# **GCSE Business Studies**

# Unit 2: Marketing Revision Guide



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# Unit 2: Marketing -An overview

Paper 1: Business Activity, Marketing and People				
Content overview Assessment overview				
Business Activity  Marketing  People	Business 1 80 marks 1 hour 30 minute paper	50% of total GCSE		

Topic	Content
2.1 The role of marketing	The purpose of marketing within business
2.2 Market research	<ul> <li>The purpose of market research</li> <li>Primary research methods</li> <li>Secondary research methods</li> <li>How appropriate different methods and sources of market research are for different business purposes</li> <li>The use and interpretation of qualitative and quantitative data in market research</li> </ul>
2.3 Market segmentation	<ul> <li>The use of segmentation to target customers</li> </ul>
2.4 The marketing mix	<ul> <li>The 'four Ps' of the marketing mix and their importance</li> <li>Product</li> <li>Product - stages of the product life cycle</li> <li>Pricing methods</li> <li>Promotion - point of sale</li> <li>Promotion - advertising</li> <li>Place - distribution of products and services</li> <li>How the four Ps of the marketing mix are used to inform and implement business decisions</li> <li>Interpretation of market data</li> </ul>

## **Personalised Learning Checklist**

Complete the checklist below to rate your understanding of each of the topics in Unit 2: Marketing

Tick the relevant column to identify your learning and understanding of each of the areas studied.

		Unit 2: Marketing		
2.1	The Ro	le of Marketing		
	The pu	rpose of marketing		
	0	The importance to a business of identifying and understanding		
		its customers		
	0	Informing customers		
	0	Increasing sales		

2.2 Market Research			
The purpose of market research			
<ul> <li>Identifying and understanding customer needs</li> </ul>			
Primary research methods			
<ul> <li>Questionnaires</li> </ul>			
<ul> <li>Interviews</li> </ul>			
<ul> <li>Trialling</li> </ul>			
<ul> <li>Focus groups</li> </ul>			
Secondary research sources			
<ul> <li>Newspapers and magazines</li> </ul>			
o Census			
<ul> <li>Websites</li> </ul>			
o Internal data			
How appropriate different methods and sources of market research are			
for different business purposes			
The use and interpretation of qualitative and quantitative data in market			
research			

2.3	Market	Segmentation			
	The use of segmentation to target customers				
	0	Age			
	0	Gender			
	0	Income			
	0	Location			
	0	Lifestyle			

2.4 The Marketing Mix		
The four P's of the marketing mix and their importance		
o Price		
o Product		
o Place		
o Promotion		
Product		
<ul> <li>Design, Invention, Innovation</li> </ul>		
Product - stages of the product life cycle		
<ul> <li>Introduction, Growth, Maturity, Decline</li> </ul>		
Pricing methods		
<ul> <li>Skimming, Cost-plus, Penetration, Competitor, Promotional</li> </ul>		
Promotion - point of sale		
<ul> <li>Price reductions, Loss leaders, Competitions, Free samples</li> </ul>		
Promotion - advertising		
<ul> <li>Social media, Websites, Print media, Television, Radio</li> </ul>		
Place - distribution of products and services		
<ul> <li>Digital and physical distribution channels</li> </ul>		
How the four Ps of the marketing mix work together		
The use of the marketing mix to inform and implement business		
decisions		
Interpretation of market data		
<ul> <li>Changes in demand, target market and market share, changes in</li> </ul>		
product and effects of promotion		

### **Glossary/Key Terms**

In your exam you will be required to explain the meaning of a range of key terms.

In most cases 2 marks are available for demonstrating full understanding of the key term and 1 mark for providing a relevant example.

Complete the glossary below so that you have a full set of key term definitions with examples

Key Term	Explanation	Example
4ps of the marketing mix		
Advertising campaign		
Advertising media		
Census group		
Competitor pricing		
Cost-plus pricing		
Decline		
Design		
Digital distribution		
Focus group		
Growth		

Innovation	
Interview	
Introduction	
Invention	
Market data	
Market research	
Market segmentation	
Market share	
Maturity	
Penetration pricing	
Physical distribution	
Points of sale promotion	
Primary research	
Product life cycle	
Promotional pricing	

Qualitative data	
Quantitative data	
Questionnaire	
Secondary research	
Skimming	
Target market	
Trials	

#### Exam 'Top Tips'

# Multiple Choice Test Taking Tip

Come up with the answer in your head before looking at the possible answers, this way the choices given on the test won't throw you off or trick you.



