



MARKETING

Bridging Study Pack

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Reading List and Sources

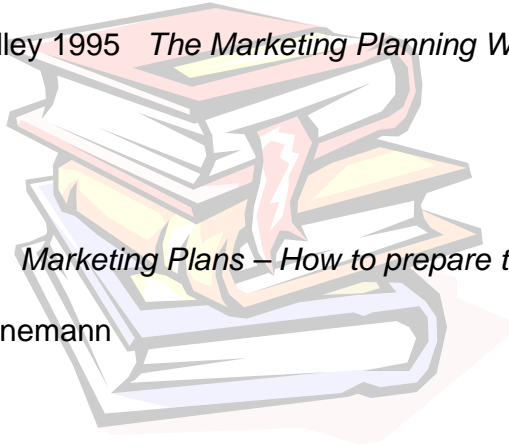
Dibb, Simkin & Bradley 1995 *The Marketing Planning Workbook* Thomson
Business Press

McDonald, M 2004 *Marketing Plans – How to prepare them, how to use them*
Butterworth and Heinemann

www.marketingteacher.com

www.tutor2u.net

www.quickmba.com



Guide to Illustrations

This is a guide to the illustrations that will be used throughout this unit.



This is a guide to reading sources and materials that you may find useful.



This shows the areas that are to be covered in this pack.



This is questions that you should try to clarify your understanding of a topic



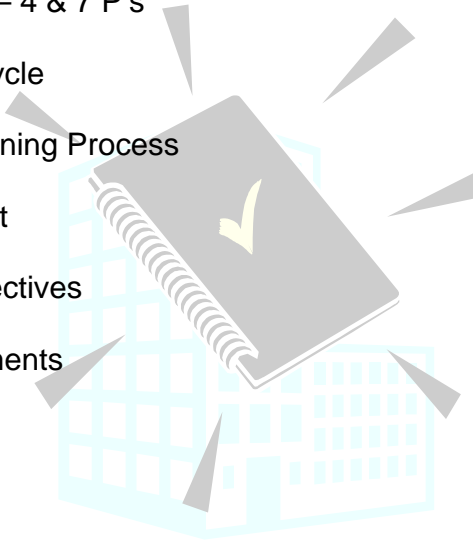
This is a link to a website that you may find useful and interesting.



This is a guide to further reading to enhance your learning

What will I be reading about?

- ❖ Marketing Mix – 4 & 7 P's
- ❖ Product Life Cycle
- ❖ Marketing Planning Process
- ❖ Marketing Audit
- ❖ Marketing Objectives
- ❖ Mission Statements
- ❖ Branding



Introducing the theory concepts of – Ansoff

Boston Matrix

Product Life Cycle

Introduction

The aim of this Bridging Unit is help you gain a clearer understanding of the topics that will be studied in Marketing.

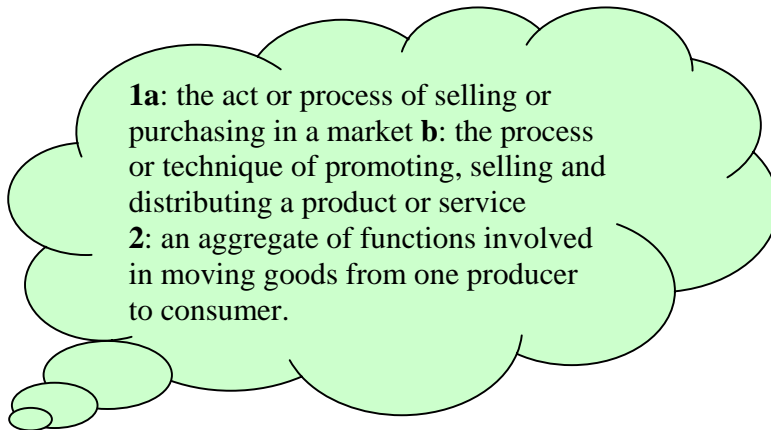
The unit has been created for you to read and work your way through, with an answer section provided at the back of the unit to ensure that you have understood all the self-test questions that have been posed throughout the sections.

Also detailed in the unit are research topics that mirror what each unit is discussing so that you gain the skills of applying real companies to the subject areas and concepts.

The aims of each unit will be detailed at the beginning of each section so that it is clear what you are meant to be reading and learning about.

