

Table of Contents

(Unit 4.1 introduction to Marketting)	2
Overview	2
What is a Market	2
Physical	2
A market as a type of product	3
The 7 Ps of Marketting	3
Product vs market oriented.....	3
Market share vs market growth	4
BCG Matrix	6
(Unit 4.2) Business Marketting	7
Elements of a Marketting plan	7
Elements of a Marketting plan	7
Segmentation and targeting.....	8
Targeting.....	9
Product differentiation.....	9
(Unit 4.3) Sales Forecast.....	10
Causal model:	10
Time series analysis	11
Line of best fit.....	12
(Unit 4.4) Market research	12
Why organisations carry out market research	12
Primary based research	13
Secondary research.....	14
(Unit 4.5) The 7 P's of Marketting mix	15
Product.....	15
Product life cycle.....	15
Research and development	16
Introduction	16
Growth	16
Maturity	17
Decline.....	17
Extension phases.....	17
Branding and awareness	17

Price	18
PED	19
Promotion	19
Above the line promotion	19
Below the line promotion	20
Through the line promotion	21
Digital marketing	22
Social media	22
Place.....	23
People	24
The importance of cultural differences in customer service	24
Process	24
Placing and paying for orders.....	25
Delivery system	25
Physical evidence.....	25
(Unit 4.6) International marketing	26
Methods of entry into international Marketing.....	26
International marketting strategies	27
Opportunities and threats of international marketing.....	27
Threats for entry into international marketing	28

(Unit 4.1 introduction to Marketting)

Overview

- Marketting is the process which satisfies consumer needs profitability
- To have the best Marketting campaign, hiring is needed to assemble a good team for marketing
- Marketting clashes with finance, mainly in the budgeting segment of it
- Researching can be expensive
- Advertising is very competitive and dosent always meet the needs of company

What is a Market

- A place where buyers and sellers come together and interact
- It comes in both physical, and digital markets

Physical

Features a location which can vary based on:

- Culture

- Country name

A market as a type of product

- When a business refers to a particular type of product, ex: market for recycled paper for mobile phones
- The business looks at the size and strength of consumer demand for products

The 7 Ps of Marketing

- Product
- Price
- Promotion
- Place
- People
- Process
- Physical evidence

Product: can be in 2 forms, product or market oriented, where product oriented focuses on the product itself, while market oriented focuses on the market side of the product

Price: amount of money a business charges for its product

Promotion: publication of the product itself

Place: how the products travel from the producer to the consumer

People: everyone who works in the service business and has contact with customers

Process: how a service is delivered to the customers, including customer places and pays

Physical evidence: everything tangible thing of the service, all physical things a customer sees and experiences

Product vs market oriented

Product oriented:

- Prioritise in R and D of high quality, and have specialised product service
- Designers produce new innovative ideas
- Companies with product oriented market usually have a USP (unique selling point)
- Disadvantage is that there is no guarantee that customers will buy the product

Advantages

- USP and quality
- Monopoly power
- Lack of competition

Disadvantages

- High risk
- High costs

Market oriented

- The needs and wants of consumers are put above everything else
- Extensive and ongoing market research
- Biggest disadvantage is that this can be done by large competitors

Advantages

- Low risk
- Increased customer satisfaction
- Repeat customers/loyalty

Disadvantages

- No USP
- Market research has to be done right
- Agility/reactive

Market share vs market growth

Market share

- Represents the total sales of all business in a given market. it is measured by:
- volume, which is measured by amount of goods bought by consumers
- Value, which is measured by the amount of money company is worth

How to calculate market share

- Identify the market
- Identify the time period

$$\text{Marketshare} = \text{product sales} / \text{total market sales} \times 100$$

Market growth

- refers to the increase in sales revenues or sales volume in an individual market over time

Specify the market is being examined

Time period needs to be identified

Market growth the percentage change compared to a previous period:

Formula is:

$(\text{Total market sales } t2 - \text{total sales of } t1) / \text{market sales of } t1 \times 100$

- markets can decline in size
- Business want to sell products in markets that are growing
- Market growth is an external opportunity (STEEPLE)
- It may be easier for the business to sell

