

# **AS Business Studies 9707**

## **3AS: Marketing**

### **Recommended Prior Knowledge**

There is no requirement for prior knowledge for this unit, although some of the ideas of 1AL would support the unit. Students would not need prior knowledge of marketing. As consumers, students will already have ideas about some marketing issues such as promotion, price, product ranges and, doubtless, they would have made buying decisions based on these factors. This may mean that some teachers will prefer to do this unit before 2AS.

### **Context**

This unit provides an understanding of the role of marketing in business decisions. Critical to marketing activities are marketing objectives, including the timescale in which the objective is to be achieved. Within this framework, the emphasis is on the process of businesses finding and satisfying customers. It is important to recognise that customers can be both final consumers and other businesses. The marketing mix is developed as a tool for helping achieve marketing objectives. Students are encouraged to draw on their own experiences and to use 'own country' examples to understand marketing concepts and the practical application of marketing ideas. The unit is ideal for the extensive use of student based activities. Marketing should be seen in the overall context of the subject with strong links to other areas most notably Finance and People in organizations.

### **Outline**

Following examination of the meaning and role of marketing, the unit covers methods of market research. The marketing mix (usually the 4Ps but 5, 7 and 8 Ps carry the same ideas), central to the subject, is developed in detail.

**References to the endorsed textbook, A level Business Studies, 2<sup>nd</sup> edition by Peter Stimpson and Al Farquharson are in RED. Although activities have been selected from this book, these are only suggestions – there are many other useful activities that can be undertaken including others in the endorsed textbook and associated CD-ROMs and in other recommended textbooks**

AO	Learning outcomes	Suggested Teaching activities	Learning resources
3AS.1	<b>What is marketing?</b>	<p>Many of the ideas in marketing can come from students' own experiences both as customers and the targets of various marketing campaigns. Other important areas of marketing (e.g. where other businesses are target markets) can come via the use of case studies.</p> <p>While many of the ideas in this section can come via the exploration of real life situations, some topics such as the interaction between supply and demand will need to be taught formally.</p> <p>Useful activities include:</p> <ul style="list-style-type: none"> <li>• McDonalds – marketing doesn't stand still (p 243)</li> </ul>	<p><b>Chapter 14</b></p> <p><a href="http://www.thetimes100.co.uk">www.thetimes100.co.uk</a> have a range of marketing case studies as well as lesson plans and other resources. Of use here are Experian, Enterprise RentaCar.</p> <p><a href="http://www.bized.co.uk">www.bized.co.uk</a> has a variety of marketing resources including 'the role of marketing staff', 'Mind your business'.</p> <p><a href="http://www.marketingteacher.com">www.marketingteacher.com</a> provides very good basic information as well as useful case study material that is applicable to the whole of this unit.</p> <p><a href="http://tutor2u.net/business/presentations/marketing/marketingmix/default.html">http://tutor2u.net/business/presentations/marketing/marketingmix/default.html</a> provides a very good overview of the unit along with some useful material.</p> <p><b>It should be remembered that the above are largely focused on the UK. Resources from the students' own country should be developed. Exploring local businesses and websites of locally active multinationals will be useful.</b></p> <p><a href="http://www.bized.co.uk/virtual/vla/theories/demand_curve_movements.htm">http://www.bized.co.uk/virtual/vla/theories/demand_curve_movements.htm</a> provides useful resources</p>

AO	Learning outcomes	Suggested Teaching activities	Learning resources
	<ul style="list-style-type: none"> <li>• Recognising features of different markets</li> <li>• Distinguish between market and product orientation</li> <li>• Distinguish between industrial and consumer markets</li>   <li>• Measuring market share and its problems</li>   <li>• Implications of changes in market share and growth</li>   <li>• Distinguishing between niche v mass markets</li> <li>• Segmentation</li> </ul>	<p>Useful to explore a variety of different products through published material (the web, magazines, newspapers etc) to discuss the nature of each market (who are the customers? is the market growing? which business dominates the market?). Follow through the supply chain of a product (e.g. a car) and explore the business-to-business process and the marketing that might be involved together with the marketing to the final customer. Any products would do but a useful list might include computers, restaurants, software, soft drinks, mining equipment, school furniture, etc. This would be a useful time to introduce the concepts of USP and product differentiation.</p> <p>Continuing on from previous activities, develop ideas of how a small business might grow in each market. Market share ideas can be explored through manipulating data.</p> <p>Tesco is market leader in Thailand (p254) would be a useful activity.</p> <p>A useful activity is:</p> <ul style="list-style-type: none"> <li>• Understanding market segmentation key to repeat visits by tourists (p259)</li> </ul>	<p>Although it is best to use local businesses, the following are examples of stimulus material:</p> <p><a href="http://www.nissan-global.com/EN/index.html">http://www.nissan-global.com/EN/index.html</a></p> <p><a href="http://www.aboutmcdonalds.com/mcd">http://www.aboutmcdonalds.com/mcd</a></p> <p><a href="http://www.thecoca-colacompany.com/">http://www.thecoca-colacompany.com/</a></p>
REINFORCEMENT		Revision activities + Furniture Metallica (p260)	<p>For segmentation try:</p> <p><a href="http://www.netmba.com/marketing/market/target">http://www.netmba.com/marketing/market/target</a></p> <p><a href="http://www.50goldenbrands.com">http://www.50goldenbrands.com</a> is useful for well recognised international brands.</p> <p>Exam questions:</p> <ul style="list-style-type: none"> <li>• May 2006 Paper 1 Q 7(b)</li> <li>• Nov 2006 Paper 1 Q 5(a)</li> <li>• May 2007 Paper 1 Q 7(a),(b)</li> <li>• May 2007 Paper 3 Q 3 A level</li> </ul>

