

Marketing assignment – analysis of lastminute.com essay sample

[Business](#), [Marketing](#)



The Lastminute. com was founded in London by Martha Lane Fox and Brent Hoberman in 1998 to offer late holiday deals online. The founders were colleagues at media strategy consultants Spectrum. Lastminute. com is the UK's leading online travel & leisure retailer. Lastminute. com offers its customers the opportunity to book flights, tickets, hotels and more through a one stop shop. From adventuring in the mountains to relaxing beach breaks, spa stays, theatre trips and dining, there really is something for everyone. At lastminute. com it's an extended family of brands that offer everyone the widest choice of products possible. From holidays to hotels, car hire to business travel, providing all the travel options everyone ever need.

The company has 480 employees around the globe. Ahead of its flotation in the share market the company has raised a further \$31m from seven new investor such as BAA, Hotel Resorts, Sony music entertainment, Mitsubishi corporation finance, Vivendi's viventures, Starwood hotels and Priceline. com. The company profit margin was 62, 000 GBP at end of October 2012.

The Lastminute. com has biggest market competitors upon arrival of Expedia, ebooker and TUI travels.

Lastminute. com offer customer great online discount and deals, occasionally the company offer online competition for customers.

Task 1a (I) DISCUSS CORE MARKETING CONCEPTS

Definition and Explain

There are many important aspects of marketing. Marketing can be defined as the process of creating, pricing, distributing and promoting goods, services or ideas to facilitate satisfying exchange relationships with customers. Basically, it involves creating the right product, at the right price, putting it in the right place with the right promotion in order to make your customers, or target market, happy.

The sale of a product, service or idea can be thought of as an exchange. When buying a product a customer is exchanging their money and time in order to receive the benefits of your product which could include comfort, status, and look. For a satisfying exchange to occur each party to the exchange need to have confidence in the something of value held by the other party and when the exchange is complete, be happy with what they have received. When marketing something should be trying to creating, and then maintain, satisfying exchange relationships. Not only should you be trying to attract new customers, you should also try and increase the profitability of current relationships with customers and increase their duration.

To be an effective marketer you need to plan, organise, implement and control all aspects of the marketing process. You need to assess possible opportunities and resources and determine your marketing objectives. You need to organise everything so you are ready to implement your plan. Successful implementation of your plan requires you to coordinate all marketing processes and finally, you need to establish your performance

standards and compare your actual performance with your expected performance.

Marketing is to understand the needs of the customer and to create those needs and help them to identify and fulfil their needs whereas branding is to help the customer for identifying the products. It gives the value, reliability, trust and assurance. Brands are the assets of marketing because it is very helpful when a marketer is marketing his product in terms of needs, wants, demands, value, uses, and exchange and transaction. Marketing for the purpose of selling is based upon 7 P's which are follows:

1. Product
2. Price
3. Place
4. Promotion
5. People
6. Process
7. Physical

(wiki. answer. com)

Task 1a (II) EXPLAIN 3 DIFFERENT ASPECT OF DEFINITION: IDENTIFYING, ANTICIPATING AND SATISFY CUSTOMER NEEDS

IDENTIFYING:

Marketing is about making sure that a business is providing the goods and services that customers want. It involves identifying what consumers want today and will want in the future. The marketing department then plays an important role in taking these goods and services to market so that consumer's can judge on each products.

ANTICIPATING

Anticipating a customer's needs is an important part of most retail and wholesale businesses, especially in a more challenging retail environment so they choose to come back. Anticipating needs also provides opportunities for personal and professional growth. A business that takes the extra step of anticipating and providing for an obvious corollary need can generate loyal, repeat customers; and even a humble clerk who is alert to the needs of the customer standing in front of them is sure to advance.

SATISFY CUSTOMER NEEDS

It means if a customer for example wants something done or has a complaint, you try to fix it. Also maybe money can satisfy the consumers because they can buy what they want and their needs. Customer's always need quick and efficiency service in order to make them happy, so that they can come back next time.

(Lecturer information)

Task 1b (I) DEFINITION OF CONSUMER BUYING BEHAVIOUR

Consumer buyer behaviour refers to the multi-step decision-making process people engage in and the actions they take to satisfy their needs and wants in the marketplace. However, there is no single standard of behaviour.

Individual consumers behave differently based on psychological factors like motivation, and also due to environmental and situational forces.

Decision-Making Steps

Generally, people make consumption decisions after proceeding through five steps:

1. Need recognition: A person becomes aware that he lacks or has run out of a product needed to solve a problem or enhance his life.
2. Information search: The prospective buyer seeks information about available products.
3. Evaluation of alternatives: A person compares the benefits of available products.
4. Purchase: A purchase is made.
5. Post-purchase: A buyer often makes repurchase decisions based on whether a product met his expectations and satisfied his original need.

