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MARKETING AN ESSENTIAL ELEMENT OF BUSINESS STRATEGY

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Abstract Developing plans and strategies for marketing today is the most challenging it has ever been. There is an incredible and increasing choice of interactive devices, platforms and channels that potential customers use from smartphones and tablets to social networks and search engines. Investment in traditional channels such as TV, Print and Radio is declining, but they remain an essential part of integrated campaigns for many businesses.
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INTRODUCTION

a plan - a statement of intent - a calculated intention to organize effort and resource to achieve an outcome - in this context a plan is in written form, comprising explanation, justification and relevant numerical and financial statistical data. In a business context a plan's numerical data - costs and revenues - are normally scheduled over at least one trading year, broken down weekly, monthly quarterly and cumulatively.

a business - an activity or entity, irrespective of size and autonomy, which is engaged in an activity, normally the provision of products and/or services, to produce commercial gain, extending to non-commercial organizations whose aim may or may not be profit (hence why public service sector schools and hospitals are in this context referred to as 'businesses').

business plan - this is now rightly a very general and flexible term, applicable to **the planned activities and aims of any entity, individual group or organization where effort is being converted into results**, for example: a small company; a large company; a corner shop; a local window-cleaning business; a regional business; a multi-million pound multi-national corporation; a charity; a school; a hospital; a local council; a government agency or department; a joint-venture; a project within a business or department; a business unit, division, or department within another organization or company, a profit centre or cost centre within an an organization or business; the responsibility of a team or group or an individual. The business entity could also be a proposed start-up, a new business development within an existing organization, a new joint-venture, or any new organizational or business project which aims to convert action into results. The extent to which a business plan includes costs and overheads activities and resources (eg., production, research and development, warehouse, storage, transport, distribution, wastage, shrinkage, head office, training, bad debts, etc) depends on the needs of the business and the purpose of the plan. Large 'executive-level' business plans therefore look rather like a 'predictive profit and loss account', fully itemised down to the 'bottom line'. Business plans written at business unit or departmental level do not generally include financial data outside the department concerned. Most business plans are in effect sales plans or marketing plans or departmental plans, which form the main bias of this guide.

strategy - originally a military term, in a business planning context strategy/strategic means/pertains to **why and how the plan will work**, in relation to all factors of influence upon the business entity and activity, particularly including competitors (thus the use of a military combative term), customers and demographics, technology and communications.

marketing - believed by many to mean the same as advertising or sales promotion, marketing actually means and covers everything from company culture and positioning, through market research, new business/product development, advertising and promotion, PR (public/press relations), and arguably all of the sales functions as well. Marketing is **the process by which a business decides what it will sell, to whom, when and how, and then does it**.

marketing plan - logically a plan which details what a business will sell, to whom, when and how, implicitly including the business/marketing strategy. The extent to which financial and commercial numerical data is included depends on the needs of the business. The extent to which this details the sales plan also depends on the needs of the business.

sales - the transactions between the business and its customers whereby services and/or products are provided in return for payment. Sales (sales department/sales team) also describes the activities and resources that enable this process, and sales also describes the revenues that the business derives from the sales activities.

sales plan - a plan describing, quantifying and phased over time, how the the sales will be made and to whom. Some organizations interpret this to be the same as a business plan or a marketing plan.

Target of Market

Target markets are groups of individuals that are separated by distinguishable and noticeable aspects. Target markets can be separated by the following aspects:

- Segmentations - addresses (their location climate region)
- Demographic/socioeconomic segmentation - (gender, age, income, occupation, education, household size, and stage in the family life cycle)
- Psychographic segmentation - (similar attitudes, values, and lifestyles)
- Behavioural segmentation - (occasions, degree of loyalty)
- Product-related segmentation - (relationship to a product)

In addition to these segmentations, market researchers have advocated a needs-based market segmentation approach to identify smaller and better defined target groups. Some approaches to these smaller groups are:

- Select the target audience – the customers are grouped based on similar needs and benefits sought by them on purchase of a product.
- Identify clusters of similar needs – demographics, lifestyle, usage behaviour and pattern used to differentiate between segments.
- Apply a valuation approach – market growth, barriers to entry, market access, switching, etc. are used.
- Test the segments – A segment storyboard is to be created to test the attractiveness of each segment's positioning strategy.
- Modify marketing mix – expanding segment positioning strategy to include all aspects of marketing mix.

