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WARWICK BUSINESS SCHOOL
THE UNIVERSITY OF WARWICK

For the Change Makers

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Warwick Summer School Communications and Marketing

Marketing Strategy

Dr Scott Dacko



Let's briefly consider the marketing strategy for Nikon's Coolpix compact digital camera



Session Objectives

- ① Define marketing strategy's scope and composition -- what is it?
How know when it's complete?
- ① Understand some of the basic concepts in marketing strategy
- ① Recognise some of the trends in marketing strategy (MS)
- ① Discuss some key MS issues for a specific new product market

Definitions of Marketing Strategy

- ①...the broad marketing thinking that will enable an organisation to develop its products and marketing mixes in the right direction, consistent with overall corporate objectives.
- ②...a definition of a business, a description of products or services, a profile of target users or clients, and a definition of a company's position in relation to the competition.
- ③The set of decisions made by a firm determining its choice of product markets in which to invest and compete and how the firm decides to compete in terms of its customer value proposition, assets and competencies, and functional area strategies and programmes.

Related to Marketing Strategy

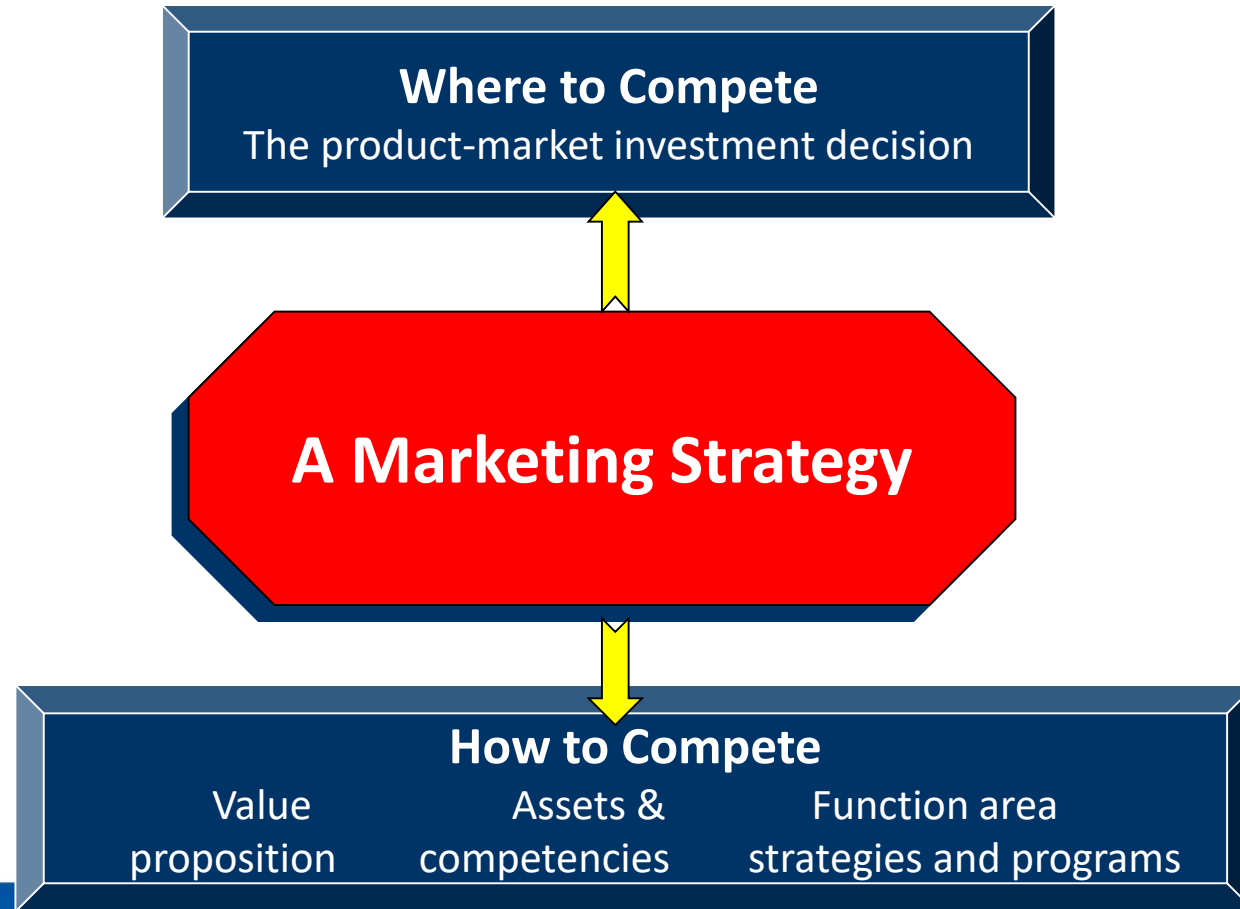
- ◎ Strategy: A long-term approach or logical framework advancing a plan of action designed to achieve a particular goal.
- ◎ Strategic Management: The process of specifying an organization's objectives, developing policies and plans to achieve these objectives, and allocating resources so as to implement the plans
- ◎ Marketing: Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. -- October 2007 (Was: An organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders. – July 2004)
- ◎ Marketing Management: The practical application of marketing techniques.

