

# Strategic marketing management



**ASSIGN  
BUSTER**

The store specializes in maintaining a good range of product line and wide breadth of product categories of various FMC products including the lily requirements of the local customers. Along with maintaining a good stock of the branded products, the store also stocks few locally made cheap products including cosmetics and packed food products which cater to the low level income people residing in the small town of And. The store is centrally located near the main crossroad of the town and comprises of a single floor building where the first floor is the main store and the basement is used for stocking the inventories or the buffers.

The turnover of the Jay Amber retail outlet is ₹1000000 per annum and they employ 20 people: 10 for the back end operations which involves the loading and unloading the inventories and 10 people as a front end sales force which is also responsible for categories. 0 Background theme The reason for existence of marketing as a concept is to create a wider and a long term mutual benefit for the organization as well as the common man or the general public which arises out of an interaction between these two entities.

Marketing is a dynamic term which is evolving in its own self. The traditional days are gone where marketing is just looked upon as a basic element essential for a business to exist, sustain and grow. Parallel to it, the role of a marketing manager as a mere designation has evolved to an integral element around which revolves the entire domain of business including various responsibilities, duties and functions.

The figure of a marketing manager is deep rooted in mythology where the modern era, looks at a marketing manager as a charioteer who is riding his big chariot and is heading towards the victory with all the weapons loaded in his chariot. The weapon here refers to the various marketing tools that a marketing manager equips him with. Through this image of a marketing manager as a charioteer we can understand the strategic importance of marketing manager who is riding the immensely big chariot of marketing.

We need to understand, that as a charioteer the marketing manager not only controls his chariot of marketing but also decides the direction of his chariot, which builds the bridge between the roles of marketing manager as an implementer to being a maker of the battle's strategy, where battle's strategy refers to the organization strategy. The marketing manager as a warrior must possess the set of warrior abilities which guides and pushes him towards the victory of his battle.

The weapons or skill set which he must possess are:

- 0 Strong leadership ability
- 0 Strong knowledge of the battle field and the opponent
- 0 An eye of an eagle to look far with minute details
- 0 An intuitive sense of empire and his people who is supporting his
- 0 A clear focus on his victory (goals and objectives)

1 Role of Strategic Marketing in Jay Amber retail store: Analyzing the above characteristics of a marketing manager we can conclude the definition of strategic marketing management: Strategic marketing management is a step ahead of marketing which goes a step ahead, to answer the questions related to a clearly stated organization Vision, Mission, Objectives and goals. The

strategic marketing management involves understanding and applying marketing from the perspective through creating customers.

In performing this process a number of steps are taken iteratively (Kerri et al, 2007) In a nutshell, strategic marketing management aims at creating better value for the end customer. It's a way where a firm differentiates its existence and offering from its competitors by capitalizing on its current and the potential strengths. The role of strategic marketing in an organization is to: 1) Market philosophy execution 2) Analysis and information Strategic marketing defines marketing activities in a way that affect corporate, business and marketing strategic plans. At first, marketers help direct everyone in the organization toward markets and customers.

Second, marketers help gather and interpret the information required to analyze the current scenario, identify the trends existing in the marketing environment and finally assess the potential effects or the impacts of those trends. This processed information enables them to Heinlein the potential towards a common quantifiable goal. Jay Amber retail outlet is dedicated towards serving its customer base with a complete range of products from daily care to groceries. The vital aspect of strategic marketing management involves the integration of all the complex and diverse activities of the retail store which is Jay Amber retail store in this case. The strategic marketing management aims to synchronize the entire range of segmented and fragmented activities towards the common objective of the organization.

The process or series of steps which Jay Amber details store is following to achieve its objectives for customer satisfaction is directly synchronized with

the clearly defined strategic marketing management process: 0 The catch of Strategic and Tactical marketing In simple terms, a strategy is a plan for reaching a specific goal, while tactic is a pathway you use to attain a goal. In a business scenario, a strategy is a broad goal, such as increasing sales, revenue or market share or drawing a particular image of your product, service or business. Tactics for creating an image or brand might include using price to establish the brand as affordable or high end. When creating a marketing plan, one should start with broad strategies and support them with specific tactics. Strategic marketing: Strategic marketing consists of selling your product in a way that you achieve a goal.

Goals consist of wide variety of elements like increasing sales, revenues, segmenting the market or market share or creating a new brand or position in the marketplace. In case of Jay Amber retail store, the marketing strategy would be to maintain existing revenues with less advertising. Even though the strategic marketing goals might be conceptual but one should try to make them as specific as possible. In a nutshell, the goal should not be vague but it should be clear. For example, instead of setting a goal of increasing sales, set a goal of increasing sales by a certain percentage or among a specific mentioned market segment, such as parents, women or seniors.

