



# Candidate Resource and Assessment

## BSBMKG507A

# Interpret Market Trends and Developments



Whether as an individual, or as part of a group, real progress depends on entering whole-heartedly into the process and being motivated to make you a more deeply satisfied human being.

*Focusing on your training needs*



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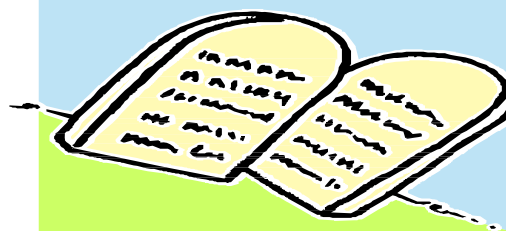
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"You're either part of the solution or part of the problem".

Eldridge Cleaver

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## Focus on

# Your Area of Influence

Use considered risk taking in your 'grey' area

## And others will follow you!

<b>Legend</b>	This course is divided into several sections of learning. Each section begins with the title of the element of the unit being taught, a quotation and a graphic related to content across the top of the page.
	This symbol indicates the beginning of new content. The bold title matches the content of the competency and they will help you to find the section to reference for your assessment activities.
	<b>Activity:</b> Whenever you see this symbol, there is an activity to carry out which has been designed to help reinforce the learning about the topic and take some action.
	This symbol is used at the end of a section to indicate the summary key points of the previous section.

## Qualification Pathways



**A goal without a plan is just a wish.**

**Antoine de Saint-Exupery**

### Qualification Pathways

This unit of competency is provided to meet the requirements of BSB07 Business Services Training Package although it can be used in a range of different qualifications. The BSB07 Business Services Training Package does not state how a qualification is to be achieved. Rather, Registered Training Organisations are required to use the qualification rules to ensure the needs of the learner and business customer are met. This is to be achieved through the development of effective learning programs delivered in an order which meets the stated needs of nominated candidates and business customers.

### Qualification Rules

Qualification requirements include core and elective units. The unit mix is determined by specific unit of competency requirements which are stated in the qualification description. Registered Training Organisations then work with learners and business customers to select elective units relevant to the work outcome, local industry requirements and the qualification level.

All vocational education qualifications must lead to a work outcome. BSB07 Business Services Training Package qualifications allow for Registered Training Organisations (RTOs) to vary programmes to meet:

- Specific needs of a business or group of businesses.
- Skill needs of a locality or a particular industry application of business skills.
- Maximum employability of a group of students or an individual.

When packaging a qualification elective units are to be selected from an equivalent level qualification unless otherwise stated.

## *Introduction*



**"If learning comes through experience, it follows that the more one participates in guided experiences, the more one learns. Therefore venturing into uncharted waters - and experiencing the failures that may occur - is an important part of organisational learning."**

**Gould, DiBella, Nevis**

### **Introduction**

This unit of competency is about being able to use the skills and knowledge required to interpret market trends and developments. This will assist you in gaining the Unit of Competency BSBMKG507A Interpret Market Trends and Developments. This is one of the units that make up Certificates in Business.

This manual is broken up into three distinct sections. They are:

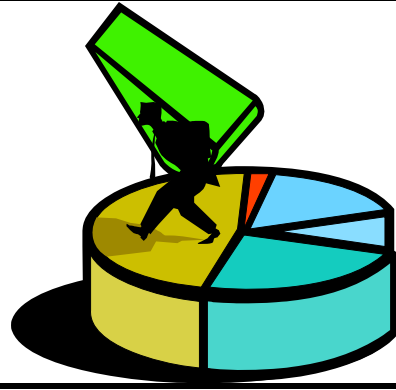
- 1. Interpret Trends and Market Developments**
- 2. Analyse Qualitative Results**
- 3. Report on Market Data**

At the conclusion of this training you will be asked to complete an Assessment Pack for this unit of competency. The information contained in this resource will assist you to complete this task.

