



## Unit 2

**BTEC National Diploma in Business (Double)**

**Summer Independent Learning 2021**

Teacher: \_\_\_\_\_

Student: \_\_\_\_\_

# Part 1

This work in Part 1 is the compulsory element of your SIL. It will be the basis for your initial assessment test.

## Summary of assessment

Learners will be given a case study **two weeks** before a **supervised assessment** period in order to carry out research.

The supervised assessment period is a maximum of **three hours** and can be arranged over a number of sessions. During the supervised assessment period, learners will be required to complete a task where they prepare a **rationale** and then a **plan** for a marketing campaign for a given product or service. The Exam board **sets** and **marks** the task.

The number of marks for the unit is 70.

The assessment availability is twice a year in December/January and May/June.

## Assessment outcomes

**AO1** Demonstrate knowledge and understanding of marketing principles, concepts, processes, key terms, data sources and definitions

**AO2** Analyse marketing information and data, demonstrating the ability to interpret the potential impact and influence on marketing campaigns

**AO3** Evaluate evidence to make informed judgements about how a marketing campaign should be planned, developed and adapted in light of changing circumstances

**AO4** Be able to develop a marketing campaign with appropriate justification, synthesising ideas and evidence from several sources to support arguments

# 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:

Marketing involves a range of processes concerned with finding out what consumers want (products or services), and then providing it for them. This involves four key elements, which are referred to as the 4Ps—The Marketing Mix. A useful starting point therefore is to carry out market research to find out about customer requirements in relation to the 4Ps.

The principles of marketing are to generate customer demand, satisfaction and loyalty by:

- Identifying customer needs by carrying out research
- Provide quality products or services that the consumer will demand and build up a brand.
- Price the branded product or service appropriately
- Promote the product or service in various ways
- Distribute the product or service in the right location or ways (e.g. e-commerce or m-commerce)

By doing this the purpose of marketing is to generate demand and sales for the product or service, by: **Can you define the following terms?**

- anticipating demand

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- recognising demand

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- stimulating demand

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- satisfying demand.

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- **Marketing aims and objectives:**

Successful marketing departments within businesses will devise marketing strategies (plans) so that their marketing activities are planned and structured. **Aims** will be drawn up to identify the purpose of the marketing campaign and **objectives** drawn up to establish how the aims will be achieved.

Successful marketing aims and objectives are drawn up from the following factors: (Can you define the following points?)

- understanding customer wants and needs

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- developing new products

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- improving profitability

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- increasing market share

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- diversification

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- increased brand awareness and loyalty.

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- **Types of market – mass and niche market.**

- **Market.**

A market is where buyers and sellers come together in one place.

### **Types of Market.**

Markets can be categorised in the following ways:

Type of market	How long the product lasts	Examples of products
Non-durable consumer	Brief	Food, drinks, newspapers, ice-cream
Consumer durable	Years	Electrical goods, clothes, cars, refrigerators.
Industrial	Years	Ready-mixed concrete, industrial machinery, parts of large ma-
Services	As long as needs last	Education, loans, tourism

A market can also be categorised according to the type of good / service for example, the food market, clothing market or finance market etc.

### A Market Orientated Business

This type of business will produce products or services that the consumer wants. Market driven firms will use market research to find out what people want and, then make it. These products are useful—for example a mobile phone with a locking device so that it won't accidentally ring someone when it's in your pocket.

Can you name an example of a market orientated business?

### A Product Orientated Business.

This type of business tends to develop and produce a product without market research, that is, it is unaware what the consumer wants. Product driven firms will design or invent a new product and then try to sell it. This often means that this type of business is far more risky than a market driven firm because the firm doesn't know whether or not there will be a demand for its product once it has been made.

Can you name an example of a market orientated business?

Product orientation can be successful if there is limited competition in a market. For example a **monopoly** is the term used when there is only one firm producing a certain good in a market and faces no competition from other firms - royal mail and stamps.

Can you name an example of a monopoly?

However, in today's global market it is much better for a firm to be market orientated as there is greater competition, consumers are more demanding, customers are more informed and choice is easier and competitors have a clearer idea of customer needs.

