

The above objectives will be met within the timescales laid out in my action plan...

[Business](#)



My business will be a car showroom which will be located near the Tooting Broadway. I will open my car showroom in Richmond because in London Central there is too much car business which can affect my business that is why I choose to open it there so I can make more sales according to London.

I will be selling cars and the internal and the external extras for the cars.

Source: [www. maps. Google.](http://www.maps.google.co.uk)

Marketing Theory The aim of this section is to apply a theory to this relevant piece of coursework. Marketing Definition In general, marketing activities are all those associated with identifying the particular wants and needs of a target market of customers, and then going about satisfying those customers better than the competitors. This involves doing market research on customers, analyzing their needs, and then making strategic decisions about product design, pricing, promotion and distribution. There are activities for marketing which ensure that customers get what they want, how much they want, where they want and when they want.

They also ensure customers that they get it at the right price. Other activities are:

- * Deciding what services and products should be provided at what price
- * To decide what products and services should be provided at what price
- * Informing the customers through advertising and promotion.
- * Identifying the size and the wants and needs for customers.
- * Deciding which markets should be served
- * Getting the goods to the customers

The Marketing Mix (The four P's) The full range of activities that may be used by a business to market its products is called the marketing Mix (also known as the four P's. The Marketing Mix refers to the 4 P's.

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These include: Product: The products or services that may be used by a business to market its products Place: How the product is distributed, where it can be brought Price: The price at which the product will be sold Promotion: How to sell the product including advertising, other publicity, discounts, special offers, point of sale displays and direct marketing* Product Every business has to decide what product or what product range they are going to sell. A further decision is what quality of product they would like to make and sell how it is to be packaged and what name to give the product. They also have to decide whether to attempt to brand the product. Branding With branding a product the product appears different from its competitors. A good example is the one of Cola. There are Coca-Cola, Virgin Cola, Pepsi Cola and Classic Cola, encourage brand loyalty, to ensure that consumers will continue to purchase it in preference to competitors' brands Methods of product differentiation are used to convince consumers that a product is different from those of its competitors.

The methods used are: 1. Attractive packaging A company may use unique colours, containers and/or designs to ensure that its product will be easily recognised by the consumer. 2. Branding Branding is the way a product is given a unique name and image, for example, Levi Strauss and Nike.

Think of some other brand names that you know. 3. Advertising Advertising will remind the consumer of the product's benefits. Advertising campaigns aim to highlight the differentiation, such as tastier, more fun, better service. 4.

PromotionThe company may ask consumers to collect a certain number of labels of the product to qualify for a prize, or to qualify for a competition. Promotion includes competitions, collecting tokens and special events; they create hype and excitement around a product.* **Pricing**Price is the money paid when goods and services are exchanged. Businesses have to decide the price of their product. There are different ways in which businesses price their products.

Here are the five ways. **Competition Based Pricing**In this way firms base their prices according to the prices charged by their competitors. **Cost Plus Pricing**This is where a price is fixed by adding a per cent profit margin to the cost of production. For instance a CD costs £6 to produce and add a 100% mark up to sell it at £12. **Creaming or Skimming**Creaming or Skimming is where selling a product initially at a high price, sacrificing high sales in order to earn high profits. This way is often used by electrical products such as DVD players or video recorders.

E. g. Recordable DVD Players at the moment are selling for £1000 plus. This will fall as demand increases. **Prestige pricing**This way refers to the practice of setting a high price for a product. This is done in order to evoke perceptions of prestige and quality with the product or service.

Penetration PricingThis is the opposite of price skimming and occurs when a business sets a low price in order to gain a good market share quickly. It is used when a new product is brought onto the market or when a manufacturer is trying to break into an existing or an established market. Once market share has been won, the price can be increased to gain larger

profits.* PlaceThe place is that part where goods are going to be sold. It depends on the nature of the goods. Most goods are sold to the general public either in showrooms or in shops.

