

Marketing warfare assignment

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A summary of Al Ries & Jack Trout's marketing bestseller Marketing Warfare Executive summary Marketing warfare strategies are a type of strategies, used in business and marketing, that try to draw parallels between business and warfare, and then apply the principles of military strategy to business situations, with competing firms considered as analogous to sides in a military conflict, and market share considered as analogous to the territory which is being fought over citation needed. It is argued that, in mature, low-growth markets, and when real GDP growth is negative or low, business operates as a zero-sum game.

One person's gain is possible only at another person's expense. Success depends on battling competitors for market share and firm's goal should be to identify and profitably satisfy customer needs. Ries and Trout have identified interesting and useful commonalities between military strategy and marketing strategy. As in military warfare, the appropriate marketing warfare strategy depends on the firm's position relative to its opponents. In developing its strategy, the firm must objectively determine its position in the market.

Once this is done, a defensive, offensive, flanking, or guerrilla strategy can be selected depending on the firm's position relative to the competition Al Ries and Jack Trout argue that marketing is war and that the marketing concept's customer-oriented philosophy is inadequate. Rather, firms would do better by becoming competitor-oriented. If the key to success were to introduce products closest to those wanted by customers, then the market leader simply would be the firm that performed the best market research. Clearly, much more is required. ? Al Ries & Jack Trout's had discussed the <https://assignbuster.com/marketing-warfare-assignment/>

following:- 500 Years of War There is much that marketers can learn from military strategy. Ries and Trout tell the story of several famous battles in history that illustrate lessons of warfare. The lessons from these famous battles illustrate the concepts of planning, management, and overpowering the opposing side. These principles are relevant not only to warfare, but also to marketing. The Principle of Force There's a saying that it is easier to get to the top than to stay there. Ries and Trout disagree, arguing that once at the top, a company can use the power of its leadership position to stay there.

When several companies enter a new market, the one with the larger sales force is likely to become the leader. The larger company has the resources to outnumber smaller competitors. It can advertise more, perform more R, open more sales outlets, etc. This is not to say that smaller companies do not stand a chance. Rather, smaller companies must recognize the principle of force and attempt to win the battle by means of a superior strategy, not by creature force. Some managers may believe that they can overcome a larger competitor through superior employees.

Ries and Trout maintain that while it may be possible to assemble a small group of star performers, on a larger scale the employee abilities will approach the mean. Another argument is that a better product will overcome other weaknesses. Again, Ries and Trout disagree. Once consumers already have in their minds that a product is number one, it is extremely difficult for another product, even if superior, to take over that number one place in the consumer's mind. The way to win the battle is not to recruit superior employees or to develop a superior product.

Rather, Ries and Trout argue that to win the battle, a firm must successfully execute a superior strategy. The Superiority of the Defense The attackers require a much larger force to overcome the defensive positions. The same is true in marketing warfare. Many companies with insufficient resources have tried unsuccessfully to attack a leader. A study was made of 25 brands that held the number one position. Sixty years later, 20 of those 25 brands still held the number one position. It is very difficult to overtake the market leader.

The element of surprise helps the attacker, but when the market leader is large the attackers also must be large, and the logistics of launching a large scale attack or a large promotional campaign are such that the element of surprise is difficult to maintain and the defensive position becomes yet more difficult to upset. When the defenders are taken by surprise, it usually is because they ignored warnings or did not take them seriously. The New Era of Competition Ries and Trout argue that it is strategy and not hard work that determines success.

In warfare, when a battle turns to hand-to-hand combat, the advantage resulting from the strategic plan no longer exists. In marketing, a firm achieves victory through a smarter strategy, not by spending longer hours with meetings, reports, memos, and management reviews. When management declares that it is time to “redouble our efforts”, then the marketing battle has turned to hand-to-hand combat and is likely to end in defeat. The Nature of the Battleground Ries and Trout argue that marketing battles do not take place in geographic areas, nor in stores. Rather, marketing battles take place in the mind of the consumer.

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In marketing, market research traditionally has served this function.

However, Ries and Trout propose that the most important information is to know which positions are held by which companies in the mind of the consumer. In other words, who holds the high ground. In marketing warfare, the question is one of who holds the mountains in the consumer's mind. For example, in the U. S. , Kleenex holds the facial tissue mountain since it is the number one facial tissue in the minds of most consumers and many consumers consider the word “ Kleenex” to be synonymous with facial tissue.

Mountains often are segmented and competitors may launch different brands each targeting a specific segment. The Strategic Square Ries and Trout discuss four strategies for fighting a marketing war: ??? defensive ??? offensive ??? flanking ??? guerrilla A firm's market share relative to that of competitors determines which strategy is appropriate. There often is a significant market share gap between two competitors such that each has approximately a factor of two more market share compared to the next weaker competitor. Because of this large gap, the principle of force plays an important role in the choice of each firm's strategy.

