

Teaching Pack

AO3 Analysis

Marketing

Cambridge IGCSE™

Business 0450

This *Teaching Pack* can also be used with the following syllabuses:

- Cambridge IGCSE™ (9–1) Business Studies **0986**
- Cambridge O Level Business Studies **7115**



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Icons used in this pack:



Assessment Objective (AO) lesson



Skill development lesson



Independent lesson

Introduction

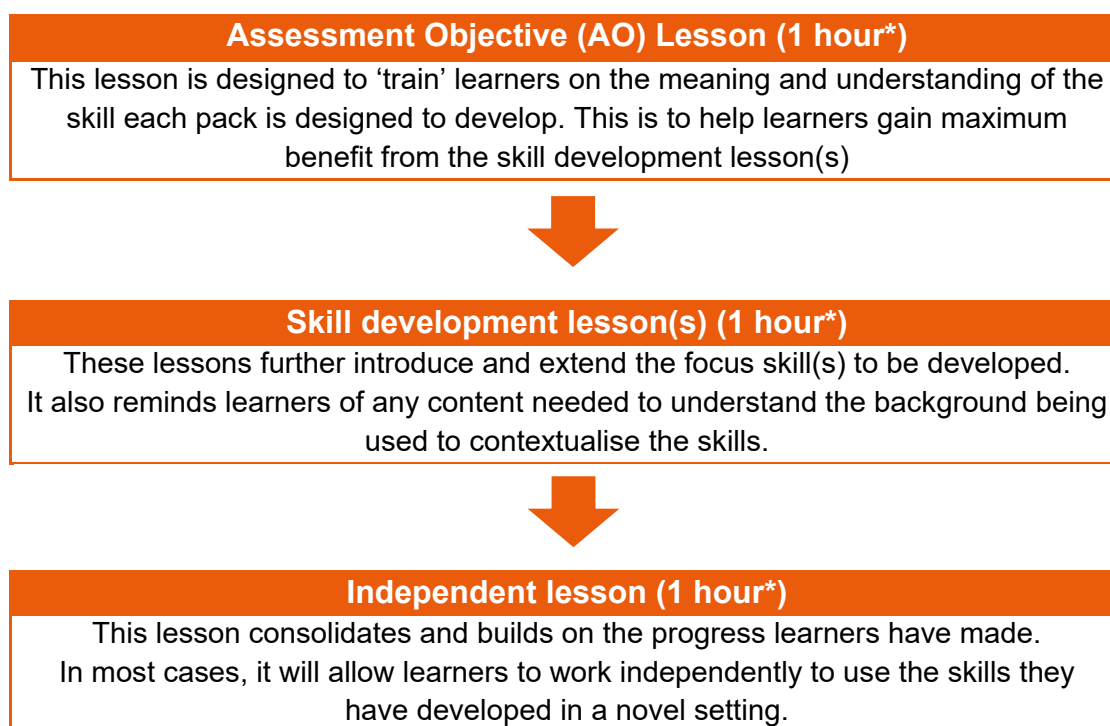
This pack will help you to develop your learners' higher order thinking skills as defined by AO3 in the course syllabus.

Important note

Our *Teaching Packs* have been written by **classroom teachers** to help you deliver lessons which develop higher order thinking skills. Use these materials to supplement your teaching and engage your learners. You can also use them to help you create lesson plans for other parts of the syllabus.

This is one of a range of *Teaching Packs*. Each pack is based on one element of the syllabus with a focus on specific skills within one of the assessment objectives. The packs can be used in any order to suit your teaching sequence.

The structure is as follows:



** the timings are a guide only; you may need to adapt the lessons to suit your circumstances.*

In this pack you will find the lesson plans, worksheets for learners and teacher resource sheets you will need to successfully complete the lessons.

Skill AO3 Analysis

This *Teaching Pack* focuses on AO3 Analysis – distinguish between evidence and opinion in a business context. Order, analyse and interpret information in narrative, numerical and graphical forms, using appropriate techniques.

This *Teaching Pack* has links to the following syllabus content (see syllabus for detail):

- 3.1 Marketing, competition and the customer
- 3.2 Market research
- 3.3 Marketing mix
- 3.4 Marketing strategy

The lessons cover the following skills, adapted from **AO3: Analysis** (see syllabus for assessment objectives):

- Distinguishing between evidence and opinion in the subject content of marketing, in a range of business contexts and situations
- Ordering, analysing and interpreting information in narrative form, using appropriate techniques in a range contexts and business situations relating to marketing

Please note that application and evaluation will feature in activities, but these skills are focused on in more depth in other *Teaching Packs* and *Scenario Packs*.