But there are also some other places where goods can be sold. Some examples are* Wholesalers* Direct Sales* The Internet* Mail Order* Telephone Sales* Door-to-Door Selling through Agents (AvonCosmetics)* Exhibitions (e. g. Ideal Home Exhibition, Motor Shows)* PromotionPromotion is the part of the marketing mix where the decision is made how a product should be marketed and sold.

Promotion is itself a mix of lots of methods. The main methods are:* Advertising on TV, Radio, Internet or posters* Sales Promotion-Discounts, Free Offers, Competitions, Demonstrations Coupons and Displays* Direct Marketing – through personally addressed mailing, telephone sales, teletext and email.* Sponsorship- Person or an Event* Personal Selling- through Sales Representatives (who are mainly used for selling to business) also trade fairs, exhibitions and party sales.* After Sales service and customer care- designed to build up customers loyalty so that they keep coming up.* Public Relations (PR)- Promotion of a positive image about a product or a business through giving information about the product to the general public, other businesses or to the press.

Definitions of market research: Research that gathers and analyzes information about the moving of good or services from producer to consumerResearch is split into two types: Field Research – service, value-added custom research firm founded in 1945 by Mervin Field. We offer

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expertise in questionnaire design, survey data collection and specialized capabilities such as analysis for legal cases, expert testimony in court, and Hispanic and Asian-language interviewing. Desk research – refers to the identification and analysis of information that has already been compiled and published in some form or other. This type of information is known as “secondary” because it already exists as opposed to “primary” which would require a survey or research study to produce new data. Typically, examining what is already available is the first step in any marketing research process and has obvious economic benefits.

Marketing desk research is usually undertaken for the following two reasons:

• To examine a market into which a business is considering entering;

To continuously monitor the markets in which a business is already

operating. Whatever the reason, it will be necessary to:

• understand the current state of the industry or product;

• examine and identify actual and potential markets;

• identify and monitor competitors and customers;

• explore promotional methods (Source: www.bournemouth.ac.uk/academicsupport/documents/Library/MarkDeskResearch.pdf)

Market Segmentation Market Segmentation – identification of portion of the market that are different from one another. Segmentation allows the firm to better satisfy the needs of its potential customers. Types of Segments Just as you can divide an orange up into segments you can divide the population as a whole into many different groups of people or segments that have something in common. Segmenting the market makes it easier to identify groups of people with the same consumer needs and wants. Marketers

therefore look for categories they can use to divide up the population. There are five commonly used categories: * Age* Gender* Culture* Income*

LifestyleAge: The population can be divided by age in years (e.

g. 0-16, 17-25) or by the stage of life reached (e. g. schoolchild, teenager).

For example, a pensioner will have similar needs to those of other pensioners but different needs from those of a teenager.

Gender: Products may be targeted at a specific gender group. For instance, cosmetics have been traditionally targeted at women while DIY has been

targeted at men. **Culture:** People's needs and wants as consumers will vary according to their religion, language, social customs, dietary habits and

ethnic background. In the UK businesses provide for a wide range of different cultures. There are magazines and newspapers in many different languages and Halal butchers in areas with large Muslim populations.

Income: The population can be segmented according to annual salary (e. g. £15, 000, £30, 000 etc.), or type of job and social class. Establishing a group's disposable income is important so that products can be targeted to the relevant income group. This is called a socio-economic segment.

The socio-economic groups A, B, C1, C2, D and E describe how much the head of the household earns. **Lifestyle:** People are grouped according to the way they lead their lives and the attitudes they share. For example, young professionals may drive a sports car because of the image they want to project. Married parents might want the same things, but have to provide for

their children, which is a large extra cost. They will need a family car to suit their lifestyle. (Source: www.bbc.co.uk/schools/gcsebitesize/business/marketing/marketsegmentationrev2.shtml)

bbc. co.

uk/schools/gcsebitesize/business/marketing/marketsegmentationrev2.

shtml) Market research – The process of systematic gathering, recording and analyzing of data about customers, competitors and the market. Market research can help create a business plan, launch a new product or service, fine tune existing products and services, expand into new markets etc. It can be used to determine which portion of the population will purchase the product/service, based on variables like age, gender, location and income level.

