

Year 11 revision - week beginning March 3rd



Revision book - read through and refresh your knowledge of pages 10-15 and 39-46

1/ Learn the meaning of the following key words:-

Match It-

Goods, marketing mix, services, quantitative research, copyright, qualities of an entrepreneur, qualitative research, premium price, differentiation, mind mapping,

	A process which allows you to brainstorm and structure your ideas on paper. Allows you to see your thought process
	Dedication, honesty, leadership, commitment, drive, passion, persuasive, understand numbers, build relationships, risk taker,
	Goods are products which are often made or assembled far from the customer. They are often items you can touch e.g. chocolate
	Provided directly to the customer. The business is in regular contact with the customer e.g. banking
	Applies to written work, occurs automatically and lasts a lifetime. Affects publishing, music, computing and the internet
	Research which can be expressed as numbers and statistically analysed. E.g. government statistics, sales figures, questionnaire results
	Research which gains in-depth and detailed answers and opinions e.g. from a focus group
	Also known as the 4P's which are product, price, place, promotion
	Charging a higher price, gives the image of quality.
	Making a product different from others in some way - name, quality, design, packaging, customer service

2/ A business has fixed costs of £20,000. It sells cups for £10 each and it costs them £4 to make the cups. How many cups do they need to sell to break even?

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3/ Exam Technique

1/

KooKoo is a successful cafe and employs five people. The owner of *KooKoo* wants to expand the business. He believes that changing the elements of the marketing mix will help achieve this expansion.

3 Which **three** of the following are examples of changes to the marketing mix that the owner of *KooKoo* might make?

Select **three** answers.

- A Introducing new items for sale
- B Employing one additional worker
- C Conducting primary market research in the area
- D Offering a 'buy one get one free' offer on drinks
- E Charging lower prices than the main local competitor
- F Producing a yearly cash flow forecast

2/

Identify **two** examples of market knowledge that Gail might gain through direct customer contact.

Select **two** answers.

- A How much profit is made by her competitors
- B Customer spending habits
- C What rate of interest will be charged by banks
- D Latest fashions trends that customers like
- E The location of other retailers

3/ Identify two methods of collecting quantitative market research (2)

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4/ State two stages in the product life cycle (2)

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5/ State two components of the Boston matrix (2)

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Building on the exam technique that you practiced last week for 3 and 6 mark questions, try the following questions:-

6/ Explain one benefit to a business such as Starbucks of carrying out primary research (3 marks)

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7/ Explain one benefit to a business such as Coca Cola of using celebrities to endorse their products (3)

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8/McDonalds wish to increase repeat purchase. To achieve this they are considering either improving their customer service or running a range of special offer promotions. Which of these two methods do you think would be more effective in helping McDonalds to increase their level of repeat purchase and why? (6 marks)

Parent Help Sheet and Answers

Answers

1/

Mind mapping	A process which allows you to brainstorm and structure your ideas on paper. Allows you to see your thought process
Qualities of an entrepreneur	Dedication, honesty, leadership, commitment, drive, passion, persuasive, understand numbers, build relationships, risk taker,
Goods	Goods are products which are often made or assembled far from the customer. They are often items you can touch e.g. chocolate
Service	Provided directly to the customer. The business is in regular contact with the customer e.g. banking
Copyright	Applies to written work, occurs automatically and lasts a lifetime. Affects publishing, music, computing and the internet
Quantitative research	Research which can be expressed as numbers and statistically analysed. E.g. government statistics, sales figures, questionnaire results
Qualitative research	Research which gains in-depth and detailed answers and opinions e.g. from a focus group
Marketing mix	Also known as the 4P's which are product, price, place, promotion
Premium price	Charging a higher price, gives the image of quality.
Differentiation	Making a product different from others in some way - name, quality, design, packaging, customer service

2/ - The break even calculation is :-

Fixed costs / contribution

Contribution = Selling price per item - variable cost per item

Contribution = £10 - £4 = £6

Breakeven = £20,000 / £6 = 3333.33

3334 cups to break even

(always round up in a break even question as you can't buy .33 of a cup)

3/ Exam Technique

1/ A,D,E

2/ B, D

3/ Questionnaire, sales figures, government statistics, internet

4/ introduction, growth, maturity, decline

5/ Cash cow, problem child, star, dog

6/ Possible reasons include:-

- Can find out what the customers like/think
- Can tailor the questions so they are relevant for your business rather than using someone else's research
- More reliable as you know the results are valid.

For 3 marks there will be 3 relevant points linked to Starbucks.

1 mark for stating the point

2 marks - state the point - some form of explanation e.g. this means that

3 marks - state the point, 2 strands of explanation e.g. this means that, this leads to, must be linked to Starbucks to gain the third mark.

7/Possible reasons include:-

- Enhances Coca-colas brand
- Makes the brand seem more fashionable or cool
- Attracts customers who like these celebrities
- Generates free promotion when the celebrity uses the product

For 3 marks there will be 3 relevant points linked to Starbucks.

1 mark for stating the point

2 marks - state the point - some form of explanation e.g. this means that

3 marks - state the point, 2 strands of explanation e.g. this means that, this leads to, must be linked to Starbucks to gain the third mark.

8/Examples of arguments could include:-

Reasons why improving customer service is better	Reasons why special offers are better
<ul style="list-style-type: none">- Customers will feel they have received a better service and want to return as they feel valued- They may have been served quicker which is important in the fast food industry and will want to return as they are happy with the service	<ul style="list-style-type: none">- Customers will feel they have received value for money and return- There is a lot of competition e.g Burger King, this will make them more competitive and customers will want to return
Downside - training of staff in customer service	Downside - will lose some revenue through the special offers e.g. if it was BOGOF

The answer must link to McDonalds.

Writing frame:-

I think the best method is...

The first reason for this is ... This means that... This leads to.....

The second reason it is better is This means that... This leads to....

It is better than the other method because...

However it depends upon