

Cambridge **TECHNICALS LEVEL 3**

BUSINESS

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Exemplar candidate work

Unit 5 – Marketing and market research

Version 1



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INTRODUCTION

This is a guide for teachers so that you can see how we mark work for Cambridge Technicals.

The guide contains exemplar candidate work for this unit and covers learning outcome 1 graded at a pass and merit and learning outcome 4, graded at a pass, merit and distinction.

The accompanying commentary explains why the work was awarded that grade. Additional guidance has been added to suggest improvements that could be made in order to achieve a higher grade.

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Model Assignments

Model assignments are available for the following units from the link below:

http://www.ocr.org.uk/qualifications/vocational-education-and-skills/cambridge-technicals-business-level-3-certificate-extended-certificate-foundation-diploma-diploma-05834-05837-2016-suite/?qualtype_key=cambridge-technicals/

Unit 4 – Customers and information
Unit 5 – Marketing and market research
Unit 6 – Marketing strategy
Unit 7 – Marketing campaign
Unit 8 – Introduction to human resources
Unit 11 – Accounting concepts
Unit 12 – Financial accounting
Unit 13 – Management accounting
Unit 16 – Principles of project management
Unit 17 – Responsible business practices
Unit 19 – International business
Unit 20 – Business events
Unit 22 – Delivering a business project

Plagiarism

Work must be free from plagiarism. Plagiarism is the submission of someone else's work as your own and/or failure to acknowledge a source correctly. Plagiarism makes up a large percentage of cases of suspected malpractice reported to us by moderators. You must make sure you don't accept plagiarised work as evidence.

In line with the policy and procedures of JCQ on suspected malpractice, the penalties applied for plagiarism would usually result in the claim not being allowed.

Plagiarism often occurs innocently when learners don't know that they must reference or acknowledge their sources, or aren't sure how to do so. It's important to make sure your learners understand:

- the meaning of plagiarism and what penalties may be applied
- that they can refer to research, quotations or evidence produced by somebody else but they must list and reference their sources
- quoting someone else's work, even when it's properly sourced and referenced, isn't an indication of understanding.

The learner has to 'do' something with that information to show they understand. For example, if a learner has to analyse data from an experiment, quoting data doesn't show that they understand what it means. The learner has to interpret the data and, by relating it to their assignment, say what they think it means.

LO1 Understand the role of marketing in businesses – Pass

Task One - Explain the role of the marketing function in a business.

Introduction:

In task one I will be explaining the role of the marketing function in a business. I will do this by describing the market function and how it links to other business functions. I will also provide an explanation of the marketing aims and objectives and how they link into marketing strategies, and a description of the stages involved in marketing. As I am studying Kellogg's as one of the businesses in this unit, when possible I will be looking at how Kellogg's use each one of these to have the advantage over their competitors and apply them to each one and how they use them. ✓

The marketing function and how it links with other business functions.

Marketing is a department within a business who is responsible for finding out what the customers want or need and then creating suitable products or services, and finding ways to tell the customers about them through the right method at a price they will pay. Marketing do this by using the marketing mix (Price, Product, Place and Promotion) to link new and existing products or services to customers. Normally, the marketing department is responsible for planning the marketing strategy, organising market research (qualitative and quantitative), setting the price, create promotions and the information to sell, either online, in store or through another method. ✓

The marketing function / department can't make a success of this all on their own. They are part of a business and the other areas of the business work with the marketing department to help the business succeed.

One main function of a business is the sales team, they tell the marketing team about products which are doing well and are successful, and what the competition are doing and also give feedback from the buyers. The marketing team uses this information and other research to develop briefs to give to designers to help create new products, promotion and sales materials. The sales team must do their job to make sure that the products that have been created are bought by the customers. This is vital in the success of any product. ✓

The finance team within a business is very important as they help keep track of money coming in and out of the business; they do this by spending money on resources the business needs. The finance department will provide the money to spend on advertising to promote the business, but it will come from the marketing budget which will have been agreed and the finance team will follow and monitor. The finance team work closely with the marketing team to monitor budgets and make sure that the marketing mix is profitable for the business. In Kellogg's, each event has to be budgeted for, as each one will come out of the overall marketing budget. The finance department in Kellogg's also carry out predictions and feed back information about how effective the event was by measuring the sales figures both before and after the event. This will provide useful information for the managers at Kellogg's so they can get an idea of what works well and what should not be repeated, so they make good use of their money. ✓

Also the human resources team are critical to a business as they help make sure the business is ethical, they look at how products are made and see if they are helping the environment and other people. They also try and employ staff with the right business skills as it saves them money on

training them. Human Resources will arrange training if and when required. The Legal department at Kellogg's does more than just make sure that the promotion is legal. They handle the contracts for a number of different agencies and partners that help Kellogg's with each event. It's important for the business that each department works together to help each department as it makes the overall aim of the business easier and more achievable. ✓

Marketing aims and objectives

When preparing a plan for success, a business needs to be clear about what it wants to achieve. To do this all businesses must set aims and objectives. For a business, it is vital for its success.

Marketing aims are what businesses use to explain the direction the business wants to go in.

Kellogg's aim was to reinforce the importance of a balanced lifestyle so its consumers understand how a balanced diet and exercise can improve their lives. A clear business or marketing aim helps to motivate staff as it is a clear statement which the business should target to become successful so employees have something to aim for. Whereas, marketing objectives are targets the marketing department must achieve, like increasing sales by 20% over a year. It is hard to operate a business without objectives as you don't know how to achieve the aim, it's like trying to get to a destination you have never been before but with no directions. ✓

To make them easier to understand, they should make them numerical, clearly achievable and have a time frame so the team know what they exactly need to aim for. A business usually constructs objectives as smart targets, Specific, Measurable, Achievable or Agreed, Realistic and Time- related. Kellogg's have many several business objectives to help reach its aim. They were to:

- encourage and support physical activity among all sectors of the population
 - use resources to sponsor activities and run physical activity focused community programmes for its consumers and the public in general
 - increase the association between Kellogg's and physical activity
 - use the cereal packs to communicate the 'balance' message to consumers
 - introduce food labelling that would enable consumers to make decisions about the right balance of food
- (P1) ✓

Kellogg's made sure their objectives were SMART by setting a realistic 3 years time scale and informing and including all staff.

How marketing aims and objectives link to strategic objectives.

Marketing objectives and strategies are short to medium term plans that are meant to be for meeting long term aims. An example of this could be if a business wants to make 20% more sales in 6 months then the aim would be to try and make more profit since the more sales would help get more profit then the strategy could be to try and use more promotion on certain products that aren't doing as well. Since the aim is the overall outcome and strategies are the actions to meet the objectives which together help to gain the aim. The strategy is usually created through the marketing mix (price, product, place and promotion) or through the targeting of a market segment. Also, they use POISE which is Profitable, Offensive, Integrated, Strategic and Effectively Executed. This helps the marketing teams, as they can aim to increase the sales, or price to make more profit. A business needs a strategy so the whole business knows what they have to do to make the

company more successful as it is the action plan. Kellogg's will use a strategy to work towards its objectives to meet the aims of the business. For example, Kellogg's aim was to reinforce the importance of a balanced lifestyle so its consumers understand how a balanced diet and exercise can improve their lives. I have highlighted the objectives they set themselves to make sure this aim was met. From this Kellogg's developed a strategy and a series of actions to meet the aim and objectives. ✓

Kellogg's strategy included using Guideline Daily Amounts as part of food labelling to inform consumers more about the daily levels of nutrients. The business worked with the Amateur Swimming Association as their objectives were closely matched and Kellogg's became the main sponsor of swimming in Britain which helped reinforce its brand position. They also set up links to promote cycling and walking, using their cereals to promote free cyclometer and pedometers, and they have delivered a wide range of community programmes over the years. All of this shows a good example of a business who has linked their overall aim, through their objectives and set them in a SMART way, down to their strategy which helps to work towards the overall target. ✓

I got my information from the "1 Introduction to marketing" booklet page 3 and Kellogg's case studies from Times 100

The stages involved in marketing.

