

MARKETING FUNDAMENTALS

Executive Summary

The major focus of the significant study is to illustrate the stages and processes of marketing in the context of Marks and Spencer. Apart from that, the study also shed lights upon the role of the marketing environment and other situational analysis models. The final segment of the study portrays segmentation, targeting positioning and marketing mix strategies of M&S.

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“Introduction”

Marketing is considered an essential strategy that showcases a significant role to maximize the business of an organization. The essential fundamentals of marketing also have the capability to identify enormous challenges. After the outbreak of the Covid-19 pandemic caused serious damage to the labor market and business organizations in the UK. Analyzing several journals, a minimum of **24%** of jobs were at huge risk in the lockdown scenario. Marketing fundamentals assist the organizations to reach the target audiences. In the changing scenario, **Marks and Spencer** also face several challenges such as **revenue loss**. Due to **labor shortages**, the previously mentioned organization also faces supply chain disruptions.

In this context, the significant study chose **Marks and Spencer** in order to illustrate the major impact of the Covid-19 pandemic on the business functionalities of the previously mentioned organization. Apart from that, the major focus of the study is to portray the external and internal business analysis of Marks and Spencer. The study also portrays the marketing environment of M&S. The final segment of the study represents the market segmentation, targeting position, and essential strategies of the marketing mix of M&S.

“Understand the processes and stages of marketing”

“Definition of Marketing Process”:

Marketing strategy showcases a significant role to develop the awareness of products and services. Apart from that, marketing processes have the capability to produce efficient ways that accommodate the organizations like M&S to promote their services and products in order to attract potential consumers. Sales improvement is the other essential outcome of the marketing process that assists to increase brand awareness in the marketplace. Consecutive opinions of Dogu and Albayrak (2018), illustrate that the marketing process has a major role in maintaining automation and workflow. Apart from that, essential processes of marketing also have the capability to produce a solid reputation for organizations. On the other hand, Gyenge *et al.* (2021) argued that the process of marketing mainly concentrates on budgeting strategies that accommodate organizations like M&S to maintain the budget amounts.

Marketing has the capability to inform the consumers about the services and products in order to value the products or services. Apart from that, the marketing process also allows organizations like M&S to analyze essential market opportunities in order to maximize the market. The process of marketing is mainly based on some essential elements such as ***“strategic marketing analysis, marketing-mix planning, marketing implementation, and marketing control”***. The marketing stages and processes are mentioned below-

“Strategic Marketing Analysis”:

The major focus of strategic marketing is to develop the profitability of organizations like M&S. Strategic marketing analysis accommodates the previously mentioned organization to differentiate the trends and consumer preferences. This essential process assists M&S to satisfy the different values of the organization. Donthu *et al.* (2020), stated that strategic marketing analysis mainly focuses on product development that accommodates organizations to provide high profits. The method of strategic marketing has the capability to differentiate the organizational competition. Apart from that, the essential method also accommodates M&S to stimulate the actual demand of any specific product. On the other hand, Brown *et al.* (2018) argued that the major focus of strategic marketing is on organizational strength that accommodates understanding the value. Strategic marketing analysis also accommodates to maximize the business of the previously mentioned retail organization.



Figure 1: Marketing Stages

(Source: Cortez and Johnston, 2017)

Analyzing the news of BBC, due to the outbreak of the Covid-19 pandemic M&S has to invest more in its stores to assist the organization to get a competitive advantage (Bbc, 2020). The essential aspects of marketing pertaining to the above-mentioned retail organization involved ***“product development, methods of distribution, and advertising”*** in order to maximize the business. Apart from that, capturing potential consumers is another essential aim of strategic marketing. Strategic marketing mainly concentrates on organizational differentiation to develop the strengths of organizations like M&S. As opined by Cortez and Johnston (2017), ***Economic Theory*** depicts an essential role in marketing to evolve a market economy that can accommodate to increase organizational efficiency, innovation, and productivity.

“Marketing mix planning”:

The planning of the marketing mix is considered as a developed plan that accommodates organizations like M&S to achieve strategic goals. Apart from that, marketing mix also showcases a major role to make profitable marketing. Sheikhi and Pazoki (2017), illustrated that the major focus of the marketing mix is to produce a successful plan to offer a product. Apart from that, the

marketing mix also has the capability to create a developed marketing strategy that accommodates the organizations like **M&S** to implement the marketing plan. On the other hand, Blut *et al.* (2018) argued that the previously mentioned essential tools give a huge positive impact on price and promotion in order to maximize the business. **Price, place, product, and promotion** are the essential components of a marketing mix that accommodate organizations to maximize the business.

Product development is considered a major focus of the marketing mix that maximizes the profit of organizations like M&S. The high negotiating power of **M&S** has the capability to save costs and increase profit. Hanaysha *et al.* (2021), articulated that the marketing mix also depicts an essential role to elude unnecessary cost in order to maximize the business. Price, place, promotion, and product have the capability to maintain business responsibilities. Apart from that, the previously mentioned marketing mix elements also accommodate the previously mentioned retail organization to operate in the highly competitive market.

“Marketing Implementation”:

The strategic implementation of marketing showcases a significant role in marketing departments in order to develop the effectiveness of an organization. Apart from that, marketing implementations have the capability to provide accountability that assists organizations like M&S to maximize the business. Consecutive opinions of Olson *et al.* (2018) illustrate that marketing implementation depicts a major role in establishing the workflow of organizations like M&S. Taking an instance, M&S has a developed marketing implementation that accommodates the organization to increase profitability (Marksandspencer, 2021). Marketing implementations also have the capability to evolve the marketing strategy in order to maximize the business. On the other hand, marketing implementations also have the capability to nurture organizational strength in order to maximize the business. Marketing implementations have the capability to maintain strategic objectives that accommodate organizations like M&S to increase sales. Apart from that, Corte *et al.* (2017) argued that marketing implementation mainly concentrates on secure resources that assist to maximize the business. On the other hand, marketing implementation also depicts an essential role to maintain brand affinity and also increase consumer retention.

“Marketing Control”:

Marketing control is considered an essential task that maintains the marketing department of an organization. Controlling mechanisms showcase a significant role to prevent mistakes in order to rectify those mistakes. As opined by Hadrian *et al.* (2021) illustrated that marketing controls have the capability to achieve organizational objectives that accommodate to maximize the business. Apart from that, marketing control mainly concentrates on essential operations and activities that accommodate the actual performance of the organizations like **M&S**. On the other hand, Gădău (2017) argued that marketing control involves essential activities that measure the performance of organizations like M&S. Apart from that, marketing control also accommodates the previously mentioned organization to measure sales that assists to increase the profitability. Market control also showcases a significant role to identify the mistakes and rectify those mistakes in order to maximize the strengths of organizations like M&S.

“Understand the role of the marketing environment and other situational analysis models”

In the changing scenario marketing environment and situational analysis, the model depicts a major role to maximize the business. In this context, the segment of the study illustrated the macro environment through PESTLE analysis and also evaluated the microenvironment through SWOT analysis. The role of marketing environment and situational analysis mole is mentioned below-

Role of Marketing Environment:

Marketing environments showcase a vital role to assist marketers to identify and understand consumers' needs. After the outbreak of the Covid-19 pandemic, the marketing environment accommodated organizations like M&S in the decision-making nature that helps to develop the sales rate. Consecutive opinions of Hanaysha *et al.* (2021), stated that marketing environments mainly concentrate on understanding consumers' behavior that assists marketers to recognize and identify consumers' needs. In this changing scenario, the marketing environment also influences organizations like Marks and Spencer in decision making. On the other hand, Saura *et al.* (2017) argued that in the era of marketing 2.0, digital media marketing depicts an essential role in the marketing environment as this has the capability to maximize the business in the online market. The marketing environment mainly concentrates on understanding the competitors in order to get

a competitive advantage. Marketing environments have the capability to increase innovation that allows them to operate the business. The top retail organization of the UK, Marks, and Spencer produces great value and high-quality products that allow the organization to attract potential consumers. The fundamental business pillars of the previously mentioned retail organization are **"trust, values, quality, service, and innovation"**.

Macro Environment:

The essential components of the macro-environment mainly include several **"forces, socio-cultural forces, political forces, demographic forces, legal forces, and technological forces"** that accommodate to influence the business operations of organizations like Marks and Spencer. The macro-environment has the capability to illustrate essential components of the external environment that accommodate organizations like M&S to get knowledge about "nation's inflation rate, GDP, social trends". Consecutive opinions of Rokonuzzaman *et al.* (2020), articulated that the macro environment has several advantages that assist in budgeting, monitoring, and decision making. Apart from that, there are also several disadvantages of a macro environment which is "very fragile, dynamic, and tough to collect data". In this changing scenario, maximum business organizations like M&S use PESTLE analysis that assists to illustrate the impact of the macro-environment in order to maintain business functionalities. Apart from that, the essential tool also has the capability to examine the negative and positive influence of the macro-environment on the organizational growth of Marks and Spencer.

