

Business Studies Coursework

Number	Task	DATE DUE	DATE DONE
1	Write a brief definition of marketing.		
2	Write what sources you get the definition from.		
3	Draft a suitable questionnaire, which will give you your target market and products/ services the y require, and send them out.		
4	Explain why you produced a questionnaire, and state why you hope to gain from it.		
5	Discuss the various other methods of market research you could have used.		
6	<p>Visit a shop or shops similar to the type you have chosen to open, answer the following:</p> <ul style="list-style-type: none"> · The name of the shop, its type, and its aims. · Its location and how important you consider this to be with regard to shops success. · The range of goods/services it offers · Are there any ways in which its target market would effect the shops location, and the range of goods/services it sells? · State what affects the opening of your shop might have on the community and existing businesses. 		
10	<p>Take your completed questionnaires and:</p> <ul style="list-style-type: none"> · Review your market research - what information does the questionnaire data provide? · Discuss how your results will help you make decisions with regard to your business location, target market, pricing etc. · Discuss the effectiveness of this kind of survey, as you carried out, as it might be done in reality by a small business. · Discuss the main ways in which any business can promote and advertise its products/services and how legal constraints can affect how it does this. · Where possible get the costs for the promotion. This may affect your eventual choices of methods. · Give your conclusions and final decisions on the promotional and advertising methods you have decided upon. 		

Task 2

What is marketing?

There are many factors, which must be considered when marketing is involved. Marketing is a procedure used by businesses to make their products or services meet the requirements of the market, it is also used to make the market aware of them, and a way to know if the market wants to buy their product or service.

There are buyers and sellers everywhere. A market is used to bring buyers and sellers together so that an exchange of goods or services can take place at a price.

A market can come in many forms it can be outside on the streets, in a auction room, in newspapers which advertises goods and services for sale, over the telephone and many more. A market can only exist when some people want to buy and others wants to sell, so if there were no one to buy or sell a product or service then there would be no market.

In order to make a business successful, the business must have good marketing strategies. Before a person decides to set up a business, many decisions have to be made such as:

- What market segment do they want to be in?
- Are they market oriented or product oriented?
- Have they considered the four P's?

What is a market segment?

Market segmentation is a method of dividing up the market, into smaller subgroups. An example is that products like sports wear may appeal to one group like young people, while more formal clothes may appeal to older people. This means that the market will be broken up by age. This is very important when advertising, as different adverts will apply to different people in each group.

Product-oriented vs. Market-oriented business

A product-oriented business is when the product is produced first, then a market is found. Businesses rarely use this type of marketing. Companies that use this type of marketing, usually make basic products needed for life. In some cases though, a product must be made first before a person realises that they need it. This is normally the case when new technology is involved.

A market-oriented business is when a business will find what product people want and then sell it to them. This normally involves market research. This is where the business will identify what the customer wants. These types of business normally survive longer, as they are able to adapt to what the customer wants.

What are the four P's?

The factors involved in marketing a product can be grouped into four main categories:

- **Product:** this is considered as the most important out of the four P's, if the product is a success it is more likely that the business will also surely be a success.
- **Price:** this is an important factor, if the price is too much the business would not attract many customers, if the price is too low the business will not make as much profit. The best way to avoid such problem is to have a market oriented business.
- **Promotion:** the main element in Promotion is advertising. It is all about persuading people to buy their goods or services, to change people's attitudes or views, to make people think they are better off for a business or an organisation and to provide information maybe about the business so they get more popular.
- **Place:** choosing the right location is very important; product should be available where customers expect to find them, and when they need them. It includes methods of distribution and delivery to customers where appropriate.

These are known as the four P's. If businesses has the right product, price, place and have promoted them or their product correctly, then the business is surely to be a success.

