

Unit 3: Introduction to Marketing

Unit code:	Y/502/5411
QCF Level 3:	BTEC National
Credit value:	10
Guided learning hours:	60

● Aim and purpose

The aim and purpose of this unit is to give learners an understanding of how marketing, research and planning and the marketing mix are used by all organisations.

● Unit introduction

Marketing is at the heart of every organisation's activity. Its importance is also growing in the non-commercial, public and voluntary sectors. Also, at the heart of marketing is the customer. This unit will introduce learners to some of the tools and techniques all types of organisations use to achieve their objectives.

Firstly, learners will explore how different types of organisations use marketing principles to meet the needs of their customers and achieve their objectives. The constraints under which organisations operate are important and learners will study the legal requirements and voluntary codes that affect marketing.

Learners will then go on to investigate how organisations collect data through market research and turn it into useful information which can be analysed and used to plan their marketing activities.

The segmentation and targeting of groups of customers is a key marketing technique and this is studied in detail. This includes the different bases for segmentation of both consumer and business markets.

Next, learners will examine how a marketing mix is developed to meet the needs and aspirations of a targeted group of prospective customers, before going on to develop a marketing mix for a new product or service.

The unit gives a brief overview of the principles of marketing or can be used as a basis for further study of specialist marketing units.

● Learning outcomes

On completion of this unit a learner should:

- 1 Know the role of marketing in organisations
- 2 Be able to use marketing research and marketing planning
- 3 Understand how and why customer groups are targeted
- 4 Be able to develop a coherent marketing mix.

Unit content

1 Know the role of marketing in organisations

Role: overall concept; marketing definitions

Objectives: private sector aims and objectives (survival, growth); public and voluntary sector aims and objectives (service provision, growth of range of provision, cost limitation, meeting quality standards); marketing objectives, eg market leadership, brand awareness, perceptions of customers or users; link between organisational objectives and marketing objectives

Techniques: growth strategies (diversification, product development, market penetration or market development, Ansoff's Matrix); survival strategies; branding (importance in influencing buyer behaviour, brand building, positioning, brand extension); relationship marketing (definition, difference between transactional marketing and relationship marketing, value of lifetime customer)

Limitations and constraints: legal (Sale of Goods Act 1979, The Consumer Protection from Unfair Trading Regulations 2008, Consumer Credit Acts 1974 and 2006, Consumer Protection (Distance Selling) Regulations, Data Protection Act 1998); voluntary, eg Code of Advertising Practice and Advertising Standards Authority; pressure groups and consumerism; acceptable language

2 Be able to use marketing research and marketing planning

Marketing research: qualitative; quantitative; primary internal/external research; secondary internal/external research; uses (reduce risk in decision making, measure progress over time); limitations (cost effectiveness, validity of data collected)

Marketing planning: marketing planning process model (audit with PESTLE (political, economic, social, technological, legal and environmental external factors); SWOT (internal strengths and weaknesses, external opportunities and threats); set SMART (specific, measurable, achievable, resourced, time-bound) objectives; determine strategy and tactics, implement changes; evaluate)

3 Understand how and why customer groups are targeted

Identifying customers in consumer markets: difference between customers, consumers and buyers; importance of identifying who has influence over purchasing decisions

Market segmentation: importance; bases for segmentation of consumer markets (geographic, demographic, psychographic, lifestyle); uses of geo-demographic systems to identify and reach target groups eg ACORN, MOSAIC; reasons for choice of target group (accessibility, current and future prospects of group as customers, profitability; ability to service customer group, fit with organisation's mission)

Identifying customers in business to business markets: decision making unit (DMU)

Market segmentation: bases for segmentation of business markets (size, region, value, public/private/voluntary sector, product, industry); benefits for different members of the DMU, eg cost benefits, ongoing relationships, security of supply

4 Be able to develop a coherent marketing mix

Marketing mix: 4 P's – product; price; place; promotion; objectives of developing mix (support brand building, satisfy needs and aspirations of targeted group of customers); importance of need for cohesion of different elements of the marketing mix

Product: product range; benefits versus features of product or service for targeted customers; concept of product life cycle

Price: pricing strategies (premium pricing, penetration pricing, economy pricing, price skimming, psychological pricing, captive product pricing, product line pricing)

Place: distribution; online and/or physical presence

Promotion: promotional mix (advertising (different media, online techniques), personal selling, public relations, sales promotion)

Assessment and grading criteria

In order to pass this unit, the evidence that the learner presents for assessment needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria for a pass grade describe the level of achievement required to pass this unit.

