

# Uncle tobys essay sample

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The world is rapidly developing in most aspects of human life. In the aspect of economy, companies or firms nowadays pursue global plans so as to introduce and develop their products as well as their services in other countries, instead of only focusing on business in their nation. However, the companies' success depends not only on their own activities but also other factors from outside. Therefore, people have widely adopted marketing systems as a tool to obtain their goals. Some interesting articles and books address this issue. Layton, a professor of marketing at the University of New South Wales in Australia, in his articles "Marketing Systems: A Core Macromarketing Concept" in 2007, examines the relationship between marketing systems with macromarketing, and "On Economic Growth, Marketing Systems, and Quality of Life" in 2009, mentions the role of marketing systems in the economic growth and quality of life. In addition, Dixon and Wilkinson, in the chapter 1 "Marketing: a behavior system" of their book, named "The Marketing System" in 1982, explore marketing as the behavior of subjects that have mutual relationships to make market transactions.

Layton (2007, p. 230) states 'Marketing systems is a network of individuals, groups, and/or entities linked directly or indirectly, through sequential or shared participation in economic exchange but creates, assembles, transforms, and makes available assortments of products, both tangible and intangible, provided in response to customer demand'. The main point of Layton's article in 2007 is that the concept of marketing systems is considered as the main point in thinking about macromarketing. In other words, marketing systems can be found by the diversity of contexts. The

writer provides a broad understanding about marketing systems by making a list of samples of the marketing system concept of other authors which help readers to understand in depth. In addition, the author states that the variety of the levels of aggregation might shape a marketing system. Furthermore, it may be engaged in the coordination and control, in the broader exchange and in the identification of system boundaries and components.

Additionally, the writer shows that assortments are the results of marketing systems. There are two assortments, namely accessible assortment and desired assortment which their difference can impact the effectiveness of the marketing system. Moreover, Layton stresses five flows, including ownership, possession, finance, risk and information, which are quite important to the marketing systems' operation. On the other hand, Mick (cited in Layton 2007, p. 351) point out that ' marketing system is as a complex set of multi-layered, near and far relationships in which the choices and actions of market participants have long-term consequences beyond their firms, partners and customers'. In addition, Layton (2011, p. 259) finds that ' marketing systems are multi-level, path dependent, dynamic systems, embedded within a social matrix, and interacting with institutional and knowledge environment' According to the different definition of marketing systems from the difference articles, marketing systems can be define as a network between two or more parties called transaction.

There is also an exchange between those parties with knowledge, skill, information, and monetary to get the outcome which called assortment. Assortment is the whole range of product which happens in the organization.

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Marketing system can be considered as network creating to get more sustainability of the organization. Depend on Layton's view, marketing systems is a link creating network between individuals or group to participant in economic exchange with both tangible and intangible product. In contrast, Mick has very different view that marketing system is a complex relationship between the choices of customers and the actions of market. These two points are correlative with each other because marketing system is a network of individuals or group in economic exchange between customers and organization. Therefore, marketing system is a network of customers and organization that produce product in the way of economic exchange.

For instance, Wilkie and Moore (1999), in panel A: Tiffany breakfast items have complex network from the start to coffee, and breakfast pastry. In this panel shows the complication of coffee produce which start from farmer grow coffee leave, transport to the manufacturing to produce coffee and then enter to the market and become Tiffany coffee. In this example, economic exchange was happen in each stage of activities such as growing coffee bean, transport; enter market and taxes GST, seller and buyers. In the article in 2009, Layton (2009) focuses more on the interaction between the marketing systems with the economic growth and quality of life. The writer argues that the changes of marketing systems can effectively or ineffectively affect the development of economy or the well-being of society. In addition, the author maintains that the marketing systems founds in multilayered, multiagent and developed economies. Moreover, the division of labor and

specialization, institutions and social matrix are factors which strongly impact economic outcomes.

In the paper of Dixon and Wilkinson (1982), the authors argue that marketing is a kind of exchange mechanism that results from buyers and sellers actions to satisfy their requirements. Furthermore, each person plays one or more specific roles of different social systems in which they participate. In addition, the writers highlight that the analysis of economic systems is quite necessary to understand the role of marketing systems in society. Dixon and Wilkinson (1982) give information about a behavior model-planning which assumes that behavior is not random and it consists of the process of planning that causes the choice of an action and the choice's implementation. The work of such two authors provides extremely real examples, like food assumption to make their idea clearer. Both Layton's articles and Dixon and Wilkinson's work show that the connection between marketing systems and outside environment. Moreover, marketing system is seen as the important part in the success of the current business.

