



The Need For A Strategic Marketing Platform: A White Paper

When it comes to a company's basic marketing approach, strategic choice can be boiled down to two questions: where to compete and how to compete. Surprisingly, a large number of firms of all sizes and types cannot answer those two questions in a compelling nor impressive manner. The result: they probably do not have a well-defined marketing strategy and are therefore uncertain how they will achieve their growth objectives.

In order to answer these two questions, an organization must first have a clear view of its fundamental mission and vision, its messages, its value proposition, its positioning strategy, and most importantly its competitive differentiation. These are the basic elements that comprise a company's Strategic Marketing Platform, which is essential if the organization hopes to have a unified message for the market and a consistent focus for employees. Without these in place, a company will generally be reactive instead of proactive, and it will appear disjointed and rudderless both externally and internally.

Years of experience with companies of all sizes has shown that a lack of vision and purpose can lead to stagnant or declining revenue and reduced profitability. While difficult to quantify, it is widely believed that this strongly correlates with a company's inability to develop a cost-effective and systematic approach to re-establishing growth. A frequent corollary to this is poor staff productivity, low morale, and high turnover.

A few real-world examples should help to illustrate this issue. They will make evident that the lack of a Strategic Marketing Platform can adversely affect almost all aspects of a company's overall performance.

- A salesperson is hired to develop new accounts. He/she is not certain where to focus, nor do they know what they should be saying to capture the attention of a prospect they are cold-calling. This "elevator speech" summarizes the company's value proposition and competitive differentiation in a concise and compelling manner. It is a direct derivative of the company's positioning strategy, which is one of the pillars of the Strategic Marketing Platform. If the company does not have this in place, the salesperson will struggle and their activity levels will be unimpressive. The company CEO becomes disappointed, and the salesperson becomes increasingly distressed. Especially with smaller companies, this is a frequently heard complaint and a source of much frustration for both parties. Understanding their employer's "story" is critical to a salesperson's success.

- The company CEO is given the opportunity to present to potential investors. Typically, the emphasis of this presentation will be on the virtues of the product – this is the natural comfort zone for most entrepreneurs. Investors, however, care primarily about how their investments will make money. If a CEO cannot articulate how his/her company is different, what unmet need they fulfill, and how they will sell their product effectively, investors will perceive them as a higher risk. Differentiation, as stated earlier, is of paramount importance. Without it, why will someone buy from your company rather than your many competitors? Solving an unmet need is also essential. We’ve all heard of the “field of dreams” – build it and they will come. Investors have been burned by this in the past, and are no longer willing to take that much risk. They want to know the target customer, their profile, their buying patterns, price expectations and sensitivities, and other key strategic marketing considerations – in effect, the issues that are addressed in the Strategic Marketing Platform.
- Almost all growing markets suffer from what’s referred to as “clutter”. This means that there are many competitors, and customers are not clear on how these vendors differ. Customers obviously want to make informed choices, and they need to feel like they have the right information to do this. Clutter makes this process much more difficult, which often causes buying hesitation and reluctance. A company that can state its value and positioning in a compelling way will stand out from the crowd, since most companies in a given industry cannot do this. In turn, this simplifies and enhances the sales process, as discussed in the first example. Prospective customers are more willing to accept a meeting to discuss your product and/or service, since they will not view it as a waste of time. They know what you stand for, so it is more likely that a conversation will ensue if this is something of value to them. You will not be lumped in with all of the other vendors participating in the same market space. As a general rule, your marketing message will always be remembered better if it is somewhat unique.
- New market opportunities present themselves often, but it is never easy to determine which ones will be the most fruitful. Predicting the profitability of a new venture, such as entering a different market segment, is rarely a comfortable process for most CEO’s. This is exacerbated by the fact that no “filter” exists to aid decision-making. Most of the potential initiatives seem appealing, so the CEO is left wondering which one makes the greatest sense to pursue. More times than not, the chosen investment ends up being a disappointment for a variety of reasons. A sound Strategic Marketing Platform dramatically simplifies this overall process by acting as the “filter” to screen out those potential investments which are not consistent with the company’s vision, mission, and focus. We’ve all heard the expression “stick to your knitting”; this simply means that you will be better served if you stay close to your original path and leverage what you do best. A Strategic Marketing Platform that clearly defines these strengths and core competencies will greatly increase the chances of selecting new ventures which will be successful.

A Strategic Marketing Platform guides decisions that impact both market scope and competitive advantage. It helps the CEO answer a wide array of important strategic questions, such as the following, which ultimately relate to the two basic issues of where to compete and how to compete:

- What is the optimal market for our product?
- What message will best resonate with this customer group?
- What are the main hot-buttons for this segment, and are we properly addressing them?
- Do we have the skills and resources to meet the needs identified above?
- What are our competitors saying, and how can we best differentiate ourselves from them?
- Is our target market segment fragmented or concentrated? Where should we be positioned to maximize our market share?
- Are we a market challenger, market follower, or market nicher? What will it take to become the definitive market leader in our chosen space?
- What steps should we be taking to maximize the long-term value of our firm?

Unfortunately, even after obtaining the best answers to these and other questions, a company may still make a decision that does not result in the level or quality of revenue growth that it desires. Often, the results are not interpreted correctly and may lack relevancy. Decisions are often arrived at with biases and heuristics - that is, the decision-makers filter information through bounded rationality (the decision-maker's view of the world). Specific bias types can be "anchoring" (fixating on the first piece of information provided), "recency" (over-emphasis on the most recent input), "illusory correlation" (where the decision-maker believes that there is a correlation between two important variables that does not in fact exist), and "conservatism" (the tendency to avoid risk).

A logical process must be established in order to develop an effective Strategic Marketing Platform, and it must be an "inclusive" one. Specifically, the leader should seek out the involvement of certain employees and outside parties who will add the most value to the creative aspects of this effort. While the leader must make the final decisions on the key messages and strategic elements, he/she will rarely be the only good source of ideas and concepts for them. It is usually advisable to bring in a representative sample of participants functionally (especially Marketing, Sales, and Customer Service). In terms of seniority, experienced individuals are often more helpful, but the input of junior people should not be totally ignored. One method of incorporating their opinions without making the process too inefficient is to poll them on several choices for your strategic concepts. A good first step is to focus on creating your tagline or slogan. This concise phrase should be the embodiment of what you stand for, and is therefore reflective of all the main elements of your Strategic Marketing Platform. While it cannot possibly address all of the subtleties and nuances that are part of your marketing, it can send a clear and powerful message about why you're different and why customers should do business with you. It must be memorable and distinctive to accomplish this goal.

The intellectual process of developing your tagline should lead to identification of the other strategic marketing elements described earlier. Specifically, it will require you to define your mission and vision, your positioning strategy, your value proposition, and your competitive differentiation. This exercise should entail analyzing your market space, competitive activity and tendencies, buying patterns, and other key factors that ultimately affect the choice of strategy. A simple tool for this is SWOT analysis, which can be augmented by developing an I/P Matrix ((Importance/Performance) that enables a company to gauge how well it is meeting the needs of its target customers. By defining these strategic marketing elements clearly, the optimal tagline should emerge.

The Strategic Marketing Platform is an essential management tool and the cornerstone of a company's growth plans. It is critical that all of its elements are cohesive and can be easily conveyed to both your customers and your employees. Spearheaded by the company's CEO, it should become the basis for all marketing and sales efforts. This ensures that these activities are conducted in a unified and efficient manner for optimal financial performance.