

Introduction

Candidate A evidence

Topic - marketing mix of Marks and Spencer PLC

Introduction

In this report I will be investigating the marketing mix of Marks & Spencer Group PLC. I will analyse the 7Ps and will come up with suggestions on how the store can improve their market share (an objective) and attract customers away from their competitors and into their own stores. Marks and Spencer Group PLC is a unique multinational business that was started in 1884 by Michael Marks. Marks and Spencer Group PLC now have an annual turnover of approximately £10 billion and have over 80,000 employees as at 31 March 2018. 0

Candidate B evidence

Topic – to assess the corporate social responsibility of Costa Coffee

Introduction

The purpose of this report is to assess the Corporate Social Responsibility of Costa Coffee and how this impacts the organisation. ✓ 1

Costa Coffee is an extremely well-established, British multinational company that was founded in London, 1971. Costa Coffee started off as a family run business who supplied to caterers and specialist Italian coffee shops with roasted coffee of a high quality. Costa Coffee then began selling their coffee to the public, through their coffee-making shops, which was then later acquired by Whitbread in 1995. Costa has recently been bought over by Coca-Cola, for around 3.9 billion.

Research

Candidate A evidence

Topic – marketing mix of Marks and Spencer PLC

Research

Sources of Information	Purpose	Value 1	Value 2
Company Website	This allowed me to gather information on the marketing mix of Marks and Spencer Group PLC	This information was easily accessible meaning I was able to check back regularly and keep track of new deals and promotions that might be on.	The information on the company website could be unreliable as it could be heavily biased in favour the company because any negative comments would damage their reputation. ✓ 1
Questionnaire	A questionnaire allowed me to gather information on what the public thinks of the marketing mix of Marks and Spencer Group PLC	Asking relevant questions allowed me to see what the public think of Marks and Spencer's marketing mix at the current moment meaning the information is valuable as it is up to date. ✓ 1	it also allowed me to get variety of opinions of the business as I handed out the questionnaire to a mix of ages and genders. FM

Competitor's Website	Using a competitor's website eg Sainsbury's allowed me to compare prices and webpage layouts between the two businesses FM	This information is valuable' as it was free to access allowing me to compare webpage layouts, prices and deals between both businesses meaning it was cost effective. FM	The information on here could be incomplete as the company is in control of the information and could withhold information that shows them in a negative light. FM
Visit to Marks & Spencer	This allowed me to speak with the staff and get first-hand information on the store from employees and by observing the business REP	This is extremely helpful as it is first-hand information from a member of staff in the business who would have knowledge relevant to my topic FM	This method also allows me focus to on the key points of the marketing mix and ask more in depth questions based on the marketing mix that a customer might not be able to answer FM
I also read a newspaper article (Guardian Appendix 3			

Candidate B evidence

Topic – to assess the corporate social responsibility of Costa Coffee

Source One

On the company's own website I was able to find out what Corporate Social responsibility initiatives Costa has to offer. [The company's website was very efficient as it was accurate considering it is established website the business itself meaning the content came directly from the organisation. [✓ 1] However, due to this being the company's website the information given could be bias as the company will try and give the most positive image the can of their business. [✓ 1]

Source Two

Furthering my research I used the Guardian website. I used an article which explained that Costa recycle their paper cups, highlighting their efficient social responsibility. The Guardian is a well-known newspaper company who supply accurate information that is both reliable and concise, which was necessary to my findings for my knowledge on Costa's CSR. [However this article was from 2016 which means the given data could be outdated as things may have changed in the company from then. [✓ 1]

Analysis and Interpretation

Candidate C evidence

Topic – to evaluate the effectiveness of Sephora’s marketing mix

ANALYSIS AND INTERPRETATION

Sephora has a diverse product portfolio, marketing more than 13000 brands including 3000 Sephora own label products. They originally catered for women who were status and beauty conscious but now they have developed brands for men. Sephora has positioned itself as a unique brand offering high quality products (Source 3). This shows that the business is continuously adding to its product portfolio and diversifying its range meaning that it will reduce the risk of failure as if one product fails there are others that can maintain profitability and support the success of the business. Furthermore, having so many different products and brands will appeal to a more diverse range of customers and will always be attracting new customers resulting in higher sales and increased profits. Having so many Sephora label products also means that it will be easier to introduce new products as the brand is so established, reducing the risk of failure and increasing the likelihood of sales of the new product.

However, advertising and promoting so many products and labels will be very expensive and will decrease the profitability of the company.

