GCSE Business
Marketing

Functions of Marketing Department

- **Market Research ➔** carry out market research to find out what customers want
- **Product ➔** identify and source potentially successful products for the marketplace
- **Price ➔** setting the right price that the product will be sold at that customers are willing to pay
- **Promotion ➔** overseeing advertising and promotion campaigns to ensure that the product is promoted in a way which creates maximum customer awareness and persuades potential customers to make the decision to purchase the product
- **Place ➔** making the product available in the right place at the right time – including choosing appropriate distribution channels
- **Sales Process / Customer Service ➔** ensuring that the business delivers good customer service and maintains positive public relations

The Market

Mass Markets

Definition: A large market of customers which is undifferentiated and that sells products and services to suit a large number of people.

Niche Markets

Definition: A smaller part of a large market, with products tailored to specific customer needs.

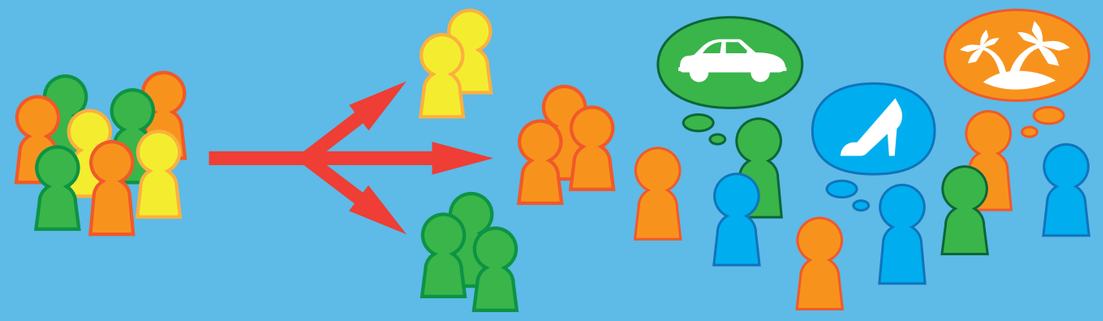
Competitive Environment

Definition: Where there are a number of businesses attempting to persuade consumers to buy their products. Such competition will be based on such factors as price, design and quality.

Market Growth

Definition: Measures the percentage of increase in the sales volume or value.

Sales Value ➔ measures the revenue generated
Sales Volume ➔ measures the number of items sold



Market Segmentation

Definition: Involves dividing the market (target / niche markets) into parts which have specific characteristics e.g. age / gender / income / socio-economic group.

- **Socio-economic ➔** people in different jobs ➔ with different lifestyles ➔ related to affordability
- **Location ➔** where people live / residential areas ➔ work
- **Income/cost ➔** how much can be afforded ➔ e.g. it may be cheaper to have one item over another
- **Lifestyle ➔** e.g. increase in leisure ➔ increase in demand of item
- **Time/purpose/use/interests/hobbies**
- **Ethnic and cultural ➔** are some groups more likely to use a product than others?
- **Skill/proficiency ➔** based on ability/experience
- **Gender ➔** a good/service may be more appealing to females than males

Marketing Mix

Definition: The combination of factors which help a business to sell its products. It is usually considered to involve the 4Ps of product, price, promotion and place.

Market Research

Market Research

Definition: The way in which information and data is gathered about consumers, competitors and market trends.

Focus Groups

Definition: Where consumers are brought together by businesses to discuss their reactions to products before they are launched.

Consumer Panels

Definition: Recruited by research companies to represent the views of consumers in a particular sector. They will be asked to comment on such things as product design and taste, or on the branding and advertising of products.

GCSE Business
Marketing

Primary Research

Definition: (field research) ➔ collecting primary data ➔ collecting information that does not already exist ➔ it is collected for a specific purpose.

