

Evaluate the role of tangible and intangible resources marketing essay



Some of a firm's resources are tangible while others are intangible. Tangible resources are assets that can be observed and quantified, such as production equipment, manufacturing plants and formal reporting structures. Tangible resources or assets are any company property that has a physical existence. A tangible resource is one that people can "reach out and touch."

Hard currency, equipment and real estate are all examples of tangible resources.

By contrast, intangible assets are those which have no physical form.

Copyrights, patents and reputation are examples of intangible assets.

Tangible resources are also commonly called tangible assets or physical assets. Every business will comprise both tangible and intangible resources.

Tangible resources are those which can be seen and touched. They include things that can be reproduced, such as plants and machinery, and things that cannot be reproduced, such as real estate and land. As tangible resources are comparatively easy to appraise, they are often used to determine a company's value.

Intangible resources include assets that typically are rooted deeply in the firm's history and have accumulated over time. Because of they are embedded in unique patterns of routines. Intangible resources are relatively difficult for competitors to analyze and imitate. Knowledge, trust between managers and employees, ideas, the capacity for innovation, managerial capabilities, organizational routines (the unique ways people work together), scientific capabilities, and the firm's reputation for its goods or services and how it interacts with people (such as employees, customers, and suppliers)

are all examples of intangible resources, the brand image, goodwill or patents also is the intangible resource. Many businesses have a competitive advantage and survive by just excelling in brand image, such as McDonald's golden arches, or by protecting important intellectual property, such as a patent for new technology. Technology can refer to tangible resources used by the company such as computers, servers or telephones, or as an intangible resource if the company is focused on innovation and improvement of technology, so in the fast paced technology market the intangible and tangible resource are very important. (Robert E. H. 2008)

If marketing is seen as an act of exchange, technology is the subject of exchange in technology marketing. Recently in society, with the increase in the recognition of the importance of intangible assets such as services, the marketing research domain of special fields including hotel marketing, culture marketing, event marketing etc. is becoming wider. Together with the term technology management, technology marketing is also gradually more frequently used.

If the name of all products and industries are added as the subjects of marketing activities, such as motor vehicle marketing, university marketing, soap marketing, watch marketing etc. there will be an infinite number of marketing classifications. Even so, the term "marketing" is being misused with a negative meaning in many cases, and it is not something that can be expressed as XX marketing whenever some new offerings get attention.

Despite this, in technology marketing there are many cases where involvement of transfer parties and the level of risk is not common place due to the characteristics, complexity, and intangibility of the technology itself.

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As a result, the general marketing principles are not well applied to technology but it has established a separate research domain. (Burgelman & Maidique 2001.)

In fast paced technology market, the tangible and intangible resource is very important. The different technology company have same tangible and intangible resource.

The technology company have Human resources, property resources, information resources, technical resources, management resources, controllable market resources, internal environmental resources in the technology company. The technology company also have the external resource, such as industry resources, industrial resources, market resources, external environment resources.

Financial resource and kind resource is main resource in the tangible resource. The financial resource is important for very company, the company have the business, and the company must need the financial resource. The financial resource is the company's currency embodies elements of corporate material and non-material elements, the economy resource can record in the account is the financial resource specific performance. The financial resources records in the account become the financial statement. Financial statements can make the people know this company business is better or not. The kind resource is the fixed assets in company, such as the Factories, machinery, equipment, tools, product, land and housing. For the technology company these things always are important. For example the Sony is famous technology company. They are having many product, they

need the shop and land for the product. The shops are sale the product and service the customers, so they need buy many houses in the world. And they need production. Such as the Sony's hand phone, game machine and headset. They need the land make the factories. For the technology company is important resource, because they are business need it.

(Mintzberg & Lampel 2003)

