

Marketing

Marketing: the process of identifying, anticipating (predicting) and satisfying customer needs and profitability.

Objectives flow from the mission and vision of the business: **Mission**-the overall purpose of a business-->**Vision**-the overall aspiration of the business-->**Aims or goals**-general statement of what a business intends to achieve-->**Objectives**-more precise and detailed statements of the aims/goals

Marketing objectives are "functional" objectives: **Mission**--> **Corporate/strategic**-->**Functional**--> **Team**--> **Individual**, the further down the line the detail increases where as the further up the line the strategic approach increases. Marketing objectives need to be consistent with and support corporate objectives.

Sales volume: measures the number of items sold or produced e.g. number of TVs sold. **Sales value**: measures the financial worth of the items sold e.g. £30 million of TVs.

Market size: the volumes of sales of a product e.g. the number of items sold or the value of sales of a product e.g. the total revenue from sales. It indicates the potential sales for a firm e.g. the UK car market earns a revenue of over £30 billion a year. Market size is rarely used as a marketing objective as a single company will only ever be part of a market.

Market Growth= (Market size in a year - market size in previous year) / Market size in previous year x 100. The following factors influence market growth: **Economic growth**, **Nature of the product**, **Changes in taste**, **Social changes** and **Fashion**

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Sales growth= (Sales in a year - sales in previous year / sales in previous year) x 100.

Market share= (sales of one product or brand or company / total sales in the market) x 100.

Brand loyalty: A measure of the degree of attachment that a customer has for a particular brand or product. High brand loyalty for one product will reduce the likelihood of a consumer switching to another brand.

Examples of marketing objectives:

Maintaining or increasing market share, **Developing new products / innovation**, **Meeting the needs of customers**, **entering a new market / market positioning**, **Gaining advantages over competitors**.

The value of setting marketing objectives:

Ensure functional activities consistent with corporate objectives, Provide a focus for marketing decision-making and effort, Provide incentives for marketing team and a measure of success / failure, Establish priorities for marketing resources and effort.

There are some potential problems with setting marketing objectives: **Fast changing external environment** e.g. changes in legislation impacting the whole market; **Potential conflict between marketing objectives** e.g. trying to increase market share by cutting prices may damage objectives for brand perception; **easy to be too ambitious with marketing objective** e.g. growing market share without putting necessary resources in place to achieve it.

Influences on marketing

Internal influences on marketing objectives: **corporate objectives** are the most important internal influence. A marketing objective should not conflict with a corporate objective. **Finance** the financial position of the business directly affects the scope and scale of marketing activities. **Human resources** for a services business in particular, the quality and capacity of the work force is a key factor in affecting marketing objectives a motivated and well trained workforce can deliver market-leading customer service and productivity to create a competitive marketing advantage. **Operational issues** operations has a key role to play in enabling the business to compete on cost and quality. effective capacity management also plays a part in determining whether a business can achieve its revenue objectives. **Business culture** e.g. a marketing orientated business is contently looking for way to meet customer needs. A production orientated culture may result in management setting unrealistic or irrelevant marketing objectives



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Influences on marketing (cont)

External influences on marketing objectives: **Economic environment** the key Factor in determining demand for example marketing objectives changed as a result of the recession factors such as exchange rates would also impact objectives concerned with international marketing. **Competitor actions** marketing objectives have to take into account the Likely/ possible competitor response for example an objective of increasing market share by definition means that competitive response will not be effective. **Market Dynamics** the key market Dynamics are market size growth and segmentation. A market whose growth slows is less likely to support an objective of significant revenue growth or new product development. **Technological change** many markets are affected by rapid technological change, shortening product life cycles and creating opportunities for innovation. **Social and political change** changes to legislation may create or prevent marketing opportunities. Change in the structure and attitudes of society also have major implications for many markets.

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