



BSB40215 - CERTIFICATE IV IN BUSINESS

Study Support materials for

BSBMK414 - Undertake Marketing Activities



STUDENT HANDOUT

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
<i>Elements describe the essential outcomes.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
1 Research marketing information	1.1 Research concept of marketing as it applies to the organisation 1.2 Identify and analyse organisation's marketing plan and relevant policies and procedures 1.3 Identify need for marketing activities from established marketing plan 1.4 Investigate previous marketing activities for relevant information 1.5 Identify profile of market segment 1.6 Identify positioning and market mix for each target segment 1.7 Identify outcomes expected from marketing activities
2 Plan marketing activities	2.1 Undertake analysis of collected basic marketing information 2.2 Develop and document work activity plans for marketing activities 2.3 Obtain approval of plans from relevant enterprise personnel
3 Implement marketing activities	3.1 Determine and access resources required for work activities 3.2 Undertake marketing activities within job role 3.3 Assist with assigning responsibilities and functions to relevant personnel performing specific marketing functions 3.4 Monitor marketing activities, and review and amend activity plan as required
4 Review marketing activities	4.1 Measure and record outcomes of marketing activities 4.2 Review marketing activities against expected outcomes and record identified improvements 4.3 Prepare reports of marketing activities and communicate to relevant enterprise personnel

WHAT IS MARKETING?

Marketing is the process used to determine what products or services may be of interest to customers, and the strategy to use in sales, communications and business development. It generates the strategy that underlies sales techniques, business communication, and business developments. It is an integrated process through which companies build strong customer relationships and create value for their customers and for themselves.

Marketing is used to identify the customer, satisfy the customer, and keep the customer. With the customer as the focus of its activities, marketing management is one of the major components of business management. Marketing evolved to meet the requirements in developing new markets caused by mature markets and overcapacities in the last 2-3 centuries. The adoption of marketing strategies requires businesses to shift their focus from production to the perceived needs and wants of their customers as the means of staying profitable.

The term *marketing concept* holds that achieving organizational goals depends on knowing the needs and wants of target markets and delivering the desired satisfactions. It proposes that in order to satisfy its organizational objectives, an organization should anticipate the needs and wants of consumers and satisfy these more effectively than competitors.

Marketing is the process of identifying, anticipating and satisfying customer requirements. Consumers want choice, irrespective of the product or service. Unless your business provides what they want, at prices they can afford, your future in business could be bleak.

What marketing involves

Marketing is not the same thing as selling. Marketing is a much broader concept and is best thought of as the groundwork for successful selling.

Marketing is also often confused with advertising and promotion. Once again, advertising and promotion are very specific marketing functions and fall within the 'communications plan' for a product or service.

The communications plan is part of the marketing plan and tends to be the most visible sign of marketing because it often involves placing product communications in different forms of media or in distribution outlets.

Again, marketing is a much broader concept than this, involving the entire company and its operations. It involves management – it has to be worked at and does not just happen. It is a process and follows logical steps that can be planned.

Marketing in a small business is about attracting and retaining customers. It is about matching what people want with what you can profitably supply. It must be geared to profitability – e.g. your business may sell all the widgets it can produce, but not make a profit.

WHY IS MARKETING IMPORTANT?

What exactly is marketing and why is it important to you as an entrepreneur? Simply stated, marketing is everything you do to place your product or service in the hands of potential customers.

It includes diverse disciplines like sales, public relations, pricing, packaging, and distribution. In order to distinguish marketing from other related professional services, S.H. Simmons, author and humorist, relates this anecdote.

"If a young man tells his date she's intelligent, looks lovely, and is a great conversationalist, he's saying the right things to the right person and that's marketing. If the young man tells his date how handsome, smart and successful he is — that's advertising. If someone else tells the young woman how handsome, smart and successful her date is — that's public relations."

You might think of marketing this way. If business is all about people and money and the art of persuading one to part from the other, then marketing is all about finding the right people to persuade. Marketing is your strategy for allocating resources (time and money) in order to achieve your objectives (a fair profit for supplying a good product or service).

Yet the most brilliant strategy won't help you earn a profit or achieve your wildest dreams if it isn't built around your potential customers. A strategy that isn't based on customers is rather like a man who knows a thousand ways to make love to a woman, but doesn't know any women. Great in theory but unrewarding in practice.

If you fit the classic definition of an entrepreneur (someone with a great idea who's under-capitalized), you may think marketing is something you do later — after the product is developed, manufactured, or ready to sell.

Though it may feel counter-intuitive, marketing doesn't begin with a great idea or a unique product. It begins with customers — those people who want or need your product and will actually buy it.

Entrepreneurs are in love with their ideas, and they should be. After all, why would anyone commit their energy, life savings, and no small part of their sanity to anything less than a consuming passion. Because entrepreneurs are passionate about their idea, product, or service, they innocently assume other people will feel the same. Here's the bad news — it just doesn't work that way!