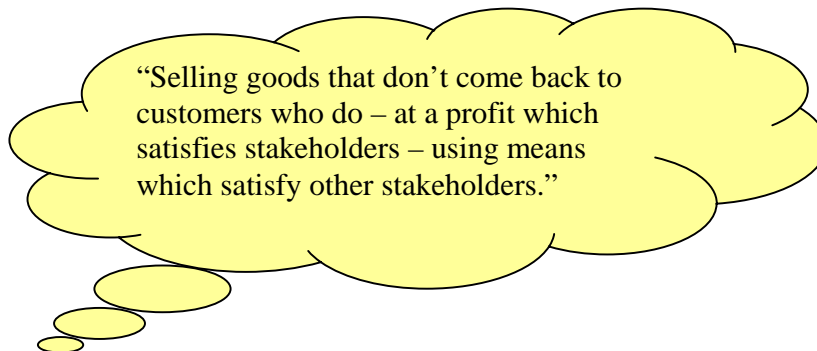
What is Marketing?

There are several definitions of marketing that exist; here are a few that are useful.



This quote came from the Merriam Webster Dictionary.

Essentially, marketing is the process of “**identifying and meeting customer needs profitably**”. Therefore it is easy to see how confusing marketing is. A more useful definition is:



This explanation was taken from “Marketing: An Introduction Unit Student Guide DE3C 2004.

Marketing is where an organisation tries to look to the preferences of humans and their needs (a condition of lack of food or water to satisfy a hunger or thirst),

wants (where a customer has a desire for a particular item) and demand (which is then achieved when a person can pay for the item). Marketers or organisations cannot manufacture the needs and wants of a customer, however it is the demands of the customers that they should try to influence.

The Marketing Mix

The marketing mix is concerned with what is called the 4 P's, which are;

Product, Price, Place and Promotion. This is one of the main marketing tools that is readily available to marketers. It is extremely important for a successful marketing campaign to contain the right mix of these elements, so that their product can be victorious.

Product

This is concerned with ensuring that, as a business, the right article is being made available. It is important firstly to define what exactly a product is.



1. How would you define “product”? Write your answer down

This term includes everything from the invention right through to the management of the product. It is physical objects, services, people, places and ideas.



2. Write down some examples for each of the headings below.

Services:

Persons:

Places:

Organisations:

Ideas:

A product can then be broken down further into three categories of the **Core** product, the **Tangible** product and finally the **Augmented** product. Not many

organisations will only sell one product, most will offer a wide range of products, which then becomes known as the product mix e.g. GlaxoSmithKline has antibiotics, Ribena and also Macleans toothpaste in its product mix.

Price

This should be the most flexible and easily changeable element of the marketing mix.

A lot of issues are involved in the process of setting a price and it doesn't only involve a calculation of costs and profits. Customers will want to feel that they are getting value for money from the product and will always compare the price to alternatives that are on offer from rivals and competitors. Three groups should be considered when a company is trying to set a price for its product, these are: Consumers, Trade and Competitors. Pricing can be a sensitive concern for companies, as too little a price could mean that a product becomes not viable as it does not generate profits or even break even for a company, or on the other hand, an increase could see competitors gain the edge, as value is not perceived by customers. Customers will only pay the price for a product that they assume is good value for it. Although price is the most flexible element of the marketing mix, it is also perhaps the one element that causes the biggest problems as mistakes in this mix can cause grave concerns for a company.

Place

This is the place where you decide to sell your goods, but it also includes the movement of your goods or what is commonly called the chain of distribution. It needs to be understood that a business needs to know how efficiently and cost effectively it can get its goods from A to B, so that your product is available whenever the consumer and customer require it.

Promotion

This looks at how well a company communicates information about its products and services and in what manner they are trying to persuade customers to purchase their goods instead of those of their competitors. It not only involves advertising but also looks at the important method of personal selling. The main promotional tools that an organisation would use would be: advertising, direct marketing, sales promotion and personal selling. Promotion can be very expensive for an organisation but it is vital to ensure that consumers notice their products in the marketplace. The right mix of promotion can ensure success because very few products that are launched are successful. The most thriving ones to date have been Red Bull (think of the Red Bull cars) and Walkers Sensations.