On competent completion of the assessment you will have demonstrated your ability to coordinate and review the promotion of an organisation's products and services.

SAMPLE

**BSBMKG507A/01**  
**Interpret Trends and Market Developments**



**A positive attitude may not solve all your problems, but it will annoy enough people to make it worth the effort.**

**Herm Albright**



**Use statistical analysis of market data to interpret market trends and developments**

**Analyse market trends and developments for their potential impact on the business**

**Use measures of central tendency or dispersion and correlations between sets of data for quantitative interpretation of comparative market data**

**Perform qualitative analysis of comparative market information as a basis for reviewing business performance**

**Analyse the market performance of existing and potential competitors and their products or services, to identify potential opportunities or threats**

In this unit, we will be examining the processes involved in the interpretation of market data in order to gain competitive advantage. Let's begin with an examination of statistical methods that can be used to analyse market data for trends and overall market developments.

### **Statistical Analysis**

One of the more difficult aspects of market analysis is the statistical analysis of data that you have obtained about the market. We will begin by looking at the various statistical measures that you can use in your work, before we move on to look at specific examples applying these tools to market data.

#### **Conversion Rate of Leads to Sales**

This measure is perhaps one of the most simple to define. You are looking at the percentage of sales leads that your organisation is able to convert into sales. How many people who walk into your store actually buy something? How many people that visit your website buy a product? How many people that see your ad buy something? It is more generally defined as being the number of people who visit (your website or store, or telephone number etc) who actually do a predefined marketing action (such as purchase, request information etc).

Let's assume that you have 100,000 visitors to your website and you have 4,563 sales during that same month. The conversion rate of leads to sales can then be calculated as:

Number who take action / Number of people who visit \* 100/1 = Conversion rate of leads to sales

$$4,593 / 100,000 * 100/1 = 4.59\%$$

Conversion rate is quite a difficult thing to interpret. However, by tracking conversion rate over time, you can obtain a good view of what your average conversion rate is and use this as the basis of a comparison to your competitors or for looking at how effective your marketing efforts are. Conversion rates for websites are quite low, and a good conversion rate may be as low as 2%<sup>1</sup>.

### Measures of Central Tendency

Another very simple method of statistical analysis is the measure of central tendency. These are measures you are all most likely very familiar with. They include the mean, mode and median. They can be easily calculated and are readily interpretable.

#### Average Order Value

A good example of a measure of central tendency is a figure such as Average Order Value. This figure would look at the order value of all your customers and use it to determine how much, on average, your customers tend to spend in your store. This data will be readily available to you using your accounting systems. Being an average figure, the data is simply added up and divided by the number of values in the data set. Let's look at a simple example of data from a supermarket, being 10 sales obtained during a short period of time:

\$12.65, \$134.53, \$27.54, \$54.90, \$3.87, \$55.50, \$98.99, \$108.78, \$44.89, \$65.00

To obtain the Average Order Value here, you need to add up all the data and then divide it by 10 (the number in the sample):

Total / Number in Sample = Average Order Value

$$606.65 / 10 = \$60.65$$

In this case, we have an Average order Value of \$60.65. In this particular case, you can see that, on average, customers spent \$60.65 per sale during this period. Because of the huge range of figures obtained (ranging from \$3.87 to \$134.53) it is important that you use large sample sizes, to ensure that the figures obtained are actually representative of average sale value.

#### Average Response Rate

Average Response Rate is calculated in a very similar way to Average Order Value - in that it measures the central tendency of the data. In this case, it is attempting to calculate the average response rate to your campaigns - how many people respond to the advertising by buying, visiting a website, calling your organisation. In this case, you are calculating the average of your conversion rates over time. By calculating this, you have an excellent measure against which to compare future values of the conversion rate.

