

Information Pack

Unit 422

Understanding the Importance of Marketing for an Organisation



INTRODUCTION

The aim of this unit is to enable you to see the importance of marketing for an organisation.

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 clients 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.

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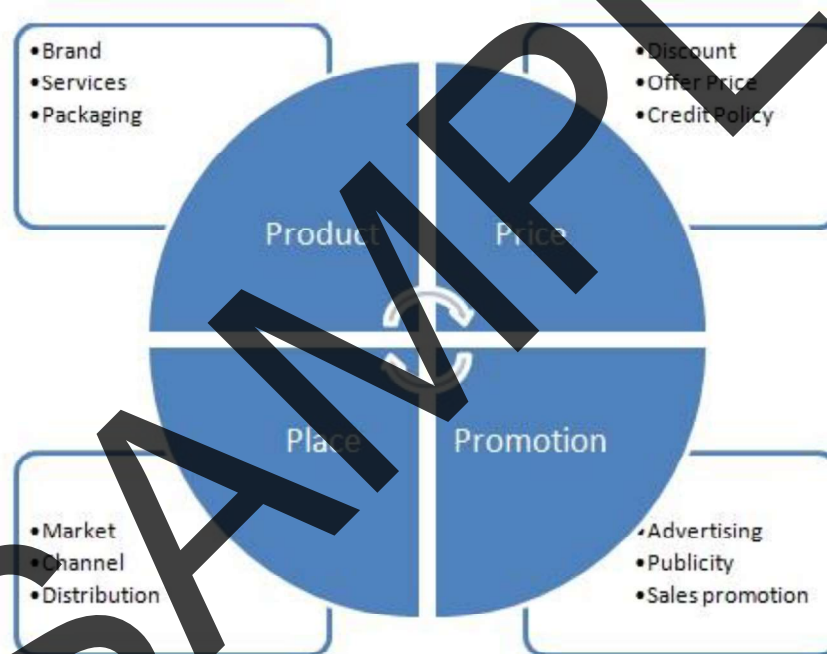
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Marketing Mix 4P

Marketing Mix 4P is a method for determining product strategy and product portfolio. Father of this thought was Neil H. Borden. It was based on the analogy with a cake mix. He claimed that the starting powder is a suitable basis for baking a good cake. It can be modified to some extent (sugar, flavour...), but it is no good to overdo it (e.g. too much sugar).

E. Jerome McCarthy continued Borden's thoughts. McCarthy conceived the mix as we know it today. According to him, the marketing mix of the enterprise (or product) consists of four components:

- Product - the product and its features from the customer perspective - quality, reliability, design, brand, warranty, service and other services, etc.
- Price - the price of the product and total pricing policy
- Place - the way of distribution the product from the manufacturer to the final customer (see Distribution channels)
- Promotion - the ways of product promotion.



Individual components of the marketing mix are also known as:

- Product mix
- Contract mix
- Distribution mix
- Communication mix

Marketing mix 4P is one of the keystones of the marketing strategy of the organisation within the marketing and sales management. It is the marketing mix in business perspective, the alternative is marketing mix 4C, that comes from the customer perspective.