Political Factors	Brexit decisions mainly produce major complexities and issues in the political environment. In the current situation, maximum organizations face a complicated situation in the supply chain system. Analyzing the report of Deloitte, in the changing scenario, due to the Brexit decision, maximum organizations utilize the import substance of EU27 and for that reason, there is a huge issue in supply chain management
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	(Deloitte, 2019). After the outbreak of the Covid-19 pandemic, M & S also faced several issues for low visibility of suppliers. Apart from that, due to the previously mentioned political factors, M&S achieved the growth objectives that are considered to be a tough situation in a chaotic environment.
Economic Factors	The annual economic growth of the UK is a minimum of 1.9%. The monthly GDP rate of the UK is 0.4% and this is mainly forecast by <i>“Trading Economics global macro models”</i> which portrays the total rate of GDP of \$2860.00 billion (Statista, 2021a). The previously mentioned economic factors produce a negative impact by raising the inflation rate. Apart from that, the <i>average inflation rate</i> of the UK produces a huge negative effect on the sales growth of <i>Marks and Spencer</i>.
Social Factors	After the outbreak of the Covid-19 pandemic, many people lost their jobs, and after that due to "government's effective policies and schemes" minimized the unemployment rate. The unemployment rate of the UK is minimized by 4.5% (Statista, 2021b). Due to the outbreak of the Covid-19 pandemic the sales rate of online platforms maximized by 46.1% in 2020. Analyzing the previously mentioned statements, it can be stated that

	socio-cultural factors accommodate M&S to boost sales and maximize the business.
Technological Factors	Launching the <i>"10 years National-AI strategy"</i> in the UK has the capability to maintain a technological superpower. Apart from that, "Research and Development" mainly invests 2.4% by 2027 in order to empower technological factors.
Legal Factors	<i>"Employment Protection Act 1978"</i> is considered an essential business law in the UK. Apart from that, <i>the "Sale and Supply of Goods Act"</i> is also an essential business law (Legislation, 2021a).
Environmental Factors	<i>"Environmental Protection Act 1974"</i> accommodates to produce major steps that have the capability to make the country an eco-friendly nation (Legislation, 2021b). Apart from that, the business strategy of M&S mainly supports the <i>"Environmental, Social and Governance (ESG) strategy"</i> .

Table 1: PESTLE Analysis

(Source: Self-developed)

Micro Environment:

The macro-environment of the well-known retail organization M&S is illustrated by the SWOT analysis. The SWOT analysis of Marks and Spencer mentioned below-

SWOT Analysis:

Strengths	Weakness
• The major strength of M&S is it has a minimum of 78000 employees. • There are also a minimum of 1509 stores in the global market (Marksandspencer, 2021). • Prime store location. • A huge share of sales. • The proper manufacturing cost to maximize business.	• Product shipping issues in the UK. • Poor financial performance. • Labor shortage issues hamper the export system.
Opportunities	Threats
• Post pandemic situation allows the retail organization to concentrate on digital marketing strategies. • Spending on AI and IT infrastructure produce a huge opportunity for a retail organization.	• Competitors such as Tesco, Next, Debenhams, Aldi UK, and ASDA are the major threat to M&S. • Poor leadership strategy is also considered a threat. • Poor human resource strategy is another threat to the above-mentioned retail organization.

Table 2: SWOT Analysis

(Source: Self-developed)

“Porter’s Five Forces model”:

Articulated by Pervan *et al.* (2018), Porter's five forces model depicts an essential role in competitive advantage as the significant model has the capability to specify the business attributes in order to maximize the business.

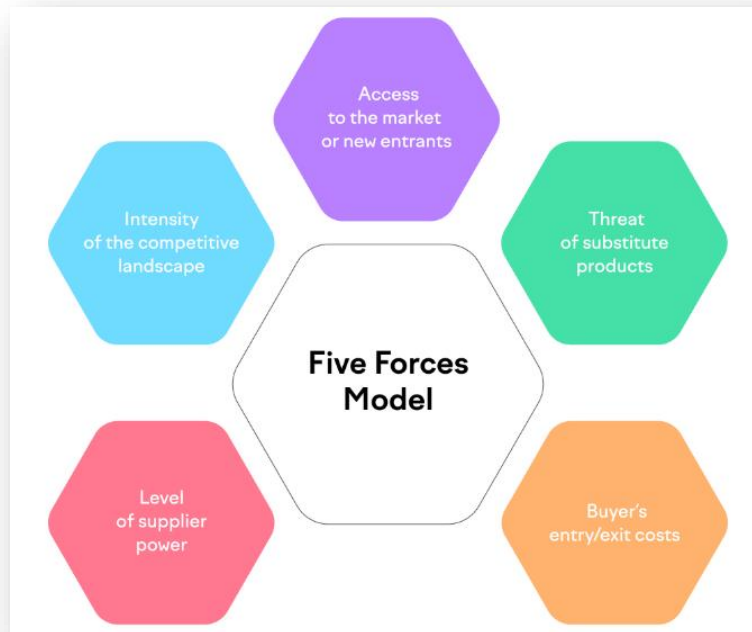


Figure 2: Porter Five Forces

(Source: Pervan *et al.* 2018)

