

Chapter 17

Marketing #2

**(Promotion (4Ps) – Advertising, Sales Promotions, Personal Selling, Public Relations; Place (4Ps) – Channels of Distribution, Choosing a Location)**

## 2012 Q7 (B)

Within the product element of the marketing mix, evaluate "product design" and "product packaging." (20 marks)

MS: 10 (5+5) + 8 (4+4) + 2 marks

**Product Design**

This is how the product **looks** and is **presented** and must also take in to account the product's **function** and **form**.

When designing a product, it must be able to do what it is **expected to** e.g. there is no point designer extra lightweight material football boots if you can't use them to kick footballs.

The product must also be **aesthetically appealing** in terms of **shape, size, colour, style, image** etc. e.g. Apple products shape/colour/design.

**Evaluation**

In my opinion, with so much **competition** in every industry, making you're your product looks **slick** and **premium** and making it suit consumers that are **fashion conscious** will help boost **consumer loyalty**.

**Product Packaging**

Product packaging serves many functions that are useful for a business:

**Protects** the product during transit, storage and handling.

It also keeps the product **fresh**, preserving quality until it is used.

Packaging contains **information** on contents, ingredients, best before date...

Products can be instantly **recognisable** due to the shape of the packaging.

Packaging **draws attention** through brands and logos, shape and colour.

Packaging can **control** the **size** and **quantity** of a product.

**Evaluation**

In my opinion, good packaging is essential for a product to succeed. It is the **first thing** the consumer sees before seeing the actual product, so must be able to **attract** consumers and **enhance** the **user experience**. It can also help products be very **recognizable** and build **customer loyalty** e.g. Pringle's pipe.

**2017 Q5 (B)**

Explain the factors a business should consider when designing a product.  
(15m)

**Cost** – A business needs to ensure the new design won't be **too costly** to be **commercially** viable. This could include needing too much skilled **labour** to produce, expensive **raw materials** or a **lengthly production process**.

**Production Feasibility** – A business needs to ensure it is **actually possible** to **build** a new design blueprint. Virgin needed to make sure their **Galactic** project will actually be able to be produced and **fly** in to space.

**Target Market** – When designing a product, a business needs to ensure it has both **attractive**, **additional** features as well as **functional** ones so that the product both does what it is supposed to do, and is also **appealing** to the planned market segment.

**2019 Q7 (C)**

Read the information supplied and answer the questions which follow.

***Intezz - Sugar Free Soft Drink***

*Beveraton PLC is a global manufacturer of soft drinks. It developed Intezz, a new sugar free soft drink which will be launched in the market in September 2019.*

Discuss the factors the marketing manager of Intezz should consider when designing the packaging for the brand.

**MS: 3@5(2+3)**

1. The colour, design and shape of the packaging will need to be the right image to **attract the customer**. Intezz should have some energetic pictures on the packaging to show it's use.
2. The packaging should be different from competition indicating a unique selling point to **differentiate it from it's competitors**. Intezz should look at other colours in the market and pick one that would help it stand out and keep it in the mind of the customer that it is available to buy.
3. Packaging should be in different sizes to suit different uses of the target market. Bigger and smaller quantities and varying shapes to suit transport and **convenience** is needed. Intezz should use sports caps and squeeze sides on bottles to allow quick drinking during sports or activities.

***Other: Protection, legal requirements, recyclable, cost***

**2011 – Short Q1**

- (a) Explain the meaning of the term 'Own - brand products'.  
(b) Outline **two reasons** why retailers use 'Own - brand products'

**MS:** (a) 4 marks (2+2) (b) 6 marks (3(1+2)+3(1+2))

(a) These are products **sold by retailers** under the **retailer's own name** and **logo** to compete against existing products.

Large multiples such as **Tesco's** use **own label brands** e.g. **Tesco Milk** sold against Avonmore milk in Tescos

(b) (i) **Lower Prices:** They can sell 'own- brands' at a **cheaper price** than the **market leader**.

(ii) **Repeat Customers:** It can **lead to customer loyalty** to the retail store.

***Other: Easily recognisable / requires little advertising / Higher profit margin***

**2010 Q7 (C)**

*'Many businesses spend large sums of money developing a brand name'.*  
Illustrate the benefits of branding for the business **and** the consumer. (25 marks)

**MS: 4 @ 5 marks (2 + 3); example 5 marks (2+3)**

**Benefits to the business:****Marketing More Efficient**

Having a strong brand name means businesses can **advertise the brand** instead of each product e.g. **Cadbury's** advertising Cadbury's, not each individual bar.

Customers will more easily **recognize** their products on **shelves** and in advertising/marketing and will know it from other competitors.

**Introducing new products/ranges**

If a brandname is well known e.g. **Under Armour**, then it is much easier for them to **launch new products or new ranges** e.g. Under Armour Golf range, as consumers already **know the brand** and **trust** it will be of a **high quality**.  
E.g. Apple launching the **Apple Watch** was easier as the brand was so well known.

