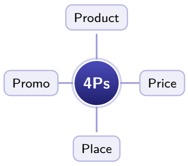
Marketing

A-Level Business ▪ Topic 3

A-Level Business



What we will cover

1 Markets

Role of marketing and markets

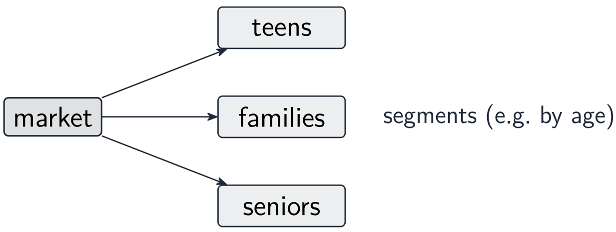
Marketing 市场营销: find what customers want, then sell it at a profit.

- **product-orientated** 产品导向 vs **market-orientated** 市场导向
- **market share** 市场份额 $= \frac{\text{firm's sales}}{\text{total sales}} \times 100\%$

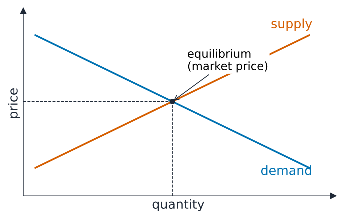
Advertising

Market segmentation

Segmentation 市场细分 splits a market into similar groups (age, income, lifestyle), so the right product reaches each.



Demand, supply and elasticity



equilibrium price

PED 需求价格弹性 $= \frac{\%\,\Delta\text{quantity}}{\%\,\Delta\text{price}}$.

- elastic (> 1): cut price → more revenue
- inelastic (< 1): raise price → more revenue

Also **YED** 需求收入弹性 (income), **XED** 需求交叉弹性 (other goods).

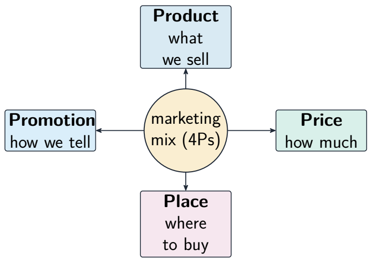
Market research

- **primary** 一手调研 – new, your own (surveys); **secondary** 二手调研 – existing (reports)
- **quantitative** 定量数据 (numbers) vs **qualitative** 定性数据 (opinions)

> A good **sample** 样本 (random, quota, **stratified** 分层抽样) gives reliable results; poor sampling causes **bias** 偏差.

2 The marketing mix

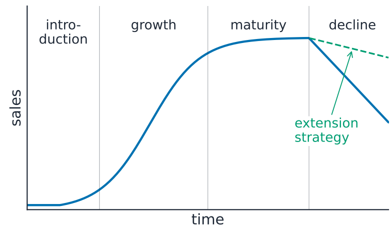
The marketing mix – the 4Ps



- **product** 产品 – what we sell
- **price** 价格 – how much
- **place** 渠道 – where to buy
- **promotion** 促销 – how we tell

The four must work together.

Product life cycle



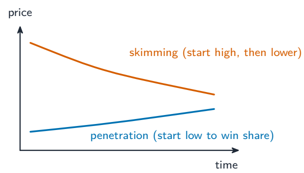
Product life cycle 产品生命周期: introduction → **growth** 成长期 → **maturity** 成熟期 → **decline** 衰退期. **Extension strategies** 延长策略 hold sales up in maturity.

The Boston Matrix and branding

market growth	high market share	low market share
high growth	**stars** (invest)	**question marks** (risky)
low growth	**cash cows** (steady profit)	**dogs** (usually dropped)

The **Boston Matrix** 波士顿矩阵 sorts products by share & growth: **stars** 明星产品, **cash cows** 现金牛, **question marks** 问题产品, **dogs** 瘦狗产品. **Branding** 品牌 builds **loyalty** 忠诚度 and lets a firm charge more.

Price strategies



- **cost-plus** 成本加成定价, **competitive** 竞争定价
- **penetration** 渗透定价 (low to win share)
- **skimming** 撇脂定价 (high then lower)
- **psychological** 心理定价 ($9.99)

Place and promotion

short channel (more control)

maker → customer

long channel (reaches more buyers)

maker → wholesaler → retailer → customer

Place 渠道: short channel = more control; long (→**wholesaler** 批发商→shop) reaches more.

- **above-the-line** 大众媒体广告: mass **advertising** 广告
- **below-the-line** 直接促销: discounts, samples
- **e-commerce** 电子商务 reaches world markets

3 Recap

Worked example – market share

A firm sells £4m of goods in a market worth £50m. Find its market share.

- Market share $= \dfrac{\text{firm's sales}}{\text{total market sales}} \times 100$
- $= \dfrac{4}{50} \times 100 = 8\%$
- Use the same units (both by value here; you can also do it by volume).
- Share can fall while sales rise – if the market grew faster than the firm.

Market share measures performance against rivals; sales alone do not. A rising market can flatter a firm that is actually losing ground.

Topic 3 – key takeaways

1. **Markets** — mass vs niche; segment to target
2. **Elasticity** — PED > 1 elastic, < 1 inelastic
3. **The 4Ps** — product, price, place, promotion together
4. **Product** — life cycle & Boston Matrix

Check yourself

1. If PED < 1, how do you raise revenue?
2. Name the 4Ps.
3. Which Boston Matrix product has high share, low growth?
4. Penetration or skimming starts with a low price?

Answers **1.** raise the price **2.** product, price, place, promotion **3.** cash cow **4.** penetration