Advantages

- accessing distribution channels
- Brand recognition
- Economies of scale
- Price leadership

accessing distribution channels: use retailers to sell products to consumers

Brand recognition: consumers more likely to buy from a known brand

Economies of scale: market leaders have lower unit costs than its completion

Price leadership: businesses have large control over price of its product

Advantages + disadvantages for customers

- Networks
- Price
- Innovation

Advantages

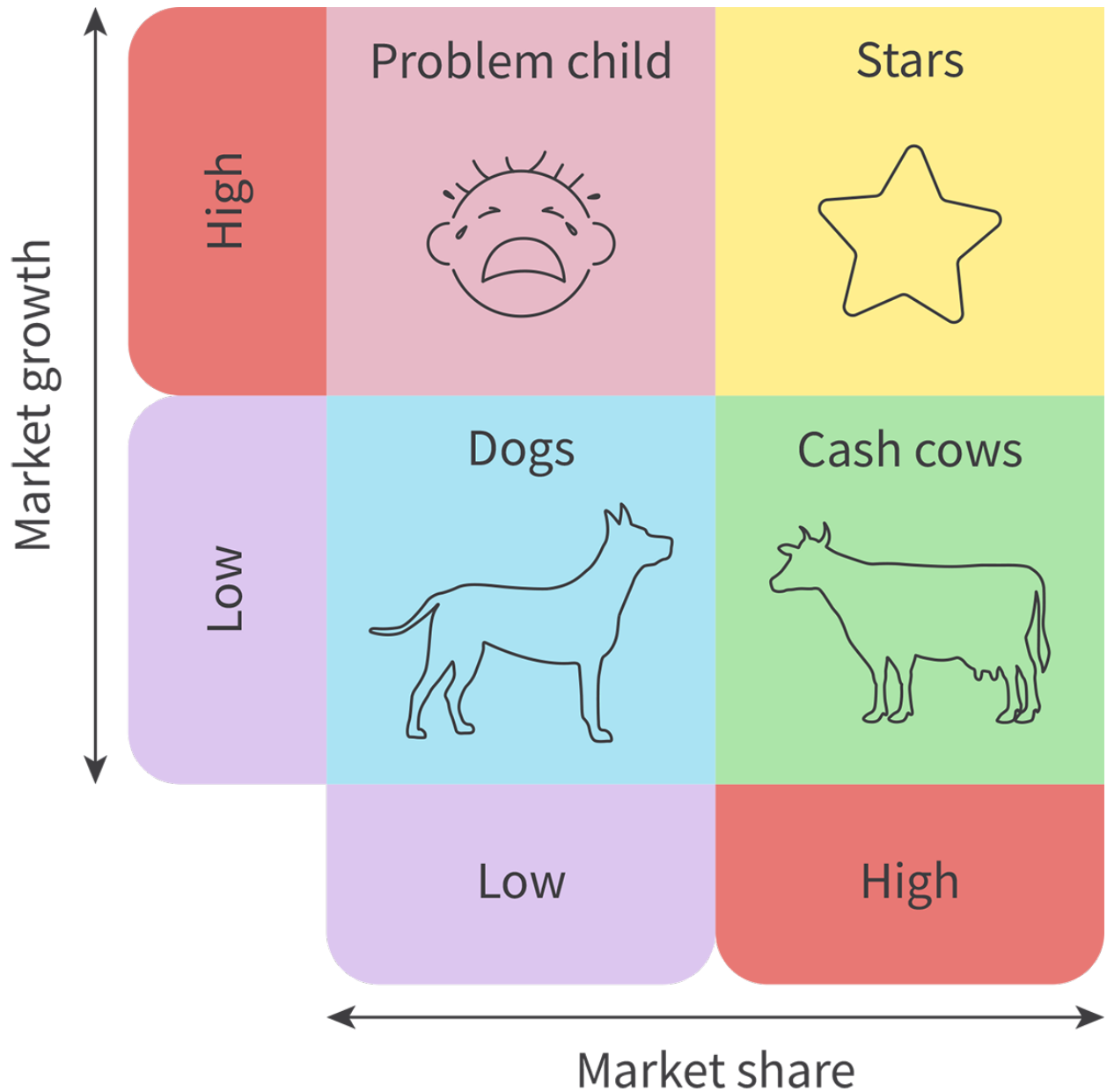
- create network effects, where product becomes more valuable
- Business may reach low economies of scale
- Business may achieve high sales and profits

Disadvantages

- larger business may dominate and abuse power

- No guarantee lower prices if economies of scale is achieved
- If business dominates, it may have little competition, which means less innovation

BCG Matrix



(Unit 4.2) Business Marketing

Elements of a Marketing plan

Marketing objective:

- To provide direction for Marketing function. When achieved, helps overall business objectives (SMART)

Marketing plan

- Object based
- Sales based

Elements of a Marketing plan

- Should be viewed as ongoing
- Helps provide the bases for next set of objectives
- View cycle to be continuously updated



It consists of:

- Segmentation and target market
- Market research
- Marketing strategies
- Control tools

Segmentation: involves breaking consumers into groups which have similar characteristics

Market research: gathering information about the market

Adv of plan

- reduced risks
- Fosters and Independence
- Motivates
- SMART objectives have higher chance of success
- Placing budget ensured no money wasted

