

Marketing Strategy

“The essence of strategy is choosing what not to do” - Michael Porter



Introduction

The primary objective of this module is to acquaint learners about marketing strategies adopted by various global companies. Essentially to run any business we need a business plan. There are various aspects involved in business plan like finance, technology, operations and marketing. This module gives information about marketing strategies adopted by the companies viz. Apple, IKEA, Alibaba and Reliance. A successful business needs an effective marketing strategy.



What is Marketing Strategy?

A strategy that combines all of its marketing goals into one comprehensive plan is defined as marketing strategy. In other words it is a process through which an organization utilizes its resources to increase sales and achieve sustainable advantage.

Marketing strategy is a long-term course of action designed to optimize allocation of the scarce resources at the disposal of a firm in delivering superior customer experience and promote interests of the other stakeholders. Scarce resources include monetary capital, human capital, technology and time.

Source : Hausman & Associates

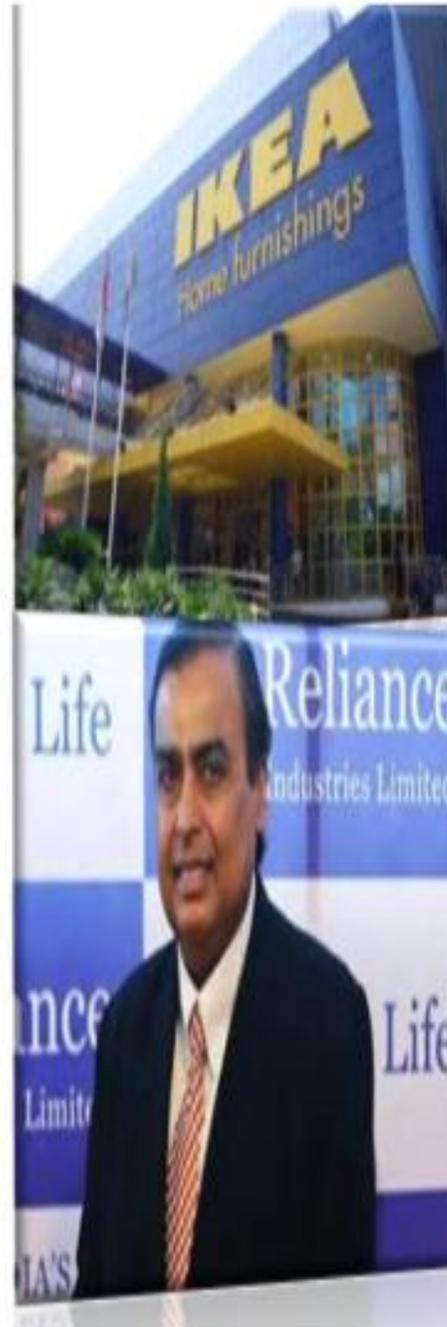


Marketing strategy is a process that consists in directing a proper marketing mix towards target group of customers or market segment. According to Kotler – A marketing strategy is defined as a plan to achieve the organisation's objectives such as :

- specifying what resources should be allocated to marketing.
- identifying how resources should be used to take advantage of opportunities which are expected to arise in future.



MARKETING STRATEGIES ADAPTED BY COMPANIES TO REVOLUTIONIZE THEIR BUSINESS:



Apple is an American multinational technology company established in 1976. It was founded by Steve Job, Steve Woznaik and Ronald Wayne. Company is well-known for its desktop computers, Mac laptops, iphones, itunes, ipods, OS-X operating system and ipads. According to Steve Jobs, marketing is all about values. Its tag line is ‘Think Different’- a tribute to time honored visionaries who challenged the status quo and changed the World.



The success of the company include several components viz. formulating simple, consistent and long term goals,

understanding of competitive environment and also understand the nature, quality and role of resources.

Apple used different marketing strategies to achieve success like:

- Understand customer needs and wants.
- Product development strategy uniquely focuses on exclusive product with the features like high end and powerful device.
- Launching wide range of budget friendly products without compromising on quality.
- Develop informative and communicative relationship with associated stakeholders.
- Distribution channel follows push and pull strategy. Push strategy used by the company to build and maintain relationship with distributors and pull strategy for brand promotion where distributors directly stock and sell product to customer.
- Adopted cult brand marketing where self identified group of people share a passion or interest. Cult marketing helped the company to strengthen customer loyalty.

