









THE ART OF WAR

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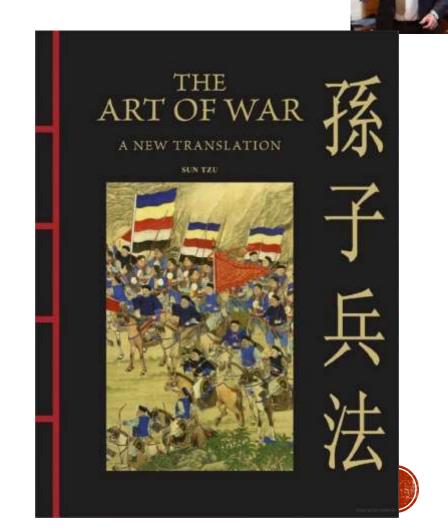






ART OF WAR

- THE OLDEST MILITARY TREATISE IN THE WORLD
- Sun Tzu: Chinese general and philosopher on military strategies in sixth century BC
- "the winning without fighting" approach
- There is no absolutely standard text for the Art of war...







ART OF WAR

- The art of war is of vital importance to the State
- It is a matter of life and death
- Five factors when seeking to determine the conditions obtaining in the field:
 - 1. The Moral Law
 - 2. Heaven
 - 3. Earth
 - 4. The Commander
 - 5. Method and discipline.







THE 5 HEADS





- 1. The Moral Law causes the people to be in complete accord with their ruler, so that they will follow him regardless of their lives, undismayed by any danger.
- 2. <u>Heaven</u> signifies night and day, cold and heat, times and seasons.
- 3. Earth comprises distances, great and small; danger and security; open ground and narrow passes; the chances of life and death.
- 4. <u>Commander</u> stands for the virtues of wisdom, sincerely, benevolence, courage and strictness
- 5. <u>Method and discipline</u> are the marshaling of the army in its proper subdivisions, the graduations of rank among the officers, the maintenance of roads by which supplies may reach the army, and the control of military expenditure.





MARKETING THROUGH HISTORY





Shift from a production oriented approach to a marketing oriented approach

Strategic thinking phase

Military literature strategies





MARKETING HISTORY





Sales oriented period

Marketing oriented approach

Strategic marketing





COUNTERPARTS OF CONCEPTS OF SUN TZU'S THE ART OF WAR IN MARKETING

Marketing
Strategic planning
Marketing budget
Marketing strategy
Marketing tactics
Integrated marketing
Portfolio management
Changing tactics
Aggressive marketing strategies
Market field and market segmentation
Positioning
Use of aggressive marketing tools
Use of marketing information system







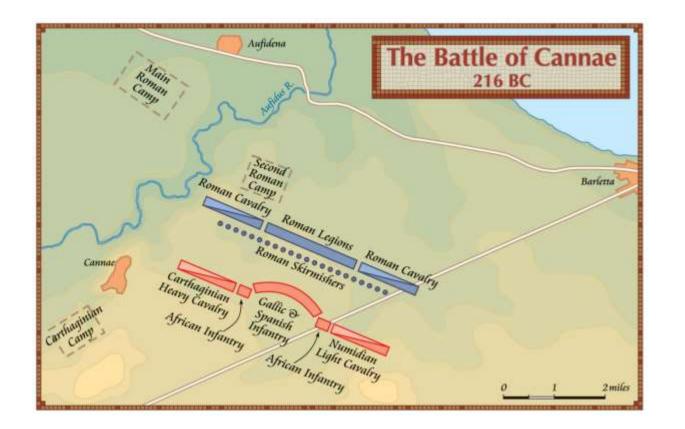


STRATEGIES IN WARS





 Hannibal: Carthaginian general and statesman who commanded the forces of Carthage in their battle against the Roman Republic (died: 183 BC)









TYPES OF STRATEGIES



- Porter (1996) defined strategy as "creating a unique and valuable position that consists of a series of activities."
- In order for a firm to have a strategy it needs to have different activities than its competitors or to conduct similar activities in different ways (Kotler and Keller, 2009).
- Strategy is defined as the basic preference of a company, showing where and why it will invest its resources depending on the internal and external environmental conditions and in accordance with its mission and vision (Koçel, 2010).

















REFERENCE TERMS

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Warfare	Marketing
ENEMY	Competitor
Warring Sides	Competitive firms
Territory	Market share
Weapons	Marketing Mix





ADAPTATION OF SUN TZU IN MARKETING

- Sun Tzu divides the environment into two categories:
 - partially controllable factors e.g.: battlefield
 - uncontrollable factors e.g.: weather conditions
 - Like corporates comprehensively analyzing Internal and external conditions.
- Stage of evaluating the conditions suggested by Sun Tzu is very similar to the SWOT analysis used by businesses in the strategic management process.





