

MARKETING STRATEGY

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There are 3 kinds of companies

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- First, those who make things happen
- Second, those who watch things happen
- Third, the rest who wonder what happened

- The first group detected what strategic marketing means.

Strategy

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- Means to indentify a group of customers for whom the firm has a differential advantage and then positioning itself in the market.

Target group segmentation for business customers

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- **Geographic:** location of headquarter/subsidiaries; accessibility of location, places to deliver products
- **Demographics:** industry, company size
- **Operating variables:** technology, user status, customer capabilities, size of order
- **Purchasing approach:** centralized, decentralized, internal power structure, purchasing criteria
- **Personal characteristics:** focus on companies whose people/values are similar to the buyer's, risk taking/risk avoiding customers; high/low loyalty customers

Five different target market strategies

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- Single-segment strategy
- Selective specialization
- Product specialization
- Market specialization
- Full market coverage

Single-segment strategy

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- = concentrated strategy: one market segment is served with one market mix;
- The choice for smaller companies with limited resources

Selective specialization

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- Multiple segment strategy = differentiated strategy
- Different marketing mixes are offered to different segments
- The product itself may or may not be different
- In many cases only the promotional message or the distribution channel vary

Product specialization

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- The firm specialises in a particular product and tailors it to different market segments

Market specialization

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- A firm specializes in serving a particular market segment and offers that segment an array of different products

Full market coverage

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- Mass marketing strategy offering a single undifferentiated marketing mix to the entire market
- Differentiated strategy offering a separate marketing mix to each segment

Individual marketing

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- The marketing mix is tailored on an individual customer basis

Targeting and goal setting

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- SMART
- = specific, measurable, attainable, realistic, timely

Positioning

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- Is a core element in each marketing strategy
- Defines the benefit of a product or service that can satisfy the needs of the target group in the best possible way
- Its result is the position it occupies in customers' minds relative to competing products
- The positioning has to be unique (=differentiating) and oriented on needs and demands

Terms

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- Unique: there must be enough difference between your product and the competitors' ones (USP)
- Orientation on customer's needs and demands!!!

Looking for a competitive advantage

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- 1940 Ludwig von Mises said:
- A company can beat its competitors only by considering to fulfil customer's needs cheaper and better

Competition

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- A searching process, which tries to develop new solutions to fulfil demands better, cheaper or quicker (than the competitors) in order to gain an economic advantage out of that.