3AS.2	<b>Market research</b>	<ul style="list-style-type: none"> <li>• Primary and Secondary</li> <li>• Methods of information gathering</li> <li>• Sources of information</li> <li>• Sampling methods</li> <li>• Market research results</li> <li>• Cost effectiveness</li> </ul>	<p>Market research can be handled through a combined approach of a practical market research activity and support material in the classroom. Once the basic ideas are established then students can perform their own market research. It could, for example, be research into well-known products or brands or research into some aspect of school/college. Students would be required to plan the method of research, the information required and the target population (for sampling or for consumer panels) as well as identifying secondary sources (often under-utilised). Following research, students will write a report summarising their analysis and findings. An area of analysis often over-looked is relationships between answers to questions – analysis is often carried out linearly but it is often useful to analyse how, for example, differing groups of the population responded to a particular question. It would be useful to have both written and oral presentations from students.</p>	<p><b>Chapter 15</b>  <a href="http://www.bized.co.uk/learn/business/marketing/research/index.htm">http://www.bized.co.uk/learn/business/marketing/research/index.htm</a> is useful, in particular  <a href="http://www.bized.co.uk/virtual/bank/business/planning/marketing/step1.htm">http://www.bized.co.uk/virtual/bank/business/planning/marketing/step1.htm</a> for the background to market research. There are also useful Powerpoint presentations..</p> <p><a href="http://www.tutor2u.net/business/marketing/research_sampling.asp">http://www.tutor2u.net/business/marketing/research_sampling.asp</a></p> <p><a href="http://www.mori.com">www.mori.com</a> provides useful reference material.</p>
	REINFORCEMENT		Revision activities + Market research dilemma at GCB Ltd	<p>Examination questions:</p> <ul style="list-style-type: none"> <li>• May 2006 Paper 3 Q 1(a)</li> <li>• Nov 2006 Paper 2 Q 1(d)</li> <li>• May 2008 Paper 2 Q 1(c)</li> <li>• Nov 2008 Paper 1 Q 7(b)</li> </ul>
3AS.3	<b>The marketing mix</b>	<ul style="list-style-type: none"> <li>• The elements of the marketing mix (the 4Ps)</li> </ul>	<p>Useful starting activity:</p> <ul style="list-style-type: none"> <li>• <a href="#">Marketing an elephant camp tourist attraction in Thailand (p290)</a></li> </ul> <p>The marketing mix lends itself very well to study of the world ‘outside’ of the classroom. The mix needs to be handled in an integrated way to ensure that students understand that the elements of the mix need to be consistent. The mix also needs to be put in the context of marketing and</p>	<p><b>Chapter 16</b></p> <p>The Times 100 has several case studies drawn from marketing:  <a href="http://www.thetimes100.co.uk/case-">http://www.thetimes100.co.uk/case-</a></p>

