
Book Review

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Precision Target Marketing

by: John L. Stanton and Mark F. Lang

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“Precision target marketing – a practical guide to implementing targeted marketing, focusing marketing activities, and improving business results”.

This is what John L. Stanton and Mark F. Lang Sandberg write on the cover of their recent book *Precision Target Marketing*, an improved version of the book *Making Niche Marketing Work*, aims to fill the gap of what they perceive as a “need to target and focus on the niche” (p.5). They do so by presenting a concise guide steps for implement a target marketing strategy that will result in reaping profits from well-defined niches. Stanton and Lang develop a targeted marketing as a consumer-focused strategy for identifying best practices, challenges, and practical issues, and guide the reader through the common problems and some solutions that arise during the implementation of this strategy.

This book is relevant for practitioners who are going from mass markets to smaller segments and entrepreneurs wanting to serve consumers with specific needs within market niches. It would be an interesting tool for managers to continue a debate on choosing and formulating marketing strategies, as this element is critical to firm’s survival. The book is structured in 25 chapters in six parts.

In part 1, the authors introduce the reader to basic definitions on strategy, segmentation and provide reasons by which with broad customer definitions can be killing their business in a changing marketplace. In particular, the authors advocate that managers who focus on narrow market niches are able to deliver highly customised products which not only satisfy customers’ needs but ‘delight them’. Additionally, it explains that firms may focus on a narrower definition of the customer, proper segmentation, and recurrent data collection with a clear perspective on target marketing as a four-step strategic process: market segmentation, target customer selection, market positioning, and customised marketing execution (STPM process). As companies have allocated resources to tactical activities as design, advertising, and promotion, the authors argue that a focus on the strategic STPM process would restore the managerial attention to the long-term goals thus improving the short-term goals.

Part 2 develops the four core steps involved in target marketing. Market segmentation details how to select among a myriad of variables to describe and segment customers. Describes how a manager can use a roadmap to build a set of consumers’ segments that are actionable in the sense that help guide marketing decisions. Some statistical concepts

as cluster and factor analysis are offered to the no-aware of such techniques. A target customer selection explains how to select customer segments to focus on. Choose the most attracting customer segments on the basis of potential sales and profitability, select a strategy to serve them with special care on multi segments and multi product offering, and allocate investments accordingly.

Market positioning describes how once customer segments have been choose, the attention turns to position the product in customers' minds. A clear path from defining competing category, to identifying competitors, to stating the benefits and a sound value proposition is developed though the examples on Wal-Mart and Hershey's chocolates may not fit the niche focus. Customised marketing execution details from the standard strategic perspective how to proceed in developing a long-term plan is well presented in the book. Tactical implementation follows the traditional 4P marketing mix model.

In Part 3, using a set of questions and suggestions, talks about the need to develop and exploit an actionable data base to identify heavy, light, along with those customers who may help the firm increase (or erode) the customers' base. Using some short anecdotes coming from firms that successfully detected niches, the authors compel the reader to ask herself where your customers are, why they are stopping buying, or how price-sensitive they are. Importantly, the product features besides the price, as performance, quality, and reliability become purchasing motives that marketers need to assess. Frequency of buying and detecting influencers also deserve attention in building a robust customers' database. After taking care of current customers, Stanton and Lang suggest some strategies to reap potential customers. Looking users of other brands and categories, creating new product on old categories, assess internal technology and marketing skills are mentioned. Surprisingly, they even propose to diversify as a measure to gain potential customers but look perplexing in view of a target marketing strategy.

The authors concentrate on the strategies that create a differential advantage in Part 4. With plenty of practical short cases, they explain how differentiation with product strategy can help firms. They also talk about strategies on customer service, distribution channels, communication, and prices strategies though more examples for the latter would have been nice. A set of 'common sense' rules to implement such strategies are offered. Issues as failure of line extensions, product attributes not value by customers, and above all, a clear differentiation in reference to the competition is advised. When these strategies are launched, the risk of cannibalisation appears and the authors go back to the differentiation basis in order to avoid it. Interestingly, for the readers regional marketing deserves the attention. The authors attempted to address some of the problems that may arise during this strategy implementation. However, the strengths and weaknesses may not have covered widely. Another issue in the differentiation strategy is testing. The previous covers all aspects of the strategy ranging from product testing to distribution channel, advertisement, price testing.

