**UNIT 2: PRE MOCK REVISION NOTES**

**A Introduction to the principles and purposes of marketing that underpin the creation of a rationale for a marketing campaign,**

**A1 The Role Of Marketing**

**Principles And Purposes Of Marketing**

* Anticipating Demand - The role of marketing is to try and estimate and anticipate the demand that may be created by the marketing campaign that is being implemented. It can be difficult to estimate demand but various methods such as looking at past campaigns to anticipate demand, looking at results of market research that has been conducted may help the firm anticipate the demand for their product or service.
* Recognising Demand - If a marketing campaign has been successful and demand has increased a firm must do their best to meet this rising demand and capitalise on the success of their campaign. It is important to recognise that demand may not just lead to an increase in sales or profits but it may also lead to an increase in brand awareness and recognition. Thus , if the demand is catered for, it may lead to an increase in brand loyalty and the firms brand value may increase.
* Stimulating Demand - A good marketing campaign will also stimulate demand. A good campaign will aim to try and change consumer routine and behaviour and encourage consumers to either buy online or visit the high street for your product. It could be that the firm for a short period of time reduces their price at launch to gain attention and stimulate that demand or exclusively distribute the product to a particular store , creating queues and hype about the product.
* Satisfying Demand - Consumer needs if tapped into need to be satisfied so a firm can maximise their profit. Like Apple some products are insatiable and demand has to be continuously satisfied as consumer seek more from the brand.  Apples consumers require more and more from the brand and the company has accumulated  billions of dollars because they do well at satisfying demand.

**Marketing Aims and Objectives**

* Understanding Customer Wants and Needs - For a company to do well they must be able to give customers what they want.  Research will help them understand customer needs, a firm will have to act on this research to meet consumer needs. This article on [marketing definition](http://www.learnmarketing.net/marketing.htm) should help you with this part of the criteria.
* Developing New Products - It is also important for a firm to keep ahead of change by being innovative and developing new products. Our article about [new product development](http://www.learnmarketing.net/npd.htm) will help you with this part of the criteria.
* Improving Profitability, Increasing Market Share and Diversification - The aim of marketing is to increase the customer base by attracting customers and retaining them in order to increase profitability. If the firm does this well and improves their reputation and develops a good [marketing mix strategy](http://www.learnmarketing.net/marketingmix.htm),  their market share should increase. With increased profitability and market share, the firm may take the profit and move into another area of business. This is known as diversification and is one of the strategies covered in [Ansoff's Matrix](http://www.learnmarketing.net/ansoffs.htm).
* Increased [brand awareness](http://www.learnmarketing.net/branding.htm) and loyalty - Another aim of marketing could be to increase brand awareness and loyalty. A firm may be doing well amongst a certain [target market](http://www.learnmarketing.net/targeting.htm) however they may decide they want to increase awareness amongst a wider audience and implement strategies such a loyalty scheme in order to reward loyalty and retain this set of customers, in other words implement [relationship marketing](http://www.learnmarketing.net/relationshipmarketing.htm).

**Types Of Market - Mass And Niche Markets**

Depending on their products a firm may decide to aim at a mass market i.e. the largest possible group that may be interested in the product offering or a niche market developing a product which is  small group of customers will be potentially interested in.

**Market Segmentation**

A business cannot be aimed at everyone, market segmentation is about dividing customers into groups that have similar needs and characteristic, the article on [segmentation](http://www.learnmarketing.net/segmentation.htm) will help further.

**Branding, USP, Budgetary Constraints And Specialist Staff**

Brands play an important part in marketing and developing a marketing campaign. Brands help create an image of a firm, much like Apple has an image of being innovative and creative. Some brands have a personality, Coca - Cola is seen as the original American Cola Brand, It’s unique selling point is the original flavour that no one can copy.

The larger the organisation the bigger the marketing budget. In 2013 Coca-Cola spent $3.3bn on advertising globally. Not all organisations can afford to spend a huge amount on promotion, sole traders and medium size firms have to use different methods of budget allocation, please the link. Ultimately firms need to employ specialist branding staff that will help them maximise the potential of the brand. in 2004 Lego was fighting to survive, Jorgen Vig Knudstorp was appointed and by 2011 net profits were $700.

**A2 Influences On Marketing Activity**

**Internal Influences**

When developing a marketing campaign you have internal and external factors that can influence the campaign.

* Cost of the campaign - First of all a firm must consider the cost of the campaign and whether they will obtain a return on their investment if they undertook the campaign.
* Availability of finance -They must also consider if they have access to the financial resources to fund the campaign. If it is a large organisation with good cash flow then access to funds may not be a problem, however if it is a small organisation which wants to expand and needs to undertake this campaign to do so, then gaining access to finance maybe more difficult.
* Expertise of staff - If firms have the right staff employed , these will include, researchers, brand experts, accountants then their expertise can be used to help steer the campaign towards success.
* Size and culture of business - If the organisation is large and forward and thinking then it’s culture is innovative and  campaign launches have a good chance to succeed. If an organisation is large but backward looking and fails to change then any campaign will fail to succeed. We just have to look at

**External Influences**

External influences are defined as uncontrollables factors from outside the organisation which affect the organisation. Factors such as politics, technological developments and the economy can have an impact on how an organisation develops its marketing strategy.