Assessment and grading criteria		
To achieve a pass grade the evidence must show that the learner is able to:	To achieve a merit grade the evidence must show that, in addition to the pass criteria, the learner is able to:	To achieve a distinction grade the evidence must show that, in addition to the pass and merit criteria, the learner is able to:
P1 describe how marketing techniques are used to market products in two organisations [IE]	M1 compare marketing techniques used in marketing products in two organisations	D1 evaluate the effectiveness of the use of techniques in marketing products in one organisation
P2 describe the limitations and constraints of marketing [RL]		
P3 describe how a selected organisation uses marketing research to contribute to the development of its marketing plans	M2 explain the limitations of marketing research used to contribute to the development of a selected organisation's marketing plans	D2 make justified recommendations for improving the validity of the marketing research used to contribute to the development of a selected organisation's marketing plans.
P4 use marketing research for marketing planning		
P5 explain how and why groups of customers are targeted for selected products		
P6 develop a coherent marketing mix for a new product or service. [CT]	M3 develop a coherent marketing mix that is targeted at a defined group of potential customers.	

PLTS: This summary references where applicable, in the square brackets, the elements of the personal, learning and thinking skills applicable in the pass criteria. It identifies opportunities for learners to demonstrate effective application of the referenced elements of the skills.

Key	IE – independent enquirers	RL – reflective learners	SM – self-managers
	CT – creative thinkers	TW – team workers	EP – effective participators

Essential guidance for tutors

Delivery

For learning outcome 1, it is important to address the assumption many learners may have that marketing is merely advertising. In fact, it is a more complex activity and this unit gives a deeper understanding of the whole marketing process. The business purposes and strategic planning covered in the *Unit: The Business Environment*, may be revisited to show the links and differences between organisational and marketing objectives. Next, learners move on to an overview of key marketing principles. Learners could apply Ansoff's matrix to a simple case study, an organisation they are familiar with, or to a business game. Branding and relationship marketing provide opportunities for linking with learners' existing knowledge as consumers. Learners move onto the legislation which constrains marketers. The principles of the legislation should be covered and then applied to situations which may be familiar to learners as customers.

Learning outcome 2 includes an introduction to marketing research, and learners may enjoy conducting their own research. However, if there is insufficient time for this, an exercise where learners plan research to meet specified needs could be used to consolidate the teaching. Marketing research is covered in a separate specialist unit. The rest of the outcome is about the marketing planning process and delivery would be enhanced if learners could play the role of business-decision makers in a business game or a detailed case study.

Learning outcome 3 is about segmenting markets and targeting groups of potential customers. Learners may find it interesting to examine the geo-demographic descriptors for different local postcodes. A practical exercise where pairs of learners define target markets for different products could be used. Learners should also consider the different segmentation and targeting methods used in business and again, a targeting exercise could be useful.

In learning outcome 4 learners need to understand about the principles of a coherent marketing mix and there are many examples of products where the marketing mix is targeted to the younger consumer. Learners could analyse all aspects of the marketing mix and suggest how it has been designed to appeal to the target group. This may be clearer if learners also examine products targeted to a different group. For the assessment of this outcome, learners need to design their own marketing mix, so it would be useful for learners to be given a step-by-step analysis of the process and perhaps a small group exercise in designing a marketing mix.

Outline learning plan

The outline learning plan has been included in this unit as guidance and can be used in conjunction with the programme of suggested assignments.

The outline learning plan demonstrates one way in planning the delivery and assessment of this unit.

