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Marketing strategies

The marketing strategy lays out target markets and the value proposition that will be offered based on an analysis of the best market opportunities. According to Philip Kotler & Kelvin Kotler, marketing management, Pearson 14th edition)

Marketing strategy is a long-term, forward-looking approach and an overall game plan of any organisation or any business with the fundamental goal of achieving a sustainable competitive advantage by understanding the needs and want of customers.

Scholars like Philip Kotler continue to debate the precise meaning of marketing strategy. Consequently, the literature offers many different definitions. On close examination, however, these definitions appear to centre around the notion that strategy refers to a broad statement of what is to be achieved.

Strategic planning involves an analysis of the company's strategic initial situation prior to the formulation, evaluation and selection of market-oriented competitive position that contributes to the company's goals and marketing objectives.

Strategic marketing, as a distinct field of study emerged in the 1971s, and built on strategic management that preceded it. Marketing strategy highlights the role of marketing as a link between the organisation and its customers.

Defined marketing strategies as an over-riding directional concept that sets out the planned path.According to David Aaker and Micheal K.Mills strategic marketing management, 2001

Explained marketing strategies, Essentially a formula for how a business is going to compete, what it’s goals should be and what policies will be needed to carry out the goals.

(Michael Porter, Competitive Strategy: Techniques for Analyzing Industries and Competitors , NY, Free Press, 1980)

The pattern of major objectives, purposes and goals and essential policies and plans for achieving those goals, stated in such a way as to define what business the company is in or is to be in. (S. Jain, Marketing Planning and Strategy, 1993).

An explicit guide to future Behaviour.” (Henry Mintzberg, “ Crafting Strategy,” Harvard Business Review

Strategy is "reserved for actions aimed directly at altering the strengths of the enterprise relative to that of its competitors... Perfect strategies are not called for. What counts is... performance relative to competitors.” (Kenichi Ohmae, The Mind of the Strategist, 1982

Strategy formulation is built on "the match between organisational resources and skills and environmental opportunities and risks it faces and the purposes it wishes to accomplish." (Dan Schendel and Charles W. Hofer, Strategy Formulation: Analytical Concepts, South-Western, 1978

**What are the four fundamentals of marketing strategy?**

The marketing mix is a crucial tool to help understand what the product or service can offer and how to plan for a successful product offering. The marketing mix is most commonly executed through the 4 P's of marketing: Price, Product, Promotion, and Place. Carefully considering the marketing mix will enable a business to understand how it can differentiate its product or service and thus build a marketing strategy to drive sales.

Marketing strategy involves mapping out the company's direction for the forthcoming planning period, whether that be three, five or ten years. It involves undertaking a 360° review of the firm and its operating environment with a view to identifying new business opportunities that the firm could potentially leverage for competitive advantage. Strategic planning may also reveal market threats that the firm may need to consider for long-term sustainability. Strategic planning makes no assumptions about the firm continuing to offer the same products to the same customers into the future. Instead, it is concerned with identifying the business opportunities that are likely to be successful and evaluates the firm's capacity to leverage such opportunities. It seeks to identify the strategic gap; that is the difference between where a firm is currently situated (the strategic reality or inadvertent strategy) and where it should be situated for sustainable, long-term growth (the strategic intent or deliberate strategy).

Strategic planning seeks to address three deceptively simple questions, specifically:

\* Where are we now? (Situation analysis)

\* What business should we be in? (Vision and mission)

\* How should we get there? (Strategies, plans, goals and objectives)

A fourth question may be added to the list, namely 'How do we know when we got there?' Due to increasing need for accountability, many marketing organisations use a variety of marketing metrics to track strategic performance, allowing for corrective action to be taken as required. On the surface, strategic planning seeks to address three simple questions, however, the research and analysis involved in strategic planning is very sophisticated and requires a great deal of skill and judgement.

**Integrated marketing communication**

Integrated Marketing Communications is a simple concept. It ensures that all forms of communications and messages are carefully linked together.

At its most basic level, Integrated Marketing Communications, or IMC, as we’ll call it, means integrating all the promotional tools, so that they work together in harmony.

Promotion is one of the Ps in the marketing mix. Promotions has its own mix of communications tools.

