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Marketing

Place

Place

Definition: In the context of the marketing mix, this is where the product is available for the consumer to purchase. Place could include shops, markets, telephone sales, the internet and so on.

Warehouse

Definition: A place where resources or finished products are stored before they are sold.

Place – Factors to Consider Where to Locate a Store

- **Closeness of shop to market ➔** plenty of customers
- **Availability of shop ➔** town centre or out of town
- **Suitability of shop ➔** size, facilities
- **Cost of shop ➔** to buy or rent
- **Ease of access ➔** for customers and for deliveries
- **Business area/passing trade ➔** plenty of customers
- **Nearness of similar shops ➔** as competition, as attraction
- **Planning permission ➔** can the area be developed?

Distribution Channels

Definition: Involves the routes which goods follow between the manufacturer and the consumer. The route may be direct between the two but the interaction of middlemen is more likely.

Distribution

Definition: Involves materials being transported or moved to the producer or the final product being moved to the consumer.

Multi-Channel Distribution

Definition: Involves a business using more than one channel to distribute its goods perhaps through traditional shops and catalogues and online.

Direct Marketing

Definition: Occurs when there is a direct link from the producer to the customer with no intermediaries.

Manufacturer

Definition: The maker of products.

Wholesaler

Definition: Buys goods from the manufacturer and sells these goods in smaller quantities to retailers.

Retailers

Definition: Sells goods to consumers. Small retailers buy their stock from wholesalers but large-scale retailers buy directly from manufacturers.

Functions of a Retailer:

- Display goods
- Promote goods
- Sell to consumers / sell goods and services
- Give customers advice / provide customer service
- Deal with faulty goods / complaints
- Distribute goods / deliver goods
- Buy from wholesalers / manufacturers / suppliers
- Break bulk / buy in large quantities and sell in small quantities
- Closer to consumer / local
- Can offer credit

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E-Commerce

Definition: (or electronic commerce) involves the buying and selling of goods and services via the internet.

Should Retailers Sell on the Internet?

Advantages:
- ☑ **Wider market ➔** so the business will be able to attract more customers ➔ 24/7 ➔ geographical benefits ➔ more sales
- ☑ **Expansion/growth possible ➔** without having to locate/fund new sites
- ☑ **Internet advertising ➔** might encourage customers to the shops
- ☑ **Possible lower costs ➔** of labour ➔ fitting/running shops
- ☑ **Keep up with competitors**
- ☑ **Convenience ➔** for customers who cannot travel to the shop ➔ shop outside business hours

Disadvantages:
- ☒ **Effects on current business ➔** with time ➔ efforts spent with website
- ☒ **Reputation may be diminished ➔** website crashes / problems with delivery
- ☒ **Costs of setting up website ➔** particularly if professional designer employed
- ☒ **More storage space may be needed ➔** so higher warehouse costs
- ☒ **Some higher costs ➔** maintenance / special packaging / delivery / returns
- ☒ **Possible fraud ➔** related to payments
- ☒ **Customer resistance ➔** from people who would want to see the goods before buying (social aspect)
- ☒ **Competition**

Should Customers Buy on the Internet?

Advantages:
- ☑ Can see images of products so can compare many products
- ☑ Prices ➔ many sellers can be compared on one computer
- ☑ No need to travel so costs saved
- ☑ Can pay online saving bank charges
- ☑ Cheaper because seller costs lower
- ☑ Wider choice from many sellers
- ☑ Order 24/7

Disadvantages:
- ☒ Goods not inspected to see if goods meet the need
- ☒ Images may be misleading so quality difficult to judge
- ☒ Delays in receiving goods
- ☒ If goods need to be returned there could be additional costs incurred
- ☒ Possibility of fraud if goods not sent when paying
- ☒ Technical issues e.g. reliability, speed

M-Commerce

Definition: (or mobile commerce) involves buying goods and services through hand-held mobile devices such as smartphones.

Using the Marketing Mix (The 4Ps) to Encourage Customers to use their Business

PRODUCT
- ☑ Introduce new goods.
- ☒ Might be difficult to sell, find supplier, expense etc.