Read the question carefully and decide on the answer.

Check the possible options and cross out the ones that are **definitely wrong!** 

"Be specific about what the product or service actually is. Use actual competitor names too"

Read the question and the information very carefully. Some of your answers will come directly from the text!

Highlight/underline key information in the text

"Follow the correct structures, you have been given them for a reason"

#### DO YOUR BEST TO BEAT THE TEST Test Taking Strategies



Three is key! READ the passage, READ the questions, REREAD the passage to find your answer.



Look back and highlight or underline evidence from the text that proves or supports your answer.

"Where the question asks for TWO reasons/example/benefits, make sure you include TWO"

"If the question doesn't tell you how many to include, look at the number of marks available"



Use all your time.

If you happen
to finish the test
before time is up, go back
over the questions,
especially the
ones that seemed hard,
and check your work.

If you finish your paper before the 90 minutes are up

Check, check and check again!
Ask yourself: So? Why? How? If?

#### **Exam Structures**

Follow each of the structures below when answering your exam questions

#### Explain [2 marks]

**Point** 

**Explain** 

2 strands of information using a connective

#### Explain [4 marks]

**Point** 

**Explain** 

2 strands of information using a connective

Point

Explain

2 strands of information using a connective

#### Analyse [3 marks]

**Point** 

**Explain** 

2 strands of information using a connective

**Impact** 

#### Analyse [6 marks]

Point

**Explain** 

2 strands of information using a connective

**Impact** 

Point

**Explain** 

2 strands of information using a connective

**Impact** 

#### **Recommend [3 marks]**

Point

Explain

2 strands of information using a connective

**Impact** 

However

#### **Evaluate/Discuss [7/9 marks]**

Point 1

Explain positive

2 strands of information using a connective

**Impact** 

However

Explain negative
2 strands of information using a
connective

**Impact** 

Point 2

**Explain** positive

2 strands of information using a connective

**Impact** 

However

**Explain** negative

2 strands of information using a connective

**Impact** 

In conclusion the business should.....

The most important reason for this

is.....because.....

While they do need to consider.....

I would still recommend.....for the business because.....

#### 2.1 The role of marketing

Specification content	What you should know
The purpose of marketing within business	✓ The importance to a business of identifying and understanding its customer, informing customers, increasing sales

#### Purpose of marketing within business

When a business decides to market a product it will need to consider the following factors:

- Finance how much finance is available to spend on research and development of the new product or an advertising campaign?
- Who the marketing is aimed at young people may be more likely to respond to advertisements on social media. Different people may require different products, for example, some older people may like a mobile phone that has large buttons and is easy to use; only rich people may be willing to pay high prices for top quality goods
- Location of potential customers which country or region of a country do they live and what language do they speak

The diagram below shows the main purposes of marketing:

Identifyin	g and
understanding	customers

- Who are they (male or female, young or old, rich or poor), what do they want, where do they live?
- Answers to these questions can be found through market research

#### **Informing customers**

- Advertise on TV, in newspapers, billboards, social media
- How much advertising a business does will be influenced by what it can afford and who it needs to inform

#### **Increasing sales**

- Sales can be increased by reducing prices, introducing new products, selling in different places or by different methods (i.e. online or shops) and promotion, including advertising
- Think of the 4Ps: place, price, product, promotion

For each of the statements below, identify whether they are true or false in relation to the role of marketing.

Statement	True	False	Statement	True	False
Increase the production of products			Make higher quality products		
Give workers a better place to work			Increase the sales of products and services		
Inform customers of new products			Undertake market research in order to understand the needs of customers		

#### 2.2 Market research

Specification content	What you should know
The purpose of market research	✓ Identifying and understanding customer needs
Primary research methods	✓ Questionnaires, interviews, trials, focus groups
Secondary research methods	✓ Newspapers and magazines, census, websites, internal data
How appropriate different methods and sources of market research are for different business purposes	✓ Make recommendations in different contexts as to which method of market research is more appropriate
The use and interpretation of qualitative and quantitative data in market research	<ul> <li>✓ Understand which methods collect qualitative and quantitative data</li> <li>✓ Analyse the benefits of each</li> </ul>

#### Purpose of market research

Market research is about identifying and understanding customer needs in order to produce goods and services to meet those needs. It is used to inform business decisions and so can influence whether a business succeeds or fails.

