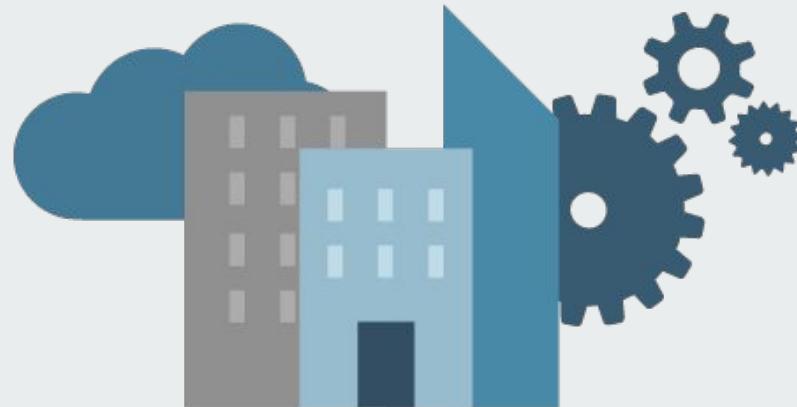


Pearson BTEC Level
—
1/Level 2 Tech Award in
Enterprise

Component 1

Exploring Enterprises

ASSIGNMENT 2



Key Words
Characteristics-

Competitor-

Learning Aims

- A: Examine the characteristics of enterprises
- B: Explore how market research helps enterprises meet customer needs and understand competitor behaviour
- C: Investigate the factors that contribute to the success of an enterprise

Coursework Assignment 2

Learning aim B: Explore how market research helps enterprises to meet customer needs and understand competitor behaviour

Coursework Assignment 2

A Report exploring how market research helps the selected enterprises meet customer needs and understand competitor behaviour.

Prepare a report that is split into the following two sections:

Section 1:

The design and use of market research in two local enterprises. This section must discuss how market research helps each of the selected enterprises meet customer needs and understand competitor behaviour.

This will include:

how each enterprise conducts its market research, for example:

- o the types of primary research used
- o the sources of secondary research used
- o the qualitative and quantitative data collected

Coursework Assignment 2

Section 2:

The effectiveness of market research for one local enterprise

Choose one of the local enterprises selected in section 1, and assess the effectiveness of the market research methods used to ensure the enterprise:

1. meets its customers' needs
2. understands competitor behaviour

You must carefully consider: the extent to which the enterprise's methods of market research are or are not effective the reasons why you have reached these judgements which elements of the enterprise's market research are most important in deciding whether the market research is effective or not

Criteria covered in this Task

Criteria covered by Task 2:	
Criteria reference	To achieve the criteria you must show that you are able to:
B.2D2	Assess the effectiveness of the market research methods used to meet customer needs and understand competitor behaviour in a selected enterprise.
B.2M2	Discuss how market research methods are designed to meet customer needs and understand competitor behaviour in two selected enterprises.
B.2P3	Explain how two selected enterprises use market research to meet customer needs and understand competitor behaviour.
B.1M3	Outline how two local selected enterprises use market research to meet customer needs and understand competitor behaviour.
B.1P3	Identify how two local selected enterprises use market research to meet customer needs and understand competitor behaviour.

LO: To understand the characteristics of an enterprise

Market Research

Market research is the process of gathering, analyzing and interpreting information about a market, about a product or service to be offered for sale in that market, and about the past, present and potential customers for the product or service; research into the characteristics, spending habits, location and needs of your business's target market, the industry as a whole, and the particular competitors you face

Market research provides relevant data to help solve marketing challenges that a business will most likely face--an integral part of the business planning process.

In fact, strategies such as market segmentation (identifying specific groups within a market) and product differentiation (creating an identity for a product or service that separates it from those of the competitors) are impossible to develop without market research.

LO: To understand the importance of anticipating and identifying customers needs

B1 Customer needs

Market research is important to anticipate and identify customer needs.