PLACE
- ☑ Move to bigger shop, in busier location, sell on internet to reach more customers.
- ☒ Might cost more to rent/buy, problems of informing customers, problems of selling on internet, poor site design or usability may lead to reduced sales.

PRICE
- ☑ An example of a pricing strategy is economy pricing to attract budget conscious shoppers.
- ☒ Some pricing strategies also have their disadvantages. Market penetration pricing which is set low will lose a business money if kept in place for too long.

PROMOTION
- ☑ Sales promotion where customers are offered incentives to buy from them. Tesco clubcard.
- ☒ Advertising may be expensive and is only a one way communication.

Price

Price

Definition: The amount of money a business wants to receive in order to sell a good or service or the amount of money the consumer is willing to pay to buy that product.

PRICE OFFER
MANUFACTURING COMPETITION
COST
MARKET CONDITION
PRICING
NEED - DEMAND
PROFITABILITY
PRICE / QUALITY RELATIONSHIP
MARKET PLACE
SHARE RETAIL

Pricing Strategies	Definition	Advantage	Disadvantage
Penetration Pricing	Setting a low price for a new product to encourage sales. The price may be reduced later with increased customer loyalty and market share.	The goods have a low price to attract customers who may then stay with the business.	When prices rise people may not be willing to purchase – questions over quality.
Price Skimming	**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.**	**Attracts early adopters e.g. new football boots, the latest iPhone.**	**Some customers unable to / unwilling to pay the high prices.**
Cost Plus Pricing	Involves the producer adding a sum of money (the profit per good) to the cost of producing goods to determine the selling price of the good or service.	Adding profit to cost ensures that a profit is made on each good.	May not work in competitive market / depends on margins.
Psychological Pricing	**Involves offering goods and services at prices below whole numbers such as £5.99p or £499, or using words such as "only". It is hoped that the customers believes it is much cheaper than if the price had been £6 or £500.**	**Can nudge customers to make a purchase.**	**Some may not be convinced to buy so revenue may not rise / customers may not be attracted to the business.**
Competitive Pricing / Market Orientated	Involves the producer offering goods for sale at a price at or below that set by competitors.	Ensures that the firm is price competitive.	Customers may be used to buying from competitors so revenue might not change / customers may not switch from rivals.
Price Discrimination	**Charging different prices to different market segments – e.g. discounted pricing to students.**	**Customers attracted to lower pricing.**	**Some customers excluded and may choose rival retailers (shops)**
Loss Leader	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.	Boost sales of other, more profitable products.	Customers may get used to and expect low prices so can only really be used in the short term.

Why might a business charge higher prices?

- **Higher costs** / better ingredients / higher rent / cost plus
- **Wants more exclusive market** / customers willing to pay higher price
- **May be well known** / quality brand ➔ people willing to pay higher prices
- **High marketing costs** ➔ need to be regained from sale of product

Advantages of using pricing strategies to maintain the sales of their products

- Right strategy will increase sales ➔ increase revenue ➔ profits will rise
- Prices can be applied to specific niche ➔ market segment
- Prices can reflect the market for the product ➔ skimming may work in some markets i.e. high income and penetration in others
- Prices can take into account actions of competitors ➔ stopping switching etc.

Disadvantages of using pricing strategies to maintain the sales of their products

- Competitors may follow pricing strategy ➔ so no effect ➔ no increase in sales
- Competitors may not follow pricing strategy ➔ customers not attracted
- Need for expensive advertising to promote pricing strategy ➔ so profits not as expected
- Some segments may not be happy with pricing strategy ➔ allowing less well off to afford expensive products

Product

Product

Definition: Is the good or service provided by a business.

Product Portfolio

Definition: The collection/ range of all the goods and services offered by a business.

Product Differentiation

Definition: This involves distinguishing a product or service from others. By making a product different or appearing to be different from similar products sold by rivals, a business will hope to attract more customers.

Brand

Definition: Unique design, sign, symbol, and/or words used in creating a unique image that identifies a product and differentiates it from its competitors.

Branded products tend to be:

- They are trusted by consumers
- Products usually have a high price / premium price
- Products are unique / differentiated / stand out / recognised
- Customers are loyal to the brand ➔ and repeat purchase

Why do businesses brand their product?