A part of strategic marketing also includes adjusting the price, position and actual product or service to help the store to achieve its goals. Tactical marketing: Tactical marketing provides a support when once you have goals, including the specific strategies to achieve your goal, one has to determine that how will you implement the strategies. If you want to increase your

revenues, one tactic might be to raise the prices which fall in conjunction with rebinding a product or service as upscale. Jay Amber retail store has framed its goal of capturing a large chunk of market share, and be the one stop solution store for its entire range of customers. Strategic Management Process The strategic marketing management process involves five complex and interrelated process: 1) Defining clearly the organization's business, mission and goals 2) Identifying and framing the organizational growth prospects 3) Formulating and guessing the product market strategies Developing and framing reformulation and recovery strategies Process of Strategic Management Jay Amber retail store is operating in a competitive market where many small shops are involved in the business of satisfying the needs of the local people. The sales force of the Jay Amber store is dedicated towards offering a wide range of products and the best services to its customers and thus carves out a niche for them. And Township is completely unrecognized and their sole focus towards identifying the growth prospect is to capture the biggest chunk of the market share. They aim to become the one stop solution for our customers.

For designing the approach for the product market strategies they have put the product brand logos and visuals so as to attract the crowd and are offering the products to our customers at a price lesser than the MR. to pass on the benefit of the bulk buy cost savings to customers. Further, moving to the next step Jay Amber retail store has also chalked out their budget for the promotion of the store as well as the other expenses which they look forward to incur to provide a good shopping ambiance to the local population which could be a complete new experience for them. Strategic market analysis can

be looked up as answering the following questions: ; How the Jay Amber retail store can beat the competition? What marketing tactics can they use?

It is particularly used when launching a new product or service or before choosing and catering to meet the requirements of a new target market. Jay Amber retail store uses a variety of tools and methodologies and the framework comprises of: 0 Situation audit ; Market segmentation Current position Market size ; Market growth Market concentration Consumer trends Competitors trends Channel trends(distribution) 0 Competitors Generic strategy Target market Pricing Distribution Product or service Strategic focus Differential advantage ; Market Consumers Competitors promotion Competitors pricing Competitors distribution The strategic marketing management process should link directly to the Jay Amber store mission statement.

Jay Amber retail store frames its objectives taking into consideration the “ SMART” approach which clearly specifies that the objectives should be specific, measurable, achievable, and realistic and time specific. The objectives setting part which is the primary step for the strategic marketing management process involves the following points: ; Jay Amber retail store must frame and set clear and relevant objectives ; The marketing plan must fit with the overall retail store strategy that is set out in the business Plan  
Amber retail store’s goal is to increase the market share through qualitative growth) Concluding, the above pathways Jay Amber retail store’s objective is to “ Gain 30% market share by 2015”.

The goal can be achieved by implementing the following tactics: 1) Specific: Need to understand the latest preferences of the customers in the targeted segment in terms of the brands and the other qualitative and quantitative aspects attached to it. 2) Measurable: Current market share is 20%, will set a target of 30%; which means an additional 10% is required that would be achieved by evaluating and monitoring the overall sales quantum in value of rupees. 3) Achievable: Ensuring the technical competency and the commitment of all the sales personnel involved in the development and implementation of the strategy. This can range from having an experienced and knowledgeable marketing and the sales personnel workforce. Access to funds is also mandatory which will ensure the acquisition of extra stock to meet the requirements of the rising demand. 4) Realistic: The objective is realistic as all the marketing resources are in place to conduct the segmenting and the targeting exercise and access to additional amount of stock that is required. 5) Time specific: The increase in market share is to be achieved within 24 months; a regular progress update would be run every month to track the level of success.

0 Organization structure of Jay Amber retail store  
Owner or President: As Jay Amber retail store is a small retail mart the organizational structure of the store is very simple and short. The hierarchy of the store is easily established where the store owner is the president and holds the apex position. The president or the owner decides the quantum of stocks that has to be maintained and the quantum of stocks that would be kept as buffer.

He also decides the product line and the product varieties that have to be maintained keeping in mind the diverse and the varied needs of the people.



Store Manager: The next immediate position in who holds a very critical and an integral position in the retail store format. The store manager is responsible for the entire range of activities and operations that are taking place daily in the store. He guides the sales person in arranging the shelves as well as in maintaining the store. He also maintains relationship with the suppliers of the products in order to ensure there is always availability of stock and hence eliminating the possibility of shortages.

