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Marketing Fundamentals

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TABLE OF CONTENTS

1.INTRODUCTION	1
1.2.1 Mission and objectives of Tesco	1
1.2.2 Situation analysis	2
1.2.3 Marketing strategy	6
1.2.4 Marketing mix decisions.....	6
1.2.5 Implementation and control	7
1.3 Role of the marketing in creating value of customers	7
1.4 Stake holders' engagements and impact on the activities of marketing.....	8
2. CONCLUSION	8
3.REFERENCES	9

1.INTRODUCTION

Marketing refers to the exchange of relationship with people and management. Its focuses on the satisfying customers by fulfilling demands and making innovative products which helps in attracting customers. In this report, cited company is Tesco. This company is a British multinational grocery and general merchandising retailer. There are more than 3400 stores around nation that are providing services to their customers. This report covers the marketing process of Tesco. Furthermore, it covers the mission and objectives of the cited company. Lastly it covers the marketing strategies of Tesco.

1.2.1 Mission and objectives of Tesco

Tesco is one of the largest retailers of UK and across world. It is one of the entities which have more popularity in the world. By its services of entity Tesco has satisfied customers which helped to gain popularity of business.

Vision and Mission of Tesco

Vision of Tesco is to open its branches in every corner of world. This helps in gaining in the popularity and creating brand image in market. This company wants to grow its business that has full opportunities. With the help of innovation in modern ideas that helps an entity to attract customers in more numbers. Company wants that all employees use modern ideas to make the products more attractive. Entity will be doing business while taking opinion of customers, employees and society.

Main purpose of Tesco is to " We make what matters better together". It also helps business to target people who can buy products in all range. Low prices products are sold to many customers which can make company to satisfy them. Cited company is planning to become carbon free business till 2050. According to the market situation of this entity, several strategies are made to achieve goals for success, its mission of entity is to create standards so that others can be inspired from seeing it (Guido Pichierri Nataraajan and Pino, 2016). The focus of an entity to earn trust and loyalty of customers, colleagues and communities.

Objectives

Tesco aim is in improving services which provide vast range of products like grocery and electrical goods. This company focuses on making brand image which is valued by the customers. This entity concentrated on developing teams which could server better to customers. This will help in making long run customer relationship with entity by taking regular feedback with customers in fulfilling their demands.

1.2.2 Situation analysis

This includes PESTLE, SWOT and Porter's five forces which helps in obtaining loopholes for Tesco. By improving them, this company wants to move ahead from the contenders. These three-analysis help in raising the entity to a new level.

PESTLE Analysis

PESTLE Analysis external factors which impact on an entity. It is one of the ways by which entity could gain competitive advantages.

These factors help the company in performing business for diverse environment.

Political Factor - this factor includes changes made by the government in laws which affects business. It includes tax rates, political stability, legislation, unemployment rate and economic conditions of business. Political stability of UK is strong enough which does not impact on decision making of Tesco. If tax rate of entity increases, in that case, it affects the business directly. Product cost increases which make adverse situation for the entity. It impacts on sales of entity. If import duty of cited organisation increases, it will affect Tesco because it is importing its goods to other countries like East Asia and China.

Economical Factor -this factor includes changes in market condition which are affecting business and some of them are saving rate, interest rate, inflation rate and many more. Labour cost is affecting the UK super market. If hike in inflation of an entity which will impact on directly on profits and costs which impact the business adversely (Varnali, 2014). Tesco must focus on borrowing costs which will increase costs and reduce the profit. It will impact on the status of

company. This factor helps in dealing with the diverse environment which will make entity strong and can survive in any of the market conditions.

Social Factors- this factor includes age, gender, attitude, taste and preference of consumer, population growth and many more. In UK, business is done by analysing social factors and after that, company will get support from the society. Tesco has already analysed these factors and that's why, running its business successfully. The customers get satisfied by providing quality services to customers and create a good image in front of the community.

