

Key Topic Checklist - Unit 1 Marketing

Topic 2.1 Conducting Market Research with Limited Budgets		
Topic	Notes	Revised?
Market Research	<p>Market Research The process of gathering, analysing and processing data relevant to marketing decisions</p> <p>Two types of Market Research</p> <ul style="list-style-type: none"> • Primary Market Research • Secondary market research <p>Reasons for conducting market research</p> <ul style="list-style-type: none"> • Learn more about possible competitors • Learn more about customer needs • Learn more about the market: <ul style="list-style-type: none"> • The Market Size • Rate of Market Growth • The market share of firms already in the market • Possible market opportunities e.g. new trends • Different Market Segments <p>Difficulties of start-up research</p> <ul style="list-style-type: none"> • Lack of money/funds • Entrepreneurs may rely on secondary research which may not be specific enough for their needs. • They may also undertake very limited primary research. 	
Primary Market Research	<p>Primary Market Research This refers to data gathered for the first time. It is also called 'field research.'</p> <p>Methods Examples include telephone surveys, questionnaires, customer/supplier feedback, focus groups and internet research.</p> <p>Advantages</p> <ul style="list-style-type: none"> ▪ Information collected is up to date ▪ Specific to the purpose - the business can ask the 	

	<p>exact questions it wants answers to</p> <p>Disadvantages</p> <ul style="list-style-type: none"> ▪ Can be difficult to collect and/or take a long time to collect ▪ Is expensive to collect 	
Secondary market research	<p>Secondary market research This refers to data that has already been collected by someone else. It is also called desk research.</p> <p>Methods Examples include newspapers, books, magazines, journals and the Internet</p> <p>Advantages</p> <ul style="list-style-type: none"> • Information can be gathered quickly and cheaper. There is a great deal of information available from books, the Internet and other secondary sources. • Can provide information on large sections of the population <p>Disadvantages</p> <ul style="list-style-type: none"> • Existing data may not be exactly what the start-up business wants • Existing data may be out of date or unreliable 	

2.2 Using the Marketing Mix

Topic	Notes	Revised?
Elements of the marketing mix	<p>Marketing Mix This refers to all the activities influencing whether or not a customer buys a product. The elements of the mix can be analysed using the four P's: price, place, product and promotion.</p>	
	<p>(1) Product This refers to all the factors relating to the design, the specifications and features of the product. Many firms (particularly small ones) try to adapt their goods and services to the special needs of customers, in order to increase sales and customer loyalty.</p> <ul style="list-style-type: none"> • Product differentiation - This is when businesses attempt to make their product stand out from competitors e.g. through having a unique design or 	

	<p>different product features.</p> <ul style="list-style-type: none"> • Product range/mix - All the products made or sold by a business 	
	<p>(2) Promotion All the ways in which companies make consumers aware of their organisation and products, and <i>persuade</i> them to buy!</p> <p>Examples include advertising in local newspapers, the use of personnel recommendation (word of mouth), business cards and the Internet are all appropriate methods of promotion for a small business.</p>	
	<p>(3) Price The amount charged by a business for its product or services. Price is affected by demand.</p> <p>Businesses have to be sure the price they charge is the price customers are willing to pay. E.g. A price rise would probably affect the profits of a small business in a competitive market.</p>	
	<p>(4) Place This refers to where the product is sold or the way in which the product is distributed. E.g.</p> <ul style="list-style-type: none"> ▪ Products may be sold direct to customers (for example, via the internet) or via shops ▪ Products may come direct from the factory to the shop or they may be bought by a wholesaler first 	
Use of ICT in assisting international Marketing	<p>E-commerce A method of marketing which brings buyers and sellers together electronically - transactions are carried out entirely via the internet. Small businesses can now reach much wider markets than they could in the past because of the internet, meaning they can now target customers across the world.</p> <p>Advantages A global market - new markets to sell to Websites can be set up relatively cheaply Can easily purchase online advertising space so that the site can be easily reached from targeted online locations</p>	

	<p>Disadvantages</p> <p>Payment security issues</p> <p>A global market - greater competition</p> <p>Rapid rise in demand may led to problems keeping to delivery promises</p>	
<p>Selecting an appropriate marketing mix</p>	<p>Factors that influence choice of marketing mix activities</p> <ul style="list-style-type: none"> • The product - is it distinctive? • Competitor's products - What do they offer and how does it compare to what you have? • The target customers - Who are you trying to sell to? How much do they earn? Why are they likely to buy your product? • Business approach - what are the aims and objectives of your business? What are you setting out to achieve? <p>Remember that the choice of marketing mix activities must be suitable for a small business with a limited budget!</p>	