In the technology company, the Technical resources, Information resource, Brand resources and Human Resources are very important intangible resource. The technical resources include process technology, equipment maintenance technology, financial management technology, and operation management skills. The technical resources decide the technology company business better or not. The technology resources is the company need skills, the technology company need many skills about business, they are not only need sales them product, they need make the product, such as the Microsoft, they will use many time to promote the product, they need the promote skills, but how to make the new software and production also important, and for them the software is their main product, the system skills is their main technology skills. The company need the skill so they need have this skill's people, the human resource make the company get the skill and labor, for the company is important, and this is necessary, the people make the company, the human resource is best, the company also will be best. Information resource is very important for complete. Every company has the much information about the company, such as new product plan, new marketing development and company management plan. They need much information to make their plan. And get other company information, make

them can complete with other company. The technology company's information are very important, they need make their technology become the information. So for them the information resources like the product, like the profit. The brand resource is the company's sign. In the world have many technology company brand, they have their patent for their product. Their brands are telling the people the patent for which company. The patent also is important for the technology company. Their business is sale the product, the product is their patent. This is their intangible resource. For example: the Apple company denounces Samsung company copy their product, they want to the Samsung company pay \$1 Billion for the patent. The Samsung product hand phone decide look like the iPhone, and the price are less than iPhone, make the apple company less many profit. So they make the Samsung Company pay the money. (Nytime news. 2012)

For example the Microsoft tangible and intangible resource in 2003:

Tangible Resources

Microsoft's tangible resources include both financial and physical.

Cash Reserves: Microsoft has approximately \$38.6 billion in cash and short-term investments (Microsoft Annual Report, 2002), giving them a large amount of financial flexibility.

Operating Revenue: Microsoft reports revenue in 2002 as \$28.4 billion (ibid), an increase of 12 percent over 2001. Microsoft ranks as number 47 in the Fortune 500 (Microsoft Company Capsule, 2003).

Liquidity: Microsoft's current liquidity rating is 4.15, much higher than IBM's 1.21 and Oracle's 2.16 (Microsoft Competitive Landscape, 2003), indicating an enhanced financial standing, because their liquid assets significantly outnumber their short-term liabilities.

Financial Leverage: Microsoft is currently not highly leveraged (1.28) because of minimal debt, therefore they have the option of pursuing further debt financing in order to finance growth, if necessary in the future (ibid).

Location and Size: Microsoft's "palatial" corporate headquarters (Microsoft Company Scoop) in Washington account for almost 8.4 million square feet, and the company has additional locations throughout the United States and the world, totaling almost 17 million square feet (Microsoft Annual Report, 2002).

Property and Equipment: Of Microsoft's total P&E, almost half, 44.5 percent², is related to computer equipment and software. Additional holdings include land and buildings, totaling \$5.9 billion before depreciation expenses (ibid).

Distribution Channels and Customers: Microsoft has established distribution channels for its products, including online vendors and retailers. Microsoft also has an established customer base.

Intangible Resources

Intangible resources include technology, reputation and corporate culture.

Microsoft's technological resources include its research capacity and intellectual property portfolio.

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Research and Development: Microsoft employs almost 700 people purely dedicated to long-term future focused research, in five lab facilities throughout the world, investing more than \$5 billion in these research and development activities. Bill Gates commented, “ Without basic research, we cannot create the technology foundations for future generations to build on.” (Bill Gates and Microsoft Research, 2001, Para. 2 and 6) Additionally, 22, 418 Microsoft employees, or 41. 5 percent, are employed in research and development functions, showing dedication on the part of Microsoft to this important facet of their strategy (Fast Facts, 2003).

Intellectual Property: Microsoft maintains a large patent portfolio. In fact, in 2002, Microsoft acquired \$25 million in patents and licenses (Microsoft Annual Report, 2002). Microsoft has so many patents and other forms of intellectual property, that there is now a running joke that Bill Gates has patented the numbers one and zero (Microsoft Patents, 1998).

In addition to technological resources, Microsoft’s primary intangible resources lie in its reputation and brand. The Financial Times ranks Microsoft just after Coca-Cola, as the number two most valuable brand name in the world (Grant, 2002) and Harris Interactive lists Microsoft as one of the top ten “ best brands,” along with Sony, Ford, and General Electric (Taylor, 2001). Additionally, Microsoft’s reputation is another of its strongest resources. Even though Microsoft is often the company that CIOs love to hate (Koch, 2003) (usually because of their market dominance, not necessarily their products or core business), and is noted for its aggressive posturing among its competitors, PR Week notes that Microsoft actually ranks number one in terms of media reputation, including factors such as emotional
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appeal, vision and leadership, social responsibility and financial performance (Calabro, 2003). Additionally, Fortune ranks Microsoft as the number three most admired company in the world (Microsoft Company Capsule, 2003).