There are 4 main stages involved in marketing which work as a cycle. They need to set marketing objectives; these will help the business meet their overall aim/goal. Identify the marketing opportunity, which for the example of Kellogg's is promoting healthy products that go towards a healthy living lifestyle.. Then they need to decide on a strategy and then make the marketing mix, price, product, place and promotion that may be setting new prices for products, doing more promotion or coming up with new ideas for products. If a business follows all of these steps, they are more likely to succeed as they are looking at all aspects of the cycle. It makes it easier for a small business to follow these marketing stages, this is because they have more contact with the customer so they will know more of the customer's needs and they can set their aims and objectives to meet those needs. ✓

Market analysis is ways of seeing the conditions of the marketplace, it should be very important for any business to carry out a market analysis because without the information you get, it will be difficult to make market strategies and market objectives. A business will see how big the market is, how fast the market is growing, who are their potential competitors, how the market is segmented, the extent of customer loyalty and brand and the potential for developing. Analysing the market should not be a one-off as the market is always changing, the market can change a lot in one year, there could be competitors dropping out or even new competitors. The market analysis makes it possible for a business to identify the business opportunities. ✓

DI - PASS

P2 - Market analysis

Market analysis is a way of seeing the conditions of the marketplace, it should be very important for any business to carry out market analysis because without the information you get, it will be difficult to make suitable marketing strategies which will help the business reach its marketing objectives. Market analysis can help a business find out how big their market is, how fast the market is growing, who their potential competitors are, how the market is, or could be, segmented, the extent of customer loyalty and brand and the potential for developing it. Analysing the market should not be a one-off activity as the market is always changing. The market can change a lot in one year, there could be competitors dropping out or even new competitors entering the market and new trends appearing that customers want.

How businesses use market analysis to identify market structure.

Market analysis is what businesses use when they are about to make changes or on a regular basis such as every 3-6 months to keep track of if the market is changing and if so, how. For example has the competition changed or the number of products or services in the market. Have the number of customers or the value of the market change? Market analysis is very important as it shows the company how competitors are doing and if customers have changed taste. Also, if a company is going into another market or are starting up, they can see which competitors are leading the market and see what they are doing to own the market, then the business doing the market analysis can take ideas from that and use it in their business. However, if you are a new business to the market, you can see where you can make the business fit in. for example, if there is a gap in the high quality, low cost section, you can base your company around low cost high quality products as there is little competition there, if the business can make this work. In a similar way if a business wanted to enter into a particular part of the market, by analysing the market, they might be able to see that it is too competitive and it would be too difficult to make a good profit there, so another area of the market should be identified.

Market analysis can include:

Market size can be an estimation or calculated by the total sales of all businesses in a certain market, so it may not be 100% accurate when there is better ways of analysing it, it may still be good for making predictions on how a business thinks competitors may perform and if they can compete against them. Market size is used to see where the business wants to place their business, for example if they want to sell good quality clothes at a good price. The size of the market also gives a business a good idea about their potential profitability in the market. When a new business is entering a market, usually their main concerns are what the size of the market is and how competitive is the market.

Market share is a method a business can use to judge how it is performing against competitors, its usually measured by percentages of a markets total sales or revenue, it can be calculated by the total sales for the market divided by the businesses contribution. For example, Tesco's are the leader in the supermarket category, ASDA can see the market size of all the supermarkets and they will see that Tesco's are the leaders. Also, market size is worked out by total sales of a business divided by total sales in the market then timed by 100%.

A business would also need to consider the number of firms, this is how many businesses they have within a certain country, this market analysis is essential for a business entering a market to establish who is selling products or services to the potential customers and what products are available. Without this information it would be difficult for a business to be successful.

Market volume enables the business to focus on the amount of sales it made over a period of time; it can help a business to identify trends in sales. This helps the business focus on where it needs to improve. A business needs to keep this in mind because may be getting into a market where there are already too many businesses, making it hard for them to grow as they will have a lot of competitors. ✓

How business use market analysis to identify potential market growth opportunities.

Market growth is an increase in the demand for a particular product or service over a certain time period. Market growth can be slow if consumers do not have a high demand or quick if consumers find the product or service attractive and at a good price. Also market can decrease in size and it is also important that business spot if this is happening so they can react to it quickly. Business can use market analysis to find the number of firms, market share, market size, market volume and market value to try and find possible ways of growing. If they use each one of these, then they can maybe find areas of potential growth and get an edge against other competitors. They can change their aims to fit the new changes. ✓ (P2)

Dynamic markets are markets that change more quickly than normal. This can be due to different factors that affect the market like game technology, the 4 key factors to dynamic marketing are: ✓

Online retailing: This is quite unpredictable because there are so many changes and advances in technology.

How the market changes: Even physical markets change a lot over time sometimes due to the change in income of the average customer.

Innovation and market growth: This means bringing new ideas to life such as launching a new product on to the market.

Adapting to change: This is when a business changes a product slightly to fit the customer needs, Coca Cola life is a good example of this because Coca Cola changed their product to be more healthy to fit the trend of people trying to be more healthy. If a business does not adapt to change or misses the fact the market is changing, they could be in danger of losing money and possibly going out of business. ✓

How businesses use marketing analysis to recognise competitors.

It is important that businesses know who their competitors are. This is so they know what is happening in the market and what changes to look out for from which businesses. It will also help a business plan their own marketing strategy if they know who the competition is. ✓

Many businesses use marketing maps to recognise competitors. A market map is a diagram that identifies all the products in the market using two key features, usually the price and quality of the products, then the business can use this to improve on existing products, services or to add new goods/ services, they will find a trend between customers and products and ideally utilise the knowledge to help them be successful. This can be used to help the business change ideas and keep up with trends consumers have. Also, businesses use market analysis to recognise competitors by seeing which companies stand out in their market analysis and they will try and surpass a competitor who is close to their sales and or profit. They can also use the marketing map to locate a problem and fix it. A market map is the results of different market conditions that is put on a map to show trends and corresponding variables between consumers and products, they can use this to base their products or service around, this can help them spot gaps in the market which they can take advantage of if the gaps is one they want to aim for.

How businesses use marketing analysis to carry out market segmentation.

Market segmentation is what some businesses use as a marketing strategy to make more effective use of their marketing resources when they aim to target their customers. It splits the whole market up into groups of customers who share similar characteristics. The main ways a market is segmented is through age, gender, income, social class, religion and location. A business will need good, up to date market analysis in order to segment a market well.

The business can separate their market into the different types of customers and consumers depending on if they are potential customers, new customers, impulsive customers, discount customers or loyal customers. If they split the market into these customer groups, they can try to cater towards their needs.

Reasons why businesses use market segmentation is that it helps them to meet customers' needs easier because with a smaller target audience it is easier to identify what the customers want. If a business can do this it will get loyal customers and will be on their way to achieving their marketing objectives.

