

A HISTORICAL OVERVIEW OF MARKETING STRATEGIES

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ABSTRACT

Marketing fosters healthy competition among brands and this increases the level of competence among firms. Consumers are able to enjoy better products and they are at affordable prices. Marketing helps in earnings and revenue generation of many companies, either directly or indirectly. Strategy without tactics is the slowest route to victory; tactics without strategy is the noise before defeat". Sun Tzu - The Art of War.

Marketing Strategy is something that helps companies achieves Marketing objectives. Marketing objectives help achieve corporate objectives and corporate objectives aim to achieve a competitive advantage over rival organizations. In this article we try to bring forth the meaning and definition of marketing strategy; history of Marketing Strategy; Development of Marketing Strategy; Marketing Strategy Framework.

INTRODUCTION

1.1 MEANING & DEFINITIONS OF MARKETING STRATEGY

Marketing strategy is one the most important areas that needs to be carefully examined by the corporate. A sound marketing strategy becomes imperative.

Marketing strategy is commonly defined as a strategy employed by a firm to attain its marketing objectives, which in turn is related to the achievement of the firm's business objectives. In other words, marketing strategy refers to the marketing goals and action plans that address matters of product/ service price, distribution, communication, and the process of new product development.

The adaptation of any strategy depends much on factors such as management style and experience of the top management, age of the institution, economic environment, and regulations. Generally, it can safely be identified whether a particular bank is a market leader, challenger, follower and nicher by identifying its vision, mission, objectives, and marketing strategies.

The market leader strategy is for those firms that occupy a dominating position in the market and have established their reputation as a leader. By virtue of having a leadership in the market, it is natural that the market share of the concerned firm is the biggest.

Companies belonging to the challenger group are those occupying second, third and lower rank and are always formulating and pursuing strategies to expand their market share by targeting the territory of the market leader.

Whereas, strategies adopted by the followers would normally be to maintain its current customers base and win a fair share of new customers by bringing distinctive advantageous to their target market.

The market nicher is for the smaller firms, which have limited resources and generally focused on selected customers. Firms that fall under this category, often concentrates on only one market segment of the market. Usually, only one marketing strategy, which is well, tailored to meet the needs of a specific target-market group, is developed.

The online Wikipedia (2009) has one of the best definitions of for this reason that the concept may be seen as vague or imprecise, and why there exist various definitions of the term. It states that “Marketing is the process by which companies determine what products or services may be of interest to customers, and the strategy to use in sales, communications and business development. It generates the strategy that underlies sales techniques, business communication, and business developments. It is an integrated process through which companies build strong customer relationships and create value for their customers and for themselves.”

“Marketing strategy is a process that can allow an organization to concentrate its limited resources on the greatest opportunities to increase sales and achieve a sustainable competitive advantage”. It further explains that marketing strategies serve as the fundamental underpinning of marketing plans designed to fill market needs and reach marketing objectives. Plans and objectives are generally tested for measurable results.

Generally, marketing strategies are developed as multi-year plans, with a tactical plan detailing specific actions to be accomplished in the current year. Time horizons covered by the marketing plan vary by company, by industry, and by nation, however, time horizons are becoming shorter as the speed of change in the environment increases. Marketing strategies are dynamic and interactive. They are partially planned and partially unplanned.

Marketing strategy involves careful scanning of the internal and external environments which are summarized in a SWOT analysis. Internal environmental factors include the marketing mix, plus performance analysis and strategic constraints. External environmental factors include customer analysis, competitor analysis, target market analysis, as well as evaluation of any elements of the technological, economic, cultural or political/legal environment likely to impact success. A key component of marketing strategy is often to keep marketing in line with a company's overarching mission statement

A marketing strategy should be centered on the key concept that customer satisfaction is the main goal.

Paul Keech defined marketing strategy as “A strategy often integrates an organization's marketing goals, policies, and action sequences (tactics) into a cohesive whole. Similarly, the

various strands of the strategy, which might include advertising, channel marketing, internet marketing, promotion and public relations, can be orchestrated.”

