



## **Marketing's Missing Link**

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As I work with marketing organizations around the world, a common gap stands out: the lack of marketing strategy. Perhaps it's because the difficult economic climate has forced marketers into a more tactical mode, with leaner teams trying to execute more with less.

Whatever the reason, the lack of a marketing strategy has huge implications on an organization's marketing effectiveness. When strategy is neglected, the price paid goes beyond just lost revenue; the price is fewer opportunities from the target market, lower inquiry rates, and fewer sales conversions.

Rushing to implement marketing programs and tactics in the absence of a strategy means setting the stage for potential failure.

When we ask what strategy is being deployed, we often here marketers say the strategy is social media, direct marketing, public relations (PR), or advertising. But those are not strategies; they are tactics, and each can be deployed to support any number of strategic options.

So what is strategy? Strategy is how an organization is going to achieve its mission. And marketing strategy is the critical link between marketing goals and marketing programs and tactics.

Moreover, marketing strategy should reflect an organization's overall strategic approach. You probably are already familiar with some common business strategies. Michael Porter, Bishop William Lawrence University Professor at Harvard Business School, has identified three generic business strategies:

1. **Differentiation**—used by organizations that focus on the uniqueness and prowess of their products or services by leveraging innovation, design, quality, etc.
2. **Cost leadership**—used by organizations to offer products at lower prices than competitors' by leveraging supply-chain management, distribution, process/manufacturing efficiencies, etc.
3. **Niche**—used by organizations that leverage domain expertise, service quality, etc., for a particular customer or market segment

A strategy provides focus and enables an organization to concentrate limited resources on building core competencies that create a sustainable competitive advantage that allows the pursuit and securing of the best revenue opportunities.

Marketing strategy complements an organization's overall strategy, keeps marketing in line with the organization's overarching mission, and provides guidance and direction for channeling the organization's marketing resources toward achieving market traction, penetration, and dominance.

### **Types of Marketing Strategies**

So if PR, collateral, events, and direct mail are tactics that an organization can use to drive awareness, consideration, and preference, what are examples of marketing strategies?

The vast number of potential strategies cannot be listed here, but we can discuss some of the more-common ones and explore selection criteria.

For example, three common product strategies that both B2B and B2C organizations use are trial, product placement, and bundling.

1. **Trial** is the opportunity to evaluate and experience a product before committing to purchase. Trial can take the form of a sample (often used in consumer packaged goods), an evaluation (used in the software industry), or a test drive (used in the automotive industry).
2. We are all familiar with **product placement** (e.g., seeing cars, computers, and phones, etc., in television shows and movies). But product-placement strategies can be deployed just as successfully by B2B firms, by placing products (medical device, computer, software) as teaching tools within an academic environment, for example.
3. **Bundling** involves offering several products for sale as one combined product—again a strategy commonly used in the consumer packaged goods industry (e.g., toothbrush, toothpaste, and mouthwash all in one package); the technology industry (e.g., software plus a computer); and the automotive industry (e.g., subscription-based communications, in-vehicle security, hands-free calling free for a year when you buy the car).

Other common strategies that B2B and B2C organizations use involve people, such as third-party endorsements, seals of approval, celebrities, customer testimonials, etc., or grassroots efforts (where other people become interested in, excited about, and supportive of your organization, product, or service and then help create market momentum).

And a third category can involve the market, such as divide-and-conquer, stepping-stone, tipping-point, and kingpin strategies.

A **tipping-point** strategy entails tipping from one point of equilibrium to a different point of equilibrium—the idea being that an organization can create a tipping point by capturing enough

of a particular market so that other segment members gravitate toward that organization, product, or service.

An alternative strategy is a **kingpin** approach, where you focus on capturing those customers who have the greatest control in a segment; and once you acquire them, the rest follow.

A strategy consists of a well-thought-out series of tactics that brings the strategy to life. As marketers, you will leverage various marketing channels, from digital marketing to PR to traditional advertising and others, to implement the strategies. And although each of those tactics will apply, how they are used to create marketing programs will vary.

### **Five Strategy Criteria**

Once you identify potential strategies, how do you select one? Consider these five criteria when selecting a strategy:

1. **Impact**—the proposed strategy must conclusively demonstrate that it will contribute to the achievement of the specific marketing goal.
2. **Proven**—the proposed strategy should be firmly grounded in evidence-based research that indicates the likelihood that the strategy will work.
3. **Context**—the proposed strategy should take into account the current environment (business, political, social, and market).
4. **Feasible**—the organization should have the capability to successfully carry out the proposed strategies.
5. **Appropriate**—the proposed strategy should be consistent with the organization's mission, culture, business processes, etc.

### **Steps for Strategy Development and Evaluation**

It's probably become obvious that a marketing strategy serves as the foundation for your organization's marketing plan. In fact, the marketing plan contains the specific plan of action that your marketing organization is going to use to successfully implement the strategy.

So, in closing, remember the five key steps for developing and evaluating your marketing strategy:

1. Define the business outcomes that marketing must influence. Without them, the marketing team will not understand what constitutes success for the organization. If Marketing doesn't know the business outcomes, then how can it develop appropriate strategies?

It is the C-Suite's responsibility to establish the business outcomes and communicate which ones Marketing is expected to have an impact on and how Marketing will have made a difference.

2. Develop measurable marketing goals to support the business outcomes. Once Marketing understands the business outcomes and its own role, Marketing needs to define how it intends to move the needle vis-à-vis those outcomes. Those goals provide insight into the strategic options.
3. Evaluate and select the marketing strategy to achieve the goals.
4. Create programs with corresponding tactics and activities to implement the strategies.
5. Monitor results and make course adjustments as needed.

Because we live in a dynamic environment, marketing strategies need to be dynamic. The marketing strategy or strategies you choose will be based on your unique situation and the market in which you play.

Selecting and deploying a strategy that supports the organization and is based on your knowledge of the market and its customers will go a long way toward making your marketing more effective. And though you want to be deliberate in your approach to and selection of a strategy, you may also need to be flexible and agile.

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