***Others: Command higher prices; repeat purchasing/customer loyalty; Market Segmentation e.g. Kelloggs cereals aim very similar products at different ages/genders***

**Benefits for the consumer:****Consumer Confidence/Trust**

Branding helps the buyer to **identify a particular producer's goods** and allows **confidence** in the **performance** of that brand.

They feel much **happier** parting with hard earned money for branded items.  
E.g. they know when they buy Nike it should be of a high standard even if it a higher price than some competitors.

**Image/Enjoyment**

Certain premium brands allow consumers to **define** their **success** or power e.g. Rolex watch/ Porsche car.

Brands can allow consumers to **express** their **own self-image** e.g. what branded goods/slogans they wear as clothes.

**2020 Q7 (A)** Read the information supplied and answer the questions which follow

*Amazon is the world's most valuable brand for the third consecutive year. Google was in second place. Huawei made it into the top ten for the first time.*

Discuss the benefits for a business of having a strong brand image. Provide examples to support your answer.

**MS: 2@ 4+3 1@3+3 Benefit, example**

1. A good brand will develop strong **consumer loyalty** where consumers will look to buy that brand regardless of new competition or price changes. Apple products get more expensive but many trust the quality of the brand so continue to buy them.
2. A good brand will be **easily recognisable** and stand out amongst competitors. Kellogg's cereal logo is easily seen on shelves so consumers can pick it out against Nestle.
3. It is easier for a business with a strong brand to **launch new products** or **enter new markets** as consumers trust the brand to be of a certain quality. When Nike started selling golf clothes, sales were very high as they had such a strong brand even though they were new to that market.

**2016 Q7 (C)**

Discuss the benefits of branding as a marketing tool for business, providing examples to support your answer. (20m)

**MS: 7m (3+2+2) + 7m (3+2+2) + 6m (2+2+2)**

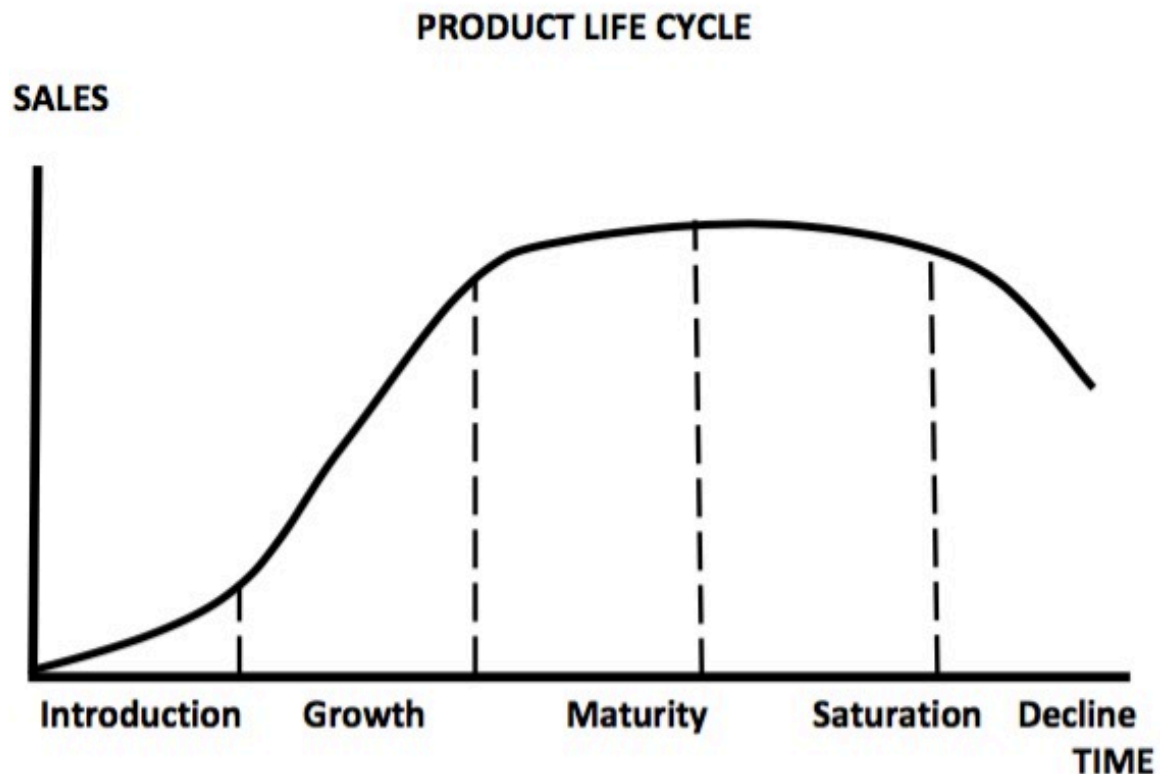
Answered above in 2010 Q7 (C).