People have their own unique perceptions of the world based on their belief system. The most innovative ideas, the greatest products, or a superior service succeed only when you market within the context of people's perceptions.

Context can be many things, singly or simultaneously. To name a few, you may market to your customers within the context of their wants, needs, problems solved, or situation improved.

Entrepreneurs need to be aware of many other contexts, such as social and economic trends or governmental regulations, which we'll discuss another time.

People don't just "buy" a product. They "buy" the concept of what that product will do for them, or help them do for themselves. People who are overweight don't join a franchise diet centre to eat pre-packaged micro-meals. They "buy" the concept of a new, thin, happy and successful self.

Before you become consumed with entrepreneurial zeal and invest your life savings in a new venture, become a smart marketer. Take time at the beginning to discover who your potential customers are, and how to effectively reach them.

Without a plan, your entrepreneurial dream is really wishful thinking. While a marketing plan can be a map for success, remember that the map is not the territory. A strategy that ignores the customer isn't an accurate reflection of the landscape.

A good marketing plan can help you focus your energy and resources. But a plan created in a vacuum, based solely on your perceptions, does not advance the agenda. That's why market research, however simple or sophisticated, is important.

Just keep in mind that research attempts to predict the future by studying the past. It reveals what people have done, and extrapolates what people might do — not what people will do.

Planning is imperative, research is important, but there's no substitute for entrepreneurial insight. After all, as Mark Twain wrote, "You cannot depend on your eyes when your imagination is out of focus".

MARKETING TERMINOLOGY

Profitability:

The state or condition of yielding a financial profit or gain. It is often measured by price to earnings ratio.

Profitability is the primary goal of all business ventures. Without profitability the business will not survive in the long run. So measuring current and past profitability and projecting future profitability is very important.

Table 1 Profitability is measured with income and expenses. Income is money generated from the activities of the business. For example, if crops and livestock are produced and sold, income is generated. However, money coming into the business from activities like borrowing money do not create income. This is simply a cash transaction between the business and the lender to generate cash for operating the business or buying assets.

Telemarketing:

Telemarketing (sometimes known as inside sales or telesales in the UK and Ireland) is a method of direct marketing in which a salesperson solicits prospective customers to buy products or services, either over the phone or through a subsequent face to face or Web conferencing appointment scheduled during the call. Telemarketing can also include recorded sales pitches programmed to be played over the phone via automatic dialling.

Return on investment:

Return on investment (ROI) is the benefit to the investor resulting from an investment of some resource. A high ROI means the investment gains compare favourably to investment cost. As a performance measure, ROI is used to evaluate the efficiency of an investment or to compare the efficiency of a number of different investments. In purely economic terms, it is one way of considering profits in relation to capital invested.

Advertising

Advertising is a non-personal form of promotion that is delivered through selected media outlets that, under most circumstances, require the marketer to pay for message placement. Advertising has long been viewed as a method of mass promotion in that a single message can reach a large number of people. But, this mass promotion approach presents problems since many exposed to an advertising message may not be within the marketer's target market, and thus, may be an inefficient use of promotional funds. However, this is changing as new advertising technologies and the emergence of new media outlets offer more options for targeted advertising.

Marketing opportunity

A potentially favourable condition in which a business can capitalize on a changing trend or an increasing demand for a product by a demographic group that has yet to be recognized by its competitors. For a market opportunity to exist, a company must be able to identify who its potential customers are, the specific needs that need to be met, the size of the market, and its capacity to capture market share.

Target market

A specific group of consumers at which a company aims its products and services.

Your target customers are those who are most likely to buy from you. Resist the temptation to be too general in the hopes of getting a larger slice of the market. That's like firing 10 bullets in random directions instead of aiming just one dead centre of the mark--expensive and dangerous.

Try to describe them with as much detail as you can, based on your knowledge of your product or service.

Once upon a time, business owners thought it was enough to market their products or services to "18- to 49-year olds." Those days are a thing of the past. Because the consumer marketplace has become so differentiated, it's a misconception to talk about the marketplace in any kind of general way anymore. Now, you have to decide whether to market to socioeconomic status or to gender or to region or to lifestyle or to technological sophistication. There's no end to the number of different ways you can slice the pie.

Resources:

A resource is a source or supply from which benefit is produced. Typically resources are materials, energy, services, staff, knowledge, or other assets that are transformed to produce benefit and in the process may be consumed or made unavailable. Benefits of resource utilization may include increased

wealth, meeting needs or wants, proper functioning of a system, or enhanced wellbeing. From a human perspective a natural resource is anything obtained from the environment to satisfy human needs and wants. From a broader biological or ecological perspective a resource satisfies the needs of a living organism (see biological resource).

Swot analyses

SWOT Analysis is a useful technique for understanding your Strengths and Weaknesses, and for identifying both the Opportunities open to you and the Threats you face.

Business SWOT Analysis

What makes SWOT particularly powerful is that, with a little thought, it can help you uncover opportunities that you are well-placed to exploit. And by understanding the weaknesses of your business, you can manage and eliminate threats that would otherwise catch you unawares.