Layton gives two useful examples which indicate two different marketing methods at two different periods. According to Layton (2009), the success of Tiffany breakfast creates from effectively operating the marketing systems with numerous agents which separately exist. In contrast, a story about Okibi who has market actions in ancient society is illustrated as some simple actions such as Okibi directly took and sold cigarettes to customers.

Furthermore, Gappah (cited in Layton 2009) has a clear comparison about such two market actions. While the former is illustrated as fuel is poured into a car from a garage pump, the latter is depicted as fuel is taken from cans.

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This shows that marketing systems is extremely necessary in business because the market nowadays is entities which comprise factors with differences from space and time as well as society and culture. Layton also indicates about the tangible and intangible product. Tangible products are referring to product that can be see, touch, and hold. For instance, motor vehicle, a slide of sandwich, a piece of paper, clothes and so on. Intangible products in marketing system are referring to service.

Fisk et al. (2007), a service can be almost any human activities or exchange between parties that is not a product. Yet service is not just an intangible product or an invisible occurrence. The customer can not purchase physical ownership of an experience (such as entertainment), time (consulting) or a process (dry-cleaning). Thus, intangible product can be considered as service but customer cannot purchase as the owner of the service. Therefore, intangible product can not be seen but it is involved between two parties or more and can call as a network Moreover, communication is key in marketing system, hence referrals will engineer processes that will open up new opportunities because it will be easier track and receive more referrals. Referrals are important because they must have heard of the high quality services and products from the company. There has been an argument in the past about how to focus on theses strategies. The organization should only focus on one at a time but many are for the view that, a person should be assigned his part to accomplish.

It should be a joined up marketing that focuses on working together as a team in a continuous process (Matsatsinis & Siskos 2003) Marketing systems aim at coordinating all distribution channels either formally or informally

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where all members in the organization work as a team to achieve the set goals and objectives of the organization. It wants to eliminate all possible channels conflicts that may arise out of individual objectives that contrary to the organizations' (Dixon and Wilinon 1982) In addition, Dixon and Wilkinson (1982) state that marketing activities can solve the discrepancies such as those of time, place, information, value and ownership. Moreover, the authors stress the marketing channel which needs to follow in sequence so as to complete all of the flows in marketing. As a result of this, products or services can match customer's needs. In other words, this can make business become more successful. In general, these materials mentioned above are very useful because they provide clear perspective about the concept of marketing system in the relationship with external factors. The understanding is extremely essential to overcome obstacles and gain success in today's global economies.

#### Brief explanation of case

Uncle Tobys is owned by Goodman Fielder which is the largest food processor Australia, and Goodman Fielder is currently producing, marketing, and distribution operations in over 30 countries worldwide (Lyons 1999). The strategy of presenting an environmentally friendly face which is characteristic of corporate greening, is evidenced by Uncle Tobys, a company which, between 1990 and 1997, retailed the breakfast cereal 'Organic Vita Brits' throughout Australia. Over this period, Uncle Tobys presented their organic product line as 'Healthy for You, Healthy for the Environment', thus promoting both the personal health and wider environmental benefits of consuming this product. Significantly, Uncle Tobys

also utilised the sourcing of the organic wheat used in this product as an opportunity to present a corporate image of environmental responsibility (Lyons 1999).

Thus, throughout the period Uncle Tobys sourced organic wheat, they used 'organic' as a signifier of corporate environmental commitment and thus as a strategy to green their corporate image. In short, the manufacture of this and other organic product lines by food companies, can be expected to appeal to the growing band of green consumers who express concerns about the environmental and health implications of contemporary systems of food production, distribution and consumption (Clunies-Ross; Arce & Marsden, cited Lyons 1999). In addition, the case study showed relationship between Uncle Tobys and other actors within the organic food network, and how changes the product in the relationship between the various actors in this network. The group actors include organic grower, Uncle Tobys, consumers, and the organic certification bodies, such as the National Association for Sustainable Agriculture Australia (NASSA), Landcare Australia. With organic growers, the certified organic growers in Australia had increased double grower from 1990 to 1995 and the value of organic product increased from A\$28 million to A\$80. 5 million the same period (Vittino, cited Lyons 1999).

They supplied organic wheat to Uncle Tobys plane which were located in Central Queensland, New South Wales and Victoria. They also had information contract relationship with Uncle Tobys, and had certifiable organic Level A by NASAA. In 1996, although they lost contract organic wheat with Uncle Tobys and were stuck with large quantities of organic wheat, they have continued to produce wheat organically. As a result, they

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have found other way to sell their products, such as linking into international organic market or adding value to their wheat. With the organic certifications bodies, they stipulate standards to be met for organic certification. They have begun supporting growers during conversion to organic practices and subsidies to encourage the move towards more sustainable agricultural practices.

Also, they provide government approved standards and assists organic products in accessing the expanding export market demand for organic produce (Clarke & Lovisolo, cited Lyons 1999). Growers and Uncle Tobys must go through an inspection process to receiving certification by the relevant body. As a result, they can promote a corporate image of environmental responsibility to “ green” consumer who are concerned with food safety and the environmental impacts of food production (Burch et al., cited Lyons 1999). Furthermore, Uncle Tobys also used logo Landcare which is as indicator of environmental to promotion to their customers.

#### Role of Marketing System

From Layton’s article in 2011, the major structural and function element of Uncle Tobys are shown in figure 1. Specialization

There is one main species of organic wheat which originates from the organic growers who located in Central Queensland, northern NSW and Wahgunyah plant in Victoria. The product for Uncle Tobys to produce organically was “ Organic Vita Brits” which was an outline of organic farming principles and the benefits these farming methods brought to the environment. In addition, all growers supplying Uncle Tobys and Uncle Tobys processing plants has certified organic by NASAA. Thus, there is a strong

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relationship between specialization and institution. Moreover, without specialization the relationship between institution and knowledge would not happen. For instance, farmers have their own skill to grow organic wheat leaves; also they are aware of the impacts of modern industrial food production on the natural environment and interest in the contaminated foods.

Also, institution give organic certification to growers or company after they have gone through an inspection process and have been provided by the state to encourage the move towards more sustainable agricultural practices. Furthermore, Uncle Tobys has more knowledge and information to consider the consumers need, then they can produce different types of organic wheat to suit those conditions. This connection can be called as exchange logic between farmers, manufacturer and institutions. The best ingredients and rigorous quality controls at each stage of sourcing and blending “ Organic Vita Brits” are guaranteed. Exchange logics

Exchange logics are correlation between specialization, knowledge and institutions. It is mean that farmers have their own skill to grow basic organic wheat exchange with information from institution for the different types of wheat needed from the consumer. The exchange between farmers and institution can be consider as money, for example, farmer sell their grow leave to institution and institution give back the money as bargain. In addition, they can exchange information, sources and knowledge to make the produce sustainable. Flow (Figure 2)

The organic wheat growers, Uncle Tobys and customers had some flow, such as information, ownership, finance and risk. The flow of information needed to bring growers, Uncle Tobys and customers together, and to allow informed exchange organic wheat to take place. For example, Uncle Tobys give information about organic wheat by using Landcare logo and certified by NASAA. Moreover, the flow from seller to buyer of ownership of organic wheat right to the economic values transferred. The flow of risk, consumers construct an array of risk associated with eating, thus the relationship between Uncle Tobys, organic growers and NASAA is dissolution. Uncle Tobys continued to produce Vita Brits using non-organically produced wheat. Also, the organic growers who lost contracts with Uncle Tobys find the new market. Role

The organic growers may act supplier organic wheat to Uncle Tobys. NASAA is a certification body which help Uncle Tobys and growers entry into the organic food network. Landcare may act an indicator of environmental; as a result Uncle Tobys used it to promotion to green customers. Network (Figure 4)

Increase specialization as a network of trade connections linking sellers and buyers become increasingly dense then market increase and lead to a next generation of patterns or emergent structures. Uncle Tobys have a strong network with suppliers, buyers, consumers and their competitors. The connection between Uncle Tobys and its main buyers are “green consumer” who have concerns in relation to issues of both food safety and environmental quality, also they have customers who are less concerned about the environmental impacts of food production. Uncle Tobys have to <https://assignbuster.com/uncle-tobys-essay-sample/>

keep close relationship with their buyers to sustain their product. Moreover, it means that Uncle Tobys is simply keep update the information that their buyers needs in order to produce the correct product to suit their needed. During the first time, Uncle Tobys also need to keep a good relationship with their suppliers which are the farmers, and they are from different states such as Central Queensland, northern NSW and Wahgunyah plant in Victoria. Additionally, Uncle Tobys is a good supplier for Landcare and NASAA in the organic network.

