

# Value creation and delivery sequence marketing essay



The first phase; is Choosing the value, this phase represent the “ Homework” marketing must do before any product exists. The marketing staffs have to segment the market, select the appropriate market target and develop the offering’s value positioning. The use of the formula “ Segmentation Targeting, Positioning (STP)” is the essence of strategic marketing. After choosing the value the second phase is providing the value, where marketing must determine specific product features, prices and distribution. And for the third phase is communicating the value by utilizing the sale force, advertising, sales promotion, and other communication tools to announce and promote the product.

## **Figure 1. 0**

### **Value creation and Delivery Sequence**

#### **Tactical Marketing**

#### **Strategic Marketing**

Some additional Marketing Implications that will help Mr. Barry Champion on developing his newly cinema business. As follows:-

He should know his own business (what does he do, how do u produce it, how do u sell it, who do u sell it to, where, at what price).

To know what people needs, what people thinks they need, and to know how to communicate with your own target.

Marketing is about matching people needs, producer needs in a specific context of competition taking into account the short and long term as well.

Making a search on an effective way to influence offline behavior

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Remind audience of when and where to tune in

Building mind share in competitive entertainment landscape

Increasing monetization opportunities

### **ADVICE:**

I would like to advise Mr. Barry to understand the Marketing Environment and its implications, as it refers to the actors and forces outside marketing that affect marketing management's ability to build and maintain successful relationships with target customers. As for implications he should be aware of the impacts of developing a new business.

### **TASK 2**

It is important for Mr. Barry Champion to understand the meaning of Decision Making Unit (DMU) of his existing and future customers and obtain some of the information/intelligence to use it effectively for his business.

The actual selling process breaks down into two parts one is the decision making unit (DMU) and two is the decision making process (DMP).

The importance of Decision Making Unit for potential customers:

It consists of all of the people who will play a role in the decision to purchase a product. According to the marketing mix program must understand the needs of each of these individuals and find a way on how to communicate the marketing message to each of them. These people are identified as:

Initiators — people who request that something be purchased. They may be users or others in the organization.

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User — people who uses the product and get benefit from the product.

Influencer — people who helps the decider to decide on the product they want, it can be an analyst or an evaluation group etc.

Decider — people or a group who usually decides on a product they want, it can be a manager etc.

Approver — people who authorize the proposed actions of deciders and buyers.

Buyer — people who issue the check for instance the individual consumer or the purchasing agent.

Gatekeeper — people who have the power to prevent sellers or information for reaching members of the buying centre. E. g. receptionists, purchasing agent etc.

The meaning of Decision Making Process for potential customers:

Decision making unit is an interaction of making a purchasing decision where Decision making process is a description of this interaction. By understanding this process a salesperson will be able to understand who, how, and when to work on getting the customer order.

Problem recognition; first the target consumers must become aware that they have a need that is related to the service or product being offered. They also have to be aware of the companies that are offering it, and the product

availability. If they don't have the awareness, then they are not going to make a decision in your favour.

Information search; Once they have decided to buy, they have to search for information. May be deciding to buy a carpet is one decision; deciding to buy a home theatre is another decision. The search for information already obtained in this case is much more complex. Particularly if you are a first time buyer of a home theatre, your knowledge of home theatre is going to be limited.

You are going to have to learn some of the terminology, so you are probably going to have a pretty intensive search for information. You are not going to have an intensive search on information for choosing alternative carpet. You are well down the learning curve because you have been buying it for a long time and you know all about it.

Evaluation of alternatives; They have to decide that they are going to spend some money and buy the product or service but their attribute interest to buyers vary by product example tires; safety, tread life, price and ride quality.

Purchase decision; with the carpet selection, the product is right in front of you. It is a quick decision; you are probably just going to grab one. Or maybe there is a brand name in your head because of intensive advertising. The home theatre is a different story; you are going to want to shop around, you are going to want to look at the performance and specifications of the home theatre. How much can you spend? That is going to influence your decision.

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Post-purchase evaluation; the post-purchase evaluation is an often forgotten aspect in the consumer Decision Making Process (DMP), but many companies are paying a lot of attention to this right now.

When you purchase a motorcycle, most automobile dealerships survey you to find out how you felt about buying that motorcycle from their dealership. What was the motorcycle like when you picked it up? Were all of the things that you expected done? Was this explained to you?

This is all a part of the post-purchasing evaluation were not only do we need to understand who is involved in the decision to make the purchase, but we have to understand where they are in the process, because depending on where they are, we have to provide them different kinds of information. Apparently, it is important, though, to note that as a product matures and consumers become more familiar with it, their information needs change.