More than this, by looking at yourself and your competitors using the SWOT framework, you can start to craft a strategy that helps you distinguish yourself from your competitors, so that you can compete successfully in your market.

MARKETING PLAN

Definition: A **marketing plan** is a business document written for the purpose of describing the current market position of a business and its marketing strategy for the period covered by the marketing plan. Marketing plans usually have a life of from one to five years.

Purpose of a Marketing Plan

The purpose of creating a marketing plan is to clearly show what steps will be undertaken to achieve the business' marketing objectives.

While some small business owners include their marketing plan as part of their overall business plan, if a business owner follows the recommended SBA format, parts of the marketing plan will be included in the various areas of the business plan. As an alternative, the marketing plan may be attached in its entirety as an appendix to a business plan.

What's in a Marketing Plan?

A typical small business marketing plan might include a description of its competitors, the demand for the product or service, and the strengths and weaknesses from a market standpoint of both the business and its competitors.

Effective Marketing Plan: Target Market Analysis

It is critical to focus your marketing efforts on a specific target market or niche. Marketing becomes a lot easier and a niche offers the opportunity to become the big fish in a small pond. But planning your marketing strategy without knowing to whom you're talking is akin to throwing a party without knowing anything about the people you're inviting.

Market size

A target market, or niche, is a group or groups of people with something in common. It could be an industry, job title, gender, age, income level, or myriad other things.

When it comes to describing your market size research, be as specific as you can. Include statistics about the size of your audience. Include information on whether the size of your target marketing is growing, shrinking, or staying the same. If the size of your target market is changing, explain why. What are the common problems or challenges they face that you can solve?

Where do you conduct market size estimation? For business prospects, industry associations are a good place to start. Most have sites that provide a wealth of information. A trip to the reference section of the largest library near you is also a good source. Don't forget to scour trade publications and newsletters. Sites such as LinkedIn, Jigsaw, and Spoke can also provide some useful information. For corporations, a few years' worth of annual reports can come in handy. You can get them at www.annualreports.com.

For consumer markets, consider perusing a few online forums, discussion groups, and blogs related to the audience. As with business prospects, relevant magazines and their media kits can also be useful.

For both groups, be sure to follow key players on Twitter, Facebook, and other social media outlets.

Another option is going low tech and picking up the phone. Talk to the movers and shakers and ask some open-ended questions. (Those are the kind that requires more than a simple "yes," or "no," answer.) In a similar vein, surveys can help you take the pulse of a target group. Snail mail surveys and online versions are both options, but the former can get costly. Survey sites such as SurveyMonkey.com and Zoomerang.com might just be the ticket. Both provide free versions, and free is good.

YOUR TARGET MARKET

Once you've collected some information, begin to describe your target market by the characteristics they share such as job title, age, income level, sex, race, number of children, marital status, ZIP code, etc. If you're targeting businesses, they can be described by SIC code (Standard Industrial Classification), number of employees, sale volume, and so on.

Beyond demographics are the habits or hobbies they exhibit. For example, your target audience might be Marketing Managers at mid-sized companies. After doing some homework, you find that these folks are overworked, having to do more in less time with fewer resources. Your job is to find a way to stretch their resources and make their jobs easier.

Describe the wants and needs they have and how your product or service fulfils them. As with the previous example, the Marketing Managers need to find ways to stretch their budgets and get more done in less time.

Describe your market's buying habits. For example, how do they spend their budgets or disposable income? When do they buy? How much? How often? Maybe our Marketing Managers are spending the bulk of their dough on print advertising. If your business is related to advertising, the Red Books are a great resource. Also known by their formal name, *The Index Guide to Advertisers* and its companion tome, *The Index Guide to Advertising Agencies*, they list a breakdown of media spending for each company. That's pretty handy information.

You may have more than one target market, but it can get to be a juggling act trying to keep track of three or more. Try to focus on one or two.

Finally, create a profile of your best client or customer. These are the folks you want to clone. I prefer to use a person rather than a company for this. People buy from people and usually people they like. Here's an example profile:

Sydney Smyth is the key contact at Mondo Big Corp. As Director of Marketing, Smyth is responsible for developing and implementing Mondo Big's marketing strategy, campaigns, and branding efforts. He manages a staff of six, many of whom are alternate contacts.

Smyth is well-organized and funded. Project briefs and RFPs are succinct. Projects are normally scheduled with plenty of lead time, with a reasonable budget, and payment is always received within 30 days.

Smyth's primary concerns from a designer are objective feedback and quality work executed in a timely manner at a reasonable fee. He understands what can be done at various budget levels and is not adverse to paying more when a project warrants it or has multiple revisions.

Smyth has often commented that he appreciates the information I provide in the form of useful web links, articles, and such.

Competitive market analysis

Competitive analysis is where you'll do some digging into those pesky competitors. To be thorough, it can and should take some time to complete. Since new competitors are always cropping up and existing ones change, this should be an ongoing activity.

