

Fundamentals of marketing the warehouse nz marketing essay



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Marketing management – Any organization, company or a successful business house always works in a pace and strategy packed environment the assurances of the promising deliverance upon concepts like, market capturing, brand building and good customer impact. Generally the decision(s) of the company are influenced by both internal & external, macro & micro factors. According to many researchers, external factors influence an organization more than the internal factors. In fact, internal factors are always shaped by the external factors, on which an organization has less or no control. The external factors that can influence an organization can be economic, technological, social, political or legal. For any marketing manager, these external factors are very important and needs critical analyses so that companies can have a loyal customer base. On contrary to this the Micro or the smaller factor inside the company impacts at a great extent on the Macro or bigger factors outside the company.

Need for the Project:

Setting SMART marketing objectives and their accomplishment.

Evaluate currently prevailed Marketing paradigms.

A 3600 review of environmental factors and their performance.

Define competitive macro and micro factors essential for segmentation.

Study of segmentation, positioning and targeting.

Scope of the Project Strategizing the Marketing plans is essential for the effective marketing management and better customer prospect. It not only supports the global process of product development life cycle rather <https://assignbuster.com/fundamentals-of-marketing-the-warehouse-nz-marketing-essay/>

strengthen the bandwidth of customer relationship for future business prospects. Segmentation of market through the company help develop region based market potential, keep the business operations pertaining to marketing free flowing, improve organizational performance and feed into business planning. They are conducted at a frequent gap purely on as and when required basis. Here comes the importance of marketing in the organization practicing it and it strengthens its scope within the organization. Fostering positive relationships between customer and service provider is another essential scope of marketing. Since marketing plays a vital role in brand development and product life cycle management the involvement of external bodies i. e. customers, consumers, media and society is utmost essential, one and only channel that ensure it all is feedback and providing counseling or product review and resolving confusions by reinforcing and cascading sole purpose behind beingness of the product or service through its philosophies, values, aims, priorities etc. In this project I want to gain knowledge in the concept that how marketing plays a key role in any organization. In marketing practices of the warehouse, NZ and analyze & study environmental factors for this organization's business methodologies. This project would be helpful to the company as they will get to know the potentials of current trends of marketing and what all should be done to revive their paradigms of marketing at par with latest trends via in-depth study of Fundamentals of Marketing.

Introduction of Company

Business Profile

As one of New Zealand's largest retailers, known and loved by Kiwis for its wide range of products from clothing, entertainment, technology and music to sporting, gardening, grocery and many others, we have been providing Kiwis with "a bargain" since 1982. With 89 stores throughout New Zealand we remain a New Zealand owned and operated company employing over 9,000 team members from Kaitaia in the north to Invercargill in the south. The Warehouse Group Limited had adjusted net profit after tax excluding unusual items of \$65.2 million on sales of \$1.732 billion for the 52 weeks ended 29 July 2012. For more information on company reports please visit www.thewarehouse.com.

Core Purpose

Making the Desirable Affordable Since the beginning The Warehouse has been all about making a difference to the lives of New Zealanders. We offer you more choices, innovative shopping, great clothes and homewares, in fact anything we can think of to make your life easier. As we've grown over the years we've teamed up with some amazing designers and well known Kiwi companies - World Design, Cadbury, Mattel, Wiltshire, Vodafone, Mambo, Sanitarium & Sanyo - and because we're The Warehouse we do it all for a surprisingly low price. It's all about making the desirable affordable for everyone. Supporting Our Communities From sausage sizzles to scratch'n win ticket sales, coin collections to product sales, The Warehouse raises around \$2 million dollars every year for charities and community groups. That's almost \$250 raised per Warehouse team member going to over 300

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groups throughout New Zealand, including Surf Life Saving New Zealand, the Arthritis Foundation, Cancer Society New Zealand and the Starship Foundation. Our aim is simple; to help as many people as we can. Protecting the Environment We know we can't change the world on our own, but we can at least try to make a start and do our bit. And we have. Because we believe it's our responsibility to help address the big environmental and social issues facing our world, we are committed to constantly changing the way we do business so it's more sustainable, kinder to the environment and helps make a difference to the lives of New Zealanders. Every little bit counts; whether it be reducing waste and recycling, minimizing energy use and emissions, sourcing sustainable products, maintaining our ethical trade commitments, giving back to our community or ensuring a healthy, happy workplace. You are our Number 1 We wouldn't be here without you, so keeping in close contact with you our customers is big priority for us. Whether it's talking with you when you visit our stores, reading your letters of thanks or taking note of what you love and you don't through sales reports, our relationship with you our customer is the focus of our business.