What is a Marketing Strategy?

- The Product-Market Investment Strategy – where to compete
- The Customer Value Proposition
- Assets and Competencies
- Functional Strategies and Programs
- So, Marketing strategy = business strategy with emphasis on marketing objectives, processes, and marketing-oriented functional area strategies and programs



A Marketing Strategy



The Product-Market Investment Strategy

- Invest to grow (or enter a product market)
- Invest only to maintain the existing position
- Milk the business by minimizing investment
- Recover as many of the assets as possible by liquidating or divesting the business



The Customer Value Proposition

Perceived benefit to customer:

- Functional
- Emotional
- Social
- Self-Expressive

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Customer Value Proposition Examples

- A good value
- Excellence on an important product or service attribute
- The best overall quality
- Product line breadth
- Innovative offerings
- A shared passion for an activity or a product
- Prestige



- Donate Food
- Make the Change
- Eat Italian
- Baby's Holiday
- Wine Sale - Save 1/3
- Football Party



Make the Change

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Endless choice
Whatever you're looking for, we've got it.



Save money
A Low Price Promise and weekly offers.



Save time
1-hour deliveries that fit in around you.

Assets and Competencies

Strategic Competency:

- What a business unit does exceptionally well
- Has strategic importance to the business
- Based on knowledge or a process

Strategic Asset:

- **A resource**



Functional Strategies and Programs

- Promotion strategy
- Pricing strategy
- Distribution strategy
- Manufacturing strategy
- Information technology strategy
- Global strategy
- Quality program
- Customer relationship program
- Product strategy









Drive one.

100 AGENTS 6 MONTHS 500 MISSIONS

FIESTA MOVEMENT

In the ultimate foreign exchange program, our 100 agents are spending six months behind the wheel of their own Fiesta, sharing their experiences, and completing monthly missions to show you what experiencing the Ford Fiesta is all about, way in advance of the U.S. launch in 2010.



THE AGENTS

Four months into their adventures, Fiesta Movement agents are rolling up their sleeves and pitching in for their August missions for Social Activism. Agents have completed missions that fall within their interests, and do their part to give back to the local community.

THE CONTEST

In addition to the agents' missions, Ford will donate **\$1 for every video view of this page up to \$10,000.00**.

August Social Activism missions include: Spending a day as a volunteer at the Smithsonian Institute, soaking in the history and helping others do the same. After interviewing Smithsonian employees about their favorite exhibits, the agent will leave them with a \$500 donation to help keep history and science alive.

And more! Each mission will be added to this page as they are completed. Help spread the word and raise money for the ["Smoking is Social" team](#).









