

LO2 Knowledge Organiser

LO2

Important Key Terms

- 1. Market Research** The method that a business will use to gain information about customers' needs and wants.
- 2. Primary Research** A method of research where a business will gather data from its source for its own specific reasons. For example, a business may use focus groups or customer trials to gain information about a product that is about to be launched.
- 3. Secondary Research** A method of research where a business uses information that has already been gathered. For example, the use of sales data, government publications, purchased research material.



Primary Research

- 4. Questionnaire** Finding out information from a larger number of people. People may be asked to fill one in or it could be filled in by the researcher.
- 5. Focus Group:** In-depth discussion with a small group of consumers, which considers how they feel towards a product or service
- 6. Observation:** This is where a business will watch how a customer behaves in their store. For example, following a customer round a shop to see what they are buying.
- 7. Interview:** Asking another person questions either over the telephone or face to face to find out information.
- 8. Test Marketing:** This involves launching the product in a small part. This could be geographic or part of the target market.

Secondary Research

- 9. Competitors Research:** It contains a large amount of websites, which provide a vast amount of information about other rival companies
- 10. Government Publication** This contains a lot of other facts and figures, usually provided by the Government. This could provide information such as the population in the UK.
- 11. Published Literature:** Examples of this method would be textbooks, newspapers, leaflets, this will contain information about the market and the products that I want to sell.



12. The Purpose of Market Research (Why businesses use Market Research?)

- To Reduce Risk
- To understand the market
- To promote the organisation
- To aid decision making
- To gain customer's views and understand their needs
- To inform product development

Name:.....

1.4 The purpose of market research

Market research is a vital part of any business success and involves finding out information about the market in which the business operates. It is vital to research the potential market when setting up a business and market research should continue to be used throughout the life of the business. Customers and the market as a whole change over time, so it is very important to undertake in-depth market research on a regular basis. This might be to assess whether new products should be introduced, existing products phased out, expansion plans should take place or, in certain circumstances, whether the business has a long-term future.

Key term
Market research The actions of a business to gather information about customers' needs and wants

Table 1.1 Primary and secondary research

Type of market research and definition	Examples	Advantages	Disadvantages
Primary (field) research – gathering data and information that has not been collected before	<ul style="list-style-type: none"> Interviews Observations Questionnaires Surveys Focus groups Consumer trials 	<ul style="list-style-type: none"> Relevant and up-to-date information The data and information are specific to the organisation completing the research Data and information are only available to the organisation who commissioned the research, allowing for a competitive advantage 	<ul style="list-style-type: none"> Costly and time consuming to complete A sample size that is too small may provide biased results Consumers are not always willing to take part in market research. They often regard telephone calls to gain information as 'nuisance calls'
Secondary (desk) research – gathering data and information that has already been collected before	<ul style="list-style-type: none"> Books/trade magazines/newspapers Published company reports Internal data Competitors' data Government publications and statistics Purchased research material (e.g. Mintel) 	<ul style="list-style-type: none"> Cheaper than primary (field) research and often free, as the data and information already exists Information and data are frequently based on a large sample size, for example, census data The information and data are readily available, therefore, it is not time consuming for the business to collect it 	<ul style="list-style-type: none"> The information is available to all, reducing the competitive advantage to be gained The information and data are not specific to the business completing the analysis Depending on when the information was collected, it could be out of date and therefore irrelevant to the current market conditions

Key terms

Qualitative data Data based on the opinions of those being asked

Quantitative data Data collected that is based on facts or numbers; it is usually easier to analyse than qualitative data

Key term

Sampling A method of selecting consumers in order to gain their opinions on a product or service. Types of sampling include random, cluster, quota and convenience.

4 Sampling Methods

1. Random Sampling
2. Cluster Sampling
3. Quota Sampling
4. Convenience Sampling

Link: <https://www.youtube.com/watch?v=CHKEclvYNM0>

2.2 Review the results of market research (Links)

Questionnaire: <https://www.youtube.com/watch?v=n-XGSFCfS9Y>

Competitor Research: <https://www.youtube.com/watch?v=xDyQmBzbKb8&feature=youtu.be>

