

# Strategic Marketing and Management Process Strategic Marketing is a Game of Management

## Abstract

The central objective of any company will be customer satisfaction so they may dominate the market and become leaders in their industry and thus providing substantial business satisfaction. A well defined and feasible marketing strategy makes meeting customer needs a likely and attainable goal. And while most companies do great marketing, only a few have created brand attachment and customer loyalty through their marketing practices, tactics, pricing, distribution, promotion, advertising and market segmentation. In today's very competitive marketplace, a strategy that insures a consistent approach to offering your product or service in a way that will outsell the competition is critical. However, in concert with defining the marketing strategy we must also have a well defined methodology for the day to day process of implementing it. It is of little value to have a strategy if you lack either the resources or the expertise to implement it.

The first step in strategic marketing is to articulate the reason why the enterprise exists and how it can benefit target consumers over the long term. The five steps in strategic marketing are Mission, Situation, Strategy and, Evaluation. The present paper would analyse the role of strategic marketing for enhancing their revenue, profit and sales and then would give closing remarks with suggestions.

**Keywords:** Feasible, Segmentation, Consistent, Articulate, Enhancing.

### Introduction

Strategic Marketing is a process of planning, developing and implementing exercises to obtain a competitive edge and unified purpose for all marketing efforts. This process is necessary to outline and simplify a direct map of the company's objectives and how to achieve them. A company wanting to secure a certain share of the market, should ensure that they clearly identify their mission, survey the industry situation, define specific objectives, implement and evaluate a plan to guarantee that they can provide their customers with the products they need, when they need them.

Of course, the central objective of any company will be customer satisfaction so they may dominate the market and become leaders in their industry and thus providing substantial business satisfaction.



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A well defined and feasible marketing strategy makes meeting customer needs a likely and attainable goal. And while most companies do great marketing, only a few have created brand attachment and customer loyalty through their marketing practices, tactics, pricing, distribution, promotion, advertising and market segmentation.

Factors such as market penetration, market share, profit margins, budgets, financial analysis, capital investment, government actions, demographic changes, emerging technology and cultural trends are also effective part of strategy marketing. There are two basic promotion strategies, push and pull.

#### **The Push Strategy**

Maximizes the use of all available channels of distribution to push the offering into the marketplace. This usually requires generous discounts to achieve the objective of giving the channels incentive to promote the offering, thus minimizing your need for advertising.

#### **The Pull Strategy**

Requires direct interface with the end user of the offering. Use of channels of distribution is minimized during the first stages of promotion and a major commitment to advertising is required. The objective is to pull the prospects into the various channel outlets, creating a demand the channels cannot ignore.

Having selected the promotion strategy for the overall interests of the enterprise, the next step is to choose a strategy for the offering that will be most effective in the market. There are three types of generic strategies.

#### **A Cost Leadership Strategy**

It is based on the concept that we can produce a good quality product or service at a lower cost than our competitors. These low costs should translate to profit margins that are higher than the industry average. Some of the conditions that should exist to support a cost leadership strategy include an on-going availability of operating capital, good process engineering skills, and close management of labour, products designed for ease of manufacturing and low cost distribution.

#### **A Differentiation Strategy**

It is one of creating a product or service that is perceived as being unique throughout the industry. The emphasis can be on brand image, proprietary technology, special features, superior service, a strong distributor network or other aspects that might be specific to your industry. This uniqueness should also translate to profit margins that are higher than the industry average. In addition, some of the conditions that should exist to support a differentiation strategy include strong marketing abilities, effective product engineering, creative personnel, the ability to perform basic research and a good reputation.

#### **A Focus Strategy**

It may be the most sophisticated of the generic strategies, in that it is a more intense form of either the cost leadership or differentiation strategy. It is designed to address a focused segment of the marketplace, product form or cost management process and is usually employed when it isn't

appropriate to attempt an across the board application of cost leadership or differentiation. It is based on the concept of serving a particular target in such an exceptional manner, that others cannot compete. Usually this means addressing a substantially smaller market segment than others in the industry, but because of minimal competition, profit margins can be very high.

