Marketing Strategy

- A marketing strategy is a plan to combine the right combination of the four elements of the marketing mix for a product or service to achieve a particular marketing objective(s)
- The marketing strategy developed by a business will differ depending on the size of the market and the size of competitors
- It will need to identify the marketing objectives and the marketing budget
- Marketing objectives could include:
  i. Increase sales on an existing product/service by selling into new or selling more to the existing product
  ii. Increasing sales of new product or service by improving an existing product or a totally new innovative product
  iii. Increasing market share which will include increasing sales but also taking market share away from competitors
  iv. Maintaining market share if competition is increasing
  v. Increasing sales in niche market

Legal controls on marketing

- These are measures put into place to protect the customer from business exploitation
- Most people would say that the consumer needs to be protected as much as possible. They believe that goods should be as safe and as suitable for the purpose intended as possible. However, some managers believe that these laws add to the costs of making and selling products and this increases the prices in the shops
- These are certain legal restrictions:
  - ❖ Weight and measures: retailers commit an offence if they sell underweight goods or their weighing equipment is inaccurate
  - ❖ Trade description: it is illegal to give a customer a deliberately misleading impression of a product
  - ❖ Sale of goods: it is illegal to sell products which have serious flaws or problems, that is they are not of satisfactory quality; products which are not fit for the purpose intended by the consumer
  - ❖ Supply of goods and services act: a service has got to be provided with reasonable skill and care
  - ❖ It is illegal to advertise misleading price claims
  - ❖ A person injured by faulty goods can take the supplier to goods and ask for compensation
  - ❖ The distance selling regulations allow customers a cooling-off period of seven working days- this means they can change their mind about purchasing a good or service

Opportunities of entering new markets abroad

- ✓ Growth potential of new markets in other countries
- ✓ Home markets might be saturated and these new markets give the chance for higher sales
- ✓ There is wider choice of location to produce products and this encourages businesses to sell as well as produce in these countries
- ✓ Trade barriers have been lowered in many parts of the world making it easier and profitable to now enter these markets

Problems when entering new markets abroad

- Lack of knowledge
- Cultural differences
- Exchange rate changes
- Import restrictions
- Increased risk of non-payment
- Increased transport costs

Methods to overcome problems of entering new markets abroad

- Joint ventures
- Licensing
- International franchising
- Localising existing brands (think local-act local)