

M16 – Commercial and Marketing Management

Comprehensive Assignment Report

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Abstract

Commercial and marketing management are crucial aspects in the functioning of contemporary organizations. Organizations need to have successful commercial and marketing management systems for them to be able to compete in a competitive environment. These systems are important for creating customer value, enhancing sales performance, building brand images, and making ethical decisions. This study looks at the relationship between commercial management and marketing performance, branding, customer value, and ethical marketing management practices.

The report focuses on issues related to market segmentation, pricing, targeting, positioning, branding, customer relationship management, digital marketing, and income generation techniques. Moreover, the report looks into various unethical practices like false advertising, hidden fees, green washing, unethical pricing, and unethical use of customer information. The study examines the impact of commercial and marketing practices on customer acquisition, profitability, customer loyalty, and growth of the organization in the long run.

Secondary data collection method has been adopted for conducting this research by making use of scholarly articles, textbooks, case studies, and industry reports. Various examples are cited from real world cases like Coca-Cola, Apple, Amazon, Nike, Starbucks, and Toyota to highlight the application of commercial and marketing management techniques in the industry.

The results of the report reveal that the implementation of sound commercial and marketing policies improves the performance of the organization as well as its competitive edge. Ethical marketing practices further ensure customer loyalty, enhanced reputation, and sustainability.

Introduction

Functions such as commercial and marketing management are integral within modern organizations since they affect income, customer satisfaction, product development, and market position. Modern organizations operate in very competitive business environments that require knowledge of customer needs and implementation of appropriate business strategies for sustainability.

In commercial management, businesses plan and control their operations that concern sales, income generation, pricing strategy, customer acquisition, and market expansion. On the other hand, in marketing management, organizations identify customer requirements, produce suitable products or services, create value, and establish customer relations.

Modern organizations are aware of the need for the integration of commercial and marketing strategies in order to enhance organizational performance. Marketing decisions are responsible for growth in sales, income generation, profitability, and market expansion in the business environment. Organizational competence regarding customer behavior and market trends gives firms an advantage over their competitors.

In addition to these factors, branding and value creation for customers should be considered. Successful organizations have good brands that allow them to stand out in competition and connect emotionally with their customers. The value is created by organizations through high-quality products and services, innovation, convenience, and customer-oriented approach.

In addition to the above-mentioned factors, ethical issues in marketing and business management still draw considerable public interest. In the modern business environment, organizations are expected to act in an ethical manner, which includes transparency, responsibility, and proper

treatment of customers. Ethical problems associated with marketing include deceptive advertising, unethical use of customer data, greenwashing, and unfair prices.

This report discusses three important areas of business and marketing management:

1. Business strategy and marketing effectiveness in modern organizations.
2. Branding and customer value creation.
3. Ethical marketing and decision-making.

Literature Review

Commercial Management

Business management refers to the process of managing business activities that have connections with sales, pricing, customer acquisition, revenue generation, and business expansion. As mentioned by Kotler & Keller (2022), business management involves maximizing profits for an organization as well as satisfying its customers.

Aspects of business management include:

- Sales planning.
- Revenue generation.
- Market analysis.
- Pricing.
- Distribution.

- Customer management.
- Business expansion.

Business organizations use business management strategies to increase their market shares and acquire customers.

Marketing Management

Marketing management is all about recognizing, understanding, and fulfilling the needs of the customers in an economically sound manner. Marketing management entails an organization understanding its customers, market trends, and competition.

Some key functions of marketing management include:

- Market research.
- Product development.
- Advertising.
- Branding.
- Pricing.
- Customer relations.
- Digital marketing.

Marketing management helps promote customer loyalty and brand awareness.

Market Segmentation, Targeting, and Positioning

Market segmentation is the process of separating consumers into categories according to their similarities in demographic, behavioral, financial, or preference-based criteria.

Market targeting implies the selection of consumer segments that will be the target of service provision by the organization.

Market positioning is the creation of a unique perception among the consumers regarding the brand.

All three concepts ensure customer satisfaction and competitive advantages.

Branding and Customer Value

Branding refers to the process of creating a distinct identity and image for products or services. Strong brands improve customer trust, recognition, and loyalty.

Customer value refers to the benefits customers receive relative to the costs of products or services. Organizations create customer value through quality, innovation, convenience, pricing, and customer service.

Ethical Marketing

Ethical marketing entails promoting products and services in an honest and responsible way.

Ethical marketing helps safeguard consumers and builds trust between organizations and consumers.

The ethical issues associated with marketing are:

- Fraudulent advertisement.
- Hidden fees.

- Illegal use of consumer information.
- Greenwashing.
- False product claims.
- Pricing issues.

Ethical marketing helps build customer trust and sustainability within organizations.

