

Assessment No₂
**MARKETING FUNDAMENTALS ANALYSIS AND
EVOLUTION-PANDORA JEWELLERS**

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Introduction

Numerous fundamentals are attached to the marketing of a product in a business. Most of the businesses use a complex structure that is helpful in ascertaining the level of promotion needed for the marketing of the product. This is why there are major approaches to marketing that are distinct to each other. The company that is used here is Pandora jewellers. It was established in the year 1982 and has an employee base of 22,300. This is why it is able to earn as much as 5.768 billion Krone as per the Danish reports. The study discusses its marketing strategy with respect to its new venture in UK.

Question 1: The marketing process and the marketing mix

Marketing refers to the creation of the specific base of a product that is being launched in the market. The essence of marketing includes convincing the customers to buy the product and fulfil their satisfaction from the use of it. The **marketing process** refers to the entire conglomerate of functions that begin even before the production of the product and until the completion of the satisfaction derived from it (Kerin and Hartley, 2015). Various stages are a part of the marketing process starting from the analysis of the situation until the control in respect to the desired results. The main stages can be identified as follows:

- Analysis of the internal and external features of the business.
- Setting up of the objectives that are to be attained by the function of marketing.
- Fixation of the strategies that might help to reach the given objectives in compliance to the practices of the organisation.
- Implementation of the desired strategy with a specific focus on the time that is to be taken to achieve the desired results.
- Controlling the overall implementation and the decentralisation of functions to make the process of marketing very smooth.



Figure 1: Stages of marketing process

(Source: Kerin and Hartley, 2015)

PESTEL Analysis

Factors	Analysis
Political	The result of Brexit has increased the duty on the import of valuable jewellery. This will affect the organisation by increasing the cost price of the product.
Economic	The latest taxes on gold items that have been reduced in UK helps the business to make sure that the final tax imposed on the consumer is less.
Social	The conscious consumers of the UK spend a lot on jewellery. This trend will be beneficial to the sale of jewellery of the organisation.
Technological	The use of technology to use the online platform for the jewellery will help to boost the sales in the region (Kingsnorth, 2019).
Environmental	The compliance of gold mining in the country is quite relaxed in comparison to the environmental laws. This is why the business may even use the region in order to extract gold as per the law.
Legal	The legal framework for the purchase of the expensive jewellery of the country is quite relaxed. Hence, the jewellery market is quite rewarding in these countries.

Table 1: PESTEL Analysis of jewellery business in UK.

SWOT Analysis

Strengths	Weakness
• Numerous stores across the country. • Highly skilled artisanship from various ethnicities.	• Lack of scope to expand the business digitally. • Tremendous competition in the market.
Opportunities	Threats

- | | |
|--|---|
| <ul style="list-style-type: none"> • Increasing consumption desires across the world (Lovelock and Patterson, 2015). • Reduction in global tariffs worldwide. | <ul style="list-style-type: none"> • Fluctuations in availability of raw materials. • Lack of upcoming craftsman in the newer generations |
|--|---|

Table 2: SWOT Analysis of Pandora

The advantages of the SWOT analysis includes the correction of specific shortcomings in the business without much reliance on the outside factors. The disadvantage is that the analysis is not absolute in terms of the approach to highlight the external threats appropriately.

The **strategy** that has been adapted by the company is :

Segmentation: Higher income customers in and around London.

Positioning: premium brand with special focus to customer satisfaction.

Targeting : The woman of the country under the age of 60.

Marketing mix

The **product** that will be sold include jewellery of personalised nature.

The **price** would be kept at a moderately premium range. The skimming of cream pricing strategy would be used.

The **place** of business would be a busy street in London where the shop would be preferably in a mall (Keegan, 2017).

The **promotion** strategy that would be used includes the promotion through celebrities and advertisement through them.

Question 2: The advantages of marketing to consumers

Marketing concept

The marketing concept refers to the behaviour of the organisation that makes it obligatory to analyse the needs of the consumers of the product and then takes the decisions to satisfy it. The focus of the marketing campaign should not be to perform as per the spirit of the competition. Even though most of the market players have not adopted this strategy, it was not so common practice in the previous century. The reliance of the organisation to address the issues of the customers should be given the top most priority. In order to effectively understand the concept of marketing it is better to consider the perspective of the reviews. The review of the other philosophies can be equated with the predominance of the needs of the consumer.

The careful analysis of the concept is only possible when there are effective measures to analyse the needs for the customer. The realisation of the demands of the customer should be followed by the willingness to develop a particular commodity. The development is crucial to address the changing needs of the customers in general. When an organisation relies on the concept of marketing, it sets up a specific department that focuses on the marketing functions. This behaviour of the consumer is made sure for the promotional activities of the organisation (Chaffey and Ellis-Chadwick, 2019).

The strategy used by Pandora as a part of its marketing function includes the promotion of personalised jewellery. These kinds of jewellerys are made as per the specific needs of the consumers.