There are two types of market - Mass and Niche

Can you define and give an example of a mass market and a niche market?

Mass market

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Niche Market

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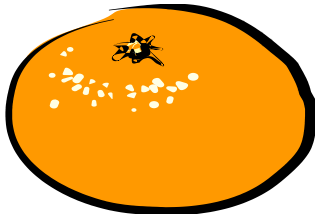
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Niche marketing has been introduced by firms because there are many groups of consumers who have very specific needs. For example, within the foods industry catering for vegetarians would be a market segment. However, producing food made with tofu would be providing for a niche market within the vegetarian market segment.

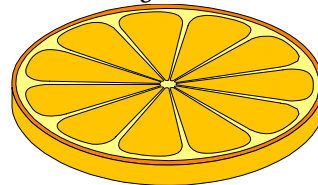
- [Market segmentation.](#)

To develop a meaningful marketing strategy a business needs to segment its market to identify its target market.

*The whole market*



*Market segments*



AGE



GENDER



INCOME



TASTES



EDUCATION



INTERESTS



Consumers usually appear in more than one segment. You could, for example, be a girl ( gender ), aged 17 ( age ), who plays the guitar ( hobby or pastime ).

Can you name some products aimed at 17year olds?

**The reason that a company analyses or breaks the market down into parts is to:**

- ▶ Target advertising and promotion
- ▶ Make the good or service more attractive to a particular segment
- ▶ Maximise sales by targeting different goods or services, or variations of them, on different market seg-

CLASSES	DESCRIPTION	Examples
A	Higher managerial, administrative or professional	Judges, Doctors
B	Management	Accountants Solicitors, Teachers
C1	Supervisory, clerical or junior management	Sales assistant, Secretaries
C2	Skilled manual workers	Carpenters, plumbers, electricians
D	Semi skilled manual workers	Assembly line workers, packers
E	Unskilled manual workers & low income groups	State pensioners, widows or long term unemployed.

ments.

**Therefore market segmentation is ‘promoting a product in different ways to different groups of consumers’.**

**Another way of segmentation** is by social class or socio-economic group based on the job of the head of the household.

Can you name a product that is aimed at each socio- economic group ?

CLASSES	DESCRIPTION	Product example
A	Higher managerial, administrative or professional	
B	Management	
C1	Supervisory, clerical or junior management	
C2	Skilled manual workers	
D	Semi skilled manual workers	
E	Unskilled manual workers & low income groups	

- **Branding.**

Branding is the term used for the brand name , the logo and perhaps a slogan, jingle, colours or shapes established by the business. It is a very powerful tool in getting a customer to recognise the business. Branding is important to businesses and because of this, these elements can be protected by way of trademarks to stop competitors from using similar branding. Branding can help businesses achieve objectives such as gaining a larger market share or increasing customer awareness of the company.

Below write down some well known brands and the methods of branding these firm use:

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- **Brand personality.**

A brand personality is the term used when a business shapes the way customers feel about its products. It can have a considerable influence over what a customer will buy. E.g. Apple has created a brand personality of sophistication with its phones. People feel important and successful if they have the latest I phone.

Below write down well known brand personalities. How do these 'brand personalities' make people feel?:

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- **Brand image.**

A brand image will stick in people's minds and helps them associate a particular supplier with a particular product. A strong brand can portray a particular image in the customer's eyes and help a company create demand for their products. E.g. The Body Shop creates an image of ethically sourced products that are natural.

Below write down well known brand images. What images are conjured up in peoples minds when thinking about the businesses products or services?:

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- **Unique selling point (USP)**

A brand can help a company develop a unique selling point that will enable it to distinguish itself from the competition. E.g. Dyson vacuum cleaners use their unique vacuum systems to establish their USP. They state that the patented products ensures that the vacuum won't lose its suction power. Similarly GTECH sell their vacuum cleaners on the fact that they are light but very functional and cordless.

- **Implications of business size for marketing activity**

A businesses size can influence its marketing activities. The bigger the business the more marketing it can invest in.

- ◆ Larger businesses can invest more in product development to meet customer needs as they generally have more manpower and the financial resources to do so.



