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Assignment**:**

Marketing strategy

To understand the term “Marketing Strategy, one must first understand what marketing is all about;

What is marketing?

Marketing according to “The America Marketing Association” is defined as an organisational function and set of processes for creating, communicating and developing value to consumers and for managing consumer relationship in ways that benefits the organisation and its shareholders.

“Philip Kotler” The father of modern marketing also defined marketing as the science and art of exploring, creating and delivering value to satisfy the needs of a target market at a profit. He further explained that marketing identifies unfulfilled needs and desires. It defines, measures and quantifies the size of the identified market and the profit potential. It pinpoints which segments the company is capable of serving best and it designs and promotes the appropriate product and services.

In other for an organisation to effectively satisfy those need and want of consumer, certain objectives are meant to be achieved, which brings us to the term marketing strategy.

Some of the definition of marketing strategy by several authors are as follows;

McDonald (1999) defined marketing strategy as a term that reflects the company’s best opinion as to how it can most profitably apply its skills and resources to the marketplace.

Bennet (1995) defined marketing strategy as the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that can satisfy both individual and organisational

Piercy and Nigel (2000) defined marketing strategy as choosing market targets and a strong market position base on differentiating capabilities to create a robust and sustainable value proposition to customers and networks of critical relationships.

Hamper and Baugh (1990) defined marketing strategy as a consistent, appropriate and feasible set of principles through which a particular company hopes to achieve its long-run customer and profit objectives in a particular competitive environment.

Drucker (1973) defined marketing strategy as a process consisting of analysing environmental, market competitive and business factors affecting the corporation and its business unit, identifying market opportunities and threats and forecasting future trends in an organisation.

Hart and Stapleton (1977) defined marketing strategy as a statement in every general terms of how a marketing objectives is to be achieved, eg Acquiring a competitive company, price reduction, product improvement or by intensive advertising.

The common threads that cuts across all the different definition of the term is that, it provides a blueprint for attaining these marketing objectives and it is also a building block of a market plan.

Factors to consider before choosing a marketing strategy

Whatever strategy one ultimately chooses, certain factors must be considered before making such a decision and they include the following;

1. The organisation’s position in the market
2. The organisation’s mission, policies, objectives and resources
3. Your competitors marketing strategy
4. The projected life circle stage of your product, company or organisation
5. The general economic conditions or situation of your business

The organisation position in the market

Factors like market share or sales volume should be analysed, which means that every aspect which can contribute to determine the level of strength of the company’s respective customers and competitors.

The organisation’s mission, policies, objectives and resources

This shows the importance of the values in the foundation of the company, reasons why it will be centred on the major aspect of product and services.

Your competitors marketing strategy

Company owners should not only know their company, but also the behaviour of the competitors potential and the capacity to add and remove it in products, segments, markets, distribution channels, etc. From the point of view one of the clearest indicators that a company thinks and it acts with the mentality of strategic marketing it is level of depth that makes of its competitors. “Victorious warriors win the battle first and then they fight” (Jason, Macdonald, kent, and Neupret, 2005) stated that to get knowledge about the purchasing behaviours, motivations and perceptions of those who are directly responsible of your products is a major key needed to make strategic decisions in marketing.

The projected life circle stage of your products, company or organisation

The implication of the product life is key when defining the marketing strategy since they try to foresee (with a certain level of inaccuracy) which will be the evolution of the sales in the future. Offering a “simile” with the biological cycle of life. This aspect is also related with the visualisation of future behaviours. One of the most interesting applications from this point of view is the one of determining the best moments in which the company should enter into the market keeping in mind the position of the competitors, the level of uncertainty in the environment, etc.

The general economic conditions or situation of your business

Company owners should carry out evaluations by asking themselves certain question such as;

Should we look for turbulent market or should we escape from them? How will they affect the company? Is the company prepared at cultural level to enter into cost strategies?