Branding

The advantages of branding can be considered in numerous aspects:

- It helps to stand out in a saturated market, as there are usual hurdles while performing in the market. The branding helps to differentiate the product thereby creating the base for the promotion of it.
- Branding helps in customer loyalty as it increases the credibility of the performance of the business organisation. Most organisations perform in accordance to their image that they

have portrayed in their brand logo. This is why the registered brands are more likely to earn profits than the unregistered ones.

- The effects of branding also ensure repeated customers. Since the brand is able to create a distinct identity in the minds of the consumers, it is likely that they remember the brand that has effectively satisfied their demands.
- The branding of a products helps to assess the level of consistency that is associated with the production of its goods. This is why most brands prefer to promote sub brands that can help them categorise the different products (Okonkwo, 2016).
- Branding helps to get a proper direction in terms of the new strategy that is to be followed by the organisation. This is particularly helpful for the newer business that has just entered the market.

Ansoff matrix

The Ansoff matrix is a structure that combines the product with respect to the market. The various combinations dictate the kind of strategy that is to be followed by the organisation. The different strategies are market penetration, development, diversification, and product development. The strategy that is used by the organisation is **market development**. This is because the organisation is planning to sell the existing product in a completely new market to earn more revenue. This process is helpful when the company has adequate resources that are mainly unutilised. Thus, the organisation is able to maintain its revenue balance with the focus on the expansion policies. The organisation plans to be in the third quadrant of the matrix and wants to sell the existing jewelleryes in the market of UK.



Figure 2: Ansoff matrix

(Source: Dawes, 2018)

Question 3: Stakeholders

Stakeholders refer to the people who have sufficient interest in the performance and functioning in an organisation. The stakeholders are those who are affected by the decisions of the firm. This is why each organisation has a distinguishable set of stakeholders that are different from one another. It is the duty of the organisation to take such decisions that are not against the stakeholders and their beliefs. The stakeholders can be differentiated into two categories. They are:

Internal stakeholders: These are the kind of stakeholders who are an internal part of the business. They frame decisions and are a part of the daily proceedings of an organisation. Most of them are paid in response to their duties towards the organisation. They render effective service to the organisation and ensure its well-being. The examples of the internal stakeholders include employees, management and shareholders.

External stakeholders: These are the kind of stakeholders who are not a part of it but are affected by the performance of it. In spite of being outside the purview of the organisation, they are able to assess the functioning of the organisation. External stakeholders are much larger in comparison to the internal stakeholders but have an almost equal say in the business and its operations. The examples of the external stakeholders include suppliers, government and the public.

Identification of internal stakeholders

Two internal stakeholders and their relation to the company are:

Employees: The employees of the organisation are one of the most important stakeholders of the company. They work hard in order to make sure that the organisation is able to reach its objective. Thus, it is very crucial for the company to consider their view while taking the decisions. Any decisions that influence the performance and the welfare of the employees should be dropped from consideration.

Management: The management of the companies are entrusted with the function to guide the organisation to the path of success. They take effective decision in regards to the performance of the company. This is how they make sure that the company is performing very well. The interest that the management holds in the performance of the business includes the formulation of such

policies that affects the profitability of the business (Eskerod and Jepsen, 2016). This is why they are important to the context of the stakeholder.

Identification of external stakeholders

Two external stakeholders and their relation to the company are:

Suppliers: The suppliers are one of the most important stakeholders to the business from the external point of view. They provide raw materials and semi-finished products to the organisation. Their payment and credit policies are updated from time to time in the business and that is why they have a substantial interest in the operations of the business.

Government: The government acts as a regulatory stakeholder in the business. It checks the performance of the business from the legal and ethical point of view. The business must comply with the law of the land and pay taxes as applicable to the government.

Various ways are adopted by the organisation for the effective communication with the stakeholders. It is of great importance that the proper information is communicated to the stakeholders. The main source of communicating with the internal stakeholders includes the use of notices and circulars. For communicating with the external stakeholders' separate letters are issued as per the seriousness of the subject that is to be addressed (Sweetser and Johnson, 2019).

The stakeholders influence each other through the effective performance of their respective duties. The stakeholders are quite aware of the responsibilities that each one of them have in terms of the considerations towards others. This is evident when the management takes a suitable decision for dividing the profit between dividend and investment. It makes sure that the concern of the shareholder is addressed and yet the business is able to grow.

Question 4: Promotion

Definition of Communication

As per the view of Kernbach *et al.* (2015), communication is referred to as the process by which the information is exchanged between the two parties. This is very crucial from the business perspective as it helps the organisations to introduce its products in the market.

