



## **Retail management and marketing**

*The impact of marketing*

### **Dr FIONA ELLIS-CHADWICK VO**

Tell me how does marketing work in a large organization like birds eye?

#### **CHERYL CALVERLY:**

I think for most large organisations, particularly manufacturing organisations, marketing is the centre point. It's the hub of the organisation, it's where the strategic decisions are made, and it's what you build your future growth plans on so a marketer's responsibility is vast. It touches all aspects of business. I think birds eye, like most fast consumer businesses relies on its marketers to start with a consumer insight to then build the business around, and it's that that then allows you to develop a long term plan, an NPD road map, retailing strategy, a pricing strategy and everything from there

#### **KIERON MONAHAN:**

If you don't have a communication strategy your not going to be clear to your own staff what it is your company and your brand are trying to do and achieve out there in the world with your business partners like retailers and also with the consumers so if you as a company can't be clear with yourselves on what your trying to achieve then you've got no chance of achieving what you need to with consumers and you retail partners

#### **CHERYL CALVERLY:**

Everyone gets involved to some extent and I genuinely mean everyone because every decision you make in marketing has a complete flow through impact .if I decide you know we should do big packs of peas that has an impact on me, my supply chain, my finance manager, it has an impact on the sales guys who've got to find a place in store for it, It has an impact as far as our agriculture managers who have to tell the growers to grow more peas in advance for next year for the big packs. So everyone gets involved. The decision making is led by marketing with support of everyone else

#### **KIERON MONAHAN:**

The most important one is, not how to communicate with people but what is the business problem you are trying to solve with communications. It is utterly pointless trying to plan communications if you're not all absolutely crystal clear on what business problem you're trying to solve. If you're not then, there's no point in going into planning. Sometimes, people say brand awareness on our brands is very low for example; spontaneous awareness or prompted awareness is very low on our brand. What we always say to clients is ok that is a problem for your brand what we want to know is what's happening with your business? What's happening with your revenue? What's happening with the volumes of your products? Do you find that you've got people who have been buying your brands for years and then suddenly stop buying it? Do you need to attract new people to your brand? It's those fundamental... who are you targeting and why aren't they currently buying what you sell?

#### **DAVID JOBBER:**

I think marketing is absolutely essential to business success and the reason for that is marketing focuses on the customer and business success is very dependent on understanding customers, their motivations and their needs. Business is about attracting and retaining customers so if you don't attract and retain customers there is no business.

#### **CHERYL CALVERLY:**

We start with a consumer rational, so we start actually talking to the consumer about a new product or an evolutionary product, and asking them what they would want to pay for this and you don't take that as an absolute because although they are very price aware when they're in store, they are not very price aware when they're out of store. If you ask the consumer

what would you pay for a bag of peas they'll struggle to tell you they'll say oh 3 pounds, 2 pounds, not sure, and the you get them into store and suddenly they're all like wait that one's a bit dearer than that one and they have a very accurate pricing model, so we do a bit of work with consumers what would you assume to pay for this? We do a bit of market modelling so we do online research where we will put the same proposition online and price it at different prices and see what the purchase intent is for people at different price levels, you can then do a bit of a matrix so ok this many people will buy it at what price are we going to get the best return. So that's the kind of in store pricing, we don't control pricing our retailers control pricing so we recommend a price and the other bit of the model of course is what's it going to cost us to make it and we have a margin ambition as a business if we know it's going to cost X and we have a margin ambition of Y then that's kind of what we need to price it to the retailer at and you put those two things together and you think is this going to work or not

**DR FIONA ELLIS-CHADWICK:**

So we need to have a really good understanding of not only the product we're selling ,the services and customers but we need to understand the market and competitive market as well, all of this before we can do any serious planning of which sort of communication tools we're going to use .

**KIERON MONAHAN**

Yes certainly communication is all about influencing people's behaviour and it's not you know a dark art or selling your grandmother it's about putting an argument to people and saying this is what we've got, this is what we think it's for and if you like it then hopefully you'll go buy some

**DAVID JOBBER:**

The marketing environment consists of 2 parts the macro environment and the micro environment. The macro environment consists of political forces, economic forces, ecological forces, social and technological forces and these are broad forces that affect all companies. The micro environment is a little bit closer to home. The micro environment consists of such things as customers, competitors and distributors. It's vitally important that companies keep a track of what going on in the marketing environment and the reason for that is because out of the marketing environment comes opportunities companies can take advantage of and threats they try to nullify if at all possible .