

Assignment brief

Learning Outcomes and Assessment Criteria 2020-21



Sample number: 3

Unit Title: Marketing Environment – BA1/3/AA/04G

Overview of assessment task

You are required to produce a report:

- examining controllable and uncontrollable variables, in addition to appraising changing market conditions.
- evaluating the relative advantages and disadvantages of bases for market segmentation and product positioning.
- analysing the importance of control and evaluation of marketing activity

Scenario

Your manager at the marketing agency has asked you to compile a report on the Marketing Environment, which she will distribute at the next staff meeting.

Task

The report must examine controllable and uncontrollable variables within the marketing environment. In addition to appraising changing market conditions. The report should also evaluate the relative advantages and disadvantages of bases for market segmentation and product positioning as well as analysing the importance of control and evaluation of marketing activity

Your work must contain all relevant information as outlined by the assessment criteria in addition you must incorporate examples from your chosen organisation(s).

Your report should be no more than 2000 words with plus or minus 10 percent.

Your work must be appropriately referenced using Harvard referencing.

Learning outcomes and assessment criteria

Learning Outcomes	Assessment Criteria
2. Understand the Marketing Environment	2.1. Examine controllable and uncontrollable variables and appraise changing market conditions.
3. Understand the demand placed on a business by buyers' needs, wants and benefits sought.	3.1. Evaluate the relative advantages and disadvantages of bases for market segmentation and product positioning
9. Understand the importance of planned marketing strategies	9.1. Analyse the importance of control and evaluation of marketing activity

Grading Descriptors and Components 2020-21

Sample number: 3

Unit title: Marketing Environment BA1/3/AA/04G

GD 1: Understanding of the subject

Merit	Distinction
The student, student's work or performance: a. demonstrates a very good grasp of the relevant knowledge base	The student, student's work or performance: a. demonstrates an excellent grasp of the relevant knowledge base

GD 2: Application of knowledge

Merit	Distinction
The student, student's work or performance: a. makes use of relevant <ul style="list-style-type: none">• facts• theories with either b. breadth or depth that goes beyond the minimum required to Pass	The student, student's work or performance: a. makes use of relevant <ul style="list-style-type: none">• facts• theories with both b. breadth and depth

GD 7: Quality

Merit	Distinction
The student, student's work or performance: a. is structured in a way that is generally logical and fluent	The student, student's work or performance: a. is structured in a way that is consistently logical and fluent

Report

The Marketing Environment



Image 1

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Introduction

This report will discuss the controllable and uncontrollable variables a business faces and the frameworks used to address these variables. Following this, the report will look at the changing market conditions within the UK economy. There will also be an evaluation of the advantages and disadvantages of market segmentation and product positioning. The report will end with an analysis of the importance of control and evaluation of marketing activity.

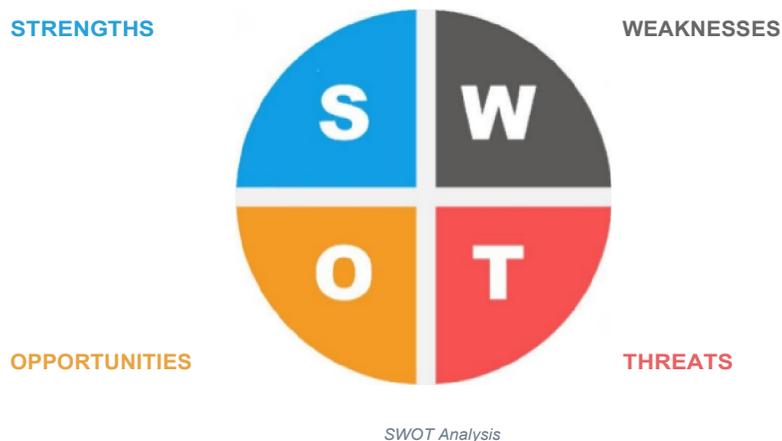
1. Controllable and Uncontrollable Variables

1.1 SWOT and PESTLE

Within the marketing environment, a business will face many controllable and uncontrollable variables, however, not all variables come as a threat. A controllable variable is something that a business can manipulate, which can either be used as an advantage or overcome at its control. An uncontrollable variable is out of the company's control, a company must recognise these and establish whether it can be used as an opportunity or if it comes as a threat. Marketers can use the SWOT and PESTLE framework to brainstorm and identify the different variables.

SWOT

'SWOT Analysis' shows which each letter represents. 'Strengths and weaknesses' are internal factors the company have control over, such as competitive advantage, a strong relationship with suppliers and distributors or being the market leaders. A weakness could be that the customer service needs improvement or the technology could be updated to enhance productivity, both of which the company holds full control. 'Opportunities and threats' are both external factors the brand does not have control over. An opportunity can be a new trend the brand can capture or a sudden demand within the market, both the company can take advantage of and benefit from. A threat could be a new competitor within the market or an unexpected decrease within the market, which the company must respond to, to remain within the market and continue growth.



