

The core aspects of marketing



Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

Kotler P

“ Marketing is the set of human activities directed at facilitating and consummating exchanges.”

CIM

The Chartered Institute of Marketing define marketing as ‘ The management process responsible for identifying, anticipating and satisfying customer requirements profitably’

According to my point of view AMA (American Marketing Association) says that marketing is an activity, which an institute does a process like communicating, delivering, and exchanging offerings to have a valuable customer or clients.

According to my point of view Kotler P says that marketing is a human activity which facilitates in doing their final activity in exchanging their products.

According to my point of view CIM (Chartered Institute of Marketing) says that it is a management process which is responsible for identifying and satisfying the customer requirements very usefully.

Small history about my selected organization -LG (Lucky Gold star)

The company was originally established in 1958 as Gold star, producing Radios, TV's, Refrigerators, Washing machines, and Air Conditioners. (LG-MARKETING-Mix) (<http://www.docstoc.com/docs/12163409/LG-MARKETING-Mix>)

According to these three definitions LG is following AMA (American Marketing Association) definition. AMA defines as marketing as the institution which does the social service to the customers. This is what LG is following; their main aim is also to do a social service to the public.

TASK-1. 2

Out of the orientations that exist, try to identify to which orientation the organization belongs to and justify your selection with appropriate examples taken from the organization

Orientation

Orientation means person's attitude or adjustment in relation to a particular event. (Dictionary)

Orientation is a function of the mind involving awareness of three dimensions: time, place and person. Problems with orientation lead to disorientation, and can be due to various conditions, from delirium to intoxication.

[en.wikipedia.org/wiki/Orientation_\(mental\)](http://en.wikipedia.org/wiki/Orientation_(mental))

There are four types of orientations those are:

Product Orientation

Sales Orientation

Market Orientation

Production Orientation

Product Orientation

Product orientation means an organization which mainly concentrates on their products to make profits at the same time to fulfill the customer's needs. When the production process is going on the employees who are working their will mainly concentrate on the proper packaging method & the best quality method.

E. g.: If we look upon the example, because of the proper packaging method customers will get attracted to a particular product & they will buy it without any hesitation. We can say magi noodles are best examples for that.

When a business bases its ability to make profits on the high technical quality of its products, rather than on customer needs. (Lexicon)

Sales Orientation

Sales orientation means an organization which mainly concentrates on their sales on a particular time period like a year, month and week. In any organizations their main view will be their sales volume & their sales cost etc.....

E. g.: If we look upon the example in sales orientation we can say LG's phone business as a best one, because of their standard products people get attracted they will buy automatically.

Market Orientation

Marketing orientation means an organization which mainly concentrates on how to market their product to the customers. In this method the organization will target a particular group to increase their profits.

E. g.: If we look upon the example in market orientation we can say Babies are a good target group in which we can earn more profits than the other target group.

Production Orientation

Production orientation means an organization which mainly concentrates in the production line. Where they mainly concentrate on the needs and wants of the target market, rather concerning about the production techniques etc.....

E. g.: If we look upon the example in production orientation

LG is following the Market& sales orientation method because to capture the customers to their selves. They are actually targeting their groups& at the same time they are producing different products. They are feeling very comfortable with the market orientation method.

TASK-1. 3

Examine how the selected organization is responding to the emerging new trends and compare the orientations exist in the market place by taking examples.

According to LG, new trend system is not a big matter for them because they are always analyzing the customer's needs & wants according to their environment. LG is an organization which always looks for their opportunities. LG is providing advanced technological equipment's to develop their products according to their latest trends, which is available in the market & they are proving that they are market oriented organization. Their new technology has proven that is a big driver for the new product development & development for their existing products. So, their new technological trends are always proving that their ultimate opportunities to the firms to develop their products in a new way.

If we consider about new trends that LG organization had followed to satisfy their customer, we can see several new things that they are using in their organization. There are some examples for it.

LG planning to introduce all new experimental e-paper.

