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Marketing Fundamentals Analysis and Evaluation Essay

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Marketing Fundamentals (M4X01435)

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This essay will begin by analysing the marketing mix and strategies used by different organisations and their influence on the Ysgol Crug Glas tuckshop project. This work will take into consideration the difference between an awareness marketing campaign and a products marketing campaign. The importance of value to a customer and the effect stakeholders have on the operations of an organisation will also be looked at and applied to the team and their project.

According to Enache (2011) not only do the four traditional P's (Product, Price, Place, and Promotion) hold a crucial role in the marketing mix, but the three additional P's People, Process and Physical evidence each hold a crucial role in the marketing mix as well. Blythe (2014 pg.755) defines the four P's as; Product "A bundle of benefits"; Price "the exchange a customer makes in order to obtain a product"; Place "The location where the exchange takes place"; and Promotion "Marketing communications". These four, or sometimes, seven P's make up what is known as the marketing mix.

With the advancement of technology, organisations have had to adapt their marketing strategies, Chaffey and Ellis-Chadwick (2016) state that if a company does not adapt with the advancement of digital marketing then they will be unsuccessful. This was seen at the end of 2016 when Spotify took popular-culture topics such as Brexit to create localised messages on social media and electronic billboards, they sent personal emails to their listeners derived from their own data. This is an example of the importance of 'Place' in the marketing mix, and the influence the digital age can have on it. Spotify campaign was everywhere you turned, both inside and outside of the home on billboards and on devices as personal as smartphones.

Another example that demonstrates the importance and ability of digital marketing is Coca Cola's Snapchat campaign, concentrating on one of the seven P's 'People', their campaign was targeted at the younger demographic, where Coca-Cola worked directly with Snapchat to allow students to share a 'snap' of their first day back at school. Coca-Cola has had many other successful campaigns such as 'share a coke with' and 'Taste the feeling' which have been pushed through multiple social media platforms (Partners, 2018).

The team also looked at marketing strategies used by other larger awareness campaigns, such as Child Health Foundation's "Children of Parents Who Smoke, Get to Heaven Earlier" campaign. Campaigns such as this frequently use powerful imagery to promote their message, they use a market strategy process that involves them understanding their customers and market, their position in the market, budgeting for their campaign executing their plan and analysing their success. (Evers et al., 2013). The Ysgol Crug Glas tuckshop team looked at the Child Health Foundations Awareness campaigns marketing strategies and processes when planning theirs due to Child Health Foundations vision including "empowering the community" (Child Heath Foundation, 2018). This vision is closely related to that of the team which made their campaign marketing strategies directly relatable.

Blythe (2014) highlights the market strategy process, first understanding the customer's needs, analysing the market this includes determining their target market, analysing their competition, understanding their marketing mix, determining a budget and then finally carrying out their plan. Chaffey and Ellis-Chadwick (2016) argue the importance of a digital marketing strategy which includes three of the traditional market strategy processes, customer segmentation, targeting, and positioning. Due to the low or no costs of social media marketing, some of the steps in the traditional marketing strategy such as determining a budget are less important when looking at digital marketing.

Once the Ysgol Crug Glas Tuckshop project team had determined their target market, the students and teachers at the university, they could then move on to defining their marketing mix; when raising awareness for the school there was little competition. Once the team had used the marketing mix to determine where they would hold their events, where they could advertise, and to who, they began to execute their plan. Hoping to begin to raise awareness for their project, allowing people to support them throughout.

Kotler and Armstrong (2014, pg.26) argue that it's more important than ever to build a longer lasting relationship with customers. Customers are beginning to shop around and spend their money more carefully aiming to reassure their relationships with brands. The key to creating successful customer relations lies within four simple steps. First a company must understand the customer's needs and wants, then design a market strategy that is customer driven, thirdly a company must deliver superior value through an integrated marketing program, and finally, they must create customer loyalty that will lead to profitable relationships. Kotler and Armstrong (2014, pg.27) argue that these four steps will create value for customers and in turn increase customer equity.

