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MARKETING STRATEGIES AND THEIR IMPACT ON BRAND STRENGTH – CASES OF THREE COMPANIES

Summary

Marketing strategies direct company activity toward achieving the set marketing goals in target markets via specific campaigns. Campaign design implies the strategy itself, where it is crucial to define what will be conveyed to the target audiences and in what way, as well as how the effects of the campaign will be measured. Successful marketing strategies, emphasizing value and benefits, call the attention and spark the interest of potential customers to take action or buy a promoted product. Due to differences in perception, campaigns are sometimes not understood as intended, which results in unexpected outcomes. This paper presents an analysis of three marketing strategies for particular products of three different companies: Dove, Tesla, Inc. and Juicy Couture, resulting in different outcomes, impacts on the brand and economic values in terms of company status.

Key words: marketing strategy, strategic planning, brand, expectations, economic outcome

1. Introduction

A marketing plan is a written document that shapes the ways a company achieves their most important marketing goals. Marketing strategy is one segment of the marketing plan. Good selection and successful implementation of a marketing strategy involve appropriate presentation of the product and/or service and/or experience, price, market and distribution.

A successful marketing strategy should turn potential customers into buying customers (of products, services, experiences). In order for a potential customer to be attracted, they should be presented with the value of the company, the brand. All actions of the company should be directed toward the (potential) consumer – all employees and all services should be “marketing oriented.” With today’s IT

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possibilities, it is to be expected that each company eventually handles its own databases of customers, products, suppliers and sellers, enabling marketing professionals to align marketing goals with strategic goals at the organizational level. Of course, their data and results must be presented to everyone in the organization (Twin, 2021).

Why is it important for all parts of the organization to think harmoniously, with marketing strategy filter on their minds? Because only then will the efforts of different sectors generate solutions and conclusions aimed at the same goal: profit-making sales.

In the academic world, but also in statements made by “field experts” (marketing strategy designers in large companies and campaigns), there are astonishingly many different definitions of marketing, i.e., marketing strategies (Barrone, 2021; Baker, 2021):

- *The sole purpose of marketing is to sell more to more people, more often and at higher prices.* (Sergio Zyman, marketing executive and former marketer of Coca-Cola and JC Penney)
- *It's not what you sell that matters as much as how you sell it!* (Brian Halligan, CEO & Co-Founder, HubSpot)
- *Many companies have forgotten they sell to actual people. Humans care about the entire experience, not just the marketing or sales or service. To really win in the modern age, you must solve for humans.* (Dharmesh Shah, CTO & Co-Founder, HubSpot)
- *Marketing is no longer about the stuff that you make, but about the stories you tell.* (Seth Godin, former business executive and entrepreneur)
- *The aim of marketing is to know and understand the customer so well the product or service fits him and sells itself.* (Peter Drucker, credited as the founder of modern management)
- *Take two ideas and put them together to make one new idea. After all, what is a Snuggie but the mutation of a blanket and a robe?* (Jim Kukral, speaker and author of *Attention!*)

The above quotations embody all segments of the marketing strategy, but the respective visions of their authors about the “architecture” are somewhat different. One fact remains: marketing management is management oriented toward demand and involves choosing the right moment to present the appropriate level of product/service/experience, as well as structuring the demand itself (directing).

How to recognize these postulates in bad and good outcomes of presenting products on the market? This paper presents three cases in which marketing strategies led to different outcomes.

2. Development of marketing strategy

Today's world is marked by great and rapid changes. What was a guarantee of success "yesterday" may be quite the opposite "tomorrow." The main reasons for the rapid changes are globalization and digitalization (Kotler, 2006). Keeping up with new market needs means changing and/or improving your marketing strategy. Some of the strategies used today are lower pricing strategy, high quality strategy, better service strategy, adaptive strategy, large market share strategy, innovation, exceeding customer expectations, exploiting emerging markets and social responsibility. There is not a single winning strategy that could be used invariably, but constant innovation, combining several strategies together and an interdisciplinary approach are what is required. The first step in developing a marketing strategy is to define goals. The goal must be clear, challenging, achievable, measurable (e.g., sales volume), determined over time (e.g., the following five-year period) and accepted by all employees (Škrtić et al., 2015: 92). There are three types of planning goals and strategies: strategic planning – applies to the whole company in the long term (3-5 years); tactical planning – carried out by individual departments (1-3 years); and operational planning – goals set by lowest-level management and related to day-to-day work and tactical goals (up to one year). In order for marketing strategies to be effective, it is necessary to identify the problem of the organization and look for alternative solutions, and then direct the organization through SWOT analysis and holistic marketing toward the implementation and control of those solutions.

One of the tasks of marketing and strategic planning is to "brand" either a product or a company. "Branding" as a term means defining marketing goals in such a way that they enable broad recognition of products, i.e., companies. The main premise of this process is to achieve a long-term market presence, and the expected value of successful "branding" involves "resilience" of the product or company to unexpected/unpredictable market circumstances and reactions. This paper presents cases of (un)successful "branding." The strength or the weakness of a "brand" stems from a particular marketing strategy.

