Market-Led Strategic Change: Transforming the Process of Going to Market

Professor Nigel Piercy
Warwick Business School
The University of Warwick
Market-Led Strategic Change: Transforming the Process of Going To Market
4\textsuperscript{th} ed.

Nigel F Piercy

(Butterworth-Heinemann/Elsevier, 2009)
An Agenda for Market-Led Strategic Change

- New marketing
- Customer value imperatives
  - The customer is always right-handed
  - New marketing meets old marketing
  - Value-based marketing strategy
  - Strategic thinking and thinking strategically
- Developing a value-based marketing strategy
  - The strategic pathway
    - Market sensing and learning strategy
    - Strategic market choices and targets
    - Value strategy and positioning
    - Strategic relationships and networks
- Processes for managing strategic transformation
  - Strategic gaps
  - Organization and processes for change
  - Implementation process and internal marketing
New marketing: marketing is dead, long live marketing!
New marketing

- The need to challenge conventional views of marketing
- The process of going to market
- What managers need to know
- Challenges for the 21st century manager
- The strategic pathway
The process of going to market

Creativity
Innovation
Reinvention

Processes that define value
e.g., market knowledge and learning, CRM, research, intelligence

Processes that create value
e.g., new product development, innovation, brand development, strategic relationships

Processes that deliver value
e.g., channels, supply chain, customer service

Customer value

Resources
Capabilities
Strategic relationships
What managers need to know

The process of going to market, not “marketing” in the traditional sense:

- understanding customers and superior value
- building marketing strategy to deliver a robust value proposition to customers
- achieving implementation by driving the things that matter through the corporate environment

The challenges of the 21st century
21st Century challenges

The process of going to market

New business models → Innovation → Business agility → Crisis survival → Siege → Recession and recovery

Aggressive Globalization → Virtuality → Paradox → CSR → Strategy
The strategic pathway

Strategic thinking and thinking strategically

Market sensing and learning strategy

Strategic market choices and targets

Customer value strategy and positioning

Strategic relationships and networks

Strategic transformation and strategy implementation
The customer is always right-handed:
Customer satisfaction, customer sophistication and market granularity
The customer is always right-handed

- The customer conundrum
- The sophisticated customer
- Market shifts and quakes
  - consumer market changes
  - market granularity
  - re-shaped business-to-business markets
- How can marketing processes respond to these changes?
How can marketing processes respond?

- Radical and disruptive changes in market structures have left traditional marketing behind.
- The urgent challenge is to update how we “do” marketing to reflect how customers and markets have changed.
New marketing meets old marketing: New marketing wins
Old marketing has not kept up...

- Old marketing is about marketing programmes
  - structured/planned around traditional model
  - operations/tactical

- New marketing is concerned with the underlying process of going to market and strategic choices
Marketing strategy and marketing programmes (the ‘marketing mix’)

Marketing strategy → Marketing programme → Customer marketplace

The value offering

* Product policies
  * Pricing policies

* Place/distribution
  * Promotion/marketing communications

Marketing tools
Products, brands and innovation

- Conventional views of product policy
  - defining the product itself
  - choosing the product mix
  - creating a branding policy
  - developing and launching new products
  - managing product deletions

- Much emphasis on brands to compete
Products, brands and innovation

- So what’s wrong with that?
  - it produces incremental, marginal changes in product offerings which impress no-one
  - the real challenge is building creative, innovative companies
  - marketing processes must drive creative and powerful innovations that re-shape markets
Price and value

- Conventional views of pricing policy
  - price-based positioning in the market
  - price levels and relativities
  - price discounts
  - pricing to different markets
  - price seen as a calculation based on cost and competition
  - usually the role of junior executives
So what’s wrong with that?

