

A Guide To Marketing

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Definition of Marketing

Marketing is all about meeting the customers' needs and wants, without identifying the 'wants' your product is not going to be successful.

According to the Chartered Institute of Marketing "Marketing is the management process responsible for identifying, anticipating and satisfying customer requirements profitably."
(Marketing, 2015)

To put this in simpler terms "Marketing is the act of connecting customers to products."
(Owyang, 2008)

The Evolution of Marketing

Marketing is extremely important to all businesses, without marketing the business is very likely not to be known and won't be making any profit. Throughout history there has always been some sort of marketing, which starts from the beginning of time! The major six evolutions of marketing started with the Trade Era, where goods were handmade in limited quantities with little competition. At the time of the industrial revolution the Production Era began, where the focus was on manufacturing, creating demand by supplies. "This was the era of the field of dreams business philosophy of If you build it, they will come." (White, 2010) Moving into the Sales Era which was focused on selling, where businesses started to compete for customers. Price was a major factor during this era, they could no longer keep mass producing their products expecting them to sell easily. We then entered into the Marketing Department Era where businesses were starting to realise that just selling wasn't the answer. They consolidated all marketing into one department, consumers were starting to gain more power and businesses had to start to listen.



The Evolution Of Marketing

This developed into the Marketing Company Era. The customer became 'King'. Businesses became more strategic; employees became more involved with the marketing of the company. We then moved into the Relationship Marketing Era which focused on customer retention and developing relationships with its customers. The concept of marketing is what most companies have adapted, analysing customer behaviours, trends and needs were used to create products that were better than their competitors. Several authors have stated that "the cost of attracting a new customer is estimated to be five times the cost of keeping a current customer happy." (Kotler, 1997) In this present age we are in the Social Marketing Era which concentrates on various social network platforms, creating a real time interaction with their customers 24/7. Both Cadbury's and Ford currently use the Social Marketing Era.



Cadbury's & Ford Motor Company Aims & Objectives

Cadbury's who are owned by 'Kraft Food Inc' and are part of the newly created 'Mondelēz International' mission statement is "the power of big. and small." (International, Mondelēz, 2015)

Their aims and objectives are to 'provide an excellent customer service', to continue to be the 'best confectioners in the world' and to 'increase market share' globally.

"Ford is dedicated to building great products to strengthen our business and benefit our communities." (Ford Motor Company, 2015)



Marketing Mix

You have a product that you would like to release to the market, where would you start in order to launch and introduce your product to the buying public?

Almost all businesses will use the Marketing Mix to ensure that they stand out from the competitors and have a USP (Unique Selling Point). There are 5P's plus an extended Marketing Mix.

First of all, you will need to decide what your **Product** is. What will the product look like, how the customer will experience this? What size, colour, shape will the product be? What is the name of your product, how is this product different from your competitors?

Marketing Mix

The 2nd 'P' is **Place**. Where will your customers' find your product? Will it be on the high street, in supermarkets, convenience stores or will it be available online? Also, other things to consider are will you need a sales team, do you have access to the right distribution channels? Products can be launched via trade fairs; samples can be sent to companies that you are interested in selling your product with. Again, you would also look at your competitors and look at what they do. Is there anything you can learn from them and do you have a competitive advantage over them?

An important part of your product is **Price**. You would need to evaluate what your product or service is worth to the buyer. How does this compare to your competitor's prices, as you don't want the price to be too cheap as this may put doubt in the customers' mind that the quality of your product will not be as good as others. You also don't want to put your prices too high, as you would effectively single out those who have tight budgets. You would also need to consider if your product is price sensitive. Is there room for discounts, so that you will increase volume of sales, is there also opportunity to increase prices to earn higher profit margins. Again, you would also look at your competitors' prices to decide what your price would be.

Marketing Mix

You will need to get your product out in the market and therefore would need to look at **Promotion**. There are several ways you can promote your product such as newspaper articles, magazines, radio, leaflets, website or stage a big launch event. You would need to decide whether your product is seasonal. An example, would be that up to the lead up of Christmas Cadbury's tend to launch Christmas adverts. An example would be their 'Unwrap advert' which was launched in 2013. During the summer of 2014, Ford released an advert in the summer for their new Ford Fiesta with a song called 'La La Love', they used a couple enjoying a summer ride in the car.

