

SOSTAC®

**ADVANCED
MANUAL**

BOOSTING RESULTS WITH
BETTER BUSINESS PLANS

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SOSTAC® Advanced Manual

for

SOSTAC® Certified Planners



by
PR Smith

Note: This SOSTAC® Advanced Manual is essential reading for SOSTAC® Certified Planner course. The emphasis is more strategic. Your additional reading is the SOSTAC® Basic Manual which has a more tactical perspective, but, never-the-less, it is worth reading also. Some of the content in both manuals is taken from the SOSTAC® Guide to your Perfect Digital Marketing Plan (which is recommended after you finish this course).



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Preface

The sole purpose of this Advanced Manual (& the separate Basic Manual) is to help professionals write great plans, whether it be a business plan, a marketing plan, a digital marketing plan, a digital transformation plan, a project plan, a campaign plan, a health and safety plan, a security plan, a personal plan, or even, we were told recently, a wedding plan! I have used SOSTAC® in variety of sectors in [all of my text books](#) over the years.

We want to empower the future generation of planners to be skilled and competent as soon as possible so that their SOSTAC® Planning skills will hold them in good stead as they move up the corporate ladder, or, as they step into running their own businesses and projects.

We want professionals to take their plans to the next level of professionalism. That's why we have two levels of assessment: The SOSTAC® Associate develops a fundamental knowledge of SOSTAC® Plans which is assessed online via multiple choice/multiple answer assessment.

The more advanced, SOSTAC® Certified Planner, requires professionals to apply their SOSTAC® Planning skill to a mini case online, via multiple choice/multiple answer assessment.

We Welcome Your SOSTAC® Plans

SOSTAC® Plans are now used across the world by all sorts of organisations. We are always delighted to hear of new types of plans developed using the SOSTAC® framework. We are happy to publish your examples of various SOSTAC® Plans whether they are marketing, digital marketing, integrated marketing, sales and marketing, business plans as well as HR Plans, H&S Plans, Security Plans or a wedding plan!

Enjoy Your Planning

Although This SOSTAC® Manual is a relatively short guide to writing the perfect plan, it has taken many years of thinking to develop. We hope you enjoy using the simple crystal-clear logic of SOSTAC® Plans.

Best Wishes, *Paul R. Smith* (SOSTAC® founder and author)

Acknowledgments

Many thanks to **Hugo Rubio** for really pushing me to write the first SOSTAC® Guide. I have been asked many times to do it by other people but Hugo was the most persuasive. He flew over from Bilbao, sat down and talked me through why I should write this. Hugo has also helped me to improve the content in many different ways. Un saludo Hugo.

Thanks to [Michael Ranasinghe](#), who cofounded the Synergy School of Marketing in London, UK and Colombo, Sri Lanka. Michael has also helped to drive the development of the new [SOSTAC® Portal](#).

Thanks also to the ever patient and lovely Beverley who puts up with me locking myself in my study for months so that I could produce this, at last, the SOSTAC® Guide To Writing the Perfect Marketing Plan.

All feedback is most welcome via the [feedback form](#) (SOSTAC® book) on my web site.

Much other content, links, videos, articles and tweets that people send me are shared on my various social media platforms (see below). **Thank you to those of you who alert me** to interesting articles, reports, videos, blog posts, facebook updates and tweets.

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www.twitter.com/PR_Smith www.instagram/prpsmith

About The Author



PR Smith enjoys exploring new approaches to marketing

Paul runs workshops, advises and mentors as well as writes books about digital marketing. Someone once told him that there were 17,000 Paul Smiths in the UK alone, so with his initial being 'R', he adopted PR Smith as his pen name.

Workshops

Paul's [workshops](#), webinars and conference talks have been described as 'inspirational, innovative, insightful' and are always delivered in a carefully structured manner so that key points are easily remembered and, more importantly, actioned. Although intense sessions, delegates have fun too. www.PRSmith.org/training

Adviser/Mentor

Whether developing digital marketing strategies and integrated plans, mobilizing social media teams or delivering websites, Paul has helped to boost the results of, literally, hundreds of organizations from blue chips to innovative SMEs, whether mentoring, [consulting](#) or on an advisory board. www.PRSmith.org/consulting

Books

His six [books](#) are published in seven languages. America's Jim Sterne refers to Digital Marketing Excellence as '*a must read*'. The CIM refer to Marketing Communications as a '*Marketing Major*', while SOSTAC® Planning particularly in the SOSTAC® Guide to your Perfect Digital Marketing Plan, has been voted in the top 3 marketing models worldwide by the Chartered Institute of Marketing Centenary Poll. www.PRSmith.org/books

Paul's Personal Passion – The Great Sportsmanship Programme

A social media-driven campaign to change the world by mobilizing a new generation of youths into sportsmanship values. Built around true two-minute inspirational stories ([watch the video](#)) on www.GreatSportsmanship.org. It's a very different kind of 'edutainment' programme. Join us as an [ambassador](#) or just enjoy the stories. Pass them on! www.GreatSportsmanship.org

Updates

You can get **my blog post updates** on the website (see below), or you can contact me about **speaking at your next event** via:

Linkedin: [PR Smith Marketing](#)

Facebook: [PRSmith Marketing](#)

Youtube: [PR Smith Marketing](#)

Twitter: [PR_Smith](#)

Instagram: [PRPSmith](#)

Web Site: [PRSmith.org](#)

Be inspired [Great Sportsmanship](#)



Updates

Sign up for [Updates on my Marketing Insights blog posts](#).

Introduction

In addition to the SOSTAC® Basic Manual (which is also used by SOSTAC® Associates), this Advanced Manual, is exclusively for professionals preparing to become SOSTAC® Certified Planners.

This manual includes many excerpts taken from the popular [SOSTAC® Guide To Writing Your Perfect Digital Marketing Plan](#) (NB you don't actually need this book to take the assessment; if you do buy this book after the assessment, make sure you get the latest version as it is updated annually).



This Advanced Manual and the separate Basic Manual contain sufficient material for you to take the SOSTAC® Certified Planner assessment. By using both manuals, you will see how SOSTAC® Planning can be applied in many different types of plans. The logic is simple, clear and robust.

This Advanced Manual summarises the Basic Manual and opens up the Strategy section in more detail. The two manuals cover enough material for you to pass the SOSTAC® Certified Planner.

I hope you enjoy both of the manuals, and perhaps after getting your certificate, you might also get the SOSTAC® Guide which updated every year.

PR Smith

How Did **SOSTAC®** Evolve?

Although SOSTAC® is so simple it actually took me almost 10 years to develop. When I took my MBA back in the 1980s I was frustrated reading books with long meandering marketing plans that were unnecessarily over-complicated and impossible to remember. So I kept in touch with my classmates and asked them to send me just the contents page (list of contents) from their marketing plans. I analysed all of them over a two year period and developed my own new structure – which went through several iterations until I came up with SOSTAC®.



It was like someone had turned the light on! I knew it was a winner and registered it as a trademark. Everyone is welcome to use it – all I ask is that you include this reference: PR Smith's [SOSTAC®](#).

Please embed the link to my <http://www.prsmith.org/SOSTAC> website in the word SOSTAC® and the registered trade mark symbol® comes after it so that the ® is not part of the link i.e. it reads as follows: PR Smith's [SOSTAC®](#). Just copy and paste it into you document. Thank you very much for doing this.

Introduction to SOSTAC®

So here it is: SOSTAC® + 3Ms* in one minute.



Situation Analysis – where are we now?

Objectives – where do we want to get to?

Strategy – how do we get there?

Tactics – the details of strategy

Action – the details of tactics (systems, processes, guidelines and checklists)

Control – measurement and metrics to see if ‘we are getting there’ or not

+ 3Ms* (the three key resources):

Men and Women (human resources)

Money (budgets)

Minutes (time scales)

*I am also looking at a new key resource, Data, hence a possible 4th M – Mega-data. Sign up for [Updates on my Marketing Insights blog posts](#).

Meanwhile, here are my 4 minute and 3 minute SOSTAC® Summary Videos.

Visit

www.PRSmith.org/SOSTAC

Watch the SOSTAC®

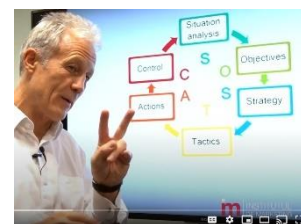
Summary videos

(or click the picture and watch them on youtube

PR Smith Marketing).



[4 minute SOSTAC® video](#)



[3 minute SOSTAC® video](#)

The SOSTAC® Planning Cycle

Everything connects. For example, objectives should be measurable so they appear in 'Objectives' section and also, later, in the 'Control' section. This year's measurement (your results or your performance) will form part of the next period's Situation Analysis.

Rather than wait until the end of the year to find out if something is working well or failing dismally, regular measurement helps managers to change tactics or actions if necessary. The 'Control' section of your plan lists exactly what will be measured by whom, how often, how much it costs, how long it takes. So if daily sales analysis reveals a fall in sales, then the problem is identified immediately and alternative solutions are generated immediately.

Control ensures results are closely monitored and fed into the next period's review of the Situation (Situation Analysis). This, updated Situation Analysis allows marketers to refine and set more realistic objectives. And so you can see that SOSTAC® Planning framework, or cycle, lends itself to being agile and constantly improving.

Agile Planning includes 90 day plans (as opposed to creating a 12 month or 5 year plan). Agile means results are monitored and changes are made quickly, and relatively easily, to tactics. 30 day plans follow a similar cycle. So you can see that SOSTAC® Planning lends itself to Agile Planning.



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Situation Analysis



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Situation Analysis Is Critical For Future Success

Arguably, the greatest marketing book ever was written over 2,000 years ago. The Chinese military strategist Sun Tzu wrote *The Art of War* (translated version Wing, 1989). Most senior marketers have a copy of it on their shelves. It has become a classic read, particularly for some enlightened marketing managers. Interestingly, confrontation, or war, is seen as a last resort and the best military strategies win the war without any bloodshed. They win wars through intelligence.

Sun Tzu effectively confirms why the Situation Analysis needs to be comprehensive.

Here's an excerpt from Sun Tzu:

Those who triumph,
Compute at their headquarters
a great number of factors
prior to a challenge.

Those who are defeated,
compute at their headquarters
a small number of factors
prior to a challenge.

Much computation brings triumph.
Little computation brings defeat.
How much more so with no computation at all.

By observing only this,
I can see triumph or defeat.

'Much Computation' or much analysis is required. The better the analysis, the easier the decisions will be later. Decisions about strategy and tactics become a lot easier when you know your customers, your competitors, your competencies and resources as well as market trends. That's why half your plan should be devoted to the Situation Analysis. It doesn't have to be at the front of the plan (you can dump a lot of it in the appendices) but the detailed analysis must be carried out if you are to succeed.

Hence almost half of this guide is devoted to Situation Analysis (and more than half of the Basic Manual is devoted to Situation Analysis). The first year you do this analysis it will be particularly challenging, but as you find better (and often free) resources for highly relevant information, this analysis gets easier, the intelligent information gets stronger and, consequently, you make more informed decisions. Some of this intelligent information comes from third party research, your own research and/or your own A/B testing. This helps you to make 'evidence-based decisions' which will help you to make better

decisions when choosing where to allocate your limited resources. This ultimately boosts your results.

More good news – there is a plethora of new listening tools available to marketers. Although traditional market research is still useful, there are faster ways of monitoring online discussions and analyzing customers, competitors and spotting trends. We will explore these.

“All markets are conversations”

declared the now classic, and still influential, Cluetrain Manifesto (Levine et al, 2000). The subsequent rampant growth of social media since that time shows the Cluetrain Manifesto’s vision to be correct.

The Old Marketing Ship Is Sinking

All marketers need to monitor, analyze and engage in these conversations since the old ‘shouting’ model (advertising and PR) is no longer as effective as it once was.

Today’s marketing models involve careful listening to customers (and prospects) online (as well as offline) and giving fast responses to changing moods, needs, issues and trends that are occurring online continually. Marketers don’t have a choice. This is not a luxury set of tools. These new listening tools and other new analytics tools are ‘must haves’. See [Social Listening Skills](#) for more information on each of the tools discussed on the next few pages.



The Old Marketing Ship Is Sinking www.PRSmith.org/blog

Photo: DavyMac.com

What Should Situation Analysis Contain?

Your Situation Analysis should be so thorough that it makes your decisions almost risk-free.

Your Situation Analysis should contain a thorough analysis of:

- Customers
- Competitors
- Company (Performance, Strengths and Weaknesses)
- Trends (Opportunities and Threats)

Customer Analysis

So let's start with the centre of the universe, well, the centre of the marketing universe: 'customers'. Your Customer Analysis needs to be so thorough that it ensures you **know your customers better than they know themselves**.

If you could only ask three questions about your customers– what would you ask?

If you could only ask three questions about your customers, what would those three questions be? Marketers have limited resources, the 3Ms: Men (and Women), Money and Minutes. A Limited number of people (men and women) who can help you find this information. Limited budget (money) to hire people, commission market research or buy reports. Limited time (minutes) to search, find, collect and digest the information. Soon Data (or Mega-Data) will be considered a very valuable resource too. So, whether 3Ms or 4Ms, you have to choose your questions carefully.

How You Make Better Decisions

Before making any major decision, ask yourself:

'Do I have all the information I need to make a great decision?' In other words, what questions do I need to ask before I make a great decision?

What questions would you ask?

Try these three big customer questions:

1. Who?
2. Why?
3. How?

You'll find that most questions about customers will fall into these three categories. So if you can master these questions, I mean, get detailed answers, then you'll find choosing marketing strategies and eventually tactics, becomes a lot easier. Your marketing results will, ultimately, improve.

‘Who’ usually gets the weakest answer

Who exactly is my ideal customer or visitor (or prospect or decision maker)? This is often unclear or even undefined when making marketing decisions. What kind of traffic do you want to attract? What is the profile of existing customers? How can you find your ideal customer if you don't know who they are? It's like 'looking for a needle in a haystack' except you don't know what the needle looks like! So you've got little or no chance of finding it unless you spend an unnecessary large amount of resources. This is 'hit-and-miss' marketing, or worse still, 'hit and hope' marketing. We'll look at defining segments and using personas to precisely answer this question in more detail later in this section.

‘Why’ is the most difficult of all three questions

Because customers often don't know and don't tell you 'why' they buy or don't buy, or why they register or don't register, or why they follow, like, share, visit, stay, bounce (leave quickly) or return to your site. Many customers themselves don't even know why they buy. There are often unconscious reasons driving their behaviour. Ask people why they drink Coke or why they 'Like' Coke's Facebook page and they almost always give rational reasons when, in fact, it's for mostly emotional reasons (I know you probably disagree – now do you get my point?).

‘How’ do customers buy?

Includes, 'What is their digital journey?' or if you prefer, what is their 'multichannel path to purchase?' What route do they take (via search engine, PPC Ads, website, referral site or any other mix)? How many visits? When do they search for information, when do they decide and when do they buy? All of these questions generate answers to another question: 'When is the best time to post content?' How do customers change channels, say, between reading offline media and interacting with online media and then visiting a physical location? Equally, 'What are my competitor's prices?' might be categorized under 'How' much do my competitors' customers pay?

Become customer obsessed and master the ‘Who, Why and How’ questions

You can categorize questions whatever way you prefer, but either way, Who, Why and How, may help you to categorize and remember at least these three big questions. It may help you to remember many of the other questions you want to ask about your customers.

Master these questions and you are taking your first step towards being a world class marketer. Put it another way, without in-depth answers to these three key customer questions you are playing a dangerous guessing game, while your competitors may be discovering and using valuable customer insights to gain competitive advantage via understanding (then serving and nurturing stronger relations simply because they know your customers better than you do). Make your organization 'customer obsessed'.

The SOSTAC® Guide To Your Perfect Digital Plan explores each of the 3 big customer questions in a lot more detail and starts with the question that many marketers cannot answer: 'Who is your ideal customer?'

Most Marketers Don't Fully Know Who Their Customers Are

Only 45% of marketers are capturing and consolidating customer behavioural data from multiple channels in a single database (Forrester, 2013). That was then. This is now. Do you know the profile/s of your ideal target customer/s?

Some Questions with Easy Answers

NB you don't need to know how to answer these questions to pass your online assessment, but in the real market place you do need to be able to answer the following questions. Full answers are listed in the book, [SOSTAC® Guide To Writing Your Perfect Digital Marketing Plan](#)).

Who?

Who is your ideal customer?

Who are your visitors?

What stage of the buying process are they at?

Who are your followers (linkedin, facebook, twitter)?

Who are your influential customers, visitors and followers?

Who else is talking about you or your type of product (and what are they saying)?

Who is attending a particular conference or event (and what are they saying)?

What are their names, jobs, addresses?

Why?

What are your customers' needs? What do they really want?

What do your customers like (or dislike) about your product/service?

What are your customers' future needs?

What are your visitors' needs and what are they interested in?

Why do your visitors return to some sites and not to others?

Why do some of your visitors convert and others not convert?

What marketing content do your visitors specifically like?

What marketing content do your influencers like?

What part of your content (e.g. a webinar) does your audience like?

What is being said about you (or your product type) locally (see Customer Feedback in the Control section)?

What's trending?

Facebook can predict when you are going to change a relationship

The question is, what else will Facebook be able to predict? (Marr 2014).
Sophisticated predictive analytics teams have been around for years
(Duhigg 2012).

How?

How do your customers actually buy (what are their processes/steps or journey)

How long and how many channels do your visitors use?

How many pages are ideal during a visit?

When is the best time to post content and engage?

How do they process information?

How do customers perceive your website?

How do customers prefer to view initial information?

How do customers make their decisions?

How do they discover your site? By what route (or what was their digital journey)?

Which particular digital channels generate the most conversions (e.g. sales)?

How do some words work better than others?

What percentage of your visitors view your site on a mobile?

How do customers see things differently on their mobile?

See the Basic Manual for more detail on your Customer Analysis and for some links to classic guru's talking about Customer Analysis.

Remember, that your Situation Analysis should, of course, contain far more than just a thorough analysis of Customers (Who, Why & How), it must also analyse your Partners (and intermediaries), your Competitors, your Company Performance (internal strengths and weaknesses) and those external, uncontrollable market trends we sometimes call the PEST factors).

Competitor Analysis

Hyper competition is here to stay. Competitors from different countries and from different sectors will emerge (e.g. Apple Watched have already sold more watches than all of the Swiss watch industry); New Entrants (watch out for the platform companies); and more aggressive marketers target their ads at their competitors' customers and employees.

New tools help to analyse competitors e.g. Spyfu.com can analyse your competitors' ads for the last 6 years in just a few minutes for \$40 p.m.

See the Basic Manual for more on Competitor Analysis including; Porter's 5 Competitive Forces; Relative Competitive Position; Competitive Advantage; Distinctive Competitive Advantage, Strengths and Weaknesses. You will see how Company Analysis and Competitor Analysis can overlap.