It can be found out what market characteristics your target market has. With market research, companies can learn more about current and potential customers. (Source: http://en.wikipedia.org/wiki/Market_research) There are four main categories that you need to find out about: Competitors Alternative suppliers of the products or services Consumers The people who will use your products or services Costs Your costs of starting and running the business Customers The people who will buy from you (Source: Mr. Sood and internet) The other method and the most usual method of market segmentation is done through the socio-economic grouping.

The population is been divided by this method accorded to their occupation (i. e. Job) or of the household's head's occupation (such as the father or mother of the family). The table below illustrates this method. Social grade Social status Head of household's Occupation A Upper middle class Higher
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managerial, administrative or professional such as doctors, lawyers and company directors. B Middle/Intermediate managerial, administrative or professional such as teachers, nurses and managers.

C1 Lower/Middle class Supervisory or clerical and junior managerial, administrative or professional such as a shop assistant, clerks and police constables. C2 Skilled/working class Skilled manual workers such as carpenters, cooks and train drivers. D Working class Semi-skilled and unskilled manual workers such as fitters and storekeepers. E The poorest in society State pensioners or widows, casual or lower grade workers, or long-term unemployed. Source: Anderton Lifestyle Secondary research - when a project requires a summary or collection of existing data.

Other secondary research available includes: * Telephone directories * Yellow pages * Internet * Newspapers and * Magazines * Trade magazines and trade journals * Statistical reports including census reports Market Research This means to find out the information for the following; Costs How much it will cost to start a business or running a business Competitors The suppliers of your business product or services Consumers The people who will use your products or services Customers The people who will purchase your product from you. Source: GCSE Business Studies for Edexcel Secondary Research A big deal of research for the consumer is done through the reports in the libraries, trade associations and university research bodies. It sometimes involves irrational dislikes, likes and preferences of your "end-users." Other secondary search is shown as follows; * Telephone directories, E. g. Yellow pages Etc.

* House reports from the company* Internet* Magazines* Rations reports of the businessesThese are available from the reference of the business which comes from the sections of the major libraries which should be quickly assessed. Advantages and disadvantages of Secondary researchAdvantagesDisadvantagesCheapProbably out of dateLess time ConsumingMay not meet your needs of researchInformation readily available through internet, library & own businessThe right questions might not be askedHas been interpreted by someone elseHas been collected by someone else that yourselfSource: GCSE Business Studies for EdexcelPrimary researchWhen you have found out all you can through internal and secondary research you will need to prepare to find the missing information. Primary research can be carried out face to face, over the telephone or by post or over the internet. SurveysTo use a questionnaire is the most common form of survey. A questionnaire includes a list of questionnaire for the customers to fill in for the help of improvement of your business.

This can be carried out in the streets, can be carried out in relatives, by post or by email. Advantages of questionnairesDisadvantagesThe business can decide which questions it wants to askThey often do not allow people to express their own opinions of what they think should happenEveryone is asked the same questionsThey are brief and impersonalIt is easy to analyse the replies using information TechnologyThere is a very low return rate for postal and newspaper questionnaires. They are quite expensive and time-consumingInterviewsThis is done to know what the customer wants which is part of the primary research. For example if the public wants a product such as soap powder, that had been placed in their home for them to try out. The

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interviewer has a set of ready-prepared questions to ask the interviewer, many of which will be open questions to allow them to express their own opinion which will help the interviewer make the interview easier.

Advantages and disadvantages of interviews

Advantages of interview
Disadvantages of interview
It is easier to obtain detailed information about the person's views
Interviews are an expensive way of gathering information, because they are time-consuming to conduct. If any of the questions are difficult to understand, the interviewer can explain them
The interviewer may have to travel some distance between one interview and the next, taking up time and costing money. If the interview is in the person's home, packaging can also be shown and the person's views recorded.

Source taken from GCSE Business Studies for Edexcel
Observation
It means when market researchers watch and react to the organization's service of the product.