However, looking at these mixes, it should seem obvious that there is also an element missing for the service sector that none of the above 4P's seem to

adequately cover. In 1981, Booms and Bitner proposed that the 4P's be extended to now make the 7P's. This extended the Marketing Mix, which now involved: **People, Processes and Physical Evidence.**

People

This is used where services require a human element to deliver the product. The satisfaction of the customer is linked to the person that is providing the customer with a service, examples of this include: waiters, hairdressers and nurses.

Processes

The quality controls that an organisation uses to ensure that they are constantly giving out consistent service is the important theme here. Services are deemed to happen on the spot and customers like to know what to expect. An example of this is when you go into your local bank or supermarket; you expect to be treated in a particular manner in each of these places.

Physical Evidence

This is the tangible part of the service that the customer experiences. It is the actual features that a customer can see, i.e., the tidy clean shop, nice décor etc.



Go to www.marketingteacher.com, and then go to the section “Lesson Quick Links”, click on “marketing mix” and read more about the marketing mix here.

Marketing Objectives

Marketing Objectives can be described simply as goals that a marketing department in an organisation has created in order to help achieve the overall corporate objectives of an organisation. This should include objectives only about products, sales and marketing.



3. Can you think what the role of the marketing objectives would be? Write your answer down below.

The Marketing objectives should help to provide a starting point for any strategies that are to be created.

There are several areas that marketing objectives should refer to. See if you can fill in the blanks to discover what these areas might be.



4.Fill in the blanks to reveal the areas.

1. S---S
2. M- - ke- -h- - e
3. C- - - om- r S- - -s- - c t- - n
4. C- s- -me- R- - - n- - o-

As a result, it is vital that the correct marketing objectives are created, they are important because they should be used for an organisation to do the following:

- ❖ Maintain market shares
- ❖ Increase Market Shares
- ❖ Increase sales/revenues
- ❖ Increase brand loyalty
- ❖ Become a market leader

An important point to remember about marketing objectives is that, like any other, they should be SMART, with constraints both internal and external considered before objectives are put into action.