- the price/profit relationship
- dangers of seeing price as a quick-fix
- ignoring real price sensitivity
- underestimating importance of price visibility and architecture
- misses price-based strategic vulnerability
- fails to link price to customer value
Distribution channels and value chains

Conventional views of distribution policy (place):

- managing the channel and intermediaries – recruiting distributors, motivating and controlling them
- direct marketing approaches as an alternative to intermediaries
Distribution channels and value chains

So what’s wrong with that?

- underestimates Internet impact on business models and digitization of products and channels
- ignores massive power of distributors, e.g. supermarkets in consumer goods
- neglects new types of direct marketing strategy
- focus needs to be on value chain between buyer and seller, not traditional vertical marketing channel
Marketing communications

Conventional view of “marcoms”
- deciding role of each form of communication, setting objectives, managing process, integrating communications activities
- distinguishes between: advertising/promotion, sales and account management, public relations
Marketing communications – advertising/promotion

- Conventional view of advertising/promotion
  - Advertising in mass media and more specialised vehicles like direct mail, exhibitions
  - Sales promotion more short-term, e.g., coupons, price cuts, special offers
Marketing communications – advertising/promotion

So what’s wrong with that?

- mass markets are an illusion and mass media no longer exist
- audiences are fragmented by digital/wireless communications
- “big ideas” replaced by “small ideas” for specialised consumer communities
- online communities resistant to commercial messages, e.g., on social networks
- traditional advertising agencies are struggling to keep up
Marketing communications – sales and account management

- Conventional views of sales and account management
  - Selling is face-to-face representation plus supporting materials for presentation, display
  - Sales management focused on recruitment, selection, motivation, reward and organization of salesforce
  - Account management is service provision, e.g. call centres
Marketing communications – sales and account management

So what’s wrong with that?

- strategic customer management is replacing traditional sales approaches
- major customers demand dedicated account teams and partnership – strategic account management
- the focus has shifted from adversarial transactions to cooperative relationships
- dominant customers always get their own way
Marketing communications – public relations

- Conventional view of PR:
  - creation and maintenance of corporate image relevant to different audiences
  - publicity, e.g. press releases, sports/arts sponsorship
  - house style, e.g. logos
Marketing communications – public relations

So what’s wrong with that?

- PR looks at trivia while corporate reputation has become a major strategic issue.
- Sustaining and managing risk to corporate reputation is a critical management concern.
- Corporate reputation management poses a major cross-functional challenge largely ignored by conventional PR.
The “new marketing” challenge

- Confronting **revolution** in markets
- Identifying **renewal** opportunities
- Developing new ways of doing business/new business models or **reinvention**
Market revolution drives renewal and reinvention

**REVOLUTION**
Radical market and customer change/trends

Disruptive pressures on existing business models

**RENEWAL**
Coping/adaptation mechanisms

Value-creating opportunities for new business models

**REINVENTION**
Designing new ways of doing business
Marketing is strategy

“the fate of marketing hinges on elevating the role of marketing executives from promotions-focused tacticians to customer-focused leaders of transformational initiatives that are strategic, cross-functional and bottom-line oriented”

Nirmalya Kumar, 2004
Value-based marketing strategy
Value-based marketing

Customer loyalty

High	| Low
---|---
High

Value-based marketing

Relationship marketing

Low

Brand marketing

Transactional marketing and selling
Value-based marketing

**Customer loyalty**

<table>
<thead>
<tr>
<th>High</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value-based marketing</td>
<td>Relationship marketing</td>
</tr>
<tr>
<td>Brand marketing</td>
<td>Transactional marketing and selling</td>
</tr>
</tbody>
</table>

**Customer sophistication**

High

Low
Value-based marketing

Customer loyalty

High

<table>
<thead>
<tr>
<th>High</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value-based marketing</td>
<td>Relationship marketing</td>
</tr>
</tbody>
</table>

Brand marketing

Low

| Brand marketing | Transactional marketing and selling |
Brand marketing

- Branding can transform markets
- Cool brands often win
- BUT – brands do not make you unbeatable
  - Coca-Cola
  - Levi-Strauss
  - Marlboro