Strategic Market Management: A Historical Perspective

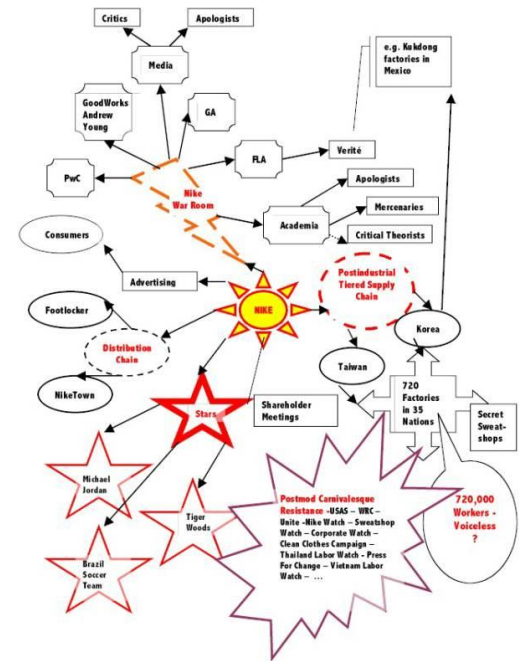
- Budgeting
- Long-Range Planning
- Strategic Planning
- Strategic Market Management



Characteristics and Trends

- External Market Orientation
- Proactive Strategies
- Importance of Information Systems
- Knowledge Management
- On-Line Analysis and Decision Making
- Entrepreneurial Thrust
- Implementation
- Global Realities
- Longer Time Horizon
- Empirical Research
- Interdisciplinary Developments