There are different ways of Identifying customer expectations:

- o Customers expect to have good-value products
- o rapid response to enquiries
- o clear and honest information.
- After-sales service is another way to anticipate and identify customer needs

Questions

Why is it important to identify customers needs?

How can a business anticipate customers needs?

What is a good value product?

How can having a rapid response to enquiries meet customers needs?

LO: To understand the importance of anticipating and identifying customers needs

Market segmentation

Different products can be linked to different kinds of customers according to age, gender, income, lifestyle and location, this is called Market segmentation.

Market segmentation helps businesses to reach a specific segment of the market by developing a product that matches their needs.

The drinks market is very segmented there will be specific drinks target towards children, adults, males and females.



Thinking Time...



How does market segmentation help businesses?

How does market segmentation help identify customers needs?

Can you think of an example of market segmentation?

LO: To understand the importance of anticipating and identifying customers needs

B1 Customer needs

The ways in which different products can be linked to different kinds of customers according to age, gender, income, lifestyle and location - Activity. How are the different drinks suited to different market segments?

	Capri Sun Juice Drink Price:80p	Capri sun is target towards children, it is a cheaper product so that it is affordable for families with children or any income, the product is target towards both girls and boys and is targeted towards families with busy lifestyles providing a drink for children that is easy to use and dispose of. The straw also means that young children can drink the drink easily.
	Powerade energy drink Price:1.29	
	Vitamin water Price:1.49	
	Diet Coke Price: 80p	
	Voss Water Price:£2.99	

LO: To understand the importance of anticipating and identifying customers needs

B2 Using market research to understand customers

Qualitative research – based on individual customer responses, open-ended questions.

Quantitative research – based on numerical and statistical data.

Market research involves two types of data:

Primary information

This is research you compile yourself or hire someone to gather for you.

Secondary information

This type of research is already compiled and organized for you. Examples of secondary information include reports and studies by government agencies, trade associations or other businesses within your industry. Most of the research you gather will most likely be secondary.

Quantitative or Qualitative?



B2 Using market research to understand customers

Types of Primary research

- questionnaires - using a set of qualitative and quantitative questions, e.g. face-to-face, telephone, post, on a website/social media site
- visits or observation – looking at and recording how people behave in situations in a structured way
- interviews or focus groups – talking to people to find out their views and experiences o
- surveys – a quantitative method that involves asking people to fill in paper or online questionnaires.

Types of Secondary research

- online research
- internet searches,
- websites
- company materials
- market reports
- government reports.

Thinking Time...



What are the benefits of quantitative research?

Which do you think is more reliable quantitative or qualitative research?

Which do you think is more reliable primary or secondary research?

How would you collect primary research ?

B2 Using market research to understand customers

Primary or secondary research ?

	Primary or Secondary?	Qualitative or Quantitative ?
Creating questionnaires to ask your target market		
Looking at the average income in your local area		
Researching the market for your product		
Giving customers samples of your product and asking for feedback		

B3 Understanding competitors

Entrepreneurs need to make sure that they stay competitive, this means making sure that they stay ahead of their competitors in the market and offer benefits to their customers which will make them choose their products over their competitors.

The main features which make products competitive are:

- o **price** - Businesses can provide products at a lower price to attract more customers
- o **quality** -Customers may choose a product because it is better quality
- o **availability** - If products are not available , then customers may buy from competitors
- o **unique features and selling points (USP)**- By having a unique feature ie, something that other products do not do customers may choose your product over competitors.

Questions

What do you think is the most important feature of what makes a product competitive?

What would be the impact of lowering the price of your product?

What may happen if you do not have your product available?

B3 Understanding competitors

Identifying competitors.

All businesses face competition. Even if you're the only restaurant in town you must compete with cinemas, bars and other businesses where your customers will spend their money instead of with you. With increased use of the Internet to buy goods and services and to find places to go, you are no longer just competing with your immediate neighbours. Indeed, you could find yourself competing with businesses from other countries.

