

TOPIC 1

- Articulate the meaning and origin of marketing strategy
- Reasons to use strategy in a company
- Describe the use of empirically driven decision making to inform strategic decision making
- Discuss the types of strategy and their application

What is marketing strategy?

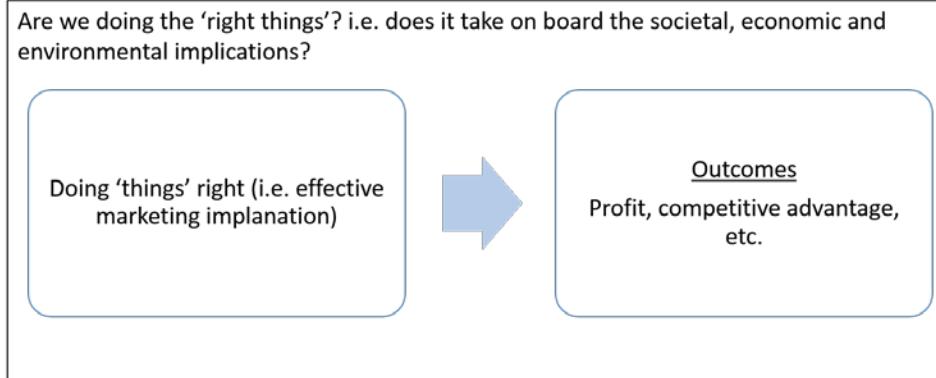
- A well thought-out plan for a company's future direction.
- A recipe detailing ingredients, components and methods for implementing company's business intentions for a specific future period.
- Built on sound understanding of components and structure of market, and trends and events that shape market.
- Aimed at enhancing company's viability and longevity.

Why use strategy?

- Coordination of strategic goals in planned visionary strategy
 - Vision, mission, goals, objectives
- Buy-in from functional area managers, staff, customers, shareholders and stakeholders
- Consolidate market orientation, position and voice
 - Are we a market follower or a market leader? Are we a niche?
- Manage relationships with corporate publics
 - Public corporate image (sustainability, ethical)
 - Enabling publics, functional publics, normative publics, diffused publics
- Corporate responsibility

Doing things right and doing the right thing

- Doing marketing right gets your profits
 - Convergence of the Ps gets marketing right
 - Eg. By making the right decisions
- Doing the right thing?
 - Does business to standards acceptable to society
 - Is within the bounds of the law
 - Sometimes, society expects things that exceed the standards set by laws
- Both help ensure company's continuity
 - Doing marketing right gets you profit and doing the right thing gets you customers



Why is business ethics important?

- Businesses seen as unethical quickly lose customers
- Increasing profile of sustainability, environmental concerns about our habitat and concerns about society and community
- We use ethical and responsible behaviour as a fundamental in strategic planning
 - A good business design does not cost more money,
 - Good business design often lowers the costs and increases the profits of business

Ethics and strategy

- The convergence of ethics and strategy is not to dictate the path, but to find ways to plan and work on business processes and outcomes that benefit the business and the community it serves.
- It is about looking at possibilities and potentials in a market/business and designing business processes to do less harm (eg. To environment or to specific groups of consumers) while lowering the costs/increasing the efficiencies within the business
- Business ethics is not about a code or directives of conduct
- Telling people what to do
 - Business ethics is about identifying what is good and important in a business to its owners, employees, customers and larger community
 - Ethical behaviour in business is about delivering that which is good and important to all these groups

Market-orientated strategy

- Marketing concept:

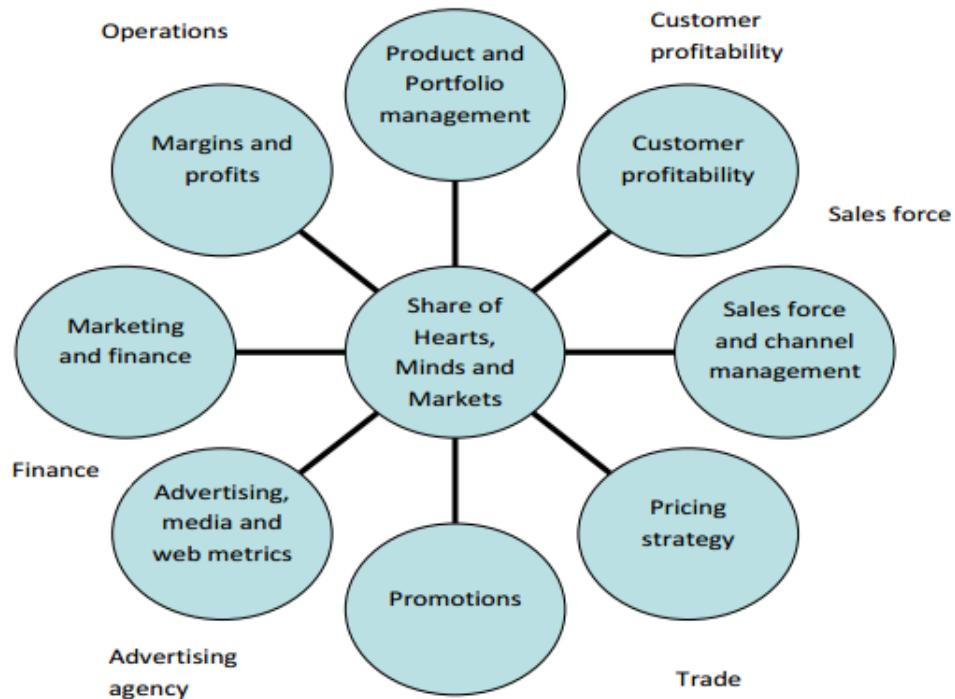
- Based on exchange to satisfy needs
- Is an incomplete formulation
- Market management seeks to carefully target company resources to make exchanges more successful
- Strategic marketing seeks to identify forces that change the nature of market exchanges, and
 - To manage/influence these forces, or
 - To increase the company's effectiveness when the market changes

Models and frameworks to inform strategic decisions

- Models try to define, describe and measure unseen market elements like market boundaries and trends
- They give information that helps marketers make decisions:
 - Measure how a brand is performing in a market,
 - Measure market characteristics like segment size and sales
 - Describe and measure the structure of a market like different customer groups/segments and the companies that serve these customers

Measure heart, shares and minds of customers in a category. This helps marketers predict and plan

Figure 1.1 Marketing metrics: Marketing at the core of the organization



Strategic outlooks



Risk averse → avoid all risks presented

Risk embracing → quite willing to take the risk and see where it takes us.

Future focused, risk averse →

- Planned strategy
 - everything is outlined, set vision, know where you want to go and where you are headed
 - disadvantage → very unwilling to change this, very set in our ways. Not necessarily taking into account the external environment and how that could affect us.

Future focused, risk embracing →

- strategic stubbornness
 - we have our goals, similar to planned strategy but planned strategy may have a part that acknowledges external environment. Strategic stubbornness does not account for these potential risks, they are set in their ways and are not moving.

Present focused, risk averse →

- opportunistic strategy
 - focused on the current present state. We are flexible but have no sense of direction, we are just going along with the current fad and what people are currently interested in and where the current market is.

Present focused, risk embracing →

- drift strategy