

# [Management research project and presentation](https://assignbuster.com/management-research-project-and-presentation/)

The British Red Cross is a charity registered in the UK. It is the UK member of the International Federation of Red Cross and Red Crescent Societies (the Federation), an humanitarian Movement that currently encompasses 186 territories across the world and around 97 million staff, supporters and volunteers. The British Red Cross employs 2, 755 members of staff and 27, 349 volunteers, and income in 2008 amounted to £243, 548, 000. The 2006 Intangible Business report (2006) placed the organisation as the fifth most powerful charity brand in the UK, with its brand value topping £108, 000, 000; along with an income that year of £201, 900, 000.

The British Red Cross places strong emphasis on its differentiation from other charities and non-governmental organisations; in particular its absolute commitment to neutrality, impartiality and independence, coupled with its emphasis on individual and community resilience. These give the brand a competitive advantage above others in the sector. The first aid services business unit (the department in question for this marketing plan) forms part of the income from generating fund (trading) work stream, and is concerned with teaching first aid and selling first aid products. The first aid services department’s customer base is non-commercial groups, such as schools, clubs, societies, other charities and support organisations.

## 1. 2 Research Problem

The focus of the organisation as a whole is on the creation of a society in which all are empowered to prepare for, withstand and recover from emergencies on whatever scale they occur – from dealing with a cut finger to managing a major disaster. The organisation has realised that service levels should be improved and enhance the charity activities.

The British Red Cross already works closely with primary schools teachers, and has developed a first aid learning resource for secondary schools[1]. A similarly differentiated kit that can be used in primary schools would fill the gap identified above, as well as generating income for the organisation, reinforcing its position as a leader in first aid learning[2], and fulfilling corporate objectives.

This strategic plan is designed to introduce a new product (the primary first aid learning kit) to an existing market (primary school teachers). The plan includes a marketing audit and examines the current internal situation at the British Red Cross – in addition to analysing the external environment – in order to devise objectives, strategies, tactics and implementation targets. A SOSTAC model has been used to give a structural basis to the marketing activity.

## 1. 3 Research Objectives

To find that when an emergency strikes, they will respond.

How should make people and communities more resilient by helping them prepare for and withstand disasters.

How to help vulnerable people recover from health or social crises, and live with dignity and independence in their homes.

How to increase the International Red Cross and Red Crescent Movement’s impact on the lives of the most vulnerable.

How to make volunteering for us the best experience money can’t buy.

Make sure key people and groups know what we do and why – and how they can help.

Method to ensure those who use our services, and who support us in other ways, trust us and have confidence in how we work.

How to maximise our net income as cost-effectively as possible.

Above research objectives based on the corporate objectives. These objectives can specifically mention as follows;

To increase “ informal” first aid learning by 10% in the next 3 years. This relates to research objective 2.

To increase the number of first aid products sold by 10% in the next 3 years. This relates to research objectives 2 and 8.

To increase knowledge and awareness of British Red Cross’ key first aid products and services by 20% in the next 3 years within 2 priority groups: teachers and parents. This relates to research objectives 2 and 6.

## 1. 4 The importance of marketing research & Methodology

Proper marketing research is key to an organisation’s ability successfully launch a new product into an existing market, and in doing so to increase profit and brand equity. Within a charity context, the need to generate funds to be used to help others is a major part of the organisation’s activities – and this aim simply cannot be realised without effective and efficient research in place. Effective marketing research can also boost the chances of bring about real social good, and making positive changes to beneficiaries lives. A well-structured research that makes use of relevant models and takes account of both internal and external factors ensures clarity and a systematic approach. Marketing research uncovers niches in the market which can be filled, highlights gaps in funding and provision and drives the organisation towards the fulfilment of its goals.

The first stage of the marketing research process is to establish where the organisation is at the present time, to act as a baseline for comparisons and something on which the marketing research can build. At the heart of this situation analysis is the identification of critical success factors and distinctive competencies, which are the distilled learning from examination of the organisation’s strength and weaknesses, and the opportunities and threats it faces[3]. Using these key pieces of information, the marketer can allocate resources to ensure that wherever possible strengths are boosted, weaknesses overcome, opportunities are taken and threats neutralised.

