

Marketing Strategy : Importance & Process

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Abstract

Marketing strategy signifies a significant element of success for organizations. Implementing an effective marketing strategy is equally important as theorising, conceptualizing and constructing it. To attain the goals set to achieve maximum marketing capabilities, firms use various resources. The two basic features of marketing strategy are planning & implementation. There is a direct relationship of a well planned and executed marketing strategy on organizational performance. This research paper tries to chart out the value of marketing strategy to achieve a business's marketing goals and the process involved in planning and executing a good marketing strategy. In order to help businesses from committing blunders like overlapping of short term and long term marketing goals, implementing a good marketing plan but ending up with confused brand image and so on, it becomes necessary to strategize on marketing plans beforehand. The study aims to help marketers and businesses to understand the importance of marketing strategy and achieve their marketing goals with better planning and execution.

Keywords: *Marketing Strategy, Importance of Marketing strategy, Strategic Management, Marketing Planning, Marketing Plan Execution.*

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Introduction

Today the world we are living in is constantly changing. Companies today are not limited to only one country or market. Every market has its own behaviour patterns and the company needs to adapt accordingly. In such ever changing environments a company's marketing strategy is a crucial and significant constituent for the multiple market scene. For every company and for every market, there is a unique marketing strategy. But again it is not logical for a business to have multiple marketing strategies for every market it works in. In order to achieve a reasonable, sufficient and suitable marketing strategy which ensures success in various markets, the company is dealing with. Marketing strategy is required to properly control and manage all the different marketing campaigns without causing confusion regarding company's brand in different markets. When launching a product into new markets companies need to adapt to the marketing strategies according to those markets but they do not want to lose their individuality while doing so. A properly crafted marketing strategy gives a foundation over which different marketing plans can be laid and executed without losing focus on company's individuality.

The Concept of marketing Strategy

Marketing strategy is a substantial driving force that differentiates the success of many businesses by conceptualizing and implementing a good marketing strategy with clear demarcation about how, when and where the business will compete and by choosing the best marketing strategy decision options. A good marketing strategy ensures the use of limited resources to the point of optimum utilisation to achieve a firm's marketing objectives. Any marketing strategy can be divided into two basic activities; marketing strategy planning and choice of decisions and marketing strategy decision implementation. Thus it becomes necessary for the management to decide the nature of resources available and their usage before charting out a marketing plan. Priorities need to be set in order to understand the goals and objectives of the company with clarity. According to Moorman and Miner (1998), marketing strategies can be formal, improvisational.

Importance of Marketing Strategy

A marketing strategy is needed to take major marketing related decisions beforehand so as to ensure proper implementation of marketing plans in future. Such decisions include the objectives, goals and priorities of the firm, adapting these objectives into marketing-related goal criteria, and formulate and articulate the preferred achievement levels for each goal. Sometimes, these goals or objectives can overlap each other or can be incompatible to each other. For example, the firm's growth revenue and margin growth are difficult to achieve simultaneously (Morgan et al. 2009). Marketing Strategies help a firm to prioritize their objectives in such conflicting situations. Since strategic planning

helps in achieving objectives, setting of logical and achievable objectives is very important and marketing strategy helps in setting objectives. Another important element of marketing strategy is the selection of the market. A good marketing strategy helps in understanding the market and customers by helping in segmentation, positioning and targeting decisions. It helps in understanding the competition and determining to whom the company is competing with in order to achieve the set objectives. Value proposition is another noteworthy feature of the marketing strategy as it is accountable for the choice of the specific product and/or services offered to the market. The decision neighbouring the value proposition is thus an extent of the value offered to the customers that managers believe to create ample demand at offered price to allow the business to achieve its marketing objectives. Marketing strategy helps in ensuring that the customers perceive the value of the product or services offered appropriate with its price and the value proposition is exactly perceived as the marketers anticipated in order to achieve good returns. Marketing strategy planning also helps to determine the requirement of specific resources and capabilities to deliver the value offering that subsequently leads to firm's performance. A well timed marketing strategy also helps in creating value and achieving performance required for the set goals. Timing is an important marketing strategy decision when examining new market targets or value propositions, like timing of entry or launch (Green et al. 1995; Lieberman and Montgomery 1998). Thus it is evident that a strong marketing strategy is required to align a firm's marketing efforts to their business goals or the marketer can lose focus and all the marketing efforts may go in vain.