- **It differentiates products from rivals ➔** unique ➔ rivals cannot use same brand ➔ copyright ➔ associated with business ➔ customers can recognise ➔ ask for brand
- **Used in advertising ➔** to promote range of products made by the business ➔ goods recognised ➔ product stands out in display ➔ repeat buying ➔ impulse buying is encouraged ➔ so increased sales
- **Brand/customer loyalty ➔** known image ➔ so continued sales ➔ customers likely to buy products with same brand
- **Enables higher prices ➔** which customers will be willing to pay ➔ higher profits
- **Global markets more likely ➔** as business widely known ➔ for quality

USP [Unique Selling Point]

Definition: What makes a product different from ones sold by competitors. It may involve the lowest price, the best quality, or the first of its kind.

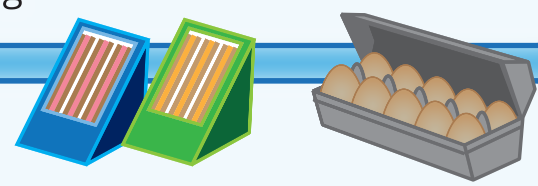
- May help a business to gain a competitive advantage over its rivals.
- Can help to justify why a premium price may be being charged.
- Likely to attract more customers.

Why Sell High Quality Products?

- **High levels of customer satisfaction** / customers will be happy with the products ➔ repeat purchasing
- **Differentiates the goods from rivals ➔** more competitive
- **Increase sales / market share ➔** attract customers with better products / retain existing customers
- **Improve image ➔** good publicity from quality ➔ use in promotion
- **Charge higher prices ➔** increase sales revenue ➔ bigger margins / increase profit
- **Less complaints / returns ➔** reduce costs of providing new / replacement products

Why Do Businesses Sell A Wide Range Of Products?

- **Spreading risk ➔** selling more goods will compensate for the products that underperform and reduces risk of failure
- **Attract more custom ➔** target more customers with variety of products ➔ meet needs and wants of different types of customers ➔ increased market share
- **Competitor advantage/keep up with competitors**
- **Greater revenue ➔** more customers results in increased sales
- **Greater profit ➔** greater sales could lead to more profit ➔ reduction in costs ➔ economies of scale due to bulk buying



Purposes of Packaging

- **Protection ➔** reduce risk of damage ➔ ensure the product is of a high quality
- **Storage ➔** before sale ➔ in retailers/on shelves/in wholesalers
- **Keep product fresh/clean ➔** prevent contamination ➔ ensures consumers aren't harmed
- **Information ➔** name and address of manufacturer ➔ use of product ➔ ingredients ➔ safety ➔ use by dates ➔ legal
- **Identifies product from advertising/previous purchase ➔** for its image/ quality ➔ enables higher prices ➔ differentiates products from rivals ➔ customers can tell one product from another ➔ so product recognised ➔ so brand loyalty ➔ customers continue to buy ➔ product stands out in display ➔ impulse buying is encouraged

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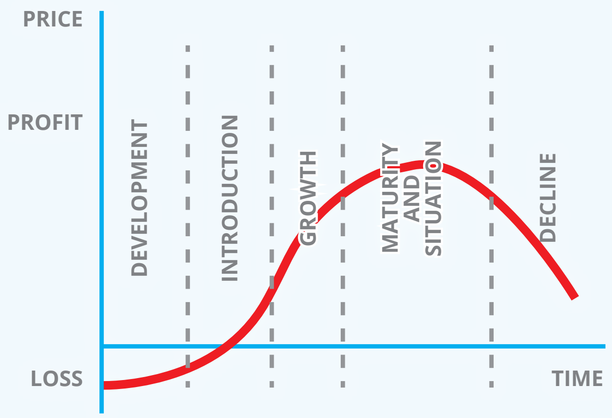
Product Life Cycle

Definition: The stages a product passes from its earliest development until it is no longer available on the market.