	<p>corporate objectives so that 'good ideas' have a sense of purpose about them as well as being relevant.</p>	<a href="#">study-swot-analysis-sustainable-business-planning--110-368-1.php</a> ,
	<p>Individual components of the mix can be explored via the 'real world' by choosing well known products and services and comparing strategies for the various brands. Pricing and Promotion are relatively straightforward as there are many sources of information including magazines, newspapers, TV as well as the Internet. Product can be developed using artefacts and visiting websites. Consumer comparison sites could be useful. Channels of distribution could be more problematical as Place is often confused with Location.</p>	<a href="#">http://www.thetimes100.co.uk/case-study--developing-marketing-plan--87-346-1.php</a>
	<p>The 4Cs are complimentary to the mix. Exploration of how businesses can respond to customers can be done through local research. Ideas behind the 4Cs can then be applied and related to the 4Ps.</p>	<a href="#">http://www.customfitfocus.com/marketing-1.htm</a> <a href="#">http://www.teneric.co.uk/businessinfo/marketing-mix.html</a>
<ul style="list-style-type: none"> <li>• The role of the customer (4Cs)</li> <li>• Product</li> <li>• Product life cycle</li> </ul>	<p>There is a lot of scope for getting students to do their own research by studying well-known product ranges, collecting information, comparing differences, researching consumer preferences. This may be an opportunity for trying out a consumer panel, perhaps using members of school staff. Ideas for product development can be explored, linked with USP and differentiation. Some products (e.g. cars) are suitable for researching obsolescence with ideas related to product life cycle, product development and extension strategies.</p>	<a href="#">www.thetimes100.co.uk</a> provides useful material on Kellogs, 3G, KitKat.
<ul style="list-style-type: none"> <li>• Pricing strategies</li> <li>• PED</li> </ul>	<p>Pricing comparisons can be linked in with product comparisons (above). Suitable sources can be web based, media based or observed by visiting shops. Data on air fares might be useful for identifying and examining various pricing strategies used by airlines.</p> <p>Useful activities include:</p> <ul style="list-style-type: none"> <li>• <a href="#">The Daily Times (p300)</a></li> <li>• <a href="#">Car prices to rise in China? (p301)</a></li> </ul>	<a href="#">www.bized.co.uk</a> provides useful material including Powerpoint presentations. <a href="#">http://www.netmba.com/marketing/pricing</a> is also useful.  Pricing research can be carried out via the Internet to explore pricing strategies of competitors by, for example,

		comparing prices of different brands (cars, supermarkets, computers, music, etc).
• Promotion methods	<p>There is a danger that real life promotional material is limited to above the line media based resources, which are easy to obtain (printed, audio, TV). Efforts should be made to develop understanding of other promotion methods, particularly below the line. This may be achieved through the use of well chosen visiting speakers.</p> <p>Useful activities include:</p> <ul style="list-style-type: none"> <li>• <a href="#">Nikon "Coolpix" exceeds targets (p313)</a></li> <li>• <a href="#">Olympus targets youth with i-snap (p323)</a></li> </ul>	<a href="#">Chapter 17</a> <a href="http://www.thetimes100.co.uk">http://www.thetimes100.co.uk</a> .
• Channels of distribution	<p>Candidates often mistake 'Place' for 'Location'. It is important to draw the distinction by ensuring discussion of the manufacturer/ wholesaler/ retailer/ customer chain and all its possible variations.</p> <p>Useful activity includes:</p> <ul style="list-style-type: none"> <li>• <a href="#">Coke chief's latest daft idea (p332)</a></li> </ul>	<a href="http://www.knowthis.com/stories/distribution-decisions">http://www.knowthis.com/stories/distribution-decisions</a> which provides some useful links to case material. <a href="http://www.thetimes100.co.uk/case-study--supply-chain-from-manufacturing-to-shelf--6-370-1.php">http://www.thetimes100.co.uk/case-study--supply-chain-from-manufacturing-to-shelf--6-370-1.php</a> may provide useful discussion material although it is more about the supply chain.
• Using the Internet in marketing	Wherever possible this should be taught using online examples.	<a href="http://www.flyte.biz/internet-marketing/">http://www.flyte.biz/internet-marketing/</a>
• Consistency in the marketing mix	<p>This final topic provides the opportunity for reinforcement of all the previous marketing ideas. Examples can be drawn of how an inconsistent mix may prevent a business from achieving its objectives.</p> <p>Inconsistencies should be considered between:</p> <ul style="list-style-type: none"> <li>• Elements of the mix</li> <li>• The mix and the customers</li> <li>• The mix and objectives</li> </ul>	

**REINFORCEMENT****Revision +**

- Levi claims Tesco cut price jeans bad for brand image (Chapter 16 p 308)
- Promoting golf equipment (p 336)
- Apple opens more of its own stores (p 337)
- A promotion budget for T&T clothing (p 338)

**Examination questions:**

- May 2006 Paper 2 Q 1(b)
- Nov 2006 Paper 1 Q 5
- Nov 2006 Paper 2 Q 2(d)
- May 2007 Paper 2 Q 1(c)
- Nov 2007 Paper 2 Q 2(c)
- May 2008 Paper 1 Q 7
- May 2008 Paper 2 Q 2(d)
- Nov 2008 Paper 2 Q 1(c)
- Nov 2008 Paper 2 Q 2 (b)
- Nov 2008 Paper 3 Q 4 A level