- The strategic question is does the brand create customer value and how?
Value-based marketing

Customer loyalty

<table>
<thead>
<tr>
<th>High</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>Value-based marketing</td>
</tr>
<tr>
<td></td>
<td>Relationship marketing</td>
</tr>
<tr>
<td>Low</td>
<td>Brand marketing</td>
</tr>
<tr>
<td></td>
<td>Transactional marketing and selling</td>
</tr>
</tbody>
</table>

Customer sophistication
Relationship marketing

- What did relationship marketing do for us?
- Customer relationship management (CRM) systems
- BUT – what matters is the type of relationship customers want
## How B2B purchasers look at supplier relationships

### Impact of supplier on cost structure and competitiveness

<table>
<thead>
<tr>
<th>Market risk/lack of choice</th>
<th>High</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>CRITICAL partner to create competitive advantage</td>
<td>SHOW-SToppers manage to reduce risk</td>
</tr>
<tr>
<td>Low</td>
<td>LEVERAGE manage for financial impact</td>
<td>RECURRING consolidate, simplify, manage by exception</td>
</tr>
</tbody>
</table>
Value-based marketing

Customer loyalty

<table>
<thead>
<tr>
<th>High</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value-based marketing</td>
<td>Relationship marketing</td>
</tr>
<tr>
<td>Brand marketing</td>
<td>Transactional marketing and selling</td>
</tr>
</tbody>
</table>

Customer sophistication

High

Low
Value-driven strategy

- Value has become the central focus of strategy (because there is no choice)
- The key issue is now value innovation (in the customer’s terms)
- But value does not have a single meaning
  - e.g., operational excellence vs. customer intimacy vs. product leadership (Treacy and Wiersema, 1995)
- The challenge is thinking strategically
Strategic thinking and thinking strategically
What is strategy anyway?

- **Strategy is about**
  - Revolution, reinvention and renewal

- **Breaking free from**
  - management tools
  - industry dogma and “rules”
  - the present
  - tactics and “sameness”
  - hostility to change
Strategic thinking

Marketing as strategy

- Strategic dilemmas
- The growth mandate
- Reinvention and renewal
- The limitations of imitation
- Radical innovation
- Timing and speed
- Crisis and failure
- Social legitimacy
Thinking strategically

- Strategizing
- Barriers to strategic thinking and thinking strategically
  - doing new stuff in old organizations
  - the halo effect
  - evidence-based management
- Weirdos
- The opposable mind
Getting to the strategic pathway

Thinking strategically

Strategic thinking → Thinking strategically → Strategic pathway
Market sensing and learning strategy: Competitive strength through knowing more
The strategic pathway

1. Strategic thinking and thinking strategically
2. Market sensing and learning strategy
3. Strategic market choices and targets
4. Customer value strategy and positioning
5. Strategic relationships and networks
6. Strategic transformation and strategy implementation
Understanding customers and markets

- Companies have little understanding of why their customers behave the way they do
- Executives look at averages and ignore market granularity
- Agile, fast-moving businesses show high knowledge-intensity
- The goal is to raise a company’s “Market IQ”
- Crunch question = what do you know that every rival does not also know?
From market research to market sensing

What is the difference between market sensing and marketing research?

- Marketing research involves techniques of data collection and processing
- Market sensing is a process of management understanding
Marketing research versus market sensing

Sources of marketing knowledge

- Internal records
- CRM data
- Databases
- Surveys
- Observation
- Market tests
- Ethnography
- Internet
- Futurology

Processes of management understanding

- Interpretation
- Market sensing capabilities
- Market understanding

Cross-over tools

Marketing intelligence

Management information systems
Lessons in learning

- Storytelling
- Watching customers
- Meeting customers
- Customer days
- Building customer scenarios
- Listening not evaluating
- Studying complainers
Strategic market choices and targets: Where to compete and where not to
The strategic pathway