Make sure to give real life examples that an examiner should know about e.g. Kelloggs, and relate to the question "marketing tool" so launching new products (Adidas), consumer loyalty (Apple), premium pricing (Volvic), recognizable (Nike tick), segmentation (Coca-Cola), diversifying (BIC), harder for a competitor to enter the market (Irish Times), product becomes the brand (Jeep, Google, Hoover)

## 2015 Q5 (A)

- (i) Draft and label a product life cycle.  
 (ii) Describe one characteristic of each stage of the product life cycle with reference to a product of your choice. (25 marks)

MS: 8@1m + 1 m for curve; 5 @ 3m (2+1); Name one product 1m



*\*As with all graphs, make sure to give a title and label both axes\**

**Introduction**

There is heavy expenditure on promoting (advertising/sales promotions) the product and the company has to decide on a suitable pricing strategy.

Sales are slow which can lead to no profit/poor cashflow.

E.g. Boojum had to advertise a lot when they opened in Dublin as sales were low.

**Growth**

As the product gets known (word of mouth, reviews etc...) sales grow rapidly.

Costs fall per unit as production increases leading to an improved cash flow.

Expanded production will require further investment.

E.g. Boojum opened up two new stores to cope with increased demand.

**Maturity**



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Sales increases slow as profits reach a peak and level off.

If the product isn't enhanced/developed, sales will go in to decline.

E.g. advertising can be used to extend a products life cycle at this stage. Or new developments e.g. Boojum introduced two new burritos to their menu.

### Saturation

The market becomes full and sales fall for each individual seller.

Costs rise as advertising and sales promotions are used to maintain the firm's position in the market.

Price wars may occur to try to keep customers.

E.g. Tolteca enter the Irish market selling burritos, reducing demand for Boojum.

### Decline

Sales and profits fall as the product is withdrawn from the market.

Product harvesting may occur; selling at a very low price with no advertising.

A product may be launched in a different market instead.

E.g. With the rise of Mexican food, Chinese takeaways are in decline, and many sellers are shutting down or re-opening as a different cuisine.

### 2011 Q7 (B)

- (i) Draw and label the 'product life cycle' diagram.
- (ii) Illustrate the methods a business could use to extend a product's life cycle. (25 marks)

**MS:** 8 @ 1 mark + 2 marks for curve; 3 @ 5 marks (2+3)

(i) as above

(ii)

***\*For extending the product life cycle, you should use the 4 P's / Marketing Mix, so give one point for each 'P' if you are asked this\****

### Place: Change where it is sold (Online Store)

A business could increase the amount of retailers that the product is available in (increase channels of distribution).

They could introduce their own online store (e-commerce) and sell direct to their consumers or make it available on a large online retailer (e.g. Amazon).

E.g. Nike were available in Lifestyle and Elverys, and now you can also buy Nike gear on their own website as well.

**Product: Change the Design**

The business could improve the **design** of the product, **tweaking** a **feature** e.g. adding Bluetooth radio to a car.

This might **attract new customers** or **previous customers may retry** the product to find out what has improved.

E.g. The Honda Civic changed its design to be more modern

**Price: Change The Pricing Strategy**

Changing the selling price can increase sales. Price **drops** can increase demand as consumers look for **value** e.g. The FAI lowering match tickets to encourage fans to buy tickets to increase overall revenue.

Price **increases** may make the product more **exclusive** and **attract** a different type of consumer (new segment of the market). E.g. Apple did this when they rebranded from Mac.

***Others: Change packaging; use a different promotion technique e.g. 33% off instead of a loyalty card; Re-brand the product e.g. Mini One; Re-design the product e.g. new dark grey MacBooks; Use a different distribution system e.g. direct to consumer (Ryanair online instead of travel agents)***

**2016 Q8 Short**

Outline two methods of extending a product's life cycle and provide one example to illustrate your answer.

**MS: 2 @ 4m (2+2) + 2m**

**Product:** Introduce new features e.g. Touch ID on the latest iPhone

**Price:** Change the pricing strategy to access a different market segment e.g. Fly Fit Gyms discounted their fee to €29 per month to get more students.

**Place:** Change where the product is available for sale e.g. Elverys Sports now selling online

**Promotion:** Use a different advertising campaign or social media stunt to stimulate demand e.g. Apache Pizza advertised €1 pizzas on Mondays

## 2018 Q7 (A)

Read the information supplied and answer the questions which follow.

**Cadbury** is a confectionery company operating since 1932. It produces several well-known chocolate brands such as **Dairy Milk, Crunchie, Flake, Milk Tray, Roses** and **Creme Eggs**. In the Irish chocolate market Dairy Milk is the number one brand.