Pestle

'PESTLE Analysis' shows what each letter represents. This framework is used to brainstorm external uncontrollable factors. Once a business understands its internal strengths and weaknesses, it can establish how to use them to address both the opportunities and threats identified through the framework. PESTLE covers a wide range of possible threats, such as technological advancements that can either benefit or cripple the business, an example of this would be Google and the Yellow Pages, a phonebook that listed businesses all over the country. Google now provides a business' phone number, opening times and the website at the touch of a finger, Yellow Pages did not stand a chance.

Threats such as generational shifts fall into social. {Intro to Marketing Course, 2019) discusses how the 'Baby Boomers' are beginning to retire, whilst Millennials are entering work. Baby Boomers have more spending power than other generations, so to cater to them they have introduced products that they can use at home instead. The younger generation wants a more fast-paced experience, therefore Starbucks has introduced the mobile app, that coffee can be pre-ordered and have it waiting whilst passing the store and drive-thru options.

With laws recently being introduced to improve the environment, a business must respond to this and meet these regulations to avoid potential fines and a tarnished reputation. Alongside this, a new social trend has developed meaning people favour brands that are socially responsible. Being environmentally friendly falls into CSR, a company can use these new laws as an opportunity to enhance its reputation and introduce sustainable techniques that heavily reduces costs throughout.



1.2 Changing Marketing Conditions

Economical changes hold an overall impact on the marketing environment. A business can respond to these changes whether that is an increase or decrease of economic growth, however, a business has no control of the economy.

Growth

The Financial Times (n.d.), shows that the economy has been steadily rising at an average of 2.3% each year since the 2008 'Credit Crunch' which 'exploded into a global financial earthquake' (Mathiason, 2008). The recession sent 27,000 businesses into liquidation, with a rate of 51 closings each day (Morris, 2009). The more recent steady growth has enabled the economy to rebuild itself at a comfortable pace for businesses, allowing them to increase and meet demand.

Employment Figures

The Financial Times also provides employment statistics, that shows employment has been steady over the recent years. A sudden change will have an impact on the market, either having to meet the spike in demand and spending power or having to reduce prices if employment figures fall as the spending power of consumers will drop significantly.

Interest Rates

The Bank of England sets the rate of interest. Which is the cost of borrowing and the reward for saving. To ensure a smooth growth in the economy, the bank influences the rates on each to either prevent a spike or drop. The current borrowing rates have been set at 0.75%, the highest they've been since 2009. However, these may change following Brexit, due to the uncertainties it currently holds (Verity, 2019).

Inflation Rates

The Financial Times shows that the inflation rate has grown well over the targeted 2% because of Brexit and an increase in imports. The value of the pound has dropped significantly following Brexit. FT also states that it hasn't spiked due to current supermarket wars and falling oil prices. A sudden increase would hold detrimental effects on the economy, consumer confidence would decrease as people will have to save to protect themselves and businesses would suffer from the change in buyer behaviour.

2. Market Segmentation and Product Positioning

2.1 Market Segmentation Definition - This is the method of dividing a market of potential consumers by common characteristics, through the base research of geographic, demographic, behavioural and psychographic. A company then tailors its product and marketing strategies to these segments, allowing them to individually reach and engage a wider audience and enhance brand loyalty.

The Geographic Base

Advantages-The geographic base helps to identify and ensure awareness of the cultural differences across regions. This allows marketers to promote appropriately and effectively whilst considering the values and beliefs. This base also helps marketers understand the climate and seasons, which provides insight into the product being suitable for that location and when. Marketers also need to be aware of the urbanicity of the region, as this reflects directly on the products suitability and consumer demand. For example, a car company focusing on selling small cars would benefit from targeting cities, rather than rural.

Limitations - This base assumes that all consumers within the geographic area hold the same wants and demands. The facts are objective, whilst they appear correct, many further factors need to be considered alongside the cultural beliefs or the appropriate time of year. Neither does the base consider buyer behaviour, which must be considered when market planning to ensure maximum sales and business growth. To achieve a more precise segmentation target, marketers would have to use this in conjunction with another base (Fripp, n.d.).

The Demographic Base

Advantages-The data required for the demographic base is simple to gather as most governments make this information available (Segmentationstudyguide, n.d.). Therefore, allowing marketers to attain and use the information as needed, without costing the company. The data provides age, family-size, income and education, all these factors can be vital for marketers that want to target these segments or even eliminate certain demographics. This also helps marketers determine the stages of life the consumers are reaching. For example, buying property or beginning families. Which provides the opportunity to advantage of this information and provide products and marketing campaigns that are relevant.

Limitations - Alongside geographic, this is also based on facts, rather than exploring the wants and needs of the consumer. Buyer behaviour is not taken into consideration, which can lead to the targeting of this segment being ineffective. Whilst age is a factor to consider, marketers can not determine that all 20-year olds hold the same demands, therefore more research needs to be carried out to further understand the consumer and target effectively.

