Strategy: The Critical Link between Marketing Objectives and Programs

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Most organizations are very careful when it comes to spending marketing dollars, but sadly far too many businesses are not careful when it comes to one of the most important steps related to marketing effectiveness – strategy. Both members of the C-Suite and marketers rush to implement marketing programs and tactics. However, when strategy is neglected, the price paid is beyond just dollars out of the door; the price comes in terms of fewer opportunities from the target market, lower inquiry rates, fewer sales conversion, etc. When a marketer says the strategy is social media, or direct marketing, or public relations, or advertising, they are specifying a tactic, not a strategy. These tactics can be used to support any number of strategic options. Strategy is how the organization is going to achieve its mission. And marketing strategy is the critical glue between marketing objectives and marketing programs and tactics. Marketing strategy should reflect the organization's overall strategic approach.

Michael Porter, Bishop William Lawrence University Professor at Harvard Business School, is among one authority when it comes to strategy. He developed three generic strategies to illustrate the kind of strategies organizations' might deploy to be more competitive:

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

Strategy selection provides focus and enables an organization to concentrate limited resources on building core competencies that create a sustainable competitive advantage to support pursuing and securing the best revenue opportunities. As the CEO, you should expect your Marketing team to develop a marketing strategy that complements the overall strategy, keeps marketing in line with the organization's overarching mission, and provides the guidance and direction for channeling the organization's marketing resources in order to generate market traction, penetration and dominance.

Types of Marketing Strategies

So if PR, collateral, events, direct mail are tactics that can be used to drive awareness, consideration, and preference, what are examples of marketing strategies? There are far too many potential strategies to list them all here, but we can at least discuss some of the more common ones and explore selection criteria.

For example, three common product strategies used by both B2B and B2C organizations are trial, product placement and bundling. Trial is essentially the opportunity to evaluate, experience a product prior to committing to purchase. Trial can take the form of a sample (often used in consumer packaged goods), evaluation or test drive (which for example is used in the software and the automotive industries). We are all familiar with product placement when it comes to seeing cars, computers, and phones, etc. in television shows and/or movies. But product placement strategies can be deployed by B2B firms just as successfully, such as placing products (medical device, computer, software) as teaching tools within an academic environment. Bundling involves offering several products for sale as one combined product, again a strategy commonly used in the consumer packaged goods environment (toothbrush, toothpaste, mouthwash all in one package) and technology industries (software plus computer) and automotive industries (subscription-based communications, in-vehicle security, hands free calling free for a year when you buy the car).

Other common strategies used by B2B and B2C organizations involve people, such as third party endorsements, seals of approval, celebrities, customer testimonials, etc. or grass roots efforts (where other people become interested in, excited about, supportive of your organization/product/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. Tipping point essentially entails tipping from one point of equilibrium to a different point of balance – the idea here being that an organization can create a tipping point by capturing enough of a particular market that other segment members gravitate toward your organization/product/service which is different from a kingpin approach where you focus on capturing those customers that 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 bring it to life. You should expect your Marketing team to deploy various marketing channels, from digital marketing, to public relations, to traditional advertising and others to implement the strategies. So while each of these tactics will apply how they are used to create marketing programs will vary.

Five Strategy Criteria

Once your Marketing team identifies potential strategies how do you go about making a selection? As the CEO, you should help your Marketing staff use at least five criteria to help with selecting a strategy. These include:

1. Impact - the proposed strategy must conclusively demonstrate that it will contribute to the achievement of the specific marketing objective.

2. Proven – the proposed strategies 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, market climate and dynamics).

4. Feasible – how capable the organization is at successfully carrying out the proposed strategies.

5. Appropriate – the proposed strategies should be consistent with the organization's mission, culture, business processes, etc.

Steps for Strategy Development and Evaluation

It's probably become rather obvious that marketing strategy serves as the foundation for your organization's marketing plan. In fact, the marketing plan actually contains the specific plan of action your marketing organization is going to take to successfully implement the strategy. There are, however, five key steps for strategy development and evaluation.

1. Define the business outcomes marketing must impact. Without this, 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 responsibility of the C-Suite to establish the business outcomes and communicate which ones you expect Marketing to impact and how you know that Marketing made a difference.

2. Develop measurable marketing objectives to support the outcomes. Once Marketing understands the business outcomes and their role, Marketing needs to define how they intend to move the needle when it comes to the outcomes. These objectives provide insight into the strategic options.

3. Evaluate and select the marketing strategy to achieve the objectives.

4. Create programs with corresponding tactics and activities to implement the strategies.

5. Monitor results and make course adjustments as needed.

The marketing strategy(ies) you choose will be based on your unique situation and the market in which you play. Because we live in a dynamic environment; marketing strategies are dynamic . Selecting and deploying a strategy that supports the organization and is based on your knowledge of the market and customers will go a long way toward making your marketing more effective. And while we want to be deliberate in our approach and selection of strategy, we may also need to be flexible and agile.