Market segmentation also allows better opportunities for growth. It can help a business to build sales. For example, customers can be encouraged to "trade-up" to a higher quality product after being introduced to a particular product with an introductory, lower-priced product which will give the business more profit.

Market segmentation allows a business to achieve more effective promotion. This means the business can get more value from its marketing budget because it can target the market segment more accurately than they can the whole market.

However it is difficult to measure and predict customer behaviour and it can be difficult to reach some market segments even when they have been identified, so although using market analysis to target a market segment sounds good, it can have problems.

P2 - Pass

Task 2 - Explain and analyse and impact of marketing.

Introduction.

In this task I will be describing how two different measure the impact of their. The two businesses I have chosen are Cardinal Hume Catholic School and Kellogg's. Kellogg's is a company that makes many different types of cereal. Cardinal Hume is an Catholic secondary academy school. There are 3 different types of ways business use to measure the impact of their marketing campaigns, they are sales and trends, income and awareness. ✓

Cardinal Hume is an academy school, located near Wrekenton. The school is rated outstanding from OFSTED and is one of the best schools in the area based of their test results. Cardinal Hume is a catholic school and is named after Cardinal Basil Hume who was a famous cardinal.

Kellogg's is a world known cereal company who are the UK market leader in breakfast cereals. It was founded by Will Keith Kellogg 110 years ago on February 19th 1908 in Michigan USA, they have over 30,000 employees working for them. They have had a round a total income of 15 billion dollars in 2014. From 1988, they have been growing 3 times more, / from 5.4 billion dollars net worth to 15 billion in 2014.

Sales and trends

This is the first way a business can measure the impact of their marketing. Sales and trends is measuring the number of units sold by the business and if it increases after a marketing campaign, there would be a good indication that there is a link between the two. The rate of sales can be plotted to cover different time periods in order to identify trends, but a business has to have sales to use this way of measuring their marketing impact otherwise it won't be useful. (73) ✓

Since Cardinal Hume is a school, they don't sell goods but it's a free service so they can't compare trends of sales so this is not a good choice for the public sector school because the offer a service and it is provided by the government to the public but as an academy, the school still needs to find ways to gain income. ✓

On the other hand, to consider Kellogg's, in 2013 they launched a new product which was a new Crunchy Nut Oat Granola. The marketing campaign was a 2 stage door-drop sampling campaign using specifically chosen postcodes. The areas were based around stores which allowed them to target 'adult taste seekers' between the ages of 18-45. The first stage was a branded bag delivery which the person had to tick and box and leave on their doorstep to get the free pack. in the case study I used to research Kellogg's, it said ***"The campaign was a success with a significant impact on sales through new customer's trialling the product. 907,435 homes were targeted. It also had a positive effect on existing customers, demonstrated by an increase of 6.4% in repeat purchase. The outcome of the campaign was £155.500 of extra sales and 64.800 in units, resulting in a small market share increase. As with the Crunchy Nut restaurant campaign, Kellogg's social media channels were integral to the promotional activity. A twitter hash-tag on each bag resulted in consumers sharing their positive experiences online."*** From this, you can see that Kellogg's increased ✓

their sales by 6.4%, this is because of the promotion. One of the ways they promote which helped them with sales was when they put Kellogg's trucks outside of Tesco's, they gave out free samples to customers going inside the shop. Since the customers would have just had a free sample, if they like it, they are more likely to buy it in the store as they are doing shopping anyway, this will also help Tesco's which could end up with Tesco's and Kellogg's in having a good relationship which may mean that the companies help each other out in the future. ✓

Sales and trends is a good way of measuring the impact of the marketing of Kellogg's because they can analyse their sales over a certain period of time, meaning if they have had a decrease in sales, they can fix it. They can fix it by looking at the sales patterns. However, like in the example provided they are able to measure the positive impact of a particular marketing campaign. ✓

Income.

Income is when businesses analyse the sales revenue that has been generated by the increase in sales. This is a very useful method but if it is used, for example in a promotional pricing campaign, it can be misleading, because this may create lower sales revenue and give the impression that sales have fallen due to the lower price. (P2)

Income is how much money a business makes, since Cardinal Hume is an academy, they make money off of how many pupils they have which is around £7 million, but it is not gained directly from the students, so again this is not the best method for Cardinal Hume to measure their marketing impact. However, Kellogg can look at the amount of income, total revenue sold from products, they have made and compare them to other companies or previous years of data Kellogg's have and see if their marketing is having an impact. ✓

From the information I have, I can tell that the income has increased by £155,000 and 64,800 units sold. This was because of the new marketing campaign they use, by using sales and income; they have evidence to show it was a success. Kellogg's would have the choice between measuring the sales or the income made. ✓

Awareness.

Awareness is how aware the customers are about the business and what it offers it may be hard for any business to see if they have grown or if they are declining, which is why the awareness of Kellogg's and Cardinal Hume is really important.

However, Cardinal Hume will know their customers or students as they will look for pupils in their age bracket, Catholics and students / parents who live close to the school. They have taken advantage of their knowledge of the target audience, they have used a marketing campaign to increase the pupils from other schools applying to year 7 and year 12 and they have had more pupils apply for the school over the past few years, they have also used other market methods such as billboards at Heworth and Gateshead metro stations promoting the sixth form and trainee teacher vacancies, the schools website, the DVD of the

Sixth form facilities for students and parents to see without visiting the school and the parents newsletter and the prospectus, which is sent to all Year 6 parents from primary feeder schools. Since they have started the marketing campaign, this shows that the school has really good awareness as pupils know the school and it is getting a better reputation. The school has used the Golden Medal roundabout to display a sixth form advertisement to inform pupils from Low Fell of the sixth form opportunities in the school, when they leave year 11 and look for a place in year 12. ✓

The Senior Business leader, Mrs Levy, told our class during an interview with her, that the school tried to measure the impact of their marketing through awareness. This was mainly due to the service that the school provides. The school measures their marketing by recording the attendance at certain events, for example, the Year 6 parents information evening was attended by over 700 people in 2016, which was app. 50 more than the total in 2015. In addition, they track the number of followers on social media and Mr Youd, the ICT technician, told us these had both increased since the marketing started in 2014/15. I have analysed the application figures for Year 6 and 12 as well as the trainee teachers in task M1. All three groups increased in the number of applications to Cardinal Hume after the launch of the marketing campaign which suggests that it had been effective. ✓

Kellogg's acknowledge awareness when they realised that their main target audience was on twitter and social media so they made a trend in which customers would take photos of themselves and friends eating Kellogg's cereal, it reached over 80,000 people and gained over 323,000 impressions served by its hashtags, in fact it was so successful they repeated it a second time where they have had a competition and the winner won 1 years' worth of crunchy nut chocolate cereal, it reached over 2.2 million hash tags meaning that a lot of people were talking about Kellogg and it wasn't just young people, it was on social media as it was such a huge campaign. As the campaign was so big, it would have made their sales all across age groups increase as there was a lot of people talking about Kellogg's which gave them a good word of mouth. The use of Twitter allowed Kellogg's to measure the impact of those marketing campaigns and see the customer awareness and this will be good for a business to see how people are discussing their products. (13) ✓

On the other hand, Kellogg's can look at postal areas of where a lot of their potential customers live and send leaflets to the customers in the age range, who could have the opportunity of trying the new flavours, Kellogg's are aware of the areas where their potential customers live, this is shown when they sent out 907,435 bags branded by Kellogg's to customers who fit their target market. This meant that they could make sure that they are in their customers' thoughts when they think of cereal. Also, by Kellogg's doing this to their customers shows that target after their customers and it will give them a good brand name for giving out nearly 1 million bags of free Kellogg's. There second stage of their awareness was sending the customers who opted in for a free box of Crunchy Nut Oat Granola. This is another way in which Kellogg promote their products to their customers as they are giving them free cereal. ✓