The threat of new entry:

The retail organization mainly operates in the UK marketplace. Organizations like M&S have a strong supplier that assists in maintaining the distribution channel (Pervan *et al.* 2018). Due to this reason, the threat of new entry is **very low** as the new organizations do not have that much ability to compete with M&S.

Bargaining power of suppliers:

After the outbreak of the Covid-19 pandemic, Brexit decisions and economic recession produced shortages in the supplier market. Due to this reason, the number of suppliers increased. Apart from that, fluctuation in the pricing strategy of raw material produces a high risk of bargaining

power. Due to this reason, the bargaining power of suppliers is **moderate** as the previously mentioned organization has a loyal and strong base of suppliers.

Competitive Rivalry:

The competitive retail industry in the UK market produces a huge rivalry among retail organizations. The major competitors of M&S are Next, Sainsbury, ASDA, and Aldi UK. The outbreak of Covid-19 produced huge financial losses to the retail organization M&S. due to this reason the competitive rivalry of the organization is **very high**.

Power of Buyers:

After the outbreak of the Covid-19 pandemic, consumers are more price-conscious and the highest power of consumers maintains the business growth. Due to this reason, people always can not afford the expensive product and as per this reason, the power of buyers is **low**.

The Threat of Substitution:

The other small organizations also produce similar products such as M&S at low prices. Purchasing decisions are mainly based on pricing strategy. Due to this reason, the threat of substitution is moderate.

“To determine segmentation, targeting positioning and marketing mix strategies of a chosen organization”

Market Segmentation:

Marketing segmentation mainly portrays a significant role in dividing the target market of organizations like M&S (Saleem *et al.* 2018). Apart from that, the essential market segmentation of M&S is mentioned below-

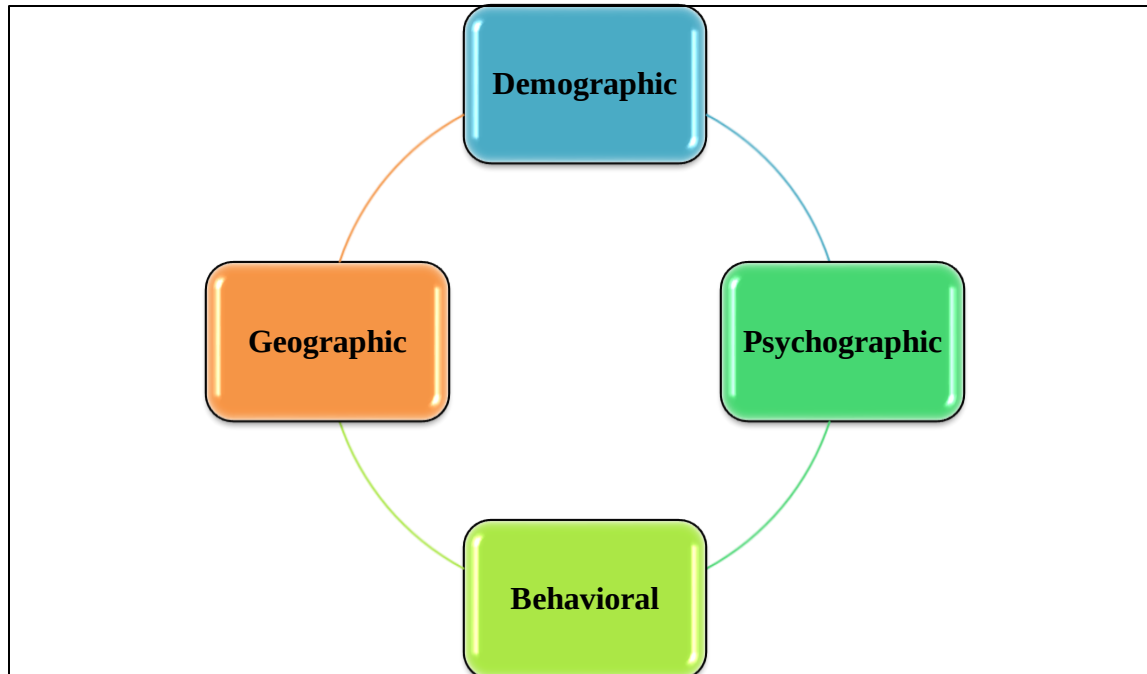


Figure 3: Market Segmentation

(Source: Self-developed)

Demographic: M&S mainly produce all types of products that are available for all genders, ethnic background, and color. Middle-class people to upper-middle-class people have the ability to buy these products.

