

MARKETING WARFARE

How Corporations Are Applying Military Strategies To Business

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MAIN IDEA

Marketing warfare is an attempt to apply successful military strategy to marketing situations.

Marketing, as an academic discipline, is less than 100 years old. Military strategy has been developed in life and death struggles which have been ongoing throughout the whole of recorded history - more than 3,000 years.

Successful companies today are competitor oriented - meeting the customers demands better than any other company in their field. By adapting military strategies to their operations, companies can gain and press home strong competitive advantages over all other companies in their industry.

FOUR TYPES OF WARFARE

1. DEFENSIVE WARFARE

1. Only a market leader should wage defensive warfare.
2. Leaders must attack themselves by improving products.
3. All moves by competitors must be matched.

2. OFFENSIVE WARFARE

1. Focus on the strengths of no.1 in the market.
2. Find a weakness and attack at that single point.
3. Confine the attack to that single point of attack.

3. FLANKING WARFARE

1. Introduce a new product into an uncontested area.
2. Must be a surprise attack. Never boast in advance.
3. Pour everything into the flanking move if successful.

4. GUERRILLA WARFARE

1. Find a market segment small enough to defend.
2. Never start acting like a market leader.
3. Be ready to move elsewhere at a moment's notice.

FUNDAMENTAL PRINCIPLES

1. In marketing, the company with the larger resources is always going to win. Therefore, keep reducing the field of battle until you reach a stage where you are in the strongest relative position.
2. The defensive strength of a market leader is formidable.
3. Aggressiveness alone is not the sign of good strategy.
4. Marketing battles are fought in the mind of the consumer.
5. Effective strategy should be varied industry by industry.

STRATEGY & TACTICS

Tactics dictate the most effective overall strategy.

An overall strategy should be developed from workable tactics upwards - not dictated from on high.

There is no such thing as an inherently good or bad strategy - strategies are judged solely on their ability to yield tactical results, and not on any other factor.

Effective strategies anticipate their competitors strategic responses, and make allowance for that in the plan.

CHARACTERISTICS OF AN EFFECTIVE MARKETING GENERAL

1. Flexibility - the ability to make ongoing adjustments as the battle unfolds.
2. Mental Courage - to stick with the plan, to defend it to others and to boost the morale of their employees.
3. Boldness - to take quick and decisive action when the business opportunity arises.
4. Knowledge of the Facts at the Front Lines - first hand knowledge of how customers are thinking and what they require.
5. Good Luck - an ingredient in any encounter - physical or mental.
6. Knowledge of the Rules - knowing the basic theories of marketing warfare so well they become subconscious.

MARKETING IS WAR

Main Idea

The principles that are successful in warfare between armies are a very effective analogy for the marketing battles between competing companies, products and services.

The same principles that are successful in war can be equally applicable to marketing.

Supporting Ideas

The strategic principles of warfare have been developed over the more than 3,000 years of recorded history. While weapons may have changed dramatically, the strategy and tactics of successful warfare never vary.

Like warfare, marketing has also evolved over time. In the early days, most marketing was production oriented - selling what was produced. (For example, Henry Ford's famous "You Can Have Any Color You Want As Long As It's Black" approach.) However, since World War II, marketing has become consumer-oriented. (That is, producing what the customer demands regardless of any other business factor).

But if every company is now consumer-oriented, how does a company become successful today? The answer lies in being competitor-oriented - to meet the customer's needs better than any of your competitors do. In this situation, the principles of warfare are directly applicable - not in the physical sense that marketing losers are shot, but in the figurative sense that successful companies will prosper at the expense of the weaker companies.

In other words: marketing is warfare, the competition are the enemy and the prize is the money consumers are willing to pay for your products or services. Marketing is a conflict between corporations to satisfy human needs and wants.

Key Thoughts

"War belongs to the province of business competition, which is also a conflict of human interest and activities."

— Karl von Clausewitz

Karl von Clausewitz was a Prussian General. He wrote a book in 1832 called *On War*. In this book, he identified the strategic principles behind all successful wars.

Clausewitz studied all the military battles of recorded history while writing his book. He joined the Prussian army when he was 12-years old, and was captured by the French at Jena. He was also at Borodino when Napoleon fought the Czar. He fought in the Battle of the Berezina River, and was at Waterloo.

Clausewitz knew the importance of victory mainly because he had tasted the bitterness of defeat so many times in his military career. He developed his strategy for winning wars by first learning the battlefield tactics.

FUNDAMENTAL PRINCIPLES OF WARFARE

1. THE PRINCIPLE OF FORCE

Main Idea

In the movies, everyone loves it when an underdog beats the favorite. In real marketing life, the company with larger marketing resources will always beat the smaller company.

Supporting Ideas

There are two marketing fallacies that people often fall prey to:

1. The "better people" fallacy.

This suggests that your company are the good guys, the other companies are the bad guys and that the best people will prevail, even against the odds. However, the reality of any marketplace is that you should plan on winning a battle through a superior strategy, not by relying on superior performance by your people.

2. The "better product" fallacy.

Otherwise known as "the better mousetrap sells itself", this fallacy suggests that the truth will come out eventually, and that if you can just get those facts out there, you'll prosper. The problem is that this fallacy is based on truth as perceived in your prospect's mind. Marketing wars, like military wars, are not won automatically by the force with truth on its side. Remember, history is always written by the winners - not the losers.

Key Thoughts

"The art of war with a numerically inferior army consists in always having larger forces than the enemy at the point which is to be attacked or defended."

— Napoleon

"The greatest possible number of troops should be brought into action at the decisive point."

— Karl von Clausewitz

2. THE SUPERIORITY OF THE DEFENSE

Main Idea

A survey of the 25 leading brands in the year 1923 showed that sixty years later, 20 of those brands were still in first place, four were in second and one was fifth. It's harder to defeat an entrenched competitor than most marketing experts acknowledge.

Never make the mistake of failing to appreciate the strength of a defensive position. The market leader has a huge advantage that must be overcome by any other marketing initiative. While the attacker has the advantage of surprise, in most cases this advantage is blunted by the friction of the whole company - by the need to communicate the marketing message to staff and potential customers.

Key Thoughts

"The defensive form of war is in itself stronger than the offense."

— Karl von Clausewitz

"In theory, surprise promises a great deal. In practice, it generally strikes fast by the friction of the whole machine."

— Karl von Clausewitz

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