In the field of electronic display LG organization is in a higher place. Because LG organization is in the field of electronics for nearly 40 years. They are always trying to do new experiments on new technology items. So, LG have planned to introduce two new experimental methods those are e-papers which will be available in the market in the form of a 19 inch flexible e-papers display & a 9. 7 inch color e-paper display. (LG trends update)

LG electronics introduces the world's slimmest OLED 3D TV at IFA 2010

LG has designed its new product in concord with 2010 borderless TV series & home theatre system with new colors & patterns. According to the LG's display search method, North American's Blue-ray players market forecast is bright; in 2009 up to 4.44 million were sold, Blue-ray players expected that it will get sold up to 7.85 million in 2010, but it did not. Because of that they will continue to increase intensely by 17 million by 2012. In response to this huge growth of Blue-ray market, LG has doubled their sales to 2.5 million which followed from last year's profit of one million sold. LG's ambitious plan is to sell 1.2 million Blue-rays players to North America, Which is a largest market in the world.

One of the biggest names in the field of consumer electronic products, LG Electronics, has taken the IFA 2010 export system in Berlin, Germany; they have taken the 3D revolution to new heights. (LG Trends Updates)

LG unveils an all new residential solar power Hybrid Air conditioner

Nowadays there is a great concern about " Green House gases " in the atmosphere about the depletion of the ozone layer. Because of the heavy storm many products are getting ' green' treatment, especially in the consumer electronics good, where now many companies are introducing highly energy well organized products which provides 100% reliability to do their best to save the environment.(LG Trends Updates)

LG's Promoting New Blue-ray Players in US

What's LG's grand plan for promoting their new Blue-ray players? Target the US market.

LG Electronics launched their brand new inventive Blue-ray players of 2010 at the Consumer Electronics Show (CES). LG electronics has strengthened its strategic alliances by developing the enterprise & thus they will target the Blue-ray players market. LG's head Kang shin-ik, said that " The combination of our technology and partnerships with content-making corporations has paved the way to control over the Blue-ray players market."(Digital trends)

LG will start the source of power to dominate the Blue-ray players in the market of North America; Because of the advanced Blue-ray players they can run the movies, music, & can show lots of other entertainment, like showing the weather forecast via internet this a great plus for the organization.

Furthermore, we can use various contents by simply pressing the shortcut button on. By the net cast method LG is mechanizing the whole content services which are applied to broadband TV, Blue-ray players & the home theatre system.

LG introduced the Blue-ray system method in the second half of 2008, which also permitted Netflix contents. We can say that America's number one online movie rental website is Netflix. Also LG added YouTube, the world's popular video website of UCC in the first half of last year; their fore all the users can watch the videos in YouTube of the definition of Blue-ray players. As a result LG is providing some usefulness to the customers, where can watch more than 12, 000 high-quality movies, TV programs & UCC videos etc..... This technology method will get uploaded by 13 hours capacity

where in their own living room or bedroom. What we have to do is just to click the Blue-ray player it will do all the work for you. LG is further expanding their Blue-ray network. They will expand their Blue-ray system to a higher level thus in the near future.

LG is tempting to the Blue-ray player, which is connected to the internet & other multimedia devices such as Wi-Fi & Digital Living Network Alliance (DLNA). Through this method users can use the network by their PC's & they can use to run movies & other files. (Digital Trends)

Conclusion-In my point of view I would say that always LG is moving to the new trends, because to invent new technologies & other items. Their main is to satisfy the customers by their wants according to their environmental culture.

TASK-1. 4

In your view point explain the cost and benefits of the marketing approach of the selected organization

If we see upon this topic this is an interesting & exiting topic. Cost & benefit of an organization plays a major role in an organization. Cost means how much amount that is paid to purchase a product & benefit means how much advantage we too ked from that product. For this procedure organization is using lots of method to increase their benefits.

When we are considering about LG's cost & benefits procedure they are using different kind of cost techniques & at the same time they are also getting the benefits too.

If we buy a LCD TV in LG in the big size like “ 32 inches” & more we can have a small home theatre system for free.

If we buy any high rated product from LG the employees who are working will give a good service to the buyer like taking their product & keeping in their vehicle.

There are providing best facilities for their customers. Facilities like Air conditioning the full place it means keeping the entire place cool & allowing the customers to park their vehicles

They are using some new technologies communication method like hoarding, posters, banners& other methods to grab the attention of the customers.

If we see upon the benefits LG organization is providing to the customers giving special discounts in the festival time.

In the above category there are some costs & benefits which are provided by LG.