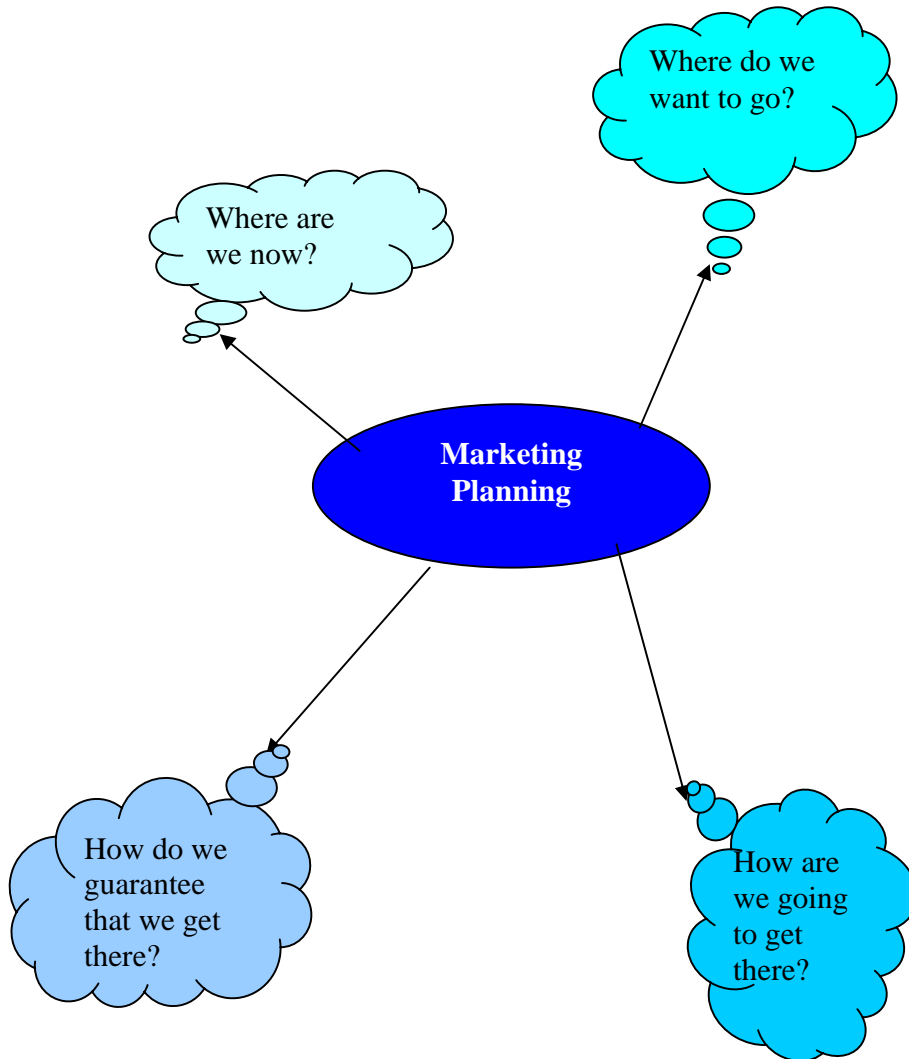
The Marketing Planning Process

The Marketing Planning process is a complex one, but it provides organisations with a means to set out their goals, what they want to achieve and a means to achieving them. McDonald (1995), identified 10 stages that have to be looked at and concluded, so that a viable strategic marketing plan can be realised. These 10 steps are commonly held to be:

1. A Mission Statement must be decided upon and created.
2. The Corporate Objectives need to be discovered and understood.
3. A Marketing Audit, both internally and externally, should be carried out
4. An extensive and detailed SWOT Analysis should be undertaken.
5. Assumptions should be carried out.
6. Marketing Objectives and Strategies should be produced.
7. A forecast of expected results should be prepared.
8. Alternative plans should be created, in case they are required at a later stage.
9. Budgets should be considered and then set.
10. A thorough action plan should be created.

It is clear to see then that marketing planning is a logical method for an organisation to develop a marketing strategy suited to their organisation and its needs and a means by which it can be used to achieve its goals.

Marketing Planning should be concerned with the following questions:



A Marketing Plan has all of the following benefits for an organisation:

- ❖ It helps to set objectives
- ❖ It can help to gain a competitive advantage
- ❖ It sets out the course of action for each of the 4/7 P's
- ❖ It can help to match resources to the opportunities that are available
- ❖ It acts as a provider of information for stakeholders
- ❖ It can help to gain commitment from all stakeholders
- ❖ It helps the organisation to co-ordinate it's activities

There are of course disadvantages to the Marketing Planning process and the Marketing Plan that results from this. These can be many and various but do include: the fact that they are complex to understand and produce, and it is very costly and time consuming for any organisation to devote their resources to the process.



Research and write down for your own information what you consider to be the advantages of Marketing Plans.

Marketing Audits

The Marketing Audit is very important to an organisation and should be carried out on a regular basis. It should be regarded as an essential part of any marketing planning process. Ideally it would be carried out at the start of the marketing planning process and reviewed regularly at selected periods throughout the course of action.

The Marketing Audit should be concerned with both the internal and external influences that may confront the organisation. A great way to do this effectively is to use one of the following tools available to organisations: a SWOT Analysis, a PEST Analysis and the Five Force Analysis.



Research information on each of the above tools, if you have not studied them previously.

What then should be dealt with in the internal marketing audit, a few suggestions may be:

- ❖ The 5 M's, which are Money, Men, Machinery, Minutes and Materials.
- ❖ How efficient is the Marketing team?
- ❖ How effective is the Marketing team?
- ❖ Is the pricing of products being done in the correct manner?
- ❖ Do we have the right product portfolio?

On the other hand, the questions that may be asked to complete an external audit are:

- ❖ Who is our customer?
- ❖ What can we do to satisfy our customers needs?
- ❖ Are we giving our customers value?
- ❖ What activities are our competitors engaged in?
- ❖ What technology advancements for our sector have been made?
- ❖ Are there any political, legal or economic factors that we should consider?