If a business does no **market research**, or conducts its research poorly, the chance of the business succeeding will be reduced. Any information gathered through **market research** must be interpreted correctly to:

- Understand its significance to the business
- Help marketing decision makers in the business choose the marketing strategy which best meets the needs of their target market.

Though market research costs money, this will, if the research is used effectively, be repaid to the business as sales revenue.

The figure below summarises what market research is about.

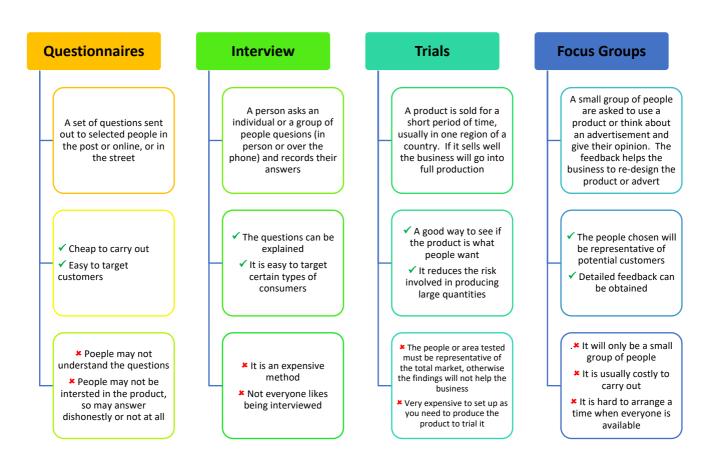
# Marketing invovles the 4 Ps Place Price Product Promotion Market research aims to find out information about the target market: Their age Their economic status Their culture Where they are What they want

Good market research helps a business to be successful and avoid expensive mistakes by finding out:

- The product the customers want
- The price its customers are willing to pay
- The design of the product that will attract customers
- How many products customers will buy
- How to target customers
- Where and how to sell the goods and services

#### Primary research methods

**Primary research** is about collecting new data directly from people within the target market. The diagram below summarises the main methods used to collect **primary data** and their advantages ( $\checkmark$ ) and disadvantages ( $\checkmark$ ).



Complete the table below by matching the correct starting phrase with one of the ending phrases

Starting phrase	
Primary research is also known as	
Trials are used to	
Smaller businesses often do not use primary research	
Focus groups are usually	

Ending phrase		
made up of people who represent the target market		
because it can be expensive		
field research		
establish whether there is		
demand without committing		
fully to the idea		

#### Secondary research methods

**Secondary research** involves using information that has already been collected. The table below summarises the main sources of **secondary data** and their advantages and disadvantages.

Method	Description	Advantages	Disadvantages
Census data	The national census finds out information about all UK households every 10 years  It includes information about the numbers of people living in the household, their income and where they live	<ul> <li>Information comes         from a lot of people -         almost the whole         population of the         country</li> <li>It is already collected         and analysed,         reducing the cost to</li> </ul>	been collected to meet the specific needs of the business
Newspapers and magazines	Articles in publications often describe peoples interests and current fashions	<ul> <li>Such information is up to date, cheap (involves only the cost of the newspaper or magazine - could even be free online) and is a good source of ideas</li> </ul>	<ul> <li>Information will be general and not specific to the business</li> </ul>

Websites	Information about other companies can be found, including what they sell and the prices they charge	<ul> <li>Cheap to collect and readily available.</li> <li>Such data can help a business decide what to produce as well as the price to charge</li> </ul>	<ul> <li>The information will need careful interpretation by the business</li> </ul>
Internal data	This is data collected by the business about, for example, its past sales and profits as well as customer feedback	<ul> <li>Cheap to collect</li> <li>Readily available</li> <li>Specific to the business</li> </ul>	<ul> <li>Data is historical - it looks at what has happened, not what will happen</li> </ul>

#### Appropriateness of different methods of research

When choosing to conduct **market research**, a business must decide whether to use primary or secondary research or both. The decision will be influenced by the following factors:

- How much the business can afford to spend some organisations will only be able to afford secondary research, while others may be willing to spend large amounts of money on primary research
- What information is required -first hand information from potential customers gained from, for example, an interview or a trial may be a good way to get opinions about a new product. Secondary information about people in the local community may be gained from the Census or from local newspapers. Information about competitors may be obtained from their websites.
- Location of customers a questionnaire or telephone interview may be a good way of getting information from customers in another country. A local newspaper may provide information about the market in a particular town.
- How quickly the information is needed it will be quicker to use secondary information than to have the prepare and carry out primary research

#### Use and interpretation of qualitative and quantitative data

The table below summarises the difference between **qualitative** and **quantitative** data as well as some advantages and disadvantages.

