

MARKETING STRATEGIES – CHALLENGES AND PERSPECTIVES

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ABSTRACT

Efficient marketing management stands as a cornerstone for the prosperous functioning of any business entity. What sets a business organization apart from other human endeavors is its capacity to produce goods or services

KEYWORDS: *Marketing Strategies*

Article History

Received: 13 Nov 2020 | Revised: 26 Nov 2020 | Accepted: 18 Dec 2020

INTRODUCTION

Efficient marketing management stands as a cornerstone for the prosperous functioning of any business entity. What sets a business organization apart from other human endeavors is its capacity to produce goods or services. Marketing, therefore, assumes a pivotal role within the structure of a business, for without it, key personnel such as the chief executive, production manager, procurement officer, and financial controller are unable to execute their respective duties. Until fundamental marketing decisions are formulated, planning, production, procurement, and budgeting remain stalled. While various departments contribute to the growth of a business enterprise, marketing remains the primary revenue-generating activity. Therefore, the marketing function is rightfully regarded as the most critical operational function of management.

Marketing serves as the cornerstone that drives the economy forward. A well-structured marketing organization enhances the strength and stability of the economy. Conversely, neglecting the importance of marketing weakens the economy. An underdeveloped marketing sector indicates an underdeveloped economy, marked by shortages and a seller's market where selling efforts are minimal. As a result, businesses might fail to recognize the need to adjust or enhance their marketing strategies and practices.

In this article an attempt has been made to highlight the main strategies of marketing with reference to the present challenges and future prospects of market so that the efficiency of the firm should be kept in proper control.

Marketing plays a crucial role in enhancing the quality of goods and services, thereby increasing business value and prioritizing consumer satisfaction. Every aspect of marketing, including product quality, packaging, display, promotion, and pricing, is geared towards meeting customer needs. Hence, marketing enhances the quality of life by offering a wide array of goods and services, granting consumers the freedom to choose, and prioritizing their needs at the forefront of business deliberations.

Moreover, marketing plays a vital role in the development of economic resources. As businesses generate revenue and profits through marketing endeavors, they are motivated to utilize the country's economic resources more effectively to optimize their gains. Consequently, marketing should be given paramount importance to ensure the comprehensive utilization of national resources.

Marketing assumes a crucial role in identifying and meeting customer needs, thus shaping the production of goods and services. Additionally, it facilitates the exploration of export markets. Beyond being a standalone business function, marketing embodies a philosophy that guides the entire organization. Its objective is to profitably create customer satisfaction by fostering value-laden relationships with key customers. Achieving this goal requires collaboration not only within the marketing department but also with other departments within the company and external organizations across the entire value-delivery chain. Therefore, marketing necessitates a customer-centric approach from every member of the organization, encouraging them to contribute to the creation and delivery of superior customer value and satisfaction.

Many individuals perceive marketing solely as advertising or sales activities. However, genuine marketing focuses less on selling products and more on understanding what products to create. Organizations achieve market leadership by comprehending consumer needs and delivering solutions that exceed expectations through superior value, quality, and service. Without prioritizing customer value and satisfaction, no amount of advertising or sales efforts can compensate. Marketing extends beyond manufacturing companies, wholesalers, and retailers; it is employed by diverse individuals and organizations. The principles of marketing seek to educate students on and apply the fundamental concepts and practices of contemporary marketing in diverse contexts. These contexts encompass product and service firms, consumer and business markets, profit and nonprofit organizations, domestic and global companies, as well as small and large enterprises.

The principles of marketing take on a practical, managerial approach to the discipline. It provides numerous practical examples and applications, showcasing the pivotal decisions that marketing managers face as they strive to align the organization's goals and resources with the demands and opportunities of the global market.

In a market-oriented enterprise, the primary aim of a firm is to identify and fulfill customer needs by offering products at equitable prices. Marketing management is tasked with evaluating marketing opportunities, devising plans and strategies to capitalize on these opportunities, crafting action plans or programs to execute marketing activities, and inspiring marketing personnel through effective leadership. Planning serves as the foundation for an integrated and synchronized marketing strategy.

A marketing strategy encompasses a comprehensive and dynamic action-oriented plan aimed at achieving a company's mission, core objectives, and functional goals. It involves selecting a general type of plan that offers preferred means to attain desired ends, including an understanding of the mission, purpose, and objectives, while acknowledging the unpredictability and uncertainty of the business environment. Essentially, a strategy serves as the catalyst for action in a competitive market setting.

An enterprise must have at least two primary overarching objectives: to do the right thing and to do things right. Strategic planning primarily reflects the former objective, i.e., to do the right thing. A strategy comprises three key elements: (1) the mission and core objectives or goals established by top management, (2) the courses or patterns of actions to pursue, and (3) the deployment or allocation of human and material resources to execute the plan and achieve the set objectives. It provides precise statements regarding where the firm aims to go and how it intends to get there.