Diagram:



Reasons for a Fall in the Product Life Cycle

- **A fall in sales will generally happen with product life cycle ➔** people are buying alternatives
- **Same quantity of goods sold ➔** at lower price so value fallen
- **Goods available from alternative suppliers ➔** supermarkets etc. ➔ internet
- **Recession ➔** loss of jobs ➔ fall in purchasing power ➔ all goods fallen in demand
- **Technological change ➔** e.g. downloading
- **Products already owned ➔** don't need any more
- **Products last longer ➔** don't need to buy them as often

Product Research and Development

- The business spends money on research and development to create a new product before launching it onto the market.
- The business will be investing heavily in the product but not receiving any revenue from sales.

Product Launch / Introduction

- The products are introduced to the market ➔ there is a lot of potential growth / customers available.
- Costs tend to be high ➔ advertising is essential to make customers aware of the products and services.
- The business is likely to be making no profit ➔ sales revenue unlikely to exceed costs / sales are low.

Product Growth

- The part of the early stage of the product life cycle when sales and profits are rising.
- Consumers become familiar with the product and repeat custom is built up.
- The business is likely to continue to promote the product to help generate brand awareness.
- As sales increase the business will hope to earn enough money to pay back their initial investments.

Product Maturity

- The point in the product life cycle where sales reach their peak and start to level off.
- Competition may become stronger but the business may start to spend less on promotion.
- A business will want to maintain this stage for as long as possible as it is here that sales are at their highest.

Product Saturation

- The point in the product life cycle where the market is full as competitors introduce similar products.
- All potential customers who want the product have already purchased it.
- A business may look for new markets e.g. sell overseas.

Product Decline

- Is the point in the product life cycle where sales fall and many eventually cease.

Extension Strategy

Definition: Involves a number of methods businesses might use to prolong the life cycle of their products. These will be related to marketing mix strategies.

Examples include:

- **New feature ➔** attract new customers ➔ expensive to design
- **Develop new but similar product ➔** but production costs and promotion costs may be high
- **Change brand name / packaging ➔** customers may not recognise product, cost of advertising to let customers know of the change
- **New flavour ➔** can attract new customers ➔ existing customers may not like the new flavour
- **Produce different quality ➔** appropriate to customers demand / income ➔ in environment for market segment ➔ but may discourage some looking for e.g. less / more expensive goods
- **Market in different places** e.g. the internet, geographically in different areas or countries ➔ but costs of promotion, transport, etc. may impact on prices
- **New promotions ➔** through competitions / gifts / open events they may attract different customers ➔ but may add to costs and discourage some
- **Adopt new pricing strategies ➔** may adopt skimming / creaming ➔ customers willing to pay high prices ➔ but may discourage some looking for lower price. May charge lower prices ➔ to attract wider market ➔ but may discourage some customers ➔ could lead to less profits

Promotion

Promotion

Definition: Involves information and techniques used by businesses to make consumers aware of products and to persuade them to buy those products now and in the future.

Reasons for promotion:
- Create or increase awareness
- Inform/remind customers about the product
- Create or change the image of the product
- Persuade customers to buy the product

Promotional Mix

Definition: The combination of promotional materials used by a business to communicate with its customers.

Promotional Techniques

There are a number of methods or techniques a business can use to promote their products and services, including:
- Advertising
- Sales promotion
- Direct marketing

Advertising

Definition: Advertising includes any paid messages sent to customers about a business or its products.

Definition	Advantage	Disadvantage
Television advertising	☑ reaches large audiences ☑ can link advert to the particular programmes to reach certain types of viewers	☒ expensive to create and book advertising slots ☒ more suitable for mass market products
Radio advertising	☑ cheaper than television advertising ☑ can use sounds and music to appeal to the audience	☒ limited coverage ➔ limited audience ☒ sound only; no visuals
Newspaper advertising	☑ can be kept	☒ may be ignored
Magazines	☑ targeted ➔ colour ➔ kept for a long time	☒ limited coverage
Posters and billboards	☑ high visual impact ➔ eye catching ☑ can stay in place for a long time ➔ seen daily by a large number of people	☒ easily missed in busy traffic ☒ vulnerable to wind, rain and graffiti
Leaflets and flyers	☑ will provide detail ☑ cheap to produce and distribute	☒ easy to throw away ☒ static adverts ➔ can make it hard to stand out
Cinemas	☑ local/captive audience	☒ can be ignored
Direct / junk mail	☑ may be targeted	☒ easily ignored

Promotion

Should a business spend most of its advertising budget on newspaper or on television advertising?