Prior knowledge

Knowledge from the following syllabus topics is useful for the activities that follow

- 3.1 Marketing competition and the customer
- 3.2 Market Research
- 3.3 Marketing Mix
- 3.4 Marketing Strategy

Teacher notes

The suggested activities are to help engage your learners as they develop the skill of analysis to a range of business scenarios and contexts.

Learners can find analysing information across a range of different business situations, scenarios and contexts difficult. They need to break down complex topics, ideas and concepts, into smaller parts to help them explain and examine them in more detail. This skill needs to be developed so they can analyse across a range of scenarios and contexts.

The Assessment Objective (AO) lesson, skill development lesson and the independent lesson activities will help learners practise this.

AO Lesson: Stakeholder groups in business activity



Resources

- PowerPoint presentation
- Worksheet A, Worksheet B, Worksheet C, Worksheet D and Worksheet E

Learning objectives

By the end of the lesson:

- **all** learners should be able to analyse information to draft an answer to a given marketing related question
- **most** learners should be able to analyse information to write an answer to a given marketing related question
- **some** learners will be able to analyse information and write a model answer to a given marketing related question, using what they have learnt

Timings

Activity



Starter

Use the PPT presentation to explain what is meant by the term 'analysis' in the context of answering narrative exam questions.

Continue using the PPT presentation to introduce the first activity. Pairs of learners are to sort the statements on [Worksheet A](#) so that they answer the following:

Explain how improving efficiency can help a business to become more competitive.

Ask learners to feedback their answers.



Main lesson

Handout [Worksheet B](#). Read the information text in the box at the top of the worksheet, and the practise question. Using the points on the PPT presentation learners are to write their answer to the following question:

Explain one advantage and one disadvantage of Greta using social media as a method of promoting her business.





Ask learners to feedback to each other, with their peers providing constructive criticism. The PPT presentation has a model answer that could help them to develop their points for each other.

Handout [Worksheet C](#) and talk through steps 1-3 using the PPT presentation. Encourage learners to make notes on their handout in the relevant boxes on their worksheet.

AO Lesson: *continued*



Timings	Activity
	<p>For step 4 give learners 15 minutes to write an answer in the box provided on the worksheet. They should use their notes from steps 1-3 to help them. For weaker learners, hand out Worksheet D which provides further structure for this task.</p>
	<p>Plenary</p> <p>Pick two or three learners to share their answers, paying attention to the structure.</p> <p>Hand out Worksheet E to help learners self-mark or peer mark. They should use the checklist to help them to ensure that they have structured their answers correctly. They should make any necessary corrections to their answer, so all finish with an example of how to structure an analytical answer in the context of a case study.</p>



Skill development lesson: Using analytical skills

Resources

- Worksheet F, Worksheet G, Worksheet H and Worksheet I
- Colouring pens / pencils
- A4 or A3 plain paper

Learning objectives

By the end of the lesson:

- **all** learners should be able to give brief analytical answers with some linking points to provide explanations. These should be in the given business context
- **most** learners should be able to give analytical answers with clearly linking points to provide detailed explanations. These should closely link to the given business context
- **some** learners will be able to give detailed analytical answers with sound arguments, linking points confidently to give detailed explanations. These will be rooted in the given business context

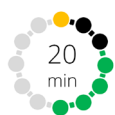
Timings

Activity



Starter

Put learners into teams of four and give each of them a number between one and four. If possible, print [Worksheet F](#) in colour. Have this worksheet face down at the front of the classroom. Ask all of the learners who have been given the number one to come to the front and spend 30 seconds studying the page. They should go back to their team and try to replicate as much as they can of the image on a clean sheet of paper. Repeat this process for the learners given the numbers 2, 3 and 4. The team that re-creates the sheet most accurately wins.



Main lesson

Read the case study on [Worksheet G](#) and the statements underneath. Each card shows either an opportunity or a threat to the business. The learners need to sort the cards into opportunities and threats and then further sort them so they identify which is an opportunity for the business or for the consumer of e-commerce.


