MODERN CONCEPTS OF MARKETING STRATEGY OF COMPANIES

L.K.D. Boboev
Tashkent State University of Economics

Follow this and additional works at: https://uzjournals.edu.uz/iqtisodiyot

Recommended Citation
Available at: https://uzjournals.edu.uz/iqtisodiyot/vol2021/iss5/2

This Article is brought to you for free and open access by 2030 Uzbekistan Research Online. It has been accepted for inclusion in Economics and Innovative Technologies by an authorized editor of 2030 Uzbekistan Research Online. For more information, please contact sh.erknov@edu.uz.
MODERN CONCEPTS OF MARKETING STRATEGY OF COMPANIES

L Kadrkuja Djurakhodjaevich Boboev,
Deputy dean of Corporate Governance faculty,
Tashkent State University of Economics

Abstract: In today’s competitive world the countries are hastily enlarging and integrating with the other countries and are open to global marketing mix, it is important to understand that the best implemented marketing strategy wins the global business battle. The purpose of this paper is to attempt to observe the most proper marketing strategies that provides a comprehensive conception of how to accurately position products in the market place.

Keywords: marketing strategy, 4P’s, marketing mix and recognition of product and service.

Introduction

Marketers’ responsibility is creating marketing activity and collecting entire marketing program that are combined to form communication and send value to clients. There are several mechanisms that have been implemented by marketing managers in increasing awareness of products and services offered throughout the globe. Some of the mechanisms are established to be suitable in one condition or company as compared to the other. The marketing method used by a company depends on the target audience, the product being sold, the market share of the organization, and the marketing budget. According to Fuerderer, Herrmann and Wuebker, marketing is one of the crucial ways in which corporations attempt to create recognition of their services or products [1]. Because of increase the importance of the financial sector, there has been a growth in pressure for effective marketing management and guideline of corporation’s financial services. As Green, Whitten and Inman states that it is of critical importance to point out that marketing strategies are very significant in the long run performance of a company [2]. Chan also mentions that marketing strategy is the essential aim of expanding sales and reaching a continuous competitive advantage [3]. Gituma said that marketing strategy incorporate all fundamental, long-term, and short-term activities in the subject of marketing that deal with the investigation of the planned primary condition of a corporation and the creation, valuation and selection of market-oriented strategies and hence contributing to the goals of the corporation and its marketing aims.
Literature review

Marketing strategy lets corporations to develop a strategy that allows them to offer the right product to the right market with the desire of obtaining competitive advantage. A marketing strategy provides a complete visualization of how to properly position products in the market place whereas accounting for both internal and external restrictions. As Muthengi claimed stated that marketing strategy is a technique of concentrating an organization's energies and properties on a course of action which can lead to bigger sales and domination of a targeted market place [5]. A marketing strategy includes development of product, promotion, delivery, pricing, relationship management and other elements; finds the company's marketing aims, and describes how they will be reached, preferably within a specified timeframe. Moreover, Kasiso claims that marketing strategy regulates the choice of target market segments, positioning, marketing mix, and allocation of resources [6]. It is most effective when it is an essential element of entire company strategy, defining how the organization will successfully involve clients, forecasts, and contenders in the market arena of corporate strategies, corporate missions, and corporate goals. As the buyer establishes the source of a firm's income, marketing strategy is closely connected to sales. A crucial element of marketing strategy is frequently to retain marketing in line with a corporation's main mission statement. Almost all companies set aside a huge portion of their capital on marketing in order to have an exponential increase in company's sales. Nonetheless, because of the poor marketing strategies, most of the companies face failure in an increase of sales revenue. Overcome such problems companies use marketing mix as part of marketing strategy. According to Kotler and Armstrong, marketing mix is the set of strategic marketing tools - product, price, place, and promotion - that the organization mixtures to produce the answer it needs in the target market [7]. Marketing tools or the marketing mix or often referred to as the four P's (The Four Ps of the Marketing Mix).

