

Pearson BTEC Level 4 Higher Nationals in Engineering (RQF)

**Unit 2: A2**

# **Information Pack**

in a series of 2 for this unit

Learning Outcome 2 & 3

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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. 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.

## 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:

- Compare ways in which organisations use elements of the marketing mix (7Ps) to achieve overall business objectives.
- Develop and evaluate a basic marketing plan

Students who wish to aim for the higher descriptors will need to:

- Produce a detailed, coherent evidence – based marketing plan for an organisation (merit)
- Design a strategic marketing plan that tactically applies the use of the 7Ps to achieve overall marketing objectives (Distinction)

Please note – students are not required to produce multiple plans for this assignment, the key is in how detailed your plan is.

PLEASE NOTE \* A template marketing plan is provided on Moodle. Whilst you may use elements of this you are required to demonstrate your understanding of planning. Please change the plan accordingly. Should you have access to your own company planning templates, please feel free to use these.

LO2 Compare ways in which organisations use elements of the marketing mix (7ps) to achieve overall business objectives

### The 7ps marketing mix



(Figure 1)

The 7Ps helps companies to review and define key issues that affect the marketing of its products and services and is often now referred to as the 7Ps framework for the digital marketing mix.

#### ➤ Product

The product should do what the customer wants or needs it to do. Whether it's a CPG product (Consumer Packaged Goods), a luxury item, a digital service or anything else, it should live up to the expected level of quality.

In order to design or identify a suitable product, the business should conduct thorough research into the tastes, requirements and buying habits of its target audience. This research-backed approach provides a surer path to commercial success than simply creating a product under the assumption it will find its place in the market.

➤ Price

The product should be sold at a price which the target audience deems to be good value-for-money. When calculating product price, we must take into account all the costs entailed in producing, promoting and delivering that product. If production and promotion are set to carry relatively high costs, this should be reflected in an appropriately high price.

Effective pricing is not a simple matter of offering a cheaper alternative to the competition. Imagine you're in a supermarket, browsing the wine section. Whether consciously or not, you will likely select a bottle within a quite specific price range, which is habitual to you. You're highly unlikely to consider the bottles well outside of your habitual price range – *even if a cheaper alternative is in-fact better suited to your taste*. Thus, the cut-price vintner's under-pricing of the product causes them to miss out on a sale. The superior approach, then, is to identify the price your target customer is used to paying for products and services similar to your own, taking into account your costs and the profit margin required.

➤ Place

The product should be available where the customer expects to find it, e.g. in supermarkets, at boutiques, or online. Let's say you've got an amazing sandwich bar in the making, and you decide to place it in a top restaurant district. This would be a serious misplacement, as you'd be targeting the wrong market.

Further, we must identify how the product should be presented in each context. For example, which aisle of a supermarket should a CPG product be stocked in? Should it be sold in a trade promotion? In which contexts should it appear as an online ad?

Place also takes into account the logistical factors affecting a product's profitability, such as storage and distribution. This is as true of digital products and services as it is of traditional ones, with factors such as website design and hosting costs to consider. In ecommerce, the device type preferences of the target audience should also be factored into your planning. Your customers' desktop, tablet and mobile usage habits should determine the level of priority you give to each device in your digital marketing.

➤ Promotion

The product should be promoted to the appropriate audience via appropriate channels, using advertising methods which resonate with that audience. These channels may include (and are not limited to):



- branding
- advertising
- PR
- corporate identity
- social media
- content marketing
- influencer marketing
- sales management
- promotions
- exhibitions

The product/service benefits and features highlighted through promotion should align with the audience's most compelling requirements. Promotion may differ somewhat in tone and content from channel to channel – but never in such a way as to create contradictions.

➤ People

The team involved in the delivery of the project should possess the skills and qualities needed to ensure its success (barring unforeseen mishaps).

This is perhaps especially true of customer-facing staff, whose communication and behaviour will greatly impact the audience's perception of the brand. You could well have developed the best product of its kind – but if your customer-facing people are off-putting to customers, the project will not reach its full commercial potential. As such, marketing campaign teams must put in place processes and best practices for how customer facing team members behave publicly and communicate with customers. Methods for doing this include distributing a social media policy, paying attention to communication skills when hiring customer-facing staff, providing training on good communication, and imposing disciplinary measures to deter misbehaviour.