SIMILARITIES BETWEEN SUN TZU AND DAVIDSON'S

IDEAS

Sun Tzu – The Art of War	Huge Davidson – Offense Marketing
Offensive Strategy	Profitable
The aim of war is not only to win, but also to	There should be a balance between the firm's
make profit.	need for profit and the consumer's need for value.
Opportunism	Offensive
Whoever arrives at the battlefield first can take	The firm should lead the market and leave its
initiative.	competitors in the position of followers.
The Power of Defense/Energy	Integrated
The internal structure has to be strengthened for	Marketing efforts should involve the whole
defense.	institution.
To achieve better results armies should cooperate.	
Planning	Strategic
The environment and the competitors should be	Analysis is crucial for a winning strategy.
comprehensively analyzed before planning.	
Fighting	Effective Application
When war is decided, action should be taken	Applied daily in a powerful and disciplined
quickly.	manner.









MARKETING WARFARE



- How does a country win a war?
- Marketing is war
 - Customer orientation is a war
 - Become competitor oriented
- The Principle of force
 - Easier to get to top than to stay there
 - Disagreement
 - Once at the top, a firm can use power of leadership position to stay there







IS THE COMPARISON JUSTIFIED?

Zero Sum Game

Cold war – 80s – Lets move on

- Is Marketing war?
 - Price wars
 - Market Invasion
 - SWOT Analysis





FOUR TYPES OF MARKETING WARFARE





DEFENSIVE WARFARE

STRATEGY FOR MARKET LEADERS

- Cannibalize themselves with new ideas
- Block competitive moves

OFFENSIVE WARFARE

STRATEGY FOR NO 2 OR NO 3

- Avoiding the strengths of a leader's position
- Attacking the leader's weakness

FLANKING WARFARE

STRATEGY FOR NEW PLAYERS

- Move into an uncontested area
- · Create the element of surprise

GUERILLA WARFARE

STRATEGY FOR SMALL PLAYERS

- Find a market small enough to defend
- Be prepared to exit at a moment's notice







DEFENSIVE & OFFENSIVE STRATEGIES

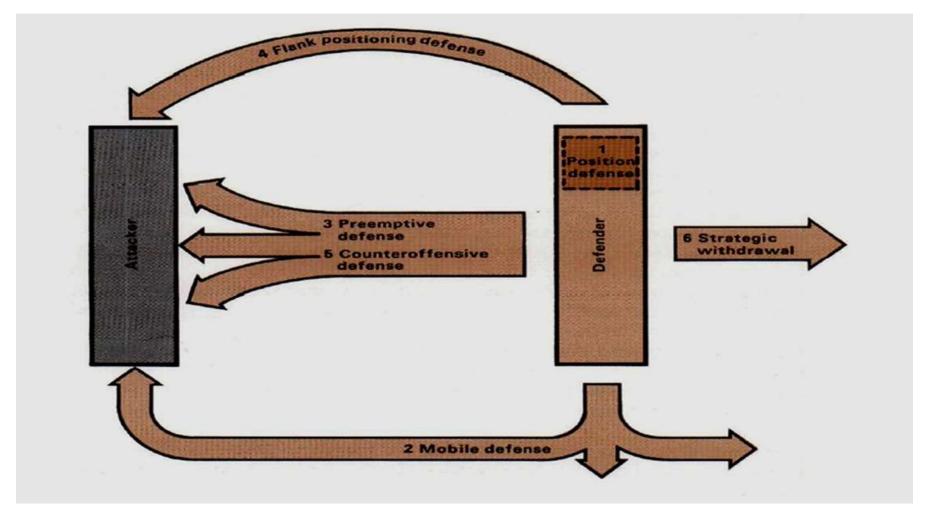
Defensive Strategies	Offensive Strategies
Position Defense	Frontal Attack
Mobile Defense	Flanking Attack
Preemptive Defense	Encirclement
Flank Positioning Defense	Bypass Attack
Counteroffensive Defense	Guerilla Warfare
Strategic Withdrawal	







DEFENSE STRATEGIES









Kotler, P. and Singh, R. (1981). Marketing Warfare in the 1980s. Journal of Business Strategy, 1(3): 30-41.



