



CENTRAL ROLE OF STRATEGIC PLANNING IN DELIVERING CUSTOMER VALUE - A STUDY ON JEWELLERY CUSTOMERS OF HYDERABAD AND SECUNDERABAD

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Abstract:

Strategic planning plays a vital role in an organizational management as it defines the vision and identifies the goals and objectives to sustain in competitive & turbulent environment. The study concentrates on role of strategic planning in delivering value to the jewellery customers of Hyderabad and Secunderabad. Primary data was collected through the questionnaire which is administered & sought responses from various customers. With statistical tool chi square the collected data was analyzed to find the central role of strategic planning consisting of activities viz., manage business as an investment portfolio, and assess business strength by growth rate, establishing a strategy and even analyzed how firms strive for success with the capabilities such as understanding the customer value, creating customer value, delivering customer value, capturing customer value, sustaining customer value. Research concludes enhanced efforts for higher Accomplishment in strategic planning activities and firms capabilities.

Key words: Strategic Planning, Customer value creation, delivery & capturing, sustaining.

INTRODUCTION:

Winning marketing hence requires companies to have capabilities such as understanding customer value, creating customer value, delivering customer value, capturing customer value, and sustaining customer value. Intel case study describes how that company created customer value and built a brand in a category for which most people thought branding was impossible. These companies focus on the customer and are organized to respond effectively to changing customer needs.

To make sure that they select and execute the right activities, marketers must give priority to strategic planning in three key areas:

- Managing a company's businesses as an investment portfolio,
- Assessing each business's strength by considering the market's growth rate
- And the company's position and fit in that market, and establishing a strategy.

For each business, the company must develop a game plan for achieving its long-run objectives. A good number of large companies consist of four organizational levels: the corporate level, the division level, the business unit level, and the product level. Corporate head quarters is responsible for designing a corporate strategic plan to guide the whole enterprise; it makes decisions on the amount of resources to allocate to each division, as well as on which businesses to start or eliminate. Each division establishes a plan covering the allocation of funds to each business unit within the division. Each business unit develops a strategic plan to carry that business unit into a profitable future.

Finally, each product level (product line, brand) within a business unit develops a marketing plan for achieving its objectives in its product market. The marketing plan is a formal written document that specified how the marketing strategy will be accomplished. The marketing plan details the various marketing mix programmes and the human and financial resources, timescales, and personnel necessary to meet the needs and opportunities that the target markets present. The marketing plan operates at two levels- strategic & tactical. Strategic marketing planning is concerned with defining target markets and segments, and then setting out the direction and competitive approach that the organization wishes to take within these markets. The tactical marketing planning specifies the marketing tactics, including product features, promotion, merchandising, pricing, sales channels, and service.

The concepts of strategic planning were observed in the light of delivering customer value which is providing more value at lesser rates to delight the customers.

LITERATURE REVIEW

In the study of Jagbe, Solomon and Hoi, the relationship between planning and effectiveness of marketing operation (2011), the relationship inherent in between strategic planning and marketing and how they reflect in the performance of government owned and managed companies especially in power holding company of Nigeria was investigated and findings reveals that strategic planning contributes substantially to the effectiveness of marketing operations in public corporation. Irrespective of public and private, top management must consistently engage in planning strategically to arrest future environmental turbulence.

Kapadia, Karin (1995) discussed the system of debt bondage in the gem-cutting industry of south India. Evidence is examined from intensive fieldwork in villages in Tamilnadu; one large village in particular, which has been a major centre in the synthetic gem-cutting industry for seventy years. Here bonded labour is part of a dynamic and capitalist small scale industry that is rapidly expanding into global markets.

Untracht, Oppi (1997) explained that far more than merely a display of wealth and taste, jewellery is an integral element in the lives of the people of India. Untracht in his study observed major Indian jewellery forms and techniques, exploring Indian gems and jewellery as both an ongoing aesthetic spanning 5,000 years and a highly significant form of cultural expression.

Purushothaman, Nair C. N. (1992) highlighted the export potential and problems of diamond industry. He told that the diamond industry is considered to be a member of the traditional industry group. Diamond industry in India is making larger contribution to our export earnings year after year. In terms of value the export earnings from diamonds were Rs. 44.8 crores in 1970-71 and Rs. 618.40 crores in 1980-81. He told that India is neither a source nor a market for diamonds, but only an intermediate processor, which imports rough stuff to be almost entirely exported after processing. He discussed various problems faced by the diamond industry in special reference to Kerala such as supply of poor quality stones, poor bank facilities, labour problem and arbitrary pricing etc. In the end he offered some suitable policy implications to get rid of various problems that have been faced by the diamond industry.

