

Marketing management assignment

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In 2012, the transactional website was launched that made Masters Home Improvement win the title of Australia's first online hardware and home improvement retailer. Masters Home Improvement strives to provide marvelous shopping experience that consumer have never experienced before Vela marketing strategies. This essay will outline the marketing environment analysis of Masters Home Improvement in terms of macro and micro factors. Then, it will discuss the marketing approach. In the end, some recommends will be given to Masters Home Improvement. . Marketing Environment Analysis-?? Micro Trends 1. 1 Customers According to Kettle and Armstrong (2012, p. 93), Customers are the most important factors In company's micromanagement and the target of establish value delivery outwork between company and customers is that satisfy customers' demands and create strong relationship. Retailing is a business with extremely people-focused, well-trained and professional employee satisfies the demands from customers that create triumph (Masters Home Improvement, 2013).

Masters Home Improvement has Involved In training and education programmer which require every employee to participate at least 100 hours Job training before working to ensure that they can provide the professional services and assists to customers. Most of customers who try to furnish or decorate their house are not experts. Customers always confuses from materials, sizes to assemblage. Therefore, It Is an opportunity for Masters Home Improvement professional to operate with the strategy of well- trained employee. 1. 2 Competitors A company must understand their competitors.

The acquirement of competitor's information helps company to adjust marketing strategies. Kettle and Armstrong (2012, p. 92) said that offering greater customer value and satisfaction than their competitors is a marketing concept to be successful. For Masters Home Improvement, Buntings is their biggest competitors. There are many similar strategies in Masters Home Improvement and Buntings such as return policy and price promise. Both Masters Home Improvement and Buntings offer return without reasons and 10 presents beat price policy (Masters Home Improvement, 2013 and Buntings, 2013).

In addition, Masters Home Improvement and Buntings accept any reason for return, yet there is a little difference. If return without receipt, Buntings will provide exchange voucher as refund (Buntings, 2013). Conversely, Masters Home Improvement will therefore, Masters Home Improvement needs to adjust those strategies which are identifiable against Buntings. Moreover, the number of available store location in Buntings is nearly 7 times higher than Masters Home Improvement. On the other hand, Masters Home Improvement is inconvenient and unavailable for most customers.

Roy Morgan Research (2013) indicated that the annual average visit to Buntings is 7 times while Masters Home Improvement only has 3 times. The way of competition with Buntings is in terms of convenient and more shop sites. 2. Marketing Environment Analysis-?? Macro Trends 2. 1 Natural The natural environment refers to the natural resources which are the materials of producing or which are influenced by marketing activities (Kettle and Armstrong, 2012, p. 102). While the human activities have become

prosperous, the pollutions and damages of environment have increased dramatically.

The thought of concerning and protecting environment has been proposed for many years. The hardware field is one of the heaviest consuming businesses in natural resources, forests in particular. Masters Home Improvement (Masters Home Improvement, 2013) said that they recognizes the importance of protecting environment and deliver the beliefs through their product. The actions of protecting environment including using the timbers within the concept of sustainability and well-managed or which are eradicated by global forest certification organization such as PEACE.

In addition, Masters Home Improvement developed a program to recycle and re-use timbers for increasing the efficiency of using timbers. However, essential elements of operating a store including electricity and water should also be considered under environmentally friendly. 2. 2 Technological Technology is one of most significant element which shapes our life in contemporary society and plays an influential role in marketing strategies (Kettle and Armstrong, 2012, p. 104). Technologies not only create new products but also create opportunities to marketers.

Applications on smart phones and tablet computers are the typical innovation in this generation, and the of power influence of applications in marketing are unpredicted. Masters Home Improvement valued and launched an application on phone (Masters launches real-time customer service app, 2013). This application not only provides the basic function such as searching information and purchasing products but also offers some

special functions such as “ chat now’ which connects directly with Masters’ service representative can answer all the questions as acting a real employee. Scanner” is another feature which is a price comparing tool. And “ projects” provides the information of product and using methods via articles or videos. Those functions realize all the requirements which can be completed online rather than only can be done in stores in the past. 3.

