

University of Wales Trinity Saint David

MARKETING FUNDAMENTALS

LCBB4004

Student's Name: Desislava Yordanova

Student Number: 1912503

Assignment Title: Assessment 2

Individual essay providing a critical analysis

Module Lecturer's Name: Dr. Tushara Balendran

Table of Contents

Introduction	3
Role of Marketing in Creating Value For Clients	3
Create customer value and establish a customer relationship	4
Different roles of marketing to focus on customers	5
Impact of Stakeholder on the Activities of Marketing	7
Challenges in the engagement of stakeholders in marketing-related activities:	8
Impact of stakeholders	9
Influence of Stakeholders on Marketing Activities	11
Conclusion	14
Appendices	15
Appendix 1	15
Appendix 2	16
Appendix 3	17
References	18

Introduction

The concept of marketing essentially relates to the strategies taken up by the brands in order to promote their goods and services. Marketing involves the identification of the needs of customers and satisfying those needs and thereby making a profit. Five ideas predominantly guide the marketing concept. The concept includes the ideas of production, the concept of products, the concept of selling, the concept of marketing and finally, the concept of societal marketing. This essay focuses on the critical analysis of the role of marketing in order to create values for customers and also the impact of the engagement of stakeholders on the activities of marketing of an organisation in the UK.

Role of Marketing in Creating Value for Clients

It can be said that the role of marketing is divided into three subcategories. The role of marketing is to retain, identify as well as satisfy the customers. Identifying a customer means identifying their need and their want. Next, any company can satisfy its customer by delivering a service or a product according to their requirements. It is also required to retain their customers that can be achieved via establishing an effective and loyal relationship with them. For example, Unilever Company situated in the UK follows Michael Porter's model for creating customer's value. This model states that organisational competitiveness is necessary for business resilience and growth. With the help of this model, the company establishes competitive advantages by satisfying its customers' specific preferences and needs. This helps them to create customer value that increases market share, loyalty, price, efficiency and reduces errors. Better efficiency and higher market price lead to more benefits for an organisation in the UK. The benefits include expansion potential, professional management, perpetual existence and many more. Values stand for moral, sustainability, trust, integrity, ethics and honesty. The interaction between innovation management and sensory design is essential in creating value for customers. (Fahad and Kadim, 2019)

1. Identify the customers:

In order to identify any customers' needs, it is essential to determine the specific benefits that the customer is seeking in buying the product. It is also required to understand customers' expectations and wants. However, it is also important to know the exact locations of the customers and their buying strategies in case of identification of a customer. Identifying the customer's needs is essential in the role of marketing (Helmi *et al.*2020).

2. Satisfy the customers:

Customer satisfaction can be defined as how happy the customers are with a company's service, product and capabilities. To satisfy the customer, it is important to deliver high-quality service or product available to the right people at the proper time. It is also vital to make every customer feel better off-exchange. This is because of the customer's survey, and ratings can help any organisation about their improvement and changes in their products and services. Satisfy the customers is an important activity in creating value (Helmi *et al.*2020)

3. Retain the customers:

Customer retention is a process of marketing of engaging the existing customers to continue buying the products or services from the business. In order to retain the customers, the organisation needs to follow some strategies such as attracting the customer by providing some special offers, the arrangement of rewards for profitable customers and others. For example, PWC (UK based company) within the IT sector follows some strategies to retain their customers. They mainly focus on an analysis of the existing strategies, segmentation of a customer, strategy of a customer, journey mapping of a customer, technology deployment and implementation of customer, program management and benefits management. Every company has to focus on customer retention for the growth of the company. (Jaakkola and Aarikka-Stenroos, 2019)

Create customer value and establish a customer relationship

To establish customer relationships, it is important to focus on their preferences and choices. Therefore, it is also vital to research the marketplace properly in order to recognise their preferences. The company needs to manage customer data and marketing information. Customer relationship plays an important role in creating customer value (Kohtamaki and Partanen, 2016)

The company is required to design a marketing strategy driven by customers. This includes designing of websites, using social media, optimisation process and others.



