

Marketing Principles

Seminar Paper

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Define what the ‘Marketing Concept’ is. Explain how successful brands are using marketing concepts theory, using examples from the food and drink industry.

The Marketing Concept can broadly be defined as, according to Brassington and Pettitt (2006, p7), a three-pronged philosophy of management, stating that companies should, first, interpret the needs of their customers, secondly, position their business in such a way that satisfies those needs profitably and thirdly, continually better execute their operations to keep ahead of their competitors. The Lucozade brand, now known for its energy and sports drink business, has been at the forefront of the UK’s sports and energy drink business, having identified and interpreted the increased trend in gym memberships (Smithers, 2015) and the fitness industry as a whole, especially over the last ten years.

Secondly, the Lucozade brand positioned itself to satisfy the needs of the customer base profitably by marketing its products toward the demographics of young people and those who visit the gym often or do hobbies that require a boost in energy. Everything from the grip of the bottle to the quenching flavours loaded with sugar to the inclusion of famous athletes in its advertising campaigns (YouTube, 2012), Lucozade has successfully positioned itself as the market leader for energy drinks with sales of £462.6 million (Brown, 2015).

Thirdly, Lucozade understand that they must keep up with their competitors in order for their business to stay at the forefront of the UK market, and so, this translates to grasping trends and predicting shifts in public opinion. Recently, the government has been pressurising the drinks industry to reduce sugars in their products (Hipwell & Smith, 2016). In order to retain their market leadership, Lucozade have announced a new low-calorie variant of their drink called Lucozade Zero (Vending International, 2016, p7), thus an example of the brand repositioning itself to suit the needs of, not only the consumers, but the government as well.

Whole Foods Market is an American supermarket best known for only selling foods without artificial preservatives, colours, flavours or sweeteners and has utilised the marketing concepts theory since the company was founded in 1980 (Whole Foods Market, 2017). Since then, Whole Foods Market has successfully interpreted that there is a polarising market trend in the USA for healthy and nutritious foods, as suggested by Retailing Associate and Analyst at Euromonitor International, Michelle Malison, in her report (2016, p1).

Whole Foods Market then established their own marketing concepts theory that intertwined with the mission of their brand (Whole Foods Market, 2017) by integrating healthy foods of high quality standard, product ingredient details, food safety, locally grown produce and organic foods throughout their stores and digital platforms. This has all be implemented and solidified into the brand's ethos to satisfy a growing amount of customer needs profitably and Figure 1 (MarketWatch, 2017), showing the steadily growing sales of Whole Foods Market retailing from 2012 to 2016, proves the company's success (Kowitt, 2014, p70-77) whilst establishing itself as a growing alternative to the American giant, Wal-Mart.

To conclude, both Lucozade and Whole Foods Market are utilising the foundational principles of the marketing concept theory, yet both companies are personalising the theory to suit their own endeavours and company missions, perhaps an astute strategy for other brands to emulate.

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Appendix

Annual Financials for Whole Foods Market Inc.

+ View Ratios

Fiscal year is October-September. All values USD millions.	2012	2013	2014	2015	2016	5-year trend
+ Sales/Revenue	11.7B	12.92B	14.19B	15.39B	15.72B	
+ Cost of Goods Sold (COGS) incl. D&A	7.54B	8.29B	9.15B	9.97B	10.31B	
COGS excluding D&A	7.23B	7.95B	8.77B	9.53B	9.82B	
Depreciation & Amortization Expense	311.55M	339M	377M	439M	498M	
Depreciation	305.15M	334M	372M	422M	478M	
Amortization of Intangibles	6.4M	5M	5M	17M	20M	
+ Gross Income	4.16B	4.63B	5.04B	5.42B	5.41B	

Figure 1 (MarketWatch, 2017)

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Define sustainable marketing? Discuss the importance of sustainability in relation to sustainable marketing with justifications in an industry of your choice.

The concept of sustainable marketing, according to Brassington and Pettitt (2006, p14, 22, 23), can loosely be defined as the marketing operation serving the needs of consumers profitably while simultaneously promoting the importance of societal and environmental welfare within business operations.

Kenco, a brand of coffee distributed throughout the United Kingdom and Ireland, is utilising the theory of the Marketing Environment in their business operations, specifically the Society/Culture, Ethical, Environmental and Legal branches of the Marketing Environment (Armstrong, G & Kotler, P, 2012, p66). For the last couple of years, Kenco has begun to construct its Marketing Narrative (Lavoy, D, 2016, p20-21) around establishing itself as a force for positive change in the countries from which it sources its coffee beans. In their 2016 advert (Kenco, 2016) titled “Coffee vs Gangs”, Kenco shows the life of a young man living in Honduras in Central America, and how Kenco is training young people to become coffee farmers to lure them away from getting involved with gangs. This specific advert portrays Kenco as a brand that not only cares for the people buying their products, but also those who are producing the coffee beans (Fill, 2009), in turn showing how Kenco is taking advantage of external factors of the Marketing Environment to portray themselves as a force for good and having a positive impact upon the lives of those living in poorer countries with the intent of increasing its sales in the UK market.

