

# [The success history of boots marketing essay](https://assignbuster.com/the-success-history-of-boots-marketing-essay/)

Boots is secondary to non British health and Beauty Company, in this evaluation report will depict its factors that give details its working environment under ecommerce business.

Boots is the UK’s top chemist that deals with healthy and beauty retailers. It has numerous shops in the UK and Ireland. It is a global business chemist that as well as securing market management is building and marketing its own trademark with significant success.

Boots also called Boots Group plc which has several sub companies, Boots the Chemists limited, Boots healthcare international, Boots opticians and Boots retail international.

The organisation boasts a very superior working connection with its manufacturers and pharmacists. Main focus of the company is on pharmacy, health, beauty retailing and wholesale pharmaceutical products.

## Brief

This report will help the reader to comprehend the background, motives and the reasons for the strategic conduct and help Boots to stay at the top of the market.

Adding on that this report will weigh up the political, economical, social and technological factors (PEST); strengths, weaknesses, opportunities and threats (SWOT) distressing the production and routine of the businesses inside the chemists division in the present, past and future. In terms of political factors, legislation abolishing the retail price preservation on over the respond to drugs; economical factors concern tax and inflation; social factors, such as common lifestyles of people; technological factors; such as safety improvement.

This report explains more about threats, such as competition form top supermarkets; it has strained Boots to cut prices, and invest newer merchandise. Competition is the greatest factors that Boots faces. This report also explains and outlines the impact of IT on the company’s function and competitive improvement.

## Outcome

Therefore it is concluded that, Boots investment in IT/IS have shown significant growth in the company’s revenue. The ability in outsource its IT and Human Resource Department gave the company the strength to focus on what mattered more, its customers.

Key findings of the report;

The company is the leading beauty, health and pharmaceutical business.

The focuses on delivering first class service to all its customers.

The introduction of customer advantage card, allowing the company to manage its customers purchasing habits and keeping track of the goods and services and particular group of customer’s purchases

## INTRODUCTION

Boots is the UK’s top chemist that deals with healthy and beauty retailers. It has numerous shops in the UK and Ireland. It is a global business chemist that as well as securing market management is building and marketing its own trademark with significant success.

The success history of Boots was started back in 1877. This was the very first time he opened a pharmacy and he multiply his customers by lowering the price while other leading pharmacies had price-fixing plan.

Boots the Chemists, heath and beauty retailer, has perhaps the largest range of superiority, product name personal.

The turnover of the company is high because ninety percent (90%) of the UK visits Boots stores at least once a year. Annual turnover of the company is around three billion sterling pounds (3 billion sterling pounds) from the group of some 1, 300 stores.

Due to the competition in healthy and toiletries products the Boots Company established the scheme that rewards the customer with the personal items. The scheme allows customers who cannot purchase the items for themselves and rather than giving them a coupon and to offer them to buy two items for the price of one item. The company also introduced an Advantage card scheme to which will identify the card holder the items they want.

The advantage card scheme has led to many paybacks to the company. The gain includes the drive of the company strategy, this is according to the information captured on the card, lets the company to capture more information on what the customer wants from Boots and this facilitated them on marketing process and effectively by rely on the information.

Boots goals are, to make the company more modern, competitive and efficient retail business, in order to deliver value for their shareholders. They concentrate on three main tasks,

Opening time to be convenient to the customers to shop and allowing the customers to purchase products efficiently and quickly.

Having different stores in different area especially malls and high streets

Giving discounts to its customers and many products on the store.

## STRATEGIC EVALUATION

Strategic evaluation is the process whereby managers used as a help to make a decision which strategy a program should implement in order to achieve its goals and objectives.

On this paragraph the report explains more about present position and industry analysis of the company using the following tools; SWOT (Strength, Weakness, Opportunities and Threats) and PEST (Political, Economical, Social and Technological).

SWOT Analysis on Companies current position;

## Strengths:

The company continues to give the staff training.

The advantage card system has transformed the industry, and the introduction of that system, the company have been able to get customer buyer’s lifestyle.

The marketing and advertising campaign is very strong which makes the company very effective and worthwhile.

Incredibly efficient database system which allows for the very quick querying system.

Constantly lowering the price to meets its competitors vary, boots usually continue to endorse its 3 to 1 special on its health and pharmacy variety.

A major investment in their IT system which is outsourced to IBM.

## Weakness:

The company continues to experience competition from outside rivals.

The campaign management component has been fully integrated within the Customer Data Analysis System (CDAS) which makes it non identifiable.

## Opportunity:

Boots have the chance to recruit best workers in the pharmaceutical because it is one of the most esteemed pharmaceutical companies in the country.

Boots constant expansion of the advantage card system.

Boots have developed the broader customer base and continue to look for new thriving markets.

Continues to carry out market research in search of a new way to develop their products.

## Threats:

Economy factor, affecting inflation and interest rate in an outside threat for the company.

Competition from the rivals, Supermarkets. And this causes the company to cut the price and may cause the fall of profit in the future.

The fall of the economy does cause the distress.

The increasing cost of the technologies will always be the test for the business seeking to enlarge and to meet the quick change of technology.

PEST Analysis on Companies current position;

## Political:

The government has introduced a legislation abolishing the retail price maintenance on over the counter drugs and this stipulates the manufacturers are no longer be able to indicate the price that resellers can sell over the counter drugs.

The government planning on introduction of legislation, which would wipe out restrictions of many pharmacies, can serve a single area.