- ◆ Products and services that have experienced a significant drop in sales can be withdrawn from the market if they are no longer financially viable. Larger businesses might find this easier than smaller businesses.
- ◆ Larger businesses might find it easier to develop marketing methods for brand promotion. They tend to have the resources necessary to establish the most cost effective methods that will maximise returns in the shortest of time frames.
- ◆ Smaller businesses might find it more difficult to change its branding because it places stresses on its smaller workforce.
- Budgetary constraints.

All businesses are constrained by marketing budgets. However, larger businesses have the financial resources to maximise their marketing plans whereas, a smaller business don't have this luxury. Large businesses such as, Marks and Spencer can advertise extensively on TV or through social media. Whereas, a smaller local convenience store might have to limit their advertising to a board outside their shop.

- Availability of specialist staff.

Smaller businesses tend not to have specialist marketing staff or departments and therefore developing a brand can prove difficult for the firm. They can, however, employ specialist support from outside the firm but this would be costly and put pressure on their marketing budget.

## A2 Influences on marketing activity

Marketers are interested in finding out about both the internal factors and external factors that influence their marketing activity.

Why are the points below important when designing an advertising campaign?

- Internal influences:

- cost of the campaign

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- availability of finance

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- expertise of staff

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- size and culture of the business.

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• **External influences:** Can you name examples of each factor shown below– what’s going on in the current environment and how will this impact on a marketing campaign for McDonalds.

○ social

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○ technological

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○ economic

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○ environmental

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○ political

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○ legal

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○ ethical.

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## B Using information to develop the rationale for a marketing campaign

### B1 Purpose of researching information to identify the needs and wants of customers– can you define the points below

- To identify target markets.

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- To identify size, structure and trends in the market.

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- To identify competition.

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### B2 Market research methods and use

There are two main types of Market Research:

#### 1. Field Research / Primary Research.

This is where the company will go out into the market to ask questions. Therefore they gain new first hand information. The information gathered is specific to the firm and is therefore very useful because it has been tailor made to suit the firm's information needs. This form of research can be very expensive.



- ◆ Internal— sales figures for the businesses own products that they have sold  
Customer data held of the businesses own database.
- ◆ External—questionnaires and surveys such as online feedback forms  
Interviews and focus groups  
Mystery shoppers and other observation techniques  
Trials of new products

Which research method do you believe is the most valid?

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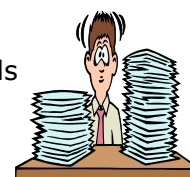
The steps to carrying out market research are as follows:

1. What information does the company need?
2. Who do we need to ask?
3. What type of questions do we ask?
4. How do we ask the questions?
5. How do we show the results?

## 2. Desk Research / Secondary Research.

This is where the research is gathered from existing sources. It is found from documents such as, government statistics, marketing reports, newspapers and previous market research etc. This type of research is a lot less expensive than field research because it already exists.

- ◆ internal – business data on customers and financial records to include loyalty cards and sales records
- ◆ external – commercially published reports, government statistics, trade journals, media sources.



Can you name advantages and disadvantages of using internal and external data?

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## Quantitative and qualitative data, when and where used.

Research data can be gathered in different ways, it can either be quantitative or qualitative.

### Quantitative data

This information gathered by a firm comprises of numerical data. It is generally thought of as objective data. It can be analysed mathematically and presented in graphical form. Examples of quantitative data include;

- Sales data, market values etc.

Quantitative data can be gathered using;

- Questionnaires
- Surveys
- Online feedback forms
- Face to face interviews

Analysis of quantitative data produce **objective** results and the data can be validated (checked against something else for accuracy). However, you must be aware that if the data has been gathered by questionnaire, the questions asked, can produce skewed results because they can be interpreted differently. Any interviewer asking questions might also unwittingly introduce bias into the data responses and you need to be aware of this.

## Qualitative data

Qualitative data are **subjective** and based on somebody's opinions, personal experience, feelings and expectations. Qualitative data are gathered to add reasons or comments about, for example, a company's products.

Analysing qualitative data takes time because everyone's answers and opinions are different. This type of data is also difficult to record, it's time consuming and costly.

