

# **Marketing Fundamentals**

**Processes and stages of marketing including the role of the  
marketing mix**

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**Assessment 1**

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## **Introduction**

The report below is based on the marketing essentials that are required to be analysed in order to effectively market the products and services and increase the brand value. The report includes the marketing mix application and the situational analysis that will enhance the marketing of the firm. The report includes the analysis of the target market and the application of STP along with the marketing strategies in context to H&M, which is the retail fashion brand founded by Erling Persson in the year 1947. The organisation deals in fashionable clothing and accessories.

## Tasks

### Understand the processes and stages of marketing

The process of marketing facilitates the organisation to market the products and services in an effective manner. Also, the organisation can enhance brand value and can increase the market share with the help of marketing. The effective marketing process that is required to be implemented by H&M, which is a retail fashion brand, is provided below, which will allow knowing the role of marketing and its importance as well. The process includes mainly five steps that are as followed (Hollensen et al., 2017).



Figure 1 Strategic marketing planning process

(source: <https://www.smartsheet.com/strategic-marketing-processes-and-planning>)

### ***Mission***

The mission of marketing is to build a strong consumer relationship and drive a long-lasting positive change and enhance living conditions.

The objective of the organisation is to provide fashion and design accessible to most people; at the same time, the organisation ensures the sustainable supply of materials and focuses on sustainable development goals.

### ***Situation analysis***

The situational analysis is required to be applied that includes the analysis of the external and internal business environment. The opportunities and threats linked with the marketing of the business in the industry are requiring to be analysed through the application of SWOT analysis.

|                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><i>Strengths</i></p> <ul style="list-style-type: none"> <li>● The organisation has a strong brand value</li> <li>● The social media presence of H&amp;M is strong</li> <li>● The organisation has a price advantage as it uses the market penetration pricing strategy.</li> <li>● Also, have strong distribution channels through websites.</li> </ul>                    | <p><i>Weaknesses</i></p> <ul style="list-style-type: none"> <li>● The quality is not maintained</li> <li>● Late in adopting the trends</li> <li>● Also, the production is ineffective that hampers the supply.</li> </ul>                                                       |
| <p><i>Opportunities</i></p> <ul style="list-style-type: none"> <li>● Effective marketing on social media through collaborations.</li> <li>● Implementation of sustainable business practices and producing sustainable clothes.</li> <li>● Using a strong online presence to enhance the consumer base (Gürel &amp; Tat, 2017).</li> <li>● Emerging global markets</li> </ul> | <p><i>Threats</i></p> <ul style="list-style-type: none"> <li>● Increased competition in the market</li> <li>● Frequently changing consumer preferences and taste.</li> <li>● Increasing labour costs after pandemic in Asia</li> <li>● Lack of typical consumer base</li> </ul> |

Also, the external business environment analysis can be applied that includes the application of PESTEL analysis that will allow knowing the risks and threats linked with political, social-economical economic, technological, environmental and legal factor, etc.

### ***Marketing strategy***

The target audience of H&M is required to be selected on the basis of segmentation that can be done by various elements like on the basis of geographic, demographic, psychographic and behavioural etc. The organisation is focusing on the global market geographically and has almost all age group and gender below 50 years as the target audience. The organisation also has a focus on the basic income group of consumers, and the behavioural factor includes the consumers preferring lower prices.

|                      |                                                                                                                 |
|----------------------|-----------------------------------------------------------------------------------------------------------------|
| <b>Geographic</b>    | Consider, region, size of area, population, climate/weather                                                     |
| <b>Demographic</b>   | Consider age, gender, occupation, household size, income, life cycle state, religion, education, marital Status |
| <b>Behavioral</b>    | Consider decision-making patterns, patterns of use, price sensitivity, brand loyalty                            |
| <b>Psychographic</b> | Consider values, beliefs, lifestyle                                                                             |

Figure 2 Target Market segmentation

Further, the application of SMART objectives is required to be implemented that includes specific, measurable, achievable, relevant, and time-bound goals.

The marketing budget is required to be set for H&M marketing US\$10 million that will be broken down into smaller amount 6 million in the traditional marketing methods that include the advertisements on billboards and rest 4 million in digital marketing, like social media marketing, collaborations, blogs, search engine marketing etc.

|                    |                                                                                                                                                                                                                                                                                                                    |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Product mix</i> | The organisation has basic clothing for almost all the age group and for male and female both, and at the same time has collaborations with the designers for luxury clothing—the clothing retail organisation. Also, the organisation offers different clothing brands that include the COS, Cheap Monday that is |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                      |                                                                                                                                                                                                                                                                                                                                              |
|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                      | connected with pop culture and music, Monki that is for young female clothing, weekday and other stories etc. (Sukma et al., 2019).                                                                                                                                                                                                          |
| <i>Price mix</i>     | The organisation has utilised both the premium pricing strategy and the market penetration pricing strategy as the major competitors are the luxury brands like Zara and GAP. The organisation also has low-cost production and transportation, and thus serves the consumers with lower prices and higher quality of the cloths.            |
| <i>Place mix</i>     | The organisation has different stores located across the globe and mainly in the UK. Also, the organisation has various franchising partners across the globe, and at the same time, offers the products through online platforms. The brands like Cheap Monday are sold on rare and selected retail flagship stores like the one in London. |
| <i>Promotion mix</i> | The organisation has used digital platforms like social media platforms, YouTube, and at the same time, has invested widely in traditional advertisements on television. The organisation also attracts consumers through discount coupons and promo codes, and different sponsorships (Visser et al., 2017).                                |

### ***Implementing and controlling***

The last stage is of implementation of the plan into action and regularly focusing on the controlling, and the stage allows the brand to generate awareness in the target group. The stage includes the arrangement and allocation of resources, creation of benchmarks and regular monitoring that will allow knowing the required areas of improvement and the loopholes. The process of strategic marketing is dynamic, and thus the regular measurement and control are required to be done to improve the marketing and effectively generate revenue.

