

A02/A03

Marketing

Marketing is about understanding customer and ensuring that products and services match existing and potential customer needs. Also marketing is an approach that puts the customer at the centre of things and is also about looking at ways of influencing the behaviour of customers.

Marketing is very essential to the success of any business. Its aim is to enable business to meet there needs of their customers, whether it is for profit or not. If the business marketing is successful then you can ensure that the business has a good understanding of the customer needs, they can keep ahead of the competition, working effectively with customers, co-ordinate its functions to achieve marketing aims and be aware of constraints on marketing activities.

Marketing research

Market research is the process of gathering information about your customers, competitors and market trends. Before undertaking market research, a business needs to consider what type of research is likely to provide the most cost-effective means of producing the answer requires.

The business researches any new products that are coming into the business by visiting suppliers, by going to stores near by to check if they have any new products and by speaking to sales reps. They done this by looking for popular products and choosing them. Which should guarantee sales and improve there profits. From this the customers will spend more money and think that the business has better quality products. This will help create customer loyalty and repeat purchases. For example, the business has brought a new product which was offered to them by their suppliers. This product has made a lot of profit because it is meeting needs of customer. After choosing the products that the business wants they promote them through leaflets and point of sales displays to draw attention. For example, for PayPoint the business has Point of Sales leaflets and posters. All of theses will help improve the aim of improving reputation and will show a positive image and will encourage sales. For more information and evidence that the types of payment that can be paid with PayPoint please refer to ***appendix 13***.

Primary market research

Primary market research is information that is collected directly form the source. Theses are surveys, observation, consumer and test marketing.

The business wants customers to have the best quality service and good quality products. Customer needs is one of the marketing used at Khera Doaba stores, their mission is to represent the higher service within their area. They do this by using primary research some of this research includes questionnaires that are given out in the stores and surveys which are designed to ask their customers question and to give their own opinion about the products that are sold in the store.

- **Surveys** – this is one way to find out more about customers want and if they want any improvements to the business. Dalip Khera does this by giving out questionnaires. These are given to customers that come to the store. These questionnaires are given every 2 months. They ask questions such as “how good is the customer service” and “how to improve the shop”. The main methods that the store uses to distribute surveys are through postal mail, phone, or in person. This helps the business to bring customers in because the business can provide the products and services the customer wants.
 - This helps the business to **price** products and change prices. For example, they could offer discounts on sweets.
 - It also helps the business to bring in new **products**. For example, a wider range of sweets.
 - It helps in **promotion** because from this they can create adverts to inform products that are on offer. For example, they have posters on the windows and leaflets. *For more information and pictures of posters please refer to a03.*
 - It helps the **place** because if the customers don't want products then there will be more space on the shelves. But if customers want more products then the shop will look like it has a lot of products.

This helps to encourage more sales, which is one of my aims. They also encourage shoppers to buy other products in the store and help the business to cater for a wider range of products, which will meet their aims of improving profit and expansion.

For surveys refer to appendix 11

- **Observation** - with observation the store is able to monitor the behaviour of customers as they engage in regular purchases. From this the business finds out whether their employees are working up to standards and if they are doing their job roles. The business uses this technique to track customers that enter the store. For example, they find out what products sell and if they need any new products in the store.
- **Experiments** – the business often undertakes experiments to gauge how the changing of one marketing variable will affect another (causal research). From this the business finds out how to price their products. For example, whether they should have higher prices or low prices.

From this the business can achieve their aim of improving reputation because by using the surveys they can find out whether customer like their service or don't. Also from this the business can adapt to meet the customer needs.

For Khera Doaba stores to have a successful marketing campaign it must follow the 7P's:

- Product.
- Price.
- Promotion.
- Place
- Physical environment
- Process
- People

Product

Product is the most important element of the marketing mix. Businesses seek to products that meet the customer's needs. They also try to include product features such as:

- Fashionable
- Safe
- Reliable
- Convenient
- Durable

Everyone who walks into Khera Doaba store knows that as soon as they walk through the doors they are going to receive quality service which is followed by quality products. There are many brand names that Khera Doaba store sell. Here are some of the brands they sell:

- Walkers
- Hinz
- Happy shopper
- Cadburys
- Philip's

At Khera Doaba stores it has a good reputation in the way of good quality merchandise. For example they can charge a higher price for a can of happy shop soup than another store around the area. A can of happy shopper in another store would cost around about 60p whereby the same can of shop at Khera Doaba stores would cost around about 90p. This is showing that the Khera Doaba store has good quality products so that they can charge higher prices. They know this because people come in and say that the product they had was very nice.

This would help achieve the aims and objectives of the business by having good quality products the business will be making profits and increasing their income, which will achieve their aim of expanding the business.