This type of data can be used to find out;

- How customers think about a brand or organisation
- How customers might react to changes in price and how they might affect their spending decisions.
- The business can investigate the preferences, tastes and opinions of customers.

The differences between quantitative and qualitative data:

QUANTITATIVE DATA	QUALITATIVE DATA
Objective	Subjective
Research questions ask include: How much? The percentage?	Research questions asked include: What? Why? In your opinion?
The focus is concise and narrow	The focus is broad and complex
Analysis is based on numbers	Analysis is based on word and ideas
Establishes relationships, causation	Describes meaning, discovery

### ◆ **Importance of validity, reliability, appropriateness, currency, cost.**

When collecting data it is important that firms check its validity and reliability because it will form the basis of their decision making. All questionnaires need to be proofread and tested before releasing to the general population. This allows the firm to make sure that what they intended to ask is being interpreted correctly and any misconceptions can be ironed out at this stage. This avoids costly mistakes from happening.

The business also needs to consider if the methods being used for the data collection are appropriate. For example are they ethical? Is there a risk of anyone being harmed (physically or emotionally)? Are the methods the most appropriate to gather the best data possible? Is unnecessary data being collected? This has implications as far as the Data Protection Act is concerned.

Another consideration is currency. What this means is, is the data up-to-date? This ensures that the data is both valid and reliable.

Another consideration for businesses are the costs involved in conducting research. There may be costs of physical resources needed or of personnel required to conduct, gather and analyse the data

### • **Sufficiency and focus of the research.**

Businesses carrying out research need to consider what they are trying to find out very carefully. They need to consider what they are trying to gain by carrying out the research. They

also need to consider who they are going to ask. It could be very expensive to ask everyone in a population or target market to answer questions! Instead businesses tend to use samples of their identified population to represent the views of the whole target market. Choosing a sample needs to be thought out carefully.

## **Sampling.**

Any research can be very expensive.

If you were thinking of manufacturing goods aimed at a teenage market and you wanted to find out how well received your proposed product would be if launched onto the market, it would be highly impractical to interview every teenager in the country to find out their views. For this reason companies would probably use a **sample** of this population to represent the views of the group as a whole. Usually a few thousand people would be questioned.

Sampling finds out the view of a smaller number of people in a target market. This information is then used to represent the views of people in the whole target market.

There are different ways of choosing a sample:

- ☺ RANDOM SAMPLING interviewees are selected entirely at random, e.g. every 20th person who passes by.
- ☺ QUOTA SAMPLING if a target market consists of 43% males and 57% females then a quota to interview will be selected in the same proportion. Once that quota has been achieved further interviews will not take place.
- ☺ STRATIFIED SAMPLING interviewees have a common link, e.g. females between 30 and 40 years old.
- ☺ CLUSTER SAMPLING a group or cluster of people are selected. This could be based on a town, street etc.

*NOTE : Do NOT confuse this method of choosing a sample to represent a population with the tasting sessions put on by supermarkets to try to get customers to buy certain products.*

- Selection and extraction.

When businesses collect data they have to make decisions on which data to use and which data to leave out. If the marketing planning has been well thought out in advance there should be no need to collect excessive amounts of unnecessary data.

The following companies issue guidelines to businesses wishing to collect data:

Association of Research Ethics

Ethics research council

The Government

## B3 Developing the rationale

Research requires a rationale. **Preparing a rationale** is something that you will be required to do for the controlled assessment.

- Interpretation, analysis and use of data and other information to make valid marketing decisions.
  - ⇒ What is it you want to achieve? Stimulate demand/recognise demand/ anticipate demand?
  - ⇒ What is it you are trying to find out? How to do the above?
  - ⇒ What market do you operate in? Mass/niche? Identify the size, structure and trends in the market. PESTLE analysis
  - ⇒ Who is your target market? How do you know? Have you got any research to back this up?
  - ⇒ What are your marketing aims?
  - ⇒ What are your marketing objectives? How are you going to achieve the aims?
  - ⇒ Do you need to use samples of your population? Which ones and why?
  - ⇒ You need to think about this **very** carefully what sort of data do you need to gather? Qualitative or quantitative? What questions will you ask? How will you test the questionnaire or data gathering process before you use it on your target market? What's your USP going to be?
  - ⇒ How will you analyse the data once you have gathered it?
  - ⇒ Where do you need to gather it from?
  - ⇒ How will you use the data?
  - ⇒ What might the costs be?
  - ⇒ What constraints do you envisage? What are the internal and external influences on the marketing campaign?
  - ⇒ How valid or reliable will the data be? How will you check the reliability and validity of the data?
- **Identification of any further sources of information that may be required.**

