



## 3.1 Marketing, Competition and the Customer

### What activities does marketing involve?

1. Identifying and satisfying consumer needs and wants
2. Anticipating changes in customer preference
3. Developing and maintain customer loyalty

### What are objectives of marketing?

1. Raise awareness of product and services
2. Develop and maintain brand image for the organisation
3. Create or improve design and quality of product
4. Enter and maintain new markets (locally and abroad)
5. Increase market share and revenue
6. Build customer loyalty and brand reputation

### What are the four marketing mix?

1. Product
2. Price
3. Place (of sale/distribution)
4. Promotion

### What is niche and mass marketing? Advantages and disadvantages

1. **Mass marketing**
  - a. **Advantages**
    - i. Large market => able to expand business
    - ii. Marketing economies => standardized product
  - b. **Disadvantages**
    - i. Very competitive
2. **Niche marketing**
  - a. **Advantages**
    - i. Less competition
    - ii. Focus on specific target market => less promotion/cost needed
    - iii. Able to charge higher price as product is niche
  - b. **Disadvantages**
    - i. Small market => unable to grow business/operation
    - ii. Risk of business failure if product loses demand.

### What factors influences market trends?

1. **Demand** – consumer preference and spending
2. **Supply** – changes in quantity, prices and quality



**What factors influences spending patterns?**

1. Prices
2. Income
3. Tastes
4. Social attitude
5. Population
6. Advertising
7. Product substitution
8. Seasonal
9. Technological

**Why do businesses compete?**

1. Increase customer base
2. Increase sales revenue & expand market share
3. Enhance image
4. Maximize profit

**How do businesses compete?**

1. Price competition
2. Non-price competition – quality goods, attractive packaging, customer and after sales service

**How can you segment your market?**

1. Income
2. Age
3. Lifestyle
4. Gender
5. Location
6. Socio-economic group

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