OBJECTIVES OF THE STUDY

Main Objective: To ascertain the customer conception intensity of 'Central Role of Strategic Planning'

Sub Objectives:

- To ascertain the customer conception intensity of 'Manage Business as an Investment Portfolio'
- To ascertain the customer conception intensity of Assess Business Strength by Growth Rate & Market Position & Fit in that Market
- To ascertain the customer conception intensity of Establishing a Strategy
- To ascertain the customer conception intensity of Firms Capabilities

RESEARCH METHODOLOGY

The sample Jewellery organizations selected for the study is confined to the geographical region to Hyderabad and Secunderabad cities. Further, the customers of the Jewellery industry with a sample size of 328 & 237 for Hyderabad & Secunderabad respectively are drawn as sample respondents.

The following hypothesis was framed based on conceptual knowledge

Hypothesis H₀: 'Central Role of Strategic Planning' in branded jewellery does not influence Customer conception

Elements under Strategic planning are - 'Manage Business as an Investment Portfolio' Assess Business Strength by Growth Rate & Market Position & Fit in that Market, Establishing a Strategy and Firms Capabilities.

ANALYSIS & RESULTS

Tables are named against concepts that are part of the research and are self explanatory, and illustrative, besides it covers all the elements of the concept chosen for the study as contents of first column of the table, and successive columns contain the chi square value for each element for against demographic back drop. Various elements of the concepts are comprehensively listed which are essentially required to be covered.

<i>Element</i>	<i>Age</i>	<i>Chi Square computed Value</i>	<i>Table Value</i>	<i>Significance Level</i>	<i>Degree of Freedom</i>
<i>Manage Business as an Investment Portfolio</i>		30.969	21.026	5	12
<i>Assess Business Strength by Growth Rate & Market Position & Fit in that Market</i>		9.716	21.026	5	12
<i>Establishing a Strategy</i>		9.716	21.026	5	12
Firms Capabilities					
<i>Understanding Customer Value</i>		4.798	21.026	5	12
<i>Creating Customer Value</i>		6.357	21.026	5	12
<i>Delivering Customer Value</i>		33.795	21.026	5	12
<i>Capturing Customer Value</i>		31.462	21.026	5	12
<i>Sustaining Customer Value</i>		29.581	21.026	5	12

Chi-square test is applied for research data and the same are presented against the demographic factor of age. From the first phase i.e., *The Central Role of Strategic Planning* of the above table χ^2_{cal} is less than χ^2 table value, at 12 d o f and 5% level of significance for all elements represented except for *Manage Business as an Investment Portfolio*. Hence H_0 is accepted for all elements except for one element. With respect to second phase i.e., *The Central Role of Strategic Planning - Firms Capabilities* of the above table χ^2_{cal} is greater than χ^2 table value, at 12 d o f and 5% level of significance for all elements represented except for *Understanding Customer Value* and *Creating Customer Value*. Hence H_0 is rejected for all elements except for two elements.

<i>Element</i>	<i>Gender</i>	<i>Chi Square computed Value</i>	<i>Table Value</i>	<i>Significance Level</i>	<i>Degree of Freedom</i>
<i>Manage Business as an Investment Portfolio</i>		14.822	9.488	5	4
<i>Assess Business Strength by Growth Rate & Market Position & Fit in that Market</i>		29.131	9.488	5	4
<i>Establishing a Strategy</i>		20.803	9.488	5	4
Firms Capabilities					
<i>Understanding Customer Value</i>		15.148	9.488	5	4
<i>Creating Customer Value</i>		16.494	9.488	5	4
<i>Delivering Customer Value</i>		12.689	9.488	5	4
<i>Capturing Customer Value</i>		17.423	9.488	5	4
<i>Sustaining Customer Value</i>		19.298	9.488	5	4

Chi-square test is applied for research data and the same are presented against the demographic factor of gender. From the first phase i.e., *The Central Role of Strategic Planning* of the above table χ^2_{cal} is greater than χ^2 table value, at 4 d o f and 5% level of significance for all elements represented. Hence H_0 is rejected for all elements. With respect to second phase i.e., *The Central Role of Strategic Planning - Firms Capabilities* of the above table χ^2_{cal} is greater than χ^2 table value, at 4 d o f and 5% level of significance for all elements represented. Hence H_0 is rejected for all elements.

