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Marketing Fundamentals

Task 2

Supreme Imports Plc – marketing external analysis.

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Abstract

Definition of market

What exactly is the definition of marketing? A hard definition to come by because there are an unlimited amount of factors that need to be considered; according to the American Marketing Association, marketing is defined as: "Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large." (AMA, 2017)

Dr Philip Kotler defined marketing as "The science and art of exploring, creating, and delivering value to satisfy the needs of a target market at a profit. Marketing identifies unfulfilled needs and desires. It defines, measures and quantifies the size of the identified market and the profit potential" (Kotler, 2012)

Due to the daily flood of commercials and sales offers from various media (television, radio, flyers, banners, and adverts on the Internet and social networks), many people believe that marketing is solely about sales and advertising. Sales and promotion operations are simply the tip of the marketing iceberg in today's environment, and this should be read not in the conventional sense of making a sale (ie "tell and sell"), but rather in the modern meaning of answering market demands. These items will sell very well if the marketer has good connections with customers, understands what customers want, designs items that offer them value and superior prices, and then distributes and promotes those products effectively. In point of fact, management guru and philosopher Peter Drucker (1973) once stated that "There will always, one can assume, be a need for some selling. But the aim of marketing is to make selling superfluous. The aim of marketing is to know and understand the customer so well that the product or service fits him and sells itself."

Selling and advertising are simply two components of a larger marketing mix, which is a set of marketing methods that work together to engage customers, answer their requirements, and develop connections with customers. Marketing is a social and management activity that, in its broadest sense, enables individuals and organisations to attain what they require and desire by creating value for themselves and trading that value with others. Creating mutually beneficial and mutually beneficial trade ties with customers is the central focus of marketing. As a consequence of this, we define marketing as the process through which companies interact with customers, build solid connections with those customers, and produce value for those customers in order to receive value from those customers in exchange. (Phil T. Kotler et al, 2019, p. 6)

Marketing process

The marketing process is a set of actions by which businesses learn about their target audience, what they want to sell, and how to best contact them; the marketing process is cyclical, with five major stages described below, each of which is dependent on the previous one; companies can achieve their marketing goals and drive business success by continuously analysing the market environment, setting clear goals, developing effective strategies, implementing those strategies, and monitoring performance.



- **Objectives:** Marketing objectives are defined based on the information acquired during the situational analysis. These objectives must be specific, measurable, attainable, relevant, and time-bound (SMART). They should also be consistent with the company's broader business objectives.
- **Situational Analysis:** The first phase in the marketing process is to conduct a situational analysis, which entails gathering and analysing information about the business's internal and external environments. This includes things like the company's strengths, weaknesses, opportunities and threats (SWOT analysis), consumer demands and preferences, rivals and general market trends, political and economic factors (PESTEL analysis).
- **Strategies:** Once the objectives have been established, the organisation will build marketing strategies. These strategies define how the organisation intends to achieve its objectives and typically involve decisions about product, price, promotion, and distribution. For example, the corporation may prioritise the development of new items, the reduction of pricing, the expansion of promotional activities, or the expansion of distribution networks.
- **Implementation:** After developing the strategies, the organisation puts them into action. This includes putting the marketing strategy into action, which includes creating marketing materials, launching new items, and running advertising campaigns.

- **Control:** Monitoring and analysing the performance of marketing tactics is the final stage of the marketing process. This entails tracking key performance indicators (KPIs) such as sales, customer satisfaction, and brand recognition on a regular basis. Based on this feedback, the organisation modifies its marketing strategies in order to increase performance and meet goals.

Principles and practice of marketing

Marketing concepts and practises encompass a wide range of actions, tactics, and procedures aimed at attaining a company's or organization's goals.