During your research, you'll begin to discover your company's competitive advantage: the reason customers do business with you instead of the other guy. Or vice versa. Once you know that, you'll be able to effectively communicate what you bring to the table that the others either don't or can't. Conversely, you'll also begin to learn where you could use some help to be more effective.

Looking into your competitors' products and service offerings can also prompt ideas for innovative improvements to your product/service offerings or spark ideas for new ones.

You might find that there are some marketing segments whose needs are not being met. If you're a photographer, for example, maybe you find there's a lack of tomato photographers in your marketing area. Bingo! A new niche for you.

If you find that your market is saturated with capable competitors, you can avoid the costly mistake of entering a market or starting a business without adequate demand. You can then redirect your efforts toward something that will pay off instead, like tomato photography. Or, for example, your research may tell you that there's an ample number of print designers in your marketing area already but few packaging designers.

Include the following information in your competitive analysis:

- **Names and types of competitors.** This may seem deceptively easy at first. The thing to remember is that there may be other groups vying for your prospect's purse strings. For instance, if you're an accountant, you're not just competing against other accountants. There's also all those indy bookkeepers out there along with storefront tax prep franchises, accounting software, and such. If you're a graphic and Web designer, you compete with other designers and firms, but often also with ad agencies, your neighbour's cousin's kid who does some html, and the dangerous administrative assistant with a copy of Photoshop.
- **Summary of each competitor's products/service.** This summary should also include their location, quality, advertising, staff, distribution methods, promotional strategies, customer service, etc.
- **Competitors' strengths and weaknesses.** It's important to see your competitors' strengths and weaknesses from your customer's viewpoint, not yours. List their strengths and weaknesses. State how you will capitalize on their weaknesses and meet the challenges represented by their strengths.
- **Competitors' strategies and objectives.** This information might be easily obtained by getting a copy of their annual report, if they produce one. Probably, however, you will need to do some detective work or conduct an analysis of many information sources to understand competitors' strategies and objectives.
- **Strength of the market.** Is the market for your product growing so there are plenty of customers for all market players? Or is the market so tight you are selling primarily to your competitors' customers? If so, you need to have a strong competitive advantage.

RESEARCH AND NETWORKING

- **Use the Web.** The Web is a wonderful thing. It's cut down research time by providing a single tool for most of your researching needs. In days gone by, I'd spend a day or three at the library,

sweet talking the Research Librarian. Now I just fire up my favourite browser and I'm off. Plus, I do it on my schedule, not the library's.

- **Visit the competition.** If possible, visit your competitors' locations. Observe how employees interact with customers. What do their premises look like? How are their products displayed? How are they priced?
- **Talk to customers.** You and/or your sales staff are in regular contact with customers and prospects. So is your competition. People like to talk. Use that to your advantage. Learn what your customers and prospects are saying about your competitors – and about you.
- **Talk to suppliers and vendors.** For the same reasons you talk to your clients or customers. These folks are usually in the know and can supply information you wouldn't be able to obtain elsewhere.
- **Study the competition's marketing materials.** Get on your competitors' mailing lists if possible. Analyse their brochures, ads, and such to gain information about their target audience, market position, product features and benefits, prices, etc.
- **Attend events.** Attend seminars or presentations made by representatives of your competitors.
- **Attend trade shows.** Visit your competitors' show space and check out their display and materials. Head over to a few hospitality suites for some informal conversation and detective work.
- **Read print sources.** These may include local, regional, and national business publications; local newspapers and business journals; industry research and surveys; annual reports; Yellow Pages, and so on. Look for articles by or about them, news releases, ads, etc.
- **Set up Google Alerts for your competitors.** Alerts are a very handy way to keep track of not only your competitors' online buzz, but also your clients, prospects, and you. Don't forget to follow them on various social media.
- **Maintain files for your competitors.** Finally, as you run across things like their marketing literature, tips from sales people or customers about them, or articles that mention them, place it in their file. Then when you're ready to conduct or update your competitor analysis, you will already have some relevant resources. To help you get started, use this sample Competitor Analysis Form.

Having a solid, fact-backed understanding of your target market and competition will put you in a position to make strategic decisions about your marketing plans and efforts. It will also eliminate or at least minimize any guessing. Plus, you'll be much better at beating any competitors who haven't done their homework.

ADMA (Australian Direct Marketing Association - Code of Practice

What is the Code?

The ADMA Code of Practice was developed to set standards of conduct for direct marketers, minimise the risk of breaching legislation, promote a culture of best practice, serve as a benchmark in settling disputes and increase business and consumer confidence in doing business with ADMA members who are bound to the provisions of the Code.

The requirements of the Code are covered in this section. A full copy of the Code can also be viewed and downloaded as needed.

The Code sets out specific standards of conduct for participants in the direct marketing industry in relation to individuals and consumers and serves as a benchmark in settling disputes.