Company Analysis

How did your business, department or organization perform last quarter or last year? Did you hit your target objectives? Have you learned what are your strengths and weaknesses? Do you play to your strengths? What is your Distinctive Competitive Advantage (DCA)? Is it something that your customers actually value or not?

The Basic Manual addresses these questions and also addresses Gap Analysis (between results and objectives) as well as Product Portfolio Analysis which explores whether you have the right balance of products/services.

Trend Analysis

You must analyse and identify market trends that create Opportunities and Threats in your market and consequently require you to change your tactics and sometimes your strategy. You must complete a PEST Analysis (Political, Economic, Social and Technological) or PESTE Analysis (adds 'Environmental' trends which some already categorise as social trends), or PESTED Analysis (adds 'Demographics' which can be part of Economics and Social structures), or a PESTEL includes 'Legal' (some consider Laws and Regulations cascade down from Political changes).

It doesn't matter which version you choose, PEST, PESTE, PESTED or PESTEL as long as you consider all the variables that will affect your customers and therefore your marketplace.

Don't forget Competition is always a threat. See the previous Competition subsection to explore the many different types of competition. See Porter's Analysis as it broadens the concept of competition.

The Basic Guide explores Competitor Analysis, Company Analysis and Trends (Opportunities and Threats) in a bit more detail (which is sufficient for this course). The SOSTAC® Guide to your Perfect Digital Marketing Plan explores all of these questions and their answers in a lot more detail.

Your Situation Analysis = Half Of Your Plan

If you don't want to have too much information at the front of your plan, you can, of course, put a lot of the information into the appendices and just keep the summary Situation Analysis at the front. Either way, the Situation Analysis must be thorough and detailed. It will require approximately half of all of your efforts.

The Best Marketing Planning Book is 2000 Years Old

Sun Tzu, the Chinese Military Strategist wrote the book the Art Of War over 2,000 years ago. It is still incredibly poignant book for today's hyper-competitive markets. See the Basic Manual for a wonderful Sun Tzu quote which effectively says that your Situation Analysis must be comprehensive.

Objectives



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Although some argue that the most important goals or objectives are simply to increase:

- Revenue
- Margin
- Customer Satisfaction
- Brand Value (controlling the brand promise increases the brand value)

I take a slightly different view and start with the ultimate objectives which are the Mission and Vision statements, followed by the typical KPIs which include the above in more detail.

Mission

This is your *raison d'être* (the reason your organization exists). This must include how you make the world a better place – how you ultimately help customers and stakeholders. It should also demonstrate some CSR (Corporate Social Responsibility) while giving direction for the organization. Google's mission statement is a good mission statement: 'to organize the world's information and make it universally accessible and useful'.

Vision

A vision statement is more organization orientated (as opposed to a mission statement which is more market orientated or customer/community orientated). A vision states where the organization sees itself in 3, 5 or 10 years' time. Imagine writing a headline in the New York Times or the FT for your business: 'XYZ is the number one company in the world (or Asia, China or Beijing, etc.)'. So the vision sets major goals for how successful your organization will be in the future. This includes size of turnover, size of organization, size of market share, local, national or global, position in the market place (number 1, 2 or 3).

After this comes the typical KPIs. Here is the KPI Pyramid (adopted from Joe Pulizzi, 2013).

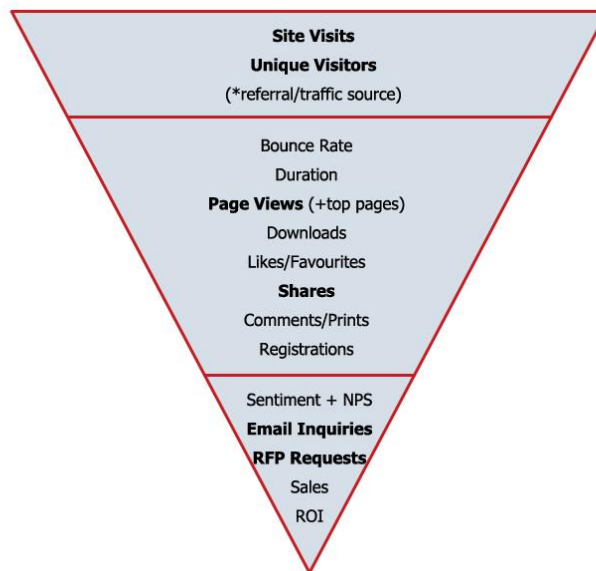
KPIs

Key Performance Indicators



Key Performance Indicators can be broken down in more detail right down to revenue contribution per channel (or tool), Cost per visit/enquiry/lead/like and sale broken down by channel. Note: awareness levels, preference levels and market position are often measured via offline surveys.

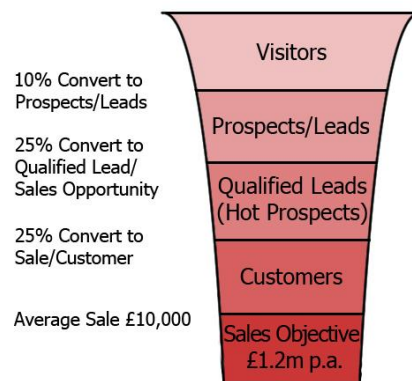
You can also turn the KPI Pyramid upside down (and select fewer KPI criteria) to get the sales funnel approach to objectives. The next approach turns the pyramid upside down and into the 'sales funnel', starting with number of visitors, % engagement and eventually sales objectives.



The Objectives Pyramid turned upside down becomes a sales funnel highlighting a selection of KPIs

Certain click behaviour indicates whether a visitor is a prospect. It could be determined by the amount of time ('duration') they spent on specific product pages and perhaps whether they checked the price pages. A prospect can be categorized as a qualified lead if, say, they came back a second time plus watched the product demonstration video plus read some customer reviews and checked the pricing page again. So goals or objectives can be set for number of visitors, leads, qualified leads, customers and total sales revenue by using the classic sales funnel approach.

The Sales Funnel



The Sales Funnel can also be used to set objectives

If you know your conversion rates, it is easy to set objectives in terms of the number of visitors you need to generate a specific number of customers. If, for example, the sales objective is £1.2m (and the average sale is £10,000), then the organization needs 1,600 visitors each month with 10% of these becoming prospects (160 pcm). If 25% of these prospects become qualified leads (i.e. 40 qualified leads per month p.m.). If a further 25% of these qualified leads, on average, convert to becoming customers, they will get 10 new customers pcm which is 120 new customers p.a.

KPIs

You can, and should, go much deeper with your objectives. By having detailed objectives for many different KPIs (Key Performance Indicators), you have more control over your organization's performance. Here are some KPIs again (see next page).

Here are some KPIs that are used online

You can review the different types of objectives in the Situation Analysis chapter (when reviewing last year's performance and also in the Control chapter (when setting methods to measure the KPIs). For now, here is a summary list of popular KPI Objectives used online.

KPIs **Objectives** (some typical KPIs used online)

| KPI | Q1 | Q2 | Q3 | Q4 |
|--|----|----|----|----|
| Site Visits | | | | |
| Unique Visitors | | | | |
| Bounce Rate | | | | |
| Duration | | | | |
| Page Views passive engagement | | | | |
| Most Popular Page/s | | | | |
| Most popular downloads | | | | |
| Engagement - Downloads | | | | |
| Engagement - Likes/Favorites | | | | |
| Engagement - Comments | | | | |
| Engagement - Shares | | | | |
| Engagement - Registrations/Newsletter | | | | |
| Churn Rate (% of followers you lose) | | | | |
| Conversions Leads & Sales | | | | |
| Sales (all sales) | | | | |
| Market Share | | | | |
| ROI | | | | |
| Task Completion | | | | |
| Satisfaction Score | | | | |

| | | | | |
|-----------------|--|--|--|--|
| NPS Score | | | | |
| Sentiment Score | | | | |
| Share of Voice | | | | |

| | | | | |
|--|--|--|--|--|
| Social Media Platforms – repeat for each one | | | | |
| Followers/Like – engagement etc. | | | | |

The 5Ss Approach To Objectives

One other, very different approach which I developed in the '90s when the internet first emerged, was 'The 5Ss'. Here are 5 alternative approaches to developing objectives (some overlap with what we have already discussed). The 5S's: Sell, Serve, Save, Speak and Sizzle.

Sell means 'sales' targets, both online (if relevant) and offline sales influenced by online.

Serve sets customer service targets but also inspires better service (see Sizzle).

Save means to save both money and time (for both the customer and the organization) by delivering an efficient service.

Speak means conversations, listening carefully and participating. Engagement is another measure of 'speak'.

Sizzle is the digital sizzle or magic that delivers added value or digital sizzle to a brand which you simply cannot get offline.

Objectives Summary

From Mission, to Vision, to KPIs, to the 5Ss, crystal clear objectives help the organization to focus on what needs to be done. Objectives also give direction & boost motivation particularly when using 'Sizzle'.

Sensible and quantifiable objectives are easy to set once you have done a thorough Situation Analysis as you can see how you performed against the previous period's objectives. The analysis reveals strengths, weaknesses and market trends which will guide you towards making better objectives.

These objectives will be measured against the objectives that have been set (some on a daily basis and others on a quarterly basis).

The Control section also specifies what gets measured and by whom, when and, most importantly, what happens with this information – what kind of marketing decisions will be made as a result of measuring metrics.



Objectives are measured in the Control section, which, in turn, feeds the next period's Situation Analysis.



Now we have looked at

- Situation Analysis (where are you now?)
- Objectives (where do you want to go?),

now let's move onto the big one.....

Strategy (how do you get there)?

Strategy



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“All men can see the tactics whereby I conquer,
what none can see is the strategy
out of which victory is evolved.”

Sun Tzu, The Art of War

Strategy answers ‘How do we get there?’

Situation Analysis answers ‘where are we now?’ Objectives clarify ‘where do we want to go?’ and Strategy summarizes ‘how do we get there?’ Strategy requires the ability to see the big picture. Yet strategy is in fact the smallest, yet arguably the most difficult, part of a plan.

Types of Strategy

Corporate Strategy is sometimes called Business Strategy which decides which products and which markets to invest, hold steady, harvest and divest. These are also known as product portfolio strategies and usually require various matrices to help to allocate scarce resources to various products in various markets.

Strategic Matrices

Let’s look at 3 types of strategic matrices that help to analyse and ultimately make the best strategic choice or strategic decisions. This level of strategy is sometimes referred to as business strategy or sometimes product portfolio strategy.

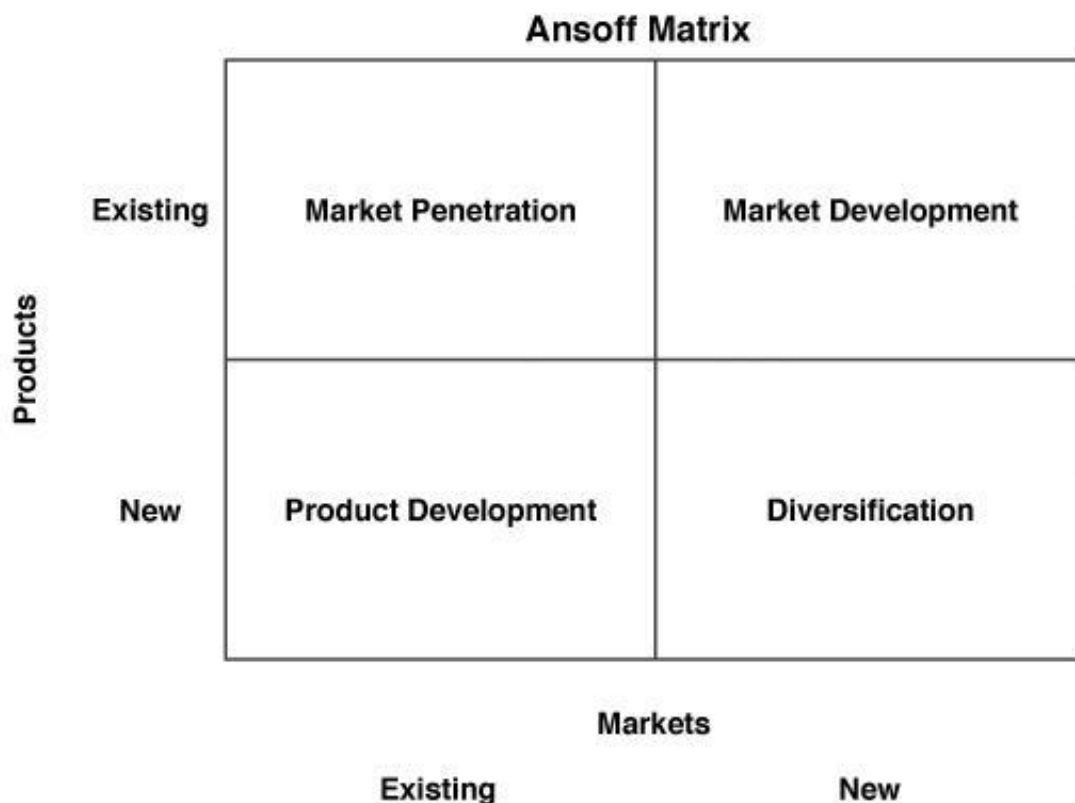
We will look at:

- Ansoff Matrix
- Boston Matrix
- GE Matrix

Ansoff Matrix

This matrix looks at target markets and products and generates four strategic options for growth: sell more existing product into (1) existing markets (market penetration strategy/increasing market share) or (2) new markets (market development strategy) or (3) develop and sell new products into existing markets (product development strategy) or (4) sell new products into new markets (diversification strategy which can double the axes of risk!).

Igor Ansoff helped businesses to structure their growth, by clearly categorising four options for growth. His classic growth options are:



What is your current growth strategy? Which part/s of the matrix are you in? The Ansoff Matrix categorises which quadrants you are now in and also, later, in strategy, you will see clear options for growth. Managers also need to know how these options affect cash and human resources, since too little of either could starve a potential winning product of the resources it requires for successful growth. This is where the Boston Matrix helps.

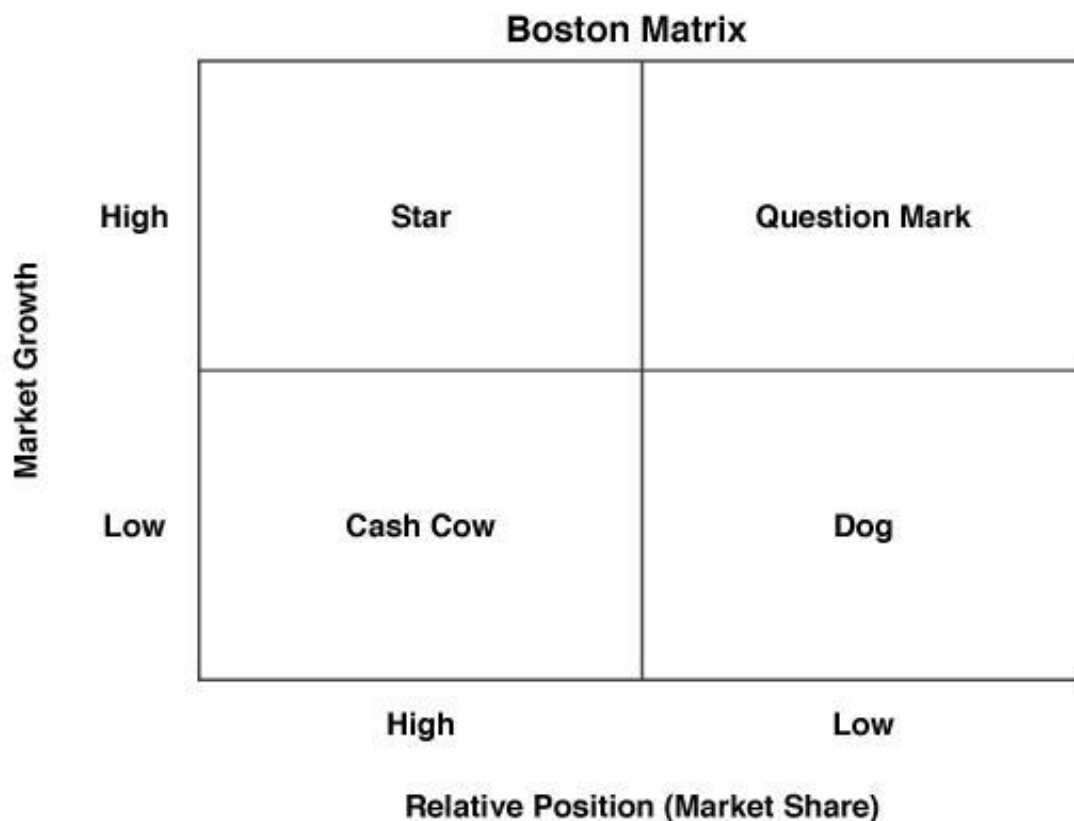
Boston Matrix

The Boston Consulting Group (BCG) Matrix analyses the product portfolio from a cash-flow perspective. Some products generate surplus cash. Others need extra cash to support their future growth. Some will be deleted.

Products in high growth markets generally require cash funds to support their growth as cash gets tied up in working capital (more sales = more debtors + more suppliers/creditors have to be paid).

Products in low growth markets (mature markets) that have relatively large market shares are known as 'Cash Cows'. They generate surplus cash. This can fund other high growth products, such as the high growth 'Star' products.

Star products have large market shares and are in high growth markets. They need extra working capital funds to keep pace with the overall market growth. They may become tomorrow's cash cows. Dogs are usually deleted.



GE Market Attractiveness Matrix

Developed by GE and McKinsey, this can be used to strategically allocate (or withdraw) funds for different products in a portfolio.