Marketing fundamentals include the following:

- **Focus on the client:** The marketing process begins and finishes with the customer. Companies must understand their clients' requirements and desires and change their products and services accordingly.
- **Value Creation:** Marketing attempts to add value to customers' lives by providing products and services that meet their requirements and desires. This entails identifying the benefits that clients seek and developing products and services that provide those benefits.
- **Differentiation:** In order to stand out in a competitive market, businesses must distinguish themselves from their competition. This can be accomplished through product design, branding, and other marketing techniques.
- **Integrated Marketing:** Marketing encompasses a wide range of activities, including advertising and promotion, as well as product creation and delivery. These activities must be integrated and coordinated in order to be effective.
- **Marketing Research:** In order to make sound judgements, businesses must perform market research to learn about their customers, competitors, and market trends.

Marketing practises include a variety of methods and techniques designed to achieve marketing goals. Among the most frequent marketing practises are:

- **Product development:** the process of generating and designing new products and services to fulfil the demands and desires of customers.
- **Advertising and Promotion:** Communicating to customers the value of products and services through advertising, sales promotions, and other marketing communications.
- **Sales and Distribution:** Ensuring that customers have access to products and services through efficient distribution channels.
- **Pricing strategies:** establishing market-competitive prices that represent the value of products and services.
- **Branding:** The process of creating and sustaining a brand identity that reflects the ideals and benefits of a product or service.

- Digital Marketing: Reaching out to customers and promoting products and services through digital channels such as social media, email, and search engines.

The 4 Ps marketing mix is one of the most well-known marketing principles. The Marketing Mix, commonly known as the 4P Marketing Matrix, is a popular framework used by businesses to develop and implement efficient marketing strategies. E.J. McCarthy (1960) defines it as having four components: product, price, place, and promotion.

- Product: A company's actual product or service; their products must suit the demands and desires of their target customers by producing and designing high-quality, dependable, and value-for-money items.
- Price: The amount a customer pays for a product or service. Companies must set pricing that are competitive and reflect the value of their product. This entails considering elements such as production costs, target market, and competition.
- Place: the channels by which a corporation delivers its products or services to clients. Retail storefronts, internet retailers, and social media platforms are examples of both physical and digital outlets.
- Promotion: the ways by which a corporation promotes its products or services to clients. Advertising, public relations, sales promotions, and personal selling are all examples of this. (McCarthy, 1960)



Marketers universally recognised in the late 1970s that the 4 Ps marketing mix needed to be revised. According to Booms and Bitner (1980), it needed to be updated by including products that are services rather than merely physical items. This resulted in the development of the extended 7 Ps marketing mix, which added three extra components to the 4 Ps Principle:

- People - All businesses rely on their employees, from front-line salesmen to the CEO, and they are critical components of the marketing process.
- Processes - Because most services are offered with the customer present, how the service is delivered is also part of what the consumer pays for.

- Physical evidence - Even if the majority of what the user spends is intangible, almost all services have some physical elements, such as an email with an invoice for online sales.

Marketing principles and practises, in general, are required for companies and organisations to flourish in a competitive market. Companies can achieve their marketing objectives by focusing on client needs and desires, offering value, differentiating themselves from competitors, and employing a variety of marketing strategies and techniques.

External analysis of market

An investigation into the various external factors that have an effect on the marketing activities of an organisation is what's involved in an external marketing analysis. These components can be broken down into two distinct categories: micro and macro.

Micro factors are those that are specific to a company, such as its rivals, its suppliers, its consumers, and the industry as a whole. The framework of Porter's five forces, which covers the threat of new entrants, supplier negotiating power, buyer bargaining power, threat of alternative products, and competitive rivalry intensity, can be utilised to conduct an analysis of these facets. (Porter, 1979)

On the other hand, macro variables are more general aspects of the environment that have an effect on the industry as a whole and can be examined using the PESTEL framework. PESTEL is an abbreviation that stands for "political, economic, social, technical, environmental, and legal elements." In other words, PESTEL refers to all of these different aspects of a situation. Using this framework, businesses are better able to understand how their marketing strategies and plans can be affected by factors outside of their control.

