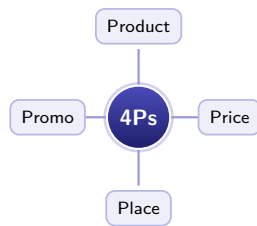


Marketing

A-Level Business ■ Topic 3

A-Level Business



Marketing

What we will cover

- 1 Role of marketing & markets
- 2 Segmentation
- 3 Demand & elasticity
- 4 Market research
- 5 The marketing mix (4Ps)
- 6 Recap



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

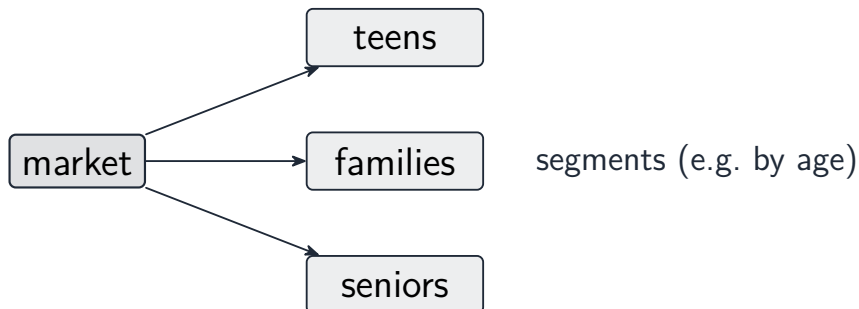
- **market share** 市场份额
$$= \frac{\text{firm's sales}}{\text{total sales}} \times 100\%$$



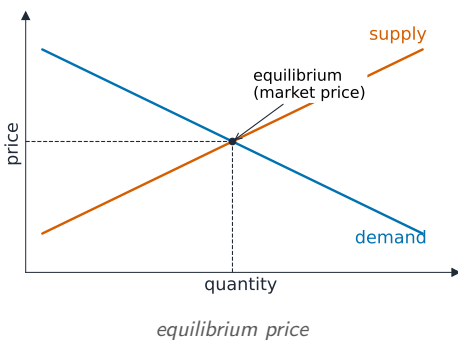
Advertising

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



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

- elastic (> 1): cut price $\rightarrow$ more revenue
- inelastic (< 1): raise price $\rightarrow$ more revenue

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

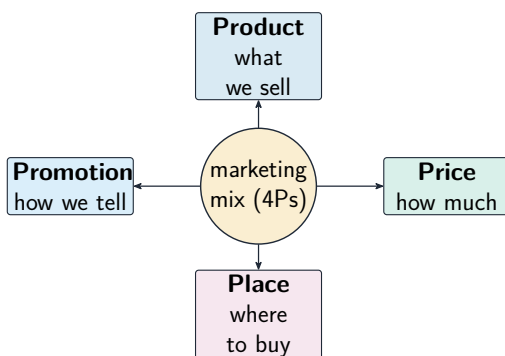
Market research

- **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.

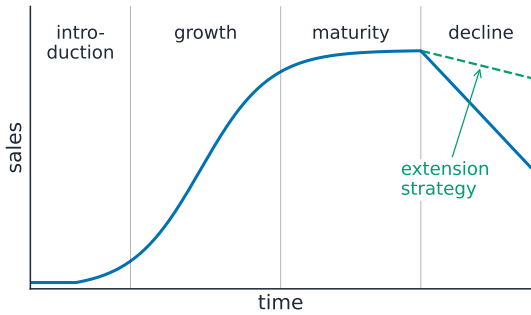
2 The marketing mix

The marketing mix – the 4Ps



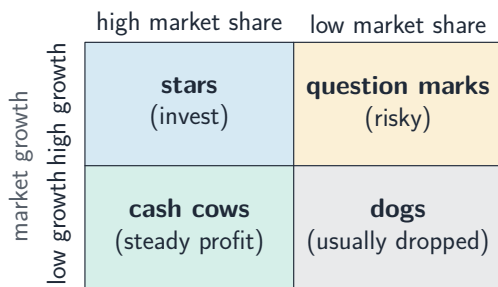
- **product** 产品 – what we sell
 - **price** 价格 – how much
 - **place** 渠道 – where to buy
 - **promotion** 促销 – how we tell
- The four must **work together**.

Product life cycle



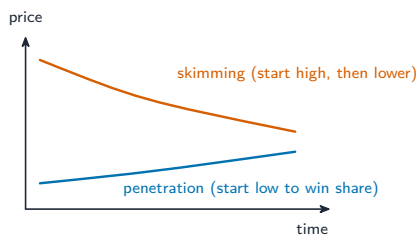
Product life cycle 产品生命周期:
introduction → **growth** 成长期
→ **maturity** 成熟期 →
decline 衰退期. **Extension strategies** 延长策略 hold sales up in maturity.

The Boston Matrix and branding



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



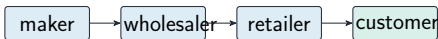
- **cost-plus** 成本加成定价, **competitive** 竞争定价
- **penetration** 渗透定价 (low to win share)
- **skimming** 撇脂定价 (high then lower)
- **psychological** 心理定价 (\$9.99)

Place and promotion

short channel (more control)



long channel (reaches more buyers)



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 = $\frac{\text{firm's sales}}{\text{total market sales}} \times 100$
- = $\frac{4}{50} \times 100 = 8\%$
- 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 together

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