The requirements of the Code are based on common sense and are matters of fairness and honesty. The Code not only promotes fair-trading but also is intended to serve as a point of reference for Members to ensure they comply with all applicable state and commonwealth laws.

Why is the Code necessary?

Direct marketing is expanding rapidly. More consumers are choosing to purchase goods and services through direct response channels and more businesses are using these media to meet this increasing demand. Because they operate at a distance rather than face-to-face with consumers, direct marketing organisations place a greater emphasis on building consumer confidence and trust. This is especially true in respect of their handling of personal information such as name, address and other identifying information.

The future expansion of direct marketing depends on the players conducting their business in a fair, honest and ethical manner, both in dealings with other businesses and consumers. Only by doing so can the reputation of the industry be enhanced so that consumer demand will continue to grow.

Statement of objectives

- The objectives of the Code are to:
- Ensure business and consumers have access to the product and service information they need to make informed choices
- Minimise the risk of members breaching the Trade Practices Act 1974, Privacy Act 1988 including the National Privacy Principles (NPPs), Spam Act 2003 or State fair trading legislation
- Promote a culture among members of conducting their businesses fairly, honestly, ethically and in accordance with best practices; and
- Increase business and consumer confidence in doing business with ADMA members

Scope of the Code

The Code binds all ADMA members and all employees, agents, subcontractors and suppliers of ADMA Members. Sections D and G of the Code are extended to apply not only to member, but also to fundraisers and charities trying to generate donations. An alleged breach of the Code by a Member of ADMA, its employees, agents or subcontractors will be dealt with in accordance with the enforcement provisions of the Code.

It is the responsibility of all ADMA Members to ensure their suppliers become familiar with the Code compliance obligations of the Member. In addition, members that provide direct marketing services should ensure that clients utilising the services respect and adhere to the Code provisions.

If ADMA becomes aware of an alleged breach of the Code by a direct marketing organisation that is not a Member, ADMA will bring the matter to the attention of the company concerned and seek compliance.

To assist the Code Authority in enforcing the Code, members consent to details of alleged Code breaches being disclosed by Federal and State Regulatory bodies to the Code Authority for consideration.

ADMA has periodically issued Guidelines in accordance with the Code and will issue further Guidelines from time to time.

Conflict with legislation

Where there is any conflict or inconsistency between the Code and any Commonwealth, State or Territory legislation regulation, that legislation or regulation shall prevail to the extent of the conflict or inconsistency. ADMA Members must comply with all Commonwealth, State or Territory legislation relating to business and direct marketing practices.

Citation

This Code may be cited as the ADMA Code of Practice.

<http://www.adma.com.au/regulatory/code-of-practice/>

2010 Commercial Television Industry Code of Practice

The Australian Communications and Media Authority (ACMA) has registered the 2010 Commercial Television Industry Code of Practice. The new Code came into effect from 1 January 2010.

The Commercial Television Code of Practice covers matters prescribed in Section 123 of the Broadcasting Services Act and other matters relating to program content that are of concern to the community including:

- Program classifications;
- Accuracy, fairness and respect for privacy in news and current affairs;
- Advertising time on television;
- Placement of commercials and programs promotions; and
- Complaints handling.

The new Code places a number of additional requirements on broadcasters. From 1 March 2010, broadcasters are required to accept Code complaints made through an electronic lodgement process via the Free TV website. The new Code also provides increased protection for participants in Reality Television programs and includes amendments to strengthen the consumer advice requirements for MA15+ programs amongst a range of other protections.

The Code includes an Appendix for the new digital multi-channels. There are two primary changes for the digital multi-channels; an extension of the PG time zones in the mornings and afternoons and some more flexibility in the limits for non-program matter. In all other respects, the digital multi-channels will be regulated in the same way as the main channels.

PG time zones for digital multi-channels now include the hours between 6am – 8.30am and between 4pm and 7pm on weekdays and between 6am and 10am on weekends.

Parental Locks which are available on most digital set-top-boxes and integrated digital televisions are an additional

Review of Building Consumer Sovereignty in Electronic Commerce
A Best Practice Model for Business
Discussion Paper
Expert Group on Electronic
Commerce
November 2003

Executive Summary

Introduction

Business-to-Consumer (B2C) electronic commerce (e-commerce) offers Australian consumers and businesses substantial economic and social benefits, while presenting consumers with a number of new challenges due to the differences between shopping online and in the traditional retail environment.

The *Australian E-commerce Best Practice Model* (the BPM) sets standards for consumer protection in e-commerce. It provides industry groups and individual businesses with a voluntary model code of conduct for dealing with consumers online, which is underpinned in several areas by legislative requirements. The BPM was developed with the advice of the Expert Group on Electronic Commerce (the Expert Group) and was released by the Australian Government in May 2000.

In order to assess whether the BPM has been effective in providing guidance to business on the best way to deal with consumers online and to ensure that the Australian Government responds effectively to recent and foreseeable developments in e-commerce, the BPM will now be formally reviewed. The review will be led by the Expert Group, which will conduct a public consultation process to inform interested parties about the review and to invite feedback.

