Marketing management





Colophon

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Preface

Scoren.info

The book in front of you is a source book that is part of the Scoren.info method. Scoren.info is a method for commercial programmes at levels 3 and 4. The programmes are:

- Commercial assistant (CA), level 3
- Contact Centre assistant (CCA), level 3
- Recruiter (REC), level 4
- Junior Account Manager (JAM), level 4
- Branch Manager Wholesale (BMW), level 4
- Assistant Manager International Trade (AMIT), level 4.

Qualification file

Naturally, the programme is subject to requirements with regards to carrying out the profession.

The requirements to get started in a certain profession are listed in a so-called qualification file.

This file includes the core tasks. Core tasks are important tasks in a profession. To gain a good understanding of these core tasks, you must carry out work processes and develop competences.

Work processes are work activities you need to perform daily. To do this properly, you must develop all kinds of skills, such as collaboration, listening, taking initiative, developing professional skills and dealing with stress. These are also referred to as competences.

The source books and the contents in the digital learning environment will help you with this.

How does the method work?

The method consists of source books and a digital learning environment. For each programme, you will require a number of source books. These source books describe the important basic theory and explain concepts and terminology.

In the digital learning environment you will find very diverse assignments. You will also find videos, web links and other source material belonging to this source book. The digital learning environment can be visited at digitaal.boomonderwijs.nl.



Watch the video in the digital learning environment



Activate the weblink or download the document in the digital learning environment

Log in

If you want to log in to the digital learning environment for the first time, you must first activate the license. You have received this license when you bought this book.

How to activate the license?

The license must first be activated. Activation works as follows:

- Check with your teacher which type of account you are using.
- Visit www.boomberoepsonderwijs.nl/licentie.
- Watch the instruction video or read the instructions.
- Follow the instructions on screen.



1.1

INTRODUCTION

Nowadays the consumer is overwhelmed by supply, things they can buy in physical stores, web shops, via smartphone and on television.

What applies to consumers also applies to other buyers: wholesalers, retailers, manufacturers, business service providers, foundations and associations are approached daily with offers.

As an employee in the commercial sector, you will have to deal with this directly, both from the demand side and from the supply side. After all, you will also be offering a product yourself. You're not the only one! There are products in all kinds of shapes and sizes, from many different providers. So the challenge is to put your product forward among all these offers. Your job is to interest the customer in the products you sell. You start from the wants and needs of the customer. How you do that is marketing. Marketing is therefore different from sales. They have a lot to do with each other, but they are not the same.



Sales

By sales we mean all the activities necessary to close a sale and get a signed contract.

Marketing

By marketing we mean offering products based on the wants and needs of (potential) customers.



Video Marketing is fun

1.2

MARKETING ORGANISATION

As a commercial professional you often work together with your marketing colleagues. Large organisations often have a separate marketing department. In small organisations, it may be one person who carries out the marketing tasks. Smaller organisations can also outsource the marketing and hire a marketing agency. The way in which a company arranges marketing tasks and the associated responsibilities is called the **marketing organisation**. Marketing tasks are about devising, planning and executing activities that contribute to responding to the wants and needs of the target group.

Place in the organisation

The largest marketing departments can be found at commercial organisations that carry A brands and are focused on the sale of consumer products. Just think of Unilever, with the well-known brands Unox, Calvé and Blue Band. But also in the non-profit sector, such as housing corporations, ROCs and hospitals, you usually come across a marketing team.



Creativity is important in a marketing team.

The marketing manager is the head of that team. He or she follows developments in the market and draws up the marketing plan for products, target groups or markets. They also ensure that employees implement the plan properly.

In large organisations there is often a commercial director who is responsible for marketing and sales. The commercial director directs the marketing manager and the sales manager.

In a large organisation, the marketing manager in turn directs product managers. The core of the role of product manager is to ensure success for a particular product or product group through product innovation, market research and promotion. A product manager is therefore responsible for the marketing of a particular product. For example: peanut butter from Calvé.