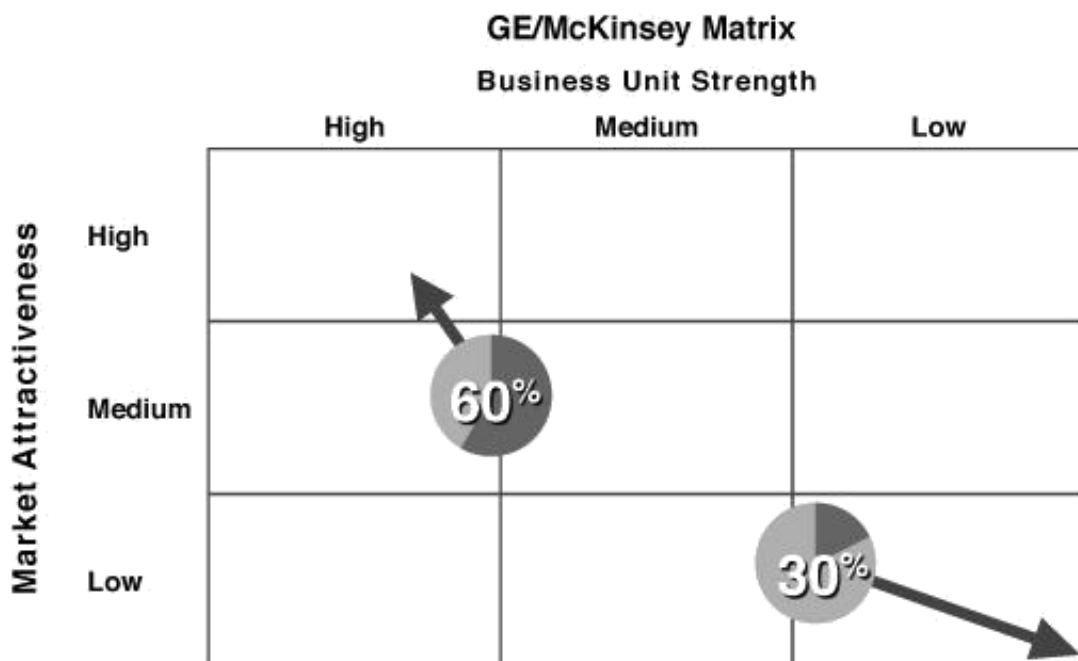
Market attractiveness is determined by a scoring on a range of criteria:

- Market Size & Market Growth Rate
- Market profitability
- Pricing trends
- Intensity of Competition & Barriers to Entry
- Risks
- Variability (demand or in prices)
- Structure of market (fragmented or concentrated)

Business Unit Strength criteria:

- Brand strength
- Market share
- Market share growth
- Customer Loyalty (compared to competition)
- Cost of production (compared to competition)
- Marketing Mix relative advantage (quality; distribution; etc.)
- Management Strength

The circles represent a product in a particular market. Circle size indicates market size. The number is market share. The arrows indicate which direction the business unit (product) wants to move. The company might divest the bottom right hand corner product. Maybe grow its other top left-hand corner products (plays to its strengths in highly attractive markets).



Normally the two or three best companies earn significant revenues in their markets where they are either 'leaders' or 'challengers'. It is important to identify the market a company wants to compete in (e.g. an attractive market whose needs exactly match the company's strengths). GE will only be number one or number two in all of their markets. Being ranked third in the market may not be an option for some companies and they, therefore, withdraw any product that was not able to become number one or number two and then re-allocate the resources to other Business Units (or products) that were in highly attractive markets. GE always 'plays to its strengths'.

Matrices Also Used In the Situation Analysis

As well as using these matrices in the Strategy section of your plan, we can also use Porter, Ansoff Matrix, BCG Matrix and GE Matrix in the Situation Analysis to see strategically where a particular business is. See the Basic Manual for more detail.

So these matrices are used to strategically analyse product portfolios.... i.e. see if the company has the balance of products right.

Later these matrices can be used again, here, in the Strategy section to decide which products to delete, which ones to keep stable and which ones to grow, going forward.

Tough strategic decisions have to be made – dropping some products, investing in others. This is product portfolio strategy.

Strategy harnesses capabilities

Strategy requires coherent thinking that harnesses capabilities (existing or those that can be acquired) / strengths to tackle relevant threats and exploit relevant opportunities.

Single Product Strategies

We are now going to look at marketing strategies for a single product (or brand). We will explore nine different components of marketing strategy for a single product. You don't have to use all nine but you must definitely, should

consider all nine and then select the most appropriate components for your products/service. There are, however, two components which have to be included in every marketing strategy.

We'll explore these in a few minutes. But first, let's start with a tragic marketing story – where the wrong marketing strategy killed a great product – the world's first e-Car.

Strategic Error

Bad Strategy Kills World's 1st Green eCar

This is my classic example that demonstrates the importance of getting your strategy right. In the case of the world's first electric car, here's how the wrong strategy killed the product. I'm still frustrated and angry about why this excellent innovation failed.



Why? Because of a bad marketing strategy. I tried to get the company to change its strategy and offered advice to change their strategy – for free. But it was too late.

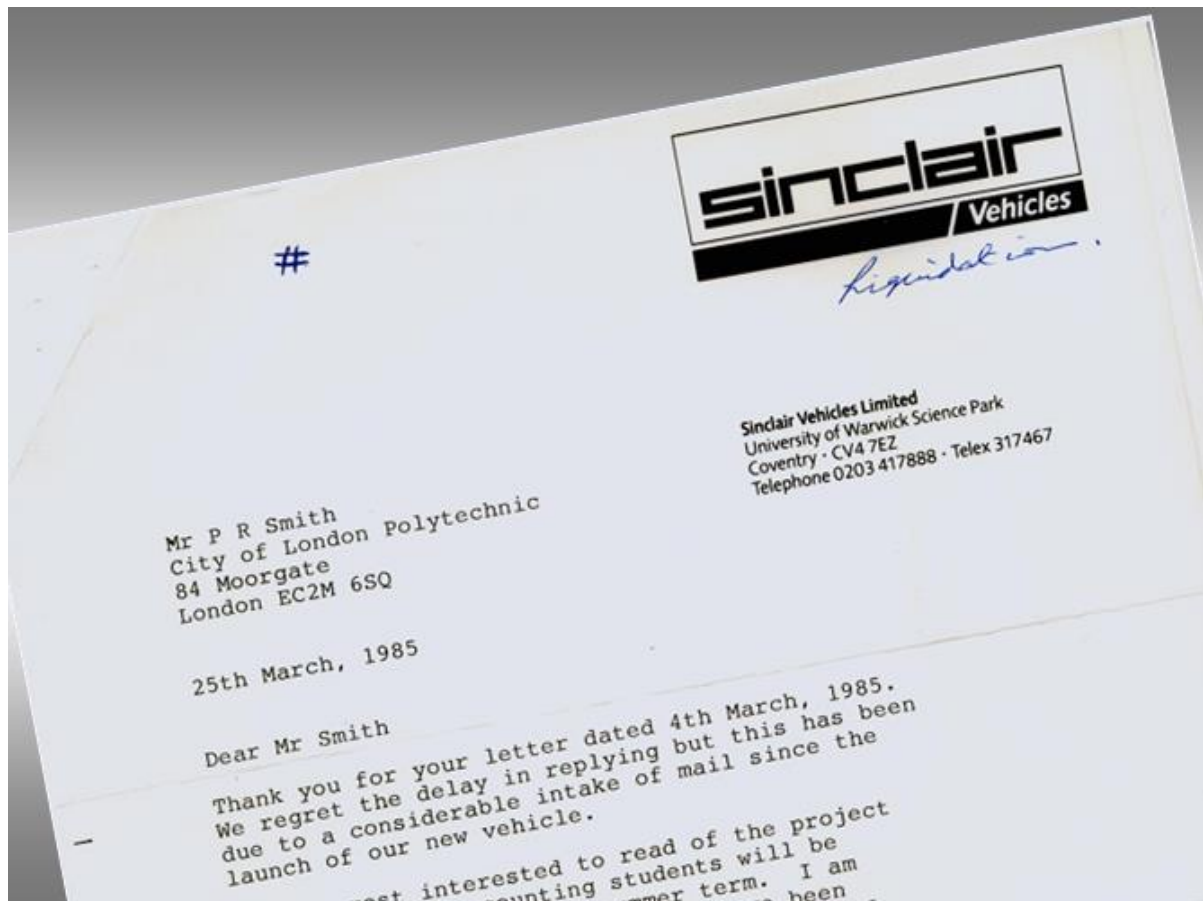
Once upon a time

A clever British technology inventor, Sir Clive Sinclair, owner of a highly successful home computer business, created a radical innovation, the world's first electric car (or e-Car). He called it the Sinclair C5.

Launched in the mid 1980s, the C5 targeted 3 groups: Women going shopping; men commuting to the station and kids playing sport during the summer. Distributed via electricity board retail stores across all UK high streets and retailing at £399. It needed to be charged every 70 miles and had a max speed of 15 mph. No driving license was required. It was tested in large warehouses with simulated road experiences and launched on 15 January 1985. Sinclair Vehicles went into receivership by August 1985.

A nightmare unfolding

At the time I was a young marketing lecturer working in the heart of the City of London. I wrote to Sir Clive Sinclair at Sinclair Vehicles to tell them they were making a terrible marketing strategy mistake which would destroy the innovative e-Car but which we could fix without any fee required. They wrote back to me and promised to get the marketing manager to call me. He never did, despite two calls from me.



Trying to save the world's first electric car from self-destruction

The company soon went bust. The sad thing is that it could have and should have been a success. It did not require any more product development funds nor any product redesign. There was a market for this product.

What went wrong?

What was wrong with the marketing strategy? What marketing strategy could have saved it? Stop for a moment and think.

The Wrong Marketing Strategy

Firstly, positioning the C5 as a car killed it dead. Across every purchase criteria for a car (speed, safety, in-car entertainment, size etc.) it scored lowest. Secondly, targeting shoppers, commuters and kids was never going to work. There were so many other segments which could have been targeted including the greens, hot climate countries with holiday makers, or B2B markets such as airports and exhibition conference centres.

The Right Marketing Strategy

The remaining stock was liquidated and sold to a smart marketer whose marketing strategy was brilliant. Reposition the C5 electric car as a 'Space Rider' fun novelty item and targeted at 18-35 year olds fun lovers on holiday in Spain.

Once he had the repositioning and retargeting strategy decided, he then then was able to change the tactics (marketing mix) to support the strategy. So he doubled the price, distributed via moped rental shops in Spanish holiday resorts and with very simple limited promotion he sold the factory stock (at twice the purchase price) within a few months.

You can see businesses and teams of people working harder and harder, longer and longer hours, yet still failing to achieve their KPI objectives. If you get the strategy wrong, the tactics will be wrong and no matter how hard you work it will just get more and more difficult to achieve your KPI Objectives.

'There's no point rowing harder, if you are rowing in the wrong direction.'

World guru, author and former head of McKinsey, Tokyo, Kenichi Ohmae

It is critical that you get these two major strategic components correct:

Target Markets means breaking markets into segments and carefully selecting the right segments to target, i.e. targeting the 'low hanging fruit'. These are the customers that you can easily reach and who really want your product or service.

Positioning means how you want to be perceived or positioned in the minds of your target market(s); ideally where there is a real customer need and little competition.

Two more recent repositioning examples are e-cigarettes and Intel. Although seemingly small subtle changes, these are big decisions.

E-cigarette company, blu-e-cig, CEO, Jacob Fuller, said 'Our biggest mistake was to call it (position it as) an e-cigarette - an alternative method to give up smoking.' (Benady, 2014). So they have now repositioned their product from:

'An Alternative Method To Give Up Smoking'

to 'A Lifestyle Choice For Smokers'

Intel recently made a bold strategic decision by changing their positioning from:

'High Quality Technology Products'

to 'Leader In Technology Breakthroughs'.

Intel's strategy is to position itself as a leader in technology breakthroughs targeting generation Y (born in the 1960s and '70s) by associating Intel with innovation in music, art and lifestyle, using social media to leverage offline real events.

This is a major strategic decision that will drive all of their tactics including: developing an online community forum called IT Galaxy; a B2B game IT Manager III: Unseen Forces; outdoor 3D projections; partnering with edgy magazine 'Vice' to launch The Creators Project and Facebook app '**The Museum Of Me**'; Appointed Will.i.am, Black Eyed Peas, as director of creative innovation as well as the more traditional tactics of using Print Display Ads, Google search, TV ads, social media, PR and training programmes (for store assistants and re-sellers).



[Watch the 'Museum Of Me' video](#) on YouTube

Incidentally, Positioning directly influences your Value Proposition. Your Value Proposition answers your customers' question 'What's in it for me?' Do your website, your marketing content and your social media platforms all express a clear VP? We will look at Value Propositions in the Tactics section later.

Positioning and Your Value Proposition

Equipped with a crystal-clear positioning, you can now develop more specific Value Proposition (VP) which is a summary of what you offer your customers. Online offers additional VP e.g. A company website offers great opportunities to offer added value to the customer experience which simply isn't available offline. This added value can vary from new types of content which entertains or informs. See if you can find some 'sizzle' or some extra added value that delights customers.

Your VP should succinctly state the intrinsic benefits a visitor will get from staying on a particular website, viewing some content, web service or functionality and how that ties to your overall product or service.

Your VP answers the eternal customer question: 'what's in this for me?'

Your Value Proposition (see Tactics) can only be developed after the positioning has been decided. So Positioning is very important as is Targeting. These are, however, just two of the 9 key components of marketing strategy. Let's explore all 9 components.

Components of Marketing Strategy

TOPPP SEED (9 Key Components)

These nine components also apply to most kinds of business strategy. Here are 9 key components to consider when building your marketing strategy. You do not have to use all 9 key components in your marketing strategy. In fact, the strategy excerpts I'll show you later only include a selection of these 9 key components. You may find some components overlap/integrate. Integration is good. Your strategy doesn't have to be in the same order as TOPPP SITE. Feel free to move the components around to suit your strategy. Now let's consider each of the 9 components to help you to build a crystal clear digital marketing strategy.

Targeting (which target markets)

Objectives (what big objectives will your strategy fulfil?)

Positioning (how do you want to be seen by your customers. Define this succinctly and clearly as it eventually cascades into value propositions and USPs.

Partners (strategic partners or strategic alliances or marketing marriages)

Processes (any new processes e.g. marketing automation, chat bots, AI, IoT?)

Sequence or Stages (e.g. Develop Credibility before Raising Visibility; Roll out in Region A and after that, Region B etc.; Diffusion of Innovations)

Engagement (see the Ladder of Engagement which identifies which levels of engagement you want your customers engaging with you)

Experience (does your strategy support an excellent lifetime customer experience?)

Data (is data important in your strategy – it is the world's most valuable resources – is it part of your strategy, is it integrated?)

Let's take a look at each of these briefly.

Target markets

Target markets need to be defined very clearly. Today we have many new variables (or filters) to help marketers identify targets. Time and effort spent carefully analyzing and discussing who is/are the most ideal target market/s is time well spent.

Positioning

Positioning is so strategic that you really don't want to be changing this each year. Positioning means precisely how you want to be positioned (or perceived) in the minds of your target customers. Note: Positioning is the foundation for brand propositions (what's in it for the customer) and ultimately, the customer experience (CX). In fact, defining the brand, the OVP and the CX are part of strategy. OVP and CX also influence the marketing mix (tactical decisions), e.g. exclusive products online; differential pricing; exclusive online promotions; prioritizing which channels; online distribution partners etc. See 'Tactics' for more.

The Classic Repositioning:

from Sick Child to Healthy Adult

Lucozade repositioned itself from a 'sick child's drink' to a 'healthy adult's drink'. They followed the market trends: the demographic shift from a massive child market (baby boom) in the 60s to a bulging 40 year old market in the noughties (2000s). They also followed the trend towards 'healthy living'. This repositioning strategy drives changes across all of the marketing mix tactics from chemist shop distribution and 'mother and child' ads to sports celebrity ads and Coca-Cola style distribution into shops, restaurants and offices.

Objectives

It is always worth double checking that your strategy actually delivers the 'big' objectives (Mission and Vision) as well as the typical sales, market share and ROI KPIs. Strategy without some reference to objectives is, not surprisingly, unlikely to achieve those objectives. Hence some organizations like to see the main objectives referred to when presenting their strategies. Deciding which is a priority objective - Customer Acquisition or Customer Retention - is a strategic decision (more later).

Process

If you are introducing a new approach, a new process, a new system or even new way of thinking, this can be strategic. For example, if you are introducing new systems or processes like marketing automation or say, AI chat-Bots (for customer service), these can be mentioned in your strategy. In fact radical changes to your MarTech Stack or Martech Spine (marketing technologies that are integrated and helping marketers to attract, convert and retain customers e.g. content management system, automated emails, analytics) – should be included in your strategy. Other significant changes in your processes like demanding evidence-based-decisions such as a ‘Constant Beta Culture’ (e.g. constant split testing) require new processes. Introducing Omni-channel marketing (giving customers a seamless experience across channels like facebook, website, telephone, email) requires processes that integrate and share customer data across different channels. This is a major challenge for many marketers. Finally, new processes often require new skills – whether internal staff (training & motivation) or external agencies/consultancies.

Partnerships

Partnership – introducing or strengthening or reducing strategic partnership or marketing marriages or marketing alliances is a strategic decision. Consider carefully whether there are potential partners out there whose customers would welcome your organization’s products or services? These potential partners might consider adding your products to their product portfolio so they can service their customers even better. The partner earns a commission (and gets more ‘share of wallet’ from the customer), while helping the customers to fulfil their needs. It’s a win-win.

Selecting the right partner can firstly give you access to a much bigger target market and secondly, strengthen your brand. But remember partnerships have to benefit both parties, with clear goals, roles and responsibilities. As they say: ‘the devil is in the detail’. Amazon’s decision to partner with 400 retailers expanded its reach enormously. Other strategic partnerships like Apple – who partner with some of the world’s leading companies in enterprise services. So now they can expand their services courtesy of partnerships with Accenture, Deloitte, GE, Cisco, IBM, Salesforce, SAP and many more to offer additional new services tailored to specific audiences. The world’s experts in enterprise are Apple partners.

IoT Partnerships

See ‘IoT Enhances Products’ in the Marketing Mix (Actions section). Meanwhile, Harvard’s Porter & Hepplemann (2014) suggest that ‘smart, connected products raise a new set of strategic choices related to ‘how value

is captured' and delivered. IoT presents an opportunity for all products to add extra value to help customers in new ways. However, IoT also delivers a new threat from a new wave of competitors who are disrupting the old value chains by making their own new partnerships.

It's a strategic decision to integrate data, or even just embed chips and share data between different companies or partners to deliver new benefits to customers. So IoT also requires strategic partnerships which ideally should be long-term rather than short-term – hence strategic.

Sequence or stages

Develop credibility before raising visibility. How many businesses get that sequence wrong? How many major TV ad campaigns or content marketing and social media platforms drive traffic to websites that don't work? In addition there may be other steps such as building awareness, then brand preference before seeking sales, or other stages in a campaign such as acquiring endorsers; establishing relationships and advocates, followed by campaign rollout. AIDA (Build Attention/Awareness and eventually Interest and Desire before trying to convert prospects to a sale (Action). Another approach is Dave Chaffey's RACE (Reach is increasing awareness and encouraging visits; Act means initial interaction; Convert means conversion to sales; Engage means post-sales engagement). Another strategic sequence choice is which has priority: Customer Acquisition or Customer Retention. Another strategic sequence is Test Market, Roll-Out Region 1, Region 2, Region 3.

Customer retention or customer acquisition– a strategic decision

We know customer retention is deemed to be, on average, six times more profitable than customer acquisition. It is therefore, generally speaking, worth investing in customer retention – that is, if you have already acquired customers. This is part of the 'sequence' component of strategy and requires a strategic decision. See the Tactics section for three stunning tactical approaches (involving ads, sales promotions and CSR) once this major strategic decision is made.

Remember, selling to your existing customers is estimated to be six times more profitable than selling to new customers. And repeat sales process doesn't have to be boring, particularly when you see what some clever companies do to reward their existing customers.