Dis adv of plan

- success not guaranteed
- Time consuming and costly
- Bureaucratises the company
- Plans can become outdated
- Failure to prioritize marketing objectives may make it difficult

Segmentation and targeting**Segmentation**

- splitting a population into groups of similar needs or characteristics
- It is the consumer segment which a business aims at its marketing messages

It can be:

- geographic segmentation
- Demographic segmentation
- Psychographic segmentation

Demographic segmentation

- age
- Gender
- Socio-economic group

Age includes: fashion, food, holidays and hobbies of the age group

Gender:

Socio-economic group:

Psychographic factors

- divides population according to lifestyle and interests.
- For ex: when u look at a magazine u may see it divided based by interests

Advantages of segmentation:

- identify gaps and opportunities in markets
- Design suitable products for specific groups
- Reduce waste of resources spent
- Diversify and spread risks

Targeting

- refers to selecting most appropriate segmentation
- Often will be with age group
- Selected segment can also involve larger groups of individuals

There are 2 types of market

- niche market
- Mass market

Niche market

- a niche market is a specific type of market which

Product differentiation

By USP

- product oriented business spend years developing ideas to create a USP
- They have the first mover advantage differentiation
- Companies can market attributes to the products
- Social enterprise may differentiate its product by addressing unaddressed human needs

By price

- lower operating costs
- Most difficult to maintain, as it is risky for the company

- Increase the cost (to give consumer sense of luxury)

By promotion

- creating a long term positive brand image should focus on setting apart from rivals, by adding value for customer
- If company can promote product effectively, can lead to customer loyalty

By place

- how u distribute the product
- Having a convenient location
- Have a global distribution network (Pepsi, Nike etc...)
- How efficient it works
- Placing good distribution is a key to success

By people

- positive interactions with customers
- The quality of customer service
- Ex: Trader Joe's

By physical evidence

- refers to the physical environment of business (aesthetic of store)
- Includes things like layout, interior design, and temperature
- Customers are also able to test product while in store(helps convince customers to buy product)
- Ex: Sephora

By process

- Efficient process is a way to differentiate a business
- Excellent customer service and speed
- For example

(Unit 4.3) Sales Forecast

- Quantitative technique used to predict sales
- Does not always predict the future

Causal model:

- Number of internal and external factors effecting sales
- When businesses use a casual relationship between the independent and sales (dependant) using a casual model

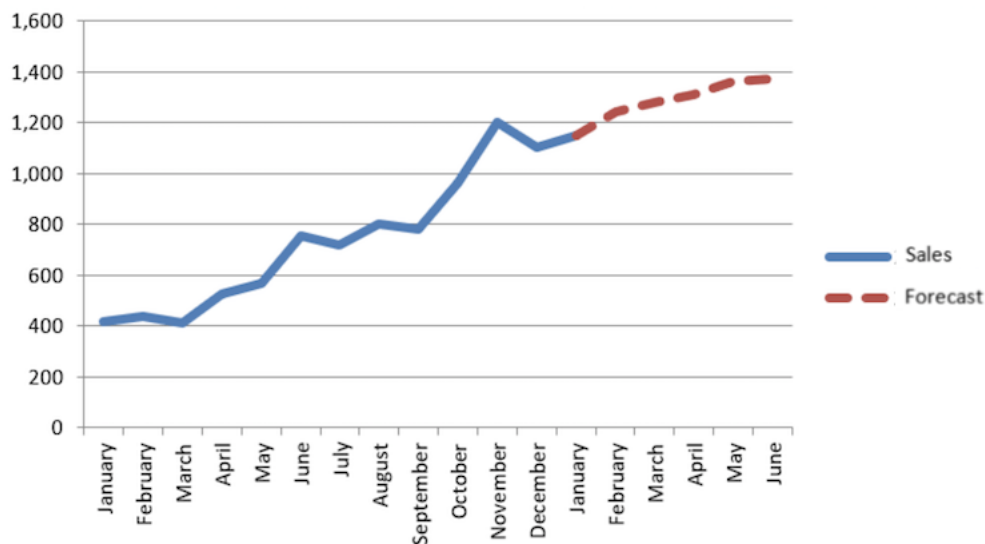
- They are constructed on a scatter diagram
- Line of best fit is then done

corelation:

Positive correlation indicates a direct link between the variable

Negative correlation is when the 2 factors are inversely related. For example, price goes up and the demand for the good goes down

- Is not like causation
- Causation can be from all external factors(general)
- corelation is based on the variables(more specific)



Time series analysis

- Time series can be used to understand trends in history to predict the future data. For example,
- A trend is a visible pattern noticed from past sales data
- Data is recorded by year, month or week, or any time interval. Time is independent variable, sales is the dependent

