

Pearson BTEC Level 4 Higher Nationals in Engineering (RQF)

**Unit 2: A1**

# **Information Pack**

in a series of 2 for this unit

Learning Outcome 1

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Sample

## GUIDANCE

This document is prepared to break the unit material down into bite size chunks. You will see the learning outcomes above treated in their own sections. 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.

### 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.

## Introduction

This unit is designed to introduce students to the principles of marketing, enabling you to develop a basic marketing plan and to employ elements of the marketing mix to achieve results. 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.

By the end of this assignment a student will be able to:

- Explain the role of marketing and how it interrelates with other functional units of an organisation.

Sample

# LO1 Explain the role of marketing and how it interrelates with other functional units of an organisation

## Definitions and the marketing concept and the nature of marketing

Here are two popular and widely accepted definitions of marketing. The first definition [referred by the UK's Chartered Institute of Marketing (CIM), while the second is that offered by the American Marketing Association (AMA)

**“Marketing is the management process responsible for identifying, anticipating and satisfying customer requirements profitably”. (CIM, 201)**

**“Marketing is the activity, set of institutions, and processes for creating, communicating, delivering and exchanging offerings that have value for customers, clients**

Both definitions make a good attempt at capturing concisely what is actually a wide and complex subject. Although they have a lot in common, each says something important that the other does not empathise. Both agree the following points;

- Marketing is a management process  
Marketing has just as much legitimacy as any other business function and involves just as much management skill. It requires planning and analysis, resource allocation, control and investment in terms of money, appropriately skilled people and physical resources. It also, of course, requires implementation, monitoring and evaluation. As with any other management activity, it can be carried out efficiently and successfully – or it can be done poorly, resulting in failure.
- Marketing is about giving customers what they want  
All marketing activities should be geared towards this. It implies a focus towards the customer or end consumer of the product or service. “If customer requirements” are not satisfactorily fulfilled, or if customers do not obtain what they want and need, then marketing has failed both the customer and the organisation.
- Marketing identifies and anticipates customer requirements  
Both definitions accept that marketing is a set of activities that identifies and anticipates customer requirements largely through market research and assessing information is gathered. Although communicated more directly in the CIM definition, both definitions do highlight the anticipation and creation of customer requirements as the starting point in marketing. They are saying that the marketer creates some sort of offering only after researching the market and pinpointing exactly what the customer will want.

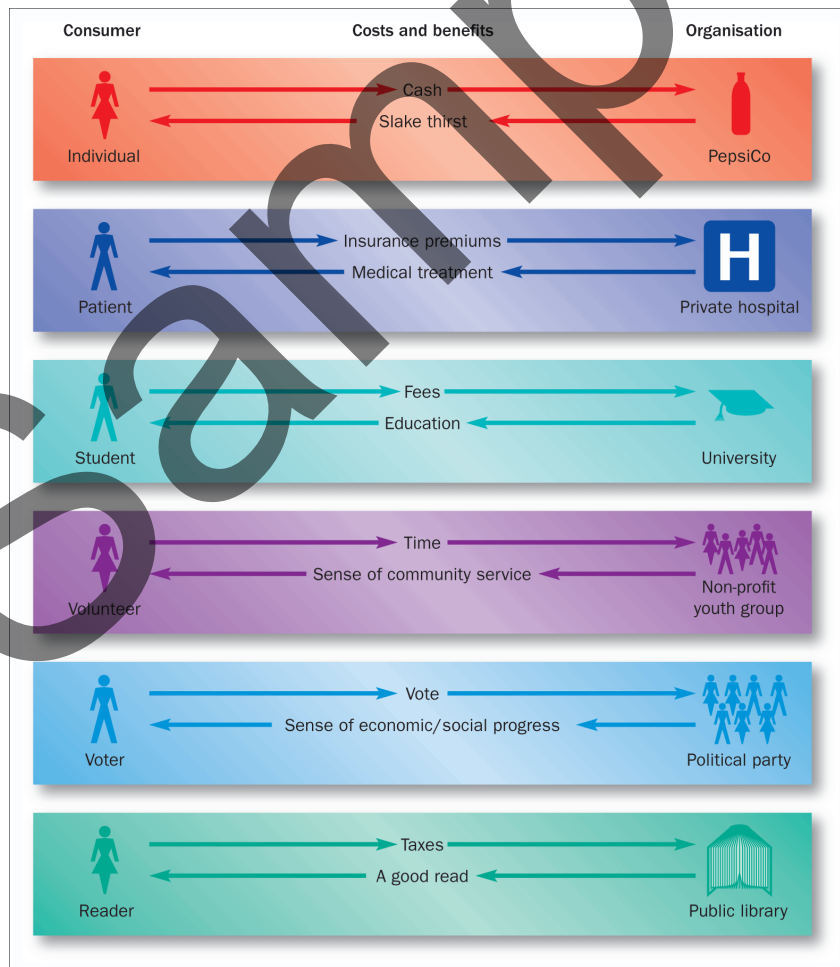
➤ Marketing fulfils customer requirements profitably

This pragmatic phrase warns the marketer against getting too carried away with the altruism of satisfying the customer. In the real world, an organisation cannot please all of the people all of the time, and sometimes even marketers have to make compromises. The marketer has to work within the capabilities of the organisation, and specifically work within the agreed budgets and performance targets set for the marketing function.

➤ Exchanges that have value to customers, clients, partners and society at large

This statement is close to the CMI's "profitability" but a little more subtle. The idea of marketing as an exchange process to create value is an important one and was first processed by Alderson (1957). The basic idea is that "I've got something you want" .... "you've got something I want" ..... "so let's do a deal". For them most part, the exchange is a simple one.

The organisation offers a product or service, and the customer offers a sum of money in return for it. Pepsi offers that you a can of cola and you offer payment; you sign a contract to offer your services as an employee and the organisation offers you a salary. The hospital offers to provide healthcare and the individual, through taxes or insurance premiums offers to fund it. A range of further examples is shown in figure 1.



(Figure 1)