The Awards which LG got

If we see upon the awards which LG has achieved, we can say many things like LG got the award for the innovative organization for their creative thoughts in the years of 1989-1994. LG got the green products award in 2009 for their step towards better environment. LG got an award of CES wireless handset which is for the electronics. Like this LG organization has got many awards.

Customer Satisfaction

If we see upon the customer satisfaction level in LG it's really good, because all the employees who are working in LG satisfying the customer needs perfectly according to their requirements. For the second consecutive year, LG has got the highest rank in customer satisfaction with the clothes washers & dryers according to the J. D Power's method.

Market share

LG is a worldwide company where moreover employees are working to satisfy the customers. LG has a biggest market share in the world. If we see upon the market share of LG it is having about 65% in the world

Strong brand name

If we see upon the LG it is a reputed international firm which has a diversified product line in the electronics field, so LG has a strong financial position which is big strength for the firm.

Conclusion- In my point of view I would say that LG is charging only few of money, but they are giving lots of benefits to customers. They are getting more awards for their creativeness, satisfying the customers in a best way, keeping a good market share in the world & having a strong brand name in the world.

TASK-2. 1

The macro and micro environmental factor influences of the selected organization marketing activities.

Macro Environment

Macro environment means the external factors which will affect a company's planning and their performance which are beyond their control.

Micro Environment

Micro environment is an environment which covers a small area of a particular organization. This studies about the individuals, household and firms that make decisions to all to allocate the limited resources, where goods & services are being bought & sold. In the micro environment there will be customers, competitors, suppliers & the public (marketing Mimi. hu)

Macro & Micro environment in LG

This is the environment which effect the organization externally. By analyzing this environment you can get the opportunity & avoid the threads.

Macro environment

Political factor

Economic factor

Socio-cultural factor

Technological factor

Political Factor

If we see upon the political factor there is being a major issue in Pakistan. There political conditions have made industry very unstable. Because of that issue all the other LG firms around the world are getting affected.

Economic Factor

If we see upon the economic factor Gross Domestic Product (GDP) is an important thing to any organization. If the GDP is high then the disposal income will be high & at the same time spending power will also increase. So, we have to mainly consider on the inflation method because if the inflation increases products prices will increase this will affect the customers buying pattern, but if the inflation decreases products prices will go down this will help the customers to buy more products at the same time. So we should carefully handle these problems.

Socio-Cultural Factor

LG is a company which originated from Korea according to that other countries adapted Korea's culture. There are social forms of society which contain of Upper class, middle class & lower class. Every country has cultural standards, values, beliefs and religion which can affect the organization.

Technological Factor

Nowadays we can see that technology is improving a lot. Due to the new technologies internet, communication system & other methods are introduced. Because of these technologies people are getting more benefits like sending the messages very quickly by internet, speaking to their relatives & other well-known people who are in abroad. Because of the

improvement of new technologies LG's products became cheaper & their quality of product has been increased.

Micro environment of LG

Employees

The number of employees of LG electronics stood at approximately 82, 000 at the end of 2007. Many of the people are working overseas in the LG's firm. The people who are working in overseas should try to increase the localization strategy. In the world 16% of female employees are working as total domestic workforce. The average of the total male & female workforce is 33. 8 years; totally 0. 8% of the disabled people are working in the total workforce. (Market share of LG)

Suppliers

In the LG firm all the management people are well skilled & they are keeping a good relationship with the other member's. LG is a qualified organization so they always go to the qualified suppliers. In this all the suppliers are from different countries like China, Italy, France, Japan & USA, So supplier is a main part in an organization. LG is getting the supply products from Abans.

Customers

LG is a worldwide organization, so according to the brand name many customers will come to buy the product to satisfy their needs & wants. LG's products are most probably suites for the people who are interested in the product.

Competitors

In every field we can see there is a big competition among the organizations. If we see upon the competitors in LG there are many of them. We can say Samsung, Sony, Singer, Whirlpool & many companies for the competitors.

Management

Managers are the people who are responsible for the managerial work. So, Manager's role is very important to any organization. If we see upon the LG management it is very good in solving its risks. LG's managers are very helpful to the customers, because if there any problem occurs managers will try to understand the customer's problem & they'll try to solve it.

