Definition	Interdependence refers to the mutual dependence that the key business functions have on one another
Characteristics and features	Marketing managers rely on HR, operations and finance to ensure the success of the marketing plan
Link	Marketing and operations ● Marketing must communicate market research, design specifications, product design, etc to Operations ● Operations relies on Marketing to communicate sales predictions and forecasts so they acquire appropriate resources (HR, raw materials, manufacturing, manufacturing equipment) and determine appropriate product volumes to be manufactured ● Operations may set limits/restrictions for marketing in relation to design and product specifications
Link	Marketing and finance ● Marketing relies on finance to provide it with budgets/funding to undertake market research, implement promotional strategies, etc ● Finance relies on Marketing to undertake market research (and feed this back to Finance) in order to assist with business investment decisions ● Finance relies on Marketing to provide sales and profit forecasts (which will impact upon the key financial statements) ● Marketing and finance need to work together to determine appropriate pricing and distribution strategies ● Marketing, finance and operations need to work together in relation to new product design ● Finance relies on marketing to generate sales/cash flow to fund the businesses activities
Link	Marketing and HR ● Marketing relies on HR to source, train, develop and motivate marketing staff

	lodge complaints against competitors regarding behaviour that they deem to be unfair and against the Act ● Anti-competitive behaviour prohibited under the CCA include ○ <u>Cartel-conduct/price-fixing/price collusion</u> - occurs when two or more business competitors agree to act together instead of competing against one another. This agreement is designed to increase the profits of the cartel members while putting other companies out of business ○ <u>Misuse of market power and predatory pricing</u> - a dominant business within a market takes advantage of its market power to damage its competitors or to prevent businesses from entering into the market. For example, substantially lowering its prices in an attempt to damage or remove a competitor from the industry ○ <u>Exclusive dealing</u> - dominant businesses who force their suppliers to engage in 'exclusive dealing arrangements', preventing the supplier selling its product/s to the dominant business's competitors is unethical ○ <u>Land-banking</u> - it is unethical for dominant businesses to purchase land and retail space that may be favourable for a competitor ○ <u>Resale price maintenance</u> - suppliers can recommend that resellers charge a certain price for particular products; however, they cannot stop reseller from charging below that price ○ <u>Mergers and acquisitions</u> - the ACCC prohibits mergers and acquisitions that are likely to substantially reduce competition in a market ○ <u>Untruthful claims made about competitors</u> - businesses cannot make untrue/unsubstantiated claims against their competitors
Effects and implications	● Businesses should not engage in unfair practices that limit or restrict competition Negative

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Ipad (2010)

Has had many augmentations, the Ipad Pro (2019)

The ipad’s % of Apple revenue has declined from 10%-7% (2016-2019)
The Change in revenue was negative 2%, 2017-18

Post Maturity - Decline

Ipod (2001)

Marketing mMix

Apple stopped releasing newer models; the last model was released in 2014
Apple reduced the price to

Effectiveness

Decreased as a % of revenue from 40% - 1% (2016-14)

iPhone 6 (2015)
iPhone 7 (2016)

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<tr><td></td><td>Market research

DDD
“Don’t Do Drugs”</td></tr>
<tr><td>Definition</td><td>Market research is the systematic process of collecting, recording and analysing information and data concerning a specific marketing issue</td></tr>
<tr><td>Characteristics and features</td><td>

Market research yields both qualitative and quantitative data that allows a business to develop appropriate marketing strategies and take corrective action
There are three steps to conducting market research

Determining information needs

The situation or problem is accurately identified to determine what needs to be measured through data collection

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Effects and implications	Positive ● Preserves the product ● Protect the product from damage or tampering ● Attracts customers attention ● Assists with the display of the product ● Makes transportation and storage easier ● Assists with brand awareness and reinforces the brand image ● Well-designed packaging will give a positive impression of the product and encourage first-time customers Negative ● High-quality packaging can be expensive to produce - negative impact on costs/profitability ● If inappropriate packaging is used, can lead to product damage/spoilage - negative impact on brand image, warranty claims, increased costs, reduced profitability ● Must comply with government regulations i.e. plain packaging requirements for cigarettes companies - fines/legal action for non-compliance ● Exclusive packaging - can damage brand image due to environmental concerns/footprint ● Bulky packaging - can increase transportation costs
Case study	● Apple's packaging is designed using a simplistic design, minimalist with images if its pridcuts and logo only, artistic and visually appealing reinforces the brand image of quality ● Aims to deliver a sensory experience ● Robust packaging materials make it easier for air transportation between its distribution centres (located in Asia, Australia, Europe and the US) ● To ensure that opening the bos is a unique experience, Apple employs a designer whose sole job is packaging. The company also has a designer who is devoted to opening hundreds of

