

SOS POLITICAL SCIENCE AND PUBLIC ADMINISTRATION

MBA FA 404

SUBJECT NAME: INTERNATIONAL MARKETING

UNIT-V

TOPIC NAME: STRATEGIC IMPLICATIONS

The strategic implications are the major consequences arising from not understanding and tackling the multitudinous impact of forces and dynamics of change that can often impact a business from various angles:

- political, regulatory and legal
- economic and monetary
- social-cultural
- technological
- ecological and environmental

Strategic planning impacts the management's performance because it directly influences the ability of the resulting strategic plan in getting the commitment and support of the human resources of the organization in order to maximize the output or consequences of implementation of the plan.

The strategic plan is important in the development of any business organization. The strategic plan provides basis for the activities in the business, thereby significantly impacting the performance of these activities and the performance of the entire organization. Some of the most important aspects of strategic planning include the vision, mission, values and the strategy used in the organization of interest. In addition, other factors in the strategic planning activity of the organization include the timeliness of the strategies, as well as variables like the business situation, the available courses of action, and the desired outcomes. The aim is to develop a strategic plan that suits the business condition based

on an accurate evaluation of the internal factors and external factors influencing the operations of the organization.

The situation of the business organization is also a major factor in the development of business strategic plans. In this regard, strategic planning significantly relates to a variety of activities throughout the business organization. The significant connections between strategic planning and practically every component of the business organization emphasize the significance of strategic planning in enforcing the overall growth and progress of the organization of interest. The following analysis of the significance of strategic planning in a business organization considers the overall context of strategic planning in order to establish the connection between strategic planning and the development of the organization, the impacts of strategic planning and management performance, the impacts of strategic planning on organizational performance, the efforts of strategic planning and organizational viability and attractiveness to employees and investors, and the overall ability of the organization to ensure sustainable and viable operations in the long-term. It is argued that strategic planning serves as a major foundation on which an organization builds its growth and expansion, such that strategic planning is a critical success factor in the development of organizations.

Corporations exist to earn profits and provide wealth to their shareholders. The board of directors in small corporations typically these individuals are the shareholders and management set the goals and objectives for the company. How the company pursues its goals is its corporate strategy.

CORPORATE STRATEGY HAS IMPLICATIONS FOR SEVERAL AREAS OF THE COMPANY.

Corporate Strategy Defined: Corporate strategy is the overall direction a corporation takes to achieve business success. It is the way a corporation marshals its internal operational resources effectively and

efficiently to achieve its goals. A corporate strategy has several additional components: Scope; mission and intent; sources of competitive advantages; and sources of synergy.

Marketing Implications: A company with customer-focused strategic objectives will have a corporate strategy that impacts its marketing. When a corporation can envision and project the long-term profit implications of a customer, it can modify its strategy to capture as much of that customer's lifetime value as possible. In addition, a company with strong customer satisfaction can identify that as a competitive advantage and leverage its relationship with loyal customers by introducing new products or services.

Knowledge-Based Synergies: Another strategic implication is the impact of knowledge on the company as a whole. A corporate strategy may involve introducing new products or opening up a new location each year. As a company does this repeatedly, it builds a knowledge base. It can leverage that knowledge base and transfer knowledge from one business unit to another, or enter a new market by working with a partner and sharing knowledge with its partner.

Technology Implications: A corporation's strategy has technological implications.

For example, a company may shift from advertising in newspapers to advertising in online blogs or newsletters. A company may have an expansion goal but realize that opening new offices would be too expensive.

Instead it opts to build out its information technology infrastructure servers, hardware, and software and tech support to support employees working from home.

Personnel Needs: Corporate strategy has implications for personnel. The strategy dictates how fast a company expands, what products and services it provides and how the company grows, for example, through increased sales and marketing or through acquisitions.

The pace of growth impacts how many people a corporation will need to hire.

The focus of that growth determines the skill and ability level of the new employees and any training needed for existing employees.

SOME IMAGES ARE THERE TO SHOW YOU DIFFERENT IMPLICATIONS OF STRATEGY:

Strategic Implications of Product Categorization

- **Product Positioning:**
 - Success of a *positioning strategy* depends on convincing the consumer that the product should be considered in the category.
- **Identifying Competitors:**
 - Many products compete for membership in a category.
- **Exemplar Products:**
 - Products which are a good example of a category.
- **Locating Products:**
 - Categorization can affect consumers' expectations of where the product can be located.

8 - 26

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Strategic implications of IT

- ❖ IT – initially used for administrative automation.
- ❖ ICT (information and communications technology) used for:
 - Intra-organisational systems
 - Inter-organisational systems
 - Public access networks (Internet)
 - Mobile data communications
- ❖ The use of ICTs can have strategic implications for small and large organisations.

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9

Strategic Groups - Implications

- Although competition is intense within a strategic group, there is also rivalry between groups.
- Some of the strategic groups may appeal to overlapping customer segments.
 - *Example budget versus full service airlines*
- The customers may not see much difference in the offers of different groups.
- Members of one strategic group might expand into new strategy segments.
- The company needs to look at all of the dimensions that identify strategic groups within the industry.

3-20

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Strategy Implications

The position on the matrix (determined according to the weight, rating and value) will indicate the appropriate strategy (as in the BCG matrix).

- Green cells define the businesses that will receive the resources to grow; the so called “green light” businesses. The market is high or medium in attractiveness and the organization has high or enough skills and resources to take advantage of the market.

Implications for Indian Strategy

	Growth First Stonewallers	Progressive Realists	Progressive Internationalists
Domestic agenda	Growth first	Co-benefits	Co-benefits
Political Reading	Climate as geopolitical threat	India as excuse – fatalism	India as excuse – demonstrate cooperation
Foundational Demand	Equity – Common but differentiated	Equity – international and internal	Equity <i>plus</i> Effective climate regime
International Strategy	Stonewall commitments	Focus at home – delink	Link domestic and global
Motto	Its our turn!	Its an unfair world!	Seize the moment!

6

Implications of Business Strategy for Training

Strategy	Emphasis	How Achieved	Key Issues	Training Implications
Concentration	<ul style="list-style-type: none"> Increased market share Reduced operating costs Market niche created or maintained 	<ul style="list-style-type: none"> Improve product quality Improve productivity or innovate technical processes Customize products or services 	<ul style="list-style-type: none"> Skill currency Development of existing work force 	<ul style="list-style-type: none"> Team building Cross training Specialized programs Interpersonal skill training On-the-job training
External Growth (Acquisition)	<ul style="list-style-type: none"> Horizontal integration Vertical integration Concentric diversification 	<ul style="list-style-type: none"> Acquire firms operating at same stage in product market chain (new market access) Acquire business that can supply or buy products Acquire firms that have nothing in common with acquiring firm 	<ul style="list-style-type: none"> Integration Redundancy Restructuring 	<ul style="list-style-type: none"> Determination of capabilities of employees in acquired firms Integration of training systems Methods and procedures of combined firms Team building Development of shared culture