Marketing Strategy Process

The steps involved in the process of planning and implementing a strong marketing strategy are:

Customer Analysis

A good marketing strategy can only be charted out when the firm understands their customers. First the company needs to know who they are targeting. It is neither logical nor wise to create a marketing campaign for all. One must have a specific target audience that can relate to the marketing message and are the most likely users to the products and services offered. The behavioural patterns, culture and segmentation of the target customers must be understood in depth.

Market Analysis

Analysing the market helps in planning better strategies. It gives a firm's marketing efforts an edge over their competitors. Such analysis also helps in understanding market trends, market growth and untapped market opportunities.

Competitive Analysis

Analysing the competition helps to understand the pain points of the customers with respect to available product or services in the market. Competitors must be studied thoroughly along with their USPs, marketing strategies, strengths and weaknesses in order to offering a value proposition that has not been offered in the market yet.

Decide on USP

Usually a marketing campaign revolves around a unique selling proposition which provides the customer with a unique feature that is not provided by any other brand or business in the market. A product may have many features but one such unique proposition must be decided in order to market it properly.

Define the marketing goals

Since strategy is formulated to meet certain goals, it is indeed important to make logical and achievable goals which are time bound. Most common mistakes while defining goals is that management tends to go over board and decide goals that may look achievable on paper but practically can prove to be a long shot. Moreover, setting unachievable goals can demotivate the team working for them.

Identify Marketing Strategies

To choose the best marketing strategy, a list of all the possible strategies must be made along with their pros and cons. This helps in selecting the right mix of strategies for the brand or campaign.

Define Marketing Mix

Marketing mix include considerations like Price offered, Product or services provided, Place or geographical areas to be covered along with the space where seller meets buyer and promotional techniques to be used. These considerations must me set for a marketing strategy to be successful.

Prioritize marketing tactics

The next step in marketing strategy planning is to have a detailed analysis of the various possible marketing activities along with priorities that were set while setting objectives. The criteria for a marketing activity should be based on the differentiation achieved with respect to brand's competition in the market, influence on the target customer base and the ability to help in achieving at least one of the key objectives. Apart from these three considerations, these marketing tactics must be in the budget as well.

Analyse the Financials

Budget considerations play an important role in selecting marketing strategy

as there must be a clear idea about what amount must be spend in the set amount of time along with each marketing activity.

Review & Revise

This step includes continuous evaluation of implemented marketing strategies in order to churn maximum advantage for the brand. The results of marketing activities may differ due to various reasons. In such cases marketers need to come up with a solution rather than keep following the strategy blindly.

Standardisation Vs Customisation

While choosing the best strategy marketers often face a common dilemma as to whether opt for a standard strategy for all the markets or to adapt the marketing strategy according to the market. Both have their own pros and cons and selection should be based upon by the potential to improve the performance of the business or the brand in the market.

Standardisation

In the standardization approach of marketing, companies approach different markets with the same packaging, promotional mix and presentations because changing them for every new market is expensive. Levitt (1983) and Jain (1989) explain that all the cultures and marketing environment are common on some grounds that can be used for a standardised marketing strategy. They say that due to lowering of trade barriers and with the help of technological advancements such standardisation of strategy can prove useful for the company. Also, such firms depict a global feel in their marketing strategies which leads to a consistency in the brand in all the markets of presence. This helps in building a consistent image of the brand and product across the globe or markets. Not only a standardised marketing strategy is manageable and easy to execute and control, it also enjoy economies of scale due to lower costs of marketing. The supporters of the standardised marketing strategy also argue that it is easier to focus on what everyone wants rather than focusing on individual preferences which will prove expensive and hard to achieve.