Now the team of four should split into pairs. One pair should use the statements to create a chain of explanation for the consumer and the other for the business. Each pair should take each card in turn and develop the point on it using connectives. Once the groups have completed the task, they leave their answers on the table and each group visit each other's responses, looking at the approaches taken to develop their points.



Using [Worksheet H](#) read and display the case study scenario to learners. Split the class into seven teams. Six teams will prepare an explanation of the advantages and disadvantages of three advertising methods which would be suitable for the business. Assign each team one method from the worksheet for them to prepare an explanation for. The seventh team will be representatives of Archie's Pet Hotel and will listen to the teams' explanations before making their decision based on what they are told.

Skill development lesson: *continued*



Timings	Activity
	<p>The answer sheet has points which can be used to prompt learners should they need it.</p> <p>Allow 10-15 minutes preparation time and 5-10 minutes presenting time</p>
	<p>Plenary</p> <p>Learners are to work in pairs. Cut out the cards from Worksheet 1 and place them in a box. Visit each pair and ask them to select a card from the box and to read it out to everyone. Each card will ask learners to explain something. They have one minute to formulate an answer. Learners need to identify one point and explain it with two linking strands. Pairs are asked to discuss their explanations with another pair, adapting any answers accordingly.</p>



Independent lesson: Analysing complex topics

Resources

- Worksheet J and Worksheet K

Learning objectives

By the end of the lesson:

- **all** learners should be able to make analytical statements, with some independence, by starting to make links about how their strategy could increase the sales of a declining stage product
- **most** learners should be able to work largely independently to give analytical explanations about how their strategy could increase the sales of a product in the declining stage
- **some** learners will be able to work independently to give clear analytical explanations about how their strategy could increase the sales of a product in the declining stage

Timings

Activity



Starter

Handout [Worksheet J](#) and allow learners to solve the clues and write their solutions in the correct place on the crossword. Explain to learners that this activity is designed to recap their knowledge and understanding of elements of content from Section 3 of the syllabus.



Main lesson

Ask learners to get themselves into teams of three or four. The activity is suitable for pairs of learners too. Hand out [Worksheet K](#). Read through the introduction and the activity to check learners' understanding. The aim is for them to use their knowledge of extension strategies in the product life cycle to increase the sales of a product and prevent it going further into the decline stage. They must explain, in detail, why they think their idea will work. They will need to link the strands of their argument together so they can finish their answers with the following statement:

'As a result of this, sales of the product should rise and therefore extend the product life span'.



Plenary

Learners share and present their ideas and arguments on why they think their extension strategy should lead to a rise in sales and extend the life of the product. Each team should be encouraged to provide constructive feedback to the other teams. They should focus on how well their peers have developed their analysis to show how their idea would lead to an increase in sales and extend the life of the product.

Worksheets and answers

	Worksheets	Answers
For use in <i>Assessment Objective (AO)</i> lesson:		
A: Mastering the skill of analysis	12	25
B: Creating an answer	13	26
C: Building an answer	14-15	27-28
D: Structuring an answer	16	–
E: Checklist	17	–
For use in <i>Skill development</i> lesson:		
F: The memory game	18	–
G: e-commerce	19	29-30
H: Prepare to pitch	20	31
I: Explain it	21	32-33
For use in <i>Independent</i> lesson:		
J: Crossword	22	34
K: Design to differentiate	23-24	–

Worksheet A: Mastering the skill of analysis



Number the statements to show how they link together. The first one has been done for you.

1) If businesses use the resources they have more efficiently, their average costs will fall

An increase in the market share

An increase in the number of customers

Businesses are able to lower the selling prices of their products

Businesses are likely to see an increase in sales as more customers choose their products over competitors

Worksheet B: Creating an answer



Greta owns a small aquatics business. She specialises in rare species of Koi Carp for ponds and tropical fish for home aquariums

Explain one advantage and one disadvantage of using social media as a method of promoting Greta's business

Write your answer in the space below.

<p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>

Corrections

<p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>



Worksheet C: Building an answer

Bill and Daisy own two bistros within 20km of each other. They would like to open two more bistros over the next six years. Their unique selling point is good quality food sourced from local suppliers, and a menu designed around dishes which have become local specialities. Another selling feature for them is the way the interior of their bistros are designed. Their spaces are zoned depending on the purpose of the customer's visit. For example, there is an area for formal dining, one for taking coffee, one for quick snacks and one for more informal dining.

