

## Functions of Marketing Department

- **Market Research** → carry out market research to find out what customers want
- **Product** → identify and source potentially successful products for the marketplace
- **Price** → setting the right price that the product will be sold at that customers are willing to pay
- **Promotion** → overseeing advertising and promotion campaigns to ensure that the product is promoted in a way which creates maximum customer awareness and persuades potential customers to make the decision to purchase the product
- **Place** → making the product available in the right place at the right time – including choosing appropriate distribution channels
- **Sales Process / Customer Service** → ensuring that the business delivers good customer service and maintains positive public relations

## The Market

### Mass Markets

**Definition:** A large market of customers which is undifferentiated and that sells products and services to suit a large number of people.

### Niche Markets

**Definition:** A smaller part of a large market, with products tailored to specific customer needs.

## Competitive Environment

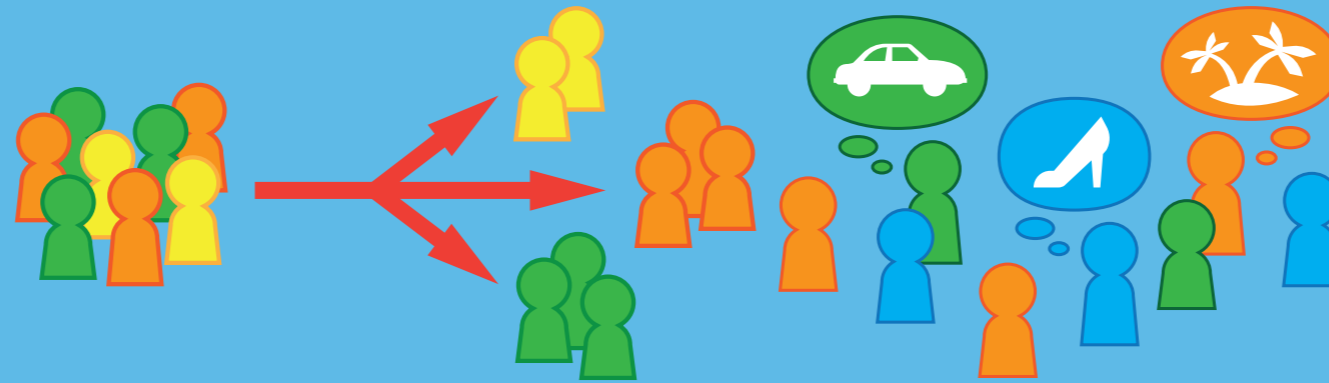
**Definition:** Where there are a number of businesses attempting to persuade consumers to buy their products. Such competition will be based on such factors as price, design and quality.

## Market Growth

**Definition:** Measures the percentage of increase in the sales volume or value.

**Sales Value** → measures the revenue generated

**Sales Volume** → measures the number of items sold



## Market Segmentation

**Definition:** Involves dividing the market (target / niche markets) into parts which have specific characteristics e.g. age / gender / income / socio-economic group.

- **Socio-economic** → people in different jobs → with different lifestyles → related to affordability
- **Location** → where people live / residential areas → work
- **Income/cost** → how much can be afforded → e.g. it may be cheaper to have one item over another
- **Lifestyle** → e.g. increase in leisure → increase in demand of item
- **Time/purpose/use/interests/hobbies**
- **Ethnic and cultural** → are some groups more likely to use a product than others?
- **Skill/proficiency** → based on ability/experience
- **Gender** → a good/service may be more appealing to females than males

## Marketing Mix

**Definition:** The combination of factors which help a business to sell its products. It is usually considered to involve the 4Ps of product, price, promotion and place.

## Market Research

### Market Research

**Definition:** The way in which information and data is gathered about consumers, competitors and market trends.

### Focus Groups

**Definition:** Where consumers are brought together by businesses to discuss their reactions to products before they are launched.

### Consumer Panels

**Definition:** Recruited by research companies to represent the views of consumers in a particular sector. They will be asked to comment on such things as product design and taste, or on the branding and advertising of products.



## Primary Research

**Definition:** (field research) → collecting primary data → collecting information that does not already exist → it is collected for a specific purpose.

### Examples:

Questionnaires, focus groups, personal interviews, IT based research such as email surveys, telephone interviews, postal surveys, observation, consumer panels, test marketing

### Advantages:

- ✓ Up-to-date → gathered first-hand → collected by the researcher (yourself)
- ✓ Specific to a business' own needs / accurate
- ✓ Provides answers to exact questions that a firm may be interested in

### Disadvantages:

- ✗ Can be very expensive to collect → could the money have been better utilised using secondary research?
- ✗ Can be very time consuming to collect so that by the time it has been collected and analysed the market may have changed
- ✗ Can have problems of bias

## Secondary Research

**Definition:** (desk research) → involves using information which already exists → this can be collected internally or externally.

### Examples:

- Newspapers/magazines
- Trade journals
- Internal data e.g. company reports/business records/financial data
- Census data
- Published research/internet

### Advantages:

- ✓ It is inexpensive to collect and quick to obtain
- ✓ Enables cost-effective analysis of several data sources

### Disadvantages:

- ✗ Often out of date
- ✗ Might not be available
- ✗ Little control over quality
- ✗ Problems of interpretation

## Qualitative Data

**Definition:** Involves collection of data about attitudes, beliefs and intentions. *Focus groups, participant observation and interviews are common methods used to collect qualitative data.*

- Researcher may only know roughly in advance what he/she is looking for.
- Recommended during earlier phases of research projects.
- Can be time consuming to collect and may be difficult to draw general conclusions.
- Information gathered is often open to high degree of interpretation (subjective) and so there are often disagreements within business about the significance and importance of qualitative data.
- Data is in the form of words, pictures or objects.



## Quantitative Data

**Definition:** Involves the collection of data that can be measured. This means the collection of statistical data such as sales figures and market share. *Surveys and the use of government publications/existing statistics are common methods of collecting quantitative research data.*

- Researcher uses tools, such as questionnaires and surveys to collect numerical data.
- Researcher knows clearly in advance what he/she is looking for.
- Recommended during latter phases of research projects.
- Is usually regarded to be less open to interpretation than qualitative data (objective).
- Data is in the form of numbers and statistics.