A key part of the marketing research process is identifying customer needs and wants, and profitable ways of satisfying them. Without this information, the organisation is left creating products and services about which it has no idea of demand. Part of gathering this type of data is competitor analysis, which can provide valuable insights into the market as well as flagging up potential areas of overlap and areas which would not prove profitable.

Effective marketing research also combats wastage through efficient use of resources. Using models such as the Value Chain Analysis highlights areas where savings can be made and processes tightened in order to maximise value and deliver a larger profit margin. In the example of the British Red Cross, use of the Value Chain Analysis showed that the margin could be increased by improving the efficiency of inbound logistics[4]. Wastage can also be combated through the examination of potential changes to internal and external environments, and building proactive mitigating factors to negative change and ways to take advantage of positive change into the plan is key.

It is necessary to conduct survey to collect all information. They can use questionnaire in print format as well as in e-format (online questionnaire). Through the existing welfare societies can distribute the questionnaire. Then should collect and properly analyse the entire research findings. Also company can conduct other primary research methods such as in-depth interviews and focus group discussions. In this report analysis I have taken most of the secondary sources.

## 1. 5 Literature Review

A marketing research is a starting point from which the organisation can begin to look forward, fill gaps and plan activities. In the words of Dibb et al (2005): “ A marketing audit is a systematic examination of the marketing function’s objectives, strategies, programmes, organisation and performance”. Without this methodically obtained baseline, the organisation has no way of evaluating either where it has come from or where it is going. Factors affecting the organisation must be identified, potential changes considered and prepared for, and the reliability and validity of information should be rigorously interrogated. This requires considerable research on the part of the marketing team, and is of vital importance. Situation analysis should form a regular part of a marketing department’s work in order for it to adapt to both internal and external changes in the environment.

## 1. 5. 1 Internal factors

The organisation has control over its internal environment, and as such it is important to examine internal factors closely. Data must be gathered, both current and historical, as well as think pieces examining future plans. Reliability of information should also be considered – minutes of meetings may not always be accurate and staff and volunteers may not always be scrupulously honest in workforce surveys. In addition, some data may not be available, either due to confidentiality, poor record keeping or lack of budget. Organisational strengths and weaknesses should be taken into account, and potential internal changes considered.

## 1. 5. 2 7Ps and 7Ss

Booms and Bitner’s 7P and McKinsey’s 7S models have been employed to identify and analyse the internal factors affecting the British Red Cross[5]. Both models are key tools in the marketing analysis. Used correctly and in conjunction with the external analyses, the information they uncover forms the basis on which the entire marketing plan rests. By examining the strengths and weaknesses of each P and each S, the marketing team can evaluate the organisation, taking a snapshot of the current situation which will allow for planning to increase positive aspects and reduce negatives. It also enables the marketing team to consider the perspectives of the organisation’s stakeholders, all of whom are key to success. Both the 7P and 7S models are key tools in the marketing analysis which, when used correctly, uncover information that forms the basis for building a sound marketing plan. For example, in the case of the British Red Cross these models identified the strengths of the organisation’s positive brand association, which will play a key role in the positioning of the first aid education kit, but also highlighted a weakness of product differentiation, which the kit will go some way towards addressing.

## 1. 5. 3 BCG matrix

As a large organisation the British Red Cross undertakes many different activities and provides hundreds of products and services. The products and services from the first aid services strategic business unit have particular potential to affect the activity surrounding the primary first aid marketing kit, and it is important to map each of these in order to generate future strategy. To do this, and to examine the potential placement of the kit within the context of the strategic business unit, the Boston Consultancy Group’s portfolio analysis matrix was employed[6]. This identified that the majority of the unit’s output are cash cows, and the minority are dogs, highlighting that good levels of profit are coming in and resource investment is fairly low. The matrix suggests that resource capacity from the cash cows can be used to grow the kit from a question mark to a star. The matrix has also shown up areas of the unit’s work of which it would seem prudent to divest itself in order to reinvest resources.

## 1. 5. 4 PLC

Along with the BCG matrix, the product life cycle is also extremely useful tool in indicating to the marketing team the level of resourcing a product requires now, and the likely stages it will go through if a good marketing plan is well executed[7]. This model identifies the product’s growth stage, with each stage requiring different levels of resource investment and different activity. As the kit is currently in research and development it requires great investment of time and money and cannot yet make a profit.

