

## MARKETING

# The role of marketing strategy

There are a number of questions one can ask to consider the viability and usefulness of a strategy. Is the strategy consistent with the external and internal environment of the firm? Is the strategy consistent with the objectives and goals of the firm? Does the organisation possess the organisational structures necessary to implement the desired strategy? Does the promulgated strategy make the best available use of resources?

## External consistency

A strategy seeks to take advantage of opportunities that exist in the external environment in which the firm operates. It is quite useless to devise strategies that do not take into consideration the developments that are taking place externally to the firm. A firm needs to consider the political changes taking place. Clearly Malta's eventual membership in the European Union has a number of

*A marketing strategy seeks to provide a company with sustainable competitive advantage. It should not simply give a firm a short term advantage but one that it maintains over time. Albert Caruana discusses how a marketing strategy essentially seeks to marry the internal strengths of the firm with the opportunities in the market while minimising internal weaknesses and external threats.*

implications. Among other things, this will probably mean changes to exclusive distribution agreements and the possibility of overseas retailers opening up shop here. These may represent opportunities for some and threats to other firms. Political changes often have economic effects that must also be considered. Societies are not static and their is constant development taking place. We are witnessing more women going out to work, the old age segment growing in importance and so on. Technological changes effect certain industries more than others. Certain

developments can over a few years result in new markets or wipe out existing sectors. These evolving realities in the external market; the more long term nature of the structure of the industry the firm operates in; as well as some other aspects, must be taken into consideration in the formulation of a successful strategy.

## Consistent with objectives

Is the strategy consistent with the objectives and goals of the firm? All organisations have objectives, be they formally written or informally

held. In small companies dominated by an individual these are generally synonymous with the goals of the managing director. In larger companies, often more than one individual comes into play and the goals are often some sort of compromise with those in more influential positions having a greater say. Some companies have extended the idea of a set of objectives to mission statement. These have become much more current even locally and many of our larger organisations have adopted one. These are fine when they can actually provide a vision for future action. However they are quite worthless when they are the result of some long drawn out compromise where agreement has been reached at the level of the lowest common denominator. When this is the case the mission statement is ignored and everyone continues to do what they have always done. A mission statement is just as ineffective when it is imposed from the top without prior co-ordination at other levels or when it is essentially a public relation stunt. It is meaningful only as part of the wider strategic process. When done properly, mission statements can be important as they can provide a benchmark against which the suggested strategy's ability to realistically achieve the objectives set can be assessed.

## Internal consistency

The strategy that is to be adopted represents how the objectives set will be met. Does the organisation possess the organisational structures necessary to implement the desired strategy? Will internal consistency be achieved?

It is normally assumed that a change in strategy requires the formulation of a new structure. It must be said that there are those who argue that changing the structure will set in motion a change in strategy.

However rather than go into this argument it is perhaps better to make the point that no strategy, no matter how well it has been formulated, can succeed without the structures necessary to implement it.

A strategy must also seek to make the best use of all available resources. Thus, the promulgated strategy needs to effectively co-ordinate the main functions in the organisation, in terms of finance, operations, human resources and marketing in its narrow sense. The latter here refers to marketing in its departmental form where it is essentially seen to be concerned with developing unique marketing mixes for the portfolio of products of the firm.

No strategy will work unless top management obtains the commitment of the management and employees of the organisation. To do so it is important that management sets the example and moves to ensure ownership by employees of the changes required at the various levels in the firm. Unless employees at the various levels are persuaded, any changes to work practices, etc. will meet much resistance.

Finally what is the probability of getting it wrong and what would the consequences be? How large are the potential benefits?

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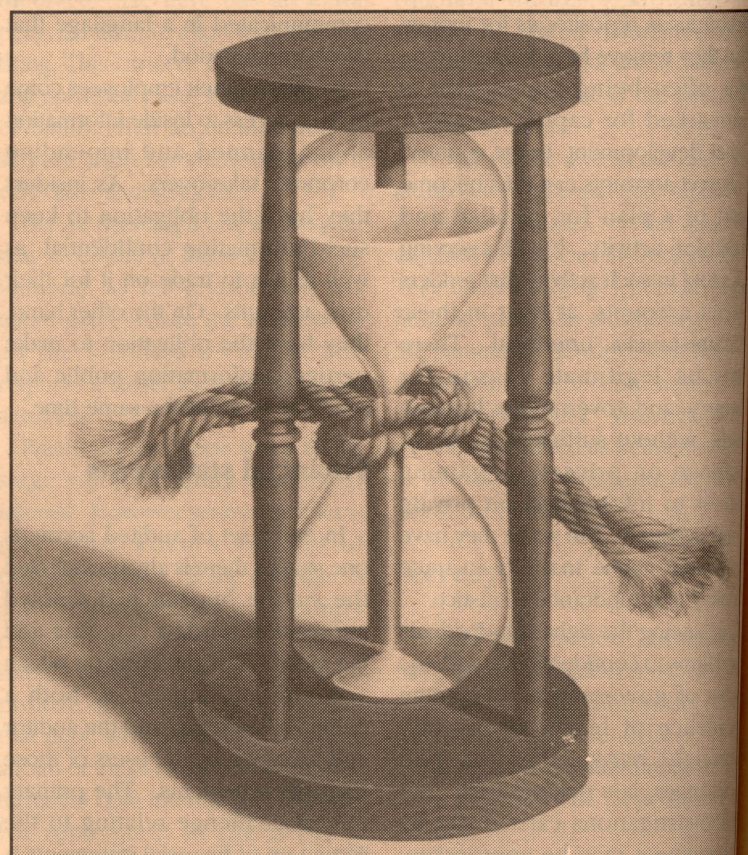
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A marketing strategy must keep abreast with the sands of time.