Marketing Mix-?? Evaluation and Critique 3. 1 Overview of Current Marketing Approach leadership positions is transferring superior value to their target customers. The concept of operating of Masters Home Improvement is “ The stores are designed with you in mind” (Masters Home Improvement, 2013).

On the other hand, Masters Home Improvement offers the customer-first shopping experience that involves in satisfaction of customers’ demands from products to services. This statement can be classified into four main principles including price guarantee, product diversity, professional assistance and well shopping environment (appendix A). 3. 1. 1 Price guarantee Masters Home Improvement is a corporate chain which has advantage to buy in large quantities at lower price. And the primary message of Masters Home Improvement is to change customer behavior from other stores to Masters Home Improvement to save more.

Thus, Masters Home Improvement delivers this concept through setting competition-based pricing that develops the price guarantee strategy. Price guarantee strategy promises to beat it 10% if the price is lower than Masters’ (appendix B). 3. 1. 2 Product diversity Masters Home Improvement emphasizes the importance of product mix, so Masters Home Improvement

provides more than 35, 000 products which are up to 62 categories (Masters opens first store, 2011). Although Masters Home Improvement develops the strategy of price leadership, this does not mean that Masters Home Improvement provides lower quality product.

In fact, there are many famous brands which are available in Masters Home Improvement. Moreover, product diversity helps consumers to reduce costs in terms of searching and comparing products. 3. 1. 3 Professional assistance Service is one of the most influences in shaping consumer behavior. Masters Home Improvement increases service variability on the concept of product leadership by offering complete both hardware and software assist. Every employee in Masters Home Improvement trains for 10, 000 hours to ensure obtaining enough professional knowledge to assist customers (Masters Home Improvement, 2013).

In addition, there are help buttons which are set throughout the store to avoid missing staffer. Moreover, after-sale service such as return or assemble is concerned by Masters Home Improvement. As a result, Masters Home Improvement creates a field of did- based information in their website, and is willing to solve any purchasing problem. 3. 1. 4 Well shopping environment Shopping environment is the most silent influence in marketing, yet shopping environment can generate unconsciously positive connection with consumers.

Therefore, Masters Home Improvement operates in a way of elaborateness instead of the stereotype of warehouse which was rough and simple, changes the situation that only men or who are interested in did go to

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warehouse into no gender and household environment through air-condition, bright space and roomy pavement. The relaxing places such as restaurant and toilet which are also available in Masters Home Improvement are important traits of well shopping environment to make shopping time more flexible. Also, playground for kids can make consumers shop without other worries (Masters Home Improvement, 2013).

2 Evaluation of Effectiveness

Strengths Weakness Technology leader by developing first online shopping system in housewives campaign and versatile application on apple store. Supply professional staffers who offer more assistance Strong connection with environment issue by using timbers with sustainability and well-managed principle. Well shopping environment Wide range of products, in consequence, management barrier and extra cost Insufficient number of store Similar strategies refer to return policy and price policy Opportunities Threats Developing other advanced technology

Establishing brand image Strengthen positive perspective refers to connection with environment protect. Similar price policy refers to price guarantee which reduce identification of Masters Home Improvement from other stores Similar return policy also reduce identification of Masters Home Improvement from other stores

4. Marketing Mix – Redesign Product refers to the connection of goods-and-services which company offers to target customers (Kettle and Armstrong, 2012, p. 75). Masters Home Improvement not only provides diverse products (up to 35, 000) but also offers many famous brands Appendix B).

Diverse products basically contribute to various options that have the advantage to help consumers to save costs such as searching time and transferring time and energy. Masters Home Improvement views this benefit as one of attractive strategy. 4. 1. 1 Redesign Masters Home Improvement should concentrate on the products which are in the warehouse field.

Because, there are a lot of products which are not belong to warehouse campaign such as household electric appliances. In general, customers think that buying things in specialized stores has pledge to quality and lower price.

Thus, some products such as wash machines and air conditions will not be consumed. Consequently, those products should be removed from stores to

reduce cost on storage, space and employee. 4. 2 pence Masters Home Improvement develops a strategy of price guarantee to ensure lowest price.

However strategy is easy to imitate and is less identification. 4. 2. 1

Redesign Price guarantee is an important promise to ensure Masters Home Improvement provide better price than others. However, price guarantee cannot deliver brand concept and image which only be viewed competitive policy.