Price

Businesses decide on the price of their products by considering three factors:

1. cost – cover cost and making profits
2. competition – lower price to competitors
3. Customer's value – price customers are willing to pay.

There are many ways that you can price a certain product, you can have: Competition based pricing, Marginal pricing, Cost based pricing, Cost plus pricing, Destroyer pricing and Discounter pricing.

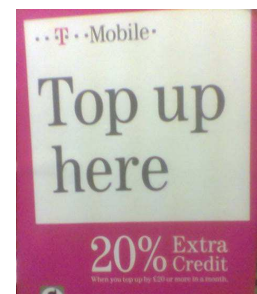
When ever any customer comes into Khera Doaba store they can be sure that they are going to get value for money for their products. The store prices their goods based on the three Cs: cost, competition and customer value.

- **Cost:** to make a profit, the store charges a price that covers it costs. Example, to buy a case of carling from the cash and carry it would be £11.99 + VAT; to sell the case of beer in the store they would have to make a price based on making and selling the product. In the store the price of the case of beer is £15.00, so from this they make around about £2 profit, from every case.
- **Competition:** the store charges a price that is comprehensive with that of its competitors for most products. Example, selling a packet of walkers crisp, in a store around the corner the packet of crisp is 30p but in Khera Doaba stores the same packet of crisp is 40p. So from this there is a 10p different which could be vital with customers. A customer might not come in and buy the pack of crisp from Khera store but buy it from the store around the corner. From this the store has to look and might just have to change the price.
- **Customer:** they determined this on the value of the product to the target market. If consumers in the target market believe that they can gain significant benefits from the product, then they will be willing to pay a high price. How ever if the product provides few benefits then they will only be prepared to pay a low price. Example, the price someone is willing to pay for a packet of cigarettes will depend on its, size or brand.

Promotion

This is a series of marketing activates designed to make consumers aware of products and to persuade them to buy those products. Promotion is a method of increasing sales of merchandise through advertising. My businesses promote them selves in 3 different ways, advertising, sales promotion, and merchandising.

- **Advertising** – my business advertises self through the news paper, leaflets and posters on doors. They have big pictures on doors (picture on right). They also have leaflets that they have given out around the areas. These leaflets are for PayPal, inviting people to come and use



PayPal. **Refer to appendix 9 for posters.** To get the leaflets the business paid nothing because the business made it themselves. From the advertising the company is making a lot of money because as customer are walking past the store they are looking at the poster and coming in to either pay there bills or to by products. They also have persuasive advertising that attempt consumers to purchase a particular product. They do this by saying to customer to buy a certain product for example, a can of coke, say to a customer buy a can of coke and you will get a second one free. They also advertise phone cars buy having poster on the main window of the store. For the poster please refer to **appendix 12.**

- **Sales promotion** – Khera Doaba stores promotion techniques are non-personal promotional efforts that are designed to have an immediate impact on sales. Here are the stores sales promotion techniques:
 - coupons and money refunds
 - demonstrations
 - frequent user incentives
 - price off offers
 - point of sale material
 - Free samples (refer to appendix)

These sales promotions are all direct to the customers.

They want tot sell a lot of stocks, they want to do this by having discounts on prices. If this was to happen then customer would spend more on other goods once in the store. For example, the business provides free samples of sweets so that the customer can test them and buy them.

- **Merchandising** – the business uses many merchandising tactics. This is used by the business at the point of sale, the location at which the products are purchased, so that they can achieve a much higher sales figure. The business offers retails special display stands or point of sale adverts to encourages them to place the business product in a more favourable position within the store. This can help the business because to understand there customers. For example, if a customer comes into the store and asks for a can of coke the employee would try his hardest to sell the coke and might even take some money. This will help bring in more customers.
- **Point of sales (POS)** – companies such as walls (ice cream company), send out promotional material to get the best from the business POS (**see appendix 7**). This in affect is POS itself. By observing appendix 7 one is able to see all varieties of walls product range/s. Both sources in appendix 7 contain statistics which is incentive to shop owners to have their products in their stores. POS is an ideal way to attract sales and improve on profits on that particular product range/s.



The picture on the right shows how they also have point of sale. The stand has products and there that are only 99p. This would improve prices because on the stand there are products that children would want to buy.

They also offer point of sales leaflets that try to make smokers stop smoking. This will have a positive and a negative affect on the business because if the customer takes this leaflet then they might read it and might stop smoking. This will have a negative affect on the business because the business will not be making money. On the other hand it will have a positive affect to customer because they will stop smoking. *refer to appendix 10 for the leaflet*

This will help the aims and objectives because the business will be selling products by promoting them and making larger incomes. Also this will meet the needs of customer. For example, if a customer around the area receives a leaflet in the post saying they have got PayPoint and that customer has been going to another store that is a long way a way. Then this would meet the needs o the customer because he will only have to travel around the corner to pay his/her bills. Refer to *appendix 8* for point of sales leaflets that the business provides.

