

# [An strategic evaluation document for boots marketing essay](https://assignbuster.com/an-strategic-evaluation-document-for-boots-marketing-essay/)

Boots, a large company sells various items, has many branches. The first aim of the boot is retailers. Now boots is considered some approach such as loyalty. So boots will know who its best customers are but more importantly for the company’s growing team of analysts and marketers, information on purchasing patterns. So boots will change new strategic within organization as it moves from the traditional product category focus to a customer-centered view.

Boots has some schedule such as using of Advantage Card. Some tested reward levels and had begun to identify what card holders wanted from the scheme. The main majority is obviously women customers. Each women customer has cards for the various supermarket loyalty schemes. The toiletries and over-the-counter pharmacy market is very competitive, other schemes effectively reward the housekeeping money with a discount or coupons rather than giving a personal benefit to the customer. Boots wanted scheme to be different – hence the focus on “ treats”, rewarding customers with a personal item that customer would not normally buy for themselves. Customer can’t redeem Advantage Card points on basic essentials like toothpastes and company early research with the trials suggested that this was something card holders really valued. Boots is investment pound 25 million at Advantage Card.

Boots initially hoped to sign up eight million card holders during the plan of first year is very successfully. So boots expected this to tail-off over time, but due to the scheme’s effectiveness we have continued to see quantifiable growth rates into the second year operation.

Boots is done Customer Data Analysis System because boots want to do Campaign Management system. But now boots get consumer behavior which the analyst monitoring to know buying patterns and point of sale. So data will growth large volume. The marketing department and IS team of Boots researched the long-established IBM customer before deciding to go with IBM for new customer data analysis system. So IS team now using the IBM’s DB/2 UDB database. But Boots want to enhance because database structure more flexibility and lowest level to built it up to any level. After that the analyst will produce predictive modeling. Then the next step is the Campaign.

Boots have four types of customers. They are:

Deal seekers who only ever buy promotional lines.

Stock pilers who buy in bulk when goods are on offer and then do not visit the store for weeks.

Loyalists mean existing buyers who will buy a little more of a line when it is on offer but soon revert to their usual buying patterns.

New market means customers who start buying items when on promotion and then continue to purchase the same product once it reverts to normal price.

The boots company of first target is retailers with loyalty and new market. Boots want to repeated sell to customers. Boots’ objective is to create new market customers and want to increase selling scale. So boots understand which ways is to help increase the selling scale such as via promotions, monitoring the buying patterns of customer and change management strategy upon the customers. Finally boots will try different strategies to reach aims.

## Strategic Evaluation

Strategy Evaluation is as significant as strategy formulation because it throws light on the efficiency and effectiveness of the comprehensive plans in achieving the desired results. Strategic Evaluation is significant because of various factors such as – developing inputs for new strategic planning, the urge for feedback, appraisal and reward, development of the strategic management process, judging the validity of strategic choice etc. Strategic evaluation employs a variety of methods and processes to provide timely, credible, and useful information that can be acted upon to increase organizational effectiveness and impact.

So Boots is considering using SOSTAC Planning System. They are Situation Analysis, Objectives, Strategy, Tactics, Action and Control.

## 1. Situation Analysis

To analysis the System, SWOT analysis method is used to identify Strength, Weakness, Opportunity and Threat.

## Strength

Having a very strong marketing and advertising scheme

Lengthy but rewarding trial phase

Strategic change from its move of traditional product category focus to a customer centered view

Maximum flexibility achieved by storing data at the lowest level of granularity so that users can build it up to any level they require during analysis

Real time access of Customer Data Analysis System (CDAS) which is 30 times faster than the previous system

Improved understanding of the role of different stores in a particular areas

Customer loyalty (e. g. if a customer buy goods costing $1000 just one time, he cannot be considered as loyal customer when comparing to other customer purchasing goods of $100 every week)

A feature of multi-buy promotional schemes with numerous ‘ three for the price of two’ and even ‘ two for the price of one’ offers

Advantage card loyalty scheme (initially hoped to sign up eight million card holders during the scheme’s first year: far exceeded its original estimate with 10 million card holders by December 1998 and a continuing healthy level of new recruits, predicted four percent sales growth as a result of the card, but continued to see quantifiable growth rates into the second year operation which was not expected)

Growing teams of analysts and marketers

Having sophisticated data management and analysis tools

Being able to determine what different groups of customers are buying and monitor their behavior over time

Being able to identify four groups of promotional buyer (deal seekers, stock pilers, loyalists, new market) by the insight team using the card data

