

**FIFIELD**  
**ORGANISATION**

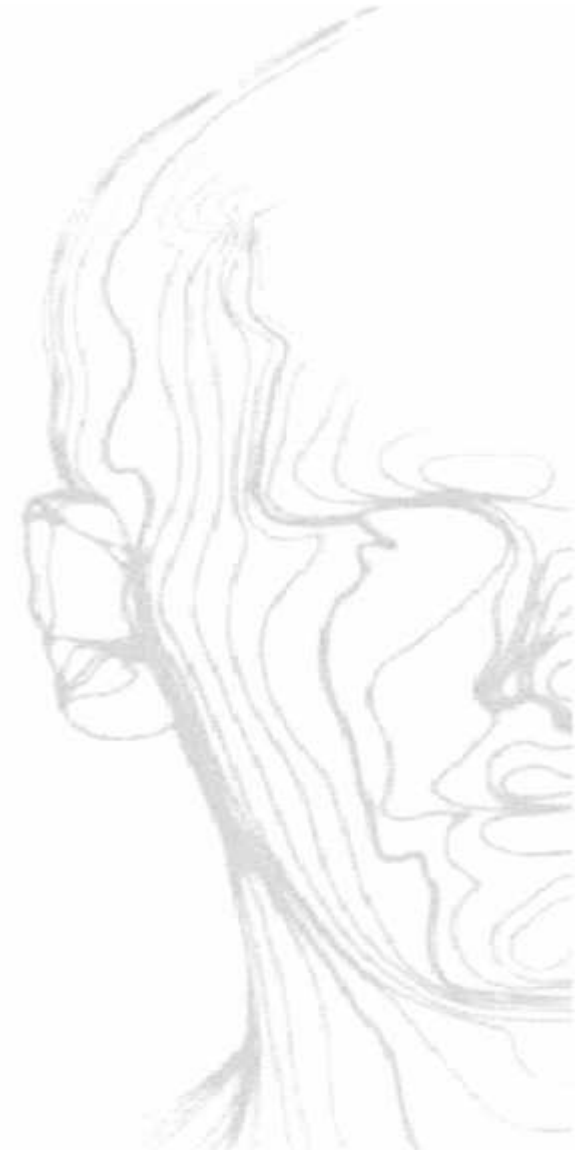
# Profitable Marketing Strategy (made simple)

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# Agenda

- What is strategic marketing?
- Who cares?
- And the (unpalatable) truth is....





# What is strategic marketing (made simple)?



# Differentiation

*“If the three keys for selling real estate are location, location, location then the three keys of selling consumer (& B2B) products are differentiation, differentiation, differentiation.”*

- Robert Goizueta - former chairman, Coca Cola company

## Differentiation 2

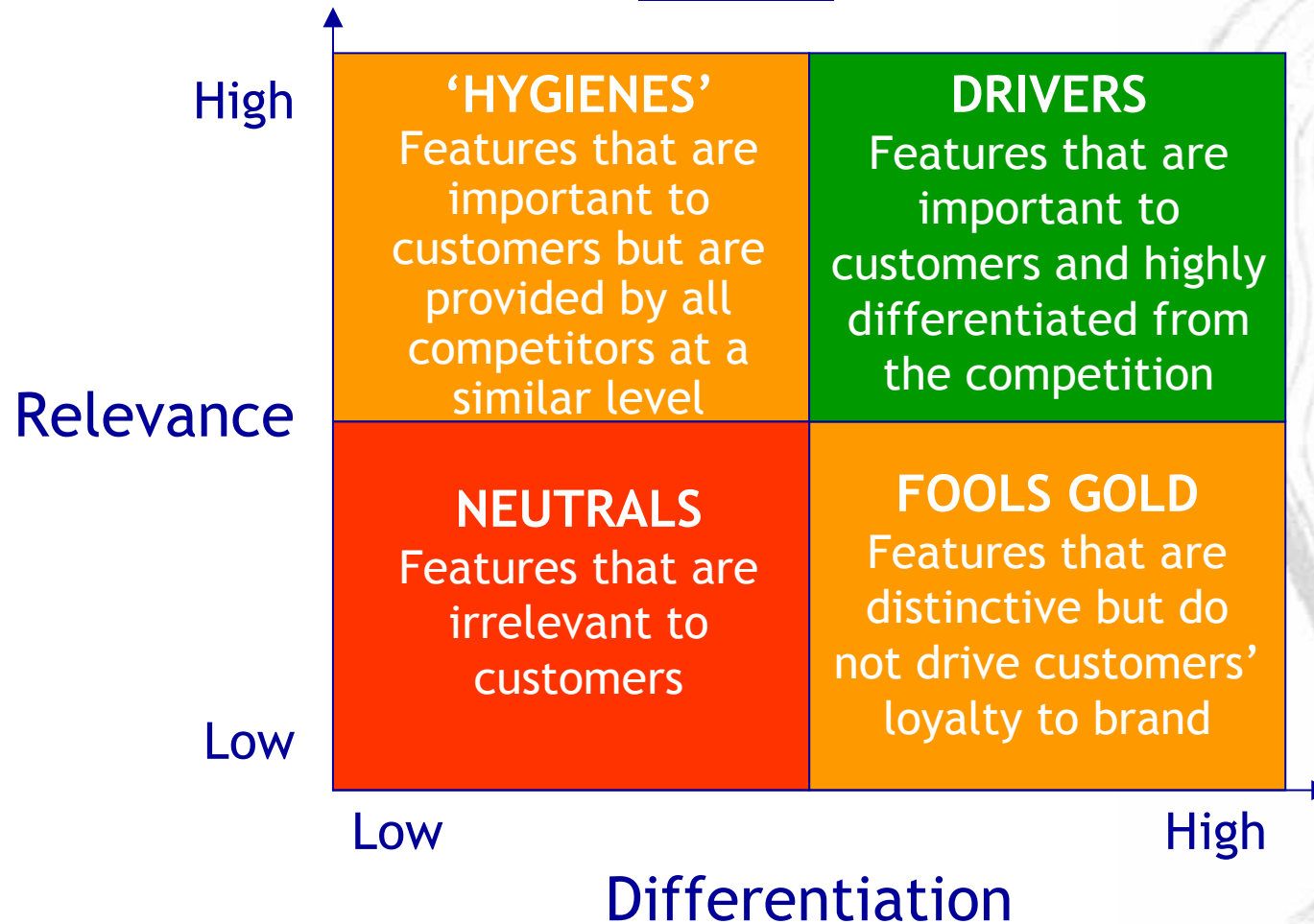
- Porter's second generic strategy, **differentiation**, helps to achieve **competitive advantage** when *“a company seeks to be unique in its industry along some dimensions that are widely valued by buyers”*
  - (Porter 1985).

