

Marketing unit assignment

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Thus the marketing process and effectiveness is important. There are many definitions to define marketing but it is essentially the creation, communication and delivery of an essential product or service that will serve a purpose and fulfill a need of society as well as generate a profit and establish and maintain the existence of the Organization who strives to satisfy the customers endless needs with innovation and creativity. The only means of survival in a fiercely competitive environment is to be Market Orientated.

Establishing the needs of a customer and working backwards to create a product which will meet or generate this need in the future, this is essentially known as Marketing Orientation. This brings us to the initial step of the marketing process which is Research. Marketing Research has given rise to organizations establishing a marketing and Research Department. This enables organizations to keep ahead of trends thus stay ahead of competitors. This also enables the Organization to realize their market segment through market segmentation.

Aiming your marketing efforts towards the right market will not only minimize the risk of incorrect resource allocation, but will also save you time, energy and generate revenue. Segmentation of the market has various other benefits: Product differentiation, Build awareness for potential future marketing campaign effectiveness and as mentioned, effectiveness if resource allocation. Targeting the right Market segment requires a suitable and unique Marketing mix. We look more into depth the 4 As which are the components of an aggressive or effective marketing campaign: PRODUCT: the design of the product, its function and benefits.

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Also, the product range in terms of how many segments will we target within this range and how many choices will be available. PRICE: cost (variable and fixed costs) of manufacturing, marketing and distributing this product.

Competitors' price will also be a determining factor, Consumer perception will affect the asking price and the marketing conditions (are the material available or hard to get, is the economic factors which may affect this products price I. E. The price of oil/petrol).

PLACE: Having the product available when and where it is required so to meet customer demand and accessibility. PROMOTIONAL: How to communicate the product to consumers to make them aware of its existence, Advertising, personal selling, public relations, direct marketing, Sales Promotion or word of mouth or a ambitions of all of these. When compiling a strategy, one needs to evaluate the SOOT Analysis. What are the internal Strength and weaknesses of the Organization and what are the external opportunities or threats that the organization may face or are facing.

The marketing Strategy must be align with the Corporate Strategy, the organizations mission statement and objectives must be considered when formulating individual strategies for each interdependent department. The marketing Strategy must have 3 components aligned with the corporate goals. It must be efficient, effective (is it immunization the right message and achieving sales target/company revenue) and dynamic (is it adaptable so as to change along with the corporate goals when imminent change is required).

Once the statement of objectives for the marketing department is formulated; which entails product, price, place and promotion; the marketing manager and corporate manager will have to undertake a situation analyses. This is the study of the market trend in the past and current which can predict future trends in the market. It also includes a close study of the competition and various market segments. A thorough n-depth analyses of internal strength and weakness, which may require product innovation, re-design or restructuring of the organization, may be required.

This this brings as into Planning; what is the mission Statement of the organization and objective of this marketing campaign. Setting the Sales Target, Marketing budget must be set and the allocation of resources such as staff salary and training, above the line expenditure (advertising) and below the line expenditure (in-store promotions, samples), and price decisions. In all marketing efforts, Sales forecasting also plays an important role. It's an evaluation of sales trends and its importance plays a role in calculation the overall expenditure of the organization as all the departments are invariably interlinked.

Finance of the marketing strategy and campaign is affected by interest rates, inventory costs of the production and the cost of resources such as staff as well and environmental and technological changes. Forecasting can be categorized into different techniques such as time series (relating to past and current trends to predict future trends), Casual technique which is a numerical analysis of sales trends or qualitative technique which falls into exploitative and normative (this is the study of consumer behavior and desired state).

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Tactics and management of marketing efforts will determine success of the strategy for if it is closely managed, it enables managers to rectify problems or short-comings or to redirect the course of the strategy, re-evaluate the strategy to get desired results before it's too late. Evaluate the benefits and costs of a marketing orientation for a selected organization Emirates Airlines prides itself on being a market/customer focused orientated organization. This is evident in their mission statement, ' We strive to deliver the world's best inflight service'.

They have a strategic edge with product (having what the customer wants which is safety), at the right time (covering almost all areas of the globe making it accessible to virtually everyone) and offering a price which customers don't mind paying (due to differentiating itself). Emirates airlines has partnered with Qantas, another global leader in the status-Asia area, and by introducing a loyalty programme that promises reward and advantages for loyal customers. It has also undertaken various charitable projects under its wings as a social responsibility movement towards its biggest markets (Africa and

India). This is an effort towards relationship marketing, working towards retaining existing customers and encourage cross selling through family programme or word- of-mouth from those already satisfied customers. Retaining customers who have already established a relationship with the company, will go through a life cycle, these customers are less sensitive to price change, are willing to try its share-code partners or companies who are in alliance with Emirates, and are less costly to service than acquiring new customers.

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Emirates is always trying to stay ahead of its trend, being the first to fly the Airbus 80, being the first to introduce an entertainment system that has over 100 new movie releases and in addition various other channels (responding to customer wants). Although we all know that it costs less to retain existing customers, it also incurs costs to keep these customers satisfied by offering value added services such as Emirates airlines free chauffer drive if you travel business or first class, the premium airport lounge across the globe exclusive to emirates customers and other value- added benefits.

