2.1 THE ROLE OF MARKETING

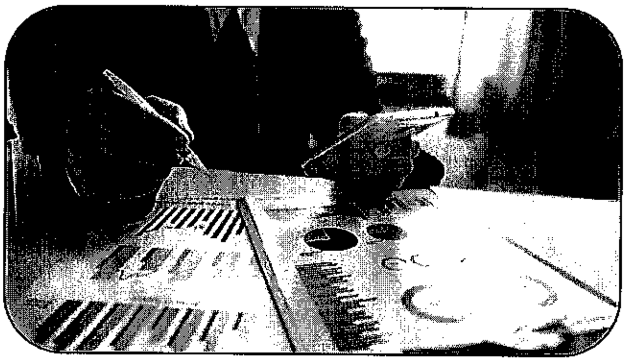
MARKETING:

Marketing is the process a business undertakes in order *to identify, understand and satisfy the needs and wants of consumers* so that it can *effectively inform them about and persuade them to buy its goods and/or services.*

IDENTIFYING CUSTOMERS' NEEDS AND WANTS:

It is vital that a business identifies and satisfies customer needs and wants *so that it can provide a product or service that customers will buy and pay for,* increase its sales, put the appropriate integrated marketing mix into operation, avoid making costly mistakes and get a competitive edge over its rivals. The marketing process aims to effectively identify customer needs and wants. *Needs are essential to survival* – for example, food clothes and shelter – but *wants are aspirational desires that are not essential for survival* – for example, a super yacht or a super car.

2.2 MARKET RESEARCH



MARKET RESEARCH:

The prime purpose of market research is to *identify and understand customer needs and wants*. It *involves the costly and time-consuming systematic collection and analysis of data from the general public*. Market research can be *undertaken by a business itself, or conducted for a business by a specialist market research agency*. Effective market research will assist a business in *making more informed marketing decisions* and so may help it gain a *competitive advantage* over its rivals.

REASONS FOR CONDUCTING MARKET RESEARCH:

The prime purpose of market research is *to identify and understand customer needs and wants*. Market research will *identify and develop existing and new market opportunities*, e.g. the 2017 scientific breakthrough of 'laboratory-grown meat'. It will help a business *get a better insight into its customers* and so *help it gain a competitive advantage* over its competitors. A business could achieve these goals by the *quantitative and qualitative analysis of data and information obtained from a combination of primary and secondary market research techniques*.

PRIMARY MARKET RESEARCH:

Primary market research is *original field research* by the business itself which involves gathering data and information *directly* from its target audience of potential consumers. To effectively gather this data and information, field research can use methods such as interviews, trialling and focus groups. To facilitate these methods, predesigned structured questionnaires are usually drawn up.

ADVANTAGES OF PRIMARY RESEARCH:

By using primary research a *business can get new, up-to-date and relevant information about its target market segment*. This will ensure that the business can *spend its scarce resources* of time and money *on the areas that will deliver the most effective outcomes*.

DISADVANTAGES OF PRIMARY RESEARCH:

A business that conducts primary research will find that the process is both *time-consuming and expensive*. It will have to make sure that the survey has a *'statistically appropriate'* number of participants to legitimise the accuracy and reliability of the outcome. Another possible issue with the reliability of the result is that a business will have to depend on the *professionalism of the field researcher and the structure of the questionnaire*. Finally, a business must consider that the *validity of the answers* obtained from the survey participants depends on the mood of the interviewee and may not reflect the opinion of the population as a whole.

QUESTIONNAIRES:

A questionnaire is very often *constructed to assist the field researcher* and so very careful consideration must be given to its structure and design. The questionnaire's structure and design will be *determined by how the research is to be carried out*, e.g. by interview, by trialling or through a focus group. Then consideration must be given to the objective of the survey, the number of questions to be asked and the style of each question, e.g. will it require a tick-box answer or a freehand response? *Questions must always be easily understood*, must be *open and not closed*, must *not cause offence or embarrassment*, and *must not be 'loaded' or ambiguous*.

ADVANTAGES OF USING A QUESTIONNAIRE:

A pre-prepared questionnaire *gives the sampler a chance to think about the questions to be asked and make them standard and suitable to the sampling environment and the method of sampling to be used*. Results of sampling from standard questionnaires *can be analysed relatively quickly*.