Psychological Factors

At any point in time, some people are more motivated than others to buy a product to satisfy their needs. Motivation can arise from a physiological state like hunger, or a psychological state like a desire for self-esteem. Once motivated to consider a purchase, a consumer is influenced by her perception, or interpretation, of the choices available to her. For example, a health-conscious parent who is motivated to buy a children's breakfast food might rule out all cold cereals because she perceives them to be unhealthy.

Environmental Forces

A consumer's buying decisions, like many other choices in his life, are influenced by his culture and the people around him, among other environmental forces. Culture is a set of values, beliefs and norms widely shared in a society. For example, most Americans with white-collar jobs follow the norm of wearing suits or dresses in the workplace, and purchase office clothing accordingly. The opinions of consumers' friends, families and colleagues can also affect their consumption choices.

Situational Forces

The nature of a shopping situation is another influence on what, when and how much consumers buy. In particular, people can be affected positively or negatively by the physical characteristics of a store, like its layout, lighting and noise level. Consumers tend to spend more time, and often more money, in stores that are generally clean and attractive. Conversely, they are likely to limit their patronage of outlets where they feel rushed or uncomfortable.

(www. ehow. com)

Task 1b (II) IDENTIFY AND BRIEFLY DISCUSS THE FACTORS THAT AFFECT CONSUMER BUSINESS FOR THE PRODUCTS (Chosen Company) LASTMINUTE. COM

PERSONEL FACTORS:

1. Lastminute. com has no such influence on personnel factors such as follow; Age, gender, income and occupation.
2. Consumers with high income can book their holiday or Airline tickets in a First class or Business class seat. Even they can book on platinum package holidays.

SOCIAL FACTORS:

1. The recession made people taking holidays in the UK not abroad especially on those who have big size of family's.
2. Friends, peers, marital status has no big issue such as book their holiday destination.

CULTURAL FACTORS:

1. Religious has slight influences on such as airlines for example of Halal food and kosher.

2. Some consumer think values of money are their great pleasure and those who believe of religious can choose their own airlines such as Saudi Airlines, Air India and Israel airlines.

PSYCHOLOGICAL FACTORS:

1. Lastminute. com believes that motivation and learning can achieve great goals.

(Lastminute. com website/2nd hand out information page 1)

Task 1(c) DEFINITION AND BENEFIT & COST OF MARKETING ORIENTATION

A company philosophy focused on discovering and meeting the needs and desires of its customers through its product mix. Unlike past marketing strategies that concentrated on establishing selling points for existing products, market orientation works in reverse, attempting to tailor products to meet the demands of customers. In essence, market orientation can be thought of as a coordinated marketing campaign between a company and its customers.

As was proved in the recent history of the automobile industry, the idea that companies can create a product and sell its features to an eager buying public is no longer concrete. With an increasingly global economy and more and more choices for consumers, companies must be willing to adapt their market orientation to stay competitive.

The benefits of market orientation are:

â The chances of newly developed products failing in the market are much reduced - but not eliminated - if effective market research has been undertaken first. With the huge cost of developing new products, such as cars or computers, this is a convincing argument for most businesses to use the market-oriented approach.

â If consumer needs are being met with appropriate products then they are likely to survive longer and make higher profits than those that are being sold following a product-led approach.

â Constant feedback from consumers - market research never actually ends - will allow the product and how it is marketed to be adapted to changing tastes before it is too late and before competitors ' get there first'.

The costs of market orientation are:

âA strong market orientation does come with significant costs. Investment in marketing research is high because companies need powerful market intelligence to respond accurately. Technological infrastructure is also critical in the early 21st century as companies use databases to collect, analyze and use customer data. Constant modifications to work processes require investment in ongoing training. Constant product modifications also mean ongoing investment in new equipment and product iterations.

âAlways study the strategy and the product of the competitor in the market. Without knowing the strengths and weaknesses of competitor, you cannot properly advertise or sale product in the market.

The first and foremost thing that motivates a customer is the need for the product. Customer will satisfy their need by selecting the best available solution that they can find at the time they need it and you have to convince consumer's that they need your product. Able to read customer's mind what type of commodity is actually they looking for and should get some clue about their budget.