They have yet to fully understand how creating a brand image will benefit them. They understand that to open further bistros they will need to increase their sales and revenue.

Explain to Bill and Daisy how creating a brand image will help them to expand their business.

Step 1 – Identify what the question is asking

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Step 2 – Context of the business

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Step 3 – The content of your answer

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[illegible]



Worksheet D: Structuring an answer

Bill and Daisy own two bistros within 20km of each other. They would like to open two more bistros over the next six years. Their unique selling point is good quality food sourced from local suppliers, and a menu designed around dishes which have become local specialities. Another selling feature for them is the way the interior of their bistros are designed. Their spaces are zoned depending on the purpose of the customer's visit. For example, there is an area for formal dining, one for taking coffee, one for quick snacks and one for more informal dining.

They have yet to fully understand how creating a brand image will benefit them. They understand that to open further bistros they will need to increase their sales and revenue.

Explain to Bill and Daisy how creating a brand image will help them to expand their business.

This question is about explaining to Bill and Daisy how creating a brand image will help them to increase the sales and revenue of their bistro businesses.

Paragraph 1

- Show you know what is meant by the term brand image in the context of a bistro business – use the notes you took to help you.

Paragraph 2

- Here you put forward your first argument for how creating a brand image will help Bill and Daisy to increase sales and revenue.
- Think about how having a brand image helps customers / consumers identify a product or service more easily when comparing and looking at similar ones. Go on to examine this in more detail by explaining how a brand image builds trust, results in repeat purchases and helps to increase sales and revenue.
- Remember to contextualise your answer for Bill and Daisy's bistro business. For example, when you explain how having a brand image helps customers to identify a product or service from the less well known brands, you need to say this helps customers and potential customers of Bill and Daisy's bistro choose between their sites and other similar establishments.

Paragraph 3

- This is where you put forward your next argument for how creating a brand image will help Bill and Daisy to increase sales and revenue.
- Think about how creating a brand image will help them open future bistros. This is because it is easier to launch additional products and services when you have a brand image, as consumers are already familiar with the brand and trust it. For customers this should mean going to any of their bistros should provide the same level of experience.
- This means customers are more likely to try a new bistro Bill and Daisy open if they already know what to expect, rather than one where the brand is less familiar.

Paragraph 4

- Finish with a closing paragraph summarising how creating a brand image will help Bill and Daisy increase the sales and revenue in their bistro businesses.

Worksheet E: Checklist



Checklist	Tick
I have explained what is meant by the term brand image	
I have explained in detail my first point how creating a brand image will help Bill and Daisy increase sales and revenue	
I have explained in detail my second point how creating a brand image will help Bill and Daisy increase sales and revenue	
I have a closing paragraph summarising how creating a brand image will help Bill and Daisy increase sales and revenue	
My answer is in the context of a bistro business looking to expand in the long term	

Worksheet F: The memory game





Worksheet G: e-commerce

Candice makes jewellery out of antique cutlery. She sells what she makes mostly at craft markets and craft shows. She is often asked to do demonstrations and workshops at these events. This helps to promote her business as visitors are often interested in finding out more. Currently Candice doesn't have an e-commerce presence and would like to gain an understanding of the opportunities and threats of e-commerce for both her business and consumers. You have been asked to **explain** the opportunities and threats of e-commerce for her business and for her consumers.

Choose one of the statements below and think about how you can explain the opportunities or threats due to it.

You might want to use the following sentence starters:

- This is because ...
- This means that ...
- Which could lead to ...

Candice will have access to a wider market	Candice will be able to save costs using e-commerce as opposed to opening a shop on the high street
Candice will have increased competition	Candice would need to spend money creating a brand identity
Consumers have a much wider variety of goods to choose from	The experience is convenient for consumers
Lack of personal customer service experience for the consumer	Increasing concern over security of data storage



Worksheet H: Prepare to pitch

Archie's Pet Hotel is a family run business which provides a place for small pet owners to leave their pets overnight when they are away. They provide luxury accommodation and target people who are on a higher income. They offer a day care service as well as overnight stays.

The business is going well and following market research they have decided it is the right time to expand by launching a new dog grooming service. Feedback from customers has been positive, and there isn't a business in the local area that offers these services. Customers like the convenience as they can have their dog groomed while it is staying in the pet hotel.

This will give Archie another revenue stream and has provided a way of him adding value to his service.