A target market is a group of people for whom a firm creates and maintains a marketing mix that specifically fits the needs and preferences of that group. Choosing a target market is crucial for any business. When choosing a target market, we must:

- Evaluate possible markets to see how entering them would affect the company's sales, costs and profits.
- Determine that the firm has the resources to produce a marketing mix that meets the needs of a particular target market.
- Decide whether satisfying those needs is consistent with the firm's overall objectives.

The size and number of competitors already marketing products in possible target markets are also of concern.

Task 3

QUESTIONNAIRE

1. What gender are you?

Male
Female

2. What age category do you fit into?

0 – 12
12 – 15
15 – 20
20 – 30
30 – 40
40+
Elderly

3. How many times, if ever, would you use the Internet café?

Once a week
Twice a week
Three times a week
Four times a week
Five times a week
Six times a week
Every day
When appropriate

4. What would you do if you didn't have the Internet café available?

Use your pc if you have one
Use a friend's pc
Buy a pc
Nothing

5. Do you have any children that live with you and would use the Internet café?

Yes
No

6. Do you think you would use the café a lot?

Yes
No

7. Would you like food and drinks served at the Internet café?

Yes
No

8. What would you use the Internet café for?

Social activities
Chatting on the Internet
E-mail
Research
Just for the food and/or drink
Other

9. Would you consider travelling far to get to an Internet café?

Yes
No

10. What times would you prefer an Internet café to be open?

From 6am
From 9am
From 12pm
24 hrs

Task 4

Why did I use a questionnaire?

I chose a questionnaire to use for my marketing campaign because it provides me with a positive reaction to various questions asked with this type marketing campaign, the questionnaire helps in gathering information about what people want from the business, and it is very cost effective

A questionnaire is better than distributed leaflets, because these are normally disposed of immediately, whereas with a questionnaire the respondent is actually asked if they have time to fill one out immediately unless the company sends it through the post, so it will give better response.

From the questionnaire I am expecting to gather various information such as:

- What age group the customers fit into.
- How many times they would use the Internet café.
- How many customers would the Internet café have?
- What would the customers do without the Internet café being available?
- If the customers had children would they use the Internet café?
- How many customers would buy food and drink at the Internet café.
- What would the customers use the Internet café for?

Other methods of marketing could have been used, these include:

- Phone surveys
- Leaflets
- TV advertising
- Local newspapers

I think that the best method of finding out what the customer wants from a business is by the use of a questionnaire. This method is not only cost effective but also does produce a very positive reaction. The comments and reaction can be put into the business to give the customers what they actually want, and so the business that I choose is market orientated.

Task 5

Research on a similar business

A similar business to the business I am thinking of setting up is Easy Everything Internet, because they operate a similar type of business, but they are not in the location where I propose to set up. At the moment, the location where I want to set my business up is available and also there is no other Internet café's nearby,

An Internet café does not exist in the Holborn area, and I believe that if one were to open one, it would be very successful.

The target market for Easy Everything Internet is for people of all ages including children, as everyone needs to use the Internet.

The target market would influence where the shop is located. For instance it would be illogical to provide an Internet café in a quiet country village if you were targeting young people. The target market would influence what range of products the shop was selling, for example young people tend to enjoy more 'exotic coffee ranges' than older people. I think an Internet café is for all age categories because nowadays the Internet is an essential tool for communication.

I believe that when my café opens, it will attract customers away from other coffee shops and café's as my business will be not only providing food and drink but also entertainment.

Easy Everything Internet's aim is to keep customers happy, supply customers with good quality food and drinks. However their prices are quite expensive and not competitive. I plan to make my business based on competitive prices whilst providing excellent food and drink.