# First, some Data

Research of 6,000 companies worldwide (PA Consulting Group 2003) found:

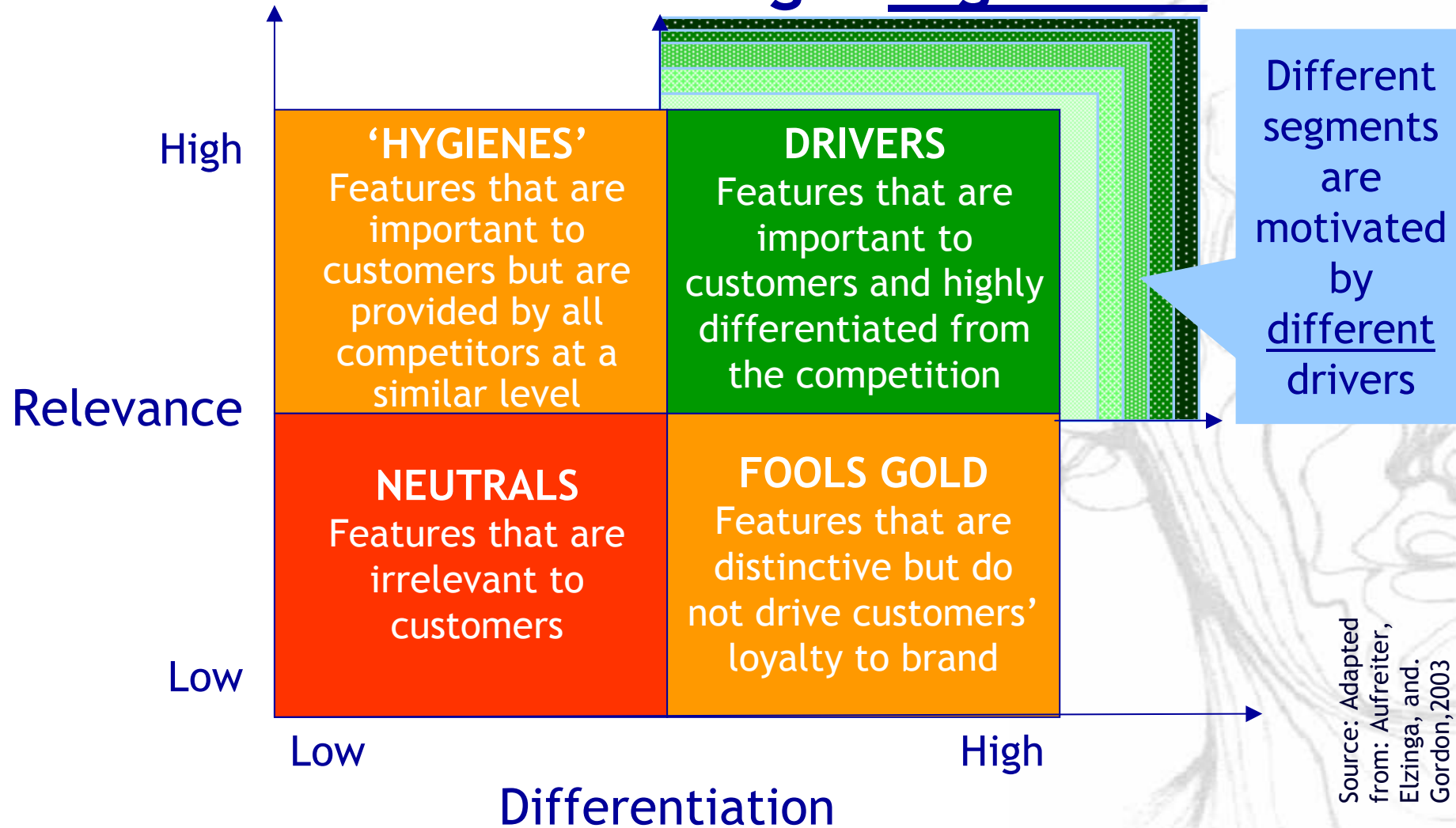
1. 97% of CEOs believe their priority is to create long-term value for shareholders.
2. There are two ways that value can be created within companies
  1. Operating at a cost advantage compared to others
  2. Create a superior differentiation that supports a price premium over others
3. The research found that, on average **the latter is three times more influential** than the former in creating value