Of the Marketing Environment external factors, Kenco focuses on society and culture by promoting issues occurring in foreign countries by providing factual information (Crilly, 2014) to highlight that Kenco is aware of these issues and is going to invest in young farmers (Quinn, 2016), thus giving back to the developing communities, and presenting coffee farming as an alternative to gang culture (Burn-Callander, 2015).

Matthew Barry, Beverage Analyst at Euromonitor International, did elude in his report (2016, p47), that Kenco had received positive results from their Coffee vs Gangs campaign, further solidifying them as a key player in the global coffee trade. This is an example of how Kenco has benefited from presenting itself as a company with goodwill which, after the scandals of large companies such as Volkswagen (Saarinen, 2017) and Sports Direct (Ashby & Goodley, 2015) in the past year or so, has

propelled corporate social responsibility (CSR) to become a necessary marketing strategy in today's global marketplace.

402 words

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Define what is a brand? Explain how successful brands are created, using examples from an industry of your choice.

The term, brand, could be defined as a collection of ideologies, values and missions as to emit a certain perception (Elliott & Percy, 2007, p4) associated with a specific company or product, usually consisting of a unique and recognisable name and design, or its reputation of business practices (Brassington & Pettitt, 2007, p215) and the brand's heritage. Yet, according to Fill and Roper (2012, p108), a brand can be associated more with individuality; as a tool for manufacturers to add further value and distinction from other products.

A successful brand firstly identifies its target market and what those consumers want from their product. In order for a brand to be successful, it must understand aspects of a consumer's existence in order to best position itself to be attractive to that targeted group of consumers (Elliott & Percy, 2007, p6). Henry Ford, founder of the Ford Motor Company in 1903 (The Ford Motor Company, 2017), is an example of how a businessman understood the market in which he was targeting. At the time, cars were a product for the elites due to their expensive price, both to purchase and manufacture. However, Ford understood that bringing the car to the masses via moving assembly lines (The Ford Motor Company, 2017), would result in the product being cheaper and faster to make and therefore, he could charge less for each car, thus opening up a product to the mass market. Due to the fact that Ford understood his market, he was able to create a product that satisfied the needs and wants of his customers, thus marking the beginning of the Ford brand, and its story and heritage is used as a marketing tool, even today (YouTube, 2016).

Another example of the creation and establishment of a successful brand is Lamborghini. Way after the introduction of automobiles to the mass market, the Lamborghini brand was established in 1963 (Hitch, 2016, p40), as the founder understood there was an ever-growing market of wealthy consumers who wanted to drive cars that reflected their wealth. Since then, the Lamborghini brand has constructed its global brand strategy toward selling its products to a limited clientele within certain geographical locations (Lamborghini, 2017) in order to keep its brand solidified and synonymous with luxury and exclusivity. This strategy is largely based upon loyalty and brand enthusiasm, referred to by Gilligan and Wilson (2012, p340), as to establish and maintain a close-knit relationship between the Lamborghini brand and their wealthiest clientele, perhaps by Lamborghini employees knowing each of the brand's clients by name, or by understanding their

tastes, as to personalise and customise the client's experience with the brand (Lamborghini, 2017), thus continually reaffirming the client's loyalty and brand enthusiasm.

Euromonitor International's Project Manager, Mykola Golovko, reported (2016, p1-2) about the 2017 automotive industry, in which the increasing pressures from a growing circle of competitors, new technologies, emissions scandals and the rise of electric-powered vehicles were said to be some of the industries focal points, perhaps their brands will become evermore crucial to protect and rejuvenate in order to keep at the forefront of this competitive industry.

480 words

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Is Advertising on Social Networking sites Effective or Annoying? Research and discuss.

Advertising on social networking sites can be loosely defined as promoting products or a brand toward a group of consumers through the use of social media platforms by the establishment of a brand page, a paid advert or the payment of an influencer to promote the product or brand (Ellis-Chadwick, 2016, p533).

In 2005, the British fashion house, Burberry, was suffering from falling UK sales and a huge identity issue (Fill & Roper, 2012, p15-16) as so-called 'chavs' and football hooligans were wearing the company's iconic checkered pattern via counterfeit Burberry products, thus driving away its A-list clientele and being made a national joke of in the UK fashion press (Bothwell, 2005). Looking back at the last ten years of Burberry history, it is clear that social media and digital platforms would play an absolutely integral role in the brand's reemergence as a staple of high fashion.