Topic and suggested assignments/activities and/assessment
Introduction to unit, structure of the programme and basic definitions of marketing and its prevalence in business
Pair exercise where learners examine their recent transactions with organisations, the role marketing played and the organisations' marketing and organisational objectives
Introduction to use of marketing objectives to achieve organisational objectives and Ansoff's Matrix
Pair exercise on how Ansoff's Matrix could be used in own institution
Introduction to consumer legislation. Whole class
Small groups – analyse case studies from consumer organisation on breaches of consumer legislation
Introduction to voluntary codes
Assignment 1: 'A' Listed Marketeers, Part 1 – select two organisations and research their marketing activities and the constraints under which they conduct marketing.
Introduction to marketing research
Small group work: analysis of a case study showing use of marketing research in the development of a new product, leading to exercise on planning marketing research for a new market
Introduction to the marketing planning process model and development of plan for known organisation
Assignment 2: 'A' Listed Marketeers, Part 2 – pick one of the organisations studied in Assignment 1 and research the organisation's use of marketing research to contribute to the development of their marketing plans
Introduction to the use of PESTLE and exercise on using it for an organisation known to the whole class
Introduction to use of SWOT and exercise on using it for an organisation known to the whole class
Introduction to concepts of segmentation and targeting
Use of instruments eg ACORN for learners to assess the segments into which customers would be classified
Introduction to business-to-business (b2b) segments
Group exercise based on a case study where learners have to present proposals for segmenting and targeting a business market
Introduction to the principles of branding
Exercise where learners identify the positioning of brands and examples of brand building and brand extension
Introduction to concept of relationship marketing
Assignment 3: Segmentation and Targeting – learners select ranges of products from the organisations they have been studying and analyse the target groups, branding and relationship marketing for six different products
Introduction to marketing mix
Discussion of a range of examples of different marketing mixes and how they have been designed to satisfy different groups of customers
Assignment 4: Marketing Mix – learners develop their own marketing mix for a selected new product or service
Supervised assignment work
Non-supervised study time and completion of assignments

Assessment

For most groups of learners, a staged approach to assessment would help them to achieve the unit. Most of the criteria need to be investigated in the context of one or more real organisations and learners may need support in selecting the organisations to use for their assignments.

For P1, learners should describe how the marketing techniques listed in the unit content are used in marketing products or services in two different organisations. It is sufficient to select one product/service or product/service range in each organisation. For P2, learners need to describe the limitations and constraints under which marketers operate; this should include legal requirements and the use of voluntary codes and constraints. Learners should relate these constraints to examples.

To achieve M1, learners need to demonstrate higher-level skills through comparing or finding the similarities and differences between the use of marketing techniques in marketing products or services in two organisations.

For D1, this will be developed further into an evaluation of the effectiveness of the use of marketing techniques in one organisation. Evaluation requires more than stating an opinion and should demonstrate higher-level skills such as researching and interpreting data and using logical judgements about the validity and reliability of the data used to evaluate the effectiveness of the marketing techniques.

For P3, learners should investigate the marketing research used by one organisation and link this to the development of the organisation's marketing plans. This could be based on the school or college's own marketing research and plans, as this would provide a good opportunity to obtain the information required for P4. Alternatively, this could be based on a link with a local commercial or not-for-profit organisation.

For M2, learners should identify and explain the limitations of the marketing research methods used in the selected organisation investigated.

To achieve D2, learners should make, and justify, recommendations for improving the validity of the marketing research used in the selected organisation. Three sound recommendations with justifications would be sufficient to achieve the criterion.

For P5, learners should explain why the different types of target groups are chosen for different products or services. This should include products for both consumer and business to business markets and different methods of segmenting the market. Six different target groups will be sufficient to achieve the criterion.

For P6, learners should develop a coherent marketing mix for a new product or service. The product or service does not have to be entirely new; it could be an established product or service introduced to a new market. The marketing mix should include at least the 4 Ps.

For M3, the marketing mix must be clearly targeted to a defined group of potential customers and needs to be detailed and coherent so that product, price, place and promotion are all designed to appeal to the clearly defined needs and aspirations of the target group of customers.

