

A recipe for success how to develop a strategic marketing plan



The basic purpose of marketing is to persuade prospects to sign on the dotted line as quickly as possible. A slowdown in the sales cycle is so dangerous for a company's cash flow that many businesses make the mistake of frantically buying air time and advertising space without any clear overall strategy. Relying on tactical marketing to run a business is like opening a restaurant on the strength of your chocolate cake alone: the cake may be world-class, but if you haven't thought about what else your customers like to eat and drink, where and when they like to dine out, and how much they're prepared to pay, then you have a recipe for disaster!

Strategic marketing begins long before the first ad hits the street. It involves putting yourself in your customers' shoes, understanding who they are, what they buy and why they buy it. It's about gathering and interpreting information in order to develop a coherent, long-term plan, setting goals that are understood by everybody in the organization, and then ensuring that every tactical choice is consistent with the overall strategy. Automobile maker Renault S.A. provides a striking example. As long ago as 1999, Renault realized that establishing and maintaining a global presence would require a product offering covering the full range of vehicles, from basic low-cost workhorses to high-end luxury models. Over a decade, it entered into strategic alliances with Japan's Nissan, China's Dongfeng Motor and Russia's AvtoVAZ (Lada); the alliance now delivers over eight million vehicles per year, placing it behind only General Motors and Volkswagen.

So how do you develop a strategic marketing plan? First and foremost, by identifying and understanding your customers. You need to know where they live, what they do, what inspires them, which media they engage with, and what kind of messages resonate with them. Next, you need to keep an eye on what the competition are up to: what kind of strategy are they pursuing, which market segments are they targeting, and what are they doing better or worse than you? India's Kingfisher Airlines looked at new low-cost competitors as well as

the established market players, and identified that the low end of the market offering, whilst undeniably cheap, was falling below customers' expectations. Leveraging the young, dynamic image of the group's Kingfisher beer, they launched a new flying experience in 2005 with modern, comfortable single-class aircraft, in-flight meals and entertainment. Calling these budget services 'Funliners' and offering prices that were still comfortably below those of the established market leaders, Kingfisher Airlines took 6% of the market in their first six months and would go on to own the second largest share in India's domestic air travel market.

A strategic marketing plan also requires careful opportunity analysis. Businesses need to identify opportunities for growth, for profit or for volume, and to plan the measures needed to pursue them. Similarly, the message sent out to customers must be planned, refined, polished and then protected against dilution or deviation: consistent branding and messaging are essential to keeping a clear message in customers' minds. Only then should marketers start considering the most effective tactics to employ to implement their strategy: the media plan, networking, direct mail, website, brochures, testimonials, etc.

Finally, as in any continuous improvement process, results must be followed up closely so that any necessary adjustments can be made. Toyota's pioneering hybrid vehicle, the Prius, provides a good example. First marketed in the US in 2000 as a green vehicle with low emissions, the car failed to convince American ecologists who found it underpowered and overpriced. Toyota listened to consumers and redesigned the car with more space and power. The new Prius was repositioned with an emphasis on comfort, economy and safety, downplaying its ecological virtues. Finally, as the car acquired iconic status with celebrities, Toyota was able to adjust its strategy once again. Today's message is one of high customer value achieved without compromise: Prius owners get comfort, performance and safety, *and* help save the planet.



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