Figure 1: Figure representing that various aspect of marketing strategy

This helps managers and leaders to communicate directly with the clients that result in building a CRM. According to the CRM model, CUSTOMER RELATIONSHIP MANAGEMENT lets the company store customer's contact information, identify various sales opportunities, service issues, and manage different marketing campaigns, all in a central location.

Different roles of marketing to focus on customers

1. Organisation survival, reputation and growth

Every business services survive due to the customer's retention and growth in market share. Marketing helps organisations to meet their objectives, such as enhancing organisation reputation and growth. Due to the fact that customers tend to purchase products and get services from the company in the UK that holds higher brand value and brand image in the market. According to the marketing theory, it has been found that an enterprise needs to position its services as well as products in the market in a way that clients believe they can get benefit from purchasing that particular product. It is also regarded as generating images or brands.

2. Widnes market

Marketers utilise different mass communications processes such as promotion, sales, advertising, PR and event marketing for promoting their products. PR programmers also help and protect a company's product and images. This made the marketing activities of the company more interactive that grab customers' attention and influence their demands.

3. Adapting the right price

Price is a vital element in the marketing mix, as price creates revenue. Marketing strategies help in order to set a fair price, integrate proper alterations and make the right approach. The process of exchange moves in a smooth way when prices are set up in a fixed manner. In this respect, a customer tends to be attracted to the fair prices of a product as they require budget-friendly high-quality products. For example, PWC companies in the IT sector tend to adopt fixed pricing strategies for products and services in order to draw enough attention from the individuals within the UK that maximise their marketing opportunity.

4. Product offerings

Marketing plays an important role in managing and designing better product offerings. In this respect, if a company offers physical products, then it has to be well labelled and packed to attract customers. This is because customers always require a product with proper packaging that meets all the safety and hygiene standards. On the other hand, services are considered to be characterised by intangibility and inseparability.

5. Creates utility

The utility is the capability of a product in order to satisfy customers' needs and demands. Marketing of a company generates a product's utility. Marketing also creates a place, time, data, possession and information utility. For example, in the automobile sector of the UK, engineers tend to manufacture cars that can fulfil the requirements of a customer to possess a vehicle and ride it.

6. Management of demand

Marketers play an important role in influencing timing, level and demand's composition with their professional skills. Demand might be nugatory demand, negative demand, latent demand, irregular demand, overfull demand and others. Marketing mainly helps in dealing with different levels of demand. Therefore, by understanding the exact demand of an individual, an organisation can introduce a marketing plan that deals with those varying demand levels.

7. Face competition

Competitive orientation is required in the global market. Marketing assists the banking sector of the UK in maintaining customers' expectations and also helps in monitoring the market according to the competitor's offerings. For example, offering premium products, efficient dealerships and superior services can help the sector to retain their customers as well as increase their market share.

8. Economic growth

Marketing generally generates demand for a product or service within a market. Demand encourages activities of production and distribution. This is why the growth of the company is boosted. The economic growth of the company helps in improving income levels due to increasing employment opportunities.

9. Social responsibilities

In order to meet customers demand, manage the pressure of the UK government and reduce harmful impact on the environment, it is needed for a company in the multinational sector to practice great levels of social responsibilities. In this respect, social marketing also plays an essential role. For example, Unilever Company in the multinational sector tends to spread hygiene awareness with the help of promotion of low priced lifebuoy in rural regions of the UK.

Impact of Stakeholder on the Activities of Marketing

The successful engagement of stakeholders influences the activities of marketing within an organisation. Stakeholders are a group of people with interest in an organisation and are responsible for carrying out roles and responsibilities for the business of an organisation. The stakeholders typically include investors, distributors, employees and consumers. However, in the present time, the concept of stakeholders has associations of trade and government also. Stakeholders can be categorised as internal and external stakeholders (*Refer to Appendix 1*).