1. Strategic thinking and thinking strategically
2. Market sensing and learning strategy
3. Strategic market choices and targets
4. Customer value strategy and positioning
5. Strategic relationships and networks
6. Strategic transformation and strategy implementation

Watch. Understand. Apply.
Strategic market choices and targets

- Market definition and the competitive box
- Market segmentation and targeting
- Market positioning
- Market choices

Strategic market choices and targets
Market definition and the competitive box

- Markets are not fixed or static
- The way they are defined should not be either
- The danger is being trapped inside the competitive box while the important changes occur outside the box
The trap of the competitive box

The competitive box

The usual suspects
Known competitors, operating in traditional ways with the existing, known customer base and competing for market share through incremental innovation

New types of competitor
New business models
Conventional value propositions
Existing customer base
New customer base
New customers
Market definition and the competitive box

- Mapping market structure and change
  - insights into drivers of change
  - fundamental to looking at market segmentation and targeting
Mapping market structure and trends for central heating units

Production = 100,000 units

Direct sales = 1,000 units

Direct sales = 10,000 units

Production Of Central Heating Units

84,000 units

Independent Distributors

42,000 units

Construction Sub-Contractors

75,000 units

Commercial Construction Companies (85,000 units)

42,000 units

Small Hardware Retailers

40,000 units

2,000 units

7,000 units

Large Hardware Retailers

5,000 units

Domestic Customers (15,000 units)

5,000 units
Market segmentation and targeting

Market segmentation

- dividing market into groups of buyers who make coherent targets, e.g., by demographics for consumers to industry type for companies
- aims to develop consistent marketing programmes for segments with potentially different approaches for each
Strategic and managerial segmentation

Corporate mission
Values
Strategic intent
Market position

Resource allocation
Marketing plans
Operational management (sales, advertising)
An extended model of market segmentation

**Explicitness and focus**

<table>
<thead>
<tr>
<th>Strategic segmentation</th>
<th>Managerial segmentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Customer benefits</td>
<td>• Conventional segmentation bases</td>
</tr>
<tr>
<td>• Qualitative approach</td>
<td>• Quantitative approach</td>
</tr>
<tr>
<td>• Links to mission and</td>
<td>• Conventional tests and criteria of choice</td>
</tr>
<tr>
<td>vision</td>
<td>• Sales and distribution organization</td>
</tr>
<tr>
<td></td>
<td>• Advertising and promotion</td>
</tr>
<tr>
<td></td>
<td>• Media buying</td>
</tr>
<tr>
<td></td>
<td>• Pricing tactics</td>
</tr>
</tbody>
</table>

**Strategic decision making level**

- Strategic
- Operational

**Explicit/external**

- Organizational structure
- Information processing
- Corporate culture and history

**Implicit/internal**

- Conventional tests and criteria of choice
- Sales and distribution organization
- Advertising and promotion
- Media buying
- Pricing tactics
Market segmentation and targeting

- Market segment attractiveness and internal compatibility
  - Consider not just how attractive a segment is as a target, but also how well it fits with company capabilities
  - A significant implementation question
Market positioning

- How customers compare you to the competition and what they decide
- The logic of blue oceans and red oceans
  - finding spaces where there is no competition
Market choices

- Usually there are choices – which markets/segments to target?
  - how do we set priorities?

- Portfolio approaches compare
  - market/segment attractiveness (how well the opportunity fits our goals and capabilities)
  - market position (how well we believe we can do in this market/segment)

- A basis for making investment choices
### Market attractiveness and position

<table>
<thead>
<tr>
<th>Market attractiveness</th>
<th>Strong</th>
<th>Weak</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core business</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peripheral business</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Illusion business</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dead-end business</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **High**: Core business, Peripheral business
- **Low**: Illusion business, Dead-end business
Customer value strategy and positioning: What have you got to offer, and how does it make you different to the rest?
The strategic pathway

