

Marketing planning is
a logical sequence of
events marketing
essay



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Marketing planning is a logical sequence of events leading to the setting of marketing objectives and a formulation of plans for achieving them. The complexity of marketing planning means that when organizations embark on it, they should expect to encounter a number of organizational, attitudinal, process and cognitive problems. First we have generally explained the process of and techniques used for auditing the marketing environment. Then we have carried out the Swot and Pest analysis of our selected organization CHIEF. Chief is a Pakistani owned fast food company that is committed to providing innovative products that are consumer and lifestyle focused. Chief Burger offers a wide and varied menu to customers specializing in quality burger & chicken products. We have also generally discussed different internal and external barriers to marketing planning and make suggestion that how CHIEF may overcome these barriers to marketing planning. We have briefly discussed that according to which techniques CHIEF should audit the marketing environment. We have also discussed other possible marketing barriers which CHIEF may undertake and give suggestions to deal with these barriers. Finally we have evaluated the current auditing marketing technique which CHIEF is practicing against the defined process and on these analysis, recommended some suggestions to CHIEF that may better overcome the threats and avail opportunities in the environment.

P1: Explain the processes and techniques used for auditing the marketing environments.

Environmental Audit

Background

Companies conduct environmental audits to obtain accurate comprehensive and meaningful information for the company through which company's management can make important decisions and make new strategies. A company's management decisions are heavily based on environmental audit.

Planning an Environmental Audit

Companies must have a clear idea of their objectives before conducting an environmental audit. Before conducting the audit they should also take full commitments from directorate level and should then communicate it to personnel at all levels.

PROCESS OF MARKETING AUDIT

Basically there are following four steps involved in the process of marketing audit.

A: Selecting the Auditor: in this stage of marketing audit the decision is taken about the auditor that who will conduct the overall process of auditing.

Usually an experienced outside party is hired for this purpose.

B: Deciding the Areas of Audit: the second step is deciding the areas of audit. In these step objectives goals and mainly scope and breadth of the audit are decided.

C: Identifying and Collecting Data: in this step the auditors usually identifies and categorizes the sources of data thus using these sources further data is collected.

D: Report Preparing and Presentation: the last step involves the preparing of data. After it is completed and thoroughly checked it is further provided and presented to the client.

The process of marketing audit is very broad and extensive in nature in a way that it includes almost all marketing related aspects. It basically includes marketing environment marketing strategy marketing organization marketing systems marketing mix, marketing productivity and profitability.

Kotlers and Armstrong, 2008

Marketing environment is very wide in nature. Basically it includes microenvironment and macro environment. So for the auditing purpose different tools are used which may include SWOT analysis STEEPLED analysis and Five Forces Analyses etc.

There are also several other purposes and benefits of marketing audit. A number of these are stated as under:

Determination of Work Process: one of the main purposes of marketing audit is that it is very beneficial in determining the working process. It determines and evaluates that what the company or firm is currently doing and assesses its history of work that what it has done in its past?

Future Recommendations: marketing audits center of attention is its future recommendations for the firm. It bases its research for this purpose and accordingly provides useful recommendation for the future mechanisms. Thus it is not only useful for historical or current processes but it is also used for following sessions of business.

Opportunity Hunting and exploiting them: likewise marketing audit it also pretty useful in hunting the opportunities that the firm can exploit. Thus different opportunities can be availed with proper handling. Similarly it can also identify the source to be used for availing those opportunities.

Weakness Eradicator: Nipping the evil in the buds would not be wrong if referred with marketing audit. Marketing audit not only helps in eliminating the current weaknesses but is also helpful in recognizing the weaknesses that the firm can face in future. Thus with the help of marketing audit proper plans can be set up for eradicating both the current and future weaknesses.

Enhancement in Marketing Planning: marketing audit also plays a pivotal role in enhancing the marketing plan. It brings improvement in the marketing plan of a firm as required which results in making the firm more successful and thus it can work more efficiently and effectively. Similarly marketing audit is also very significant because:

Marketing audit is really helpful in improving marketing efficiency and effectiveness. Moreover it brings proper awareness throughout the firm about its environment. It supports building of internal relationship in the firm.

Similarly it is helpful in identifying ill-used marketing resources and thus preparing a proper plan for their favorable use. It is used for prognosis and diagnosis purpose, similarly for preventive and curative purposes. It also identifies several areas of accomplishment and the foreseeable challenges that are found in an organization which are a cause of affecting return on investment (ROI).

In short marketing audit provides a snapshot of the whole marketing process of an organization

Internal Environmental Audit

Following are some of the internal environmental factors which affect the organizations.