The close integration of the Campaign Management System within the analytic environment of CDAS

Brand is the strength of this assignment

## Weakness

Having difficulties to cope with the challenge of growing size of database and very much state of the art technology

Now, marketing and other management departments are weak for state of art technology

All staff are not ready for the state of art technology

Perhaps, promotions which merely generate short term uplift and also the extent to which they are cannibalizing existing lines

Large stores competing with smaller stores for trade in the same areas (Boots stores have typically been grouped and merchandized according to their physical size)

Time delays can be caused at the point of sales due to updating of the points into the card

## Opportunity

Constant reinforcement on the Advantage Card System for Demand Analysis

Having alternative options of suppliers for the new customer analysis system

Boots want to expend oversea markets

Boots also wants to expend domestic markets

Boots people can find new customers behavior other competitive companies

Potential to perform further market research

4% will growth in two areas such as Norwich and Plymouth but also all the whole country how much percent growth

Boots relationship marketing programme enabled by the Advantage Card

Being able to create economies of scales by increasing the number of customers

Closing the loop from the initial customer analysis, through customer selection and campaign execution back to campaign response measurement and further campaign analysis

Long term value come from the application of customer insight cross the business

More and more valuable insight into consumer behavior with the monitoring of buying patterns

## Threats

Very competitive market of toiletries and over-the-counter pharmacy products

Uncertainty for success of advantage card scheme in other areas of the country.

Increasing expenditure for the use of state of the art technology and consequent requirements for training staff

Potentials of facing with anti-surveillance law for human right (i. e., collecting is basic customer demographic data such as age, gender, number of children and postcode)

Difficulty to penetrate new market customer lines because these customers facing so many options for repeat purchase

Loss of revenue from deal seekers and stock pilers

Boots company many investment money for this strategy so return income may be less than investment

While boots implementing process of the state of the art technology, boots not ready so the delay of this implementation

## 2. Objectives

Significant and Quantifiable sales growth in the coming years

Pulling customer via up-selling and cross-selling

Cross-selling and up-selling of existing customers (cross-selling means baby product along with a present like photo frame, up-selling means encouraging customers to buy a more expensive product of similar kind)

## 3. Strategies

Analyzing market basket trends-linking products

From loyalist- new market

Relationship marketing(analysis of attitudes and customer repertories offers the company pointers to influencing customer value in a positive way )

## 4. Tactics

Examples of linking product categories

e. g: baby products & photo frames

From loyalist to new market

how to create relationships

## 5. Actions

implementation of Customer Data Analysis System and Campaign Management System

## 6. Controls

Estimating how many customer will use advantage cards

## PEST Analysis

A useful tool for scanning the general environment is PEST analysis. This refers to political, economic, social and technological factors.

What will PEST do for the organization? PEST analysis is simply another tool to help the organization to detect and monitor weak signals, hoping to recognize gaps or cracks that shape the environment. PEST Analysis can be used to help detect trends in the external environment that will eventually find their place in the competitive world. The other way PEST is come from the SWOT analysis in Opportunity and Threat of external environment. So we observe together SWOT and PEST analysis. It establishes a link between the general and competitive environments in the sense that the weak signals of the general context can become fundamental forces for change in the competitive environment.

## Political Factors

The political factor of PEST deals with the effects of government policy. Companies need to be scanning their environment for signs of change in government policy that may have an impact on their industry. Government regulation does not need to be something for companies to fear. Companies that derive competitive advantages companies will be the first players’ are the first opportunity to embrace innovation and solutions. To do this, managers need to develop a new mindset that recognizes environmental improvement as a competitive opportunity and not a threat. Some organizations are beginning to recognize that occasions may result in corporate social responsibility (CSR).

In May 2001, a bill to abolish the maintenance of retail prices on prescription drugs was introduced by the government. As a result, manufacturers are no longer able to specify the price that retailers can sell more prescription drugs. The boots are not able to compete with the economies of scale supermarkets and therefore can be seen in the price. And then boots want to expend to Europe and other countries market so other production will have.

The other law removed the restrictions on the number of pharmacies can serve a single zone. This applies mainly to small local pharmacies, because they are not able to compete with the supermarkets. This is an opportunity for the expansion of boots, however, the increased competition that pushed the small pharmacies and large supermarkets replace.

## Economic Factors

Main economic indicators: interest rates, disposable income, unemployment rates, price index (inflation) gross domestic product (GDP), and the exchange rate. However, economic data can be notoriously fickle and ambiguous. In addition, an economic indicator cannot provide a complete picture, but rather provides a snapshot and simplification of complex economic phenomena. In this mode, the scanner, and signs of environmental monitoring general economic changes that may have an impact on the organization of the sector a bit ‘ difficult. Now Europe is confronting finical crises cases. So enhance of boot’s products be relevant of the country.