3 main types

- Seasonal: changes by season
- Cyclical: sales effected by business economic model
- Random variations: changes from unpredictable events

Uses:

- Based on past data
- future planning
- Increase budgets to increase sales
- Better ability to decide

Libations:

- Not enough data
- Changing markets
- Flexibility
- Use of different methods to predict

Line of best fit

- Sketched next to most points on the graph
- If possible roughly through the middle of all the points
- Draw a line that represents the mean of the independent and the dependent variable

(Unit 4.4) Market research

- Gathering the recognition to aid in Marketing decisions

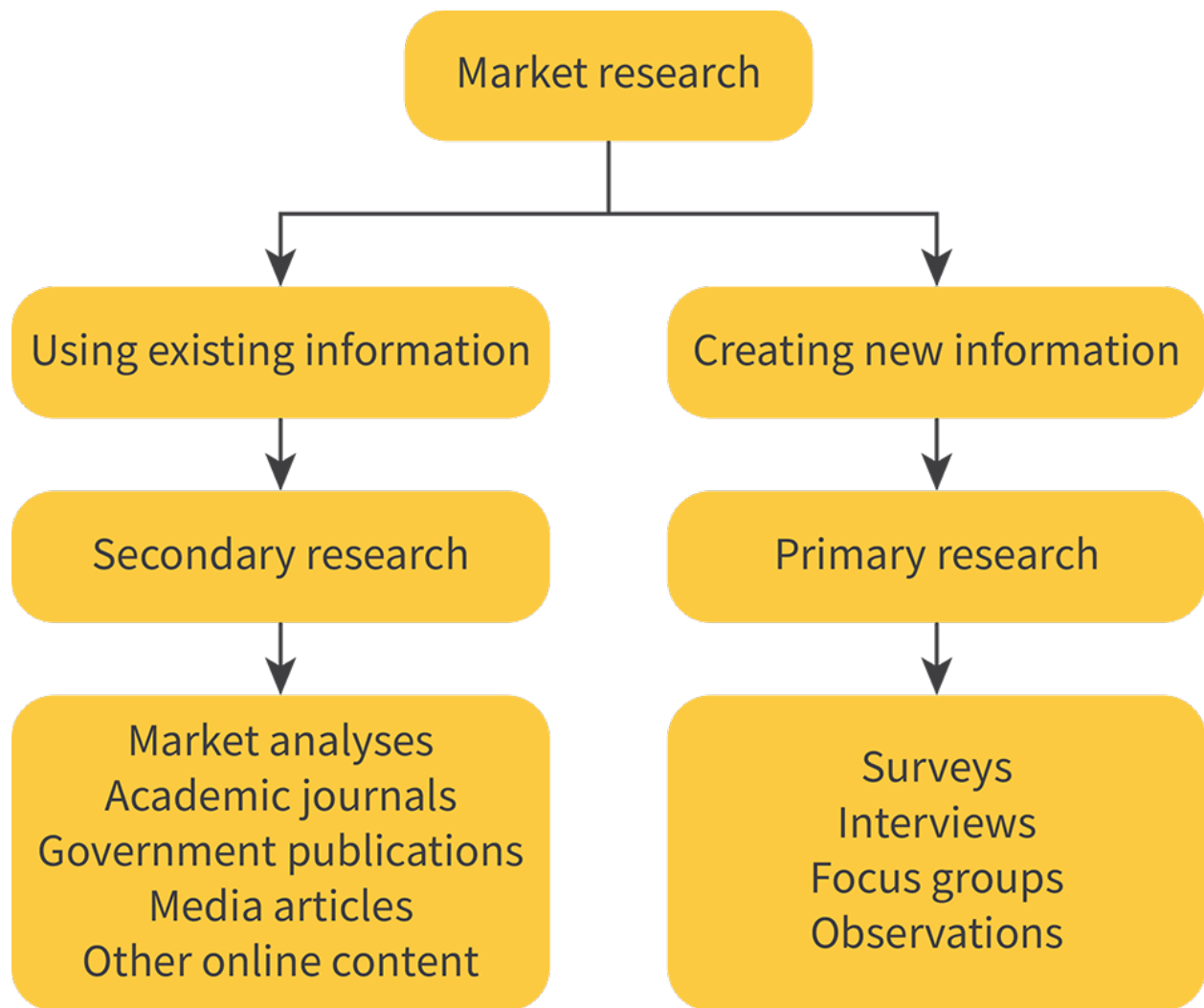
Why organisations carry out market research

- Identify consumer needs
- Identify potential change
- Establishing what consumers like and dislike
- Evaluate existing marketing efforts
- Investigating new possibilities

Types of research

- Product based research
- Price based research
- Promotion based research
- Place based research
- People based
- Process based
- Physical evidence based

How businesses carry out market research



Primary based research

- New information created gathered through surveys, interviews, observations etc.

