TRANSITION TO SIXTH FORM TASK

FOLLOW US ON TWITTER: @lymmhigh6thform **WEBSITE:** www.lymmhigh6thform.org.uk

TRANSITION TASK

Learn key terms (from list provided).

Get organised! You will need a lever arch folder containing the specification and course companion (accessed from http://jhayes28.wixsite.com/lhsbusecon) with the password "tekkerst0wn". You will also need a set of dividers.

Watch the videos on the the website for "The Market" and "Market Research" and make your own set of independent study notes (A4 page for each).

KEY PRE-KNOWLEDGE TOPICS

1.1 Meeting Customer Needs
Introduction to marketing
The market
Market Research
Market Positioning
1.2 The Market
Demand
Supply
Markets and Equilibrium
Price elasticity of demand

Use the Edexcel Business text book or specification to start researching these topics.

KEY TERMS TO LEARN

See attached sheet

RECOMMENDED WEBSITES

http://qualifications.pearson.com/en/qualifications/edexcel-a-levels/business-2015

http://www.tutor2u.net/business

https://www.youtube.com/channel/UCe83jLdZ3PuqVwAHe6B3U2A http://www.bbc.co.uk/news/business

http://www.bbc.co.uk/search?q=wake%20up%20to%20money

http://www.ted.com/playlists/298/what_makes_businesses_work

https://www.ted.com/talks/richard_st_john

PLACES TO VISIT

No matter where you visit over the holidays we would like you to start thinking about these organisations from a business context. Consider who the customers are, what the customer needs are, how does the business communicate with customers, what will affect the demand, who the competitors are.

Museum of Brands
http://www.museumofbrands.com/visitus/#visit-info-1

'Featuring over 12,000 original items from the unique Robert Opie Collection, discover how well-loved brands evolved through their creative use of packaging and advertising.

The Trafford Centre. An amazing business idea, and really good to think about location for this shopping centre. Also have you noticed the 'containerisation' as you approach from Parkway? Have a look next time you visit, how would this fit in with business costs? Don't forget that whilst you are shopping, eating or watching a film at The Trafford Centre you are experiencing businesses in action and you can think about all of the areas mentioned already.

Tatton Park
http://tattonpark.org.uk/home.aspx

Think about business ownership for this National Park. Who benefits from having an attraction like this? Does it have a business model?

NECESSARY READING

Edexcel A Level Business, ISBN 9781471847769

A quality newspaper eg; The Times or The Guardian

A film to watch;

Kinky Boots (2005) – a failing shoe business that diversifies and explores issues such as redundancy, motivation, production operations.

BEYOND THE CLASSROOM

http://www.manchester.gov.uk/info/500138/central_library - Access to resources you can think about the above as the library is a public service.

http://www.ted.com/playlists/298/what_makes_businesses_work

https://www.ted.com/talks/richard_st_john_s_8_secrets_of_success#t-3253

Twitter accounts to follow: @LHSBus_Econ, @tutor2UBusiness, @BBCBusiness

1.1 Meeting customer needs	
Adding Value	the difference between the price of the finished product/service and the cost of the inputs involved in making it.
Ansoff's Matrix	A strategic model for helping a business analyse the relationship between general strategic direction and suitable marketing strategies
Average	A term for various measures of central tendency, including the mean, mode and median
Competitive advantage	Skills, competences, resources and other advantages that enable a business to out-perform its competition
Complement	Two complements are said to be in joint demand. Examples include fish and chips, DVD players and DVDs, iron ore and steel.
Composite demand	Where goods or services have more than one use so that an increase in demand for one product leads to a fall in supply of the other. E.g. milk which can be used for cheese, yoghurts, cream, butter and other products. If more milk is used for manufacturing cheese, ceteris paribus there is less available for butter
Correlation	A measure of how close the relationship it (positive or negative) between an independent variable and a dependent variable
Customer relationship management (CRM)	The process of building a long-term, profitable relationship between a business and its customers
Branding	A brand is a product that is easily distinguished from other products so that it can be easily communicated and effectively marketed. A brand name is the name of the distinctive product.
Demand	Quantity of a good or service that consumers are willing and able to buy at a given price in a given time period
Derived demand	The demand for a product X might be strongly linked to the demand for a related product Y – giving rise to the idea of a derived demand. E.g. the demand for steel is strongly linked to the demand for new vehicles and other manufactured products.
Diversification	The relatively risky strategy of trying to enter new markets with new products (from Ansoff matrix)
Dynamic market	A market that is effected by constant or regular change.
Extrapolation	The use of trends established by historical data to make predictions about future values
Growth rate	The percentage growth over a particular period. Market growth rates are typically quoted in terms of percentage growth per year
Innovation	**Innovation** is defined simply as a "new idea, device, or method".
Joint Supply	Joint supply describes a situation where an increase or decrease in the supply of one good leads to an increase or decrease in the supply of another by-product. For example, an expansion in the volume of beef production will lead to rising market supply of beef hides. A contraction in the supply of lamb will reduce the supply of wool.
Market analysis	The process of analysing the size, structure and growth of a market in order to support marketing decisions
Market development	A growth strategy where the business seeks to sell its existing products into new markets - e.g. exporting (from Ansoff matrix)
Market growth	An increase in the demand for a particular product or service over time.

