

# [The fundamentals of marketing marketing essay](https://assignbuster.com/the-fundamentals-of-marketing-marketing-essay/)

## 1. Concept of MARKETING

Dell International started in India about seven or eight years back by opening a customer contact center at Bangalore in 2001. In 2003, the second contact center was opened at Hyderabad. The company operates its services from four centers based at Bangalore, Hyderabad, Chandigarh and Gurgoan. Dell started in Bangalore providing customer support to English speaking countries and later also began providing technical support, procurement of financial back office and Knowledge process outsourcing. After the U. S., Dell India is the second biggest centre with 13, 000 employees. The strategic importance of India to Dell is evident from the fact that India was one among three locations (the other two being US and UK) where Dell’s Latitude E series and Precision notebooks were launched.

## Marketing Strategy for DELL

Most people don’t know that one the key marketing strategy that has made Dell Computer so unbelievably successful had nothing to do with the computer business. Dell actually discovered it as a 12-year old kid in Houston, during one of their hot, sweltering, humid, and disgusting summers.

Anyway, he decided one summer to be a paper boy. He wanted to make some extra money, and, as an entrepreneurial kid, that means running a paper route. He went down to the paper where he received a bundle of papers and a list of names to call or visit. The names were randomly picked people who did not have a subscription to the paper.

Dell’s job was to begin calling everyone on the list and get some subscriptions sold. He sold one here and he sold one there, but he pretty soon began to notice a pattern. There were two categories of people who were much more likely to buy a subscription from him than anyone else.

First, people who had just moved into a new home.

And second, people who had just married.

It makes sense right?

They are going through life changes that dramatically increase the likelihood of them wanting and needing a paper subscription.

Most kids – and most adult businesspeople – would say, “ That’s neat” and stop there. But Dell took the next step. He began to ask “ how can I target these people and only these people, so that I’m spending my time, resources, and my energy where I know it’s going to pay off best?”

The answer came when he discovered public information available at the local courthouse could give him access to exactly who he wanted to target. He gathered a small army of 12-years-old kids and sent them all down to the courthouse on a regular basis. They wrote down everyone who had purchased a new home and everyone who had applied for a marriage license.

Michael Dell then spent his time selling to those people predisposed to buying. He didn’t try to be all things to all people, he narrowly and specifically defined who he wanted to spend his limited time and energy on, he had a much smaller list of potential buyers, and he did an enormous amount of business (for a paper boy!) because of it.

When summer ended and Dell went back to school, he was actually making more money from his paper route than the teachers in his school.

Most people look at Dell Computer today and think they are being all things to all people. It is an illusion created by their size. The success of Dell lies in large part with market segmentation and specialization strategies that Michael Dell learned that hot Houston summer, pioneered at Dell Computer, and that the company still does today.

## 2. Environmental Factors

## 2a. Identify 5 Internal Micro Factors.

## Customers

As all businesses need customers, they should be centered oriented  around customers. The firm’s marketing plan should aim to attract and retain customers through products that meets their “ wants and needs” and excellent customer service.

## Employees

Employing staff with relevant skills and experience is essential. This process begins at recruitment stage and continues throughout an employee’s employment via ongoing training and promotion opportunities. Training and development play a critical role in achieving a competitive edge; especially in service sector marketing If a business employs staff without motivation, skills or experience it will affect customer service and ultimately sales.

## Suppliers

Suppliers provide businesses with the materials they need to carry out their business activities. A supplier’s behavior will directly impact the business it supplies. For example if a supplier provides a poor service this could increase timescales or product quality. An increase in raw material prices will affect an organization’s marketing mix strategy and may even force price increases. Close supplier relationships are an effective way to remain competitive and secure quality products.

## Shareholders

As organizations require investment to grow, they may decide to raise money by floating on the stock market i. e. move from private to public ownership. The introduction of public shareholders brings new pressures as public shareholders want a return from the money they have invested in the company. Shareholder pressure to increase profits will affect organizational strategy. Relationships with shareholders need to be managed carefully as rapid short term increases in profit could detrimentally affect the long term success of the business.