Customers

The customers of the organization are the micro environmental factor that affects the business environment. The customer is the king in this era and the organization has to create strategies keeping in mind the customers. The cash and loss that are made by the organization are on the basis of customers.

Employees

Employees are the main tools of a company. A capable and efficient staff of an organization gets edge over its rival. The staff of an organization will work efficiently if they are motivated so the employees must be motivated in order to create and maintain quality of the organizations products or services.

Suppliers

Suppliers also affect the organization environment. A bad quality of supply can degrade the quality of product that the company is providing. A good contact with supplier is important in order to receive raw materials at time and at right cost with best quality.

Shareholders

Shareholders are the important stakeholders of large companies. These are the significant parties as they can have an effect on the organization in many ways. For example: the shareholders can sue the company on wrongful acts. The organization must take shareholders in account because such parties can push the public limited company to a private limited company like PTCL.

Media

The organization must take media into account while auditing the environmental factors of the organization. Wrong steps or statements taken and spoken by the organization can put itself into a situation. Bad publicity can be spread by the media. Sometime the media comes handy for the organization by promoting its products etc.

Competitors

Competitors have to be taking into account as this micro environmental factor can help the organization to make fruitful decisions. The organization must keep keen eye on its competitors and should notice its practices. An important info can be received by the competitors that will help the organization.

Publics:

Publics are usually any groups that keeps stake in the organization's operational activities and objective accomplishment capabilities. Internal Publics, General Publics , Media Publics, Financial Publics, Government Publics etc. are the some types of publics. These must also be monitored while conducting environmental audit.

Different Auditing techniques

Every business wants to know where it stands in the market along with the position of its competitors. For this purpose, following are some of the tools that help businesses for this purpose:

1) SWOT Analysis:

SWOT stands for Strengths, Weaknesses, Opportunities, and Threats. The SWOT analysis helps in knowing your strengths and weakness and also helps an organization figure out what its major threats are along with the areas where opportunities for success can be exploited.

2) Ansoff's Matrix:

Ansoff's Matrix is used by for knowing the growth in the market. This matrix allows marketers to find ways for growing the business by existing and/or new products, in existing and/or new markets. This matrix helps companies decide what course of action should be taken given current performance of the company. It consists of four groups i. e. market penetration, product development, market development and diversification.

3) The Boston Consulting Group or BCG Matrix:

BCG Matrix has two controlling aspect namely relative market share meaning relative to the competition and market growth. This matrix performs similarly to the Ansoff Matrix in that it lets the organization know the growth that is taking place within the market of a particular product.

4) Core Competencies:

Core competencies are techniques that deliver value to the customer. It gives potential access to a extensive variety of markets. It should make an important contribution to the supposed customer benefits of the end product.

5) Gap analysis:

Gap analysis helps the organization in knowing where they are now and where they want to be in the recent future with the help of deciding business strategies and tactics. There is a simple structure to be followed in Gap analysis:

The first step is to decide on which factors will Gap be judged on. For example, by market share, profit, sales and some other factor.

The second step is to ask two questions; where are we now? And where do we want to be?

6) PEST analysis:

The PEST analysis is used in the process of environmental scanning. It gives an overview of the different macro environmental factors that the company has to take into consideration. It is a helpful strategic tool for perceptive

market growth or decline, potential, business position and direction for operations. The Factors are:

Political factors

Economical factors

Social factors

Technological factors

7) Value Chain Analysis:

The value chain analysis is a technique used in knowing about the development of competitive advantages and the different activities, which help in creating value.

The primary activities involved are inbound logistic, service, marketing and sales, operations etc and the support activities are technological development and human resource management.

P2: Apply organizational and environmental auditing techniques in a given situation.

CHIEF BURGER

Mission Statement: –

Chief will be a leading Pakistani owned fast food company that is committed to providing innovative products that are consumer and lifestyle focused. We will achieve this by meeting our customer expectations

Chief Burger offers a wide and varied menu to customers specializing in quality burger & chicken products. They now offer products that have appeal to all ages and tastes including the sizzling steak, Chicken cheese burger, special chief pizza and chicken chow Mein to name a few.

SWOT & PEST ANALYSIS OF CHIEF BURGER

SWOT Analysis

A SWOT analysis is a strategic planning tool used to evaluate the strengths, weakness, opportunities and threats involved in a project or in a business venture or in any situation of an organization requiring a decision in pursuit of an objective. It involves the monitoring of internal and external market environment to the organization.