Sephora have premium pricing strategy and the products are targeted at upper and upper-middle class sections of society which is seen by the cost of their Mascara at £27.50 compared to Maybelline at £8.99. Their premium pricing strategy is justified as they are owned by LVMH and have a high class image. This shows that although Sephora are a successful organisation, they do promote a luxurious profile and that their products will be unaffordable to some people. This means that Sephora are losing potential customers who may see them as too expensive. This also means they may lose out on valuable market share to competitors who use low or competitive pricing. However, by using a premium pricing strategy, Sephora are able to obtain a higher profit margin per unit, increasing overall profitability for the company.

Sephora have signed Khloe Kardashian, a famous American personality as one of their ambassadors (Source 4). This shows that the company are using celebrity endorsements as a method of promotion.

By using Khloe Kardashian the company will attract additional customers as she has a massive 26.3 million followers on Twitter and this would influence people to buy the products she is promoting.

This will increase the sales for Sephora as it will appeal to the health and beauty demographic and attract additional customers which will contribute to improving the

company's success. However, this is a very expensive form of promotion which will mean decreased profits for Sephora. Furthermore, this could be a risky strategy if Khloe Kardashian were to have any negative publicity, this would impact badly on the Sephora brand as they have no control over it, and it may put people off purchasing, reducing profits. ✓ 1

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Sephora does not test on animals except when required by law (Source 6). The company do supply products to China where animal testing is legally required. This shows that, where the company has a choice, they have good morals in terms of the protection of animals. This will benefit Sephora as it will promote them in an ethical light and positive image which will help and encourage sales. ✓ 1

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Sephora stores offer customers a complete sensory experience as all stores are backed by light music and are designed in their signature black and gold colours (Source 3). They have a unique image offering a very customer friendly layout with easy access to products, which may encourage impulse purchases, increasing sales. This also shows that the company have considered diverse customer needs in terms of busy lifestyles offering a relaxed and inviting atmosphere, and also the opportunity for customers to attend their stores and make a quick purchase. This will encourage repeat custom, increasing sales and brand loyalty. ✓ 1

Sephora invest heavily in their staff by offering employee incentives such as product discounts, holidays and paid time off programs (Source 5). This shows that the company values its workforce and means that motivation and productivity should be high which will ultimately enhance efficiency and effectiveness and contribute to the ongoing success of the business. This will also mean that staff turnover is low which will assist in the time, cost and resources needed for recruitment. To further enhance the in store experience, Sephora offer free facials and makeup trials (Source 1). F

This shows that the company values its customers, giving them a good reputation and will encourage customer loyalty. However, many customers may accept the free makeup trials and then leave the store without purchasing. This means that staff time and products are being wasted, with no guaranteed sales leading to a decrease in profits.

Sephora has invested hugely in their online ordering system providing a quick and easy website for their customers. They have a wide range of products and prices available and offer free shipping on all orders over \$50 and other online promo codes offering discounts of between 10-20% (Source 1 & Source 2). This shows that the company have

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invested time and resources to develop a user friendly online ordering process and they encourage additional sales with their free shipping and other promotions. This also shows that Sephora are reaching out to additional customers for those who prefer to shop online and for those who do not have a Sephora store where they live, widening their target market and increasing sales. However, Sephora will have to employ many people to constantly update and maintain the website, increasing their staffing expenses.

Furthermore, profits will have decreased as they will have had to make considerable investments in new technical equipment and training for staff in order to establish their website.

Sephora currently have over 2000 stores in various locations across the world. They have over 600 stores in the US and stores in most major cities across the world (Source 1). The impact of having stores in so many locations is that they will be able to maximise sales and profits by reaching customers across the world.

Sephora recently opened a new store in Romania (Source 1) which expands their geographical footprint even further. This demonstrates their organic growth and shows that although the company is successful and already have numerous stores across the world they continue to display innovation with the progression and expansion which will inevitably encourage new customers, increasing profitability and brand awareness across the world.

Candidate D evidence

Topic – impact of external factors in Ted Baker PLC using PESTEC analysis

Analysis and Interpretation

Political

Political factors that affect the way Ted Baker operates are tax rates and incentives, minimum wage and overtime. I have gathered evidence of this from source 3, source 3 tells us all the ways that Ted Baker is impacted by the government. The government minimum wage from April 1st 2019 is £7.83 to £8.21 (Source 4) this means Ted Baker will have to increase their pay to their employees. In a textbook I used (Source 12) Ted Baker could also be affected by changing in laws and legislation such as the “Zero Waste Scotland” and changing in VAT rates the government could raise or lower the VAT rate; reducing VAT will make Ted Bakers products more reasonably priced products for customers, increasing VAT which will reduce sales as the products have become more expensive.