The best impact of their marketing for Cardinal Hume is awareness, they don't focus on how much they sell and they focus more on where their potential customers/pupils live so they

can see promotion methods like the Golden Medal roundabout and the Heworth metro advertisement. Cardinal Hume carry out marketing to try and make sure that they get more pupils and trainee teachers, this is important for Cardinal Hume as the more pupils they have, the more money they get which they can spend on the school. With the money they get from the number of pupils they can buy equipment and build new extensions for the school to expand the school so they can teach more pupils and keep getting more income for more pupils. ✓

The best impact for Kellogg's would be sales and trends, this is because they can see patterns in the market and change their product to fit the patterns, if the majority of their target audience are starting to eat healthily, then they can add in a new flavour which is healthy and is different to their competitors. From my research, I have seen that Kellogg's have had an increase of 64,000 units sold. This information shows that Kellogg's have had more sales due to the campaign, if they hadn't of used sales and trends to measure the impact of their door drop campaign, they may not have known how successful it had been, although awareness has also proved useful for the company as I have explained in the task and measuring income is also an option for them. I think because of the size of Kellogg's they are able to run different marketing campaigns which many smaller businesses would not be able to afford. The difference in the two businesses shows how differently they both measure the impact of their marketing. ✓

P3-pass ✓

Commentary

Why the work met the criteria

The P1 evidence shows a sound understanding of the marketing function. The evidence shows an understanding of the relevant teaching content (1.1) and has applied this to an organisation (Kellogg's®) although this is not a requirement. Some aspects are weak, such as the statement that the marketing function covers the 4Ps, which are identified but not defined, but the evidence does demonstrate some understanding of each aspect of the marketing function.

The P2 evidence focuses on the benefits of conducting market analysis. The relevant command word is 'describe' so it is sufficient for learners to identify and then show they understand the meaning of these benefits. Some of the evidence uses reverse arguments (e.g. it describes potential drawbacks of not using market analysis) – this is acceptable). There is however limited description of the activities that market analysis would entail (e.g. no examples of market mapping, such as Boston matrix®, are covered).

The P3 evidence includes two contrasting organisations (public sector not-for-profit and private-sector for-profit). A range of indicators that are used to measure the impact of marketing activity are discussed. The evidence does explain how the indicators are used to measure impact but some aspects are more descriptive, for example the discussion of sales and trends for Kellogg's®.

How the work could be improved/strengthened

For P1 a more detailed statement of the marketing function could be supplied, for example addressing the 4Ps in more detail. The P2 evidence should show a greater understanding of the techniques of market analysis. For example, specific methods of market analysis could be introduced before their benefits are described. The P3 evidence might benefit from more detailed and focussed explanations, for example by explaining how the indicators are calculated and what the information would tell the organisation about the extent to which the marketing campaign is a success.

Other resources that may be useful

Chartered Institute of Marketing: <https://www.cim.co.uk/>

Alternative formats that the work could be produced in

A briefing guide for new entrepreneurs could be produced. This will explain to new small business owners why they should take marketing seriously.

A training guide for a new employee in a marketing department could also be produced.

LO1 Understand the role of marketing in businesses – Merit

M1: Analyse the impact of a particular marketing campaign run by a specific business

Introduction

- In 2014, John Lewis unveiled that year's iteration of its annual Christmas advertisement as part of its marketing campaign; for 2014, the campaign was focused around the story of 'Monty the Penguin', which followed the story of a boy and his eponymous friend/pet Monty, who is eventually revealed to be a stuffed toy. The campaign garnered significant public attention, which helped to increase John Lewis' sales during the Christmas period; John Lewis had been failing up to this point, so the business needed a way to drastically increase their sales for the Christmas season. In this presentation, I will be examining the effects the 'Monty' campaign had on John Lewis' sales, income and awareness during this period, and state whether or not the campaign was a success for the company.

Sales

- Given that the marketing campaign was focused around the theme of Christmas, a sales trend was created as a result, in which items related to Christmas had increased sales compared to other items; the most notable example of this is merchandise that was directly related to the marketing campaign- reportedly, 48,000 toys of the penguin mascots for the campaign, Monty and Mabel, had been sold overall; given their status as limited time items, the value of the toys had been increased significantly, as some had been seen being resold on eBay for values upwards of £500.

As a result of the Monty marketing campaign, sales for John Lewis had increased from the 2013 Christmas season to the 2014 Christmas season by 4.8%; this growth in sales was higher than the majority of its competitors at the time- for instance, the closest competitor, Next, had a growth in sales of only 2.9% for the Christmas season. The marketing campaign was also successful in selling merchandise to specific demographics- a notable example is families with young children; about 48,000 toys of the campaign's penguin mascots, Monty and Mabel, were sold- due to their status as a limited item, this helped to demonstrate the value of John Lewis as a brand within the United Kingdom.

However, due to the fact that the advertising campaign was only meant to last for the Christmas season, the affect that the campaign held on sales was only meant to last for a limited time; this will be due to the hype built by the campaign dying down over time, as sales generally tend to drop off by the end of the Christmas season, and there is no guarantee as to how many customers who went to John Lewis during the Christmas season returned after Christmas had ended. Another potential downside of the campaign that can be argued is that, due to the advertisement being mostly unrelated to the products that John Lewis sells, the hype around the campaign was focused more around the advertisement rather than John Lewis as a store itself; this is likely the reason as to why the sales growth for Christmas was only reached 4.8% rather than a higher percentage.

Income

- As a result of the marketing campaign, John Lewis' sales increased exponentially for the Christmas period, including reaching £179 million in sales within a single week- a first for the company in all of its 150-year existence. Like-on-like sales had reportedly increased by 4.8% from 2013's marketing campaign. Another example of the marketing campaign increasing sales is the return on market investment, which came in at 798%; the return for the marketing campaign was nearly 8 times the amount of money invested into the campaign- for comparison, the IPA database average for return on market investment in regards to marketing campaigns is only 195%.

As a result of the marketing campaign, the number of customers going into John Lewis stores had increased by 9% from 2013 for the Christmas season; this helped increase John Lewis' Christmas sales to record levels, with stores selling £179 million worth of products within a week. The marketing campaign would also help John Lewis receive new permanent customers- it is likely that a large number of people who shopped at John Lewis during the time the Monty campaign was on-going would remain permanent customers of the store. The advertising campaign was also a large success financially; the return on market investment was 798% against the IPA database average of 195%; the amount of money that John Lewis received from the campaign would go not only into marketing, in order to help finance future marketing campaigns, but also into other departments of the business.

M/

Awareness

- Given that, according to Wikipedia, the John Lewis Christmas advertisements have become a part of British culture, the Monty advert had been highly anticipated in the run-up to the Christmas period, with the advert being teased before making its TV premiere during an episode of the program 'Gogglebox', where it was reportedly seen by 4.3 million adults. Within the first 48 hours of the advert's premiere, the number of 'tweets'- posts on the social media platform Twitter numbered at around 120,000- the closest competitor, Sainsbury's, numbered at only around 23,000 with the first 48 hours of its advertisement. The advert reportedly received around 29 million views across all social media channels, with the largest portion being 22 million views on YouTube.