Also he should understand some of the advantages and disadvantages of a group decision making:

## **Advantages**

Provides more complete information

Offers a greater diversity of experiences and perspectives

Make more accurate decisions

Increases the legitimacy of a decision.

Increases acceptance of a solution

Generates more alternatives

## **Disadvantages**

Ambiguous responsibility for the outcomes of decisions

Increased pressures to conform to the group's mindset (groupthink)

Is more time-consuming and less efficient

Minority domination can influence decision process

Mr. Barry should be able to gather and obtain information/intelligence and effectively use of it by:-

Marketing managers rely on internal reports on orders, prices, costs, inventory levels, receivables, payable and so on. By analyzing this information they will be able to spot important opportunities and problems as follows:-

A company has to train and motivate the sale force to mark and report new development; sales representatives are the ones to pick up information missed by other means, but sometimes they fail to pass on that information and they should know which type of information to send to which managers. The company has to sell its sales force on their importance as intelligence gathered.

A company has to motivate distributors, retailers and other intermediaries to pass along important intelligence; must hire specialists to gather marketing intelligence. The typical questions on this for the shoppers are: did the sale

associate act as if he wanted your business? Or how long before sales associate greeted you? and was the sales associate knowledgeable about products in stock?

A company can set up a customer advisory panel; members sometimes include representative customers or the company's largest customers or its most outspoken customers. It's good to have advisory panels made up of alumni and recruiters who provide valuable feedback on the curriculum.

Sales information system; marketing managers should need timely and accurate reports on current sales by knowing the sales of the service each evening.

### **TASK 3**

By using a competitor cinema of I have been able to produce and develop a competitor analysis and also encourage on how to use marketing models in assisting Mr. Barry and his employees.

Competitor analysis in marketing and strategic management is an assessment of the strengths and weaknesses of current and potential competitors. It provides both an offensive and defensive strategic context by identify opportunities and threats. Competitor profiling combines all of the relevant sources of competitor analysis into one framework in the support of efficient and effective strategy implementation, formulation, monitoring and adjustment. Let's see the advantages and disadvantages of Competitor analysis:-



**Advantages of competitor analysis:**

Might give you ideas for new technology and methodology that could be applied within your own organization.

Enables you to identify gaps in the market for products, services or initiatives.

Assists you to price your goods and services both competitively and strategically.

**Disadvantages of competitor analysis:**

Too much focus on the activities of competitors might lead a business into becoming reactive instead of proactive, resulting in a lack of innovation and a lack of unique identity in the market.

Involves a commitment of resource which will have an inherent cost to the business.

Fault analysis of competitors might result in making poor business decisions in order to compete.

I have come across this company in London - United Kingdom called Westlondon Gold Cinema where I was able to obtain some of the competition analysis for that company as follows;-

Its market is extremely concentrated with the multiplexes taking a share of box office receipts. At the other end of the cinema market, are small, family run cinemas which are often seen by the public as being run down and in

need of renovation, but priced competitively. There is little between these two extremes.

However, while the multiplexes offer a certain type of experience, the prospective owners' believe that there is still a potential untapped niche which small cinemas can exploit and which the multiplexes would have trouble competing with in the short term.

Other potential competitors are similar niche cinemas which focus on selling a lifestyle (eg cinemas which only screen independent movies).

Taking a large area of the market in which cinemas compete, the market would be the entertainment market generally. People have a limited amount of disposable income and a limited amount of time which can be spent on entertainment. As such, cinemas are also competing with bars, sporting events, home cinemas, travel and restaurants. It is submitted that Gold Class cinemas would be a strong competitor in the general entertainment market at a niche level.

## **SWOT Analysis of Westlondon Gold Class Cinema**

### **Strengths:**

It is unlikely that planning permission for a new cinema would be given by the local Council. As such, as far as cinemas go, a customer's only option is to either attend this cinema or the multiplex.

The obtaining of a liquor license gives the cinema a competitive advantage which is sustainable to a degree.

**Weaknesses:**

Patrons are only likely to pay a premium price for a movie when blockbuster movies are released. A lack of hit movies could make it difficult to sell tickets.

It is not possible to protect the intellectual property behind the concept of a Gold Class cinema.

**Opportunities:**

There are plenty of small, family run cinemas which are currently struggling. The depressed market and the Gold Class concept give the owners the opportunity to purchase cinemas at a reasonable price and turn them back into profitable industry.

**Threats:**

If the concept proved to be a success, there is nothing stopping the multiplexes from offering a similar service.

The Gold Class concept based on people willing to spend a little more to enjoy a more luxurious cinema experience. If the economy was to loss, value added businesses like Gold Class cinemas would be the hardest hit.