See ['Customer Retention Is Not Boring, Here's Wow!](#)
Warning: video might make you cry! www.PRSmith.org/blog

Engagement

There are different levels of customer engagement. From encouraging visitors and customers to give ratings and reviews to nurturing advocates to collaborating and co-creating ideas and new products. This is the Ladder Of Engagement starting with encouraging visitors and customers to engage at low-levels (posting ratings and reviews) and at the top level of the ladder is collaborative co-creation where customers help the company to actually create new products.



Moving clusters of visitors/customers up the ladder requires additional resources. Sometimes visitors don't want to engage, they just want to complete a task, find some information or buy something quickly. Jacob Nielsen's 90:9:1 ratio suggests that 90% of online communities will not engage (they only lurk); while 9% engage occasionally and 1% engage regularly. These 2006 figures are optimistic given today's declining social media reach. Although attaining engagement is challenging it is rewarding. Here's the ultimate engagement...where followers donate their organs.



An [extraordinary story from Brazil](http://www.GreatSportsmanship.org) (taken from www.GreatSportsmanship.org)

Experience – the Customer Experience (CX)

Is the customer experience, in fact, the lifetime customer experience part of your strategy? Does your marketing strategy ultimately help or hinder your customers? Does the strategy guide the actual experience the brand delivers to customers across all touch-points, before, during and after purchase? These touchpoints are far more important than what a brand says about itself (through its communications). CXM (Customer Experience Management) needs to be managed across functions, by all staff online and offline. Does your strategy enhance the lifetime CX? Does your strategy support omnichannel marketing (see processes for more). Interestingly Marketing Content now plays a big part in the CX and soon, IoT (Internet of Things) can extend the reach and delivery of your content with new partners (see partners).

Customer Experiences Must, At Least Match, Expectations: Costco v Apple CX

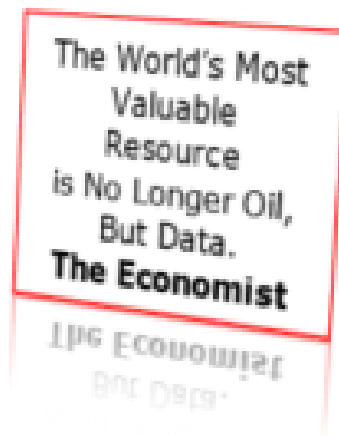
Costco customers expect bare-bones service in return for low prices, while Apple customers expect high quality innovative products and service at relatively high prices. Those are very different customer experiences, but they both delight customers (Brand & Hagen, 2011). And they are delivered to customers consistently online and offline.

When you map out the customer journey, you can see how you might want to set-up automated, always-on communications like Programmatic Ads to build

awareness, AI-based Personalisation to improve sales conversions and marketing automation to nurture customer relations by delivering more relevant messages via the customers preferred channel (email, messaging, app or website).

Data

Data is the world's most valuable resource (Economist 2017). Can data create competitive advantage? Can you use data to add value to your products or services / customer experiences? Can data help you to profile and target your customers in new ways? Can data give you access to new markets (partnerships)? Remember GDPR is important. Is your data clean and secure? Are you collecting data to develop your own AI (Artificial Intelligence) to enhance you're the CX? Can you integrate your data to give a 360 view of your customers? This is a strategic question and requires a strategic decision. Integrating customer data online and offline - from click behaviour data (digital body language), to registration data, to social media data to CRM (Customer Relationship Management) to purchase behaviour, to post-purchase communications.



As mentioned, Omnichannel Marketing (with its integrated data) presents challenges but also delivers competitive advantage via understanding your customers needs better and delivering a superior (more relevant) service. Should your strategy at least mention your soon-to-be most valuable resource, called data? Will you be investing in new processes that use data like AI chatbots (where Data and Process overlap).

Three Great Data Questions

1. Can you integrate your data?
2. How can data add value to the Perfect Lifetime CX – to help customers to ‘get the job done’?
3. Can you use your data to profile and target customers with more relevant offers, just when they need it?

Do We Learn From The Mistakes of the World’s First Electric Car?

Sedgeway promised to revolutionise transport. But it never quite managed to scale up and revolutionise transport on a mass global scale.

Bike Hire companies come and go. A Chinese bike hire company entered the UK market and withdrew within a few years. In China unwanted hire bikes are piled high in massive bike dumps. Many other bike hire companies struggle back in the UK and other western countries.

Elon Musk’s TESLA – will it avoid the classic strategic errors. This is certainly one to watch closely.

A Few Classic Questions About TOPPP SEED and Other Strategic Approaches

Can You use All 9 Components When Developing Your Strategy?

You are unlikely to include all 9 components in your strategy, but you certainly should consider all 9 components to see if they can help you to develop a strategy that achieves the objectives you've already set. You certainly have to include these two components every time: targets and positioning.

Should Any Major Tactical Changes be Mentioned in Strategy?

TACTICS are the details of STRATEGY and hence they are explored in more detail in the Tactics section. However, a brief mention of any major tactical shifts can be included in the strategy e.g. Replacing TV advertising with a major new content marketing drive to establish your brand as number 1 in your sector (assuming the content supports the brand and the desired CX).

Should IoT Be In My Strategy?

As already mentioned IoT may require new Partners since IoT offers major opportunities to create added value by connecting to or sharing a partner's product/services' benefits with existing customers. IoT might also involve data since it has to be integrated from one product or service to another and from one partner to another (as long as there are no breaches of data protection and privacy). See blog post entitled ['IoT Is Here'](#).

How does Porter's Strategic Competitive Advantage fit with TOPPP SEED?

See the Basic Manual, Situation Analysis (for more on Porter).

Porter highlights 3 strategic options of competing by:

- (1) product differentiation (includes positioning),
- (2) targeting niche target markets (includes targeting) or
- (3) competing by low cost (also includes targeting and positioning).

See the Basic Manual for more on Michael Porter's Competitive Strategies.

You can see ‘targeting’ and ‘positioning’ are included in our 9 strategic components. ‘Competing on Cost’ affects product quality, pricing, distribution and positioning which affects expectations which affect the CX.

How Does Blue Ocean Strategy fit with TOPPP SEED?

Blue Ocean Strategy avoids the ‘strategic hell’ of undifferentiated products competing in price wars until someone gets squeezed out. A Blue Ocean Strategy makes competition irrelevant and creates an uncontested market space. Apple iPhones and iPods did this. See more in Appendix 6.

Created by Kim & Mauborgne (2004) in their book called, Blue Ocean Strategy (published by Harvard Business Review) where they state:

‘Blue ocean strategy shows how you can get out of a red ocean of bloody competition and into a blue ocean of uncontested market space characterised by new demand and strong profitable growth.’

It has been suggested that Blue ocean strategy is the simultaneous pursuit of differentiation and low cost to open up a new market space and create new demand.

Positioning explores how you are seen, or perceived by your customers. Positioning also explores how you might want to be seen or perceived or positioned in the minds of your customers. In this case you want to be positioned as different (or differentiated) from existing competition.

By creating and capturing a completely different market space you will find yourself in uncontested market space, whilst making competition irrelevant.

More on Blue Ocean Strategy in Appendix 1 in the SOSTAC® Basic Manual.

What About Bansi Nagji and Geoff tuff’s Innovation Ambition Matrix?

They categorized New Product Development into 3 layers:

1. Core - makes small changes to existing products (Pizza Hut’s stuffed crust Pizza)
2. Adjacent - develops new solutions to draw in new customers (e.g. P&G expanded Crest toothpaste into whitening strips and electric toothbrushes)
3. Transformational - developing new products for new markets (e.g. Starbucks not only created new coffee flavours, they created a new in-store CX integrated with digital and mobile experiences).

You can see some overlaps with Ansoff’s Matrix Product Development, Market Development and Diversification.

Sample Strategy Excerpts

Here is a selection of excerpts from digital marketing strategies. See if you can identify if any of the TOPPP SEED components are being used.

Target markets

Objectives

Positioning

Partnerships

Processes

Sequence/Stages

Engagement

Experience

Data

NB They will not use all the TOPPP SEED words per se, but they might include one or two of them using other words. See if you can spot any of the TOPPP SEED components in these strategies. I have listed them in the right hand column. Try to avoid reading them until you have tried to find any of these TOPPP SEED components being used in the strategy excerpts.

| Strategy Excerpt | TOPPP SEED Component Target markets; Objectives; Positioning; Partnerships; Processes; Sequence/Stages; Engagement Level; Experience (CX); Data |
|--|--|
| <p>Uber Uber's clever algorithms use data and devices to create a service (product) that improves the CX by reducing the customer's cognitive load', reducing prices and reducing waiting time for any customer who needs a taxi, all done via a clever app. Uber wants to be seen (positioned) as a 'personal drive from any point at any time' (for customers) and also a 'business/hobby driving people for money' (for drivers). For governments Uber wanted to be seen as a data company rather than a transport company (however, the EU has ruled it is a transport company). Uber</p> | <p>Data Experience Positioning Target Mkts Sequence (new customers..)</p> |

| | |
|---|--|
| <p>growth strategy via to: (a) get new customers and (b) enter new markets.</p> | |
| <p>Amazon Amazon's ever-expanding product portfolio, combined with low pricing, world's best processes, data-driven personalised offers and ever-growing distribution partnerships has, in fact, defined its overall business strategy. Some describe it as 'cost leadership taken to the extreme.' The global online retailer 'operates with a razor thin profit margin and succeeds due to a combination of economies of scale, innovation of various business processes and a constant business diversification. Amazon business strategy is guided by four principles: customer obsession rather than competitor focus, passion for invention, commitment to operational excellence, and long-term thinking.'</p> | <p>Positioning (wide product offering & low priced) Data Experience (customer focus) Sequence (long term)</p> |
| <p>Facebook (in specific developing countries) Position fb as 'The Internet' ...Key to Facebook's strategy is ...no matter where users start on the ladder of mobile technology, (from the most basic device to the newest smartphone), Facebook (which starts free) becomes better and more fun to use as they upgrade.</p> | <p>Positioning Targeting Engagement ...</p> |
| <p>HSBAC Drive carefully targeted prospect traffic via a blend of inbound and outbound marketing using Marketing Automation and subsequently building incremental profiling via data profiling to ensure added value relevant offers and timely advice – reassure and reinvigorate customer relationships.</p> | <p>Targeting. Data Process (Mktg Automation) Sequence ...</p> |
| <p>Paypal A two phased Automated Email campaign supported by banner ads and telemarketing and a 'fully mobile optimized' microsite using high quality content that not only helped merchants to understand the mobile opportunity, but which also helped them to begin their own mobilization process.</p> | <p>Process (MA) Sequence (Banner & Telemktg) Tools (email, telemarketing Experience (microsite & content marketing))....</p> |

| | |
|---|---|
| <p>RABODirect Grow fan base by engaging fans via social media through the development of a dynamic Twitter engagement tool called RaboScore complete with a leaderboard ranking the top fans and use Gamification and online rewards to continually drive engagement, particularly with key online influencers.</p> | <p>Targeting Engagement Sequence</p> |
| <p>FT Become a 'data asset driven business' positioning FT global business news niche with unique content targeting the moneying classes offering a flexible (multiple niching) product & flexible pricing (product can be mixed and matched into all kinds of recipes — metro, regional, or local; daily or weekly; newspaper or magazine) targeting primary B2B companies and education institutes via direct sales (rather than aggregators like Lexis Nexis and News Corp.'s Factiva) and also nurturing from registration mid funnel prospects to subscribers.</p> | <p>Positioning Targeting Partners Data</p> |
| <p>The Guardian (newspaper) Move revenue dependency from ads to paying readers with a new membership scheme by developing an 'anonymous to known' strategy and help convert readers into members with a three-tier membership (up to £60-a-month (includes members benefits e.g. exclusive emails and ad-free reading). This strategy leverages the value of the reader relationships and thinks beyond reach (size of readership). This strategic transition from reach to reader relationships is now central. To "put the reader at the heart of everything, you need a common data set and a common understanding of reader journey to know what parts of the site can be optimised to deliver reader relationships [and] reader revenue." Pemsel Group CEO. Today we have a high level of digital and analytical sophistication is now being worked through. "That's just us getting really smart about understanding the triggers for getting people to contribute." These "triggers", are often related to breaking news. "We are obviously very sensitive about not asking for contributions around content that is reporting on some of the horrors.</p> | <p>Targeting Process Engagement Experience Data</p> |

More Examples:

There are many more examples of Marketing Strategy and Digital Marketing Strategy covered in the appendices in this manual and even more examples can be found in the SOSTAC® Guide To Your Perfect Digital Marketing Plan.

Strategy Template

Now use this TOPPP SEED Strategy Template. Fill in and use whichever bits in whatever order feels right – delete the rest.

To achieve sales
(Objectives)
from(how many?) customers generating% market share
from by.....(when)

by Targeting (target markets and personas),

Positioned as (crystal clear positioning)
delivering(what kind of an Experience/customer experience)
over (how many Stages programme e.g. gaining endorsement from influencers; generating awareness initially followed by sales)
using any Content Marketing – some strategies are built around Content Marketing)

and Partnering with..... (are there any strategic partners that help you extend your reach or add value to your proposition?)

and using/integrating customer Data (t profile and target customers with more relevant/tailored offerings)

Using.....(any new Processes, e.g. marketing automation, to CRM wrapping an automated and personalized contact 'strategy' around the customer lifetime journey.....).

To Engage(prospects, customers and advocates) at..... (specify which level of engagement [low level: liking/sharing, ratings, reviews and discussions or collaborative co-creation] crowd sourcing ideas).....

Requiring a budget (Spend) of..... (increasing or reducing in stages 1,2,and 3) and with a team of.....

When you have written your first digital marketing strategy you will feel a little uncomfortable with it as it may well be your first time writing a marketing strategy or even a digital marketing strategy. It does get easier. Basically, you've now got some of the key components. You don't need to use them all,

but do at least, consider each component to see if it can help to improve your strategy. Does it improve the big picture? Does it give clear direction and help to guide the selection of tactical tools?

Now rewrite your draft strategy (from the template) onto a blank piece of paper. Change the order or format – once you've considered all 9 components use as many as you feel relevant and rewrite your strategy in your own words. Check that your strategy actually will deliver the objectives you have already set.

Then try to develop a second strategic option. A different strategy. There is more than one way to achieve the objectives. Some ways are better than others. You'll start to see this as you develop other alternative strategic options. Try to do this before selecting the best strategy. When you have your best strategy, you can use this next checklist to double check how good is your strategy.

Boardroom Tip
a big strategic challenge is change management

Getting your own business to buy into your strategy can sometimes prove too difficult. Given that many, if not most, companies are dysfunctional and siloed to a greater or lesser degree, winning the business over to your new strategy (and getting them to understand it) is often a very challenging task, particularly if you are introducing some innovative ideas like combining your new 'content marketing' strategy with a new marketing automation process.

Many of us have a neurotic resistance to change. So rehearse the logic of your new strategy and prepare for the typical Q and A that will follow your presentation.

Do not take the criticism personally, it can be healthy and force you to check the robustness of your strategy.

And remember even the greatest strategies that drive clever tactics will still fail if your team don't want to, or simply are not able to, execute your strategy and subsequent tactics. We'll look at this in more details in the Actions section (internal marketing)

Questions Your Manager or Board Might Ask About Your Strategy

| |
|--|
| 1. What budget is required? Can we afford this? |
| 2. Do you have, or can you get, the team (or partners, or suppliers) capable of delivering this? |
| 3. Have you considered more than one strategic option (before choosing this strategy)? |
| 4. Does your strategy follow the right trends? |
| 5. Does your strategy create competitive advantage? |
| 6. Does your strategy play to our strengths? |
| 7. Does your strategy clearly address 'What Problem Am I Trying To Solve?' (and then see if your strategy solves it). |
| 8. Does your strategy improve the customer experience? |
| 9. Does your strategy help to build relationships with customers? |
| 10. Does your strategy strengthen your brand(s)? |
| 11. What ROI do you expect? What is the Return On the Marketing Investment, or at least 'What is The Return On Advertising Spend?' |
| NB Some companies consider return to mean 'Sales' and others consider Return to mean 'Profit'. |
| Are there any other questions for which you need to prepare answers? |

Boardroom Tip – Watch The Cash

Be clear about exactly how much resource your strategy requires. Your board will want to know exactly what resources are required – either budget or whether you have skilled people. Budgets don't always have to be included in a strategy, however mentioning budget, or 'spend' keeps your presentation very grounded, i.e. forces marketers to at least announce what resources are required to deliver this strategy.

Warning!

'Culture eats strategy for breakfast'

Peter Drucker once said the words above. You need to ensure your team actually buys into your wonderful strategy. To do this you need to spend resources on internal marketing (see 'Actions' section).

We can explore Internal Marketing later. For now, just remember that your strategy will give guidance to all of your subsequent decisions about your tactics.

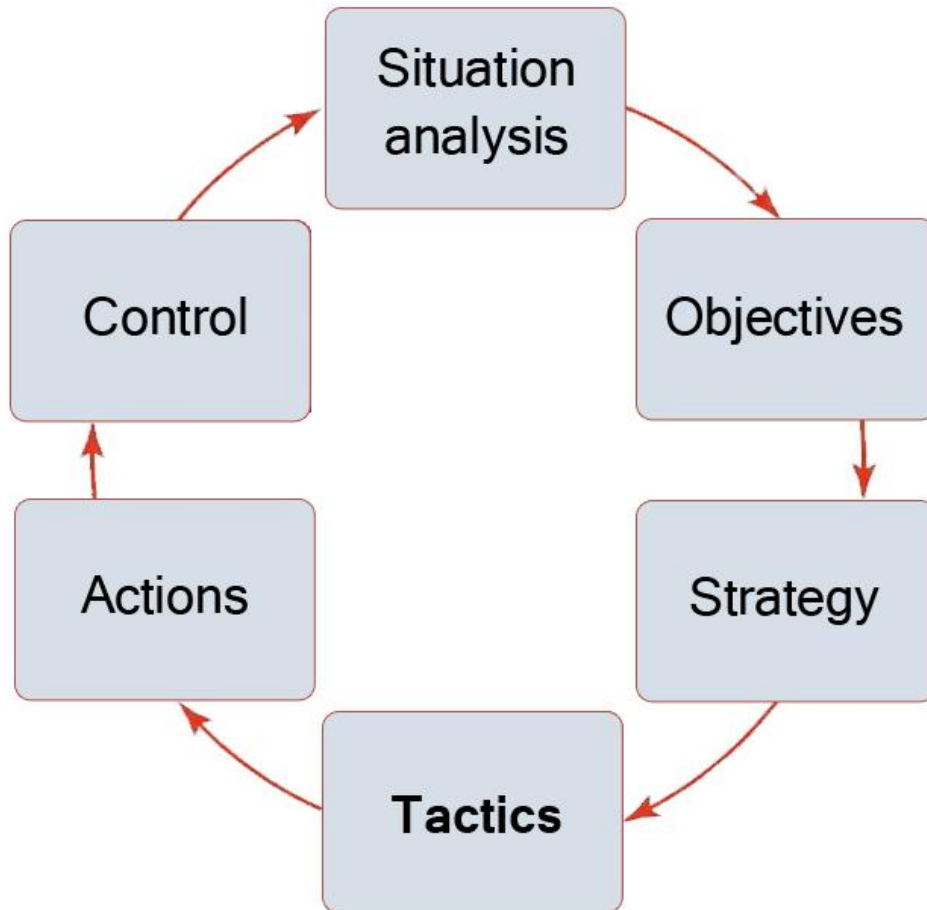
Strategy Drives Tactics

You can see how strategy drives tactics (not the other way around) e.g. targeting and positioning listed in the strategy will be consistently used with each tactical tool.