Drug prices thus increased costs for the consumer are increasing, despite the abolition of the system of retail prices. Statistics show that the consumer price index (CPI) rose in the United Kingdom. This means that prices are increasing in all sectors, which has a direct impact on sales, in terms of GDP (GDP growth means that the increase in production, which led people to earn more money than respond to increases price.)

The interest rate is the rate at which businesses and consumers to borrow money. Fluctuations in interest rates encourage consumers and organizations to spend less.

## Social Factors

Social factors include the cultural changes in the environment and are often called socio-cultural. And another way can call social factors is the attitude or culture of the people. Because loyalty and scheme process are want to buy products from customers. So this factor depends upon the customer behavior. Many were surprised by the strength of consumer reaction and find that they must first address the concerns of consumers if their products are designed to be fully accepted. Companies must be able to correctly read the changes in social and demographic trends.

The demographic composition of the Italian population is aging. People are living longer due to better health care quality and constant technological drugs. Lifestyles have changed, bad habits have become the social norm. Alcohol consumption and smoking increase, thus increasing the number of people who have health problems related potential.

Another important factor is the adjustment and attitudes on animal testing. Animal experimentation is a matter of direct concern to pharmaceutical products. Animal testing is important that many animals are similar in structure and functioning of the brain for which the results are more accurate projections from a computer. This is what the BUAV (British Union for the Abolition of Vivisection) campaign, alternative research methods.

## Technological Factors

Technological factors include rate of obsolescence or the speed with which new technologies replacing established technologies. Technology is the most important factors. Because boots many invested of money in these processes so some technology changes boots will lose many profit. So boots will do monitoring the technology as the technology is changing in time. The rate of change of technology and innovation has the effect of causing the birth of new industries and also changes the way in which the competitive industries. The rapid evolution of technology has allowed new entrants to a lower cost base than the incumbents, offering more products and services at competitive prices and gain market share in the process.

The technology was the way of the future, and, of course, no shortage of boots follows the development of technology. Boots Advantage Card is also a way for the future; this development has been effective and reliable solution for most customers.

Boots do not fail in the promotion of all aspects of technology. Photography has evolved as well as anywhere else. Digital cameras are the new and faster ways to take pictures. The image processing has taken a new turn, in most Boots stores there are digital self-service kiosks where everything has to be done is to connect the camera to the phone or the car via Bluetooth or other connections, choose photos processed and wanted to wait a few minutes to get ready. Boots was the first to install these machines in 2005.

## Impact of IS

Information technology (IT) is being adopted throughout the business world. This means that a rational economic model exists that explains the relationships between key measures of organizational structure and the use of information systems. The authors analyze the role of evolving information systems and their effects on the organizations using them as well as their effects on the markets served in this context.

Boots has indeed come a long way as it relates to the implementation of top of the line information systems. The culture of boots also has significantly changed over the years. In the early years boots has its own its structure which basically dealt with all IT needs. Consequently, boots has realized that over the years it can improve on its IT infrastructure, granted that the company boots it pride on consumer satisfaction.

Boots will use the following the impact of IS.

## The death of Distance

By using the IT/IS, the distance can be ignore. We don’t need to consider how far it is. It is the positive impact for boot.

## The Fate of Location

Boots can also ignore fate of location. Because when do business, whoever and whatever is doesn’t matter. But Boots Company will do many screen-based activities.

## Improved Connections

Boots do some of using internet connections. As boots look up the customer behavior so boots send automatically mail of the boots promotion and other cases to the customer. So boots assume that use improved connections. This is one of the positive impacts for boot.

## Increased Value of Brand

This is the other companies will want ways to push their information ahead of their competitors’. So this is one of the most effective will be branding. Thus boots will use the technology as the positive impact of IS.

## Manufactures as Service Providers

This means that more companies will produce products more precisely to a customer’s tastes and needs. So boots will also perform as a task for the future. Boots will also these service providers. This is one of the positive impacts of IS.

## Loss of Privacy

This fact is negative impact. Because boots use some personal information of customer so this fact is privacy of customer.

## Communities of Culture

This fact is one of the impact of IS because this fact concern with the problems of boots. As the boots need to enhance culture of the customers. So this is positive impact of IS.

## A New Trust

Boots want to repeated sells the loyalists and new market customers. Boots want to gain these customers’s trust. Boots gain trust, boots company many services and treats will do other than companies. So this new trust is one of the positive impacts.