#### **Components of Marketing Strategy**

1. how your enterprise will address the competitive marketplace
2. How you will implement and support your day to day operations.

In today's very competitive marketplace a strategy that insures a consistent approach to offering your product or service in a way that will outsell the competition is critical. However, in concert with defining the marketing strategy you must also have a well defined methodology for the day to day process of implementing it. It is of little value to have a strategy if you lack either the resources or the expertise to implement it.

In the process of creating a marketing strategy we must consider lots of factors. Of those many factors, some are more important because each strategy must address some unique considerations, it is not reasonable to identify every important factor at a generic level. However, many are common to all marketing strategies and some are more critical to create delight in their customers and beat out the competition.

#### **Review of Literature**

This part of the paper consists of various related literature and studies about marketing strategy. Marketing has evolved since the olden days when people used to trade with goods for goods. The theory of marketing explains how the market came into existence and the various means in which the marketers, the producers, the sellers and the consumers ensure total satisfaction. According to Dickson (1992) the process of creating marketing strategy is a higher order routine. In the "higher order routine", he has described how strategy-making excellence requires the ability to combine multiple organizational routines such as market analysis and experimentation which leads us to implementation stage of the marketing strategy. Slotegraaf et al., (2003) narrate that if the strategy-making process is more difficult to imitate, the firm's ability to implement its marketing strategy should be more likely to result in superior performance. Correspondingly, the paradox perspective proposes that the simultaneous use of multiple organizational processes that may be seemingly contradictory or competing can result in a more effective strategy-making process. (Ketchen et al.2007). They all are of the opinion that customer performance through customer responsiveness is a strategic action which can lead to competitive advantage that ultimately leads to sales, customer, and financial performance. Vrontis and Thrassou, 2007 they both have reached on the conclusions that multinational companies should have to find out how they must adjust an entire marketing strategy and, including how they sell, distribute it, in order to fit new

market demands. Moreover it is crucial for marketers to adjust the marketing mix and marketing strategy to suit local tastes, meet special market needs and consumers' non-identical requirements. Varadarajan (2010) has explained that marketing strategy is a significant driving force that distinguishes the success of many organizations not only by well-developed marketing strategies outlining where, when, and how the firm will compete but also by their ability to execute the marketing strategy decision and options.

**Objective of the Study**

1. To analyze the role of strategic marketing for enhancing their revenue, profit and sales
2. All effective decisions must be achievable within a fixed period of time.
3. To suggest various measures to improve moral, actual and potential responsibilities of producer for the development of market economy in meeting the challenges of the new millennium.

**Methodology**

The study is based upon the secondary data collected from different sources mainly, Economic Survey of India, RBI Bulletin, reports of national sample survey organization of India etc. The data has been tabulated suitably. The results have been accordingly interpreted and on the basis of analysis and findings, measures have been suggested.

**Results and Discussion**

**The five Steps in Strategic Marketing**



**Identifying a Mission**

The first step in strategic marketing is to articulate the reason why the enterprise exists and how it can benefit target consumers over the long term. In particular, this mission statement is intended to anticipate the future and describe an ongoing role for the organization's product, service or expertise. For example, the mission of an airline might be to provide continuing innovation in global transportation. A hospital could state a mission to take the lead in improving public health and education.

**Situation Analysis**

Organizations conduct a situation analysis, also known as a SWOT, to evaluate and prioritize

their strengths, weaknesses, opportunities and threats of your business and reveal your company's position in respect to the market. This second step in the strategic marketing process helps managers understand the resources they can build on and the challenges they face. Strengths and weaknesses are internal factors, under the firm's control. For example, a good image in the fashion press would be a key strength for a dress manufacturer, while a poor relationship with clothing retailers would be a weakness. Opportunities and threats arise from the external environment, like a strong economy or new payroll tax. To maximize strengths and minimize weaknesses an organization must perform the following:

1. Analyze competitors.
2. Research company's current and prospective customers.
3. Assess company.
4. Identifying trends in the company's industry.