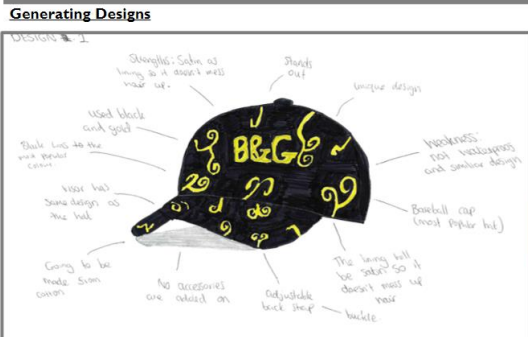
Creating Graphs: <https://www.youtube.com/watch?v=koDeGamrxV4>
https://www.youtube.com/watch?v=DAU0qqh_I-A

3.1 Produce product designs for a business challenge

3.2 Review product designs

Student Examples - DO NOT COPY

Please use these examples to help guide you. But Do NOT COPY. Copying this example will result in a disqualification. This will mean you and the whole class will FAIL this course.



First you will need to annotate your designs, this will help progress understand what you would like to create.

You can find a template online, but you will need to trace over it.

Make sure you have listened to your market research (The graphs)

What could my strengths and weaknesses be about?

- ✓ Style of hat used e.g. Baseball cap
- ✓ Materials used felt, cotton
- ✓ Waterproof/not waterproof
- ✓ Colours of hat used
- ✓ Suitable for seasons?

Strengths:

One strength of design one is the colour, it has two features which includes black and gold. This hat relates to my target customer because I have chosen a young teenage male, named Pablo. I believe that this is a strength because his favourite colours are dark colours such as black, gold and white and his favourite style of hats are baseball caps and snapbacks. I have listened to what my customer profile and have made a hat that addresses his requirement. Therefore, it would be more suitable, and customers will be more likely to buy my product.

Weaknesses:

One weakness is the cotton material. I believe that this is a weakness, because cotton material is only suitable for specific seasons such as summer and spring with hotter and drier weather. Due to this, I believe that the hat will only be used by my customer profile seasonally and therefore will not be beneficial all year. My customer profile Pablo requires a hat which can be used in all types of weather, this is because he is outgoing and always outside and this design can not support. To improve this, however, the hat can be developed so it is waterproof or water resistant. However, this was not a major factor for the market after conducting research, so there is therefore minimal possibility for making no profit after offering the design to the public.

- Identify the strength or weakness
- Link the Customer Profile
- Justification of the strength or weaknesses

Mood boards – these are used by a designer to record all their visual ideas in one place (see Figure 2.8). They contain a variety of images, sketches and other ideas. A mood board will often include different types of materials and colours – each board is unique. They enable the designer to review all their different ideas and then select the key ones for their product design.



Mind map example



Self-assessment

This involves looking at your designs and critically assessing your product. A simple form of self-assessment that is quick and easy to complete is a SWOT analysis. A SWOT analysis requires you to look at a product's strengths, weaknesses, opportunities and threats and group these under the headings shown in Figure 2.11.

Strengths <ul style="list-style-type: none"> • Environmentally-friendly materials used • Modern appearance 	Weaknesses <ul style="list-style-type: none"> • Components used are expensive to manufacture, which increases costs • Similar products available on the market
Opportunities <ul style="list-style-type: none"> • No other similar products offered by competitors • New markets opening up for this type of product 	Threats <ul style="list-style-type: none"> • Government may introduce legislation which will require product to be made of 75 per cent environmentally-friendly materials

Questions	Strongly agree	Agree	Not sure	Disagree	Strongly disagree
Have I listened to market research?		✗			
Have I aimed my product at my target customer?	✗				
Does my customers like the style of the hat?		✗			
Is the hat well designed?		✗			
Did I look back at my customer profile?	✗				
Is there any issues with my product?			✗		
Have I used the right materials?	✗				
Is my hat suitable for my target customer?		✗			

Key terms

Design An initial sketch or drawing for a product that can be developed over time

Prototype A physical object produced from a design to determine whether it meets the original concept and can be developed further. Often many prototypes have to be produced before the final idea works

3.1 Produce product designs for a business challenge

Product design is one of the most important stages of planning a product launch, because without a **design**, how will you know if people will purchase the product? It is important to note that in this unit, you will not be tested on your artistic skills, so professional designs will not gain more marks than a more simplistic design.

Take a look at the following initial designs (also known as **prototypes**) of some well-known products.

A **mind map** is a tool for the **brain** that captures the thinking that goes on inside your head. **Mind mapping** helps you think, collect knowledge, remember and create ideas.

Peer assessment involves students taking responsibility for assessing the work of their peers (your friends) against set assessment criteria. They can therefore be engaged in providing feedback to their peers