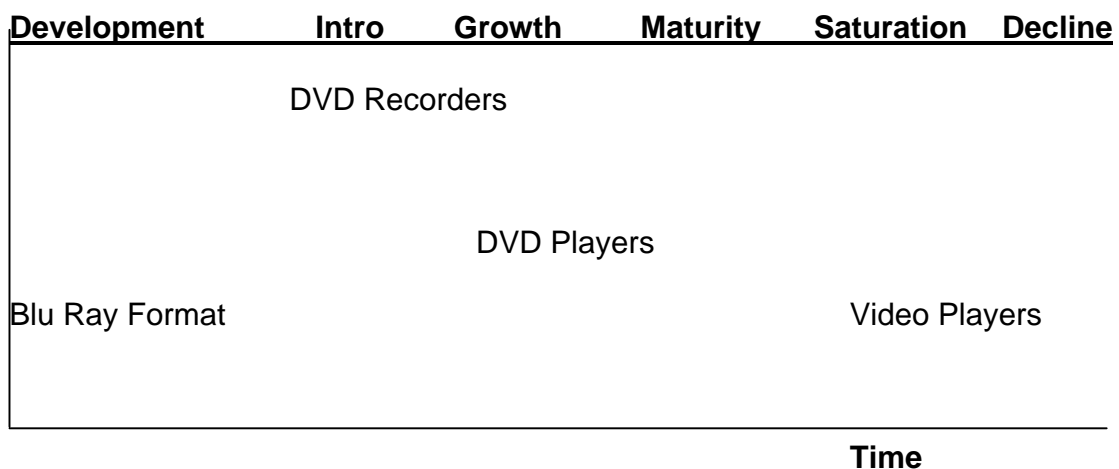
Go to www.marketingteacher.com, and read more about Marketing Audits.

The Product Life Cycle

As we have learned previously, a successful firm will produce goods or products that manage to fulfil their customer's needs. However, there is a limited period in which a product can be highly profitable, and as a product starts to become less and less profitable for a company, that company must consider whether or not to keep selling it to their customers. The theory of "The Product Life Cycle", tries to explain the process of what actually happens in the marketplace. It explains that just like humans, products in the marketplace are born, grow up, mature and eventually die. It says that all products follow this cycle. There are 6 stages to the process: **Development, Introduction, Growth, Maturity, Saturation and Decline**. This process and cycle is inevitable due to ever changing customer expectations and needs, although it may take longer for some products than others to go through the process, as different products decline at different rates.

The Product Life Cycle

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The Product Life cycle is a useful tool because it provides organisations with a clear view that new products need to be developed, a clear view of profit changes and that a product will die when demand no longer exists for it. It also encourages them to be continually developing new products to replace products that are reaching the end of their product life cycle.

The above chart illustrates some electronic products that are available today and where they would be placed on the Product Life Cycle chart.



Go to www.marketingteacher.com, then go to “Lesson Quick Links”, click onto “Product Life Cycle” to read more about this topic.



5. Having discussed the benefits of the Product Life Cycle Theory, can you think of any weaknesses of the theory? Write your answer below.

Mission Statements

Mission Statements are important to an organisation and should be used to convey to people the business that you are in, and the markets that you serve. They should be available for both internal and external customers to the organisation. It should show that a company knows and understands their markets, and attempt to convey what they expect to do in the future for their customers and clearly testify as to what they intend to do for them. A good Mission Statement should be flexible, brief and distinctive to the particular company. Typical examples of Mission Statements are:

Sainsburys plc

“Our mission is to be the consumers first choice for food, delivering products of outstanding quality and great service at a competitive cost through working faster, simpler and together”.

Disney

“To make people happy”.

Pepsi

“Beat Coke”

Abertay

“The University of Abertay Dundee is committed to provide, through the pursuit of excellence and the creation of a stimulating and supportive learning environment, the highest quality educational experience possible to enable its students to reach their maximum potential and thus prepare them to meet innovatively the technological, social and managerial challenges of society.”

Each one has their own merits and impacts, no one is wrong as they each convey exactly what the aims of their businesses are whether it be a long statement like that from Abertay University or the short snappy precise one from Pepsi.



6. Imagine you have been asked to create the Mission Statement for a budget Airline that has just started operating in Scotland. Write down what you think the Mission Statement for that company should be.

Branding

A brand is a very important aspect for an organisation to convey and portray to their customers and can be an extremely useful advantage for a company. If you think about it carefully, a brand is used to help to communicate and identify the company's product and can come in the shape of a name or symbol for example. It should aim to give a company a distinctive advantage over its competitors. Branding is used to distinguish a company from its competitors. If you think of Tesco for example, they have a Value range in their store yet at the other end of the scale they have the Finest range of foods in store. A customer will pay for the Finest range at a premium price because they believe that they are paying more for added value. This is a good example of where branding has been used as a statement of style. A company uses branding because it is perceived as leading to superior profits and a competitive advantage, a very important consideration for any organisation. Tetley teabags are a good example of this, they were the nations favourite type of teabag and it took years for their competitors to destroy their uniqueness and competitive advantage. Branding helps to build loyalty from customers, a very vital feature of business success today. How many people have you seen that will only buy Coca Cola instead of a shops own brand of coke just because of the name, or buy a pair of Nike trainers instead of a cheaper version that look exactly the same?