Examples:

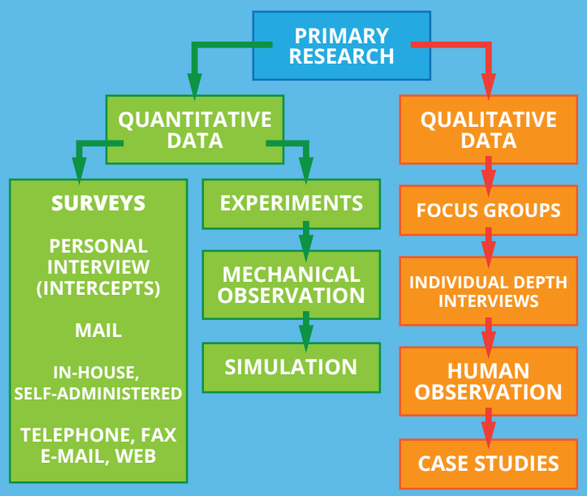
Questionnaires, focus groups, personal interviews, IT based research such as email surveys, telephone interviews, postal surveys, observation, consumer panels, test marketing

Advantages:

- ☑ Up-to-date ➔ gathered first-hand ➔ collected by the researcher (yourself)
- ☑ Specific to a business' own needs / accurate
- ☑ Provides answers to exact questions that a firm may be interested in

Disadvantages:

- ☒ Can be very expensive to collect ➔ could the money have been better utilised using secondary research?
- ☒ Can be very time consuming to collect so that by the time it has been collected and analysed the market may have changed
- ☒ Can have problems of bias



Secondary Research

Definition: (desk research) ➔ involves using information which already exists ➔ this can be collected internally or externally.

Examples:

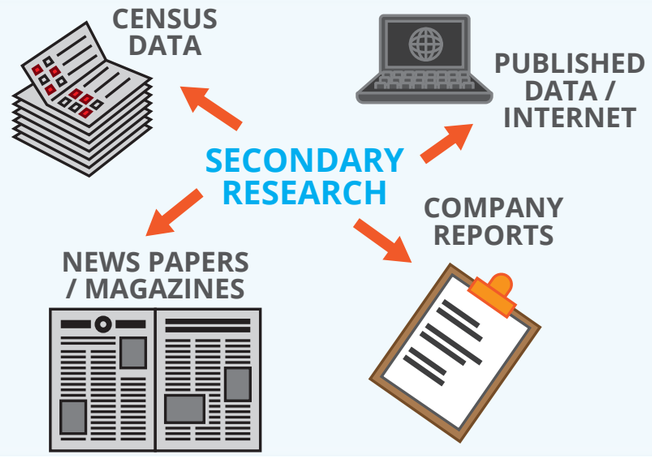
- Newspapers/magazines
- Trade journals
- Internal data e.g. company reports/ business records/financial data
- Census data
- Published research/internet

Advantages:

- ☑ It is inexpensive to collect and quick to obtain
- ☑ Enables cost-effective analysis of several data sources

Disadvantages:

- ☒ Often out of date
- ☒ Might not be available
- ☒ Little control over quality
- ☒ Problems of interpretation



Qualitative Data

Definition: Involves collection of data about attitudes, beliefs and intentions. *Focus groups, participant observation and interviews are common methods used to collect qualitative data.*

- Researcher may only know roughly in advance what he/she is looking for.
- Recommended during earlier phases of research projects.
- Can be time consuming to collect and may be difficult to draw general conclusions.
- Information gathered is often open to high degree of interpretation (subjective) and so there are often disagreements within business about the significance and importance of qualitative data.
- Data is in the form of words, pictures or objects.

Quantitative Data

Definition: Involves the collection of data that can be measured. This means the collection of statistical data such as sales figures and market share. *Surveys and the use of government publications/existing statistics are common methods of collecting quantitative research data.*

- Researcher uses tools, such as questionnaires and surveys to collect numerical data.
- Researcher knows clearly in advance what he/she is looking for.
- Recommended during latter phases of research projects.
- Is usually regarded to be less open to interpretation than qualitative data (objective).
- Data is in the form of numbers and statistics.