The product manager in his turn has marketing employees who are busy with:

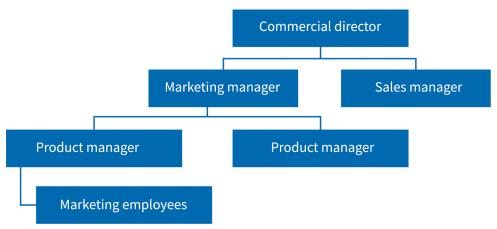
- executing marketing plans
- marketing activities
- communication activities
- market research.

Communication functions

Marketing and communication go hand in hand in many organisations. After all, you want to get in touch with your target group. In this case you will see a communication manager who mainly focuses on public relations, offline and online communication. Online you will come across various specialist positions, such as the content manager (who deals with the content of the digital newsletter and the corporate website, for example), the online marketer (who deals with digital tools such as webvertising) and the web-care employee (who monitors communication about the company on social media).



Video Marketing and communication employee



Marketing in a large organisation.

Marketing function

The term **marketing function** includes all tasks and activities within an organisation that are aimed at realising the wants and needs of customers.

Marketing plans

You carry out marketing activities based on a marketing plan. There are different types of marketing plans. They run from strategic to operational. Management makes strategic plans. They indicate the direction. Marketing employees spend a great deal of time executing operational plans. An operational marketing plan is a detailed plan of an organisation about what needs to be done in the near future and who should do it. An operational plan is characterised by a short duration. The plan can span several weeks or months, but never more than a year.

Marketing activities

Marketers are concerned with promoting sales. Everything they do to communicate the value of their organisation, brand or product to the market falls under marketing activities. This ranges from national advertising campaigns to directly approaching the customer.

Communication activities

Marketing and communication go together. After all, you need communication to reach the target group. Marketing employees are, for example, engaged in writing or editing press releases and the website, as well as job vacancies. Large organisations have guidelines for this. In this way, the marketing (communication) department also monitors the image of the organisation. By **image** you mean the impression that someone has of something (an organisation in this case). Marketers are not only concerned with written communication, but also with oral communication. For example, the marketing and communication employee can play a role in providing information.

Marketing research

Any organisation that seriously wants to meet the wants and needs of its customers must conduct regular market research. Market research is a study that is important for identifying and solving marketing problems. In market research, marketers systematically and objectively search for market data and analyse the results. Market data is, for example, data about comparable products or competitors in the market or data about the target group. This is how you explore the market and know exactly what your competitors are doing and what the preferences of your target group are. As a commercial professional, this information is also of great importance to you. You too must know the target audience and the competitors if you want to build a successful and long-term relationship with customers.

MARKET APPROACH

Marketing can be seen as a vision, a way of thinking about how you approach the market. You can do that in different ways. Instead of 'a way of thinking' you also speak of 'a concept'. There are five concepts you can use for your market approach:

- · the production concept
- the product concept
- the sales concept
- the marketing concept
- the socially responsible marketing concept.

Production concept

If a product is cheap and available, it will sell. That is the idea behind the **production concept**. The Model T (built between 1908-1927) is a prime example of this way of thinking. Ford introduced mass production into the automotive industry. This made a car affordable for a wider audience, which led to very successful sales figures. Efficiency and an increase in production and distribution capacity are the tools to successfully apply the production concept. To keep mass production efficient, they say Henry Ford said the following about the Model T: 'You can buy it from us in any colour, as long as it's black.'

Product concept

It is not the production process, but the quality of the product itself that is important in this philosophy. According to the **product concept** the customer recognises quality differences and is guided in his purchasing behaviour by the quality of the product. So you start from the idea that a good product sells itself.



A fun and easy life does not have to be expensive according to HEMA. Walk into the stores and you will see it immediately: nowhere else will you find that striking combination of only the best articles for everyday life, with their own, special design for surprisingly low prices. Nowhere else will you come across this quirky shop design. And the employees are always there for you: proud, committed, with a big heart for their HEMA. That makes HEMA unique. *Echt HEMA*!

Source: hema.nl.

Sales concept

Not all good products sell themselves. Especially when a company is faced with competition, it has to make an effort to sell the products. When applying the **sales concept** communication and distribution efforts are needed; it is not the product or production that is central, but the sales.