Saguti states that marketing mix is a model used by companies to produce and progress their marketing efforts [8]. It is used to unify various aspects in such a way that the company is able to reach their aims and meet client’s necessity. According to
Palmer, marketing mix is abstract framework that marketing managers utilize to come up with plans that can use to target their market and meet customer’s wishes. Marketing mix can also be applied to progress short-term and long-term plans. According to Kotler, marketing strategies; product, price, place and promotion are strategies that companies utilize to respond to market and inner forces that will allow a company reach their objective. Companies that have applied efficient marketing strategies are able to increase their market share, sales performance and achieve a competitive advantage.

Analysis and results

Product strategy. Product related marketing strategies are basic in any organization. These strategies include practice of product design and practice of technology in product progress as well as distribution. It can be claimed that the product is the most significant element of the retail structure, since only with smart products will the effort devoted in things like promotions and pricing bring any benefits. Product is the key item offered by a corporation to gratify the needs of their customers. Kotler and Armstrong stated that some of the strategies implemented in the field of products are: image or perceived quality, as the market faces rivalry, the quality and reliability of the offered products becomes more important [11]. Quality in this situation is seen as consumer’s point of view of the product. Perceived quality or image must be created. Features- many products on the market have features. The ‘first with the new feature’ has the same advantage as ‘first product’ in the market. In the consumer non-durables, brand expansion includes a number of additional features. New products face problems in market acceptance. Effective product managing depends on a well-organized and completed product strategy and product range strategy. The product can be seen as the essence of the marketing strategy. Strategies that relate to fresh product achievement contain total fit with company’s strengths and a defined chance in the environment. Thorpe and Morgan claimed that there are at the very least six marketing strategy choices connected to the freshness of products. These are innovation, new product types, product line extensions, developments or variations in existing products, cost reductions and repositioning. Lewinson and Delozier claimed that customers support a specific retail outlet as a result of suitable location, welcoming staffs, needed prices, and enjoyable shopping atmosphere [12]. A common reason for all consumers to visit a particular store is the expectation of finding a product or set of products that will satisfy current or future needs.

Pricing Strategy. Rapert, Linch, and Suter mentioned that price is the value placed on goods and services what customers are willing to pay for a product or service [13]. According to Cravens, the role of price in marketing strategy is dependent on the
product, target market, and the distribution strategies that are chosen by management [14]. Managers responsible for a pricing strategy should base their verdicts on cautious consideration of numerous factors, such as cost, demand, influence on customers, and competitor prices. Pricing strategies provide overall and constant methods for companies as they come up with prices for their products. Lovelock suggested pricing as the solely factor of the marketing mix strategy that connected to the production of revenues for the company, while all the others are related to expenditures [15]. “The complication of the pricing strategy in the services sector is relatively important because of the high degree of similarity between most service groups and the co-provisioning of services and operating systems” [16] said Kotler.

Differential pricing includes selling the identical product to diverse purchasers under a diversity of prices. This strategy is flexible when variances in the reactions to prices occur among customers and customers segments. One general form of differential pricing is price skimming that includes setting the price of the product quite high compared to alike goods and then regularly lowering it. As Bitner says that skimming strategy enables the organization to recover its cost quickly by making the most of the revenue it obtains [17]. Competitive pricing strategies are depended on the firm’s position regarding to its competition and contain; price signaling, going rate pricing and penetration pricing. While penetration pricing includes pricing the item fairly low compared to alike products in the hope that it secures extensive market acceptance that lets the corporation to increase its price, price signaling sets high prices for poor quality products. For a firm to effectively implement price signaling strategy, a segment of the purchasers has to believe high prices point to good quality. It must also be tough for the purchasers to determine this quality. Going rate approach is implemented when products contest on the base of characteristics other than price [18].

**Distribution Strategy.** Distribution products means providing convenience for the consumer, that is, providing the exact product when and where it is needed. Rafiq and Ahmed claimed that distribution is portion of selling and must be considered in any selling system [19]. Distribution management consist of replenishment, transportation management and distribution center facility management. The recent work of Vachani and Smith on inclusive distribution can serve as a model for success [20]. The principle of accessibility concerns a main area of distribution of goods and services. This is a serious principle as it not only solves the problem of providing goods, but also the possibility of partnerships between major distribution channels mixed with informal channels to create a single network for the flow of goods and services to markets. Homburg, Wieseke and Kuehnl mentioned that while most of the companies are willing to enter into this market by altering their products and services, so that they are open
to the poor, these companies have faced the challenge of a right supply chain system that meets the desires of the urban poor without having a negative effect on the cost of operation and active participation of the poor in the process of product and service delivery [21]. The strategy of distribution should be built on the basis of economies of scale. Manufacturers reach economies of scale via the usage of specialization, which breaks down a complicated task into smaller, simpler ones and therefore, generates larger effectiveness and lower average production costs. Marketing distribution can also attain economies of scale via specialization, which distribution members can do some things more effectively than producers because they have set good relations with their clients.