Programme of suggested assignments

The table below shows a programme of suggested assignments that cover the pass, merit and distinction criteria in the assessment and grading grid. This is for guidance and it is recommended that centres either write their own assignments or adapt any Edexcel assignments to meet local needs and resources.

Criteria covered	Assignment title	Scenario	Assessment method
P1, P2, M1, D1	'A' Listed Marketers, Part 1.	You work for a professional organisation for marketers. One of the activities that the organisation undertakes is to evaluate the marketing activities of different companies and produce a list of 'A' Listed Marketers'. You are asked to carry out research into two possible contenders for inclusion on the list.	Produce a report describing, comparing and evaluating the marketing activities of two companies in relation to specified products. Include details of the constraints under which each of the selected organisations operate.
P3, P4, M2, D2	'A' Listed Marketers, Part 2.	Ongoing from first assignment. As part of the evaluation, you are now asked to select one of the companies previously investigated and investigate its use of marketing research.	Prepare presentation materials describing how marketing research is used to contribute to the development of the organisation's marketing planning. Go on to explain the limitations of the marketing research and make justified recommendations as to how the validity of the research could be improved.
P5	Segmentation and Targeting.	Ongoing from previous assignments. Your organisation is going to produce information sheets on examples of segmentation and targeting and you are asked to carry out research into the segmentation and targeting of six different products.	Produce 6 information sheets on different products in which you describe the target groups and explain why this group has been selected for this product.
P6, M3	Marketing Mix.	You are thinking about setting up your own business.	Develop a proposal for a coherent marketing mix for a product or service targeted to a defined group of potential customers.

Links to National Occupational Standards, other BTEC units, other BTEC qualifications and other relevant units and qualifications

This unit forms part of the BTEC Business sector suite. This unit has particular links with the following unit titles in the Business suite:

Level 2	Level 3
Business Purposes	The Business Environment
Business Organisations	Business Resources
Financial Forecasting for Business	Business Communication
	Creative Product Promotion
	Market Research in Business
	Relationship Marketing
	Internet Marketing in Business

This unit also links to the following National Occupational Standards for Marketing and Sales for Non-Specialists, particularly Units 1, 2, 3, 4, 5, 7.

Employer engagement and vocational contexts

The unit requires learners to investigate real examples of the application of marketing techniques. There are a range of possibilities to the engage employers through educational visits and use of visiting speakers.

Centres need to develop links with local businesses. Many businesses and chambers of commerce want to promote local business so are often willing to provide work placements, visit opportunities, information about businesses and the local business context and visiting speakers.

Business Britain (www.businessbritainuk.co.uk/) provides information about business in Britain and has extensive links to other business and business news sites.

The Federation of Small Businesses (www.fsb.org.uk) provides information, support and guidance about small businesses in the UK.

Many businesses provide information about themselves. For example, Unilever, can be found at: www.unilever.co.uk.

Indicative reading for learners

Textbooks

Bevan J, Dransfield R, Coupland-Smith H, Goymer J and Richards C – *BTEC Level 3 National Business Student Book 1* (Pearson, 2009) ISBN 9781846906343

Bevan J, Goymer J, Richards C and Richards N – *BTEC Level 3 National Business Student Book 2* (Pearson, 2009) ISBN 9781846906350

Coupland-Smith H and Mencattelli C – *BTEC Level 3 National Business Teaching Resource Pack* (Pearson, 2009) ISBN 9781846906367

Cave S – *Consumer Behaviour in a Week* (Hodder Arnold, 2002) ISBN 0340849711

Dibb S, Simkin L, Pride W M and Farrell O C – *Marketing Concepts and Strategies* (Houghton Mifflin (Academic), 2005) ISBN 061853203X

Hall D, Jones R and Raffo C – *Business Studies, 3rd Edition* (Causeway Press Ltd, 2004) ISBN 1902796837

Proctor T – *Essentials of Marketing Research* (FT Prentice Hall, 2005) ISBN 0273694944