- You can get clues to the existence of competitors from:
- local business directories
- your local Chamber of Commerce
- Advertising
- press reports
- Questionnaires
- searching on the Internet for similar products or services

B3 Understanding competitors

You can understand competitors by looking at;

- the products or services they provide and how they market them to customers
- the prices they charge
- how they distribute and deliver
- How they enhance customer loyalty (loyalty cards etc)
- their brand and design values
- whether they innovate - business methods as well as products
- their staff numbers and the calibre of staff that they attract
- how they use IT - for example, if they're technology-aware and offer a website and email
- who owns the business and what sort of person they are
- their annual report - if they're a public company
- their media activities - check their website as well as local newspapers, radio, television and any outdoor advertising

Competitor Maps

It's a good idea to know your brand positioning within your market, and a Competitor Analysis is a useful way to identify opportunities and threats.

A competitive map is a visualization of the competitive position of firms, brands, products, services or locations. This is often a basic graph of two variables that customers consider when making a purchase.



TASK:

1. Complete a competitor map for a business of your choice
2. Now complete a competitor map for the two businesses you have chosen

B3 Understanding competitors

How products stand out from similar products in the market.

USP

Your USP or Unique Selling Point is what makes your business and its products/services different.

It's what you offer that no-one else does in your market - whether that's higher quality, a lower price, a better customer experience or a new technological innovation.



1. What is coca cola's USP here?
2. How does it help to differentiate their product from competitors?
3. Why does this make coca cola competitive?
4. Do you think this was successful ?

Research Log - MARKET RESEARCH

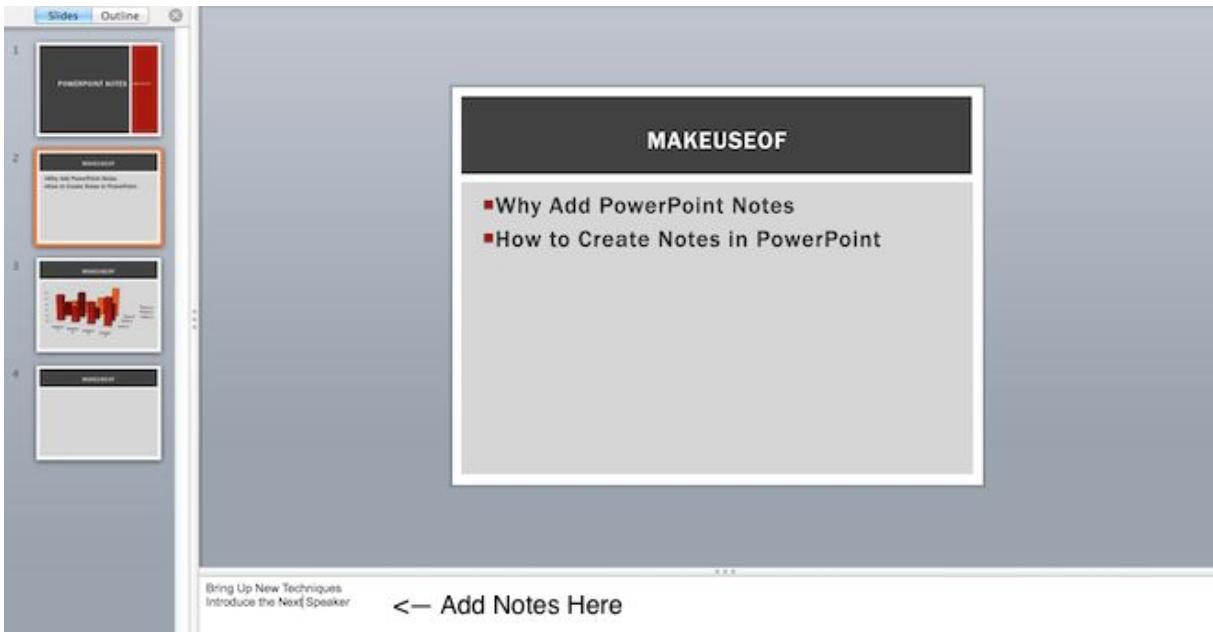
	Business 1:	What type of research is it?	Business 2:	What type of research is it?
Has the business modelled their business on another successful business?				
Does the business give customers free samples etc?				
Does the business collect feedback via surveys, or online reviews?				
Does the business use social media to collect market research?				
What kind of statistics or government information could your business have used				

