

Unit 3: Introduction to Marketing

Unit code:	Y/502/5411
QCF Level 3:	BTEC National
Credit value:	10
Guided learning hours:	60

● Aim and purpose

The aim and purpose of this unit is to give learners an understanding of how marketing, research and planning and the marketing mix are used by all organisations.

● Unit introduction

Marketing is at the heart of every organisation's activity. Its importance is also growing in the non-commercial, public and voluntary sectors. Also, at the heart of marketing is the customer. This unit will introduce learners to some of the tools and techniques all types of organisations use to achieve their objectives.

Firstly, learners will explore how different types of organisations use marketing principles to meet the needs of their customers and achieve their objectives. The constraints under which organisations operate are important and learners will study the legal requirements and voluntary codes that affect marketing.

Learners will then go on to investigate how organisations collect data through market research and turn it into useful information which can be analysed and used to plan their marketing activities.

The segmentation and targeting of groups of customers is a key marketing technique and this is studied in detail. This includes the different bases for segmentation of both consumer and business markets.

Next, learners will examine how a marketing mix is developed to meet the needs and aspirations of a targeted group of prospective customers, before going on to develop a marketing mix for a new product or service.

The unit gives a brief overview of the principles of marketing or can be used as a basis for further study of specialist marketing units.

● Learning outcomes

On completion of this unit a learner should:

- 1 Know the role of marketing in organisations
- 2 Be able to use marketing research and marketing planning
- 3 Understand how and why customer groups are targeted
- 4 Be able to develop a coherent marketing mix.

Unit content

1 Know the role of marketing in organisations

Role: overall concept; marketing definitions

Objectives: private sector aims and objectives (survival, growth); public and voluntary sector aims and objectives (service provision, growth of range of provision, cost limitation, meeting quality standards); marketing objectives, eg market leadership, brand awareness, perceptions of customers or users; link between organisational objectives and marketing objectives

Techniques: growth strategies (diversification, product development, market penetration or market development, Ansoff's Matrix); survival strategies; branding (importance in influencing buyer behaviour, brand building, positioning, brand extension); relationship marketing (definition, difference between transactional marketing and relationship marketing, value of lifetime customer)

Limitations and constraints: legal (Sale of Goods Act 1979, The Consumer Protection from Unfair Trading Regulations 2008, Consumer Credit Acts 1974 and 2006, Consumer Protection (Distance Selling) Regulations, Data Protection Act 1998); voluntary, eg Code of Advertising Practice and Advertising Standards Authority; pressure groups and consumerism; acceptable language

2 Be able to use marketing research and marketing planning

Marketing research: qualitative; quantitative; primary internal/external research; secondary internal/external research; uses (reduce risk in decision making, measure progress over time); limitations (cost effectiveness, validity of data collected)

Marketing planning: marketing planning process model (audit with PESTLE (political, economic, social, technological, legal and environmental external factors); SWOT (internal strengths and weaknesses, external opportunities and threats); set SMART (specific, measurable, achievable, resourced, time-bound) objectives; determine strategy and tactics, implement changes; evaluate)

3 Understand how and why customer groups are targeted

Identifying customers in consumer markets: difference between customers, consumers and buyers; importance of identifying who has influence over purchasing decisions

Market segmentation: importance; bases for segmentation of consumer markets (geographic, demographic, psychographic, lifestyle); uses of geo-demographic systems to identify and reach target groups eg ACORN, MOSAIC; reasons for choice of target group (accessibility, current and future prospects of group as customers, profitability; ability to service customer group, fit with organisation's mission)

Identifying customers in business to business markets: decision making unit (DMU)

Market segmentation: bases for segmentation of business markets (size, region, value, public/private/voluntary sector, product, industry); benefits for different members of the DMU, eg cost benefits, ongoing relationships, security of supply

4 Be able to develop a coherent marketing mix

Marketing mix: 4 P's – product; price; place; promotion; objectives of developing mix (support brand building, satisfy needs and aspirations of targeted group of customers); importance of need for cohesion of different elements of the marketing mix

Product: product range; benefits versus features of product or service for targeted customers; concept of product life cycle

Price: pricing strategies (premium pricing, penetration pricing, economy pricing, price skimming, psychological pricing, captive product pricing, product line pricing)

Place: distribution; online and/or physical presence

Promotion: promotional mix (advertising (different media, online techniques), personal selling, public relations, sales promotion)