

Marketing

A-Level Business

The role of marketing

Marketing 市场营销 is the job of finding out what customers want, then making and selling products that meet those wants at a profit. Good marketing links the business to its **market** 市场 (all the buyers and sellers of a product).

A business can be:

- **product-orientated** 产品导向—it focuses on the product first and hopes customers will buy it. This suits new or technical products.
- **market-orientated** 市场导向—it finds out what customers want first, then makes it. This lowers the risk of failure.

Customer relationship marketing 客户关系营销 (CRM) means building long-term links with customers so they come back again. Keeping a customer is cheaper than finding a new one.

Market size, growth and share

- **market size** 市场规模—the total sales of all firms in a market, by value or by number of units.
- **market growth** 市场增长—how fast the market is getting bigger, shown as a percentage.
- **market share** 市场份额—one firm's sales as a percentage of the total market:

$$\text{market share} = \frac{\text{firm's sales}}{\text{total market sales}} \times 100\%$$

A rising market share is a sign of strong marketing.

Mass and niche markets

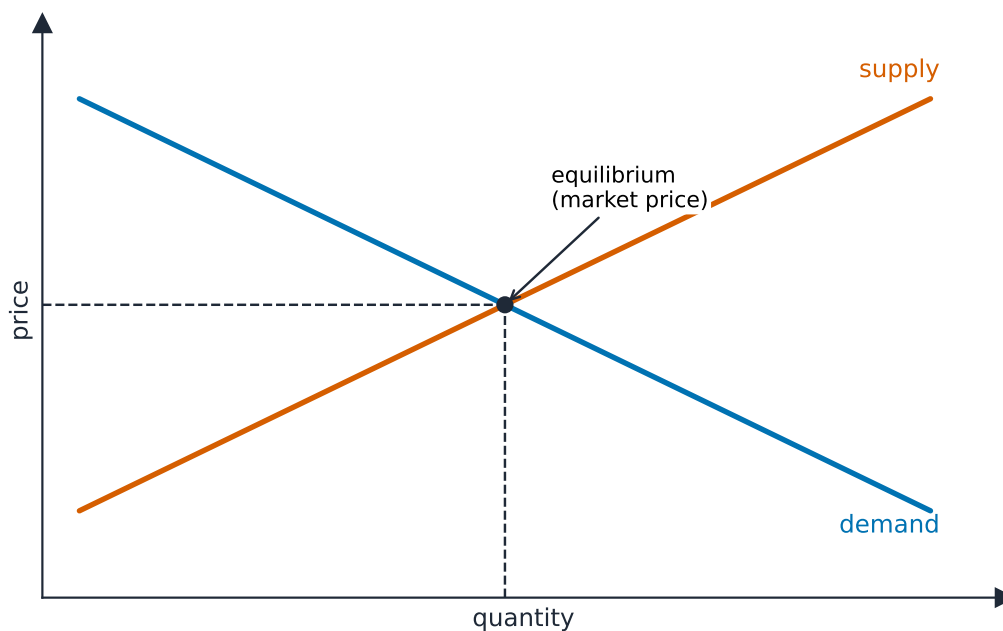
- a **mass market** 大众市场 is large, with products aimed at most buyers (e.g. soft drinks). Sales are high, but competition is strong.
- a **niche market** 利基市场 is a small part of a market with special needs (e.g. left-handed tools). Competition is weaker, but sales are smaller.

Market segmentation

Market segmentation 市场细分 means splitting a market into groups (**segments** 细分市场) of buyers who are alike. Common ways to segment are by age, income, gender, location, and lifestyle. Segmentation lets a firm aim the right product and message at each group, which raises sales and cuts waste.

Demand, supply and elasticity

Demand 需求 is how much of a product buyers will buy at each price. **Supply** 供给 is how much sellers will offer at each price. Usually, when price falls, demand rises.