Advantages of newspapers:

- ☑ **Relatively cheap ➔** particularly local
- ☑ **May be kept for some time ➔** readers can be reminded ➔ keep for reference
- ☑ **Much information can be provided ➔** e.g. sizes, prices, where available, contact details
- ☑ **Can be in colour ➔** memorable
- ☑ **Can include promotions ➔** discount coupons

Disadvantages of newspapers:

- ☒ **Small readership ➔** decline in sales with Internet
- ☒ **Temporary ➔** thrown away after use
- ☒ **Limited display ➔** no sound, movement

Advantages of television:

- ☑ **Big coverage ➔** nationwide ➔ at extended hours
- ☑ **Various promotional devices ➔** psychological methods to sell
- ☑ **Use of sound ➔** movement ➔ colour
- ☑ **Can have shortened reminder adverts ➔** to reinforce message
- ☑ **Can be aimed at specific markets / times ➔** e.g. during specific programmes

Disadvantages of television:

- ☒ **Expensive to make ➔** and show ➔ particularly at peak times
- ☒ **People used to / do not like TV adverts ➔** may be ignored / avoided
- ☒ **Technology makes adverts easier to avoid ➔** recorders / catch up TV

Online Advertising

Online advertising on websites has rapidly grown to become a major medium of choice for businesses.

There are many different types of online advertising including:

- **Adverts on search engine results pages**
- **Pop-ups**
- **Adverts on social networking sites**
- **Directly to email, often called spam**

Internet advertising is relatively cheap and is effective at reaching specific target groups searching for a particular site.

There is clearly a wide range of advertising methods available to businesses, but they should consider the aim of the advert, its target audience and the cost of producing and distributing the advertisement.

Direct Marketing

Definition: A business can profile customers and build up a database of information that they can then use to directly target specific groups who may be attracted to their products or services.

Direct marketing usually involves sending advertising leaflets through the post - it is usually referred to as direct mail. The Internet and email are also used by many businesses to target potential customers.

Pop-up Adverts

Definition: These are a form of online marketing which place new browser windows on computer screens.

Blogs

Definition: Provides information and allows discussion on the Internet with other users producing their own entries or posts.

Digital Adverts

Definition: Use Internet technologies to provide a range of advertising including using e-mail, social media messages and banner advertisements on mobile phones and websites.

Social Media

Definition: Involves websites and applications which allow users to create and share information, ideas and interests with other individuals, communities and networks.

Search Engine Advertising

Definition: Is a form of online marketing which places advertisements on web pages showing the results from search engine queries.

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Promotion

SPECIAL PROMOTION

Sales Promotion

Definition: Sales promotion is an attempt to give a short-term boost to sales.

Examples include:

- **Buy one get one free (BOGOF)**
  A method of promotion used by many businesses, for a range of products.
- **Discounts**
  A good way to get people to notice a product is to provide money off deals using coupons or seasonal sales.
- **Competitions**
  Businesses offer prizes in competitions to encourage the customer to buy the product.
- **Better value**
  Very popular and include increasing the quantity of the product sold for the same price.
- **Free gifts**
  These may be given when a product is bought. It may make the product more appealing, for example a magazine with a free nail varnish.
- **Customer loyalty cards**
  Customers collect points every time they make a purchase and are rewarded with money off deals or cash coupons. Loyalty cards are meant to ensure that customers will keep returning to the same store.
- **Product trials**
  Product trials are often used in supermarkets, frequently for foods and drinks, to attract new customers who may not have tried the product before. A product trial may involve the business setting up a small stall in the store and inviting customers to try their products for free. Another example of a product trial would be a prospective car buyer being taken out for a test-drive.
- **Point of sale material**
  This is a promotion that takes place where the product is sold. Manufacturers will provide posters, leaflets and displays to retailers to promote the product. There may be large displays in prominent places in shops to help sell the product.