Figure 1 – Nike Tamara-Land – Boje, 2001

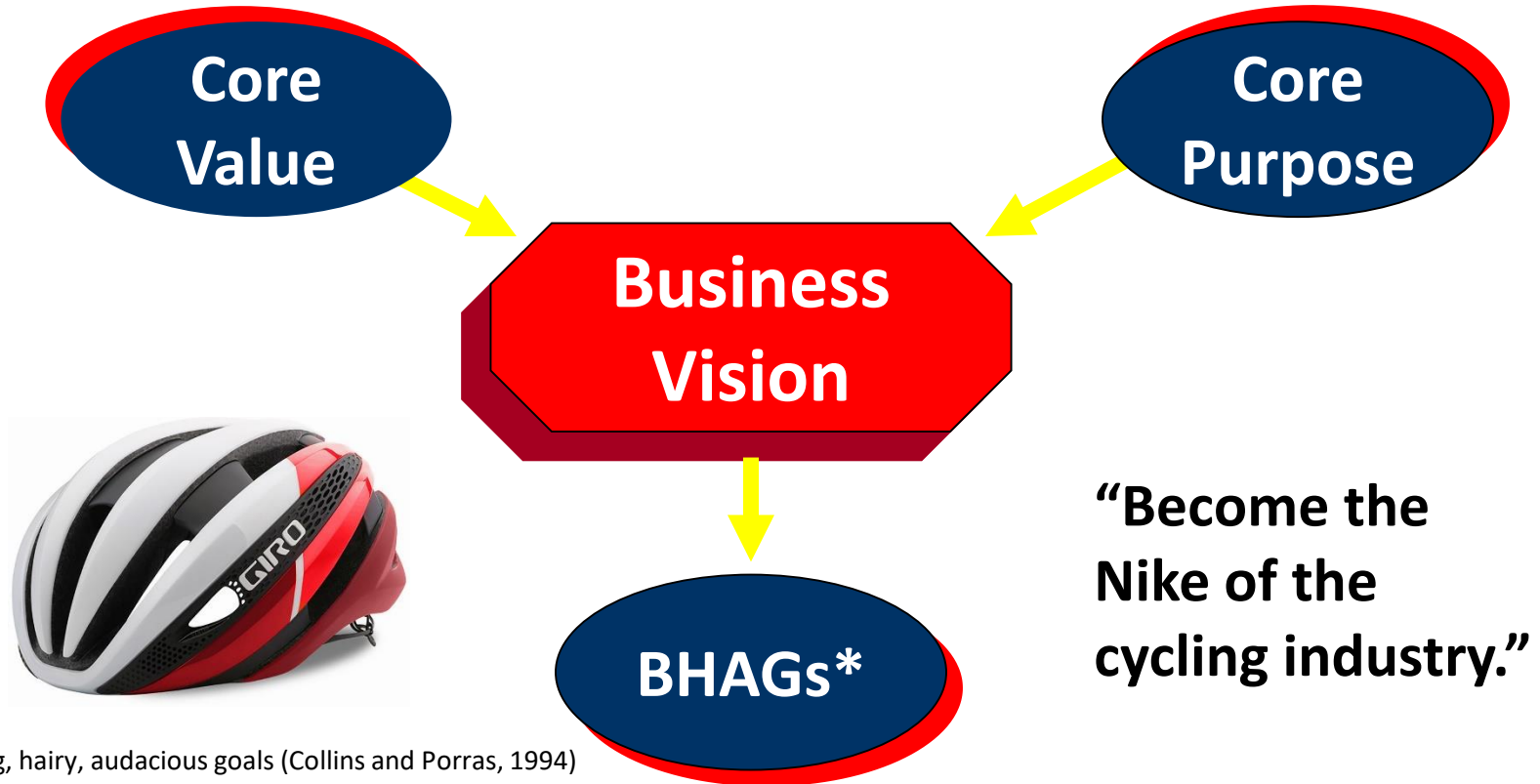


Why Strategic Market Management?

- Precipitate the consideration of strategic choices.
- Force a long-range view.
- Make visible the resource allocation decision.
- Aid strategic analysis and decision making.
- Provide a strategic management and control system.
- Provide both horizontal and vertical communication and coordination systems.
- Help a business cope with change.



The Business Vision



*Big, hairy, audacious goals (Collins and Porras, 1994)

Overview of Strategic Market Management

External Analysis

- Customer Analysis
- Competitor Analysis
- Market/submarket Analysis
- Environmental Analysis

Internal Analysis

- Performance Analysis
- Determinants of strategic options



Strategic Analysis Outputs

**Strategy Identification, Selection,
and Implementation**

Camelbak All Clear Bottle (Zaps Bacteria with UV Rays)



Where competing?
Customer analysis?
Environmental analysis?
SCA?

Selecting Strategic Alternatives

Identification of Strategic Alternatives

- Product-market investment strategies
 - Product-market scope
 - Growth directions
 - Investment strategies
- Customer value proposition
- Bases of competitive advantage – assets, competencies, synergies
- Functional area strategies



Selecting Strategic Alternatives

Criteria for Marketing Strategy Selections

- Consider scenarios suggested by strategic uncertainties and environmental opportunities/threats
- Generate an attractive ROI
- Pursue a sustainable competitive advantage
 - Exploit organizational strengths or competitor weaknesses
 - Neutralize organizational weaknesses or competitors strengths









