TABLE 2.4 (continued)

**Product Life Cycle**

Marketing strategies should change over the product life cycle. While the exact stage of the PLC cannot be estimated with certainty, it is useful to compare proposed changes in strategy with generic prescriptions for various stages of the PLC.

**Environmental Climate**

A wide variety of external events can influence customer or competitor behavior or the firm's own situation. Categories for analysis include technology, the political situation, the economic situation, and social trends. Events need to be classified as favorable, thus providing additional opportunities, or unfavorable, thus representing threats to be defended against.

**Internal Analysis**

**Skills of the Firm**

Marketing strategy must take into account the ability of the firm to implement the chosen strategy and to defend itself against initiatives of competitors. This goes beyond the marketing skills of the firm; it also includes engineering skills, manufacturing skills, overall management skills, and other organizational capabilities.

**Financial Resources of the Firm**

Marketing strategies must be financed. Most often, funds must be committed to marketing activities considerably in advance of revenues. Marketing strategy must assess the extent of resources and the degree to which they will be made available to fund marketing expenses.

**Corporate or Business Strategy**

Marketing strategy must take into account and support overall business strategy. Business strategy, in turn, must take into account and support overall corporate strategy. Overall objectives, sources of competitive advantage, and the assigned role of the business within the corporate portfolio can significantly influence marketing strategy.

This table draws heavily on the Marketing Planning Outline developed by Professor James R. Taylor and his colleagues at the University of Michigan Business School, and his work in this area is gratefully acknowledged.

An interesting aspect of planning is the location of responsibility for gathering planning information. As described in the Quest International case, responsibility can be centralized either in a formal market research function or a marketing management information system (MMIS) function. Alternatively, it can be decentralized to the various product or market managers. As businesses expand, the skill required to manage large data bases and information systems argues for centralization. But because managers of centralized functions frequently are remote from the daily information needs of product or market managers and may be remote from the field sales force, a prime source of information, the information gathering processes they develop and their analysis of data may not adequately respond to the realities of the market situation.