You have been hired to investigate and present to them appropriate options for advertising their new service.

You have been split into six teams – there are three advertising methods *Archie's Pet Hotel* they are considering but need the advantages and disadvantages of each one explaining to them, before they decide. Your job is to explain these to them.

You will put forward your explanation to *Archie's Pet Hotel*.

Each team will be given one of the following areas to consider:

- Advantages of advertising on social networking sites
- Disadvantages of advertising on social networking sites
- Advantages of advertising on their own website
- Disadvantages of advertising on their own website
- Advantages of distributing leaflets
- Disadvantages of distributing leaflets



Worksheet I: Explain it

Explain **one** method of promotion that would be appropriate for a small town centre bakery and café

Explain **one** benefit to a car manufacturer of using social media as a method of promotion

Explain **one** benefit of mass marketing

Explain **one** limitation of using primary research

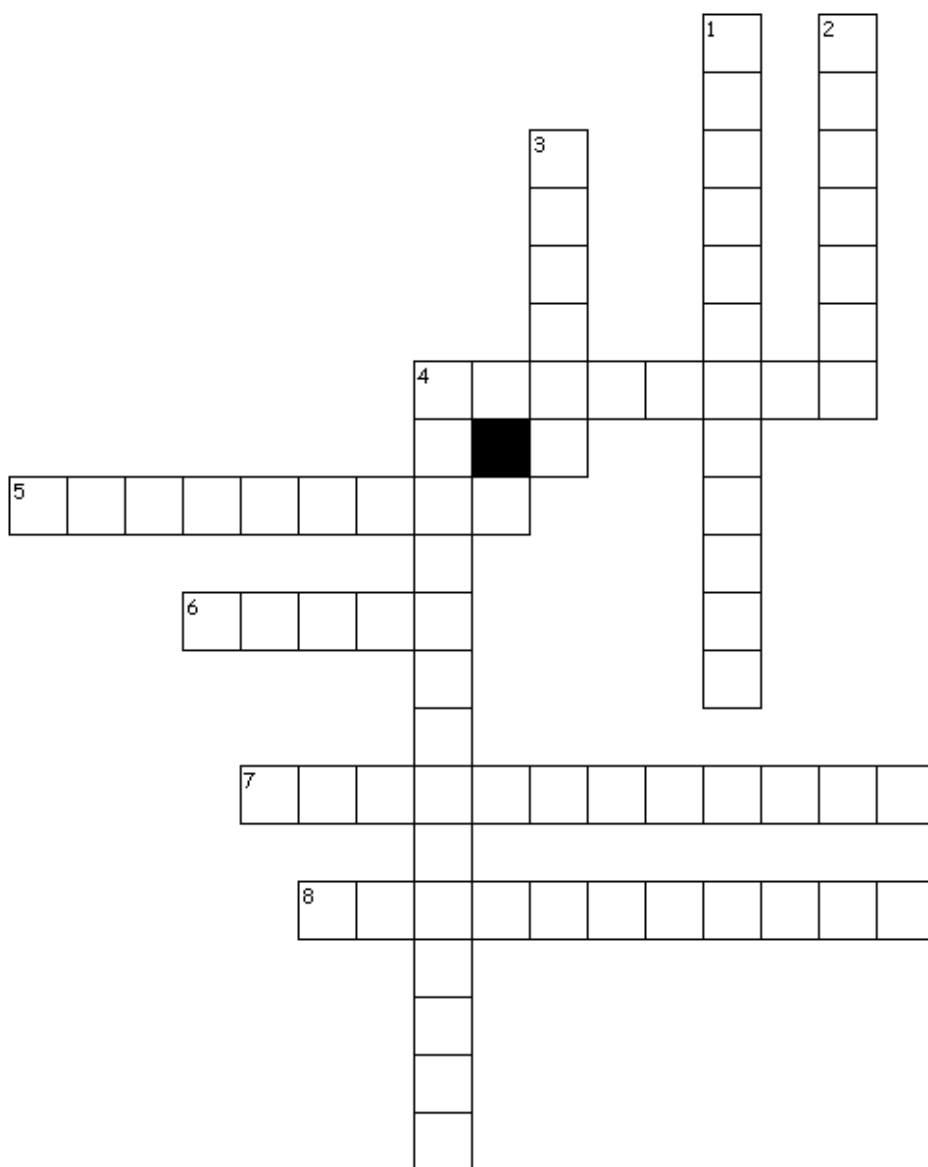
Explain **one** advantage to the producer of using a 'producer to customer' channel of distribution