All of these communications tools work better if they work together in harmony rather than in isolation. Their sum is greater than their parts – providing they speak consistently with one voice all the time, every time.

This is enhanced when integration goes beyond just the basic communications tools. There are other levels of integration such as Horizontal, Vertical, Internal, External and Data integration. Here is how they help to strengthen Integrated Communications.

Horizontal Integration occurs across the marketing mix and across business functions – for example, production, finance, distribution and communications should work together and be conscious that their decisions and actions send messages to customers.

While different departments such as sales, direct mail and advertising can help each other through Data Integration. This requires a marketing information system which collects and shares relevant data across different departments.

Vertical Integration means marketing and communications objectives must support the higher level corporate objectives and corporate missions.

Meanwhile Internal Integration requires internal marketing – keeping all staff informed and motivated about any new developments from new advertisements, to new corporate identities, new service standards, new strategic partners and so on.

External Integration, on the other hand, requires external partners such as advertising and PR agencies to work closely together to deliver a single seamless solution – a cohesive message – an integrated message.

**Benefits of Integrated Marketing Communications**

Although Integrated Marketing Communications requires a lot of effort it delivers many benefits. It can create competitive advantage, boost sales and profits, while saving money, time and stress.

IMC wraps communications around customers and helps them move through the various stages of the buying process. The organisation simultaneously consolidates its image, develops a dialogue and nurtures its relationship with customers.

This ‘Relationship Marketing’ cements a bond of loyalty with customers which can protect them from the inevitable onslaught of competition. The ability to keep a customer for life is a powerful competitive advantage.

IMC also increases profits through increased effectiveness. At its most basic level, a unified message has more impact than a disjointed myriad of messages. In a busy world, a consistent, consolidated and crystal clear message has a better chance of cutting through the ‘noise’ of over five hundred commercial messages which bombard customers each and every day.

At another level, initial research suggests that images shared in advertising and direct mail boost both advertising awareness and mail shot responses. So IMC can boost sales by stretching messages across several communications tools to create more avenues for customers to become aware, aroused, and ultimately, to make a purchase

Carefully linked messages also help buyers by giving timely reminders, updated information and special offers which, when presented in a planned sequence, help them move comfortably through the stages of their buying process… and this reduces their ‘misery of choice’ in a complex and busy world.

IMC also makes messages more consistent and therefore more credible. This reduces risk in the mind of the buyer which, in turn, shortens the search process and helps to dictate the outcome of brand comparisons.

Un-integrated communications send disjointed messages which dilute the impact of the message. This may also confuse, frustrate and arouse anxiety in customers. On the other hand, integrated communications present a reassuring sense of order.

Consistent images and relevant, useful, messages help nurture long term relationships with customers. Here, customer databases can identify precisely which customers need what information when… and throughout their whole buying life.

Finally, IMC saves money as it eliminates duplication in areas such as graphics and photography since they can be shared and used in say, advertising, exhibitions and sales literature. Agency fees are reduced by using a single agency for all communications and even if there are several agencies, time is saved when meetings bring all the agencies together – for briefings, creative sessions, tactical or strategic planning. This reduces workload and subsequent stress levels – one of the many benefits of IMC.

2. Explain what you think would be the adverse effect of the coronavirus pandemic in the elements of the marketing mix of your company.

**AVON COSMETICS COMPANY**

The COVID-19 disease (formerly 2019-nCoV), a.k.a. the coronavirus has been dominating the news around the world lately. Our neighbouring countries have already been affected, and the UK is no exception. With thousands diagnosed, what effect does the coronavirus have on your business?

Because this type of coronavirus is so new, we still don't know everything about it. The disease first appeared in December 2019 in Wuhan (China). The World Health Organization (WHO) is busy with experts, governments, and partners trying to find both solutions for vaccinations as well as treatments.

About **AVON COSMETICS COMPANY**

Avon Cosmetics is a company whose activity involves producing and selling cosmetic products. The company operates in direct sales system. Thus, the market in which consumers demand is expressed, in their capacity as individuals, is known as the consumer market.

Avon Cosmetics is a company that operates in direct sales system and it has attributions of a producing and commercial company.

