**Chapter 16 Marketing Notes**

**Chapter objectives**

1. To define Marketing
2. To define Market Research and differentiate between Field and Desk Research
3. To understand the importance of market research
4. To define Market segmentation and differentiate the different methods of differentiating markets
5. To understand the importance of market segmentation
6. To distinguish between the Marketing Concept and a Marketing Strategy
7. To define the marketing mix and its elemewnts
8. **Product**
	* To understand the importance of Branding and Packaging
	* To recognise all the stages in the Product Life Cycle

 9. **Price**

* To identify and understand the factors that determine a businesses pricing strategy
* To distinguish between different pricing strategies
* Break Even – calculations – charts – importance
1. **To define Marketing**
* what customers want
* making a product that will satisfy their needs
* Persuading them to buy that product whilst making a profit when doing it.

2. **To define Market Research and differentiate between Field and Desk Research**

* This involves collecting, recording and examining all information relating to market issues which helps managers with decision-making.
* It reduces risk in that it helps businesses to make the right good or service, at the right time and at the right price.

**1 Field Research:**

* This is primary research that has never been done before.
* It is more accurate than desk research
* It is expensive and time consuming
* There are various methods of Field Research

 Survey – Questionnaires, interviews

 Panels – focus group discussions

 Observation – analysis of consumer behaviour

**2 Desk Research:**

* This uses information that someone else has found.
* It is therefore less expensive and less accurate than field research

There are 3 sources of desk research:

1. Internal Reports: own research – different purpose
2. Government Publications: CSO and Gov. departments
3. Internet: Over 2 billion pages of information

**3. To understand the importance of market research**

* It can save a business money in the long term
* It reduces the risk of failure for the product and the business
* It helps a Business improve advertising.
* It helps managers decide the best price, packaging and design to use.

**4. To define Market segmentation and differentiate the different methods of differentiating markets**

* This involves dividing the market for a product up into separate and distinct groups of customers.
* Customers in each segment have different needs.
* A Business will choose a particular group of people with similar tastes and aim at that group.
* E.g.: Ford makes different cars – Ka, Fiesta, Focus, Mondeo, etc in different colours and specifications to target different customer groups

**Geographic Segmentation**

* This involves dividing a market in terms of region, province, county, town, city, etc.
* Businesses make money by satisfying local needs
* E.g. McDonalds have different menus worldwide to satisfy local tastes
* Guinness makes MacArdle’s Ale which is popular in the north east and Beamish Ale which is popular in Munster

**Demographic Segmentation**

* This involves dividing a market on the basis of the characteristics of the population such as age (clothing), family size (individual or multi packs), etc..
* eg.: Nivea segments the market for moisturisers on a gender basis; -Nivea for men and Nivea for women

**Advantages of Market Segmentation:**

1. It helps a business increase sales
2. The business now has lower marketing costs
3. It helps to establish your presence in a market.
4. It allows business to spot opportunities

**The Marketing Concept**

* This states that the customer is the most important stakeholder in the business and all activities must be customer focused. Businesses find out what the customer wants and then provides it at a higher quality and more competitive price than the competition.

**Benefits:**

* Happy customers are loyal customers this increases sales and profits
* Happy customers create positive word of mouth, this attracts new customers
* Complaints are low and costs of repairs or refunds are low.

**The Marketing Strategy:**

This is a written plan setting out how the business will achieve its marketing objectives: A Business must:

1. **Investigate the market** – conduct a **market SWOT analysis** to identify gaps in the market and how current products can be improved
2. **Select a target market** – the business must segment the market and target different groups with different products
3. **Develop a Marketing Mix** – the business must develop the **right Product** at the **right Price**, have it available in all the **correct Places** and **Promote it** so that the target market knows all about it