Include a communication model

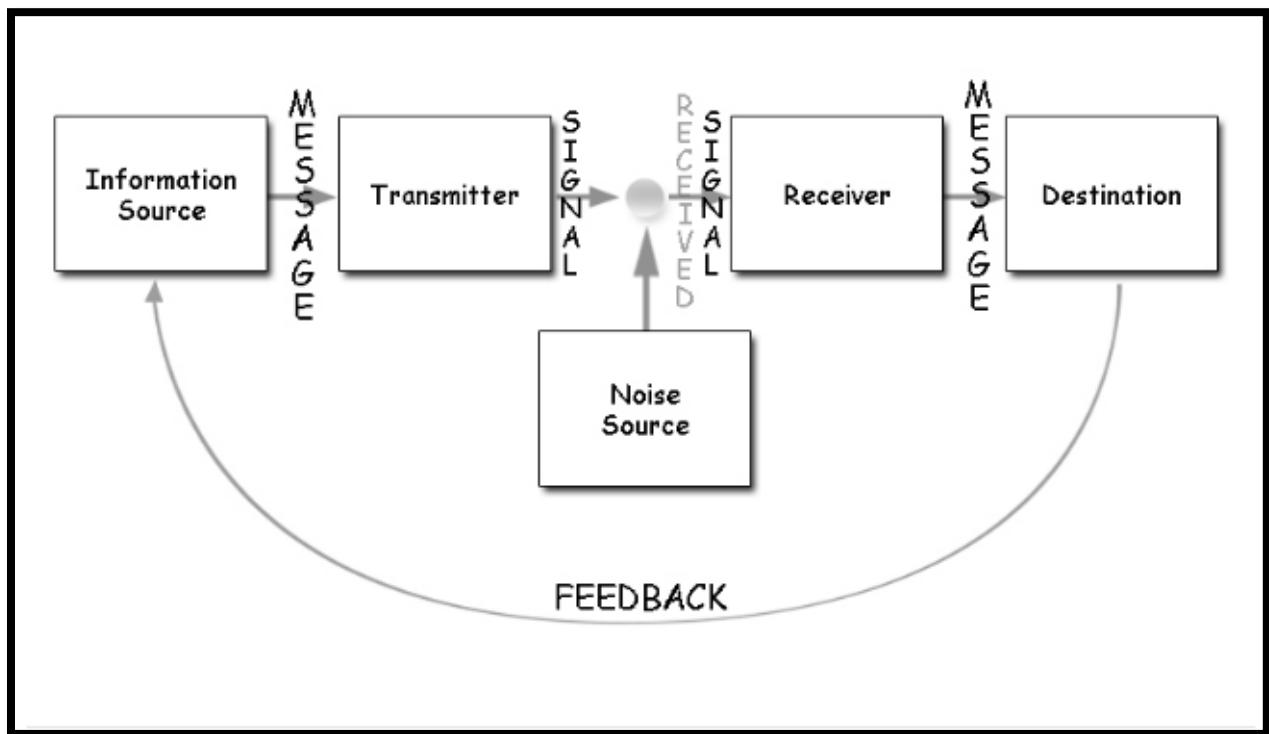


Figure 1: Shannon weaver model of Communication

(Petersons and Khalimzoda, 2016)

This model of communication displays the journey of communication. As per the model, the first component is the sender. It is the person that makes the message and also selects the channel for sending the message. In this case, Pandora is the sender. The next component is encoder. It is the machine by which the message is conveyed. In the case of Pandora, the promotional tools are the encoder. This is followed by the channel which is the medium by which the message would be conveyed. It may be using write ups or videos in the social media. The next component is the

decoder where the message is decoded such that the consumer perceives the message as per the sender. Thus, the next component is receiver. However, in this process, the competitors may act like noise to hinder the process of communication.

Definition of Integrated Marketing Communication

Integrated Marketing Communication is referred to as the integration of the diverse means of the marketing or communication for promoting the brand of Pandora. Thus, the synergistic impact of the integration helps the organisation to increase its sales in a cost-effective manner (Finne and Grönroos, 2017).

Describe the different combination of promotions used by the company.

The company uses a number of promotional activities. It takes into consideration both traditional and digital methods of communication. In the traditional method, it makes use of hoardings to display their products. Additionally, it also prints pamphlets and makes advertisements in newspaper. Further, it has also started using social media to reach to large number of consumers.

Pick any two promotional activities and discuss their strengths and weaknesses

Hoardings

Strength: It helps in grabbing the attention from a distance

Weaknesses: It can be placed permanent on a place and hence is discarded with time

Social Media

Strength: It is cost effective and target huge amount of consumers.

Weaknesses: People who do not know to use technology will be missed by Pandora.

Conclusion and Recommendation

An organisation can achieve success only by taking strategic decision. In this regard, it is essential for the organisation to carry out internal and external analysis. This will help them to decide the best strategy. As for Pandora the best option would be market development.

In the process of market development, it is crucial that Pandora must assess the culture of the UK so that it would be able to target the consumer significantly. In this aspect, social media promotion should be adopted to attract maximum consumers.

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