Knowledge Organiser

Unit 2: Marketing

Marketing is:

Marketing

Market research

2:1 The Role of Marketing

How can a business increase sales?

1. Advertise the product or service more in order to raise awareness of what is on offer
2. Introducing a new model that will appeal to more customers
3. Increase the range of products or services available
4. Reducing the price to sell more products - but will profits increase?
5. Selling the product in different countries to target a wider range of customers
6. Selling by different methods i.e. Online or offering digital distribution

2:2 Market Research

Before a business starts, it is important that the owners know exactly who their customers are likely to be.

Primary	Pros	Cons
Questionnaire		
Interviews		
Trials		
Focus groups		

Secondary sources include census data, websites, internal data and newspapers.
Pros: cheap and already available to use
Cons: not exactly what you need and could be out of date

Target market

Primary research

Secondary research

Qualitative data

Quantitative data

A watch can be segmented in a number of ways:

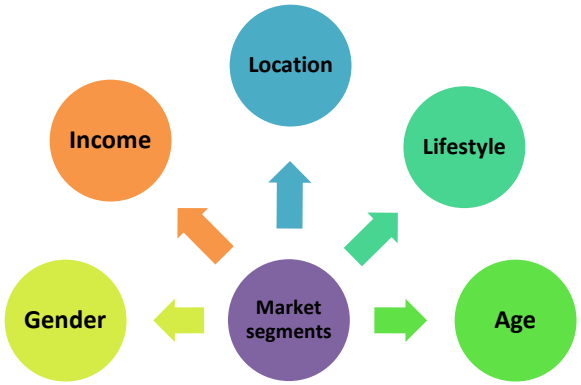
Age - Disney theme for children, plain for adults

Gender - made for men or women

Income - watches can be very cheap at £10 others can be very expensive at £1000's

Lifestyle - special watches for diving, running and other outdoor sports

2:3 Market Segmentation



Market segmentation

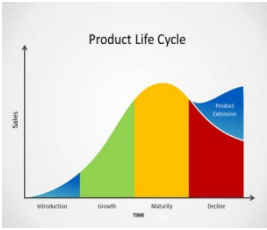
2:4 The Marketing Mix - Product

The product is a vital element of the marketing mix. The product or service must be something customers actually want.

Advertising a new product more widely can increase sales and extend the life of a product.

Reducing the price of a product can help to maintain sales and extend the life of a product.

Selling in new markets i.e. abroad, opens the product up to a wider range of new customers and so extends the life of the product



Introduction

Growth

Maturity

Decline

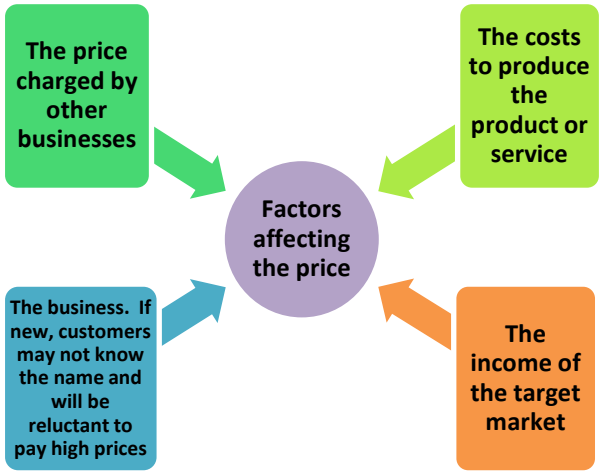
Knowledge Organiser

Unit 2: Marketing

2:4 The Marketing Mix - Price

- *Competitor pricing*
- Cost-plus pricing
- Penetration pricing
- Skimming
- Promotional pricing

A business must take great care when setting the price of products and services. Too low and the business won't make enough profit, too high and customers will not buy



2:4 The Marketing Mix - Place

Place is:

- Physical distribution
- Digital distribution

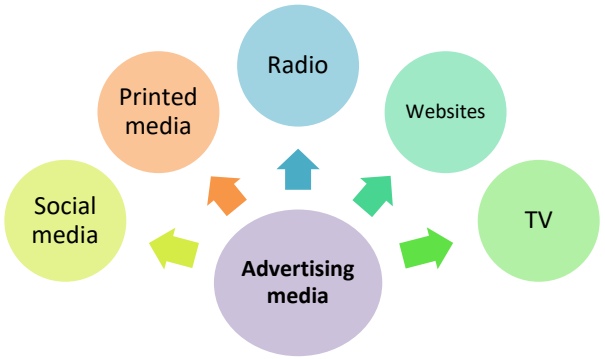


Advantages of digital distribution	Disadvantages of digital distribution
▪ Customers can access products and services 24/7 ▪ Goods are downloaded so available quickly ▪ No physical product to deliver so the business saves money	▪ Not all goods are suitable for digital distribution i.e. bread ▪ Not all customers have access to the internet ▪ Easier for illegal content to be copied and distributed which means the business loses sales

2:4 The Marketing Mix - Promotion

Aims of promotion

- To inform customers about a product or service
- To keep a business ahead of its competitors
- To create or change the image of a business, its products and services
- To maintain or increase sales



- Point of sale promotions
- Advertising campaign
- Advertising media

Assessment Information

Your assessment will take place during a normal timetabled lesson but you should be revising at home.

Number of marks available: 40
Time allowed: 50 minutes

Answer **ALL** of the questions

The first 5 questions will be multiple choice - you must only select **ONE** answer, selecting two will score 0 marks.

The other questions will include a range of 2, 3, 4, 6, 7mark questions

Possible questions

1. Identify which price a business should charge.
2. Explain one advantage and one disadvantage of using focus groups.
3. Analyse one benefit of a businesses distribution channel.
4. Analyse two benefits of using questionnaires to gather market research.
5. Evaluate whether or not a business should use social media to promote its products.

State **Explain** **Analyse** **Recommend** **Evaluate**