

DEFINITION AND CHARACTERISTICS OF MARKETING STRATEGY

Dilyana Yaneva¹

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Abstract

In the current dynamic market relations, every company needs a plan for the formulation, selection and implementation of company goals that includes a wide range of methods and tools for market behavior. Therefore, the development of a reliable marketing strategy is a prerequisite for achieving high efficiency of marketing activities. Marketing strategies support the realization of corporate goals by revealing the long-term directions of the company's development by adaption to the external environment and optimization of the use of company resources. The idea is to identify and establish the competitive position and company advantages by optimal satisfaction of consumer needs.

The main purpose of the report is to clarify the main characteristics of marketing strategy and its role in strategic corporate development.

Keywords: marketing strategy, marketing planning, strategy formulation, implementation and control, types of marketing strategies

JEL Codes: M10, M30, M31

Introduction

Marketing strategy is a decisive factor in determining the ways to achieve marketing goals. As a main stage of the marketing planning process, it aims to build its own marketing concept to determine the strategic market position, directions for development and maintenance of company competitiveness. The implementation of the set concept is unthinkable without the effective marketing of the company's products and services. The development of a set of managerial decisions regarding the allocation of company resources aims to achieve a long-term competitive advantage in the target market (Doyle, 1990, p. 560, cited by Assenova, 2018, p.149). This in turn implies the use of a variety of tools to support the strategic marketing decision-making process.

¹ South-West University "Neofit Rilski", Blagoevgrad, Faculty of Economics, e-mail: d_janeva@swu.bg

Nature and importance

The literature review shows similar opinions about the nature of marketing strategy. According to Sinyaeva (2003), it is a set of planning and management decisions for the organization of marketing activities and goals to achieve the corporate mission (p.26). Marketing strategy sets out the broad principles by which a business unit expects to achieve its marketing goals in the target market. It consists of basic solutions for total marketing costs, marketing mix and distribution (Kotler, 1988). It is often considered in terms of selection and analysis of target market, creation and maintaining of marketing mix that satisfies consumers in this market (Madgerova, 2012, p.173). It is no coincidence that the marketing strategy is defined as a powerful weapon with the help of which modern companies can resist the changing conditions (Pehlivanov, 2006, p.45). However, its main meaning is that it describes how the company can use its resources or strengths to take advantage of the established market opportunities and achieve individual and lasting competitive advantages (Zayler, 1993).

Based on the above, it can be summarized that the marketing strategy is a set of solutions, principles, methods and ways to achieve company goals in a certain period of time.

Although marketing strategies vary from company to company, they contain several key components. According to Aaker (2001), these are the product market of the company, investments, strategic assets, competencies, functional company areas (p.16). Since they are directly related to the achievement of corporate goals, in our opinion they include: defining marketing goals; environmental analysis; planning, organization and management of the marketing mix; providing a competitive advantage; defining the target market and satisfying consumer needs; allocation and use of resources to achieve marketing goals; determining marketing costs.

Formulation of marketing strategy

Developing a marketing strategy is not a unified process. It depends on the experience, the specifics of the activity, the company's capabilities, the views of the management team, etc. However, marketing strategies must be clearly and precisely formulated; feasible within the set deadlines and with the necessary resources; subordinate and inconsistent with the general company goals; measurable and consistent with market conditions.

After the literature review, it was found that there is no consensus on the technology of forming a marketing strategy. A number of authors consider the analysis of the environment as a first stage of the process in order to determine the current situation and forecast market trends (Drummond & Ensor, 2001, Antushevich & Karchevskaya, 2016, p. 81-82). According to Assenova (2018), in order to formulate the strategy, it is necessary to define clearly the goal, to specify the market / market segment, company's competitive advantages, main competitors, ways of strategy implementation and the desired results (p.150). Ferrell and Hartline (2007) include the definition of primary (and secondary) target market, product, pricing, distribution and integrated marketing communication strategy in the process (p.41). In this regard, Blagoev (1998) mentions that each company must develop at least as many marketing strategies as the elements of the marketing mix that will be used to achieve the goals (p.247).