◆ GAMER

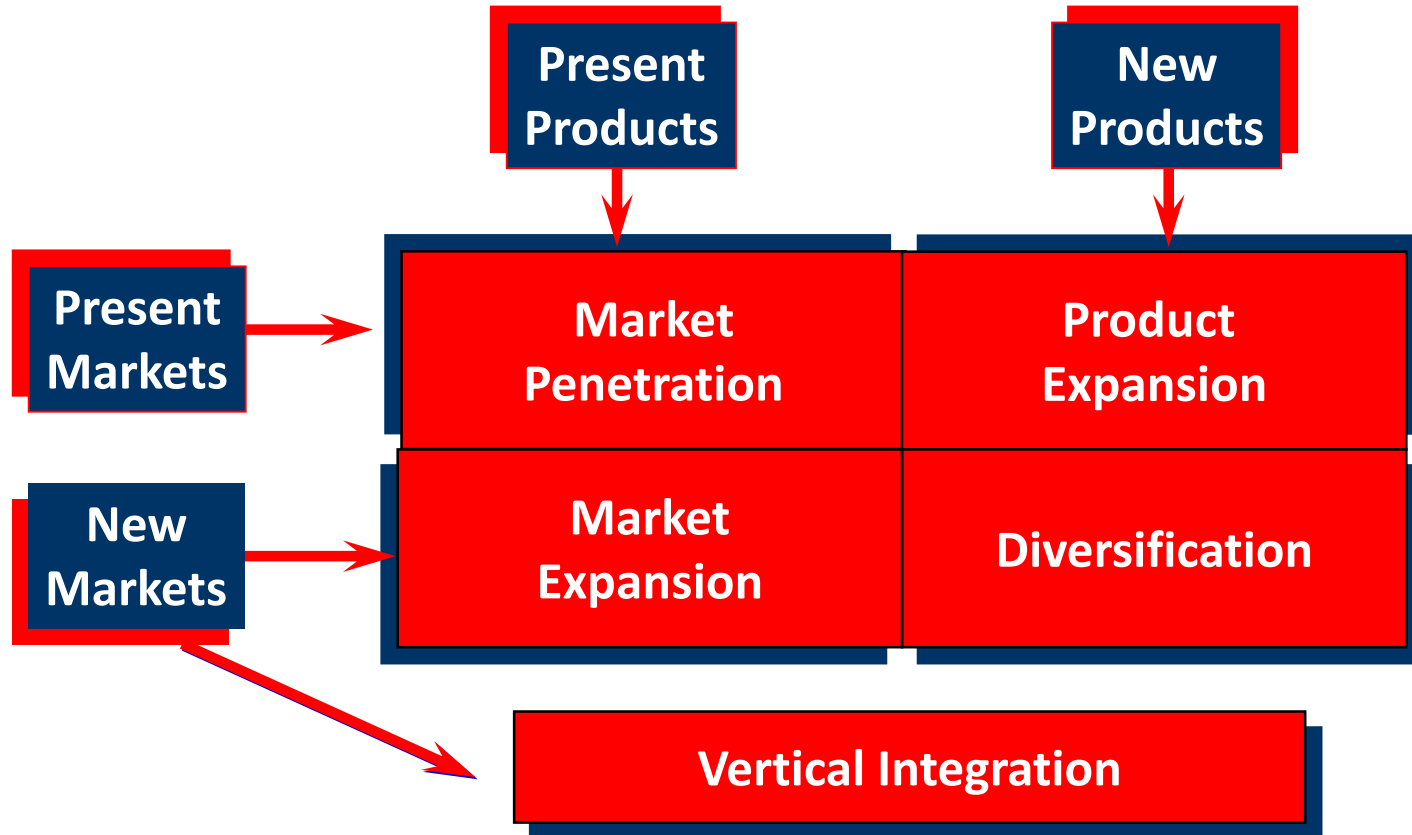
Selecting Strategic Alternatives

Criteria for Marketing Strategy Selections

- Be consistent with organizational vision/objectives
 - Achieve a long-term return on investment
 - Be compatible with vision/objectives
- Be feasible
 - Resources are available
 - Be compatible with the internal organization
- Consider the relationship to other strategies within the firm
 - Foster product portfolio balance
 - Consider flexibility
 - Exploit synergy



