

## Marketing

### Definition:

- Marketing is the management process involved in identifying, anticipating and satisfying consumer requirements.
- The management process of getting the right product, to the right place at the right price and at the right time.

Marketing involves a wide range of activities:

- **Researching the market** – this involves gathering and analysing information on consumers, the marketplace and competition.
- **Analysing the market** – this is an examination of market conditions to identify new opportunities.
- **Setting of marketing goals** – these must be linked to the business's overall objectives.
- **Developing a marketing strategy** – this involves constructing a plan that details how the marketing objectives can be achieved. This strategy should be based around the use of the marketing mix, the 4Ps of marketing.

Marketing involves a whole range of activities that are aimed at providing goods and services that will satisfy the customer and make a profit for the business. The better the marketing, the more desirable (or desired) the product or service that is provided for the customer, and the more profits the business should be able to make.

## Market Orientation / Market-Led

**Definition:** When a business bases its marketing mix on its perception of what the market wants.

### Features of market orientated approach:

- consumers are central to a business's decision making – strong understanding of their needs
- can respond quickly to changes in the market
- in a strong position to meet the challenges of new competitors entering the market
- more able to anticipate market changes
- more confident that the launch of new product will be a success.

### Benefits:

- ✓ customers get greater satisfaction
- ✓ customer focus means the business will continue to improve and upgrade products/respond to changes
- ✓ satisfaction leads to repeat purchases and brand loyalty
- ✓ loyal customers buy more frequently and in greater volume
- ✓ loyal customers are less susceptible to competition and are more willing to pay higher prices
- ✓ long term profitability means that a business will remain viable and successful
- ✓ familiarity with the market allows a business to build emotional impact into their advertisements, i.e. to market more effectively objectives of the business – increase growth.

### Disadvantages:

- ✗ high-cost market research to understand the market
- ✗ constant internal change as the needs of the market are met
- ✗ unpredictability of the future, especially from the point of view of staff
- ✗ abandonment of earlier product investment.

## Product Orientation

**Definition:** When a business bases its marketing mix on what the business sees as its internal strengths.

Businesses with a product-orientated approach to selling try to sell whatever they can make, without trying to find out if it is what the customers want.

**Example:** McDonalds' approach with its products is heavily product-orientated, with core products produced the same way in a range of very different international markets. The initial focus is on developing and making the product then trying to sell it to consumers.

### Features of product orientated approach:

- emphasis on developing, producing and selling a technically sound product
- contact with the consumer largely at the final stage
- an approach that is more likely to succeed when there is little or no competition
- fashion and tastes are not accounted for in product mix.

### Benefits:

- ✓ increase economies of scale
- ✓ focus on product development
- ✓ easier to apply production management methods
- ✓ focus on quality.

### Disadvantages:

- ✗ changes in market structure will not be responded to
- ✗ fashion and taste are not accounted for in the product mix.

## Asset-Led Marketing

**Definition:** A marketing strategy based on a business's strengths, not solely on the customers' needs.

Taking an asset-led marketing approach means that a business can build on:

- its tangible strengths, which might include its product, production techniques and distribution network
- its intangible strengths, such as goodwill, branding, experience and image.

The Worlds most valuable brands



### Advantages of Asset-led:

- ✓ Strengths linked to market needs. This could be a reputable brand extending their product range, e.g. the makers of Marmite have produced marmite flavoured rice cakes.
- ✓ The business will be aware of its weaknesses and will not produce products that it does not believe it can do well just because the market has requested them.
- ✓ The cost of market research may be less.
- ✓ Likelihood of success likely to be greater.

### Case study example:

Tesco sending details of their back-to-school children's clothes promotions to customers on their database, who spend money on fish fingers and burgers (these customers are likely to have young children). Tesco are targeting a market segment that is most likely to buy the promoted product. In this example, we see that the internal strength of the business is the effective application of IT. This is then related to seasonal market demand, increasing product sales.