As a result of the marketing campaign being teased, there was a large amount of anticipation for the release of the main video, which can be seen from the view count on YouTube; two versions of the video were posted on an unofficial John Lewis YouTube channel- the first around the time of the marketing campaign itself in 2014, and the second a re-upload from 2016, both of which gathering a combined total of over 1 million views- given that the official John Lewis YouTube channel has seemingly deleted the Monty campaign video from the channel, it would seem almost impossible to tell how many views the original video actually obtained, alongside the like/dislike ratio. However, the like/dislike ratio on both re-uploads of the video on the unofficial channel are extremely positive, with 'likes' ranging in the thousands while 'dislikes' remain at below 100, suggesting that the popularity of the Monty marketing campaign from 2014, while greatly diminished after nearly three years since the launch of the campaign, remains to this day.

Commentary

Why the work met the criteria

The evidence is relatively brief, possibly as a result of the presentation format used. There is a focus on analysing with respect to sales and income but the discussion of awareness is weak as the impact on the business of increased awareness is not discussed. For each aspect some relevant data is presented together with an explanation of its significance for the organisation. Some explanations are weak however, for example the discussion of return on marketing investment.

How the work could be improved/strengthened

The analysis of impact on the organisation could be more detailed and comprehensive. For example the discussion of Awareness does not discuss the impact on the business of increased brand awareness.

LO4 Be able to validate and present market research findings – Pass

p8 met

Market research findings for Office lunches

introduction

Elizabeth Brentley, a sole trader owns a small business called Office Lunches. Office Lunches is an organisation where businesses could pre-order food to be made freshly that day and delivered to the offices for employees to enjoy. Elizabeth wants to ensure that she increases her numbers of loyal customers. With the hope that these customers recommend the business to other offices, thereby resulting in a much larger output of orders on a daily basis in order for the business to succeed. Elizabeth would like some direct information and advice.

Research objectives

I used market research to gather important information about a current market to gain knowledge and understanding to make their business grow. Market research means the action or activity of gathering information about consumers' needs and preferences. I am carrying out this research project for Elizabeth Brentley to find specific information to make office lunches gain knowledge and grow. The consequences of a poor quality research project are that Office Lunches will be below the current market as the business will lack in knowledge and would be a waste of time as it will be a waste of time and money. The consequences to have a well-planned and delivered research project is that the information will help Elizabeth to improve her Office Lunches business and gain more customers.

Main findings

The competitor that is in the best location that would secure office lunches would probably Subway/ Costa because it is in the centre of town so there will be many customers, even though there's other competitors near it, it still gets more attention than any competitors outside of the centre. And have undertaken some secondary research on three potential competitors.

Product research:

In this table there are comparable products that the 3 competitors sell: (secondary research)

Product Descriptions	Product A	Product B	Product C	Product D	Product E
Morrisons	Chicken tikka	Macaroni cheese	Gammon, egg and chips	Toasted sandwich	panini
Greggs	Bacon (Roll)	Omelette (Baguette)	Bacon & Cheese Wrap	Mocha (Regular)	White coffee (regular)
Costa coffee	Flat white (primo)	Expresso Macchiato (Medio)	Hot Chocolate w/ cream and marshmallows (Primo)	Iced Latte (Massimo)	Belgian Chocolate(Primo)

Greggs has the worst range as they only sell pastries and cakes and the best range is Morrison's as they have a lot of food to choose from.

Price research

Product Prices	Product A	Product B	Product C	Product D	Product E
Morrisons	£5	£4.50	£4.75	£3.80	£3.90
Greggs	£1.75	£2.50	£1.65	£1.75	£1.50

Evidence

Costa coffee	£2.40	£1.80	£2.85	£2.15	£3.20
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The most expensive product in product A is Morrisons at £5 The cheapest in product A is Greggs at £2.40

The most expensive in product B is Morrisons at £4.50 The cheapest product ins costa coffee at £1.80

The most expensive in product C is Morrisons at £4.75. The cheapest is Greggs at £1.65

The most expensive in product D is Morrisons at £3.80 The cheapest is Greggs at £1.75

The most expensive in product E is Morrisons at £3.90 The cheapest is Greggs at £1.50

Overall Morrisons has the highest prices in their café and Greggs has the lowest prices.

Promotion research (secondary research)

Promotional Method	Morrisons (https://www.marketingweek.com/focus/morrisons/)	Costa coffee http://www.marketing91.com/marketing-mix-costa-coffee/	Greggs https://econsultancy.com/blog/63537-how-greggs-uses-facebook-twitter-pinterest-and-google/
TV and Radio	Well known for their Christmas adverts or any other holiday such as Easter.	Costa coffee have done several advertisements in the past and on the radio such as the famous advert with the monkeys.	They've done adverts with famous people such as comedians
Newspapers and Magazines	Morrison have done adverts in popular newspapers such as the daily express and the daily mail.	Costa coffee have done a fair amount of adverts in newspapers and magazines such as the daily mail	In newspapers such as the sun, daily mail etc.

P6 Evidence

As Evidence

Billboards and Posters	There has been loads of advertisements on Morrison on bus shelter boards and bill boards on busy roads	There have been a few advertisements in local towns and service stations	Have been advertised on billboards and lorries
Internet / Websites	Products from Morrison can be sold on other websites such as amazon and are on the occasional pop up ad.	You can buy Costa coffee packs on other websites such as Amazon	Have had pop up adds on the internet
Sponsorship and PR	Morrison have been sponsored by popular programs such as x factor and I'm a celeb	There has not been any sponsorships on TV ads but there has been a few but only on local football team kits.	Been sponsored by local football teams and universities.
Sales Promotions and Discounts	In competition with other supermarkets so they advertise that some of their items are lower than theirs.	Have been doing a fair amount of sales in the past few years and they do gift cards	Have given a lot of discounts
Loyalty Cards	Advertise their brand on the cards so people buy their products for cheaper	They give out loyalty cards a lot.	Give out loyalty cards for their coffees

✓ A02

Promotional Methods Used

Promotions is the part of marketing that specifically involves communicating company or product information to targeted customers. This is a key component of the broader marketing system, because it is what usually makes customers aware of you, attracted to your brand, interested in buying and ultimately, loyal customers.

✓ A01

Businesses use promotional methods by advertising on tv/radio, newspapers/magazines, billboards and posters, internet/websites, sponsorship and PR, sales promotions/discounts, loyalty cards, etc.

Greggs: Gregg's updates its Facebook page on a regular basis, though at certain times of the year it only posted a few items per month. Most of the recent content has focused on the company's various promotions and competitions, including a tie in with Fairtrade that allows people to win a trip to meet coffee farmers and the Greggs pasty roulette van.



Costa: Costa coffee used loyalty cards so every coffee you buy comes with a free card-based reward program enabling customers to earn points with every purchase that they can spend on any product in Costa stores nationwide, enabling customers to come back for more to gain more points. An advantage to loyalty cards is that it can improve the relationship with the customers. A disadvantage would be that there would be a decrease in products.



<http://www.makemoneyinlife.com/advantages-and-disadvantages-of-loyalty-cards.html>

Morrison: Morrison have been in a lot of sponsorship adverts on tv with popular programs such as the x factor, Morrison are in competition with other supermarkets such as Asda, Aldi, Tesco, etc., so they use loyalty cards to advertise that some of their items are lower than theirs. The advantage to this promotional method is that it attracts new customers and would gain profit. Advertising on tv can be very expensive.