Some organisations rely on hard selling. This is an aggressive selling method in which a seller applies psychological pressure to force the buyer to purchase. Think telephone sales, street sales, or US presidential candidates in election time.

Wants and needs

The **marketing concept** focuses on the wishes of the customer instead of the production process, the quality of the product or the sales effort. The needs of buyers are the best way for these companies to approach the market. The wants and needs of the buyers are the starting point for all business processes. All employees are aware of the importance of the marketing concept.

Market research is an important means of determining the wants and needs of the target group(s) in the marketing concept.

Get more out of your hair with Andrélon

Andrélon is the most popular hair care brand in the Netherlands. Innovation is our key to success. We continue to respond to changing trends in the field of hair care. Andrélon has a specific solution with a very extensive range for every hair type and every hair need.

Source: unilever.nl.

Socially responsible marketing concept

The socially responsible marketing concept complements the marketing concept. Companies that approach the market according to the socially responsible marketing concept take into account not only the wants and needs of their customers, but also the long-term consequences of production and sales activities. Think of environmental initiatives, animal rights, human rights, safe and healthy working conditions and so on.

Volkswagen apologises in a big advertisement

With a full-page advertisement in various German newspapers, automaker Volkswagen apologized on Sunday for the diesel scandal.

'We will do everything we can to regain your trust,' reads the text at the bottom of the ad.

[...]

The scandal has, among other things, seriously impacted Volkswagen's image. The automaker previously announced that due to the diesel scandal, 11 million cars will have to be returned to the garage for new software because the current software can produce harmful emissions.

Source: nu.nl.

WANTS AND NEEDS

The marketing concept was created around 1950. In those years the range of goods increased. The scarcity disappeared. The economic situation continued to improve. Consumers had access to more and more money. They no longer had to limit themselves to a small number of necessary products. People had more choices what they wanted to spend their money on. The wants and needs that they tried to satisfy were of course the starting point. For manufacturers, wholesalers and retailers, this meant that they increasingly had to take into account exactly what consumers wanted.

1.4



Video Give your customers what they want

Marketing is all about the wants and needs of your customers. Needs are things that people really need. Wants are things that people would like. There is a difference. Consider what you call 'primary needs', which are food, drink and shelter. You need that as a human being to survive. To make the difference clear, you can add a child's wish list for Christmas: the latest game computer, a horse and... Those are wants.

Influences

The seller tries to influence the wants and needs of the target audience. For example by advertising, by submitting a nice quotation or by making a competitive offer. In addition, cultural factors determine the wants and needs. People in a prosperous western society have different wants than people in a developing country. In rapidly developing societies, more and more wants are changing into needs. Ten years ago, for example, it was already very nice if you had a mobile phone. Now it is almost normal to have a smartphone.



An attractive offer or financing turns a want into a need.

Satisfied customers

A company that applies the marketing concept focuses on the pursuit of satisfied customers. Marketing is especially important for companies that strive for profit over a longer period of time. Only satisfied customers keep buying. If your company also focuses on customer satisfaction, remember that applying the marketing concept means that:

- 1. everyone within your company thinks in a customer-oriented way
- 2. everyone within your company behaves in a customer-oriented way.

Marketing research

Applying the marketing concept is logical and simple in theory. In practice it often turns out to be a lot more difficult. If you think in terms of the market, you need to know and understand the wants and needs of customers. This is just not that easy to find out. Moreover, the wants and behaviour of customers are constantly changing. As a result, market research never ends, because you have to constantly align your activities with your customers who want different things over time.

Customer service

A challenge in the application of the marketing concept is customer-oriented action in the daily contacts with your customers. The customer who calls the company where you work, but where the phone is not answered. The service technician who stops at five with the announcement that he will continue at eight the next morning. The French importer who cannot get to speak to anyone who speaks his language. These are just three examples of everyday matters that are at odds with customer focus. Customer-oriented action is so important that you even have a special name for it: **customer service**.

The service you offer can be divided into:

- pre-sales service or pre-transaction service

 These are all service activities where the emphasis is on service before the customer purchases the product.