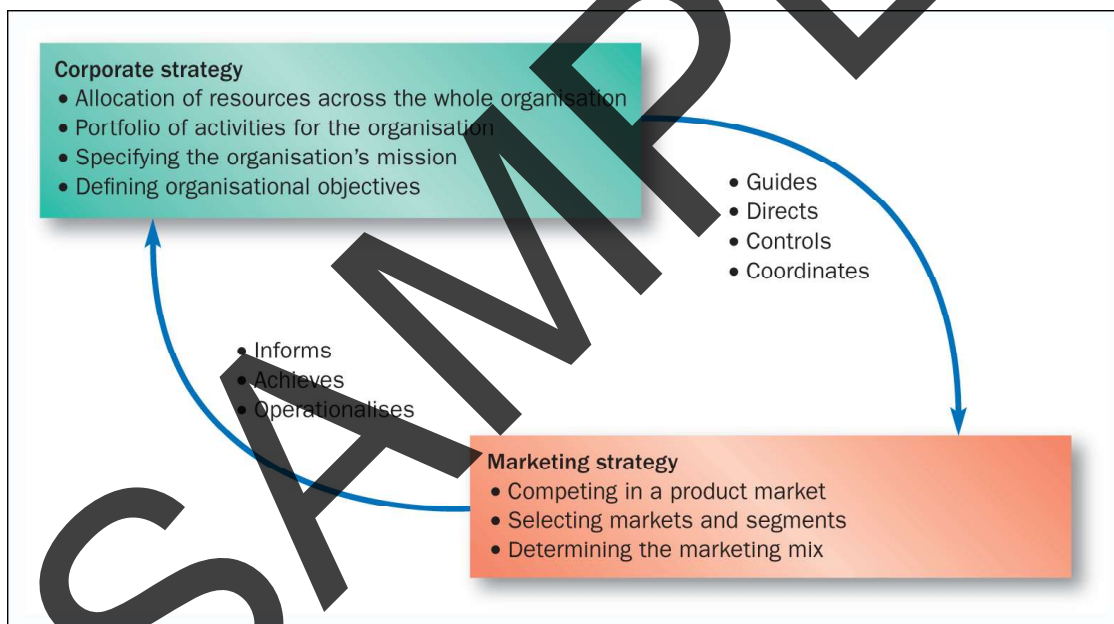
Marketing Strategy

Planning can be defined as a systematic process of fostering the future business environment, and then deciding on the most appropriate goals, objectives and positions for best exploiting that environment. All organisations need to plan, otherwise both strategic and operational activities would at best be uncoordinated, badly focused and poorly executed.

At worst, the organisation would muddle through from crisis to crisis with little sense of purpose, until eventually competition would gain such advantage and demand reach such low level that continuation would not be viable.

The marketing plan provides a clear and unambiguous statement concerning which strategies and actions will be implemented, by whom, when and with what outcomes.

Marketing strategy cannot be formulated in isolation. It must reflect the objectives of the organisation and be compatible with the strategies pursued elsewhere in the organisation. This means that marketers must refer back to corporate goals and objectives before formulating their own strategy, to ensure consistency, coherence and relevance. The two-way process between marketing and corporate strategy is shown below.



Marketing management is primarily a demand-side management. The goal is to identify and understand customers' or market needs and influence their intensity, timing and composition in accordance with the global strategy of the organisation.

Marketing strategy includes following phases:

- Analysis phase - it includes the market research, market segmentation, targeting, positioning, analyses implementation (Five Forces, BCG, PESTLE, SWOT, etc. We will discuss this further later on)
- Synthesis phase - the creation of the marketing mix and its components, setting sales objectives (sales volume), price setting, identifying ways of promotion and distribution, etc.
- Realization phase - production and sale of the goods or service

- Control and correction phase - evaluating the sales results, marketing strategy correction

The innovation should be continuous, as a part of the strategic marketing management (product, production, marketing, etc.). The innovation is necessary to assess and evaluate in the context of all phases of the marketing strategy.

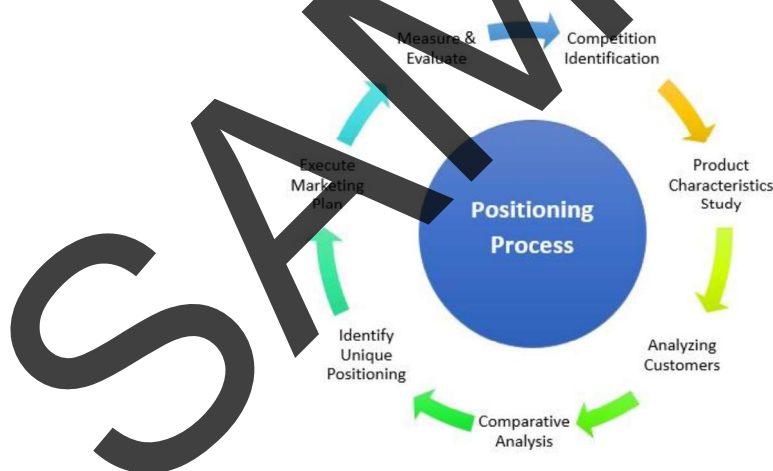
Question

Does your company have a corporate and marketing strategy?

Is your company currently planning for something new? If you can be involved within this, this will help you greatly in devising/carrying out a plan.

Positioning

"Positioning starts with a product. A piece of merchandise, a service, a company, an institution, or even a person. Perhaps yourself. But positioning is not what you do to a product. Positioning is what you do to the mind of the prospect. That is, you position the product in the mind of the prospect." Al Ries, Jack Trout



- Positioning is about creating perceptions, opinions and attitudes, in the minds of customers, associated with the company (organisation) brand or its goods or services. It can be spoken of placing information into the minds of customers and induction of the desired mental processes and contents related to the quality of the brand, price, utility, image, etc.
- Positioning is how the company and its products can define to the competition and create their unique and unmistakable image. Positioning is one of the methods of marketing management.