But these are all necessary in retaining the customer's interest and maintaining a competitive advantage. The customer's perception of buying this service is what value is in it for me and what are the benefits that outweighs the sacrifice of obtaining and paying the price. These all play a psychological importance on the customer's decision on whether to remain with a certain service provider or use its competitor.

Having a competitive edge and being customer centric is the aim of the game but all is not gain with any pain. There are costs to incur; use of newest technology, marketing intelligence, after sales service and constant modification for innovation is all at a cost. Marketing Orientation has an overall impact on the profitability of the organization, sales growth, market shares in the market place, new product launch success and perceptions of the customers, stakeholders and suppliers.

The most challenging aspect of a market orientated organization is to keep costs low, still provide an exceptional service and reward programmer but be ahead of the game so as to win a great portion of the market share and still

make desirable revenue and profit. Section 2 Understanding and using the concept of segmentation, targeting and positioning Show Macro and Micro environmental factors which influence Marketing decisions The environment in which the organization operates has an impact on the success or failure of its operation.

The Organization marketing environment consists of a Micro environment and a macro environment. Let's take a look at how each has a direct impact on the Organization: The Micro environment can be subdivided into the external and internal factors. External factors of the Micro Environment are those factors that have a direct impact on the organization; these are suppliers and their bargaining power or relationship with you. The suppliers credit facility that is available; Customers and their bargaining power, Shareholders and financial Institutions.

The internal factors known as the controllable factors consist of management, the finance department and how they manage financial resources and allocation, the Research and development Department on how effectively they conduct the research (accuracy and precision is vital in the R&D department), The HR department who contribute to the success of the organization by facilitating restructuring and modernization and selection of the right people to do the job properly, and the Company image and Brand equity.

The brand that already has a good foot in the market will have a better possibility of survival to those brands that are still being launched. The Macro environment is society as a whole and can affect the organization's potential

to be profitable. The components of the Macro environment is Demographical forces, the distribution of a specific target market in a concentrated area with regards to age or sex and lifestyle; Political and legal forces such as policies and laws, wars and treaties; Economic forces such as how well the economy is doing, the employment rate, exchange rate, the rate of inflation etc.

Social and cultural forces, people from different social group or religious practices may have different Business ethics and language or cultural customs may create a barrier if the marketer is unaware of these traits; and technological forces, which is the main reason for such a rapid changing society especially amongst the youth can affect businesses. Keeping ahead of the trend and using innovative technological resources may give an organization a competitive edge especially when it comes to innovation and staying ahead of trend.

In the Macro Environment economic factors may lend to challenges such as secession, were customers spending and lending power becomes tight-roped, the credit crunch, increasing rate of inflation which leads to price hikes and eventually a market crash. The unemployment rate may affect the market as well as the rate of the population growth of society. Political sanctions or government policies or restriction on foreign trade may all affect the organizations operation and the list goes on and on.

Not to mention the new-age concept of ecological social welfare and the green market which all affects the position of the organization the market and the ay in which stakeholders and consumers perceive it. In a free market

economy, organizations are up for a lot of new competition. There are many factors affecting an organization in this instance, threat of new entrance, threat of substitute products and services, bargaining power of consumers and suppliers and rivalry. In today's fierce and fast pace environment, the lead belongs to the quick thinkers, the innovators and the strong-willed.

Propose segmentation criteria to be used for products in different Markets when segmenting the market for you proposed marketing strategy, your market segment needs to be measurable (is the size of the target market going to achieve the desired objective of making a profit), substantial (does your target market have spending power, will they afford your new product or service), accessible (within a geographical area accessible to you), and differentiable (clearly defined homogeneous or heterogeneous). From this segmentation criteria, you will segment the market according to different lifestyle classifications.

Are they upwardly mobile ambitious, these are individuals who are more affluent in life and are willing to try new products as they have the spending-power. Traditional or Social, meaning these individuals or groups conforms to norms and their purchasing pattern is more predictable and follows a pattern. Security and status seeking, segments of the market who would rather stick to what they know, or groups with a hedonistic lifestyle, they live in the now and don't really have concerns of what will happen in the future.

All these segments would be categorized on a broader scale in terms of:

Geographical location: A group of individuals who lives out in the city, in a

high-rise building of New York City would have little or no interest in the marketing of fertilizer or crop farming. Demographics: Maternity sanitary towels would be targeted at women within a age frame and at the same cycle of life (child-bearing stage). Behavioral segmentation: ready-made convenience food would be targeted at busy executives who have the income to dispose and not the time available to make a home cooked meal.

Cryptographic segmentation: The sale of a history book would be targeted at individuals with a certain lifestyle and personality or a bicycle ad would be targeted to a market segment that enjoy the outdoors and sports, or families with children who are looking for some form of activity. Cultural segmentation: is targeting a group with similar norms and values, for example, the sale of turkey during thanksgiving season would be targeted at a market that values that time of the year.

Kosher meals will be targeted at a certain group of people and Hall products will be targeted at people with a similar requirement. But within all these segments, people have different needs to fulfill at different time. Let's take Mascots Hierarchy of needs for example; people are driven by different needs. Physiological needs are the needs for survival (the basic essentials), Safety needs, Social needs and esteem needs (the need of affection, acceptance and love) and the final need being self-actualization (fulfillment of personal potential).

These needs are interchangeable and there level of importance may change over a period of time but this depends on the individual. Segmentation of the market in terms of Mascots hierarchy of needs would look something like

this: Physiological needs: Segment: People with Diabetes Position: Sun chips
 harvest, snack food for diabetics Safety needs : Segment: Home owners in
 South Africa Position: ADD security advertising home alarm security systems
 Social Needs : Segment Teenage girls and female adults Position: The epilator
 by Philips that leaves your legs hair free and Silky smooth Esteem Needs :
 Segment Upwardly mobile ambitious individuals Position: BMW for the
 ultimate driving machine Self-actualization Segment College students and
 adults Position: One year MBA course The response of your target market will
 depend on their perception of the product and their cultural beliefs, norms,
 values and attitude. Choose a targeting Strategy for a selected product or
 service Product/Service Contain Tour Tailor made travel packages for young
 adults on budget

Market Segmentation/ : For young travelers Between the age of 18-35 who
 have a need to travel. University students or graduates Young working adults
 who want to break away from The rat race of a nine to five Job and “ find”
 themselves Individuals who like to meet new people Single adults Both male
 and female Adventurous and Segmenting the audience : Demographics
 Young university students/graduates/singles who are both male and female
 Chiography's Segment of the market who are at a similar stage of the life-
 cycle, just starting out and curious of the world.

Educated individuals has they have a need to discover new wings and new
 places. They want to be in the know. Individuals that have a urge to travel,
 have not traveled much and are ready to break free from the nest. People
 that have a similar hobby, such as traveling, partying, socializing,

photography and meeting new people. Beliefs and values: They believe that this will broaden their view and open them up to new horizons. People who value learning experiences and living the moment.

Life cycle: Maybe they are just about to start off. People who are nearing the end of schooling years but have not mastered the life stage of settling down and having children. Geography: This is a broad area. Geographically targeting all countries. The marketing for this will vary according to price strategy and specific region. This may be affected by culture in religion. Most targeting the western region where it is socially acceptable for young adults to travel unaccompanied, unlike the middle east and some Asian countries.

Market Targeting: Commercial-Mass media- must be fun, emotional (appeal to the emotions such as freedom). An image of being free. Digital marketing- Google search and a website. Criteria size: Must reach a large chunk of the market and appeal to both male and female. Money: Contain tours are tailor made to suit individual budgets. Must be affordable. Accessible: A meeting point as at various locations throughout the year on specific date. Travel arrangement can be made. Benefits: A once in a life time opportunity. Live In the Now!

Demonstrate how buyer behavior affects marketing activities in different buying situations. The buying behavior of Organization or consumer of a product or a service affects marketing activities at different stages. In turn, marketing activities can invoke or provoke different buying behaviors through effective marketing communication and by knowing the thinking process behind various buying decisions. The buyer makes various decisions

through a process known as a buyer's thinking process. 1st stage: Need recognition & problem solving.

The consumer or organization recognizes a need that needs to be fulfilled. Stage 1 Marketers response: Gain interest of the consumer or Organization by making the product or service known. 2nd stage: information search or developing product specification. An organization will specify to its seller what it is what he needs or brainstorming will occur within he organization to establish what it is specifically required to fulfill this need in stage 1 . In a consumer, this stage may involve internet searching or looking and comparing different alternatives.

Stage 2 Marketers Response: Stimulate interest by appealing to the senses and emotion of the target market. 3rd stage: Evaluation of alternatives. The Organization or consumer will look at price, availability and competitor/substitute product and compare. Stage 3 Marketers Response: Create a desire within the target market identifying the product with the desired outcome if it is used. 4th stage: Purchase Decision. The Organization or consumer has come to a conclusion. Stage 4 Marketers Response: Generate a Action Stage 5: Post-purchase evaluation.

The consumer will decide whether his expectation has been met, has his needs been satisfied. Stage 5 Marketers Response: Create satisfaction. Follow up on consumer or customer. Offer an after service customer care service. Ask for an evaluation of the product or service. So we see that the buyers buying behavior as shown by The Response Hierarchy model, follows a process of recognition, information search, evaluation, purchase decision

and then post-purchase evaluation. This can also be driven by the consumers' response to personal stimuli.

Does the marketer's communication objective create a cognitive response in the buyer. All decisions are influenced by Cultural values and behavior, social influences as opinion leaders, aspirations models and status: personal influences such as age and lifestyle and psychological influences. Other influences may be Supply and demand, is it available. Is there greater demand than supply, in which case the consumer will look at other alternatives. This in turn can affect price thus affecting buying power of the individual.