



# What Is Marketing?

- Businesses aim to make a profit
- To do this they must sell their products or services
- The idea behind marketing is that similar people buy similar things
- Therefore marketing can be defined as:

*Selling The right product, in the right place, at the right time, and at the right price'*





# What Is A Market?

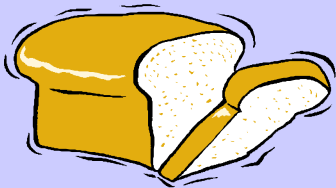
- A market is simply a place where buyers and sellers meet:
  - Buyers are people who **DEMAND** products or services
  - Sellers are people who **SUPPLY** products or services
- When these two groups agree on a price a sale takes place
- As such **marketing** is about trying to get people to buy your products





# Types of Purchases

- People usually make 4 types of purchases:

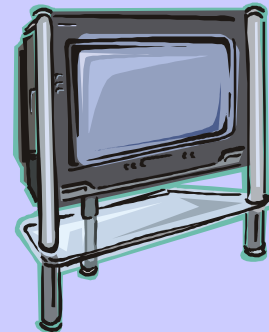


## Routine Purchases

Everyday purchases which require little or no thought

Less routine, involving a little more thought

## Limited-Decision Purchases



## Extensive Decisions

Purchases requiring a lot of thought

Purchases made on the spur of the moment

## Impulse Purchases



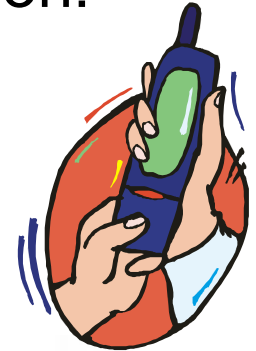


# Market or Product Orientation?

● A business must decide whether to concentrate upon:

➤ Providing products that consumers want

- This is known as **Market Orientation**
- Eg Mobile phones now have cameras because customers indicated that they wanted them



➤ Providing products because they know how to produce them

- This is known as **Product Orientation**
- Eg Dyson produced their product because they knew how to make bagless vacuum cleaners, rather than because consumers had said they wanted one





# Market Segmentation

- Most businesses cannot sell their product to everyone
- Instead they break the market into smaller pieces – and then try to sell to these smaller groups
- These smaller groups are called **SEGMENTS**
- This contains consumers who buy similar products
- These consumers then become the **TARGET MARKET** for the firm
- For example:

- The market for music could be segmented by:
  - Age - ie teenagers will have different tastes to 40 year olds
  - Behaviour - ie some buy mainly singles, whilst others buy albums





# Methods of Segmentation

● There are a number of ways in which this can be done:

➤ Geographical/Regional

■ E.g. oatcakes

➤ Age

■ E.g. 8 year old vs 18 year old

➤ Gender

■ E.g. Perfume vs Aftershave

➤ Income

■ E.g. high income vs low income

➤ Lifestyle

■ E.g. Retired vs Professional





# Researching The Market

- If a business is market orientated then it must find out what people want, and what their competitors are doing
- This can be done using **MARKET RESEARCH**
  - Market research can be used to answer questions such as:
    - Who is in the target market?
    - Where are they?
    - What do they want?
    - What are our competitors doing?
    - How can we do things better?
- Market research can be done in 2 ways:
  - Secondary Research
  - Primary Research





# Secondary Research

- Sometimes called “**desk research**”
- Involves using information that has already been collected
- It can be obtained from a number of sources:
  - Government statistics
  - Market Research Companies, e.g. Gallop
  - Newspapers
  - The Internet



