

Describe what is
meant by market
orientation marketing
essay



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Market orientation is a business approaches that focuses on identifying and try to meet the needs or wants of customers. Market orientation occurs when the customers identify difference in a company when all the advantages offered to customers are measured. Market oriented companies focus customers wants and for the companies it is a good opportunities arise from changing needs of the market. The advantages of market oriented companies are it would have a higher customer value. Besides that, market oriented companies can do better than their competitor hence it will increase their profit. Company will focus the needs of the customers and try the best to meets their needs due to the level of competitive among the companies is high. Market orientation can be achieved by market research. In market research, the companies are gathering, record, and analysis of data from the customer and market. After analysis the data from customer and market, the company can easily to meets the customer's needs and wants.

Based on the case given, Nestle already done their market research about their consumers and the result shows that their customers' needs want more information about what they eat and drink. Nestle try to understand the economic, geographic and social factors which affects the diets of the consumers and try to concentrate on the nutritional and health value of the products. Example, Nestle have used their research and technological expertise to their ice cream products to lower the calories and fats and yet to have the same taste. In order to promote their product as a healthy product, Nestle provide the information about their products to the customers by using visual form of ' Guideline Daily Amounts' (GDAs). GDAs symbolic will

make consumers to easily understand and make correct decision on the average amount of nutrients that they consume over an average day.

Moreover, Nestle also focus on their customers and to understand their physical desires. Nestle have many products and consumed by all age of groups. They have introduced sugar free products like Polo and lower sugar product Kit Kat Light. Thus, it is clear that Nestle is market oriented companies since they are trying to understand the customers and market needs in order to achieve organization's goal.

Using an example, explain what is meant by business ethics.

Ethics are the moral principle or values held by those within the organization.

For Nestle, in order to be ethical in operations, Nestle's decisions are guided by a series of business principles. The well-being of consumers and employees is central to its business principles. For example, one of the principles is Nestle recognizes that its consumers have sincere and legitimate interest in the behavior, beliefs and actions of the company behinds its brands in which they place they trust, and that without its consumers the company would not exist.

Business ethics is a study of what is constitutes right or wrong, good and bad. It also means the human conduct in a business context. Business ethics can influences the decision making of one company. One of the examples of business ethics is in the situation when the company deals with their customers. The ways that the company deals with their customers is they must treat them fairly and honestly. It means prohibiting the employees from cheating the customers or providing them misleading information. The

employees should not hide the true price of a products, services and policy and trick customer to buy the product. They should not promise more than the product or services can deliver.

Nestle practices a good business practice which the company play an important roles in the development of Guidelines Daily Amounts' (GDA). The company added the visual form of the GDAs in the front of the pack of each product. Hence, every customers know the information of the amounts of calories, sugars, fat, salt, saturates of each product. The company also did not exaggerating the GDA in their product. It can show that Nestle is practicing a good business ethics.

Question 3

What is the purpose of having business principles?

Business principles are basically the guidelines used by business organizations. These principles play an important role as they influence the decision making of a company. Besides that, they serve as a supporting tool which provide a reference point and guide to the detailed implementation for the companies. There are several purposes of having business principles.

First of all it acts as a guideline for the employees to follow in order to achieve the goal of the company. Business principle of a company is an approach to create a shared value between the shareholders and consumers besides influencing how the employees of an organization should behave.

Nestle has its own business principle. The Nestle corporate business principles are the basis of the company culture. It has been developed over the span of 140 years. Nestle is committed to the following business

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principles in all countries, taking into account local legislation, cultural and religious practices. All these principles provide clear guidelines for employees and help them make choice which reflects the company's ethical stance.

The first principle is Nutrition, Health and Wellness. The purpose of this principle is to enhance the quality of consumers' lives every day, everywhere by offering tastier and healthier food and encouraging a healthy lifestyle. Nestle express it through their corporate proposition Good Food, Good Life. Next business principle is quality assurance and product safety. Nestle name represents a promise to the consumer that their product is safe and of high standard. The third principle is consumer communication. Nestle is committed to responsible, reliable consumer communication that empowers consumers to exercise their right to informed choice and promotes healthier diets and respect their consumer privacy. The fourth principle is human rights in the business activities. Based on this principle, Nestle fully supports the United Nations Global Compact's (UNG) guiding principles on human rights and labour. The aim is to provide an example of good human rights' and labour practices throughout their business activities. The fifth principle is leadership and personal responsibility. Nestle company's success lies on its people. Nestle corporate treat each other with respect and expect everyone to promote a sense of personal responsibility. They recruit competent and motivated people. Nestle also provide equal opportunities for every employee's development and protect their privacy. The next one is safety and health at work. This principle is basically designed to prevent accidents, injuries and illness related to work. The seventh principle is supplier and

customer relations. Nestle require their suppliers, agents, subcontractors and their employees to be honesty, integrity and fairness. The eighth principle is agriculture and rural development. This principle shows that Nestle wants contribute to improvements in agricultural production, social and economic status of farmers, rural communities and in production systems to make them more environmentally sustainable. The next principle is environmental sustainability. Nestle commits to environmentally sustainable business practices. At all stages of the product's life cycle Nestle wants to strive to use natural resources efficiently and target zero waste. The final business principle is water. Through this principle we can see that Nestle is committed to the sustainable use of water and continuous improvement in water management. This is because the world faces a growing water challenge and that responsible of management.