IKEA is a Swedish multinational group founded in 1943. Its vision is to create a better everyday life for people. Company designs and sells ready-to-assemble furniture, kitchen appliances and home accessories. Company has around 390 stores worldwide.



Marketing Strategies adopted by **IKEA**:

- **IKEA**'s successful concept provides customized ecofriendly and affordable low cost furniture.
- Wide range of products provides options to customers to select product as per their need.
- Quality of Products is tested to comply with national and international standards.
- Marketing communication channels such as print and online media, events and exhibitions, public relation and direct marketing were adopted by the company.
- Agile manufacturing practices ensured cost reduction and timely delivery to customers.
- **IKEA** follows customer centering approach that aligns with localized marketing culture which results in unforgettable experience.

Marketing and management professionals agree that Marketing strategy of **IKEA** underlying 7Ps – product, promotion, price, place, people, process and physical evidence. Company focuses on good customer relationship by delivering quality services, also cutting operational costs at every point to minimize product cost.

Alibaba is a Chinese multinational ecommerce group founded in 1999. It provides services platform to business to business (B2B), consumer to consumer (C2C) and business to consumer (B2C) via portal **Alibaba.com**. Jack Ma Executive chairman and co-founder of the company build the online and offline platform along with 17 other co-founders. Company offers services to purchase any product in any part of the World.



Alibaba focuses on business to business trade in order to provide opportunities to small and medium sized businesses to sell products at wholesale prices Worldwide.

Marketing Strategies adopted by **Alibaba**:

- Ease in doing business: **Alibaba** acts as a mediator between buyer and seller and facilitates transactions between them.
- Product and Partnership: Company provides multifunctional management system in form of mini product portal which carries product owners information, product information and contact details. Therefore buyers can get information about the range of products and take decision.
- Credit Worthiness: Company has developed their own payment portal called Alipay. Alipay facilitates secure payment gateway and protects buyer's information.
- Other Services: Alibaba online platform also offers communication tools like blogs, forums et. al. These tools help to get real time feedback and other information.
- Revenue and Price Strategy: Company offers free membership to attract the client. Advertisement fee is the primary revenue earned by the company. Another source of revenue is generated by the customers for value added services.

Reliance Industries Limited is an Indian conglomerate holding company. Company was founded by Dhirubhai Ambani. The corporate philosophy followed was short simple and succinct: “Think big, Think different, Think fast, Think ahead and Aim for the best”. Currently Mukesh Ambani is a Chairman and Managing Director of the company. Company believes – Growth is Energy, Growth is Value, Growth is Happiness, Growth is Life.



Company started journey by following backward integration process and further incorporated 4Ps approach. Hence company focuses on innovating product and process, empowering people, protecting the planet and enhancing profitability. Company has around 123 subsidiaries and 10 associate companies which include retail, clinical research, logistics, media, telecommunication et.al.

Marketing strategy adopted by **Reliance Industries Limited**:

- Diversification strategy: Company used it for business expansion and also to minimize risk. Such strategy gave opportunity to increase market share and profit growth.
- Product strategy: Company uses latest technology to provide quality to its customers. Also emphasis is given to segmentation on the basis of target groups.
- Promotion and distribution strategy: Company believes in clear communication by aggressive marketing. It is done through brand awareness by using offline and online medium which resulted in increasing their presence in Indian market.
- Six Sigma strategy: Company focuses on zero defect work culture. Company deployed six sigma strategy across businesses which enable them to improve processes, boost productivity, reduce inventory and improve quality.

**IMPOSSIBLE IS A INSPIRATION FOR RELIANCE.
COMPANY BELIEVES HANDS ON THINKING
AND HANDS OFF EXECUTION.**

Key Terms

Push Strategy	It is defined as a promotional strategy that is used by the businesses to take their products to the customer.
Pull Strategy	It is about creating relationship with the brand. Pull marketing strategy targets a very selective group of ideal consumers and caters to them.
Cult Marketing	It is a product or service with a committed customer base. Cult defines customer love and madness towards a brand.

WORK TO DO

- You are an owner of a media company. To grow and promote your business which strategies would you like to adopt from the above listed marketing strategies and why.

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