## 1. 5. 5 Value chain analysis

Porter’s value chain analysis examines the primary and secondary activities undertaken by the organisation[8]. The model demands a thorough interrogation of the organisation’s work, which is split into activities which can directly affect income (primary) and activities which support income affecting activities (secondary). By undertaking this process, the marketing team can identify areas where value to can be added and a competitive advantage created in order to maximise profit. In the case of the British Red Cross, there is already a good level of value within the system, but some activities were identified which could benefit from modification.

## 1. 5. 6 Distinctive competencies

The distinctive competencies of an organisation are derived from close investigation into its internal environment and the strengths and weaknesses therein. The competencies identify the core skills and superior qualities of the organisation which differentiate it and can confer competitive advantage. They are the culmination of the internal situation analysis and identify priority areas which can be leveraged to gain success. In the case of the British Red Cross, 3 distinctive competencies were identified, and played an important part in informing the marketing plan[9].

Internal change is slow within such a large organisation and so it is unlikely that the competencies will change dramatically within the life of the marketing plan. The reason for this is in part due to the organisational culture and ways of working and in part due to the immutable founding principles of the organisation. For example, unless a catastrophic event occurs to the organisation and the comprehensive crisis management plan is not implemented, it is unlikely that the positive brand equity could be destroyed within the timeframe of the marketing plan. In addition, the organisation employs a brand management department which works solely to enhance and protect the organisation’s position. Written into the organisation’s five year strategy is are objectives concerning emergency response and first aid, which guarantee investment and highlight the importance placed on these areas. Again, it is highly unlikely that the organisation will change these priorities and nullify this distinctive competency. As regards the need to further differentiate products and services, such a large and slow-moving organisation as the British Red Cross will take time to do this, and the activities outlined in the marketing should go some way to achieving this goal.

## 1. 5. 7 External factors

In addition to the internal environment, over which the organisation has control, there are two external environments, the micro and the macro. Data must be collected for both of these environments, and examined as closely as that from inside the organisation. Articles in the media, competitor reports and accounts, conversations with counterparts, and political details should be studied, as well as social and cultural practices within the product’s target market. Again, the validity of data should be closely questioned, as an element of bias is likely to appear in most media and political reports, and competitors and counterparts will always attempt to show their own organisation in a positive light. Research into and analysis of the external environment also enables the marketing team to consider their organisation from the perspective of a customer, competitor or supplier. In order to be fully informed about the total environment into which the primary first aid learning kit is to be launched, it is vital that as many issues which may affect it as possible are known, so that positive action can be taken and pitfalls avoided.

## The micro-environment

The micro-environment consists of external factors which are fairly close to the organisation, and which it may be able to influence in some way. By using a SPICC analysis[10]to consider those groups who are closest to the organisation, the marketing team can plan ways in which to positively affect them. Porter’s five forces analysis[11]is another useful model and considers risk from the external environment in order to prompt thinking on mitigating loss and maximising gain to the organisation.

## The macro-environment

The macro-environment is much less close and it is far less possible for the organisation to effect changes in this area. Nevertheless, it is still extremely important for the organisation to be aware of features which may impact on its profitability, brand and its ability to meet its objectives. Special consideration should be given to factors that are most likely to bring about change and those which would have the largest impact on the organisation. The PESTEL model enables a high level analysis into this environment, and gives insight in the decline or growth of a particular market and the position of competitors, as well as suggesting avenues for exploration[12].

## 1. 5. 8 Critical Success Factors

In identifying and interrogating the opportunities and threats uncovered by the micro and macro environment, the marketing team can identify the organisation’s critical success factors – those features which are essential to ensuring the organisation succeeds in its endeavours. Along with the distinctive competencies, these factors require the greatest attention from the organisation if it is to flourish. In the case of the British Red Cross, 3 critical success factors were identified, and these play a key role in the marketing plan[13].

## Task Two

## 2. 1 Organisational Objectives

Over 120, 000 people undertake a first aid training course with the British Red Cross each year, but to really begin to embed community resilience, we need to increase the number of people accessing first aid learning through more informal means (learning tips online, using a learning kit at school, etc.).

With the current economic downturn it is important to diversify income streams, to mitigate against a reduction in donations from individuals. An increase of 10% in first aid product sales would result in further funds for the organisation to put back into its charitable activities, as well as increasing the resilience capability of the general public. It would also assist in meeting the target of a 10% increase in income from the overall trading stream.