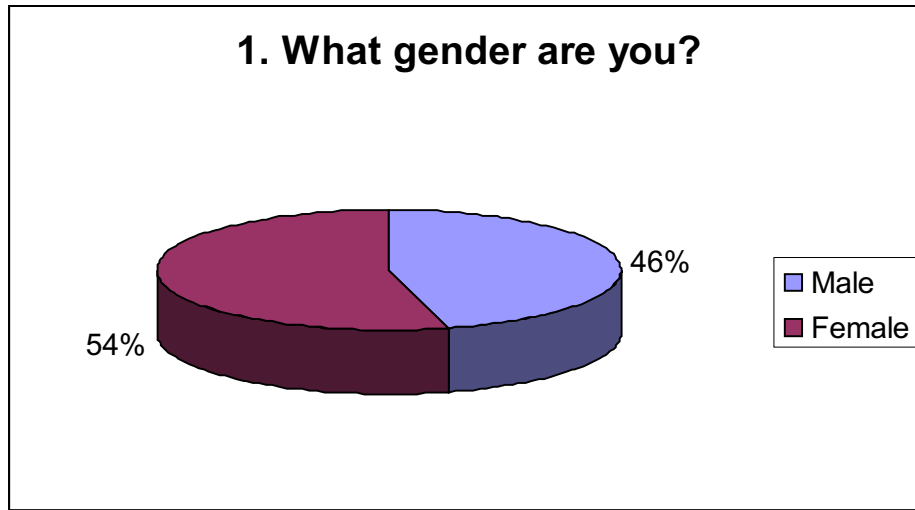
Easy Everything Internet is in Tottenham court road, which is the closest to Holborn, apart from one in Southampton Row.

Easy Everything Internet offers a wide variety of teas, coffees, other hot drinks, sandwiches and soft drinks. Which all is provided from a fast food restaurant called 'Subways' they are specialised in sandwiches.

Easy Everything Internet also offers surfing time, however I think it is very expensive, I tend to keep prices low, as this will help me compete more effectively.