In the technology marketing the intangible and tangible resource are the company assets. In accounting, it is important to understand how intangible and tangible assets differ. This is very important because a company's stability may be based on these assets. Understanding intangible and tangible assets is important because it can keep track of the properties of a company.

One of the main differences between a tangible asset and an intangible asset is that a tangible asset can be seen and felt while intangible assets can't. An example of a tangible asset is a computer. An example of an intangible asset is information. These are very important parts of a company. This is why an accountant must know the difference between the two. There are times that the variability of an intangible asset is higher than that of the tangible asset. This has a significant effect on the discrepancies of the book and market values of a company's assets. (Dobson & Starkey. 1993.)

Here are the differences between intangible and tangible assets and how both benefit a company differently:

One type of a tangible asset is the long-term asset. Companies have assets they intend to keep for a long period of time. These assets are physical, meaning; they can be touched, seen, and felt. These kinds of tangible assets are called long-term assets. Land, buildings, and other equipment are some of the most common examples of these assets. After a long period of time,
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these assets will be depreciated by the company's accountant. All of these long-term, tangible assets will be depreciated except for the land. After a long period of time, these assets will not have their original value when they were first purchased. Being tangible and being kept for a long time may affect the value of an asset.

Intangibility is another factor that affects the market value of an asset. An intangible asset literally has no physical form. Even though it has no physical form, the value it has for the company is still very high. Information, logos, contracts, and patents are some of the examples of an intangible asset. Because these assets do not have physical form, like land and buildings, it is very difficult to liquidate these assets-making it hard to give it a proper value. One of the best ways to give value to an intangible asset is by determining what a certain company would be like without that intangible asset. With this factor, owners of these assets can exploit it for a price so much higher than it should be. This could either benefit the company in the long run or break them in the end. (Harrison & John 1998)

Tangible resource and Intangible resource are important, for the different company the impact are different, but in fast paced technology market, the technology company will need the intangible resource more.

For example, the firm (RBV) is thinking: the intangible resource is more important than tangible resource.

Resources based view of the firm is very important subject for research.

According to this theory, organizations should pay their concentration to the resources that are rare, valuable, non-substitutable, and inimitable, in order
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to maintain their competitive advantage. Sustainable competitive advantage is the central point of any organization. It allows the maintenance and improvement of enterprise's competitive position in the market.

Unique capabilities are the foundation of your competitive advantage.

According to the new RBV of the company, sustainable competitive advantage is attained by endlessly developing existing and creating fresh resources and capabilities in response to quickly changing market conditions.

Among these resources and capabilities, in the new economy, knowledge stands for the most important value-creating asset. The chance for their company to sustain their competitive advantage is determined by their capabilities of two kinds - distinctive capabilities and reproducible capabilities - and their unique combination they create to achieve synergy. Their distinctive capabilities - the characteristics of their company which cannot be replicated by competitors, or can only be replicated with great difficulty - are the basis of your sustainable competitive advantage.

Distinctive capabilities can be of many kinds: patents, exclusive licenses, strong brands, effective leadership, teamwork, or tacit knowledge.

Reproducible capabilities are those that can be bought or created by their competitors and thus by themselves cannot be a source of competitive advantage.

Developing and sustaining a competitive advantage is a dominant task of the firm. Many theories within the academic society have been posited to explain why firms are able to obtain and sustain a competitive advantage. Recently,

one theory, the resource-based view of the firm (RBV), has gained prominent attention in the literature. The RBV prescribes that competitive advantage stems from resources that are valuable, rare, inimitable, and non-substitutable. Such factors are considered strategic resources and are largely described as being intangible in nature.

Number of studies observes the association between intangible resources and firm success, some intangible resources, such as organizational, reputational assets, and capabilities do make a larger unique contribution to firm success than tangible assets. (Squidoo 2012.)

The tangible and intangible resource is very important in fast paced technology market. The tangible and intangible resource make the company get many profit and continue operation. The tangible resource makes company operation be best, and less the problem. In fast paced technology market, the company cannot stop their operation, they cannot have mistake, if they stop their operation, they will lose in fast paced technology market.

The tangible resource is make the company can left in the market, and make the company get profit. The intangible resource is make company get the information complete other company and make them easy to control the company. The intangible resource also can make the company's tangible resource be best, and how to control the tangible resource. In the technology market the intangible resource are very important, this is the company's profit, the technology company profit from the technology resource, the intangible resource. So the intangible resource is more important than tangible resource.