Question 4

Use examples of business organizations known to you to illustrate examples of ethical decisions and comment upon why you feel those decisions to have been ethical.

The decision of the Tesco to going green is an ethical decision. Basically, going green is mean to live life in a way that is friendly to the natural environmental and is sustainable for the earth. Going green also means contributing towards to maintaining the ecological balance in environment and minimizes the harm that the community do to the environment as a result of inhabiting in the earth. Tesco took several ways to achieve the objective of going green decision. Climate week is one of the ways that the company going green. Climate week took place to help tackle climate

change. Tesco sold the Climate Week- branded Bags for Life on Buy One Get One Free. Tesco have achieved highest weekly sales of Bags for Life. If just 10% of the customers reuse their Climate Week bags, it will save an additional 2.3 million carrier bags per year. By this Tesco can help to reduce the use of plastic bags. The reduction in the use of plastics would help in the conservation of energy. Besides that, Tesco had lots of green offers in stores and sales of the climate Week T-Shirt to raise money for the Environmental Justice Foundation. Besides that, Tesco also became the first supermarket that has carbon labels on their own brand products. Tesco labeled hundreds of products which help customers to make greener purchasing choices. Tesco carbon labels show how much of carbon dioxide is emitted from the production, use and disposal of each product. The products which have carbon labels are orange juice, washing detergent, light bulbs, milk, kitchen and toilet roll. Tesco also provides automated recycling centres that help customers to recycle their plastic bottles, cans and glass. Tesco provides a recycling machine to make the recycling process simpler. The automated recycling centre enables the customer to recycle their things easily and hence it can also encourage them to recycle. Recycling helps in reducing the greenhouse effect. Gas emissions occur during the disposal of products that are not biodegradable. If the greenhouse gas emissions reach dangerous levels, it will cause a change in temperature globally. Therefore, Tesco's automated recycling centre can help reduce the manufacture of paper, plastic bottles, glass and also can save energy needed to manufacture new products. Tesco also gives Green Clubcard points for those customers which recycle two aluminium cans.

Another example of company that illustrates an ethical decision is Dutch Lady Milk Industries Berhad. In line with its new mission of “ Helping Malaysians move forward in life with trusted dairy nutrition”, Dutch Lady has launched its two-year plan which is “ Sugar Reduction Campaign” to aggressively reduce sugar consumption via its product ranges. Dutch Lady plan to reduce the sugar consumption by 40% or 2700 tons by 2013 from its current level as one of its effort to improve nutritional profile of its products. Research carried out shows that sugar consumption in Malaysia is averages 26 teaspoons a day, which is obviously more than the recommended average of not above 10 teaspoons a day. This has caused many people will suffered from obesity and diabetes in our country. Dutch Lady said currently around 32% of its total stock are made without any added sugar and by the end 2013, the company aims to reduce annual consumption of added sugar by over 2700 tons. This effort will begin with the withdrawal of its sweetened creamers starting from December 2011. Currently, 110 of its total products were made without added sugar. Dutch Lady is trying to replace sugar with natural sweeteners and also reformulating the products based on emerging nutritional science and as a new idea of healthy choice options which can be consider. The company also believes that consumers will replace sweetened creamers with evaporated or UHT milk and take one teaspoon of sugar every day as this will help to reduce the sugar consumption in the long run. This will be followed by the introduction of the improved range of existing products with 25 per cent less sugar namely Dutch Lady Kid, Dutch Lady School and Dutch Lady Low Fat Drinking Yogurt. By showing these products with lower sugar contents in the product, consumers will expect that the

sugar levels to be reduced in most of Dutch Lady's products. This will attract more consumers to buy Dutch Lady's products as it is good for health.

In our opinion, " Sugar Reduction Campaign" carried out by Dutch Lady reflects that they are making ethical decision for their business. This campaign is also part of Dutch Lady's corporate social responsibility programme and business sustainability efforts as a commitment for helping Malaysia become a healthier nation in future. This campaign also aligns with government and medical fraternity's effort to promote healthier lifestyles amongst Malaysians as well as to help educate Malaysians about the negative effects of high level of sugar consumption. Besides, it is also aimed to improve the health of consumers by reducing the amount of sugar consumption in a day which is not good for our healthy. The lower the level of sugar consumption in a day the better it is as it will encourage consumers to have a healthier lifestyle. This means that Dutch Lady also concern about their consumer's health besides aim for earning high profits only for their business. The action taken by Dutch Lady reflects that company is responsible to continuously work towards improving the nutritional profile of its products line by making some improvement to its existing products. Thus, it will also encourage positive reputation to the company as consumers will loyal to Dutch Lady's brands in future.