The Internet and B2C E-Commerce

Since the BPM was developed in the late 1990s, there have been important changes in the way consumers use the Internet and e-commerce. Australians have grown more accustomed to the Internet and its applications. Points of access to the Internet have continued to grow, and mobile devices have increasingly become Internet enabled.

Australians now use the Internet to shop, make payments and access financial services with an ease and immediacy not previously available. On average, approximately one million Australians aged 14 years and over made a purchase online in each week of 2002-03. This represented an increase of 85 per cent since 2000-01. Travel related services are the most popular online shopping category.

The Best Practice Model

The BPM provides guidance to businesses and consumers on the elements of an effective self-regulatory framework for consumer protection in e-commerce. It is primarily designed to be adopted by industry associations and their members as part of their codes of conduct, and to guide the trading practices of individual businesses.

The development of the BPM was a key initiative arising from the Australian Government's *Policy Framework for Consumer Protection in Electronic Commerce* (the Policy Framework). The Policy Framework established the objective of building a world-class consumer protection environment for e-commerce in Australia and described the principles that guide its initiatives in achieving this goal.

In developing the BPM, the Government sought to implement the elements of the Organisation for Economic Cooperation and Development (OECD) *Guidelines for Consumer Protection in the Context of Electronic Commerce* (the OECD Guidelines). The OECD Guidelines define the characteristics of effective consumer protection in e-commerce and were the result of several years of discussion and consultation between member countries, to which Australia made a major contribution.

The BPM consists of a series of guidance principles in a range of areas including: the provision of information to consumers; identification of businesses; fair business practices; security of payments; privacy;

dispute resolution; and advertising and marketing. Many of the BPM's guidance principles, while voluntary, are underpinned by legislation. In particular, the *Trade Practices Act 1974*, and State and Territory fair trading legislation protect consumers in online transactions in the same way that they provide safeguards in conventional transactions.

The Australian Government has encouraged industry associations and individual businesses to adopt the BPM by means of a targeted promotional campaign and the design of a BPM logo that is available to businesses that adopt the BPM guidance principles. In addition, the Australian Government has produced online and offline education resources for consumers that complement the BPM principles.

Current and Emerging Consumer Challenges

Since the release of the BPM in May 2000, many of the consumer protection issues identified in the Policy Framework and the BPM continue to evolve and require the ongoing attention of governments, businesses and consumers. These issues include the:

- vulnerability of consumers to scams and the need for appropriate security for consumers' personal and payment information;
- growth of unsolicited commercial e-mail (spam);
- need to ensure that consumers' private information is handled appropriately;
- need to ensure the disclosure and easy accessibility of the information important to consumers' online purchasing decisions; and
- need for consumers to have ready access to effective avenues of redress, in the event that problems with an online purchase arise.

In addition, there have been several developments to the technologies and market relationships that are important in B2C e-commerce. Of particular significance is the emergence of mobile commerce (m-commerce), due to the increased use of Internet enabled mobile handsets and wireless fidelity (WiFi) technology.

These current and emerging consumer challenges have been addressed in a variety of ways by government and the private sector, both in Australia and internationally, through initiatives ranging from legislation to self-regulatory schemes and consumer education programmes.

The Expert Group has been asked to advise the Australian Government on ways in which it can effectively respond to the current and emerging consumer policy challenges in B2C e-commerce. Interested parties may comment on any matter of concern to them, which relates to consumer protection in B2C e-commerce. Submissions may contain suggestions for changes to the content or method of operation of the BPM or other action that the Australian Government might take outside of the BPM.

Conclusion

The Australian Government is committed to ensuring that Australians engaged in e-commerce enjoy a world-class consumer protection environment. The competitive position of Australian businesses will also be strengthened as Australia develops an international reputation as a centre of excellence for B2C e-commerce.

The review of the BPM will assist the Australian Government to achieve this goal, in partnership with industry and consumers. Consumers, businesses, and other interested parties are encouraged to participate in the review process.

Key Terms

Customer Relationship Management (CRM) The entire process of maximizing the value proposition to the customer through all interactions, both online and traditional. Effective CRM advocates one-to-one relationships and participation of customers in related business decisions. Uses technology-enhanced customer interaction to shape appropriate marketing offers designed to nurture ongoing relationships with individual customers within an organization's target markets

Direct Marketing The use of non-personal media, the Internet or telesales to introduce products to customers, who then purchase the products by mail, telephone or the Internet

Intranet Internal, in-company Internet networks for routine communications, fostering group communications, providing uniform computer applications, distributing the latest software or informing colleagues of marketing developments and new product launches

Marketing The processes associated with the transfer of goods from and the relationships between producer and consumer – it is also concerned with anticipating the customers' future needs and wants – marketing involves researching, promoting, selling and distributing products or services