# Differentiate to your market's needs

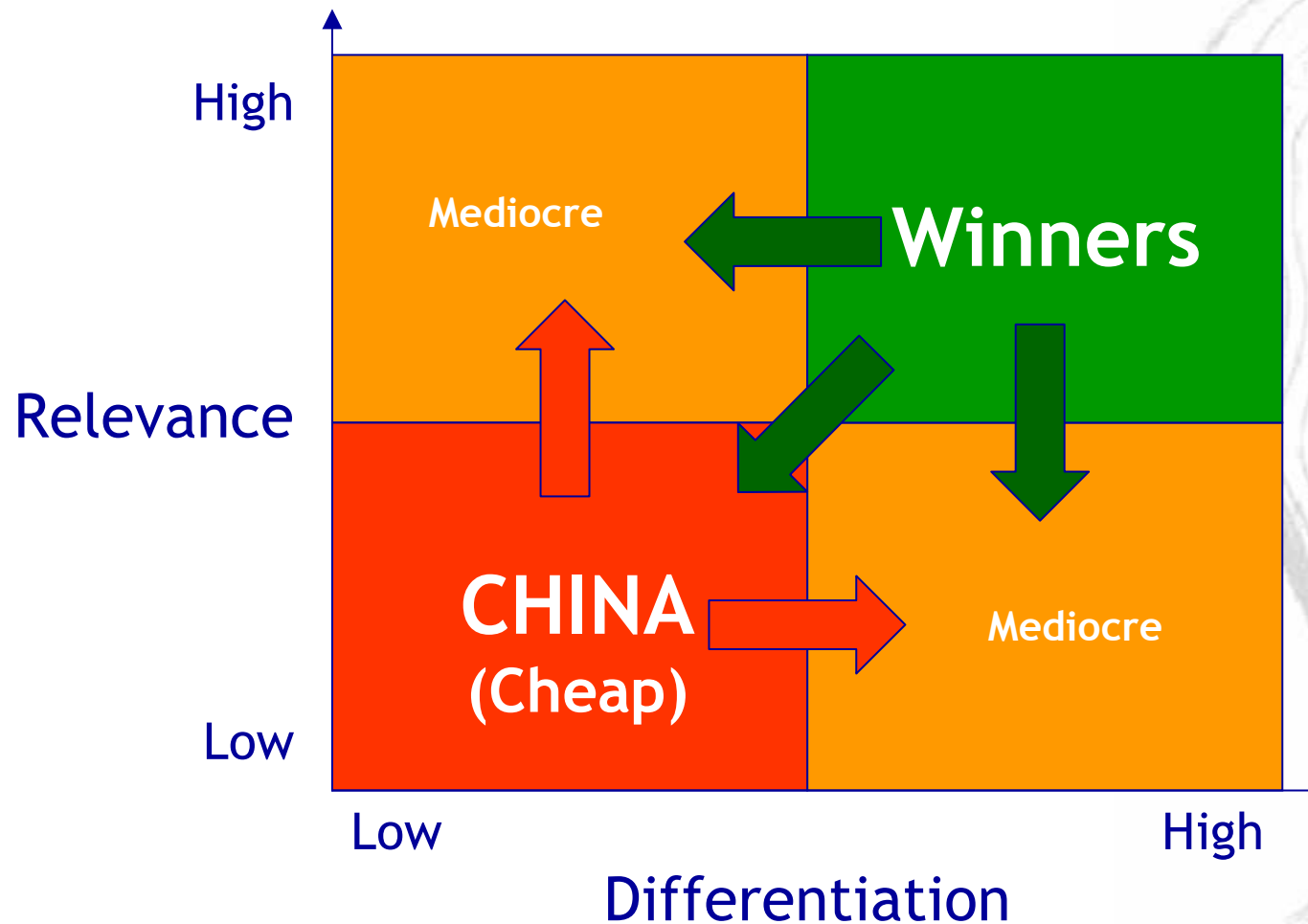


Source: Aufreiter, Elzinga, and. Gordon, 2003

# Differentiate to the target segment's needs

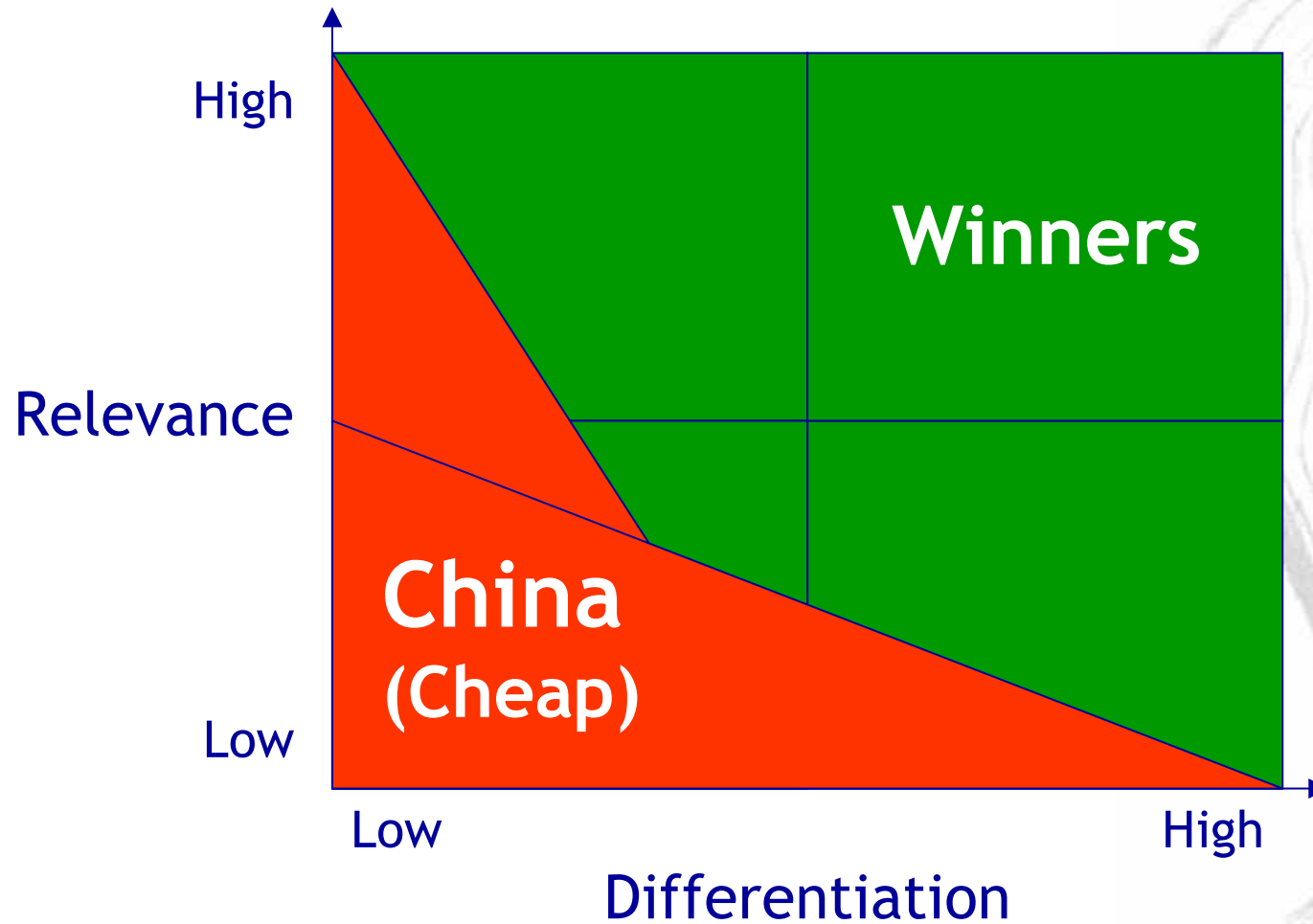


# Or, be 'Differentiated' out of business

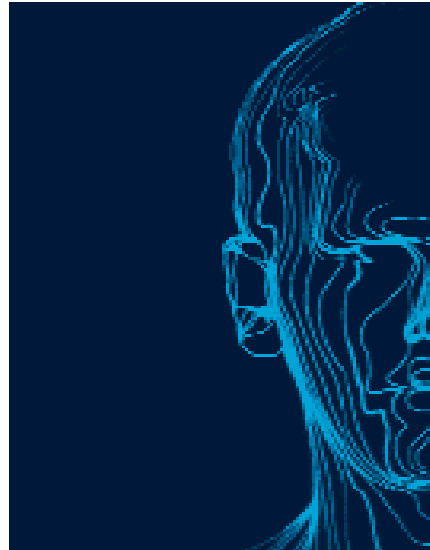