Customisation

Adaptation or customisation of the marketing strategies means adjusting the marketing strategies of the company according to the needs of the market. Customisation proves helpful in affirming the competitiveness of the brand which leads to better performance in terms of customer preferences and sales. Customisation of marketing strategies includes customisation of promotional mix, pricing strategies and packaging according to the market needs. In other words adaptation of any element of the marketing strategy to suit the needs of the market to achieve a competitive advantage to attain firm

performance is called customisation of marketing strategy. It does not necessarily mean to change the entire strategy but a small change in the packaging or one of the promotional mix elements can lead to achievement of marketing objective. Some firms may go on and change the entire product offering to suit the needs of the markets involved. Advocates of the marketing adaptation approach lay emphasis on the importance of adaptation to meet diverse customer desires. The principal basis of the customisation is that every market has different constraints and environmental factors such as climate, religion, race, language, education, occupations, taste, cultures, preferences and societies (Czinkota and Ronkainen, 1998). A strategy successful in one market may not prove to be as efficient in another market due to these differences. In adaptation approach “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” (Vrontis and Thrassou, 2007). It is vital for companies to fine-tune the marketing strategy to meet such individual preferences (Vrontis and Thrassou, 2007). The process to implementing a successful adaptation strategy includes an assessment of objectives and resources according to the individualities of the market. This generally needs expert advice from people who understand the market. Thus the entire process of choosing the marketing strategy is repeated with respect to the new market and thus a suitable customised strategy is adopted in order to achieve marketing objectives in the market in question.

Implementation of a marketing strategy

The implementation of the chosen marketing strategy includes determining the specifics intended decisions on target audience, marketing objectives, marketing tactics involved and desired value proposition while deploying available resources for obtaining optimal utilisation. Therefore, an effective implementation of marketing strategy includes a detailed understanding of tactical issues with respect to resource allocation and the strategy of an appropriate marketing program and capability issues in endorsing each of the particular marketing tactics selected. Implementation is defined as controlling and monitoring of the marketing campaign by Wind and Robertson (1983) while Kotler (2003) describes implementation as the process of turning plans into actions. Farjoun (2002) denotes implementation as “the execution of strategy”. Based on these definitions, implementation can be defined as a firm’s ability to plan, direct and review its marketing strategy. There is a significant relationship between a successful implementation of the marketing strategy and the performance of the firm in the market. Today the world is constantly changing which adds a certain factor of volatility to the marketing environments. Brands can advantageously exploit on these market prospects by either delivering superior customer value achieved by proper segmentation of the market and differentiated offerings

or by offering lower relative costs by controlling and successfully implementing their marketing program (Day and Wensley, 1988). This asserts the importance of implementation of the marketing strategy in a proper manner as it results in taking advantage of the market opportunities with planned moves at the right time. Menon et al. (1999) conducted a study regarding the three basic steps of marketing planning process viz. formulation of strategy, implementation of marketing strategy and evaluation of marketing strategy and they claimed implementation to be the deciding factor in the process. Noble and Mokwa (1999) also suggests that implementation is “a critical link between the formulation of marketing strategies and the achievement of superior organizational performance.” A good strategy cannot take the brand anywhere if not implemented properly. A good example can be a brilliant advertisement losing its charm due to selection of wrong time or media platform while executing the marketing plan. Farjoun (2002) states that strategy formulation is not as significant as implementation as suggested in traditional marketing approaches because no matter the planning, a firm cannot perform without effective implementation. Bonoma, 1984 strongly asserts that implementation is directly related to a firm’s performance and good implementation results in good results. For superior implementation, marketing plan must be aligned properly, the timelines must meet and focus should be on controlling the processes to keep them on the right track. This involves converting each marketing strategy into a specific action-oriented time bound processes with responsibility allotted to the concerned departments with clear instructions. However, aligning the marketing strategy into a set of processes is often not a single deed of conversion. It is a continuous process that translates a set of relatively abstract strategic decisions to detailed and concrete actions.

Conclusion

Marketing strategy is an essential part of conducting business operation as it directly influences the outcome and result of firm performance. Since one regard of a marketing plan affects all of the others, coordinating business projects is significant when reducing interference and maximizing company profits. In terms of the program perspective the marketing strategy standardization/adaptation is important in the sense it can separate marketing mix elements to be standardized or adapted in the international market. The product range is also an important function of the marketing mix. For matching competition or catering different market needs, these product ranges can be widened or a product can be repositioned according to the market. In the end, we may conclude that, if marketing strategy is successfully implemented, it enhances the performance of the firm.

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