



The Importance of Marketing Strategy

00 Introduction

Imagine you are driving a race car. Thrilling, right? But what if this car doesn't have a steering wheel? On top of the immense fear that comes from possibly losing control of your vehicle at 200 mph, consider the fact that you could only move in a straight line, be unable to steer away from potential accidents, or draft past the competition to gain the lead.

Building a brand without a strategy is just as terrifying. How will you avoid the inevitable pitfalls, or adapt to a rapidly changing market in order to maintain a competitive advantage? How will you even know where you're going in the first place?

At first, answering these questions may seem daunting. However, successful businesses understand the winning formula – developing an effective marketing strategy.

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Before you begin, ask yourself these 3 questions:

1. Where are we now?

First, assess your brand's current situation. What is its relevance and competitive strength? Have sales stagnated? Are profit margins declining? What lessons have been learned over the past year? Are there changes going on in the category? What does the competitive landscape look like?

2. Where do we want to go?

Identify the road ahead. Are there twists and turns that are difficult to anticipate? It may be time to course-correct and review the brand's marketing objectives and strategies for both the short and long-term.

3. How are we going to get there?

Now it's time to develop a detailed strategic plan that includes the brand's positioning and how each element of the Marketing Mix will work together to support that positioning.

Your answers to the questions above will help define the competitive landscape and opportunities in concrete terms so you can begin to develop your brand strategy.

Marketing strategy in its most basic form is a plan to sell products or services in a way that delivers long-term profitable growth. It is a brand’s road map; it tells the brand where to go and the best route to get there. Great brands use strategy to deliver products and services that will have meaningful impact. Every brand decision stems from the marketing strategy, and is articulated at every touchpoint.

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Conduct a Situational Analysis

A prerequisite to developing a successful Marketing Strategy is to perform a Situation Analysis.

1. Study the competition

Assess the brand's relative strengths, weaknesses, opportunities, and threats, known as a SWOT Analysis. This will reveal any "white space," or open field, where the brand could succeed and thrive.

2. Review the product or service category

How relevant is the brand's product or service in the existing market? Have there been any significant changes in the category or to consumer behavior?

3. Assess the brand's performance

What has the company learned over time? How has it responded to marketplace challenges?

4. Conduct market research

Confirm relevancy of the strategy before the heavy lifting of bringing it to market is performed.

02 Develop Brand Positioning

Once a “white space” has been determined, the company must decide how to establish the uniqueness of its brand in the mind of its customers.

This is the “Brand Promise” articulated in its Positioning Statement. Positioning is the essential element of each brand’s marketing strategy, and must precede the development of all internal and external communication and design. It will exist for the life of the brand, to be changed only if there is a major change in customer usage patterns.

A strong positioning builds a brand’s equity. It is the collection of thoughts, feelings, associations and expectations that a company wants its brand to create for its customers.

To do this, it must define the:

1. Target Market

Who is the customer that will benefit most from the product or service offering?

GOPRO //////////////////////////////////////
GoPro labeled itself as the world’s most versatile camera capturing life’s meaningful experiences. It partnered with action sports stars to reinforce this positioning, and show everyday athletes how easy, powerful and useful their cameras are in capturing every moment.

2. Frame of Reference

What are the product or service categories within which the brand competes? The larger the competitive frame of reference, the bigger the sales opportunity.

APPLE //////////////////////////////////////
Apple chose to sell its iPhone as a portable phone, although it is really a personal computer that has a phone function. This is because the penetration of mobile phones is higher than that of personal computers, so choosing the phone frame of reference provided a larger market opportunity.

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3. Reasons to Believe

This is known as the Unique Selling Proposition (USP), or an outward facing statement consumers will experience to understand the brand’s uncommon offering. Does the brand contain unique elements that impact the customer on a functional and/or emotional level?

GENERAL MOTOR

General Motors’ Oldsmobile brand launched by aligning itself to a traditional “American Values” messaging. Decades later, GM changed this positioning in its “This is not your father’s Oldsmobile” campaign. This attempt to get a younger generation interested in the brand backfired, and resulted in alienation of its core target consumer and failure to interest the new target with no real “reason to believe” the promise.

4. Point of Difference

What does a brand deliver better than all of its competitors? This is called the Unique Value Proposition (UVP), an inward-facing statement addressing brand strategy, and serves as a foundation for all communication. This phase of Brand Positioning identifies the factors that drive customer preference.

PROCTOR & GAMBLE

While all paper towels absorb liquids, Proctor & Gamble developed the Bounty brand to absorb more, and created “Bounty, the Quicker Picker Upper” campaign to tout this important product point of difference.

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Consider “The Four P’s”

The Marketing Mix, also known as “The Four P’s,” lays out the building blocks of a Marketing Strategy.

1. Product

All products and their packaging must support the brand’s positioning. Functionality and design need to be carefully considered and developed to clearly communicate product benefit(s).

TIFFANY’S

The Tiffany blue box, for instance, has come to symbolize the ultimate extravagance in jewelry - this is exactly how the brand wants to be perceived, it allows them to own the high-end, high-margin market.

2. Price

Price plays a critical role in both market positioning and customer perception. Brands selling a premium product or service can command above average prices. Those who want to be perceived as price leaders need to offer lower prices to gain a competitive edge.

WALMART

Even though Walmart may not offer a full range of products, they will always be the lowest priced in the market with their “Everyday Low Price” guarantee. They own that “EDLP” positioning. Inappropriate pricing can seriously damage a brand. After the recession, when Target tried to match Walmart’s price strategy, they failed miserably, and posted their first ever quarterly loss.

3. Place

The selection of distribution channel must be consistent with the brand’s positioning. A high-end product must be associated with a high-end distribution channel to reinforce product value.

TARGET

A Neiman Marcus shopper would be horrified to see her new Dior suit on sale at Target. Likewise, a prospective buyer might think twice about purchasing a high-end item at a low-end store, thinking ‘is this for real?’

4. Promotion

Which platforms and tools will be employed to promote the product or service? Promotion strategy incorporates the brand's USP statement into all of its messaging. It must take all of the brand's marketing objectives and create specific tactics that will deliver against them. This can include brand awareness, recall of key communication points, shifts in preference, and more.

GATORADE //////////////////////////////////////
Gatorade's promotion strategy is to supply highly-visible athletes and teams with their product for free. In return, the Gatorade brand is visible to countless sports fans which in turn drives a positive brand association.

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Conclusion

It is important to build and protect strong brand equity. This can only be accomplished with a solid marketing strategy at the wheel, supported by consistent reinforcement of the brand's message at every mile marker.

Every customer-related activity is part of the branding process whether it is advertising and promotion, interactive media, sales materials, and presentations. Do sweat the small stuff, even the way the customer service line is answered is an opportunity to make a lasting impression. The seamless communication and coordination of all marketing elements is the secret to creating a world class brand.

Take control of the wheel, stay alert, be nimble, and the checkered flag will be yours.

About Nimble Division

Nimble Division is a creative agency with focus in strategy development, video production, and digital design. We get involved with your business to understand what needs to be done.

In short, we are the team that you don't have in house. We understand what is needed to drive our clients' businesses to extraordinary levels. Our work is both strategic and market-driven. We identify and execute against solid strategic insights to ensure our clients' messages are both impactful and effective.

Some of Our Clients