➤ Processes

The processes involved in a product's delivery will significantly affect the customer's experience, level of satisfaction, and lifetime value to your business. These processes may include (and are not limited to):

- Website user experience
- Delivery time
- Delivery methods and service
- In-store wait time
- Communicating with customer support
- Aftercare

In addition to the processes used to deliver a product or service, we must also have processes in place for when something goes wrong – for example, the allocation of appropriate compensatory gifts for customers who've had a bad experience.

➤ Physical evidence

The final P refers to the physical context and paraphernalia (such as receipts, "thanks for ordering" cards, confirmation emails and PDF invoices) that come along with the product. In order to reinforce the product's and the seller's credibility, these components should exhibit the qualities customers expect of them, based on up-to-date industry standards.

For example, precious jewellery might be displayed within a locked cabinet; ethical supermarkets might choose to use as little print as possible on their receipts (or offer digital receipts as an alternative), and doctors' surgeries should look suitably clinical. In a nutshell, "Physical evidence" is all about ensuring every component involved with the product adheres to the same brand values as the product itself. This creates a consistent, convincing experience for the customer.

## L03 Develop and Evaluate a basic marketing plan

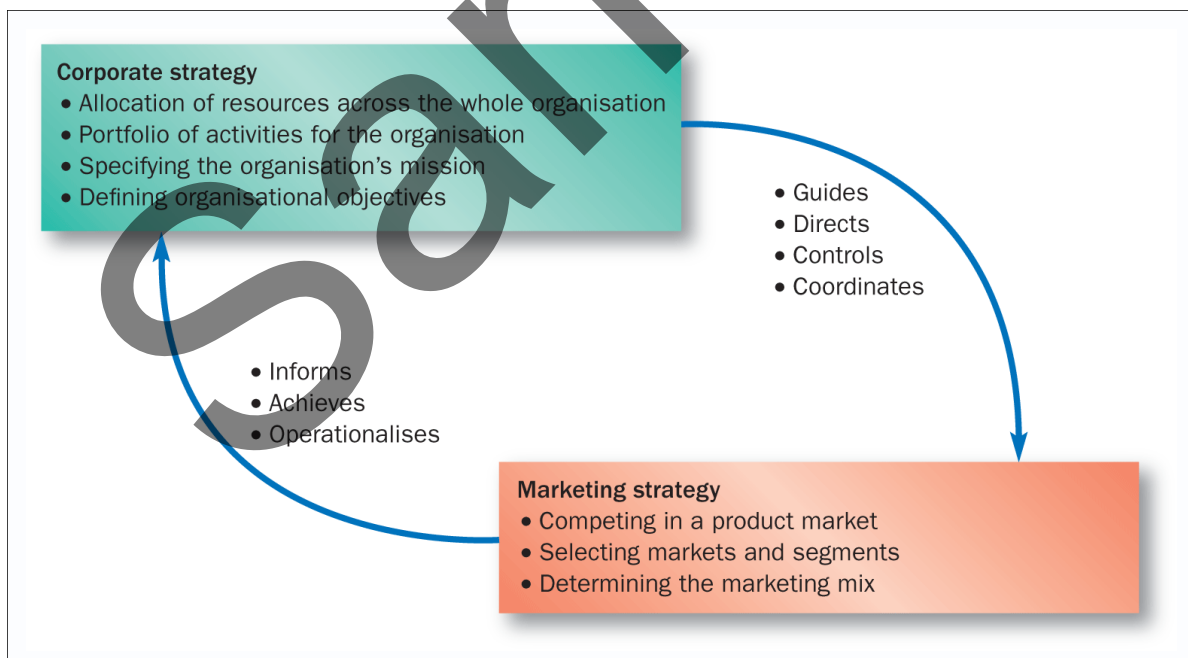
### The role and importance of marketing planning and strategy

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 has to 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 in figure 2.



(Figure 2)

#### Challenge

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 the plan.

## Corporate Strategy

Corporation strategy concerns the allocation of resources within the organisation to achieve the business direction and scope specified within the corporate objectives. Although the marketing department is primarily responsible for responding to perceived marketing opportunities and favourable competitive environments, it cannot act without the involvement of all other areas of the organisation too.

Corporate strategy, therefore, helps to control and coordinate the different areas of the organisation – finance, marketing, production, R&D etc. To ensure that they are working to the same objective, and that those objectives are consistent with the desired direction of the business as a whole.

Typical issues of concern to corporate planners might thus be marketing expansion, product development priorities, acquisition, divestment, diversification and maintain competitive edge.