Factors Influencing the Promotional Activities of a Business

- **Costs and finance ➔** The amount of finance a business has available can affect the different forms of promotion it can afford.
- **Target market ➔** Who is the business trying to communicate with? If it's the local area, then a local newspaper would be a good form to use. By contrast, if the business is trying to communicate with people all over the world, then the Internet would be more suitable.
- **Competitors' actions ➔** If competitors are very visible in terms of advertising there may be pressure on a business to respond.
- **Nature of the market ➔** If the market is a mass market with many sellers, forms of promotion such as television adverts may be cost-effective.
- **Nature of the product ➔** If a product is a premium brand, then discounting price, running competitions or BOGOF would not fit with the brand and customers' perceptions.

Sales Process

Sales Process

Definition: Involves a series of steps taken from when the potential buyer meets the prospective seller until after the final sale is made.

Customer Engagement

Definition: Occurs when the business and the customers communicate through the sales process.

Customer Loyalty

Definition: Means that a business' customers make repeat purchases because they prefer the business' products to those of its rivals.

Premises

Definition: They are buildings used by businesses – these may include offices, shops and factories.

Customer Service

Definition: Customer service involves the interaction between the business and the customer in which the business understands consumer needs before, during and after the sale of a good or service. Positive reactions to service can provide benefits for the business in relation to reputation and future sales.

Good customer service can result in:
- Increased customer loyalty
- Increased customer spend
- A good reputation
- Attracting new customers

These should then lead to increased sales revenue, higher market share and increased profits.

Poor customer service will lead to:
- Dissatisfied customers who may not return to the business ➔ this will affect revenue and profits
- Difficult to attract new customers ➔ customers are likely to take their business elsewhere

Features of customer services include:
- **Greeting the customer ➔** this does not just include the face to face interaction with employees, but also the presentation of the outlet and the products, the signage and the processes the business uses to deal with customers.
- **Interacting with the customer ➔** ask questions to make sure the customer is shown the right product that will satisfy their needs and wants.
- **Identifying customer needs and wants ➔** ensures that products are recommended that meet the customer specific requirements.
- **Encouraging feedback from the customer ➔** customers respond well to businesses that listen to them.
- **Responding to feedback ➔** there is no point in encouraging feedback if it is not used to improve the customer experience or other aspects of the business.

Feedback

Definition: 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.

After-sales Service

Definition: The meeting of customers' needs after they have purchased a product – for example, by repairing or servicing the product.

Online Customer Service

Definition: When buying online a customer will still expect a certain level of customer service and a business will have to adapt the features of good customer service to their website.

This can be done by:
- **The website design ➔** ensuring that it is easy to use ➔ offers search facilities ➔ details of the product ➔ customer reviews ➔ live chats with customer service agents
- **Data analysis of the customer ➔** monitor browsing and purchasing history ➔ recommend particular products / tailor their advertising

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Functions of Marketing Department

- **Market Research ➔** carry out market research to find out what customers want
- **Product ➔** identify and source potentially successful products for the marketplace
- **Price ➔** setting the right price that the product will be sold at that customers are willing to pay
- **Promotion ➔** overseeing advertising and promotion campaigns to ensure that the product is promoted in a way which creates maximum customer awareness and persuades potential customers to make the decision to purchase the product
- **Place ➔** making the product available in the right place at the right time – including choosing appropriate distribution channels
- **Sales Process / Customer Service ➔** ensuring that the business delivers good customer service and maintains positive public relations

The Market

Mass Markets
Definition: A large market of customers which is undifferentiated and that sells products and services to suit a large number of people.

Niche Markets
Definition: A smaller part of a large market, with products tailored to specific customer needs. All marketing efforts for a particular product are aimed at that market.

