

# La Fageda

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### Nod y wers/Lesson Aims

Define different marketing techniques. Differentiate between products and services. Analyse consumer behaviour. Analyze competitive behavior for business.

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### Marketing

There are many definitions of marketing. The latter definition is the most comprehensive and includes the objectives of marketing.

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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 customers will purchase lower priced 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.

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### TheCaseSolutions.com Business Concepts Examples

1. A business produces a low priced, low quality product which people will buy because they are price sensitive.
2. A firm that manufactures replacement windows sends sales force out to cold call and ask the products to residential households.
3. A firm undertakes extensive market research to see how it can improve its products which is an electronic spin opener.

### Marketing techniques available

Business objectives are the foundation for the development of marketing techniques. The objectives of a business determine the marketing techniques that are available to it.

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### Marketing Objectives

Marketing objectives are the specific, measurable, achievable, relevant and time-bound goals that a business sets for its marketing activities.

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### Marketing Objectives

Marketing objectives should be SMART: Specific, Measurable, Achievable, Relevant and Time-bound.

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### Aims and Objectives

**Private Sector Aims**  
There are four broad business objectives of an organisation in the private sector.

**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	

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### Survival strategies

Many businesses are often faced with having to diversify or change just to survive. This could include diversifying the business to reduce costs. It could mean cutting out of less profitable markets, or focusing on less profitable lines and making some strategic decisions in order to reduce the costs. Businesses may also look to reduce their marketing budgets in order to lower their costs.

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### Branding

Marketing often involves the use of brands, which are the name, symbol, design or other distinctive features that identify a product or service. Brands are used to differentiate a product or service from its competitors and to create a strong, positive image in the minds of consumers.

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### Components of a Brand

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### Transactional marketing

This is the oldest form of marketing. It is a one-time transaction between a business and a customer. The business sells a product or service to the customer, and the customer pays for it. This type of marketing is often used for low-value, low-risk products.

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### Relationship Marketing

Relationship marketing is a long-term strategy that focuses on building strong, lasting relationships with customers. This type of marketing is often used for high-value, high-risk products.

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### Brand extension

Brand extension is a marketing strategy that involves using an existing brand name to launch a new product or service. This type of marketing is often used for high-value, high-risk products.

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### Branding - Continued

Branding is a marketing strategy that involves creating a strong, positive image for a product or service. This type of marketing is often used for high-value, high-risk products.

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### Nod y wers/Lesson Aims

Define different Marketing techniques  
Differentiate between private sector objectives  
in a case study and those in the public sector  
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 marketing mix.
- 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 address customer needs.

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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 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.

### 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 it can improve its product, which is an electric can opener.

### Marketing techniques available

**Research strategy**  
The choice of research method depends on the objectives of the study and the resources available. The choice of research method depends on the objectives of the study and the resources available.

**Market penetration**  
Market penetration is a strategy to increase sales of existing products in existing markets. It is achieved by increasing the number of customers, increasing the frequency of use, or increasing the volume of use.

**Market development**  
Market development is a strategy to increase sales of existing products in new markets. It is achieved by entering new geographical areas, new customer segments, or new distribution channels.

**Differentiation**  
Differentiation is a strategy to create a unique selling proposition for a product or service. It is achieved by offering unique features, benefits, or quality.

**Brand building**  
Brand building is a strategy to create a strong, positive image for a brand. It is achieved by consistent messaging, quality products, and customer service.

### Marketing Objectives

Marketing objectives are specific, measurable, achievable, relevant, and time-bound (SMART) goals that a business aims to achieve through its marketing efforts.

**Revenue objectives**  
Revenue objectives focus on increasing the total sales of a product or service. This can be achieved through various strategies such as increasing sales volume, raising prices, or expanding into new markets.

**Profit objectives**  
Profit objectives focus on increasing the profitability of a business. This can be achieved through strategies such as reducing costs, increasing sales, or improving operational efficiency.

**Market share objectives**  
Market share objectives focus on increasing the percentage of sales in a particular market. This can be achieved through strategies such as competitive pricing, product differentiation, and aggressive marketing.

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### Public sector organisations

Public sector organisations are owned by the national government and are funded by the taxpayer. They are responsible for providing public services and are subject to public scrutiny and regulation.

**Marketing objectives**  
Marketing objectives for public sector organisations are often focused on increasing the efficiency of services, reducing costs, and improving the quality of services. They may also focus on increasing public awareness and participation in public services.

**Marketing techniques**  
Marketing techniques for public sector organisations include public relations, social media, and direct marketing. They may also use traditional advertising techniques such as radio and television.

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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 strategic tool that helps businesses to identify growth opportunities. It is based on the relationship between existing and new products and existing and new markets.

### Survival strategies

Many businesses use cost based selling. Having to develop strategies just to survive. This could include downing the best means to reduce costs. It could mean cutting out of less profitable markets, downgrading less profitable brands and making some employees redundant in order to balance the books. Businesses may also need 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 a way of identifying a product or service and distinguishing it from other products or services in the market.

**Branding objectives**  
Branding objectives include increasing brand awareness, creating a strong brand identity, and increasing customer loyalty. They may also include increasing brand equity and reducing marketing costs.

**Branding techniques**  
Branding techniques include product design, packaging, advertising, and public relations. They may also include creating a brand story and using social media to engage with customers.

### Components of a Brand

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

### Transactional marketing

This is the traditional transactional marketing. This is where the marketing effort is based on the sale of a product or service, with little emphasis on building a relationship with the customer. An example of this might be a salesperson selling a product to a customer. The marketing effort is focused on the sale of the product, rather than on building a long-term relationship with the customer.

**Transactional marketing objectives**  
Transactional marketing objectives are focused on increasing sales and profit. They may also include increasing market share and reducing marketing costs.

**Transactional marketing techniques**  
Transactional marketing techniques include direct selling, advertising, and public relations. They may also include using sales incentives and discounts to encourage purchases.

### Relationship Marketing

Relationship marketing is a strategy to build long-term relationships with customers. It is based on the idea that customers who are loyal to a brand will buy more products and services from that brand over time.

**Relationship marketing objectives**  
Relationship marketing objectives include increasing customer loyalty, increasing repeat purchases, and increasing customer lifetime value. They may also include reducing marketing costs and increasing brand equity.

**Relationship marketing techniques**  
Relationship marketing techniques include personalized marketing, customer service, and loyalty programs. They may also include using social media to engage with customers and build relationships.

### Brand extension

Brand extension is a strategy to use an existing brand name to launch a new product or service. It is a way of leveraging the brand's equity and increasing sales.

**Brand extension objectives**  
Brand extension objectives include increasing sales, increasing brand awareness, and increasing brand equity. They may also include reducing marketing costs and increasing customer loyalty.

**Brand extension techniques**  
Brand extension techniques include product line extension, category extension, and brand extension. They may also include using the brand's name in advertising and public relations.

### 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 differentiate themselves from their competitors and to build a strong brand identity.

**Early branding**  
Early branding was often done in a very simple way, with businesses using basic logos and slogans to identify their products. This was often done to help customers remember the brand and to distinguish it from other brands.

**Modern branding**  
Modern branding is much more complex and sophisticated. It involves a wide range of techniques, including product design, packaging, advertising, and public relations. It also involves a deep understanding of the target market and the brand's positioning.

# 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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