DEFENSE STRATEGES

1. Position Defense: The conventional concept of defense is closely related to the reinforcement of the fort. Almost all forts in history have failed in war situations, the most risky military strategies











DEFENSE STRATEGIES

2. Mobile Defense: Mobile defense is expansion towards new fields that the firm can use for defense or counteroffensives in the future. This expansion is done through market expansion and diversification rather than by increasing the number of brands.







DEFENSE STRATEGES



3. Pre-emptive Defense: Pre-emptive defense is based on the principle that prevention is more advantageous than fighting, and it includes many offensive strategies. For instance, a firm can block a competitor whose market share is rising by finding its weaknesses or by encircling it. Another example of this strategy is market leaders blocking their competitors with new technologies.



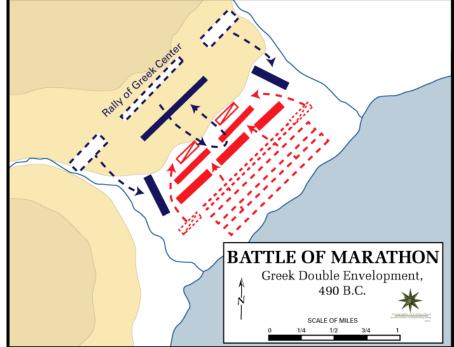




DEFENSE STRATEGIES

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4. Flank Positioning Defense: Flank positioning defense is creating a blockade that will stop the enemy. In this strategy potential threats should be carefully analyzed, and flanks should be reinforced accordingly



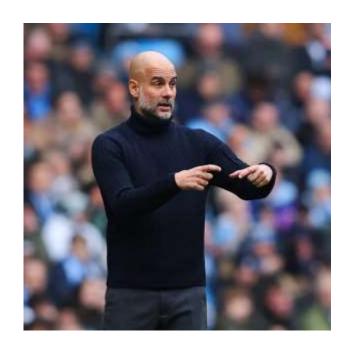


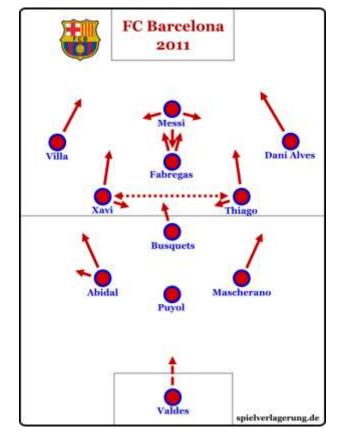


DEFENSE STRATEGES

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5. Counteroffensive Defense: This is the counteroffensive reaction of the party that is in the defensive position.

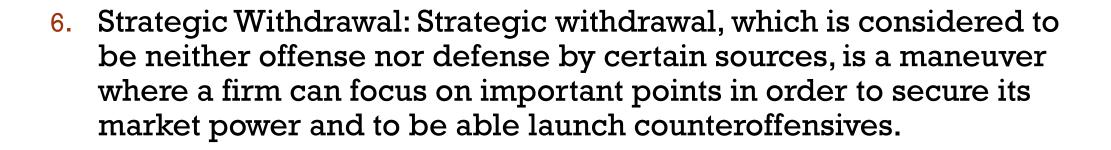








DEFENSE STRATEGIES











DEFENSIVE MARKETING WARFARE

Market Leader

- Biggest Market share
- First in product development
- Financial Strength
- Widest Distribution
- Promotional Budget
- Example: LEGAM in EGYPT
- Strategy: Monitor & Confront the competition







CHALLENGER

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- Add Value: Feature, lower prices
- Exploit weakness
- Strategy: Build Objectives
- Market Expansion (Users, uses, frequency)
- Market share (Product, Promotion, distribution---Innovation)
- Strategic Alliances