Types of primary research

- surveys
- interviews
- focus groups
- observations

Survey

- Collect large amounts of data from respondents in a short amount of time
examples:
- Online surveys sent by email
- Surveys by phone

- Face to face survey

Interviews

- Is done to collect large amounts of qualitative data, but usually takes longer

Examples:

- Face to face interviews
- Interviews by phone/digital

Observations

- allow for natural reactions of customers to be studied.

Examples:

- supermarkets use in-store security cameras to observe their customers.

Focus groups

- is an interview conducted with a small group of individuals, usually with similar characteristics.

Examples:

- a small group of parents with young children might be asked about children's products.

Secondary research

- Uses information that is gathered by others
- Used to learn more about STEEPLE factors for the business

Types of secondary research

- a market analysis
- academic journals
- government publications
- media articles
- online content

Market analysis

- can either pay a market research agency to carry out new research, or they can purchase a market analysis report that has already been published

Academic journals

- contain articles on new research and academic theory.

Government publications

- Governments from all over the world regularly publish data covering topics such as population statistics and economic conditions

Examples:

- economic growth, unemployment and inflation

Media articles

- are published in both printed and electronic newspapers and magazines. They are updated regularly and provide current local and/or national information.

Examples:

- Forbes
- New York Times
- Wall Street journal

Online content

- is a general category, as most of the sources above are also available online

Examples:

- social media and social media analytics
- company websites
- data on share/currency/fund pricing
- e-commerce sales data