You need to use as many different sources as possible to back up what you are saying in the controlled assessment.

- ⇒ What is the competition up to in the market? How do you know?
- ⇒ Are there facts and figures / information you can gather from the Government website? What about the Office for National Statistics?
- **It is important that you evaluate the reliability and validity of the information you obtain.**
  - ⇒ Evaluation of the reliability and validity of the information obtained.

Tools that you could use to help you plan out your Rationale:

- Product life cycle.
- Can you explain each stage of the product life cycle? What products examples represent each stage?



## C Planning and developing a marketing campaign

### C1 Marketing campaign activity

- Selection of appropriate marketing aims and objectives to suit business goals.
- Situational analysis: SWOT (Strengths, Weaknesses, Opportunities, Threats) and PESTLE (Political, Economical, Social, Technological, Legal, Environmental).
- Use of research data to determine target market.
- Use of research data to conduct competitor analysis.

### C2 Marketing mix

- Product development: form and function, packaging, branding.
- Pricing strategies: penetration, skimming, competitor based, cost plus.
- Promotional advertising, public relations (PR). Sponsorship, use of social and other media, guerrilla marketing, personal selling, product placement, digital marketing, corporate image.
- Place, distribution channels: direct to end users (mail/online/auction), retailers, wholesalers.
- Extended marketing mix: people, physical environment, process.



The product life cycle shows the stages a product goes through from its development to the time it is withdrawn from sale.

Products have a limited life, not only from the customer's viewpoint, but also as far as the producer is concerned.

Products, with their limited lives, have a "Life Cycle". They have limited lives because of, for example, new technology and inventions and consumer tastes and fashions. Different products last for different lengths of time but their life cycles have certain common elements:-

## **STAGES**

## **CHARACTERISTICS**

### **Development**

Involves market research and development of the product. This stage can take several years and is very costly.

### **Launch**

When the product is "launched" on the market it is supported by heavy advertising and promotion. Sales are low until people get to know of the product and buy it. At this stage the costs of production are higher than the money made from sales.

### **Growth**

In this stage more and more people are buying the product. Therefore, as sales are rising profits are increasing also.

### **Maturity**

In the maturity stage, the product has reached a peak in terms of sales. It is fully established in the market and at its most profitable for the company.

\*\* It is at this stage that companies try to extend the product's life cycle.

### **Saturation**

At this stage the product will have reached its "market saturation" and the firm's competitors will probably have modified their own products, or brought new ones out, to compete with it.

### **Decline**

Eventually a product is likely to go into decline. This is brought about by the actions of competitors changes in tastes and fashions or technology. Sales fall as its market share reduces and it eventually stops being produced.

## Extending the life cycle

The length of the product's life cycle can often be extended by modifying the product in some way. Companies often use a "new, improved" style of modification, linked to changes in packaging, an advertising campaign and sales promotion ( e.g. the free gift approach ) to keep their products on the market for a longer period.

A PESTLE analysis may help you establish the environment your business is operating in.



A SWOT analysis will do the same



## TASK– Product a marketing campaign report based on the information below-

Using the theory you have learnt in this booklet and the information in the case study below to create a marketing campaign for electric powered bikes.

### Case study

Justine Williams has just designed a lightweight electric power bike . The design has been submitted to the intellectual property office in the hope that it can be patented and protected under UK law. Justine hopes that the innovative battery that makes this electric bike so lightweight will be a unique selling point for this product.

She has now decided to turn her attention to marketing this product. She has approached Halfords to see if they would be interested in selling her bike and is negotiating business terms with them.