A Level Business Studies Theme 1 – Marketing & People Key Terms

Market mapping	A study of various market conditions that is plotted on a map to identify trends and corresponding variables between consumers and products.
Market orientation	Business responds to customer needs and wants – designs products accordingly
Market penetration	A relatively low-risk growth strategy where a business focuses on selling existing products into existing markets (from Ansoff matrix)
Market positioning	Market position is defined by customers – the place a product occupies in customer minds relative to competing products
Market segmentation	the process of dividing the population of possible customers into distinct groups.
Market share	The proportion of a market revenue or sales volume that is captured by a business or brand
Marketing budget	Specific amounts that are allocated to activities in the marketing plan
Marketing plan	The actions that management intend to take via the marketing mix in order to achieve marketing objectives
Mass Market	(of products) produced and distributed in large quantities and intended to appeal to the widest range of consumers
Moving average	A calculation that takes a data series and “smoothes” the fluctuations in data to show a trend average
Niche Market	is the subset of the market on which a specific product is focused. The market niche defines as the product features aimed at satisfying specific market needs, as well as the price range, production quality and the demographics that is intended to impact. It is also a small market segment.
Online retailing	Selling via e-commerce (over the internet)
Primary Market Research	Data collected first-hand for a specific research purpose
Product development	A growth strategy where a business aims to introduce new products into existing markets (from Ansoff matrix)
Product differentiation	Product differentiation arises when customers perceive a distinct difference between your product and the alternatives provided by competitors
Product orientation	Product orientation is defined as the orientation of the company’s sole focus on products alone
Product positioning	The way in which the marketing function tries to create an image or identity in the minds of the target market
Quantitative data	Concerned with data and addresses question such as “how many?”, “how often”, “who?”, “when?” and “where?”
Qualitative data	Based on opinions, attitudes, beliefs and intentions Answers questions such as “why”? “Would?”, or “how?” Aims to understand why customers behave in a certain way or how they may respond to a new product or service
Repositioning	Changing the marketing mix for a product to appeal to a different market segment
Risk	Risk is the potential of gaining or losing something of value.
Sales forecasting	Techniques for estimating the likely demand (revenue and volume) for a product in future periods

Secondary market research	Data that already exists and which has been collected for a different purpose
Target market	The market segment or segments which a business is attempting to enter with the chosen marketing mix
Test marketing	Launching a new product or service in a limited part of the target market in order to gauge the viability of the product and assess the most appropriate marketing mix
Trend	A general direction in which something tends to move
1.2 Market	
Advertising	Advertising is a means of communication with the users of a product or service.
Branding	The process involved in creating a unique name and image for a product in the consumers' mind, mainly through advertising campaigns with a consistent theme.
Complimentary goods	A good or service that is used in conjunction with another good or service.
Costs of production	The costs related to making or acquiring goods and services that directly generates revenue for a firm.
Demand	Quantity of a good or service that consumers are willing and able to buy at a given price in a given time period
Demand curve	A demand curve shows the relationship between the price of an item and the quantity demanded over a period of time. For normal goods, more of a product will be demanded as the price falls
Derived demand	Derived demand occurs when the demand for a particular product depends on the demand for another product or activity
Effective demand	Demand in economics must be effective. Only when a consumers' desire to buy a product is backed up by an ability to pay for it do we speak of demand
Excess demand	The difference between the quantity supplied and the higher quantity demanded when price is set below the equilibrium price. This will result in queuing and an upward pressure on price
Demographics	the statistical data of a population, especially those showing average age, income, education,
External shock	An economic shock is an event that produces a significant change within an economy, despite occurring outside of it. Economic shocks are unpredictable and typically impact supply or demand throughout the markets.
Government subsidies	A subsidy is a benefit given by the government to groups or individuals usually in the form of a cash payment or tax reduction. The subsidy is usually given to remove some type of burden and is often considered to be in the interest of the public
Income	The flow of cash or cash-equivalents received from work (wage or salary), capital (interest or profit), or land (rent).
Income Elasticity of demand (YED)	Income elasticity of demand measures the extend to which the quantity of a product demanded is affected by a change in income
Indirect taxation	An indirect tax is a tax that increases the price of a good so that consumers are actually paying the tax by paying more for the products. An indirect tax is most often thought of as a tax that is shifted from one taxpayer to another, by way of an increase in the price of the good.
Inferior goods	For inferior goods, as income rises demand actually falls

Latent demand	Latent demand exists when there is willingness to purchase a good or service, but where the consumer lacks the purchasing power to be able to afford the product
Normal goods	Normal goods have a positive income elasticity of demand. Necessities have an income elasticity of demand of between 0 and +1. Luxuries have income elasticity > +1 demand rises more than proportionate to a change in income
Price Elasticity of demand (PED)	Price elasticity of demand measures the extend to which the quantity of a product demanded is affected by a change in price
Seasonality	is a characteristic of a time series in which the data experiences regular and predictable changes which recur every calendar year.
Substitutes	Goods in competitive demand and act as replacements for another product.
Supply	The total amount of a product (good or service) available for purchase at any specified price.
Total Revenue	Total revenue in economics refers to the total receipts from sales of a given quantity of goods or services. It is the total income of a business and is calculated by multiplying the quantity of goods sold by the price of the goods.