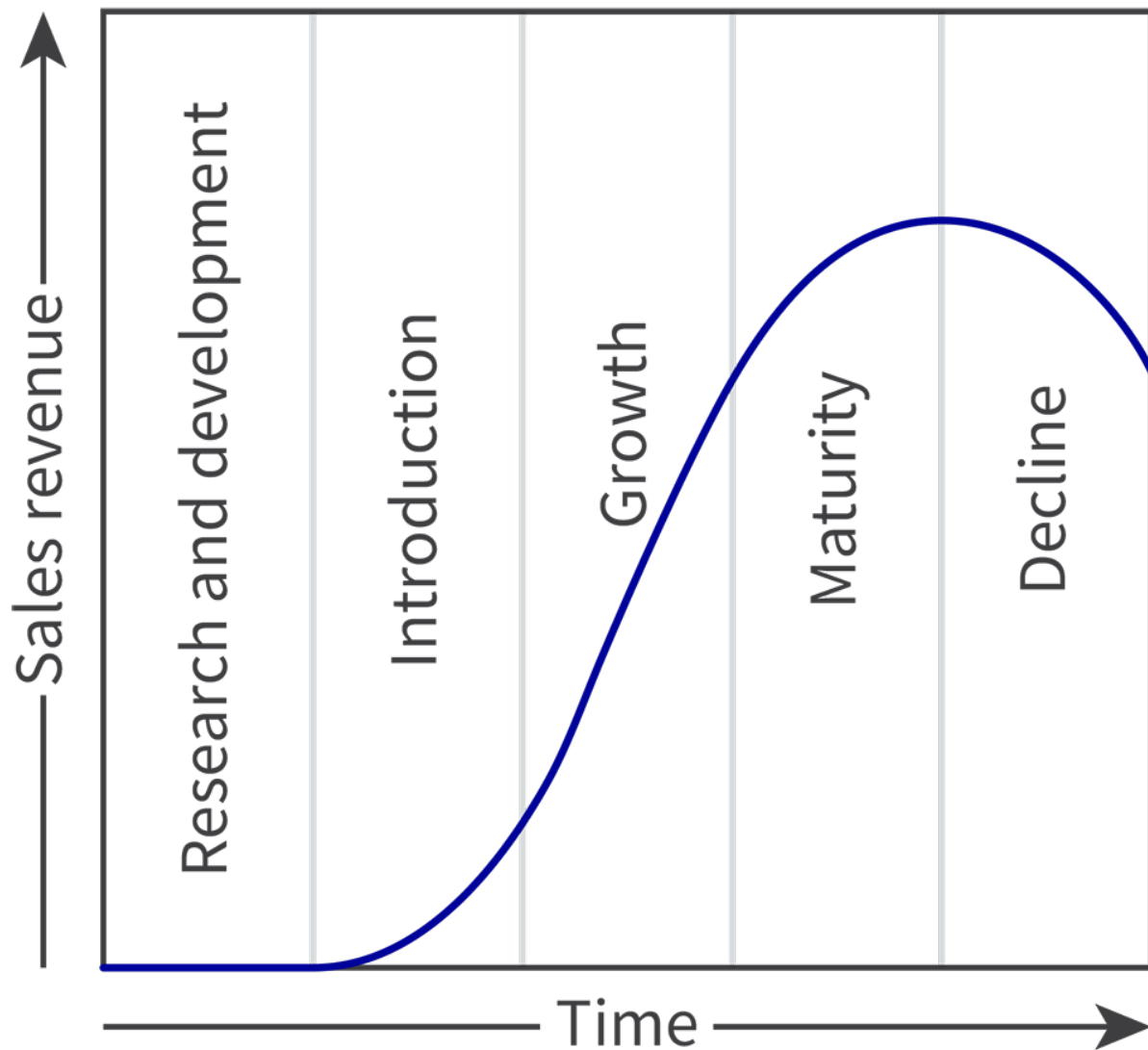
(Unit 4.5) The 7 P's of Marketing mix

Product

- Life cycle
- Branding and loyalty

Product life cycle

- Is a model that showcases a products typical sales trends over time, and is split into 5 stages
 - growth
 - maturity
 - decline
 - introduction
 - research and development



Research and development

- Covers everything about a product before it is released to the market
- It can vary depending on the type of project
- It is the most costly phase of marketing

Introduction

- The phase where the product is released to the market
- Initial sales may be low but may increase over time

Growth

- The phase where the product is experiencing an increase in the sales
- The percentage change in sales is increasing

Maturity

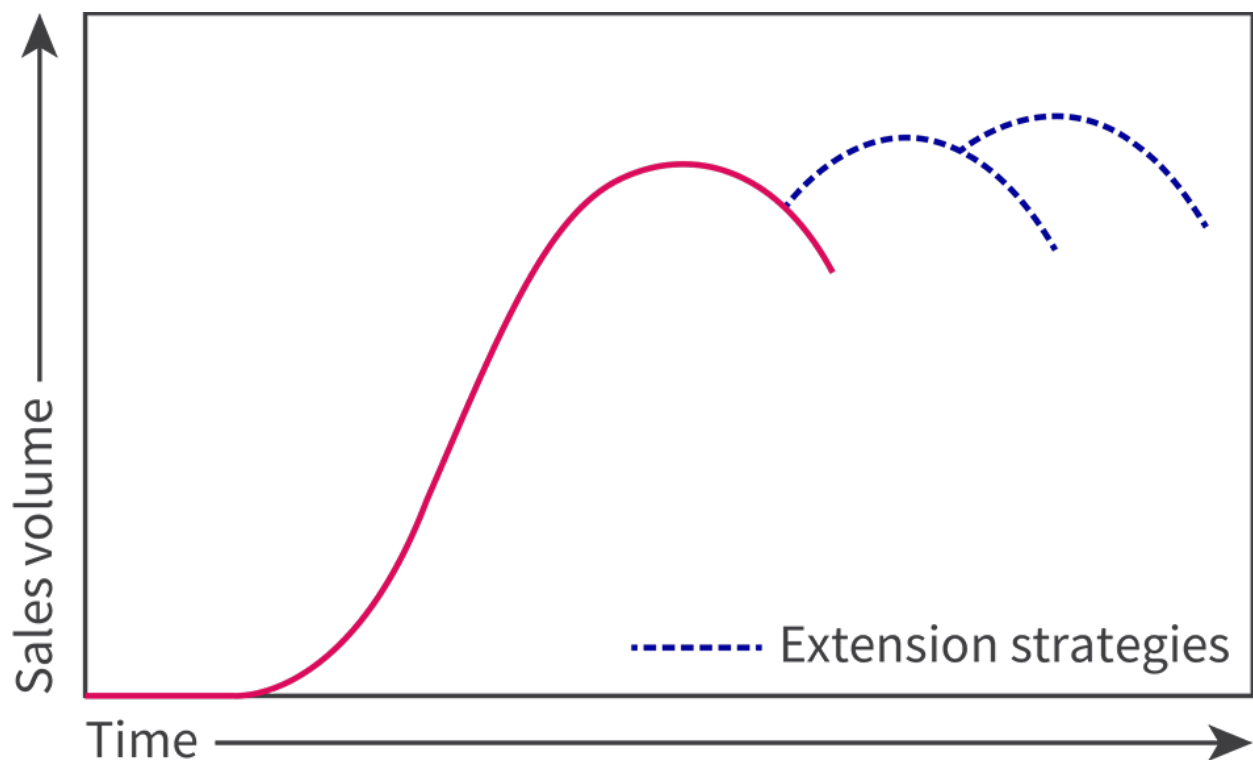
- It is the time of high sales revenue and profits
- Sales can still be growing, but may be at a slower rate

Decline

- The phase where the sales begin experiencing a decline
- May have been as a result of losing their USP