The strategy you develop will help you to choose which tactical tools to use in your subsequent tactical campaigns.

'Strategy without tactics is the slowest route to victory' said Sun Tzu in The Art of War. So let's move on and consider Tactics (the details of Strategy).

Tactics



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Tactics are the details of strategy i.e. the Marketing Mix. Tactics should be driven by the strategy so that everything moves in the same direction.

‘Tactics without strategy is the noise before defeat.’

Sun Tzu, The Art of War

The Old Marketing Mix

The traditional marketing mix covers decisions marketers have to make about the original 4Ps for marketing products: Product, Price, Place and Promotion. The service mix was added later and includes Physical Evidence, Processes and People. See more in the Basic SOSTAC® Manual.

Products Are Services

Today all products are becoming services as:

- Websites support products with extra **services** & added value experiences
- Customers ditch ownership and prefer renting (**service**) cars, bikes, houses...
- Digital adds value to any products CX particularly with IoT

This means we now must consider all 7Ps in our tactics. We might not use the same names of the 7Ps but decisions have to be made to cover these aspects and more.

**Welcome to 2030 I own nothing, have no
privacy, and life has never been better**

Ida Auken, Member of Parliament, 11 Nov 2016
[World Economic Forum](#)

The New Marketing Mix

Some say the marketing mix is very old (McCarthy 1960s). It is. Some professionals do not use these 7Ps in name, but they do have to consider each one whether it is under that name or another name.

Regardless of what you call it, you must specify the details of your product range, new features; new products; your prices premium prices or cut-price or whether dynamic pricing triggered by the weather, click behaviour, location, or real time supply and demand (e.g. Uber apply the economics of supply and demand at a particular time in a particular area.), plus whether you will also price (and accept payment) in digital currencies such as bit coin; 'Place' reminds marketers to specify which channels you are using to help customers to actually buy your products (note: these can overlap directly with promotional channels).

Tactics includes the details of the promotional mix , or the MarComms mix (Marketing Communications). Should banner ads, PR & sponsorship be used to build awareness and after that, convert to sales via new packaging, sales

promotions and point of sale? The marcomms mix needs to adopt to the customer lifetime journey.

Tactics also explores the details of new processes like Marketing Automation or AI Chat Bots. Physical Evidence must cover anything that can prove what a good product or service you are. This includes everything buildings, business cards, uniforms, websites, apps and more. Final element of the 7Ps is 'People' – arguably the most important element. Your staff includes everyone from customer facing to backroom. They must be on board and delivering the same messages and experiences.

Products Enhanced by IoT

The Internet of Things (IoT) connects products with data and even other products (and services) via chips, sensors, software, networks, and partners in a myriad of new and exciting ways that boost customer experiences and change the nature of your business in a radically new way. IoT offers partnership opportunities with connected devices e.g. a refrigerator company could allow you to access their IoT connected smart fridge and beam your marketing content onto the fridge door in millions of homes or selected 'profiled' target homes. This requires a partnership between you and the refrigerator company or whomever controls the data.

Tennis rackets containing sensors and connectivity in the racket handle allows manufacturers* to help players improve their game through the tracking and analysis of ball speed, spin, and impact location - all delivered via a smartphone application (* Babolat Play Pure Drive). A second example is Whirlpool, a leader in the connected home, which 'includes connected appliances including automated lighting, HVAC, entertainment, and security. This is now a product-as-a-service since Whirlpool maintains ownership of the product and the customer simply pays for the use of the machine'. Porter & Hepplemann (2014)



See [The IoT \(Internet of Things\) Is Here](#)

Digital Morphs The Marketing Mix

Digital blurs the lines of the traditional marketing mix. Is **Social Media** part of the product (CX), promotion (boosting reach), the physical evidence (visual proof of your quality) and/or place/distribution (if there is a link to a CTA / Call To Action e.g. 'sign up to download the report' or 'sign-up for your sample').

Content Marketing is part of the product experience/customer experience (CX) plus it is also a promotional tool (usually part of sales promotion i.e. sign-up and you can download the content). A single decision can affect several elements of the old marketing mix.

Tactical Decisions Are Driven/Guided By The Overarching Strategy

Strategy guides the detailed tactical decisions. e.g. a crystal-clear Positioning Statement (strategy) makes developing your Value Proposition (tactics) much easier.

Do you remember the C5 case? The new strategy targeted Club 18-35 year old holiday makers in Spanish Coastal Resorts (target market) with a fun novelty holiday leisure item (positioning). They then went on to develop the tactics such as:

Place (distributed via moped rental shops around the coast)

Price (a new affordable rental price);

Promotion (mostly in-store point of sale, brochures in hotels and bars;

Product (they started with the Value proposition 'The Space Rider' a fun safe way to explore the hidden beaches and local bars along the coast'. They changed the name of the product to support the value proposition.

The Physical Evidence of the rental company office/showroom is important as are the Process of contracting/hiring the Space Rider, receiving it back,

maintaining them is important. Last but not least, are People (staff). So important that we'll look at how you get the best from your staff, via Internal Marketing, in the Actions section later. Let's focus on Value Propositions for now.

Value Proposition

Your Value Proposition answers the eternal customer question which is: 'What's in it for me?'. So your VP should help customers immediately understand the benefits which your product gives them. Your VP should ideally, be something unique that solves your customers' problems (or fulfils an opportunity) in a way that competition cannot. All in just 3 seconds! Your website OVP (Online Value Proposition) has got to be crystal clear. Offline, your ads, exhibitions, point of sale, brochures etc. must lead with a crystal clear Value Proposition.

Your Value Proposition Should Include These 3 Pillars

| | | |
|----------------------------------|-----------|---------------|
| 1. Your Product Benefits? | Relevant | Resonate |
| 2. Why They Should Buy From You? | Different | Differentiate |
| 3. Why They Should Believe You | Credible | Substantiate |

Is your VP relevant to customers? Does it really resonate with them? Do they really need what you are offering them?

Why should customers buy from you? Are you different to competition? Can you differentiate yours product/service?

Why should anyone believe you? Are you credible? Can you substantiate what you say your product does?

Ideally all three pillars should be in your value proposition. If any one of these three pillars are missing then your customer will think the following (see right hand column):

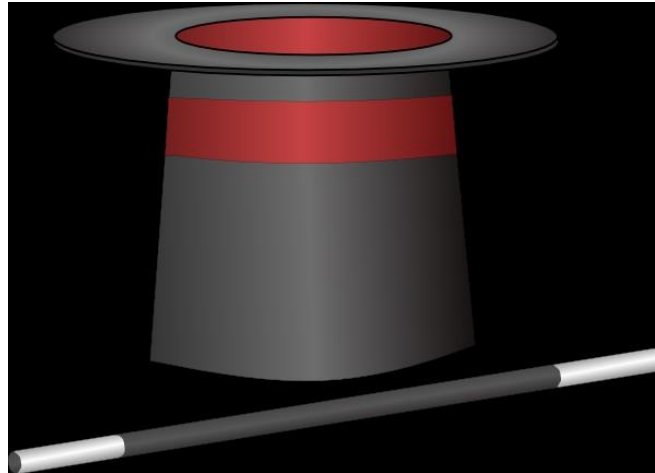
What happens when one of the pillars of the value proposition is missing?
Take just 1 of the 3 pillars away & buyers will say:

| Resonate | Differentiate | Substantiate | |
|-----------------------|---|-------------------------------------|--------------------------------------|
| Weak Resonance | Strong Differentiation (difficult to substitute) | Able to Substantiate | "I don't need" |
| Strong Resonance | Weak Differentiation (easy to substitute) | Able to Substantiate | "What's your best price?" |
| Strong Resonance | Strong Differentiation (difficult to substitute) | Not Able to Substantiate | "I can't risk it" |

Schultz, M. RAIN Group [3 Rules for Building a Value Proposition](#)

The Magic Marketing Formula

This very simple formula I created many years ago, helps marketers to stay focussed on customer needs. This helps when developing value propositions for ads, packaging, point-of-sale, sales pitches and even when using other marcomms tactical tools such as SEO (Search Engine Optimisation) and much more.



Whichever tactical tools (or channels) you use, always consider using my Magic Marketing Formula - IRD - to boost results. It is a simple formula. Here it is: IRD.

- **Identify** needs.
- **Reflect** these needs and/or benefits that satisfy the needs (through ads, sales presentations, search engines etc.)
- **Deliver** a good customer experience (i.e. fulfill your promise consistently at every touch point).

If Coca-Cola identify that people need to be loved, they reflect this by showing ads of people drinking Coke and having a good time (whether polar bears or people) and all feeling happy and being loved.

If a B2B IT supplier identifies a segment's main need is, say, security, then it reflects 'security' in its ads, exhibitions, social media and optimizes for these key phrases.

A simpler example is obvious with the search engines and the magic marketing formula. When you search for a very specific key phrase and then you see the exact phrase appear in the Search Engine results. It is a eureka moment. It's like a fusion of your specific need with a supplier's offering. The perfect match. This is the formula reflecting your needs (phrases) through SEO.

It is also a really powerful formula to use in a sales pitch to win business. Explore your prospect's mission statement to identify some of your prospect's basic needs. Then weave your product in as a solution presented (or reflected) by using the words used in the mission statement.

MarComms Tactical Tools

One of the original marketing mix elements is Promotion (Communications). See Ten Tactical Tools in the Communications Mix (MarComms Mix) below.

Which MarComms Tools To Use?

Some tactical Marcomms Tactical Tools are better at some things than others. e.g. advertising (some types of ads), sponsorship and PR are good at creating awareness, while sales promotions, point-of-sale and sales-people are great at selling*. There are other types of ads that do generate sales like 'remarketing' or 'retargeting' ads that pop up after a visitor has visited a site. The table below shows the primary objectives of 10 Tactical Tools. to help you discuss which tactical marcomms tools (aka 'channels) can fulfil your objectives.

| 10 Tactical Tools | Primary Objectives |
|--|--|
| Advertising | Awareness (and credibility) |
| Public Relations | Awareness (and credibility/reputation) |
| Sponsorship | Awareness (and credibility and sampling) |
| Sales Force/ Agents/Telemarketing | Sales (and relationship building and gathering information) |
| Exhibitions, Events and Conferences | Sales (+ relationship building & gathering information) |
| Direct Mail | Sales (and relationship building and gathering information) |
| Retail Store /Office HQ/Hub | Relationship building, database building, identifying prospects, enquiries, sales, CRM |
| Word Of Mouth | Awareness, Credibility (including endorsements and recommendations), Conversions |
| Sales Promotion | Conversion (enquiry/lead/newsletter/ sale, post-sale relationship) |
| Merchandising and Packaging | Conversion and relationship building |

There are exceptions to these generalizations, e.g. advertising can create awareness and also preference or even sales. Exhibitions are often used to establish a presence (or build awareness – 'we have to be there since

competition is there’), however there may be more cost-effective ways to build awareness.

The previous table is over-simplified, as already mentioned, different types of ads can have very different objectives. Advertising can be used to build awareness. It can also be used to reassure existing buyers that they are buying the right brands (in the case of car advertisements). PPC ads (and even display ads) can also arouse sufficient interest that a percentage of the audience will click through to say, a website to convert (whether this is registering for a newsletter, making an enquiry, trying a sample, making an appointment, buying a product or just engaging with content that strengthens the ongoing relationships). [Taken from PR Smith’s SOSTAC® Guide To Your Perfect Digital Marketing Plan. NB This is also referred to in the Basic manual.]

The Tactical Matrix

To explore this further, I developed the Tactical Matrix which is work-in-progress exploring the tactical marcomms tools (or channels) across 9 criteria and relates to each of 5 buying stages customers go through. It is designed to support a more informed discussion when selecting tactical tools. NB Owned Media, refers to media you own/control like your own web site and social media platforms. Earned refers to Word Of Mouth & Engagement levels such as sharing, liking, commenting. Paid Media refers to classical advertising eg. PPC (Pay Per Click) advertising.

| Tactics Matrix | BENEFIT → | Reach | Speed | Lead Time | Message Size | Targeting | Personalization | Cost: CPC/CPM | Control | Credibility (message) |
|---------------------------|----------------------------------|------------------|-----------|------------|--------------|-----------|-----------------|---------------|-----------|-----------------------|
| OBJECTIVE ↓ | TACTIC/ CHANNEL ↓ | | | | | | | | | |
| Awareness/ Familiarity | Display Ads | High | Medium | Long / Med | Medium | High | Medium | Medium | Medium | Low |
| | PR | High | Medium | Medium | Large | Low | Low | Low | Low | High |
| | Sponsorship | High | Low / Med | Long | Small | Low | Low | Medium | Low | Medium |
| Consideration | Social media (content marketing) | Low / Med / High | Low / Med | Medium | Large | Medium | Med / Low | None | Low / Med | High |
| | Search Ads & SEO | Low / Med | Medium | Long / Med | Small | High | Medium | Medium | High | Low / Med |
| | eMail (AM) | Med | High | Short | Large | High | High | Low | High | Medium |
| | Web Site | Low / Med | Low | Medium | Med / | Low / Med | High with Auto | None | High | Medium |

An excerpt from the Tactical Matrix PRSmith.org/blog.

To see which tactical Tools you should choose – see [The Tactical Matrix – Choosing Which Tool – Owned, Earned or Paid Media](#). Feel free to add a

comment at the end of the post. By the way, if you do post a comment here or on any of my blog posts, I will try to respond within 48 hours.

Tactical MarComms Tools – Offline & Online

All of these marcomms tactical tools have an offline and an online equivalent.

| Tactical Tool | Online Equivalent |
|--|---|
| Advertising | Display ads, , pay per click ads, remarketing/retargeting campaigns, Interactive ads |
| Public Relations | Online editorial, newsletters, ezines, discussion groups, viral marketing |
| Sponsorship | Sponsoring online events, sites and services including content marketing |
| Sales Force/ Agents/Telemarketing | Virtual sales staff, affiliate marketing, web rings, links/chat |
| Exhibitions, Events and Conferences | Virtual exhibitions, virtual events, webinars, zoom meetings |
| Direct Mail | Opt-in email and eNewsletter, Contact Strategies (sequence of automatic emails triggered by click behaviour or non-behaviour (e.g.if a user becomes dormant). |
| Retail Store or Office HQ | Website (SEO and marketing automation opportunity) |
| Word Of Mouth | Recommendations, criticisms, feedback devices (e.g. reevoo.com), social media platforms, forums |
| Sales Promotion | Content Marketing, incentives, rewards, online loyalty schemes, competitions, gamification |
| Merchandising and Packaging | QR Codes, augmented reality, virtual reality (immersive experiences). NB real packaging should be shown online. |

Moving from Campaigns to Conversations ('Always-On-Conversations')

The challenge, it seems, is to, somehow, move away from campaigns to conversations. This is particularly true if the buying cycle lasts longer than the campaign period. Marketing Automation can help here.

In the quest for delivering relevant conversation constantly with both existing customers and new prospects, 24/7, 365 days of the year, marketing automation has a role to play, particularly if there is a stream of relevant and interesting content to support it.

Email behavioural responses such as ‘opens’ (of the email) and ‘click-throughs’ (to the links in the email) are also recorded so that those that don’t open the email automatically get a second email with a different message in the subject line and those that did open the email but didn’t click through automatically get a completely different second email message.

Effectively, every visit, every click, every piece of content read/watched and every interaction online can be added over time to learn more about the customer, progressively improve the visitor’s profile and automatically deliver more relevant content continually – as and when triggered by the customer behaviour.

Marketing automation requires a set of rules (e.g. if a visitor clicks this and then watched the full video – they then get served this particular piece of content).

Continuously striving to improve this process, embraces the Magic Marketing Formula. For example, a mail shot invites prospects to download a report. Those that respond submit their industry sector in the form. The next email then offers some extremely relevant content such as a free report about that specific industry sector. Content must continually add value to the customer’s journeys, whenever and wherever the customer wants it. This is ‘Always-On Campaigns’ or better still, ‘Always-On Conversations’.

Integrated Tactics - Get More Bangs For Your Buck

In my workshops we explore how you can leverage any one tactical tool across several other tactical tools. e.g. consider producing a video for your website – there may be screen grabs, graphics, images, script that can be reformatted for a range of social media formats. The video can also perhaps be used at events, exhibitions conferences, reception areas, or as a link in an email, text message or press releases (if appropriate).

Gantt Charts

A Gantt chart gives a nice overview of your tactics. It includes the MarComms Mix but should also schedule (and budget) market research, product development, packaging design, product launch dates etc. See the Basic Manual for an example. Gantt Charts give you a bird’s eye view of what’s planned. Remember that in ‘Agile Planning’ terms an annual plan is something that is reviewed every 90 days and adjusted thereafter.

| | J | F | M | A | M | J | J | A | S | O | N | D | COST £000 |
|--------------------------|---|---|---|---|---|---|---|---|---|---|---|---|-----------|
| Key Phrase Analysis | • | | | | | | | | | | | | |
| Market Research | • | | | | | | | | | | | | |
| Literature/Collateral | | | • | | | | | | | | | | |
| Packaging Redesign | | • | • | | | | | | | | | | |
| P.O.S. | | | • | | | | | | | | | | |
| Advertising - TV | | | | | • | | | | • | | | • | |
| Ads - Press | | | | | • | | | | • | | | • | |
| Ads - Radio | | | | | • | | | | • | | | • | |
| Ads - PPC | | | | | • | | | | • | | | • | |
| Sponsorship on & offline | | | | | • | • | • | • | • | • | • | • | |
| PR on & offline | | | | | • | | | | • | | • | | |
| Web Site Design | | • | | | | | | | | | | | |

Excerpt from the Basic Manual – see the full chart in the Basic Manual.