This is the good chance to advertise their product to the world and the company reputation. After that, Uncle Tobys produce " Vita Brits" using non-organically produces wheat, and they stopped contracts with growers. Uncle Tobys move to replace the Land- care symbol with the Coastcare logo. As a result, Uncle Tobys removed itself from the organic network, commitment to the integrity of the agricultural environment has led organic growers to stick to organic growing methods. However, the organic wheat growers found global organic wheat network. The strong tied network between Uncle Tobys with suppliers, buyers, competitors has create a complex network in organization which make the company has more power to effect their target market and sustainable. Assortments, organisation principle, and innovation.

Uncle Tobys produce " Organic Vita Brist" which is a production of an organic line of breakfast cereal and it required only organic input wheat with this product, Uncle Tobys reflected a growing corporate concern for the environment. In addition, the organic growers move towards more sustainable agricultural practices. Customer also have concerns in relation to issues of both food safety and environ- mental quality. Furthermore, <https://assignbuster.com/uncle-tobys-essay-sample/>

understanding different culture is the most important issue for Uncle Tobys because Australian comes from different countries around the world.

Corporation social responsibility is the team that is important for company to keep stable of the network outside and inside. Therefore, corporation social responsibility is a strong relationship between workers inside the company which would have a good operation in the company for the good outcome.

While network inside of company sustainable then the outside network also good and the result of assortment will be increase. Buyers

Organic wheat are benefit to all but not only individual but will be benefit to their family, and society. Consumers construct an array of risk associated with eating. The consumers of Uncle Tobys have concerns in relation to issues of both food safety and environmental quality. For example, 80 percent of study were aware of the existence of these foods. In addition, 60 percent of these respondents indicated that they were prepared to buy organic food on a regular basis, 60 percent had eaten organic food at some time, and 64 percent were willing to pay a premium for organic food (Vittino, cited Lyons 1999). Attention choice, externalities sustainability relate to well being. There are difference types of attention choice to promote the product; those are online shopping website, newspapers, magazine, and supermarket. Refer to technology today, Uncle Tobys are mostly promoting their product via internet with their own website thus it is less expensive marketing option. also, this is the shortest way and easiest way for customer or buyers to quickly go online and see the product from their place. While Uncle Tobys make the easiest way to the buyers that can shop from home, their target market has more likely to increase and the product will be more sustainable.

Therefore, the product will come out with the good consequences to both individual and society. Critical Discussion

Marketing system facilitates economic growth because it matches production and consumption patterns in the market. Effective integration of change is facilitated by marketing system. Promotion and advertising is effective because of improved communication. Responsiveness in the market sector is determined through the changes in the marketing (Matsatsinis & Siskos 2003). The quality of product is controlled in production because of standardization which aims at satisfying the customers. In addition, marketing system improves the quality of life of the customers and other interested parties. It will improve performance of the company due to instability and survival in the growth of the market. Though marketing is no specific, marketing system is important in indicating marketing success because it will be based on sales volumes in the market. Marketing system will retain customers because of the discounts and incentives offered to them.

The incentives are meant to satisfy the customers of the organization (Layton 2007). This mean that, customers will not have any other reason to look for other products form other companies offering substitute or supplementary products in the industry. Ford Australia is one of the products from Australia and this company is adapting to marketing systems. Uncle Tobys and Ford sponsored some organizations or programs. While Ford has a strong network with corporate citizenship, sponsorship, Australian Red Cross Blood Service, supporting communities, national Breast Cancer Foundation, relationship between Uncle Tobys and NASAA is quickly dissolution and then <https://assignbuster.com/uncle-tobys-essay-sample/>

Uncle Tobys removed itself from organic network. Furthermore, Ford also has network with Global Operations from difference countries around the world such as Argentina, Belgium, Brazil, Canada, China, France, Germany, India, Japan, Mexico, Philippines, Romania, Russia, South Africa, Spain, Taiwan, Thailand, Turkey, United Kingdom, United States, Venezuela, and Vietnam (Ford 2011).

The network of organization in Australia and the global network in the worldwide countries can be consider as the aggregate marketing system because not only in Australia or Ford company itself get benefit but the global also achieve some benefit from this company. For instance, Ford supports the Red Cross Blood Service in Australia to help people in Australia. Wilkie and Moore (1999) explains deeply about aggregate marketing system by using five panel as an example of Tiffany breakfast and network of product from the organization to the customer. Network is operating as global and its can come up with the new idea as an evolution. Ford, has strong networks both with inside and outside of company and global. Moreover, Quality of life will be improved because of the improved communication between the producers, costumers and other stakeholders (Wilkie & Moore 1999). Volume and growth of the products in the market will increase; hence, there are no shortages experienced by the customers.