Explain **one** problem linked to entering a foreign market

Explain **one** limitation of using a market skimming pricing method

Explain **one** limitation of new product development

Worksheet J: Crossword



Across

4. The stage of the product life cycle where sales are neither growing nor falling (8)
5. Newspapers are an example of this type of market research (9)
6. The element of the marketing mix that is concerned with channels of distribution (5)
7. Made up of the 4Ps (9, 3)
8. A type of market segmentation that divides consumers in a market by age and gender (11)

Down

1. A method of sales promotion (12)
2. Focus groups are an example of this type of market research (7)
3. The second stage of the product life cycle (6)
4. A pricing strategy typically used for new products being launched that are unique compared to others in the market (6, 8)



Worksheet K: Design to differentiate

A product that is at the start of the decline stage of the product life cycle will see its sales starting to fall as the product become less popular. This may happen for several reasons, such as competition and changes in trends. Businesses must decide whether to discontinue a product in the decline stage or try to prolong its life by using an extension strategy. There are several things a business can consider as an extension strategy, for example, adapting the product or the packaging to improve its appeal. This way the product has a fresh and updated feel to it.

Your task

Imagine one of the products below is at the start of the decline stage of its life cycle and sales are falling. Your task is to extend the life of the product and increase its sales. You could adapt or re-design the product itself or its packaging to give it a fresh and updated appearance and use. This could be designed to find a new use for the product or simply to attract a different target group or the same one. Think about the product's unique selling point (USP). Has it got one? What ideas do you have to give it one? The key element here is to increase sales to extend the life of the product and explain why you think sales should start to rise.

Plain blue denim jeans

A bar of milk chocolate

A pair of plain trainers

A plain white shirt

If you can think of a different product you could use, this is also fine.

- Step 1 Choose a product
- Step 2 Come up with ideas on how you could increase its sales and reverse its position in the decline stage of the product life cycle, by extending its life
- Step 3 Choose one of your ideas and explain it. Include in your explanation why you think your idea will lead to an increase in sales. Make sure you have a minimum of two to three linked points which are joined using connectives to form your explanation.

Use the space the below to illustrate your chosen idea and then on the reverse side of the worksheet write your detailed explanations. Your answer should end with the sentence below:

As a result of this, sales of the product should rise and therefore extend the product life span.

Worksheet K: continued



Our chosen product is:

Our extension strategy is to:

We think our idea will work because:

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As a result of this, sales of the product should rise and therefore extend the product life span.

Worksheet A: Answers



Number the statements to show how they link together. The first one has been done for you.

1) If businesses use the resources they have more efficiently, their average costs will fall

5) An increase in the market share

4) An increase in the number of customers

2) Businesses are able to lower the selling prices of their products

3) Businesses are likely to see an increase in sales as more customers choose their products over competitors

Worksheet B: Suggested answer



Greta owns a small aquatics business. She specialises in rare species of Koi Carp for ponds and tropical fish for home aquariums

Explain one advantage and one disadvantage of using social media as a method of promoting Greta's business

Write your answer in the space below.

Using social media is a cheap method of promotion that Greta could use. She will be able to reach a wide number of potential customers and quickly, therefore raising awareness of her business. Many of these people may have ponds and aquariums already, wishing to add to what they already have. This increases her opportunity to gain more sales, and therefore increase sales revenue.

However, social media makes it easy for one dissatisfied customer to complain publicly. This could lead to giving Greta's business a bad reputation, which could result in future sales being affected. A fall in sales revenue will have a negative impact on her profits.



Worksheet C: Suggested answer

Explain to Bill and Daisy how creating a brand image will help them to expand their business.

Step 1 – Identify what the question is asking

The question is about explaining how creating a brand image will help Bill and Daisy increase the sales and revenue in their bistros to help with their long-term goal of opening more outlets.

To answer this question you must first show you understand what is meant by brand image in the context of the business in the case study.



Step 2 – Context of the business

*You need to explain in detail how creating a brand image help Bill and Daisy. This means you need to develop an explanation for each point you make that identifies how a brand image will help. If you do not explain **why** in your answer, you will not pick up the top marks for analysis. You must also make sure you contextualise your knowledge of brand image into the context of a bistro and developing each point using this.*

Breaking down the topic into smaller parts will enable you to examine each part (in this case explaining how it will help them) in more detail, linking each strand of your explanation together to form a chain of argument from start to end.