So, let's look at an example, where 6 previous advertising campaigns have been run and the conversion rates calculated as follows:

4.5%, 7.3%, 3.3%, 5.4%, 6.1%, 5.5%

To obtain the Average Response Rate, you need to add up all the data and then divide it by 6 (the number in the sample):

Total / Number in Sample = Average Response Rate

$$32.1 / 6 = 5.35\%$$

So, in doing this, we can compare how well future campaigns compare to the average. Let's assume the example used above (in the section on conversion rate) is used as a comparison. In this example, we can see that campaign had a lower response rate (4.59%) than the average of the past 6 campaigns. We can also add this into the average now, since it is a new campaign:

Total / Number in Sample = Average Response Rate

$$36.7 / 7 = 5.24\%$$

So, even when the new campaign is accounted for in the average, it is still less effective at gaining a response than the average.

### Measures of Dispersion

Unfortunately, there are problems with measures of central tendency such as those outlined above. Without knowledge of dispersion (how spread the data is) they can become extremely misleading. Take for example the wide range in our supermarket example; this is likely to skew the data to be lower than it normally would be. This is why measures of dispersion are so useful. The best way to measure dispersion is through the use of the Standard Deviation. We will use this method to measure dispersion in the data listed above.

You begin by obtaining the mean of the data that you have obtained - in this case we have already calculated the mean of the data in our Average Order Value calculate as \$60.65. We now need to subtract the average from each item in the list in order to obtain a list of deviations:

\$12.65, \$134.53, \$27.54, \$54.90, \$3.87, \$55.50, \$98.99, \$108.78, \$44.89, \$65.00

Subtract 60.65 from each of these values:

-\$48.00, \$73.88, -\$33.11, -\$5.75, -\$56.78, -\$5.15, 38.34, \$48.13, -\$15.76, \$4.35

Now, because some of these figures are negative, we need to square each of these numbers:

2304, 5458.25, 1096.27, 33.06, 3223.96, 26.52, 1469.95, 2316.49, 248.37, 18.92

Next, we sum all of the figures obtained and divide the sum by 1 less that the number of items in the list:

$$\begin{aligned} \text{Sum} &= 16195.8325 / 9 \\ &= 1799.536944 \end{aligned}$$

Now, to obtain the Standard Deviation, we simply find the square root of this number:

$$\begin{aligned} \text{SD} &= \text{SQRT } 1799.536944 \\ \text{SD} &= 42.42 \end{aligned}$$

We have now calculated the Standard deviation of this data to be 42.42. We know that this is a measure of dispersion, but what does it actually mean? Generally speaking, the higher the standard deviation is, the more dispersed the data will be. We can say, in the majority of cases that 68% of all values will fall within plus or minus 1 standard deviation of the mean.

Fortunately the standard deviation of data can be quickly calculated using formula in Spreadsheets or within Statistical data; however an understanding of how it is calculated is also very important.

### Nature and Degree of Relationship Between Variables

It is also important to be able to calculate the relationship between 2 variables, for example between advertising spend and sales. Is there a relationship between these two variables. In order to calculate this, we need to be able to calculate correlation.

Unfortunately, the calculation of Correlation by hand is quite complicated, so we will examine how it is calculated using Excel.

Lets assume we have the following data:

Sales (Millions)	Advertising Spend (\$000)	Year
\$4.60	\$611	1999
\$5.10	\$367	2000
\$3.40	\$321	2001
\$6.80	\$656	2002
\$6.10	\$672	2003
\$5.90	\$423	2004
\$5.60	\$450	2005

Here, we are going to calculate the correlation between the amount spent on advertising and the amount of sales in the year. We would expect to find a positive relationship - the higher the advertising spend, the higher we would expect sales to be.