## EMarketing Strategy

Many of us have developed our series of marketing activities that we tend to return over time, the activities that the activities may or may not be as effective as we would like, but we are very likely to ease. If you spend most of your attention to marketing doing the same thing, however, you cannot be boring the audience, but you can lose time, money and serious.

When it comes down to it, marketing is like any other business that focus on your business. Even if you want to have systems and processes in place to make it more cost effective and time efficient, you need to analyze your actions, from time to time to make sure to hit the mark. And it is easy to get stuck in a rut of marketing.

So I focus on four types of marketing strategies that you can use to start your 2010 marketing plans, target your audience in a new way and add a little ‘ pepper campaigns otherwise stagnant. Each of the next four posts will focus on a different kind of marketing strategy, covering the bottom of the technique, which provides an overview of how it is used and give you some ideas on how you can use to promote your business.

Here’s a quick overview of the four types of marketing strategies are

## Cause Marketing

Cause Marketing, also known as cause-related marketing, bind the company and its products and services for a social cause or issue.

## Relationship Marketing

Relationship marketing focuses on customer loyalty and satisfaction to improve relations with existing customers to increase their loyalty.

## Scarcity Marketing

Scarcity marketing creates the perception of a shortage, which aims to encourage customers to buy for fear of not being able to do in the future.

## Undercover Marketing

Undercover marketing, also known as stealth marketing involves marketing to consumers so that they do not realize that they are marketed.

The first two – cause and relationship marketing – are what I consider “ positive” marketing techniques that focus on the benefits to others. The second two – scarcity and undercover marketing – are more unconventional and potentially controversial techniques.

Boots use these marketing strategy, all of them relationship marketing is more important of all these. A good e-marketing strategy is the most important aspect for the success of any kind of business. This article will give you a fundamental understanding about an e-business marketing strategy and an e-marketing plan. One of the most important things is marketing so we need to know about marketing. Marketing is one such significant area that makes a business grow. So it is necessary to make e-marketing which is suitable for Boots Company. Marketing is the management process responsible for identifying, anticipating and satisfying customer requirements profitability.

Boots Company wants to change his business strategically to e-business. For Boots to reach its aims, it needs to have some kind of information. Firstly, boots need to know who its customers are and what type of purchasing patterns should be focused? Boots will change its traditional ways to modern methods for collecting customer information. Boots needs to have an effective management information system to create customer loyalty and retention.

Firstly, Boots needs to identify points of sale of its customers. To be able to indentify the point of sales, the company needs to have some of kind of customer data analysis systems. This system is established by the analysts of IS department. In creating this system, Buying Pattern (i. e., which types of customer buy what kinds of items) must be identified. Once the buying pattern is identified, the company can continue to the next step which is predictive modeling. Therefore, point of sales is one of the vitally important parts of e-marketing.

E-market is classified based on Industry specialization into Vertical e-markets and Horizontal e-markets. Vertical e-markets is industry specify dealing with specialized goods and services. Horizontal e-markets are a product focus instead of a industry focus (MRO goods). So boots is horizontal e-markets.

Marketing research is a vital part of e-marketing planning and strategic decision making. Marketing Research involves data collections. For this purpose, both primary and secondary data are needed. Secondary Data is also called Indirect data and Primary Data is called Direct data. There are two approaches to consider\_ Offline marketing research and Online marketing research. For the time being, offline marketing research is used in the company. Offline promotional support is also essential to get your online operation noticed, particularly by existing customers and prospects (e. g. stickers, online brands are the advertisement of the offline).

It is essential for Boots to consider what e-marketing and which e-marketing strategy should be used in its transition period of changing to e-commerce system. So Boots is considering using SOSTAC Planning System. This method will help Boots to create, write and develop its marketing plan by breaking down into six elements. They are Situation Analysis, Objectives, Strategy, Tactics, Action and Control. These are known above.

For the marketing mix, Boots needs to make a good and right mix of 4P. They are

## Product

There are several aspects that the boots should consider the product or service provided in relation to the marketing strategy. Boots consider the benefit to the consumer or customer whether to buy the product or service and in-depth research in this area is a must. Boots is thinking about creating a unique package that cannot be separated from the group of competitors. Boots should also consider the use of the product warranty and how to make the customer feel that they are in the comfort zone after buying the product.

