

MARKETING FUNDAMENTALS

ANALYSIS AND EVALUATION

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Marketing Fundamentals essay

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Introduction

The management wizard Philip Kotler (2012) defines marketing as “Satisfying wants and needs through an exchange process”. Marketing as a concept is a very broad and requires a great deal of learning. It is a very dynamic concept and new knowledge and techniques of marketing are being added to it as time progresses. A layman is prone to equate the concept of selling and marketing as the same but marketing is way more than plain selling. It is about creating value for the customers, satisfying their wants and needs alongside providing profit margins for the company. The modern marketing practice keeps the customer satisfaction at its very centre. The role of marketing is not only to attract new customers by delivering their needed value but also to retain the existing ones by delivering constant satisfaction to them. Armstrong et al., (2015) quote Peter Drucker stating that “Marketing is so basic that it cannot be considered as a separate function...Business success is not determined by the product but by the consumer.” Customer is the king in the truest sense in the field of marketing. To deliver value to the customers the marketing experts follow a process. There are stages of this process which ultimately lead the companies to reap the rewards of their hard work. The following essay is an assessment of the this marketing process and delves into the steps that goes into this process, with special emphasis on the role of the step of marketing mix. In trying to understand the marketing process the essay also touches upon the role of marketing in creating value for the customers and the concepts of stakeholder engagement and their impact on the marketing activities. The essay concludes with a reflection of the ‘tactical’ communication tools used in my chosen project.

Process and Steps of Marketing

Marketing as a process is concerned with knowing its customers inside out so as to satisfy their demands and make them lifelong customers of the company. The process tries to come up with in depth research and then form programs and strategies which help in the purpose of creating value (Pride and Ferrell 2016). There are in general five steps of a marketing process, knowing your customers, designing a strategy. Designing a marketing program which will enable then to deliver superior value, build relationships with the customers, use the value from the

customers to receive returns in terms of profit. This whole process sums up the basic aim of marketing for a company (Kotler et al., 2015).

The first step is an important step where the marketing experts use a variety of tools to understand and know their customers. Marketing originates from human needs. These human needs whether basic, social or individual are part of the human existence and cannot be ignored. The concept of human wants is something which can be created by the market. Wants are created and shaped by culture and the individual's personality, changing times and are unlimited in nature. However the people wanting then have limited resources at their disposal and here comes the marketing concept to deliver those wants at a value price to those customers. The satisfaction of one want creates another one and the cycle goes on (Jawaroski and Kohli 2014).

The second step is the creation of a marketing strategy. After gaining a full understanding and knowledge about the customer base, the company then creates a plan or strategy to serve the customers. However this step consists of first answering the twin questions of the company's target market and then value proposition. The company has to decide which customer to target and this depends on the type of product or services being manufactured by them. It is a foolish thought that every marketer can serve all customers. Marketing experts must know which customers can be profitable to them and serve well too. They have to segment those customers and focus on serving them well. Creation of a value proposition equates to creating a position for itself in that chosen market. It will decide that why a customer will choose that brand and not that of a rival. The creation of value proposition demands that the company gives something unique to the customers which will influence them to choose the company over its rival (Kotler et al., 2015).

The third step is the creation of an integrated marketing program. This a very important part of the process and it consists of a critical aspect called the marketing mix, which are basically tools which convert the marketing strategy into execution. The marketing mix refer to the aspects of product, price, place and promotion. The trick is to use the combination of these aspects in a judicious manner depending on the circumstances to ensure that these give the maximum benefit. This is the differentiating point where companies compete to create the best value and achieve

better profit margins for themselves. The product corresponds to choosing the right product or service, design, packaging, brand name and other associated policies. The price is a very strategic aspect and includes the decision of the level of pricing, discounts and allowances on the product or service. Place refers to the chain management system, distribution facilities etc (Thompson et al., 2015). The promotional aspect refers to the concept of advertising and marketing the product to as many customers as possible. It includes using all means of promotion at the company's disposal to make the product known in the market.

The fourth step is the culmination of all the efforts put in the previous three steps. This is the customer relationship management of the company. A company can decide the level of relationship that it wants to build with its customers. It also depends on the nature of the company's product and the customer base size. For example mass product companies like Unilever etc, maintain relationships through the form of giving discounts to frequent and big buyers. On the other hand the motorcycle company Harley Davidson is known for its personalised way of maintaining customer relations. The company sponsors a owner's group called HOG and offers many perks to its members (Armstrong et al., 2015).

However with change in communication technology it has become quite easy to have personalised access with customers. With so many social media avenues opening up such as Facebook and Twitter, companies are directly interacting with the customers and recording their feedback. It has become much easier to contact the top officials of the company and interact with them. Major companies such as Amazon and Tesco and other online retail giants have revolutionized their customer relationship management system. The use of voice assisted chat bots are being used to assist a customer while he is trying to traverse the company's website. This gives the customer a feeling of being personally attended to which might make the difference to his picking a specific company over another (O'Donnell et al., 2016).

The concluding part of this fourth step is the retention of the customer's loyalty. A loyal customer is the best marketer of the company. The word of mouth publicity from a satisfied customer goes a long way than any ad campaigns. Companies are required to not just aim for the customer satisfaction but customer delight. A delighted customer is the zenith of customer satisfaction. He forms an emotional

relationship with the brand and is loath to break up even in extreme circumstances. However this is subject to some risks such as global recession resulting in a serious effect on the financial conditions of everyone. It might happen that a customer is unable to afford that particular brand.

