

buyers and few, differentiation of products, suppliers threaten to integrate forward into the industry, buyers do not threaten to integrate backward into supplier's industry, industry is not a key customer group to the suppliers), buyer (many sellers and few buyers, standardization of products, buyers threaten to integrate backwards into the industry, suppliers do not threaten to integrate forwards into the buyer's industry, the industry is not a key supplier group for buyers.) Industry competitors (structure of the competition, structure of costs, degree of differentiation, switching costs, strategic objectives, exit barriers.) SWOT: structured approach to evaluating the strategic position of a business by identifying its strengths (Internal and controllable variables), weaknesses, opportunities and threats (external and uncontrollable variables)(Jobber) . Not only analyse the outside but inside too and put the two together. MICRO ENVIRONMENT / this is what you can control: suppliers (maintain relationship, prices, distributes, customers (social media), competitors (their products, activities), publics (factory pollution), Maintaining a very good relationship with suppliers is incredibly important =website, social media, Reflection = where you can sell, type of materials you need to use, labour produce it?, quality, what problem is this solving, fashion,. MACRO ENVIRONMENT/ Politics - Legal –economic factors (inflation– general raising prices, national government, international), Reflection = car – low tax, petrol, prices, import- export, qualities, social cult. Fact. – safety, brand. Monopoly buyer – only one – British sugar.

CONSUMER BEHAVIOUR

Definition: processes involved when individuals or groups select purchase, use or dispose of products, services, ideas, or experiences to satisfy needs and desires (Solomon et al). Consumer buyer behaviour refers to the buying behaviour of final consumers – individuals and households who buy goods and services for personal consumption (Kotler and Armstrong). Consumer: passive individual who respond to environmental and biological forces beyond control, informants and behavioural studies from consumer viewpoint. Consumption: purchase, use, reuse, discard, recycling, possession, and loss of tangible and intangible objects understanding the person, the activities, and processes behind how we use objects. Understanding consumer behaviour? How, what, when, where, why, who consume? Who decides what in the process? How is the decision made, what influences it, what are the choice criteria. Consumer behaviour model: Individual influences (consumer resources, motivation, knowledge, attitudes, personality, values, lifestyle) situational influences, group influences, environmental influences (culture, social class, personal influences, family, situation), marketing mix= decision making. Buyer decision making process: 1) Problem recognition (problem awareness, need recognition, consumers can be encouraged to believe they have a problem, depends on: functional, emotional need, level of importance, will depend on the risks involved, the urgency of the need, costs involved and the anticipated satisfaction, risks can be financial, psychological, social, physical, functional, lifestyle, buying behaviour can be complex, habitual or variety seeking), 2) Information search (identification of the alternative ways of problem solving, objective of information search is to construct an awareness set the set of brands that may provide a solution to the problem, it will include consideration of: what kind of purchase will address the problem, where can the product be obtained? What information is required? , the greater the perceived risk, the greater and more extensive the information search.) 3) Evaluation of alternatives screening and filtering the awareness set to produce an evoked set-the set of brands that the consumer seriously evaluates before making a purchase, this process is based on constructing performance criteria upon which to judge choices, usually based on: self image, perceived risk, social factors, hedonistic influences), 4) Purchase decision (varies depending on high involvement and low,

channels (clarks shoes), inadequacies in performance. Avoiding and resolving conflict: developing a partnership approach, market partitioning (avoiding overlap), channel ownership (expensive solution), coercion. Ethical issues in distribution: Slotting allowances: fee paid to retailer for shelf space, discriminates against small suppliers, Grey markets: parallel importing perfumes, branded clothes, Excludedealing: powerful suppliers restrict distributors- beer markets, (pepsi, coke), Restrictions in supply: distributors refuse to stock goods from small suppliers (France 10% of shelf space has to be given, by law, to small suppliers), Fair trading: small suppliers have to accept very low prices.

