Spring Y10| **Business**| Marketing

5.1 - Market segmentation	
Market segment	is a part of the market which contains a group of buyers who are similar. Markets are typically segmented on the basis of age, gender, income and interests.
Niche markets	are those involving a small segment of the population. All marketing efforts for a product are aimed at that market.

5.2 – Market research	
Market research	is the way in which information is gathered about consumers, competitors and markets.
Primary (field) research	involves collecting original information for a specific purpose.
Secondary (desk) research	involves using information which already exists in print or on the internet.
Qualitative data	is descriptive information found by experiences or in textbooks, newspapers or reports. It includes opinions and so cannot be easily turned into numbers (quantified).
Quantitative data	deals with measurements and figures perhaps shown in tables and graphs. It uses numerical data.
Focus groups	are small groups of consumers brought together by businesses to discuss their reactions to products before they are launched.
Consumer panels	are recruited by research companies to represent the views of consumers in a particular sector. They will be asked to comment on such things as product design or flavour or on the branding and advertising of products.
Feedback	is the response by a customer following the purchase of a good or service. This will be used by the producer to improve what has been produced.

5.3 – Marketing mix	
Marketing mix	the combination of factors which help a business to sell its products. It is usually considered to involve the 4P's of product, price, promotion and place.
Product	what you are offering to the market. It can be a good (tangible) or a service (intangible)
Price	how much a firm wants to charge or the price the consumer is willing to pay.
Place	is where the product is available for the consumer to purchase, this could include shops, websites etc.
Promotion	techniques used by businesses to make consumers aware of products and to persuade them to buy them, now and in the future.

5.4 - Product	
Extension strategies	a number of methods businesses might use to prolong the life cycle of their products.
Product life cycle	the stages a product passes from its earliest development until it is no longer available.
Product launch	the point at which a product is put onto the market.
Product growth	part of the early stage of the product life cycle when sales and profits are rising.
Product maturity	the point in the product life cycle where sales reach their peak.
Product saturation	the point where the market is full as competitors have introduced similar products.
Product decline	is the point in the product life cycle where sales fall and may eventually cease.
Product differentiation	involves distinguishing a product or service from others in some way.
Product portfolio	the collection/range of all the goods and services offered by a business.
Unique selling point (USP)	is what makes a product different from those sold by competitors. It may involve the lowest price, the best quality or being the first of its kind.

Tier 3 language

Market	The place where buyers and sellers meet. It can be a physical place e.g. a shop, or a virtual place e.g. Ebay or Amazon.
Market segment	is a part of the market which contains a group of buyers who are similar. Markets are typically segmented on the basis of age, gender, income and interests.
Market research	is the way in which information is gathered about consumers, competitors and markets.
Extension strategies	a number of methods businesses might use to prolong the life cycle of their products.

5.5 - Price	
Competitive pricing	is a pricing strategy which involves the producer offering goods for sale at a price at or just below that set by its competitors
Cost plus pricing	is a pricing strategy which involves the producer adding a sum of money (the profit) to the cost of producing goods to determine the selling price of the good or service.
Loss leaders	are products put on sale, usually in supermarkets, at prices which make no profits and may even make losses in order to attract customers into the shop to buy other goods.
Penetration pricing	is a pricing strategy which involves setting a low price for a new product to encourage sales. The price may be later increased as its market share grows.
Price discrimination	is a pricing strategy which involves setting different prices to different market segments.
(Price) Skimming	is a pricing strategy which involves selling a product at a high price in order to earn high initial profits. Profits may be reduced later to increase sales at the lower prices.
Psychological pricing	a pricing strategy which involves offering goods at prices below whole number such as £5.99 or £499, or using words such as "only". It is hoped that the consumer will believe that the product is much cheaper than if the price had been £6 or £500.

5.6 - Place	
Distribution channel	How the product travels from the producer to the final consumer e.g. direct from manufacturer, via a distributer or from a retailer.
e-commerce	Purchasing products online using a computer or tablet
m-commerce	Purchasing products online whilst mobile using a smartphone
Multi-channel	Products that are available to a customer from a variety of distribution channels

5.7 - Promotion	
Advertising media	are the various places where advertisements may be found such as television, newspapers or the internet.
Blogs	provide information and allow discussion on the internet with other users producing their own entries or posts
Digital adverts	use internet technologies to provide a range of advertising including using e-mail, social media messages and banner advertisements on mobile phones and websites.
Pop-up adverts	are a form of online marketing which place new browser windows on computer screens.
Search engine advertising	is a form of online marketing which places advertisements on web pages showing the results from search engine queries.
Social media	involves websites and applications which allow users to create and share information, ideas and interests with other individuals, communities and networks.