Strategic thinking and thinking strategically

Market sensing and learning strategy

Strategic market choices and targets

Customer value strategy and positioning

Strategic relationships and networks

Strategic transformation and strategy implementation

Watch. Understand. Apply.
Customer value strategy and positioning

- Customer value
- Market mission and values
  - Corporate social responsibility and ethical standards
- Competitive differentiation and positioning
- Marketing assets
- Value propositions
Customer value

- Customer perception is reality
  - different customers buy different kinds of value
  - things change - value migrates
  - individualization of value

- Selling value
  - salespeople as value merchants
Market mission and values

Corporate values and customer value

- the Kermitization of business
- corporate social responsibility (CSR)
- CSR destroys customer value
- CSR parity strategies
- CSR as a competitive tool
- CSR creates customer value
Competitive differentiation and positioning

- Competitive differentiation
- Porter’s generic strategies
Porter’s generic strategies

Sources of competitive advantage

<table>
<thead>
<tr>
<th>Competitive scope</th>
<th>Low Cost</th>
<th>Differentiation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broad</td>
<td><strong>Cost/price leadership strategy</strong></td>
<td><strong>Differentiation strategy</strong></td>
</tr>
<tr>
<td>Narrow</td>
<td></td>
<td>Focus strategy</td>
</tr>
</tbody>
</table>
Marketing assets

- What are marketing assets?
  - differentiating capabilities
  - customer relationships
  - channel power
  - market information
  - corporate reputation
  - brands
Value propositions

- Do we have a value proposition?
- What type of value proposition do we have?
  - all benefits
  - favourable points of difference
  - resonating focus
## Types of value proposition

<table>
<thead>
<tr>
<th></th>
<th>All benefits value proposition</th>
<th>Favourable points of difference value proposition</th>
<th>Resonating focus value proposition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Approach:</strong></td>
<td>Lists all the benefits customers receive from the market offering</td>
<td>Identifies all favourable points of difference in the market offering, compared to alternatives</td>
<td>Focuses on the one or two points of difference whose improvement will deliver the greatest value to the customer</td>
</tr>
<tr>
<td><strong>Responds to the customer's question:</strong></td>
<td>Why should we buy your offering?</td>
<td>Why should we buy your offering instead of your competitors'?</td>
<td>What is the most important thing for us to know about your offering?</td>
</tr>
<tr>
<td><strong>Risk/cost:</strong></td>
<td>We may assert benefits which do not really create customer value</td>
<td>We assume favourable differences create value for the customer</td>
<td>We need deeper knowledge of what drives value for the customer</td>
</tr>
</tbody>
</table>
CSR and Customer Value Propositions

Types of Value Proposition:

- **All Benefits Value Proposition**
  - Lists all the benefits the customer will receive and why they should buy this offering
  - Risks asserting benefits which do not really create customer value

- **Favourable Points of Difference Value Proposition**
  - Identifies the favourable points of difference compared to the alternatives for the customer
  - Risks assuming that favourable differences create value for the customer

- **Resonating Focus Value Proposition**
  - Focuses on the one or two points of difference whose improvement will deliver the greatest value to the customer
  - Requires deeper knowledge of what drives value for the customer

Corporate Social Responsibility Questions:

- What customer benefits are linked to our CSR initiatives?
- In what ways does our CSR strategy make us more attractive to the customer than our competitors?
- How do our CSR initiatives align with customer priorities and drive customer value?
Strategic relationships and networks: Building the infrastructure to deliver the strategy
The strategic pathway

- Strategic thinking and thinking strategically
  - Market sensing and learning strategy
  - Strategic market choices and targets
  - Customer value strategy and positioning
  - Strategic relationships and networks
- Strategic transformation and strategy implementation
Customer relationships

- Do we know what we want the customer relationship to be?
- Do we have that relationship or can we get it?
- Can we deliver that relationship?
- Do we understand the link between the strength of the customer relationship and the attractiveness of that customer’s business?
Competitor and contingent relationships