SERVICE MARKETING

any activity or benefit that one party can offer to another which is essentially intangible and does not result in the ownership of anything, its production may or may not be tied into a physical product. (Kotler, Armstrong, Wong and Saunders). Distinguished from products mainly because they are generally produced at the same time as they are consumed, cannot be stored away or taken. Characteristics of services – IHIP: Itangibility(not possible to touch or feel), Heterogeneity (precise standardisation is difficult) Inseparability (cannot be separated from the provider) Perishability (cannot be stored, hotel rooms), Ownership (doesn't result in a property transfer). Kotler's 4 product categories: Itangible-pure service –estate agency, lawyer, major service accompanying goods and services- sportspark, tangible good with service attachments –cars and photocopiers, pure tangible product – cd, book-Tangible. USA, Europe, Australia about 75% of GDP accounted for by services sector. Growth in services sector is the third stage in economic development. Agriculture, Industry, Services. Marketing challenges: 8 common differences: most service products cannot be inventoried, intangible elements usually dominate value creation, IHIP factors, services are often difficult to visualize and understand, customers may be involved in co-production, people may be part of the service experience, operational inputs and outputs tend to vary more widely, the time factor often assumes great importance, distribution may take place through nonphysical channels. Intangibility pure services cannot be assessed by sight, feel, smell taste etc., emphasis as much on processes as outcomes, can only be evaluated after it has been consumed, services purchases may be perceived as more risky than goods- Role of marketing involves the provision of tangible evidence and brand building. Heterogeneity: Each producer consumer encounter may be unique, may be little opportunity for quality control to maintain consistency, often easier to adapt services to the specific needs of individual consumers. Marketing may seek to standardise the encounter through scripting or machine delivery or tailor the service to individual requirements. Inseparability: production of a service cannot be separated from its consumption, consumers are co producers of a service, makes quality control more difficult, has implications for accessibility to services, marketing must focus on relationships rather than exchange. Perishability: services cannot be stored, capacity is not used, that time to sell is lost forever, marketing must carefully manage supply and demand to smooth out peaks and troughs. Ownership for services: services cannot be owned, buyers have the right to a process but cannot sell the process once experienced, therefore has no residual value (estimated present value of the after tax cash flow expected to be earned after the forecast period.) Marketing's job is to provide tangible evidence of a satisfactory experience. Implications of these challenges: Difference: most service products cannot be inventoried, intangible elements usually dominate value creation, services are often difficult to visualize and understand, customers may be involved in co production. Implications: customers may be turned away, harder to evaluate service and distinguish from competitors, greater risk and uncertainty perceived, interaction between customer and

keep good employees. Major PR tools: publicity (good and bad), corporate advertising (branding), Seminars (education, informing), Publications (ready literature), Lobbying (developing a strategic position), Charitable donations (good corporate citizen), use generated content. Characteristics of publicity: high credibility (sometimes), no direct media costs, lose control of publication, content and timing. Cause Related Marketing: links between organizations and social causes (charities or non profits): cancer awareness, sustainable living, environment-green, haiti relief fund.

MARKETING STRATEGY AND PLANNING

Planning: process by which businesses analyze the environment and their capabilities, decide upon the course of marketing action and implement those decisions (Jobber and Fahy), Strategic Marketing Planning is strategic fit between the organization's goals and capabilities and its changing marketing opportunities. Importance: part of organization's overall strategy, ensures that the product's marketing mix matches needs of customers, helps companies seek opportunities to market other products in new market, enables companies to determine allocation of resources, helps company to understand, create and deliver customer value on a sustainable basis, helps in a company's long term survival and growth. Steps: defining the purpose and mission, setting objectives and goals, carrying out the strategic audits, designing the business portfolio, developing detailed marketing plans. Questions: where are we now, how did we get here, where are we heading, where would we like to be, how do we get there, are we on course? Answers: business mission, marketing audit, swot analysis, marketing objectives, core strategy, competitive strategy, marketing mix decisions, organization and implementation, and control. Business mission: organization's purpose,, usually setting out its competitive domain, that distinguishes the business from others of its type-enduring and specific to the organization (chemical processing firm (technology centric), manufacture furniture (product centric), connect individual buyers and sellers in the world's online market place (ebay), help people experience the emotion of competition, winning and crushing competitors (nike). Objectives and goals: mission statements lead to formulation of business objectives, via a company's mission and focus their resources, companies set clear objectives and measurable goals, companies also reorganise their businesses and restructure them around promises of mission statements. Marketing audit: systematic examination of a business's marketing environment, objectives, strategies, and activities, with a view to identifying a key strategic issues, problem areas and opportunities. Strategic audit: External Environment: Identify and formulate responses: Macro and micro environment, Internal environment – analyse and devise strategies – SWOT, Industry analysis: understand the nature of competition – Porter. Design Business Portfolio: collection of businesses and products that make up the company, deciding which products should be sold in which markets: Ansoff Matrix (market penetration or expansion, product development, market development, diversification), deciding the future of individual products and brands relative to their profitability and market share (BCG MATrix (stars, dogs, cash cows, problem children), deciding competitive position in the market (Porter competitive strategies). Developing detailed marketing plans: focuses on how to achieve marketing objectives, target market: segment that has been selected as a focus for the company's offering or communications, competitor targets: the organizations against which a company chooses to compete directly, competitive advantage: selection of one or more customer choice criteria that sets the company apart from its competition, marketing mix decisions: regarding each of the elements of the marketing mix (4P). Organization and implementation: carry out the plan, design action strategies, plan budgets, plan timescales. Evaluation and control: measure results and performance, evaluate, take corrective action where