To calculate correlation we use the Excel formula:

`=CORREL(ARRAY1,ARRAY2)`

Array 1 and 2 are defined as the two separate data sets. In this case one is sales and the other advertising spend. We end up with the formula:

`=CORREL(B3:B9,D3:D9)`

and a correlation between the variables of 0.622

When analysing correlation, anything between 0 and 1 is a positive relation and anything between 0 and -1 is a negative relationship. The closer a correlation is to 1, the stronger the relationship. In this case we have a moderately strong positive relation, so it can be concluded that increased advertising spend, in the case of this data, has resulted in increased sales.

## Sampling

A key to any form of statistical analysis is how that data was obtained, and more importantly from whom. Sampling refers to the methods used to choose where data came from. It is most important to use in the creation of research data, where you need to ensure that you eliminate any potential for bias in the data obtained. The sample you use to gather market data should be random, in order to ensure that you have a representative sample of data from your customers.

## Response Curves

Response curves are a useful means of tracking the response to a given marketing campaign over time. On one axis, you should put weeks or months or days of the campaign running. On the other is cumulative sales. You then plot, on a day by day basis the actual cumulative sales for the period the campaign is running. To further enhance this tool, you can add cumulated forecasted sales. By comparing these two factors, you can compare actual sales for the campaign against the forecast sales. Also useful is the examination of the shape of the plot. Where are sales rising most quickly, where does cumulative sales begin to drop off? How well do the shapes of the two curves (forecast and actual) compare to each other?

## Recency or Frequency Grids

A Recency/Frequency grid attempts to tell you the way in which your customers are behaving. It attempts to divide an organisation's customers into groups according to the purchasing behaviours - each item on the grid represents a different group of consumers who have their own distinctive behaviours that they display. There are three major attributes that are used to divide up customers using this technique:

- **Recency:** This is a measure of how long it has been since a customer last did business with an organisation.
- **Frequency:** This is a measure of how often a consumer will visit a business (either in person, on the phone or via a website).
- **Monetary:** As you might imagine, this measures how much money they may spend.

Each of these attributes is then divided into 3-5 distinct sections. For example:

- Monetary spend per purchase \$0-\$25 (1), \$25-\$75 (2), \$75-125 (3), \$125-\$250 (4), \$250+ (5)
- Frequency during last year 0-2 (1), 3-5 (2), 5-10(3), 10-20 (4), 20+ (5)
- Recency - of last purchase: Last day (1), Last week (2), Last Month (3), Last Year (4), Less than once a year (5)

Now, we are able to divide customers into various grid groupings. For example (using the order RFM):

- 425 - Customer spends more than \$250 during each purchase, does business 3-5 times per year and last purchased during the last year.
- 314 - Customers who spend \$125-\$250 in a single purchase, only visit 1-2 times during a year, and last did business during the previous month.

As you can see, you are building up quite a strong picture of consumers. There are in fact 125 different customer groupings using this grid. This technique is very useful when you are able to obtain solid data that outlines exactly how many of your customers fit into each grid block.

Once you know the size of each grid, you can, in fact, tailor marketing efforts to those largest grid blocks. Also, from a trend point of view, looking at this data can help you gain an overview of exactly how your customers shop with you, and where the trend seems to be changing.

### Lifetime Value of Customers

Calculating how much a customer is worth to your organisation can be quite a difficult task, but it is one that is quite important to work out. The lifetime value of a customer is quite easy to actually calculate, however gathering the right evidence and information and data can be the difficult part.

Put simply, the calculation for Lifetime value of a customer is found by multiplying:

Average Sale \* Average number of times a customer reorders.

As you can see a very simple process. We have already established the way in which to calculate average sales, and you should be able to ascertain an average number of times a customer reorders during a year using data from other analysis (such as your RFM grid).

Another alternative method for working out the average times a customer reorders is to divide the number of sales you have had by the number of customers you have had.

The number of sales you have had should be easy enough to calculate; however the number of customers may be more problematic to calculate.

So, let's work out the Lifetime Value of a Customer for a company that has 3,411 customers, has made 15,650 sales at an average of \$219.