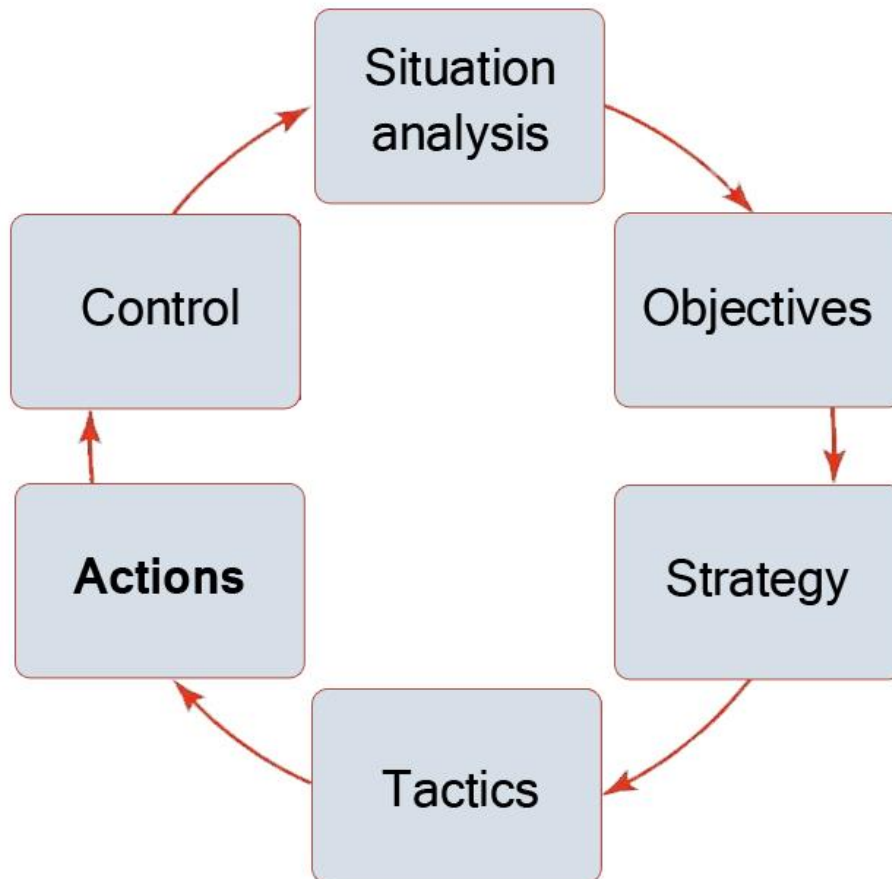
Is Gamification – Strategy or Tactics?

Is gamification a tactical tool? I tend to categorise it as a sales promotion (as it is an incentive) and therefore a tactical tool, regardless of whether it is aimed at customers, employees, distributors or any other stakeholder. See [Gamification The Good , The Bad and The Ugly](#) (on www.prsmith.org/blog for more).

How Do You Ensure Excellent Execution Of Your Tactics?

So when your tactics worked out, you need to ensure that your tactics are actually executed with passion and with excellence. This makes a huge difference to the CX. It is a shame to see companies spending lots of money promoting themselves and generating traffic to a slow-loading web site. To ensure 'excellent execution' of your tactics we need to also include an Actions section in your plan.

Actions



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Strategy summarizes, and gives direction to, ‘How you are going to get there?’ Tactics are the details of strategy (the marketing mix) and Actions are the details of tactics. The Actions section of your plan ensures that the tactics are executed with excellence and passion.

Actions – the forgotten section – why many plans fail

The Actions section of many plans is often forgotten. Hence, we get great strategies and clever tactics written down but often followed by a lot of sloppy execution: sloppy web sites, ridiculous emails, poor customer experiences. There is sometimes a neurotic resistance to change. So if a plan introduces new processes like marketing automation or AI Chat-Bots in particular, some staff will resent and resist the plan. Why? Because they haven’t bought into the plan. Why? Because no one bothered to explain to them why they need these new processes (communications) . How it will help them to keep the

business alive, achieve their targets, get home on time etc. (motivation). No one enabled them to use the new processes (training).

No one ever plans a sloppy website – but many deliver slop

How many brands do not execute their plans to a high standard? How much money is wasted driving traffic to a website that frustrates visitors? ‘Develop credibility before raising visibility’, i.e. do website usability testing before promoting the site.

In this case, lousy execution not only wastes scarce resources but also destroys the customer experience and, hence, destroys the brand. If this happens, then, effectively, your ad spend is destroying your brand!

So this Actions section is all about ensuring your team will execute your plan with passion and excellence. How?

Internal Marketing

Internal marketing is critical to ensure excellent execution. It involves:

- Communication
- Motivation
- Training

Internal Marketing is all about taking time to bring your team with you. Understanding their worries (AI will take my job); Understanding what motivates your staff (how you can win their buy-into your plan), then communicating clearly and frequently (whether by face-to-face or internal communications systems), and finally, training staff to ensure everyone has the skills to execute the new plan. Essentially explain and motivate the team so that everyone knows who has to do what, when and how.

Here’s The Bad News

‘Everything degenerates into work.’ Peter Drucker

Communication

You need to allocate time and budget to communicating with your team whether it is 1-2-1 meetings, town square meetings, webcasts, emails, letters, phone calls... you need to ensure that everyone who needs to know about your plan, knows about it. Plus they need to be excited about it. So your internal communications has to be able to motivate your staff as well.

Motivation

You need to know how to motivate your team, particularly when it comes to new processes or new systems. Staff often resist new tasks. Partly because of lack of motivation and partly because they don't know how to use them (training). Here is an example of a highly motivated brand advocate staff member who made a shockvertisement for his company.



This man is sufficiently motivated that he made his own [‘Shockvertising’ video](#) for his company, Bissell Canada? prsmith.org/blog

He uses his Bissell floor cleaner to clean a space on the platform floor in the subway (underground train), then pours his curry dinner onto the floor and then eats his dinner! Will this start a surge of employee product demo ads? Do not try this at home! Beware, [you may find this video revolting](#) (you can see it on prsmith.org/blog).

Training

Also remember, even if staff are motivated, they have to have the right skills across a range of new marketing roles in an ever-changing marketing team. Do staff have the skills to use the new CRM system, to integrate with chatbots, to upload content into the marketing automated system? Can they manage a mini project? Staff need training, so they can for example, use:

- Systems & Processes (e.g. marketing automation)
- Guidelines & Checklists (e.g. social media usage)
- Mini Action Plans (e.g. project plans)

This can include mini action plans since each tactic is a mini project which needs professional execution. You don't have to include all the mini projects in your marketing plan, but they will have to be created at some stage. You can add systems, processes, guidelines and checklists, either into the body of the

plan or in the appendices at the back, or you can simply issue them later. But, it is worth listing in the Actions section which guides and checklists need to be produced.

You can examples of mini action plans and checklists in the SOSTAC® Guide to your Perfect Digital Marketing Plan.

Internal Marketing Up To 10-15% of Budget

Spending time and money communicating your plans to your internal teams, motivating them to get behind your plans and ensuring they know how to execute the plan (training). Some companies spend 10% -15% of their marketing budget ensuring their staff understand, believe in and become capable of executing the plan.

Many companies are dysfunctional and siloed to a greater or lesser degree. Plus, many staff have a **neurotic resistance to change**. Therefore plans with new ideas are often disliked. Incidentally, this is partly why 50% of the world's largest CRM (Customer Relationship Management) projects fail (people resist change).

Internal Marketing Acid Test

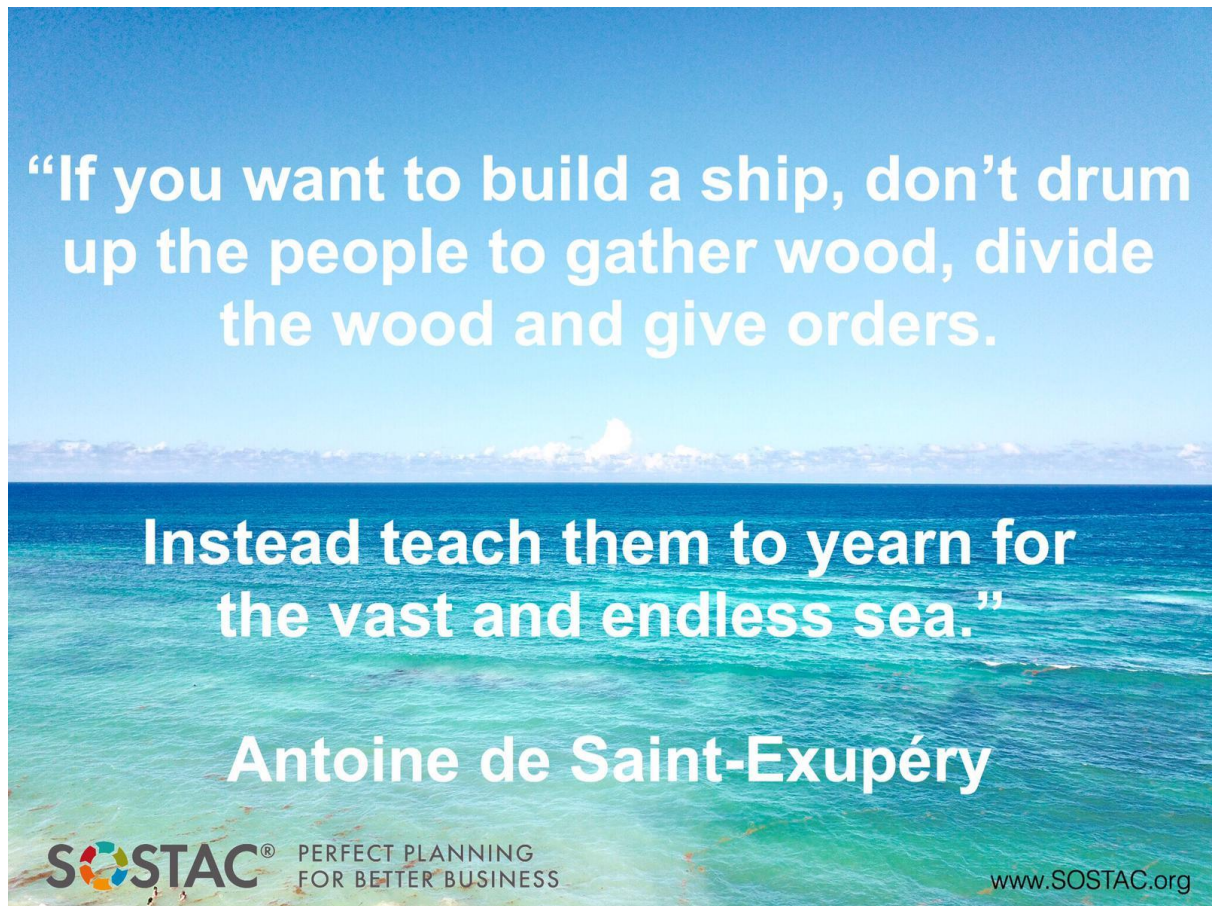
If you are B2C, how many of your staff are brand advocates?

Communicating, motivating and training your staff is the key to great execution. e.g. are all of your staff fully behind your social media efforts – would they post your marketing content in their networks (GaggleAmp is a tool that helps management to see which staff are sharing the most).

Do your staff really believe in your product or service? Are they passionate about it?

Are your staff proud of your products and services and your business?

Do they feel proud to work for your business? Does your mission statement (remember Objectives) make them feel good about coming to work every day? Do they have a sense of purpose? Do they have a passion for their work? If yes, this can be a huge competitive advantage. Isn't it a pleasure buying from knowledgeable, passionate and friendly staff? Doesn't it make you want to go back there than somewhere else? Is your team passionate about executing with excellence? With internal marketing (communication, motivation and training) you can ensure you execute with excellence.



Antoine de Saint-Exupery, The Little Prince

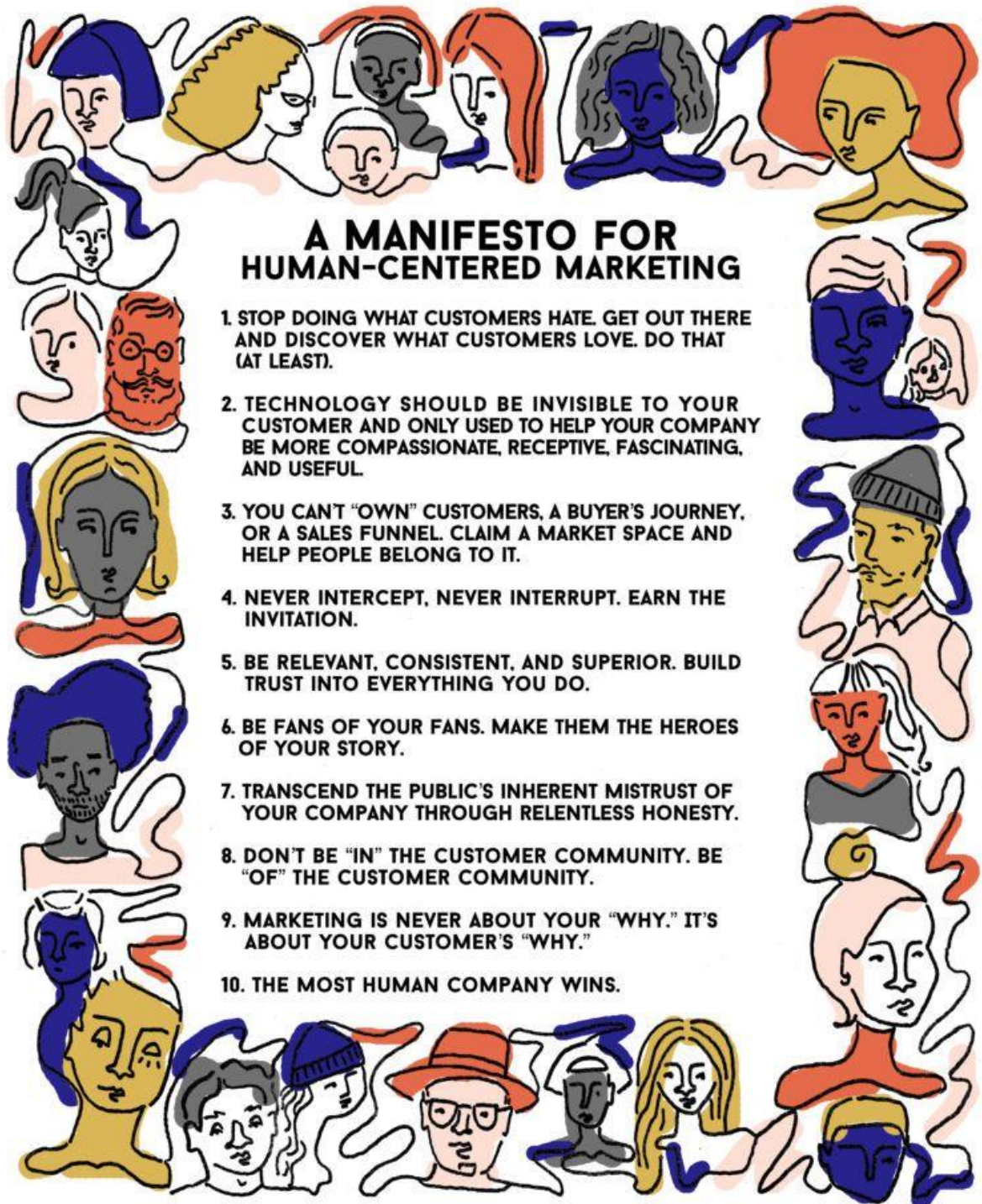
This quotation is included in Netflix’s online recruitment slide deck (160+ slides) available to the public online. I think this demonstrates the importance of passion.

In the Basic SOSTAC® Manual we looked at how firms actually make better profits if they have passion and purpose. Remember, those ‘Firms of Endearment’ grew by over 1000% over 10 years compared to the best of US companies, the S&P 500 which only grew by 122% over the same period.

Sense of Purpose

We are seeing more and more millennials choice of job veering towards companies that don’t just have in place some kind of corporate social responsibility (CSR) tagged on at the end of their tactics, but actually have CSR embedded in their DNA and shared with all staff. These companies who have genuine ethical values can attractive the right staff and help customers feel better about buying their product.

This brings us back to Mark Schaefer's Human Centred Marketing



FROM "MARKETING REBELLION" BY MARK SCHAEFER

A Manifesto For Human-Centred Marketing reproduced from ['Marketing Rebellion'](#) with kind permission from Mark Schaefer.

So integrity, community and a humane approach are values that staff (and customers) like. It also supports purpose and a passion for excellence. In a Post-Covid World 'Human-Centred Marketing' may well prove to become popular.

Excellent Execution = Competitive Advantage

If your team really want to execute tactics better than your competitors this can actually create competitive advantage - just through better Actions/Execution. A former CEO of GE along with Harvard Business Professor actually wrote a book claiming that an organization's ability to execute (better than their competitors) generates competitive advantage. They called the book "Execution: The discipline of getting things done", by Larry Bossidy and Ram Charan (2012).

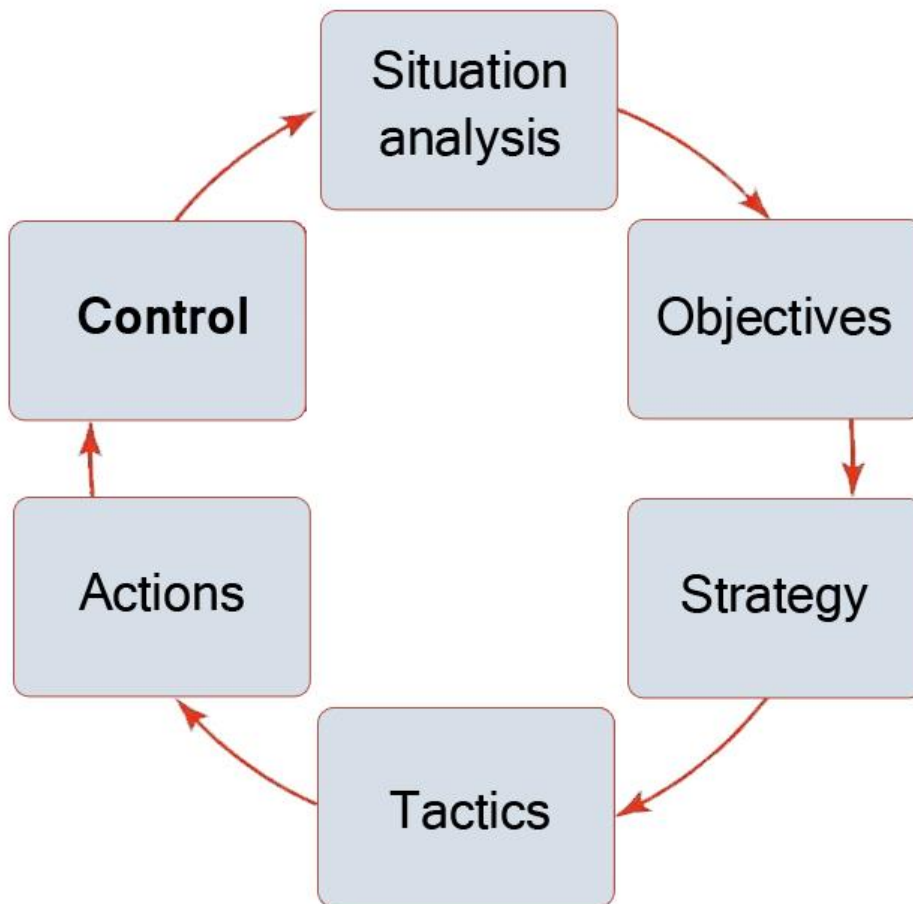
So your Actions section of your plan can, surprisingly, create competitive advantage just by executing the tactics efficiently and effectively. How much more competitive advantage can you gain by executing with excellence and passion?