Source: Adapted from: Aufreiter, Elzinga, and. Gordon, 2003

# And in the long run



Source: Adapted from: Aufreiter, Elzinga, and. Gordon, 2003

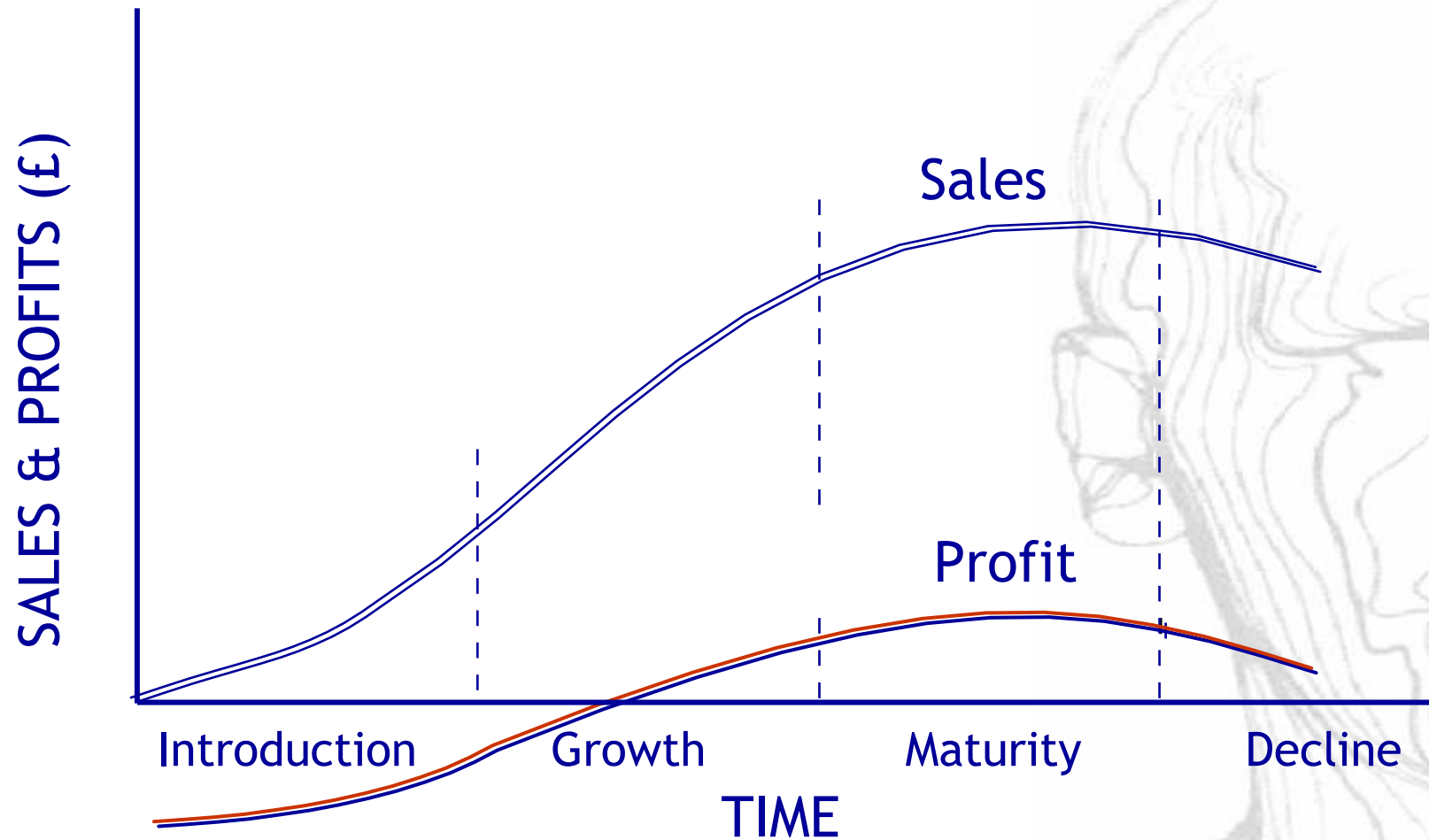


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**Who cares?**  
(not many companies)



