

# Effective marketing strategy

[Business](#), [Marketing](#)



A marketing strategy is a plan of action in which Aston Martin Company will have to utilize in order counter the competition from its rivals and in the process attain a significant market share in the sports car market. Since Aston Martin Company is a big multinational firm in the world it has in the past chosen to compete across entire market in car industry. However, this strategy has not gone on well with the company in that in some places particularly in Asia and African countries it has lost ground in terms of market share.

Therefore, the best marketing strategy of Aston Martin Company is to compete in particular segments only that will perform better more than its competitors. To achieve this market segmentation should be carried out by the company prior to marketing activities. Market segmentation involves identifying those target markets that the company will do well. It is only through this strategy that Aston Martin Company can ensure its survival ability in the car industry.

This is because through market segmentation the company will only specialize in few and potential target markets that will yield good returns and also it will require little resources to compete in the segments than competing across the entire car market. The management of Aston Martin Company should ensure that the target market selected provides an opportunity of accessing the market information required in order to save time and financial resources.

Identification of portfolio plan too for the company will be an important strategy too for Aston Martin Company in that the management will be able to identify those subsidiaries that are not performing well in the market.

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Such a strategy involves classifying the branches of the Aston Martin Company into four groups as follows. The first group is that of a star which symbolizes a branch that does well and is said to have large market share in a growing market. The strategy adopted is that of building the business unit.

The other group is question mark or problem child, which is a branch of the company characterized by declining market share in expanding industry. The strategy is that of harvest or divest to other markets. The third group is of cash cow which is characterized by low market share but in a growing industry. Cash cow normally sustains other branches because its cash flows are constant. The strategy associated with cash cow is harvest. The fourth group is that of the dog whereby the business unit in question has low market share in a declining industry. Such a business requires a lot of financial resources and time thus losses are experienced.

The strategy for such strategy is to divest to other branches or business units in order to avoid losses (Joel and Barry, 2007). Market entry strategy After deciding to enter overseas market such as the Chinese car market, a variety of options are open to the company. These options vary with cost, risk and the degree of control which can be exercised over them in terms of security. The forms of entry include. Direct method Under direct method the company will rely heavily on counter trade. Counter trade is the expansion of operations in markets where competition is less but currency based exchange is not possible.

In this method, Aston Martin DB9 may agree to build a plant in China and either assemble or manufacture or both and then operate as a full entity in the country. An example of this method of trading is the barter trade.

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However it should be noted that direct methods may have the following disadvantages; it is difficult to set price and service quality, dumping may occur since it is not covered by GATT, inconsistency in specifications and delivery as well as quality may not be of international standards becoming so costly to the customer and trader.

Indirect method-Exporting This is the marketing of goods produced in one country into another. In this case, there is no direct manufacturing in the intended country but significant investments in marketing are required. Aston Martin DB9 Company can therefore manufacture the cars in either Europe or America and export them directly to China. The advantages for this method are; ? The production is home based hence less risky ? Gives an opportunity to learn markets abroad ? Potential risks of operating abroad are minimised.

The only disadvantage of this method is that the company is at the mercies of unscrupulous agents who make more profit than the company itself. Cunningham in 1986 identified five strategies used by firms to enter foreign markets these are; ? Low price strategy- a penetration price is necessary to allow more products to sell at first but when it catches up, other pricing strategies are adopted ? Product adoption strategy- making modifications to existing product ? Availability and security strategy- countering perceived risks by overcoming transport risks

? Technical strategy- demonstration of superior products ? Total adaptation and conformity strategy- usually a foreign producer gives a straight copy to his/her customers Customers in a foreign market are normally sensitive on currency, quality and quantitative figures of countries which the products

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originate from. Therefore in building a market entry strategy, various issues need to be taken care of; the infrastructure, information and other resources are needed for a start. First, is the development of buildings and other networks that are crucial to the company?

Secondly, are the government issues such as licensing, taxing, policies and duty remittances In addition, massive start up campaigns are necessary to reach all the target within a very short time. Transactional costs are crucial to international marketing because there are language barriers, logistic costs; physical distance and other bargaining costs make initial costs very high. Enforcement of contracts and weak legal integration between countries are other factors that need to be assessed before the final arrangements to start the business are made (Dole and Lowe, 2003).

Marketing Mix Aston Martin Company should put into practice marketing mix strategy, which make use of “ 4 Ps” i. e. product, price, place and promotion. These four fundamentals are supposed to be integrated mutually and the company needs to apply in its existing and target market. This is an effective strategy in that Aston Martin Company is customer oriented business thus it will be able to meet the requirements of the customers without further delay and at affordable prices.

Since the product is the basis of any existence of any business, Aston Martin Company needs to put more emphasis on supplying excellent, affordable and attractive Aston Martin DB9 sports car model than its competitors models e. g. Ferrari. The Aston Martin DB9 sports car model manufactured by the Aston Martin Company should be of high class thus attracting the customers. Therefore, the production of low class Aston Martin DB9 sports

car models in search of abnormal profits should not be tolerated because it will affect profitability of the company in the long-term perspective (Joel and Barry, 2007).

Price is very important to the business in that it will determine the cost and the profitability of the products produced by Aston Martin Company. Since the customer has to bear with the ultimate cost of production, it will be prudent to set prices for the cars that will be affordable to the customers in order to avoid low sales volume. Although over the past Aston Martin Company is reported to be selling its models at affordable prices, in actual sense the prices are still high in that such a company should not exploit its customers.

Aston Martin Company should therefore consider the level of income of the target market before setting prices of the car models they market. However, premium pricing strategy in this case might work well because Aston Martin Company is among the few manufacturers of sports cars in the car industry in the world. Further Aston Martin Company should direct more effort in trying to become a low cost manufacturer so that the cost of production will be low and thus prices to be set will be affordable to customers (Hollensen, 2004).