Methodology

Qualitative secondary research approach has been employed in this report. Information was gathered using textbooks, business journals, business books, and online databases.

Secondary research was chosen since it allows an extensive understanding of various theories related to commercial and marketing management, cases, and organizational practice.

The methodology includes:

- Discussion of commercial and marketing management theories.
- Analysis of branding and consumer values.
- Critical examination of ethical marketing.
- Evaluation of organizational cases.
- Comparison of marketing and commercial approaches in various industries.

In the present research, emphasis is placed on examining links among marketing management, customer satisfaction, organizational development, and ethics in business.

Option 1: Commercial Strategy and Marketing Performance in Modern Organizations

Relationship Between Commercial Management, Marketing Management, and Business Growth

Commercial Management and Marketing Management are very interrelated due to their involvement in growing organizations and ensuring their profitability.

Commercial Management is concerned with sales and business performance, whereas Marketing Management deals with customers' wants and market activities.

The following benefits could be obtained for an organization where these two strategies are used together:

- Higher sales.
- Better customer acquisition.
- Increased customer loyalty.
- Market expansion.
- Higher profitability.

Marketing efforts impact commercial results through creating awareness and attracting customers.

Pricing Strategies

Pricing is an important component of commercial management because it directly affects sales, profitability, and customer perception.

Cost-Based Pricing

Organizations determine prices by adding profit margins to production costs.

Competitive Pricing

Businesses set prices based on competitor pricing strategies.

Value-Based Pricing

Organizations price products according to perceived customer value.

Penetration Pricing

Companies introduce products at low prices to attract customers quickly.

Premium Pricing

Organizations charge higher prices to create perceptions of superior quality.

Apple uses premium pricing strategies to position its products as high-quality and innovative.

Market Segmentation

Market segmentation helps organizations identify customer groups with similar needs and preferences.

Demographic Segmentation

Customers are grouped based on age, gender, income, or education.

Geographic Segmentation

Markets are divided according to location.

Behavioral Segmentation

Customers are grouped according to purchasing behavior and usage patterns.

Psychographic Segmentation

Customers are grouped according to lifestyle, attitudes, and values.

Effective market segmentation improves customer satisfaction and marketing efficiency.

Targeting and Positioning Strategies

Organizations can utilize targeting to allocate their resources towards profit-making customers.

Positioning enables organizations to develop unique brand personalities that distinguish them from other organizations.

Examples of positioning include:

- Coca-Cola – happiness and lifestyle
- Nike – performance and inspiration
- Toyota – reliability and efficiency

Positioning makes the organizations more recognizable to customers.

Revenue Generation Strategies

Organizations use various strategies to improve revenue generation.

Product Diversification

Introducing new products or services helps organizations attract new customers.

Market Expansion

Organizations enter new geographic markets to increase sales.

Cross-Selling and Upselling

Businesses encourage customers to purchase additional or premium products.

Digital Sales Channels

Online platforms improve customer convenience and sales performance.

Amazon has successfully increased revenue through e-commerce expansion, personalized recommendations, and digital convenience.

Marketing Decisions and Sales Performance

Marketing decision making plays a major role in sales and profitability.

Benefits of marketing include:

- Increasing product awareness.
- Boosting customer engagement.
- Customer retention.
- Increased brand recognition.
- Making customers purchase repeatedly.

Businesses involved in marketing campaigns tend to make profits through more customers and sales.

Real-World Examples

Coca-Cola

Coca-Cola uses strong branding, global advertising, and market segmentation strategies to maintain market leadership.

Amazon

Amazon focuses on customer convenience, digital marketing, personalized experiences, and efficient distribution systems.

Starbucks

Starbucks creates customer value through personalized experiences, premium branding, and customer engagement.

Toyota

Toyota combines quality, reliability, and competitive pricing to strengthen customer loyalty and global market presence.

Benefits of Effective Commercial and Marketing Strategies

- Increased profitability.
- Improved customer satisfaction.
- Stronger brand loyalty.
- Enhanced market competitiveness.
- Higher sales performance.
- Better customer retention.

Challenges in Commercial and Marketing Management

Organizations may face challenges such as:

- Intense market competition.
- Changing customer preferences.
- Economic uncertainty.
- Technological disruption.
- Rising marketing costs.
- Ethical concerns.

Organizations must continuously adapt strategies to changing market conditions.

Option 2: Branding, Customer Value, and Competitive Advantage

Importance of Brand Identity

Brand identity refers to the visual and emotional characteristics that distinguish organizations from competitors.

Strong brand identity includes:

- Brand name.
- Logo.
- Design.

- Messaging.
- Organizational values.

A strong brand identity improves recognition, trust, and customer loyalty.