Teamwork

Everyone is unique with individual talents and strengths. So at The Warehouse we believe that by working together we can come up with the best results that benefit you our customers. Be it in the products that we offer, the way our stores look or even how we greet our customers. From corporate head office to every one of our individual stores, each member of the team is a valued contributor to making your experience the best it can be.

Board of Directors

Graham Evans | Graham Francis Evans Independent Chairman and Non-Executive Director Term of Office: Appointed Director 1 July 1998, last re-elected 2010

Annual Meeting Board Committees: Member of the Audit Committee, Corporate Governance Committee, Disclosure Committee and Remuneration, Talent and Nomination Committee. Graham, 73, brings broad experience to the Board, particularly in the areas of business operations and development, strategic direction and performance improvement. He has more than 40 years' experience in the New Zealand retail sector. As a previous Managing Director of Woolworths NZ Limited for 16 years, he is able to share his considerable retailing knowledge and leadership capability. In addition to his role as Chairman of The Warehouse Group, he is Chairman of Multichem Group Limited and associated companies.

Keith Smith | Keith Raymond Smith [B. Com, FCA] Deputy Chairman and Independent Non-Executive Director Term of Office: Appointed Director 10 June 1994, Chairman since public launch in 1994, last re-elected 2011

Annual Meeting Board Committees: Chairman of the Disclosure Committee and Member of the Audit Committee and Remuneration, Talent and Nomination Committee Keith, 60, has been involved with The Warehouse since Sir Stephen opened his first store in 1982, providing accounting, tax and corporate advice and was Chairman from 1995 to May 2011. He has a long-standing record of leadership as a director and advisor to companies in

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a diverse range of industries, including the energy sector, rural services, printing, media, meat by-products, tannery processing and exporting. He brings considerable experience and governance expertise to his role as Deputy Chairman of the Board. He is Chairman of listed companies Goodman (NZ) Limited (the Manager of Goodman Property Trust) and Tourism Holdings Limited and is a director of Mighty River Power and several other private companies. Keith was previously a senior partner in the national accounting practice BDO. He is a past President of The New Zealand Institute of Chartered Accountants.

Sir Stephen Tindall | Sir Stephen Robert Tindall [KNZM, Dip Mgt, FNZIM, Hon. D, D. Com Honoris Causa] Founder and Non-Executive Director Term of Office: Appointed Director 10 June 1994, last re-elected 2010

Annual Meeting Board Committees: Member of the Disclosure Committee and Remuneration, Talent and Nomination Committee Sir Stephen, 61, founded The Warehouse in 1982 and grew the company into a billion-dollar business before stepping down as Managing Director in 2001. His vision for creating an organization to provide support for worthwhile initiatives benefiting New Zealand and New Zealanders resulted in the establishment of The Tindall Foundation promoting a 'hand up' rather than a 'hand out' philosophy. Sir Stephen has seen many personal honors and awards come his way. In August 2009 he was bestowed the accolade of knighthood in recognition of his work with New Zealand businesses and the community. He has helped ordinary Kiwis reach their potential and is a true leader across the spheres of business, community and the environment.

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Sir Stephen appointed Robert Tindall to be his alternate director effective 1 July 2011.