Marketing Audit A systematic examination of the marketing function's objectives, strategies, programmes organization and performance

Marketing Communication The diffusion of persuasive information about a product aimed at key stakeholders and consumers within the target market segment

Marketing Concept The philosophy that an organization should try to provide products that satisfy customers' needs through a coordinated set of activities that also allows the organization to achieve its goals

Marketing Information Systems A system incorporating ad hoc and continuous market and marketing research surveys, together with secondary data and internal data sources, for the purpose of decision making by marketers

Marketing Intelligence Information about buyer needs and competitor activities compiled, analyzed and/or disseminated in an effort to provide insight and assistance in decision-making

Marketing Mix The tactical 'toolkit' of the marketing programme; product, place/distribution, promotion, price and people variables that an organization can control in order to appeal to the target market and facilitate satisfying exchange

Marketing Objective A statement of what is to be accomplished through marketing activities – the results expected from marketing efforts

Marketing Orientation A marketing-oriented organization devotes resources to understanding the needs and buying behaviour of customers, competitors' activities and strategies, and of market trends and external forces – now and as they may shape up in the future; interfunctional coordination ensures that the organization's activities and capabilities are aligned to this marketing intelligence

Marketing Plan The written arrangements for specifying, implementing and controlling an organization's marketing activities and marketing mixes

Marketing Research The process of gathering, interpreting and disseminating information to help solve specific marketing problems or take advantage of marketing opportunities

Market Segment A market segment is a group of customers who have similar needs that are different from customer needs in other parts of the market

Market Segmentation Approach Designing product and service offerings around consumer demand

Marketing Strategy A plan indicating the opportunities to pursue, specific target markets to address, the types of competitive advantages that are to be developed and

Market Surveys Structured questionnaires submitted to potential customers, often to gauge potential demand

Market Test An experiment in which a product is made available to buyers in one or more test areas, after which purchases and consumer responses to its distribution, promotion and price are measured

Helpful Websites:

<http://www.momentology.com/7613-innovative-marketing-strategies-examples/>

<http://globalstarenterprises.com/strategy.html>

<http://www.thewisemarketer.com/features/read.asp?id=73>

<http://www.industryweek.com/quality/8-steps-proper-operational-process-change>

<http://unilearning.uow.edu.au/report/4b.html>

ACADEMIQUE

CASE STUDY – ART & PASTA (Master Version)

Business Background

'ART AND PASTA' is a privately owned chain of Australian pasta restaurants offering customers a simplified menu of pasta and salad whilst being surrounded by art that is available for sale. Established in 2011, the business has grown from its first restaurant located in the Sydney CBD to five restaurants, two of which are located in Sydney, one on the Gold Coast, one in Melbourne and one in Brisbane. They all operate from Monday-Saturday although the Gold Coast trades Tuesday to Sunday. Sunday trading was never successful in the early days given the CBD locations of the restaurants but made strategic sense to offer this service on the Gold Coast.

The owners, Antonio Esposito and his partner Maria have enjoyed watching their business grow over the past five years and their current target of opening a new restaurant every year has been achieved. The following tables highlight some key data that shows each restaurants performance.

	Est.	Yearly trading days	Capacity	Staff – Floor	Staff - Kitchen	Manager	Marketing budget	Additional information
Sydney (CBD)	2011	300	120 seats	8	3	1	\$15,000	Mostly customers from the local businesses
Sydney (Bondi junction)	2012	300	60 seats	5	2	1	\$12,000	Mixture of family and business customers
Melbourne (CBD)	2013	300	130 seats	8	3	1	\$18,000	Mostly customers from the local businesses
Brisbane (CBD)	2014	300	80 seats	6	3	1	\$20,000	Mostly customers from the local businesses
Gold Coast (Surfers)	2015	300	65 seats	5	2	1	\$10,000	Mostly tourist customers

Trading results 2015

	Yearly trading	Capacity	Lunch	Avg Occ. 2015	Avg spend	Revenue	Dinner	Avg Occ.	Avg spend	Revenue

	g days							2015		
Sydney (CBD)	300	120 seats	Yes	125%*	\$15.50	\$697,500	No			
Sydney (Bondi junction)	300	60 seats	Yes	95%	\$14.00	\$239,400	Yes	75%	\$18.50	\$249,750
Melbourne (CBD)	300	130 seats	Yes	140%*	\$16.50	\$900,900	No			
Brisbane (CBD)	300	80 seats	Yes	100%	\$14.00	\$336,000	No			
Gold Coast (Surfers)	300	65 seats	Yes	75%	\$14.75	\$215,719	Yes	55%	\$19.50	\$209,138

* An occupancy of greater than 100% means that the restaurant served more customers than actual number of seats. This is normal practice for busy restaurants.