- (i) Draw a product life cycle diagram **and** explain **each** stage.  
 (ii) Outline **two** methods a business could consider to extend the product life cycle. (25 marks)

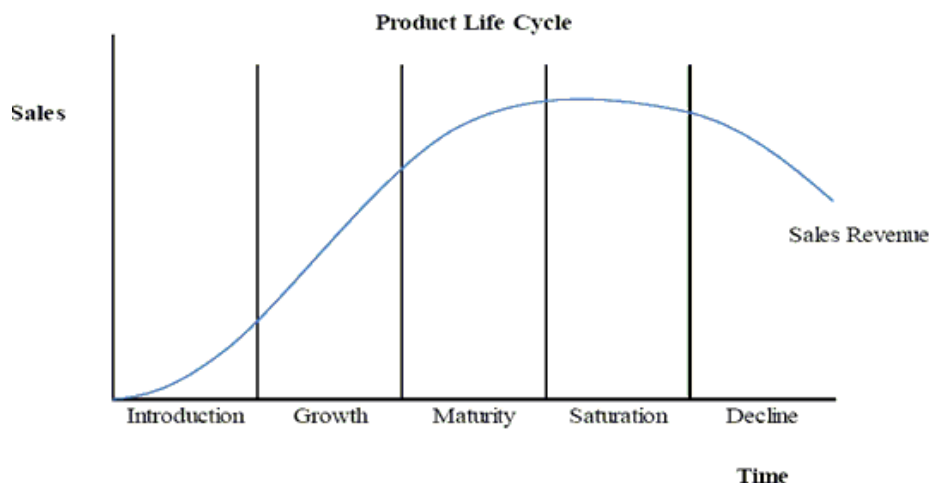
**MS: (i) Diagram 9m 5@1: each stage 4@1 Title Sales Time Curve**

**Each stage explained 5@2**

**Accept 2 references to impact on sales if clearly differentiated.**

**(ii) 2@3 Two different elements of the marketing mix required.**

(i)



**Introduction** - the product is launched onto the market. Sales may be low / costs of marketing the product will be high/Profits will be low if at all/Aim is to create product awareness. Heavy drain on cash flow.

**Growth** - customer awareness of the product increases /sales are growing rapidly/Profits should start to rise/Aim is to maximise market share. Cash Flow improves.

**Maturity** - Sales are at their peak and product is commonplace in the market/Profits are maximised / market share is defended. Cash flow is excellent

**Saturation** - Sales are levelling off/Profits should be steady/Market will have been fully exploited. Planning needs to happen to prevent a decline/Extend the life cycle.

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**Decline** - many competitors in the market and new products will cause a decline in sales/Profits decline/May cut prices to sell/May phase out weak products/May even be making a loss.

(ii)

**Product** - New product features/new image/design/use  
Create a portfolio of products to increase popularity of the brand  
Create line extensions (different flavours/sizes).




**Price** - Image/reduce price to attract more customers.

**Promotion** - Advertising Campaign/Sales Promotion techniques.

**Place** - Change Channel of Distribution  
Sell on line to attract a worldwide audience.

## 2020 Short Q9

(i) Study the table below and fill in an appropriate stage of the **Product Life Cycle** for **each** product.

Apple iPod Touch Release date Sept 2007	New Apple Watch series 5 Release date Sept 2019	Apple iPhone 7 Release date Sept 2016
		
Stage in Product Life Cycle: _____	Stage in Product Life Cycle: _____	Stage in Product Life Cycle: _____

(ii) Outline **two** methods a business could use to extend a product's life cycle.

**MS:** (i)  $2m + 2m + 2m$  (ii)  $2 \times 2m(1m+1m)$

(i) **Decline Growth Saturation**

(ii) **Price - Reduce the Price:** A business reduces price below their competitors to attract more customers.

**Place - Change Channel of Distribution:** Sell online to attract a worldwide audience. Sell via new platforms such as Deliveroo that can reach more consumers.

**Product - Develop new features:** Add a new features/ image/ design/ use. Create line extensions (different flavours/sizes) to get customers to buy more products.

**Promotion:** Advertising campaigns or sales promotion techniques can be used as gimmicks that incentivise the consumer.

## 2020 Short Q1

Match the two lists by placing the letter of the correct explanation under the relevant number below.

**Column 1** is a list of business terms;

**Column 2** is a list of possible explanations for these terms.

**MS: 3,2,2,2,1**

Column 1: Terms	Column 2: Explanations
1 Premium Pricing	A Below cost selling to encourage consumers to visit the retailer
2 Penetration Pricing	B Charging different prices to different segments of the market for the same product or service.
3 Loss Leader	C In order to recover development costs a business charges a high price when a product is launched.
4 Price Skimming	D Pricing products based on a consumer's budget.
5 Price Discrimination	E High prices are charged to consumers to create an impression of exclusivity / superior quality
	F A business charges a lower price than its competitors to gain a greater share of the market quickly.