## Economical:

Drugs price is rising, this will cause the cost to the consumer to shoot up despite the crash of the retail price maintenance.

Consumers and Organizations are spending less, despite the low rates. The rate is low in order to encourage borrowing and investment.

## Social:

People are living longer because of the enhanced healthcare services and improving drugs technology.

The amount of alcohol consumed has shoot up to the extent. This is predictable to continue as people are not heeding medical advice, about the terrible effects of alcohol.

Animal examining is significant as many animals are close in execution and brain structure therefore the outcome is more precise than that of projections from a PC.

## Technological:

Technology has been the approach to the potential future, and of cause Boots is not deficient in following the developments in technology. Security is significant in any business, and that is the reason Boots has invested in the technology.

The development of Boots Advantage Card has been well-organized and consistent for most customers. Application for the card has been growing up per week and number of cardholders now is approximate 12 millions and 8. 5 is for regular users.

## IMPACT OF THE NEW IT/IS SYSTEM

## Culture:

The company has invested for a long time to the implementation of the top of information systems. The culture has considerably changed over the years. Before Boots had its own formation which mostly dealt with all IT needs. Later stage the company realised that it can advance on its IT communications, approved that the organisation boost its satisfaction on consumer.

Prior to the execution of the outsourcing business with IBM, the organisation used to pay out in overhauling of the IT infrastructure to progress efficiently and more significantly customers value of money. The company looked at every aspect in their IT segment to include the outsourcing its data centre, in store and network systems.

Boots IT system culture changed vividly, and is able to install new systems and introduce modern tills across all stores. The main plan of upgrading of the company in its IT sector is to spotlight on how it can advance its customer relationship, diminishing in its IT operational cost and pick up on it delivery capabilities.

In addition , the implementation of the customer advantage card have seen a wonderful profit to take in having 10 million registered card customers 2 million more that initially forecasted for. The investment the company injected was to adjust 25 millions as well as the database which was used to clutch the customer’s data.

The culture on promotion has changed due to the impact of the computer system now the company should put their force in making the promotion using the internet and this cause the company to change. The use Customer Relation Management to observe customer shopping lifestyle.

The introduction of the new touch screen tills from the ordinary push buttons till made the culture of the organisation to change and allow them to have individual training.

## Productivity:

Boots investments in IS systems have established much dividends in return. Be able to improve its HR and implement training software that allows staffs to be trained on the job while working at the same time. Outsourced with IBM has given them more time to focus on what matters most to them, their customers and been able to supervise customers purchasing patterns.

Proficient in operation, using this technology boots has given a chance for minimizing human error and hence the company depends on the system.

Data repossession, using the technology the process of scrutiny of data helps the company to comprehend the main drives that fuel the business. They can also use the information to identify which customer should be retained. Most important analysis is to distinguish the massive IT development that the company has made.

## E-Marketing Strategy

E-marketing defines the marketing principles and technique through electronic media such as (pc, software, databases and networks) and in particular the Internet. E- Marketing is a process of marketing a brand, product or service using the internet. This process includes both direct and indirect response and interactive marketing fundamentals and uses a broad range of technology.

The eMarketing I would recommend for Boots to use is; is to raise the rapidity of marketing and to create a circle of dialogue and not accumulation; one- many communications to create relations and dialogue not only contents, to create liking not only branding and to use new repeating products.

To introduce the CRM (Customer Relationship Management) tools, this works both on software system for maintaining sales and marketing information, this is to empower and improve relationship with customers.

Website is the most important tool to share marketing visions and communicate and interact with customers.

Search Engine Optimization (SEO); process where by websites are optimized to archive high rankings on the search engines for certain selected key expression and advertising on a website that will be viewed by the user at the specific time.

Marketing E-mail; two approaches to use email these are 1-many and 1 to 1. This is very powerful but sometimes much cost effectively, high targeted, measurable and takes advantage of the consumer most prolific touch point with the internet.

The newest marketing opportunities today on the Internet are Social networking. This can offer highly targeted advertising to place social groups on the profile information the users volunteer through sites like twitter, facebook and MySpace.

Business has enthused online and Public Relations (PR), that indispensable tool of brand awareness has followed. Online public relations allow him/her to reach to the fullest expression because the potential for getting the brand out there is limitless.

## Value proposition and differential advantage of using mention above online marketing strategy

Cost reduction; The company will be benefit for using online marketing as the cost of advertising using internet are a lesser amount than of television and radio. People’s attention; on line strategy can get encourage the customer, can visit your website and check your products in details and this will increase the awareness of your product and the whole company. Customer target, as they direct target the customer in particular who want the product that company they offer. Product information; the company can use website to place the information in details about the product they sell. The drawing details such as graphs on a real time using online strategy the company can see how profit boosts. Online Marketing allows the customers to know that you value their feedback and comments by offering online polls assessing the company and product performance. Create a unique selling proposition, (USP), this will captures the interest and attention of your target. And finally create sound bite marketing messages to explain the essence of your company and what you do. Make sure that your company maintains a place of importance in the minds of the target by continuing to revisit and revitalizing your intention and your value proposition.

## LEGAL & ETHICAL ISSUES

Boots uses the customer information that is on the advantage card and database in order to drive the company strategy and also by knowing buying habits of customers. The company plans to promote their products, also from information they get through these tools the company will know which area wants which products. Doing so, this company will face some legal and ethical issues regarding the use of customer information they obtained.

Information rights: Customers have their rights to their own personal information and access to information about the organization.