Qualitative data is usually collected using primary research as it involves finding out the opinions of customers who use the product or service.

- An advantages of qualitative data is that it helps a business to understand what customers are thinking and what they want
- You get detailed feedback based on opinions
- A disadvantage of qualitative data is that information may only be provided by a limited number of people

Quantitative data provides facts, for example, about what people do, what they spend or where they shop. A business may want to know how often a person goes to the cinema, for instance

- An advantage of quantitative data is that it is easy to analyse. It can be gathered from a lot of people
- A disadvantage of quantitative data is that it limits how much people can say about what they like or dislike

#### 2.3 Market segmentation

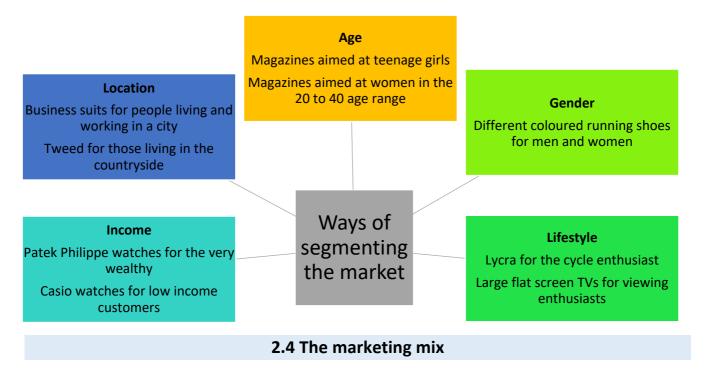
Specification content	What you should know
The use of segmentation to target customers	✓ Age, gender, income, location, lifestyle

#### The use of segmentation to target customers

The market for a product can be divided into **segments**, known as **market segmentation**. People in different **segments** often want different kinds of products or services. Businesses need to know this so that they can target their products at the different needs of customers of each **segment**. When a business targets the different **segments** in its market, it will need to consider the following:

- Whether to produce different products for different markets the business may consider offering male/female versions or basic and more sophisticated models
- What price to charge high or low?
- How to promote the products the type of media to use and what message this method may give
- Where to locate shops town centre, shopping mall, holiday resort and whether to sell online or not?

The diagram below illustrates different ways of **segmenting** the market.



Specification	What you should know
content	what you should know

	Price, product, place, promotion	
	✓ Design, invention, innovation	
The four Ps of the	✓ Introduction, growth, maturity, decline	
marketing mix and	✓ Skimming, cost-plus, penetration, competitor, promotional	
their importance	✓ Price reductions, loss leaders, competitions, free samples	
	✓ Social media, websites, print media, television, radio	
	✓ Digital and physical distribution channels	
How the four Ps of the marketing mix work together	✓ How does one element affect another, positively and negatively	
The use of the marketing mix to inform and implement business decisions	✓ Changes in demand, target market and market share, changes in product and effects of promotion	
Interpretation of market data	✓ What does the data in different contexts mean	

The marketing mix refers to the 4 Ps of marketing - Place, Price, Product, Promotion - which are used together to market a product or service

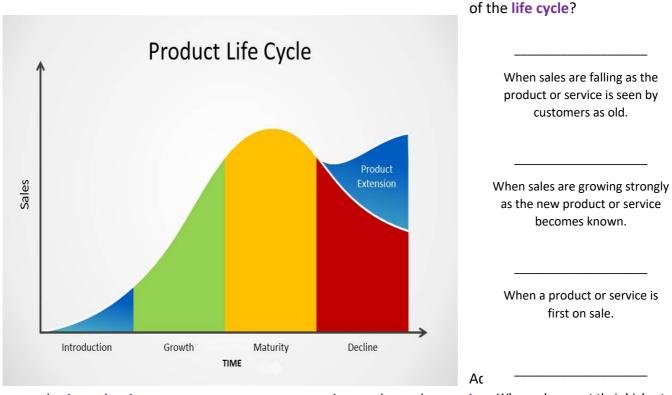
#### Product: Product and product life cycle

Market research will inform businesses what customers want. The business must design, invent or innovate so that it is producing the **products or services** that customers want to buy.