She feels that she will be able to manufacture the bike and sell it for around £300. She has found a manufacturer in China willing to produce the bikes. She has done some initial field research in her local area and found that 60% of women and 40% of men would be interested in buying such a bike . She has asked if you, as a marketing consultant to develop a marketing rationale and marketing campaign to help her launch this bike onto the market.

Task:

1. Prepare a rationale for the marketing campaign
2. Set marketing aims suitable to the campaign- What three marketing aims does your campaign want to achieve?
3. Complete market research on the electric bike market- what is going on in the bike market? What do people buy? What is influencing peoples tastes and preferences? What does the secondary research tell you? What age range is buying the bike? Can you collect primary research from people at home? Would they want an electric bike? How much would they pay?
4. Market size, structure and trends

**Layout– Word document, font size 12, use the headings below to separate your report.**

1. Rational
2. Marketing aims and objectives
3. Market Research
4. Market size, structure and trends
5. PESTLE Analysis/

Example for a folding bike campaign and the mark scheme are on the next pages.

Please see the next page for an example.

Example of rational and marketing objectives below for a folding bike campaign.

### **Activity 1:**

In this marketing campaign, I am going to be conducting a rationale for The Bicycle Shop. The Bicycle shop wants to focus on one segment of the market to encourage more customers to their store and increase the probability of them making a purchase. The main focus of this business is to sell folding bikes to affluent professionals and their price-conscious customers who commute to work every day using public transport. "Office for National Statistics (ONS) figures show 3.7 million workers travel for two hours or longer every weekday." This is so that the business can help their customers have a more efficient and useful way of travelling to work or where ever their destination may be.

<https://www.totaljobs.com/insidejob/36-of-the-uk-population-still-drive-to-work-only-3-cycle/>

The marketing strategy will seek to first create customer awareness regarding The Bicycle Shops products to those who are not loyal customers, this therefore brings in new potential customers so they can build on their customer base to create a stronger brand and brand image.

Research shows that the bike market is growing by 5% each year in the UK with further growth anticipated and according to Mintel the total bicycle market in the UK is estimated to be worth £1.5 billion. For The Bicycle Shop, there is potential for growth within the market with huge opportunity for them to generate sales and income; providing that they have thoroughly researched the market and provide the right product at the right price. By conducting primary and secondary research, it will allow the business to anticipate demand of what the customers want and what products they want next to allow them to create the "perfect" product for their customers.

### **Marketing AIMS and OBJECTIVES:**

The outcome of this marketing campaign is to diversify and extend their product range which will be targeted to a single segment of their customer base. This will then allow then to increase the sales and broaden the appeal rather than focusing solely on its current products so they have more than one source of income. For the Bicycle Shop to achieve these goals they need to set up different aims and objectives to what they previously had:

#### **AIMS:**

1. To attract 1,500 new affluent professionals to visit the store and increase brand awareness.
2. To develop a new product idea that will improve the profitability and income of the business.
3. To sell at least 250 folding bikes to customers by the first 8 weeks.

This are perfect aims for a medium sized independent retail store who want to increase their profitability and customer base. To help The Bicycle Store needs to set up SMART targets that allow them to meet the aims and objectives they have set. These aims are

## Example of Market research for a folding bike campaign

**specific** and are clear and easy for employees to understand. This is vital for a growing business because they must have specific goals to meet so they know they are going along the right path to success. They need to increase market share by selling to more customers. A precise target to meet would be to create primary research to get in-depth qualitative and quantitative data, this is so it can highlight what the customers precisely want. This would lead the shop to success as they would have ideas of what to create as a new product and what they need to develop on as the primary data will also highlight weaknesses within their business. The aims are highly measurable to meet and The Bicycle Shop will want to be able to track their process of how well they are to completing their aims to make sure they are staying on target. To make the aims **achievable**, there needs to be steps to reach the goals they have set. For example, the first step to creating a larger customer base would be to increase promotion and advertisement. By completing the SMART targets, the aims become **realistic** for the business to achieve. The **time bound** to reach the 3 aims is within a 12 to 16 week period.

### Market Research:

It is essential to conduct both primary and secondary market research to identify wants and need of the customers.