Characteristics and features	● Can involve selling ‘grouped’ product at predetermined prices to differentiate them by features, e.g. ‘$5’ and ‘$10’ shirt racks - easier for the consumers to find the quality of a product they want ● Can also involves the use of specific prices and numbers (e.g. 9) to appeal to a psychological influence of a consumer
Effects and implications	Positive ● Allows the business to market their products to a much broader group of customers, i.e. price points to target price conscious consumers and price points for consumers willing to pay a high price for exclusive features/quality. Thus this approach is beneficial in increasing market share Negative ● Business may incur greater operational costs to produce the product with variations (in terms of quality and features) for each price point, thus increasing costs and reducing profitability
Case study	● The Apple Watch series is priced using a pierce point strategy, with the range including 5 models escalating in price from $399 to $1799 contingent upon product features ● Of late, Apple has been offering lower price point sin effort to expand market ● Nevertheless, usually referred to as industry hugh pierce leader - target early adopters with higher-than-competition prices ● Initally adopts skimming strategy, and later sells older versions at lower price points, e.g. iPhone X
	Price and quality interaction
Definition	Refers to the relationship between price and quality, which often associates the quality of a G/S
Characteristics and features	● prestige/premium pricing strategy can create the impression of quality and status for a G/S

	Promotion attempts to: ● Attract new customers through product awareness ● Provide information to allow customers to make informed decision ● Encourage existing customers to return (repeat sales) **Elements of the promotion mix** Promotion mix refers to the various promotion methods used in the promotional campaign
	Advertising METDBS “Must Eat Toast During Business Studies”
Definition	Advertising is a paid, non-personal message communicated through a mass medium
Characteristics and features	● Advertising aims to inform, remind and persuade ● The six different type of advertising media include ○ Mass marketing - e.g. television, radio, magazines ○ Direct marketing catalogues - sent to households ○ Telemarketing ○ E-marketing ○ Social media advertising ○ Billboards ● Which type of advertising media a business selects depends on a number of variables including: ○ Type of products and its positioning ○ Size of the target market and its characteristics ○ Business’s marketing budget/rest of the advertising medium

	- This channel is often used for bulky or perishable products such as furniture or fruit
	
	- Producer to wholesaler to retailer to customer
	  - That is the most common method used for the distribution of consumer goods
	  - A wholesaler is an intermediary who buys in bulk from a producer, them sells in smaller quantities to retailers
	  - Producers will use the services of a wholesaler when a large number of retailers sell the product and the producer finds it difficult to dealt with them all
	- Producer to agent to wholesaler to retailer to customer
	  - Agents are paid a commission by the producer for selling the product to wholesalers
	  - Usually agents are used for inexpensive and frequently used products
	  - A business that does not have any sales representatives will often use an agent instead

Effective and implications	Positives
	- Can be more efficient as other businesses may specialise in the distribution industry
	- Provides the business with access to retailers existing network of
	  - Customer - broad and existing customer base (market share)
	  - Employees - skills/qualifications in personal selling to induce a sale (revenue)
	  - Foreign subsidiaries - assists with international expansion (expansion into new geographical markets)
	- Allows a business to focus on core functions
	
	Negatives
	- The operations of the intermediaries can affect the business's brand image
	- Managing a complex web of intermediaries could be costly/time-consuming

Definition	Exclusive distribution involves the use of only one/limited retail outlets for a product in a large geographic area
Characteristics and features	● This method of distribution is commonly used for exclusive, expensive products
Effects and implications	Positive ● By distributing using one/limited retail outlets, the business can reduce it's logistical/transportation costs in terms of getting the inventory to the store/s ● The use of limited, exclusive distribution denotes an image of status and luxury - can appeal to a consumer's psychological influences as it may create perception of quality - therefore charge higher price/achieve higher profit margins Negative ● Results in limited access to consumers which may restrict sales and market share
Case study	● Apple Ultra-Violet Beats Headphone ○ The colour is exclusively available in Apple stores ● Apple iPhone RED ○ Colour only available via Apple stores ○ Raises awareness and donations for HIV/AIDS ○ In 14 years, Apple was able to raise over $250m through the initiative ○ In 2020, Funds are now being directed towards the Global Fund's COVID-19 Response
	Physical distribution issues WIT
Definition	Physical distribution is all those activities concerned with the effective movement of the products from the producer to the customer

	• A business's marketing plan and strategies must be adapted from the domestic market as the foreign market entails different countries
	Global branding
Definition	Global branding refers to the use of a worldwide name, symbol, logo or design that identifies a product and distinguishes it from competitors products
Effects and implications	Positive • Cost effective - used in multiple countries • Uniform worldwide brand image - a centralised synergy of message • Provides global recognition • Strong brand reputation makes it easier to enter new markets to achieve sales and introduce new products • A strong global brand could lead to brand dominance - retailer in all geographical markets wants to stock successful brands Negative • HBR - "Global branding is often unrealistic to achieve" - especially in the ST when many businesses may not be financially positioned to invest in building a global brand • Necessary customisations in different geographic markets may mean that a global brand in unable to be developed • The development of a global brand is cost and time intensive - may involve having to have brand management staff across different geographical markets
	Standardisation
Definition	Standardisation refers to using very similar product strategies in all markets due to assuming that customer needs and wants are the same