**Candidate 2**

**Marketing Assessment 1 – Heavenly Treats**

1. The marketing concept can be best defined as “the philosophy that firms should analyse the needs of their customers and then make decisions to satisfy those needs, better than the competition”. There are key characteristics of the marketing concept. These being customer satisfaction, profitability and target market. Let us first discuss customer satisfaction. It is vital that a business should identify their customers’ needs and wants. The aim should be to maximise profit over the long term through the satisfaction of customers’ wants if they want their business to succeed. This brings us onto another characteristic which is profitability. It is believed by the marketing concept that in order to achieve profit, customers must be satisfied as discussed above. It is only fair that a consumer can purchase a reasonable product which is at a reasonable price whilst the business is allowed a reasonable profit for itself. Another marketing concept is target market. A target market is the segment of the market selected by the organisation as the focus of its activities. When having a segmented market, marketers have to decide which to select as their target market. This is generally based on the criteria that it contains demands they can satisfy, it is large enough to provide a financial return and likely to grow.
2. Before discussing what micro and macro environments relates to Heavenly Treats, it is important to establish what these factors actually means. First the micro environment “each organisation has an unique competitive (micro) environment which has a significant influence on its market and which managers can influence, not least through their marketing. The micro-environment includes suppliers, competitors, potential new entrants and potential substitute products, and the company itself”. Heavenly Treats has a variety of different things that can be placed under the micro-environment. One of which are its competitors. “She always priced the beauty procedures at a level with was competitive with other salons”. A controlled factor would be how Heavenly Treats make their products using natural ingredients and also how they go about pricing and promoting their goods and services. Heavenly Treats micro environment has been influenced by management includes the action that under Sally, the company has expanded by developing the original products and developed into beauty salons. Moving on to the macro environment. This is “similar for all those in an industry and organisations have little direct influence over it” and the PESTEL factors are involved in this. A political factor influencing Heavenly Treats could be working time directives because the peak times are in the evenings and staff can only work so long without a break. This may require them to have more staff or different shift patterns. When looking at the social aspect, research has shown that older women and men are increasingly using beauty salons and products. It could be said that the environmental factor is global weather conditions as the ingredients are all natural and sourced from all over the world and prices and availability could be influenced by weather conditions. The technological aspect could be new treatments and products requiring investment in new equipment and staff training.
3. Market research is the regular gathering, recording and analysing of data about an organisation’s products and services. Heavenly Treats is a growing business and so it is important to establish what customers’ demands and preferences are in order to expand further and gain more popularity as well as garnering revenue. “Market research is important for every business and should not be just a one-off activity. Successful businesses conduct research on a continual basis to keep up with market trends and to maintain a competitive edge. Regardless of whether you are starting or expanding your business, market research is vital to understanding your target market and increasing sales.” The more up to date, accurate and complete the information, then the more valuable it will be. Questions a business like Heavenly Treats might want to ask their customers may be what they are willing to buy and how much they are willing to pay. Is this enough to make a profit? To answer questions like this would be through the use of market research. It allows for the organisation to anticipate changes in the market and customer taste, keep ahead of competitors, ensure the product or service is sold in the most appropriate places, ensure the correct price and promotions are set and to attract new market segments.
4. As stated in the case study “The company does not advertise widely – they depend on product quality, shop location and word of mouth for their business”. It is important that in order for Heavenly Treats to gain a better insight into their customers’ needs and wants that they expand their market research by using quantitative and qualitative research techniques. “Qualitative research is primarily exploratory research. It is used to gain an understanding of underlying reasons, opinions and motivations”. An example of a qualitative research method that could be used is questionnaires. Customers could be asked to provide information on what they like, what they dislike, customer service etc. On the other hand, “quantitative research is used to quantify the problem by way of generating numerical data or data that can be transformed into useable statistics”. An example of quantitative data that Heavenly Treats could use is analysing bookings and treatments in the salons and analysing sales of products. The advantage of this technique include that the data collected is very accurate in nature and also relative. It is essential that information gathered, whether qualitative or quantitative, must be analysed correctly to be of value. The sample used must be of sufficient size to be representative of the market/population. The questionnaire must be constructed and used correctly.
5. Organisations use market segmentation to satisfy the needs of different people within a market. “Market segmentation is the process of dividing markets comprising the heterogeneous needs of many consumers into segments comprising the homogeneous needs of smaller groups”. Customers are more likely to respond positively to offerings which appeal to the needs of their particular segment of the market, from product design through to promotion and advertising. In regard to Heavenly Treats it is found that the majority of salon customers are women 25-50 whereas purchases of perfumes are split fairly evenly between men and women. The advantages to the company of market segmentation and targeting would result in precise branding. Once the market is segmented you can brand accordingly. Management can identify new profitable segments which deserve special attention. The business can modify its products and services to marketing appeals to suit the target segment (for example female customers over 50). This could increase profitability. Segmentation increases competitiveness, brand recall, customer retention etc.

*Suitable references provided*