

# Business jd sports case study essay sample

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Being closer to consumers and providing exactly what they want is known as market orientation. JD Sports is a market-orientated business carries out research to find the needs and wants of consumers. It then uses the findings to design products and marketing strategies to satisfy these needs. This compares to product orientation which focuses first on developing a product and then seeks ways to persuade the consumer to buy it. They manage the balance of its marketing mix around its consumers' needs in order to achieve business growth. JD Sports is a business to Consumer Company and therefore depends on how desirable its brands are to consumers. By providing exactly what the consumers want JD can outperform its competitors. They do this by using the 4P's: Product:

The product is concerned with the function and features offered by a good or service. Product also encompasses factors such as quality, design, after-sales service and branding. JD sells lifestyle products. These are sportswear ranges worn in everyday life. JD targets different groups of consumers who desire trainers and sports fashion as casual day wear. Many of the products that it sells are from long established, popular brands such as Nike and Adidas. These brands appeal to large groups of consumers and are easily recognised by JD customers. They are backed by large marketing budgets which help to boost sales and sustain demand by consumers. Usually it is manufacturers who decide what products to produce and retailers have no say in this. However, JD is different. The company has so much buying power and knowledge of the market that manufacturers are happy to take its ideas. These are then used to produce exclusive products for JD. For example, the Adidas Forest Hills and Adidas Training PT footwear ranges were developed

exclusively for the JD Group and cannot be found in any other retailer. JD works with suppliers across the world to develop and deliver own-brand products. Before any orders being placed, all new suppliers have to complete the Group's risk assessment form to ensure that their activities are in line with the Ethical Trade Initiative Base Code. This code covers areas such as health and safety, working hours, wages, fire procedures and maternity pay provisions. Price:

The price charged for a product will depend on a number of factors such as, the cost to make it, the level of profit required, competitor prices and the price consumers are willing to pay. The demand for sportswear and casual clothing is likely to be price sensitive. Getting the price right is a key part of an organisation's marketing strategy. This is because it is the price that directly generates income, allows debts to be paid, re-investment to occur in the business infrastructure and profits to be made. Businesses must ensure that the prices of products are value for money in relation to the quality of goods and services. There are different pricing strategies which can be adopted to generate demand.

These are Market penetration, Competitive pricing and Strategic pricing. Market penetration is the method of introducing a new product at a lower price to help gain market share. Competitive pricing is often used for well-known products or brands that are in high demand. Prices are similar to competitors. In order to stay competitive, JD must ensure it doesn't charge higher prices for the same or similar goods than other sports and fashion retailers. Strategic pricing could be used to position an exclusive product or

brand to make it more desirable for consumers and generate demand or demonstrate value. By buying in large volumes, the company's unit costs are lower. For example, discounts achieved by bulk purchases of trainers means the cost for each pair is lower than that paid by smaller retailers. This ensures JD remains competitive. Place:

The place element of the marketing mix involves making products available to the customer in the most convenient way. To ensure this JD operates in many different places such as high streets, out of town locations, shopping centres and online stores. JD wants to make the shopping experience distinctive from that of its rivals. It does this by innovative displays and creative imagery to make the store experience fun and exciting. The JD property committee meets regularly to discuss possible new store locations. The right location can maximise sales, limit costs and therefore maximise profits. There are different things that influence new store locations. \* The numbers visiting the location

- \* Cost of the units
- \* Whether people can get there easily via transport links
- \* How many parking spaces there are
- \* Competitor presence
- \* Demographics of the area, whether the target market of consumers is near by
- \* Numbers, positions and quality of units available

JD has invested in e-commerce. JD recognises that with the increasing use of online shopping, consumers now expect very high standards of service and

functionality from a web ordering site. In order to reach consumers in the best possible way, the company's web designers constantly aim to improve the functionality of the site. It is now possible for consumers to buy products directly from the website.

#### Promotion:

The purpose of promotion is to create awareness and generate an interest and desire to buy products or services. It can also be used to create or change a brand image and maintain market share. JD Sports wants to position itself in a way that gives them a competitive advantage. This means that high profile manufacturers and brands will prefer to release their products to JD rather than its competitors as they are likely to sell more products and protect the brand's positioning. JD uses a mix of above-the-line and below-the-line promotions. Above-the-line activities would include paid for advertising in newspapers and magazines, product placements in a range of publications and TV and radio advertising. These types of media can be costly but they do reach a wide audience, and it is difficult to measure response rates.

They also use 'ambient marketing' such as advertising on public transport and poster sites. Another form of promotion they use is that they have kit deals under the Carbrini brand with football clubs such as Blackpool FC. They advertise on television backdrops, in club shops and around the grounds hoardings. This helps to target the young, largely male audience and it establishes the brand within local communities. Below-the-line promotions give opportunities to communicate directly with consumers with methods

such as emails, magazines, leaflets, sales incentives, sponsorship and product endorsement by celebrities and music artists, partnerships with arenas such as the Manchester evening news arena and window displays to attract consumers and increase footfall. They also use social media such as Facebook and twitter to reach out to masses of audiences. Conclusion:

JD's marketing mix has created a unique position for the brand within the mind of its consumers. The company focuses on stocking the products its consumers want, as well as offering exclusive ranges that can only be bought at JD. This, mixed with its choice of strategies for placing and positioning the brand, has resulted in significant growth for the business. By constantly adapting and changing its marketing mix through a focus on consumers, it has managed to stay ahead of the competition.