To help make the corporate planning process more manageable, larger organisations often divide their activities into strategic business units (SBU) Ans SBU is part of the organisation that has become sufficiently significant to allow it to develop its own strategies and plans, although still within the context of the overall corporate picture. SBU'S can be based on products, markets or operating divisions that are profit centres in their own right.

## Competitive Strategy

Competitive strategy determines how an organisation chooses to compete within it's a market, with particular regard to the relative positioning of competitors. Unless an organisation can create and maintain a competitive advantage, it is unlikely to achieve a strong market position. In any market, there tend to be those who dominate or lead, followed by a number of progressively smaller players, some of whom might be close enough to mount a serious challenge. Others, however, are content to follow or niche themselves i.e. dominate a small, specialist corner of the market.

## Marketing Strategy

The marketing strategy defines target markets, what direction needs to be taken and what needs to be done in broad terms to create a defensible competitive position compatible with overall corporate strategy within those markets. Marketing mix programmes can then be designed to best match organisational capabilities with target market opportunities.

## Marketing Plan

It is in the marketing plan that the operational detail, turning strategies into implementable actions, is developed. The marketing plan is a detailed written statement specifying target markets, marketing programmes, responsibilities, time scales and resources to be used, within defined budgets. Most marketing plans are annual, but the number and focus will vary with the type of organisation. The plan may be geographically based, product based, business unit based, or oriented towards specific segments. An overall corporate marketing plan in a large organisation might, therefore, bring together and integrate a number of plans specific to individual SBU's. Planning at SBU level and then consolidating all the plans ensures that the corporate picture has enough detail and allows overall implementation and control to be managed.

## Marketing Programmes

Marketing programmes are actions, often of **tactical nature**, involving the use of marketing mix variables to gain an advantage within the target market. These programmes are normally detailed in the annual marketing plan and are the means of implementing the chosen marketing strategy. Programmes provide clear guidelines, schedules and budgets for the range of actions proposed for achieving the overall objectives. These are determined within the framework of overall marketing plan to ensure that activities are properly integrated and that appropriate resources are allocated to them.

## Organisational objectives and resources

Marketing strategists need to be guided by what the organisation as a whole is striving for, what its objectives are and what resources it has to implement them. Some organisations might have very ambitious growth plans, while others might be content with fairly steady growth or even no growth at all, that is consolidation. Clearly, each of these alternatives implies different marketing approaches to marketing.

Resources are not only financial, they also include skills and expertise, in other words, any area of the organisation that can help add value and give a competitive edge. The exploitation, through marketing, of things that the organisation does well, such as manufacturing, technical innovation, product development or customer service, might help to create non-financial assets such as reputation and image, which are difficult for companies to copy.

## Types of plan

It is important to distinguish between plans, the outcomes of the planning process, and planning, the process from which plans are derived. While the process of planning is fairly standard and can be transferred across functions and organisations, there are often wide variations in the actual use of plans to guide strategy and operations. This is partially because there are several different types of plan that can emerge from the planning process. Plans may be differentiated in terms of a number of features. These are as follows;

### Organisational level

Managers are involved with planning at all levels of an organisation. The concerns of managers, however, change at higher levels of the organisation, and the complexities affecting planning also change. The more senior the manager, the more long-term and strategic becomes the focus. At the highest level, the concern is for the whole organisation and how to allocate resources across its various functions or units. At lower levels, the focus is on implementation within a shorter-term horizon, and on operating within clearly specified parameters.

### Timescale

Plans may be short, medium or long term in focus. Short term normally means the shortest period of time appropriate to the operations of the organisation. Normally, this is one year or in some industries such as fashion this may be per season. Medium term plans are more likely to cover a one to three-year period. The focus is not so much the day to day operations and detailed tactical achievement as on renewal. This could include the opening up of a new market, a new product innovation, or a strategic alliance to improve market position. Long term plans can be anything from three years plus long. With the timescale often dictated by capital investment periods. Long term plans are nearly always strategic in focus and are concerned with resource allocation and return.

### Regularity

Most long-term plans have annual reviews to monitor progress. Shorter term plans are often part of a hierarchy linking strategy with operations. Some plans, however, are not produced regularly as part of an annual cycle, but are campaign, project or situation specific. A campaign plan, for example for a specific advertising campaign, might have a limited duration to achieve defined objectives. Project plans are specific to particular activities, perhaps a new product launch, a change of distribution channels, or a new packaging innovation. These activities are of fixed duration and are not necessarily repeated.