DISADVANTAGES OF USING A QUESTIONNAIRE:

A standard pre-prepared questionnaire *does not give an interviewer any 'wriggle room'* in a fast-evolving environment. Consequently, *if the interviewer tries to improvise, this might distort the accuracy of the survey*. Quite often, the interviewer cannot be sure *whether the response to a question is authentic*, or whether it is what the interviewee thinks they are expected to say.

FACE-TO-FACE INTERVIEW:

This involves *selecting a person in a target audience and approaching them with a pre-prepared list of questions to ask, or a 'tick-box' format of questionnaire that they complete or the researcher completes for* *them.* On the positive side, *there is immediate feedback* to the *researcher, who represents and presents a human aspect to a business's questions.* However, *it is costly and time-consuming* to carry out and *a lot of trust is put into both the integrity of the field researcher* and the *honesty of the interviewee!*

INTERVIEW BY TELEPHONE:

Again, this is *a personal, but remote, way of carrying out a survey.* It requires the field researcher to, *telesales-like, cold-call a pre-selected member of a targeted market segment* and ask them to verbally respond to a survey. The *researcher should use prewritten questions* and *emphasise that they are not selling a product or service,* but simply carrying out a survey. The telephone interview provides the researcher *with immediate feedback*; however, *it might not be what the researcher expects or wants to hear!* Generally, *people do not like to be cold-called* and so *may give a rude response*, an *untrue response* or even *hang up.*

TRIALLING:

Trialling involves *testing the 'purchase-ability' of a new product or service directly in the marketplace,* e.g. in the case of a product, a small number of units are temporarily produced and offered for sale to the public. If the *feedback is positive* and the product sells well, generates *repeat sales* and indicates the possibility of creating a *positive brand image,* then a *full product launch takes place. If not, then the production might be terminated and no further products be offered for sale.* However, negative customer feedback might help the *business avoid major mistakes in the product's design prior to a full product launch, and so save it money and time in the long run.* Feedback from trialling could, therefore, encourage the business to effectively address any issues highlighted with the product, making it more suitable for its target market.

FOCUS GROUPS:

This involves a business organising *structured observation of, and meaningful discussion with, a grouping of target market potential consumers.* This means the business can get very detailed information about the impression that its product or service gives to consumers. However, the *extent of the qualitative data collected* by this process relies heavily on having *positive interaction* between group members and between the researcher and the group.

SECONDARY MARKET RESEARCH:

Secondary market research, or *desk research,* happens when a business makes *use of data and information that already exists.* This information may come from its own archives, other businesses, local and national government, census data, the Internet, newspapers, magazines, business journals and websites. It is worth noting that all data and information available from *secondary research was once collected by primary research*!

ADVANTAGES OF USING SECONDARY RESEARCH:

It is much *cheaper and quicker* for a business to undertake desk research than field research and to use it to gather data and information about the whole mass market, rather than just the target market. Finally, a business may use *desk research to examine much wider trends* in its market than it could do by field research, basically because of the narrow nature of field research.

DISADVANTAGES OF USING SECONDARY RESEARCH:

A business that uses desk research must consider that the *data and information it reveals is historical* and *may have been collected with a specific context and purpose* in mind, making it irrelevant to a business in its current environment, so it must be treated with caution. It is also worth noting that the same historical data may also be *available to its competitors.*

INTERNAL SOURCES FOR SECONDARY RESEARCH:

A business can obtain data and information internally from the *archives of its own departments,* e.g. its marketing, sales, human resources and finance departments. On the downside, there is a chance that some *in-house data archived on paper may be out of date.* However, this is becoming *less likely now in this integrated digital technology* age which allows electronic devices to 'talk to each other' effortlessly and quickly. For example, the data and information collected from electronic cash registers, store loyalty cards and in-store touchscreen electronic quick-surveys devices can instantly be transferred to an in-store database where it can be instantly analysed.