So execution is all about Actions. In other words, the Actions section of the plan is all about ensure excellent execution which depends on internal marketing.

Finally, do you remember we highlighted Peter Drucker's quote earlier in the Strategy section. It is so true. Hopefully, now you know why.

"Execution eats strategy for breakfast." Peter Drucker

Control



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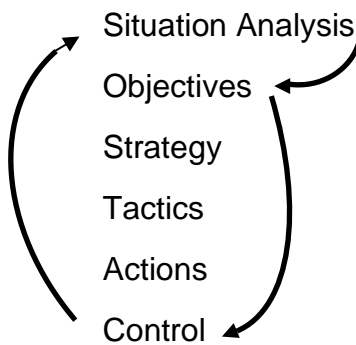
Build 'control' into your plan

Your plan needs to include control systems that let you know whether 'you are getting there?' i.e. on target to achieve the objectives you set earlier. You don't want to wait until the end of the year, when it's too late, to change your tactics. You need early warning systems.

The 'Control' section of your plan lists which KPIs are measured daily and which are measured monthly or quarterly. This section of your plan also specifies who measures what, when and how much it costs. This puts you in control.



All the Control Metrics you measure at the end of a period will be used in next period's Situation Analysis when analyzing performance (Results).

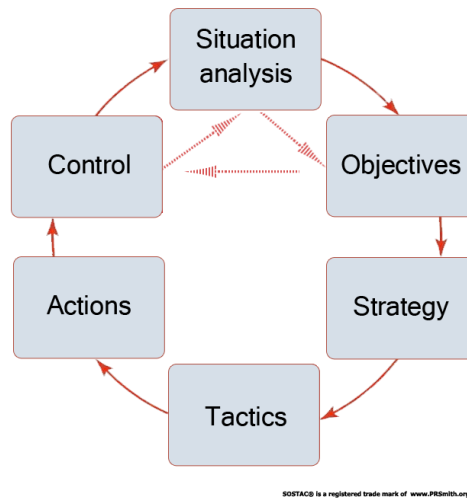


The 'Performance/Results' section in the Situation Analysis is then used to set even more realistic Objectives.

The objectives then need to be controlled or monitored regularly.

You can see the cyclical nature of Objectives – Control – Situation Analysis.

This is the mini loop within the SOSTAC® Planning framework. KPI Objectives are regularly measured (control) and these metrics are then fed into the next Situation Analysis when reviewing results/performance. Tactics will be tweaked or may even be stopped if they are not working. Similarly, other tactics may be increased if they are seen to be working particularly well which makes it an agile planning framework.



In agile planning, KPI results are continually checked and if major deviations are observed, then this affects everything including objectives and tactics. Occasionally, strategy is changed e.g. if it is just not working and doesn't look like working in the future, agile planning would suggest reviewing and modifying your strategy also.



Your plan, therefore, should list what will be measured, by whom, when (how frequently), and most importantly, what happens if you are way below or above the target? Your plan may include guidelines about which manager should be alerted if something is not working or if something is working really well.

What Metrics Do We Measure?

Simple answer: We measure the objectives we used in the Objectives section. The actual performance is monitored and fed into various types of reporting systems (or dashboards).

Key Performance Indicators

| KPI | Results Previous Period | Objective Current Period | Results Current Period | % increase / decrease |
|--------------------------------------|-------------------------------|--------------------------------|------------------------------|--------------------------------|
| ROI (Return On Investment) | | | | |
| Sales - units - value | | | | |
| Market Share - units - value | | | | |
| Market Leader Number in Top 5 | | | | |
| Awareness Level (offline survey) | | | | |
| Preference Level (offline survey) | | | | |
| NPS Score (Net Promoter Score) | | | | |
| Sentiment Score | | | | |
| Website/Blog | | | | |
| - Unique Visitors | | | | |
| - Subscribers | | | | |
| - Leads generated | | | | |
| Cost Per Visitor (website) | | | | |
| Cost Per Like (Facebook) | | | | |
| Cost Per Lead | | | | |
| Cost Per Customer Acquisition/Order | | | | |
| Cost Per Customer Retention/Order | | | | |

| | | | | |
|-----------------|--|--|--|--|
| Database Size | | | | |
| Prospects/Leads | | | | |
| Customers | | | | |
| Advocates | | | | |
| Influencers | | | | |

Measuring Website KPIs

| KPI | Results Previous Period | Objective Current Period | Results Current Period | % increase / decrease |
|--|-------------------------------|--------------------------------|------------------------------|-----------------------------|
| Site Visits | | | | |
| Unique Visitors | | | | |
| Bounce Rate | | | | |
| Duration | | | | |
| Page Views passive engagement | | | | |
| Most Popular Page(s) | | | | |
| Most popular downloads | | | | |
| Engagement - Downloads | | | | |
| Engagement - Likes/Favorites | | | | |
| Engagement - Comments | | | | |
| Engagement - Shares | | | | |
| Engagement - Registrations/Newsletter | | | | |
| Churn Rate | | | | |
| Conversions Leads & Sales | | | | |
| Sales (all sales) | | | | |
| Task Completion | | | | |
| SCAR (Shopping Cart Abandonment Rate) | | | | |
| Satisfaction Score | | | | |

| | | | | |
|-----------------|--|--|--|--|
| NPS Score | | | | |
| Sentiment Score | | | | |
| Share of Voice | | | | |

| | | | | |
|---|--|--|--|--|
| Social Media Platforms – repeat for each platform | | | | |
| Followers/Likes – engagement etc. | | | | |

'We prefer the discipline of knowledge
 to the anarchy of ignorance.
 We pursue knowledge the way a pig pursues truffles.'

 David Ogilvy, Ogilvy & Mather, Corporate Culture,
 What we believe and how we behave: Nine Obiter Dicta

You may find it helpful to use the sales funnel to monitor firstly, the number of visitors and secondly, the number converting to an opportunity (filling in a form, or watching a product demonstration/becoming a hotter prospect or lead), followed by the number converting to sales).



The funnel can be further analyzed so we can see the actual **cost per visitor**, **cost per lead** and **cost per order**.

Cost Per Visitor

If you spend £10,000 on a PPC campaign which generates 1000 get visitors to your website, then your Cost Per Visitor is £10 (via PPC channel). We can measure the cost per visitor for other channels like social media, email etc

Cost Per Lead

Can be worked out in different ways. Taking the above example if say, 10% of your visitors become leads, then you get 100 leads (10% of 1,000 visitors) which cost £10,000 PPC campaign, then your Cost Per Lead is £100 (£10,000 divided by 100 leads). It then becomes interesting to compare this channel cost per lead with other channels Cost Per Lead such as those offered by Lead Generators.

Cost Per Order

Staying with the above example, if a quarter of the leads convert to customers, then we get 25 customers (25% of 100 leads). Campaign cost £10,000 divided by 25 customers = CPO £400.

You can see why CPO for a new customer would be a lot more expensive than a CPO for an existing customer who is repeat buying. Some estimates suggest Customer Acquisition is 6 times more expensive than Customer Retention.

Return On Investment

In its purest financial terms, ROI means Profit (return) On Investment (Marketing Expenditure). So if you add up all your marketing expenditure, say £1m and you generate £50m sales. Let's say you make a healthy 10% net profit ie £500,000 profit (or return) against £1m marketing expenditure = an impressive 50% ROI.

Return On Ad Spend

This is an even bigger misnomer. Return should mean profit but here it tends to mean sales (which is always going to be much bigger than profit). A successful ad campaign might give ROAS of 50 X return (which for each £1 spent you get £50 in sales).

Knowing your Cost Per Visitor/Lead/Order puts you in control and it will help you with your budgeting (later).

In addition to regularly monitoring metrics dashboards you also need to schedule and budget for the following control mechanisms into your plan:

Website Usability Testing (does your web site work ok? For everyone?)

Website Satisfaction Monitoring (do visitors like your web site?)

Website NPS (what is your Net Promoter Score? Is it up or down on last quarter?)

Website Bounce Rate (is 88% bounce rate a reason to be concerned?)

Website SCAR (shopping cart abandonment rate) is 96% bad?

Website Traffic Quality (Is 96% SCAR good or bad?)

Which Channels Deliver Best Quality Visitors (multichannel funnel analysis)

Is your marketing content under control?



Erin Robbins on the Effectiveness Of Content Marketing www.PRSmith.org/blog

Watch this 25 minute video about '[How To Measure The Effectiveness Of Content Marketing](#)' (courtesy of Steve Farnsworth and Erin Robbins), it really puts marketing content and analytics together very nicely.

The answer (or at least. how to get the answers) to these and all other questions raised, including the questions raised in the Situation Analysis are

explored in much more detail in the SOSTAC® Guide To Your Perfect Marketing Plan.

Turn information into action

Use information to make better decisions.

Ask yourself 'what information do I need to make a great decision?'

PR Smith

Evidence Based Marketing Puts You In Control

Developing a constant beta culture (or a constant A/B testing culture) where you constantly testing variations of your emails, ads, landing pages etc. This helps you to continually improve (continually optimise), This is **evidence-based-marketing** when you make decisions supported by some hard evidence (whether your own testing, your own primary research or someone else's secondary research, trends analysis, industry practices or good old customer feedback. You make better decisions when making informed decisions (driven by evidence). This gives you more control over your business.

This will also help you to get 'more bangs for your buck' as you are constantly optimising and getting the most out of your limited resources. This will generate some savings which then can be reallocated somewhere else where, perhaps, you desperately need more budget.

Customer Feedback

We started this course with the centre of the universe – the customer. Let's finish this course with the centre of the universe – the customer! Let's build formal customer feedback into your marketing, to help you to be in control of your destiny and enjoy constant improvement. Here are some resources that already do some of your market research for you.

Listen To Your Customers

- See: [The Old Marketing Ship Is Sinking](#)
- Direct Feedback - NPS (Nett Promoter Score)
- Google Alerts, Talkwalker (what influentials say)



Customer Feedback (post-sales)

- Reefo, Feefo or Trust Pilot, Trip Advisor
- Reviews (Google, Amazon, Udemy)

Customer Communities

- GetSatisfaction, UserVoice, UserEcho

Local Chatter

- Twitter's advance search, hootsuite, social bro

Websites

- listen to/read several via feed readers
- exit survey

Influencers

- GigAlert, Followerwonk

The Mood Of The Market – Sentiment Analysis

- Radian 6, Talkwalker, Brandwatch

Listen, Collect, Respond

- See: Red Dwarf's (TV show) automated personalised videos at scale: [Imagine You Could Do This With Video](#)



Ignoring Customer Feedback means you are drifting and therefore, out of control, with no idea what your customers are saying about you. Using Customer Feedback gives you back some control.

Control Mechanisms Like Customer Feedback Also Feed Into The Next Situation Analysis

You can see how customer feedback needs to be listed and included as part of the Control section of your plan. The actual results or findings from this

feedback needs to be fed into the next period's Situation Analysis. In fact, the results may require immediate changes in the tactics and/or the actions. From an Agile Planning perspective, regular customer feedback reviews will generate immediate changes in tactics and actions.

Monitoring and measuring stops wasting money

Having good control systems in place reveals what works well (and therefore do more of this sooner rather than later) and also shows what isn't working so well.

Good monitoring systems stop money from being wasted and ensure that money spent is constantly optimized.



Good control systems stop money being wasted.

Budget

Once you know your CPOs, you could start to put a marketing budget together. In slightly oversimplified terms, if you need to get 1,000 new customers next year we now know we would need £400,000 PPC ad budget next year (1,000 customers x £400 CPO). Remember there are, of course, other marketing expenditures required.

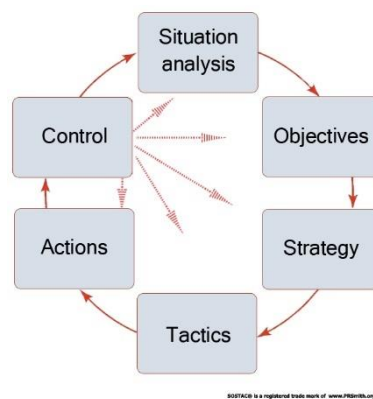
This is known as the 'task method' for building a budget. Another method is Percentage of Forecasted sales (e.g. if sales are £100m and your Marketing budget is 5% (for a B2C business) or only 1% for a B2B business, your marketing budgets would be £5m and £1m respectively. There are other methods for building a budget in the Control section of the SOSTAC® Basic Manual which also includes:

- Sales Forecasts
- Some Marketing Budget Exceptions
- Contingency Planning ('what if' scenarios)

Summary

The Control section lists what you need to measure, by whom, how often, what it costs and what happens when you spot a blip (something way over or under the normal performance).

The KPIs monitored are also fed into the next period's Situation Analysis under Performance Review. This information, in turn, helps to set better Objectives for the next period's plan. These are subsequently measured in the next period's plan



The Control section of the plan influences every other section, over time.

SOSTAC® Summary

So this is SOSTAC®.



Don't forget to add in your 3Ms, the 3 key resources: Men and Women, Money (budgets) & Minutes (timescales).

Men and Women

The human resource. Skilled marketers will be in demand and particularly during this period of radical change to marketing.

Here's another possible marketing team: Digital Marketing Specialist; Social Media Manager; Chief Listening Officer; Content Marketing (including Blogger); SEO Specialist; App Designer; App Developer; Cloud Services Specialist; Big Data Analyst; Market Research Data Miner. If you cannot recruit, train and motivate internally, can you find the people externally in agencies with the right skill sets?

Money

Budgets – you need budgets. Whether 5% of forecasted sales if you are B2C or 1-2% if B2B (up to 8 times higher if it is a new product or service being launched), this percentage of forecasted sales is a common benchmark. However, increasingly marketers will be asked to justify why they need their budgets – reverting to the ideal approach or task approach.

Minutes

Time is often the most limited resource. Particularly when you define what information you need to make a great decision but discover you haven't got the time to collect the information. Add in A/B testing and pilot testing and you'll see why time is at a premium. Incidentally, perhaps it's time to stop thinking about campaigns and start thinking about conversations (and constant beta/constant improvement).

Mega-Data

Remember 'data is world's most valuable resource'. Data will become a more integral part of most marketing strategies. What kind of customer data required to make great decisions? What kind of data required to garner relevant insights? What kind of data required to improve the CX? What kind of data and data partnerships required to access customers in new ways?

I hope this SOSTAC® guide has been useful to you, triggered some ideas, helped you to structure your plan or even adopt and integrate it with any other planning structure that you might prefer.

Good luck with your online assessment.

Appendices

More Excerpts from Marketing Strategies

| Strategy Excerpt | TOPPP SEED Component Target markets; Objectives; Positioning; Partnerships; Processes; Sequence/Stages; Engagement Level; Experience (CX); Data |
|--|--|
| <p>Company Z ‘Integrating dynamic content (combined with behavioural data) into the website (using content blocks or areas that are tailored for the individual visitor based on the values in your behavioural marketing database), to serve up relevant photos, text, and videos—will encourage site visitors to take action.’ [mktg prof]; capturing data across channels and platforms (web data, email data, social data, mobile data, purchase data).</p> | |
| <p>The Great Sportsmanship Programme Reposition from a book (targeted at sports fans in UK & Ireland) to an edutainment programme packed with inspirational true two-minute sportsmanship stories - targeting youths with challenges from Ireland, UK and UAE via the most popular social media platforms and to help (a) coaches/trainers and influencers to guide their groups through the resources available online and (b) help youths to self-select their level of engagement for the continual delivery of user generated content to satisfy the growing global network of schools, clubs, coaches and ambassadors.</p> | |
| <p>Redbull Red Bull created a new category of ‘non-soda energy drinks’ targeting burned-out high schools and college students, firstly, by initially, quietly converting America’s</p> | |

youth into devoted, enthusiastic customers, building an anti-brand via brand evangelists' word-of mouth (rather than expensive, older fashioned, mass marketing ad campaigns).

Positioned as a revitalising drink (for both body & mind), consumer-educators drive around in shiny silver off-rovers with giant, phallic cans of Red Bull strapped to the back, giving out free cans (they also give student representatives free cases and encourage the kids to throw a party).

RedBull sponsor extreme sports events which reinforce the brand positioning of 'strong mental and physical performance' and gives them access to produce and manage a stream of high quality action sports, and youth culture-oriented content that spans web, social, film, tablet, print, music, and TV.

'The giver of wings has become what every brand wants to be these days – a media company in full' Red Bull CEO Dietrich Mateschitz (Jezi 2012).

Avon

Avon's new strategy is to turn Avon's existing business model into a 'modern, high touch and high-tech organisation' by mixing the best marketing communication techniques of a consumer goods company, with the social selling tradition Avon pioneered.

Avon has teamed up with MediaMonks, the creative production company with a new content studio designed to develop and distribute high quality brand and product content at scale (more than five million people's worth of scale, across 50 countries) and 133 years of history.

Going live in March across Brazil, Mexico and Russia, the 'always-on' content hub will develop 12,000 images, videos, gifs and pieces of gamified content annually for use across Avon's more than 50 markets. Multi-language and multi-platform, the content will be delivered weekly to its network of representatives.

A brand framework, tone, look and feel is shared so that the representatives create "hyper-localised" content which fits the nuances of their specific markets. Avon reps will become "micro-influencers" who create content

and post it themselves, allowing the brand “let go of control a little bit”.

The three priorities are to (1) convert awareness to relevance, (2) create a real-world perception of Avon Quality products and then (3) communicate that.

---end---

Kim & Mauborgne's Blue Ocean Strategy/Analysis

Blue Ocean Strategy was created by Professor's W. Chan Kim and Renée Mauborgne and effectively, provides a 'systematic approach to making competition irrelevant and creating uncontested market space'.

Companies competing in the marketplace try to avoid the concept of 'Strategic-Hell', which occurs when it is difficult to find differentiation from competitors and price wars are unavoidable resulting in diminishing margins, until someone gets squeezed out of the market. Blue Ocean strategy tries to migrate from those markets and create new ones where pressure from competitors is low or nonexistent. For example Apple iPhones and Apple iPods created new product-markets away from traditional competition.

The concept is appealing but in reality it is difficult to do. Companies need to make a constant effort to imagine how their competitive position could be improved. Blue Ocean 'four actions' framework may help to achieve the desired position by exploring these 4 points: 'Eliminated', 'Reduced', 'Raised' and 'Created'. We will use the Cirque du Soleil ("*Circus of the Sun*" is a dramatic mix of circus arts and street entertainment).