 For example, you ensure that (potential) customers can easily find your company (physically and on the Internet). You provide parking spaces and let representatives go to the customer.
- sales-service or transaction-service
 This concerns all service activities where the emphasis is on service while the customer buys the product.
 The purpose of this service is to assist the customer during the buying or purchasing process. Product knowledge and the sales conversation itself are therefore the most important service activities during the sale.
- after sales-service or post-transaction service
 These are all service activities where the emphasis is on service after the customer has purchased the product. The aim of after-sales service is customer loyalty. You want the customer to be and remain satisfied.
 You can distinguish various elements within the after-sales service. Examples include: warranty, home delivery of items and properly handled recall actions.

Extra value

Customer service is an umbrella term of all the extra value that you add to a product. For example:

- information provision: providing information, demonstrations, proper instructions for use, information evenings, sending newsletters with additional information via e-mail
- good availability via telephone, e-mail, social media
- accessibility of the location and parking
- swift and serious handling of complaints
- a website built to fulfill the needs of the customers
- employees who think along with their customers
- use of customer feedback to improve your products
- delivery options
- a payment arrangement, for example: forms of deferred payment
- free trial periods for products
- after-sales service: helpdesk, service number, easy exchange, good warranty, repair service, availability of parts.

Quality and customer service are more important than price

The main drivers for customers to be loyal to a brand are quality, customer service and price. This has emerged from research by consultancy firm Clickfox. Nearly 90 percent of US consumers say the main driver of being loyal to a company or brand is the quality it delivers. More than seventy percent of the respondents indicate that they find customer service especially important. Only half of consumers consider the price to be decisive.

Based on: customertalk.nl.

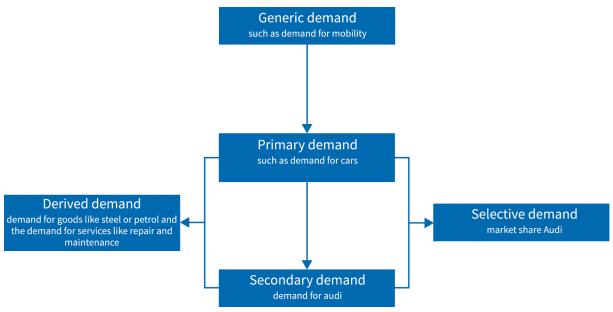
1.5 DEMAND

If you respond to the wants and needs of customers, you try to meet the demand for products. Only... the demand does not really exist in marketing. You can divide demand into different types.

The demand for products in general

When you look at the demand for products in general, you distinguish the:

- · generic demand
 - The **generic demand** is the demand for products to satisfy a particular need. For example: the need for hydration creates a demand for thirst quenchers/drinks.
- primary demand
 - From the demand for thirst quenchers you first (primarily) distinguish the demand for a product type. For example: the demand for soft drinks. That is why you call that demand the **primary demand** (also known as the **final demand**).
- · secondary demand
 - There are different soft drinks produced by different brands. This is the second step the customer takes in determining their demand. That is why you indicate this demand with the term **secondary demand**. For example: the demand for Coca-Cola.
- selective demand
 - **Selective demand** is the relationship between secondary and primary demand. This represents a market share. For example, the percentage ratio of the demand for Coca-Cola divided by the demand for soft drinks indicates Coca-Cola's market share.
- derived demand
 - The **derived demand** is the demand caused by the primary and secondary demand of the end customer. The demand for sugar or sweeteners is a demand derived from the demand for soft drinks.



Graphic presentation of various types of demand.

The structure of effective demand

If you look at the realised sales of products in a particular market, there is really only one type of demand and that is **effective demand**. Effective demand is the quantity of a product that has been sold in a specific period. Every day, 1.8 billion bottles of soft drinks produced by The Coca-Cola Company are consumed worldwide. The effective demand is formed by three types of demand for products in a particular market. You distinguish the:

1. repeat purchase

The **repeat purchase** is a second or subsequent purchase of a product. This is a term that is usually used for consumable goods. For example: 'Bert always orders filter coffee from Douwe Egberts when he needs coffee.'