

Marketing Plans

Successful marketing does not just happen - it has to be planned.

A marketing plan should include the following elements:

- A marketing budget for above-the-line activities if necessary.
- The strategy to fulfill the objectives of the organization.
- Tactical methods such as the elements of the marketing mix.
- A time frame to review progress of the plan, with a contingency to take corrective action or review tactics if forecasts are not achieved.

Marketing in non-profit organizations

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Not all firms are profit maximizers and a number of other corporate objectives exist. Maynard (2009) argues that it is important for non-profit organizations to establish a well-defined niche; while most are not selling goods, they are selling their organization's mission, their ideas, their vision and their services.

In order to sell itself a non-profit organization must:

- Identify the target audience - determine key stakeholder groups
- Maintain constant communication.
- Create a strong visual identity and logos.
- Use message repetition wherever possible: create a slogan.
- Employ multiple communication tactics.

Marketing approaches

Market orientation - an outward looking approach basing product decisions on consumer demand as established by market research.

Product orientation - an inward looking approach that focuses on making products that can be made or have been made for a long time and trying to sell it.

The trend now is being market led (oriented) the customer is put first. Most companies have to try and satisfy and increasingly demanding consumer base empowered by knowledge and information from the Internet.

A few companies such as Rolls Royce and Apple are able to operate profitably by concentrating solely on the strength of their product and effectively ignoring the needs of the market. Dyson vacuum too still can be successful due to its innovative product.

Tangible goods are marketed in different ways than intangible consumer services. For example...a hotel...

- Services are consumed immediately - cannot be stored. At off peak times will charge less for a room.
- Services cannot be taken back to be repaired or replaced. Service quality must be right first to get a repeat customer.
- Consumers find it difficult to compare service quality than goods and therefore promotion must be informative and detailed.
- People are super important to the success of marketing services (trained, approachable and helpful). In contrast, Nintendo Wii can sell itself due to innovative features.

Marketing

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Marketing is **more** than just advertising and selling products.

The Institute of Marketing defines marketing as the management process responsible for identifying, anticipating and satisfying consumer requirements profitably.

This includes: market research, product design, pricing, advertising, distribution, customer service and packaging.

Do:

- 4.1 Activities
- Definitions
- Textbook cases
- TOK Q
- Exam Practice Q - Microsoft

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Redefining The AXA Brand

Consumer markets and industrial markets

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Consumer markets - market for goods and services bought by final user (consumer).

Industrial market - market for goods and services bought by businesses to be used in the production process of other products.

Different marketing strategies will be used depending on the market.

Marketing B2B (Business to Business)

- will use industrial exhibitions and direct or personal selling to companies.
- customize to the needs of the business customer
- promote as cost saving
- produce technical promotion and literature.

The explosion of choice - Jack Trout

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Marketing has become more difficult given the explosion of choice in almost all markets both on a national and a global level.

Product	# of items in early 1970s	# of items in late 1990s
SUVs	8	38
Software titles	0	250000
Bottled water	16	30
Milk types	4	19
Mouthwashes	15	66
Dental floss	12	64
OTC pain relievers	17	141
Contact lens types	1	36
KFC menu items	7	14

- An average supermarket has 40 000 items.
- An average US family gets 80-85% of their needs from only 150 of those items.
- They will routinely ignore the other 39 850 items.

Market Growth

Most companies like to operate in growing or expanding markets. Market growth is represented by the % change in sales over time. A growing market offers sales potential and opportunities for a firm to be more profitable. But it also might attract rivals (competitors) who recognize the profit potential.

The product with the highest market share is called the "market leader".

The benefits of being the market leader are:

- sales are higher and therefore increased profits
- retailers are keen to stock and promote your products
- can offer less discount to retailers
- market leader status can be used in advertising and promotion.

Remember: Market share can fall even though sales are rising.

Market Size

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Market size is the total sales of all the producers within a market.

Market size can be measured two ways:

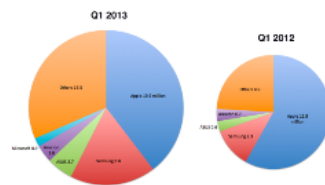
1. volume of sales (units sold)
2. value of goods (revenue)

Measuring by value or volume will depend on the product. If a product is cheaper measure by units sold if it is expensive measure by value.

The size of a market is important for three reasons:

- a marketing manager can assess whether a market is worth entering or not.
- Firms can calculate their own market share
- Growth or decline in a market can be identified.