Activity	Meaning	Example
	NA/hon a hunin ann alamanda a	The Ford Focus is designed to meet the needs of lower-middle class workers such as junior managers and skilled workers such as plumbers and electricians.
Design	When a business plans what a product will do [its function] and what it will look like [its style]	These consumers have a median age of 42 and a household income of around £50,000.
		They want features such as automatic parallel parking, rain-sensing windshield wipers, parking cameras and keyless entry, among others.
Invention	When a business comes up with a new product or service	Firms have recently been working on mobiles phones that can be charged without having to be plugged in.
		Samsung is now currently working on a phone that folds into a tablet

Innovation	When a business improves a	The Samsung s10 mobile phone is an
	product which already exists	improvement on the Samsung s9

The **product life cycle** usually refers to the four stages of life that a **product** usually goes though. The diagram below illustrates the **product life cycle**. Can you match the definition with the correct stage



the **introduction** stage to ensure customers know about the **product** When sales are at their highest advertising is used to reinforce awareness of the **product**. In **maturi** level. be used to keep sales high. In **decline**, buyers may be encouraged with special offers to puly stocks of goods the business has left over. The firm could also try to find new users for the **product** to extend its sales and **life cycle**.

Using the words below, fill in the gaps to complete the paragraph

The product life cycle is divided into		e cycle is divided into	parts and shows the	
_	of	a product measured against	The first stage is called	
		and is where the product is nev	v. Advertising is often	
_	at	t this stage to make sure that customers ar	e aware of the product. The next	
	stage is	where the product is becoming w	vell-known. When the product	
	reaches	sales are at their highest,	though sales growth is	

The final stage is	where the sales are falling and a	
business might be thinking introducing a _	product.	

introduction		high	replacement	
maturity	growth	de	cline	slowing
fo	ur	life	ti	me

#### **Price: Pricing Strategies**

A business must take great care when deciding what **price** to charge for a product or service. Businesses must consider the following:

- How new the business is
- How new the product is
- The quality of the product
- The number and nature of the competitors
- How well customers know the product already
- What stage of the product life cycle the product is at
- The costs of producing the product

Businesses in different situations will use different **pricing methods**. The diagram below summarises the **pricing strategies** that you need to know.

#### **Cost-plus pricing**

The cost of the product is calculated and then an amount of profit is added to decide the price. Often used by businesses to make sure they make a profit.

#### **Skimming**

A high price is charged for a new, better product to make a large profit, then the price is reduced when competitor products start to be sold.

# Pricing methods

#### **Promotional pricing**

The price is lowered to persuade customers to buy stock that remains or to buy a product whose sales are slowing down.

#### **Penetration pricing**

A low price is charged for a new product to persuade customers to try it. The price will be increased when sales have grown.

#### **Compeititor pricing**

A business looks at the prices charged by competitors before deciding its price. It then sets its price at a similar level as customers are already happy to pay that price.

Using the words below, fill in the gaps to complete the paragraph

When a business firs	t introduces a r	new product it may use		pricing if it
wants to gain marke	t share from	If the pro	duct or service i	s thought to be
much		than the competition	, a business migh	nt use
	in orde	r to make as much	6	is they can.
After time, when the	product becom	nes older, a business might ha	ve to	
the price in order to	keep sales	as consi	umers see the pr	oduct as being
dated. To finally	get rid of old s	tock when the product or mod	del is no longer r	nade, when
		pricing may be	used	
competitors	high	skimming	lower	
promotion	Prom Of	iof:itoint of sale and adverti	t <i>eg</i> r	penetratio

**Promotion** is about informing customer about what is for sale and persuading them to buy. There are four key aims of **promotion** you need to be aware of:

- 1. To inform customers about a product or service (especially when new or changed)
- 2. To keep a business ahead of its competitors
- 3. To create or change the image of a business, its products and services
- 4. To maintain or increase sales

**Promotion** is divided into two main areas; **point of sale promotion** and **advertising**. The diagram below summarises the main types of **promotion** and **advertising**.

#### Point of sale promotion



#### **Price reductions**

To sell off old stock, for example, old models of cars, winter clothes as spring approaches. The disadvantage is that the business will make less profit (or even a loss) than if the product had been sold at a higher price



#### **Competitions**

A person who buys a product is also entered in to a competition, for example, a voucher for a free holiday could be included in a number of bags of crisps. Customers 'win' by finding a voucher.