There is a threat that by offering alcohol in the cinema, the problems associated with anti-social behavior could happen.

## **The SWOT analysis for the Plaza Cinema business;**

### **Strengths:**

The planning permission for a new cinema is building in a middle of the town surrounded by shops car park, textiles in fact it is in a local area.

The eating habit during film, less ticket cost by 50% and the quote that says " anything goes" at the cinema lead to a competitive advantage.

### **Weaknesses:**

Patrons are only likely to pay a premium price for foreign films with English subtitles. If there are no new movies this could make it difficult to sell tickets.

There are faithful few who deserted the plaza for a video and a few cans of beer in their front room

Products or service are similar to competitors

### **Opportunities:**

There are plenty of small, family run cinemas which are currently struggling. Due to few markets and the Plaza cinema concept give Mr. Barry Champion the opportunity to purchase cinemas at a reasonable price and into profitable enterprises.

Growing trend and customer base

### **Threats:**

If it proved to be a success, there is nothing stopping the plaza cinema would be able to offer a similar service from other areas.

## Price competition

There is a threat that by offering alcohol in the cinema, the problems associated with anti-social behavior could follow that is why Mr. Barry is trying to solve this.

## **SUGGESTION:**

Due to this Competitor analysis to be subjective, the SWOT can provide multiple benefits to a small business. The importance of SWOT analysis includes:

Understand the industry structure by using a SWOT in your business plan.

The foresight to appear threats and react proactively.

Insight into where your business can focus to grow.

Focus your advertising and marketing on areas that give you a competitive advantage in the marketplace.

In order to develop your own SWOT analysis, you should consider each section with a certain degree of realism and be specific. Avoid the standard line that you are on top of everything and have no competitors. Your customers will know you in the marketplace for certain attribute or things that make them say, “ Hurray”. Don’t forget the complaints of late customer issues. All in all you should take necessary actions to reduce the threats to your company and position yourself to take advantage of the opportunities.

In order to obtain information/intelligence and effectively use it marketing intelligence system will be of help. It refers as a set of procedures and sources managers use to obtain everyday information on developments in the marketing environment.

Marketing managers should collect marketing intelligence by news papers and trade publications, reading books, talking to customers, suppliers and distributors and meeting with other company managers.

There are ways marketers can find relevant information on competitors” product strength and weaknesses and summary comments and overall performance rating of a product, service or suppliers.

Distributor or sales agent feedback site — the site offers both positive and negative product and services reviews, but the stores or distributors have built the site themselves. Likely for Amazon. com offers an attractive feedback opportunity through which editors, buyers, readers, and others can review all products listed in the site, especially books.

Customer complaint sites — these forms are designed mainly for dissatisfied customers. Reviewers often tend to offer positive comments due to financial incentives and potential lawsuits for false negative comments.

Independent customer good and services review forums — these forum include well known websites such as Bizrate. com, consumerreview. com for instance for the Bizrate. com combines consumer feedback from two sources; its 1. 2 million members who volunteered to provide ratings and

feedback to assist shoppers, and survey the results on services quality collected from customers of stores listed in Bizrate.

Combo-site offering customer reviews and expert opinions — the site is concentrated in financial services and high tech products that require professional knowledge. The importance of this type of review site lies in the fact that a product supplier can compare opinions from the experts with those from consumers.

A company can network externally; it can purchase competitors' product; attending open houses and trade shows; read competitors' published report; attending stockholders' meetings; talk to employees, distributors, dealers, suppliers, and agents; collect competitors' ads; and look up new stories concerning competitors. Competitive intelligence must be done legally and ethically.

### **SUGGESTION:**

You should know that Competitive intelligence is more concerned with “doing the right thing” than “doing the thing right”.

The goal of a competitor analysis is to develop a profile of the nature of strategy changes each competitor might make and each possible response to the range of likely strategic moves other companies could make, and each competitor's likely reaction to industry changes and environmental shifts that might take place.

Competitive intelligence should have a single-minded objective — to develop the strategies and tactics necessary to transfer market share profitably and

consistently from specific competitors to the company. Lastly, he should be aware that; failure to collect, analyze and act upon competitive information in an organized fashion can lead to the failure of the firm itself.

The company should continuously collecting marketing intelligence. The staffs can scan the internet and major publications, separate relevant news, and spread a news bulletin to marketing managers. It collects and files important information and assist managers in evaluating new information.

#### **TASK 4**

Marketing plan is a formal document which describes how a given property (can be a brand, a product, or a service) is to be marketed. It covers all features of marketing for this object, including (but not limited to) advertising, promotions, and sales. Apart from that, a marketing plans cover between one and five years.