I have conducted 2 days' worth primary research for The Bicycle Shop. As I live by Frinton-On-Sea town, it helped me to conduct my research as this is the location I looked into. I decided to start my research on the weekend (Saturday – Sunday) as I felt that more people would want to stop and answer my questionnaire than those who are rushing to work in the mornings and wouldn't have time to stop. Walking around Connaught Avenue and the train station, I asked 65 people if they'd answer my questions and I got 52 responses.

1. The average age range that I had interviewed was between 22-38.
2. I then asked them how do they commute to work, 28 said Car, 20 said Train, 5 walked, 2 cycled and 10 got the public bus to work.
3. 30 out of 65 said that they owned a folding bike which they use on public transport to get around quicker instead of walking.
4. I asked those who said no if they would ever consider using a folding bike and 75% of them said that they would.
5. The most known bike brands and shops were those of Brompton and Halfords store.
6. The most commonly used social media websites was Twitter and Facebook.

After collecting this data in, I then interviewed a family friend to get more in-depth knowledge on why she uses a folding bike and what encouraged her to purchase it. She was aged 21 and purchased her first folding bike a year ago. The folding bike that she owns is from Halfords and is called "Carrera InterCity Folding Bike - Red". This bike costs £350. She uses the bike to travel to and from work and also to and from town for shopping and to see friends etc. The most liked feature is that it is easy to use and easy

## Example of size, structure and trends for a folding bike campaign.

to fold down, it is lightweight and easy to carry around shops or to walk into work with them. She has the bars always facing down so that takes one step out of the folding process.

Collecting data can come with positives and negatives. Some strengths are that this data is highly valid as it is up to date as it was recently collected. It is also highly reliable due to the fact I collected it myself. There is a range of qualitative and quantitative data which allows the business to have statistics that they can analyse and in depth data that they can look into. The weaknesses of my primary research is that the sample is not very big. This makes it hard to generalize to the whole customer base, the data was also collected in one single location and it would increase validity if I had researched into busier towns and cities.

The target market for The Bicycle Shop should be selling folding bikes to females and males aged 22-38 who have limited space and storage within their homes and on their way to work. They should focus on city dwellers and commuters who travel a long distance to work in order to avoid traffic and the congestion of the city. Also, for those travelling for social events like meeting friends and family. Folding bikes are brilliant for commuters, city dwellers and everyone else short on space. They can be packed down small, so you can fit them into the busiest of trains or the smallest of apartments.

### Market size, structure and trends:

My secondary research highlights the market size, structure and trends of bike stores and the folding bike market. Most of sales will be to the independent bicycle shops. The reason for this is most of the chains have a much uniformed product offering that does not deviate for specials and closeouts. The chains tend to value consistency of product offerings at the expense of increased profit margins on special items. In the UK, there is an estimated 2,500 bike shops with a total market for the sale of new bikes being estimated to be worth £800 million.

However, the number of independent retailers has fallen by around 10% during the last 12 months so there is potentially a gap in the market for The Bicycle Shop to develop new products.

There are many new trends that have come into play recently. Cycling overall has become much more popular due to the roads being more congested and busier than ever before. The average amount of people who cycle each day is 1.9 million aged 18+ and there are 35 million who don't cycle at all nowadays. The number is ever growing because it is a healthier life style to live.

<https://www.cyclinguk.org/resources/cycling-uk-cycling-statistics#How many people cycle and how often?>

### Competitors:

There are not many well-known folding bike stores in the UK as folding bikes are a very small segment of the overall UK bicycle market, with a share of around 4% of all bicycles sold but there's a market leader and that is Brompton bicycle of west London. Brompton are an extremely popular bicycle brand and are mainly known for their folding

## Example of PESTLE for a folding bike campaign.

### PESTLE:

**Political:** The government have recently brought in more cycle lanes and have painted them all over busy cities. "As part of a £913 million project by former mayor Boris Johnson, a network of so-called cycle superhighways has sprung up across the capital, segregating road space for the exclusive use of cycles." They have also now introduced Phased traffic lights. These allow for bikers to have a head-start over cars, the idea of this is to enable cyclists to travel safely on the roads and so they more importantly feel safe, encouraging more people to ditch four wheels for two, and it also reduces the amount of pollution.