necessary. Always have a sensible plan, only depart of the whole business which makes money is marketing, deciding what are your capabilities, figures out the action "What can I do, what I'm capable to achieve" Figure out where are the opportunities, prioritize resources Steps in the process: Purpose (mission) – who you are? VERY IMPORTANT, a mission statement, what business am I in? Not about what you make, what you do, more likely VISION, PURPOSE, DEFINE, have to have an abstract expression who the company is. FMCG – Fast Moving Consumer Goods – everyday stuff What product in what market to sell? ANSOFF MATRIX–new ways of selling your product, expand a problem, find new solution, product development, expand the market – new alternatives, Example : breakfast, flavours, lunch, dinner, slimming, healthy, create problem, solve it, BCG MATRIX – How much money? How much product? Does it worth it? PORTER'S COMPETITIVE STRATEGIES – Two smart ways: 1) Cheapest in the market 2) Most expensive, best. Strategy: ties together with planning, carried out by senior management, answers: what business do we want to be in, where are we now, how do we get there? Examines long term overall business direction, tactical planning is done by middle and operational management and focuses on functional goals. Purpose: identify and develop strategies that will help the organization best compete in the marketplace, can be: competitive, developmental, resource based, combination of any of the above. Competitive strategies: choosing the correct competitive s is fundamental to success, firms need to understand how and where best they can compete in the marketplace and the overall industry, tools such as porter will help a firm understand the nature and intensity of competition in a given industry and the potential risks and rewards of market attractiveness in the industry, swot exercise will highlight potential for the firm to organise its activities. Choosing competitive strategy, correct choice of competitive strategy emerges from a thorough analysis of the value that the company provides and deciding on an appropriate competitive position to maintain in the market, porters generic strategies provide an insight into the different types of choices available to firms. Types of generic strategies: 4 types: Cost leadership s: firm strive to be the lowest cost supplier and thus achieve superior profitability from an above average price-cost margin, Product Differentiation S- firm strives to differentiate its product (or service) from rival's product such that it can raise price more than the cost of differentiating and thereby achieve superior profitability, Focus S- firm concentrates on a particular segment of the market and applies either a cost leadership or a differentiation strategy. Competitive Strategies: taking advantage of cost leadership and differentiation, using virtuous circle to exploit market share advantage: high market share (low cost from economies of scale),(higher profitability from higher margins), (investment in product, process, service), (differentiation advantage), (higher sales), (higher market share). Stuck in the middle-caught between cost leadership and differentiation: worst strategic error, or to try simultaneously to pursue all the strategies, because it would mean that a firm is not able to achieve any of them because of their inherent contradictions. (porter) Competitive advantage: key to superior market performance is to gain and hold a competitive advantage: achievement of superior performance through differentiation to provide superior customer value, or by managing to achieve lowest delivered cost (jobber), Competitive advantage can be gained through: differentiation, managing for lowest delivered cost, principle in any industry. Sources of competitive advantage: conducting a value chain analysis-assessing all the activities of a firm and categorizing them into primary and support activities in order to locate superior skills and resources, sources: superiors skills, resources, core competencies. Create and maintain a differential advantage: created when a customer perceives that the firm is providing more value than the competition, created using any element in the marketing mix and be maintained by strengthening any of these mix elements that cannot be easily copied by