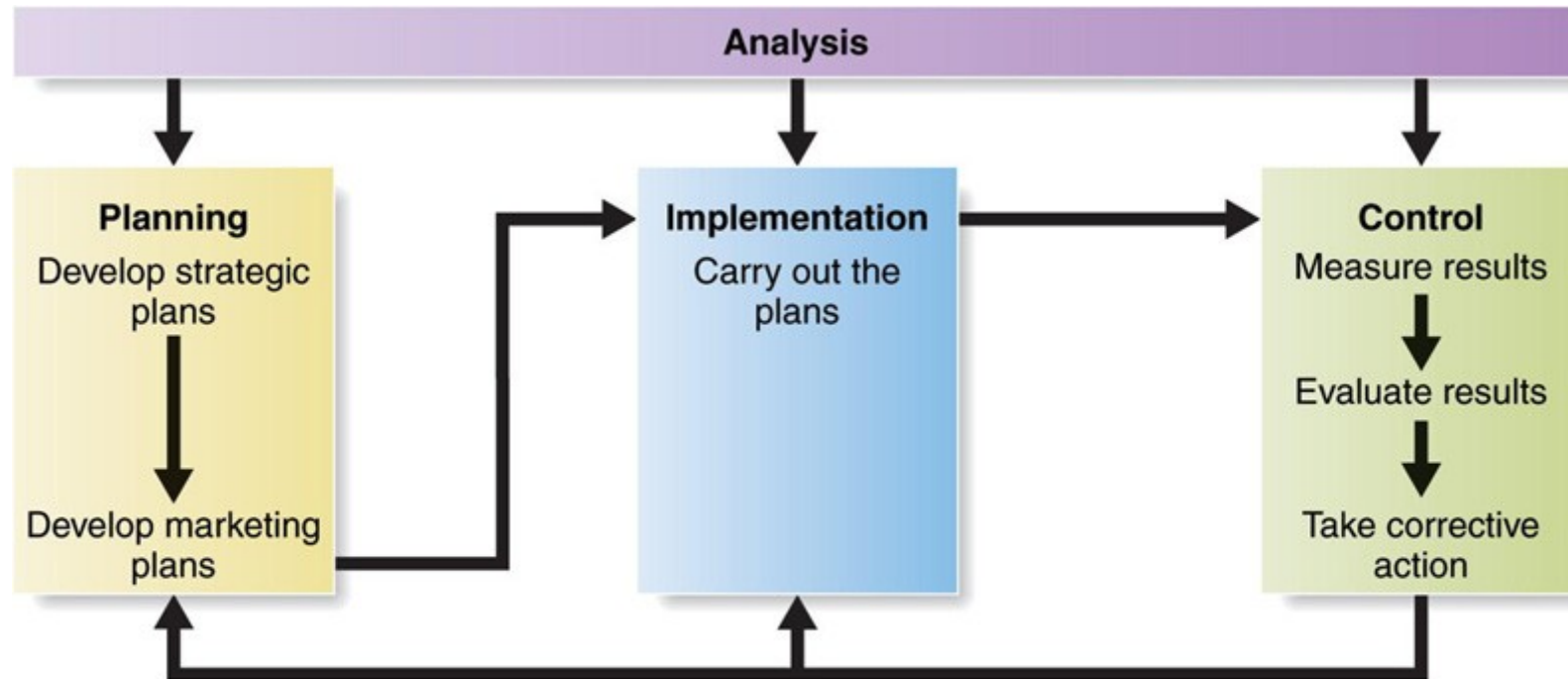
The Extended Marketing Mix

The extended Marketing Mix includes **People**. This represents your people that work in your company. You need to ensure that you recruit the right people that will promote and sell your product. This could include your sales team, customer services, marketing department, finance and even your managers and senior management team.

Physical Evidence is the next of the extended marketing mix. How will you present the product to your customer, which also includes the surroundings, for example how your product is presented in stores. It needs to be welcoming and if it's a premium product, this would need to reflect the luxury of the product.

The final P is **Process**. This specifically deals with your customer service. Your customer service team needs to be effective at offering a service to your customer. It would also need to effectively handle any complaints, so that your customer has faith in your company to deal with issues or queries effectively.

Marketing Process



Marketing Process

Analysis

Analysis is the 1st stage of the marketing process. Businesses need to collect quantitative and quality data. Surveys, audits, observations can be used for research along with comparing data you have collected in the past. Once a competitive advantage is discovered you can then move onto the planning stage.

Planning

Through the planning stage you need to be developing strategic plans. This involves looking at your short term aims and also looking into your long term goals. Benefits and risks are what you should be considering in the planning stage. You should also be looking at how you are going to market and advertise the product or service, such as, creating a big launch event, setting up a stall in roadshows or through television, newspaper or billboard advertising. The cost of your advertising needs to be considered in the planning stage.

Marketing Process

Implementation

Once you have your strategic plan in place you can then move into the implementation phase, where you can launch your product. Your product or service should be a success if the planning stages have been well thought out.