In our opinion, the technology of the process includes three main stages - preliminary, actual and final.

Figure №. 1 Algorithm of marketing strategy development



Source: Developed by the author

Company success largely depends on the exact formulation of corporate goals and the ensuing sub-goals. The marketer is obliged to identify them, organize into a system and determine their relative importance (Mladenova, 2006, p.33). Realizing this need, the "Goal

tree" is used as a main method of goal setting. Hierarchical subordination of goals and levels of management support the strategic decision-making process by giving clarity on responsibilities, obligations, time period and degree of implementation.

Since the first stage is based on the analytical direction of marketing, the role of situational analysis is very important. It assesses the current market situation where the company is located and provides guidelines for development. It begins the marketing management process. The results and conclusions are used to develop goals, strategies and marketing plans (Madgerova et al., 2012, p.151). The preferred method is SWOT analysis. Based on overcoming the company's weaknesses and bringing out its strengths, ways for success and reduction of negative impact of the external environment are sought. The analysis of the company's development opportunities reveals underutilized marketing margins to achieve long-term stable growth and competitiveness.

In search of prospects for access, building positions in the desired market and creating a competitive advantage over the other competitors, the company must carefully choose its strategic business zone (SBZ). The importance of defining marketing goals is also important as they lay the foundation of marketing strategies formulation.

In essence, the second stage is the development of marketing strategy, programs and marketing plan. The aim is to orient the company's behavior towards full satisfaction of the constantly changing consumer needs, tastes and preferences. In the process of market segmentation and choice of target market the correct choice of segmentation variables, approaches and methods for segmentation comes to the fore. At the same time, the process of positioning is invariably associated with creation of lasting positive image of the product or service in the consumer's mind that favors the occupation of the desired strategic position in the market.

In order to reveal the state of the marketing activities and their relevant environment, the marketing goal, strategy, tactics and budgets and the expected results in relation to the precisely defined target markets, a marketing plan is developed (Mladenova, 2006, p.40). At the same time, it is necessary to program the marketing actions by developing a schedule of marketing activities for the implementation of the plan.

The third stage is an assessment, selection of strategy and control of its implementation in the business. The idea is to establish the degree of compliance or deviation from the set goals and to overcome the problems with marketing. For this purpose, however, it is necessary to control the process and take corrective action if necessary. In this regard, Pride and Ferrell (2008) argue that proper implementation requires efficient organization structures and effective evaluation and control (p.53).

Marketing strategies can be formulated by senior managers, marketing department, marketing specialists inside and outside the company, with the joint participation of managers from different departments or several company divisions. This depends mainly on the

competencies, knowledge, management style, company culture and policy, financial security, etc.

Types of marketing strategies

Depending on the specifics of marketing decisions that are made in the company, marketing strategies are divided into four main types: corporate, business (business portfolio strategies), functional and operational strategies.

Corporate strategies are associated with the conquest and consolidation of the market position, company growth, profitability, the distribution of resources between the individual SBE, the strategic potential of the company and the acquisition of competitive advantage. Main types are the marketing strategies for growth and competitive strategies as important place occupied the matrices of I. Ansof, BCG, M. Porter, Ph. Kotler et al.

Determining the company portfolio of individual SBU concerns business strategies. In this case, it is interesting to consider the strategies of BCG and General Electric. Functional marketing strategies concern segmentation, target market selection and positioning. Operational strategies are the most detailed and include marketing strategies for the elements of the marketing mix - product, price, distribution and communication.

CONCLUSIONS

As a key element of strategic corporate planning, marketing strategies support the process of strategic management marketing. Their proper formulation and implementation contributes to the adoption of adequate and timely strategic decisions concerning the company's prosperity and development. Thus, this vital strategic activity is a key moment for achieving the goals of the enterprise through high efficiency of marketing activities.

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