In determining the objectives (where to go), a firm must address three key problems: (1) Choosing the right objective considering market opportunities and corporate competencies and resources that can be allocated; resource constraints will determine the scale of efforts and the feasibility of marketing opportunities. (2) Resolving conflicts among multiple objectives, which are often conflicting. (3) Setting objectives that are challenging yet feasible, motivating, and acceptable to executives and their subordinates.

When determining the means to achieve desired ends—the "how" of reaching our goals—we are faced with several alternative courses of action, making the selection of the best approach often challenging. We have various options within the company, such as technology, organizational structure, market strategies, distribution channels, promotional tactics, product offerings, and more. Consequently, we develop comprehensive alternative plans.

Similar to a magnifying glass, strategy highlights critical activities that require focused attention and special efforts. It serves as a link between our objectives and our action plans or programs. Typically, we employ two or three strategies simultaneously. For instance, a company may opt to focus on market share, product quality, pricing, after-sales service, sales promotion, advertising, and so forth. The decisive factor ensuring success receives top priority.

If your company merely follows the market, customers will inevitably dictate your strategy. However, if you aspire to lead in market share, pricing, quality, services, etc., you must develop your own strategy.

Corporate Strategy Formulation

There are four fundamental steps involved in formulating corporate strategy:

- Establishment of corporate objectives, including the mission and goals that define the central purpose of the business.
- Generation of various business opportunities and options available to the company.
- Selection of the most suitable business opportunity or option.
- Execution of the selected course of action to leverage the chosen business opportunity.

Strategy involves choosing and prioritizing business opportunities, defining the preferred methods for achieving desired goals, and allocating resources to capitalize on the selected opportunities. Once the nature and significance of each business opportunity are understood, careful attention is given to selecting and ranking or grading opportunities. The most significant opportunities are accorded higher priority in our hierarchy of preferences, known as corporate or business strategy.

In customer-oriented business planning, marketing management initially evaluates opportunities based on customer needs, the competitive landscape, and resource availability to assess feasibility. Opportunities approved by marketers undergo scrutiny by other business areas, such as research and development, engineering, production planning, and finance departments. Final decisions are made by top management after functional specialists have reviewed and endorsed the exploitation of business opportunities. Subsequently, a comprehensive business strategic plan is developed for implementation to realize the chosen opportunity.

Corporate strategy essentially represents the chosen approach through which a company aims to achieve its corporate mission and goals established by its executives. The overall corporate strategy should be based on thorough self-analysis, an in-depth analysis of the current market environment concerning customers, competitors, employees, and the community, and forecasts of future environmental conditions.

How Strategies are to be Adopted

Marketing Strategy serves as the core of the marketing plan, deriving from two main perspectives. Firstly, there's the grand strategy or corporate strategy, which addresses the company's mission, objectives, and goals. This overarching strategy serves as a guiding framework that directs the allocation and utilization of resources to fulfill the company's mission and objectives, including functional objectives tailored to each business area.

On the other hand, Marketing Strategy represents the functional strategy specifically related to the marketing aspect of business. The corporate strategy plan acts as the primary blueprint for the entire company, providing guidance on the firm's desired direction and position. It sets the parameters for all other functional planning, with functional objectives stemming from overall company objectives and functional strategy emerging from the grand or corporate strategy.

As per P. Kotler, Marketing Strategy is described as a continuous, fitting, and viable collection of principles aimed at attaining enduring customer contentment and profitability objectives within a distinct competitive milieu. It encompasses an all-encompassing blueprint customized to fulfill the requirements of a particular enterprise functioning in a definite environment, founded on corporate marketing goals and implemented through a synchronized marketing action strategy, referred to as the Marketing Mix. The ultimate aim of an exemplary marketing strategy is to maximize the deployment of all company resources.

In a selected product-market blend, diverse marketing approaches can be formulated via market division, channel choice, and other components of the marketing amalgamation. The selection of the best alternative should provide the firm with a significant and sustainable advantage over its competitors.

The formulation of marketing strategies involves several key steps:

- Determining marketing objectives.
- Generating alternative options for the marketing mix.
- Choosing the most lucrative marketing blend alternative.
- Establishing circumstances for executing the selected marketing blend.
- A firm can distinguish its marketing strategy by emphasizing specific elements of the marketing mix.

Setting Marketing Objectives

The objectives set must be realistic and aligned with available market opportunities and company resources. Unrealistic objectives can lead to poor decision-making, wasted resources, and demoralization among marketing personnel. General objectives such as achieving profit growth of 10 to 15 percent annually and a pre-tax return on investment of 25 percent annually within three to five years should be supplemented by specific objectives related to sales growth, profit margins, new product development, market expansion, and acquisitions.