Control

After the launch of your product or service you need be ensuring that you are analysing the results. How have sales fared compared to your competitors, has your market share increased, what are the customers' feedback? Control is also about improving your product especially in this modern technology world where products and services are advancing all the time.

Once evaluating the results, you may need to improve the product or change your marketing strategy to meet the customers' needs and wants. It would most probably be, that you go back to the planning stage and once done implement the improved product or service. This is effectively an ongoing circle.

SWOT Analysis

Strengths <ul style="list-style-type: none">• Well known and established brand (over 200 years old)• Leading market share in chocolate globally• Products aimed at children and also at adults• Is a Fairtrade product• Successful advertising including sponsorship deals such as Coronation St	Weaknesses <ul style="list-style-type: none">• Can be seen as an unhealthy product (sugar, salt and fat content)• Can be considered that there is too much of a product range (70+)
Opportunities <ul style="list-style-type: none">• To expand outside of Europe such as India, Asia and Russia• As part of Kraft Food Inc (Mondelēz International) can reach out to a wider market, and challenge Nestle in the US• Expand their drinks range (for example, energy drinks, flavoured drinks etc)• Create healthier snacks and drinks• Introduce luxury products	Threats <ul style="list-style-type: none">• Other brands such as Nestle, Mars and Hershey• Price wars between chocolate brands which will impact costs of manufacturing, production, quality and labour to keep up with cheaper prices• Sales could decrease as governments around the world are focusing on obesity awareness

The Cadbury logo is written in its signature purple script font.

Marketing Concept

There are 4 main Marketing Concepts that have evolved over time. A business should consider these four concepts and apply this to their products based on the customer wants and needs.

Production Orientation

A business using this concept would focus on reducing their costs through mass production which hopefully would then lead to maximising their profits. Using this concept, however, can compromise the design and quality of the product. They would need to be careful to ensure that the design and quality isn't too impacted that it would put off customers.

Sales Orientation

This concept involves products or services that are not particularly sought after. For example; life insurance, funeral plans, and fire extinguishers. The business will focus on high selling techniques that will push the customer into buying their product and not really focusing on what the customer



Marketing Concept

Product Orientation

A business that uses this concept are dealing with high end luxury products. They see that their product is superior to all other products that are similar in the market. They will add different specifications and continually improve their product and usually target customers who want the latest products. Businesses need to be careful that they don't bring out a product too regularly that customers can't keep up. They also need to ensure that don't add features that the customer will not use or want.

Market Orientation

A market orientation puts the customer at the very heart of the business. They will continually be conducting customer satisfaction surveys, involving customers to test the product, asking customers what they think of the quality of the product, what improvements can be made to the product or service that meets what the customer wants.



Evaluation In Marketing Orientation

The benefits of a Marketing Orientation are that the customer is 'King'! This will show your customers that you are willing to listen to their views and you are providing them with what they want. Customer satisfaction plays a major part in keeping a business going, after all it's the customers that are buying from you, which will then lead into big profits. There are various methods you can use to measure customer satisfaction from product/service reviews online, you can ask your customers if they wish to opt in to telephone interviews, text message surveys, via post or email. You could also ask your customers to taste test new ingredients or new products gaining feedback on the desired quality of the product. Another measure would be to track customer complaints. Customers are very quick to complain via product reviews and also Facebook or Twitter. Having the relevant customer care team to respond to these quickly to restore customer faith in your business.

Most businesses are using social network platforms to promote their products which is giving customers 24/7 access, creating a real time interaction between yourself and the consumer.

All these options, however, do come at a cost. In order to measure customer satisfaction, you will need the appropriate management information systems. You will need to employ analysts to analyse the data and to keep track of all customer feedback via your chosen methods.



Evaluation In Marketing Orientation

Although you have these costs, your main advantage is that you are listening to customer views, you are taking into account the customers' needs and wants. This will ensure that you are giving the best overall service to your customers.

Your goal as a business is to retain your customers and keep them for life. Through this orientation relationship marketing is a key factor, through all the measures you have in place, you will be able to adapt and quickly respond to your customers. As you build your relationship with your customers and act to customers' behaviour and buying habits, customer retention will be high leading to higher profitability.

As a business you need to keep an eye on the competition. Businesses will continually upgrade, change ingredients or appearance as well as launch new products. They will also be new and improved production and process efficiencies developing all the time, being too customer focused can sometimes effect these processes. Keeping up with technological advancements is needed to keep costs low and profits high. You also need to ensure that your marketing focus is not too narrow. For example; Cadbury's buttons tend to be more aimed at children, however, it's the adults that have the main buying decision so you would need to ensure that this appeals to them as well.



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