CEO, Consultant, defines “Marketing strategy is the method that a company uses to create brand awareness and persuade consumers of the need to purchase their products or services.”






Planning and developing marketing strategy takes lot of time and resources one gains knowledge of the customers to target and better enhanced marketing message so it resonates with the customers.




According to Alfred Oxenfeldt (1958), the Marketing strategy has two elements:

- i. Definition of target market.
- ii. The composition of marketing mix

Many different business organizations and researchers have attempted to provide their own definitions of Marketing Strategy, as illustrated in the following Table 1.

TABLE 1.1: LIST OF DEFINITIONS OF MARKETING STRATEGY

Authors	Definitions
 B. H. Liddell Hart	The art of distributing and applying military means to fulfill the ends of policy.
 George Steiner (1979)	Marketing Strategy answers the basic question: What are the ends we seek and how should we achieve them?
 Henry Mintzberg (1994)	Marketing Strategy emerges over time as intentions collide with and accommodate a changing reality. Thus, one might start with a perspective and conclude that it calls for a certain position, which is to be achieved by way of a carefully crafted plan, with the eventual outcome and strategy reflected in a pattern evident in decisions and actions over time.
 Kenneth Andrews (1995)	Corporate strategy is the pattern of decisions in a company that determines and reveals its objectives, purposes, or goals, produces the principal policies and plans for achieving those goals, and defines the range of business the company is to pursue, the kind of economic and human organization it is or intends to be, and the nature of the economic and non-economic contribution it intends to make to its shareholders, employees, customers, and communities
 Michael Porter (1996)	Marketing Strategy is about competitive position, about differentiating yourself in the eyes of the customer, about adding value through a mix of activities different from those used by competitors.

 Kepner - Tregoe	The framework which guides those choices that determine the nature and direction of an organization.
 Michel Robert	Strategic management boils down to decisions pertaining to four factors- <ul style="list-style-type: none"> • Products & services • Market Segments • Customers • Geographic areas
 Treacy & Wiersema	Marketing Strategy identify three "value-disciplines" that can serve as the basis for strategy: operational excellence, customer intimacy, and product leadership.

Therefore, Marketing strategy consists of the analysis strategy development, and implementation activities in: “Developing a vision about the market, (s) of interest to the organization, selecting market target strategies, setting objectives, and developing, implementing, and managing the marketing program positioning strategies designed to meet the value requirements of the customers in each market target”.

Strategic marketing is a market-driven process of strategy development, taking into account a constantly changing business environment and the need to deliver superior customer value. The focus of strategic marketing is on organizational performance rather than a primary concern about increasing sales. Marketing strategy seeks to deliver superior customer value by combining the customer-influencing strategies of the business into a coordinated set of market-driven actions. Strategic marketing links the organization with the environment and views marketing as a responsibility of the entire business rather than a specialized function.

Because of marketing’s boundary orientation between the organization and its customers, channel members, and competition, marketing processes are central to the business strategy planning process. Strategic marketing provides the expertise for environmental monitoring, for deciding what customer groups to serve, for guiding product specifications, and for choosing which competitors to position against. Successfully integrating cross-functional strategies is critical to providing superior customer value. Customer value requirements must be transformed into product design and production guidelines. Success in achieving high-quality goods and services require finding out which attributes of goods and service quality drive customer value.

1.2 THE HISTORY OF MARKETING STRATEGY

The last twenty years have seen a radical change in the Strategies adopted by Companies, Banks, and Industries etc. Liberalization, Globalization and Privatization (LPG) changed the basis on which enterprises is expected to make available the satisfaction to the customers.

The history of Marketing Strategy is identified as a stipulatory subject. All authors think marketing Strategy is relevant to business. However few think that Marketing Strategy is of strategic importance to business. While many authors think that this is a relatively new concept, however marketing strategy concept is perhaps as old as business itself and no business can be run without having a proper strategy to implement the plans.