#### Loss leaders

Some goods are sold at a loss to encourage customers to come to the shop in the hope that they will do all their shopping there. For example, Tesco may sell petrol cheaply to attract customers and it will make its profits on the groceries those customers buy.



#### **Free samples**

These are given to tempt people to buy the product, for example, customers may be offered small pieces of cheese in a supermarket so they can try it.

#### **Advertising**



#### Social media

A cheap way of communicating with large numbers of people as well as targeting customers. Facebook and Twitter are good examples of this. However, not everyone uses social media.



#### **Websites**

A lot of information can be provided for potential customers, including written information, diagrams and videos. Content type depends on how much the business can afford to spend. It costs a business money to keep its website up to date.



#### **Television**

This is often expensive, but TV advertising is good for reaching a wide audience. Advertisers will know what channels and programmes potential customers watch.



#### **Printed media**

This includes newspaper (local and national), magazines and leaflets. Businesses can target their market, for example, a local plumber would use a local newspaper, a supermarket chain a national paper, a fast food outlet could post leaflets through doors in the local area. However, many people do not read newspapers and leaflets are often ignored.



#### Radio

This is cheaper than TV and usually suitable for local advertising but products cannot be seen.

For each of the statements below, identify whether they are true or talse in relating to promotion.

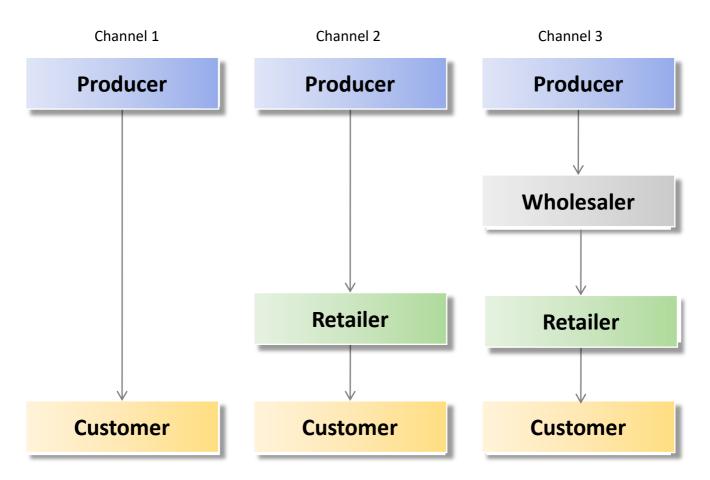
_			_		
Statement	True	False	Statement	True	False
Statement	IIIUE	i aise	Julenieni	IIIUE	I alse

A loss leader is meant to make a loss to keep the business in the lead	Free samples are often seen in products such as cosmetics	
Competitions are only used by supermarkets to promote the food they sell	Supermarkets use loss leaders to encourage shoppers to visit their stores	
Price reductions are often seen in shops in January	Promotion is mainly concerned with making sure that old stock is sold at the best possible price	

#### Place: Distribution of products and services

**Place** is concerned with the **distribution** of goods and services, that is, how those goods and services reach the customer. There are two main methods of **distribution**; **physical** and **digital**.

**Physical distribution** is the movement of goods from the producer (manufacturer) to the customer. There are three different **physical distribution** channels and these are shown in the diagram below.



The advantages of the three channels above are as follows:

- Channel 1 by missing out wholesalers and retailers, the producer makes more profit, rather than sharing it with a wholesaler and/or retailer
- Channel 2 selling directly to the retailer means the producer can benefit from keeping some of the profit that would have been made by the wholesaler, while being confident the retailer will be able to market the goods to consumers.
- Channel 3 a wholesaler can break up bulk stock and offer retailers the goods in the quantities that they can afford, and which they can sell, so, more retailers are willing to sell the goods.

**Digital distribution** is when the product can be downloaded by the consumer directly from the seller, as in the case of books from Amazon onto a Kindle or music from Spotify onto a MP3 player.