As shown above, in 2009 only 50% of the general public felt the British Red Cross’ products and services stood out clearly. To build resilience, we need to make sure our offers are differentiated. Teachers and parents are key audiences in the community, and by increasing their knowledge of what we offer, we can gain access to children and young people – the life-savers of tomorrow.

## 2. 2 Marketing strategy

## 2. 2. 1 Growth strategy

Ansoff’s matrix[14]provides a framework for identifying the most appropriate growth strategy in order to fulfil the functional marketing objectives and reach the sales objective. Applying the matrix, having examined the planning gap analysis and objectives, showed that a product development growth strategy is most appropriate to use in this situation. This supports the posited idea to launch a primary first aid learning kit. Gaps in the first aid services portfolio have been identified, and the British Red Cross already has a strong brand and a good reputation in this field – both in terms of quality and value, and in terms of expertise[15]. The British Red Cross already has good links with teachers in primary schools, following years of first aid education training, and this knowledge and contact data will optimise success.

The existing market for first aid products and services is still viable (which rules out a market development strategy), as one of the distinctive competencies discussed above highlighted that British Red Cross products and services are not yet fully differentiated, and situation analysis research showed that general public awareness of products and services was only 50%.

A product development strategy is also of only medium risk – as an organisation the British Red Cross does not undertake high risk growth strategies, and prefers to build on accrued knowledge and experience in known markets, as it will be able to do with the primary first aid learning kit. A diversification strategy would be too high risk for the organisation, and a market penetration strategy for the new kit would not be possible.

## 2. 2. 2 Competitive strategy

In order to support the growth strategy, a method of maintaining competitive edge is needed, and this has been determined using Porter’s generic strategies model. Having examined the factors discussed above and in the appendices, the most appropriate competitive strategy for this situation is a focus or market segmentation strategy. As a charity, the British Red Cross finds it difficult to compete on cost, and as it is not a hugely fast-moving organisation it cannot regularly innovate. Many of its products and services are designed for very specific audiences and are generally of a specialised nature. There is some competition in the first aid services market, but the number of competitors is low and there are identified gaps in the market – one of which is the primary first aid learning kit[16].

## 2. 2. 3 Segmentation, target and positioning

Within the British Red Cross first aid services strategic business unit are a large number of products and services[17]. However, this marketing plan is concerned only with the launch of a new primary first aid learning kit, and as such the segmentation, targeting and positioning data will apply only to the kit.

## Segmentation

Geographical segmentation: UK Chosen because the primary first aid learning kit is designed to work with the national curricula across the UK. This segment cannot be reduced further as the aim is to reach as many children as possible, regardless of their location.

Demographical segmentation: Male and female adults who regularly work with groups of young people aged 5 – 11 years old and who have access to “ physical learning spaces” (schools, village halls, scout huts, etc.) and available funds in excess of £500 per year. These were chosen as customers will already be working with young people – those not working in this field will have no interest in the product. The customers will need space to work in when using the kit, and will be aware of this before they buy. They will need a budget in excess of £500, as although the kit is will cost significantly less than this, it is unlikely that those on smaller budgets will feel able to spend money on anything other than very basic materials – which this kit is not.

These segmentation criteria suggest the following segments to target: primary school teachers, youth group leaders, parents of large families.

## Target

Teachers will be the prime segment which British Red Cross first aid services will target. This is for the following reasons:

The British Red Cross has a good strategic fit with schools and teachers, as both are concerned with education and positive behaviours.

There are many ways to reach teachers, both at school and externally.

It is likely to become law for first aid to be taught in schools, which will boost teachers’ interest in the kit and drive sales.

The primary first aid learning kit will be designed to work with school curricula, which will also increase teachers’ interest.

Teachers have budget available to buy specific learning materials, especially those which form part of the national curricula.

The British Red Cross first aid services team already have good links with primary school teachers.

Parents of large families were discounted, as they operate in a far more informal way than the kit requires – it’s a formal learning tool. Youth group leaders were discounted as they are more difficult to reach, are likely to have less disposable budget, and the British Red Cross has fewer links with them.

