

START

1 The marketing mix consists of the 4P's. **State** the 4P's.

2 **Explain** how an understanding of the product life cycle could help Molly to develop her business.

3 **Define** the term mass market.

4 Molly has been told that she has a highly differentiated product. **Explain** to Molly what this means.

14 Molly is always looking to expand her sweet range and is particularly interested in stocking home made fudge and caramels. **Explain** how market research could help to inform Molly's decision.

BUSINESS PROFILE



The Sweetie Jar

Selling high quality retro sweets for all occasions

Initially selling and distributing from her home, to now opening her first shop, Molly's business idea has been an enormous success – a traditional sweetshop.

The aim of The Sweetie Jar is to provide its customers with the highest quality 'retro' sweets and toffees that are packaged to order to ensure maximum freshness. Molly prides herself on the unique packaging she creates, custom designed to meet individual requirements.

Prior to the store opening Molly relied on e-commerce to market her business and sell her sweets however she is finding that the methods used previously are not as effective when trying to attract customers to her store.



13 Now Molly has opened her first store, she believes it will bring many advantages to her business. **Explain** two of the advantages from operating via a more traditional distribution channel.

12 **Explain** two disadvantages to Molly from using a direct distribution method only.

11 **State** the three main distribution channels.

10 **Define** the term distribution.

9 Molly has designed a unique logo that is used on all of 'The Sweetie Jar' packaging, she feels this helps her to have a clearly identifiable brand. **Explain** two reasons why branding is important to a business, like Molly's.

5 The market for high quality traditional sweets is still quite a niche market. **Explain** two benefits to Molly from operating in a niche market.

6 Opening the shop has resulted in much higher overheads for Molly than she had operating from home. She thinks that she will need to increase her prices in the sweet shop to cover this. **Explain** two factors Molly should consider before raising price.

7 **Define** the term sponsorship.

8 Molly has relied heavily on e-commerce to market her business but now feels that her marketing strategy for the shop needs to be different. **Explain** two suitable methods of promotion for The Sweetie Jar.

MAKING MARKETING DECISIONS SUGGESTED ANSWERS

1 Product, Price, Promotion, Place.

2 The product life cycle has 4 main stages: Introduction, Growth, Maturity and Decline. Molly's business is currently in the growth stage as she is expanding her business and has opened a sweet shop. This is useful for Molly because as the business becomes more well established there will be opportunities for her to perhaps consider increasing price or expanding her range of confectionary.

3 A mass market involves the sale of products, in high volumes, to a wide target audience.

4 Product differentiation is the extent to which consumers see your product as being different from any rivals. If Molly has a highly differentiated product this means that through her design and packaging she produces something quite unique.

14 Market research can help Molly to see whether or not there would be demand for the new products before she invests money in expanding her range. It could also identify certain types of fudges e.g. particular flavours the customers prefer.

TIME TO REVIEW YOUR LEARNING...
List three content points that you are confident with and three that require some attention.

5 There will not be too much competition for Molly, which means she will be able to maximise her sales. Also, she may be able to charge a premium (high) price for some of her products and specialist packaging e.g. supplying birthday parties or weddings.

13 Molly can have product testing in her store to gain feedback and also to promote her products to her customers. Her customers have the chance to see her full product range and experience being in a traditional sweet shop.

| Confident with | Requires attention |
|----------------|--------------------|
| 1 | 1 |
| 2 | 2 |
| 3 | 3 |

6 The impact the price increase may have on demand, at the moment she is trying to attract customers to her store therefore increasing price may not be the best option. Secondly, customers may simply purchase from her online store and have the convenience of having the sweets delivered if it is cheaper for them to do so.

12 By using a direct distribution method, customers are unable to see, taste or smell the experience of being in a sweet shop, something that may lead to them buying more of her products. Secondly Molly does not have the opportunity to meet customers face to face and gain valuable feedback that could help inform future business decisions for her.

7 Sponsorship means paying to have your brand or company name attached to an activity that would perhaps relate in some way to your potential customers.

11 Direct, Modern, Traditional.

10 Distribution looks at the process by which the product goes from the producer to the consumer.

9 Branding involves giving a product or service a name that helps recall and recognition amongst customers. This is important to Molly as it helps customers to recognise her brand easily and hopefully encourages customers to return to Molly's business to buy more of her products.

8 Molly needs to consider other methods of advertising. This could be a leaflet drop in her local area – this is quite an inexpensive method. She could also consider using special offers to promote her products and to encourage customers to come back to her sweet shop.