Using this data:

$$\begin{aligned}\text{Number of times a customer reorders} &= 15,650 / 3,411 \\ &= 4.6 \\ \text{Lifetime Value of Customer} &= 4.6 * 219 \\ &= \$1009\end{aligned}$$

We now know that right now, the lifetime value of your customers is, on average, \$1009. In this case, you could say that if your cost to gain a new customer is less than \$1009 you have a profitable relationship with that customer. If it cost you more than this value, that customer is, in fact, not profitable to your organisation.

### Chi-Square Testing

Chi-Square testing is a statistical tool that is used to determine whether or not the values that you observed during market research are significantly different from those frequencies that you would expect to receive based on a given hypothesis. You are attempting to examine whether the null hypothesis holds true (that is that there is not a significant difference between expected and observed results). A good example of a problem that may be measured using this tool is which brand in a given market is most preferred. So, let's use Chi-Square to attempt to resolve this problem.

In this case, let's assume that the market for Widgets in a given market consists of five brands A, B, C, D and E. In order to determine which brand was preferred the most, a researcher asks a random sample of 500 people. Assuming that people just chose a brand at random, you would assume that each would have 100 positive responses. However you obtain the following from your market research analysis:

Brand	Preference by Customers
A	120
B	125
C	85
D	70
E	100
<b>Total</b>	500

In this case, you could assume that B is preferred for Widgets. However, to be sure statistically, we need to find out whether these results could have been the result of chance. In this case we have the Null Hypothesis that All Brands are preferred equally. In order to work this out, we need to calculate Chi-Squared, which can be found by obtaining the sum of (Observed-Expected)<sup>2</sup> divided by the expected value. So in this case, we can use a table to get the results like this:

Brand	Observed	Expected	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
A	120	100	400	4
B	125	100	625	6.25
C	85	100	225	2.25
D	70	100	900	9
E	100	100	0	0
<b>Totals</b>	500	500		21.5

Using this table, we have a Chi-Square value of 21.5.

What does this actually mean?

In order to accomplish this, we need to examine the number of degrees of freedom in a given set of data. In this case, the degrees of freedom is 4 – which is calculated as the number of rows of data (5) – 1. So we have a Chi-Square figure of 21.5 and a degree of Freedom which is 4. Using data from Chi-Square tables we can find out the Critical Chi-Square value for 4 degrees of freedom – in this case, that is 9.49. If the Chi-Square we calculated is smaller than the Critical Chi-Square value, you can assume the null hypothesis to be true. If the calculated Chi-Square is larger than the critical value, the null hypothesis is rejected, and in this case, you know the results of the research are accurate and not generated simply by chance. In this case, because Chi-Square was 21.5 and the Critical Value was 9.49, we know the results were not random, and we can be sure that Brand B is the most popular brand of widgets.

A simple chart of Chi-Square critical values can be obtained overleaf. Note that the P value presented can be used to improve your certainty in the result. At P=0.05 you can be 95% confident, at 0.01 you are 99% certain and at 0.001 you are 99.9% certain in the results that you obtained as a result of the analysis.

### Chi-Square Values

df	P = 0.05	P = 0.01	P = 0.001
1	3.84	6.64	10.83
2	5.99	9.21	13.82
3	7.82	11.35	16.27
4	9.49	13.28	18.47
5	11.07	15.09	20.52
6	12.59	16.81	22.46
7	14.07	18.48	24.32
8	15.51	20.09	26.13
9	16.92	21.67	27.88
10	18.31	23.21	29.59
11	19.68	24.73	31.26
12	21.03	26.22	32.91
13	22.36	27.69	34.53
14	23.69	29.14	36.12
15	25.00	30.58	37.70
16	26.30	32.00	39.25
17	27.59	33.41	40.79
18	28.87	34.81	42.31
19	30.14	36.19	43.82
20	31.41	37.57	45.32



## Analysing your Competitors

Now that we have an overall understanding of the statistical methods that can be used when analysing statistical data, let's move on and look at methods for examining how well your competition is doing. Businesses do not exist in isolation. They work within a framework of competitors, who all have a significant influence on how you run your business. So, when establishing your market position, an analysis of your competitors is crucial. But why do you actually need to look at what your competition is doing? When conducting your marketing planning and strategic development, there are a number of roles that competitive analysis can play. These include:

- Providing strategies for achieving competitive advantage for your business.
- Understanding what your competitors are doing well and where they aren't doing so well.
- Looking at what the competitors did in the past, what they are doing now and what they will do in the future.
- Examining what your returns on your investment in marketing may be (based on what the competition is doing).

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The strategic importance of analysing and understanding your competition can not be underestimated. They provide an excellent snapshot of your market and what you can do to exploit their weaknesses.

What do you need to know?

When attempting to examine your competition, it is important that you have a solid understanding of exactly who it is your competition actually are, as well as information such as:

- Are they a major threat to our business?
- What are their strengths and weaknesses?
- What marketing activities do they undertake and are these successful?
- What is their profile in the market?
- What are their objectives?
- Is their cost structure similar to ours?
- What are the market shares of our main competitors?
- How are they structured?
- What is their distribution system?
- What is their advertising strategy and position profile?
- How satisfied are their customers?
- What new products do they have planned?
- How effective are their marketing and promotion?

Information such as that provided above can be gained both qualitatively and quantitatively. The level of the data you obtain may vary from competitor to competitor depending on just how active they are in the market and how large the competition companies actually are. So, what sorts of data can you actually obtain to assist you in creating an effective competitive analysis? There are generally two main sources of information that any organisation can obtain about its competitors: Primary and Secondary data.

- **Primary Data:** Primary data is data that you obtain "first hand". That is, it is data that you have actually gathered yourself. This type of data may include an analysis of your competitor's pricing structure, anecdotes supplied by staff, having discussions or conducting research with your suppliers and customers. It is essentially making data yourself, rather than using data that has already been created. Of course, as you can imagine, this is the most expensive and time consuming form of data gathering, as you are actually going through the entire process yourself.
- **Secondary Data:** Secondary data is sometimes also referred to as recorded data. It is data and information that is already available in your organisation, or through external sources. Because of this, you do not actually need to create the data yourself; rather you have the data ready for analysis. Information such as industry market reports, annual reports and company brochures are all good sources of external secondary data. Internally previous market analyses and previous market research reports may provide the basis for projections in to the future and thus can be considered as internal secondary data sources.

Let's now look at a range of information sources that are available to you for conducting your competitive analysis:

### Primary Data

- Market Research commissioned by the organisation.
- Anecdotal discussions.
- Analyses conducted by the organisation into price, promotion and distribution strategies of the competitors.

### Secondary Data

- Annual Reports
- Price lists
- Advertising
- Press releases
- Tender documents
- Patent applications
- Government reports
- Industry board reports
- Market analysis

As you can see there is a huge range of documents and data that can be used in the creation of a competitor analysis. In the main, primary data is the freshest and most useful; however, it is also the most expensive and difficult to produce. It also takes time to create, so can not be used for on the fly analysis. In many ways, a competitive analysis is like a recipe. Each individual piece of information that you have is not particularly useful. A price list, in isolation, does not tell you much about an organisation's overall marketing strategy - much like baking powder on its own is not a useful thing to have in the kitchen. However, combine the pricelist with advertising, anecdotes and primary research into reactions to pricing, and you can gauge much better exactly what it is the competitor is doing (similarly baking powder, flour, sugar, baking soda, eggs and milk are a good start to a delicious cake batter).

The analysis of your competition is generally more qualitative in nature than an analysis of your organisation as a whole. This is because much of the information that you want to obtain about the competition is best obtained in this manner. Once you have gathered all the information you need to conduct a competitive analysis, it is important that you spend time summarising the data in order to obtain a complete picture of what is happening in the market and where you can find opportunities for your organisation to thrive and threats which may impact your business' ability to survive.

