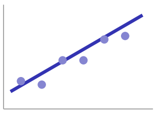
Marketing

A-Level Business ▪ Topic 8

A-Level Business



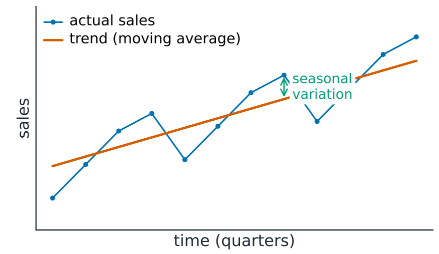
What we will cover

1. Time-series forecasting
2. Correlation
3. Elasticity
4. Marketing strategy
5. Ansoff & portfolio
6. Recap

firms compete on data

1 Marketing analysis

Sales forecasting and time-series

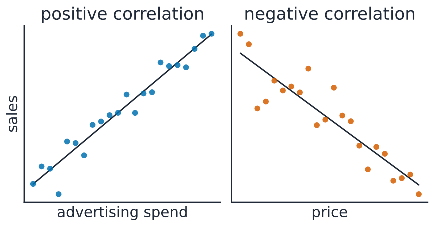


Time-series analysis 时间序列分析 splits past sales into:

- the **trend** 趋势 – long-run direction (a **moving average** 移动平均 smooths it)
- **seasonal variation** 季节性波动 = actual − trend

Forecasts **extrapolate** 外推 the trend – never certain.

Correlation



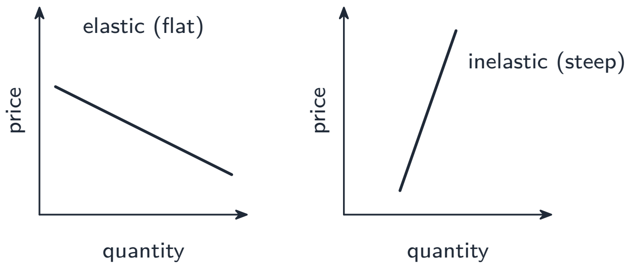
Correlation 相关性 measures how two things move together:

- **positive** 正相关 – both rise together
- **negative** 负相关 – one rises as the other falls

> Correlation is not causation – another factor may be at work.

Elasticity in marketing decisions

- **PED** 需求价格弹性 – elastic: cut price for more revenue; inelastic: raise it
- **YED** 需求收入弹性 – how sales move with incomes (booms vs slumps)
- **XED** 需求交叉弹性 – effect of a rival's or partner's price



2 Marketing strategy

Marketing strategy and planning

A **marketing strategy** 营销战略 is the long-term plan for marketing to meet objectives. **Marketing planning** 营销规划 studies the market, picks target customers, and sets the mix. Two tools shape it: Ansoff's matrix and portfolio analysis.

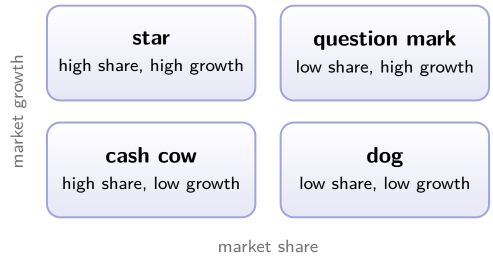
Ansoff's matrix

	Existing products	**New products**
Existing markets	**Market penetration** sell more to the same market	**Product development** new product, same market
New markets	**Market development** same product, new market	**Diversification** new product, new market (riskiest)

Ansoff's matrix 安索夫矩阵 maps growth by product × market:

- **market penetration** 市场渗透 – safest
- **product development** 产品开发
- **market development** 市场开发
- **diversification** 多元化 – riskiest (new × new)

Product portfolio analysis



Portfolio analysis 产品组合分析 balances the range – steady cash cows fund risky new products.

Entering international markets

Enter a new country by **exporting** 出口, a **joint venture** 合资企业, or an own branch – rising commitment & control. **Localisation** 本地化 adapts the mix (product, language, price) to local tastes & laws.

3 Recap

Worked example – elasticity and revenue

A firm cuts price by 10% and demand rises 25%. Find PED and say whether the cut was right.

- PED $= \frac{\%\Delta Q_d}{\%\Delta P} = \frac{25}{10} = 2.5$ (ignoring the minus sign).
- PED $> 1 \Rightarrow$ demand is price elastic.
- Quantity rose proportionally more than price fell $\Rightarrow$ total revenue rises.
- So yes – but check that the extra volume still covers the variable cost.

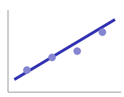
Elastic $\Rightarrow$ cut price to raise revenue. Inelastic $\Rightarrow$ raise it. Revenue is not profit: always check costs before calling it a good decision.

Topic 8 – key takeaways

1. **Time-series**
   trend + seasonal variation; extrapolate
2. **Correlation**
   moves together $\neq$ causes
3. **Ansoff**
   penetration safest, diversification riskiest
4. **Portfolio**
   balance stars, cash cows, dogs

Check yourself

1. Seasonal variation = actual minus what?
2. Does strong correlation prove causation?
3. Ansoff's safest growth strategy?
4. Which Boston product funds the others?



Answers **1.** the trend value **2.** no **3.** market penetration **4.** the cash cow