Conclusion- In my point of view I would say that LG's macro & micro factors are really helpful to the employees who are working their & to the customers who are coming to buy the product.

TASK-2. 2

Identify and explain the segmentation criteria used in the domestic marketing approach (both B2C and B2B)

Segmentation

Segmentation means a company which operates in a broader market to target a group of customers with their specific characteristics. In segmentation we cannot satisfy all the customer's needs at the same time, because all the customers buying pattern will be varied in according to their requirements.

There are four types of segmentation criteria's

Those are:

Geographical Segmentation

Demographical Segmentation

Psycho graphical Segmentation

Behavioral Segmentation

Market segmentation of LG is very simple & easy to understand.

Geographic:

If we see upon the LG firm in the region wise they have it in different countries. They are following this method to capture the market all around the world.

If we see upon the LG firm in the city wise they have the companies 80 km distance another company to keep up the team sprit among the members.

Demographic:

Second base is the demographic segmentation method where it will mainly consider about the income level. If the organization is targeting a higher class company LG's segment will be consumers with high income levels.

Psychographic:

Third base is the psychographic segmentation method where it will considers about the classes like upper class, middle class & the lower class.

Psychographics includes some variables those are:

Activities- If we look upon the activities which are LG is currently doing we can say many things like LG doing after sales service to the customers & other activities.

Interests-If we see upon the interests that an LG person has, to create new things like creating a new technology item into the market.

Behavioral:

Behavioral is another method in which where the firm will mainly consider about buyer's behavior. In this method the organization will give lots of benefits to the customers like giving the products in a good quality one.

Conclusion-In my point of view I would say that segmentation means a company which will have a broader market & targets a group of customers who will have the specific characteristics. These four criteria's are helping the organization to be in a good position.

TASK-2. 3

Outline the factors which influence the choice of targeting strategy for the selected organization.

Targeting

LG has targeted the market on the basis of the product that they are offering to the customer & they are also targeting the consumers who are more concerned on their safety & health issues.

They are Targeting:

Upper class segment-Targeting the upper class people who will buy more of the product.

<https://assignbuster.com/the-core-aspects-of-marketing/>

Upper end-Targeting the middle class people who will buy a some of product.

They are also targeting those consumers who are taking more concern about their life style product. Because LG is a world class company all the consumers are thinking that they need quality products. LG Company is having the LCD & plasma television & the TV DIOS refrigerator for the premier segment. LG is now going to shift from middle class segment & they are moving their product to the mass market.

Basis of selecting the Target Market

Basis of selecting valuable customers, that means selecting the best customers who are buying their products at LG without looking their costs. LG organization is targeting people like this to earn the profit at the same time to give a good service to the customers.

Conclusion-

TASK-2. 4

Explain the activities undertaken by the organization to influence the buyer decision process and based on your findings explain the organizational and business buyer behavioral characteristics affecting the selected organization.

TASK-3. 1

Analyze the different product/ services offered by the organization and explain how the products and services are developed in order to achieve a competitive advantage.

Product

If we see upon the product it is the main & important function in the 4p's. LG is striving to gain the market leadership position so they have thought to bring new & innovative products to the market. To gain the market leadership position they are introducing new products to the market like the Quadoor refrigerator & other new products. If we see the products in LG they have categorized into four that is Digital Appliance, Digital Display, Digital Media, Mobial communication. In this four types we can see which product is in which category, the products are showed below

Digital appliance- Air conditioner, Refrigerator, washing machines, vacuum cleaner, Microwave ovens etc.....

Digital Display- TV's, Monitors, video tapes, DVD-R Disc etc.....

Digital media- Optical storage, Audio, notebook, PC, DVD player etc.....

Mobial communication- Mobial telecommunication, WLL handsets,
Telecommunication systems etc.....

In this four category we can see all the products which are available in LG.
we can always expect that the products quality will be good & at the same
time we can say that that the products will be in the latest technology.

TASK-3. 2

What are the distribution channels used by the organization in order to increase the customer convenience and evaluate it.

Currently LG is using the distribution channel of Pak Electron (Pvt.) Ltd. that
is very

intensive and strong distribution channel that enables company to make its
products available

company wide. So there is strong distribution network owned by LG. (LG
Quadoor)

According to the places of LG it has many outlets in Sri Lanka

Distribution channels-Telescen marketing