

Marketing strategies:

- Marketing strategies focus on ways in which the corporation can differentiate itself effectively from its competitors, capitalizing on its distinct strengths to deliver better value to customers
- Every company will try to differentiate itself from its competitors (in at least one aspect) through their distinct strengths in order to create value.
- Marketing strategies should be customer-driven
- Important to identify
 - What customer will be served - Who is your target market
 - How can one serve these customers best - What is our value proposition?
- Marketing strategy is also referred to as the strategic 3C's
 - What value can we (the corporation) provide the customer that is different to existing offerings of our competitor!
- Strategy is often about finding the right fit to the marketplace.

Marketing myopia:

A business suffers from marketing myopia when a

- company views marketing strictly from the standpoint of selling a specific product rather than from the standpoint of fulfilling customer needs
- When the company focuses on the company's needs instead of defining the company and its products in terms of the customers' needs and wants.
 - Don't fulfill the needs of customers
- Companies do not see beyond their product and do not see that consumers want alternatives. Do not consider that different customers have different needs.
 - Results in failure to see and adjust to the rapid changes in their markets.

Competitive Arena

the competitive environment in which a business competes/ operates

Core Competencies:

- Core competency refers to a company's set of skills and abilities that enable the firm to deliver
- a company's unique characteristic or capabilities that provides a competitive advantage in the market place, delivers value to customers and contributes to continued organizational growth.
- Three characteristics:
 - source of competitive advantage
Core competencies differentiate an organization from its competitors – they create a company's competitive advantage in the marketplace
 - has applications in a wide variety of markets
 - difficult for competitors to imitate

Growth strategies

The product/market expansion grid

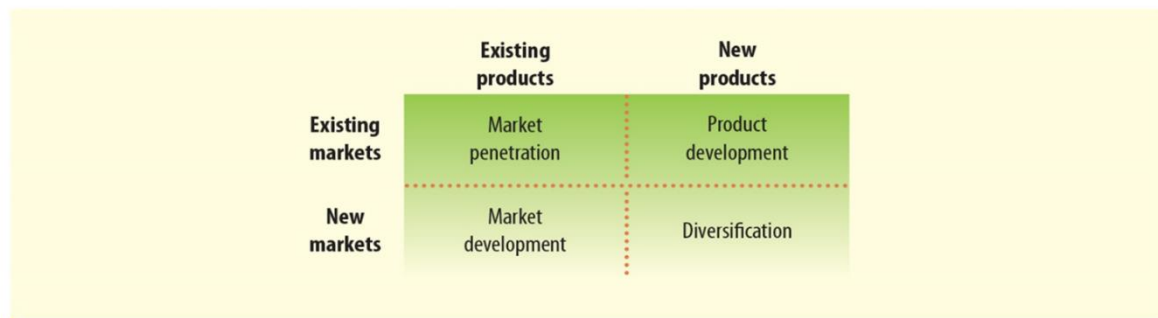


FIGURE 2.3 The product/market expansion grid

Market Penetration

- same product same market
bring out a new vision of your product
product is very successful – generates a lot of money

Market Development:

- same product new market
 - through geographical shift – looking to emerge in markets in other countries
Example: Starbucks opens stores in Brazil and Chile.
 - or demographical shift – target different or new demographic segments
Example: if products used to only target men now also women

Product Development:

- new product in already existing market
- improve existing product / release a “revised” product
- “line extension” - extending the product line
 - still similar to what you have produced previously but a little different
Exmp. Starbucks developed ready-to-drink coffee beverages and bottled Frappuccino’s

Diversification:

- New product new market
- growing by diversifying
- or by developing new products that are very different from what you usually produce and sell
- another way would be to buy up a business that does not relate to your current one

- “category extension”
Common strategy for luxury brands
exmp. Starbucks launches Hear Music and Buys Ethos Water

Strategy a company adopts depends on its industry position:

- Market Leader: company with biggest market share
may vary in different countries
 - customers often buy market leaders brands/ products because of market leaders reputation not necessarily the quality.
Market leader often perceived to be better / or sell better products
- Market Challenger: often the number two, the company that is always attacking the market leader
high risk but possible high pay off
- Market Follower: they know they can't directly compete with the market leader
often imitate products of market leader
sometime the products are even better than those of the market leader yet they don't sell as well because the company/ brand itself is not perceived that well
- “Market Nicher”:
trying to find niches other market leaders and challengers haven't tapped into yet
niche – small segment/ very specific segment