Branding also includes the aspect of what is termed **Family Branding**. A company uses this when they want to have their brand associated with a wide variety of products that they sell, for example Gucci that sells shoes, clothes and perfume.

Mars is an example of where a company uses **Individual Branding**. This is where every single one of a company's individual products has its own brand name. They have Whiskers, Mars and Sprite.

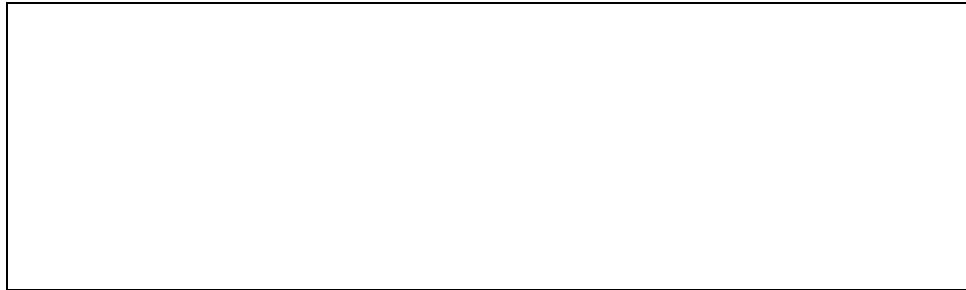
Another form of branding is "**own brand**", where a company creates a range bearing their own name. This has been particularly successful for supermarkets, e.g. Tesco with Cherokee and Florence & Fred, Asda with George and Sainsburys with Tu. Customers now realise that these brands are just as equal and as good as individual brands.



Go to www.marketingteacher.com, and then click on "lesson Quick Links", and click on "Introduction to brands" to read more about the topic of branding.



7. What qualities do you think should be available when trying to create a brand name? Write your answer down below.



Theories and Models

There are several theories and models that are used in marketing to try to understand marketing and explain what may be happening in current situations.




Ansoff's Matrix

Igor Ansoff created Ansoff's Matrix. It was designed to help organisations look at their strategic development options available to them. Each of the options holds different opportunities and pressures.

<i>Present</i>	PRODUCTS	<i>New</i>
Market Penetration		Product Development
Market Extension		Diversification

Boston Matrix

The Boston Matrix was created to help organisations and individuals gain an understanding of their existing product's opportunities. It assesses the products and their market potential.

<p style="text-align: center;">Stars</p> 	<p style="text-align: center;">Question Marks</p> <p style="text-align: center;">?</p>
<p style="text-align: center;">Cash Cows</p> 	<p style="text-align: center;">Dogs</p> 



Go to www.businessballs.com, to read more about these

Word Search

I	P	R	E	D	G	W	N	S	N	D	M	W	B	S	J	A	J	I	O
K	S	M	A	R	K	E	T	I	N	G	D	S	R	E	B	N	A	A	K
T	D	M	X	S	C	W	B	J	U	T	D	J	A	S	N	S	U	P	I
C	R	T	X	I	W	N	F	S	X	T	R	D	N	L	U	X	D	O	O
U	G	F	R	S	F	H	E	W	G	E	J	X	D	A	E	K	I	D	B
S	S	P	V	F	K	R	G	S	J	Z	J	T	O	P	F	H	T	E	J
T	S	R	E	G	P	R	O	D	U	C	T	E	W	U	G	D	G	D	E
O	C	B	S	H	P	L	A	N	N	I	N	G	W	K	I	Y	R	Z	C
M	Y	S	G	K	D	J	X	N	E	W	O	P	U	F	M	E	T	C	T
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E	R	H	N	L	X	D	N	R	E	H	J	O	O	Y	S	E	A	T	E
H	P	R	O	M	O	T	I	O	N	W	E	G	X	H	I	D	J	T	S
E	N	B	M	D	S	A	H	O	L	P	G	B	D	B	O	E	R	T	C
D	G	K	W	C	O	N	S	U	M	E	R	Q	A	F	N	E	R	S	G