Marketing strategy can be categorized into two main components: (a) Marketing objectives, which include market selection, sales volume, sales revenue, and profitability targets, and (b) Marketing mix, represented by a marketing program aimed at achieving the established marketing objectives as well as overall company goals. The marketing amalgamation incorporates the product blend, pricing blend, distribution blend, and advertising blend. Under distribution, considerations include channel selection, physical distribution, and inventory control, while under promotion, elements include personal selling, advertising, sales promotion, and publicity.

The attainment of marketing objectives or desired outcomes largely hinges on the company's ability to select and balance the marketing mix (controllable variables often referred to as the 4Ps) in a manner that aligns with uncontrollable variables such as total demand, competition, and economic conditions. Sales, market share, and profitability serve as valuable indicators when setting marketing objectives or desired outcomes.

The current prevalent strategies can be categorized as follows:

- **Market-Leader Tactics:** The dominant player, usually commanding the largest market share, frequently takes the lead in pricing, introducing new products, extending distribution reach, and investing in promotional efforts. Although the leader may not always be revered, its supremacy is recognized by other companies. However, maintaining this position requires constant vigilance, as competitors continuously challenge its strengths and exploit its weaknesses. To sustain leadership, the firm must focus on expanding total demand, protecting current market share through defensive and offensive measures, and further expanding market share if possible, even within a constant market size.
- **Expanding the Total Market:** The leading firm stands to benefit the most when the overall market expands. Encouraging increased usage or attracting new users and promoting new uses for the product are key strategies. For instance, Revlon may target non-users of perfume within its existing markets, while Du Pont successfully expanded the use of nylon from parachutes to various other applications.
- **Protecting Market Share:** While striving to expand the market, the market leader must also defend its current position against competitor attacks. This entails addressing weaknesses that could be exploited by competitors, keeping costs down, and maintaining competitive effectiveness and value to customers. It involves taking proactive measures, leading the industry in innovation, distribution efficiency, and cost management.

Defence Strategies

- **Position Defense:** Establishing fortifications around the current position to defend against competitors.
- **Flanking Defense:** Vigilantly guarding weaker flanks to prevent competitors from exploiting vulnerabilities.
- **Preemptive Defense:** Launching an aggressive defense before competitors can make a move.
- **Counteroffensive Defense:** Responding to competitor attacks with a counteroffensive strategy, as exemplified by Kodak's response to Fuji's aggression in the film market.
- **Mobile Defense:** Venturing into novel markets to act as future strongholds for defensive and offensive maneuvers, thus redirecting attention from the existing product to encompass broader consumer requirements.

- **Contraction Defense:** Concentrating resources on stronger positions by withdrawing from weaker ones when resources are spread too thin.
- **Market-Challenger Strategies:** Runner-up firms, such as Colgate, Ford, and PepsiCo, can adopt aggressive strategies to challenge the market leader or opt for a more cautious approach as market followers. Challenger firms must define their strategic objectives carefully, considering factors such as profitability and sustainable competitive advantage.
- **Market-Pursuer Tactics:** Not all second-place companies opt to rival the market dominator. Many prefer to follow rather than attack, as challenging the leader entails risks and may lead to a detrimental outcome for both parties. Following a leader's initiatives, while ensuring differentiation, can be a more prudent approach in certain scenarios.

CONCLUSION

In summary, proficient marketing administration serves as the foundation of every thriving business venture, setting apart a business entity through its capability to generate goods or services. Marketing is the nucleus of the business, driving fundamental decisions across all departments. While each department contributes to the growth of the enterprise, marketing remains paramount as the primary revenue-generating activity. Consequently, marketing is rightfully deemed the most critical operational function of management.

Marketing not only propels individual businesses but also plays a pivotal role in driving the economy forward. A well-developed marketing sector strengthens the economy, whereas neglecting its importance weakens it. An underdeveloped marketing sector signals an underdeveloped economy characterized by shortages and minimal selling efforts. Therefore, businesses must recognize the significance of marketing to adapt and evolve their strategies effectively.

This article has sought to elucidate the primary strategies of marketing amidst contemporary challenges and future prospects. By focusing on efficiency, firms can navigate market complexities successfully. Marketing not only enhances the quality of goods and services but also prioritizes consumer satisfaction, thereby elevating business value. Moreover, marketing contributes to the efficient utilization of economic resources, promoting economic growth and prosperity.

Marketing's role extends beyond selling products; it encompasses understanding consumer needs and delivering solutions that exceed expectations. Collaboration across departments and organizations is crucial to realizing marketing objectives effectively. Principles of marketing aim to educate and apply fundamental concepts across diverse contexts, fostering innovation and growth.

In essence, marketing strategy serves as a blueprint for achieving corporate objectives and goals. By aligning resources with opportunities, firms can capitalize on market dynamics effectively. The formulation and execution of marketing strategies demand careful planning and foresight. Ultimately, marketing strategy shapes the trajectory of a business, guiding its growth and success in a competitive marketplace.

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