

Quadriversity and the Short Selling Market

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Quadriversity and the Short Selling Market



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Nod y wers/Lesson Aims

Define different Marketing techniques
Differentiate between private sector objectives
in a public sector context
Analyse the importance of branding for business

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Marketing

There are many definitions of marketing. The better definition discussed above customer orientation and satisfaction of customer needs.

- Marketing is the social process by which individuals and groups obtain what they want or need through creating and exchanging products and services with others (Kotler)
- Marketing is the management process that identifies, anticipates and satisfies customer requirements profitably through the exchange of value (Kotler & Armstrong, 2008)
- The right product, in the right place, at the right time, at the right price (Kotler)

From these definitions, marketing is about meeting the needs and wants of customers. It is a business-wide function. It is not something that someone does from within business activities. It is about understanding customers and being ready to create products or services which customers demand.

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TheCaseSolutions.com Business concepts

Marketing concept - philosophy practiced by producers of goods and services that focus on satisfying the needs of consumers.

Production concept - this is where a business focuses on creating economies of scale in production and distribution of a product or service. This assumes that consumers will purchase large product items, as demand is driven by availability.

Sales concept - this is commonly known as the hard sell, where a product or service is produced and personal selling and other high-pressure selling techniques are used to convince customers to part with their money.

TheCaseSolutions.com Business Concepts Examples

1. A business produces a low-priced, low-quality consumer which people will buy based on price and need.
2. A firm that manufactures replacement windows send it sales force out to cold-call and sell the product to residential households.
3. A firm undertakes extensive market research to see how to can improve its product, which is an electric car operator.

Marketing techniques available

Market research
The most important of all the marketing techniques available is market research. It is the process of gathering information about the market and the needs of customers. It is used to help a business to make decisions about what to produce, how to produce it, and how to sell it.

Market penetration
This is a strategy where a business tries to increase its sales in its current market. It can be done by increasing the number of customers, increasing the frequency of use, or increasing the price.

Market development
This is a strategy where a business tries to increase its sales in new markets. It can be done by entering new geographical areas, entering new product categories, or entering new customer segments.

Product development
This is a strategy where a business tries to increase its sales by developing new products. It can be done by developing new products, improving existing products, or developing new services.

Differentiation
This is a strategy where a business tries to increase its sales by offering a unique product or service. It can be done by offering a unique product, offering a unique service, or offering a unique combination of product and service.

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Marketing Objectives

Marketing objectives are the specific, measurable, achievable, relevant, and time-bound (SMART) goals that a business sets for its marketing activities. They are used to guide the marketing strategy and to measure the success of the marketing efforts.

Revenue
This is the total amount of money that a business receives from its customers. It is used to measure the success of the marketing strategy.

Profit
This is the amount of money that a business makes after all its expenses have been paid. It is used to measure the success of the marketing strategy.

Market share
This is the percentage of the total market that a business controls. It is used to measure the success of the marketing strategy.

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Public sector organisations are owned by local or national government and are funded by the taxpayer. Marketing is important and is used in the same way as in the private sector.

Marketing in the public sector is often more complex than in the private sector. This is because the public sector is often more diverse and more politically sensitive. It is also more difficult to measure the success of marketing in the public sector.

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Aims and Objectives Private Sector Aims

There are four broad business objectives of an organisation in the private sector.

Objectives should be SMART

Public and Voluntary Sector Aims
Organisations in the public and voluntary sector are not run for profit. They therefore have a different range of objectives, based on efficiency, quality and philosophical targets.

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Ansoff's Matrix

Existing Products	New Products
Market Penetration	Product Development
Market Development	Diversification

Ansoff's Matrix is a 2x2 grid that helps a business to decide on its marketing strategy. The vertical axis represents the products and the horizontal axis represents the markets.

Survival strategies

Many businesses use cost-based selling. Having to develop strategies just to survive. This could include downsizing to the bare minimum to reduce costs. It could also mean cutting out of less profitable markets, concentrating on profitable areas and making some employees redundant in order to balance the books. Businesses may also look to reduce their marketing budgets in order to lower their costs.

Branding

Branding is the process of creating a name and a logo for a product or service. It is used to help a business to stand out from its competitors and to create a strong identity for its brand.

Branding is important because it helps a business to build a strong relationship with its customers. It also helps a business to create a strong reputation for itself.

Components of a Brand

The components of a brand are the elements that make up a brand's identity. They include the brand name, the brand logo, the brand colors, the brand voice, the brand personality, and the brand values.

Transactional marketing

This is the traditional form of marketing. It is based on the idea of a one-time transaction. The customer pays for a product or service and the business provides it. There is no ongoing relationship between the customer and the business.

Transactional marketing is used for products and services that are not repeat purchases. It is also used for products and services that are not highly competitive.