Distributive justice and fairness will be reduced. Satisfaction of the customers will be achieved in the market because of the customers will be achieved in the market because of the innovation and invention responsiveness in the market. Despite the wideness of the marketing system, it will facilitate the introduction of effective and efficiency of the <https://assignbuster.com/uncle-tobys-essay-sample/>

product strategy. This will be necessitated by the compatibility of product development with consumer needs (Donnelly & Peter 2008). To achieve growth, Ford and Uncle Tobys have to define the need, want and demand of their customer. This is to make sure that the product is suit to difference condition of customer. While Ford has to make sure that the products are giving benefit to individual, society, and global to sustain and enlarge the quantity (Hastings 1999), Uncle Tobys lack of success in marketing organic food to mainstream consumers suggests that organic food remains a niche market commodity. In addition, difference types of Ford suit to different condition of need such as ford fiesta are a small car design for a small family or individual use. For example, SUVs are the four wheels drive which is design for big family, and commercial such as Falcon Ute, Ranger, or Transit are design for the commercial or business use.

Therefore, ford is adopting the marketing strategy to achieve growth from individual, society, and global to enlarge, and sustain their product. The marketing strategy as Ford used is deep involved into society to reach for information from customer. Volunteer in the society to spread out the knowledge of product to enhance more customers. For example, Ford is using the lucky draw to customer who buys a 5 AU dollars ticket to help Breast Cancer and give the reward as a car to who wins the draw (Ford 2011). In figure 3, there are four important parts of Ford which play as the first sigh of customer: brand, style, feature, and performance. Brand (FORD) refers to the logo of the product or company which can shortly explain the product clearly. Style is the way of design and appearance of the car.



Feature is functions added in the car to meet the desire and the comfortable way of use for consumer.

Performance is the quality of the car when used. Depend on the quality of life in figure 3, Ford is the flexible company which can adopt the upcoming technology, customer demand and also benefit to society. Therefore, this can be encouraging the company to produce new product or enlarge the productivities. Furthermore, challenges facing the organization especially related to marketing system can be solved, because it focuses on the company's improvement especially advertising and promotion. However, the application of this infrastructure management strategy may not be easy because it requires a lot of knowledge, skills, and training (Matsatsinis & Siskos 2003). This may not be achieved because of the complex scenarios associated with it. Though the policies and procedures are clear, the employees may not adhere to them hence, not achieving its set goals and objectives in the long run. All the components of the infrastructure management should be well linked in order to achieve its goal. This strategy is essential than the traditional marketing mix because it does not focus only on the price, product, place and promotion, but also on the procedures, employees, equipment, data, information, processes, equipment, and other components that will improve the performance of the company (Layton 2007).

## Conclusions

Marketing system is a network between two parties or more in the economic exchange and it benefits to individual, society and globalization. Regarding to business environment, marketing system is a contemporary issue to discuss <https://assignbuster.com/uncle-tobys-essay-sample/>

why businesses need marketing system to developing marketing growth. Without marketing system, network; assortment can not exist because network is the connection of every activity from the first place of processing product to the market. If the assortment does not exist there is no consumer as well as benefit. Therefore, marketing system is a strong network link to everybody as individual, social community and globalization. Moreover, marketing system is essential in the organization because it improves the performance of the organization than the traditional marketing mix. Marketing system is not only about price mechanism but also the entire system of clearing, reputation, credentials, qualification, and regulation which surrounds the mechanism.

Marketing system plays an important role in the achievement of economies of scale which is only possible because of effectiveness and efficiency (Layton 2007). In addition, marketing system plays an essential role in the development of business organizations. It is a total system which has mutual relationship with external factors. In other words, it can effectively or ineffectively impact on economic growth. With the analysis of marketing system in the connection with elements of economic system can help companies to recognize both opportunities and threats. For this reason, the companies can either exploit chances to motivate their businesses or find solutions to overcome or avoid disadvantages for their operation.

Additionally, developing marketing growth strategies is very important in motivating the development of business organizations. To do these strategies, the companies have to deeply understand about their customers' segmentation, how their products deliver and match consumers' demands.

As a result of this, appropriate marketing planning will be carried and it can help those businesses achieve their objectives.

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