James Ogden | James Harold Ogden [BCA (Hons), FCA, FInstD] Independent Non-Executive Director Term of Office: Appointed Director 4 August 2009, last elected 2009

Annual Meeting Board Committees: Chairman of the Audit Committee and Member of the Disclosure Committee James, 60, brings strong financial expertise to the Board and director experience across a broad range of industries. He has had a distinguished career as an investment banker for eleven years, six years as Country Manager for Macquarie Bank and five years as a director of Credit Suisse First Boston. James has also worked in the New Zealand dairy industry in chief executive and finance roles for eight years. In addition to his role as a director of The Warehouse Group, he is a director of Vehicle Testing Group Limited, Summerset Group Limited and Seaworks Limited. Former directorships include NZ Post Limited, Kiwibank Limited, NZX-listed Powerco Limited and Capital Properties New Zealand Limited.

History

Celebrating more than 25 years of Kiwi success! From small beginnings in Wairau Road in 1982, Sir Stephen Tindall's amazing entrepreneurial ability combined with his team's commitment to "give anything a go" shows you indeed that "nothing is impossible". In 1982 New Zealand was quite a

different country; imports of many products were restricted so consumers didn't have much choice and the products that were available were often expensive. The government had imposed a wage and price freeze and getting a housing loan required a savings record for 3 years before you were able to borrow at 18% interest and more! Shopping in New Zealand meant going to stores like George Courts and Haywrights; big established stores in towns and cities. Stephen and his team took a different approach; The Warehouse was located in the suburbs, with basic sheds, bins and racks and concrete floors. The Warehouse sold things never seen before in NZ such as banana loungers, rattan blinds and soccer ball radios, in fact the first Warehouse stores were filled with things that other companies couldn't sell! When sales took off Stephen and his team went looking for suppliers and goods from around the world that could provide real bargains for Kiwi shoppers. With a relentless focus on keeping costs down and reinvesting profits to ensure prices were low the company culture began to develop in a unique (and successful) manner. The other way in which The Warehouse was different to its competitors related to the people who worked for it - from the very beginning they mattered. There were Friday night barbeques, monthly team meetings and a chance to socialize afterwards, the famous red t-shirts worn by all staff including managers made it clear that everyone was working together as one team. Even today the legendary Birthday Day Off and annual company Conference with partners are important cornerstones of The Warehouse's approach to its people. An appetite for growth and a desire to see every New Zealander offered the opportunity to "enjoy a bargain" has seen The Warehouse grown from just 2 stores at the end of 1982 to 88 stores today.

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Timeline:

1982 : First store opened in Takapuna, Auckland.

1990 : First nationally distributed advertising mailer.

1991 : Sales exceed \$100 million.

1991 : First Warehouse Stationery store opened

1992 : Opening of first store of 25, 000 square feet (2, 322m²)

1992 : Public float and listing on the New Zealand Stock Exchange

1992 : Launching of The Warehouse card

1992 : Opening of first store of 50, 000 square feet (4, 645m²)

1995 : The Warehouse added to NZSE40 Index

1995 : Introduction of green gardening department

1996 : Opening of North Island Distribution Centre

1996 : Introduction of the major AEG brand

1997 : Introduction of the first store of 75, 000 square feet (6, 967m²)

1998 : Introduction of apparel as a major department

1998 : First shipment of parallel imported goods

2000 : The Warehouse added to the NZSE10 index

2000 : Sales exceed \$1 billion

2000 : Opening of the first store of 100, 000 square feet (9, 290m2)

2001 : The Warehouse Financial Services launched

2001 : First Triple Bottom Line Report produced

2002 : The Warehouse celebrates its 20th Birthday

2007 : Opening of ' The Warehouse Extra'

2007 : The Warehouse celebrates 25 years and still going strong

2009 : Exit Fresh Food and Liquor

2009 : The Warehouse online shopping launched

CITATIONS FROM LITERATURE

The citation of literature on the concept of marketing as an academic field is a emergence of recent past only. Dilemma and disputes abound in the field as like some other concepts of management that can only be cleared out with an in-depth study of the subject matter. Publication of the book The History of Marketing Thought in 1976, by Robert Bartels marks a turning-point] in marketing thought and concept both. Since then, academics specializing in marketing decided to imitate it further through distinguishing theory and practice.

Two different fields of study emerged:

The History of Marketing thought, giving theoretical accounts

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Marketing History, that focus on the history of marketing trends and practice

This division parallels the distinction between the history of economic thought and economic history.