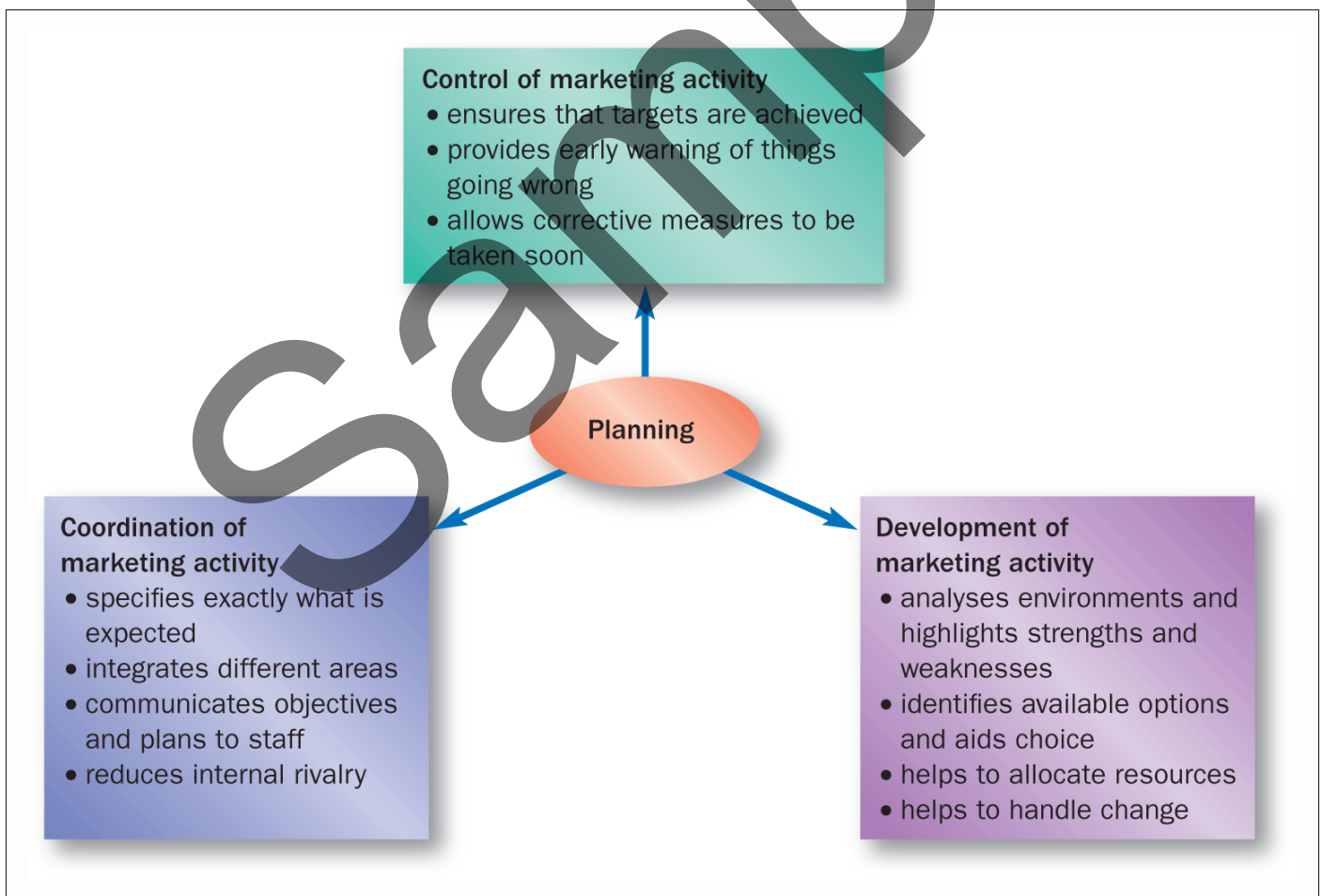
## Focus

Plans will vary in their focus across the organisation. Corporate plans refer to long term plans specifying the type of business scope desired and the strategies for achieving it across all areas of the business. The focus is on technology, products, markets, resources that define the framework within the individual parts of the organisation can develop more detailed strategies and plans. Functional or operational plans, therefore, are developed within the context of the organisational corporate plan but focus on the implementation of day to day or annual activities within various parts of the organisation.

## Organisational focus

Plans will vary according to the nature of the organisation itself. If the organisational focus is products' the, then plans will also take that focus. While of markets or functional areas are emphasised plans ill reflect that structure.

There are several benefits to be gained from taking an organised approach to planning marketing activity.



(Figure 3)