Our research found that the history of Marketing Strategy is as old as the history of business itself, even though the concept was not formally formulated until recently. However, the concept is still evolving and there isn't complete agreement as to what the concept is all about.

The history of marketing strategy is described from its roots in early marketing management & later corporate marketing to its present state. The historical perspective demonstrates how various strategic approaches can be integrated into a comprehensive conceptual framework for marketing strategy.

We are going to divide the history on Marketing Strategy into two broad phases

- i. Before Liberalization , Privatisation & Globalisation (LPG) (1898- 1991)and
- ii. From Liberalisation , Privatisation & Globalisation (LPG) (1992- till date)

BEFORE LIBERALISATION , PRIVATISATION & GLOBALISATION (LPG)	
(1898-1991)	
Year	Activities Performed
1898	India entry strategy was employed by Pepsi cola company .
1901	Business Level Strategies implemented by Gillette.
1903	Compare & Contrast strategy employed by Ford Motor Co.
1911	Thortons Business and Marketing strategy stressing customer loyalty
1913	<ul style="list-style-type: none"> • e-business strategy, marketing strategy, competition, and financial highlights • Wealthy nations will share their wealth among poorer nation
1926	Rearranging of product offerings to fit the environment
1929	Pricing strategy to promote the offerings employed by Hawaiian airline office in Manila
1931	Policy concentration rather than price employed by BHS

1940	Replacing conventional compasses
1941	Aggressive Production
1945	HRM Production & Quality Control Research & Development
1950	Franchised dealer network helps in better implementation of tactical marketing
1953	Advertising Marketing by Philips Morris & Marlboro
1962	Blend of new steps & old safeguards benefits & risks resulting in Trade strategy Balancing Act
1967	Acquisitions , market penetration, corporate profit planning
1971	Apply database-marketing strategies to direct marketing programs.
1973	Additional strategy or variation in a given strategy
1974	Retail Price Competition
1975	Satisfying personal consumers demand rather than fulfilling demographic requirements employed by Apple I phone
1977	Identify key customers and then develop marketing strategies
1978	Enhance economic wealth of the community as a whole
1979	Identifying common marketing problem (Agricultural marketing) and then national & regional strategies be implemented to eliminate or reduce those problems
1980	Reviewing customer inquiries, analyzing technical data, schedules and cost estimates.
1981	Aggressive Marketing strategy & Mass distribution
1982	Divides operating planning into nine major strategy areas: company strategy, marketing strategy, product strategy, marketing mix, the consumer, pricing, the brochure, annual programme plans and monitoring of results, and for each describes how research is used to deal with major problems and issues
1983	Mass merchandising techniques to operate the store with superstore format.
1984	Positioning of product according to customers base
1985	Concentrating on retail business since even a small margin brings profits when we

	perform bulk business
1986	Continually employing sales management to enhance the performance of the people
1987	Choosing five target audience and then formulate strategy
1988	Direct response marketing solutions for a wide range of companies from home products to healthcare.
1989	Starting at the bottom and looking for a tactic to exploit, that tactic is a competitive mental angle.
1990	Regional Marketing strategy
1991	Flexible Marketing strategy

AFTER LIBERLIZATION , PRIVATISATION & GLOBALISATION (LPG)

(1992-till date)

Year	Activities Performed
1992	Target to new and expanding ventures with new products, technologies, or services but with little or no market history.
1993	Mass Customization
1994	Team Marketing as was employed by The Atlanta Group
1996	Use of Research in developing International Marketing Strategy
1997	Retail distribution channels which involve management of channel's sales force and development of the channel's marketing strategy.
1998	Social Marketing Strategy
1999	Nationwide branding & Marketing strategy
2000	Internet Marketing Plans
2001	Coherent Marketing approach aimed at specific national & international markets