**Promotions Strategy.** Promotion includes both providing the consumer with information about the particular products or services, and influencing the insight, attitude and behavior of clients in relation to the company and what it has to offer. It is an informative and compelling communication process. To be efficient, a promotion strategy must be built on a marketing concept such as concentrating on client needs and joining in all of the organization's activities to meet those desires. These types of strategies contain advertising and direct consumer interaction. Good sales skills are important for minor businesses owing to their incomplete ability to spend on advertising. Direct mail is an efficient and inexpensive media outlet available to small businesses. There is no single advertising tool that can achieve the goals of the promotion strategy, which in turn means that most service companies implement more than one advertising tool to evade the drawbacks of each tool. This means that each advertising tool has diverse advantages and disadvantages, which is why most service companies attempt to utilize more than one advertising tool in order to take full advantage of the benefits and minimize the disadvantages of each. Creating a successful advertising package requires careful integration of each of the following elements: situation analysis, goal development, message development, channel selection, budget preparation, combination and evaluation. In situation analysis, companies are evaluating the present position of client features, the competitive condition and the environment. Businesses look at the demographics and lifestyles, understanding and perception of services and the organization, life stages, usage levels, and the buying process of the targets, whereas evaluating the target audience. Marketers pay attention to implement predominantly more emotional and moral appeal, whilst making advertising messages for customers, there is also usage of humor and rational messages, one threat is that an incorrectly selected promotional strategy can lead undesirable reaction. One of the most necessary and effective forms of promotion strategy is advertising. It is a form of message designed to influence possible clients to choose your product or service over a competitor’s product. Successful
advertising includes positive exposure of your products or services to the segment of society most likely to buy them. Effective advertisement should generate interest, attention, want and action from the target population. Gupta noticed that a powerful brand strategy can raise awareness of a corporation and its offerings in a way that evoke powerful feelings and responses, as well as a positive relation towards the corporation as a whole [22]. The branding function is one of the most significant features of any business, be it a huge or minor organization. An efficient brand strategy allows marketers to trade more and win the market share. Corporations around the world have maintained to invest strongly in brand management. According to Kimball that effective sales promotion campaign enables a business organization to successfully out-brand its competitors is a continuous battle for the hearts and minds of the market share and customers [23].

**Physical Evidence.** As Lui, Shah, and Schroeder mentions that the physical environment approaches include ambient conditions; spatial layout and functionality; and signs, symbols, and relics [24]. The atmosphere is one of the features of the physical environment. Ambient conditions contain smell, sound, noise, temperature, color and music. Atmosphere is a collection of these elements that intentionally or subliminally aid the consumer experience a service. The atmosphere is varied. Jobber and Fahy stated that the marketer must match the atmosphere of the service provided [25]. The functionality depends more on how well the environment meets the needs of the customers. For instance, how suitable the waiting area is and whether there is enough parking for customers. According to Kotler, process-based marketing approaches are mostly utilized in industrial organizations. However, most organizations have a process for providing services to their customers. Organizations project their processes so that they are more attractive to consumers. Some of the general characteristics that marketers use in process strategies consist of the time it takes to complete a service and the location of the various service points needed to complete the process.

**Conclusion**

To sum up, it is of critical importance to know that proper implementation of marketing strategy can be a key success for an organization to attract customers and simultaneously satisfy their needs. To achieve this goal, marketers should consider marketing mix model including product, place, promotion, price, physical evidence and promotion and so on while developing the strategy. From this, it is obvious that organizations practice effectual marketing strategies can increase their market share, performance of sales and reach a competitive advantage.
References:


