XXX Secondary School

20xx-20xx

Business, Accounting and Financial Studies

Key Business Functions (Lesson 2) – Teaching Notes (Answer)

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Class: \_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**4. Marketing management**

* Definition:
* The process of identifying customers’ needs and executing marketing strategies
* A company can meet those needs with its goods and/or services better than competitors to make profits
* Marketing helps a company provide goods or services that can satisfy customers’ needs and earn money for itself in return.

**A. Key functions of marketing management**

1. **Conducting marketing research**

* Conduct marketing research to obtain market information
* Identify customers’ needs, forecast demand and evaluate the company’s marketing performance
* Explore market opportunities and deal with threats

1. **Segmenting the market, selecting target markets and determining market position**

* Divide the market into smaller segments with distinct needs, characteristics and consumption patterns
* Evaluate the attractiveness of the segments and select market(s)/subgroup(s) to serve
* Determine the company’s market position, which can reflect the company’s advantages over its competitors.

1. **Formulating market strategies**

* To satisfy customers’ needs and deal with the competition, the marketing department needs to formulate marketing strategies.
* The marketing mix, also known as the four P's of marketing, refers to the four key elements:

|  |  |
| --- | --- |
| **Product** | Determine the goods or services the company offers to satisfy its target customers’ needs |
| **Price** | Determine the amount of money target customers need to pay to obtain the product |
| **Place** | Determine how to make the product available to target customers |
| **Promotion** | Determine the kind of activities needed to communicate the product’s features and merits to target customers and to persuade them to buy the product |

1. **Implementing and controlling marketing activities**

* Turn marketing plans into action by working with stakeholders inside and outside the company, e.g. working out the advertisement with the marketing department and advertising company.
* Monitor and evaluate the marketing results by using different measuring tools, e.g. questionnaire surveys and interviews.
* Ensure that the marketing activities are conducted as planned

1. **Managing customer relationships**

* Maintain good relationships with customers is a very important task in marketing management.
* Help the company to
* attract new customers
* retain existing customers
* enhance customer loyalty

**B. Importance of marketing management**

* Identify and satisfy customers’ needs
* Formulate suitable marketing strategies
* Better satisfying target customers’ needs than its competitors
* Help the company compete with competitors
* Generate revenues
* Maintain long-term relationships with customers
* Enhance customer loyalty
* Monitor changes in the market and respond to those changes accordingly

**5. Information management**

* **Definition:**
* The process of gathering, processing, storing and distributing information to support a company’s operations and decision-making.

**A. Key functions of information management**

1. **Storing, processing and managing business transaction data**

* Develop a system that can store, process and manage business transaction data resulting from daily operations
* After data are processed and analysed, they become information

1. **Setting up and maintaining information systems to support other departments**

* Set up and maintain the company’s information systems
  + Allow other departments to obtain reliable and timely information which can facilitate their decision-making

1. **Setting up and maintaining network systems to facilitate communication**

* **Set up and maintain network systems for communication**
* **For example:**
  + Intranet and email system for internal communication
  + An online storage space for file sharing.

**B. Importance of information management**

* Set up and maintain information systems which can provide useful business information to
* Support different departments in decision-making
* Facilitates communication and collaboration among employees
* Support the company’s daily operations by storing, processing and managing business transaction data

**6. Risk management**

* **Definition:**
* The process of identifying and assessing a company’s exposure to various types of risk and developing measures to minimise losses

**A. Key functions of risk management**

**1. Identifying and measuring risks**

* Identify the possible risks that the company faces and assess the company’s exposure to the risks
* A company may face various types of risk such as:
* fires, death or injuries of employees, thefts, machine breakdowns, labour strikes, lawsuits against the company and natural disasters

**2. Controlling risks**

* Formulate risk management strategies and choose the most appropriate measures to control and manage the risks
* Companies can use four major risk management strategies to control risks:
  + Risk avoidance
  + Risk assumption
  + Risk reduction
  + Risk transfer

**B. Importance of risk management**

* Identify and assess the possibilities of risks which may cause losses
* Reduce the uncertainty of the company’s business operations
* Adopt the most suitable risk management strategies
* Minimise losses and protect the company’s employees and assets

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