Marketing

Planning

Promotion

Audit

Product

Customer

Objectives

Brand

Consumer

Mission

Price

Research

Word Search

I	P	R	E	D	G	W	N	S	N	D	M	W	B	S	J	A	J	I	O
K	S	M	A	R	K	E	T	I	N	G	D	S	R	E	B	N	A	A	K
T	D	M	X	S	C	W	B	J	U	T	D	J	A	S	N	S	U	P	I
C	R	T	X	I	W	N	F	S	X	T	R	D	N	L	U	X	D	O	O
U	G	F	R	S	F	H	E	W	G	E	J	X	D	A	E	K	I	D	B
S	S	P	V	F	K	R	G	S	J	Z	J	T	O	P	F	H	T	E	J
T	S	R	E	G	P	R	O	D	U	C	T	E	W	U	G	D	G	D	E
O	C	B	S	H	P	L	A	N	N	I	N	G	W	K	I	Y	R	Z	C
M	Y	S	G	K	D	J	X	N	E	W	O	P	U	F	M	E	T	C	T
E	T	E	G	J	L	X	P	O	X	E	W	G	J	N	I	B	W	E	I
R	E	R	E	S	E	A	R	C	H	W	F	Z	H	Y	S	I	O	R	V
E	R	H	N	L	X	D	N	R	E	H	J	O	O	Y	S	E	A	T	E
H	P	R	O	M	O	T	I	O	N	W	E	G	X	H	I	D	J	T	S
E	N	B	M	D	S	A	H	O	L	P	G	B	D	B	O	E	R	T	C
D	G	K	W	C	O	N	S	U	M	E	R	Q	A	F	N	E	R	S	G

Marketing

Planning

Promotion

Audit

Product

Customer

Objectives

Brand

Consumer

Mission

Price

Research

Answers

1. Product can be defined as “anything that is offered into a market that satisfies the need or want of a customer”.

2. Here are some examples of the following:

- SERVICES – banks, supermarkets, travel companies, building societies
- IDEAS – Religions, Political Parties, Pressure Groups
- PLACES – St.Andrews, Scotland, The Highlands, The Grampians
- PERSONS – Kylie Minogue, Justin Timberlake, Britney Spears
- ORGANISATIONS – Amnesty International, Green peace, PDSA

3. The role of Marketing Objectives is to explain and identify where the organisation wants to go and finally end up – the marketing objectives should be associated with the goals of the organisation and relate to what products the company will sell and where these will be sold.

4. Fill in the blanks.

- SALES
- MARKET SHARE
- CUSTOMER SATISFACTION
- CUSTOMER RETENTION

5. The weaknesses of the Product Life Cycle are that it has been said that very few products actually follow the rigid style that is set by the Product Life Cycle Theory. The length of each stage can vary dramatically between products and sometimes it can be very difficult to pinpoint where exactly on the chart a product is positioned. It can also be said that the stages can be altered and changed due to promotional methods such as price-cutting. Another weakness is that not all products will go through each of the stages as the model would have you believe, some products go straight from the Introduction stage straight to the Decline stage without passing through the others. It is also a product-orientated concept that does not really take into account the element of services.

6. A typical example of a Mission Statement for a budget airline could be:



"OUR AIM AS AN AIRLINE COMPANY IS TO
OFFER ALL OF OUR CUSTOMERS THE VERY
BEST VALUE AND QUALITY TRAVEL TO ALL
DESTINATIONS AT VERY COMPETITIVE PRICES
COMPARED TO OUR COMPETITORS".

7. The qualities that should be available when creating a brand name could include:

- A name, symbol or design that stands out above the competition
- Identifies that your product has a sustainable competitive advantage
- Creates an impression of superiority
- Helps to develop customers expectations
- Helps to give a competitive advantage
- Imply something about the quality of a product or service
- It needs to be distinctive, supportive, acceptable and available
- It should be easily recognised and remembered by customers and consumers
- It needs to be legally protected

Acknowledgements

Fife and Tayside Wider Access Forum would like to acknowledge the support of Angus College, Dundee College, Adam Smith College, University of Dundee and the University of Abertay Dundee.