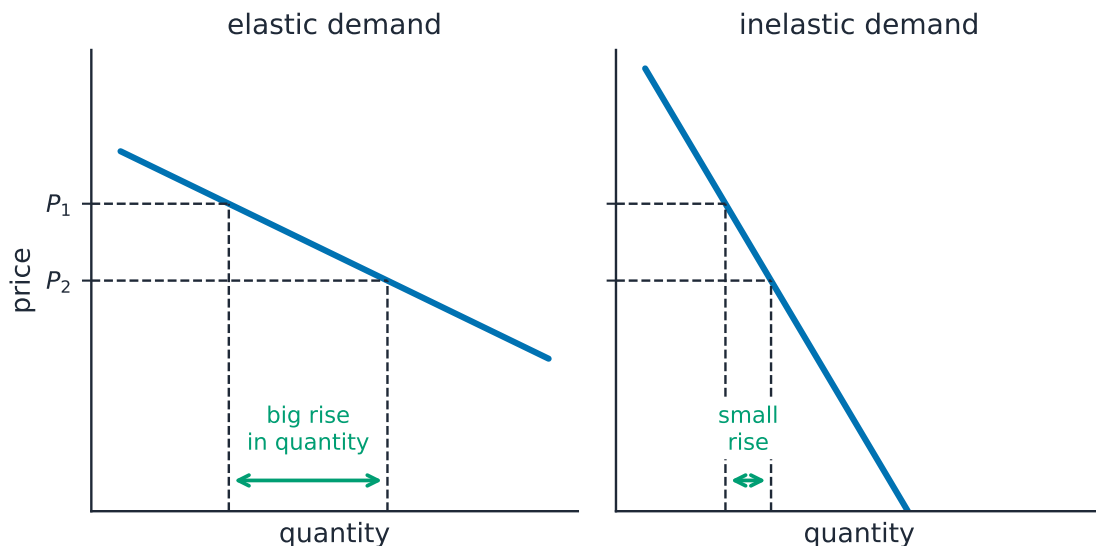
Supply and demand meet at the equilibrium market price

Elasticity 弹性 measures how strongly demand reacts to a change. You should know three types.

Price elasticity of demand 需求价格弹性 (PED) measures how demand reacts to a price change:

$$\text{PED} = \frac{\% \text{ change in quantity demanded}}{\% \text{ change in price}}$$

- if PED is greater than 1, demand is **price elastic** 富有弹性—a small price cut raises sales a lot, so lowering price can raise revenue.
- if PED is less than 1, demand is **price inelastic** 缺乏弹性—demand changes little, so raising price can raise revenue.



The same price fall raises quantity a lot when demand is elastic, only a little when inelastic

Income elasticity of demand 需求收入弹性 (YED) measures how demand reacts to a change in customers' income. Luxury goods react strongly; basic goods react weakly.

Cross elasticity of demand 需求交叉弹性 (XED) measures how the demand for one product reacts to a price change of another. It is positive for **substitutes** 替代品 (e.g. tea and coffee) and negative for **complements** 互补品 (e.g. cars and fuel).

Elasticity is useful because it helps a firm predict how a price change will affect sales and revenue.

Market research

Market research 市场调研 is collecting and studying information about customers, **competitors** 竞争对手 and the market.

- **primary research** 一手调研—new information you collect yourself, by surveys, interviews or observation. It fits your exact needs, but costs more and takes time.
- **secondary research** 二手调研—information that already exists, such as reports, websites and sales records. It is cheap and quick, but may be old or not exactly right.

Data can be:

- **quantitative data** 定量数据—facts in numbers (e.g. "60% buy weekly"). Easy to compare.
- **qualitative data** 定性数据—opinions and reasons (e.g. "why people like the brand"). Gives deeper understanding.

Sampling and reliability

A **sample** 样本 is the small group of people asked, chosen to stand for the whole market.

Sampling 抽样 methods include:

- **random sampling** 随机抽样—everyone has an equal chance of being picked.
- **quota sampling** 配额抽样—set numbers from each group are asked.
- **stratified sampling** 分层抽样—the sample copies the make-up of the whole market.

A larger, well-chosen sample gives more **reliable** 可靠的 results. Poor sampling can cause **bias** 偏差, which makes the findings wrong. Results are often shown in tables and charts, then read carefully to guide decisions.