Extension phases

- Models used to extend the life cycle of the product



It can be done by Differentiating the 7ps

Examples include

- reduced price
- Do more promotion
- Target markets

Branding and awareness

Brand name

- Is a name, symbol, or design used to identify a product
- Good brands can give a strong brand name which can be recognised by consumers

Brand awareness

- The degree which consumers recognise a brand
- Strong brands will directly get recognised, like nike

Brand development

- The process of creating a new strong brand
- Can allow a company to release a product with ease

Brand loyalty

- When a consumer continues to buy a particular brand even when there are alternatives
- Customers require minimum convincing to buy a product from that brand

Brand value

- Value of intellectual property associated with the brand
- Can be the additional value which consumers assign to a product

Price

- Pricing methods
- Setting the right price for a consumer

Cost plus(markup) pricing

- Where all direct and indirect prices are added together with a fixed % to set price for customers

Penetration pricing

- When a business originally sets price low, but when loyalty is gained, prices are increased and back to normal

Loss leader pricing

- To price a product lower than its production cost to attract the customers

Predatory pricing

- Pricing a product so low that the competitive market can not compete, and will have to drop out

Premium pricing

- Where the business keeps the price higher to attract the attention of the consumer, and make them feel a sense of luxury, and higher quality

Dynamic pricing

- Selling the same product to different customers for different prices

Competitive pricing

- Setting the price of the product at the same price as the competition

Contribution pricing

- Where the direct cost of production for each unit is calculated, and a price is set higher

PED

- A tool used to measure the change in quantity demanded based off the price
- If price increases demand normally decreases
- Can be inelastic, elastic

The formula is as follows:

$$\text{PED} = \% \text{ change in the quantity demanded of good X} / \% \text{ change in the price of good X}$$

Promotion

- above the line
- Below the line
- Through the line

Above the line promotion

- is the most costly type of promotion, and focuses on first hand advertising to consumers

It includes:

- Tv ads
- Radio ads
- Billboard ads/outdoor ads
- Newspaper ads
- Magazine ads

Tv ads

- Is used to make stimulating commercials to attract consumers from around the world
- Diverse tv channels allows for business to target more specific audience based on tv channel

Radio ads

- Impact tends to be quite low
- Can be useful for local promotions such as lemonade fashion on virgin radio
- Is useful for sole traders

Magazine ads

- It's durability lasts a long time, since consumers tend to store magazines for a long period of time
- Uses psychographic segmentation
- May be less effective than other media due to static images

Outdoor ads

- A well placed advertisement can be seen by thousands of people
- Can range from huge campaigns to a small billboard
- Used by local businesses and larger companies
- May be less impactful since they lack imagery

Newspaper

- Easy to target based on socio economic group
- Tends to have more information about product which consumers can refer to
- Lacks visuals

Below the line promotion

- Any promotion that isn't carried out by the mass media
- Is a lot cheaper than above the line promotion

It consists of

- Direct marketing
- Sales promotion
- Loyalty cards
- After sales service
- Merchandise
- Exhibitions and trade fairs

Direct marketing

- the process of directly providing the product to the consumer (ex a website)

Sales promotion

- A business implementing unique sales to street attention of consumer
- For example, a business can have a 20% sale
- Or a business can have a buy 1 get 1 free promotion

Loyalty cards

- A system a business can implement to reward a consumer for coming back to the company
- Is used to gain consumer loyalty

After sales service

- When business offer free services such as free home delivery, or free shipping.

- Can motivate consumer to pay more for a product
- Support business reputation with consumers

Merchandise

- when a business sells items to consumers branded with their logo, or ip
- Can be used to increase brand awareness

Includes things like

- Pens
- Headed paper
- T-shirts
- Jackets
- Hats

PR

- Businesses try to maintain PR to have a good relationship with with customers
- It's fine by giving back to charity, and local community
- Try's to be as transparent as possible

Exhibitions and trade fairs

- when a business advertises their product through various fairs and exhibitions
- Can be used to increase brand awareness and attract more consumers

Through the line promotion

- Involves a combination of both above the line and below the line promotion at the same time

It consists of

- Digital marketing
- 360 marketing

360 marketing

- A campaign which reaches audiences. From all points of view
- allows business to reach target audiences from a holistic approach



Digital marketing

- The use of social media and driving networks to reach consumers
- It is aimed at both building a brand and generate conversations
- Easier to reach consumer through the use of tech

Social media

- advertising through the use of social media

It consists of

- Paid ads
- Content generated by user
- One to one messages

- Influencers

Paid ads

- are advertisements which business pay on social media apps to spread their advertisement

Content by users

- Business can share content by other users

One to one messages

- Most direct way of communication with customer is a conversation
- Is appreciated by consumers