Political considerations are rules and regulations imposed by the government that have the potential to have an effect on the marketing operations of an organisation. Consumer purchasing patterns are susceptible to being influenced by a variety of economic factors, including inflation, interest rates, and overall economic growth. Changes in customer demographics, cultural norms, and societal tendencies are all examples of social factors that have the potential to impact consumer behaviour. The term "technology elements" refers to technological breakthroughs that have the potential to change the way in which firms market their goods or services. Aspects pertaining to the natural environment, such as global warming and preservation of resources, are included in environmental considerations. Last but not least, legal variables refer to the laws and policies that an organisation must adhere to in order for its marketing activities to be successful.

By doing an analysis of these external elements, organisations like Supreme Imports Plc are better able to determine the opportunities and threats presented by the market and change their marketing approach appropriately. Understanding the external environment

enables Supreme Imports Plc to make well-informed decisions, which can help the company continue to be successful in the market while maintaining its position as a competitive player.

Supreme Imports Plc overview

Supreme Imports Plc is a company based in the United Kingdom that specialises in the design, production, and distribution of consumer items, mainly batteries, lights, electrical accessories, vaping, personal care, and other electronic products. The company was created in 1986 and is based in Manchester, England. Supreme 1975 Limited, Supreme France S.A.S, and SDE Technology (Shanghai) Co., Ltd. are among the company's subsidiaries. The battery section of the corporation makes a variety of batteries, including alkaline, zinc-carbon, and rechargeable batteries. The lighting section produces a variety of items such as LED lights, fluorescent tubes, and energy-saving bulbs. The electrical accessories section produces a variety of products such as extension cords, sockets, and plugs. Supreme Imports Plc sells their merchandise through a variety of channels, including stores, wholesalers, and online marketplaces. The company has a global presence and operates in nations such as the United Kingdom, France, Germany, and China. Supreme Imports Plc has recently moved into the vaping business, offering a wide variety of e-cigarettes, e-liquids, and accessories.

Supreme Imports Plc currently has over 3,300 active business accounts with retail clients who manage over 10,000 retail stores. Popular clients include B&M, Home Bargains, Poundland, Tesco, Sainsburys, Morrisons, Amazon, The Range, Costcutter, Asda, Halfords, Iceland, and even the HM Prison & Probation Service. These retail customers benefit from a trusted source of high-quality products and exceptional service by partnering with Supreme.

Supreme Imports Plc – external analysis

Both the macro environment and Porter's five forces can be utilised to analyse the company, providing significant information into Supreme Imports Plc's competitive environment. These tools have some advantages and disadvantages, which are listed below, but when combined and utilised in conjunction with other tools, they can produce useful results:

Benefits of using macroenvironment analysis:

- **Comprehensive Analysis:** The macroenvironment approach analyses all external elements that may affect Supreme Imports Plc, including economic, social, technological, environmental, and political aspects.

- Pay attention to long-term trends: Macro-environmental analysis allows you to pay attention to long-term trends that may affect the company's operations and profitability.
- Understanding Consumer Behaviour: Supreme Imports Plc can obtain a better understanding of consumer behaviour and preferences by analysing social and cultural elements in the macro environment, which can aid in product creation and marketing tactics.

Cons of using macroenvironment analysis:

- Lack of detail: Analysis of the macroenvironment can be overly broad and lack specificity, making it difficult for Supreme Imports Plc to identify specific opportunities or risks.
- Limited Actionable Insights: Because macroenvironmental elements are frequently beyond the company's control, analysis of these aspects might yield limited actionable knowledge.
- Inability to prioritise: With so many variables to consider, assessing the macro environment might make it difficult to determine which variables Supreme Imports Plc should prioritise.

