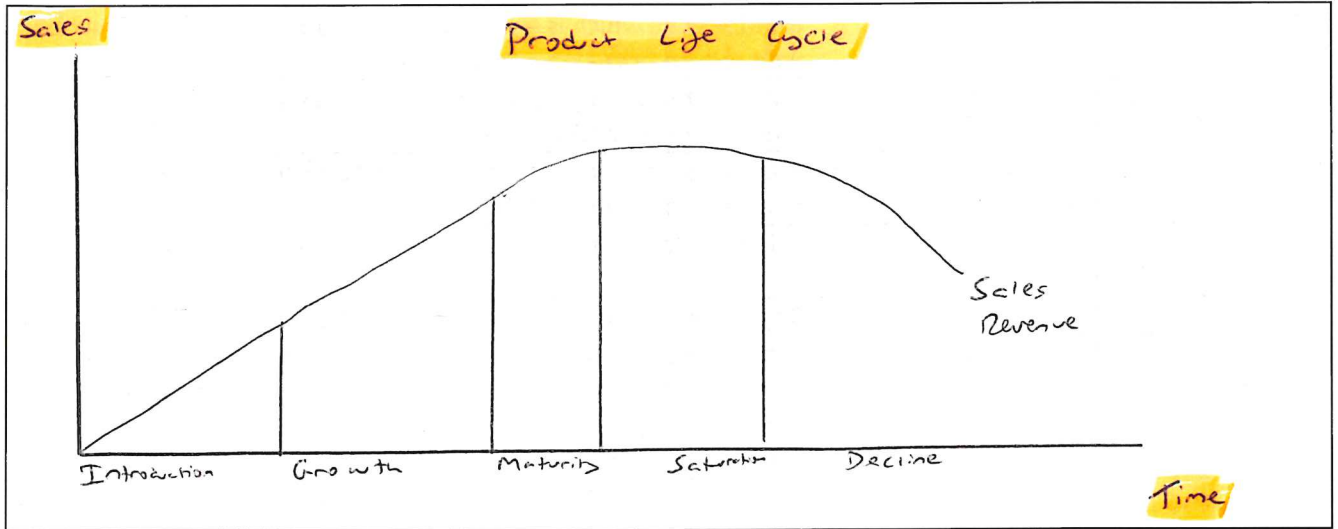


Rapid Revision: Marketing 2

1.

A. Draw a Product Life Cycle and label each stage.



B. Give two ways a business can extend a Product Life Cycle.

- Adjust Marketing Mix.

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| 1. Price :- Reduce price to attract more customers |
| 2. Product :- New Features - Flavours, Use of product |
| Place :- Change Channel of Distribution - es. sell online |
| Promotion :- Set up social media page, Sales Promotion (2 for 1) etc... |

A. Give three benefits of strong branding.

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|---|
| 1. Brand loyalty - leading to increased sales |
| 2. Can charge a higher price |
| 3. Easier to launch new products |
- Aids advertising
- Stands out from competitors

B. Give two reasons why a business may choose to use own-brand products.

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|---|
| 1. Product specification allowed - can decide shape, colour etc.. |
| 2. Own brand product only available in their store - competitive advantage |
| - Can offer lower prices than more established brands |
| - More bargaining power for retailer in dealing with supplier - retailer also stocks their own products |
| 3. List three factors that can influence the price of a product or service. |

- | |
|---|
| 1. Demand |
| 2. Production Costs - need to make more than costs to produce |
| 3. Competitors prices |
- Consumers buying power
- Type of Good - Smokers price loyal - people shop around for cheapest bread/milk
- Legal Regulations - es if VAT increases...

4. Match the correct pricing term to its definition.

1. Premium Pricing	A. Customers can choose the price level that best fits their budget. They can purchase the basic model car or the luxury model. Can help a business capture a larger portion of the market
2. Price Skimming	B. This is setting lower prices to push competitors out of the market. It can lead to price wars which is good for the consumer. Example would be Ryanair who reduce prices on popular routes.
3. Penetration Pricing	C. Charging different prices to different market segments for the same product. Cinema tickets/airline tickets
4. Predatory Pricing	D. Price is set at a high rate than competitors to reflect consumer's perception of a superior product.
5. Price Discrimination	E. Selling multiple products together at a lower price. Sky packages/Vodafone
6. Tiered Pricing	F. Below cost selling to get the customers to buy more when in store.
7. Loss Leader	G. Often most effective in the early days of a product life cycle/very few close rivals/setting high prices during the introductory phase to maximise revenues/help cover R&D costs and lowering the prices as competitor products appear on the market.
8. Bundle Pricing	H. Undercut competitors to attract customers. Over time the business may increase their price. Example would be when Tesco came onto the phone market

1.	2.	3.	4.	5.	6.	7.	8.
D	G	H	B	C	A	F	E

5. List three factors to consider when selecting a suitable channel of distribution.

1. Cost - The more channels, the more expensive
2. Type of Good - eg bread/milk not stored in wholesaler
3. Target Market - eg. luxury product only available in high end stores

6. Explain key considerations for the following Promotion strategies.

<p>Sales Promotion</p> <p>Incentives offered to customers for limited period.</p> <p>Examples 2 For 1, Buy 1 Get 1 Free, Merchandising, Loyalty cards, Free samples</p>	<p>Personal Selling</p> <p>Business uses their sales force to sell directly to consumers.</p> <p>Relies on expertise, knowledge - they inform and persuade the consumer to buy.</p> <p>- Buying a car, electronics etc... relies on personal selling</p>
<p>Public Relations</p> <p>All activities that relate to creating a good public image. Often have a Public Relations officer (PRO)</p> <p>Publicity, sponsorship, Influencers, Community initiatives are common types.</p>	<p>Advertising</p> <p>Inform/Remind/persuade consumers about products. Other types include Generic and Comparative. - TV, radio, social media.</p> <p>Should suit target audience - when they will see it, stage of product life cycle, cost etc..</p> <p>Needs to comply with Advertising Standards Authority of Ireland</p>