In part 5, the authors address the competition issue. Through a number of battle field metaphors, they develop the strategies and tactics that may provide competitive advantages. By adoption a defensive, offensive, head to head, and even abandon the battle, they explain that managers need to deeply know their competitors and benchmark them so the firm can know who it is struggling with. Since the internal point of view, Stanton and Lang also suggest to face competition only when the own firm has a clear aspect on which it excels, otherwise, the management may put the firm at risk.

The authors are aware that implementing a target market strategy involves some problems ranging from operations, logistics, organisation, human resource, and marketing which are discussed in Part 6. This part of the book becomes a quick check list where the authors really strip back conventional problem solving ideas regarding previously taken in the marketplace. There is room to talk about and develop the organisational aspects of target marketing strategies instead of waiting for the problems to come.

The primary aim of the book is to develop awareness about the planning and implementation of a target market strategy. Although the book is full with short anecdotes, the book makes for interesting reading, focusing in into a market target as a strategy that many practitioners grapple with. The book gives step-by-step guidelines on how to understand the target market strategy as a paradigm that challenge many of the ideas commonly held by the traditional mass marketing managers.

Stanton and Lang are two senior academics associated with the Food Marketing Department of St. Joseph University, Philadelphia (USA) who felt the need to reframe their previous book co-written with Robert Linneman, as they were all too aware of the firms' failures to engage in attending market niches. They decided to do something about this lack of knowledge and the result is this revised version of the previous book which, although sometimes slightly conventional, is a valuable and practical tool for marketing practitioners and could be integrated into required reading for undergraduate business and marketing students. Kudos to the authors for touching the sensitive points in marketing and presenting discussions in the book in a lucid way, to cater to the interests of academics, students, and working managers. This is a welcome addition to the existing literature in marketing.

Book Review

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Architecting Enterprise: Managing Innovation, Technology, and Global Competitiveness

by: Rajagopal

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The management of innovation and technology as sources of competitiveness in global markets is a relevant and timely topic. Both large and small firms are realising that product and process innovation that creates value for customers is, in many cases, the only real source of lasting competitive advantage. Indeed, Dr. Rajagopal points out that “managers need a new framework for value creation and function within a network of firms and consumer communities to co-create value.”

In this book, which offers a wealth of information, Dr. Rajagopal organised ideas in novel ways and provided valuable insights on managing innovation, technology, and global competitiveness. The book is divided into three sections:

- 1 laying the foundation of enterprise
- 2 architecting enterprise: innovation and technology effects
- 3 revealing value.

Each of these sections offers the reader the opportunity to learn about how the organisation should be aligned and oriented towards innovation and how the management of innovation requires a market and customer-centric focus. In addition, Dr. Rajagopal provides important insights into how firms should innovate to grow and succeed in the international arena. He states that “multinational firms have been slow to understand consumers in the developing world and, as a result, they have been vulnerable to local competitors that know how their shoppers think, what they crave, and how they buy.” He also addresses issues on the management of technology and how it relates to the cultural, financial, and business infrastructure environments.

The book successfully caters to its target readers, and the explanations provide adequately interesting and deeper knowledge on the subject. Dr. Rajagopal has captured valid examples, which also enhanced the quality of discussion and analytical richness, for example, in his discussion of the case of General Electric, which launched its leadership, innovation, and growth (LIG) programme in 2006 to support the achievement of corporate growth by expanding businesses and creating new ones.

In sum, I think this book contributes valuable insight to the existing literature by presenting new ideas on how firms can build innovation capabilities for building sustainable competitive advantage. These ideas are certain to be very welcomed by managers, researchers, and students.