

OCR ALevel Business: Marketing 1

Knowledge Organiser: Marketing



Market Share – the proportion of a market controlled by a particular product or business

$$\frac{\text{Individual Sales or Volume}}{\text{Total Sales or Volume}} \times 100$$

Market Growth – An increase in the demand for a particular product or service over time

$$\frac{\text{Change in size of Market}}{\text{Original Size of Market}} \times 100$$


Consumer Decision-Making Process



Target market
The group of customers who a business aims to sell its products to

Primary research
Data collected first-hand (field research)

Secondary research
Data collected by others (desk research)

Qualitative data
Data based on opinions of those being asked

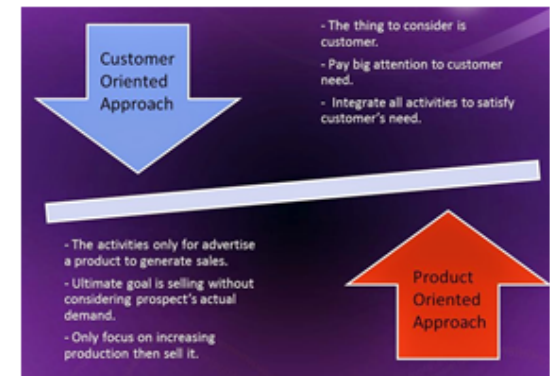
Quantitative data
Data based on facts or numbers

Advantage	Samples	Disadvantage
<ul style="list-style-type: none"> Suitable for small populations 	Simple Random	<ul style="list-style-type: none"> Not practical for large populations
<ul style="list-style-type: none"> Quick Easy to check for errors 	Systematic Random	<ul style="list-style-type: none"> There may exist periodic cycles within the frame, which makes the data inaccurate
<ul style="list-style-type: none"> Good for populations with distinguishable layers 	Stratified Random	
<ul style="list-style-type: none"> Convenient, no need to have a complete sampling frame Less costly 	Clusters	<ul style="list-style-type: none"> Non-random May not give a precise picture of the population
<ul style="list-style-type: none"> Quick Has minimum complications 	Quota	<ul style="list-style-type: none"> Non-random There's a possibility of bias Difficult for those who refuse to take the survey. If replaced by someone else, the data might be inaccurate

• Quick

Convenience

• Bias



Definition of mass markets and niche markets

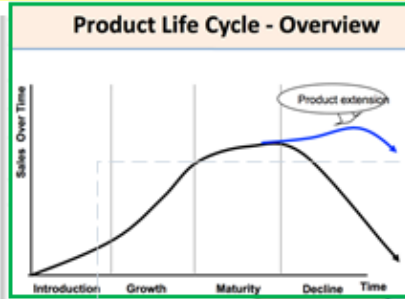
- Mass market** – this is the market that is aimed at the general population e.g. regular toothpaste
- Niche market** – this is a subset of the main market and addresses a specialist need e.g. Sensodyne toothpaste for sensitive teeth



Characteristic	Business Market	Consumer Market
Demand	Organizational	Individual
Volume	Larger	Smaller
# of Customers	Fewer	Many
Location	Concentrated	Dispersed
Distribution	More Direct	More Indirect
Nature of Buy	More Professional	More Personal
Buy Influence	Multiple	Single
Negotiations	More Complex	Simpler
Reciprocity	Yes	No
Leasing	Greater	Lesser
Promotion	Personal Selling	Advertising

OCR ALevel Business: Marketing 2

Knowledge Organiser: Marketing



PED - % CHANGE IN DEMAND
% CHANGE IN PRICE

YED - % CHANGE IN DEMAND
% CHANGE IN INCOME

AED - % CHANGE IN DEMAND
% CHANGE IN ADVERTISING SPEND

XED - % CHANGE IN PRODUCT A DEMAND
% CHANGE IN PRODUCT B PRICE

Competitor pricing
A price is set based on prices charged by competitors

Cost-plus pricing
Adding a percentage of profit onto the total costs of making a product

Penetration pricing
A price is set lower than competitors

Skimming
A high price is charged initially for those customers who want the latest products

Promotional pricing
Prices are reduced to give sales a boost



PRODUCT

- Design
- Technology
- Usefulness
- Convenience
- Value
- Quality
- Packaging
- Branding
- Accessories
- Warranties

PLACE

- Retail
- Wholesale
- Mail order
- Internet
- Direct Sales
- Peer to Peer
- Multi-Channel

PRICE

Strategies:

- Skimming
- Penetration
- Psychological
- Cost-Plus
- Loss leader, etc.

Physical Environment

- Smart
- Run-down
- Interface
- Comfort
- Facilities

Process

- Especially relevant to service industries
- How are services consumed?

People

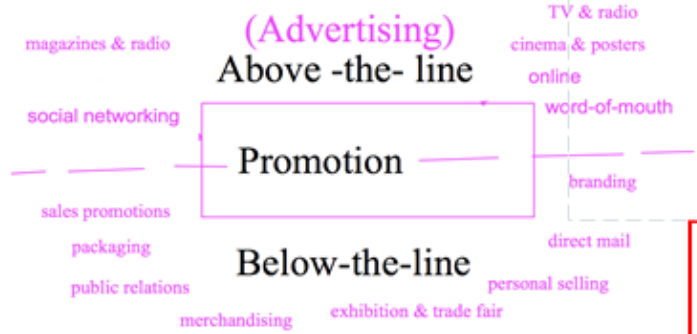
- Employees
- Management
- Culture
- Customer Service

PROMOTION

- Special Offers
- Advertising
- Endorsements
- User trials
- Direct mailing
- Leaflets/posters
- Free gifts
- Competitions
- Joint ventures

Factors that Affect Price Elasticity

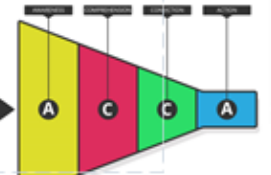
Necessity or luxury?	Availability of substitutes
Consumer income	Brand loyalty
Habits	Frequency of purchase



Digital marketing is the marketing of products or services using digital technologies, mainly on the Internet, but also including mobile phones, display advertising, and any other digital medium.

Digital Distribution is the delivery or distribution of digital media content such as audio, video, software and video

DAGMAR MODEL



Hierarchy-of-Effects Model



THE AIDA MODEL