### Market Trends

Let's now look in general terms at some of the major trends that may affect your business in the near future. All businesses operate in a business environment which is always full of change. For this reason, it is very important to run SWOT analyses on your market to ensure that you are fully aware of the strengths and weaknesses of your organisation and the opportunities and threats any market trends may have.

### Changes in Technology

It is a given that technology is changing. We have gone, in the last 20 years from recording on large floppy plastic disks to external hard drives that could store literally millions of floppies. New machines, software, hardware are all being introduced at a continual and ever increasing rate, so it is vitally important that you are aware of the trends that take place in business with regards to changing technology. Know what the next big thing is likely to be and attempt to move yourself towards that first.

### **Demographic Trends**

Look for ways in which the overall market place is likely to change. If you are marketing to females aged 15-19, how is that market doing. Is it increasing, or decreasing? Look for the ways in which the demographics of the market are likely to change over time and see how this will impact on your business.

### **Changes in Supplier Prices**

Unfortunately, prices are not as stable as they used to be, and a supplier increasing their prices for \$1 a unit may pose a significant risk to your business, therefore it is important to look at how supplier price changes could affect the way that your business is run.

### **Ecological and Environmental Trends**

The most modern of trends is towards protecting the environment, with buzzwords like carbon footprints and emissions trading. How will this impact on the way your business does what it does? Does your environmental performance sit well with your market? What changes do you need to make?

### **Economic Trends (Local, Regional, National, International)**

At the time of writing, the world seems to be in a recession. This means that there is an economic downward spiral happening. Effective businesses should have contingency plans in place to deal with the effects of such an issue.

### **Government Activities**

Look for trends from the Government. Where are interest rates heading? Deregulation in the market? How will all of this effect exchange rates? The way that a business does business?

### **Sources Of Data**

We have previously looked at some of the sources that you may use to begin a market analysis using statistical techniques, particularly related to market segmentation; however there are also a range of proprietary sources of data such as ACORN, PRIZM and MOSAIC. Each of these sources can provide pinpoint accurate data for your analyses, however, it should be noted that they can be very expensive, and so are mainly used by larger organisations. For more information, see:

PRIZM - <http://www.claritas.com/MyBestSegments/Default.jsp>

MOSAIC - <http://www.tetrad.com/demographics/usa/ags/agsmosaic.html>

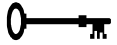


**Activity Two**

Think Carefully about your organisation. What trends do you think will pose the biggest threat to its continued existence at this time?

Lined area for writing the answer to the activity question.

SAMPLE



### Key Points Section 1

- Statistical methods can be used to analyse market data in order to find market trends and developments which may impact on a business.
- Once market trends have been identified, you must assess each to determine how much of an impact they are likely to have on a business.
- Measures of central tendency, dispersion and correlation can be used to compare different sets of market data.
- Qualitative analysis is appropriate for comparing competing businesses as a basis for reviewing business performance.
- Opportunities and threats posed by your competition are an important consideration in any market analysis.

SAMPLE



### Section 1 - 'True' or 'False' Quiz



T	F	A measure of central tendency is the Mean.
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T	F	Correlation attempts to determine statistical significance.
---	---	---



T	F	The lifetime value of a customer can not be estimated easily.
---	---	---



T	F	An RFM grid attempts to measure response rates.
---	---	---



T	F	Standard Deviation is a measure of dispersion.
---	---	--



T	F	RFM analysis attempts to group customers with similar purchase habits.
---	---	--



T	F	PRIZM is a statistical method for analysing correlation.
---	---	--



T	F	Technology continually changes.
---	---	---------------------------------



T	F	The exchange rate is a business trend that importers need to carefully monitor.
---	---	---



T	F	All businesses face the same market trends.
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