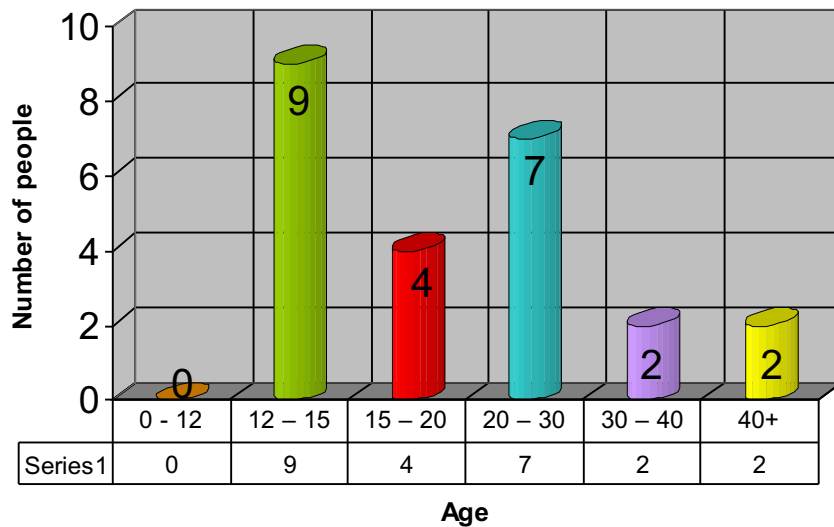
Task 6 - Questionnaire Results

1. What gender are you?



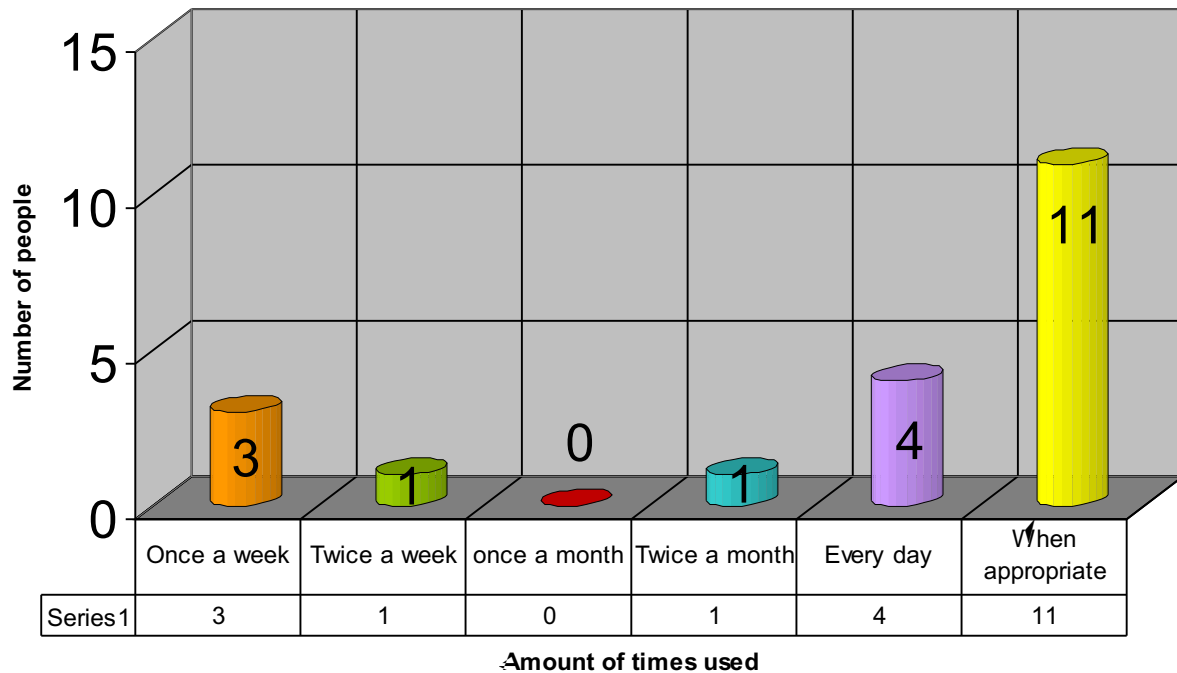
This information is I think irrelevant to my type of business, because gender does not have an affect on who uses an Internet café. I will not be considering this information when setting up my business.

1) What age category go you fit into?



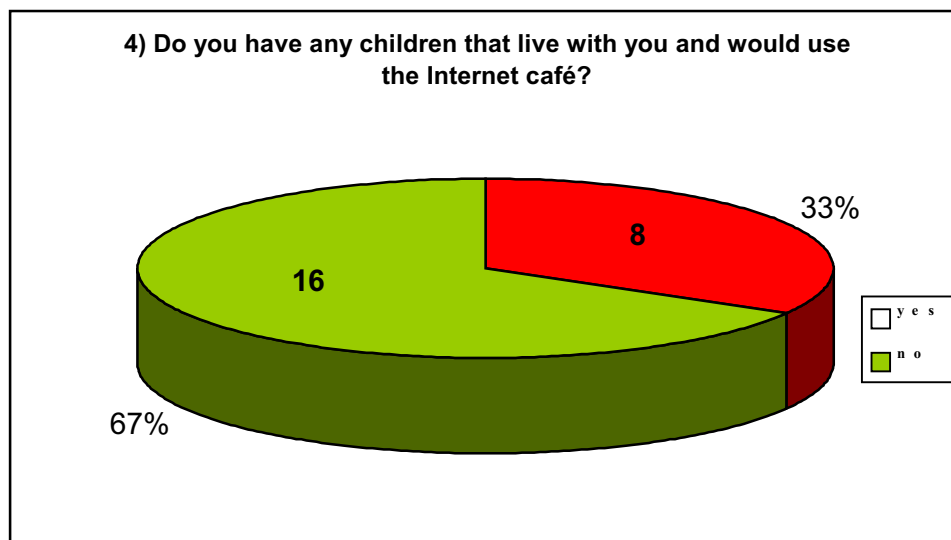
From this graph I can see that the majority of people who answered my questionnaire were people aged between 12 – 15. However, I do not think that this information is important to the type of business I intend to set up. I think that age is not a restriction when using an Internet café as people of all age can make use of it.

2) How many times, roughly, would you use the Internet cafe?

