

# 3 The role of marketing – Part 1

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Name: \_\_\_\_\_ Class: \_\_\_\_\_ Date: \_\_\_\_\_

## Vocabulary

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*Write each word three times.*

| English             | Write it 3 times (English) |       |       |
|---------------------|----------------------------|-------|-------|
| Marketing           | _____                      | _____ | _____ |
| market              | _____                      | _____ | _____ |
| product-orientated  | _____                      | _____ | _____ |
| market-orientated   | _____                      | _____ | _____ |
| mass market         | _____                      | _____ | _____ |
| niche market        | _____                      | _____ | _____ |
| market share        | _____                      | _____ | _____ |
| Market segmentation | _____                      | _____ | _____ |
| segments            | _____                      | _____ | _____ |
| marketing mix       | _____                      | _____ | _____ |
| product             | _____                      | _____ | _____ |
| price               | _____                      | _____ | _____ |
| place               | _____                      | _____ | _____ |
| promotion           | _____                      | _____ | _____ |

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## Recall

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Every business must sell its products to survive. Bring this with you:

- You see adverts, brands and prices everywhere.
- A business does better when it sells what customers actually want.

At AS we study **marketing** – how a firm finds out what customers want and sells to them.

## New ideas

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### ■ 1 What marketing is

**Marketing** means finding out what customers want, then making and selling products that meet those wants at a profit. It links the firm to its **market** (all the buyers and sellers of a product).

A business can be:

- **product-orientated** – it focuses on the product first and hopes customers will buy it;
- **market-orientated** – it finds out what customers want first, then makes it (this lowers the risk of failure).

**Micro-check.** Which approach finds out what customers want **before** making the product? [1]

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### ■ 2 Mass and niche markets

- a **mass market** is large, with products aimed at most buyers (e.g. soft drinks) – high sales, but strong competition;
- a **niche market** is a small part of a market with special needs (e.g. left-handed tools) – weaker competition, but smaller sales.

A firm's **market share** is its sales as a percentage of the whole market; a rising share is a sign of strong marketing.

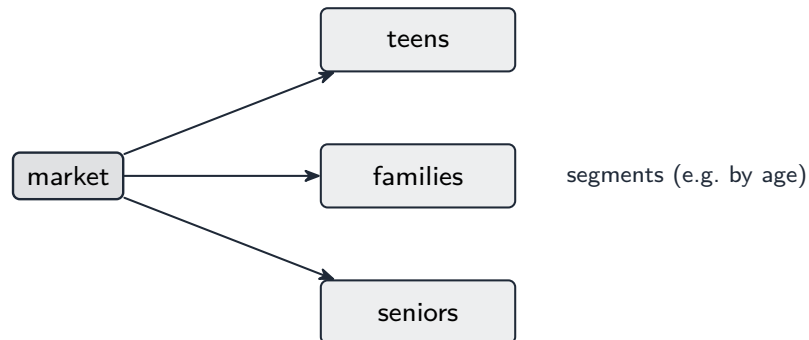


**Micro-check.** Is a shop selling only gluten-free food a mass or a niche market? [1]

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### ■ 3 Market segmentation

**Market segmentation** means splitting a market into groups (**segments**) of buyers who are alike – by age, income, location or lifestyle. It lets a firm aim the right product and message at each group.



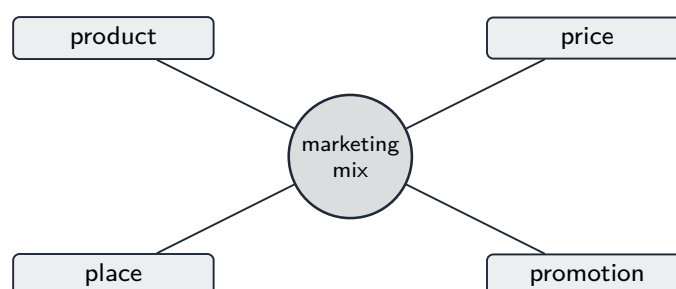
**Micro-check.** Give one way a market can be segmented.

[1]

### ■ 4 The marketing mix (the 4Ps)

The **marketing mix** is the set of choices a firm makes to sell a product, often called the **4Ps**:

- **product** – what are we selling?
- **price** – how much do we charge?
- **place** – where and how do customers buy it?
- **promotion** – how do we tell customers about it?



The four parts must work together – a high price needs high quality and a good image.

**Micro-check.** Which “P” is about telling customers about the product?

[1]

**Watch out:** a *market*-orientated firm (find out what customers want first) is lower-risk than a *product*-orientated one. The four Ps must work *together* – a high price

needs matching quality, place and promotion.

## Practice

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**3.1** State what marketing means. [1]

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**3.2** State one difference between a **product-orientated** and a **market-orientated** business. [2]

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**3.3** State one difference between a **mass market** and a **niche market**. [2]

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**3.4** Explain what **market segmentation** is, and give one way to segment a market. [2]

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**3.5** Name the **four** Ps of the marketing mix. [4]

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**3.6 Challenge.** A firm sells a luxury watch at a high price in a few exclusive shops. Explain how its four Ps must work together to support the luxury image. [2]

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