<http://www.dailymail.co.uk/debate/article-3822518/Cycle-lanes-lunacy-built-Britain-causing-gridlock-pollution-maddest-thing-empty.html>

[https://en.wikipedia.org/wiki/Cycle\\_to\\_Work\\_scheme](https://en.wikipedia.org/wiki/Cycle_to_Work_scheme)

There was a 'Cycle to Work' scheme introduced in 1999 to promote healthier journeys to work and to reduce environmental pollution. You choose a bike, hire it for an agreed length of time, and then snap it up for a fraction of its original value. It's like a year-round sale, with interest free credit available in over 2,000 retailers nationwide.

**Economic:** With Great Britain leaving the EU, (Brexit) This means that there will be higher cost for imports and export due to lack of being in the trading bloc, this makes producing products more expensive if you have to ship in parts for the bike. Inflation would play a huge role in the amount of sales a business has as it decreases spending power and increases interest rates.

If you can't afford your own car, folding bikes are a more cost effective method. Bicycle commuting saves you on parking fees, fuel costs, auto maintenance costs, and transit fares. If more commuters bicycled, taxes could be reduced because governmental costs

## MARK SCHEME

The marks available for each section are shown below– this needs to be word processed and in a report format using the headings given.

The Mark Scheme			
Area	Marks to be gained	Description	Mark.
<b>Structure</b>	Up to 4 marks	The rationale is well written and has a logical structure.	
		Applies a variety of relevant marketing Principles and concepts.	
		Uses relevant marketing terminology.	
<b>Marketing Aims and Objectives</b>	Up to 8 marks	There is comprehensive coverage of relevant rationalised marketing aims and objectives, with good development/evaluation relevant to context/case study.	
<b>Research of, and analysis of , market information</b>	Up to 12 marks	Sustained references will be made to the: <ul style="list-style-type: none"> <li>• case study</li> <li>• individual/ independent research</li> <li>• wider business market and competitors which are entirely relevant to the context/ case study.</li> </ul>	
<b>Justification</b>	Up to 10 marks	Different <b>analytical tools</b> are used leading to a coherent justified evaluation. PESTLE	
		<b>Appropriateness</b> will be fully addressed in the context of the additional scenario presented. Full use of marketing principles and of marketing terminology.	



**End of Part 1 — Compulsory SIL element**

## Part 2

This work is not compulsory or tested in the initial assessment, but is strongly recommended and will help you to develop additional subject knowledge, transferable skills and employability skills.

British luxury fashion house Burberry have just launched a brand new online platform called Burberry Engage, a place for young people to connect with Burberry. Burberry Engage aims to help young people in Post-16 to develop new skills and broaden their career horizons through the following;

- Employability skills development – bite sized learning modules, mapped to Skills Builder and packed with videos and insights from Burberry industry experts, sharing their experience of building employability skills in the workplace. These modules support young people to develop the following skills;



- Digital mentoring – Burberry mentors from a wide range of business areas are available to answer your questions about their job role, career journey and more!

Use the link below to explore the Burberry Engage platform.

<https://burberry.connectr.co.uk/engage/>

A screenshot of the Burberry Engage platform homepage. At the top, the Burberry Foundation logo is on the left, and navigation links for 'Modules', 'Mentors', 'Forums', 'Jobs', and 'About' are in the center. On the right, there are icons for a mail envelope, a speech bubble, and a person. The main content area features a large background image of a diverse group of young people walking on a path. Overlaid on this image is a white box with the heading 'Welcome!' and the text 'Welcome to Burberry Engage! A place for young people to connect with Burberry. Sign up and enter now.' Below this text are two buttons: 'SIGN UP' and 'SIGN IN'. At the bottom of the page, there are social media links for Facebook, Instagram, Twitter, and LinkedIn. The footer contains links for 'Privacy Policy', 'Cookie Settings', and 'Terms &amp; Conditions', along with the 'Connectr' logo and 'MyKindaFuture © 2021'.