3. Case studies

For the purposes of this paper three companies were examined, all from the USA, assuming that the systems, laws and the socioeconomic frame those companies were exposed to would have been approximately the same, and the outcomes of possibly bad or wrong marketing strategies in relation to company status ("old and respectable," "no great vision nor money," "small, with a vision, but not enough money") were

analyzed. Their backgrounds, marketing strategies for specific products, economic outcomes and impacts on the brand were discussed.

The following three companies were chosen:

1. Dove, USA, with an outstanding market presence of more than 60 years, of a good reputation, solid and stable revenue and focused marketing strategies
2. Tesla, Inc., USA, which started as a privately owned company with money from two previously experienced entrepreneurs and later with the money from three more (five in total), adding up to less than 20 years on the market, with steadily increasing revenue and a marketing strategy that is “not visible”
3. Juicy Couture, USA, privately owned by two individuals who started the company as just an “idea,” from scratch; the company grew in every sense for six years as leaders; four years later the founders sold the brand; and finally they experienced a downfall.

3.1. The Dove case – Real Women, Real Beauty

Dove was founded in 1957 in the United States of America with the aim of producing body care and personal hygiene products. It is owned by the Unilever Group, a multi-brand and one of the oldest multinational companies (Unilever Dove, 2021). Dove as a separate company employs about 15,000 people. Last year they made a profit of about 7 million euros (revenue of the beauty and healthcare sector amounted to 21.86 million euros in 2019) (Unilever, 2019). The value of the brand itself is estimated at between 5 and 6 billion dollars, and most of the value of the brand is attributed to the fact that they had an excellent marketing idea behind their product (Foxall, 2021). The idea is to advertise a positive attitude toward all forms and shapes of female bodies.

This paper focusses on an advertisement that came out in May 2017 that involved the marketing of their products packed in several different bottle shapes, each bottle corresponding to a specific body type/shape (Kessler, 2017). The campaign ran under the slogan “Beauty comes in a million different shapes and sizes” (in the USA and the UK). It included packaging shaped like different female body types (from slimmest to “thickest”). The launch and the advertising received strong negative responses through the media from a part of the public. Although the ad itself was not unanimously declared bad, it can be seen from the reactions that people were bothered most by the company promoting body positivity (since 2006), considering the ad inconsistent with the main message of the company.

A study of a series of articles dealing with this advertisement posed another question – whether this affected the company’s market status. A survey into the volatility of Dove’ shares on the stock market (from a month before the ad hit the market to five months after) revealed just the opposite: Dove shares continued to grow. Given the tumultuous reactions, one might say this was “an unexpected outcome.”

But such an outcome could be explained by the very strength of the brand, especially by the quality of their products, which can “withstand” even bad publicity (Rajh and Rajh, 2004).

3.2. The Tesla, Inc. case – Cybertruck

Tesla was founded in 2003 in the United States. Initially there were several investors in the company, but by far the most famous (and holding the largest share of the company) is Elon Musk. Their mission is to bring the world to use renewable energy sources as quickly as possible, and their ultimate goal is to accelerate the world’s transition from fossil fuels to renewable energy sources (Tesla.com, 2021). Today, they have about 45,000 employees and generate annual revenues of 31 billion dollars, of which they had a positive profit and loss account in the amount of 721 million dollars only in 2020 (Macro trends, 2021).

This is an example of a company that, albeit large, does not invest in (publicly visible) marketing, but still gets good results considering its income. So, what is their marketing strategy? First of all, although they do not focus on paid marketing, their marketing strategy is based on promoting their vision and mission and the “word of mouth” (Davis, 2020; Brown, 2020). Elon Musk, the owner of the company and a media celebrity, has gathered a large number of fans (both because of his eccentric behavior and his innovations), whom he addresses (most often) via Twitter. His every step is followed, and he uses every moment of his time to draw attention to the emerging problem of excessive fossil fuel use and to the promotion of renewable energy sources, which is a promotion of himself and his company (very successful so far).

This is where we come to the Cybertruck. Tesla introduced it in November 2019, probably intending to introduce top-quality armored vehicles. During the presentation Elon Musk broke the car window (the audience believed the glass would not break). The expected outcome of such inconvenience at the presentation of an “armored car” would at least mean a drop in company shares, with uncertain (or no) recovery, or fewer orders of the presented car. To the contrary, after the presentation Tesla received 200,000 orders of that particular car. Tesla’s shares really did record a short-term decline after the presentation, but it was followed by a significant increase. Seen from a distance today, it appears that it was the breaking and cracking of glass that were perceived as performance, a kind of guerrilla marketing (Stevenson, 2019).