Psychographic: Quality product at an affordable price to attract potential consumers.

Behavioral: Consumers who are more comfortable with online and offline shopping p[referred to the product of M&S.

Geographic: The previously mentioned organization is situated in both the international market and the UK market. Apart from that, in this changing scenario, consumers can also purchase products from the company's website from several locations.

Targeting:

The well-known retail organization Marks and Spencer mainly target both females and male who belong to the middle class and upper-middle-class income groups. Apart from that, quality

products at an affordable price also accommodate the previously mentioned organization to attract potential customers. The well-known retail organization mainly used *“differentiated targeting”*.

Marketing Mix:

Marketing mix showcases a significant role to maximize the business. Hanaysha *et al.* (2021), illustrated that the marketing mix mainly concentrates on resource allocation in order to allocate responsibilities. Price, place, promotion, and product are the essential components of the marketing mix. The components are mentioned below-

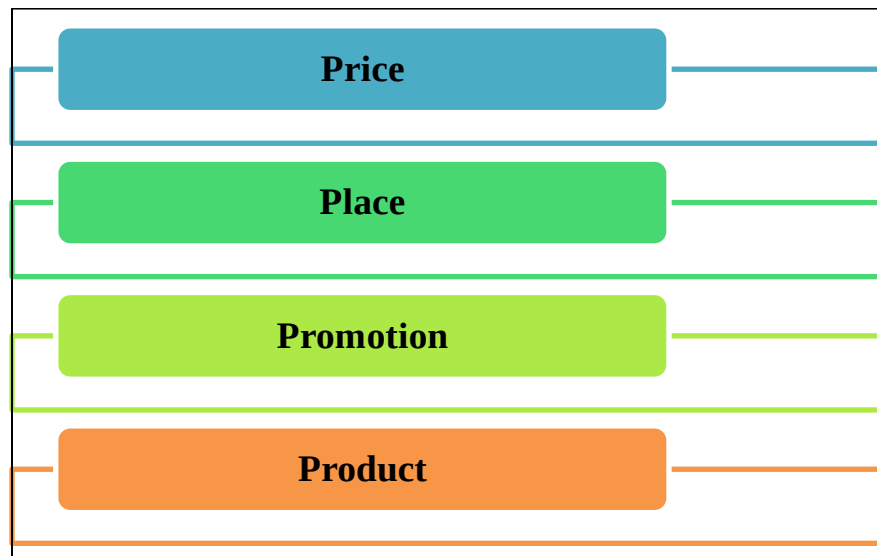


Figure 4: 4ps of Marketing Mix

(Source: Self-Created)

Price: The major focus of the pricing strategy is to concentrate on consumer services (Lim *et al.* 2021). Apart from that, the essential component also helps to increase brand value. In this context, the well-known retail organization M&S mainly uses *“competitive pricing strategy”* and *“dynamic pricing strategy”*.

Place: The multinational organization M&S has a minimum of **1509 stores** (Marksandspencer, 2021). Apart from that, there are also online websites that allow consumers to purchase their products from any location.

Promotion: The retail organization mainly uses “*influential marketing techniques*”. Apart from that, M&S also produces several advertisements to promote their business (Marksandspencer, 2021). Apart from that, the organization also uses essential digital marketing strategies to attract potential consumers.

Product: The well-known retail organization mainly sells clothing ranges, footwear, beauty products, home decor products, and gift items.

“Conclusion”

In this changing scenario, marketing fundamentals showcase an essential role to maximize business. After the outbreak of the Covid-19 pandemic caused serious damage to the labor market and business organizations in the UK. Apart from that, marketing fundamentals have the capability to increase the sales rate and profit part. Conclusively, the study has concluded the process and stages of marketing in the context of Marks and Spencer. Apart from that, the significant study also illustrated the marketing environment in the context of macro and microenvironment. On the other hand, the significant study also represents porter's five forces to illustrate the marketing strategy. The final segment of the study represents segmentation, targeting positioning, and marketing mix strategies of M&S. The previously mentioned essential strategies accommodate M&S to maximize the business.

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