Competitive Environment

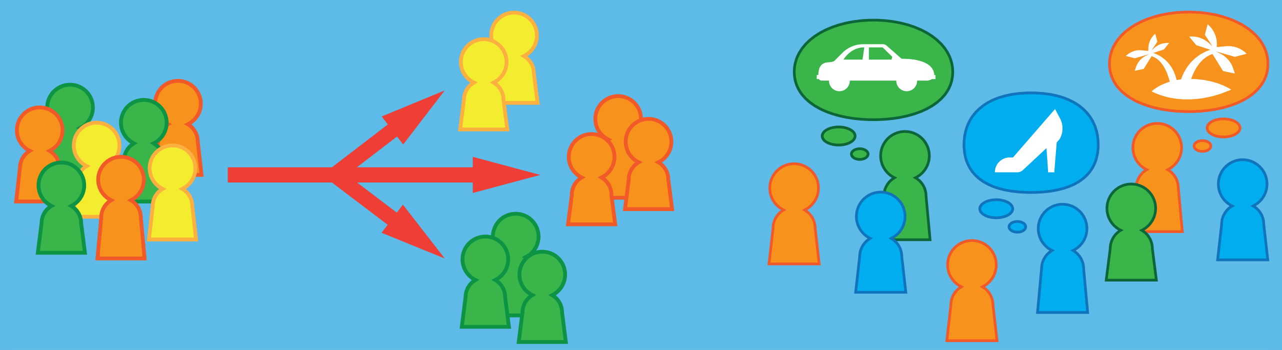
Definition: Where there are a number of businesses attempting to persuade consumers to buy their products. Such competition will be based on such factors as price, design and quality.

Market Growth

Definition: Measures the percentage of increase in the sales volume or value.

Sales Value ➔ measures the revenue generated

Sales Volume ➔ measures the number of items sold



Market Segmentation

Definition: Involves dividing the market (target / niche markets) into parts which have specific characteristics e.g. age / gender / income / socio-economic group.

- **Socio-economic ➔** people in different jobs ➔ with different lifestyles ➔ related to affordability
- **Location ➔** where people live / residential areas ➔ work
- **Income/cost ➔** how much can be afforded ➔ e.g. it may be cheaper to have one item over another
- **Lifestyle ➔** e.g. increase in leisure ➔ increase in demand of item
- **Time/purpose/use/interests/hobbies**
- **Ethnic and cultural ➔** are some groups more likely to use a product than others?
- **Skill/proficiency ➔** based on ability/experience
- **Gender ➔** a good/service may be more appealing to females than males

Marketing Mix

Definition: The combination of factors which help a business to sell its products. It is usually considered to involve the 4Ps of product, price, promotion and place.

Market Research

Market Research

Definition: The way in which information and data is gathered about consumers, competitors and market trends.

Focus Groups

Definition: Where consumers are brought together by businesses to discuss their reactions to products before they are launched.

Consumer Panels

Definition: 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 and taste, or on the branding and advertising of products.

Primary Research

Definition: (field research) ➔ collecting primary data ➔ collecting information that does not already exist ➔ it is collected for a specific purpose.

Examples:

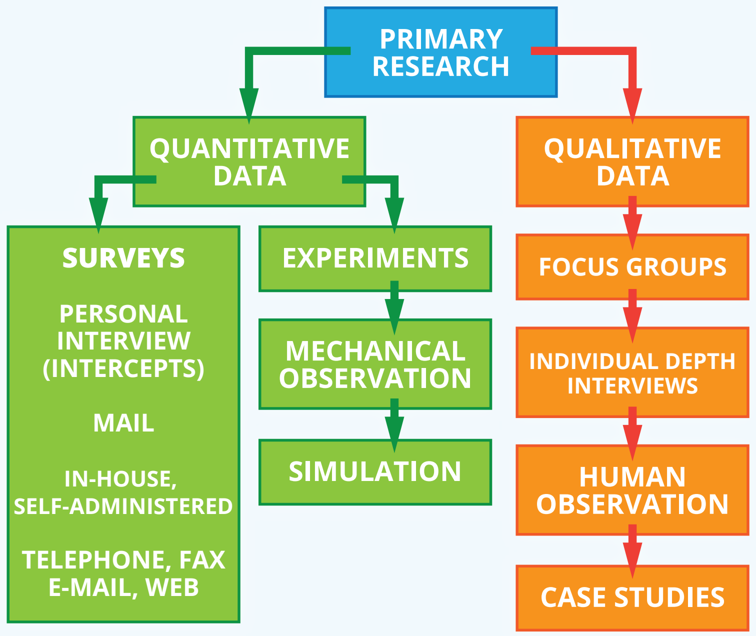
Questionnaires, focus groups, personal interviews, IT based research such as email surveys, telephone interviews, postal surveys, observation, consumer panels, test marketing