For example, Apple's minimalist design and innovation-focused identity create strong customer attachment.

Brand Positioning

Brand positioning refers to how customers perceive a brand relative to competitors.

Organizations position brands through:

- Quality.
- Price.
- Innovation.
- Lifestyle associations.
- Customer experience.

Nike positions itself as a performance-driven and inspirational sports brand.

Customer Perception

Customer perception influences purchasing decisions and brand loyalty.

Positive customer perceptions are influenced by:

- Product quality.
- Customer service.

- Advertising.
- Reviews and recommendations.
- Organizational reputation.

Organizations that maintain positive customer experiences improve long-term loyalty.

Customer Value Creation

Customer value refers to the benefits customers receive from products or services.

Organizations create customer value through:

Product Quality

High-quality products improve customer satisfaction.

Innovation

Innovative products differentiate organizations from competitors.

Convenience

Convenient services improve customer experiences.

Customer Service

Responsive customer support increases customer trust.

Personalization

Personalized experiences improve customer engagement.

Amazon creates customer value through fast delivery, convenience, and personalized recommendations.

Digital Marketing

Digital marketing involves promoting products and services through online channels.

Social Media Marketing

Organizations use platforms such as Facebook, Instagram, and TikTok to engage customers.

Search Engine Optimization (SEO)

SEO improves online visibility and website traffic.

Email Marketing

Organizations communicate directly with customers through email campaigns.

Content Marketing

Businesses provide valuable information to attract and retain customers.

Digital marketing improves brand awareness and customer engagement.

Advertising and Public Relations

Advertising is used by businesses to promote their goods or services.

Public Relations deals with ensuring that the organization maintains its good reputation.

The uses of advertising and public relations in organizations include:

- Creating awareness about brands.
- Marketing their products.
- Good reputation.
- Impressing customers.

Ad campaigns by Coca-Cola revolve around emotions and togetherness across the globe.

Customer Relationship Management (CRM)

CRM involves managing interactions and relationships with customers.

Effective CRM improves:

- Customer retention.
- Customer satisfaction.
- Sales performance.
- Personalized communication.

Organizations use CRM systems to track customer behavior and improve service delivery.

Building Competitive Advantage

Competitive advantage refers to factors that allow organizations to outperform competitors.

Organizations achieve competitive advantage through:

- Innovation.
- Brand reputation.
- Customer loyalty.
- Operational efficiency.
- Product quality.
- Customer service.

Apple maintains competitive advantage through innovation, branding, and customer loyalty.

Strategies for Building Strong Brands

Organizations should:

- Maintain consistent branding.
- Focus on customer experiences.
- Invest in digital marketing.
- Encourage innovation.
- Build emotional connections with customers.
- Deliver high-quality products and services.

Strong brands improve organizational growth and sustainability.

Option 3: Ethical Marketing and Commercial Decision-Making

Misleading Advertising

Misleading advertisements refer to cases where organizations give misleading information about their products or services.

Such advertisements include:

- Misleading health claims.
- Misleading descriptions of products.
- Misleading conditions.

Misleading advertisements are detrimental to consumer confidence and organization's reputation.

Hidden Charges and Unfair Pricing

Some organizations use hidden charges or deceptive pricing strategies that mislead customers.

Examples include:

- Undisclosed service fees.
- Misleading discounts.
- Price manipulation.

Ethical organizations promote transparent pricing practices.

Greenwashing

Greenwashing occurs when organizations falsely claim environmental responsibility.

For example, companies may exaggerate sustainability efforts to attract environmentally conscious customers.

Greenwashing damages consumer trust and corporate credibility.

Misuse of Customer Data

Digital marketing is responsible for raising questions related to the confidentiality of customer data.

Customer data collection methods include:

- Websites.
- Social media platforms.

- Mobile apps.
- Loyalty schemes.

Some forms of unethical handling of customer data involve:

- Data sharing without consent.
- Breaches.
- Customer tracking.

Transparency and Consumer Protection

Transparency involves providing honest and accurate information to customers.

Consumer protection ensures customers are treated fairly and safely.

Ethical organizations:

- Provide accurate product information.
- Avoid deceptive marketing.
- Respect customer privacy.
- Maintain fair pricing.
- Respond responsibly to customer complaints.

Social Responsibility

Corporate social responsibility (CSR) refers to organizational efforts to contribute positively to society.

CSR activities may include:

- Environmental sustainability.
- Community support.
- Ethical labor practices.
- Charitable initiatives.

Organizations that demonstrate social responsibility improve public image and customer loyalty.

Ethical Communication

Ethical communication involves honesty, transparency, and respect in marketing messages.

Ethical communication improves:

- Customer trust.
- Brand reputation.
- Long-term relationships.
- Organizational credibility.