<http://smallbusiness.chron.com/advantages-advertising-tv-3385.html>

Questionnaire (primary)

intro	I am doing a survey to gain information that will help a local business named Office Lunches which is a business that makes meals for customers and delivers to them whether they're at home or in their office. Please tick the boxes to the appropriate answer.
1.	Sex: female <input type="checkbox"/> male <input type="checkbox"/>
2.	How old are you? 15-25 26-36 37-47 48-58 59-69 70-80 81+ <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
3.	How far are you from the town centre? 0-1 miles 2-3miles 4-5 miles 6-7miles 8+ miles <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
4.	How many days in a week do you buy lunch from a catering business?

P6 Evidence

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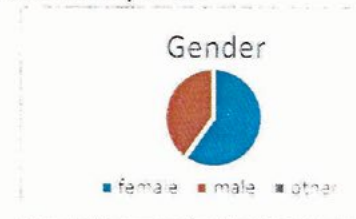
Evidence

	Yes <input type="checkbox"/> no <input type="checkbox"/> why? _____
14.	Do you use any other businesses? If so what and why? yes <input type="checkbox"/> no <input type="checkbox"/> business: _____ why? _____

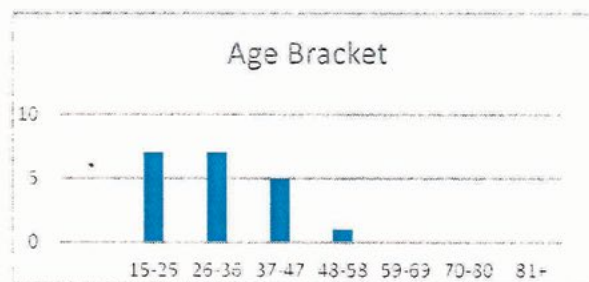
Primary research - Customer research

Questionnaire – for my questionnaires, I handed out 20 to friends and family and politely asked them to fill in all 14 questions and fill out the reasons why when necessary. once collecting them all back I then analysed the results. All the people I asked responded reasonably and truthfully which made it easier to analyse.

40% of the people who filled out the survey were male and the other 60% were female. From this I can conclude that my results will be easier to generalise to women as I have more samples from this gender.



The highest age group that was involved in my study were 15-25 and 26-36 year olds (70%) the lowest age group involved were 48-58 (5%). In conclusion the 48-58 year olds might be at a small percentage because I didn't ask many people over the age of 47 to take part in my survey which therefore might be the reason why there wasn't a high result or older people don't buy their lunch they just make their own at home.



The most popular distance to live from town is 2-3 miles away (50%) and the least popular distance from town was 6-7 miles away (5%). This drew me to the conclusion that more than half of people who participated in my questionnaire didn't live far away from town which means that they frequently go into town as it isn't that far.



I asked the people who took part in my survey how many days a week do they lunch 6 out of 20 people said they go 2 days a week and 6 people also said they go 3 days a week. This gives me a rough idea how many people will buy their lunch at office lunches a week.



Evidence

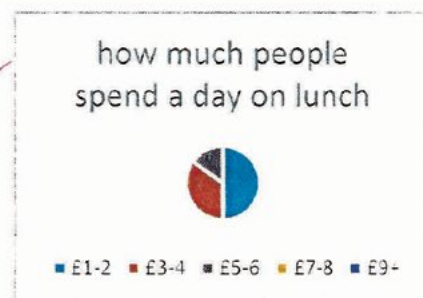
9 out of 20 people said that they usually buy sandwiches when they buy food. This gives me an idea of what would be a popular product to sell in Office Lunches.



75% of the people who took part in my survey said that they would use an app to order food and the rest said they don't this helps Office Lunches because they will know how popular their app will be.



In my survey I asked the people taking part how much they spend a day on lunch and 50% of them said they usually spend £1-2 a day. I asked them this question to help office lunches on how much each customer will on average spend a day.



5 out of 20 participants said that the most common promotional advert they've seen for food businesses was bill boards and leaflets, 8 out of 20 people said tv adverts and 3 people said other. This question can benefit Office Lunches because they would know what promotional method to use when they advertise their business.



How much would you spend a day on lunch?

Most people said they would spend £1-2 on their lunch, suggesting that Office Lunches should aim to keep their prices low to attract most people.

Value £	No. of responses
£1-2	10
£3-4	7
£5-6	3
£7-8	0
£9+	0

How much money do you spend in a week?

Most people said they buy lunch 3 or 4 days a week

No. days in a week	No. of responses
1	1
2	2
3	6
4	6
5	1
6	4
7	

Focus group (primary research)

For my focus group I asked 10 people what they personally think about the questions below and then analysed they thought all together as well, which is included below with the questions.

Distance from town centre- most of the people I asked said that they lived 2-3 miles away from the town centre, some people said that they do live more than 4 miles away but can easily make the trip into town to buy food or shopping as it's the nearest town to them.

Does it matter to you if the restaurant/café is in the centre of town, has car parking and has a short walking distance- most people were in agreement that they would prefer it if it had short walking distance so they don't have to go out of their way for something nice. Some people mentioned that it would be useful if there were food businesses where there isn't any at the moment such as housing estates.

Do you buy lunch? - most of the people I asked said that they buy lunch on the weekdays mainly as they are at work or school and rarely in the weekends.

How much would you spend on lunch a day? -most of the people that answered said that they usually spend around £1-2 a day.

Have you used any food apps before? -most of the people I asked said they have used apps to order food such as Dominoes.

Have you used any social media where you have seen adverts advertising food companies? - from the responses from most of the people I have asked, they have seen quite a lot of advertising on Facebook and shopping online.

Have you been to any other food companies? - nearly all of my responses said that they have bought food from other companies and usually it was Costa or Subway.

Evidence

Commentary

Why the work met the criteria

For P7 the evidence must refer back to the original market research proposal. The evidence gives a plausible judgement of the strengths and weaknesses of the market research methods used and also make suggestions as to how it could be improved. A useful tip for assessors is to review the P8 evidence first, assessing its suitability for the intended audience, then assess the research's strengths and weaknesses before studying the learner's own P7 evidence.

For P8 the evidence must consist of an appropriate method to present the market research findings. The evidence has used a report format to present the findings to the owner of the business and although the report does not address the owner directly, the evidence uses an appropriate format and method.

How the work could be improved/strengthened

A more detailed assessment could be provided. For example the market research brief could be used to identify success criteria for the research which could then be assessed in turn before an overall summary judgement is made.

Other resources that may be useful

Market research society: <https://www.mrs.org.uk/resources>

Keen as Mustard Marketing: <https://www.xero.com/uk/resources/small-business-guides/business-management/market-research-small-business/>

Alternative formats that the work could be produced in

A marketing proposal for an existing business: presented as a written report.

A marketing proposal for an existing business: presented as a verbal presentation supported by slides, speakers' notes and handouts.

A review of the market research that a third party has obtained could be presented. The review will include a summary of the main findings the data has generated together with a critique of the methods and results together with proposals for actions a business could take as a result of the research obtained.

LO4 Be able to validate and present market research findings – Merit

A3

M3: Based on assessment of own market research findings recommend improvements or additional market research requirements

In my proposal, I stated that I would undertake market research on the use of apps for ordering food; this research was undertaken with the purpose of aiding Office Lunches in determining whether the development of an app through which customers can order food would increase Office Lunches' sales. My research included both primary and secondary types of research, which I used in order to obtain as much relevant data as possible. On assessment of my research and findings, I have discovered several flaws within both my primary and secondary research that affect the validity and effectiveness of the findings, alongside any suggestions made as a result of these findings. In this document, I will present and assess these flaws, alongside methods through which Office Lunches can use in order to increase the effectiveness of any further market research; not only would these likely make the findings of the research more relevant to the aims of Office Lunches, but any suggestions made from these findings would likely be more effective in raising sales for Office Lunches.