# The Product Life Cycle (PLC)

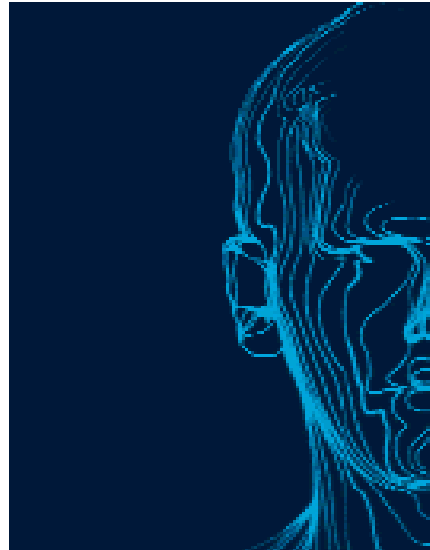


# The Product/Service Life Cycle



# A Rite of Passage?

Suppliers ← Control → Customers				
Intro	Growth	The 'Chasm'	Maturity	Decline
<ul style="list-style-type: none"> <li>• WiFi</li> <li>• VoIP</li> <li>• Digital TV</li> <li>• Gene services</li> <li>• GPS</li> <li>• SatNav</li> <li>• Space tourism</li> <li>• Functional food</li> </ul>	<ul style="list-style-type: none"> <li>• Doctors</li> <li>• Alternative medicine</li> <li>• Further education</li> <li>• Broadband</li> <li>• Call centres</li> <li>• Farmers markets</li> <li>• Home services</li> </ul>	<ul style="list-style-type: none"> <li>• Dentists</li> <li>• Lawyers</li> <li>• Veterinaries</li> <li>• IT Hard/Software</li> <li>• Mobile telephony</li> <li>• Satellite TV</li> <li>• Financial services</li> <li>• Air travel</li> <li>• Grocery Retailing</li> </ul>	<ul style="list-style-type: none"> <li>• Accountants</li> <li>• Retailing</li> <li>• Hotels</li> <li>• Consulting</li> <li>• Fixed line telephony</li> <li>• Banking</li> <li>• Pharmacists</li> <li>• Pkg.Holidays</li> <li>• Fmcg</li> <li>• Con.durables</li> </ul>	<ul style="list-style-type: none"> <li>• Laundry</li> <li>• Milk delivery</li> <li>• Manufacturing</li> <li>• Mass prod.n</li> <li>• Local pubs</li> </ul>