Total income including art sales and other income (souvenirs)

	Art Sales	Other income	Food & Bev	Total
Sydney (CBD)	\$25,000	\$11,250	\$697,500	\$733,750
Sydney (Bondi junction)	\$6,000	\$4,590	\$489,150	\$499,740
Melbourne (CBD)	\$33,250	\$13,650	\$900,900	\$947,800
Brisbane (CBD)	\$11,600	\$2,400	\$336,000	\$350,000
Gold Coast (Surfers)	1,500	\$1,267	\$424,856	\$427,624

The product

The menu offerings are quite simple and are designed for a broad cross-section of target groups. The limited choice of three bowl sizes (peckish, hungry and famished), five sauces (Napolitano, Bolognese, Carbonara, Pesto and Marinara) and six pasta types (spaghetti, fettucini, ravioli, tortellini, farfalle and penne) make the dining experience fun and easy for families whilst being quick and filling for local business people. Each restaurant has a small bar which serves a small range of alcoholic beverages and soft drinks.

In addition to food and beverage, art is on display in all the restaurants and is sold on consignment (50% split between the artist and the restaurant). There are also souvenirs for sale which at this stage have been relatively successful but have not been a focus area for marketing.

Marketing

Marketing to this point has been a mixture of local promotions and word of mouth and the manager at each restaurant has been managing its own affairs. For example, the restaurant located in the Sydney CBD has targeted local businesses whilst the restaurant located on the Gold Coast targets tourists (although they recognise that this strategy is limited due to seasonality).

The future

The owners recognise that they are competing in a mature and fragmented market that is being dominated by franchises and fast food. This being said, they believe that their model has been very successful and that they would like to open a further five restaurants over the next five years. A target of 10% increase in number of customers and spend per customer is also a key expectation. They see great opportunity in building a family based business offering opportunities for partner sharing with employees who wish to become owners. They would also like to promote the brand further to capitalise on the additional benefits it would bring and perhaps develop a loyalty program.

To assist with the organisational goals, you have been recently employed as marketing manager and have been given the responsibility of the overall marketing budget (currently \$75,000). As the new marketing manager, you have expressed concern over the limited funds although understand that it is approx. 2.5% of total revenues. You have also been given a further \$100,000 to spend on building a marketing team.

CASE STUDY – ART & PASTA – PART B: Marketing

As Marketing Manager, you have now been in the role for twelve (12) months and a new restaurant has just opened in the Adelaide CBD with another Melbourne restaurant scheduled to open in six months. During this time, your objectives have been implemented and your new team are in place. There has been a flu epidemic in SE Asia and international travel for Australians is on the decline whilst domestic travel gains momentum and hotels around the country are reporting increased occupancies. A new restaurant chain (a competitor) has opened in Sydney (in Bondi) and Melbourne called the Pasta Bowl which has a family theme with an indoor play centre for kids. Their prices are very similar to Art & Pasta and they are running an 'opening' promotion where 'kids eat free' when accompanied by two paying adults.

The financial results have been released and are as follows (please note, your objectives defined in Part A may or may not have been implemented and therefore an assessment

will need to be made despite your recommendations. For example, a strategic objective might have been to increase prices yet results show a decline in average spends. This could mean that a) the increase was not implemented, b) other strategies were implemented such as discounts or c) other factors influenced the result:

Trading results 2016

	Yearly trading days	Capacity	Lunch	Avg Occ. 2016	Avg spend	Revenue	Dinner	Avge Occ. 2016	Avg spend	Revenue
Sydney (CBD)	300	120 seats	Yes	135%*	\$15.50	\$753,300	No			
Sydney (Bondi junction)	300	60 seats	Yes	80%	\$13.50	\$194,400	Yes	50%	\$19.50	\$175,500
Melbourne (CBD)	300	150 seats**	Yes	150%*	\$16.50	\$1,113,750	No			
Brisbane (CBD)	300	80 seats	Yes	120%	\$15.50	\$446,400	No			
Gold Coast (Surfers)	300	65 seats	Yes	110%	\$15.00	\$321,750	Yes	80%	\$19.50	\$304,200
Adelaide CBD	60	70 Seats	Yes	45%	\$14.00	\$26,460	Yes	40%	\$17.00	\$28,560

* An occupancy of greater than 100% means that the restaurant served more customers than actual number of seats.

** An additional 20 seats were created by removing two walls within the restaurant.

Total income including art sales and other income (souvenirs)

	Art Sales	Other income	Food & Bev	Total	2015	% Growth
Sydney (CBD)	\$27,500	\$13,122	\$753,300	\$793,922	\$733,750	8%
Sydney (Bondi junction)	\$10,000	\$3,978	\$369,900	\$383,878	\$499,740	-23%
Melbourne (CBD)	\$36,575	\$20,250	\$1,113,750	\$1,170,575	\$947,800	24%
Brisbane (CBD)	\$12,760	\$3,168	\$446,400	\$462,328	\$350,000	32%
Gold Coast (Surfers)	1,700	\$3,705	\$625,950	\$631,355	\$427,624	48%
Adelaide CBD	\$750	\$178.50	\$55,020	\$55,949	n/a	n/a