Place

Enterprise skills

Enterprise skills are skills and personal characteristics possessed by successful business people or entrepreneurs. There are many ranges of enterprise skills which enterprising people possess. Here are examples of enterprise skills:

- self confidence and motivation
- motivation
- risk taking
- ability to innovte
- Identifying and exploiting market opportunities.

Here is how the qualities and abilities affect my business:

- ***Self confidence and motivation*** – in khera doaba stores all of the enterprising people are clear about their goals. They push themselevs to achieve their goals and don't need other people to make them believe in their own abilitys. this hepls the business because they don't need to waste time with the employee. If they know they can achieve there goals on there own then they don't need to hepl them or push them. This will help meet the abjective of selling more products becuase if a employee has a goal of

selling up to 100 cans of beer then he/she will push themself as much as they can to meet this aim. Which will help the business make as much profit as they can.

To motivate employees the business has bonuses and a commission system. This has contributed to the business because from this system the employees are encouraged to meet and exceed performance targets, which they regularly do.

- ***Ability to build teams and inspire*** – the business has many talented individuals. These are people who know what they want and can achieve their goals without the help of others. To get to where the business is now Dalip Khera has built a committed team of employees. She has done this by giving each employee with roles that they require. For example, she hasn't put an employee that is good with money, stacking products. Also Dalip Khera allocates resources to the teams to get the job done. She intervenes when needed to teach skills and helps to solve problems in a team. For example, if there is a problem with a machine or with a customer, Dalip Khera would step in to help the employee with the problem. This has helped in the success of the business because in teams they have discussed how best to achieve difficult tasks. Difficult tasks such as: angry customers, problems with machines, suppliers, money and each other. From discussing with each other this has ensured the employees to be able to voice their opinions, no matter what their roles in the business are.
- ***Risk taking*** – over the past fourteen years the manager of the business has taken many risks that have been successful and unsuccessful to the business. The manager of the store thinks that failure is an essential part of future success. One of the risks he has taken in the past that has resulted in failure was, buying a new product. This product was a new drink out at the time. When brought the manager of the store found out two weeks later that this product was out of date. Due to the one week return policy that the cash and carry has the product could not be returned. So the business lost a lot of money. Also another risk he has taken that has resulted in failure was when he bought in a new sweet. After 3 weeks he found out that the product was not selling as good as the others. So from this Dalip Khera put up a sale buy one get one free. This is one of the risks the business has taken which has resulted into failure a higher turnover and goods sales which has had a major success to the business because as she was failing she learnt new ways to make the business better and what types of products were and weren't needed in the business.
- ***Ability to innovate*** – there are many ways the business has thought of to improve products. In the store there were some sweets that were not selling. To make the sweets sell they had to make it noticeable. They have done this by having a light on the front of the pack. This light attracts many children because as they walk into the store they look straight at the product and say that they want that product. This invention was come across because the product was not selling. This has helped the business to sell their sweets.

this has helped the business to meet the aim of improving profits because new inventions like these have made a lot of money and helped to sell products that aren't selling.

- **Identifying and exploiting market opportunities** - the business sees many opportunities to meet customer's needs, and they drive and motivate to take advantages of these opportunities. This is when there is a gap in the market for example, because no shops sell Trident chewing gum Dalip Khera saw that and started to sell it. She identified the gap and exploited it by starting to sell the product. This has helped in the success of the business because the business can have new products that other businesses haven't got which will bring in more customers and improve their profits.

Team work

Teams are groups with clear objectives and aims. A team is a group of people that work together and support each other. A team is much more than a group of people. People in a team help, complement and support each other. A business team may consist of an accountant, a salesman, a company executive and a secretary, for example. Each member of the team has a purpose and a function within that team, so the overall success depends on a functional interpersonal dynamic. There is usually not as much room for conflict when working as a team.

There are many differences between groups and teams. Teams tend to be participative and self-steering within the goals of the team.

There are only four sets of teams within the business:

First team

Hardeep Khera and Jasmin Khera – bring in the goods from the cash and carry and by supervising the employees of the business

Second team

Navdeep Singh, Kuldeep Sangha and Sammy Pather – stacking up the products and by pricing products

Third team

Raj Bigra and Kiren Kang - they work together to deliver papers

Fourth team

Harjinder Khera and Dalip Khera – they work together to handle the money do the banking etc.

In Khera Doaba stores a group can be viewed as a team when they have the following features:

- **Collective consciousness** – all the people in the group think of themselves as a team. They do this by working together at different tasks and by having day-

to-day meeting to find out how the staff member is getting on.