While I believe the primary research I have obtained to be reliable and valid enough to provide suggestions for Office Lunches, I believe that, as a result of time and budget constraints, the data is not as reliable as one would desire it to be. For instance, due to time constraints, the sample size was reduced from 100 respondents to only 50; while this sample resulted in the survey being quick to complete, and making the data easier to compile into graphs and reports, the low number affects the validity of the data, as 50 respondents are normally an insufficient amount for this type of primary research- for surveys, the desired number of respondents is normally within the range of 100 to 1000 responses. Time constraints also caused the length of the survey to be restricted, as the survey was completed in four hours- specifically, during a two-hour lunch period across two days in a specific area of Manchester; this resulted in many of the same respondents from the previous day being encountered during the second day, overall limiting the number of potential respondents on the second day. To prevent such issues in future research, removing the time constraints- or, at least, allowing for a longer time limit- allows for the research to be done over a longer time frame- such as over many days or even many weeks- and in different areas; as a result, a greater range of respondents on each day of the survey, which minimises the risk of potential result repetition. Lessening the time constraints also allows for a higher number of respondents to answer the survey, which increases the validity of the data collected as a result.

While I believe the results I have gathered from my primary research are valid to the research, there were some areas of improvement that could be made to the questionnaire itself, alongside the method through which the data was collected, that can be improved

n3

when undertaking further research; for instance, while my proposal stated that I would use both qualitative and quantitative research, the only question that could possibly count as assessing qualitative data would be the sixth question, which queried takeaway preferences- and even then, the responses could be tallied and compiled into a graph, arguably making this question more quantitative than qualitative. In addition, this question was not necessarily relevant to the main aim of the market research, which was to determine whether or not an app to order from Office Lunches would be a viable solution to increasing sales. In future research, a way to improve upon this shortcoming is to include more qualitative questions on the questionnaire that would be relevant to the market research aims. The number of questions could also be improved upon; given that the questionnaire consisted of twelve questions, this made collecting answers somewhat tedious due to the amount of time spent answering the questions- the number of questions would have also likely made the respondent annoyed, as they would want to spend as little time answering the questionnaire as possible. As a result, it is possible that some answers to the questionnaire were made up in order to return to their previous task as soon as possible. In future research, it may be worthwhile to reduce any questions that seem repetitive into one question in order to reduce the amount of time spent on the questionnaire, which would likely make potential respondents more willing to answer the questionnaire. There were also some issues with the collection of the data itself; as a result of the lack of a budget, conducting the survey was time consuming as I was the only one collecting answers. Due to time constraints, this was also why only 50 responses were collected instead of a more desirable 100 responses. In future market research, providing a budget would allow for the hiring of a team to conduct the survey in my place; not only would this cause the target number of responses to be obtained at a faster rate, but would also allow for the target number of respondents to be higher- hiring a team would also allow for the survey to be conducted over a wider area, which would decrease the likelihood of obtaining duplicate responses.

Another method of improving any further research would be to include different methods of obtaining data, either in place of or alongside a questionnaire; during my primary research, I was restricted to only utilising questionnaires, which limited the types I could obtain from the survey. In addition, the data from my questionnaire was somewhat hampered by the fact that some of the respondents were unemployed- a result of the random sampling method used when obtaining responses; given that the target audience for Office Lunches are white-collar workers, having some of the respondents be unemployed renders data from those respondents mostly irrelevant to the objectives of the market research. Future research could include interviews with potential respondents, or more observational methods, such as focus groups. Another option for obtaining the data would be to post an online questionnaire; by placing a questionnaire on a large social media platform, such as Facebook or Reddit, a large number of responses can be obtained in a short amount of time. However, unlike questionnaires, observational methods for collecting

M3

data would need to be pre-arranged with any potential respondents, which would likely result in less overall respondents when compared to using a questionnaire to collect results. The online questionnaire would likely also retrieve responses from respondents outside of the area where Office Lunches operates, including international respondents. The best option when undertaking an online survey would likely be to post the survey on a Facebook account specifically for Office Lunches; however, it is likely that only customers of Office Lunches would actually see the questionnaire if it was posted to Facebook, which might create some bias in the responses.

In regards to secondary research, I found the data I had uncovered to be minimal and somewhat lacking; the data I found in the investor reports for Just Eat and Domino's was too general, and not specific enough for the main aim of the research. While other sources for secondary data were available, such as third-party reports by market research organisations or in trade publications, most of these reports were locked behind a paywall, such as a one-time purchase for the report or a subscription to the trade publications; due to a lack of budget, this resulted in these sources of data being unattainable for me. Having a budget during further market research would allow for these reports to be utilised as a viable source of secondary data; however, due to the fact that most reports cannot be previewed prior to purchasing, there is a risk of the report not containing the information required, which would render the report unusable or invalid for the main aims of the research.

Commentary

Why the work met the criteria

This evidence meets M3 because the suggested improvements are justified with reference to the weaknesses in the market research methods used that the learner has previously identified.

The recommended improvements to the primary research are detailed although the improvements suggested to the secondary research are less plausible and less well justified.

How the work could be improved/strengthened

The suggested improvements could be more systematically justified, for example by returning to the market research proposals and explaining how each suggested improvement would lead to more valid research results than the ones actually obtained.

LO4 Be able to validate and present market research findings – Distinction

Business Studies CTEC 2016

D2: Recommend and justify marketing decisions that the business could take.

From the market research I have done for office lunches that I have performed I will recommend and justify what marketing decisions Office lunches should make. These will cover a wide range of things.

Judging from my market research I suggest that the prices you set for meal (this should consist of a well-made sandwich, packet of crisp, a desert and snack which is handpicked by the consumer) should be around £4.95 and label that as a meal deal. The reason why I chose this price is because other companies such as Deliveroo (as mentioned in P6) their prices vary from £3-£13. However the meals on average cost from £6.75- £8.55. This is very expensive and from my survey I gathered that people are not in favour and agree that spending over £5 is classed as expensive. Doing this will allow you take advantage and help you gain more customers as what you're selling is good quality stuff for a cheap price. (Similar to what Aldi do). In addition it's just under £5 making the customer believe (psychologically) that the price is really cheap.

In addition you also need to create a price for the app that you make and for that the price should be £0.00 (free). This is because (psychologically) people tend not to buy ordering apps if they have a price, they rather order it online. However they will buy it for free and will use it effectively.

Furthermore, from my market research I recommend that the products you sell should vary from:

- Sandwiches (varied)
- Pasta (varied)
- Salad (varied)
- Wraps (varied)

The reason why I chose a limited amount of products is because if you sell a wide range of products standards start to slip for e.g. sandwiches are not made up to a good standards because more time is spent on making burgers and etc. In addition based on my research other companies are starting to do a more healthy diet selection of food (such as salads and etc.) doing this has helped the company gain a huge profit. This shows that majority of people are looking for the healthier option. Also you need to be able to understand the product portfolio and being able to use product development (Ansoff's Matrix). So in the future, in the existing market you're in try and produce new products such as a selection of hot meals (as most other companies deliver hot meals) or even prepared drinks such as hot chocolate or coffee. In addition the other products that you have to take into consideration will be things such as the app you will produce and the features it should have. In addition you should also introduce some loyalty schemes. You could produce a thing such as 'three Friday' (so for every three days you order food, the Friday that you get your fourth lunch, the meal deal will be £3.00) or premium memberships where they get huge discounts if they pay a subscription fee.