Benefits of using Porter's five forces:

- Industry Specific Analysis: Porter's Five dynamics analysis focuses on the competitive dynamics within the industry in which Supreme Imports Plc operates.
- Identifying Key Competitors: The analysis assists in identifying the industry's key competitors, as well as their strengths and weaknesses, which may be used to design competitive strategies.
- Prioritising aspects: Porter's Five Forces model provides for the prioritisation of aspects that Supreme Imports Plc should consider while designing its plans.

Cons of using Porter's five forces:

- Limited Scope: Porter's five forces analysis is limited to competitive pressures within the sector and does not examine external issues such as changes in technology or government legislation that may affect the company.
- Ignorance of internal aspects: The analysis may overlook crucial internal elements affecting Supreme Imports Plc's competitiveness, such as its own strengths and shortcomings.
- Static Analysis: Porter's five forces analysis presents a static view of the industry and does not take into account changes in customer preferences or new market entrants over time.

PESTEL

Political

Supreme Imports Plc's business is based in a country that is politically stable and has a government that is on its side. However, alterations in government policy, such as tariffs or trade restrictions imposed in the aftermath of a pandemic, may have an impact on the company's capacity to import or export products. Changes on a global scale, such as the European Union's decision to leave the European Union (BREXIT), the war in Ukraine, or global political instability, particularly tensions between China and western countries, have the potential to have a considerable influence on the operations of the company. Because of the consequent changes in import and export rules, Supreme Imports Plc may find it more difficult to source items from other countries, which may have a negative impact on the company's capacity to make a profit.

Economy

The inflation rate, economic growth, and currency exchange rates are all susceptible to being adversely impacted by the political issues that have been outlined thus far. Since Supreme Imports Plc obtains its products from other countries, the company's profitability is susceptible to being influenced by economic factors such as exchange rates. Alterations in consumers' buying habits during a period of economic stagnation are another factor that may have an impact on the company's revenue.

Social

Supreme Imports Plc works in a broad market, and the company must take cultural variations into consideration. The company also needs to be aware of societal trends and preferences, such as shifting consumer preferences for environmentally friendly items, which could effect its sales. Due to the prices of competitive products sold at advantageous prices, in stores but also online, it has the advantage that it is addressed to all customers.

Technological

Technological developments can have a big impact on businesses, and Supreme Imports Plc is no exception. For efficient supply chain management, e-commerce, and online marketing, the company's business strategy primarily relies on technology. Any technological advancement could lead to increased company efficiency and profitability. Supreme Imports Plc operates in a rapidly changing technical field and must keep up with technological improvements. To optimise processes, increase efficiency, and improve customer experience, the corporation needs invest in technology.

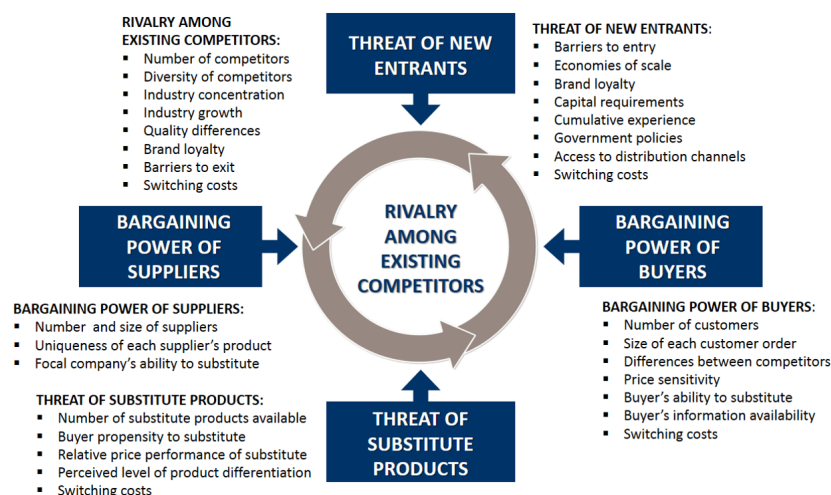
Environment

Because Supreme Imports Plc is in the FMCG industry, it must examine the environmental impact of its products and guarantee that its operations are sustainable. Consumers are becoming increasingly worried about the environmental impact of the things they buy, and the corporation should consider this trend. Any major change in environmental standards could have an impact on the company's operations.