Once this analysis is complete the results should be used as a basis for developing the company's marketing plan, which should be measurable and attainable.

**Strategic Analysis**

The fourth step in strategic marketing is strategy development. This involves selecting a target market, a distinct group of consumers who are highly likely to buy the firm's product. Planners must also choose implementation tactics, specifically, effective ways to use the marketing mix tools of product, promotion, price and distribution to reach and influence prospective buyers.

**Evaluation**

The fifth step, evaluation, means specifying how, when and by whom these tactics are to be monitored and assessed over time. The evaluation phase is the checking phase. This process involves ensuring that the results of the program are in line with the goals set

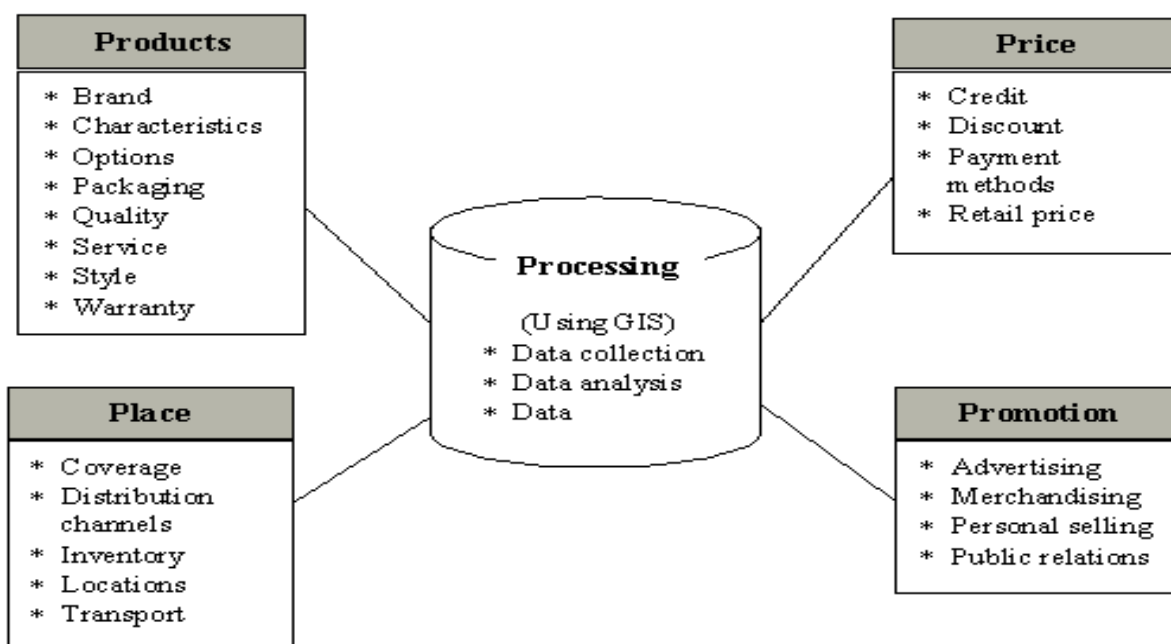
**Mandatory Phases for Best Marketing Strategy**

**Planning Phase**

The planning phase is the most important as it analyzes internal strengths and weaknesses, external competition, changes in technology and provides an overall picture of the state of the organization. This phase has four key components that will provide a clear diagram of where your company is and what it is doing.

**Marketing Program**

Once the needs of the customers have been determined, and the decisions have been made about which products will satisfy those needs, a marketing program or mix must be developed. This marketing program is the how aspect of the planning phases, which focuses on the 4Ps and the budget needed for each element of the mix.



#### Price Strategy

Focuses on the list price, price allowances (reductions), discounts, payment periods, and credit contracts.

#### Promotion Strategy

This element of the program should focus on direct marketing, advertising, public relations and sales promotions that create brand awareness.