Meeting human needs and desires is one of the most basic concepts of marketing (Kotler and Armstrong, 2014, pg.28). This is reinforced by Dawson (1980), who states that marketing is fundamentally meeting the demands of basic human desire, greed, and selfishness. Arguably giving customers what they want or what they think they want and keeping them happy will influence the value they believe you have created for them.

Baines, Fill and Page (2011 pg.747) define value as "the regard that something is held to be worth, typically, although not always, financial". Blythe (2014 pg.135) states that the value a customer receives from the end product is the first step to building good customer relationships. Blythe (2014) also highlights the importance of the value chain, defining the value chain as "The firms involved in the process of turning raw materials into products". This indicates that a company has to rely upon their suppliers to deliver their share of the value to the end customer.

Baines, Fill, and Page (2011 pg .554) argue that customers do not buy products for their features, but for the benefits that arise from using them, it's possible to deliver value to customers by meeting the needs they seek to satisfy through their products and purchases. Using the example of toothpaste, customers do not buy toothpaste because of the colour of stripe in the middle or the flavour of mint, customers buy into the marketing of a clean mouth or fresh breath, by meeting the customer's needs of a clean mouth or fresh breath you have created value for that customer. Baines, Fill and Page (2011 pg.555) also implies that it is more important to have loyal customer relationships than one-off or infrequent purchases, these loyal relationships can be created through the value the customer perceives of a product or company.

The process through which a customer receives a product or service is important it creates customer value and can begin to build brand loyalty. Amazon does this well, they offer quick processes such as next day delivery. People don't want to wait they will go elsewhere. If one organisation can do this then we expect other organisations to do this, it's about meeting expectations. If a company can meet the customer's expectations by delivering the value they seek, it will pay off in the future with longer lasting customer relationships and a good public perception.

The Ysgol Crug Glas tuckshop project team demonstrated Baines, Fill and Page (2011 pg.554) argument that customers do not buy a product for their features, the products that the children from Ysgol Crug Glas were selling at their tuckshop were available at multiple other places such as the café or vending machines for a similar price. However, these products didn't give the customers buying

them the feeling of giving back to the community; By buying from the children at the tuckshop over the other places available it added value for the customers, by allowing them to feel as though they have done their part in helping, giving their bit back, this value can not be bought.

Blythe (2014, pg.6) defines a stakeholder as “People who are impacted by corporate activity”, Different companies will have different stakeholders, however, there are some stakeholders that are generic to most companies. These stakeholders can be split into two different categories, the first category of stakeholders fit into the microenvironment. Kotler and Armstrong (2014, pg.93) define the microenvironment as “The actors close to the company that affects its ability to serve its customers” the stakeholders in the microenvironment include, the company itself, suppliers, competitors, customers, and publics. The second category of stakeholders is the macroenvironment defined by Kotler and Armstrong (2014, pg.93) as ‘the larger societal forces that effect the microenvironment’ stakeholders in the macroenvironment includes “demographic, natural, economic political and cultural forces.” Micro factors can be seen to directly affect the company’s ability to serve their customers, while macro factors impact upon the micro factors of an organisation inevitably affecting its ability to serve its customers.

The company is considered to be a part of the microenvironment; however, this can be broken down into several separate stakeholders such as staff, corporate, culture, resources, and constraints say Blythe (2014 pg.31). This demonstrates the ability to separate a generalised group stakeholder into smaller more defined groups of stakeholders.

Blythe (2014 pg.6) says that meeting customer needs should be at the forefront of a company’s activities, that customer need should be met before a company considers meeting the needs of its stakeholders; Although this is important, Baines, Fill and Page (2011 pg.47). state it is important to meet the needs of your stakeholders to remain a successful company, this theory is more applicable to the Ysgol Crug Glas Tuckshop Project group. In most non-profit organisations the stakeholders become more important, for the team it was important to meet the needs of the students and teachers at the school rather than the customers being served, as the overall goals of the organisation were to raise awareness and the enjoyment of the students at Ysgol Crug Glas

