

# Raising the effectiveness of strategic marketing

## *Why firms must consider the operating environment*

**T**he influence of marketing on strategic decision-making at business level has long been widely recognized. Its capacity to increase effectiveness can help companies target appropriate markets and provide customers with added value. As a result, sustained competitive advantage becomes significantly more achievable.

### **Strategic marketing in a global business world**

To attain desired outcomes, decision-making must be appropriate to the specific business environment. The different stages of the planning process for strategic marketing help ensure that this remains the case even as the firm's operating environment evolves.

Strategic flexibility has never been more important. The increasing clout of emerging markets like China and India has ushered in considerable implications for strategic marketing. These and other nations are characterized by high levels of economic growth, huge domestic markets, low market penetration and greater competition from unbranded products. Situational uniqueness naturally raises questions about the suitability of marketing strategies originally devised for Western business contexts.

Hence, it has become critical to identify which strategic marketing practices (SMPs) are most important across the five planning stages that respectively focus on situation analysis, objective-setting, strategy formulation, organizational design, and control procedures.

India's gradual shift towards a more liberal economy makes the issue especially pertinent in that business context. Domestic manufacturing has played a major part in India's rise to global economic powerhouse status. In that regard, the sector is mirrored in the USA where manufacturing has long been a bastion of the economy.

But that's where the similarities end though as the marketing infrastructure in India is nowhere near as sophisticated as that in the USA. Given this significant difference in stage of development, it is arguably more important than ever to ascertain which SMPs are likely to most enhance performance of manufacturers in these specific environments.

### **Factors that can drive success in the planning process stages**

Where situation analysis is concerned, much of the difference can be attributed to the respective level of market maturity. For instance, top performers in India tend to conduct a more comprehensive analysis of both their customers and operating environment. Since the latter continues to be vibrant, such activity is shrewd and clearly necessary. It helps increase the alertness of firms to opportunities as customer needs and market trends

evolve. Many adopt a highly formal approach to how they plan strategic marketing, which adds to the overall efficiency.

One interesting characteristic is the limited future orientation of situation analysis carried out by Indian manufacturers. An assumption of ongoing growth perhaps explains what might be construed as complacency on their part. A similar approach would be folly for those operating in the mature confines of the USA. Instead, the norm there is a refined approach that might unearth knowledge which helps secure a priceless advantage in this fiercely competitive domain.

Nonetheless, Indian operators do tend to set longer-term objectives in terms of raising market share and ensuring cash flows are adequate. The rationale behind this is that sufficient funds are needed to maintain their growth pathway. In contrast, increasing sales through repeat business and enticing customers away from rivals is the longer-term aim among US marketers. The latter also seem likelier to set objectives that are more uncompromising in nature.

Identifying the right markets is considered by many analysts to be a core part of marketing's Holy Grail. This SMP is therefore not surprisingly to the fore in both of these environments. Top performing manufacturers in India are especially committed to targeting various markets as a means of securing a proportion of the rising sales within them.

Another astute move by Indian companies is the importance attached to innovation. Incorporating this aspect into strategy formulation better positions them to:

- Expand their skills and competencies;
- Achieve greater product differentiation; and
- Deliver higher value to customers.

Plenty evidence exists to confirm the positive impact of collaboration on performance. Its merit is obviously recognized in these contexts too. Both US and Indian manufacturers are enthusiastic about forming associations with key distributors as a means of strengthening their access to relevant markets.

Partly due to the undeveloped marketing infrastructure, talent is sometimes at a premium in emerging markets. Companies often thus find it difficult to find individuals to fill key positions. The answer in many cases is to improvise by creating overlap between jobs within and beyond the marketing function to increase capabilities. Overlap is compounded by a strong emphasis on training to further equip marketing personnel with the skills needed to exploit valuable opportunities in the rapidly-expanding market.

The pace of growth also makes performance analysis imperative. Indian manufacturers are cognizant of this and maintain a watchful eye on objectives, performance of individual products and marketing costs. Strict financial control is essential if strategies are to remain viable. Analysis is typically less stringent among their US counterparts. Operating in a more static business environment is perhaps a feasible explanation for their relative indifference.

**The increasing clout of emerging markets like China and India has ushered in considerable implications for strategic marketing.**

## Situational uniqueness naturally raises questions about the suitability of marketing strategies originally devised for Western business contexts.

A critical factor in business success is customer satisfaction. It is thus no doubt significant that high performing firms in India are noticeably more inclined to conduct regular satisfaction surveys than manufacturing lesser lights. In the USA, efforts are geared mainly towards customer complaints. The premise is that efficient handling of complaints resonates positively with customers and aids retention.

### Blending conventional and context-specific approaches

Indication is that top performing manufacturing firms in India do embrace many conventional aspects of strategic marketing. Notwithstanding this, it is equally apparent that the idiosyncrasies within emerging market contexts demand some shifts in focus compared to Western market environments at or nearing maturity. Smart firms will realize that prioritizing appropriately within each stage of the planning process can pave the way to successful performance within their specific operating context.

### Comment

The review is based on: "What differentiates successful strategic marketing among manufacturers in an emerging vs developed market?", by Brooksbank *et al.* (2018), published in Asia Pacific Journal of Marketing and Logistics. Various aspects of conventional strategic marketing can be utilized to aid manufacturing performance in both developed and emerging markets alike. However, firms should also be aware that differences in the respective business contexts will also demand some focus on different priorities within stages of the strategic marketing planning process.

#### Keywords:

Strategic marketing,  
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United States

### Reference

Brooksbank, R., Subhan, Z. and Miller, S. (2018), "What differentiates successful strategic marketing among manufacturers in an emerging vs developed market?", *Asia Pacific Journal of Marketing and Logistics*, Vol. 30 No. 2, pp. 309-332, ISSN 1355-5855, doi: [10.1108/APJML-12-2016-0251](https://doi.org/10.1108/APJML-12-2016-0251).

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