Make sure there are plenty of references to the type of business, Bill and Daisy's bistros, throughout your answer for context.



Worksheet C: Suggested answer, *continued*

Step 3 – The content of your answer

The number of marks and the way the question is phrased will give you an idea of how many points you will need. In this example we will look at developing explanations for two.

Firstly, show you understand what is meant by the term brand image in the context of the bistro. Talk about it being the perception or impression that customers/consumers have over a product or service. In this case it is the general perception or impression customers and potential customers have over Billy and Daisy's bistros. Then using your knowledge, identify your first argument for how creating a brand image will help Bill and Daisy to increase sales and revenue. Think about how having a brand image helps customers / consumers identify a product or service more easily when comparing and looking at similar ones. Go on to examine this in more detail by explaining that this in turn builds trust, which results in repeat purchases helping to increase sales and revenue. Remember to contextualise your answer to Bill and Daisy's Bistro businesses.

Think about how creating a brand image will help with the opening of future bistros for them. This is because it is easier to launch additional products and services when you have a brand image, as consumers are already familiar with the brand and trust it. This means customers are more likely to try a new bistro Bill and Daisy open because they already know what to expect, rather than with a brand they are less familiar with.



Worksheet G: Answers

<p>Candice will have access to a wider market</p> <p><i>This is because she will be able to sell her jewellery to customers around the world.</i></p> <p><i>This means that she has the opportunity to reach many potential new customers.</i></p> <p><i>Which could lead to an increase in sales and revenue.</i></p>	<p>Candice will be able to save costs using e-commerce as opposed to opening a shop on the high street</p> <p><i>This is because she will not need to pay overheads or staff, which she would in a physical shop.</i></p> <p><i>This means that she can be competitive with her pricing.</i></p> <p><i>Which could lead to an increase in sales and revenue.</i></p>
<p>Candice will have increased competition</p> <p><i>This is because other jewellery makers offering something a bit different, will also have the same opportunities as Candice of using e-commerce.</i></p> <p><i>This means that the competition can be from any part of the world.</i></p> <p><i>Which could lead to an increase in marketing and branding costs reduce profit margins if a competitive pricing strategy is used.</i></p>	<p>Candice would need to spend money creating a brand identity</p> <p><i>This is because consumers are not as likely to buy from a business they don't know or perhaps haven't heard of.</i></p> <p><i>This means that consumers are more wary due to the unfamiliarity, so Candice would need to spend money creating a brand identity to help build trust and loyalty.</i></p> <p><i>Which could lead to an increase in costs, which means less profit in the short term as it will take time to establish her brand so sales are not likely to rise much in the short term.</i></p>



Worksheet G: Answers, continued

<p>Consumers have a much wider variety of goods to choose from</p> <p><i>This is because consumers now have access to goods they wouldn't be able to access if they were only available in a physical shop.</i></p> <p><i>This means that they have a wider choice of goods to compare and choose from, which brings healthy competition between Candice and other businesses, lowering prices which benefits the consumer.</i></p> <p><i>Which could lead to consumers being able to repeat purchase which in turn will benefit Candice as customers become loyal.</i></p>	<p>The experience is convenient for consumers</p> <p><i>This is because consumers are now able to buy goods when they want in the comfort of their own homes or while mobile.</i></p> <p><i>This means that consumers are more likely to repeat the purchasing process if it has been an easy and convenient transaction for them.</i></p> <p><i>Which could lead to positive word of mouth for Candice business's following any reviews which have been left, which could increase sales.</i></p>
<p>Lack of personal customer service experience for the consumer</p> <p><i>This is because there is no face to face contact with the seller.</i></p> <p><i>This means that for those consumers who value and find the face to face element of a transaction important will not have the same opportunities for choice.</i></p> <p><i>Which could lead to feeling excluded by that brand buying online is their only option for them having access to the products.</i></p>	<p>Increasing concern over security of data storage</p> <p><i>This is because recently there has been a number of data security breaches for large multinational companies.</i></p> <p><i>This means that consumers are less likely to feel their personal details and bank account details are safe if the larger firms have had security breaches.</i></p> <p><i>Which could lead to consumers choosing to purchase online from a few businesses they trust their details won't be hacked into – smaller businesses have less money to spend on cyber security.</i></p>