Baines, Fill and Page (2011 pg .49) argue that the socio-cultural environment is significantly important to a company’s success, stating that failing to recognise the importance of socio-cultural environmental changes can lead to the fail of a company. Using the example of Levi-Strauss, the jeans company, arguing that their drop from the worth of \$7bn in 1990 to only a worth of \$1.4bn in 2008 was directly linked to their lack of recognition to the importance of socio-cultural environment changes. Blythe (2014 pg.33) recognises the socio-cultural environment to be made up of four categories, Demographic, culture, social responsibilities and ethics, and consumerism. The way that the population is structured in terms of age, income, and ethnicity is referred to as the demography. While the culture is between different countries in terms of their differences in beliefs, customs, and behaviours. The social responsibility and ethics belong to the company, they can be derived from the culture of an organisation they help form the way marketers should operate, and the way the public will respond to their operations. Finally, consumerism, consumerism is how the power has shifted from company to customer.

Stakeholders within the economic environment and the socio-cultural environment are constantly changing state Baines, Fill and Page (2011 pg.49) and Blythe (2014 pg.33) its important companies recognise these changes, this can be applied to both large and small companies. When looking at the Ysgol Crug Glas tuckshop project team and their ‘company’ the tuckshop, the socio-cultural factors where considerably important, the team needed to ensure that the product being sold would appeal

to the demographic at the university campus. The social responsibilities and ethics, was a crucial factor in the team's success, as when working with most charity organisations the topic of the events is usually sensitive. This meant the team had to ensure their marketing met the constraints of the organisation, such as the inability to use photos of the children at the school in their advertisements, however difficult, this approach improved the customer's interaction with the events on the day.

While understanding that these areas of marketing are broad in nature, and for further understanding would need to be expanded upon further. It's important for any organisation to understand the marketing mix and have a strong marketing strategy to allow them to be successful at satisfying customer needs. The importance of advancement in digital and social media marketing has been highlighted. It's imperative for an organisation to meet customer needs to create value for their customers, and it's the value that is created that builds long lasting customer relations. Long lasting customer relations help keep a company thriving and successful.

According to Kotler and Armstrong (2014, pg.26) for a company to be successful, they must share one thing in common. They must have a substantial commitment to marketing and be very customer focused. Successful companies share a passion for not only meeting customer needs, but understanding them as well. To allow a company to both understand and meet customer needs they must first understand their well-defined target markets (Kotler and Armstrong, 2014, pg.26). The Ysgol Crug Glas tuckshop project team considered their target markets carefully, deciding to mainly target staff and students at the university for their events, however for their challenge of raising awareness the team aimed to reach much broader markets; Markets like friends, family, people who can empathise with the children's situation and anyone else who would listen.

These markets were reached through social media advertising. The team used multiple social media platforms such as a blog, Facebook pages, twitter and, snapchat, they used both sites that had been designed for the project and their own personal sites. Kotler and Armstrong (2014, pg.467) highlight the Advantages of social media marketing to being "Highly selective; Low cost; Immediacy; Interactive Capabilities." All of which when working on a short-term charity project with very limited funds, like the Ysgol Crug Glas team's project, are major advantages to consider. Brown, (2012) states that there has been a fundamental shift in the way a company communicates since the introduction of social media advertising and continue to suggest that a business will not survive without the use of social media marketing. This method of advertising helped the team raise awareness for the school and children with disabilities, the main platform the team used was their blog, this allowed them to reach a very wide audience while still have the ability to monitor their reach and interaction very closely. While most days the blog only reached the UK, some days people throughout Europe and the US had liked a post or even just read one. This communication tool gave the team a very good indication as to what type of posts were receiving the greatest interaction from the public and helped steer the direction of their next posts.

The events planned by the Ysgol Crug Glas Tuckshop Project team were intended to be quiet with a low footfall. This restricted the team's ability to reach a broader market for the events. To advertise for these events the team used a variety of communication tools. The team used posters to grab the attention of staff and students at the university, the team also used word of mouth, telling as many people about the events as they could. They also advertised their events on their social media platforms, but this was usually left until the day before, to limit the number of people they would reach.

Both the events the Ysgol Crug Glas tuckshop project team planned and the people they reached when trying to raise awareness for the school were considered successful, however, the team could have

considered other methods of marketing. These methods could be closer to the local community, communication tools such as a local radio station and the local newspaper may have been of benefit to the team regarding their aim to raise awareness for Ysgol Crug Glas.

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