Marketing plans provides marketing goals as well a framework in which they can be achieved. According to that, they should contain not only a marketing strategy, but the context for that strategy.

There are many reasons why one would undertake the writing of a marketing plan. You should be able to learn the why and how of marketing plans.

Although any type of property can be marketed, marketing plans do differ depending on what industry is being targeted and what is being marketed particularly. You should be able to learn more on types of marketing plans.



## **The Marketing plan comprises of:-**

**Executive summary**

**Situational Analysis**

**Opportunities / Issue Analysis – SWOT Analysis**

**Objectives**

**Strategy**

**Action Program**

**Financial Forecast**

**Controls**

Here is a Marketing plan for Mr. Barry Champion's first year of business at the Plaza Cinema.

### **1.0 Executive Summary:**

The third rural cinema Plaza is in a small 'once' industrial town called Elderwood in the West Yorkshire. It currently has 250 seats maximum with both a downstairs stalls area and small gallery upstairs. Few years ago, the organizations have become gradually smaller so that the largest audience that attends now gathers to watch films with English subtitles.

Elderwood is 14 miles from the main metropolises of Leeds Bradford and Wakefield located more towards the Pennine valleys that divide Yorkshire from Lancashire. Its surrounding area has a small further education college and the Head Office of a small national building society who target environmental houses and re-building of old semi-derelict houses.

Also there is a small multi-national chemical plant down the road where domestic detergent and cleansers are produced and packaged from the national supermarket. Apart from national supermarket, there is also a textile mills in the vicinity where it produce small quantities of specialized cloth that attracts the tourists. The narrow gauge canal passes through the centre of Elderwood that creates boats brings with it passing trade from boat users and a trade when canal boat festival are held at the canal basin.

The Plaza is in the middle of the town, dedicated car park, at the rear surrounded by small shops. The population in this area is usually ageing. There are several olds peoples' homes and sheltered housing in the area.

The owner of the Cinema Plaza Mr. Barry Champion Samantha Farmer and has the skills, expertise and capital to make this theatre succeed. Mr. Barry has successfully managed a two movie house one in Skipton North Yorkshire where it was purchased in 1930 from one of his family members and the other near Bakewell in Derbyshire. Mr. Barry won the prestigious " Best Rural Cinema" award for his work on the Royal by the British Academy of Film and Television Arts (BAFTA). Some few years back he was able to develop skills in theatre management and movie selection while establishing important relationships with key people in the industry. Mr. Barry has the skills and ability to update and modernized the cinema building so that it will be comfortable and welcoming surrounding.

The Plaza has a reputation of being cheerful and cheap, where tickets always cost less than 50% of the cost of those in the new multi-cinema. Ice creams and Choc-ices are available parking services the access area for cars

bringing disabled and a ramp for their wheel chairs children are allowed to bring sweets in the auditorium also mothers can feed their babies during films at the end of the film people make some comments.

## **Sales Forecast Figure 1. 0**

### **Current Marketing Situation**

Plaza Cinema is a new cinema business for the first year of its operation. Its film services have been well appreciated and marketing will be key to development of service and product awareness as well as the growth of customer base. Cinema Plaza offers several services like less ticket, ice cream parking, and other services.

## **2. 1 Market Summary**

Plaza Cinema has good information about the market and knows a great deal the common quality films of the most potential customers.

### **Target Markets**

Adults

Elderly

Children

Educators

## **Figure 1. 1**

### **Market Demographics**

The profile for the typical Plaza Cinema customers consists of the following geographic, demographic and behavior factors:

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## **Geographics**

Plaza Cinema has set geographic area at Elderwood 14 miles away from metropolises of Leeds. The Plaza can serve locally and nationally foreign films with English subtitle for its customers.

Total targeted population is not yet known

## **Demographics**

Children tend to cover the widest range including young audience through adults.

There is a small ratio between male and female audience.

## **Behaviour Factors**

Customers spend money on tickets, food, and parking.

Customers enjoy watching films with subtitles, for mothers enjoy feed their babies during the film, as for kids enjoy eating during the film.

Customers have active lifestyle of watching films on weeknight evenings.

## **Market needs**

The Plaza Cinema provides the community with a wide range of films locally and nationally for foreign movies with English subtitles. The company seeks to fulfill the following benefits that are important to its customers.

Film quality — Customers do work hard for their money and do not enjoy spending it on uninteresting films.

Customer service — the plaza require to build a sustainable business that has a loyal to customer base.

