

# Unit 1: Marketing

Learning hours: 60

NQF level 4: BTEC Higher National – H1

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## Description of unit

This unit aims to provide learners with an introduction to the fundamental concepts and principles that underpin the marketing process. In addition, it examines the role and practice of marketing within the changing business environment. This broad-based unit will provide all learners with a concise and contemporary overview of marketing, and give them the knowledge and skills to underpin further study in the specialist field of marketing.

## Summary of learning outcomes

**To achieve this unit a learner must:**

- 1 Investigate the **concept and process of marketing**
- 2 Explore the concepts of **segmentation, targeting and positioning**
- 3 Identify and analyse the individual elements of the **extended marketing mix**
- 4 Apply the extended marketing mix to **different marketing segments and contexts**.

# Content

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## 1 Concept and process of marketing

*Definitions:* alternative definitions including those of the Chartered Institute of Marketing and the American Marketing Association, satisfying customers' needs and wants, value and satisfaction, exchange relationships, the changing emphasis of marketing

*Marketing concept:* evolution of marketing, business orientations, societal issues and emergent philosophies, customer and competitor orientation, efficiency and effectiveness, limitations of the marketing concept

*Marketing process overview:* marketing audit, integrated marketing, environmental analysis, SWOT analysis, marketing objectives, constraints, options, plans to include target markets and marketing mix, scope of marketing

*Costs and benefits:* benefits of building customer satisfaction, desired quality, service and customer care, relationship marketing, customer retention, customer profitability, costs of too narrow a marketing focus, total quality marketing

## 2 Segmentation, targeting and positioning

*Macro-environment:* environmental scanning, political, legal, economic, socio-cultural, ecological and technological factors

*Micro-environment:* stakeholders (organisation's own employees, suppliers, customers, intermediaries, owners, financiers, local residents, pressure groups and competitors), direct and indirect competitors, Porter's competitive forces

*Buyer behaviour:* dimensions of buyer behaviour, environmental influences, personal variables — demographic, sociological, psychological — motivation, perception and learning, social factors, physiological stimuli, attitudes, other lifestyle and lifecycle variables, consumer and organisational buying

*Segmentation:* process of market selection, macro and micro segmentation, bases for segmenting markets ie geographic, demographic, psychographic and behavioural; multivariable segmentation and typologies, benefits of segmentation, evaluation of segments and targeting strategies, positioning, segmenting industrial markets, size, value, standards, industrial classification

## 3 Extended marketing mix

*Product:* products and brands — features, advantages and benefits, the total product concept, product mix, product life-cycle and its effect on other elements of the marketing mix, product strategy, new product development, adoption process

*Place:* customer convenience and availability, definition of channels, types and functions of intermediaries, channel selection, integration and distribution systems, franchising, physical distribution management and logistics, ethical issues

*Price:* perceived value, pricing context and process, pricing strategies, demand elasticity, competition, costs, psychological, discriminatory, ethical issues

*Promotion*: awareness and image, effective communication, integrated communication process — (SOSTT + 4Ms), promotional mix elements, push and pull strategies, advertising above and below the line including packaging, public relations and sponsorship, sales promotion, direct marketing and personal selling, branding, internet and online marketing

*The shift from the 4Ps to the 7Ps*: product-service continuum, concept of the extended marketing mix, the significance of the soft elements of marketing — people, physical evidence and process management

#### **4 Different marketing segments and contexts**

*Consumer markets*: fast-moving consumer goods, consumer durables, co-ordinated marketing mix to achieve objectives

*Organisational markets*: differences from consumer markets, adding value through service; industrial, non-profit making, government, re-seller

*Services*: nature and characteristics of service products — intangibility, ownership, inseparability, perishability, variability, heterogeneity — the 7Ps, strategies, service quality, elements of physical product marketing, tangible and intangible benefits

*International markets*: globalisation, standardisation versus adaptation, the EU, benefits and risks, market attractiveness, international marketing mix strategies