Economic

Economic factors is affected by the unemployment rate, foreign exchange rates, inflation rate and interest rates, these can all effect the Ted Bakers business. Source 3 shows what economic factors effects the Ted Bakers business. The economic factors effect Ted Baker because if the foreign exchange rate rises then Ted Baker will lose profits and have to put their prices up which would make Ted Baker a more expensive company and Ted Baker could loss customers. In the textbook I used (Source 12) Ted Baker can be affected by a boom i.e. employment levels are high, product demand is high, recession i.e. employment levels are low and demand for products fall, recovery of economy i.e. employment is rising again and demand for products are rising.

Social

Social factors affects Ted Baker by the attitudes e.g. health and culture e.g. gender roles. These affect Ted Baker as everyone is becoming healthier and want a better lifestyle and the culture is forever changing with new trends coming. Source 7 tells us all the ways that the social factors affects Ted Baker's company, they bring in new products. In the textbook I used (Source 12) ways Ted Baker could be affected by social factors is the UK aging population more people are living longer therefore Ted Baker might need to think of the aging market.

Technology

Technology factors impacts the Ted Baker organisation by Ted Baker setting up an online shop, support systems to help customers who have questions about the products, and multilingual analyst. Source 5 shows how these technology factors have helped and multilingual analyst helps the business because no matter where in the world they can translate what the customer is saying and help them with whatever it is they need help with without having to get someone from that country to do it. In source 12 I read that Ted Baker could be affected by social media, having a Twitter, Facebook, Instagram etc. to show off their products, 4G and Wi-Fi, Ted Baker will be able to contact their employees, other stores and customers at any time due to Wi-Fi and 4G.

Environmental

Environmental factors that affect Ted Baker is the planet, people and product. Source 9 tells what Ted Baker thinks of and deals with the environmental factors, the source tells us that Ted Baker is part of the Carbon Disclosure Project, they work with charities to make the environment a better place, Ted Baker encourages employees to donate clothes and are part of the Sustainable Clothing Action Plan which reduces carbon, general waste and water in Ted Baker and by 2020 it should go to 15%. Source 12 also gave me information on how Ted Baker could be affected by environmental factors such as the weather, carbon footprint and recycling. These can all affect Ted Baker because bad weather might stop them from transporting products to stores or customers.

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Competitive

Competitive factors that affect Ted Baker has a lot of competitors (Source 11) such as REISS, French Connection, Jack Wills, Zara and many more. Ted Baker wasn't doing too well in 2009 where profits had went down by 2.5% due to competition taking their customers (Source 2). However, Ted Baker seen a massive jump of 20% increase in profits in 2016 (Source 10). Ted Baker will always be in competition and with other high street brands such as REISS, French Connection, Jack Wills, Zara etc. and Ted Baker is becoming a brand that most people like and go to. Source 12 also gave me information on competitive factors such as a store that sells the same products as Ted Baker could open up right beside the store but it might be affordable making them go to the other store other than Ted Baker. Another factor that can affect Ted Baker is customer service if a Ted Bakers customer service is not as good as a competitors shop i.e. staff aren't as friendly or welcoming, no help then the customer will go to Ted Baker competitors who are friendly and welcoming and do help out.

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Conclusions and recommendations

Candidate C evidence

Topic – to evaluate the effectiveness of Sephora’s marketing mix

CONCLUSIONS AND RECOMMENDATIONS

I recommend that Sephora should expand their custom to a wider audience by bringing out a range of competitively priced own label products. Increased sales due to decreased prices will assist with their aim of maximising profits. This would allow Sephora to target different societal classes, such as lower income, which will increase brand awareness. However, there could be negative element linked to this which must be considered if they were to follow this recommendation. Sephora has a high class luxurious image and by promoting reduced prices this could adversely affect the upper class image of the company and ultimately deter existing upper class customers.

I conclude that Sephora uses celebrity endorsements to promote their products, and that these are all female celebrities. I recommend that the company considers a male celebrity such as James Charles (American Social Media Personality and Make-up artist) to help progress the marketing and sales of their male products. Furthermore, this would help to increase brand awareness amongst a different target market such as young males.

An identified disadvantage of Sephora using celebrity endorsement was how expensive it was. As such, I recommend that Sephora focus on more cost effective methods of promotion such as using social media which will be less detrimental to profits. I recommend they create a hashtag such as ‘#MySephora’ and encourage customers to use the hashtag in their pictures on Instagram which is a free way of customers propelling ‘hype’ around a product and increasing brand awareness.

This would also encourage new customers to purchase after clicking on the hashtag.

I conclude that Sephora is a good employer as they invest in training for their employees and offer attractive benefits packages. I recommend that Sephora build on this and introduce a long service award scheme such as a cash bonus once an employee has worked with the company for 10 years.