# Advantages & Disadvantages of Secondary Research



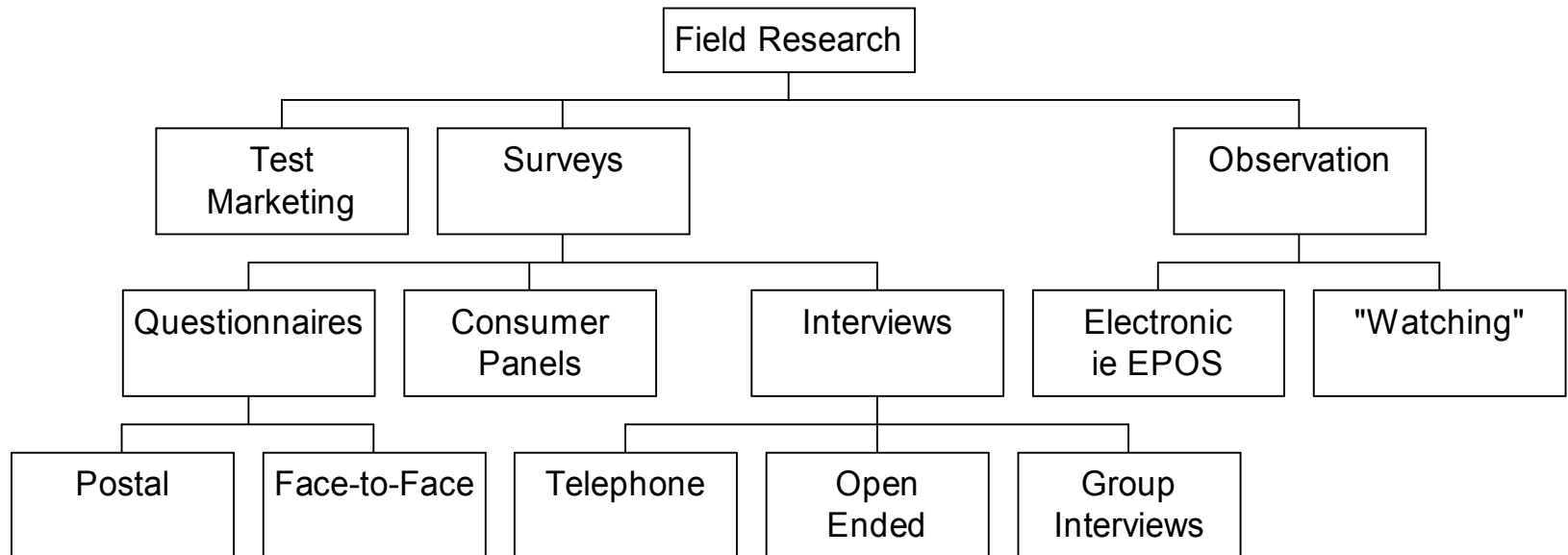
	Advantages	Disadvantages
1)	Information is already available	Information may be out of date
2)	It is cheap	Data can be difficult to make sense of
3)	Can find out what competitors are doing	Information may not be relevant





# Primary Research

- Also known as “**field research**”
- Information that is newly created
- Can be collected by research firms, ie Gallup, Mori etc, or by the firm itself
- There are a number of methods:



# Advantages & Disadvantages of Primary Research



	Advantages	Disadvantages
1)	Obtain the information you want	It is expensive
2)	Information is up to date	Takes longer to obtain
3)	Competitors will not have the information	Difficult to obtain





# Who Should We Ask?

Type of Sample	Definition	Problems
<b>Random</b>	When everyone has an equal chance of being asked	May include people who don't use the product
<b>Stratified Random</b>	When people are split into groups ie age etc – and then selected randomly	Could miss out important groups
<b>Area</b>	This takes people in groups according to location	Must know your customers
<b>Convenient</b>	Where you ask the people who are available	Not very reliable
<b>Judgement</b>	Interviewer decides who to ask	Rely on interviewer



# The Marketing Mix

- In order to meet customers needs, a business must:
  - Sell them **PRODUCTS** that they want
  - Charge a **PRICE** they are willing to pay
  - Make them available in the right **PLACE**
  - Make them aware by using **PROMOTION**
- These 4 elements are known as the **MARKETING MIX**

- **PRODUCT**
- **PRICE**
- **PLACE**
- **PROMOTION**





# An Example of the Marketing Mix

## ● PRODUCT:

- Camelot had to design a game that was:
  - Easy to play
  - Going to encourage lots of people to play since this would affect the jackpot size

## ● PLACE:

- When the game was launched in November 1994 10,000 retailers were selling tickets.
- By March 2002 the figure was 24,250! This was possible because of the computer system, which can handle 400,000 plays per minute!

## ● PRICE:

- Because the government wanted the game to appeal to everyone, the price had to be set low (£1)



## ● PROMOTION:

- £39 million was spent launching this “largest new brand ever”