

Chapter 2: Marketing

Contents

Chapter 2: Marketing.....	1
1. Calculating the selling price.....	1
2. Forms of market research.....	2
3. Designing a questionnaire.....	2
4. Promotion.....	2
Advertising is a part of promotion.....	2
Sales promotions.....	2
Business Finance.....	4
Interest Payable.....	4
Amount of loan needed.....	4

1. Calculating the selling price
2. Forms of market research
3. Designing a questionnaire
4. Forms of promotion

1. Calculating the selling price

- ▶ The selling price must be higher than the cost price in order to make a profit.
- ▶ Normally a % will be added onto the cost price
- ▶ This % will be called mark-up

Example: the cost of producing 200,000 hoodies is €4,000,000. Mark-up is 30%. Calculate the selling price per hoodie

$$4,000,000 \div 200,000 = 20$$

$$20 \div 100 \times 30 = 6, \text{ so selling price is } 20 + 6 = 26$$

2. Forms of market research

- ▶ Desk research – using information that already exists (secondary research) Examples: sales reports, census, internet, newspapers.
- ▶ Field research – collecting information from customers (primary research) Examples: questionnaires, interviews, observation, customer suggestions, staff suggestions

3. Designing a questionnaire

- ▶ Make it quick & easy for the person to fill out the questionnaire
- ▶ Have most of your question as tick the box
- ▶ Have some questions yes/no answers, some multiple choice & one or two open-ended questions (what do you think of)
- ▶ Have your yes/no question at the start so you don't have to read all the questionnaires e.g.

Do you play sports? Yes No

4. Promotion

Advertising is a part of promotion

- ▶ The press
- ▶ TV
- ▶ Radio
- ▶ Internet
- ▶ Bill Boards
- ▶ Lorries

Sales promotions

- ▶ Free samples
- ▶ Special offers
- ▶ Loyalty cards
- ▶ Sponsorship

The four P's of marketing are:

- **Product**
- **Price**
- **Promotion**
- **Place (Channel of distribution)**

Business Finance

- ▶ Calculate interest
- ▶ Calculate amount of loan
- ▶ Savings

Interest Payable

- ▶ to calculate the interest payable do each year separate Year 1, then year 2, then year 3

Amount of loan needed

- ▶ To calculate the amount of loan needed, work out how much is needed in total then minus the money that is already available