2002	Intensive store opening marketing strategy
2003	<ul style="list-style-type: none"> • Becoming Competitor oriented • Contradiction challenging advertisements
2004	Visual Positioning
2005	Operational excellence, customer intimacy, and product leadership as employed by Wal-Mart
2006	<ul style="list-style-type: none"> • Dominating single market as employed by Samsung Group • Interactive Market Solutions
2007	<p>Introduce three main things:</p> <ul style="list-style-type: none"> • strategy canvas with key factors of competitions, • strategic profile, and • Strategic advantage of... Marketing Strategies.
2008	Makeover & re-launching of Iconic symbols
2009	Social media , social media strategy , word-of-mouth, Quality
2010	<ul style="list-style-type: none"> • Global Communication • e-Marketing & Promotional marketing • Integrating tease & perpetual marketing
2011	<ul style="list-style-type: none"> • Niche Marketing strategy • Globalization of the international strategy by integrating the strategy across countries

TABLE 1.2: HISTORY OF MARKETING STRATEGY

1.3 DEVELOPMENT OF THE MARKETING STRATEGY

Any company develops a marketing strategy, based on which two types of analysis flows - strategic analysis and internal analysis.

The Strategic Marketing Analysis involves customer management analysis, market management and analysis, environmental scanning and future building. Management of relationships with the customers and important external bodies such as dealers, suppliers and the government is a major part of the marketing strategy formulation and management.

The Internal Analysis includes strengths, weaknesses, core competencies, resource constraint analysis. Based on the marketing objective, strategic market analysis, internal analysis, the marketing strategy for a particular decision/situation is developed. This involves the decisions on the 4 P's i.e., Product, Price, Place and Promotion. The process of marketing strategy development also involves the analysis of competition and various other analytical market inputs. Then the marketing strategy which is developed is implemented and any deviations from the marketing plan are the feedback to the marketing objectives and thus, the development of marketing strategies. This is represented as following in Figure 1.1:

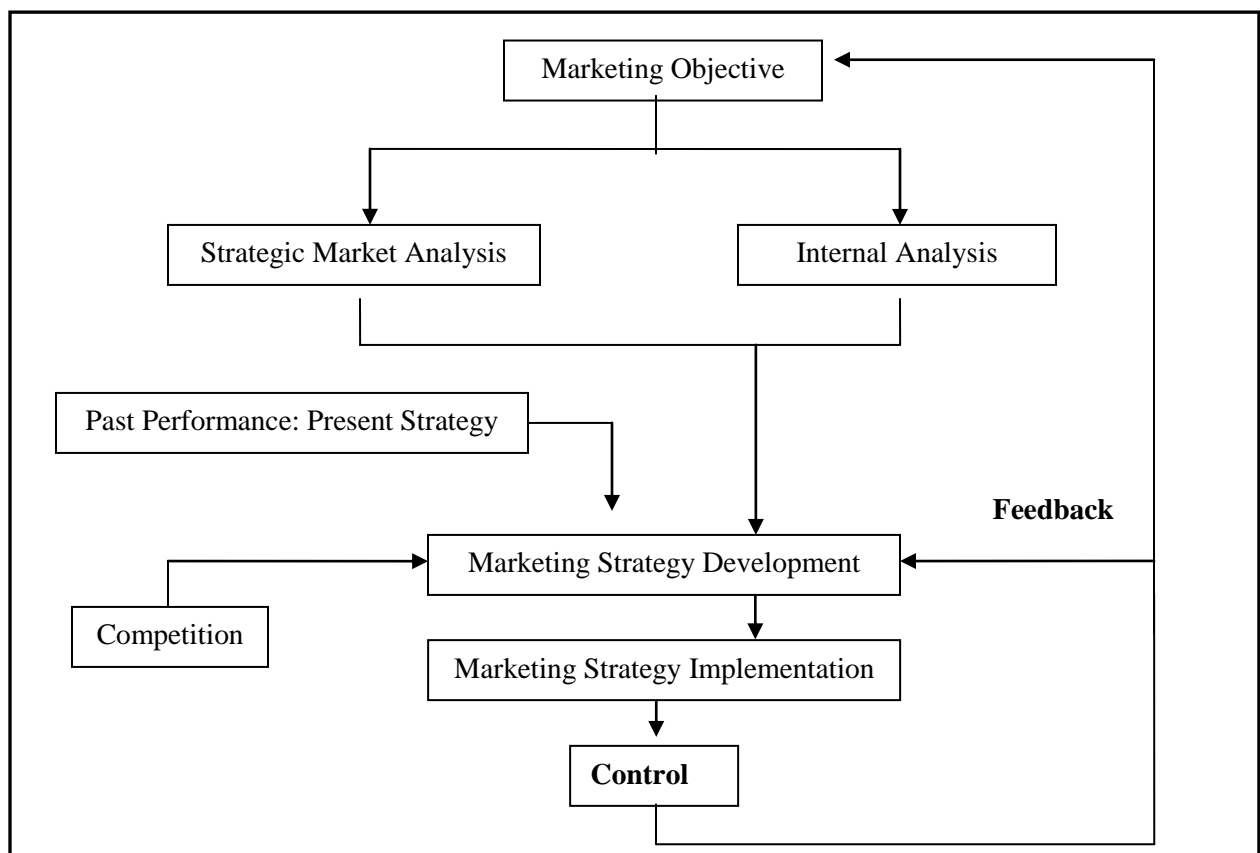


FIGURE 1.1: THE MARKETING STRATEGY DEVELOPMENT

1.4 MARKETING STRATEGY FRAMEWORK

The framework of Marketing Strategy includes various elements such as- the Marketing Objective, the Focus, the Domain, the Prerequisites, the Functionality, the Transaction and the Facilitator. The framework can be outlined as shown below in Figure 1.2:

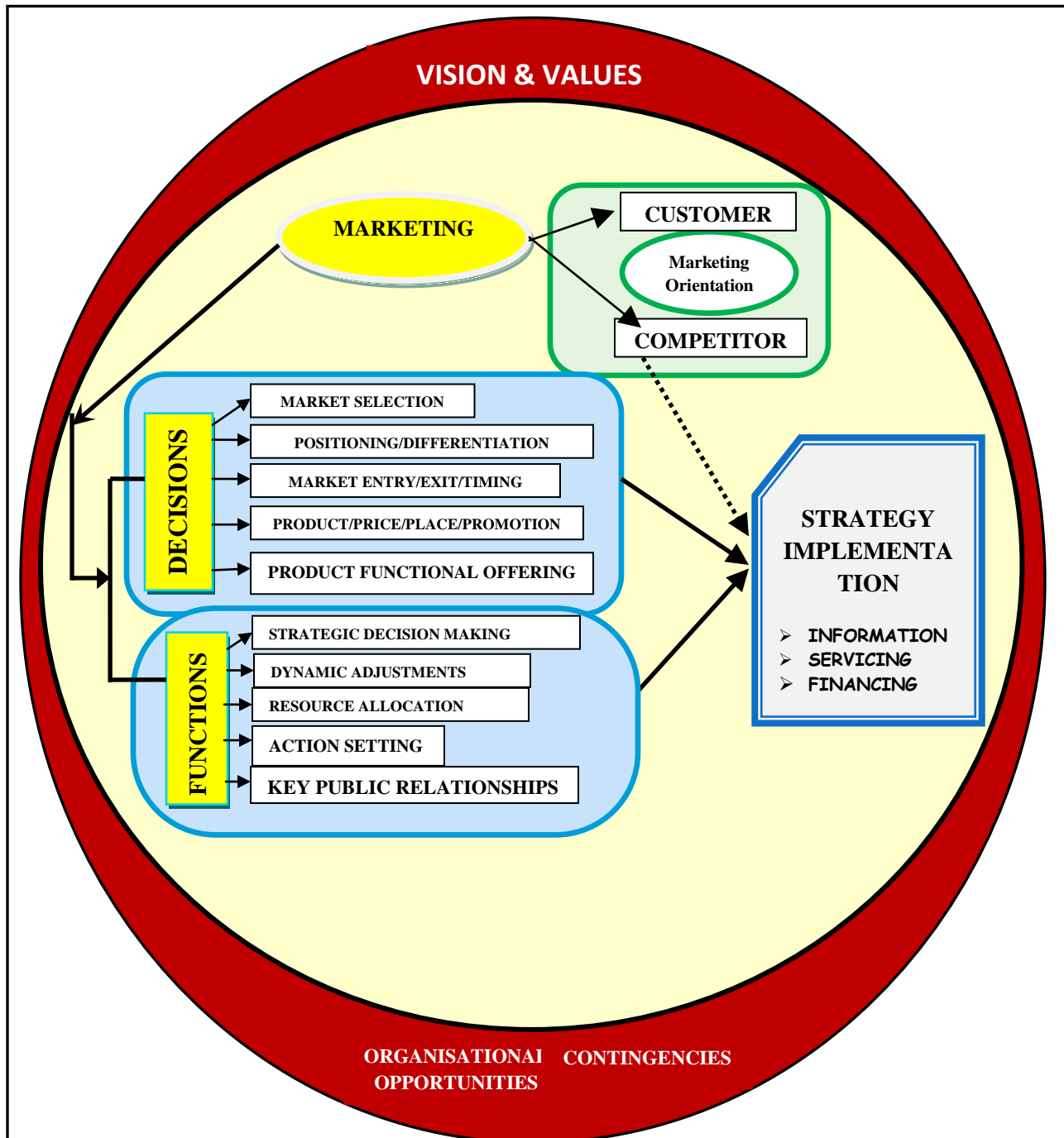


FIGURE 1.2: MARKETING STRATEGY FRAMEWORK

1.4.1 MARKETING OBJECTIVES: The firms in order to have a formulation of the marketing strategy should have a marketing objective. The marketing objectives include:

- a.) Maximization of Profits,
- b.) Maximization of Market Share,
- c.) Maximization of Sales,
- d.) Enhance Brand Image,
- e.) Improve Customer Satisfaction,
- f.) Provide Customer Value,
- g.) Maintain Price Stability.

1.4.2 FOCUS: The focus of marketing strategy is towards the customer orientation as well as on the competitor focus which is termed as the Market Orientation.

1.4.3 DOMAIN: The realm of marketing strategy with regard to the decision making is concerned includes:

- A) SELECTION OF THE MARKETS:** decides on the Customer Segments, its functions and the technology used to support or provide these functions.
- B) POSITIONING/DIFFERENTIATION:** positioning is the Central theme of any brand or the product.
- C) MARKET ENTRY/EXIT/ TIMING:** are based on the market attractiveness, competitive position, advantages and extent of market risk.
- D) 4 p's:** Product, Price, Place and Promotion,
- E) Product's functional offering.**

All these decisions help any Company or marketer to attain the marketing objectives as well as, the focus of marketing strategy.

1.4.4 PRE-REQUISITES: In order work efficiently any organization requires three pre-requisites, i.e., first and foremost is the Vision and Values which the marketing strategy also brings about. The second is analysis of the Organizational Opportunity which takes account of existence of market size, strength of buyer need, market risk, and firm's ability to meet market success factors. The third pre-requisite is to be prepared to face the market Contingencies or market shocks.

1.4.5 FUNCTIONALITY: Various functions that marketing strategy performs:

- i. Strategic Decision making
- ii. Dynamic adjustments towards the competition as well as the market
- iii. Marketing Resource Allocation
- iv. Action Setting
- v. Establishing Relationships with key publics: customers, channels etc. and the nature of the relationships.

1.4.6 IMPLEMENTATION OF THE MARKETING STRATEGY: Information, Servicing and Financing are the three main transaction facilitators which helps in the process of implementation of the marketing strategy.

CONCLUSION

Therefore, a marketing strategy outlines the strategic directions and tactical plans that marketing teams must implement to support their company's overall business objectives, including:

- Increasing revenue
- Growing profits
- Reducing costs

A marketing strategy contains a number of important decisions about product offerings, pricing, communications, and distribution channels. Also included in the marketing strategy is a detailed plan and budget for implementing each marketing component.

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