EXTERNAL SOURCES FOR SECONDARY RESEARCH:

A business can obtain data and information from a very wide range of external sources, e.g. general *census statistics,* the *general public, competitors, local and national newspapers,* the *Internet, specialist trade journals, commercial market research organisations* and *local and national government.*

APPROPRIATENESS OF MARKET RESEARCH METHODS AND SOURCES:

There is no one market research method or source that can be deemed appropriate for a particular business entity. The *choice depends on many factors*, e.g. the product or service on offer, the target market, the time window available for research, the cost of research and the stage at which the business is at, i.e. whether it is a new start-up or an existing established business.

QUANTITATIVE MARKET RESEARCH:

A business carries out quantitative market research by the *systematic and structured gathering of cold hard statistical facts and figures* from all sources. For practical research purposes, this is usually *facilitated by well-drafted and logically structured questionnaires*. Such questionnaires can be used for interviews, product trialling and focus groups. Facts and figures can also be gleaned from secondary research sources such as newspapers, magazines, national census and websites, or internally from a business's own archives. All quantitative data and information *gathered from primary and secondary research is then analysed by statisticians, who produce easy-to-follow graphs and charts depicting the survey's outcome.*

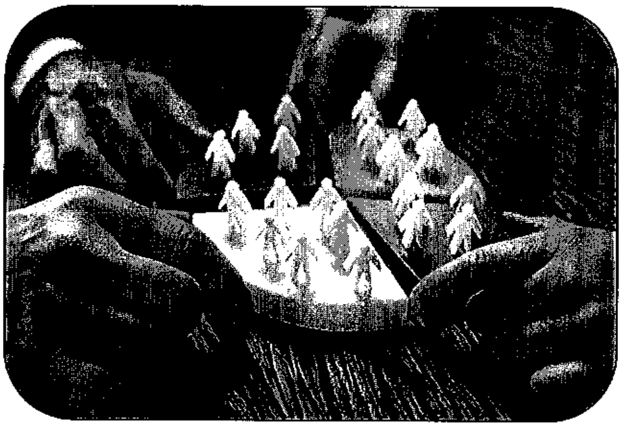
QUALITATIVE MARKET RESEARCH:

A business carrying out qualitative market research *usually uses unstructured techniques such as group-centred interviews, observations and discussions to gather expressed subjective opinions, descriptive as opposed to hard statistical facts.* Qualitative data and information *can be obtained from both primary and secondary research*. The *outcome* of qualitative research *can be influenced and manipulated by a skilled 'biased' market researcher*. Consequently, not only is the outcome *very difficult to properly analyse and present pictorially, but it can be suspect!*

2.3 MARKET SEGMENTATION

MARKET SEGMENTATION:

Market segmentation is a means used by a business *to identify and target potential customers in a mass market on a basis appropriate to the product or service it hopes to sell.* It is important that a *market segment is initially capable of sustaining the product or service.* Ideally, *a business should be able to grow its market segment in the future.* To achieve this aim a *business can use many ways to segment the mass market* including by age, gender, income, location and lifestyle.



SEGMENTATION BY AGE:

Segmenting the market by the demographic of age confirms that a business recognises a *customer's needs and wants change with age.* For example, some computer game products and TV service programmes specifically target children, while others target adults.

SEGMENTATION BY GENDER:

This involves splitting a mass market into different groups based on the *demographic of sex; that is, being male or female.* Clothing and footwear are the most obvious products whose markets are segmented by gender, while motor car insurance and life assurance are examples of service markets segmented by gender.

SEGMENTATION BY INCOME:

A business using the income demographic divides, or segments, the market *by money income*, e.g. low income, average income, high income or super rich. It then targets its product appropriately. For example, the motor car market might target the low-to-average segment with only small, used popular cars. The high-income segment might be targeted with rather larger used and new cars in the executive/business class. The super-rich sector would be targeted with luxury and super cars.

SEGMENTATION BY LOCATION:

This is when a business *geographically segments the mass market*, e.g. by towns, counties, geographic regions, countries, rural areas, suburban areas, urban areas, climate and population growth. So, TV service broadcasters provide local regional news services as well as a national news service. A manufacturer of grass cutting machines is more likely to target rural and suburban areas rather than urban areas.

SEGMENTATION BY LIFESTYLE:

Segmentation by lifestyle loosely involves a business dividing the mass market into subgroups *based on their values, beliefs, opinions and interests.* There is *no one universal lifestyle segmentation model* and so new categories might be added over time. One such model that is now popular with advertisers and marketers is the cross-cultural consumer characterisation, or *4Cs*, model of the marketing and communications company Young and Rubicam (Y&R), which categorises the target audience by personality and behaviour. This psychographic model divides the target audience into seven different categories – mainstreamers, aspirers, succeeders, resigned, explorers, strugglers and reformers.

Activity

1. Research four different ways a specific business could segment its market. Identify goods or services that would best suit that type of market segmentation, and why. Present your findings to your class by way of a PowerPoint presentation.

Question

1. What is meant by market segmentation?
2. What are the benefits and drawbacks for a business of segmenting its market?

2.4 THE MARKETING MIX

MARKETING MIX:

The basic marketing mix, or *4Ps, is the optimum integrated combination of four elements – product, price, promotion and place – which is acceptable to a business, satisfies its customers and achieves the actual sale of its products or services.* The ratio of the 'mix's inputs' *might change from time to time to suit market conditions*. For example, after market research data and information have been gathered, analysed and interpreted, a different mix might be used to inform and implement a new business decision or strategy. The marketing mix is used to *inform* the business's marketing strategists and so help them *make and implement appropriate business marketing decisions.*

PRODUCT:

A product is a *tangible physical unit of production* made and sold by a business to its customers. The *price* charged for the product *must satisfy the customer's expectation of quality* in order to ensure that the lifeblood of any business – money – continues to flow by generating *repeat purchases.*

PRODUCT DESIGN:

Research and development (R&D) are the foundations upon which effective product designs are built. Research and development is the process whereby a business *researches the need for a 'new' or 'improved' product, develops the product and effectively markets it and sells it to customers.* This results from the fact that a business operates in a *dynamic environment* and must be *proactive to changes in consumer tastes and to its competitors' actions.* The benefits to a business of developing a new or improved product include that *it puts the business one step ahead of its competitors*, and that it will be producing a product that will sell, all things being equal, according to its market research! However, the downside is that it means the *business invests time and money* in the research, development, manufacture and launch process. For these reasons a *business must take into account the product's design, the image it creates, its impact on the business's image and the needs of the target market.*

PRODUCT INVENTION AND INNOVATION:

Invention is the creation of a brand-new product or service, one that has not existed previously in any shape or form. For example, SpaceX's proposed development of a never-before-offered new private passenger service of a return trip around the moon in 2018, or the newly invented edible chocolate birthday candles! On the other hand, *innovation refers to the process of developing a new use for an already existing product or service* – for example, the basic home telephone as we know it was invented in 1876 by Alexander Graham Bell, the first mobile phone call was made in 1973, the first-generation iPhone was released in 2007 and Apple is expected to release its newest iPhone 12 in September 2020

THE PRODUCT LIFE CYCLE:

Every product and service has a life cycle, the most basic of which shows clearly identifiable stages of *introduction, growth, maturity and decline.* Some products have a short life cycle, e.g. perishable foods, Christmas cards and Easter eggs. Other products have a *longer life cycle*, e.g. motor cars, TVs and fridges. However, both have one thing in *common*, and that is, when their *sales data is plotted against time, the resulting curve is roughly 'bell-shaped'.*

INTRODUCTION STAGE:

The introduction stage is when the product has been newly launched into the market and, therefore, has *slow sales and a low profit contribution* because of its *low market share, but has potentially high market growth.* However, without substantial investment in promotion, there is a *question mark* over this potential growth.

GROWTH STAGE:

During the growth stage, the product is *becoming established* in the market. *Sales are steadily growing and the product's profit contribution is beginning to increase.* The product is a potential *'rising star'* with *high market share and potentially high market growth.* However, it *still needs investment* to strengthen its position.