Strengths:

Chief burgers has got strong corporate image and brand name because they are the pioneer of fast food in Peshawar

Chief Burgers has got strong market share as compare to its competitors. It has got low prices for both high and middle class people

Chief Burger's special cheese burger, chicken steak burger, are one of its strengths because no other restaurant in Peshawar provides these kinds of burger with such quality and low prices

One of the strengths of Chief Burgers is its location because it's located in the center of university road. It has equal distance from Hayatabad and sadder. Location of Chief Burgers is also a center of attraction due to Jawad

Towers, City Towers. People come to shop and diner or lunch at near by in chief

Chief Burgers has a competitive edge over others in prices because it has lower prices than its competitors which are KFC and Pizza Hut

Chief Burgers has loyal and trust worthy customers

Chief Burgers offers maximum number of food variety

Chief Burgers has minimum advertising budget but still has largest market share

Weaknesses: –

Chief Burgers is not providing home delivery

It is not providing any packages for kids and students

Chief Burgers is not paying any attention to its promotional mix

There is no special services like Pizza Hut i. e. it serves the customers a pizza within 19 minutes failing which customers are offered a free pizza

There is no female employee to serve females that's the reason why most females are unwilling to eat at chief

There is no car parking area which discourages people who have their own transport

There is no departments integration

Chief Burgers isn't providing any kind of entertainment facilities for kids and teenagers

Opportunities: –

Chief Burgers has the opportunity to open new outlets nation wide because of the finance available and brand name

Chief Burgers can introduce home delivery system

Chief Burgers can use media for its advertisements like giving ads at TV Channels

Participation in exhibition and fun fairs by stalls at different schools, colleges and universities can increase the sales

Better use of customer information by the use of databases and home deliveries

Threats: –

The expansion of low cost super markets.

Pizza hut and KFC are providing free home deliveries, providing the best service which is creating a good and strong quality image in the eyes of their customers.

Increase of local restaurants providing great variety of local food, due to which chief is losing its new customers.

Different union strikes affects the business of Chief Burgers

Threats of different pressure groups and food inspectors

Chief Burger PESTLE Factors

PESTLE analysis is a useful strategic tool for understanding market growth or decline, business position, potential and direction for operations. The headings of PEST are a framework for reviewing a situation, and can in addition to SWOT be applied by companies to review strategic directions, including marketing proposition. The use of PESTLE analysis can be seen effective for business and strategic planning, marketing planning, business and product development and research reports. PESTLE also ensures that company's performance is aligned positively with the powerful forces of change that are affecting business environment PESTLE is useful when a company decides to enter its business operations into new markets and new countries. The use of PESTLE, in this case, helps to break free of unconscious assumptions, and help to effectively adapt to the realities of the new environment

Political factor: –

Chief Burger is a member of chamber of commerce of Pakistan

It has a valid license with patent protection

The employee pay is not less than 5000 according to the ordinance of 2006

Being a member of chamber of commerce Chief Burger cant set prices below its productivity because of anti dumping legislations

It repels monopoly market and creates a perfect market for its competition

If competition comes in the market Chief Burger can not cover proper advertisement techniques as they lack in marketing department. In contrast the competitors (KFC, Pizza Hut) can cover it easily

Chief Burger can easily cope with certain fluctuating political changes much better than other because it's the member of chamber of commerce

Economical factors: –

Chief Burger has an economical benefit of cheap labor

Because of high inflation rate of consumer price index according to (<http://www.world66.com>) which is 15.8% results in the expenses of raw material and other supplies

Per capita income according to www.pakpositive.com has decreased by 50% in the last two years. Therefore Chief Burger as a business is getting loss straight away through market sales

Social factors: –

Chief Burger can not sell products which are banned in Islam like ham burgers and alcoholic drinks

Due to the culture and traditions of Khyber Pakhtunkhwa, most people don't like to hang out with families in restaurants which affects Chief Burger's sales

Chief Burger inevitably built separate portion for families due to social trend

Most people are used to eating conventional food like (Charsi Tikaa, Jalil Kabab) etc therefore the sales of chief burger is affected somewhat.

Technological factors: –

Chief Burger uses two kinds of databases for record keeping and interpretations of data 1. MS SQL database system for main office 2. interpretation and simple calculation machine for daily record keeping and calculations

Technologically Chief Burger has improved its revenue through internet reservations on website [www. chief. com. pk](http://www.chief.com.pk) in which information is given about the products portfolio

Chief Burger uses the following cooking equipments effect of which is clear in the quality products it produces.

1-Hani Pani for pizza making

2-Electric Meat Grinder

3-Electric Cheese Smelter for pizza

4-Ice Machine Flakers

5-Electric Coffee Brewer

6-Electric Ovens

7-Electic Dish Washer

Legal factors: –

It has a valid license with patent protection.

