Chapter - 9

BENCHMARKINGS
Niraj Dawar (2013) author of “When Marketing is Strategy” suggested, A company is market-oriented if it has mastered the art of listening to customers, understanding their needs, and developing products and services that meet those needs. Believing that this process yields competitive advantage, green companies can deploy focus groups, surveys, and social media. The “voice of the customer” reigns supreme, driving decisions related to products, prices, packaging, store placement, promotions, and positioning.

Niraj Dawar further highlighted to become market leaders today need to define what performance means in their respective categories:

1. **Competitive Advantage:** The traditional upstream view is that as rival companies catch up, competitive advantage erodes. But for companies competing downstream, advantage grows over time, as it is accumulative.

2. **Choose Competitors:** while choosing how to position green products, a manager needs to pay attention to the size and growth of the market and competition. Downstream actively place green firms, within the competitive set or away from it. Finally, pricing has a strong influence on which company compete with. The right pricing accomplished that objective: Many consumers, use price as a key criterion in forming their consideration set.

3. **Add Innovation:** Green Brands can compete by convincing customers of the relative importance of their criterion of purchase. The green product remains an essential part in demonstrating the brand’s positioning. The product and its features turn the abstract, intangible promises of the brand into real benefits.

Rita Gunther McGrath and Ian C. MacMillan (2005) in their copyrighted article “Market Busting Strategies for Exceptional Business Growth” argued that, Business practitioners overwhelming interest in reliable way to create new growth in businesses. Author looked at a wide range of strategic approaches to growth. Everything from low risk, incremental changes to high-risk, disruptive ones. Found an approach that lay somewhere between those two extremes.
GREEN PRODUCT MARKETING STRATEGY: A STUDY

It's possible to grow a business by doing one of two things for in company or for your customers:

1. **Change green firm unit of business:** so it more closely reflects the value created for customers. Firms probably also want to change how you measure the effectiveness of firm’s performance.

2. **Dramatically change your performance on existing key metrics:** in a way that uniquely favors your company.

According to the direction of Rita Gunther McGrath and Ian C. MacMillan (2005) looked at a wide range of strategic approaches to growth-everything from low risk, incremental changes to high-risk, disruptive ones. Further they identified eight moves companies can make to redefine their profit drivers and realize low-risk growth.

1. **Change green unit of business:** companies are moving away from selling a pure green product and moving toward selling a product–service mix or even a pure service.

2. **Retain green unit of business, but radically improve green firm key metrics:** can create dramatic growth by doing what you do right now—but much more productively

3. **Improve firm’s cash-flow velocity.** The higher firm’s cash flow velocity, the less working capital firm need, and the more effectively firm can use his assets.

4. **Improve firm’s asset utilization.** For Green Firms, the most important key metric is return on assets. The idea is about adding economic value (expressed in EVA) or, at a minimum, providing a return on the funds tied up in capital (expressed in ROA). If managers can reduce the assets tied up in firms operations, firm’s key metrics around asset utilization will improve.

5. **Improve firm’s customer’s performance.** Helping customers improve their performance generates a more robust, profitable, loyal base of clients who are more willing and able to buy.

6. **Improve customer’s personal productivity.** Whenever a company sees a way to make a complex process more convenient, it may be able to grow the business by providing convenience and time-savings to a commercial customer.
GREEN PRODUCT MARKETING STRATEGY: A STUDY

7. **Help improve firm’s customer’s cash flow.** Help your customers become more profitable and efficient, it only makes sense for them, to do more business for firm.

8. **Reduce your customer’s asset intensity.** If you can find ways to reduce or improve customers’ utilization of their assets, you may profit from their increased loyalty to your firm.

**Guideline for Quick Business growth in Indian markets**

The second technique is our variation of the five whys, which we call the Five REs exercise.

The idea is to look at all the key metrics that represent costs and assets and probe them ruthlessly. The five REs are:

1. **Remove**- Why incur a cost.
2. **Replace** - If you can’t remove a cost, can you lower it by substituting a less-expensive? Product or service.
3. **Reduce** if you can’t replace the cost, can you reduce it instead.
4. **Redesign.** If you can’t reduce the amount you need to spend on a scarce resource, can you redesign your business to use it more efficiently
5. **Redistribute** if you can’t redesign, can you redistribute costs over more units.

Robert E. Morgan and Eleri R. Thorpe (2007) rigorously sought to consider five contextual and related process of marketing strategy implementation characteristics, which are helping today researchers to examine differences between the three marketing strategy implementation types.

Authors hypothesized and proved that:

1. firms accepting a “change” mode of marketing strategy implementation will demonstrate greater levels of strategic performance in their business;
2. as a result mid-level marketing managers compliant behavior will be observed;
3. strategic direction will be required by senior management executive team to overcome these observed;
4. This leads to strategic clarity; and Strategic efficiency by firms adopting a “collaborative” mode which in turn will exhibit greater levels of each of the above (“(1)” through “(5)”) than firms choosing a “cultural” mode.
In conclusion results suggestion, that firms displaying an implementation style similar to “change” model, implement marketing strategies more effectively than firms displaying either a “collaborative” or “cultural” style. Firms that emphasize the importance of a rigid organizational structure, visible control systems and other hierarchical factors, such as reward systems, should implement their marketing strategies better than firms which try to foster consensus, and a team working culture with more decentralized and informal structures.