Legal

Legal factors such as regulations, intellectual property laws, and labour laws can have an impact on Supreme Imports Plc's business, especially since it operates in several countries and must account for the regulations; it must be aware of any changes that may affect their operations, such as health and safety regulations for their products or labour laws governing employee rights; and the company must ensure that its products meet all necessary safety and quality standards.

Porter's 5 Forces



- **Threat of new entrants:** Because Supreme Imports Plc works in a highly specialised sector, the threat of new entrants is low. To be successful, the market requires enormous investment in distribution networks, supply chains, and marketing. Supreme Imports has established itself as a key participant in the business, and new entrants will find it difficult to compete with them. Furthermore, the company has established strong relationships with suppliers and customers, making it difficult for new entrants to establish such networks.
- **The bargaining power of suppliers:** Supreme Imports Plc's suppliers have moderate bargaining power. The company obtains its products from a variety of vendors, and the suppliers have some bargaining leverage as a result of the company's stringent quality

standards. However, the company's strong relationships with its suppliers, as well as its ability to change suppliers as needed, help to mitigate this bargaining power.

- **Bargaining power of buyers:** Supreme Imports Plc's buyer bargaining power is strong. The company works in a highly competitive market with numerous options for buyers. Customers can easily move to other brands, putting Supreme Imports under pressure to maintain good quality and competitive pricing. This bargaining power is mitigated by the company's ability to maintain a strong brand and customer loyalty.
- **Threat of substitutes:** Supreme Imports Plc faces a moderate threat of substitutes. There are other substitute items on the market, but the company's strong brand and unique product offerings make switching to other brands difficult. Furthermore, the company has a strong distribution network, making it simple for customers to access their products.
- **Competitive Rivalry:** Supreme Imports Plc has a lot of competition. The business works in a highly competitive market with numerous players vying for market share. The corporation is up against both domestic and foreign competitors. However, the company's strong brand, unique product offerings, and distribution network help it stand out from the competition.
- Supreme Imports Plc faces a somewhat difficult competitive environment. The company's strong brand, distinct product offerings, and distribution network help it minimise the obstacles given by the competitive environment in the market.



The Ansoff Matrix is a strategic planning tool that provides a framework to help executives, senior managers, and marketers strategize for future business growth, as well as identify opportunities and advantages, by developing an organisation in existing or new

markets, with existing or new products, using four growth alternatives. Each option poses a different level of risk to an organisation. (Ansoff, 1957)

- **Market Penetration:** Increasing sales of existing products in existing markets is the goal of this strategy. Supreme Imports should concentrate on expanding market share through aggressive marketing efforts, discounts and promotions, better customer service, and improved distribution methods.
- **Product Development:** Supreme Imports Plc might think about creating new products for its present markets. This could include creating new consumer electronics, expanding the FMCG product line, or collaborating with other companies to create new product offerings.
- **Market development:** This technique entails expanding existing items into new markets. Supreme Imports Plc may strive to enter new geographic markets by establishing new distribution channels or acquiring companies with a strong presence in those markets.
- **Diversification:** This technique entails entering new markets and introducing new products. Supreme Imports can think about expanding its product line by acquiring or partnering with companies in similar industries like renewable energy, electric vehicles, or home automation.

Conclusion

The marketing strategy of Supreme Imports Plc is concentrated on generating a powerful brand image, introducing new products, expanding distribution channels, providing competitive pricing, and providing great customer service. In the future, Supreme Imports Plc ought to concentrate its efforts on tactics for market penetration as well as product development in order to boost sales of its existing products and expand the range of those products. However, in order to reduce risk and get access to new growth markets, the company should also investigate opportunities for market development and diversification.

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