Task 2	<p>Task 2 is concerned with the market research activities undertaken by SME's. In particular, their use in assessing customer needs and competitor behaviour.</p> <p>For your selected enterprise make a formal presentation that considers how market research methods meet customer needs, discusses the effectiveness and appropriateness of the marketing methods, shows understanding of competitor behaviour and exemplifies how market research methods are designed to meet customer needs and investigate competitor behaviour. This should include methods of primary and secondary market research, and qualitative and quantitative analytical methods.</p> <p>Your presentation should conclude with an assessment of the effectiveness of the market research methods used to meet customer needs and understand the competitor behaviour in your selected enterprise.</p>
Checklist of evidence required	Record of Activity (Observation Record or Witness Statement)
Criteria covered by this task:	

For level 2 distinction: learners will produce a presentation with speaker notes that shows the market research methods used by two SMEs to meet customer needs and understand competitor behaviour. There will be some discussion regarding the appropriateness of the methods used and learners will assess how effective these methods are in providing sufficient information for one of the SMEs to be able to meet customer needs, and understand how their competitors behave.

Speaker Notes

Your presentation should include detailed speaker notes



LO: To carry out research into two real small to medium local enterprises

Coursework Assignment 2 - Section A

Question/Task

Prepare a presentation that is split into the following two sections:

Section 1:

The design and use of market research in **two** local enterprises. This section must discuss how market research helps each of the selected enterprises meet customer needs and understand competitor behaviour.

This will include:

how each enterprise conducts its market research, for example:

- o the types of primary research used
- o the sources of secondary research used
- o the qualitative and quantitative data collected

Some sentence starters...

Market research is.....

Market research is important to help a business understand its target market and its competitors....

It is important for a business to research its competitors because..

Research into competition can be done by....

Market research helps 'BUSINESS NAME' meet customer needs by.....

Market research helps 'BUSINESS NAME' understand customer behaviour by.....

The types of primary research used by 'BUSINESS NAME' are...

The types of secondary research used by 'BUSINESS NAME' are...

The qualitative and quantitative data collected by 'BUSINESS NAME' is....

Extension

Why do you think this entrepreneur has been successful in business?

Coursework Assignment 2 - Section B

Question/Task

Section 2:

The effectiveness of market research for one local enterprise

Choose **one** of the local enterprises selected in section 1, and assess the effectiveness of the market research methods used to ensure the enterprise:

1. meets its customers' needs
2. understands competitor behaviour

You must carefully consider:

- the extent to which the enterprise's methods of market research are or are not effective
- the reasons why you have reached these judgements which elements of the enterprise's market research are most important in deciding whether the market research is effective or not

Some sentence starters....

Market research is....

Market research is important because...

Explain the 4 types of market research...

Business name' has used primary research to meet its customer needs by using...

Business name' has used secondary research to meet its customer needs by using...

Business name' has used quantitative research to meet its customer needs by using...

Business name' has used qualitative research to meet its customer needs by using...

Understanding competitor behaviour is important because...

Businesses can understand competitors behaviour by....

Business Name has understand competitors behaviour by...

Business name's methods of market research are effective because...

However 'business names ' ways of market research are not effective because....

Extension

Knowledge Check 1

- 1.What is a Micro enterprise?
2. What is a small enterprise
- 3.What is a medium enterprise?

Extension

Knowledge Check 2

- 1.What does SME stand for?
- 2.What is a business aim ?
- 3.What do businesses have aims and objectives?
- 4.What is profit?
5. What is cash flow?