

e-Marketing Project : Option 2

Marketing is the life blood of any organisation. Outline and describe the process of marketing with particular reference to services marketing and outline a marketing plan for a services organisation.

Introduction

There are many complex definitions and ideas of what marketing actually is, but a simple and concise one is: Marketing is “the commercial processes involved in promoting and selling and distributing a product or service” (Dictionary.com). In the context of services marketing, there is no “out of the box” product, which can be just purchased by a potential customer, so the marketing process is slightly different; however, the same rules apply.

In this project I am going to address a general description of the marketing process, a brief look at how some services companies do their marketing, with particular focus on the software solutions division of the global multi-national Accenture, for whom I previously worked, so I will be talking largely from personal experience when referring to them and the online auction site eBay, of which I am an extremely regular user, buying on average 2 items per week from their site. Finally, I will outline a short marketing plan for a fictional software development services company. I will conclude just how important marketing is to any services organisation.

Main Body

The Process of Marketing

Step 1 – Market Research

In first step in any process is nearly always information gathering. This is no different in Marketing, and is usually called Market research. In order to fulfil your customer’s requirements their needs and currently available options need to be investigated. Information needs to be gathered under the three following headings: Competitive Analysis, Market Data and Marketing Measurement (Unbaised.co.uk).

Competitive Analysis

In any marketplace the current players need to be identified, these companies and their products and services are in direct competition to your organisation. Companies as well as their products and Services need to be analysed for weaknesses, to help identify potential new products and service that your organisation can make profitable. This process would usually employ a well-known strategic method such as SWOT (Strengths Weaknesses Opportunities and Threats) analysis.

In the case of the of Accenture, the other companies delivering software solutions were often small software houses, with which large companies and

governments were often uncomfortable dealing with. eBay on the other hand pretty much created their own market, as they were the first company in their particular field.

Market Data

Every market is different, and must be analysed to see what state the market is in, before products or services should be introduced into that market. The size and growth rate (including potential growth rate) of the market are hugely important when deciding whether or not to enter or introduce a product or service in a market. Also, the current amount of available customers in a market will effect this decision; for example, a number of large contracts may be tied up and not scheduled to go to tender for another few years, so this might not be the best time to enter a market. Also, industry and government regulations such as deregulation are factors here.

In the case of Accenture, the Irish government's "E-Government" initiative was a perfect invitation to enter a potentially lucrative market. For eBay, this was also simple, as their market was almost non-existent at the time.

Marketing Measurement

The third and often most important part of the information gathering phase is when the organisation looks within itself, to see if it actually has the capabilities to create the product or provide the intended service. When you already have the product or service and wish to then market it, its strengths and weakness must be identified (again usually through a formal method like SWOT analysis), to decide how to market the product or service into the market.

In the case of Accenture, the answer to this question was a simple "No", but since it was such a large global multinational, the staff were simply hired to do the job. These staff then became one of the company's best marketing tools. eBay was a little different, as its market was initially so small that they did have the capability and their service was extremely well focused.

Step 2 – Marketing Strategy

"Consumer behaviour will always lead to your market Strategy" (Gargan D., 2005). There are four considerations to take into account when planning a marketing strategy; these are Business Scope, Marketing Objectives, Target Segments and Positioning and Marketing Mix.

Business Scope

The business scope is the first consideration for a marketing strategy; it defines the bounds of the product or service. Including details on who your customers are and what kind of product or service you will be providing. These decisions are often made outside the scope of marketing.

For Accenture they are targeted at the large and lucrative software contracts, while eBay is targeted at all web users that wish to buy and sell items online.

Marketing Objectives

The main objective of marketing is to promote a product or service so as to increase sales. However, when creating a marketing strategy these could be short or

medium term objectives that you need to consider. For example, the objective could be to increase market awareness or grow market share for your product or service.

For Accenture, their marketing objectives are to portray themselves as a high performance leader in delivering software solutions (Accenture.com), and also to obtain as large a market share in competition with other organisations such as “Bearing Point”. On the other hand, eBay’s marketing objectives are simply to let people know the site is there and to increase the throughput.

Target Segments and Positioning

This differs slightly from the business scope, in that the target segments and positioning defines the precise focus for the marketing of the product or service.

For Accenture they market to governments and respond to invitations to tender, while eBay is not targeted at any specific user group, just at all web users that wish to buy and sell items online.

Marketing Mix

The four foundation stones of marketing, also known as the “Four P’s of Marketing” are tools available when marketing a product or service. These tools are Product, Price, Place and Promotion. The marketing task is to use combinations of these tools “to deliver superior value to customers” (Gargan D., 2005).

1. Product

This would also include the service that is delivered to the customer. When a service like banking is marketed to a customer, one of the major considerations is the level of service available (e.g. Including Telephone and Internet Banking). Its marketing’s job to convey that the organisations product or service is superior.

For both Accenture and eBay, they market that they have a superior service than their competitors.

2. Price

Price is the major factor in marketing some goods, where the difference between one company’s product and another’s is negligible (e.g. Petrol).

For Accenture, price is not in their marketing strategy whatsoever, as they will nearly always be the most expensive option on a tender, but the size of their organisation as well as their accountability come into play then. Also, the impression that they are the most expensive so they must be the best is intended. For buyers using eBay, price is a major usage factor, especially when you can get a DVD for 1/3 of its high street price here, when eBay market’s itself to sellers, its sliding price scale for percentage’s of sales fees is a marketing tool, this would come more into play (eBay.com Fees), if another competitor were to enter their market in direct competition.