MATURITY STAGE:

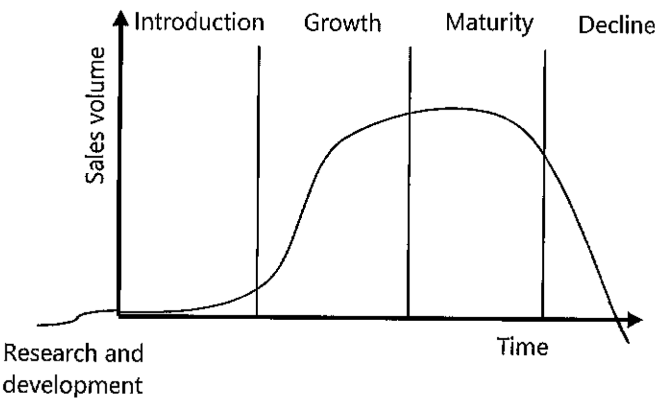
The product's *sales are beginning to flatten out* and its *market growth is low.* This is because the market is *becoming saturated* with new competitors. The product *still makes a profit and, with its high market share*, is regarded as a *'cash cow'.*

fingertips. However, the *difficult part is the estimation of the correct and acceptable percentage markup.*

DECLINE STAGE:

In the decline stage, the product's *sales are falling* because *both its market share and market growth are falling*. At this stage the business usually considers it to be a *'dog'* product.

The product life cycle curve:



PRICE:

Price is the *amount of money a business charges its customers when they buy its products or services*. A business might *employ a specific pricing strategy to get a competitive advantage* over its rivals. Pricing strategies include price skimming, cost-plus pricing, price-penetration pricing, competitor pricing and promotional pricing.

PRICE SKIMMING:

Price skimming is the practice of a business *charging an artificially high initial selling price for its newly launched product or service, or during the growth stage of its life cycle, when consumer demand for it is high and increasing. As time passes*, and competitors with a similar product or service enter the market, *the business reduces the selling price*. The objective is to 'skim off' the income revenues resulting from a 'new' or 'growing' product and so quickly recoup its launch and production costs. Such a *strategy could easily backfire if competitors entered the market earlier than expected, offering a lower price* to customers.

COST-PLUS PRICING:

Cost-plus pricing is a very simple pricing strategy which involves a business *calculating its unit cost of production then adding to that a percentage markup, or profit, at an amount it believes the market will bear*, that is, what it hopes the customer is willing to pay. Although it is fairly *simple to understand, calculate and implement*, its main *drawback is that if production costs are high the 'cost-plus' amount of markup may not lead to a competitive selling price for the business.* It is a very quick and easy pricing strategy to implement as the business has all its costs at its fingertips. However, the *difficult part is the estimation of the correct and acceptable percentage markup.*

PRICE PENETRATION:

Price penetration involves a business *setting its product or service price relatively low in order to attract more customers and so increase its market share*. It is usually applied to a product that is *price-sensitive and with a high price elasticity of demand at the introductory stage of its life cycle*. The main *drawback* is that competitors may lower their selling price even further, thus causing *a price war* that will not benefit any business.

COMPETITOR PRICING:

Competitor pricing requires that a *business pays careful attention to what its competitors are charging for the same or a similar product or service. It then sets its selling price slightly lower, or the same but with added incentives to buy from it*, e.g. better repayment terms or a lower repair and maintenance charge. It is a *time-saving, quick and easy* way for a business to enter a market. However, the main *downside* of competitive pricing is that *every business has a different cost structure and so it might mean that a business practising it is selling below cost* – a situation that is *impossible to sustain* in the long term!

PROMOTIONAL PRICING:

Promotional pricing is a pricing technique employed by a business *to increase its sales volume and customer base in a very short period of time*. The time window for promotional pricing is normally framed by *a short-run offer time period within which selling prices of some products are reduced by a fixed percentage*, or buy one get one free (*BOGOF*) schemes are offered. A potential *problem for a seller* using this pricing technique is that the *customer might wait until the 'offer' is made available before making their purchase*. Then, they might buy in a stock of the product and await the next offer!

FACTORS INFLUENCING PRICING DECISIONS:

There are many factors that must be taken into account by a business when deciding on a pricing strategy, particularly if the business is growing and expanding. There are the *internal factors* over which the business can have *some control*, including *its aims and objectives, its marketing mix strategy, its internal cost structure, the nature of its product, the product's life cycle, and product-extension strategies to prevent the product's market death. External factors outside the control of a business* include *the nature and volatility of the market, the degree of competition, the general economic climate, the reaction of suppliers, the reaction of pressure groups and government directives.*

PROMOTION:

Promotion is *an element of the marketing mix* and is the method by which a business *makes the general public aware of the products or services it can offer them in order to increase its sales, induce brand loyalty and encourage repeat purchases.* It is also considered to be one of the elements of the *promotional mix,* which determines the best combination of promotion techniques the seller can use.