1	2	3	4	5
E	F	A	C	B

**2017 Q7 (B)**

- (i) Outline three pricing strategies a marketing manager could consider in setting a selling price for a product or service.
- (ii) Name one pricing strategy suitable for a product or service of your choice, explaining the reason for your choice of pricing strategy. (20m)

**(i) Penetration Pricing**

A manager could consider charging a **lower** price than your **competition** when you **first enter** a market with a **new product** to try to **gain a market share** by undercutting competition.

Usually happens in strong market places, with the aim of achieving a large **portion of the market quickly**.

E.g. Meteor, LIDL, Tesco

**Price Skimming**

The manager could consider **charging a high price initially** for a new product to **capitalise** on those consumers that see the product as a '**must have**' **good**, and to have it to 'show off'.

It could be used to **recoup high research and development costs** of bringing the product to the market, if they faced this.

E.g. If they were launching a **new PS4 game** that was sought after

**Premium Pricing**

If the marketing manager felt their product had a superior or high quality feel to it, they may look to set a higher price than their competition in the market to reflect the product's high quality.

E.g. Ben and Jerry's Ice Cream

**(ii) Cost Plus Pricing**

This is where a marketing manager **takes the cost** of the product to manufacture, and then **adds a percentage** to it to find the selling price.

I think this would be suitable for a clothing retail store. It would make it easy to sort the quality between different products for the seller. It would also mean the shop would make an **equal profit margin** on everything they sell.

E.g. adding 50% of the cost on top to make the selling price for socks.

**2013 Q7 (C)**

Outline the factors a marketing manager might consider in determining the selling price of products at 'All-Weather Wellies Ltd'. (20 marks)

**MS: 4 @ 5 marks (2+3)**

**Input Costs**

The price needs to be higher than all the firm's **costs** on **raw materials**, **labour**, **marketing**, **distribution** etc... and also include a satisfactory **profit margin** on each sale.

All-Weather Wellies will need to add up all projected costs and profit margin per unit at projected sales to set their price.

**Competitors Prices**

A firm will need to decide where to **position** their product in a market compared to their **competitors**. They can do this using **pricing strategies** e.g. **penetration pricing** to go below the market level or **premium pricing** to make the product seem of a higher status or quality.

All-Weather-Wellies Ltd could opt for a low pricing strategy such as 'penetration pricing' in order to capture market share from competitors.

**Product Image**

A price will also often **reflect** the **image** of the product e.g. a low price will reflect low quality but could lead to high sales e.g. Ryanair **Predatory Pricing** All-Weather-Wellies Ltd is selling **branded** boots so they could use **premium pricing** to show that they are **superior** to other options.

**Consumers**

The type of buyers (target market) will determine the price that can be charged to each segment. Their **income levels**, **spending patterns**, **habits** etc...

All-Weather-Wellies Ltd may discriminate between the festival-goers and the great outdoors in the price setting process (**price discrimination** strategy).

**Demand**

If initial demand is high before a launch, a business could charge a **high initial price** for those consumers that '**must have**' the product, and then later on lower the price to get more customers (**Price Skimming**).

New products launched by All-Weather Wellies Ltd may be very popular so higher prices can be charged at the introductory stage.

*Also asked in 2009 Q7 (A) and linked to Olympian Hoodies*



## 2019 Q7 (A)

Read the information supplied and answer the questions which follow.

**Intezz - Sugar Free Soft Drink**

Beveraton PLC is a global manufacturer of soft drinks. It developed Intezz, a new sugar free soft drink which will be launched in the market in September 2019.

- (i) Explain the factors that should be considered before deciding on the price to charge consumers for a product.
- (ii) Outline a pricing strategy best suited to the **introductory stage** of Intezz and **explain** the reason for your choice.

**MS: (i) 3 @ 6 (3+3); (ii) (3+2+2)**

**Production costs**

A business may need to make a certain margin on each unit sold, so should price each unit to allow for this.

**Demand in the market**

If a lot of consumers want a product, then they can set a higher price as there will be a higher demand than supply at lower prices.

**Product Positioning**

The price will impact the image of the good in the consumer's eyes, so a higher price may make it appear more high end or premium than other goods.

**Other: Consumer's income levels, taxes, competitors prices**

The income levels of your target market. 3  
 Haribo have lowered their prices as their target market is children who don't have much disposable income. 3



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**Penetration Pricing**

This strategy is used when a product sells at a lower price than competitors in the market in order to try to establish a share of the market.

Intezz are just launching so a cheaper price may encourage people to try it and they can build up a share of the market by costing less than current drinks.