They have valid license for fast food restaurant from local authorities.

They have outstanding record in the book of food inspectors.

Member of all frontier Hotel & restaurant association.

They have good coordination with local security organization, police etc for better security of citizens.

They have valid work permit at the place Jawad plaza.

They have proper contract with supplier, employees and other stakeholders.

Environmental factors: –

The chief has very ethical way of business.

They have neat and clean environment.

Facilities of public hall as well as family hall according to the tradition of Khyber Pakhtunkhwa.

They are on the sound place in terms of environment (University road university town).

Very friendly environment as Khyber Pakhtunkhwa is known for hospitality.

P3: Identify the main barriers to marketing planning

BARRIER

A barrier is an obstruction that prevents the coming-into-force of a exacting measure or causes holdup in its implementation. Barriers can be inflexible or flexible, the latter being able to be conquer given sufficient time or resources. Land use measures be likely to face more inflexible barriers than, say management or information measures.

Types of barrier:

Barriers can be moreover positive or negative. A positive barrier occurs when one of the objectives of the strategy limits the ability of a measure to accomplish other objectives. Environmental restraints are examples, and their burden could well improve the measure or its performance. By contrast, a negative barrier, such as insufficient legislation, may cause delays and surplus costs in the implementation of the measure.

The negative barriers can be assembled into three categories:

Legal and institutional: short of legal powers to put into practice a particular measure, and legal responsibilities which are crack between agencies, limiting the capability of the city authority to implement the exaggerated measure;

Financial: budget restrictions warns the overall expenses on the strategy, financial restrictions on precise measures, and limitations on the elasticity with which revenues can be used to finance the full variety of measures;

Political and cultural aspects: deficient of political or public acceptance of a measure, limits imposed by pressure groups, and cultural trait, such as attitudes to enforcement, which power the effectiveness of measures.

Political barriers

Governments from time to time place limitations on trade, preventing entry into the marketplace. Sometimes, governments make the trade in of certain goods unbeneficial by placing duties on the imports. Other times, governments do not let goods into the country at all. Duties are used by governments to defend developing industries that cannot yet compete with other industries abroad. Goods are banned for a variety of political causes. Occasionally the products are seen as harmful to the customers. Other political barriers are in retribution to barriers put by other countries.

TECHNOLOGICAL BARRIERS

Technology manipulates all aspects of a people's life. Barriers in technology can be clear, like teachers who are deficient in funding and support, or people in countries with governments that inflict restriction by blocking complete access to the Internet. Barriers can also be more revolutionary, like the commercialization of application and software which go beside the open-source collective strength that constrains technology to new heights.

Financial barriers

Standard of living often depends on the sum of money a person has to pay out and invest. Many ordinary activities that can get better one's standard of living, such as going to college, opening a business, buying a house, roving and buying a car, require a important amount of financial resources. When

high expenses make a certain activity hard to afford, it is measured a financial barrier.

Financial barriers can occur in many dissimilar contexts and have an effect on individuals, families and businesses. An individual can face a financial barrier any time, choose not to do something because of its cost.

ECONOMIES OF SCALE

The boost in efficiency of production as the numeral of goods being produced raises. Typically, a company that accomplishes economies of scale lowers the standard cost per unit through amplified production since fixed costs are shared over an increased number of merchandises.

Internal and External Economies of Scale

Alfred Marshall made a difference between internal and external economies of scale. When a company decreases costs and increases production, internal economies of scale have been accomplished. External economies of scale arise outside of a firm, within an industry. Thus, when an industry's capacity of operations expands due to, for example, the formation of a better shipping network, resulting in a ensuing reduce in cost for a business working within that industry, external economies of scale are said to have been accomplished. With external ES, all firms within the industry will advantage.

CUTURAL BARRIERS

Cultures give people with customs of thinking-ways of seeing, hearing and interpreting the world. Thus the similar words can mean dissimilar things to

people from different cultures, even when they speak the “ same” language. Stella Ting-Toomey describes 3 ways in which culture obstructs with effective cross-cultural understanding. Primary is what she named “ cognitive constraints.” These are the edges of orientation or world analysis that gives a backdrop that all new information is evaluated to or inserted into.

The 2nd one is “ behavior constraints.” every culture has policies about appropriate manners which have an effect on spoken and nonverbal statement. Whether one seems the other individual in the eye-or not; whether one says what one means openly or talks around the matter; how close the people position to each other when they are talking—all of these and many more are regulations of politeness which vary from culture to culture.