This would further assist with employee’s loyalty to the company and reduce staff turnover. This could also assist in attracting new highly skilled recruits to the company who would be able to bring fresh perspective and innovative product and marketing ideas to build on Sephora’s success.

I conclude that Sephora offer free makeup trials and makeovers and then customers leave the store without making any purchases. I recommend that these services are not free, but marketed on a minimum purchase offer. This way the customer is still receiving a facial or makeover, increasing customer satisfaction and the company are making a sale and building on their profitability. I recommend that the more a customer spends, the longer their facial/make up trial may be, encouraging customers to spend as

Marketing Mix of Sephora

much as possible, increasing profits. Customers will also feel rewarded for spending more money, increasing customer loyalty to Sephora. **FM**

I conclude that Sephora do market promotional offers on their website such as discounts and free shipping however these could be more attractive to potential customers. **[** I recommend they do limited time offers where customers can buy one product and get one free. This would assist in customer loyalty and improve sales and profits as customer would hopefully purchase more than they normally would. **FM** This would also encourage customers to try new and different **REF** products with the real potential of return custom and sales if they liked the new products. **[** By only running the offer for limited times, this may increase the number of times people access the website to check if the deal is running, which may result in other impulse purchases, increasing sales. **FM**

~ I conclude that Sephora, where possible, support non animal testing. I recommend that the company become 100% free from animal testing. This would be a hugely positive marketing strategy resulting in the support and custom from the pro animal rights community, widening their customer base and potential sales. To further build on this ethical strategy, I recommend they ensure all their materials for products are ethically sourced, and that packaging is recyclable. This would further their appeal to ethical campaigning groups.

Candidate D evidence

Topic – impact of external factors in Ted Baker PLC using PESTEC analysis

Conclusion and Recommendations

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Through my research into PESTEC Analysis on Ted Baker Plc, I have made the following conclusion and recommendations on how Ted Baker can make an improvement on their yearly profits.

The information I gathered on political factors is that Ted Baker is impacted by tax rates and incentives, minimum wage and overtime and because the minimum wage is rising this will affect Ted Baker as they will have to put employees' wages up. Ted Baker could increase their yearly profit by having less staff in stores that are not needed this will make Ted Bakers yearly profit increase due to not having to pay a lot of staff. Ted Baker could also cut back on cost that they don't need i.e. if they bought too much material; they can look at previous years and make cuts instead of letting go of loyal staff or rising prices for customers.

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Based on the information I have gathered on Ted Baker, economic factors have had a clear impact on Ted Baker as the foreign exchange rates, interest rates, inflation rate and unemployment rate are always going up. Ted Baker will have to

pay out more to ship their products to other countries due to the foreign exchange rate increasing. They could combat this by having factories in the countries they sell in which will cut the cost of foreign exchange rates and will increase the yearly profits. If the economy is recovering then Ted Baker could rise prices slowly until there is a boom and there is high demands for Ted Baker's products.

Based on the information I gathered on the social factors that affect Ted Baker they are doing well and should continue to go on the path that they are on as more and more customers are being attracted due to their new collections and products. However, Ted Baker could bring in a pensioners collection which would bring in a larger market for Ted Baker as the UK age population is growing, find out what they would like and what they would want. Another way Ted Baker could attract a wider audience is by bringing in a gender neutral collection as there are more and more people coming out as LGBTQ+ which would attract wide publicity for Ted Baker in a good way; they could bring out a transgender collection for drag queens or people who have changed their gender.

The article from retail technology (Source 5) shows that Ted Baker has fallen behind their competitors due to the lack of technology when it was available. Ted Baker should consider that in future they should try the new technology available which will keep them up to date and will reduce the chances of falling behind their competitors. Ted Baker could also set up social media pages to post about sales, new collections, new products etc. this would notify the customers when they have new stock and improve their yearly profits.

From the information I gathered on Ted Baker, environmental factors about the groups Ted Baker have joined to help the planet, it tells us that by 2020 they should reduce their company's general waste, water and carbon to 15% which shows they care about the world. I suggest Ted Baker continues to join these groups and keep reducing the general waste, water and carbon they use. I also suggest Ted Baker sticks to their "Planet, People, Product" of what they care

about as this seems to be going well for them now. Ted Baker is also aware of their carbon footprint, Ted Baker should keep track of their carbon footprint as this shows customers they care about the environment and also Ted Baker is finding more environmental friendly and it might be cheaper there for improving their yearly profit. C

The information I gathered from source 10 tells us Ted Baker is doing something right due to the 20% increase of sales. Ted Baker can further improve this by making Ted Baker something different bringing in new collections/products and being better than the other competitors. Making Ted Baker more affordable for more customers to come in and buy products. ✓1 C C