**Other acceptable answer: price skimming**

**2015 Q7 (A)**

Read the information supplied and answer the question which follows.  
*Kurve Ltd provides broadband, phone and television services to homes in the Irish market. In January 2015 it launched its new digital television service 'VISION', providing different bundles of channels at different prices. It charges a reduced subscription for the first six months to new customers. Orders can be placed directly online. The business operates in a highly competitive market and plans to increase its sales revenues by 20 % over the next two years.*

Explain the product, price and place elements of the marketing mix. Relate your explanations to Kurve Ltd. (25 marks)

**MS: 9m (3+3+3) 8m (3+2+3) 8m (3+2+3)**

**Product**

A products **packaging** can allow it to be **recognizable, attractive, secure** and split it in to various **convenient quantities**.

The product's design needs to be **attractive yet functional** and do what it is expected to do.

A product that has a good **brand name** can help **marketing** (costs) and also allow the business to **launch more products** as consumers will **recognize** the brand and **trust** it/have **confidence** in it

*The brand name for Kurve's "new digital television service" is "VISION" which should stand out from the competiton, their product is broadband, phone and tv services.*

**Price**

There are different **pricing strategies** a firm can use including **Premium pricing/penetration pricing/cost-plus pricing**.

Factors that affect the price a business sets for its product include **competitors prices, the product image, costs, the target market, product image...**

*For Kurve, different consumers will want to pay different amounts for normal or better services, so **price discrimination** would be a good strategy. So "Providing different bundles of channels at different prices." Is a great option as different segments will have different needs e.g. sports fans vs film buffs.*

**Place**

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Channels of distribution can include various stakeholders e.g. **Producer -> Wholesaler -> Retailer -> Consumer.**

The place element is about distributing the **right product/service to the customer at the right place and at the right time.**

Businesses are using **direct selling**, cutting out the wholesaler and retailer, by **selling online**, direct from their **own website**.

This saves them a lot of money and traffic to their webpage allows them to launch and advertise more of their products.

*The channel of distribution chosen by Kurve Ltd to get its product to the market place is the **direct channel** as, "Orders can be placed directly on line" is direct to the consumer via the internet.*

**2016 Q7 (B)**

Evaluate the effectiveness of sales promotion techniques Alex could consider to boost sales. (15m) (Q has a blurb about Stitch Express to refer to)

**MS: 3 x 4m (2+2) and Evaluation 3m (1+1+1)**

**1. Competitions**

Using a **social media campaign** to run a competition using a 'Like and Share' method could get Stitch Express lots of **exposure online**.

Evaluation: In my opinion, a **viral** social media campaign could be great for new customers as existing ones will like and share to win, so **their friends will see**.

**2. Bulk Deals (2 for 1)**

They could use a **short term offer** like get 4 shirts ironed, get a 5<sup>th</sup> one free.

Evaluation: In my opinion, this would be great at **attracting new customers** who might see it as a **bargain** so they'll **try out Stitch Express**.

**3. Customer Loyalty Card**

Stitch Express could use a **loyalty card** where customers get a **stamp** every time they get an item laundered, and get a **reward** for every 5 stamps.

Evaluation: In my opinion, this would be great, as it would **incentivize** customers to **come back and use the laundry again** in order to avail of the **reward**.

**2014 Q7 (A)**

Read the information supplied and answer the questions which follow. Maria Noone is the entrepreneur who owns Sensible Foods Ltd. This new company intends to manufacture a range of low calorie confectionery products. Initially consumers will be tempted by special offers. There will also be frequent coverage on national and local radio. Goodbuys, a leading supermarket chain, has agreed to stock the range, while wholesalers will distribute them to small independent shops.

Evaluate the role of advertising and sales promotion as elements of the promotional mix at Sensible Foods Ltd. (25 marks)

**MS: 2 @ 11 (4 + 4 + 3) (Two distinct points of info & specific reference to Sensible Foods Ltd. in each case)**

**(Evaluation in each case) 3m total (2 + 1)**

**Advertising** is used by Sensible Foods Ltd. to let **possible future customers know** about the products on **offer** and to get them **interested** in buying the goods. Advertising **informs, persuades and reminds customers** about the product.

The **medium (TV, billboard, google ads, newspapers..)** used will depend on the **market segment**, the **type of product** or service, the **message** and the **cost effectiveness** involved.

***Evaluation:** In my opinion, Sensible Foods Ltd. plan to have "frequent coverage on national and local radio" which is great as it will help build brand awareness, and appeal to its customer base at local level and nationally as it grows. So many people listen to radio and tv that they will be exposed to lots of potential customers.*

**Sales Promotion** is the use of **short-term incentives/ "gimmicks"** to attract customers to the product and to **reward loyal customers**.

It is useful for stimulating sales by offering customers **price reductions, competitions, loyalty cards, buy one get one free, coupons, samples, prizes, free draws, in-store displays** etc. or any other incentives to buy a product.