3. Place

The physical location of the service to be marketed in can key factor in designing the marketing strategy, there is no point marketing a software development service offered by an Irish company in Australia, as it would not be logistical, one to carry out the marketing

and two to actually do any work. This is not the case when you are marketing a product, because with the Internet, when you are marketing a product you can market it globally and deliver. So, Accenture usually only go for software contracts in country's where they have a presence, but eBay is a truly global organisation.

4. Promotion

Promotion includes advertising, press releases, special sales offers and other publications (Olc.org Promotion).

When Accenture promote their service, it is directed at the decision makers of the organisations that they will sell into, so they sponsor Golf tournaments and make press releases about recent successes.

eBay on the other hand, will promote their site through media advertising, showing what great value and range of products can be found there. However, the people selling their items on eBay do further promotion, thus driving up the overall popularity of eBay.

Some other sources of marketing information refer to seven P's of marketing, adding People, Processes and Physical Evidence to the list (Unbaised.co.uk). People are of paramount importance in developing the product that is to be marketed, but then in providing after-sales service, which is a major marketing resource. This is especially true of services companies. Processes can also add to the marketability of the company, by having a professional support or bug tracking system. Physical evidence, equates to having case study's on previously completed work (iMap), as well as an actual building in the country that you are doing business in, so that potential customers can have a face-to-face meeting if so desired.

Step 3 – Marketing Performance

Once a marketing plan has been put into place, it needs to be maintained and its performance needs to be evaluated. (sba.gov) Typically this will take place in the form of quarterly (or sometimes monthly) reviews. These reviews will evaluate the performance of the company's marketing plan in terms of the cited objectives as outlined in the marketing plan. If an objective like desired market share, has not been reached, then the marketing approach taken for that goal will need to be re-evaluated and changed accordingly.

The market may have changed in the time since the plan was put in place, with for example another product or service from a competitor being launched, so the company may have to market other specific features of their product or service in order to achieve their goals and increase sales.

For services companies, customers dealing are extremely important, so customer satisfaction and the (after-sales) service that customers received needs to be also to be evaluated.

When evaluating their marketing performance, Accenture will look at their success ratio for tenders and contacts that they have bit for. If this figure is too low, then the base price of the contact will be cut and the specification of any software system will be carefully written, knowing that more can be charged at a later stage for after-sales support and especially for additional work arising out of modifications to the original specification. eBay would have marketing objectives to increase the traffic to their website, failure to meet these objectives will result in increased

advertising and promotion (for example the current “Christmas shopping made easy” Advertisements current on television).

Conclusion

Marketing is a vital part of any organisation. Put simply, it is not possible to sell goods or services to others if nobody knows you exist. A well-marketed organisation will often have customers coming to it rather than the other way around.

Marketing has internal benefits to an organisation too, be constantly evaluating the rest of the market, feedback from the marketing process can inform the company as to what the competition is doing, so that the organisation can adapt and offer better or alternative goods or services.

Marketing Plan

For the purpose of this assignment, I will consider a fictitious small software development services company called “CustomCode.com”, which writes small software systems for the Irish market to their customer’s specifications. The company consists of a group of very skilled software engineers, with a huge amount industry experience between them.

Competitive Analysis

- Strengths: CustomCode.com have their employee’s skills as their main strength. With so much experience and expertise in the modern software scene, no potential job should pose should be technically unachievable.
- Weaknesses: The employee’s of CustomCode.com do not have experience in any old legacy systems, so work that will involve upgrading extremely old systems or doing maintenance work on them will not be realistic.
- Threats: There are a huge amount of other small software development companies already existing in the market. Breaking into the market initially may be difficult.
- Opportunities: There are a huge amount of small software systems that are required to be written. If a system is successfully and well implemented for a customer, the chance of follow-on contracts is greatly increased.

Market Data

The Irish software market is extremely vibrant with over \$1.5 billion in exports during 2002 (Enterprise Ireland). So, it is a recognised location for production of quality software.

Marketing Measurement

CustomCode.com are very directed, the employee’s know what their skills are and will only apply for contracts that they feel they can meet.

Business Scope

The scope of the business is quite narrow – To deliver small customised computer software systems, initially focused on the Irish market. Once a foothold has been established in the Irish market, then expansion into the global market is intended.

Marketing Objectives

The marketing objectives of CustomCode.com are to secure three paying software contracts and generate publicity for the company that amounts to 10 website hits per day, within the first quarter.

Target Markets and Positioning

The marketing focus will be targeted at small Irish businesses firstly. Companies that need websites, inventory control systems and reporting tools written will be the main focus of the marketing efforts of CustomCode.com.

Marketing Mix

1) Product

In the case of a Services company, where there is no out of the box product, the Service itself is the product. The quality of the service needs to be conveyed, with particular emphasis on the skills of the employees, focusing on how capable they are.

2) Price

When dealing with a service, the price can vary from customer to customer. You offer a certain amount of services for one price. Typically with software development there is a daily rate, which is higher depending on the person that is providing the service.

3) Place

The Internet is ubiquitous, and because software can be digitally delivered the production of computer software, does not need to be just limited to one geographical place, but made available to a global audience.

4) Promotion

Promotion of a new software development company is probably the most difficult part of the marketing process. In order to present the company in a good light, references of previous work are required to demonstrate the company's capabilities. To this end some initial reference work may need to be done for free or on the cheap, so as to have a point of reference for potential future customers.

Marketing Performance

Quarterly the marketing performance will be evaluated and the success of the current marketing actions will be measured. Extra weight will be placed on the website traffic to examine how the profile of the company is growing.

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