## Media

Positive media attention can “ make” an organization (or its products) and negative media attention can “ break” an organization. Organizations need to manage the media so that the media help promote the positive things about the organization and reduce the impact of a negative event on their reputation. Some organizations will even employ public relations (PR) consultants to help them manage a particular event or incident.

Consumer television programmes with a wide and more direct audience can also have a very powerful impact on the success of an organization. Some businesses recognize this and will change their reaction when consumers mention that they are going to contact a consumer television program or the newspapers about the business.

(Marketing)

## 2c. Identify 5 external macro environmental factors

Macro environments are concerned with the external factors in a business and those that are uncontrollable. These must be taken into consideration when an organization is creating its marketing strategies to create a tolerance for such things.

The main factors of this marketing type include:

Demography – this focuses on human population and is highly important to the marketing of any business to understand profits and what marketing strategies work best in particular areas.

Natural environment fits into macro environment also – As the name suggests, it looks at the natural resources that the company uses for the likes of production. This term is widespread and also includes Government issues which may affect marketing tactics.

Culture – This is an important factor as different cultures communicate in different ways. They also vary dramatically in different areas.

Economics – Understanding the economics of different areas and places helps a company understand their spending trends. This prevents profit loss and money wastage through ineffective marketing.

Political and Governmental Environment: – Political environment refers to the influence exerted by the three political institutions they are; Legislature, Executive, Judiciary etc. The legislature decides on a particular course of action. Government is the executive and its job is to implement whatever was decided by parliament. The judiciary has ensure that both the legislature and executive function in public interest and within the boundaries of constitution.

Legal and political environment provides a framework within the business is to function and its existence depends on the success with which it can face the various challenges constructed out of political and legal framework

(factors that make up Micro-Environment and Macro-Environment)

## 3. CONCEPT of Segmentation, Targeting & Positioning

## 3a. Variables of segmentation

## Geographic segmentation

The market is segmented according to geographic criteria-nations, states, regions, countries, cities, neighborhoods, or zip codes. Geo-cluster approach combines demographic data with geographic data to create a more accurate profile of specific With respect to region; in rainy regions you can sell things like raincoats, umbrellas and gumboots. In hot regions you can sell summer wear. In cold regions you can sell warm clothes.

## Demographic Segmentation

Demographic segmentation consists of dividing the market into groups based on variables such as age, gender, family size, income, occupation, education, religion, race and nationality. As one might expect, demographic segmentation variables are amongst the most popular bases for segmenting customer groups. This is partly because customer wants are closely linked to variables such as income and age. Also, for practical reasons, there is often much more data available to help with the demographic segmentation process.

## Psychographic Segmentation

Psychographics is the science of using psychology and demographics to better understand consumers. Psychographic segmentation: consumer is divided according to their lifestyle, personality, values and social class. Aliens within the same demographic group can exhibit very different psychographic profiles.

## “ Positive” market segmentation

Market segmenting is dividing the market into groups of individual markets with similar wants or needs that a company divides into distinct groups which have distinct needs, wants, behavior or which might want different products & services. Broadly, markets can be divided according to a number of general criteria, such as by industry or public versus private. Although industrial market segmentation is quite different from consumer market segmentation, both have similar objectives. All of these methods of segmentation are merely proxies for true segments, which don’t always fit into convenient demographic boundaries.

(Market Segmentation)

## 3b. 4 variables of market selection criteria for warehouse

The main variables of warehouse in selection of market are

Product affordability: the products sold by warehouse are priced competitively compared to their competitors.

Product Quality: The products sold by warehouse are not only cheap but are of a good reliable quality.

Product Range: The products available at warehouse are of wide range, so the customer can look for different products everything under one roof.

## 3c Positioning errors of ware house

The main possible positioning errors that ware house would make are

Over positioning: A buyer may have to narrow an image of a brand.

Under positioning: Some companies discover that buyers have only vague idea of the brand. The brand is seen as just another entry in marketplace.

Confused positioning: Buyers might have a confused image of the brand resulting from the company’s making too many claims or changing the brand positioning too frequently.

Doubtful Positioning: Buyers may find it hard to believe the brand claims in the view of the product’s features, price.