PRINCIPLES OF MARKETING

Clarify Business Objectives

There's so much going on in the marketing arena today, everybody is struggling to keep up. At the same time, every marketing professional feels pressure to be "progressive" and actively integrate emerging media into their marketing program.

However, the mark of a good marketing strategy is not how many gadgets and neologisms are crammed into it, but how effectively it achieves worthy goals. Therefore, how you define your intent will have a profound impact on whether you succeed or fail.

Unfortunately, there is a tendency for marketers to try to create a "one size fits all" approach for a portfolio of brands or, alternatively, to want to create complicated models to formulate marketing objectives. However, most businesses can be adequately captured by evaluating just three metrics: awareness, sales and advocacy (i.e. customer referral).

Some brands are not widely known, others are have trouble converting awareness to sales and still others need to encourage consumer advocacy. While every business needs all three, it is important to focus on one primary objective or your strategy will degrade into a muddled hodgepodge.

Use Innovation Teams to Identify, Evaluate and Activate Emerging Opportunities

Marketing executives are busy people. They need to actively monitor the marketplace, identify business opportunities, collaborate with product people and run promotional campaigns. It is unreasonable to expect them to keep up with the vast array of emerging technology and tactics, especially since most of it won't pan out anyway.

Therefore, it is essential to have a team dedicated to identifying emerging opportunities, meeting with start-ups and running test-and-learn programs to evaluate their true potential. Of course, most of these will fail, but the few winners will more than make up for the losers.

Once an emerging opportunity has performed successfully in a pilot program, it can then be scaled up and become integrated into the normal strategic process as a viable tactic to achieve an awareness, sales or advocacy objective.

Decouple Strategy and Innovation

Unfortunately, in many organizations, strategy and innovation are often grouped together because they are both perceived as things that "smart people" do. Consequently, when firms approach innovation, they tend to put their best people on it, those who have shown a knack for getting results.

That's why, all too often, innovation teams are populated by senior executives. Because innovation is considered crucial to the future of the enterprise (and also due to the institutional clout of the senior executives) they also tend to have ample resources at their disposal. They are set up to succeed. Failure, all too often, isn't an option.

However, strategy is fundamentally different from innovation. As noted above, a good strategy is one that achieves specific objectives. Innovation, however, focuses on creating something completely new and new things, unfortunately, tend to not work as well as standard solutions (at least at first). The truth is that innovation is a messy business.

So failure must be an option, which is why technologically focused venture capital firms expect the vast majority of their investments to fail. However, failure must be done cheaply, so resources (and therefore senior executives) must be kept to a minimum.

Build Open Assets in the Marketplace

The primary focus of marketing promotion used to be to create compelling advertising campaigns that would get the consumer's attention and drive awareness. Once potential customers were aware of the product, direct sales and retail promotions could then close the deal.

That model is now broken. Today, effective promotional campaigns are less likely to lead to a sale and more likely to result in an Internet search, where consumers' behavior can be tracked and then retargeted by competitors. Simply building awareness and walking away is more likely to enrich your competition than yourself.

Successful brands are becoming platforms and need to do more than just drive consumers to a purchase, they have to inspire them to participate. That means marketers have to think less in terms of USP's, and GRP's and more in terms of API's and SDK's. Focus groups are giving way to accelerators and creation to co-creation.

CONCLUSION

Marketing was never easy, but technology has made it a whole lot tougher. What used to be a matter of identifying needs and communicating benefits now requires us to build immersive experiences that engage consumers. That means we have to seamlessly integrate a whole new range of skills and capabilities. It's easy to get lost among a sea of buzzwords and false gurus selling snake oil. These marketing principles are very essential in building business strategy.

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