(wiki. answer. com/1st hand out page2)

Task 2 (a) SWOT analysis of Lastminutes. com

Strengths

1. Excellent customer service
2. Award winning in online service
3. Easy to use website
4. Increasing revenue

Weakness

1. Seasonal travelling
2. Increasing customer acquisition cost
3. Shortage of investment capital may limit expansion
4. Little entrepreneurial experience

Opportunities

1. Increasing travel demand
2. Could diversify into a wider range of products
3. Repeat customers
4. Targets business travellers

Threats

1. Many online competitors
2. New innovations of competitors

(Lastminute. com website analysis)

Task 2 (b) Explain how marketing research and market information can be useful to you as a marketing manager:

Market research is an essential part to launching and running a successful business. The official definition of market research can be described as the systematic collection and analysis of data regarding the prominent attributes of the market you are targeting. This information often includes data relating to consumer behaviour, and competition.

Market research enables you to offer your products or services that are focused and targeted to the right consumers. When time is spent doing market research you will often avoid costly mistakes and minimize your

financial risks when it comes to your marketing. When we take the time to understand the consumers we are marketing to we are enabled to communicate better and identify opportunities.

Market research can be categorized into two different categories. They are including:

âPrimary Research - Primary research is the collection of data that pertains to the monitoring of sales and marketing strategies through direct communication with consumers. Primary research is often used to gauge a company's progress after a product launch.

âSecondary Research - Secondary research often includes data collection through the use of statistics that are already published. These statistics are collected and then analyzed. Secondary research is often less expensive and is ideal when it comes to targeting a particular segment before a product launch.

Market research offers the following important benefits to companies:

Gauges customer satisfaction

Devise more effective marketing strategies

Identify opportunities

Identify market potential

minimizes the chances of loss or potential problems

Serve as an evaluation tool

Analyze competitors and create strategic plans to beat rivals

(Hand out information page19)

Task 2 (c) "Chosen company" Corporate social Responsibilities

Lastminute. com is the kind of place where employees work hard and learn much, but maintain a healthy balance between work and personal life.

Lastminute. com understands that strong communities make for great places to work, entertain, and raise families & travel.

Lastminute. com is parent company of Sabre Holdings, invests primarily in education, with an emphasis on math, science and technology. Lastminute. com employees also take time out to volunteer - on and off company time - as their business allows.

Further information can be found on about corporate social responsibilities.

[www. sabre. com](http://www.sabre.com)

(Lastminute. com website/sabre. com)

Task 3 (a) Explain features of the products of your chosen company and how it prices them for its various destinations:

The lastminute. com price match guarantees its promise that whenever consumer's shop with the lastminute. com were getting the very best deals.

If you were book a hotel (including a Top Secret Hotel) or a build your own

<https://assignbuster.com/marketing-assignment-analysis-of-lastminutecom-essay-sample/>

flight + hotel package on the lastminute. com website and you find the exact same product or package for less on another UK website within 24 hours of booking with lastminute. com or you will get your refund of the difference, provided that the cheaper price isn't the result of a special deal. Except for Top Secret Hotel bookings where the price match guarantee will extend to a cheaper price that is a result of special deals.

The lastminute. com price match guarantee applies only to UK websites that have the identical hotel or flight + hotel package immediately available (not on request) and the hotel or flight + hotel package is priced fully and accurately.

Prices will be compared on the total product price and when calculating the competitor's total product price the comparison will include the cost of the product plus handling and delivery charges as well as any taxes, fees or other charges, whether payable at the time of booking or on departure or arrival.

(Lastminute. com website price match guarantee)

Task 3 (b) Difference between service and manufacturing firms,

Characteristics services of 5:

A service economy is based on providing services. For example, backpacking trips, Jet Ski rental, motorcycle rental, bicycle rental, hotel rental, vacation rentals, boat rentals, jumper rentals, car rentals, game rentals, and theme parks. Almost anything you would do on vacation or where someone is

providing a service for you: waiting your table, cleaning your hotel room, cleaning your clothing. A manufacturing economy is based on using tools to make a product. China has a huge manufacturing economy right now. They can produce almost any item, from computers to dining room tables. This is a very quick idea to begin discussion about the differences between these economies. Hawaii has a service economy because lots of people go there for vacations. Most of the tourism money comes from service businesses. On the other hand China is making most of their money by producing products in large factories.

1. Intangible: Services are intangible they cannot be touched, gripped, handled, looked at, smelled, and tasted. Thus, there is neither potential nor need for transport, storage or stocking of services. Furthermore, a service can be (re)sold or owned by somebody, but it cannot be turned over from the service provider to the service consumer. Solely, the service delivery can be commissioned to a service provider who must generate and render the service at the distinct request of an authorized service consumer.

2. Perishable: Unused capacity cannot be stored for future use. For example, spare seats on one aeroplane cannot be transferred to the next flight, and query-free times at the reference desk cannot be saved up until there is a busy period.