For this discussion, assume that there are four firms and each is approximately twice the size of the next closest to it. In such an environment, each of the four firms has different objectives: ??? Number 1 firm: market domination ??? Number 2 firm: increased market share ??? Number 3 firm: profitable survival ??? Number 4 firm: survival According to Ries and Trout, the main competitor of the market leader that holds the majority of market share is not one of the other firms in the industry, but <https://assignbuster.com/marketing-warfare-assignment/>

rather, the government. Consequently, the best strategy for such a firm is a defensive one.

The number two firm's best strategy is an offensive attack on the market leader if there is a large gap between the number two firm and number three. The reason is that the gaining of market share from the number three firm is unlikely to make a large impact on the much larger number two firm. However, there are potentially significant rewards if market share can be gained from the dominant firm. The number three firm is too small to sustain an offensive attack on a larger firm. Its best strategy often is to launch a flanking attack, avoiding direct competition.

The smallest firm probably does not have sufficient resources to launch any type of sustained attack. If it launched a flanking product, a larger competitor likely would launch a similar one and would have the resources to win more customers. The smallest firm would do best to pursue a guerrilla strategy, identifying a segment that is large enough to be interesting to the small firm but not large enough to attract competition from any of the larger firms. Principles of Defensive Warfare A defensive strategy is appropriate for the market leader. Ries and Trout outline three basic principles of defensive marketing warfare: 1.

Defensive strategies only should be pursued by the market leader. Attacking yourself is the best defensive strategy. 2. The leader always should block strong offensive moves made by competitors. Legal issues are an important factor in a market leader's strategy. Successfully attacking the competition and winning raises anti-trust issues. Attacking oneself is less risky from an

anti-trust perspective. It also is preferable to expand vertically rather than horizontally into new markets since laws prevent a firm from using its monopoly in one market to develop a competitive advantage in another.

Finally, once there is marketing peace and the brand has affirmed its dominance, it can grow its sales by growing the market. Principles of Offensive Warfare Ries and Trout present the following three principles of offensive strategy: 1. The challenger's primary concern should be the strength of the leader's position, not the challenger's own strengths and weaknesses. 2. The challenger should seek a weakness in the leader's strength – not simply a weakness in the leader's position. 3. Attack on as narrow a front as possible. Avoid a broad attack.

The strength of the leader's position is of primary importance because the leader has the top position in the mind of the consumer, and it is this position that must be attacked. However, the leader may in fact have large profit margins and may be willing to lower the price as much as necessary to defend its position. The leader usually has the resources to defend against an attack against its weaknesses, whereas there may be weaknesses inherent in the leader's strengths that cannot be defended. There often is a flip side to the leader's strength that can serve as the target of the challenger's attack.

Sometimes the weakness in the leader's strength arises from the fact that it has a major investment in assets that cannot be readily adapted. A more flexible challenger can use this fact to its advantage. The challenger should attack on as narrow a front as possible. Generally, this means one product

rather than a wide range of products. The reason for keeping the attack narrow is the principle of force; a narrow attack allows the challenger to concentrate its resources in the narrow area, and in that area may present more force than the leader.

A narrow attack is particularly effective when the leader has attempted to be all things to all people with a single product. In that situation, a challenger can identify a segment within the leader's market and offer a product that serves only that segment. The challenger then stands a chance of winning a position in the consumer's mind for that more narrow class of product.

Principles of Flanking Warfare A flanking attack is not a direct attack on the leader, but rather, an attack in an area where the leader has not established a strong position.

Ries and Trout present the following three flanking principles: 1. A flanking move is best made in an uncontested area. 2. A flanking move should have an element of surprise. 3. Follow-through (pursuit) is equally as important as the attack itself. A flanking move does not require a totally new product. Instead, the product only needs to be different enough to carve its own position. It is not a low-risk strategy. Market acceptance of an innovative product is unknown, and test marketing must be kept to a minimum to guard the element of surprise.

Principles of Guerrilla Warfare

Guerrilla marketing differs from a flanking campaign in that the guerrilla move is relatively small and differs significantly from the leader's position.

Ries and Trout list the following three principles of guerrilla marketing warfare: 1. Identify a segment that is small enough to defend.. 2. Never act

like the leader, even if successful in the guerrilla attack. 3. Be ready to enter or exit on short notice The idea of guerrilla marketing is to direct resources into a limited area, using the principle of force to win that area. Strategy and Tactics

Ries and Trout argue for the bottom-up approach because a deep knowledge of the tactics actually used on the battlefield is needed to formulate a strategy that has the goal of achieving tactical objectives. On the marketing battlefield, it means overpowering the competitor in a specific position in the mind of the customer. Ries and Trout explain that a good strategy does not depend on brilliant tactics. In marketing, advertising can be considered tactics and many managers falsely assume that success depends almost entirely on the quality of the advertising campaign.

If a strategy Any strategy should take into account the probable response of the competitor. The best way to protect against a response is to attack the weakness in the leader's strength so that the leader cannot respond without giving up its strength. To support the argument of a bottom-up strategy, Ries and Trout point out that many large companies incorrectly believe that they can do anything if they simply allocate enough resources. This is one of the dangers that can be avoided by a bottom-up strategy based on what can be accomplished on the tactical level.