Ethical Marketing and Customer Trust

The use of ethical marketing techniques is instrumental in fostering trust in customers.

Customers are more prone to show their backing for companies displaying the following virtues:

- Truthfulness.
- Transparency.
- Social responsibility.
- Justice.

- Ethics.

Patagonia has established customer trust by adopting sustainable business practices.

Ethical Marketing and Long-Term Business Success

Organizations that practice ethical marketing experience:

- Stronger customer loyalty.
- Positive reputation.
- Reduced legal risks.
- Increased customer retention.
- Sustainable growth.

Ethical organizations are more likely to achieve long-term commercial success.

Ethical Frameworks for Responsible Decision-Making

Organizations should develop ethical frameworks that guide commercial and marketing decisions.

Ethical Codes of Conduct

Organizations should establish ethical guidelines for employees and managers.

Transparency Policies

Businesses should provide clear and honest information.

Data Protection Policies

Organizations must protect customer data and privacy.

Corporate Social Responsibility Programs

CSR programs demonstrate organizational commitment to ethical practices.

Ethical Leadership

Leaders should model ethical behavior and accountability.

Benefits of Ethical Marketing

- Improved customer trust.
- Stronger reputation.
- Increased customer loyalty.
- Better stakeholder relationships.
- Sustainable business growth.

Findings

A number of important insights were obtained from the study on commercial and marketing management.

1. Efficient commercial and marketing practices enhance organizational development and profitability.
2. Market segmentation, targeting and positioning help in customer attraction and brand awareness.
3. Branding is a key element that affects customer perception and loyalty.

4. Digital marketing and CRM help enhance customer interaction and retention.
5. Ethical marketing practices increase customer trust and corporate reputation.
6. Transparency and responsible communication minimize corporate reputational risks.
7. Organizations creating value for their customers attain greater competitive advantage.
8. Ethical commercial decisions facilitate long-term sustainability and profitability.

All the above insights show that marketing and ethics are vital elements for sustaining commercial activities.

Discussion

These results suggest that commercial management and marketing are factors which contribute to performance improvement and competitive advantages. Companies which manage to combine effective commercial strategies and customer-oriented marketing techniques perform better regarding sales achievements, client loyalty, and profitability.

The report draws attention to the significance of branding and the development of value for clients in the contemporary world. By building strong brands, companies can create emotional connections with customers and differentiate from competitors.

At the same time, the role of digital marketing and customer management is becoming crucial because of innovations and alterations in consumers' behaviors.

Another critical aspect discussed in the report is the importance of ethics and proper commercial activities. Being ethically oriented, an organization creates an environment of trust and improves its reputation.

Despite the positive tendencies, today's organizations confront various difficulties, including market competition and fast-changing consumer needs and values as well as ethical issues associated with advertising and personal data protection.

For survival and success, organizations need to focus on value creation, innovation, ethics, and transparent communication.

Conclusion

Commercial and marketing management are crucial elements in achieving organizational success in current business settings. The report focused on commercial strategies and marketing performance, branding and customer value creation, and ethical marketing and commercial decisions.

It was concluded that successful commercial and marketing strategies facilitate organizational profitability, client acquisitions, customer satisfaction, and competitiveness. Segmentation, targeting, positioning, and pricing strategies help organizations grow.

Furthermore, the importance of branding and value creation for the organization was stressed in this research. High-quality product offering, customer experience, and a brand create the necessary competitive advantages for an organization to survive.

Moreover, it was shown in the study that ethics in marketing and commercial decisions is crucial for maintaining organizational reputation and developing client trust.

It is recommended for organizations to maintain focus on customer-oriented strategies, digital marketing activities, innovation, and ethical behavior.

Thus, commercial and marketing management are vital processes in enhancing organizational performance, developing strong customer relations, and ensuring sustainability in business practices.

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Appendices

Appendix I: Market Segmentation Types

Segmentation Type	Description
Demographic	Age, gender, income, education
Geographic	Location-based segmentation
Behavioral	Purchasing behavior and usage
Psychographic	Lifestyle, values, attitudes

Appendix II: Pricing Strategies

Pricing Strategy	Description
Cost-Based Pricing	Based on production cost plus profit
Competitive Pricing	Based on competitor prices
Value-Based Pricing	Based on perceived customer value
Penetration Pricing	Low introductory pricing
Premium Pricing	High pricing for quality perception

Appendix III: Ethical Marketing Issues

1. Misleading advertising
2. Hidden charges
3. Greenwashing
4. Misuse of customer data
5. False product claims
6. Unfair pricing

Appendix IV: Benefits of Strong Branding

- Improved customer loyalty
- Higher brand recognition
- Increased customer trust
- Competitive advantage
- Better profitability
- Stronger organizational reputation