***Evaluation:** In my opinion, the "special offers" Sensible Foods Ltd. is supplying are crucial as they help attract new consumers and as a new business in such a competitive market, it might help attract customers that normally buy a competitor to try out Sensible foods.*

**2015 Q7 (B)**

- (i) Explain the term Public Relations (PR)  
 (ii) Discuss methods a business could consider to generate good Public Relations (20 marks)

**MS: 6m (4+2) 2 @ 7m (4+3)**

(i) Public Relations refers to **all activities e.g. press conferences/ sponsorship** related to **creating a good public image** for the product or service amongst its stakeholders.

It aims to achieve **favourable publicity** and build a **good corporate image** for the business in the **public eye in the long run**.

The activity may be carried out by the company's own **Public Relations Officer (PRO)** or by a **specialist PR agency**.

(ii)

1. Public Relations can take the form of **press releases** or **press conferences** where the **media** are **given information** about the **company's activities**. The business can arrange **photoshoots** and provide **pictures to media** for them to use, **generating publicity** for the business.

2. Businesses want to have people **associate** their **brand** with **certain events** or **teams** e.g. the **Olympics** through **sponsorship**.

They pay money so that their product name will be **displayed by individuals, organisations or at particular events or stadia**.

It can be very effective at **positioning** a business (sponsoring of sports events or TV programmes).

e.g. **3arena in Dublin, Vodafone on the Irish Rugby Jersey,**

*Other: Celebrity endorsements e.g. Messi and Adidas boots; promotional films /Donations to charity/ Local community relations/ etc...*

**2010 Q7 (B)**

Evaluate 'Sales Promotion' and 'Public Relations' as forms of promotion. (20m)

**MS: 7 marks (4+3) 7 marks (4+3) Evaluation: 6 marks (3+3)**

**As above, with an evaluation for PR e.g.** In my opinion its crucial to have a good PR team that is ready to reply to negative publicity that can appear on social media etc... which could damage reputation if it isn't dealt with.

## 2019 Q7 (B)

Read the information supplied and answer the questions which follow.

**Intezz - Sugar Free Soft Drink**

*Beveraton PLC is a global manufacturer of soft drinks. It developed Intezz, a new sugar free soft drink which will be launched in the market in September 2019.*

- (i) Describe the role of Public Relations (PR) in a business.
- (ii) Discuss the methods Beveraton could consider to develop good PR, providing examples to support your answer.

**MS: (i) (3+2); (ii) 3@5(2+2+1)**

(i) All efforts used by a business to create and maintain good public image of the business.

It aims to achieve favourable publicity and build a good corporate image for the business.

Defend the reputation of the business from criticism (in times of crisis).

It is not directly linked to increasing sales but rather to increasing the reputation of the business which in turn increases sales.

(ii)

A business can use **sponsorship** of an event or team by offering financial support in return for positive publicity.

E.g. Beveraton could sponsor a football team in return for the brand name to appear on jerseys so the team's fans will like them more and people will know they are supporting a sport.

A product could be used by a **Celebrity endorsements/influencers**. They would show their followers them using it on social media/youtube. This may entice the fans of the celebrities to use the product.

E.g. Beveraton could pay some famous lifestyle influencers to drink it on their channels, helping to increase exposure to people in their target market.

A business can use **Press Conferences** and **Social Media** to officially launch products.

E.g. press releases should be profiled to attract the public and create a good image of the Intezz brand.

*Other: Publishing Annual reports; business brochures; promotional films /Donations to charity/ Local community relations.*

## 2014 Q7 (B)

- (i) Describe two factors Sensible Foods Ltd should consider when choosing a suitable channel of distribution for its products.  
 (ii) Outline one positive and one negative implication for Sensible Foods Ltd of using a leading supermarket chain such as Goodbuys to sell its products.  
 (20m)

**MS: 2 @ 5 (2+2+1) 2 @ 5 (2+2+1)**

**Cost**

The more **stages** in the channel of distribution the **more expensive** the product will be for the consumer as each **middleman** will require a **cut or mark-up**. **E.g. Producer -> Wholesaler -> Retailer -> Consumer**

*Sensible Foods Ltd may keep costs down by selling directly to Goodbuys. They also provide on-line selling.*

**Nature of the product being sold**

A range of low calorie confectionary products could include fresh food which may have a very short shelf life (durability of the product) so it might suit less channels e.g. not selling to a wholesaler.

Sensible Foods Ltd may sell the product directly to health stores or juice bars that can sell them with their other products. (i.e. directly to the independents).

**Other: Target Market (easy to reach/suits their habits); Market Size (economies of scale); Technology developments/ presence of a website/ consumer's tech usage and habits.**

**Positive: National Promotion Campaign**

Goodbuys may implement a promotional campaign for all its stores nationwide and use some of Sensible Foods Ltd. Products in the ad, giving it free national exposure e.g. in the Sunday Times.

**Other: Consumer Feedback; Higher turnover of products/less waste; Guaranteed big purchaser**

**Negative: Competition from Own-Brand**

Goodbuys may develop its **own brand** to **compete directly** with Sensible Foods, affecting sales/profits at Sensible Foods Ltd, if they see it is successful.

