

Week 1

Introduction to Marketing Strategy

Definition

Marketing Strategy = the set of crucial decisions concerning;

- Marketing activities to perform, how to perform them, and what resources to allocate towards the creation, communication and delivery of an offering.
- It is the study of environmental, inter-organisational, and intra-organisational phenomena which are crucial for long-term performance.
 - High level decision-making
 - How to tie everything together → Integrate all knowledge together
- It is more than “**Market Strategy**”
 - Markets to serve
 - Mode of market entry
 - And order of market entry



Strategy VS Tactics

“Strategy without tactics is the slowest route to victory. Tactics without strategy is the noise before defeat.” Tactics and strategy are not at odds with one another—they’re on the same team.

Strategy

- Long-term, macro, general strategy in organisation,

- *Strategy* defines your long-term goals and how you're planning to achieve them. In other words, your strategy gives you the path you need toward achieving your organization's mission.

Tactics

- Short-term, more specific to goal, micro, implementation
- *Tactics* are much more concrete and are often oriented toward smaller steps and shorter timeframes along the way. They involve best practices, specific plans, resources, etc. They're also called "initiatives."

| | Strategy | Tactics |
|-----------------------|---|--|
| Purpose | To identify clear broader goals that advance the overall organization and organize resources. | To utilize specific resources to achieve sub-goals that support the defined mission. |
| Roles | Individuals who influence resources in the organization. They understand how a set of tactics work together to achieve goals. | Specific domain experts that maneuver limited resources into actions to achieve a set of goals. |
| Accountability | Held accountable to overall health of organization. | Held accountable to specific resources assigned. |
| Scope | All the resources within the organizations, as well as broader market conditions including competitors, customers, and economy. | A subset of resources used in a plan or process. Tactics are often specific tactics with limited resources to achieve broader goals. |
| Duration | Long Term, changes infrequently. | Shorter Term, flexible to specific market conditions. |
| Methods | Uses experience, research, analysis, thinking, then communication. | Uses experiences, best practices, plans, processes, and teams. |
| Outputs | Produces clear organizational goals, plans, maps, guideposts, and key performance measurements. | Produces clear deliverables and outputs using people, tools, time. |

Examples

To illustrate, here's some specific examples across different industries of how strategic goals can be communicated with clear tactical elements, in a linear and logical order:

- **Strategy:** Be the market share leader in terms of sales in the mid-market in our industry.

Tactics: Offer lower cost solutions than enterprise competitors without sacrificing white-glove service for first 3 years of customer contracts.

- **Strategy:** Maneuver our brand into top two consideration set of household decision makers.

Tactics: Deploy a marketing campaign that leverages existing customer reviews and spurs them to conduct word of mouth with their peers in online and real world events.

- **Strategy:** Improve retention of top 10% of company performers.

Tactics: Offer best in market compensation plan with benefits as well as sabbaticals to tenured top performers, source ideas from top talent.

- **Strategy:** Connect with customers while in our store and increase sales.

Tactics: Offer location based mobile apps on top three platforms, and provide top 5 needed use cases based on customer desire and usage patterns.

- **Strategy:** Become a social utility that earth uses on a daily basis.

Tactics: Offer a free global communication toolset that enables disparate personal interactions with your friends to monitor, share, and interact with.

Where to compete?

1. Choice of markets in which to compete

- **Geographical:** Country markets and regions within the country
- **Typology:** B2B or B2C
- **Segments:** Homogenous clusters of consumers

2. Modes of entry

- **Development**
- **Acquisition**

An *acquisition* is a corporate action in which one *company* buys most or all of another *company's* shares to assume control. An *acquisition* occurs when a buying *company* obtains more than 50% ownership in a target *company*.

- **Joint venture**

A *joint venture* (JV) is a *business* arrangement in which two or more parties agree to pool their resources for the purpose of accomplishing a specific task.

3. Order of entry

- **Pioneer**
- **Early follower**
- **Late entrant**