The store manager is the pivot around which revolves the entire performance of the store and he is also responsible for the financial performance after every month and reports it to the owner. The store manager also grooms the sales person in terms of how to communicate with the buyers, and how to handle their grievances etc. The store manager also tries to minimize the loss by keeping a strict check for theft and product shrinkage. Sales staff: The sales staffs in the Jay Amber store are the representatives of the store who involves in face to face interaction with the customers. They are the ones who help the customers in selecting a product of their requirement and also educate them about the product.

The sales staffs also act an intermediary between the store manager and the customers. The staff people communicate the requirements of the customers and to the store manager and the store manager orders the stock keeping mind those requirements. The staff also helps the store manager in loading and unloading the merchandise. Linking marketing objectives to strategies The marketing objectives set should also be consistent with and indicate the priorities of the Jay Amber retail store. This concludes that the objectives

should flow from the mission statement towards the financial objectives and to the rest of the marketing plan. Provide direction to the employees

Clearly defined objectives and goals will also provide direction to the entire marketing team as well as the sales force of the Jay Amber retail store in terms of what to achieve and in what period. It also serve as motivators to the sales force of the retail store by creating an attainable challenge that they can to strive achieve. Perceptual mapping Perceptual mapping is a graphic display explaining the perceptions of the customers with relation to product characteristics. ; Perceptual map is the instruments which help marketers understand where the consumer ranks the Jay Amber retail store in ERM of characteristics and in comparison to the other small shops in the locality. ; Perceptual maps display consumer's ideal points that reflect their ideal combinations of product characteristics. When creating a new product or services a company should look for a space that is currently unoccupied by competitors and that has a high concentration of consumer desire. 0

Industry and market environment analysis Retail industry can be classified into two broad categories – organized retail and unrecognized retail.

Organized retail: Those traders who are licensed for trading activities in this segment and registered to pay taxes to the government. This segment includes brands like Big Bazaar, More super market and More hyper market in India. Koran shops, general stores, corner shops among various other small retail outlets- but remain to be the radiating force of the rising Indian retail industry. Jay Amber retail store is one of the examples.

Some of the various sectors that occupy a prominent position with the Jay Amber retail store as well as the retailing industry at the macro level are: 0

Apparel and fashion: Everybody understands the impact that fashion and textiles leave on the environment. Almost \$19.5 billion were spent on online apparel shopping in the year 2009 and increasing since then. However the store in case which is Jay Amber retail store is a small store which operates only the daily requirements of the customers residing nearby and does not stocks or stores the high end defined fashionable apparels and accessories. Moreover, the target market of Jay Amber retail store is people from a very small town and hence their purchasing power is limited only till satisfying the basic requirements of the family. Fashion and lifestyle: The vast middle class segment of people in India and its almost untapped retail industry are the key elemental forces for global retail giants wanting to penetrate and enter the new market segment, which in turn will help the retail market to grow faster. Jay Amber retail store offers a wide variety of daily and personal use items ranging from soaps, shampoos and other cosmetic products which are within the reach and purchasing power of the common middle and low income class people of the And town. 0 Food and beverage retail: Backed by huge potential and along with it the changing lifestyles, the food and the beverage retail market is growing rapidly at an average of 30-35% per year. Jay Amber retail stores a good variety of food items and beverages to satisfy the needs of the people as well as also to introduce the lower middle class people with the various new items that are introduced.

Jay Amber retail store evaluated the following factors which are driving the growth of the retail business in India are: ; Falling real estate prices ; Low share of organized retailing Emergence of nuclear families Growing trend of double income households Increase in disposable income and customer

aspiration Large working population Increase in expenditure for luxury items  
 For meeting the customer's needs more effectively the retail industry in India employs a staggering number of people and given its rapid proliferation, this number is always on the rise. The backbone of the sector is the supply chain management and the operations Jobs but there are various other options as well, from sales executives and store managers to merchandise planners and buyers.