Can the company deal with certain levels of uncertainty? When all these questions are answered, it will help the organisation to establish appropriate parameters to formulate marketing strategies.

Elements of marketing strategy

Some of the elements of marketing strategy are as follows;

1. Situation Analysis
2. Objectives

Situation Analysis

Analysis is the first step in creating a strategy plan. Data are generated about the strength, weakness, opportunities and threats (SWOT) it shows the ability, feasibility, vulnerability, flexibility and profitability of the marketing process coherently.

Objectives

Objectives gives the organisation a mental map of what it should focus on at a particular time. Strategic marketing includes a high interest to know what the future would be. Substitutes like goals, paths, intentions are used in place of objectives. It is impossible to control all the elements and variables that influence the marketing plan, however certain objectives helps the organisation to streamline their expectations. Objectives must be “SMART “

S – Specific

M – Measurable

A – Achievable

R – Realistic

T – Time bound

Types of marketing strategy

The following are the different types of marketing strategy;

1. Advertising
2. Cause marketing
3. Word of mouth
4. Transactional marketing
5. Relationship marketing

Advertising

It is a paid for non personal persuasive communication to promote goods, services, ideas, persons etc through the media directed towards an identified target audience. It involves the use of all channels of media eg radio, television, internet etc for promotion

Cause marketing

It links the services and product of a company to a social cause or issue. It is also known as cause related marketing

Word of mouth

It relies on what impression your product or services leave on people. It is traditionally the most important type of marketing strategy. “Being heard “ is important in the business world, when you give quality products or services to customers, they will likely promote your brand.

Transactional marketing

In transactional marketing the retailer encourages customers to buy with shopping coupons discount and huge events. It enhances the chances of sales and motivates the target audience to buy the promoted product.

Relationship marketing

This type of marketing is basically focused on customer building. Enhancing existing relationships with customers and improving customers loyalty.

Importance of marketing strategy to an organisation

Some of the importance of marketing strategy are as follows;

1. Helps in evaluating the current environment
2. Helps determine optimal prices
3. Establishes effective distribution

Helps in evaluating the current environment

Marketing strategy helps in assessing the positioning and performance of an organisation. It is important to know what resources are at the disposal of an organisation at any given time. The data that is collected helps in understanding how well an organisation is performing within the overall competitive environment.

Helps Determine optimal prices

Part of marketing strategy is setting the right price for your product or services based on what you have learned in your market research. If you learnt that a customer want a high-end product in your category, your pricing strategy might require you to sell at prices that create a high-end perceived value. If your target consumer is bargain conscious and is willing to accept fewer bells and whistles on your product in exchange for paying less, your pricing strategy will require you to sell at or below the competitor’s price.

Establishes effective distribution

Once an organisation knows what product feature they will offer, who their target audience is and what their price point will be, you can select where you want to sell to maximize your marketing effectiveness.

Integrated marketing communication

Integrated marketing communication (IMC) is an approach used by organisations to brand and coordinate their communication efforts.

The American Association of Advertising Agencies defined IMC as a comprehensive plan that evaluates the strategic roles of a variety of communication discipline to provide clarity, consistency and maximum communication impact. The primary idea behind an IMC strategy is to create a seamless experience for consumers across different aspects of the marketing mix. The brands core image and messaging are reinforced as each marketing communication channel work together as parts of an unified whole rather than in isolation.

Tools for integrated marketing communication

There are various tools for integrated marketing communication and they include;

1. Sales promotion
2. Advertising
3. Direct marketing
4. Public relations
5. Personal selling

Sales promotion

It is a variety of short term incentives to encourage trial or purchase of a product or service. It may include consumer promotion such as a distribution of free samples coupons, offers on purchase of higher quantity, discount and premium or trade promotions.

Advertising

It is a paid for non personal persuasive communication to promote goods, services, ideas, persons etc through the media directed towards an identified target audience. It involves the use of all channels of media eg radio, television, internet etc for promotion. The primary advantage of advertising is that it reaches geographically dispersed costumers.