The types of schools at which the teachers teach have not been discussed, as although public and private schools are likely to have more disposable income, they are not affected by national curricula requirements so are no more or less likely to buy it than state schools. Although state schools have less money they must follow the requirements of the national curricula. This money/curricula equation therefore cancels out any potential advantages of choosing one type of school teacher over another. According to the latest available data from the Department of Children, Schools and Families (2002), there are around 207, 460 primary school teachers in the UK, working at 22, 000 primary schools.

## Positioning

Teachers of children aged 5 – 11 years old are typically very busy, have minimal time to research new products and services, are extremely aware of price, quality and accuracy, want to use materials which give their pupils the best chance of success, want to fulfil their obligations under the national curricula, and place high value on organisations which behave responsibly and make their lives easier.

This suggests that the primary first aid kit must be positioned as excellent value for money and created by an expert, trustworthy organisation. It must be shown to be a high quality product that’s easy to get hold of, easy to use and gives pupils a solid, accurate, practical and engaging insight in the material. The services surrounding the kit must be also be positioned as easy, quick and trustworthy. The design of the materials should echo these points.

The kit will sit within the branded quality product category – it is brand new and unique, good value for money and, due to its niche market, will only be available through a few sales outlets (by phone, online or mail order, due to the unique way the British Red Cross is permitted to sell its materials[18]). This fits with the focus competitive strategy discussed above.

## 2. 3 Marketing Mix

## 2. 3. 1 Product

The primary first aid learning kit is a predominantly tangible entity, surrounded by layers of intangible services. The core product is the tangible first aid learning kit, which fulfils teachers’ need to educate their pupils in first aid. The second product, or first value added layer, consists of the product’s design and packaging (which will encourage sales by being clear, simple, professional and practical), its clearly signposted curriculum links (which will show customers exactly how the product will benefit them and their pupils), the British Red Cross brand with which it’s associated (which is well known and trusted), the multimedia taster materials available in advance of purchase (which, again, will highlight the positive aspects of the kit whilst at the same time engendering goodwill for providing some free materials), the quick and easy ways to buy the kit (which will make it easier for the customers to buy it, as we know how time-pressed they are), and the quick and easy delivery promises (which, again, will encourage customers who have not had much chance to order materials far in advance). The aim of all this is to add value to the core product and drive sales.

## 2. 3. 2 Price

The pricing strategy of the primary first aid learning kit will is linked to the value which customers place on the satisfaction of their need to teach first aid to 5 – 11 year olds. This means an examination of the highest value the customer would pay and the lowest cost the British Red Cross can sell it for is necessary.

## 2. 3. 3 Place

The British Red Cross model of distribution is direct – it does not use intermediaries such as wholesalers or retailers. This is positive in that it allows for a high level of control, good customer relationship management, the brand is protected and low marginal cost. Inversely, this model has high set-up costs, it’s a time-consuming process, market reach is limited, brand equity can’t be increased through piggybacking and costs cannot be passed on to intermediaries.

## 2. 3. 4 Promotion

Using the DRIP[19]analysis, the objectives for the primary first aid learning kit during each stage of the product life cycle, and the percentage of resources allocated are as follows:

## Introduction stage

## Growth stage

## Maturity stage

## Decline stage

## Differentiation

Secondary objective (35% of resources)

Secondary objective (30% of resources)

Tertiary objective (15% of resources)

Tertiary objective (8% of resources)

## Reinforcement

Quaternary objective (5% of resources)

Quaternary objective (5% of resources)

Secondary objective (20% of resources)

Secondary objective (10% of resources)

## Informing

Main objective (50% of resources)

Tertiary objective (25 % of resources)

Quaternary objective (10% of resources)

Quaternary objective (2% of resources)

## Persuading

Tertiary objective (10% of resources)

Main objective (40% of resources)

Main objective (55% of resources)

Main objective (80% of resources)

## 2. 3. 5 Extended marketing mix

The extended marketing mix of people, process and physical evidence can be used to overcome the limitations of the kit (particularly those associated with its service layers), as well as the first 4 Ps discussed above. The limitations in question are:

## Intangibility:

The kit itself – along with its packaging – is tangible, which limits the issue of intangibility, but by providing documents to support the intangible services associated with it (such as the 5 year guarantee and curriculum signposting), this can be limited further. The free first aid learning support could be formalised i