The Psychographic Base

Advantages- This base provides a personal look into the consumer's needs, likes, dislikes and loves, which allows the company to understand the consumer, their lifestyle and opinions. The marketing department can then use this information to create personal marketing strategies and develop products that are the most suited to them. This enhances the brands' reputation and enhances customer loyalty.

Limitations - This data is mainly a mix of qualitative and quantitative research, which can be expensive and timely for a company to implement. Quantitative data can be misinterpreted, therefore a company must plan effectively and ensure that questions are clear and concise,

whilst still being able to achieve the relevant information. The planning of this can also be time and cost straining.

The Behavioural Base

Advantages-This base allows the company to get to know consumers as people. The brand can act upon this and respond appropriately, tailoring and recommending market promotions based on the individual's actions and interests. This base also considers consumer loyalty, if a brand's data shows that consumers do not tend to return, they can begin to enhance consumer satisfaction and create a loyalty scheme.

Limitations - This base can be costly for a company to implement. Whilst online companies can use analytical data and algorithms, the consumer's behaviour will never be consistent. Therefore, constantly tracking and following the consumer's behaviour will be costly. Especially when consumers behaviour can be due to uncontrollable variables.

2.2 Product Positioning Definition - This is how a company positions itself within the market place. Positioning is established by establishing the audience, then creating a product that suits their wants and needs. The company considers the quality and prices that best suits them, establishes areas of differentiation to compete within the market, as well as relaying a clear branding message to consumers.

Advantages

Product positioning heavily influences the decision of the 4p's throughout product development, allowing the company to understand the specific market it plans to enter and respond accordingly to consumer wants and competition. Positioning allows the brand to focus and maximise investment on continuously enhancing the product and developing the best possible product within that market. Rather than wasting resources on introducing a wide range of products. The car market is a prime example of this, Porsche has positioned themselves as luxurious with high quality and performance, they do not cater to the budget motor market. Doing this allows them to focus on development and sustains their reputable status within the luxury car market. Marketing of the product can be consistent and focused, which enables the company to plan ahead with both product development and promotional strategies. Positioning enables the consumer to categorise the brand within the market, which creates a competitive advantage and enhances the brands' image against the likes of market leaders.

Disadvantages

When aiming to influence the market's perception, the brand must put all efforts into establishing the position. If the brand fails within that market, the reputation is essentially tarnished, this idea of positioning is pretty much 'do or die' for the brand. Product positioning can be limiting, as the brand can struggle to push out of what they are known for, which can have a detrimental effect on the company if that specific market is no longer in demand. As an example, physical music died when technology introduced online music streaming, which now owns 75% of revenue within the music industry, (Hernandez, 2018).

Positioning also limits the demographic the brand can cater for, which must be considered if entering a defined market as this can limit profit margins.

3. Control and Evaluation of Marketing Activity

Controlling Marketing Activity- 'Marketing control is the process of monitoring the proposed plans as they proceed and adjusting where necessary' (Friesner, 2014).

Controlling marketing activity enables the brand to steer the brands' direction in the desired direction. A brand that can cultivate a clear path and maintain focus will be positioned as an expert within the industry. Achieving this status will enhance customer loyalty, increase competitive advantage and generate trust between the customer and the company. This also benefits the business as fewer recourses will be spent on researching and constantly developing new strategies to promote the product. A clear vision enables the brand to focus on the destination, without straying in different directions, saving both time and money, without over-complicating the process.

Evaluating Marketing Activity - This is defined as evaluating the results of a marketing plan so actions can be taken if performance does not meet the main objectives (Jobber, 2010).

Evaluating marketing activity allows a company to assess previous strategies and seek out both strengths and weaknesses. Doing so provides the brand with the knowledge of certain trends and what suits their consumers the most. The brand can also learn which past strategies have increased sales, customer loyalty and brought the most customers. Collating this information can prevent costly mistakes in the future and helps to further develop the controlling of the brands marketing and the overall direction of the brand.

Conclusion

The marketing environment holds many controllable and uncontrollable variables that can make or break any business. Whether that be the country going through a recession, that could potentially send the company into liquidation, or even entering a highly competitive market that can push a business to its limits and come out even stronger than before. This report shows that uncontrollable factors are exactly that, uncontrollable. A business must be aware of these and learn to plan before-hand as well as responding effectively. Learning to turn threats into opportunities to develop the business will strengthen the business' resilience and enhance its future within that market.

A business must carry out research and plan before entering a market, to ensure they are targeting that market correctly and capturing that segment of consumer. Throughout the business' lifespan, it will come across new ways to develop and promote. Before delving into new strategies, it must consider the relevance to both the business image and suitability to the consumer, to keep their position on the market and reputation. Overall, it shows that marketing is more than expensive promotions and billboards. Strategic marketing is needed from the beginning of the business development and far too important to be left just to the marketing department. It is required throughout the entire business lifespan, with the entire business involved.

Wordcount: 2433

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