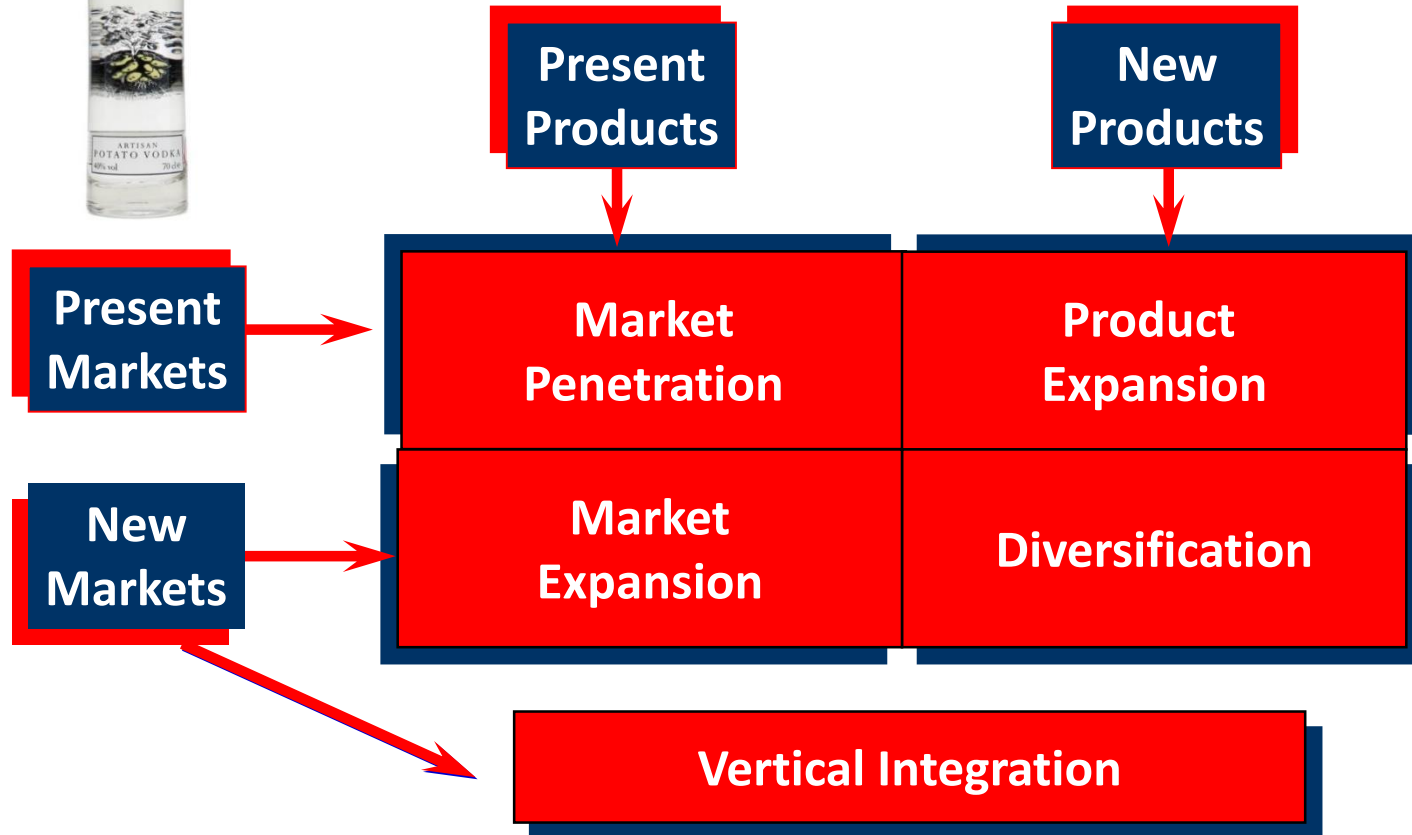
Product-Market Growth Directions



Source: H. Igor Ansoff, "Strategic Diversification", Harvard Business Review, September-October 1957, pp.113-24



Product-Market Growth Directions



Source: H. Igor Ansoff, "Strategic Diversification", Harvard Business Review, September-October 1957, pp.113-24



Key Learnings

- A marketing strategy includes the determination of the product-market scope and its dynamics (as reflected in the intensity of the business investment), the customer value proposition, assets and competencies, and functional strategies and programs.
- Strategic market management has evolved from and encompasses budgeting, long-range planning and strategy planning.
- Strategic market management is externally-oriented, proactive, timely, entrepreneurial, and globally supported by information systems and knowledge management programs.

Key Learnings, cont'd.

- External analysis includes analyses of customers, competitors, markets, and the environment. The role of these analyses is to identify existing or emerging opportunities, threats, trends, strategic uncertainties, and strategic options.
- Internal analysis includes a performance appraisal and an examination of organizational strengths, weaknesses, problems, constraints, and strategic options.
- Strategy selection should consider scenarios, ROI prospects, SCAs, the organization's vision, strategy feasibility, and other firm strategies.

NETFLIX

1. Would you consider and use Netflix's offering if available in your home country?
2. What market is Netflix competing in with its services?
3. Describe the value proposition of Netflix for its current services.

4. What are the assets and competencies of Netflix supporting their marketing strategy?
5. What are the marketing mix strategies of Netflix?