#### Product Strategy

This element focuses on the features, packaging, branding and warranty of the product.

#### Place (Distribution) Strategy

The final 'P' in the marketing mix should focus on distribution channels, outlets and transportation to get the product to the customer when they need it.

#### Set Marketing and Product Goals

1. Once the customer needs are understood, goals can be set to meet them, thus increasing the chances of success with new products.
2. Find points of difference: like your company's unique selling point, each product should also have a certain set of traits or characteristics that makes it superior to the competitive substitute. For example, your product could be longer lasting, more accessible, more reliable or very user-friendly so the buyers will choose it over the competition each time.
3. Position the product: market so that in people's minds your product is the go to for their problem. Through emotional and mental marketing customers will associate your brand with their solution and eliminate choice. For example, many mothers use "Pampers," when referring to diapers, as this brand has been positioned as the go to in baby diapering needs.
4. Select target markets: based on the research and their commonalities, that way needs and goals are both met.

#### Turn Plans into Focused Action

Once the questions of where the company stands and what it wants to achieve are answered, the next step in the planning process is determining where the resources will be allocated, and how to turn plans into focused action. To do this, customers should be divided into segments to determine what specific marketing technique will reach each targeted group and what each group needs. Next measurable goals should be set to get the needed products to the various groups, thus fulfilling the marketing objectives. For example, if customers are divided into groups of common needs it's easier to market them and provide what they have proven to need at the time. And as well, if customers are grouped by their common response to marketing, then the cooperation will know the right decisions to make to reach that specific market segment.

#### Implementation Phase

The implementation phase is the action portion of the process. If the firm cannot carry out the plan that was determined in the early stages, then the hours spent planning were wasted. However, if the planning was adequately and competently structured, then the program can be put into effect through a sales forecast and a budget, using the following four components.

#### Obtaining Resources

Sums of cash to develop and market new products.

#### Designing Marketing Organization

There should be put in place a marketing hierarchy to properly see the plans to fruition.

#### Developing Planning Schedules

Time needs to be allocated to specific tasks so they can be accomplished.

#### Executing the Marketing Plan

Effectively executing the marketing plan will take attention to detail, and focus on the strategy and tactics defined in your marketing plan.



**Control Phase**

The marketing team, especially the manager will need to observe any deviations in the plan and quickly correct negative deviations to get back on course; for example fluctuations of the dollar creates a lesser need for the product than in the past, then the production of said product should be repurposed for a new more desired item. And they should exploit the positive divergences as well, for example if sales are better than predicted for certain products then there could be more resources allocated to greater production or distribution of the same item. A few ways to evaluate the effectiveness of your marketing strategy include paying attention to:

**Strategy Versus Tactic**

Strategy defines goals and tactic defines actions to achieve goals.

**Measurable Versus Vague**

Have milestones that define when you've achieved your goals.

**Actionable Versus Contingent**

A strategic goal should be achievable through the tactics that support it, rather than dependent upon uncontrollable outside forces. Marketing strategy should be backed by a business plan with tactical moves to accomplish goals, or it is useless.

**Prepared to Face the Problems of Strategic Marketing**

While creating the perfect marketing plan for your company, there are certain issues that could arise to deter the process. Here are a few possible issues to be prepared to face:

**Organizational Issues such as Poor Assumptions**

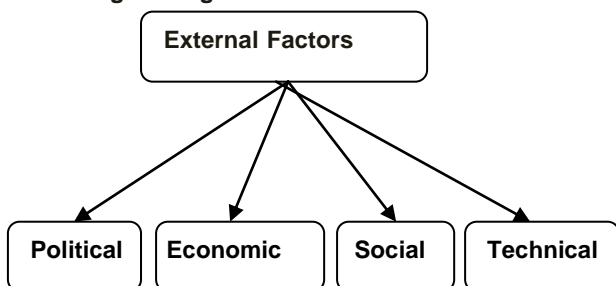
Assuming customer needs without validation, lack of skilled workforce to implement the plans once they are arrived at, loss of sight of customer needs during the planning phase and changing demographics of consumers.