Influencers

- businesses can pay influencers on social media to advertise their products

Place

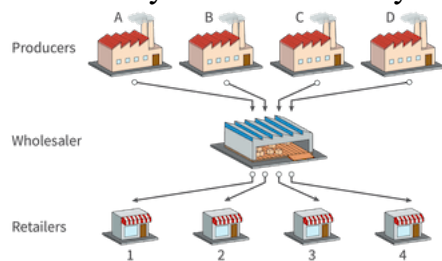
- How product is delivered from the producer to the consumer
- Producers can either sell directly to consumers or through an intermediary

Intermediaries consist of

- A wholesaler
- An agent
- A retailer

Whole Salers

- Specialise in purchasing large quantities of stock from producers
- They store it and sell it to consumers
- They distribute mainly to retailers as their consumers



Retailers

- A business which sells products to the public in relatively small quantities
- They purchase goods from whole sales and sell them to the consumers

They come in types such as

- Supermarkets
- Online retailers

- Department stores
- Vending machines
- High street shops
- Convenience stores

Agent

- a person who acts on behalf of another person or group
- May be used to aid distribution of channels
- The difference between an agent and a retailer is that agents do not own the product they selling

They can be

- Travel agents
- Estate agents
- EBay
- International distributors
- Price comparison websites

People

- Those who are involved in offering a service
- Is the first of the 3 service related Ps
- Successful businesses are able to build a relationship with their clients

The importance of cultural differences in customer service

- Customer relations depend on culture
- Businesses need to adapt to different cultures across the world

It involves

- The importance for small talk
- The need for special treatment for longer established customers
- The need for direct communication
- The importance of hierarchy and respect for positions of authority
- Punctuality
- Importance of rules

A key aspect to a good customer service is to select good staff and make sure they receive training and preparation for negotiation

Process

- It describes all the activities needed in the interaction between the customer and the business
- Every interaction should be carefully considered

The processes include

- Placing and paying for orders

- Delivery systems
- Customer feedback
- After sales feedback

Placing and paying for orders

- When a customer plays for a product, they want a secure and fast experience
- It involves customer authentication, digital signatures, and biometric storage data
- Can be a usp if done correctly

Delivery system

- Involves the way a product is delivered to a consumer
- Short delivery time can be developed into a usp
- To achieve fast delivery times, businesses can set up dark stores, which are mini warehouses in urban areas

Customer feedback

- the process of feedback received by the customer
- It allows the business to improve overall service levels
- Can create processes that gather feedback

After sales feedback

- when a business gets the opinion of consumer after selling the product
- it can be done by
- Calling consumer
 - Sending out surveys

Physical evidence

- Refers to all elements the customers see in the business.

For example:

- smell
- Visuals
- Touches
- Hears

The experiences can change perceptions of the consumers

- positive can lead to a USP
- Negative physical evidence leads to customer dissatisfaction

(Unit 4.6) International marketing

Methods of entry into international Marketing

to enter the market, a business must ask 3 different questions

- What level of risk are they able to take
- Can they bear the costs
- What control do they have on activity abroad

Exporting

- Can be direct or indirect
- Indirect represents when a business purchases from a company, to trade them overseas
- Direct is done by agents, distributors, or directly from the shop
- Direct is the lowest risk of entering international marketing
- Exporting is the lowest risk of entering International Marketing

Franchising

- Franchising consists of someone purchasing the rights to be able to open a new location for that company. For example, Mc Donald's is the largest franchise in the world.
- It is quick, and easy and owner maintains control over franchise

Licensing

- The process of using and its brand name, under experience.
- Can be seen in movies, or advertisements

Direct investment

- Long term investment in a foreign country done by an MNC. It is where they set up factories for manufacturing in a foreign country
- For example, Toyota has 67 manufacturing factories world wide, and is present in more than 170 countries

Joint venture

- When 2 companies join together to create a new company which launches a product to a new market

Mergers and acquisitions

- When 2 companies legally combine to create 1
- An acquisition occurs when a company purchases the shares of another company, and owns it

Take-over

- When a company purchases 50% or most of the shares of a company, to take over it

International marketing strategies

- Consists of standardisation, and adaptation

Standardisation

- Businesses aim to standardise all of its Marketing activities for all markets
- Large companies use it to offer the most value to customers

Adaptation

- Most companies use adaptation to enter foreign markets. It adapted the needs to meet the needs of local consumers

Opportunities and threats of international marketing

Opportunities for entering internationally, and operating internationally

- Opportunity is a favorable external condition, which might be beneficial to the business
- External factors that open opportunities for business to grow

It includes

- Larger pools of revenue and increased customers
- Lower cost of production and economies of scale
- Spreading risks
- Improved brand reputation

Threats for entry into international marketing

- It includes all STEEPLE factors