Masters Home Improvement should emphasize price advance through brand image rather than policy. 4. 3 Place There are only thirty-three stores

available in Australia since Masters Home Improvement opened their first store in 2011. Also, the location of Masters Home Improvement is near

suburb. On the other hand, Masters Home Improvement is inconvenient. 4. 3.

1 Redesign Masters Home Improvement should extend more stores in recent

years. Masters Home Improvement said that they will execute the plan of opening 150 sites in the next five years (as cited in Reilly, 2012).

In addition, Masters Home Improvement elects the locations in the condition of distance concerned which are close to population centre (Reilly, 2013). 4. 4 promotion There are three main types of promotion including trade month, special trade and trade member program (Appendix C). In general, catalogue refers to sale information or introduce of new products and there are many kinds of media to deliver message such as television, and websites. Masters Home Improvement successfully provides information through website and application on smart phones and tablets.

However, Masters Home Improvement lacks development of paper catalogue. In addition, some rises in the catalogue are not apparent on sale (Appendix D) that leads consumer to distrust Masters Home Improvement and decreases the aspiration of going Masters Masters Home Improvement should put clear tag for sale items and new products in catalogue. If products in catalogue only have price without any illustration, consumer needs to search extra information to understand the price that reduce the desire of going Masters Home Improvement.

Masters Home Improvement should value the development of paper catalogue. There are some customers who are active to connect information suit online information. Nerveless, most of customers are passive to wait for information. Paper catalogue is a key trigger to first effect which actively connects customers and helps consumer to recognize the brand or company.

4. 5 Physical Evidence The atmosphere of Masters Home Improvement will

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keep the elements which refer to bright light, spacious sidewalk and offer food service to match the concept of elaborateness (Appendix E).

However, Masters Home Improvement should modernize which is in terms of free wifi. 4. 5. 1 Redesign Masters Home Improvement should provide free wifi in their stores. Most customer searched information on their smart phone or tablet computer before consuming. However, not every customer has wireless. Thus, if free wifi is available in store, customers can demonstrate what they want and have more efficient communication with staff. 4. 6 Process There have self-checkout and staffed-checkout available in Masters Home Improvement (Appendix A).

Delivery policies not only have general delivery, but also offer express delivery that satisfies different demand (Appendix A). Besides, the cost of delivery which is two to three days is efficient excluding special order items and entry locations (Masters Home Improvement, 2013). However, most of customers need to work weekday, they can only receive at night or on weekend. 4. 6. 1 Redesign Masters Home Improvement should develop the program of special delivery which delivery the product on weekend or at night without extra charges to provide convenience to customers. . 7 people Every employee in Masters Home Improvement needs to train for 10, 000 hours. On the other hand, every employee is expert in limited field. Yet, Masters Home Improvement provides a huge category of products. If people want acquire different type of information, people need to walk around the whole store that is really inconvenient and exhaust customers' energy before they really purchase. Alternatively, if there is absent staff in this field,

customers are unable to gain appropriate assistances (Appendix F). 4. 7. Redesign Masters Home Improvement should ensure that there have enough available employees in every department at any time. Masters Home Improvement should each other. 5. Recommendations 5. 1 Recommendation One Masters Home Improvement should increase the number of available to develop market share. Also, the location of stores should close to urban to increase the convenience. 5. 2 Recommendation Two Masters Home Improvement should focus on advanced technology which refers to develop application on Android and Windows phone.

Sadness (2013) said that Android which was the most popular smartened platform claimed 62. 1% of the market on August 2013; and Apple grew its slice of the Australian smartened market to 28. 7% from 25. 8% a year ago; still Windows Phone grew from 3. 7% to 6. 5% Australian market share over the past year. 5. 3 Recommendation Three Masters Home Improvement should clearly remain strategy of penetration pricing to increase competitiveness to achieve boosting market share and establish brand image.

Masters Home Improvement should also confirm position which is lowest price with advanced quality and service by clear building brand image. Building brand image helps increase brand identification and market share. Building brand image can emphasize strongly market position. In addition, Masters Home Improvement should more clearly identify their segment by efficient use operating input. Developing professional operating which only targets at warehouse campaign instead of diverse and complex products.