3.3. The Juicy Couture case – Tracksuit

Juicy Couture was founded in 1997 by Gela Nash Taylor and Pamela Skaist-Levy, who worked on creating a brand that would satisfy the human need for luxury items, pricy but still affordable (maybe not to all – just to leave a touch of luxury). In the period from 1997 to 2003 they created the brand that they named Juicy Couture, which

included products such as tracksuits. The tracksuits were velvet (plush), in vivid colors, with a big logo of the brand (Taber, 2014).

They did an outstanding job with their innovative approach to marketing, sending their iconic plush tracksuits to all “it” celebrities and hanging pictures of celebrities wearing their products in their stores (Hughes, 2020; Chinen-Moore, 2020). Due to the incredible success in the market, they received an offer to sell their brand, which they actually did, for an incredible sum of 226 million dollars. Under the auspices of the new company, tracksuits sales grew, reaching their peak in 2008, when they made 605 million dollars in revenue (Kim & Cameron, 2020).

The following year the world was hit by an economic crisis that brought much larger companies to their knees. In just a few years, Juicy Couture experienced a downfall of their sales, and today it is owned by a third company in a row, trying to get back to the market through “rebranding.” Analyses indicate that the brand failed to recognize the new trend among customers during the economic crisis (minimalism), where their original marketing strategy of using celebrities to promote the brand, proved to be unsuccessful in new economic times. It could be said that in the end Juicy Couture “was not brand enough.”

4. Discussion

So, what is the main question? Is there a way to make a brand using specific marketing strategies? Does product make the brand, with well-shaped marketing strategies guaranteeing its success? Are there people who could make anything into a brand?

We could argue that Tesla does not have as long-standing a tradition as Dove, if Dove’s presence in the market stood as the quality ensuring resilience in times of poor marketing. But what might be the reason of Tesla not being threatened by “glass cracking”? This is even more difficult to discern due to lacking data history – does positive public perception refer to the brand itself and its controversial director, or to associated quality? The fact remains that this marketing performance had no detrimental financial implications for the company. It would be interesting to discuss whether innovations can be a counterpart to quality or whether positive consumer perception is associated with high prices and high levels of service and innovation.

On the other hand, Juicy Couture used an innovative approach and made a real success using celebrities for the promotion of their products, thus enhancing customers’ purchase intentions (Chin et al., 2020). One could say that this was the first time someone used celebrities without paying them (at least publicly) for their willingness to use the product. The most famous brands use celebrities in their campaigns, but somehow the two ladies with their velvet tracksuits marked an era of ambassadors. And the brand did not withstand hard times (economically speaking) as successfully

as some other companies. Is it about the lack of personal touch? Is this something we should learn from Elon Musk? Or will quality and continuous presence add strength to the brand, as was seen in the example of Dove (Rajh and Rajh, 2004)?

We could discuss different strategies, but the cases presented in this paper tell a story of how difficult it could be to maintain the coolest idea without proper strategy and how important it is to balance the pros and cons in every marketing strategy approach. To quote Becker and Murphy's theory, if a product is of good quality and there is good marketing behind the product, it will sell (Quiggin, 2006).

5. Conclusion

Marketing's job is never done. It's about perpetual motion. We must continue to innovate every day.

Beth Comstock
Vice chair of GE
The Guardian

Strategic planning is extremely important for directing business activities of a company, making fundamental decisions and determining tactics and activities that will achieve set goals, ensure competitive advantage, business resilience in the future and the realization of visions. Marketing management is oriented toward demand and includes choosing the right moment to present the appropriate level of product/service/experience, as well as structuring the demand itself (directing). All strategies incorporated in marketing management include solutions and conclusions aimed at the same goal: profit-making sales.

In the most comprehensive sense, the way companies presented in this paper launched their products using different forms of marketing strategies ultimately produced the difference between success and failure. The strength of the brand is in its self-presented quality and reliability, and its resilience to bad outcomes of improper/inappropriate/unsuitable marketing strategies. And certainly, all innovative strategies will be recognized as innovative after they have "passed" the audience test and made a profit.

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Marketinške strategije i utjecaj na snagu brenda – slučajevi triju poduzeća

Sažetak

Marketinške strategije usmjeravaju djelovanje poduzeća prema ostvarenju postavljenih marketinških ciljeva koji se određenom kampanjom žele postići na ciljanim tržištima. Prilikom oblikovanja strategije ključno je definirati što, kako i na koji način ciljanoj publici prenijeti te kako mjeriti učinke kampanje. Uspješne marketinške strategije, ukazujući na vrijednost i koristi, izazivaju pažnju i interes te potiču potencijalne kupce na akciju, odnosno kupnju promoviranog proizvoda. Ponekad kampanje zbog različitosti percepcije ne budu shvaćene kako je zamišljeno i rezultiraju neočekivanim ishodima. U radu su predstavljene i analizirane tri marketinške strategije za određeni proizvod sljedećih poduzeća: Dove, Tesla, Inc. i Juicy Couture, s različitim ishodima i utjecajima na brend i ekonomsku vrijednost u smislu statusa tvrtke.

Ključne riječi: marketinška strategija, strateško planiranje, marka, očekivanja, ekonomski ishod