Direct marketing

Direct marketing involves the use of mail, telephone, fax, emails or the internet to communicate directly with or solicit response or dialogue from specific customers or prospects. Consumers have started relying on credit cards and online purchasing more than ever which makes it essential for marketers to approach the consumers directly thus helping them in the purchase process.

Public relations

This refers to a deliberate, planned and sustained effort by an organisation to maintain mutual beneficial relationships between an organisation and its publics.

Personal selling

It involves Face-To-Face interactions with one or more customers for the purpose of making presentations, answering questions and taking orders.

Benefit of integrated marketing communication

The benefits of integrated marketing communication are as follows;

Integrated marketing communication around customers helps them to move through the various stages of the buying process. The organisation simultaneously consolidates its image, develops a dialogue and nurtures its relationship with consumers. 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 advantage.

Integrated marketing communication also increases profits through increased effectiveness. At its most basic level, an unified message has more impact than a disjointed myriad of messages. In a busy world, a consistent, consolidated and crystal message has a better chance of cutting through the noise of five hundred commercial messages which bombard customers everyday.

Integrated marketing communication also helps buyers by giving them timely reminders, updated information and special offers which, when presented in a planned sequence, helps buyers move comfortably through the stages of their buying process and this reduces their misery of choice in a complex market.

Levels of integrated marketing communication

There levels of integrated marketing communication and they include;

Horizontal integration

It strives to link both marketing communication and business communication initiatives. Eg production, finance, distribution and communication.

Vertical integration

It works to ensure that integrated marketing communication reflects and supports corporate interests.

Data integration

It refers to the mutual sharing of marketing and communication information between company departments.

Internal integration

It aspires to keep all employees up to date regarding current trends and impending changes in marketing and communication techniques.

External integration

It attempts to make external partners such as advertising and PR agencies to work closely together to deliver a single seamless solution and a cohesive message an integrated message.

Impact of COVID- 19 on the aviation industry, a case study of Airk Air

Arik air is Nigeria’s biggest indigenous commercial airline offering domestic flights to major cities in Nigeria and expanding network of regional and international flights. Presently Arik Air files to 15 domestic destinations in Nigeria and 3 international destination.

The COVID-19 pandemic has had a significant impact on the aviation industry. Most countries/ regions of the world have being forced to compulsory lockdown and has announced closure of their borders to contain the spread of the virus. This has in turn restricted transportation.

The airport like every other organisation have been instructed to stop any major activities. There is absolutely no money coming in because a lot revenues are non-aeronautical from free duty, car parking and concessions and that’s all gone. Airport are in trouble and there’s a big knock on effect as well. Aircraft leasing companies, group handlers, catering services, etc the value chain is enormous and they all being impacted. Many local Airlines already had enough to worry about like buying and maintenance of aircraft etc. Before the advent of the COVID-19 pandemic and are now in a lot of trouble as well as the aviation industry is going to be severely damaged.

Some of the measures being taken by many airlines in response to the effect of COVID-19 include the following;

1. international and local flight were cancelled
2. rise in winding revenue
3. salaries would be reduced
4. Travel fares will drop
5. Promotional activities were put on hold
6. Initiated staff leave
7. Applied for government
8. Suspension of non-essential and renegotiated supplier contracts
9. Delayed aircraft orders
10. Drawn down additional finance

Arik Air has ordered 90% of its staff to go on leave until further notice. This is as a result of the lockdown that has paralysed commercial activities in many states in Nigeria, and put aviation transportation to a halt. As part of ways to compensate travellers whose trips were cancelled, Arik air has promised customers who have confirmed tickets that their tickets will still be valid without any extra change.

The aviation company has also implemented an 80% pay cut for its personnel while the rest of its workforce has been sent on leave without pay. It has also suffered 98% decline in revenue streams.