Advantages of Observation
Disadvantages of Observation
Gather more than normal information of the people
It would go expensive as too many people are needed
Observation influenced by the beliefs of the observer
Hypothesis
I am going to carry out a piece of research which is called field research. This means a questionnaire, which I am going to give out in the public to people who are happy to respond.

The public is a part of the social economic group. It won't really to have the same number of female and male to respond to my questionnaire. It will help me more to create my marketing plan according to the responds. According to my questionnaire, I think that I will probably get most of the following

results:* The people I am going to ask, they would be in the age range of 18-25. That I because they have a new license and want to buy a car* Students earn money, so they would pay me enough money for a car.

The most of the people who responded to my questionnaire was males. Most of the people I asked, they had a driving license of 3-8 years. The age range of most of the people was 17-25. This is as I predictedSports cars are most liked by the people I asked. So I will try to keep most of the cars sports. Most of the people preferred automatic gearbox.

Probably the ones who want to buy a family car. I will try also keep cars with and automatic gearbox. Mercedes-Benz is being preferred by most of the people. It is a German car. I will try to keep most of the cars in my showroom which are made in Germany. Most of the people saw their last car advert on the T.

V. It is expensive to do, but it will help me creating my marketing plan.

Almost all of them had the same choice. 33% of 100% are ready to spend $\text{€} 5,000-7,999$. This is the same as I expectedMost of the people I asked, they earn $\text{€} 10,000+$ per annum. This will give me an advantage as they would be ready to spend $\text{€} 5,000-7,999$ on a car.

As I expected, 66 percent of a hundred want to have air conditioner as their internal extra. This will help me to plan what cars most people would like E. g. With air conditioner obviously. Most of the people would like to have Alloy wheels as their external extra.

It is the same as I predicted Cheap car insurance is something everyone wants. So I would try to offer that kind of service. But they would have to agree to the policy. Most of the people like to read The guardian. I will try to advertise in that. Most of the people, 60 percent bought their last car from a showroom.

This is an advantage for me as I am going to open a car showroom.

Evaluation In this section I will determine whether my marketing plan and research meet specified criteria such as effectiveness. The Strengths of my business were to create a survey with the suitable questions and to find people that were suited to answer the questionnaire. Most of the results I got from the questionnaire were like I predicted. An example would be the question ' What local newspaper do you read?' which was answered with 40% for the Guardian (s. right).

The Weaknesses of my business were that I used some questions in my questionnaire that were irrelevant and useless. An example for this is the question ' What internal extras do you look for?' (s. right) which was not a well asked question because the results show that everyone I asked gave the same answer that was ' Air Conditioning'. An explanation for this is that I did not have enough time to do my survey, because I had to proceed with my marketing plan. The Opportunities of my business are that if my business successes in the future I will be able to increase the products and services I can offer. in the future I can also sell products like Alloy Wheels or Air Conditioning systems because these products were most preferred by the people I asked (s.

right). I can also offer BOGOFs (Buy one, get one free) with smaller products that I will sell in my shop. The Threats of my business are that because of the leaflets I am going to produce, people might throw them on the streets. That could be a big disadvantage because this can produce more pollution. This could also lead to higher council taxes because the council would have to arrange more people for cleaning the roads and thus they would have to pay more money to them. If the council raises the taxes I would have less money to spend on my marketing campaign.

This could also have an effect on global warming because it is not guaranteed that the material of the leaflets will be recycled. BOGOFs (Buy one, get one free) with smaller products that I will sell in my shop E. g. steering cover and a perfume tree etc. The Threats of my business are that because of the leaflets I am going to produce, people might throw them on the streets.

That could be a big disadvantage because this can cause more pollution which can lead to higher council taxes. That is because the council would have to have more workers to clean the streets which means they have to pay more money to the workers. If the council increases the taxes, then I would have less money to spend on my marketing campaign which would have a link to global warming because I will not be sure whether my leaflets are comfortably recycled or not. And if the customers throw my leaflets on the streets without looking at them, I would have to pay more tax and I would have to pay more money making new leaflets for my adverts. If I advertise on The Guardian I won't be sure whether the people will buy the

Guardian or not, but according to the questionnaire, most of the people chose Guardian so let's hope for the best. Marketing Plan I will come up with a marketing plan for my car showroom, based on the research I have carried out.

