

**SRC ASSOCIATES**  
**POSITION PAPER**  
**STRATEGY AND MARKETING – BLOOD RELATIVES?**

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There are some strategists who consider the business of strategy and the business of marketing to be separate entities and never the twain shall meet. These same people claim that marketing people deal with marketing issues and that higher level strategy is dealt with by strategic thinkers at the higher levels of the organization. Nothing could be further from the truth.

Strategy is the continual search for changing positions in the competitive environment that is characterized by both unpredictability and dynamism. It is not the search for a single static position that will provide competitive advantage ad infinitum. Such sustainable competitive advantage is an elusive quest that has led to the downfall of many organizations that failed to adequately adapt to the changing conditions of the market place. Sustainable competitive advantage comes from change. In the business best seller, *In Search of Excellence* written by Peters and Waterman, many of the excellent companies cited were in serious trouble less than 5 years after the books publication. In another management best seller, *Built to Last* (by Collins and Porras), the authors make the point that successful firms are very good at sticking to their core values and beliefs whilst open to changing strategies and organizational activities in response to market conditions.

**Where does marketing fit in?**

Marketing not only informs the strategy process, it is an integral part. If marketing is about the creation, delivery, and communication of customer value and strategy is about the search for positions of value, the two are inextricably interlinked. One may even say that marketing brings strategy to life by coordinating the actions of those in the organization to achieving customer satisfaction. Even so, these types of comparisons are still artificial. Take for example Ikea, they have clearly redefined the shopping experience for furniture, but where does strategy finish and marketing begin. Is not their strategy of cost leadership and differentiation (in the words of Harvard

professor Michael Porter) about the creation and delivery (and communication) of customer value. Most strategists would agree that the process of strategic innovation is a mixture of both internal and external orientation. Ikea had a firm eye on the customer when devising their strategy whilst at the same time knowing that this was something new to the market and not guaranteed to succeed. Very often, great ideas and strategies can arise from the lower levels of the organization were employees are at the front line. Legendary marketing gurus Al Ries and Jack Trout call this bottom up marketing. No longer is the strategy of an organization confined to the upper echelons of executive suites, an organization must tap the creative abilities of everyone if true long run competitive advantage is to be achieved. And marketing is integral to this process, because those at the front line know what a customer looks like!