### **Understand the role of the marketing environment and other situational analysis models**

The role of the marketing environment and the situational analysis models like PESTEL and SWOT is to know the risks and the thread that is there in the market externally and internally as well. The organisation is required to focus on the marketing environment in order to market the products in an effective and efficient manner.

The consumer behaviour that the organisation is required to understand in order to develop the marketing strategies will be done through effective implantation of the marketing environment and situational analysis (Blythe, 2006). The situational analysis will allow the organisation to know the strengths that can be utilised to grab the opportunities and also to mitigate the adverse effects of threats and other risks associated with the environment. The weaknesses that the organisation may overcome to develop a strong market presence, the external environment includes different risks and opportunities that are not under the control of the organisation but influences the marketing of H&M (Zameer, 2018).

The situational analysis model, like SWOT and PESTEL, helps to make the appropriate decisions and also allows developing effective strategies. The marketing strategies development is also facilitated by the situational analysis models and marketing environment.

Also, the marketing environment and the situational analysis allow the organisation to innovate and develop innovative marketing strategies that allow the organisation to attract a large group of consumers. The organisation is required to focus on the effective implementation of the situational analysis and marketing environment. Also, it helps to know the competition and their marketing strategies; it helps to know the target market that allows the organisation to enhance the effectiveness of marketing by utilising the strengths and grabbing the opportunities as well.

The marketing environment allows the organisation to know the target group, and based on that, the organisation is required to design the products, set the prices of the products by using the range of pricing strategies; further, the organisation is also facilitated with the product distribution channel, and at the same time market environment allows to know the promotional strategies that are available with the organisation, that it can use to enhance the reach and boost the consumer reach through the promotional practices like advertisements, digital marketing, direct selling, and discounts, etc. (SWOT & PESTEL.com, 2021).

### **Determine segmentation, targeting positioning and marketing mix strategies of an H&M**

The application of **STP** that is segmentation, targeting and positioning, is a marketing planning process that will allow the organisation to enhance the productivity of marketing. The organisation has a large target market that is required to be broken down into smaller pieces with the help of categorisation of interests, locations, needs, demographics or on the basis of locations.



Figure 3STP marketing process

Market segmentation is an effective strategy that will allow H&M to categorise the consumers and develop the marketing strategies accordingly. It includes the types of segmentations like the segmentation on the basis of locations, that is, the geographical segmentation, the segmentation on the basis of demographic, psychographic and behavioural segmentation, as well as shown in the image below.

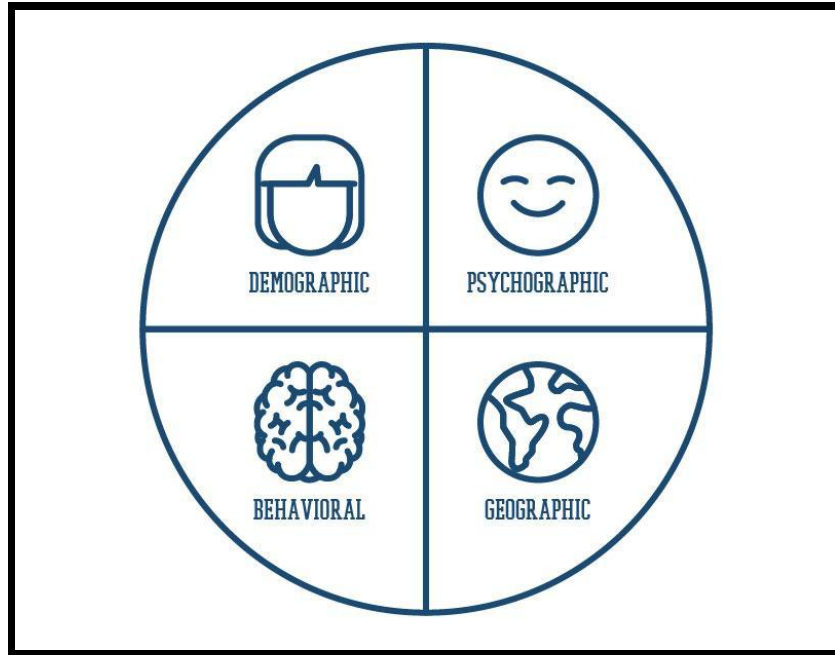


Figure 4 Market segmentation

The targeting of the customers is required to be done appropriately that will allow the organisation to enhance the productivity and increase the effectiveness of the overall marketing, as the target group will be well defined and the resources will be utilised appropriately. Further, the positioning is required to be done with the help of the target market that will help to identify the proportion for each segment of the organisation H&M (Vakku et al., 2020).

Also, the marketing mix strategy includes the product, price, promotion, and place mix that are required to be analysed and selected appropriately. These are the marketing tools that are required to be used appropriately in order to grow and enhance the market size. The brand H&M has effectively utilised the marketing mix strategies and thus has a strong presence in the global market. Also, the brand has the opportunities to expand with the help of improvement in the marketing that can be done through effective application of the situational analysis models.

## **Conclusion**

The report above has focused on the marketing essentials that allow the organisation to enhance the reach and boost the consumer base through effective utilisation of the marketing mix. The report also includes the effective application of the situational analysis model that includes the SWOT analysis of H&M. The report further includes the application of 4p's of marketing and determination of STP and the marketing strategies that will allow H&M to market the products in an effective and efficient manner.

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