Business Studies CTEC 2016

Due to the market research, big delivering food companies such as Deliveroo and Grubhub are only based more southern of the UK covering places such as London, Leicester, Oxford and even Nottingham. They even cover some parts of Manchester. JustEat (another competitor deliver everywhere but they are limited in areas within the north such as Liverpool, Wales, Manchester, Newcastle and Glasgow. Through the thorough market research I would suggest that you base your company in Liverpool, Chester (North Wales) and Newcastle. This is because there is less competition in that area allowing you to dominate and benchmark in these areas.

Creating an app is not essential but it will be very useful and very helpful if you produce one. Based on research JustEat and Deliveroo have an app and many people use that app. The features of the app are very simple and easy to use and the transaction methods are very simple to use. People like to use app as it is an efficient way of saving time, in addition the majority of people in this era are more text savvy based. Creating this app will also help the companies increase their sales. For e.g. Domino's Pizza in 2011 had 5% shares. When they created the app in 2014 their sales increase massively to having a sales percentage of 19%. This was all due to them being able to expand the online business.

The market research I have, shows that advertising on TV costs millions which is too expensive for your company. In addition not many people see advertisement on television as this generation is really text savvy so more time is spent on phones. However 30 million people will see an advertisement on bus per week. This is still an expensive manner costing thousands of pounds. I suggest that Office lunches should utilise Banners and leaflets. This is because many people will notice banners but also leaflets. These are cheapest methods and most affordable for office lunches. They range from £30 to £100 for banners. Leaflets are significantly cheaper as you can get 5000 leaflets for £41.66 by VistaPrint (http://www.vistaprint.co.uk/customflyers.aspx?xnav=NVHP_FeaturedProducts_Single_4_cta0). In addition I would advertise the banners and leaflets around most office areas such as like solicitor's offices and etc. or places where business have a large amount of employers that work in some sort of office or work environment. This is because these are your target audience.

Before we started the market research your target audience was aimed at both female and male who worked at an office environment but also where roughly aged 18 – 48 that are interested in buying lunches. From the research I have done I would recommend that you stick to the same target audience. This is because if you try to diversify and expand your target audience (as mentioned before) standards will start to slip and the products quality won't be good as you are trying to satisfy every target audience needs.

From my research I have gained a lot of information about market segmentation. For office lunches to be able to do well in the circumstances they need to be able to market segment so they can do well as a business.

Psychographic: here you're looking at customer's lifestyle, working class, attitudes. For this based on my research (as mentioned before) many people are looking for a healthy lifestyle. But in addition many people are becoming more celiac (allergic to gluten). Plus there are

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religious reasons meaning certain foods can't be eaten. So office lunches want to offer wide menus (for the products mentioned in products) to be able to appeal to a huge range of customers. This will help office lunches become popular as they are versatile to suit many needs.

Behavioural: This is looking at things such being ready to purchase or even loyalty schemes or benefits sought. Based on my research for marketing I noticed that customers like a value for their money and often like to buy things cheap. So (as mentioned before) I think Office Lunches should sell a meal deal (bundle sales) for £4.95 (mentioned and justified in price)

Demographic: This is looking at who the target audience is and how to choose the target audience. In here Office lunches would look at the age, gender, occupation and their socioeconomic groups. Based on the research I have conducted, I suggest that the target audience for office lunches would be *'people who work in an office/work environment age 20+'*. I chose this because based on my research many people who tend to order are working class people that work in an office/work environment. In addition those people are usually age 20+ which shows they can confidently make money transaction which is backed up by their pay. In addition the name of the company 'Office Lunches' appeals to those who work in that type of environment.

Geographical: This segment focuses on usually the area you want to target and the customers in that area. So this would look at the location and the region plus of the area if rural or urban. Based on the research I have done areas such as London, Nottingham and Leicester and etc. delivery companies are based there and can deliver their food to pretty much anywhere in that region. Although them cities are urban areas and have good infrastructure meaning that the companies can make good profit of them areas it is not a good idea for Office Lunches to base in that area. This is because office Lunches is a small company they will struggle to compete against the bigger companies such as Deliveroo or JustEat. Therefore, as mentioned before, I suggest that Office Lunches should be based in Liverpool. This is because Deliveroo and JustEat have little to no service on this area but also that it is an urban area. Because it is an urban area it has a lot of working areas and offices and etc. that office lunches could survive off.

Using these market segmentations for office Lunches would help you be able to have better opportunities for growth; retain more customers; enhance the profits for office lunches and to be able to better match the customers' needs.

Although I have suggested these ideas due to my research, you still need to be wary about competitors but also how you would deal with them. All the decisions I have made for Office Lunches have helped to deal with competitors that Office lunches would face. However here, due to my research I will conduct on how to deal with these competitors. In my research the main competitors to office lunches are Deliveroo and JustEat.

In order to be able to gain advantage against your competitors, Office lunches need to make a better value product or same value products as competitors but make it cheaper (established above if want to gain more info). This would be to make your prices around £4.95 (as mentioned before) the main reason for this is that it is cheaper than Deliveroo and

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JustEat. In addition I have stated that Office Lunches should base their company in Liverpool as the Deliveroo don't do deliver in this area but also JustEat are limited to the areas they can serve in Liverpool so it gives Office Lunches a good chance of doing well in that area. One question we need to ask is "Is Office Lunches able to compete and do well against Deliveroo and JustEat?" to that question I would say no. this is because office lunches is not well known and would struggle however as Deliveroo and JustEat keep on expanding in both popularity and market sales. However Office Lunches should focus on the areas that these two big companies lack in and start to focus on them. When the company starts to develop then it is where you where you would start to compete against them (like Aldi did to Tesco and Asda). The main priority is (due to the research results) there wasn't really any companies provided similar service as Office Lunches, Deliveroo and JustEat. This is a benefit for Office lunches and shows how the other companies lack the intelligence to use internet for the research.

Overall, for office lunches the best decision they should make is they should aim their products at people who work in offices and are aged 20+ as they are people who are more likely to order their lunches as they have the money to order it but less time to bring or prepare their lunch so they need to order it. In addition you should sell your meals at around £4.95 this is because over £5 is expensive and many people don't like to spend over £5. This is practically £5 but because it is slightly under many will think they are getting their money worth. Furthermore I think Office Lunches should create an app as it is very cheap but also it can help the sales increase rapidly as many people would use it to decrease the time they use ordering their food. Office Lunches should base their company in Liverpool as there are not many competitors in that area allowing you to have a high chance of doing well in that area. In relation to competition, I don't think that Office Lunches should face their competitors as their competitors are too successful and because of that Office Lunches wouldn't survive. I think for advertisement, Office Lunches should use things such as vista print and post them to offices as they are cheap and work effectively. Finally the products they sell should be sandwiches, pasta, salad and wraps. This is because these are common products that people eat for lunch, furthermore many people are looking to healthier diets and these follow them objectives. You should also include vegetarian and gluten free and etc. as many people are looking for Food Companies that provide that service.

Commentary

Why the work met the criteria

A range of plausible marketing decisions are made, these are justified with reference to the market research obtained as well as the learner's own understanding of the likely impact of the recommendations.

How the work could be improved/strengthened

A more systematic approach to the recommendations could be made. For example the evidence could list each recommendation in turn, then provide supporting evidence from the market research and also explain the likely impact of the change on the performance of the business.



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