

Topic Area 1

Characteristics of an Entrepreneur:

- Innovation
- Risk Taking
- Communication
- Negotiation
- Confidence
- Determination
- Creativity



Downsides of taking risks:

- Financial
- Health and wellbeing
- Work- life balance
- Personal relationships



Rewards for risk taking:

- Financial
- Independence
- Self Satisfaction
- Making a difference



Not all enterprise activities are successful, some may make money, some may lose you money.

Topic Area 2

Use the text books for specific pro's and con's

Aims of market research:

- Reduce investment risk
- Support decision making
- Understand the market
- Gain customers views
- Inform product development

Primary Research tools:

- Surveys
- Questionnaires
- Interviews
- Focus groups
- Consumer Trials
- Test marketing
- Pilots

Secondary Research tools:

- Library
- Books
- Government Statistics and publications
- Competitors data
- Mintel Report

Types of data:

Quantitative =
Numbers %'s and statistics e.g survey results

Qualitative=
Detailed, in depth research e.g focus groups

ATTENTION

Revise the pro's and con's of each research method, then revise whether each tool is primary or secondary.

Primary Research: Specific to your product, up to date easy to understand.

Time consuming, can work out expensive

Secondary Research: Quick to access, can be cost effective.

Not specific to your product, might be out of date

Topic Area 3

Ways to segment a market:

- Age
- Gender
- Occupation
- Income
- Location
- Lifestyle



Targeted marketing

E.G advertising baby bottles in a Mother and Baby Magazine

Meeting Customers Needs

When you know more about your customers you can adapt your product accordingly

Increased Customer Retention

When you meet your customers needs, they are more likely to develop brand loyalty

Increased Market Share

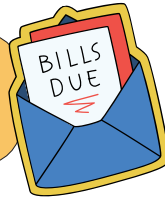
The more customers you retain, the bigger your business becomes

Increased profits

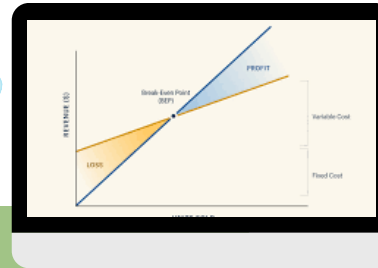
By keeping customers happy and loyal, the more potential profit you can make.

Topic Area 4

Fixed costs– Do not change with output



Variable costs– Do change with output



Revenue= Income Generated by sales

Profit= The amount left over once all outgoings have been covered

Break-Even Point= The point between making profit and making a loss. Revenue is equal to total costs.

we can use a break-even formula to work out if we need to increase a product's price

Formulas:

Total costs = (Variable costs per unit x units sold) + Fixed costs

Revenue= Units sold x Selling Price

Profit= Revenue- Total Costs

Break-Even Points= Fixed Costs / (Selling Price- Variable Costs)

Topic Area 4

The marketing Mix

- Product:** How has the product been adapted to suit customers needs
- Price:** How does the price suit your customers affordability and make profit
- Place:** Where is the product to be sold and distributed from
- Promotion:** How will you persuade your customers to buy your product.



Marketing= Advertising
Promotions= Where a customer gains something e.g a discount

You will need to remember the relevant pro's and con of each medium. Think about your audiences and cost

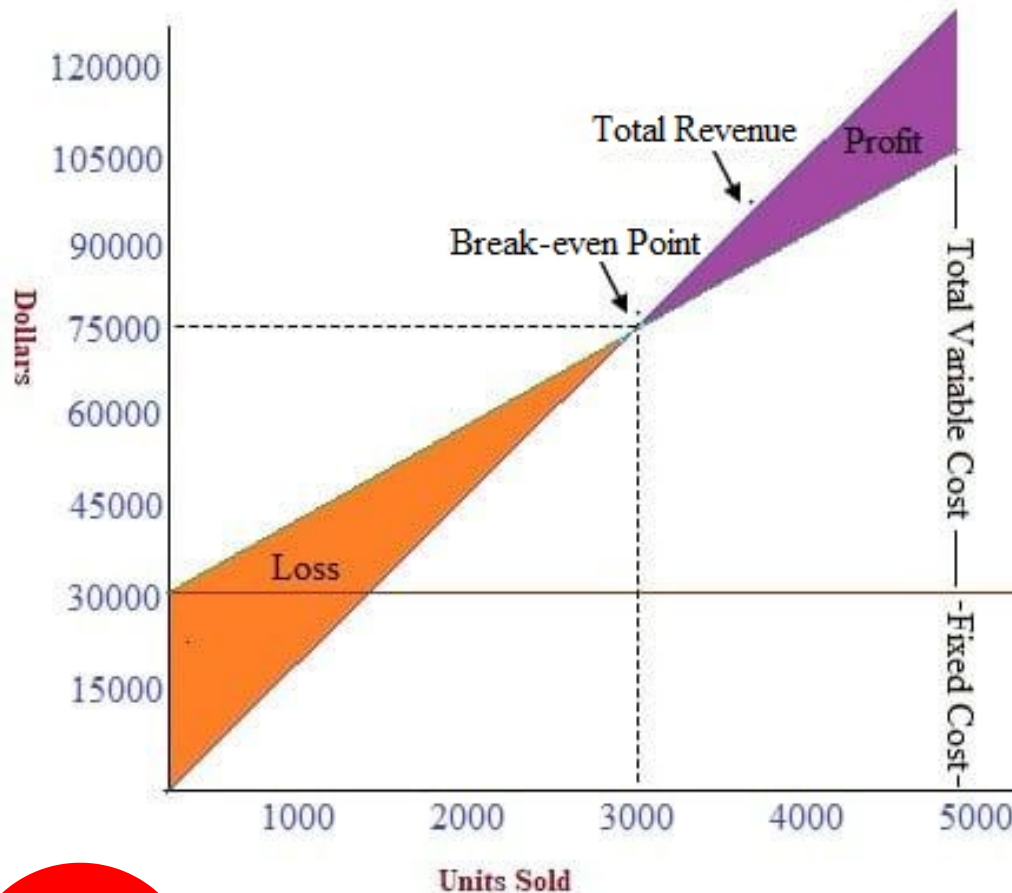
Non Digital Advertising Mediums:



Digital Advertising Mediums:



Topic Area 4



Labelling a Break-Even Chart:

Fixed costs = Remembering, fixed costs do not change, identify the line that stays the same.

Revenue = At some point you have no money coming in, so look for the line that starts at 0.

Total Costs = This will start above your fixed costs line, but as it includes your total variable costs, it will slowly increase.

Break-Even Point = The point where total costs and revenue cross over

Profit = Any revenue over your break-even point is profit, so the shaded area above this is identified as profit.

Loss = If you have more money going out than you have coming in then you will not meet your Break-Even point, therefore you will be in a loss so the shaded area below the break-even point is identified as a loss.

Topic Area 4

Promotion Techniques

Discounts

BOGOF

Competitions

Point of Sale Advertising

Free Gifts

Product Trials

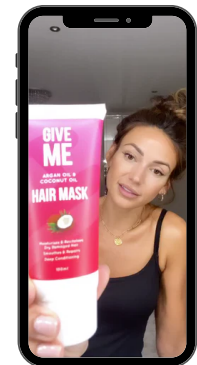
Loyalty Schemes

Sponsorship



PR- Public Relations
Is about influencing the perception of your business within your customers.

Product Placement
Celebrity Endorsement
Media Releases



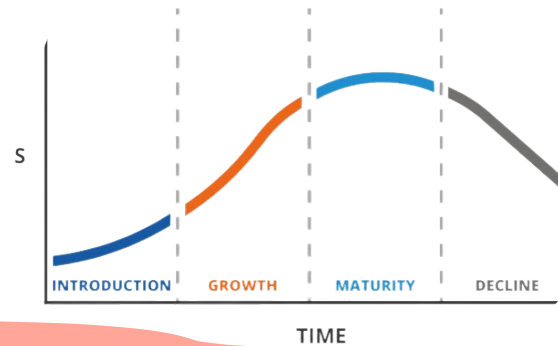
You are likely to be asked to recommend a promotional or PR technique. In order to construct your argument, you must know the advantages of your recommended technique and the disadvantages of the technique you are rejecting.

Topic Area 4



As a product enters the decline stage, owners will consider introducing an extension strategy

PRODUCT LIFE CYCLE



How to sell a product:

Physical– Face to face in a shop

Digital– Online, websites and social media.



Add to Cart 

You will need to remember the pro's and con's of each method. Think about audience and cost

Factors to consider when pricing a product:

Customers income and affordability

Price of competitors products

How much it costs to make

Where is the product lifecycle it is

You will need to consider the pro's and con's of each strategy

Types of Extension Strategies:

Advertising

Price Changes

Adding Value

Exploring new Markets

Markets

New packaging



Topic Area 4

Pricing Strategies:
Psychological Pricing
Competitive pricing
Price Skimming
Price Penetration



You will need to be able to justify a recommended pricing strategy, thinking about your target audience and business objectives.

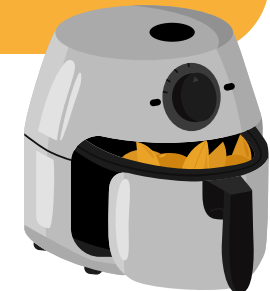
Psychological pricing= Using 99p to make people think its cheaper than it actually is



Competitive Pricing= Using your competitors prices as guidance as to what you should charge

Price Skimming= Going in at a high price whilst interest is high then reducing over time

Price Penetration= Charging a low price to generate interest, then raising prices as you gain brand loyalty



Consider the pro's and con's for each of these forms of ownership

Topic Area 5

Different forms of business ownership:



Sole Trader (1 owner)

Partnership (2-20 owners)

Franchise (setting up your own branch of a bigger business e.g. McDonalds)



Limited Liability- You are not personally responsible for business debt

Unlimited Liability- You are personally responsible for business debts.

Sources of capital:
Own savings
Friends and Family
Loans
Crowdfunding
Grants
Business Angels

Consider the pro's and con's for each of these sources

Support for Businesses:
Financial providers: such as banks can support businesses financially
Business Angels: Successful entrepreneurs can invest in business with large sums of capital
Local Council- They can support businesses to get up and running to support the local economy.
Accountants: Have in depth knowledge that can support business with many financial aspects.
Solicitors: Are qualified individuals that can support with the legal side of business.

MED



- *Make your point*
- *Explain your point*
- *Describe the impact of your point*

Answering a recommendation question

1. Have a look at the scenario, which option would work best, based on the scenario.
2. Identify your recommendation
3. Provide 3 advantages of your chosen recommendation
4. Use MED to justify your choice.
5. Now use MED to explain 3 disadvantages of the option you chose to reject to further justify your choice.