A-LEVEL BUSINESS • EXERCISE SHEET

8.2 Marketing strategy

Name: ______________ Class: __________ Date: ____________ **Total: 29 marks**

KEY WORDS market penetration 市场渗透 • ansoff's matrix 安索夫矩阵 • product portfolio analysis 产品组合分析 • market development 市场开发 • marketing strategy 营销战略

Objective

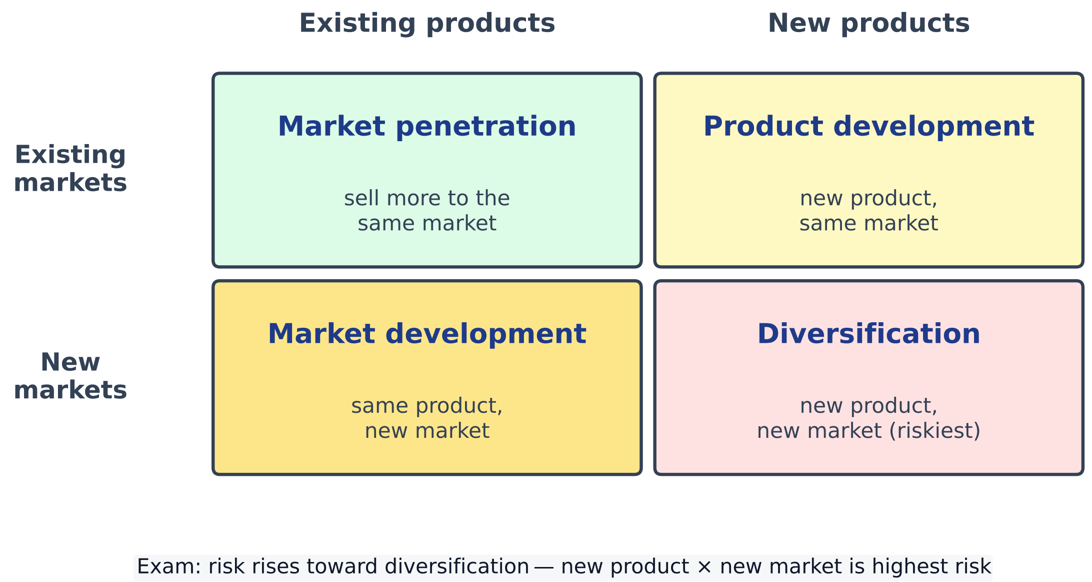
Build the skills to answer exam questions on **marketing strategy** 营销战略 — **Ansoff's matrix** 安索夫矩阵, **product portfolio analysis** 产品组合分析, and entering **international markets** 国际市场 (globalisation and **localisation** 本地化).

You must be able to:

- describe Ansoff's four growth strategies and their risk
- explain product portfolio analysis and the ways to enter a foreign market
- analyse and evaluate a marketing strategy for growth

1 Worked examples

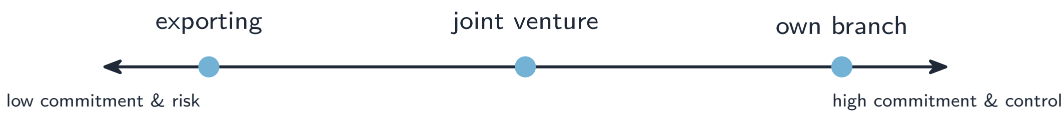
■ Ansoff's matrix



Existing/new products across the top, existing/new markets down the side

- **Market penetration** (existing product, existing market) — safest.

- **Product development** (new product, existing market) and **market development** (existing product, new market).
- **Diversification** (new product, new market) — riskiest (both are new).
- **International entry:** exporting (least risk/control) → joint venture → own branch (most). **Localisation** adapts the mix to local tastes and laws.



Ways to enter a foreign market trade off commitment against control

Answer shapes: AO1 + AO2 + AO3 (reasoning chain) + AO4 (a supported judgement *in context*).

2 Practice

2.1 State what **market penetration** means in Ansoff's matrix. [2]

2.2 State why **diversification** is the riskiest growth strategy. [2]

2.3 Define the term *localisation*. [2]

3 Exam-style questions

3.1 Explain one reason a business might choose **market development** to grow. [3]

3.2 Analyse two ways a business could enter a foreign market. [8]

3.3 A successful firm wants to grow. Evaluate whether it should use **market penetration** or **diversification**. [12]

Solutions

Business answers are marked by **level of response** against the assessment objectives: award **AO1** knowledge, **AO2** application, **AO3** analysis and **AO4** evaluation.

2.1 selling more of an existing product to its existing market (2 for a clear idea; 1 for a partial idea).

2.2 because both the product and the market are new, so the firm has no experience of either, giving the highest chance of failure (2 for a clear reason; 1 for a partial idea).

2.3 adapting the marketing mix (product, price, promotion, place) to suit a local market's tastes, language, laws or incomes (2 for a clear definition; 1 for a partial idea).

3.1 *[3]* **AO1** 1 — give a reason (the home market is saturated; to use spare capacity; a new region wants the product). **AO2** up to 2 — develop it, e.g. selling the existing product in a new country reaches more buyers → higher sales → without the cost of developing a new product (2 developed / 1 limited).

3.2 *[8]* For **each** of two ways: **AO1** 1 + **AO2** 1 + **AO3** up to 2. Example chains — *exporting*: sell from the home base → low cost and risk → but less control over how it is sold. *Joint venture*: partner with a local firm → local knowledge and shared risk → faster entry, but profit and control are shared. Maximum 4 per way, 8 total.

3.3 *[12]* **AO1** 2 / **AO2** 2 / **AO3** 2 / **AO4** up to 6. **Market penetration:** low risk, uses what the firm knows — but limited growth if the market is saturated. **Diversification:** large growth and spreads risk — but the highest chance of failure, needing new skills and finance. Judgement: a cautious firm should grow first by penetration or development, turning to diversification only when it has the resources and the core market is exhausted — the choice depends on its finances and the state of its current market.