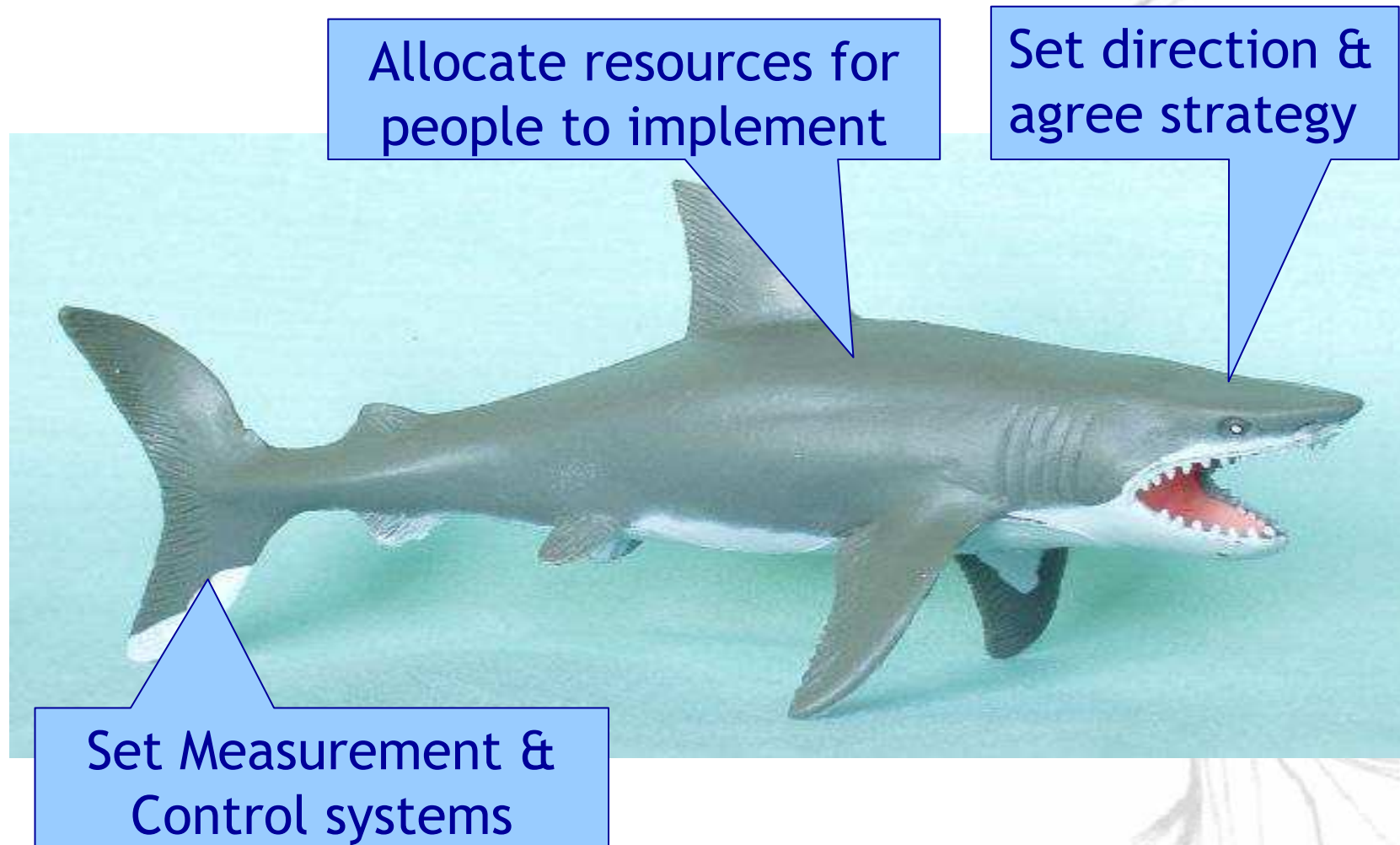


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**And the  
(unpalatable) truth  
is.....**



## In the board room we...



# And how good are we?

Treacy & Wiersema say that:

## Weak Strategy

1. Dabble or aggregate markets
2. Try to be good at everything
3. Allow history and politics to direct resources

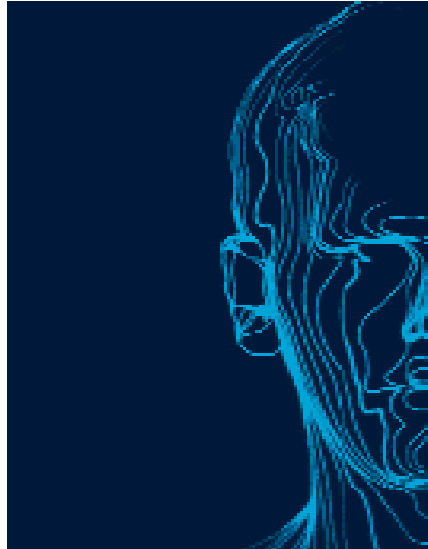
## Strong Strategy

1. Pick a market to dominate
2. Decide a single factor for competition
3. Focus resources to that end



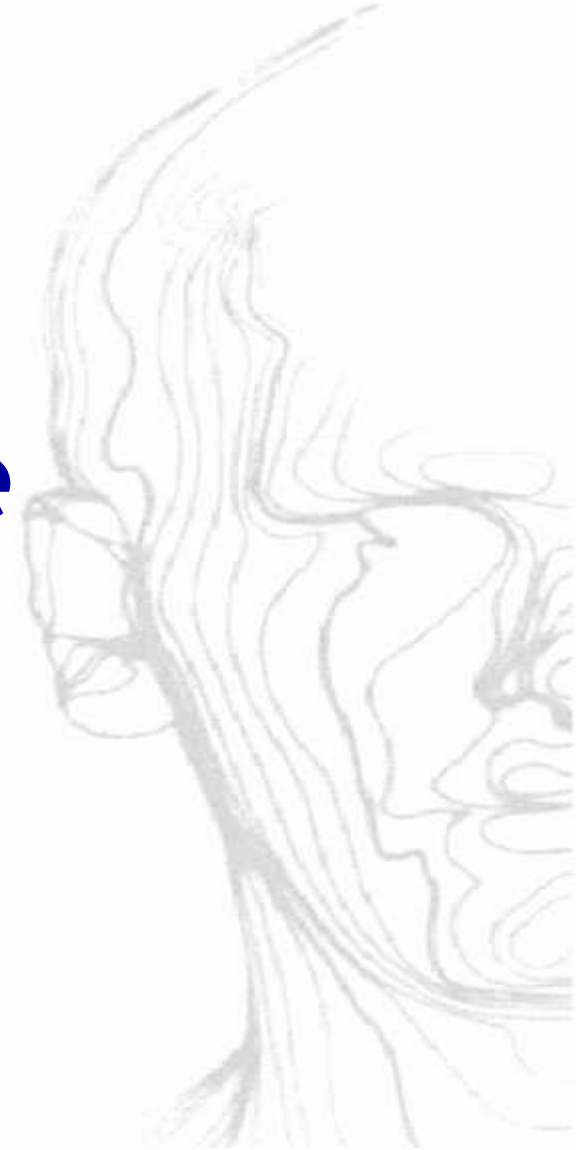
**= Profitable  
Marketing  
Strategy!!**