I need to know my target market, which is very important in deciding upon my marketing Plan. For this I created the research to get a successful marketing plan. With the result I got from my research I know what product I am going to sell, which will be Volkswagen and Vauxhall cars (s. chart right) and that I will target on people aged 25-35 who are in socio-economic class A and B.

Advertising my business To find the best place, where I should advertise my business, I asked in my questionnaire "Where did you buy your last car from?" The outcome was that about 40% of the people I asked bought their last car from the Internet. This result is telling me clearly that I should use the Internet for advertisement to get the most effective and successful advertising. I would create my own website for my business to sell my cars. This has also other benefits like, that they can contact me easier by e-mailing. After the Internet I could also use magazines for advertising, because 25% of the people I asked bought their last car from a magazine or local newspaper. To advertise in a local newspaper I first need to find out, what local newspapers are read most.

In my questionnaire I asked this question. The result was (as shown on the left), that the most frequently read newspaper is the Guardian. This result tells me clearly that advertising in the Guardian would be the most effective

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and successful way apart from the Internet. Leaflets This method is going to be easy and cheap. This is very helpful because almost everybody gets to see it. The followings are the details of a firm that will print leaflets for my business.

Best Printing Limited
2nd Floor
145-157 St. John

Street
London EC1V
following are the prices listed offered to me to print leaflets. Source: [http://www.](http://www.bestprinting.co.uk/)

[bestprinting.co.uk/](http://www.bestprinting.co.uk/) I chose this company because it gave me a wide range of options of what type of leaflets I want to print. It also is cheap as I have a small business. Another benefit is that I can order leaflets online.

I will be ordering 5, 000 leaflets for my business as I think it should be enough to cover the whole area. This will cost me £115, 00 for the leaflets as you can see above. These leaflets will be in the size of A5. I have to use attractive colour in my leaflets, so that it will catch the reader's eye. I will also put offers on the leaflets.

For example “ The first 5 buyers will get £500 free tuning on their new car.” The Guardian
Details of contacting The Guardian: 119 Farmington Road, London
0208 585 343 467
www.guardian.co.uk/ I will also advertise in a newspaper.

To help myself on which newspaper to advertise in, I asked the following question in my questionnaire “ What local newspaper do you read?” As you can see at right, most of the people like to read The Guardian. That is why I will be advertising in this newspaper. I will be planning to advertise on one

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whole page including 4 offer and description lines, and I will include one picture of a Mercedes-Benz. The prices for advertising in The Guardian are: One picture: £25 One line: £12 This will cost me: £25+(£12*4)= £73 This price is for one advertisement

Trade description Act 1968 It was accomplished in 1968, which makes it a criminal offence for traders to make false statements about the goods they sell. This means, for example, that it is illegal to say that goods can do something they cannot, such as say that a black and white printer can print good colour printouts. Also, it is illegal to say that goods include ingredients that they do not. So I will have to be careful with what I sell and what the thing does.

Otherwise if I make a false statement of a product I sell. This act has offered protection to consumers and legitimate traders for over three decades. It is an extremely versatile piece of legislation which has been used to tackle all manner of different forms of unfair trading e. g.:

- * a insurance policy been explained correctly
- * Make sure the customer understands everything of a product or policy of something
- * The terms and conditions not explained correctly.

If I would do something like this, judiciary will be charged against me.

Sex discrimination act 1975. This is a another legal constraint, but this relates to the gender. This act in 1975 and 1986 has been made to protect men and women to be discriminated on the grounds of the gender. According to this law I will not be allowed to have one gender privileging with any fields of service, prices or anything else like that.

Effects on Environment and Society

Producing leaflets will be a bad point of my advertising.

If people throw them on the streets, the council will increase the taxes and will have to keep workers to clean them thus it will cost money. This could be a possible effect that my marketing campaign would have on the environment and society.