Advantages and disadvantages of digital distribution are contained in the table below

#### Advantages Disadvantages Physical goods cannot be distributed The consumer can buy the product 24/7 digitally It is a method of selling, without the costs It is a very competitive market as of a physical shop or transport consumers can compare prices and The business can sell throughout the world products online and so has more potential customers Customers who do not own a computer will A business may be able to improve its be unable to buy online image with skilful use of websites Some customers do not like sharing their Less staff may be needed which will cut bank or credit card details online Digital content can easily be copied and costs illegally shared for free online

Using the words below, fill in the gaps to complete the paragraph

Physical distribution is a	l about getting the _		to the
Some businesses se	II	to the consumer. Th	ese businesses are usually
Ot	her businesses may	sell to a	such as Currys who
then sells to the custom	er. Larger businesses	s may sell to a	whose job it
is to break	and sell smaller	amounts to a retailer.	Businesses such as Tesco and
Marks & Spencer have t	heir own	distribution cen	tres where much of their stock
regional	product	is stored.	all consumer
wholesaler	direct	the	hulk retailer

#### How the 4 Ps work together

The 4Ps of the marketing mix work together. When making decisions about the marketing mix, businesses must consider the following:

- The type of product they are selling
- The cost of the product
- The stage of the product life cycle the product is at
- The target market
- The funds available for marketing

The table below show how the 4Ps may mix together at different stages of the product life cycle of a mobile phone.

	Product life cycle stage				
Marketing mix	Introduction	Growth	Maturity	Decline	
Product	Introduce a new, high-tech phone	The phone does not change  Begin the process of innovating and designing a model to replace the phone	Add new styles of the phone to attract a wider range of customers  Continue the design and development process	Introduce new features to attract sales, for example, a larger memory or a better camera  Be ready to introduce the new model once sales of the current phone can no longer be extended	
Price	Use price skimming to make high profits from the phone, because some consumers will be willing to pay the high price	Reduce price to maintain sales	Maintain a stable price	Use promotional 'reduced' pricing to extend sales of the phone	
Place	Sell through exclusive shops to stress the product's quality and to be able to sell at a high price	Sell through a wide range of shops and online to increase customers	Continue sales through a wide range of outlets	Continue sales through a wide range of outlets but reduce sales in outlets that are not selling many of the phones	
Promotion	Use targeted advertising to generate interest in the product and stress its quality and exclusively to people who are interested in new technology	Advertise widely to stress the benefits of the phone to a wider market	Continue to advertise to highlight differences of the phone compares to its competitors	Advertise to raise awareness of price reductions  Give special offers such as free phone cases with the phone to encourage people to buy	

It is possible to judge the effectiveness of a marketing mix by asking the following questions:

- 1. Have total sales increased and if so, by how much?
- 2. Has the stock of products been sold off?

- 3. Has the number of people who buy a good or service increased and if so, by how many?
- 4. Has the business been able to increase the price or has it reduced the price?
- 5. Has total sales revenue increased or decreased and by how much?
- 6. Has the profit made by the business increased or decreased and by how much?

#### Interpretation of market data

Most businesses collect market data to help them to make decisions. Using and interpreting data means that decisions are informed - not just guesses about what is needed or what is happening.

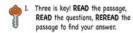
The table below shows data which can help marketing decisions.

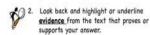
Example of data	Information provided	Example use of data
Changes in demand	Data can show if demand for a product is rising, falling or is unchanged	Inform possible changes to: - price - increase or reduce - advertising - more or less needed - the type of advertising - promotional offers - introduce a new product
To continue de la	Who the customer are What the customers want	To decide: - the design of the product - how much to charge for the product
Target market	Any changes in the target market, for example, increase in older people who are interested in the product	- where, when and how to advertise -which retail outlets to use - which promotional offers, if any, to use
Market share	The percentage of the total sales in a market of the business, and how this may be changing	To help decide whether to change or to maintain the current marketing mix
Product changes	This will indicate if consumers want different products and if those of competitors are more or less successful	The first decision will be whether or not the business needs to introduce a new product to match consumer needs and/or competitor products
Effect of promotion	How the promotion is affecting sales and profits	Use data to evaluate the effectiveness of any current promotion and make changes if necessary

Market research

11 12 1 10 2 9 Unit 2 3

#### DO YOUR BEST TO BEAT THE TEST Test Taking Strategies





#### **Possible Practice Exam Questions**

Answer each of the following exam style questions. Use the structures on p10 to help you. DO YOUR BEST TO BEAT THE TEST Test Taking Strategies



1. Three is key! READ the passag READ the questions, REREAD the passage to find your answer.



2. Look back and highlight or underline evidence from the text that proves or supports your answer.

[3]

#### Horewood Hotels (HH)

Horewood Hotels is an established chain of hotels across East Anglia. It recently has been considering re-branding its city-based hotels for the business traveller, a niche market. This would involve creating a floor in the hotel that has a gym and shared office space where business travellers could hold meetings and make use of computers, Wi-Fi and photocopiers etc.