- Really understanding the competition
  - conventional analysis develops a competitor response profile
  - the psychology of competition may be just as significant – e.g., how ugly are the competitors around here?
Competitor and contingent relationships

- Where is the competition coming from in this market?
  - can we predict the strategic moves of our competitors and maintain our competitive advantage?
  - do we recognise new potential competitors and new technologies?
  - does our value proposition give us a specific positioning that plays to our strengths and avoids head-on competition?
Competitor and contingent relationships

- Critical contingents:
  - shapers of opinion
  - regulators
  - recommenders
  - gatekeepers
  - suppliers
  - supply chain partners
Collaborator relationships

- From outsourcing to alliances and networks
  - outsourcing
  - partnership
  - alliance
  - vertical integration
Collaborator relationships

- Advantages in collaboration:
  - cost efficiency
  - customer service
  - marketing advantage
  - strategic advantage
  - profit stability and growth
Collaborator relationships

- Collaborations that crash
  - synergy or “ygrenys”

- Managing partnerships and collaborations
  - corporate compatibility
  - management style and techniques
  - mutuality
  - symmetry
Co-worker relationships

- Can and will employees/managers in the company/alliance deliver the promise of the value proposition to the customer?
  - do not assume everyone will think our strategy is great and buy-in
  - be realistic about capabilities

- Link to internal marketing strategy
The network of key relationships

- Relationships with customers, competitors, contingents, collaborators and co-workers are connected.
- Challenge is to test market choices and value propositions against the network’s capabilities.
- The danger is developing and pursuing attractive strategies that rely on relationship network capabilities which do not exist.
Strategic gaps:
The difference between what we want and what we have got
Strategic gaps

- Auditing the strategic pathway
- Market(ing) intentions versus market(ing) realities
  - strategic gap analysis
Auditing the strategic pathway

“It’s a dirty little secret: Most executives cannot articulate the objective, scope and advantage of their business in a simple statement. If they can’t, neither can anyone else.”

Collis and Rukstad, 2008
Auditing the strategic pathway

Evaluating:
- Strategic thinking
- Market sensing and learning strategy
- Strategic market choices and targets
- Customer value strategy and positioning
- Strategic relationships and networks
- The strategy
Strategic gap analysis

Strategic intent → Comparison → Strategic reality

Strategic gaps
Market(ing) intentions versus market(ing) realities

- Systematically identifying the differences (gaps) between what we want and what we have got (or expect to get)
- Explaining those gaps and taking remedial action
Organization and processes for change: Building the infrastructure to make it happen
Organization and processes for change

- Marketing’s organizational status
- Total integrated marketing
- New types of organization
- Process-based marketing
Marketing’s organizational status

- No-one loves us any more
- No-one listens to us any more
- But what about the marketing department?
  - the text-book integrated marketing marketing may be difficult to find in practice
Total integrated marketing

- The overwhelming priority of integration
- Inter-functional partnership
- Routes to totally integrated marketing
  - pan-company marketing for real
  - leadership and vision
  - communicating out of the silo
Total integrated marketing

Processes that **define** value

Processes that **create** value

Processes that **deliver** value

- Accounting & finance
- Production & operations
- Supply chain
- Sales

Partner organizations

Alliances

Networks

- Human resource management
- Purchasing & supply
- Research & development
- Customer service
New types of organization

- The new organization
  - traditional structures create barriers
  - organizational design shifts are common
  - innovation is key force
  - the knowledge-based worker
  - managing culture
  - collaborative working
  - informal networks
  - organizational diversity and external relationships
New types of organization

- Organizational agility and flexibility
  - traditional organizations are too slow and cumbersome
  - new emphasis on speed and responsiveness

- Structures are moving towards horizontal business processes

- Hybrid organizational forms are replacing traditional vertical organizations
**Process-based organization for marketing**

- **Process leadership**
  - Processes that **define value**
    - e.g. knowledge management, CRM
  - Processes that **create value**
    - e.g. new product development, innovation
  - Processes that **deliver value**
    - e.g. logistics, customer service, value chain relationships

- **Coordination mechanisms** to link process and resource leadership
  - Specialist **resource groups** support process managers e.g. functional departments, business units, external collaborators

- **Resource group leadership**
Implementation processes and internal marketing: Making it happen
Implementation process

- Why do we need to make an issue out of strategy implementation?
- Implementation versus strategy
- So, why doesn’t it work?
- Building implementation strategies
- Strategic internal marketing
Why do we need to make an issue out of strategy implementation?

- Many company change initiatives fail
- Implementation capabilities
- The need for internal marketing
  - getting employees on our side
  - getting managers on our side
  - getting collaborators on our side
  - changing culture
Implementation versus strategy

- Traditional approaches: organization, resources action lists, control systems
- Creates a dichotomy between strategy formulation and implementation
- Need better ways of integrating strategy and implementation
Implementation denial

- Failure to recognize the implementation problem
- Need to recognize problems and prepare for change
So, why doesn’t it work?

- Testing out the strategy versus blaming the salesperson
- Lip-service to strategy caused by
  - management by assumption
  - structural contradictions
  - empty promises marketing
  - bunny marketing
- Counter-implementation emerges
Testing market strategies

Test the strategy

- Is this really a coherent and complete strategy?
  - No: No implementation
  - Yes: Results

  - Is this strategy capable of being implemented by this company at this time?
    - No: No implementation
    - Yes: Results

  - Have we communicated the strategy - adapted it, won support for it?
    - No: No implementation
    - Yes: Implementation (maybe)

Results

- No implementation

Reason

- This strategy does not tell us what to do
- Lip-service - we may agree with the strategy but we cannot put it into effect
- We do not accept this strategy - let’s see what counter-implementation can do!
Screening strategies for implementation problems

1. Screen strategies for implementation problems early

2. Isolate and evaluate implementation problems in detail

3. Identify and evaluate key players

4. Develop credible, costed implementation strategies - or reject the strategy
Internal and external marketing

Strategic Plan

**Internal marketing programme**
- Product
- Price
- Communications
- Distribution

**External marketing programme**
- Product
- Price
- Communications
- Distribution

Targeted at key groups in the company, alliance partner companies, and other influencers.

Targeted at key customers, segments and niches, and other external influencers.
# Strategic internal marketing

<table>
<thead>
<tr>
<th>Programme</th>
<th>Contents</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Product</strong></td>
<td>The strategy and the plan, including the values, attitudes and behaviours needed to make them work</td>
<td><em>For example, the written plan, the new company initiative</em></td>
</tr>
<tr>
<td><strong>Price</strong></td>
<td>What we are asking internal customers to “pay” – other projects abandoned, personal and psychological adjustment to change</td>
<td><em>For example, stepping out of comfort zones for new types of operations</em></td>
</tr>
<tr>
<td><strong>Communications</strong></td>
<td>Media and messages to inform and persuade</td>
<td><em>For example, reports, plans, presentations, videos, roadshows</em></td>
</tr>
<tr>
<td><strong>Distribution</strong></td>
<td>Physical and social venues for delivering the product and communications</td>
<td><em>For example, meetings, work-groups, training sessions and workshops, informal meetings, social occasions</em></td>
</tr>
</tbody>
</table>
A route-map for market-led strategic change

Part I
Customer value imperatives

The Customer is always right-handed
New marketing meets old marketing
Value-based marketing strategy

Part II
Developing a value-based marketing strategy

The strategic pathway

Market sensing and learning strategy
Strategic market choices and targets
Customer value strategy and positioning
Strategic relationships and networks

Part III
Processes for managing strategic transformation

Change strategy

Strategic gaps
Organization and processes for change
Implementation process and internal marketing

Nigel F Piercy

(Butterworth-Heinemann/Elsevier, 2009)