The marketing mix

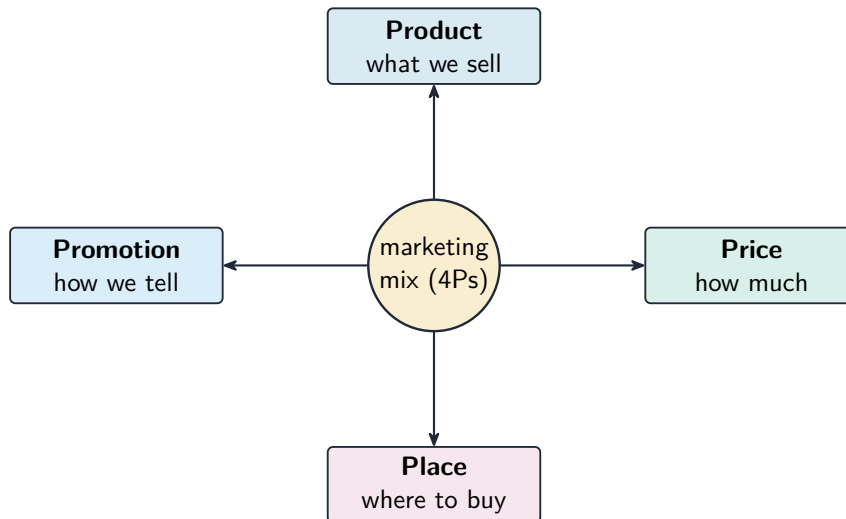


A branded shop window —branding and place help sell the product.

Image: Tyne & Wear Archives & Museums, No restrictions (commons.wikimedia.org)

The **marketing mix** 营销组合 is the set of choices a firm makes to sell a product. It is often called the **4Ps**:

P	Question it answers
product 产品	what are we selling?
price 价格	how much do we charge?
place 渠道	where and how do customers buy it?
promotion 促销	how do we tell customers about it?



The marketing mix combines the four Ps

The four parts must work together. For example, a high price needs high quality and a good image. Making the parts fit each other is called **integration** 整合.

Product

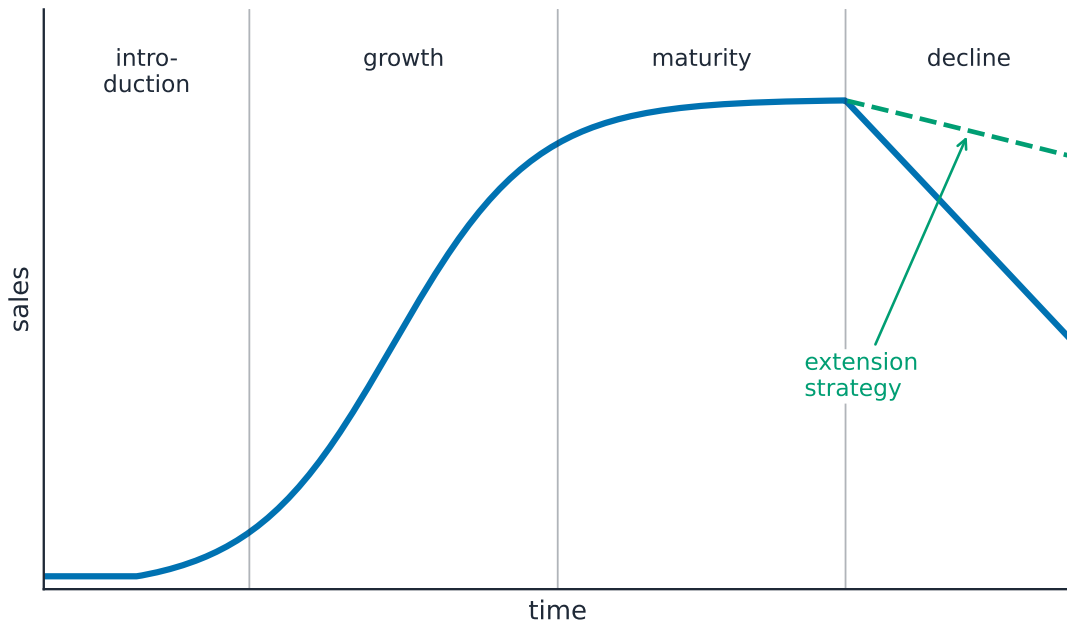
A good product is the heart of the mix.