The external influences listed in this section of the unit specification make up the popular acronym PESTLE even though the factors have not been listed in that order. Learnmarketing's [PESTLE](http://www.learnmarketing.net/pestanalysis.htm) article examines the external influences on marketing activity.

**Marketing Activity Influences Conclusion**

Marketing activities are affected by a combination of internal and external influences; internal influences can be controlled the firm but external influences are usually uncontrollable.

**B Using information To Develop The Rationale For A Marketing Campaign**

**B1 Purpose Of Researching Information To Identify The Needs And Wants Of Customers**

**To Identify Target Markets**

It is important that you identify your target market through the use of appropriate research. A company that does well is one that meets the changing needs and wants of their customers. It could be that the company focuses on a single market or it may target multi- targets.

**To Identify Size, Structure And Trends In The Market**

It is also important to look at the size, structure and trends of the market and monitor competitors. If we look at the British retail sector total  consumer expenditure in 2015 was £40 billion, this is the size, the industry is made up of different types retail outlet, from independents to chains, this is the structure of the industry,. Most retailers have some sort of online  service , this is the trend.

**To Identify Competition**

A competitor analysis will quickly tell you who is the market leader and what makes them so popular.  So by looking at size, structure and trends, competitors  and researching these issues it helps a firm or an entrepreneur decide whether it is viable to enter a particular industry or not.

**B2 Market Research Methods and Use**

**Primary Research**

If a firm decides to enter a market after their initial research they need to conduct further primary and secondary research the main types of primary research include, focus groups, mystery shoppers, personal interviews. For further information please read here.

**Secondary Research**

Secondary research is research that has already been published for you to access it can include internal research  for example research on loyalty cards  and external secondary research which can include looking at published research. For further information please click here.

**Importance of Validity, Reliability, Appropriateness, Currency and Cost**

Research conducted must meet certain criteria, it has to be reliable, valid and relevant to your business. Research must also  fall within a budget, although you must remember it is cheaper to spend on research and conclude the business idea is not viable , then set up a business and then close it down after a few months because you discover there is no market for your idea.

**Quantitative and Qualitative Research**

Qualitative research  is researching peoples views and and opinions where as quantitative research is all about researching numbers, for example how much people spend each week on their shopping. For further information, click here.

**Sufficiency and Focus of Research**

It is also important to focus your research. The research must meets the research brief, it may be on a particular aspect of research and research has to be sufficient enough to help you set up your business.

**Selection and Extraction**

The right sample size also has to be selected and data needs to be interpreted and extracted from the research. This article on [sampling](http://www.learnmarketing.net/sampling.htm) provides further information

### B3 Developing The Rationale

### Interpretation, Analysis And Use Of Data And Other Information To Make Valid Marketing Decisions.

Once data has been collected it has to be interpreted by your research team. Data may be collated and analysed by the use of various programmes. The data that is collected has to be valid and should be used to answer a particular question, such as if prices need to change, or if a product needs to be adapted. Data for decision making may come from secondary research as well as primary research.

Identification Of Any Further Sources Of Information That May Be Required

Primary research is the most common form of market research, however a firm must realise that there maybe other sources of information that may assist in decision making, This could come in the form of looking at internal sales record or loyalty card transaction or using cookies to track peoples movements online.

### Evaluation Of The Reliability And Validity Of The Information Obtained

Data that is collected has to be reliable and valid. The date of any secondary data needs to be checked. The sample size has to be checked. The timing of the research also has to be valid. For more information on [validity and reliablit](http://www.learnmarketing.net/Market%20research%20limitations.htm)y of research please read here.

### Product Life Cycle

Every product goes through the product life cycle. Introduction, growth, maturity and decline.

### C1 Marketing Campaign Activity

### Selection Of Appropriate Marketing Aims And Objectives To Suit Business Goals

A firms must set objectives which are SMART. They must be specific, measurable achievable, realistic and time worthy. The aims of the organisation must complement company values.

### Situational Analysis: SWOT

When planning a campaign a firm must also conduct a SWOT analysis, this stands for Strengths, weaknesses , opportunities and threats.
PESTLE factors are also a considerations when planning a campaign. These uncontrollable factors can have a major impact when developing a campaign.

### Use Of Research Data To Determine Target Market

One you have conducted research  you must determine your target group and segment. A segment that is the most accessible and viable would be desirable. For more information please read the following article on [segmentation](http://www.learnmarketing.net/segmentation.htm)