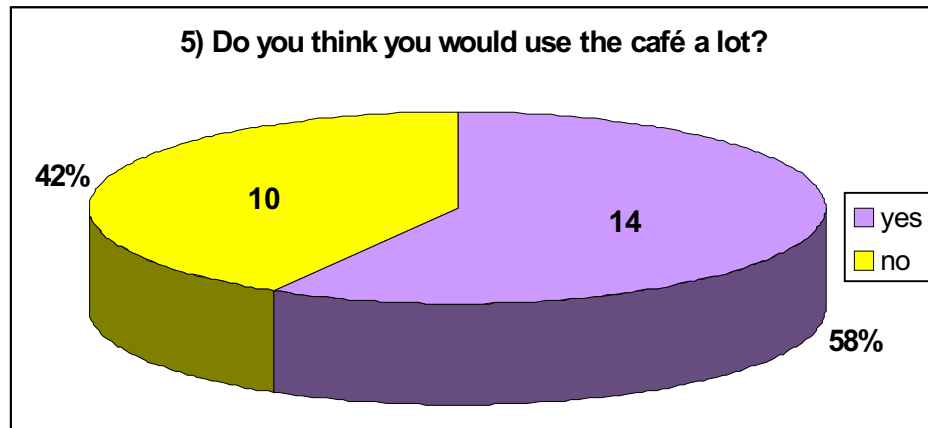


This tells me how frequently people will use my internet café; it will also gives me an idea of how many customers I would expect to have. From the results most people only use it when it is appropriate .

4) Do you have any children that live with you and would use the Internet café?



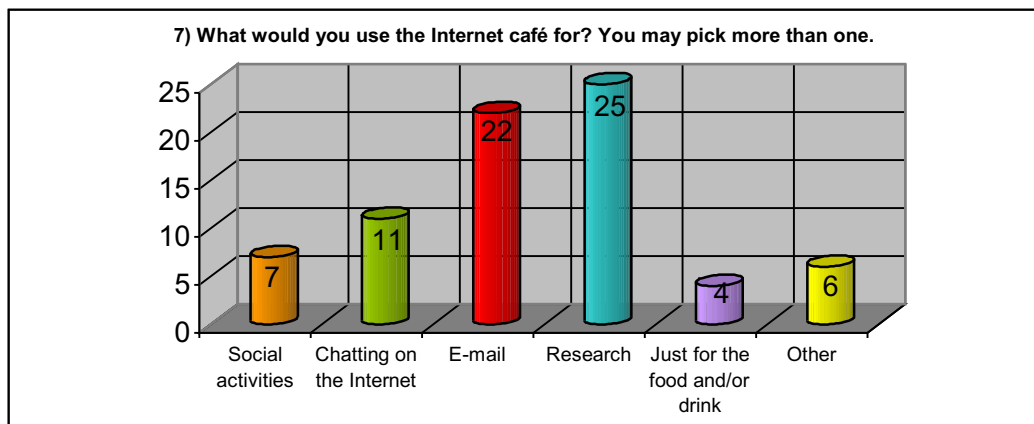
This question is I think can be relevant because it tells me if I will have family users, so I could may be make some sort of family discount; however from the results the majority have said no. so I will not plan any sort of family discount promotions.



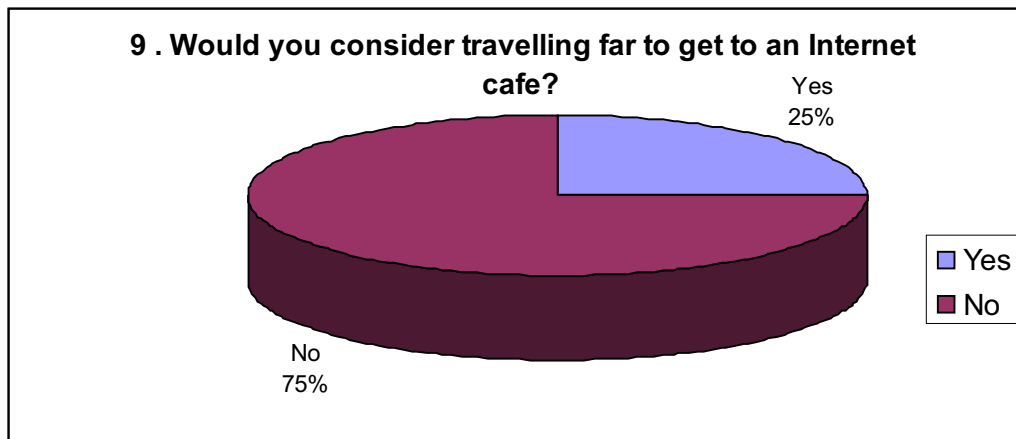
I think that this question is very important to the business I intend to set up, this tells of how many customers I would expect to use my business. And if I will have frequent users.



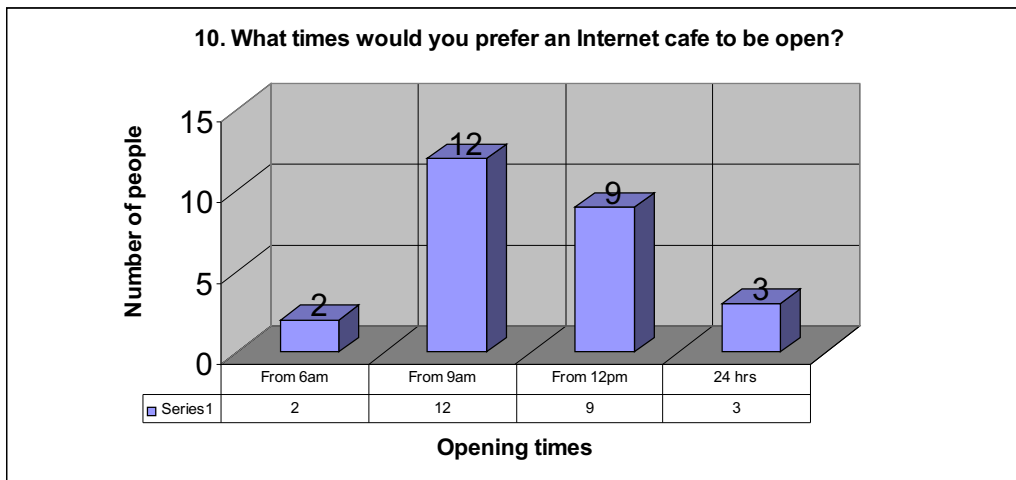
This helps me, as this will tell me if people will be interested in using the café as well as the internet service provided. From this chart I can now say that providing food and drinks has a great influence in an Internet café business.



This information is I think relevant to my business as it tells me what to focus my business on. From the people who done my questionnaire, most people use an Inter café for research.



From this chart, I can say that from the people who done my questionnaire, they would not wish to travel far to get to an Internet café. This tells me that I must base my business locally where it is available for the majority.



the results of this question tells me that the majority would like the opening time to be from 9 am.

I think the information I received from this question is very important to my business, as it tells of what are the main reasons people use the Internet café for

The main aim for any business is to be recognised and make customers aware and persuade them to buy their product. The main way and the most obvious way to do this are by using advertising.

There are many way in which a business can promote and advertise the ir product and services business. The main ways to advertise are through:

Television – this type of advertising is probably the most affective, as it is viewed by millions of people and it is most easily remembered, as it consists of both sound and moving images. This is a great way of advertising however, it is the most expensive.

Radio – this type of advertisements can be targeted much easily to their target audience, as different stations have different listeners. It is also cheaper in creating and the cost of 'air time'. This ort of advertising is great for local firms wanting to promote themselves locally . The main disadvantage for this type of advertising is that it does not have many listeners.

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Newspapers/Magazines

Newspapers are normally produced and bo ught every day, so people will see your advert daily. Magazines on the other hand are normally produced weekly, or monthly. Newspapers can be aimed at different people, some are aimed at business owners, while others are aimed at very one. A newspaper can be local national, the difference is that a national paper is available all other the country while a local is aimed at the local area. It is easy to see what social groups read a national paper, while this is harder with a local. As magazines are normally aimed at specific groups, the adverts also do the same. This basically means that if your shop sells computer parts, then you advertise in a computer magazine.

Advantages

- A advert in print is normally kept for longer, so it may be seen many times by different people
- Colour printing is now available at a much lower cost
- Coupons can be in the advert so that the person can cut them out
- Easy to reach a target group with magazines

Disadvantages

- Reader most of the time will skip the advert
- You may have to design different adverts for different newspapers, or magazines
- In some newspapers/magazines the advert may be surrounded by others, thus causing the advert to loose its affect
- Magazine adverts cost more then newspapers
- Newspaper adverts are not normally in c olour

Posters billboards

These adverts are normally in a permanent place, and every one sees them. This means that these are good method of advertising if trying to target a large number of people.

Advantages

- A poster will be visible for a long time
- The posters are normally big, colourful so they grab people attention
- They can placed on buses, trains, and in stations
- Very good to advertise in the local area
- Quite cheap

Disadvantages

- Posters may be ignored by drivers, or pedestrians
- Message must be brief, or it will not work
- Adverts may be damage by vandals
- No detailed information can be placed on the advert

Leaflets

These can be targeted at certain people or area, by only giving the, to people in that area. This means that they are good to target certain groups.

Advantages

- Very good to target a certain group
- Are relatively cheap
- Can include coupons for the reader
- May be kept around for a long time by the reader

Disadvantages

- May not be read

Cinemas

This type of advertising can be very effective. The film that is being watched will affect the advert, so in a kid's film you will advertise

Advantages

- This a good method for a local business to advertise
- The advert will have a big impact, because of the size of the screen and the quality of the sound
- Very good to target a young audience
- Easy to target a audience, by the film

Disadvantages

- People may dislike the fact that they have to wait for you advert before they can watch the film
- Only seen by a limited number of people

Marketing plan

When it comes to advertising, the law can change how the advert is presented. There can be no strong language or obscene images, the information must be true and not negative to any other business or person, on any published advert. The reason for these rules being issued is that the public do not want to be deal with material which could be upsetting and false. There are many other rules and regulations, but this is just a brief example which must be complied with.

I will need to use advertising to promote my business, all type of advertising costs, so I will now make rough estimates on how much it will cost to produce the types of advertisement I will use.

The cost to place an advert in the local newspaper is roughly £150.00. The cost of 1 leaflet is roughly 2p, and we need about 200 leaflets. So the calculation would be $2 \times 200 = 400p$ which is £4.00, to hand out 200 leaflets. Although this is very cheap, it wouldn't generate the degree of awareness the business would need to survive.

The Businesses name is "**OsNet Café**" because it is a fresh name and it is quite catchy, also it relates to my name.

I propose to promote "**OsNet Café**" by opening the café in Holborn and hire staff to distribute little gifts and leaflets to celebrate the opening of "**OsNet Café**". Leaflets will be distributed around the local area, which will cost £15 for someone to deliver them. An advert will also be placed in local newspapers, which will cost £150.

To summarise, the total cost of promoting "**OsNet Café**" is calculated as follows:

Newspaper adverts: **£150.00**

Leaflet distribution: **£ 15.00**

Leaflet production: **£ 4.00**

Total: **£ 269.00**

(All values estimated)

The total cost of **£269.00** is quite cheap for this type of advertising scheme and will sit very comfortably within my financial budgets. Eventually when the company has substantial cash flow and more capital, I propose to expand the business all over London .

The long term plan will be to open "**OsNet Café**" all over the country by issuing franchises, hopefully "**OsNet Café**" will become a one of the best internet cafés around.