Practitioners of the history of marketing thought note that both practitioners and academics know relatively little about the field. However history has significance for academics because it helps to define the baselines upon which they can recognize change and evolve marketing theory. On the other hand, proponents of marketing history argue that one cannot fully compare the marketing field with economics and hence suggest the impracticality of divorcing theory and practice. First, marketing scholars seldom engage in the practice of marketing as much as economists engage in the development and execution of public policies. Second, business personalities innovate in the marketing field, and the history of marketing will remain incomplete if one dissociates academia from practitioners.

The sections hereunder discuss both approaches to the history of marketing, closing with a debate about the standard chronology of marketing, a widely-known hypothesis about the history of marketing, but one that historians in the marketing field have challenged.

History of marketing thought

The history of marketing thought deals with the evolution of theories in the field of marketing, from the ancient world. Marketing historians agree that the discipline branched out of at the turn of the 20th century, though some

argue that scholars in the ancient and medieval ages had already studied marketing ideas.

Periodization

Robert A Bartels in 'The History of Marketing Thought' categorised the development of marketing theory decade by decade from the beginning of the 20th century thus:

1900s: discovery of basic concepts and their exploration

1910s: conceptualisation, classification and definition of terms

1920s: integration on the basis of principles

1930s: development of specialisation and variation in theory

1940s: reappraisal in the light of new demands and a more scientific approach

1950s: reconceptualisation in the light of managerialism, social development and quantitative approaches

1960s: differentiation on bases such as managerialism, holism, environmentalism, systems, and internationalism

1970s: socialisation; the adaptation of marketing to social change

With the growth and emergence in importance of marketing departments and their associated marketing managers for present as well as future, the field tend to become ripe for the propagation of management fads which do

not always lend themselves to periodization rather go by as, when and where start basis and purely on first in first out basis.

Birth of marketing ideas

It then was the time that pre-modern economies, the predominance of small enterprises militated against the recognition of marketing as a separate field of expertise. Changes in the patterns and intensity of economic activity, as well as the rise of economics as a science, particularly in the 19th century, paved the way for studies of marketing. The growth in size and scope of national and international economies in the course of the Industrial revolution led eventually to a transcendence of ad hoc retailing and advertising innovations and eventually to systematization. Marketing emerged as a separate technical field only in the late 19th century. The OED traces the abstract usage of the word only as far back as 1884.

Marketing has grown to new heights.

Traditional schools

Traditional authorities on marketing concentrated on products and on the sale and purchase of goods and services. They paid little attention to areas like after-sales service, customer satisfaction and devoted even less attention to social responsibility or to social accountability. The ground reason for this was limited number of manufacturers and their monopoly among market pertaining to product design, development, price and availability.

Modern schools

Marketing historians like Eric Shaw and Barton A. Weitz point to the publication of Wroe Alderson's book, *Marketing Behaviour and Executive Action* (1957), as a break-point in the history of marketing thought, [3] moving from the macro functions-institutions-commodities approach to a micromarketing management paradigm. After Alderson, marketing began to incorporate other fields of knowledge besides economics, notably behavioural science, becoming a multidisciplinary field. For some scholars, Alderson's book marks the beginning of the Marketing Management Era.

Unlike economists, marketers have difficulty in organizing the different theories in their discipline into schools-of-thought. However, some marketing historians like Jagdish Sheth have tried to identify the main concepts behind the work of scholars in the field, grouping their ideas into "marketing schools" such as the following:

The Managerial school emerged during the late 1950s and became arguably the predominant and most influential school of thought in the field

The Consumer/buyer behavior school, which dominated the academic field in the second half of the twentieth century (apart from the Managerial school), features theories emerging from behavioral science

The Social exchange school, which focuses on exchange as the fundamental concept of marketing

Marketing history

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Much of traditional marketing practice prior to the twentieth century remained hidebound by rules-of-thumb and lack of information. Information technology, especially since the mid-twentieth century, has given the marketier new channels of communication as well as enhanced means of aggregating and analyzing marketing data. Specializations have emerged (especially sales versus marketing and advertising versus retailing) and re-combined (business development) over the years.