Advantages:

- ☑ Up-to-date ➔ gathered first-hand ➔ collected by the researcher (yourself)
- ☑ Specific to a business' own needs / accurate
- ☑ Provides answers to exact questions that a firm may be interested in

Disadvantages:

- ☒ Can be very expensive to collect ➔ could the money have been better utilised using secondary research?
- ☒ Can be very time consuming to collect so that by the time it has been collected and analysed the market may have changed
- ☒ Can have problems of bias



Secondary Research

Definition: (desk research) ➔ involves using information which already exists ➔ this can be collected internally or externally.

Examples:

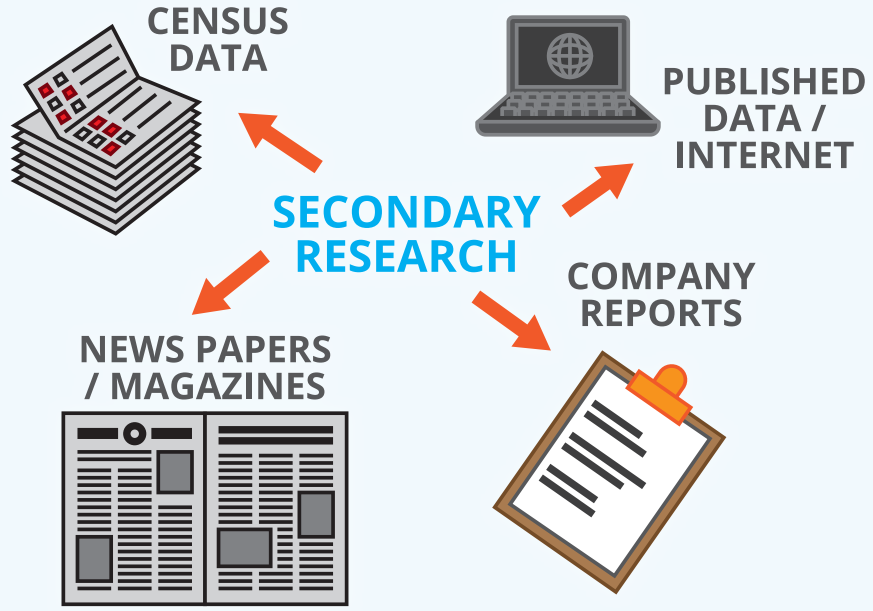
- Newspapers/magazines
- Trade journals
- Internal data e.g. company reports/business records/ financial data
- Census data
- Published research/ internet

Advantages:

- ☑ It is inexpensive to collect and quick to obtain
- ☑ Enables cost-effective analysis of several data sources

Disadvantages:

- ☒ Often out of date
- ☒ Might not be available
- ☒ Little control over quality
- ☒ Problems of interpretation



Qualitative Data

Definition: Is descriptive information found by experiences or in textbooks or newspapers or reports. It can include opinions and cannot be quantified by numbers. *Focus groups, participant observation and interviews are common methods used to collect qualitative data.*

- Researcher may only know roughly in advance what he/she is looking for.
- Recommended during earlier phases of research projects.
- Can be time consuming to collect and may be difficult to draw general conclusions.
- Information gathered is often open to high degree of interpretation (subjective) and so there are often disagreements within business about the significance and importance of qualitative data.
- Data is in the form of words, pictures or objects.

Quantitative Data

Definition: Deals with measurements and figures perhaps shown in tables and graphs. It includes numerical data that can be given values and its easier to interpret and evaluate compared to qualitative data. *Surveys and the use of government publications/existing statistics are common methods of collecting quantitative research data.*

- Researcher uses tools, such as questionnaires and surveys to collect numerical data.
- Researcher knows clearly in advance what they are looking for.
- Recommended during latter phases of research projects.
- Is usually regarded to be less open to interpretation than qualitative data (objective).
- Data is in the form of numbers and statistics.