

Resources

This determines whether the mission is possible. For example, if Ryanair was to delude itself that it could become ‘the world’s largest airline’, the mission would be inappropriate.

Distinctive competencies

Even in this tough market many print firms do have distinctive competencies but fail to see them! Gaining distinctive core competencies is a key strategic issue.

A firm should develop a mission to share with managers, employees, customers and other stakeholders. Whilst creating a mission statement can be difficult, it is a worthwhile beginning in the development of a marketing plan. It should be aspirational, realistic, visionary, strategic and recognise the geographical area of business. A mission statement should provide a vision and direction for the company for the next five years or so.

External and internal analysis (SWOT)

A worthwhile process, and often an illuminating one for any firm, is a business environment analysis or SWOT analysis. These are best undertaken in groups with a facilitator and conducted in an open and frank way. Although only necessary in-depth perhaps every two to three years, they should be constantly updated and dynamic in between. Tools are available to facilitate this process.

Goal formulation

There are two main types of goals. They are either:

- Quantitative (Profit – Market Share – Returns);
- Qualitative (Culture – Risk – Innovation).

Very few businesses pursue one objective. Most pursue a mix. Goals should be realistic, consistent and recognise ‘trade-offs’ such as:

- High profit margin versus high market share;
- Deep penetration of existing markets versus developing new markets;
- Profit goals versus non-profit goals;
- High growth versus low risk.

Strategy

This is an overused word and is often misunderstood. Business strategy is centred around a two to three year approach and is the absolute key to a positive future.

All main issues should be addressed, such as:

- Desired competitive position, for

		THE DIRECTIONAL POLICY MATRIX		
		Protect Position	Invest to Build	Build Selectively
MARKET ATTRACTIVENESS	HIGH	<ul style="list-style-type: none"> • invest to grow at maximum digestible rate • concentrate effort on maintaining strength 	<ul style="list-style-type: none"> • challenge for leadership • build selectively on strengths • reinforce vulnerable areas 	<ul style="list-style-type: none"> • specialise around limited strengths • seek ways to overcome weaknesses • withdraw in indications of sustainable growth
	MEDIUM	<ul style="list-style-type: none"> • invest heavily in most attractive segments • build up ability to counter competition • emphasise profitability by raising productivity 	<ul style="list-style-type: none"> • protect existing program • concentrate existing program in segments where profitability is good and risk is relatively low 	<ul style="list-style-type: none"> • Limited Expansion or Harvest • look for ways to expand without high risk, otherwise, minimise investment and rationalise operations
	LOW	<ul style="list-style-type: none"> • Protect and Refocus • manage for current earnings • concentrate on attractive segments • defend strengths 	<ul style="list-style-type: none"> • Manage for Earnings • protect position in most profitable segments • upgrade product line • minimise investment 	<ul style="list-style-type: none"> • Divest • sell at time that will maximise cash value • cut fixed costs and avoid investment meanwhile
		STRONG	MEDIUM	WEAK
		DEGREE OF COMPETITION		

Figure 2. The Directional Policy Matrix

example are you going for an aggressive, low unit cost of production approach?

- Distinctive core competencies;
- Brand values;
- Niche market development;
- ‘People’ development;
- Technology including information technology.

There are tools available to facilitate consideration of these issues. For example, the Directional Policy Matrix is a useful way of gauging your options (see Figure 2). Another useful tool is the Ansoff Matrix. This tool enables managers to review methods of growth and measure risk, diversification being the most risky strategy with market penetration the least risky.

Product/Market Expansion			
		Product or service: Increasing technical innovation	
		Present	New
Market: Increasing	Present	Market Penetration	Product Development
	New	Market Development	Diversification
Customers		Present	New

Figure 3. The Ansoff Matrix

Once the strategy has been agreed a fairly detailed action plan should be developed via the following three main areas; this is the essence of marketing strategy:

I. Segmentation

Markets consist of buyers, and buyers differ in one or more aspects. They may

differ in their wants, geographical locations, buying attitudes and practices, beliefs and behaviour. Any of these variables can be used to segment a market.

This is the opposite to mass marketing where ‘one size fits all’. Market segments are groups within a market (e.g. Volvo in the safety segment for cars). Niches are more narrowly defined groups that may seek a special combination of benefits. Niche marketers understand their niches so well that their customers will willingly pay a price premium. Yes, even in the printing industry.

II. Targeting

This is the recognition, analysis and targeting of segments or niches.

III. Positioning

There are many ways to ‘position’ yourself in a chosen market. A common method is the use of a positioning ‘map’.

In the example shown below, price and quality are the key determinants (see Figure 4).

However, other axes can be used which provide a useful way of ‘out-flanking’ your rivals over time.

		PRICE		
		HIGH	MEDIUM	LOW
PRODUCT QUALITY	HIGH	1. Premium Strategy	2. High Value Strategy	3. Super Value Strategy
	MEDIUM	4. Overcharging Strategy	5. Medium Value Strategy	6. Good Value Strategy
	LOW	7. Rip-off Strategy	8. False Economy Strategy	9. Economy Strategy

Figure 4. Positioning

The marketing mix

Once each segment or niche has been considered and chosen, it is time to draw up a marketing mix for each one.

This is commonly known as the four ‘Ps’:

- Price;
- Product;
- Promotion;
- Place.

In recent times the seven ‘Ps’ has been developed for service companies. The additional ‘Ps’ are:

- Process;
- People;
- Physical evidence.

There should be a separate profile of each segment or niche demonstrating the firms understanding of that market.

Marketing activity should be targeted in an integrated way for example in promotions:

- Sales force;
- PR;