- ***Shared sense of purpose*** – many members of the team have the same tasks, goals and interests. In the business they all look to get the best out of there days of work. The tasks they do are simple in many ways, for example, when one person of the team is working on the tills and another team member is stacking up selves then they would switch after two hour. They are all set daily goals to make up to £1500 sale, as a team they work there hardest to achieve this goal.
- ***Interdependences*** – the people in the groups have each other if they are to achieve there aims and objectives. The business does this by going to the employee, half way through they day, and telling them how good they are working. Also they do this by explaining there aim and objectives to there fullest.
- ***Interaction*** – all the members of the teams communicate with one another, to influence one other and react to one other.

All of theses teams have contirbuted in there own ways to the success of the business. for example the first team has help becuase with out the good from the cash and carry the business wouldn't make money and have no products in the store. The second team has help becuase with out stacking up the products the customer wouldn't no were to get the products from and they would be all over the place. The third team has help because the customer that want paper wouldn't get them with out this team. And the forth team has helped becuase if the business didn't handle the money they wouldn't know how much money they are make. Overall if the busienss didn't have theses teams then they probley wouldn't have customers coming into the store.

Interview

Venue: Khera Doaba stores

Date: 16th October 2006

Time: 10 am

Before going to this interview I prepared some questions to ask the manager. Here are the questions and the answers that I got:

How do you market your self?

“We have a logo for the store”

What kind of product features do you have?

“We have a couple of product features which include, products that are, Fashionable, Safe, Reliable, Convenient and Durable”.

If I walked into the store what would I receive?

“You would receive good quality service and products that are of the higher quality”.

How do you price products?

“First we look at the cost, we brought the product for. Then we decide on the competition around and finally we decide on what the customers are willing to pay”.

How do you promote your business?

“We advertise by sending out leaflets and having ads in the newspaper”.

What are your channels of distribution?

“Producer to retailer to customer.”

Have you taken any risks in the past?

“I have taken many risks in the past. I once brought a new product that was out of date, due to the 30 day policy I could return it back so from this I lost a lot of money. From the risks I have taken I have learnt from all of them.

What are your team working methods?

“If team working methods in the business are, properly applied, then this would help to improve quality and productivity”.

Would you rather have a team of employee or a group of employees?

“I think it is better having a team of employee because in a team they work together towards a common goal.

How did you build you team?

“By having the employees forming, storming, norming and performing. If they didn't have any of these then they would not consider them self as a team”.

Unit 1 – Investigating Business

Hardeep Khera

A02/A03

This is a picture of the manager of the store taking money for some products. As this customer was going out I stopped her to ask her a couple of questions.

Were you happy with the service?

“The service was excellent; as I walked in I was greeted with a hello which made me fell happy. Also the employees of the store were very helpful. They helped my find the product that I was looking for.”

Was it easy to get around the shop?

“yes, but there was little space to walk around. But overall the shop is very good.”



Below is a picture of one of the employees stacking up some stock. I asked this employee some questions evolving the business and his place of work.



What are you duets in the store?

“I stack up all the stock and when manager is not there I serve customers”.

Is your working environment good?

“I have an excellent working environment. I get on with all the employees and all the customers.

How do you get motivated?

“When the manager gives us extra break time and when the manager tells us what a good job we are doing.”

These are pictures of the employees working as a team. Here is two of the employees working together to stack the shelves



Unit 1 – Investigating Business

Hardeep Khera

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Observing

On the 17th of October, I went to Khera Doaba stores and spent 2 hours there observing the store. As I was there I found out that the company worked really well as a team, better than one person doing it on their own. As I was writing some notes down there was a customer not happy and came back to argue with the manager. The problem was that her £10 top up did not go onto her phone, so she came in asking what the problem was. As a team the two employees told her that there was a fault at the orange place. They sorted this problem out by telling her that if the money is not on by the next day then she can have her money back, the customer was happy with this and went. Also in my time at the store I found out that the employees were communicating well with the customers and they were working very hard to complete their daily goals. As I was observing I noticed that all the customers were greeted with a happy hello and a thankful good bye.

Advertising

The little sheet attached to the pages is the leaflet promoting PayPal and Payzone. They also advertise by having posters in the store and having signs outside. They have PayPoint and Payzone advertisements all over the store.



Unit 1 – Investigating Business

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Advertising this helps bring customers into the store. By advertising the signs outside a customer could drive past the store and look at the signs and think “they got PayPoint lets pay out bills”.

Also to help bring customers in they have posters, which are displayed on the doors and windows. Here are some pictures:



Refer to appendixes for more posters.

To advertise phone cards the business has poster in the door, where prices of all phone cards are displayed and how long you can talk for in what country. Please refer to appendix for posters.