Tablet market share example



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Recap of Calculating Market Share.

Calculating Market Share

$$\text{market share} = \frac{\text{sales}}{\text{total market sales}} \times 100$$

Remember this can be measured by units sold (#) or revenue (\$)

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Example: In a market of 100000 units sold a company has sales of 35000.

$$\frac{35000}{100000} \times 100 = 35\%$$

Do practice calculations on 4.1 Activities Sheet.



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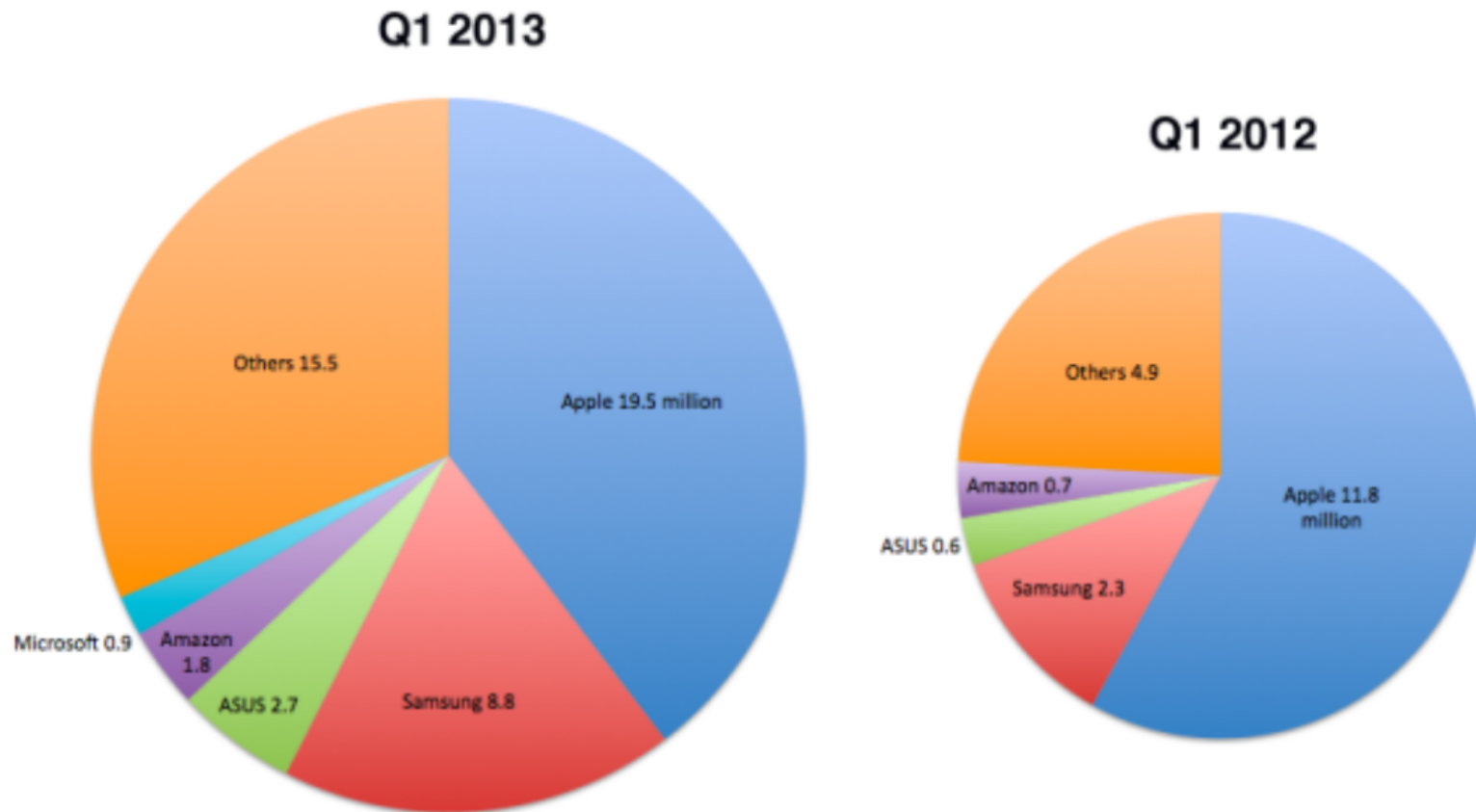
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