Relationship Marketing

Relationship marketing is a strategy where a business tries to build a long-term relationship with its customers. It is used to help a business to create a strong loyalty and to increase the lifetime value of its customers.

Relationship marketing is used for products and services that are repeat purchases. It is also used for products and services that are highly competitive.

Brand extension

Brand extension is a strategy where a business tries to increase its sales by using an existing brand name for a new product or service. It is used to help a business to leverage the strength of its existing brand.

Brand extension is used for products and services that are related to the existing brand. It is also used for products and services that are not related to the existing brand.

The history of branding - Continued

The history of branding is a long and interesting one. It has evolved over time as businesses have sought to create a strong identity for themselves and to build a strong relationship with their customers.

Branding has become an essential part of a business's marketing strategy. It is used to help a business to stand out from its competitors and to create a strong reputation for itself.

Notes/Lesson Aims

Define different Marketing techniques
Differentiate between private sector objectives
and public sector/voluntary objectives
Analyse the importance of branding for
businesses

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Marketing

There are many definitions of marketing. The better definitions are focused upon customer orientation and satisfaction of customer needs.

- Marketing is the social process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others (Kotler).
- Marketing is the management process that identifies, anticipates and satisfies customer requirements profitably (the Chartered Institute of Marketing, CIM).
- The right product, in the right place, at the right time, at the right price (Adcock).

From these definitions, marketing is about meeting the needs and wants of customers. It is a business-wide function – it is not something that operates alone from other business activities. It is about understanding customers and finding ways to provide products or services which customers demand.

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Business concepts

Marketing concept – philosophy practiced by producers of goods and services that focus on satisfying the needs of consumers

Production concept - this is where a business focuses on creating economies of scale in production and distribution of a product or service. This assumes that customers will purchase lower-priced items, so demand is driven by availability.

Sales concept - this is commonly known as 'the hard sell', where a product or service is produced and personal selling and other high-pressure selling techniques are used to convince customers to part with their money.

Aims and Objectives

Private Sector Aims

There are four broad business objectives of an organisation in the private sector.

Objectives should be SMART

Public and Voluntary Sector Aims

Organisations in the public and voluntary sector are not run for profit. They therefore have a different range of objectives, based on efficiency, quality and philosophical targets

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Business Concepts

Examples

1. A business produces a low-priced, low quality corkscrew which people will buy based purely on price and need.
2. A firm that manufactures replacement windows send its sales force out to cold-call and sell the product to residential households.
3. A firm undertakes extensive market research to see how it can improve its product, which is an electric can opener.

Public sector organisations are owned by local or national government and are funded by the taxpayer. It would be inappropriate and unpopular for these organisations to aim to make a profit, so they often set objectives based on:

- providing a service or range of services in the first instance, with some expanding the range of services they offer (for example, a local council may consider expanding the range of waste they recycle)
- limiting costs and improving efficiency of service – it is important for public sector organisations to represent good value for money
- meeting quality standards to demonstrate the quality of the service provided – this also relates to the need to represent good value for money.

The **voluntary sector** consists of charities, which may represent local, national or international causes. Ultimately, a charity may set itself a range of objectives, such as to:

- raise money to purchase equipment or services for a given cause (for example, providing protection against malaria in Africa or carers for disabled people in the local community)
- raise awareness of a given cause, which may in turn result in more money raised to support the cause
- create a surplus – for example, to generate more money than it takes to operate its fund-raising activities, which can be spent on the supported cause.

Marketing Objectives

Marketing objectives are different from a business's objectives. While both will be SMART, marketing objectives may be based on factors other than survival and growth.

Market leadership

Market leadership is the position of a business with the largest market share in a given market for goods and services. Market share may be measured by either the volume of goods sold or the value of those goods. For example, Tesco is the market leader in the UK supermarket marketplace. It is the largest in terms of value of goods sold. Being a market leader can be a significant advantage for a business – suppliers will want to stock your product and it is likely that your customers will think about your products first.

Brand awareness

A common marketing objective is to raise customers' brand awareness. This might relate to a business's overall brand (for example, BMW) or to a product brand within the company (for example, Mini). Successful raising of brand awareness can raise sales because customers will subconsciously or consciously seek out a brand when purchasing an item or service. A high level of brand awareness exists where consumers start to use the brand name in place of the product type.

Perceptions of customers or users

A customer's perception of a business or brand often affects their purchasing decisions. For example, your business may have very high brand awareness, but if your customers perceive your business as offering low-quality products, they may decide to purchase a competitor's product. If a company develops a bad name, it can take a lot of time, effort and money to change customers' perceptions. For example, Škoda had a reputation for producing cheap but unreliable vehicles before it was bought by Volkswagen in 1991. Since then, it has benefited from Volkswagen's reputation for reliable vehicles, combined with low prices.

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