3. Inseparable: The service provider is indispensable for service delivery as he must promptly generate and render the service to the requesting service consumer. In many cases the service delivery is executed automatically but

the service provider must preparatory assign resources and systems and actively keeps up appropriate service delivery readiness and capabilities. Additionally, the service consumer is inseparable from service delivery because he is involved in it from requesting it up to consuming the rendered benefits. Examples: The service consumer must sit in the hair dresser's shop & chair or in the plane & seat; correspondingly, the hair dresser or the pilot must be in the same shop or plane, respectively, for delivering the service.

4. Variable: Services involve people, and people are all different. There is a strong possibility that the same enquiry would be answered slightly differently by different people (or even by the same person at different times). It is important to minimise the differences in performance (through training, standard-setting and quality assurance).

5. Owner: The Company provide facilities that will give the buyer the feeling of ownership, for example a bank will provide current account customers with cheques books, debit card, credit cards and bank statements to give them that feeling of owing the account.

(Handout information page 11)

Task 3 (c) Explain the concept of ' The Total Tourism Product' (Chosen Company)

The Lastminute. com offer consumers various destinations of tourism products and service. Which are consumed under the brand name of the destination? Destinations are considered to be a denned geographical region

which is understood by its visitors as a unique entity with a political and legislative framework for tourism marketing and planning.

Specific Tourist Products

1. Destination is amalgams of individually produced tourism amenities and services such as accommodation, transportation, catering and entertainment.
2. A wide range of public goods for examples Landscape, sea, lakes and socio-culture surrounding atmosphere.

Tourist products scope

1. Destination
2. Resorts
3. Site
4. Company
5. Packaged tour
6. Event and episode

Lastminute. com has built much aspect of package products to transfer around the globe.

(Lastminute. com website analysis)

Task 4 (a) Describe how your chosen company's promotional effort can help achieve its marketing objectives:

The decision to expand the business into additional markets can be both exciting and daunting. On the one hand, you're hoping for sales and profit growth. On the other hand, however, you're faced with uncertainty about the effort and cost of expansion. This article will provide a road map for the expansion process. It will help lastminute.com sort through your options when looking at expansion and set realistic targets for growth. This tool to research possible market opportunities, develops the expansion plan, and initiates action. By following the steps outlined here, Lastminute.com business will have a better chance of succeeding in a new market.

The lastminute.com has different type's promotion methods as follow;

Advertisement

1. TV
2. Radio
3. Websites
4. Billboards
5. Newspaper

Sales promotion

1. Package holidays

2. Room discount (Hotel)
3. Theatre / concert tickets
4. Company website promotional offer

Direct marketing

1. E-mail
2. SMS
3. Past customer (shopping centre)

(Lastminute. com website analysis)

Task 4 (b) Discuss the factors that should be considered by chosen company when planning an integrated promotional campaign for a new destination:

TheLastminute. com has partnered with Visit England company to launch an integrated marketing campaign including advertising, PR and online activity. In addition, lastminute. com will host Visit England content on a specially designed page, highlight events and trip ideas alongside last minute deals on key destinations and experiences. Lastminute. com has express their view about how peoples in Britain wanting to celebrate the best that England has to offer, Lastminute. com have been teamed up with Visit England to offer great last minute hotel deals for their customers to make the most of this summer.

The Lastminute. com has launched its first Europe-wide integrated campaign to highlight its lifestyle product in the face of increasing competition in the market. The lastminute. com has outline stressed the time was right for a heavyweight campaign to set itself apart from rivals. The campaign aims to highlight non-travel products from theatre breaks to sports experiences such as indoor sky-diving, focusing on “ unforgettable and inspiring moments”. Around a third of revenue currently comes from lifestyle products.

Cost of campaign

The cost of campaign is very high number of demand especially on television, newspaper, website and Radio. It's depending on how its company can afford to advertise.

Promotional Methods

There are two advertising techniques businesses may use: Below the line (BTL) and above the line (ATL). The technique and method a business decides to use to promote its product depends on a number of factors:

Below the line (BTL) promotion

1. PR - public relations - when a business communicates directly with its public through press releases and speaking at conferences.
2. Sales promotions - such as 50% extra free, buy one get one free or coupons and gifts.

3. Sponsorship - where a business will pay to be associated with another product, person or event. Sportspersons are often sponsored by sports companies.

4. Direct sales - when a representative of the business will visit potential customers.

Above the line (ABL) promotion

1. TV, Radio and Cinema - allows businesses to target a large group of people.

2. Newspapers - allow advertisers to reach specific groups of people.

3. The web - allows businesses to reach a large international audience at a very low cost.

4. Outdoor/transport -advertisements on the side of busses, outside shops and on billboards enable.