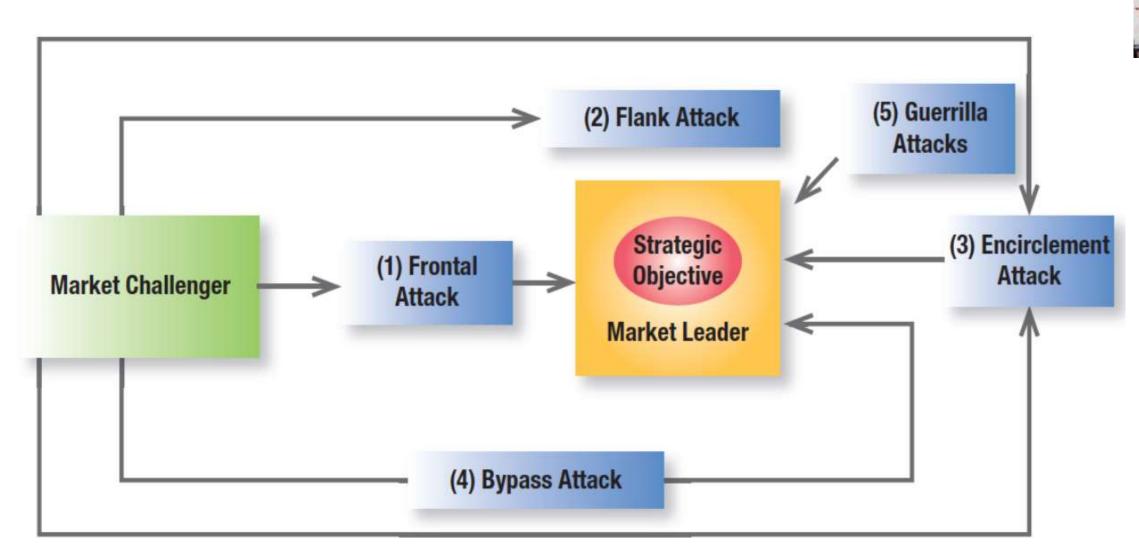






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DEFENSIVE MARKETING WARFARE









GUERILLA WARFARE



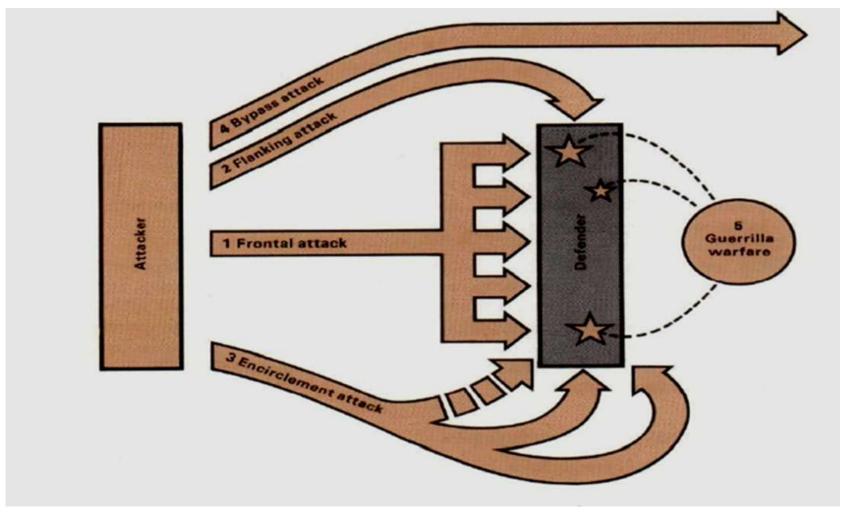
Against market leaders by challengers, they have limited resources

 Launching small, intermittent hit and run attacks often aims at harassing, demoralizing, and weakening opponents through random attacks.

 Attacking specific products or segments with sales promotion initiatives including coupons, rebates, and temporary price cuts.















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OFFENSIVE STRATEGIES

1. Frontal Attack: In a frontal attack the challenger attacks the leader's front lines with full force. The aim is not the weak side, but the strong side of the competitor. In order for this strategy to be successful the offensive party must have an absolute advantage over its competitor









2. Flanking Attack: The strongest point of an army in the battlefield is the point where it will attack or where it expects to be attacked. Flanks and sides are naturally weak, therefore they are the best places to attack.





3. Encirclement: In flanking attacks places where the competitor is absent are targeted, while in encirclement the competitor is approached from multiple directions. The aim is to attack the competitor from multiple points in order to make it defend itself on all sides







4. Bypass Attack: Bypass attack is most indirect attack at the competitor and it is similar to cold war during peace. Here we are talking about skipping the enemy, attacking easier territories and developing these areas









5. Guerilla Warfare: Guerilla warfare is a good strategy for firms that are challenging, but have limited resources. In this strategy small, intermittent attacks are organized against different aspects of the enemy in order to disturb and demoralize the competitor









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1- CRESCENT STRATEGY

 The fundamental strategy, especially in Eastern societies, the crescent tactic survived until the modern age.
Requiring a high level of war analysis for that period, this tactic was especially successful against bulky armies.







2- SHOCK AND AWE:

• This doctrine is based on terrifying the enemy to destroy its will to fight with an overwhelming power. Shock and awe is based on the idea that excessive and sudden use of force will scare and baffle the enemy. This strategy is more effective in frontal attacks









CONCLUSION

- Market is like a battleground.
- Competitors are like enemies.
- CEO's are like generals
- Marketing is like a weapon which can be used in the strategical way.