Source: Treacy & Wiersema

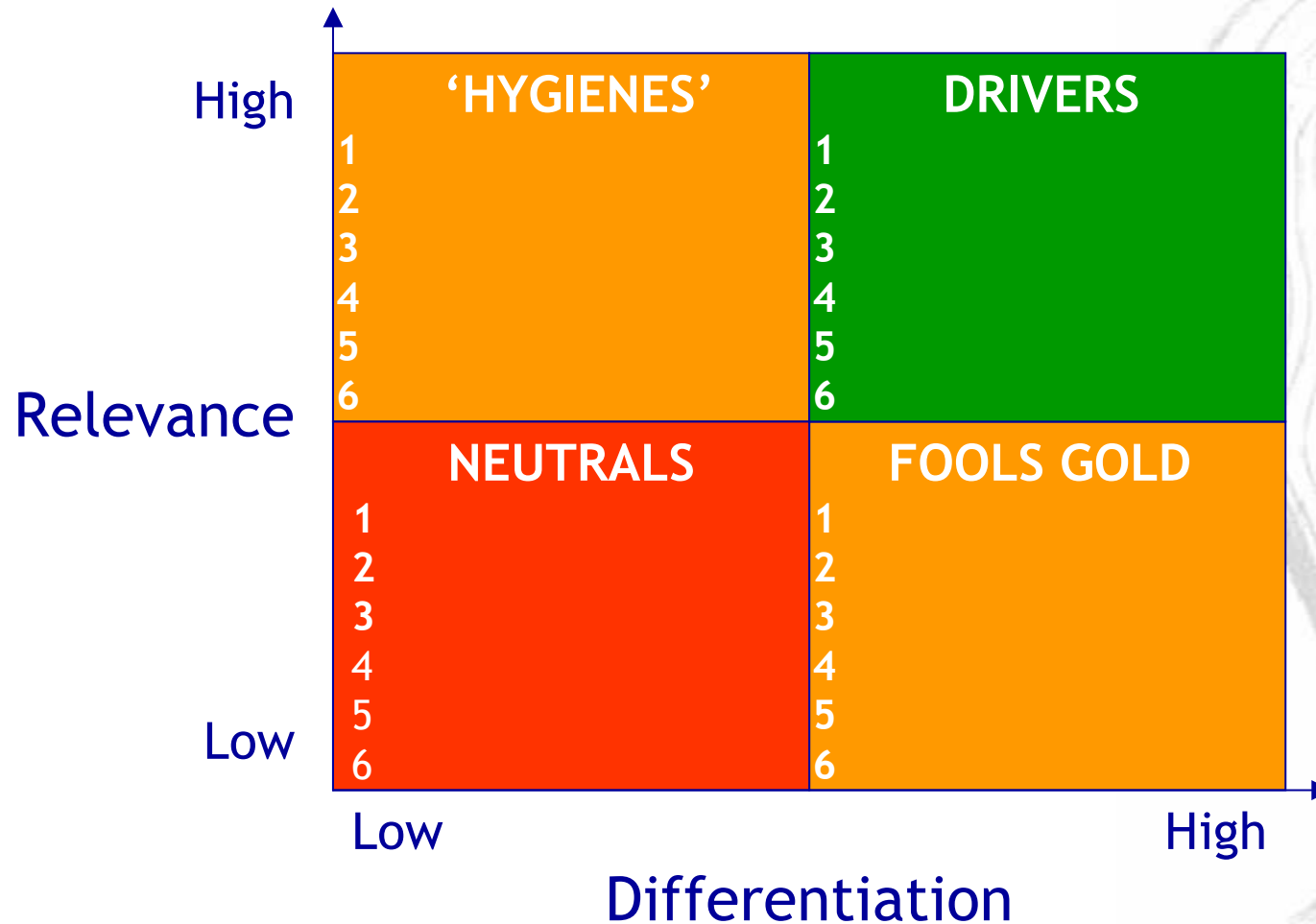


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# Activity Time

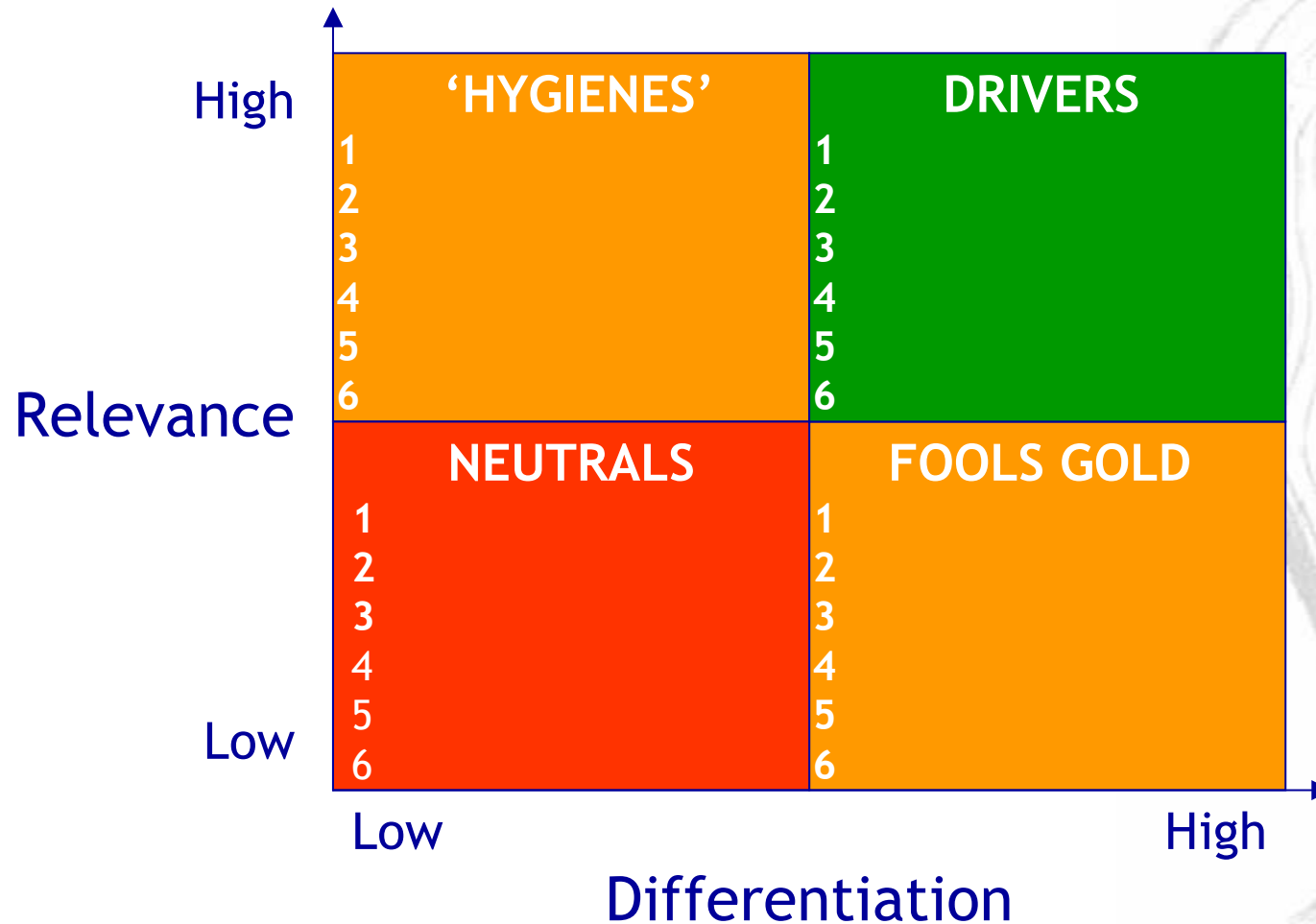


# Activity 1 - where are your features?



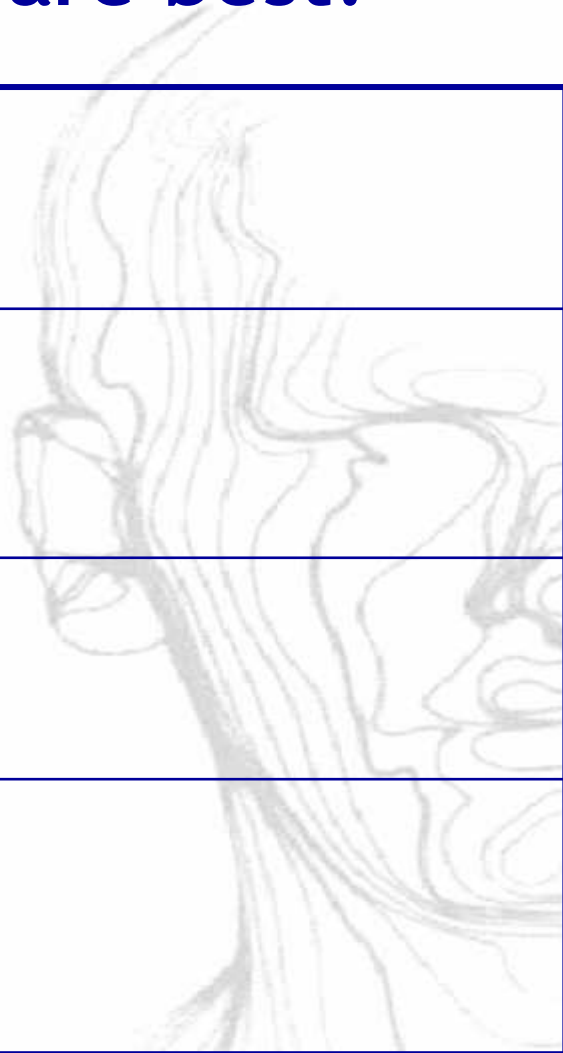
Source: Aufreiter, Elzinga, and. Gordon, 2003

# Activity 2 - where are your planned features?

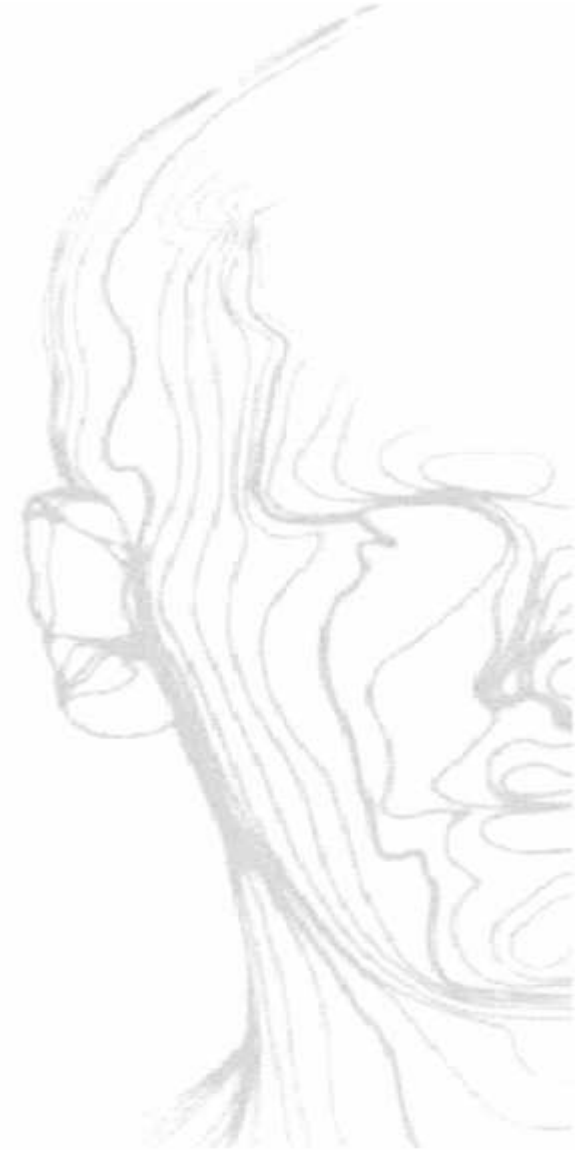


Source: Aufreiter, Elzinga, and. Gordon, 2003

## Activity 3 - Which differences are best?

1	<b>The Customer</b>	Where does the your customer/prospect perceive the most value?	
2	<b>The Competition</b>	Where is most of your competition concentrated?	
3	<b>The Offer</b>	Where is your offer most/least credible?	
4	<b>The Company</b>	Where is the differentiation easiest for your company to protect/maintain?	

# What have you learned?



## A final word

- The key is to:
  - Differentiate
  - Focus
- Profitable Marketing Strategy can be carried out by:
  - Marketing Director (if he/she can leave the Marcoms alone)
  - Managing Director
  - Business Development Director
  - Commercial Director
  - Sales Director
  - Finance Director (I have met 2)
- But it **MUST** be done by someone if the organisation is to survive

A final, final word.....

**“It’s not about  
how good you  
are, it’s about  
how bad you  
want it”**



# Thank You



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