

Marketing

Markets

Market: A market consists of all of the people & organisations involved in the buying & selling of goods & services **e.g.**

- Retail Market (goods/services sold to the public)
- Street Market (fruit, vegetable, clothes)
- Stock Exchange (shares are bought/sold)
- Export Market (exporting goods/services abroad)

MARKET

Target Market: The total number of potential customers who are most likely to buy a product/service **e.g.** Junior Cert revision notes for Business — for those who are studying JC Business.

Market Segmentation: The division of a product's market into different groups of people who have something in common **e.g.** different age groups, income levels, hobbies.

The Marketing Mix (The Four Ps of Marketing)

Product	This is the item (good/service) that is produced for & provided to the target market incl. quality, packaging, unique selling point
Place	Where the product/service is available to the target market e.g. supermarket & also how the product is transported from the manufacturer to the consumer.
Price	The amount of money a customer has to pay to obtain a good/service which depends on cost of production, profits, competitors.
Promotion	The activities that a business undertakes to communicate the merits of a product/service to persuade the target market to purchase it.

Market Research

- Is the collection & analysis of information about a product's market.

Aims:

- To identify's consumers needs & wants and to supply these at a profit.
- To discover what are the best means of advertising & promoting a product so that your target market learns about the product/service & is tempted to avail of it.
- To identify the main competitors in the market.
- To identify the size of the market to decide whether it will be profitable to enter it.
- To discover the most suitable price for a product/service



Marketing

Techniques — Market Research:

Desk Research (secondary research): Involves the use of existing information (which has been collected/published by others) **e.g.** Central Statistics Office, internet research, existing business records.



Field Research (primary research): Involves obtaining new information about a market directly from customers.

- **Observation** — watching how customers react to new products while shopping.
- **Questionnaire** — a document containing a series of structured questions designed to generate information.
- **Test Marketing** — producing & selling a small quantity of a product/service to test consumers' reactions **e.g.** food is often available for sample in supermarkets.
- **Postal, phone or on-the-spot interviews.**



Product Development

It is important for a business to improve existing products & to develop new products.

A new product must be of a **better quality**, at a **better value** & **presented better** to be successful.

Factors a business should consider before deciding to produce a new product:

Is there demand? — Will it be profitable? — What kind should it be? — What price? — How will it be promoted? — Where should it be sold? — Target market?

Advertising

- Is the **communication of information about a product/service** to the **general public/its target market** to **persuade people to buy it**.

Aims:

- To **inform the public** of a new product/service **e.g.** where it is sold, its qualities, price.
- To **increase sales & profit**.
- To **maintain/increase a firm's share** of the **market** against competitors.
- To **counteract bad publicity**.

Types:

- **Informative:** Gives detailed information to the public about a product/service **e.g.** flu vaccine
- **Persuasive:** Tries to convince the public that they need to buy a certain product/service **e.g.** L'Oreal (cosmetics) — "You're worth it".
- **Competitive:** Tries to persuade consumers that one firm's products are far superior than another's **e.g.** RyanAir — x% cheaper than Aer Lingus.
- **Generic:** Tries to convince people to use a product more **e.g.** drink more milk.
- **Digital:** Using the internet to make consumers aware of a product **e.g.** websites, social media, videos.



Marketing

Advertising Media (where to advertise)

Newspapers/Magazines — TV — Radio — Posters/Billboards — Leaflets/Brochures — Window/Vehicle Displays — Internet — Merchandising

After-sales service: The support offered to consumers after they have purchased a product.

Selling Techniques:

- **Branding** — assigning a specific name/logo to a company's products to distinguish them from similar products made by other manufacturers **e.g.** Coca-Cola, Apple, Nike.
- **Merchandising** — arranging products on shelves/in display units for maximum impact on the consumer.
- **Loss leaders** — selling products below cost price.
- **Sales Promotion** — all other activities other than direct advertising used to promote products & increase short-term sales **e.g.** Free samples — special offers — coupons — competitions
- **Sponsorship** — a business supports teams & events in return for having their names & logos displayed.
- **Endorsement** — when a famous person agrees to promote your product to their followers, effective as it expands a firm's market **e.g.** Katy Perry - H&M, Covergirl



Public Relations

- Is the **creation & maintenance of a positive image** of a company to members of the general public.
- The Public Relations Officer manages this.
- He/she issues press releases — arranges sponsorship — radio & TV coverage — etc.

Recording the payment of advertising in the ledger accounts

Bank A/C

				31/12/16	Advertising	GL	10,000
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Advertising A/C

31/12/16	Bank	GL	10,000				
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- In the **Trading, Profit & Loss Appropriation A/C**, advertising is entered as an **expense**.
- **Advertising pre-paid** is a **current asset**.
- **Advertising due** is a **current liability**.