The third one is “ emotional constraints.” Different cultures control the display of emotion in a different way. Some cultures get extremely arousing when they are discussing an issue. They shout, they weep, they show their annoyance, fear, aggravation and other feelings explicitly. Other cultures attempt to remain their emotions concealed, exhibiting or sharing only the “ rational” or truthful feature of the situation.

SOCIAL BARRIERS

Social barriers are simply layers that we have built around ourselves to protect us from the outside world, they are barriers we put up when meeting new people which protect us from being emotionally hurt when talking to others. Introverted people aren’t actually introverts at all, but rather

extroverts who have many social barriers inside their head that stop them from saying certain things.

COMMUNICATION BARRIERS

An effective communication barrier is one of the troubles faced by many companies. Many social psychologists speak out that there is 50% to 70% loss of meaning while transforming the messages from a sender to a receiver. They approximate there are four basic places where communication could be understood wrongly. Little barriers of effective communication in an association are given below.

Physical Barriers - One of the main barriers of communication in a place of work is the physical barrier. Physical barriers in a company include large working areas that are physically alienated from others. Other interruptions that could cause a physical barrier in an association are the environment, background noise

Language - incapability to talk in a language that is known by both the sender and receiver is the utmost barrier to effective communication. When a person uses unsuitable words while conversing or writing, it could lead to confusion between the sender and a receiver.

Emotions - emotions might be a barrier to communication if you are absorbed in your emotions for several reasons. In such cases, you tend to have problem listening to others or accepting the message expressed to you. A small number of the emotional interferences include aggression, annoyance, resentment and terror.

Lack of Subject Knowledge - If an individual who sends a message shorts subject information then he may not be able to transmit his message obviously. The receiver could get the wrong idea of his message, and this could direct to a barrier to effective communication.

Stress - One of the key communication barriers faced by workers in most of the organization is stress. When an individual is under huge stress, he may find it hard to understand the message, foremost to communication deformation. At the point of stress, our psychological frame of mind depends on our viewpoints, experiences, objectives and principles. Thus, we fall short to understand the spirit of communication.

P 4: Suggest how organizations may overcome barriers to marketing planning

Planning is a logical sequence of events leading to the setting of marketing objectives and a formulation of plans for achieving them. The complexity of marketing planning means that when organizations embark on it, they should expect to encounter a number of organizational, attitudinal, process and cognitive problems. This essay is an attempt to outline some of those problems; however it is beyond this essay to clarify all possible barriers in implementing a marketing plan. CHIEF can overcome all these possible barriers to marketing planning by making objective, strategies, marketing plans and implementing those strategies. Manager need to instruct and demonstrate that how in cooperation they can achieve the strategies, shared the values of marketing, organizational structure should reflect customer

groups and by undertaking effective process of marketing audit and techniques.

M 1: Make an effective judgment that how will the studied organization audit the marketing environment

The process of marketing audit is very broad and extensive in nature in a way that it includes almost all marketing related aspects. It basically includes marketing environment, marketing strategy, marketing organization, marketing systems, marketing mix, marketing productivity and profitability.

CHIEF, a Pakistani owned fast food restaurant that is committed to providing high quality products to consumers and achieving this by customer expectations. The current position of CHEIF is good in Market also the CHEIF attract customers but have to do a lot. During our analysis and meeting with the manager (CHIEF), we come to know that CHIEF is not using any type of marketing audit techniques and they do not have any marketing specialized people and even they didn't studied their market right. They didn't undertake such common things like competitor's strength, market share, opportunities, technological factors, threats & economic factors etc. CHIEF is suffering a lot in the market because increasing of local restaurants providing great variety of local food, due to which chief is losing its new customers. CHIEF is not taking promotional aspect seriously for their products due to which they are losing their customers because the lack of awareness.

CHIEF main & direct competitors are international fast food restaurants (Kfc, Pizza Hut) having a strong brand image and known for high quality products, <https://assignbuster.com/marketing-planning-is-a-logical-sequence-of-events-marketing-essay/>

providing pizza's in minimum time and locally direct competitors are Thames Burger, Masooms restaurant, Mr. Cod etc. The effects of direct competitors are that these organizations are selling products that are similar in nature. There is a high level of competition in the market among those organizations in order to get more and more market share. The organization specializes in similar product line which forces the organization to produce more quality in the products and sell at low prices

The indirect competitors of CHIEF are Shiraz Restaurants, Lasania, Usmania, Balana, Charsi Tikka Shop, Dawat, Namak Mandi Food Street etc The indirect competitors effect the competition. These businesses provide similar items that can satisfy the need of the customers' I-e appetite. So it extends the competition level even more as the organization starts struggle to grab more and more market share and increase its selling.

CHIEF is heavily struggling in order to take market le