

## Key Stakeholders

Stakeholders includes shareholder, employee, supplier, Buyer, Banks, Govt, vendor, BOD.

## Mendelow's Matrix

Mendelow's Matrix is based on Power & Interest. It suggests to identify which stakeholders are incredibly important.

<p><b>Keep Satisfied</b></p> <p>High Power, Less Interested People eg. banks, govt.</p>	<p><b>Key Player</b></p> <p>High Power, High Interest eg. SHs, CEO, BOD.</p>
<p><b>Low Priority</b></p> <p>Low Power, Less Interest eg. business Magazines, Media house</p>	<p><b>Keep Informed</b></p> <p>Low Power, High Interest eg. employees, vendors, Suppliers, legal expert</p>

## ■ Strategic Drivers

### 1. Industry and Markets:

- Industry & Market analysis is extremely important to identify one's position as compared to the competitors, who can be of equal size & value, or bigger in size & value or even smaller & newer. A tool used for this is called - Strategic Group Mapping.

### 2. Customers:

- Consumers are the ones who finally use a product/Service, while customers are the buyers of that Product.
- A customer can be a consumer and vice versa. But for strategy teams especially Marketing teams it is important to understand the customer & consumer separately.

### 3. Products/Services:

- Product stands for the combination of "goods-and-services" that the company offers to the target market.
- For a new product, Pricing strategies for entering a market need to be designed and for that matter at least three objectives,
  - a) Have customer-centric approach while making a product.
  - b) Produce sufficient returns through a reasonable margin over cost.
  - c) Increasing Market share.

## Marketing Strategies:

1. Social Marketing
2. Augmented Marketing
3. Direct Marketing
4. Relationship Marketing
5. Services Marketing
6. Person Marketing
7. Organization Marketing
8. Place Marketing
9. Enlightened Marketing
10. Differential Marketing
11. Synchro - Marketing
12. Concentrated Marketing
13. Demarketing

## 4. Channels:

- Channels are the distribution system by which an organisation distributes its product or provides its service.
- There are typically three channels that should be considered -
  - The sales channels
  - The product channel
  - The service channel

## ■ Core Competency:

- unique feature which is difficult to copy by other.  
eg. Apple, virat kohli, etc.
- Competency is defined as a combination of skills & techniques rather than individual skills or separate technique.
- Major core competencies are identified in three areas:
  - a) Competitor differentiation,
  - b) Customer value, &
  - c) application to other Markets
- Criteria for building a core Competencies:
  - 1) valuable
  - 2) Rare
  - 3) Costly to imitate
  - 4) Non-Substitutable

## SWOT Analysis:

- SWOT analysis is the analysis of a business's strengths, weaknesses, opportunities & threats.

	Helpful to achieving the objective	Harmful to achieving the objective
Internal origin (Attributes to the organisation)	Strengths	Weaknesses
External origin (Attributes to the Environment)	Opportunities	Threats

- SWOT Analysis For Internal or External Environment?

SWOT stands for Strengths, weaknesses, opportunities & Threats. Internal analysis is more focused on understanding the existing structure & competencies of the business, thus highlighting the strengths and weaknesses, while External Analysis is about identifying and preparing for uncontrollable which can either be opportunities or threats.

Therefore, SWOT Analysis is a tool which is used for both Internal & External Analysis.

• Competitive Advantage

Sustainability of Competitive Advantage,

(DIAT)

- a) Durability
- b) Transferability
- c) Imitability
- d) Appropriability

• Michael Porter's Generic Strategies

Competitive Scope	Broad Target	Cost Leadership	Differentiation
	Narrow Target	Focussed Cost Leadership	Focussed Differentiation
		Low-cost Products / Services	Differentiated Products / Services
	Competitive Advantage		

1. Cost leadership strategy:

- Achieving Cost Leadership strategy:

- a) Prompt forecasting of demand of a product or services.
- b) optimum utilization of resources to achieve cost advantages.

c) Achieving economies of scale, thus, lower per unit cost of product/service.

d) Standardisation of products for mass production to yield lower cost per unit.

e) Invest in cost saving technologies & using advance technology for smart efficient working.

f) Resistance to differentiation till it becomes essential.

- Advantages of Cost Leadership Strategy:

i) Rivalry

ii) Buyers

iii) Suppliers

iv) Entrants

v) Substitutes

- Disadvantages

a) Cost advantage may not last long as competitors may imitate cost reduction techniques.

b) Cost leadership can succeed only if the firm can achieve higher sales volume.

c) Cost leaders tend to keep their costs low by minimizing cost of advertising, market research, and research & development, but this approach can prove to be expensive in the long run.

d) Technological advancement areas a great threat to cost.

## 2. Differentiation strategy:

- Basis of Differentiation:

- Product
- Pricing
- Organization

- Achieving Differentiation Strategy:

- a) offer utility to the customers & Match Products with their tastes & Preferences.
- b) Elevate / Improve Performance of the Product.
- c) offer the high-quality Product / service for buyer satisfaction.
- d) Rapid Product Innovation, to keep up with dynamic environment.
- e) Taking steps for enhancing brand image & brand value.
- f) Fixing Product Prices based on unique features of Product & buying capacity of customer.

- Advantages

- i) Rivalry
- ii) Buyers
- iii) Suppliers
- iv) Entrants
- v) Substitutes



## - Disadvantages

- a) In long term, uniqueness is difficult to sustain.
- b) charging too high a price for differentiated features may cause the customer to switch-off to another alternative.
- c) differentiation fails to work if its basis is something that is not valued by the customers.

## ~~Focus Stra~~

### 3. Focus strategies

#### - a) Focused Cost leadership

- i) It requires competing based on price to target a narrow market.
- ii) It charges low prices relative to other firms that compete within target market.

#### - b) Focused differentiation

- i) It requires offering unique features that fulfill demands of a narrow market.
- ii) It concentrate their efforts on a sales channel.

#### - Achieving Focused strategy

- A) selecting specific niches which are not covered by cost leaders and differentiators.
- b) Creating superior skills for catering such niche markets.

- c) Generating high efficiencies for serving such niche markets.
- d) Developing innovative ways in managing the value chain.

#### - Advantages:

- a) Premium Prices can be charged by the organisations for their focused Product/Services.
- b) Due to the tremendous expertise in the goods & Services that the organisations following focus Strategy offer, rivals & New entrants may find it difficult to compete.

#### - Disadvantages:

- a) The firms lacking in distinctive Competencies may not be able to pursue focus Strategy.
- b) Due to the limited demand of Product/Services, Costs are high, which can cause problems.
- c) In the long run, the niche could disappear or be taken over by larger competitors by acquiring the same distinctive Competencies.

#### 4. Best-Cost Provider strategy:

- Best-Cost Provider strategy involves providing customers more value for the money by emphasizing on lower cost and better quality differences.
- It can be done through -
  - a) offering products at lower price than what is being offered by rivals for products with comparable quality and features eg. Amazon  
or
  - b) charging similar price as by the rivals for products with much higher quality and better features. eg. Iays, Balaji.