

# [Critical evaluation of strategic marketing](https://assignbuster.com/critical-evaluation-of-strategic-marketing/)

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Strategic marketing plays a significant role in today’s competitive environment. Strategic marketing can help to distinguish the company from its competitors. Proper planning and implementation of strategy can provide advantage over other companies. According to Johnson ; Whittington (2008), strategy is a long term planning of the company, think of the near of distant future where the company wants to be and what it wants to achieve.

Its direction and scope helps exploit companies’ available resources in the best possible manner helping it to achieve advantage over others and fulfil stakeholders’ expectation. According to Henderson (sited at Marketing news 1982) strategy works as a “ system” which looks after internal activities of the organisation in order to attain good external performance of the company. From this it can be said that to achieve long term Goals Company uses strategic planning. It can also help company to gain edge over other in the long run. Marketing strategy is an attempt to develop effective solutions for the changes that occur in market. It identifies segments of the market, develops it and places product right in the market which is targeted (Hooley, saunders, 2008).

According to Webster “ The successful organization of the future will be customer-focused, not product or technology focused, supported by market information competence that links the voice of the customer to all the firms value delivery process” (Hooley, saunders, 2008). Saunders and Webster have different view about strategic marketing where Saunder stresses more on developing solutions to changes happening in market by identifying segments and placing product. Importance of marketing strategiesAccording to Henderson(cited at Marketing news 1982) there is a lot of difference between an organisation which is making good profit and an organisation which is running in loss and also an organisation which is try to survive. Every organisation has limited resources like Human resource, finance and raw material and to achieve any of the three stages and organisation has to manage its resources differently. To attain the finest result an organisation has to plan its use of resources well and in this strategy place a significant role.

He future stress on the point that strategy is more important in the long term and it is the only thing that makes company different from its compititors. It is important to know competitors well as this can help in creating distinct image then other competitors by selecting right combination of resources at right time giving competitive advantage. Strategy play an important role in organisations success specially when there is healthy competition and all of them are targeting same group of customers . Different strategiesPorter has made different level of strategies in such a fashion that it can be used by any organisation irrespective of size and type of business conducted. Porters strategy can be used solely or can be clubbed with two or more to tackle the situation and gain advantage over other competitors. It can used in a particular industry or for national as whole.

Competitive scope Porter’s generic strategies Source: M. E. Porter, The competitive Advantage of nations, 1990 Low cost strategy is type of strategy in which a firm gains advantage over other firms by efficiently developing, distributing products or services then other firms. In Differentiation strategy quality of the product or services or the approach is taken into consideration instead of cost. The company tries to render better quality of product or services or it may stress more on customer service.

Competitive scope is in terms of area that company is covering. It can either target the whole market by mass marketing or select a very small and niche market for its product (Carpenter, Bauer and Erdogan 2010) Cost leadership Cost leadership strategy is all about making products with lower cost but at the same time maintain standard of the product that will satisfy customer. This strategy helps generating more profit margin than competitors (Baines, Fill & Page 2008). It is used in a broader market where production is at mass level. In this strategy efficient production is required which can be achieved with excellent engineering and strong distribution point (Carpenter, Bauer and Erdogan 2010). As per Baines (2008) low cost strategy is not about low prices but it is about striking balance between cost and price of the product.

For cost leadership to be effective there should be a market were customer is price sensitive and there is no prospect of differentiation. There is always a threat of price war in this strategy if new competitor comes in market. Organisations like Morrisons and ASDA used this strategy Focussed low cost strategy Focussed low cost strategy is used for shallow markets. Focussed cost strategy is used when a organisation is targeting a particular area or group of buyers who are looking for product which fulfils their demand but at the same time doesn’t want to pay much for it. The customer is generally looking for basic requirements and is not interested in extra services. To meet the price organisations eliminate extra cost by avoiding such services and focus on the very basic necessity of the product like Vectone mobile in UK it does not provide extra services like Orange but it concentrates on basic necessity of mobile users and delivers it at cheaper price (Carpenter and etal 2010).

. Differentiation Differentiation strategy is used were a huge market is targeted with a product that is unique from other competitors. Here it is very important that differentiation of the product should be able to attract customers who are able and willing to pay extra price over competitors. This can be done by focusing on customer services and providing unique and premium class product like Waitrose which in itself is stated itself as differentiated supermarket (Carpenter and etal 2010). Focussed differentiation Focussed differentiation strategy is applied were niche level of market is targeted and every single needs of the particular segment is met. Like premium class car manufacturers (Carpenter and etal 2010).

Theories for strategic marketing Schools of strategic marketing are in real sense are schools of thoughts which are set to express different views and understanding towards trategic management (Whittington 1993, mintzberg 1998) Theories for business strategy have started to be seen from early sixties when three important books of theories were published. The writing of Selznick (1957), chandler and learned (1962) together is known as design school, Ansoff (1965) is recognised as Planning school and the porter is known for position school. The three schools have a great impact on the style of business for about four decades. All of them have some common presuppositions like; optimistic view towards knowledge where CEO is the one who makes centralised strategy. And there is some ignorance of organisations inside.

The design school stress on centralised but at the same time informal process and the planning school prefers formal process which involves more detail programming. But both the schools agree with the point that viable strategy is very important for the organisation. Posters school of position has three generic strategies i. e. cost leadership, differentiation and focusing.

Contemporary school of strategic management drives ideas which are of the time in strategic management field. These ideas came up in the extended period of time but there have got recognition and popularity in the recent time (Jelenc, 2007). Mintzberg contributes to one of the best “ albeit cynical views” of planning in organizations of America. he presents with number of reasons as to why a company should plan out which three reasons are such that planners would want to plan like planning to organise activities, planning to undertake future into the account , it should to plan to be rational and plan to control (mintzberg 1994). Mintzberg uses work of Mariann Jelinek while placing an argument in Favour strategic planning.

A natural evolution in organizational behaviour provides strategic planning (Jelinek). The word strategy is defined by Mitzberg is what we define differently than we practice. The definition of “ strategy” is a plan but in reality strategy emerges as a prototype that merges deliberate responses with responses that evolve out of the changing environment (mintzberg 1994). Whittington has come up with some alternative approaches towards strategic management, it tries to join academic and practitioners. It views strategy as a social practise. The practice perspective looks at the effectiveness of the strategist and on organisations alone (Whittington 1998).

Academic prospective uses more of analytical part for the planning, strategy making. Acadamics have a proper strategist tool kit which can be taught in classrooms. Lecturer takes an organised and structured way to formulate strategy (mintzberg 1994) Mintzberg points out drawback in planning done on bases of research and experience. He raises question over commitment of management in planning . ccording to him there are two sides of the argument has evolved one is of the point of view that public organisation should plan to allow individual freedom and the other of the view that individual autonomy is reduced by planning (mintzberg 1994). Most of the managers mostly understand the implications of the practise.

The competence of the manager is directly related to the type of experience they had. Senior managers mostly have idea about how things work in the company. It is important that managers have right experience for strategic decisions (Whittington, 1998). Mintsberg is argues that leaders and managers have power to shape the way of planning. This can affect economic goals of the organisation.

The plan is more influenced by the one who has more power. This can be avoided by avoiding self interest, conflicts . it will help in keeping plan more realistic and particle (mintzberg 1994). The strategist should be academic and also have pratical experience for strategy making. It demand experience with reflection of classroom knowledge (Whittington 1998).

Mintsberg finds out that “ A climate congenial to planning may not always be congenial to effective strategy making, while not always hostile to planning may sometimes prove effective for strategy making” according to him planning may create resistance to changes and it can create inflexibility. Mintsberg proposes flexible planning and Whittington proposes a blend of practical and academics in preparation of strategy. Minstsberg is of the view that strategy should be made more flexible so that it can be change as per the situation. Ideally both the authors agree to the point that managers plays important role in planning the strategy and according to Whittington the type of planning and its implication depends on the experience and knowledge of the manger. To conclude all the school of thoughts is of the view that strategy does play an important role in planning and it can be said that planning strategy for the future is very important for the organisation as without planning long term goals cannot be achieved. Bibliography Hooley, G.

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