Internal stakeholders are investors and the employees who are directly associated with the company. They get significantly affected by the performance of a company. On the other hand, external stakeholders are not directly associated with the company, but somehow they get

affected by the outcomes of a company. Vendors, customers and public groups fall under the category of external stakeholders.

Challenges in the engagement of stakeholders in marketing-related activities:

An organisation faces certain obstacles in order to engage stakeholders in the activities of marketing (*Refer to Appendix 2*). Stakeholders tend to make time for a particular project only if they find it relevant. However, stakeholders, for example, investors tend to make excuses regarding time constraints if they find there is no purpose of the project. Next in line is that people are changing all the time, and this leaves a significant impact on engaging stakeholders. In addition, the stakeholders are often seen not to share their information with the company, and this causes many difficulties in engaging them in marketing activities (Miles, S. and Ringham, K., 2018). Employees play the role of stakeholder, and very often, they do not concentrate on the marketing related activities such as focusing on customers' needs, current trend, and strategies to attract customers. This is regarded as one of the obstacles in the engagement of stakeholders in the activities of the marketing of an organisation. According to Salvioni and Almici, (2020), engagement of stakeholders has an impact on the sustainability of organisational culture.

However, an organisation can overcome the obstacles by following the four ideas of stakeholder engagement.

1. First, in order to engage stakeholders effectively, it is crucial to identify their potentiality as well as issues. Hence, by establishing strong communication with the investors, members of the board and the employees, the management of the company can understand the requirements and concerns of stakeholders.
2. Secondly, proper planning of research is helpful in the generation of a quality amount of data. Quality data ensures in interest and insight among the stakeholders.
3. Thirdly, the management of an organisation can actively listen to the needs of the stakeholders in order to overcome the challenges associated with the engagement of stakeholders in marketing. For example, Cadbury situated in the UK tends to listen and work collaboratively with stakeholders as well as maintain a close relationship with its clients in order to meet their needs in the confectionery sector.

Impact of stakeholders

Stakeholders can be seen to play a crucial role in the activities of marketing and thereby leaves an impact on it too.



Figure 3: Ansoff matrix of marketing

(Source: Helmi *et al.* 2020)

The Ansoff matrix of marketing is a tool for a business strategy which was developed by Igor Ansoff. According to this marketing theory, there are four options of strategies. This theory divides the market into groups such as new and existing markets. This strategy shows that a company sells their existing products to known customers in the existing market. This strategy is named as market penetration strategy. In order to penetrate this strategy, a company can give discounts and other activities to promote the products. A company can use the strategy of the marketing mix in the markets that are growing.

The second strategy suggests the development of new products for existing customers focusing on fulfilling their needs. An organisation can achieve success by conducting effective research on the needs of the customers. In order to achieve this, a company

should be able to develop internal capabilities as well as competencies that drive innovation. This is because through introducing innovative products and services, customer satisfaction can be met (Jaakkola and Aarikka-Stenroos, 2019). This will be helpful for a company in gaining a competitive advantage and make a stronger position in the market than other companies. For example, Tesco operating in the retail industry focuses on the needs of the customers and develops innovative products along with RM, SC, PM and CLM that help the company to retain high brand value in the market (Helmi *et al.* 2020).



Figure 4: Figure representing innovation strategies

(Source: Jaakkola and Aarikka-Stenroos, 2019)

According to the third strategy, a company can penetrate into a new market by involving present products. In order to do this, a company needs to understand the obstacles related to the market. Besides, the firm requires to understand various routes and ways to enter the market in order to attract new investors to invest in more projects. If investors show interest in investing in the company, then it will prove to be beneficial for the organisation. This is due to the fact that the organisation can obtain a huge capital to invest in the developments of new products and services regarding the needs of the current market. Thus, the organisation can achieve success and better opportunities and can retain a strong position in the market. For example, Apple Company tends

to discover innovative products such as iPhone, iPad, AppleTV, Apple Watch, while penetrating into the UK market within the software sector.

