# Foundational Knowledge: Use the following link to complete the guided notes. <http://cms.gavirtualschool.org/Shared/Electives/MarketingPrinciples/FoundationalKnowledge/index.html>

## Essential Questions:

* Why is being able to analyze a target marketing important?
* How do different aspects of marketing interact with each other to create successful marketing?

Marketing is:

"The process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives."

In other words…the process of developing, promoting, and distributing products in order to satisfy customers' needs and wants.

# Some Important Vocabulary Words

* **Marketing**-The process of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives
* **Marketing mix-**the fundamental elements of marketing—product, \_\_\_\_\_\_\_\_\_\_\_\_\_\_, place, and promotion (also called the 4Ps)
* **Marketing concept-** The idea that you must satisfy a customers' \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ in order to make a profit
* **Functions of marketing-** There are seven basic functions of marketing: Distribution, Financing, Marketing information management, Pricing, Product/service management, Promotion, and Selling
* **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_-** a specific group of people that are possible consumers of a product
* **Market segmentation-**Analyzing a market by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ characteristics in order to create a target market
* **Demographics-** Market segmentation based on a target market's \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ characteristics. Includes: gender, age, income level, occupation, ethnic background, and education level
* **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**- Market segmentation based on where your target market lives. Includes: local markets, regional markets, national markets, and global markets
* **Psychographics**- Market segmentation based on your target market's \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and personality characteristics. Includes: attitudes, values, activities and interests

# What is Marketing?

# Marketing is a process that involves:

# \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ - Analyzing potential consumers to determine who they are and what items to produce or sell in order to satisfy them.

# \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ - Items must be priced so that consumers want to buy them, indicates quality and/or value to consumers, and must be set to make a profit but still able to compete with others.

# \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ - Marketing helps to create and stimulate demand for products by informing people about them. Advertising, Sales promotion, Publicity, and Personal Selling are forms of promotion.

* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ - Involves shipping, handling, and storing of items on the way from the producers to the consumer. Ensures that items are available when and where they are needed.

|  |  |
| --- | --- |
| Type of Goods Marketed | Examples |
| Durable Goods | Desks, computers, houses |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |

# The Marketing Mix- also known as the 4Ps:

# P\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

# P­­­­­­­­­­\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

# P­­­­­­­­­­\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

# P­­­­­­­­­­\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

# Product

*Product decisions include answers to the following questions:*

* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* When to make it
* Level of quality
* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* How to package and label

|  |  |
| --- | --- |
| What to Make? | Look at the innovative design of the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_supports are above the fabric,  giving more room underneath. Also, cool tools like chop sticks. |
| When to Make it? | Special packs of sodas during \_\_\_\_\_\_\_\_\_\_\_. |
| Level of quality? | A \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_decision—best or the cheapest (everyone loves the dollar store!) |
| How to package and label? | The blue of the Tiffany box is trademarked  New ideas, like the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_bottles are important packaging decisions |

# The Marketing Mix- Price

*The cost at which a customer will buy and at which a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ will sell.*

# The Marketing Mix- Place (or Distribution)

*How a product will get from the producer to the consumer*.

* Channels of distribution
* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* Retailing
* Physical Distribution
* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**The Marketing Mix- Promotion**

* **Advertising**
* ***\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_***
* **Sales Promotions**
* ***\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_***
* **Personal Selling**
* ***\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_***

# Benefits of Marketing

* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* Adds utility to goods and services.
* Makes buying convenient.
* Maintains reasonable prices.
* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* Provides a variety of goods and services.
* Increases production.

## Marketing ... \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Marketing provides the means for the exchange process.

*An \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ takes place every time something is sold in the marketplace.*

# The Seven Functions of Marketing

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_- Obtaining goods and services for use in the operation of a business or for resale.
2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
3. The determination of an exchange price at which the buyer and seller perceive optimum value for a good or service.
4. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
5. The process of creating a product in response to market opportunities.
6. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
7. Gathering, recording, analyzing and disseminating information to aid in making marketing decisions.
8. Promotion
9. Communicates information about products, services, images or ideas to customers or clients to influence their purchase behavior.
10. Financing
11. Determining the need for and availability of financial resources to aid in marketing activities.
12. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
13. The physical movement or the transfer of ownership of a good or service from the producer to the consumer.

# Marketing Concept

* To succeed in business, managers must base their decisions on the needs and desires of consumers.
* Businesses must give c\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* The idea that you must satisfy a customers'\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* Businesses must have the right goods and services at the right time, at the right price and at the right place. Plus they must communicate this to their customers.

# Elements of the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

### Customer \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Businesses must determine how they can produce items people want and how can they do that more effectively.

Base decision-making about products on customer's needs and wants.

### Company Commitment

An organization that applies the marketing concept must focus all of its efforts on satisfying customer needs.

The marketing concept must become a part of the entire organization.

### Company \_\_\_\_\_\_\_\_\_\_\_\_\_

A company should achieve its goals by giving \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ what they want.

Companies exist by achieving their long term goals- not by making quick sales and not achieving customer needs and wants.

# Why is Marketing Important

* Increased production \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.
* Increased \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ power of consumers.
* Need for coordinating production and consumption.
* One-third of all workers are in marketing jobs.
* Majority of businesses in the US are \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_-type businesses.
* Fifty cents of every sales dollar goes to cover the costs of marketing.

## Without Marketing. . .

* Increased personal contact with \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.
* Less variety in products.
* Fewer product improvements.
* Fewer products \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.
* Increased stock shortages or overages.

## Why Study Marketing?

. . . to understand \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

. . . to learn interpersonal skills

. . . to perfect \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

# Target Marketing

Involves focusing marketing decisions on a specific group of people you want to reach with your \_\_\_\_\_\_\_\_\_\_\_\_.

## What is a Target Market?

A \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is defined as a group of customers who are qualified to make purchases of products or services that a marketer is able to offer

In simpler terms…a market is a group of people that share similar needs and wants and that can purchase a certain \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

For example, a student might want a Porsche for their first car but probably would not be considered to be part of the market for a Porsche because few students have the $$$ to buy a Porsche. Probably, the student would be part of the market for a Honda Civic.

# Market Segmentation

Analyzing a market by specific characteristics in order to create a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

Once a target market is identified, a business can customize its products and marketing strategies to that specific group of customers.

To do this, businesses may segment a market by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, psychographics, geographics, and product benefits.

Do you feel like a target? You should...

You are a HUGE target for marketers with products like MP3 players, cars, jeans, shoes, and phones.

## Demographic Segmentation

Market segmentation based on your target market's personal characteristics. This includes:

* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* age
* income level
* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* ethnic background
* education level

You are part of a demographic group called, among other things, "millennials." There are about 80 million of them, born between 1980 and 1995, and they're rapidly entering the work force--and changing the rules as they do.

## Psychographic Segmentation

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ based on your target market's lifestyles and personality characteristics. This includes:

* attitudes
* values
* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* interests

## Geographic Segmentation

Market segmentation based on where your target market lives. This includes:

* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* regional markets
* national markets
* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

## Benefit Segmentation

Market segmentation based on benefits your target market expects to receive or gain from products. This includes:

* added protection
* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* special needs
* stage in family \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_