## Price

Price strategy is the next important of P. If you set the price for a product will face great resistance to sue people to buy the product, if you set the price of a product that creates a low perception of poor quality of the product. Boots to do some homework to find out what is the best price to charge to convince the customer to have a perception not to buy an expensive product, with the quality of the product that competitors are able to provide. Boots also expected to attain a price range of the target company.

## Promotion

Boots to think about how to promote the product or service provided to generate a projection of high sales. While boots have some concern as plans to promote the use of the management of the countryside and do a lot of promotions of products and find new markets. The activities that go through Boots includes the identification of the type of advertising medium to be used, the marketing effort must be made, discuss public relations, promotion and enhancement of the plan describe the gifts or items above range. Starting the system analyzed the data analysis and customer mailing lists of transmitting client promotions.

## Place

The word means a place by itself indicates that when selling your product needs less and where the customer can buy your products. The majority of companies in the home based business or small to sell their products on the website, auction or direct mail. Boots wants to spend for Europe if need a place. The place is one of the most important because the focus should be the place to do can convince customers to buy boots. And the boots customer will want to consider this type of service and positioning is what people are really buying when choosing offering other competitors.

## Legal and ethical issues

Legal and ethical issues are necessary to reflect on a system of e-commerce as many questions. So, one of the important in building an e-commerce is the examination of legal and ethical issues. Nowadays, many problems and criminality has each organization. Boots is like trying to build privacy issues are very important to protect customer data.

Boots need to maintain ethical and data protection, as it should be treated according to customers’ ethical issues such as privacy, accuracy, property and accessibility. Privacy is very important for the boots, a big company. Therefore, we must maintain the privacy zone within the legal and ethical issues. The particular importance of privacy is financial, medical, ethnic, religious, sexual orientation and political orientation details. And then you have to avoid damaging relations with customers. It must also maintain for their customers based on transparency, accountability and security for Fletcher. It should minimize privacy concerns. So, you must have access to personal data should be limited to those who have the relevant permits, be wary of data collection, verification and intrigue input must be used to ensure the accuracy of the data, be wary of steps, so that some details are correct. And Boots must check the program should be the aim of collecting data the customer’s consent, or otherwise. Customers must be able to analyze and correct their inaccuracies record. If this is the need for a specific purpose, the information must be maintained over time. And Boots need to check that they must be objective understandable for the collection and maintenance of customer data.

Boots need to opt-in and opt-out for customers occur when sending e-mail to customers. Boots takes faith to his privacy. Therefore, you must obtain trust services, such as service by TRUSTe. Data protection is very important to Boots because the company has transferred the data to other boots branch staff should be safe to keep the voltage required, but will not be saved if the company n ‘ is not necessary. And he needs to avoid the spyware can gather data about user activity and send it to others. So Boots also requires the latest anti-spyware programs to prevent spyware.

Ethics is so important to Boots. In my opinion, we must consider the transparency, security, responsibility for customer information. Boots need to avoid the inspection and control of personal information. Boots need to minimize privacy concerns Boots for access to personal information limited to the individual. Boots should also be careful in data collection, testing and commissioning episodic one department to another. Boots make fairly and lawfully in progress with limited objectives.

The other legal and ethical issues have. Understand the legal, ethical, privacy and copy right issues related to e-commerce and e-business. The organization may need to success the following ethical issues

Marketing your e-commerce business

Forming an electric contract

Making and accepting payment

Authenticating contracts concluded over the Internet

Protecting intellectual property

Advertising on the Internet

Data protection

Boots also use the above tasks. So I think boots is a successful organization. Boots can do the above tasks, many resources require such as people and other. All of these Data protection is the most important for boots. Because boots use many databases so to protect them.

## Data protection

Data protection consists of a set of security measures to ensure that the data are processed to ensure they are safe to use unexpected unintended, unwanted or harmful. Data Protection is the technical mechanism for ensuring the confidentiality of data. Problems of data protection are

Data access: who has the right to access any data set? How this information? Access to data stored and secured properly?

Data retention: where, how and for how long the data stored and archived? These are the first data stored structured anonymous or encrypted?

Accuracy: multiplication is correct and data recovery? The data is correctly updated if necessary and according to the protocol of the study? Maintained accurate? The data is stored securely against potential disasters (data path)?

Data protection concerns for all actions taken to ensure the regular availability and data integrity. Data protection also addresses the potential for the transfer of data outside the limits defined by the law that requires informed consent and the variability of national regulations concerning the issue to be taken into account. Duration of data protection and deletion of data means irreversible if and when they are intended must be clearly defined in the research protocol and the information sheet on the participants.

Boots also need the following legal and ethical issues

## Health and Safety

An area of ethical consideration for employers is