The fourth and final strategy identifies the strategy of diversification. This strategy suggests developing new products according to the need of new customers and the latest market to obtain growth in business operation. This enables the company to expand the horizon of their business. With the use of this strategy, a company can gain profits and increase revenues and minimises the risk of loss. For example, Tesco, Walmart in the retail sector became a successful leader in the market and by being able to diversify its products and reaching a wide range of consumers within the UK.

Influence of Stakeholders on Marketing Activities

Stakeholders influence marketing activities and are responsible for managing business operations. Employees, customers, investors and the government are the group of stakeholders which controls the actions and decisions of a company (Watson *et al.* 2018).

1. Management of Customer Relationship



Figure 5: Figure representing the benefits of CRM

(Source: Heinonen *et al.* 2019)

Many companies focus on the management of the relationship with their customers as their marketing activity in order to become successful (Fahad *et al.* 2019). In order to succeed in its marketing activities, a company can satisfy customers and build an everlasting relation with them that can create a strong and effective business. If the customers are struggling with the payments, then the company can come up with a new plan of payment by reducing the charges of interest and allow them to pay late fees. This might prove to be helpful in the retention of customers that are important. According to stakeholder's theory, customers hold a stake in an organisation. An organisation can create values and standards for stakeholders. This theory suggests in the creation of ethics for business in order to manage customers as stakeholders and improve organisational efficiency (Heinonen *et al.* 2019).

RETENTION OF EMPLOYEES



Figure 6: Figure representing those strategies of employee retention

(Source: Igwe *et al.* 2018)

Retention of employees and the recruitment of new employees influence the activities of marketing. Employees are valuable assets and thus must be treated in a good way. Happy employees are responsible for organisational development and making the business stronger. Employees are also required to adopt corporate social responsibility, especially in the construction sector, in order to reduce the harmful impact on the environment (Evangelinos *et al.*

2016). According to Igwe *et al.* (2018), stakeholders must maintain a corporate social relationship in social enterprises. Employees can be retained by listening to their opinion and by involving them in decision making. According to the theory of Mc Gregor, employees are motivated by reward. Motivated employees tend to perform better and increase the productivity of an organisation. In this respect, a company can manage the performance of employees to enhance marketing and operation activities (*Refer to Appendix 3*). Every company needs to take responsibility for stakeholder engagement and entrepreneurial communication processes (Mella and Gazzola, 2018).

2. Management of Suppliers

Suppliers are responsible for influencing the marketing activities of a company. There is an impact of stakeholder engagement within company culture (Salvioni and Almici, 2020). A company gets material for producing products from suppliers. The relationship between suppliers and customer interaction creates value in services manufacturing companies. If the company fails to maintain a good relationship with the supplier, then it will cause them a great loss (Kohtamäki and Partanen, 2016). A company can pay their suppliers on time and requires to maintain good communication in order to operate business smoothly without any hindrance.

Conclusion and recommendation

Based on the study, the context included the role of marketing in creating value for clients. In the case of creating value, the company needs to follow different activities. Those activities are mainly identifying the customer, satisfying the customers and retaining. The customers. In the case of creating customer value and establishing customer relationships the company requires to design customer market strategy and needs to focus on customers' preferences and choices. There are different roles of marketing that will help to focus on customers. Those roles are organisation survival, reputation and growth, adapting the right price, widens market, management of demand, face competition, creating utility, economic growth and product offerings. This context also included the impact of stakeholder on the activities of marketing and challenges of stakeholder on the market.

Appendices

Appendix 1



Figure 2: Figure representing internal and external stakeholders

(Source: Miles and Ringham, 2018)

Appendix 2

Challenges in the engagement of stakeholders
1. Stakeholders have time constraints. 2. Change of stakeholders and team members of projects. 3. There is a problem in collecting detailed information about the stakeholders. 4. Employees as the stakeholders don't concentrate on the marketing-related projects.