Product development 产品开发 is the work of designing and improving products to meet customer needs and beat rivals.

The product life cycle

The **product life cycle** 产品生命周期 shows the sales of a product over time, in four stages:

1. **introduction** 引入期—launch; low sales, high promotion cost.
2. **growth** 成长期—sales rise quickly.
3. **maturity** 成熟期—sales reach their peak and level off.
4. **decline** 衰退期—sales fall as tastes change.



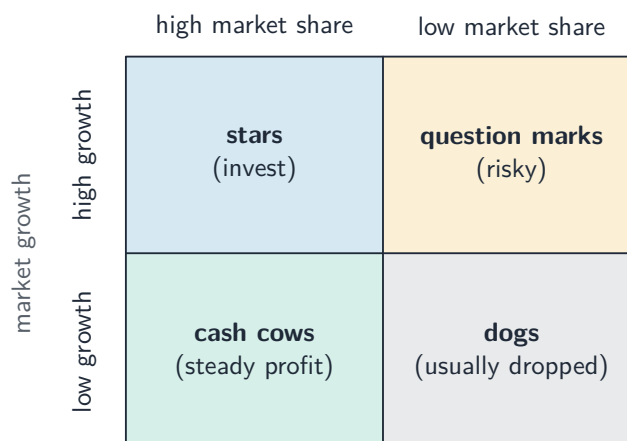
Sales of a product over its four life-cycle stages, with an extension strategy in maturity

To keep sales up in maturity, firms use **extension strategies** 延长策略, such as new packaging, new uses, or selling in new markets.

The product portfolio (Boston Matrix)

The **product portfolio** 产品组合 is the full range of products a firm sells. The **Boston Matrix** 波士顿矩阵 sorts products by market share and market growth:

	High market growth	Low market growth
High share	stars 明星产品	cash cows 现金牛
Low share	question marks 问题产品	dogs 瘦狗产品



The Boston Matrix sorts products by market share and market growth

Stars need investment but may become cash cows. Cash cows bring steady profit. Question marks are risky. Dogs are usually dropped.

Branding

Branding 品牌 gives a product a name, design and image that customers recognise. A strong brand builds **loyalty** 忠诚度, lets the firm charge more, and makes new products easier to launch.

Price

Choosing a price is a key decision. The main methods and strategies are:

Method / strategy	How it works
cost-plus pricing 成本加成定价	add a fixed profit margin to the unit cost
penetration pricing 渗透定价	set a low price to enter a market and win share
price skimming 撇脂定价	set a high price first for a new, special product, then lower it
competitive pricing 竞争定价	set a price close to rivals' prices
price discrimination 价格歧视	charge different prices to different groups (e.g. peak vs off-peak)
dynamic pricing 动态定价	change the price often as demand changes
psychological pricing 心理定价	use prices like \$9.99 that feel lower

The best price depends on costs, competitors, the product's life-cycle stage, and how price elastic demand is.

Place and promotion



Advertising on giant screens — promotion is part of the marketing mix.

Image: Landry Miguel, CC BY-SA 4.0 (commons.wikimedia.org)

Place is how the product reaches the customer, through a **distribution channel** 分销渠道. A short channel (maker → customer) gives more control; a longer channel (maker → **wholesaler** 批发商 → shop → customer) reaches more buyers.

short channel (more control)



long channel (reaches more buyers)



A short channel gives more control; a longer channel reaches more buyers

Promotion tells customers about a product and persuades them to buy. It is split into:

- **above-the-line promotion** 大众媒体广告—paid **advertising** 广告 in mass media, such as TV and online ads, aimed at a wide audience.
- **below-the-line promotion** 直接促销—targeted methods the firm controls, such as discounts, free samples and direct mail.

Digital marketing 数字营销 and **e-commerce** 电子商务 (buying and selling online) now play a huge role. They let small firms reach world markets cheaply, target adverts to the right people, and sell at any time of day.