Worksheet H: Suggested answers

Below are some suggestions to support learners that need help establishing points they can then go on to develop

Advantages of advertising on social networking sites 1. Can target the right customer profile for the service 2. The advert will be seen by a wide relevant audience	Disadvantages of advertising on social networking sites 1. People can opt out or hide the adverts they don't want to see 2. It can annoy people if too many adverts appear
Advantages of advertising on their own website 1. Can change the content quickly and as often as they like without additional cost 2. No limitation on how much information they provide	Disadvantages of advertising on their own website 1. Reliant on customers finding the website themselves 2. May need to pay to appear in top searches
Advantages of distributing leaflets 1. Easy to produce and cost effective to distribute, ideal for small to medium sized businesses 2. Lots of information can be included which can attract people to read it if an eye-catching design	Disadvantages of distributing leaflets 1. Often discarded once read 2. Many will be delivered to homes where the service is not relevant – where they are distributed is important



Worksheet I: Suggested answers

Below are suggested answers to help support and guide learners. There are likely to be other answers that are equally suitable so this is not an exhaustive list.

<p>Explain one method of promotion that would be appropriate for a small town centre bakery and café</p> <p><i>They could try offering free food samples to passers-by. This means that potential customers can taste the high quality ingredients. This could lead to consumers coming back to repeat purchase</i></p> <p><i>Other appropriate methods could include a discount voucher. Do not accept anything not appropriate for a small bakery and café such as TV advertising</i></p>	<p>Explain one benefit to a car manufacturer of using social media as a method of promotion</p> <p><i>It means they can tweet information on new cars being developed and launched. This means they can reach existing car owners of that brand, which could lead to future sales from those customers</i></p> <p><i>Do not accept benefits from using social media that would not relate to a car manufacturer</i></p>
<p>Explain one benefit of a business mass marketing</p> <p><i>This means the business has a much larger market. This has the potential for higher sales and therefore higher profits compared to niche marketing</i></p>	<p>Explain one limitation of using primary research</p> <p><i>There is a risk of the information being collected, being bias or inaccurate. This is because the sample chosen to be surveyed may not be representative of the whole population. This could lead to the results not reflecting everyone's opinions and therefore being distorted and misleading</i></p>
<p>Explain one advantage the producer of using a 'producer to customer' channel of distribution</p> <p><i>As the producer will have direct contact with the customer as they are not going through a third party e.g. a retailer, this means the producer could gain valuable market research information about the customers. This could lead to a better understanding of their customers, which could result in loyal customers as products are developed and adapted to suit their customer's needs.</i></p>	<p>Explain one problem linked to entering a foreign market</p> <p><i>Economic differences can be a problem for businesses entering a foreign market. This is because consumer income varies widely between countries. As the costs of selling goods and services is often higher in a foreign market due to transport and export costs, this might make the price in a foreign market higher than in a domestic market. This means it is harder for the business to be competitive on price, which could lead to a reduction in sales and revenue</i></p>



Worksheet I: Suggested answers, *continued*

Explain one limitation of using a market skimming pricing method

This method excludes customers who want buy the product when it comes out. This is because they are unable to do so because of the high price. This leads to a loss of sales and therefore risks losing loyal customers to that brand

Explain one limitation of new product development

Potential threatened survival of the business. This is because if the new product is being financed by a bank loan and the new product is not successful, this could lead to the business struggling to survive as paying for the financing of it could be reliant on the success of the new product bringing in the revenue to make the repayments on the bank loan.



Worksheet J: Answers

Across

4. The stage of the product life cycle where sales are neither growing nor falling (8)

MATURITY

5. Newspapers is an example of this type of market research (9)

SECONDARY

6. The element of the marketing mix that is concerned with channels of distribution (5)

PLACE

7. Made up of the 4Ps (9, 3)

MARKETING MIX

8. A type of market segmentation that divides consumers in a market by age and gender (11)

DEMOGRAPHIC

Down

1. A method of sales promotion (12)

COMPETITIONS

2. Focus groups is an example of this type of market research (7)

PRIMARY

3. The second stage of the product life cycle (6)

GROWTH

4. A pricing strategy typically used for new products being launched that are unique compared to others in the market (6,8)

MARKET SKIMMING

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