PROMOTIONS AT THE POINT OF SALE:

This refers to promotional techniques used by sellers when customers are *actually in the process of buying the goods at the place of sales*; that is, at the *point of sale* (POS). The aim is to make customers *'impulse'* buy using fluid, physical and dynamic ways of drawing attention to specific products, e.g. by using in-store displays, including POS displays, and other techniques such as offering price reductions, using loss leaders, encouraging entry to competitions and giving away free samples.

PROMOTION BY ADVERTISING:

Advertising is the *process of sending messages to customers in order to inform them about the availability and specifications of a product or to persuade them to buy it.* Techniques employed to achieve these goals include the use of social media, such as Facebook and Twitter; websites, both specific corporate sites and general e-commerce sites such as eBay and Amazon, print media such as specific and general trade magazines and journals, as well as local and national television and radio. *Business must always take care to choose the right media and take into account the cost and the target audience.*

PLACE:

Place refers to the basic requirement of *ensuring that the product or service is available in the right location, at the right time and in the right quantity, in order to meet consumer demand.* Consequently, it is essential that a business establishes, maintains and develops effective distribution channel networks for its products and services. *Having an effective and reliable distribution network is vital for a business, especially with the rise and growth of online shopping, which has dispelled the old idea of 'place' as a high-street shop!*

PLACE AND THE DIGITAL WORLD:

In today's world, multichannel facilities exist that *allow the seller to use a variety of ways to deliver its products to consumers, and allow consumers numerous ways to order and pay for the products they buy.* The development and expansion of these dynamic, *purchasing, selling, payment and distribution systems,* in conjunction with the *rapid developments in digital, electronic and mechanical devices* – for example, the Internet of things and drones – *offers customers a choice of ways to buy and pay for a product or service,* e.g. *store-owned websites, comparison websites, PayPal, eBay.* The rapid growth of *e-commerce* and *m-commerce* facilitates the accessibility of all these 'digital enablers' from the comfort of one's home. In turn, this will maximise a business's sales and profit, as well as improving its customer loyalty by giving customers *choice, convenience* and *security.*

E-COMMERCE:

E-commerce (EC) refers to *electronic* commerce; that is, the process of engaging in business transactions primarily using the Internet. It is facilitated by websites such as eBay and PayPal.

M-COMMERCE:

M-commerce refers to *mobile* commerce; that is, the enabling of transactions to be undertaken using specific networks and application interfaces on wireless mobile devices such as smartphones, tablets and laptop computers.

FULLY DIGITAL TRANSACTION:

A truly digital transaction might involve the *online purchase* of a computer game, a music album, software, a film, etc., *paid for using PayPal* and *distributed by the seller via the Internet.*

PART-DIGITAL TRANSACTION:

A part-digital transaction might involve the *purchase* of an item of clothing *from an Internet site, paid for using PayPal, bar coded and tracked using a digital tracking facility, distributed physically by a delivery company* and *electronically scanned* and *signed for on a digital handheld device* to signify delivery.

A DISTRIBUTION CHANNEL:

In essence, a distribution channel is *the digital or physical link or links between a seller and a buyer.* To be effective, *any distribution channel must be quick, safe and efficient.* At the extremes there are two channels: indirect, or long-channel, and direct, or short-channel. In practice there may be a few subchannels in-between.

LONG-CHANNEL DISTRIBUTION:

Long-channel distribution, or *indirect selling*, is the more traditional method of distribution. It involves the *producer or initial manufacturer*, the *final consumer*, and a *number of intermediaries* such as wholesalers and retailers, who *buy their goods in bulk and then break that bulk down* and sell it on in smaller quantities. The end recipient of this breaking of bulk is the final consumer who buys the goods, in units, for their own use personal use and not for resale.

