

# Analysis and interpretation

## Candidate A

### The effectiveness of Marks & Spencer's extended marketing mix

#### Analysis & Interpretation

From my store observation I found that Marks & Spencer stores are very short staffed which led to unhappy customers. This suggests to me that as a business Marks & Spencer were struggling to meet the needs of their customers and provide a sufficient and high quality service.

From my questionnaire (appendix 2), I found that 95% of people felt that Marks & Spencer have high quality products. This suggests to me that customers are satisfied with the quality of the products they're buying and it will encourage them to return to the business. However, higher quality means higher prices and 35% of people felt that M&S products are not reasonably priced which could result in them shopping elsewhere, such as a competitor's store.

From my questionnaire (appendix 2), I also found that 70% of people are not aware of any promotional activities that M&S provide. This suggests to me that M&S are not promoting

their products enough and are missing out of potential customers. However, 75% of people do not follow Marks & Spencer on any social media platform. Therefore this suggests to me that M&S are not doing enough to promote their social media pages meaning that M&S are not engaging with their customers enough via social media.

From my store observation research (appendix 4), I gained first-hand knowledge from M&S employees. I noticed that the store was well laid out with a wide range of products on display and the store was also very well staffed. Therefore, this helps to improve the customer experience and M&S will gain good customer recognition.

By researching the M&S website (appendix 1), I discovered that Marks & Spencer have a varied product portfolio as they sell clothes, food and homeware. By having such a variety of products on sale M&S can meet the needs of different market segments and appeal to more customers. As a business M&S can spread the risk of failure over these different markets and it will make launching a new product much easier as they already have such a vast customer base. However, bad publicity surrounding one product can affect the whole portfolio and damage the company's reputation.

From my store observation (appendix 4), I also found that M&S display their promotions/deals at the end of isles and at the shop front. This means that customers have an awareness of these promotions and this encourages the customers to buy from the business as they are gaining money off.

From researching the M&S website (appendix 1) Marks & Spencer also have their own credit card that customers can use to get money off selected products. However, I discovered that only 30% of people are aware that M&S have these types of promotional activities, therefore M&S are missing out on potential customers who would benefit from this.

From my survey (appendix 2), I found that people stated they felt that there wasn't enough M&S stores near them. This suggests to me that because M&S are located in cities and large towns, customers have to travel far to shop at M&S. As a result this may put off

potential customers visiting M&S on a more frequent basis and lose their loyal returning customers.

From my survey (appendix 2), I found out that 90% of people found their stores easy to navigate but don't shop there regularly as there isn't a store near them, this suggests to me that M&S are costing themselves potential sales and profits. However, from my questionnaire, I found that 85% of people found the M&S website easy to use and attractive, this suggests to me that M&S have designed a website that is enticing customers into their business and this is increasing sales for the company.

When researching the M&S competitor website (appendix 3), Next, I found out that both websites are very alike as they have similar pricing. However, Next has a target market of a younger generation as they have more up-to-date fashion trends compared to M&S. This means that more young people will be attracted to the clothing side of Next rather than M&S, losing out on sales and profits.

**13/13**

# Candidate B

## Impact of external factors in BP PLC using PESTEC

### Analysis and Interpretation

#### Political

Political factors that affect the way British Petroleum operate as it was reported in The Independent (Source 1) that they had abandoned their operations in Russia which cost them £19 billion. This was to sanction Russia's economy as they do not want to help thrive Russia's economy by supplying oil. This impacts BP as they have a loss of working capital by nearly a fifth of what they had due to a massive loss in revenue. This also means more people may lose brand awareness leading to a loss of returned customers.

#### ENVIRONMENTAL

Environmental factors that affect the way British Petroleum perform as when I was on the government's website, (Source 2) I had found that they are now adapting to the climate, for example the climate change act, in order to reduce carbon emissions at least more than 50 percent by 2050. This means that working capital must be put into developing sustainable prototypes. The impact of this is that the production costs may increase as sustainable developing methods can be expensive to use.

In addition, on the Government website I found that another act that imposes them to be sustainable in production is the climate change levy meaning that however much carbon they put into the environment whether it be extensive or little they have a standard tax rate from commodities they produce ranging from 5 to 20% (Source 3). This means that they lose a portion of their daily profits, as there is no evading this tax bill.

#### ECONOMIC

Economic factors that affect the way British Petroleum perform is that when I was on a cost-effective information graphics website, Statista (Source 4) I found that 10.7% of the oil imports coming into the UK were from Russia. Since recent geopolitical tensions, sanctions stopped trade routes have now been limited, this impacts the demand of oil as it has been driven up leading to a

higher price per litre. For companies such as BP, their prices have now increased. This means that for customers they may be dissatisfied as they now need to pay more for BP's product as the demand is high, these impact the customer loyalty as they may now be unwilling to pay for new prices leading to a potential loss in sales.

Additionally, I found that on the 29<sup>th</sup> of October 2019 price of oil affected the way BP perform as the prices had dropped then their profits had dropped by 40% (source 5) this impacts the demand, which is low, and sales which means that customers will be more satisfied purchasing product for cheaper leading to returned customers.

### **SOCIAL**

As a result of aiming to become carbon neutral, people may want to purchase BP's product since it is ethically made. Finally, in doing this they can then prove to potential investors that their business is worth investing in rather than other companies who may not be as sustainable. If they have better sustainable technology this will give investors reassurance that it is in their aim to keep improving and building their company in doing this, they can then increase their share capital meaning that they will have additional finance to rely on. This can also be used as a marketing strategy to find even more investors to help them join their cause (source 6), however if they cannot work within this period competitors might catch up and take a portion of their market share.

Social factors that affect the way British Petroleum operate is they must become carbon neutral and should keep up with their competitors in becoming carbon neutral first by 2050 or before. I found that from the government's website (Source 7) they joined the cause to tackle the scale of emissions produced by oil companies which gives these companies a mission to work on, on achieving this goal, this will give them a better reputation as the public may notice that they work on making the environment healthier.

### **COMPETITORS**

Competitive factors that affect the way British Petroleum perform is that when I was on Chevrons website (source 8,9) I found they are underperforming against BP, it is evident that BP were benchmarking to compare their progress, this impacts how their shareholders feel on investing on them leading to a differentiation in their share capital.

2/13