## **Market Trends**

The market trends are showing continued growth in all direction of the Plaza Cinema.

## **Market Growth**

With the low price of ticket due to competition by other Cinema Companies, the Plaza Cinema has a steady growth and more people have seen the benefits of its services.

## **SWOT ANALYSIS**

The following SWOT analysis contains the key strength and weakness within the company and describes the opportunities and threats facing the Plaza Cinema.

### **Strength**

In - depth industrial experience and its nature

The use of highly efficient flexible business model utilizing direct customer sales and the service provided

The Cinema building is in a middle of the town surrounded by shops car park, textiles etc.

Creative company members.

A cooperative work environment.

Efficient in use of materials

Low overhead and designed to adapt to the market's needs

Offering an affordable theatre experience

## **Weaknesses**

Limited employees

Limited time because of employees

Limited financial resources

## **Opportunities**

Participation within an industry

Marketing efforts to help grow the general market

Need for live theatre in our market

Diminishing experiences offered through schools and other publicly supported performance activities

## **Threats**

Loss of government grants

Competitive experiences, including dinner theatre

Change in audience attendance

Challenges securing performance facilities

Bad reviews

## **Competition**

Competition for rural cinema comes in a number of different forms. In general you can describe the indirect competition as any entertainment alternative in the local area. Competition comes from the local car park textile, and various restaurants.

As I mentioned before, the direct competitor is the Plaza Cinema located 14 miles from the main metropolises of Leeds. The inconvenience this presents for Plaza Cinema locals presents a tremendous opportunity for the theater.

## **Service Offering**

Live theatrical performances

Snacks and Beverages during the film

## **2.5 Key to Success**

Careful management of internal finances to control costs.

Great customer service.

Proper film selection for the audience and the theater's environment.

Revenues from a mix of both traditional movie rates and other quality snacks and beverages.

## **2. 6 Critical Issues**

The major issue is to face is lack of audience. They have a solid foundation of dedicated, creative workers that make things happen, but their business depends on there being an audience. If they decreases even to 400, that is not enough for them to grow or even sustain the business.

However, with the combined experience, dedication, education and innovation of the company, they can implement plans and strategies that will not only guarantee a growth in audience but in their business as well.

## **Market Strategy**

The Plaza Cinema has a pool of resources in their staff to draw from. They plan to use our combined effort to establish a stronger relationship with local community and its potential customers.

Their strategy is based on the concept that:

Quality performances generate repeat purchases.

Awareness of ticket sales position.

## **2. 8 Mission**

The Plaza Cinema was created to bring a higher level of entertainment to people from all walks of life. They are dedicated to bringing self-confidence, quality education, self-growth, and social issues to the public schools by establishing relationships with communities, educational institutions and other customers.



## **Marketing Objectives**

There was an healthy sale in year one

Excellent revenues

Modest by stable profit margin by year one

### **3. 0 Financial Objectives**

Decrease customer ticket costs by 50% of the cost

Increase funding by 50%.

### **3. 1 Target Market**

They are targeting a general audience that consists of adults, children, and the elderly with an interest in entertainment and the arts. They are also targeting educators from all levels of education. We offer a unique and valuable experience for their students and themselves with the performances.

### **3. 2 Positioning**

For educators and parents alike who value education and positive experiences, The Plaza Cinema offers awareness-strengthening, and educational theatrical experience for the children and the educators involved, unlike the other companies in rural areas.

### **3. 3 Strategies**

Strengthen their relationship with school districts and other educational institutions that are our major supporters in funding and business.

### **3. 4 Marketing Mix**

The Plaza cinema marketing mix is comprised of the following approaches to pricing, distribution, advertising and promotion, and customer services.

Pricing — this based on a product per retail price

Distribution — it will use retail as well

Advertising and promotion — different methods will be used for advertisement

Customer service — eagerly to achieve bench marked level of customer care

### **3. 5 Financials**

The Plaza Cinema will perform weeknight evenings for less ticket cost of 50% off.

### **3. 6 Break – even Analysis**

The break even analysis will be required in monthly sales revenue to reach the break - even point. The fixed costs are based on a monthly budget for a show, including production and promotional materials.

The Average-Per-Unit revenue is based on what they receive per person, per month, i. e. ticket sales. The Average-Per-Unit Variable Cost is based on how much it costs us per person for each show.

### **3. 7 Sales Forecast**

Here are expecting sale for the year based on current earnings. With the expected growth of the audience, and in consequence of their reputation,

they expect to grow in audience at least by 50%. It will steadily increase sales as the advertising budget allows.

### **3. 8 Expenses Forecast**

The expenses forecast will be used as a tool to keep the industry de