For example:

Producer
↓
Wholesaler
↓
Retailer
↓
Final consumer

SHORT-CHANNEL DISTRIBUTION:

Short-channel distribution, or *direct selling*, involves *only the seller and the final consumer*, with *no intermediaries* between them. This type of selling and marketing has *grown in popularity with developments in ICT and the Internet.* For example, the growth in e-commerce and m-commerce – which is the buying and selling of goods and services over the Internet – and the growth of telesales or telemarketing – which involves selling goods over the telephone network.

For example:

Seller ⟶ Final consumer

MARKETING MIX:

The basic marketing mix, or *4Ps*, consists of *product* – the good or service for sale, *price* – the value the seller puts on the good or service, *promotion* – actions taken to make the target market aware of the good or service and *place* – the point of sale of the good or service. The marketing mix is, in fact, a *marketing tool* used by businesses to *inform and implement* business decisions. It does this by using data and information gathered by extensive *market research* to *tailor* the individual elements of its mix to suit prevailing market conditions. It is much like baking a cake and *adjusting the ingredients* to suit the taste of the people who will be eating it.

THE INTEGRATED MARKETING MIX:

The four elements of the *basic marketing mix – that is, product, price, promotion and place – are interdependent.* This means that *they must work together* as an integrated and combined unit mix in order to achieve the goal of selling the product or service to the customer by fully understanding and satisfying their needs and wants. Integrated marketing *involves the coordination of the many subdivisions of the 4Ps to maximise their joint effect.* Changes in any one or more aspects of the product, price, promotion or place will impact other elements of the marketing mix.

INTERPRETATION OF MARKET DATA:

Interpreting marketing data in a dynamic business environment can be a *very difficult task as it depends on the input from many factors which themselves are subject to unpredictable* inputs, e.g. the level of *effective consumer demand*, the *whims of the business's target market*, the business's *market share*, the *methods and efficiency of the business's production* technique and the *effectiveness of the business's sales promotion strategies.*

Activities

1. Use the Internet to research five different pricing strategies a business could adopt. For each strategy identified, you should highlight its benefits, drawbacks and suitability of use. Present the results of your research to your class using PowerPoint.

2. Copy and expand the following table onto an A4 page:

Element of the Boston Box			
STARS	**PROBLEM CHILDREN**	**DOGS**	**CASH COWS**

Next, consider the following statements and put each one in the table under the appropriate column heading:
- Are heading towards decline and the eventual death stage of their life cycle
- At the question mark stage of their life cycle
- Demand is declining, but they still make a profit
- Depicted as a question mark
- Eventually go into decline and become dogs
- Have a high market share and high market growth
- Have a hope of future high market growth
- Have a low market share and low market growth
- Are past the growth stage of their life cycle
- Their income should be reinvested in problem children and stars
- These have been newly introduced to the market
- They have a high market share but low market growth
- They have a low market share
- Will eventually become cash cows
- Will eventually become stars

3. In the UK, town centres are dying mainly due to lack of footfall in their shops. In light of this, research your town centre and identify 'failing' shops. List the shops you consider to be in that category.

After careful consideration, target one particular shop and arrange an interview with the manager. During your interview ascertain what the shop's current marketing mix is in terms of price, product, promotion and place.

Prepare a written informal report highlighting realistic aspects of the mix that could be altered to improve the outlook for that shop.

Finally, present your report to your teacher.

Do not name the actual store and do not give its location in your report.

Questions

1. What do you understand by the word 'price', and what factors do you think influence it?
2. Explain why a business should strive to produce new products. What negative impacts might be encountered by such an aspiration?
3. What is meant by product differentiation, and how might it be achieved?
4. Identify the five basic stages of the product life cycle, and explain the main aspects of each one.
5. Explain what you understand by the term 'product extension strategy'.
6. What is the Boston Box, and how can it be used?
7. Explain what is meant by the term 'promotional mix', and describe what elements make it up.
8. What is the difference between short-channel distribution and long-channel distribution?
9. Explain the difference between e-commerce and m-commerce. Describe the impact each has had on how businesses promote and sell their products or services.
10. Explain how having an integrated marketing mix impacts a business.
11. 'Marketing activities are the specific methods and techniques used by a particular business to achieve its ultimate marketing goal of effective sales to its target audience.'