## Outcomes and assessment criteria

Outcomes	Assessment criteria for pass <b>To achieve each outcome a learner must demonstrate the ability to:</b>
1 Investigate the <b>concept and process of marketing</b>	<ul style="list-style-type: none"> <li>• compare alternative definitions of marketing</li> <li>• identify the main characteristics of a marketing oriented organisation</li> <li>• explain the various elements of the marketing concept</li> <li>• identify and assess the benefits and costs of a marketing approach</li> </ul>
2 Explore the concepts of <b>segmentation, targeting and positioning</b>	<ul style="list-style-type: none"> <li>• identify and explain macro and micro environmental factors which influence marketing decisions</li> <li>• propose segmentation criteria to be used for two products in different markets</li> <li>• outline the factors which influence the choice of targeting strategy</li> <li>• explain how buyer behaviour affects marketing activities in two different buying situations</li> </ul>
3 Identify and analyse the individual elements of the <b>extended marketing mix</b>	<ul style="list-style-type: none"> <li>• describe how products are developed to sustain competitive advantage</li> <li>• explain how distribution is arranged to provide customer convenience</li> <li>• explain how prices are set to reflect an organisation's objectives and market conditions</li> <li>• illustrate how promotional activity is integrated to achieve marketing objectives</li> <li>• analyse the additional elements of the extended marketing mix</li> </ul>
4 Apply the extended marketing mix to <b>different marketing segments and contexts</b>	<ul style="list-style-type: none"> <li>• recommend marketing mixes for two different segments in consumer markets</li> <li>• explain the differences in marketing products and services to organisations rather than consumers</li> <li>• explain how and why international marketing differs from domestic marketing</li> </ul>

## Guidance

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### Delivery

For many learners this unit will provide their first contact with the main aspects of marketing theory. Delivery should emphasise that the marketing concept underpins the marketing process. Current trends, issues and innovations should be used to identify the application of marketing principles and techniques. In addition, case studies, visiting speakers and visits to other organisations could be used where appropriate to give practical relevance.

### Assessment

Evidence of outcomes may be in the form of written or oral assignments or tests, or by learners building a portfolio of evidence. The assignments may focus on real problems or case studies. Learning and assessment can be across units, at unit level or at outcome level. Evidence could be at outcome level although opportunities exist for covering more than one outcome in an assignment.

Learners should also have opportunities for peer and self-assessment in order to develop their skills in being responsible for their own learning and development.

### Links

This unit forms the basis of the Higher National Marketing pathway linking with other marketing units: *Unit 17: Marketing Intelligence*, *Unit 18: Advertising and Promotion*, *Unit 19:*

*Marketing Planning* and *Unit 20: Sales Planning and Operations*. There is also a link to *Unit 4:*

*Business Environment* in the areas of stakeholders, effects of demand elasticity on pricing and external market factors. The unit also provides links to *Unit 30: Internet Marketing* and *Unit 50:*

*Contemporary Issues in Marketing Management*.

### Resources

Learners should have access to a learning resource centre with a wide range of marketing texts. Texts should be supported by newspaper business sections, as well as trade journals such as

*Campaign*, *Marketing Week* and *Marketing*.

### Support materials

#### Textbooks

Adcock D et al — *Marketing Principles and Practice 4th Edition* (Pitman Publishing, 2001)  
ISBN: 027364677X

Brassington F and Pettitt S — *Principles of Marketing 3rd Edition* (FT/Prentice Hall, 2003)  
ISBN: 0273657917

Jobber D — *Principles and Practice of Marketing 3rd Edition* (McGraw Hill, 2001)  
ISBN: 0077096134

Kotler P et al — *Principles of Marketing 3rd European Edition* (FT/Prentice Hall, 2001)  
ISBN: 0273646621

### **Magazines, journals and newspapers**

*Campaign*

*Harvard Business Review*

*Journal of Marketing Management*

*Marketing Review*

*Marketing*

*Marketing Business*

*Marketing Week*

*The Financial Times* and other daily newspapers which contain a business section and market reports

### **Videos**

*The Marketing Mix at Cadbury's* (1998, TV Choice)

*Marketing Decisions* (1998, TV Choice)

*What is Marketing?* (2001, TV Choice)

### **Websites**

[www.bized.ac.uk](http://www.bized.ac.uk)

provides case studies appropriate for educational purposes

[www.cim.co.uk](http://www.cim.co.uk)

The Chartered Institute of Marketing's site contains a useful knowledge centre

[www.ft.com](http://www.ft.com)

*The Financial Times* business sections

[www.marketing.haynet.com](http://www.marketing.haynet.com)

*Marketing* magazine

[www.thetimes100.co.uk](http://www.thetimes100.co.uk)

multimedia resources