Journals

Business Review Magazine (Phillip Allan Publishers)

Campaign (Haymarket Business Subscriptions)

The Economist (The Economist Newspaper Group, Inc)

Marketing (Haymarket Business Subscriptions)

Marketing Week (Centaur Communications Ltd)

Websites

www.adassoc.org.uk	The Advertising Association
www.amazon.com	Amazon – online shopping
www.asa.org.uk	The Advertising Standards Authority
www.bized.ac.uk	Business education website including learning materials and quizzes
www.cadburys.co.uk	Cadbury Trebor Bassett
www.cim.co.uk	The Chartered Institute of Marketing
www.easyjet.com	easyJet main website
www.marketingteacher.com	Free marketing resources for learners, teachers and professionals
www.statistics.gov.uk	Official UK statistics
www.swatch.com	Main website for Swatch
www.tesco.com	Main website for Tesco

Delivery of personal, learning and thinking skills

The table below identifies the opportunities for personal, learning and thinking skills (PLTS) that have been included within the pass assessment criteria of this unit.

Skill	When learners are ...
Independent enquirers	investigating the marketing of business organisations
Creative thinkers	generating ideas about marketing in business organisations
Reflective learners	reflecting on the impact of marketing in business.

Although PLTS are identified within this unit as an inherent part of the assessment criteria, there are further opportunities to develop a range of PLTS through various approaches to teaching and learning.

Skill	When learners are ...
Independent enquirers	planning and carrying out research into the marketing of organisations
Creative thinkers	looking at how organisations market their products and services
Reflective learners	setting goals with 'success criteria' for researching businesses inviting feedback on their own work and dealing positively with praise, setbacks and criticism evaluating their experiences and learning to inform future progress
Team workers	working in a group to discuss ideas and prepare materials for presentations taking responsibility for their own role in a team managing activities to reach agreements and achieve results
Self-managers	seeking out challenges or new responsibilities and showing flexibility when priorities change dealing with competing pressures, including personal and work-related demands responding positively to change, seeking advice and support when needed
Effective participators	planning and carrying out research into the marketing of organisations.

● Functional Skills – Level 2

Skill	When learners are ...
ICT – Use ICT systems	
Select, interact with and use ICT systems independently for a complex task to meet a variety of needs	researching organisations and their marketing
Use ICT to effectively plan work and evaluate the effectiveness of the ICT system they have used	tabulating information about organisations
ICT – Find and select information	
Select and use a variety of sources of information independently for a complex task	finding illustrative materials for presentations and tabulations about organisations creating diagrams, presentations and tabulations about marketing in businesses
Access, search for, select and use ICT-based information and evaluate its fitness for purpose	exploring, extracting and assessing the relevance of information from websites about business organisations and their marketing
ICT – Develop, present and communicate information	
Enter, develop and format information independently to suit its meaning and purpose including: <ul style="list-style-type: none"> • text and tables • images • numbers • records 	bringing together a variety of materials gathered through research preparing information to present to others about business organisations and their marketing activities
Bring together information to suit content and purpose	
Present information in ways that are fit for purpose and audience	
Evaluate the selection and use of ICT tools and facilities used to present information	
Select and use ICT to communicate and exchange information safely, responsibly and effectively including storage of messages and contact lists	communicating with other members of a group communicating with organisations

Skill	When learners are ...
English	
Speaking and listening – make a range of contributions to discussions and make effective presentations in a wide range of contexts	<p>carrying out group work investigating organisations and their marketing</p> <p>working with others in investigating businesses (employees, colleagues, teachers, class mates)</p> <p>attending team meetings</p> <p>making presentations about organisations and their marketing activities</p>
Reading – compare, select, read and understand texts and use them to gather information, ideas, arguments and opinions	<p>reading about organisations and their marketing</p> <p>reading about organisations to obtain data to compare businesses marketing activities</p>
Writing – write documents, including extended writing pieces, communicating information, ideas and opinions, effectively and persuasively	<p>writing materials to provide information about organisations marketing activities</p> <p>producing labelled charts and diagrams.</p>