**Issues in the Marketing Department Such as**

Inflexibility, performance assessment problems, coordination problems, poor information management and human relations issues.

**General Problems Such as**

Trouble obtaining marketing feedback, issues related to cost of marketing and problems integrating collected information into plans.

**Role of the External Factors while Implementing Marketing Strategies**

According to Business news daily, while industry related factors could affect a company's performance, outside factors can also play a major role in the outcome of a business's plans. To

determine the role of the external factors, it is recommended that companies perform a PEST analysis.

**Political**

This analyzes how legal issues and government regulations affect profit and consumer behavior. The major considerations of the political aspect are tax guidelines, political stability, trade regulations and embargos, employment laws and safety regulations. An example of this analysis and how it works is looking at the effects of political instability in a foreign market and how it affects your company's plans.

**Economic**

This factor looks at the outside economic issues that affect a firm's success. Companies should pay attention to economic growth, inflation rates, exchange, interest rates and local business cycles. Changes in interest rate could improve or decrease the company's bottom line.

**Social**

Demographic and cultural aspects affect whether a company can compete in the market or not. The social factor helps businesses to examine why customers purchase and what exactly their needs are. Issues to consider include lifestyle changes, health consciousness, environmental responsibility awareness, and attitudes toward work, education levels, population growth rates and country demographics. A certain shift in educational requirements may result in career changes that could reflect in changing needs of the customers.

**Technical**

This aspect considers how technology impacts product placement and marketing. Technology can bring advantages and challenges that will increase or decrease production level. Specific areas to consider are new technological advancements, the use of technology in marketing, the role of the Internet and the impact of the information technology changes. The introduction of the Internet has created an expectation of instant gratification in today's consumer; so social media marketing has to be considered an option

**Conclusion**

According to Center for Simplified Strategic Planning, Any strategic planning process involves digesting information and some fairly difficult analysis. Good strategic planning should be simplified, not simplistic. And it should also answer the questions: what are we selling, to whom and how do we beat the competition? The first two questions will determine the focus of our overall business while the third will help us specify our strategies to market. The few effective points like

1. Identify objectives and determine mission.
2. Do business environmental scan-including trends and competition.
3. Devise strategy including SWOT, budget, marketing, price and distribution.
4. Implement strategy-put your plan into action
5. Evaluate and modify- measure how close or far you are from objectives, track what works and change what doesn't.

Are essential to accomplishing a simple, effective strategic plan.

#### **Guidelines for Effective Strategic Marketing Process**

A well thought out plan for offering value and solutions to your target market allows the company to discover the needs of the targeted customers and fulfill those needs in a cost effective and timely fashion. This in turn allows for the marketing team to be able to measure a company's value based on your ideal customer's response to your product and strategy. Some guidelines to ensure this strategy are:

1. Set measurable, achievable goals by ensuring they are clear, structured and measurable it will be easier to accomplish your purpose.
2. Base plans on facts and validated assumptions through market research.
3. Use simple, clear and precise plans to detail what benefits you will offer your clients and how. Customers are driven by needs and desires so a clear plan will target those to gain customer loyalty.
4. Have a feasible plan by using research to decide the best way to connect with and engage your ideal customers and then implement a plan your company can afford and carry to fulfillment to do so.
5. Ensure control and flexibility by customizing your business plans and goals to match the needs of the customers, as they determine the success or failure of your company.

To beat the competition in marketing, placement, brand awareness , loyalty, respond to trends, Analyze competition and adjust, Innovation, Emotional branding , enhanced distribution systems and Excellent customer service by incorporating these practices into our company's marketing program and ensuring to follow through consistently, our company will be rewarded and recognized for its efforts. Moreover approach customers with a personalized warm welcome, probe politely to understand all the customer's needs, present a solution for the customer to take home today, listen for and resolve any issues or concerns and end with a fond farewell and an invitation to return.

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