The Role of Marketing In Creating Customer Value

In this technology driven age and fast connectivity and communication models, it can become very easy to equate value with personalised communication. Like every other field marketing is going through a transformational phase and technology is driving this phase. In the age of social media and instant communication, data analytics and artificial intelligence the true underlying principle of marketing, providing value to the customers can really get lost. Therefore it is necessary to keep the focus on the value aspect which is ultimately the true test of a efficient marketing process.

The ways in which marketing can create customer value is not restricted to one single path. There are lots of ways in which it can be achieved. Firstly we have to understand what is customer value. The satisfaction that a customer experiences from a product or service which is relative and worthy to the cost of the product and service is called customer value. Marketing as a process can create customer value by utilising all its aspects such as product, pricing, operations, supply management, customer service, sales etc. Here it is also important to note that cost of the product does not always equate to the value. It is a part of the value but not the whole thing. A customer can derive satisfaction from a high priced product too (Cossio-Silva 2016).

For creating and delivering customer value the initial step is knowing your target customers. Understanding their needs and wants help in designing products which can serve them efficiently. Market research is a tool which is used to address this step. Marketing also helps in positioning the product in to that market and using all the information from that research towards attaching value to that product. Marketing also creates value by identifying customer needs which are not being fulfilled by any current company and creating a product particularly aimed at fulfilling those needs (Kumar and Reinartz 2016).

Creating a right advertisement and selling strategy which relays the value and benefits of the product and service to the right people is another way of creating value. A bank which extends its closing time to serve customers, a retail business providing free home delivery of products to customers, a restaurant refunding half the bill for poor service are all examples of how value is created and delivered to the customer (Kotler 2012). Customer relationship management is one of the fast emerging fields which is dedicated to delivery of value to customers. Accepting requests from customers to customize a product is one of the novel ways of creating customer value. Basically marketing needs to use its aspect of marketing mix judiciously to provide customer value (Weinstein 2016).

Stakeholder Engagement and their Impact on the Marketing Activities

Stakeholders are the persons or entities who have a level of interest in a business or company and the business activities have an influence on them. Stakeholders can range from the suppliers, vendors, customers, to the managers, investors and media, etc. The internal stakeholders are persons who are engaged in the working of the company and the external ones are the suppliers and customers etc.

Stakeholder engagement is basically the process through which relevant stakeholders are allowed to engage in the functioning of the company with an aim to achieve positive outcomes. It is a process through which the impacted entities are engaged in activities which build a relationship between them and the company allowing them to influence a part of the functioning to build a better future for it (Andriof and Waddock 2017).

With the inclusion of the stakeholders in the company functioning and their having a say in the process, the marketing activities of the company are also affected by it. The kind of impact that stakeholders bring on the marketing activities may vary depending on the nature and amount of influence that the stakeholders exert. This impact can be positive or negative. Sometimes the marketers are forced to sacrifice a large part of their profits to help the other big stakeholder: society. Stakeholders sometimes push the marketing activities to direct towards more non profit aspects (Andriof et al., 2017). While at other times the stakeholder impact can impel the marketing activities to focus more on the profits while compromising on the quality of the product or service (Laczniak and Murphy 2012). The rise of social media has also impacted the marketing activities as it has provided the customers an important

tool to influence the marketing and advertising activities. Through direct interaction the stakeholders in the form of customers can contribute and shape the advertising policy. They can also call upon any fakeness and falsity in the product or service thus making the marketers more conscious of their methods and choices.

Conclusion

The advent of technology has revolutionised the marketing process. The traditional methods of marketing and advertisement like billboards, print ads etc are the traditional methods but the marketers now have more choices in the form of digital marketing and communication tools. These digital communication tools are in the field of advertising, promotions, and public relations. The tactical communications tools in marketing refer to the digital marketing tools used in the promotion and spreading awareness about the relevant products and services. These tools are used via a host of electronic medium such as internet, ipads, smartphones, display advertising etc (Kimball 2017).

The social media marketing is now one of the strongest and widely used modes of marketing. Anyone trying to spread awareness about his project, product, service uses this mode the most. The awareness is spread through content and posts on Facebook, Twitter, Instagram, Youtube, personal blogs. I have used this mode of tactical communication tools the most to generate interest and spread awareness about my project work. Apart from this email marketing is also used as and this is a fairly effective tool as the mail is directly placed in the recipient's mailbox (Quirke 2017).

Reflection

SEO or Search Engine Optimization tactic is also an emerging tactical tool in the field of marketing. This tool demands the use of exact words if a person wants his content to appear at the top in the search engine results. Pay-per-click is a way in which a person pays for his content to emerge at the topmost in search results. One of the less used but very effective tactical communication tool is the form of text messaging. This is more effective and can be widely used as it does not depend on an internet connection. The text message can simply be sent to the recipient's handheld device. Moreover Display advertising takes the concept further. These are the ads which are visible to us or pop up when we open any website. These are eye

catching and since they are moving, our attention is instantly drawn to them. Online or Digital PR is a form of Public Relation strategy which helps you in building a positive image of your brand or personal profile. Many brands have built or rebuilt their image through the use of this exercise. This mechanism uses every trick possible in order to build your brand. They start positive blogs, write good reviews, retweet and share the tweets and posts in order to increase the awareness level. Thus we can see that tactical communication tools play an important role in the marketing field. N efficient marketing process uses a mix of the traditional and the new age digital mechanisms to spread awareness about its product or service as much as possible. The world is now connected through internet and marketing uses it to connect the customers too.

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