Burberry took the idea of digital and social and integrated that into every aspect of its business whether that be its stores, its website, its social media pages or its digital applications (Salesforce, 2013). It began to utilise the fast emerging social networking sites such as Facebook and Twitter by posting about its latest designs, the craftsmanship of its products and news related to its business operations. As well as this, Burberry were one of the first brands to adopt the idea of using Twitter as a customer service tool in which they created an account dedicated to solving any customer service issues, which they still use to this day (Twitter, Inc., 2017). It was Burberry's total dedication to customer service (Salesforce Marketing Cloud, 2014) that signalled its resurgence into the high fashion business and thus, propelled it toward growing sales, a growing social fanbase and growing stores worldwide both physically and digitally on all devices (Ellis-Chadwick, 2016, p282-284).

Not only does Burberry have its global brand page on Twitter (Twitter, Inc., 2017), but it has various Twitter pages dedicated to different regions of the world such as Russia, the Middle East, Taiwan and Australia (Twitter, Inc., 2017) to name only a few. Despite this, consumers could view these accounts simply as another way for the brand to promote their products, and so, it could be argued that people want only to interact with their friends and celebrities on social media, rather than companies trying to sell them products.

As Burberry's image was gradually being reinvigorated, the company began to expand globally (BBC News, 2012), especially in Asian market and that has also be reflected in their use of social networking as they are active on Chinese social networking sites (Burberry plc, 2017). As mobile devices and what consumers can do on mobile devices continue to rise in various dimensions, Burberry must continue to reposition themselves toward growing trends worldwide in order to retain its position in the industry (Burberry Plc, 2016, p50-55) and for online sales, it has been clearly highlighted that online sales are increasingly dominated by mobile devices (Ecommerce News, 2016). It is now Burberry's main objective to maintain this growth (Jaekel, 2016) and to strategically position itself as to profitably benefit from the emerging social media sites and e-commerce platforms.

To conclude, when looking back to 2005 at the major issues the Burberry brand had and seeing the brand today, it is clear that for Burberry, the main force of change and innovation and perhaps, the single most important part of their brand resurgence, has been that of social media and perhaps without social media, the brand would not be where it is today.

555 words

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It is argued that for a promotional campaign to be successful, a promotional mix should be used. Discuss this comment using examples to support your discussion.

Both Gilligan and Wilson (2012, p523-527) suggest that the term promotional mix can be defined as the process by which a company merges the five key elements of promotion: advertising, direct marketing, public relations, sales promotion and personal selling, in order to best promote a message or product.

The branch of advertising in the external promotional mix has been utilised by the Saudi Arabian oil company, Saudi Aramco, in their advert (Saudi Aramco, 2016) in which they use the facet of advertising in order to present their company as the heart of the nation's economy. In the advert, they use aesthetically appealing camerawork and photography to showcase their company's operations meanwhile targeting their domestic consumer, but it could be argued that they are targeting foreign investors to the company, by translating the advert into english, as the company prepares for its 2018 initial public offering (Reuters, 2016). The very fact that Saudi Aramco is using advertising during this crucial time for the company, proves that the advertising branch is key to a successful campaign.

The British oil company, BP, is utilising the second and third branches of the promotional mix because encouraging consumers to sign up to its frequent magazine (BP plc, 2017) in which it updates readers about its latest dealings, thus an example of direct marketing. The public relations branch of the promotional mix is clearly demonstrated across BP's website under the sustainability sector (BP plc, 2017), in which they present in great depth, their complete corporate social responsibility policies and operations, thus presenting themselves as a clean and honest company that is as environmentally friendly as possible.

BP is also engaging in the sales promotion branch of the promotional mix by promoting the work they are doing in local communities in the UK by investing in the education sector, in culture and sports such as the company becoming an official partner of Team GB since 2008 (BP plc, 2017). All of these operatives are promotional tactics orchestrated by BP to present themselves as a company that does give back to the UK through community projects and investment, thus sustaining their sales as consumers will be more willing to purchase BP petrol if they understand that BP is giving back to their local communities and the education, culture and sports industries.

Royal Dutch Shell is currently adopting the use of the personal selling arm of the promotional mix by giving consumers an opportunity, on Shell's website, to locate the nearest station to them on an interactive map generated by Shell. The fact that Shell is encouraging consumers to locate the proximity of the nearest Shell petrol station is an example of personal selling as a huge organisation is allowing individual consumers to tailor the preferences on the website, thus creating more custom for Shell as they understand that majority of the time, convenience is the key to selling their product.

466 words

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