Technological Factors - this factor includes usage of the latest technology which helps the entity to move ahead from competitors and save time of cited entity. Tesco is using the latest technology which helps in gaining new opportunities (Martell, 2018). Tesco has developed online business which is facilitated in making presence in internet market. It makes entity to reach the customers who are present online. It is one of the ways to popularise business. This has also introduced online payment system which makes work easier.

Legal Factors- this factor changes the laws which affect the operations of entities in UK. Laws affect the entity and includes Gender discrimination, Equality, Wages act and many more. These regulations which affect performance of an entity. It is one of the ways by which business run ethically. UK has strict rules as compared to other countries. This helps Tesco in running business effectively, if workers are not given the wages properly which makes them depressed and demotivated.

Environmental Factors- This factor includes taking care of the environment. It is helping business to pay attention towards environment. Tesco is following CSR activities which make a good image in the society. It is helping an entity to gain the support from the community people.

SWOT Analysis

Under this, company is able to determine strengths and weaknesses which help in making entity to recover weak points which are existing in business. This helps an entity to it make strong position in market (Ivanov, 2016).

Strengths

Large and diversified customer base- Tesco serves different types of consumers which are equipment brokers, oil and gas companies, drilling contractors. this company is not dependent on the particular market segment by these operations for profits which are performed by various customers.

Strong portfolio of products - this company offers variety of products to customers which help them in choosing from the wide variety. Tesco handles competition in very smart ways which helps in making it to grow. This company sells its products to all over the world.

Weaknesses

Infringement controversies -Tesco has dealt with the companies for breaking the rules of patent which has increases the legal cost. This has affected the image of the entity also the profits.

Concentrated options - this company is majorly working in North America with the earnings of 45% and with this, it is doing the business during slowdown of the economic situation. It affects business adversely.

Opportunities

Continue the research and development - this company is based on the technical logical advancements which helps to make the products in innovative ways for survival in the market. It is one of the ways to create an image in front of the market and customers.

Strategic acquisition - Tesco is using the latest technology and some investment were made in past years for encouraging process. Tesco finds companies which is making technology of itself.

Positive look out for global drive market - after experiencing the slow down because of falling of prices of oil, the top derived markets are improving year by year; market of Tesco would grow to 5.7% in the next few years. It is one of ways by which Tesco will get the position of the leading player in market. It is helping entity to reach at top position of market (Guido et al, 2016).

Threats

Seasonal variations - due to the specific season, the demand of the product rises which is helping an entity to make other products demands slow down. It is the biggest threat which affects directly the firm's profit. These changes affect the strategies of Tesco which lacks firms from competitors.

Global economic environment - Environment of an entity changes on instant basis which affect the business. Company has to make the changes in policies of an entity which are affecting business. It is one of ways by which entity is lacking behind from the competitors.

Porter's five forces

This force helps in determining the position of an entity that includes strong and weak points. It helps Tesco in analysing of their competitors which makes aware about the knowledge of policies.

Competition of the industry - this model makes work riskier that has number of competitors. In this, many of the competitors are selling the products at same price and quality. It makes competition of entity increased at the new level which makes the power of company low. Buyers and sellers of the company if finds the good deal which makes them shift to the side of the competitors (Berry, 2016.).

Potential of new entrant - this means the new entry are trying to enter in the industry. It is one of the ways by which company is helping the entity to stop the new entrants. Tesco is one of the strongest companies which will not affect the company in any way by the new entries. Prices of product are set by enterprises which is not cope by the new entries (Finn, 2017).

Power of suppliers- in this supplier has the power to raise prices any time but it will increase cost of entity. Company has to maintain relation with supplier so that cost incurred by entity will be reduced. Tesco has maintained the good relationship with supplier in order to minimise cost.

Power of customers- customers are the persons for whom entity is making strategies for attracting towards firm. It is helping the entity to gain the support from the community people. If company will not provide quality products to the consumers in that case, they will shift to another one. Tesco is fulfilling all demands of clients which helps in earning of profits of entity.

Threats of substitutes- in market, there are many similar products which are sold by lot of sellers but differences in the changes in price and packaging which will make any product more attractive. Tesco is doing the same and selling its goods successfully.