ELIMINATED: Which of the factors that the industry takes for granted should be *eliminated*? Cirque du Soleil Eliminated traditional circus themes, animals

REDUCED: Which factors should be *reduced well below* the industry's standard? Cirque du Soleil reduced children focus.

RAISED: Which factors should be *raised well above* the industry's standard? Cirque du Soleil raised the Adult focus (including corporate targeting).

CREATED: Which factors should be *created* that the industry has never offered? Created multiple productions and artistic dance.

Akao's House of Quality Analysis

The house of quality is a popular name given to the Quality Function Deployment (QFD) diagram created by [Yoji Akao](#) (1966). It is also known as “the voice of the customer” since the purpose of the analysis is to understand why customers buy (or don't buy) a particular product or service.

The method tries to identify WHAT the customer wants or needs, and HOW it can be delivered (product/service). The WHAT is the market requirement, and the HOW is the design characteristics of the product or service.

This tool may be used as a link between the SITUATION Analysis Section and the Strategy section of SOSTAC®. Once all of the Situation Analysis is complete it is easier to see the Key Success Factors (the market requirements, the WHAT) and the Competitive Distinctive Capabilities (the HOW). The WHAT and the HOW must fit together neatly.

Consider Kodak. Customers want to take pictures (WHAT) and Kodak knows HOW (cameras). WHAT and HOW fit. Then suddenly (and disruptively), digital cameras (a substitute for film) were launched by new competitors and were rapidly adopted by customers. The new WHAT doesn't fit with the traditional KODAK's HOW. Kodak must find a new HOW (new product/service).

If Kodak's What and How fit, the company can build on this. If they do not fit, strategic changes must be made to make them fit. Kodak needed to create a new product or service which fitted with customers WANTS, i.e. ink, printing service, printers, corporate printers, outsourcing print services and digital cameras.

These are strategic issues. If no correct strategic solution is found all the tactics will be wrong regardless (since the strategy will be wrong). Of course, this analysis may be carried out at different levels e.g. by product/segment, line of products or entire product portfolio.

QFD analysis is complex, but it may be simplified creating a WHAT versus HOW matrix as illustrated in the following table.

The table helps you to see if your product or service has a sustainable competitive advantage. The first step is to prioritize the WHATs (what customers' need). Since companies have limited resources and cannot satisfy all customer needs, it is important to assign importance (priority) to customer requirements.

For example, consider a generic software product such as a payment system. Here is 'WHAT' (customers need): Security is identified as the first customer priority, followed by Fast (the service needs to be delivered quickly), followed by Responsive (it must be always available and work with no errors) and finally, Compatible (it must work on most platforms and systems).

Then align the HOWs against the WHATs, by assessing three questions:

1. Does our HOW fit with the WHAT?

Yes ('Y') or No ('N').

The features of our product match (Y) or do not match (N) with customers requirements.

2. Do competitors offer a similar capacity?

Can competitors also deliver their own HOWs (products/service features) that match the WHAT? If 'No' then you are the only one and therefore insert 'W' in the table below (good news!). If YES, we name the competitor (in the table).

3. Is our position sustainable (medium-long term)?

Yes means that our HOW satisfies the customers WHAT (now and in the medium to longer term) and that position is likely to be maintained somehow (technology, patents, exclusive distribution channels). 'No' means, competitors are going to take you over soon (for example by just copying your offering).

QFD matrix example for a software product

HOW

| | | Firewall | Availability | Standards |
|------------|------------|----------|--------------|-----------|
| WHAT: | Importance | | | |
| Secure | 1 | YWY | | |
| Fast | 2 | | YCompetitorN | |
| Responsive | 3 | | | YWN |
| Compatible | 4 | | | NNN |

Assessing 'Secure': YWY

YWY means we deliver 'WHAT' a customer requires: 'Security' by offering a product feature ('HOW'): Firewall. We are the only company offering this 'Secure' feature which is the most important feature required by our customers. We therefore score it 'Y'. Competitors don't have adequate firewalls yet (W) and we can maintain the advantage for a while (Y). YWY is the perfect score.

Assessing 'Fast': YCompetitorN

We have a solution based for example on a proprietary algorithm to authenticate users (Y), but some competitors (Competitor) also have their own algorithms so it doesn't represent a true competitive advantage i.e. there is no real competitive position to sustain (N).

Assessing 'Responsiveness': YWN

Our product fits with customers requirement for always working (Y). We have a technology (W) that no competitor has yet (W) but since it is based on published standards it will be soon available to competitors so (N).

Assessing 'Compatible': NNN

'Compatible' is a customer requirement (albeit not a top priority). We don't deliver this, hence 'N'. Do competitors offer a similar capacity? No so 'N'. Is our position sustainable (medium-long term)? Obviously not as we don't offer this as a feature yet so 'N'. Note this is a feature not delivered yet and could represent an opportunity.

Note: 'N Competitor N'

would mean that we do not satisfy this particular customer requirement ('N'). There are competitors) and obviously this is not a sustainable advantage (as we don't have one right now).

Note 'Y Competitor N'

would mean that we satisfy this particular customer requirement but there are competitors offering it also and our advantage is not sustainable.

The product/service are composed by all the WHATs versus the HOWs. The marketing team has to evaluate if the final product is robust enough to be manufactured and marketed.

The table summarizes our competitive positioning at a detailed level and reflects visually the strong and weak points, linking Strategy with Tactics (often a difficult task) where a product or service needs to be totally defined and ready to go to the market. The analysis helps marketers to consider specific features of a product or service and identify areas for improvement (build differentiation or maintain sustainability).

HOW

| | | Firewall | Availability | Standards |
|------------|------------|----------|--------------|-----------|
| WHAT: | Importance | | | |
| Secure | 1 | YWY | | |
| Fast | 2 | | YCompetitorN | |
| Responsive | 3 | | | YWN |
| Compatible | 4 | | | NNN |

So what does the table above tell you?

The table reveals that our solution has a very small competitive advantage and we rely one of the four most important features. The product, right now, is competitive but it could fail if some changes in the environment occur e.g. a new security standard. The table also highlights the possibility of creating a compatible platform which would work on a wide set of platforms (windows, iphones, android, symbian) which would deliver more advantage. The tool effectively helps to analyze the Competitive Advantage in detail and link it to the real features of a product.



PR Smith Blog Posts

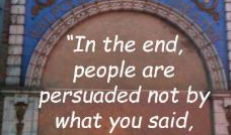

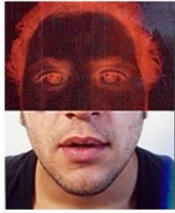







categorised for each SOSTAC® section

Please Note: You do not need to read these before taking your SOSTAC® Certified Assessment. These blog posts and the books listed after them are purely for your ongoing continuing professional development.



PR Smith Blog Posts
from PRSmith.org/Blog (click on the title)

Situation Analysis





| | | | |
|---|--|---|--|
|  | <p>Using Big Data: How Trump Won</p> |  | <p>10 Useful Ways Big Data Is Used – That You Probably Didn't Know</p> |
|  | <p>Analyse Your Personality from 200 Of Your Tweets Part 1</p> <p>Part 2</p> |  | <p>New Analytic Tools: Age & Gender Detection</p> |
|  | <p>Social Listening Skills Part 1</p> <p>Part 2</p> |  | <p>Persuasion & Motivation: Cialdini's 6 Rules Of Persuasion</p> |
|  | <p>Here Come The Clever Bots</p> |  | <p>Here Come The Really Clever Bots</p> |
|  | <p>IoT (The Internet Of Things) Is Here</p> |  | <p>Conditioning: How Rats Work = How Twitter Works? Provocative, Angry Twitter Rants = More Attention/Followers?</p> |

PR Smith Blog Posts
PRSmith.org/Blog



Situation Analysis (contd.)

| | | | |
|---|--|---|--|
|  <p>AI Driven TV News Presenter Nov 14, 2018 Artificial Intelligence</p> | <p>AI Driven TV News Presenter</p> |  <p>Global increase in cyber attacks World's largest hack in 2013, reported by Yahoo! in 2016</p> | <p>GDPR – opportunity or threat for your business?</p> |
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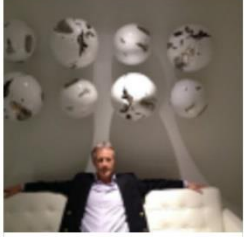





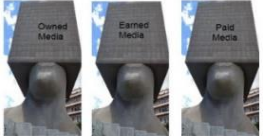

Strategy

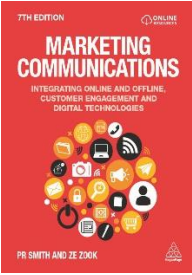





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|  <p>How To Win The Next U.S. Presidential Election PRSmith.org/blog Jan 26, 2016 Analytics, Big Data, Buyer Behaviour, Content Marketing, Customer Analytics, Engagement, Magic Marketing Formula, Strategy, Tactics, Targeting</p> | <p>How To Win The Next U.S. Presidential Election</p> |  <p>Intel - Positioning Forward or Backwards PRSmith.org/blog Dec 13, 2013 Sponsorship, Strategy</p> | <p>Intel – Positioning Forward or Backwards</p> |
|  <p>How Integrated Content Marketing Creates Competitive Advantage By: Urban et al 14 Oct 2015 Content Marketing, Tactics 3 Columns</p> | <p>How Integrated Content Marketing Creates Competitive Advantage</p> |  <p>Beware: Customers See Your Competitive Advantage Differently Sep 10, 2015 Marketing Plan, Situation Analysis, Strategy PRSmith.org/blog</p> | <p>Beware: Customers See Your Competitive Advantage Differently (Urban et al)</p> |

Tactics



| | | | |
|--|---|--|--|
|  <p>Research Driven Shock Ad Uses Magic Formula & Goes Viral Aug 23, 2014 Advertising, Magic Marketing Formula, Market Research, Viral Marketing PRSmith.org/blog</p> | <p>Research Driven Shock Ad Uses Magic Formula & Goes Viral</p> |  <p>The Tactical Matrix - Choosing Which Tool - Owned, Earned or Paid Media PRSmith.org/blog Nov 11, 2014 Advertising, Content Marketing, Owned Earned Paid Media, Social Media, Sponsorship, Strategy, Tactics, Tactics Sales Promotion</p> | <p>The Tactical Matrix – Choosing Which Tool – Owned, Earned or Paid Media</p> |
|--|---|--|--|

Tactics (contd.)



| | | | |
|---|---|---|---|
|  <p>How To Target Very Very Specific Audiences On Facebook</p> <p>Aug 21, 2014 Advertising, Analytics, Change, Owned Earned Paid Media, Social Media PRSmith.org/blog</p> | <p><u>How To Target Very Very Specific Audiences On Facebook</u></p> |  <p>Facebook Data: How it was used by Cambridge Analytica</p> | <p><u>Facebook Data: How it was used by Cambridge Analytica</u></p> |
|  <p>The Dark Arts Of Marketing – Breaking Down Society to Create a New Culture – Using Data & IRD</p> | <p><u>The Dark Arts Of Marketing – Breaking Down Society to Create a New Culture – Using Data & IRD</u></p> |  <p>Marketing Gone Wrong: Is the Dark Web Worse Than Subliminal Seduction?</p> <p>May 3, 2019 Are we being brainwashed? Is the dark</p> | <p><u>Marketing Gone Wrong: Is the Dark Web Worse Than Subliminal Seduction?</u></p> <p>Brexit Crimes</p> |
|  <p>Artificial Influencers – Meet Shudu & Miquela</p> <p>Feb 28, 2019 Artificial Intelligence, Change, Creativity, Virtual</p> <p>Meet Miquela Sousa Lili Mequelaaa is a Brazilian-American fashion influencer and music artist from Downey, California. With 1.5m Instagram organic followers she</p> | <p><u>Artificial Influencers – Meet Shudu & Miquela</u></p> |  <p>Artificial Influencers Use My Magic Marketing Formula (IRD)</p> <p>Mar 7, 2019 Artificial Intelligence, Content Marketing, Marketing Automation, Virtual</p> <p>In a previous post, Artificial Influencers - Miquela & Shudu, I introduced you to</p> | <p><u>Artificial Influencers Use My Magic Marketing Formula (IRD)</u></p> |
|  <p>The Rise & Fall Of Owned & Earned But Not Paid Media – World Cup Marketing Wars?</p> <p>Jun 27, 2014 Advertising, Change, Owned Earned Paid Media, Social Media, Sponsorship PRSmith.org/blog</p> | <p><u>The Rise & Fall Of Owned & Earned But Not Paid Media – World Cup Marketing Wars?</u></p> |  <p>How Integrated Content Marketing Creates Competitive Advantage PRSmith.org/blog</p> <p>Nov 6, 2014 Content Marketing, Tactics</p> | <p><u>How Integrated Content Marketing Creates Competitive Advantage</u></p> |

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|  | <p>Location Based Ads V2 - layering data in an intelligent way</p> <p>MarComms 7th ed</p> |  <p>Low Cost, High Credibility But Uncontrollable – PR Horror Story Jul 27, 2016 Control, PR, Social Media,</p> | <p>Low Cost, High Credibility</p> <p>But Uncontrollable – A PR Horror Story</p> |
| <p>How Can AR Turn a Competitor's Ads Into Your Own Ads?</p> |  <p>How Can AR Turn a Competitor's Ads Into Your Own Ads? Mar 28, 2019 Advertising, Big Data, Creativity, Engagement, Owned Earned Paid Media, Tactics Sales Promotion, Virtual</p> |  <p>Customer Retention Isn't Boring – Here's Wow! Aug 22, 2014 Owned Earned Paid Media, Social Media PRSmith.org/blog</p> | <p>Customer Retention Isn't Boring – Here's Wow!</p> |
|  <p>How To Integrate & Leverage Great Graphics For Max Impact Apr 4, 2016 Advertising, Creativity, Owned Earned Paid Media, PR, Sponsorship, Tactics www.PRSmith.org/blog</p> | <p>Integrate/leverage all tactics: Suspended Swimming Pool Image leveraged across 5 tools</p> |  <p>Gamification – the good, the bad and the ugly Oct 9, 2013 Change, Tactics Sales Promotion PRSmith.org/blog</p> | <p>Gamification – the good, the bad and the ugly</p> |

Action

| | | | |
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|  <p>Staff Brand Ambassadors Eat Dinner Off Floor PRSmith.org/Blog Apr 27, 2016 Action, Advertising, Content Marketing, Tactics, Viral Marketing</p> | <p>Motivation: Salesman eats dinner on floor</p> |  | <p>Checklists:</p> <p>Avoid Friction Words</p> <p>(Slideshare)</p> |
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Control

| | | | |
|--|---|---|---|
|  <p>Measuring The Effectiveness Of Content Marketing PRSmith.org/blog Feb 22, 2015 Content Marketing, Tactics Sales Promotion</p> | <p>Measuring The Effectiveness Of Content Marketing</p> | <p>Watch & share the 4 minute SOSTAC® video with your colleagues PRSmith.org/sostac</p> |  |
|--|---|---|---|

PR Smith Books

Smith, PR (2020) SOSTAC® Guide To Your Perfect Digital Marketing Plan

Smith, PR & Zook, Ze (2020) Marketing Communications, 7th ed. Kogan Page

Chaffey, D. & Smith, PR (2017) Digital Marketing Excellence 5th ed. Routledge

Smith, PR (2011) The SOSTAC® Guide To Writing The Perfect Plan eBook

Smith, PR (2003) Great Answers To Tough Marketing Questions, Kogan Page

Smith, PR (2009) Great Moments Of Sportsmanship (2009) Self Published

Smith, PR (2011) Great Moments Of Sportsmanship eBook Self Published






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The Great Sportsmanship Programme

This is a NFP campaign founded by PR Smith designed to inspire a new generation of global citizens while boosting their self-esteem, social behaviour, literacy and interest in sport. Become [an ambassador](#) – looks great on your LinkedIn profile. Connect with us on www.GreatSportsmanship.org

Good Luck with your online assessment and then, after that, good luck with your lifelong, continuing professional development.

Paul



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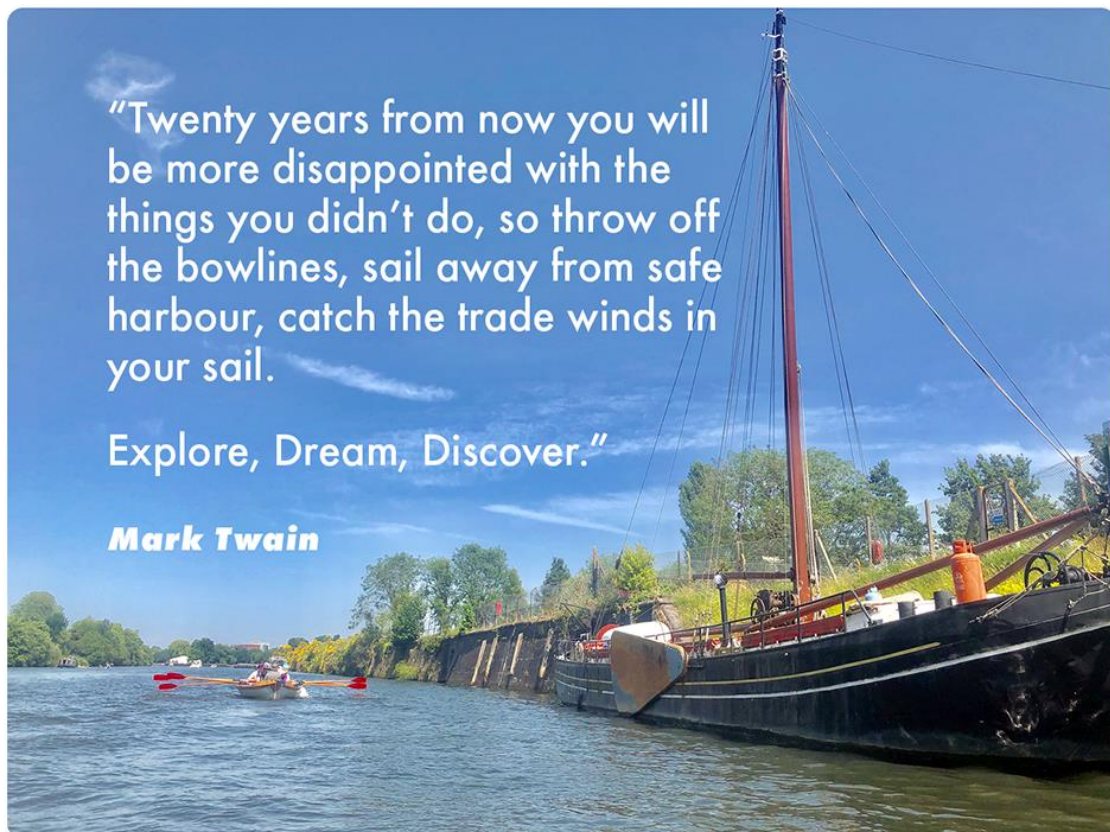


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