Besides the importance of the supply structure, logistics and organization of storage areas, the company must pay attention to sales, particularly to train the representatives. They are very important for Avon Cosmetics Company because they are the ones through which the company sells its products through the work they perform, they assure the creation of a good image of the company, they present the products to actual and potential consumers, they offer new information about the company and its products and they are recruiting the new representatives.

From the point of view of economic- geographic space, Avon Cosmetics Romania is operating on the entire Romanian territory, but mostly in urban areas. The actual space where demand meets the supply is created and covered by the company representatives and the distance between producer and consumer is minimal in direct sales.

How has the pandemic affected the marketing mix of the company.

**Avon Cosmetics Romania – product policy**

Avon Cosmetics Company adopts the following strategies for product policy: size growth of product range, quality differentiation strategy and assortment renewal strategy.

For a permanent satisfaction of consumers needs, Avon Cosmetics has to continue the horizontal assortment range diversification strategy. Avon Cosmetics is a company which produces and sells a complex and modern range of cosmetic products, even for the most demanding tastes. That’s why the company should adapt constantly to the market requirements regarding the product novelty, make-up colors diversification, packaging methods, product manufacturing technology.

The quality differentiation strategy should be maintained even during the pandemic. It is very important to offer superior products that will satisfy all consumers’ categories, from those who want to use qualitative products at affordable prices to those who would spend anything for purchasing a prestigious product that will satisfy the most demanding wishes.

The assortment renewal strategy is the most complex and dynamic strategy. The renewal assortment leads to the creation of new product lines within the existing range, for offering products that meet new demands of fashion and technology.

-price is important in buying decision;

-easy use;

-less experienced consumers; -buying decision is taken according to volume and prices

-quality package; -values and aspirations; -image;

-price is still important; -more sophisticated consumers

-image;

-aspirations; -sophisticated packaging; -innovation.

**Price policy of Avon Cosmetics Company**

The company Avon Cosmetics Romania approaches three aspects: the prices level, the degree of the prices diversification and the of prices mobility.

Based on each product category, their characteristics and targeted consumer category, the company may adopt a strategy of moderate prices. Thus, prices can vary depending on the criterion that was the basis for its establishment.

For price policy it is beneficial the maintaining of practices prices. From this point of view Avon is situated over the medium price of cosmetics manufactured and commercialized in Romania. This price level is justified by the quality of the products. Prices applied by the company for its products reflect the quality and the position on the market.

But due to the outbreak of the coronavirus there is an increase in the prices of the products, because of the scarcity of products in the countries they are being produced and imported.

Avon International, which comprises Avon's activities in 50 markets throughout Europe, Asia, Africa and the Middle East, saw its Q1 net revenue decrease by 2.4% in BRL. The decrease was caused by a reduction in representatives and a Covid-19 impact, partially offset by an improved price/mix combination across most markets. Representatives increased adoption of digital assets from a low single digit in 2019 to over 37% in recent weeks

**Placement policy of Avon Cosmetics company**

The main criteria underlying the distribution strategies are: the dimensions of the distribution channel, the size of the distribution, the degree of company’s participation, control degree, elasticity degree and the logistics of goods. Avon applies the following strategies: direct distribution, distribution through personal device and high level of control.

An advantage for Avon Company is the reduced time that passes since the order was placed by the representative until the ordered products are delivered to the representative’s residence. But as a result of the extended lockdown products take more time before they are being delivered to the representatives.

**Promotion policy adopted by Avon cosmetics company**

The suggestions regarding promotion policy of Avon Cosmetics are: promotion of the global image – image expansion strategy, conducting ongoing promotional activities, offensive promotional strategy, undifferentiated strategy, organizing promotional activities with the help of specialized institutions.

Image expansion strategy could be adopted by Avon because is not only the case of promoting the image of the company, consumers being already aware of its existence from the promotional activities carried out previously.

Undifferentiated strategy permits Avon to address to entire market, to all potential consumers.

Organizing promotional activities by appealing at specialized institutions is advantageous for the company because of the professionalism and high solutions which are guaranteed by

these institutions.

A promotional mean used by Avon is the catalogue. On the cover of these

catalogues is used an association of the company’s image with various personalities.

Therefore, the coronavirus pandemic do not have much effect in the AVON cosmetics company. Instead there is a rapid growth in sales of sanitizers and soap which is more

necessary during the coronavirus pandemic.