

Chapter 25: Worksheet mark scheme (53 marks, HL 53 + 13)

- 1 What are the **four** key Ps of marketing? (4)
- product
 - price
 - promotion
 - place
- 2 What are the **three** additional Ps that mostly relate to marketing services? (3)
- people
 - process
 - physical evidence
- 3 Define 'marketing mix'. (2)
- This is the combination of marketing decisions used to market a product or service effectively.
- 4 State **three** main factors that need to be taken into consideration when deciding the marketing mix of a product. (3)
- marketing objectives
 - marketing budget
 - target market
 - the features of the product itself
- 5 What is a marketing audit? (1)
- This is a regular review of the cost and effectiveness of a marketing plan, including analysis of internal and external influences.
- 6 What are the **three** key features of a marketing audit? (1)
- analysis of internal strengths and weaknesses (S and W of SWOT)
 - analysis of external opportunities and threats (O and T of SWOT)
 - regular review of progress of plan against objectives
- 7 List **five** types of information that market research is generally used to find out. (5)
- market size
 - consumer tastes
 - effectiveness of promotion
 - competitor advantage, e.g. USPs
 - customers' preferred distribution methods
 - packaging preferences
 - pricing
 - preferred product features

- 8** What are the **four** main features of primary market research? **(4)**
- up to date
 - focuses on exactly what business needs to know
 - time consuming
 - often expensive
- 9** What are the **four** main features of secondary market research? **(4)**
- faster than primary market research
 - cheaper than primary market research
 - may not be up to date
 - may not have exact focus needed by the business
- 10** Give **four** commonly used sources of secondary data. **(4)**
- government publications
 - local libraries
 - trade organisations
 - market intelligence reports
 - newspapers
 - specialist publications
 - internal company records
 - internet
- 11** List **three** primary market research techniques. **(3)**
- consumer surveys
 - test marketing in a geographic area before main launch
 - consumer panels/discussion groups
 - internet surveys
 - telephone surveys
 - customer feedback forms
- 12** State and explain **five** sampling techniques. **(10)**
- random: computerised selection of sample
 - stratified: random sampling within target market segments
 - quota: stratified sampling using a specified proportion of subgroup individuals within each stratum/segment
 - cluster: sample (often random) taken from a restricted population
 - snowball: first respondent refers a friend, who refers another friend, etc.
- 13** What is differentiated marketing? **(2)**
- Marketing that targets specific market segments.

- 14 State and explain the **three** main ways in which a market can be segmented. (3)
- geographic differences: different areas
 - psychographic factors: lifestyles, personalities, values, attitudes
 - demographic differences: age, sex, family size, ethnic background, socioeconomic class
- 15 What is market positioning? (2)
- This is the analysis of consumer perceptions of existing brands in order to identify niche markets, e.g. by price, quality, image, etc. A market positioning map may be used to present the information visually.
- 16 Define the term 'corporate image'. (2)
- This is the consumer perception of a company behind a brand or a product.
- 17 **(HL)** State Porter's Five Forces and identify the key force through which the others act. (5)
- **Key force:** competitive rivalry
 - threat of entry
 - supplier power
 - buyer power
 - threat of substitutes
- 18 **(HL)** Give **three** instances in which competitive rivalry is likely to be high. (3)
- entrance to the market is cheap and easy
 - substitute products pose a threat
 - if suppliers could potentially become rivals
 - when buyers can easily buy from another firm
 - there are many firms with a similar market share
 - slow market growth forces firms to take market share from rivals if they want to grow
 - little differentiation between products
- 19 **(HL)** What are the **three** main decisions that a model such as Porter's Five Forces may be used to make? (3)
- whether to go into a market
 - whether to stay in a market
 - how to improve a firm's competitive position
- 20 **(HL)** What is a time-series analysis of sales data? (2)
- This is when sales data is kept over time and then graphed trends can be extrapolated to try to predict the future.