Table 2: Table represents that challenges in stakeholder engagement

(Source: created by learner)

Appendix 3



Figure 7: Figure representing that performance management process

(Source: Evangelinos et al. 2016).

References

- Evangelinos, K., Skouloudis, A., Jones, N., Isaac, D. and Sfakianaki, E., 2016. Exploring the status of corporate social responsibility disclosure in the UK building and construction industry. *International Journal of Global Environmental Issues*, 15(4), pp.377-399.
- Fahad, M., Kadim, J.R. and Abbas, H.F., 2019. The Interaction between Innovation Management and Sensory Design in Creating Value for Customers. *International Academic Journal of Business Management*, 6(1), pp.97-103.
- Fornell, C., Morgeson III, F.V. and Hult, G.T.M., 2016. Stock returns on customer satisfaction do beat the market: gauging the effect of a marketing intangible. *Journal of Marketing*, 80(5), pp.92-107.
- Hart, A.G. and Sumner, S., 2020. Marketing insects: can exploiting a commercial framework help promote undervalued insect species?. *Insect Conservation and Diversity*, 13(2), pp.214-218.
- Heinonen, K., Campbell, C. and Ferguson, S.L., 2019. Strategies for creating value through individual and collective customer experiences. *Business Horizons*, 62(1), pp.95-104.
- Heinonen, K., Campbell, C. and Ferguson, S.L., 2019. Strategies for creating value through individual and collective customer experiences. *Business Horizons*, 62(1), pp.95-104.
- Helmi, J., Bridson, K. and Casidy, R., 2020. A typology of organisational stakeholder engagement with place brand identity. *Journal of Strategic Marketing*, 28(7), pp.620-638.
- Igwe, P.A., Icha-Ituma, A. and Madichie, N.O., 2018. The evaluation of CSR and social value practices among UK commercial and social enterprises. *Entrepreneurial Business and Economics Review*, 6(1), pp.37-52.
- Jaakkola, E. and Aarikka-Stenroos, L., 2019. Customer referencing as business actor engagement behavior—Creating value in and beyond triadic settings. *Industrial Marketing Management*, 80, pp.27-42.

Jaakkola, E. and Aarikka-Stenroos, L., 2019. Customer referencing as business actor engagement behavior—Creating value in and beyond triadic settings. *Industrial Marketing Management*, 80, pp.27-42.

Kohtamäki, M. and Partanen, J., 2016. Co-creating value from knowledge-intensive business services in manufacturing firms: The moderating role of relationship learning in supplier–customer interactions. *Journal of Business Research*, 69(7), pp.2498-2506.

Miles, S. and Ringham, K., 2018. Stakeholder Engagement in Marketing. In *Engaging With Stakeholders* (pp. 188-208). Routledge.

Salvioni, D.M. and Almici, A., 2020. Transitioning toward a circular economy: The impact of stakeholder engagement on sustainability culture. *Sustainability*, 12(20), p.8641.

Slimane, K.B., Chaney, D., Humphreys, A. and Leca, B., 2019. Bringing institutional theory to marketing: Taking stock and future research directions. *Journal of Business Research*, 105, pp.389-394.

Sung, K., Cooper, T., Oehlmann, J., Singh, J. and Mont, O., 2020. Multi-Stakeholder Perspectives on Scaling up UK Fashion Upcycling Businesses. *Fashion Practice*, pp.1-20.

Vidgen, R., Shaw, S. and Grant, D.B., 2017. Management challenges in creating value from business analytics. *European Journal of Operational Research*, 261(2), pp.626-639.

Watson, R., Wilson, H.N., Smart, P. and Macdonald, E.K., 2018. Harnessing difference: A capability-based framework for stakeholder engagement in environmental innovation. *Journal of Product Innovation Management*, 35(2), pp.254-279.