Timeline of innovation

1730s : Emergence of magazines (a future vector of niche marketing)

1980s : Development of database marketing as precursor to CRM

1980s : Emergence of relationship marketing

1980s : Emergence of computer-oriented spam

1984 : introduction of guerrilla marketing

1985 : Desktop publishing democratizes the production of print-advertising

1991 : IMC gains academic status

1990s : CRM and IMC (in various guises and names) gain dominance in promotions and marketing planning.

1995-2001 : The Dot-com bubble temporarily re-defines the future of marketing

1996 : Identification of viral marketing

2000s : Integrated marketing gains acceptance and in 2002 its first dedicated academic research centre

Periodization

One marketing standard chronology

Bartels, 1974;

Dawson, 1969;

Keith, 1960;

Kotler and Keller, 2006

Subdivides marketing history as follows:

Production orientation era

Product orientation era

Sales orientation era

Market orientation era

Customer orientation

Relationship orientation

Social/mobile marketing orientation

Production orientation

A production orientation dominated business thought from the beginning of capitalism to the mid 1950s, and some argue it still exists in some industries. Business concerned itself primarily with production, manufacturing, and efficiency issues. Say's Law encapsulated this viewpoint, stating: "Supply creates its own demand". To put it another way, "if somebody makes a product, somebody else will want to buy it". This orientation rose to prominence in an environment which had a shortage of manufactured goods relative to demand, so goods sold easily.

Implications of this orientation include:

Narrow product-line(s)

Pricing based on the costs of production and distribution

research limited to technical product-research

packaging designed primarily to protect product

minimal promotion and advertising, limited to raising awareness of the existence of the product

consumers more interested in simply obtaining the product, and less in its quality

Some examples in the context are:

The early car industry provides the classic example of production orientation, exemplified by the story of Henry Ford's Model T. At this time production orientation, an industry-wide philosophy, applied in many industries.

As of 2009 one sees examples of production-orientation marketing in individual companies rather than in whole industries because of increased competition. One might argue that some elements of the production orientation appear in the electronics industry where firms manufacture large quantities of low-cost, low-price goods when they know that a market exists. As a possible supplementary factor, one can usually replace an electronic product much more cheaply than fixing it.

Philip Kotler argues that assembly-line techniques have migrated to services like government benefits offices, in which they deal with people very efficiently, but without necessarily entailing full satisfaction on the part of the customer

Relationship orientation

Starting in the 1990s, a new stage of marketing emerged called relationship marketing. The focus of relationship marketing is on a long-term relationship that benefits both the company and the customer. The relationship is based on trust and commitment, and both companies tend to shift their operating activities to be able to work more efficiently together.

One of the most prominent reasons for relationship marketing comes from Kotler's idea that it costs about five times more to obtain a new customer than to maintain the relationship with an existing customer.

Sales in relationship marketing should encompass the following: open communication, employee empowerment, customers and the planning process, and teamwork. First, communication is essential in figuring out what the customers need and determining how the firm can satisfy those needs. With open communication, both sides can express what they are trying to do and can work out a way to make it work together. Second, employee empowerment is important so that the employees are able to satisfy customer needs. Without empowerment, they may be limited in their solutions and cannot creatively satisfy needs. Third, customers must be involved in the planning process. Customer input is invaluable, as the customer is the one who will be using the product. If the customer is not satisfied from the beginning, there is no way to gain approval after the product is incorporated. Lastly, relationship marketing must emphasize teamwork. Several people who can help solve customer problems should work together and use their talents to best serve the customers.

While relationship marketing is largely held as the most recent stage of marketing, there is speculation that we are now entering into a new era of marketing called the social/mobile marketing era where companies are connected to customers 24/7.

The societal marketing concept

Main article: Societal marketing

Societal marketing emerged in the 1960s. The societal marketing concept deals with the needs, wants and demands of customers: how to satisfy them by producing superior value that should satisfy the customers and promote <https://assignbuster.com/fundamentals-of-marketing-the-warehouse-nz-marketing-essay/>

the well-being of society. The producer should not produce products deemed hazardous to society. Societal marketing developed into sustainable marketing.