TABLE 8.6: CHI-SQUARE FOR THE CENTRAL ROLE OF STRATEGIC PLANNING- EDUCATION WISE					
<i>Element</i>	<i>Education</i>	<i>Chi Square computed Value</i>	<i>Table Value</i>	<i>Significance Level</i>	<i>Degree of Freedom</i>
<i>Manage Business as an Investment Portfolio</i>		23.719	21.026	5	12
<i>Assess Business Strength by Growth Rate & Market Position & Fit in that Market</i>		23.249	21.026	5	12
<i>Establishing a Strategy</i>		19.409	21.026	5	12
<i>Firms Capabilities</i>					
<i>Understanding Customer Value</i>		11.193	21.026	5	12
<i>Creating Customer Value</i>		7.665	21.026	5	12
<i>Delivering Customer Value</i>		20.973	21.026	5	12
<i>Capturing Customer Value</i>		17.338	21.026	5	12
<i>Sustaining Customer Value</i>		17.338	21.026	5	12

Chi-square test is applied for research data and the same are presented against the demographic factor of education. From the first phase i.e., *The Central Role of Strategic Planning* of the above table χ^2_{cal} is greater than χ^2 table value, at 12 d o f and 5% level of significance for all elements represented except for *Establishing a Strategy*. Hence H_0 is rejected for all elements except for one element. With respect to second phase i.e., *The Central Role of Strategic Planning - Firms Capabilities* of the above table χ^2_{cal} is less than χ^2 table value, at 12 d o f and 5% level of significance for all elements represented. Hence H_0 is rejected for all elements.

TABLE 8.8: CHI-SQUARE FOR THE CENTRAL ROLE OF STRATEGIC PLANNING - OCCUPATION WISE					
<i>Element</i>	<i>Occupation</i>	<i>Chi Square computed Value</i>	<i>Table Value</i>	<i>Significance Level</i>	<i>Degree of Freedom</i>
<i>Manage Business as an Investment Portfolio</i>		22.707	21.026	5	12
<i>Assess Business Strength by Growth Rate & Market Position & Fit in that Market</i>		35.269	21.026	5	12
<i>Establishing a Strategy</i>		13.477	21.026	5	12
<i>Firms Capabilities</i>					
<i>Understanding Customer Value</i>		7.648	21.026	5	12
<i>Creating Customer Value</i>		29.546	21.026	5	12
<i>Delivering Customer Value</i>		26.845	21.026	5	12
<i>Capturing Customer Value</i>		22.494	21.026	5	12
<i>Sustaining Customer Value</i>		22.060	21.026	5	12

Chi-square test is applied for research data and the same are presented against the demographic factor of occupation. From the first phase i.e., *The Central Role of Strategic Planning* of the above table χ^2_{cal} is greater than χ^2 table value, at 12 d o f and 5% level of significance for all elements represented except for

Understanding Customer Value. Hence H_0 is rejected for all elements except for one element. With respect to second phase i.e., *The Central Role of Strategic Planning - Firms Capabilities* of the above table χ^2_{cal} is greater than χ^2 table value, at 12 d o f and 5% level of significance for all elements represented except for *Understanding Customer Value*. Hence H_0 is rejected for all elements except for one.

TABLE 8.10: CHI-SQUARE FOR THE CENTRAL ROLE OF STRATEGIC PLANNING- INCOME WISE					
<i>Element</i>	<i>Income</i>	<i>Chi Square computed Value</i>	<i>Table Value</i>	<i>Significance Level</i>	<i>Degree of Freedom</i>
<i>Manage Business as an Investment Portfolio</i>		55.803	21.026	5	12
<i>Assess Business Strength by Growth Rate & Market Position & Fit in that Market</i>		63.242	21.026	5	12
<i>Establishing a Strategy</i>		51.561	21.026	5	12
<i>Firms Capabilities</i>					
<i>Understanding Customer Value</i>		20.715	21.026	5	12
<i>Creating Customer Value</i>		30.782	21.026	5	12
<i>Delivering Customer Value</i>		28.388	21.026	5	12
<i>Capturing Customer Value</i>		33.990	21.026	5	12
<i>Sustaining Customer Value</i>		36.555	21.026	5	12

Chi-square test is applied for research data and the same are presented against the demographic factor of income. From the first phase i.e., *The Central Role of Strategic Planning* of the above table χ^2_{cal} is greater than χ^2 table value, at 12 d o f and 5% level of significance for all elements represented. Hence H_0 is rejected for all elements. With respect to second phase i.e., *The Central Role of Strategic Planning - Firms Capabilities* of the above table χ^2_{cal} is greater than χ^2 table value, at 12 d o f and 5% level of significance for all elements represented except for *Understanding Customer Value*. Hence H_0 is rejected for all elements except for one.

FINDINGS

The conception/comprehension of ‘Manage Business as an Investment Portfolio’, ‘Assess Business Strength by Growth Rate, Market Position and fit in that Market’ is ‘High’ among sample respondents of all demographic classifications. Whereas Firms Capabilities, the conception/comprehension of Understanding, Creating, Delivering, Capturing and Sustaining Customer Value is ‘High’ in all demographic classifications of the sample respondents

CONCLUSIONS

Research concludes enhanced efforts for higher Accomplishment for ‘Manage Business as an Investment Portfolio’, ‘Assess Business Strength by Growth Rate, Market Position and fit in that Market’ of Firms Capabilities of Understanding, Creating, Delivering, Capturing and Sustaining Customer Value requires enhanced efforts for higher Accomplishment.

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