if they are measured and controlled, and their achievements related back to the initiating plan. Hence the emphasis in the second part of this book on control systems which serve to bring meaning to planning.

The book assumes that the reader is already well versed in all the basic concepts which underlie the structure of marketing within the business organisation, e.g. the functions of advertising, packaging, selling, distribution, pricing, etc. Its primary objective is to outline, through an examination of operational planning and control, the way the marketing-planning function welds together each of these separate areas of marketing knowledge and experience into a unified whole, aimed at maximising organisational resources, in the process of achieving organisational goals.