

8.1 Marketing analysis

Name: _____ Class: _____ Date: _____

Total: 27 marks

KEY WORDS trend • seasonal variation • elasticity • correlation
• sales forecasting

Objective

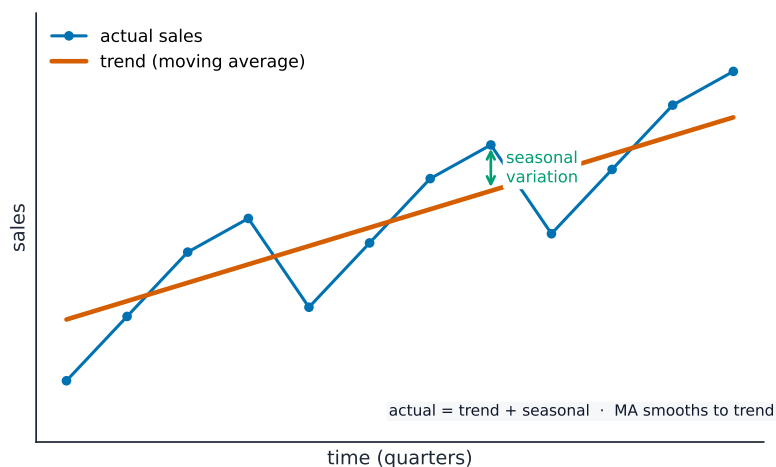
Build the skills to answer exam questions on **marketing analysis** (trend and seasonal variation), **correlation**, and using **elasticity** – sales forecasting and seasonal decisions in marketing.

You must be able to:

- explain trend and seasonal variation and calculate a forecast
- interpret correlation (and know it is not causation)
- analyse and evaluate the usefulness of marketing analysis tools

1 Key knowledge and worked examples

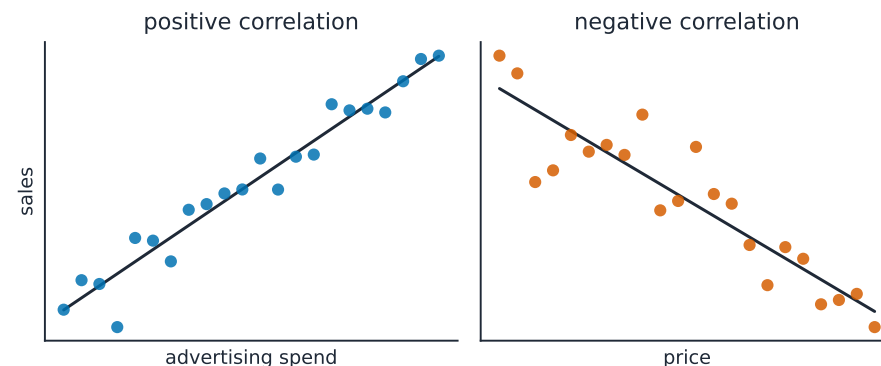
■ Forecasting from a time series



Trend = long-run direction; seasonal variation = the regular within-year rise and fall

seasonal variation = actual value – trend value forecast = trend + seasonal variation

- **Worked:** trend 500, actual 560 → seasonal variation = +60. Next year's forecast for that quarter = trend + 60.
- **Correlation:** positive (rise together) or negative (one rises, other falls); strong correlation predicts but does **not** prove cause.



correlation $\neq$ causation · line of best fit shows direction

Correlation: positive (both rise) vs negative (one rises as the other falls)

- **Elasticity:** PED guides price; YED plans for booms/recessions; XED predicts a rival's price move.

Answer shapes: AO1 + AO2 + AO3 (reasoning chain) + AO4 (a supported judgement *in context*).

2 Practice

2.1 Define the term *sales forecasting*.

[2]

2.2 A quarter has a trend value of 500 units and actual sales of 560 units. Calculate the seasonal variation.

[2]

2.3 State the difference between *positive* and *negative* correlation. [2]

3 Exam-style questions

3.1 Explain one benefit to a business of accurate sales forecasting. [3]

3.2 A firm forecasts a **trend** of 800 units for next quarter. The average **seasonal variation** for that quarter is -120 units.

(a) Calculate the forecast sales for the quarter. [2]

(b) Analyse one limitation of relying on this forecast. [4]

3.3 Evaluate the usefulness of time-series analysis to a business that is planning production. [12]