The skill sets required are: ; Operational skills Analytical skills Conceptual understanding Detail orientation Project management The bottlenecks that exist are: A long way to meet the International standards Lack of required retail space Lack of efficient supply chain management No fixed consumption pattern Lack of proper infrastructure and distribution channels Shortage of trained manpower 0 Porter's five forces framework 1) Threat of new entrants: Jay amber retail store runs the threat from the already existing small Koran shops which are large in numbers but are existing in an unrecognized format. 2) Threat of substitutes: Many new retail shops or stores can rise up as the concept of retail store is new in the And township and it wont take such time for the competitors to enter the market. )Bargaining power of suppliers: Suppliers always play a very vital role in the success of the retail store as they ensure a smooth flow of goods in the store shelf. Hence, Jay amber retail store must maintain the relationships with various different suppliers rather than focusing on a single supplier as if the single supplier on which the store is relying changes its business policies it may prove to be costly for Jay amber retail store. 4) Bargaining power of buyers: Buyers have got many alternative options and

hence the single firm cannot nominate them. If the store fails to meet the buyer's expectations than the buyers can always switch to the competitors given the switching costs have reduced drastically due to the cluttered market situation. ) Industry rivalry( Competition): Competition always poses a threat for business as it does not take much time for the rivals to copy the products, services or business policies. However, Jay amber retail store earns a positive point due to the first mover advantage of being a retail store in that area. 0 Link between strategic positioning and marketing tactics The act of positioning a reduce or service in the consumers mind in such a way that it creates a unique identity. Jay Amber retail store must emphasis on its operations and services effectively so that it creates a unique space in the customers mind and the customers can associate themselves with the brand.

Jay Amber retail store may position itself as a one stop solution for all the daily needs requirements of the people along with providing a value for money in return. According to business dictionary. Com “ A set of strategic methods intended to promote the goods and services of a business with the AOL of increasing sales and maintaining a competitive product. ” Keeping in mind the limited financial resources of the store the store manager should facilitate the business decision in such a way that it results in maximum customer satisfaction. Relationship marketing Relationship marketing now as a concept has evolved into one of the most important market place is such that only meeting the customer needs is not enough.

The customers have wide variety of options and alternatives and hence one has to maintain a good relationship with them in order to capture a good base of the customer for the business. The end result of Relationship

marketing leads to the following achievements: ; Customer loyalty Strong association with the brand Trust ; Word of good mouth Repetitive purchase Nowadays, due to the cluttered market scenario the presence of alternatives for customers are high due to which the switching costs for customers have reduced. If the customers are dissatisfied with the product or service they can switch to the competitors offering anytime. In the case of Jay Amber retail store the store has got competition from many small Koran shops that are located there.

The sales personnel as well as the store manager of Jay Amber retail store must understand that they have to meet the customer's needs efficiently in terms of better service, product knowledge, offering good quality products and the most important is that offering the products at a competitive price. The product offering for many products remains the same, but how the product is offered creates all the difference. The store manager must ensure that Jay Amber retail creates a value for the customer which becomes the differentiation strategy for the store. This could only be possible if the sales personnel display a strong commitment and dedication towards providing a good quality service to its customers. Segmenting and targeting the markets Every customer is different; in fact we can actually put customers into various groups which have something in common- for example age, social class, spending power, sex or buying attitudes. This is known as segmentation – dividing a market into various sub groups of people or organizations with similar or common needs or preferences who are likely to react or purchase in a similar fashion. The four primary categories or types of market segment are: ) Geographic segmentation: It focuses on the location

of the customers. Jay Amber retail store is operating in a location where the township is small with an unrecognized market and generally the people residing there are lower middle class income group people.

Hence, the decision to operate in And town of Gujarat is a geographic segmentation where people don't need any high end fashionable products or merchandise but the items of daily requirements which satisfy their basic needs. 2) Behavioral segmentation: It means dividing customers based on their purchase decisions. Jay Amber retail store would segment market like this for regarded marketing. It may categorize the customers by their buying frequency. So any customer who has not brought any product from the store in the last year may be a part of the campaign. 3) Demographic segmentation: It consists of the characters like age, sex or family size of the customers.

Mostly the township of And has people who are laborers or have small business of their own. They are rural segments: This market segment focuses on lifestyles. Jay Amber retail store uses this segmentation to focus on the socioeconomic class of the people, such as low income, middle income or high net worth individuals. For meeting the needs of the customer effectively Jay Amber retail store must segment its target audience.

Sometimes, there are various segments present having conflicting needs. By thinking through the needs of the different market segments and taking into account the store's strength we can chose one or more segments on which to concentrate our efforts.

Choosing a segment calls for gathering information about that segment, its future potential, the strength of the company or the store and the strength of the competition. Integrating the marketing mix The marketing mix or 4 As of marketing are sometimes used as synonyms for each other. But, they are not necessarily the same thing. 'Marketing mix' is a general term used to describe the different kinds of choices organizations have to decide in the entire process of bringing a product or service to market. The 4 As are: ; Product Place Price Promotion Jay Amber retail store implements these tools into their business by synchronizing these 4 elements towards a common goal.