**Other: Restrictive conditions; forbidding Sensible Foods Ltd from selling its goods through rival multiples; hard to convince you're product has a USP.**



**2012 Q7 (A)**

Outline the factors a business should consider when choosing a suitable Channel of Distribution. Provide examples to illustrate your answer. (20 marks)

**MS: 2 @ 7 marks (3+3+1) 1 @ 6 marks (3+2+1)**

**As per 2014 above but with examples given below**

**Cost**

Ryanair was motivated by cost factors when it cut travel agents out of its ticket sales distribution network.

**Type of good/durability**

Fresh fish/flowers are delivered directly to the retailer.

**Market size**

Cadburys distributes their products through wholesalers like Musgrave Group.

**E-business**

Dell computers sell direct from their website, so no middlemen.

**Technological developments**

Apps e.g. banking 365online for Bank of Ireland, less need for physical branches.

**2018 Q7 (C)**

Evaluate the benefits **and** challenges for a small start-up business of choosing a direct channel of distribution rather than selling through wholesalers and retailers. (15 marks)

**MS: 1@7(4+3); 2@3(2+1); Evaluation 0 or 2**

**Benefits:**

Higher rates of profit than indirect distribution channels. Profits are directly earned by producers. When there are more intermediaries, each will take a share/cut of the profits, so reducing the middle men, will increase how much the producer gets to keep.

An online store can be 24hours/7 days a week, making it more convenient for consumers. They will also be able to browse between all the available products the producer makes, and not just whatever is in stock at the retailer or wholesaler.

**Other:**

- Potential Global reach (internet/eBay)
- Greater flexibility
- More control over distribution-the longer the channel the less control is available.

**Challenges**

Customers may be asked to shoulder the burden of the shipping costs if phone, mail or internet is involved. They won't be able to gain from economies of scale that large retailers can, so it will be harder to compete with them for similar goods on delivery costs etc...

It can difficultly to build a reputation and get people to visit your online store, so having it available through retailers means you will have much higher footfall and exposure to customers. A new start up may lack experience and may be better off using the expertise of an established and reputable wholesaler.

**Evaluation**

In my opinion, an online store should definitely be used, a new start up can sell direct, attracting customers and gathering their data for marketing decisions, as well as selling through retailers for higher volume of sales and exposure.

**2015 Q7 (A)**

Read the information supplied and answer the question which follows.

*Kurve Ltd provides broadband, phone and television services to homes in the Irish market. In January 2015 it launched its new digital television service 'VISION', providing different bundles of channels at different prices. It charges a reduced subscription for the first six months to new customers. Orders can be placed directly online. The business operates in a highly competitive market and plans to increase its sales revenues by 20 % over the next two years.*

Explain the **product**, **price** and **place** elements of the marketing mix. Relate your explanations to Kurve Ltd. (25 marks)

**MS: 9m (3+3+3) 8m (3+2+3) 8m (3+2+3)**

**Product**

The packaging, design and Unique Selling Point (USP) for the product. Includes a brandname and logo which can be used as marketing tools for the business and make it stand out and build consumer loyalty. Kurve will use the 'VISION' branding to distinguish itself from competitors.

**Price**

A business will pick a strategy based on being a low price seller (penetration pricing) or a high price seller (premium pricing or price skimming). Price would also be based on factors like competitors prices, input costs, taxes, the product image and the income levels of their target market. Kurve have tiered pricing where they charge customers different prices based on what level of service they want.

**Place**

This is distributing the right product/service to the customer at the right place and at the right time. The most suitable channel of distribution must be used. Selling directly online will reduce costs and cut out retailers as they can sell directly so they can sell at a lower price or keep more profits. Kurve sell online so don't have to give a cut of the profits to a retailer like Harvey Norman.

2020 Q7 (B)

(ii) Evaluate the **Promotion** and **Place** elements of the Marketing Mix for a product or service of your choice.

MS: (i) 5m (3+2) (ii) 2 x 10m (4+1+4) 1m Evaluation

(ii)

**Promotion**

Actions taken to increase awareness and sales of a product in a market. It may involve **advertising, sales promotion, public relations or direct selling**. E.g. My Protein use lots of social influencers on YouTube and Instagram to endorse their products as well as lots of discount codes as sales promotions.

**Evaluation:** This is very effective as lots of influencers people watch are in very good condition and people will link that to using My Protein products so sales will increase if people want to get fitter or leaner.

**Place**

Refers to the channels of distribution used e.g. wholesalers, retailers or direct to consumers.

The location where the product is available for sale e.g. online, in store, social media

E.g. My Protein sell direct to consumers online and deliver all products, they don't use physical stores.

**Evaluation:** This reduces costs of having to pay high rents to have a good location on a busy high street.