The first hotel they are thinking of changing is in Cambridge. The local manager collected the following data.

	Horewood Hotel, Cambridge	Competitor hotel in Cambridge
% of customers who are business travellers	65%	48%
Cost of a day pass to local gym	£12	£12
Price per night after development	£75	£70
Promotional price for Business travellers	£65	No offers

HH is planning to advertise through its website and social media as a lot of its previous customers stay in touch via the internet. It will also offer some sales promotions for loyal businesses who use the hotels for their staff.

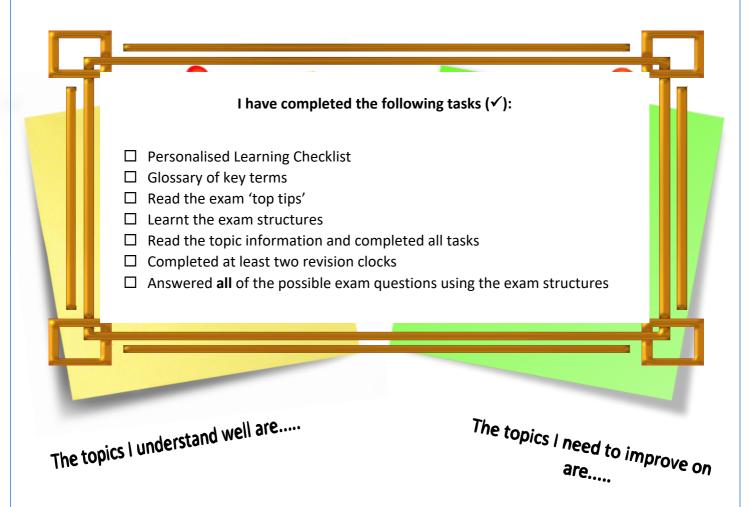
The manager feels they should use promotional pricing to start with to win people over but some feel that the hotel is unique and therefore a skimming strategy might work better and earn them more money.

1. Identify one primary and one secondary research method HH could have used to coll			
	[2]		

2. Analyse one advantage to HH of using social media to advertise their hotels.

•	Analyse one benefit to HH of using promotional pricing for the Cambridge hotel.
•	Analyse one benefit to HH of using skimming for the Cambridge hotel.
•	Recommend whether HH should use promotional pricing or skimming in its re-branded hotels.
	Discuss whether HH should develop the Cambridge hotel into a business traveller hotel. You shorter to the data in the text above. [9]

#### **Self-Review of Unit 2: Marketing**



My targets to help me improve in this unit are.....  $% \label{eq:model} % A = \{ (x,y) \in \mathbb{R}^{n} \mid (x,y) \in \mathbb{R}^{n} : (x,y) \in$ 

1.

2.

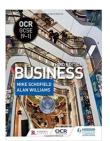
#### **Additional Support**

If you need any further support please speak to your teacher!

Course textbook: OCR GCSE (9-1) Business

https://www.amazon.co.uk/OCR-GCSE-9-1-Business-

 $\frac{\text{Third/dp/1471899365/ref=sr 1 2?crid=3CWFI3AR0SAZ9\&keywords=ocr+gcse+business+studies+9-1}{1\&\text{qid}=1556985885\&\text{s}=\text{gateway\&sprefix=ocr+gcse+business}\%2\text{Caps}\%2\text{C185\&sr=8-2}}$ 



Revision guide: My Revision Notes OCR GCSE (9-1)

https://www.amazon.co.uk/My-Revision-Notes-GCSE-



<u>Business/dp/1510423699/ref=sr 1 1?crid=3CWFI3AR0SAZ9&keywords=ocr+gcse+business+studies+9-1&gid=1556986123&s=gateway&sprefix=ocr+gcse+business%2Caps%2C185&sr=8-1</u>

You could also try the following websites:

http://www.bbc.co.uk/education/subjects/zpsvr82

http://www.businessed.co.uk/index.php/home/activities/gcse-act



https://www.tutor2u.net/