

Information Pack

Unit 413

Managing Marketing Activities



INTRODUCTION

This unit aims to develop understanding of marketing management as required by a practising or potential middle manager.

Marketing put simply is about putting the right product in the right place, at the right price, at the right time. Sounds simple, no? Well, not always. There are so many factors you need to consider when marketing a product or service. And, if you get just one element wrong, it can be a disaster for your whole campaign. While you will learn the underpinning theories and frameworks, you will also be able to relate these to real-world examples, including products/services that you encounter in their own daily lives.

To establish a marketing strategy, it is necessary to get closer to the customers and listen in order to and out what their needs are. It is a marketing department task, to plan the necessary means for receiving customer feedback. Analysing feedback and the market in which you operate will allow you to put together an achievable marketing plan.

SAMPLE

GUIDANCE

This document is prepared to break the unit material down into bite size chunks. You will see sub-headings that will coincide with the learning outcomes, specific to this unit. Therein you will encounter the following structures;

Purpose

Explains *why* you need to study the current section of material. Quite often learners are put off by material which does not initially seem to be relevant to a topic or profession. Once you understand the importance of new learning or theory you will embrace the concepts more readily.

Theory

Conveys new material to you in a straightforward fashion. To support the treatments in this section you are strongly advised to follow the given hyperlinks, which may be useful documents or applications on the web.

Example

The examples/worked examples are presented in a knowledge-building order. Make sure you follow them all through. If you are feeling confident then you might like to treat an example as a question, in which case cover it up and have a go yourself. Many of the examples given resemble assignment questions which will come your way, so follow them through diligently.

Question

Questions should not be avoided if you are determined to learn. Please do take the time to tackle each of the given questions, in the order in which they are presented. The order is important, as further knowledge and confidence is built upon previous knowledge and confidence. As an Online Learner it is important that the answers to questions are immediately available to you. Contact your Unit Tutor if you need help.

Challenge

You can really cement your new knowledge by undertaking the challenges. A challenge could be to download software and perform an exercise. An alternative challenge might involve a practical activity or other form of research.

Video

Videos on the web can be very useful supplements to your distance learning efforts. Wherever an online video(s) will help you then it will be hyperlinked at the appropriate point.

Contents

GUIDANCE.....	3
Defining Marketing	6
The Difference Between Product and Service Marketing	8
Definition of Product Marketing	8
Definition of Service Marketing	8
Key Differences Between Product Marketing and Service Marketing.....	9
Marketing Mix 4P	12
The 7Ps Marketing Mix	13
Organisations	16
Characteristics of Organisations.....	16
Goals and Objectives.....	17
Vision and Mission statements	17
Defining Objectives	19
Organisational Infrastructure Pyramid.....	20
The Role of Managers and Management.....	20
Supporting Strategic Development	21
Goals, Aims and Strategy Goals.....	22
The Definition and Meaning of Strategy.....	22
Marketing Strategy	26
Planning for Marketing	27
Types of Marketing Strategies.....	27
Business to business (B2B) marketing.....	28
2. Business to consumer (B2C) marketing.....	28
Marketing Management as a Process	31
Marketing Management Methods.....	32
5K (Total Loyalty Marketing)	32
Blue Ocean Strategy.....	32
Brand Management	32
Branding.....	32
CRM (Customer Relationship Management).....	33
Holistic Marketing Concept.....	33
Concept of Marketing Activities (business concept)	34

Marketing Concept	34
Marketing Mix 3V.....	34
Marketing Mix 4C.....	36
PESTLE Analysis	37
SWOT Analysis	40
VRIO Analysis	42

SAMPLE

Marketing Management as a Process

What are Management Methods?

Management methods represent specific types of management, thus the way how it is the organisation, resources and its processes managed. Management methods therefore significantly affect planning, organizing and the performance of other managerial functions. They affect the management of either the whole organisation (business) or its specific part (e.g. in an organisational unit).

Marketing and sales deals with the exploration and understanding of customer needs, with the response to them through the development, production and sales of goods and services (including innovation implementation) and also deals with the impact on customers' needs in accordance with the strategic purposes of the organisation.

"Marketing is a social process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others." Philip Kotler

From a management perspective the most important interpretation of the process is as a workflow or activities.

Marketing and sales deals with the exploration and understanding of customer needs, with the response to them through the development, production and sales of goods and services (including innovation implementation). It also deals with the impact on customers' needs in accordance with the strategic purposes of the organisation.

Marketing and sales are closely linked. While marketing focuses more on pre-sales activities, surveys or understanding the needs of customers, sales processes are closely connected to them and realize the actual business relationships with customers. Outlined below are all methods and analytical techniques used in marketing (marketing management) as well as in the sales process itself.

Peter F. Drucker considers marketing to be one of the two basic functions of an organisation:

"The existence of business organisations is to create customers; the company has two - and only these two - basic functions: marketing and innovation."

Marketing and Sales include several different categories of processes such as:

- Market Research and analysis
- Marketing research
- Marketing and Promotion
- Brand Management
- Sales
- CRM (Customer Relationship Management)
- Customer Care

Marketing Management Methods

5K (Total Loyalty Marketing)

The authors of the concept are the German marketing experts Anne M. Schüller and Gerhard Fuchs. 5K is a method of the Total Loyalty Marketing concept, they identify 5K as the basis for the customers' loyalty to an organisation and its products.

The Individual "Ks" in 5 K represent (English translation, German original in brackets):

- **Communication (Kommunikation)** - a two-way dialogue between the organisation (enterprise) and its customers; through sales promotion, public relations and adaptation to specific customer communication needs
- **Purchase costs (Kosten des Kaufs)** - include not only direct costs, i.e., selling price, but also variable costs necessary to obtain information about the organisation and its products
- **Purchase benefit (Käufervorteil)** - benefit that is created by using the products of the organisation and related additional services. A key factor is the quality of the products and services
- **Purchase process (Kaufprozesse)** - the basis is a friendly approach to the customer during the purchase, adaptation to his needs and requirements, establishing personal relationships in sales and flexible, consumer-oriented logistics
- **Culture (Kultur)** - the organisation is characterized by a warm and friendly climate and corporate culture, showing both on the inside as well as on the outside; it has good will and a good reputation, it behaves ethically. The organisation behaves responsibly and is accepted by the public.

According to Schüller and Fuchs, focusing on all the five above mentioned "Ks" and attaining their perfect balance is key to gaining and retaining loyal customers.

Blue Ocean Strategy

Blue Ocean Strategy is a method of creating business strategy of the enterprise, which was described in a book by W. Chan Kim and Renee Mauborgne. Blue Ocean Strategy is based on the idea that every organisation can achieve higher profit by creating new demand in non-competitive market (so called blue ocean). The profit is much easier than the rivalry with the competition on existing markets.

Brand Management

Brand Management is a management field focusing on the brand. According to Kevin L. Keller brand management deals with the following three questions:

- How to create brand value?
- How to measure brand value?
- How to use brand value for the business development?

Branding

The essence of the branding are activities, whose goal is to get the desired brand positioning in the minds of the customers - creating a positive customer attitude to the brand. The branding activities include: