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GCSE Business Studies

## What is Marketing?

What makes someone buy a product? Or more importantly, what makes them buy the product you are trying to sell? In business, you need to persuade a customer to part with **money in exchange for a good or a service**. You have to decide on what the product is going to be like (e.g. shape, colour, size, features); at what price are you going to sell it; where you are going to sell it (e.g. in a shop, over the Internet, by mail order); and how you are going to help the customer find out about the product (e.g. advertise in the local newspaper or on the radio). Marketing is all of these things.

**A market** is a group of consumers, who could be individuals, businesses or governments who might buy this type of product – for example, the market for running shoes or the market for fresh flowers.

And marketing is often defined as:

***“The process of identifying, anticipating (predicting) and satisfying customer needs profitably”***

What does it mean?

- ▶ **Identifying** – finding out by using marketing research about current products, the possibility of new products, and about current markets and possible new markets.
- ▶ **Anticipating (predicting)** – analysing the data collected and using the managers' skills to judge what might happen in these markets and how the products might be suited or changed, adapted or updated.
- ▶ **Satisfying customer needs** – making sure the person, business or government is happy with what they are buying, will not complain and will be happy to buy again if appropriate.
- ▶ **Profitably** – adding value to the product so when sold, the price of the product is greater than cost of the inputs.

All of these marketing activities take place in a **market**.

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