1.2.3 Marketing strategy

Segmentation means dividing the market according to consumers based on the diverse features. This divided on basis of similar wants and needs from products. Tesco has divided market according to products like there is segmentation in the food items, electrical items and many more. This helps the cited entity to focus on specific segment. It is helping the company to fulfil demands of consumers and recognise changes which are needed for survival (Gurung and Sinha, 2016).

Positioning means making the position in minds of consumers which will always help in making it popular. This is ability of an organisation to attract customers by influencing them. Good positioning makes the products unique from other ones which makes user to take advantages from it. Tesco is using many promotional tools for establishing in minds of people. Some of them are Facebook, twitter, TV advertisements and many more which make an entity popular in market.

Targeting refers to the aiming of the consumers according to goods made by any entity. It is one of the ways by which products are sold by company. For food items, targeting the consumers according to goods like pickles and grocery items, people must be aimed, and this will help in focussing on that group people only.

1.2.4 Marketing mix decisions

These decisions involve seven P's which make an entity determine about product, price, place, promotion and many more which help in taking decisions for development of the product as well as entity.

Product - goods are made by entity to satisfy consumers which will gain popularity and create brand value. Tesco is making the products for consumers which are liked by them and earning profits (Robinson and Brenner, 2014).

Price- this is set by an entity after thinking twice because it is one of the factors that helps the consumers to buy products. If quality of products is sold to clients in that case, consumers are willingly to pay price. Tesco is selling its products at lower prices to attract consumer in mass.

Place- products are sold after determining the demand of people according to place. It is one of the ways by which entity can satisfy demands of consumers. Tesco is selling its products after analysing demands of local people living out there.

Promotion- this is done to make entity and product popular. It is one of the ways by which company is selling its products to mass people. Tesco is using various methods of promotion for positioning of product in minds of people (Berry, 2016).

Physical evidence- services which are provided by people to consumer must be quality it can be one of the way by which entity become popular.

Process - there are various processes by which entity is selling its products. there is a specific process for selling which has to be followed by consumer.

People- Tesco is targeting people according to products which are made by them and helps in focusing the people and fulfilling their demands accordingly.

1.2.5 Implementation and control

For implementation of policies which are made by an entity, there must be ways by which entity can adopt changes for development. By changing the environment, an entity has to make one polices for coping from these changes. For implementation of policies of an entity, it has to take

opinions of employees and after that implement it. Marketing decisions of entity affects the employees.

1.3 Role of the marketing in creating value of customers

Marketing plays significant role for selling and making the value of customers. By fulfilling the demands of the consumers, it helps in retention and making customers loyal. Prices of the product are sold to the consumer must be in all ranges which helps them in increasing sales of cited company with satisfaction of the consumer (Ang D'Alessandro and Winzar, 2014). Products of entity is provided to consumer must be in quality which makes them to buy product again and again. It is one of the ways by which loyalty of consumers will be maximised.

Place also creates value of consumers because according to the place only, the taste of consumer is determined. Tesco first analyses the demands of place and then make goods according to them. People are targeted according to the products which are made by them. Tesco has aimed people which suits according to product.

1.4 Stakeholders' engagements and impact on the activities of marketing

Stakeholders are person who are directly influence decision of entity. Some of them are employees, suppliers, and many more which are affecting decisions of company. These are persons who are involved in entity because they need information about company for purpose of knowing profits, turnover and many more (Okeke and Nwankpa, 2017). Employees require information for their bonus and financial growth. Suppliers are involved due to money owed by entity and for determining the paying back period. These persons are impacting marketing decisions, if employees have denied working or refuse to adopt changes in entity affects the decision making of marketing. Workers stop working in the cited organisation which affects working.

2.CONCLUSION

Marketing is not limited to selling and buying of products but it included promotion, branding, packaging and influencing customer and many more. From this report, it is concluded that stakeholders' involvement in Tesco and its impact on decision of marketing. It is one of the ways by which cited organisation have information which are needed by them. Further, it had been discussed the role of marketing in creating the value of customers.

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