

Marketing Concepts

-Student Notes

Directions:

Fill in the blanks.

The Marketing Concepts Segment

1. Marketing Concept

- States businesses must _____ the needs and wants of their customers to compete in the marketplace
- Includes:
 - reaching the right people with the right _____ at the right time and place

2. Customer vs. Consumer

- Some businesses _____ between a customer and consumer
 - customer
 - person who buys the product
 - consumer
 - person who uses the product
- Distinction is usually made by _____ and not retailers
 - Coca Cola[®] produces consumer beverages, but considers the retail stores selling Coca Cola[®] beverages the customers

3. Inbound Marketing

- Focuses on attracting customers to a business through tailored content
- Requires creating _____ consumer are already interested in
- Examples include:
 - blog posts
 - _____
 - webinars
 - podcasts
 - social media

4. Inbound Marketing

- Relies primarily on the customers _____ to look into the business
- Strategies include:
 - _____
 - relevant content
 - ads which do NOT interrupt content viewing

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5. Outbound Marketing

- Reaches customers through general advertising media and personal contact
- Can be considered _____ forms of marketing
- Can include:
 - television advertisements
 - face-to-face meetings
 - _____ e-mails

6. Effective Marketing

- Is _____ because producers and consumers are usually separated in several ways
- Is hampered by:
 - time _____
 - information and values separation
 - spatial separation

7. Effective Marketing

- Is also hampered by:
 - _____ of quantity
 - producers want to make and sell products in large quantities
 - customers want to buy and use products in small quantities
 - discrepancies of _____
 - producers specialize in making a small assortment of goods
 - customers need and want a large assortment of goods

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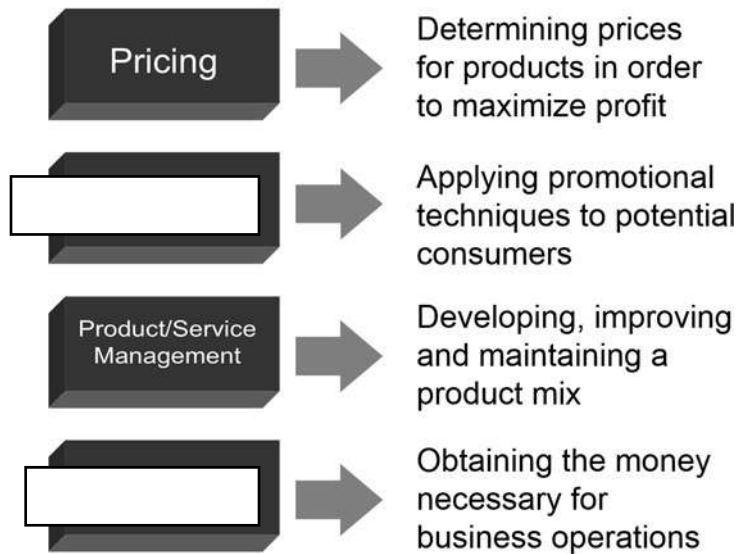
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8. Seven Pillars of Marketing

- When combined, help overcome marketing separations and discrepancies



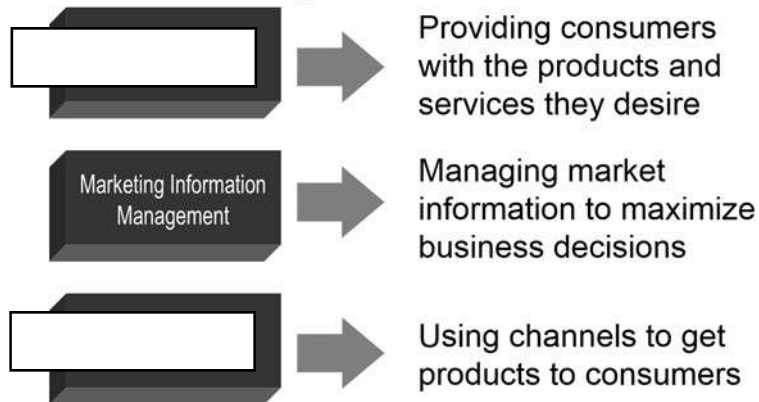
9. Seven Pillars of Marketing



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10. Seven Pillars of Marketing

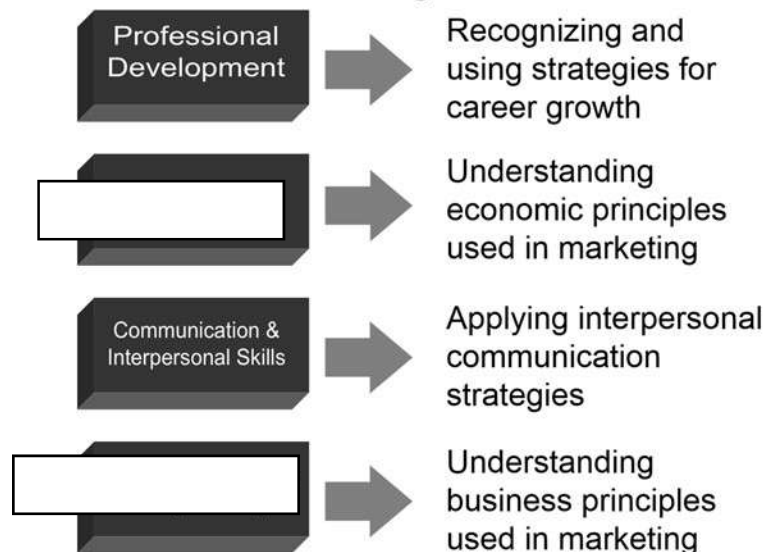


11. Four Foundations of Marketing

- Are _____ to understanding marketing
- May be considered marketing _____ and co-requisites



12. Four Foundations of Marketing



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13. Marketing Strategy

- Is the entire _____ of how a company will reach a market with the company's product
- Combines finding a _____ market and using a marketing mix

14. Marketing Strategies

- Include:
 - customer analysis
 - product development
 - pricing
 - _____
 - sales and _____

15. Customer Analysis

- Allows _____ to better understand consumer needs and behavior of their target customers

16. Product Development

- Is the process of designing, creating and marketing new products or services to _____ customers
- Is also used to _____ old products or services

17. Pricing

- Is the value which is put to a product or service
- Takes into account:
 - ability to pay
 - market conditions
 - _____ actions
 - trade _____
 - input cost

18. Branding

- Identifies one seller's good or service as _____ from those of other sellers
- Can also be called a _____ and could include:
 - name
 - term
 - design
 - symbol

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19. Sales & Distribution

- Is the process of making products or services available for use or consumption by a _____ or business

20. Goods & Services

- Have some differences between them
 - companies which _____ goods:
 - Lays[®] Chips
 - BMW[®]
 - Adidas[®]
 - companies which _____ services:
 - American Airlines[®]
 - barber
 - cleaning companies

21. Goods & Services

- Differ in the following ways:
 - ownership is not transferred
 - if you buy a car it is yours
 - if you buy an airline _____ the airline is not your
 - involvement of customer
 - when buying a _____ from a store, you never see the producer of the product
 - when someone cuts your hair you have direct contact with the producer of the hair cut

22. Goods & Services

- Differ in the following ways:
 - quality
 - mass production produces the _____ product every time
 - for example: the _____ cleaner who comes to your house will clean the carpet a little different each time even though you probably will not notice

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23. Goods & Services

- Differ in the following ways:
 - evaluation of services is tougher
 - you can evaluate a brand of shoes by sales; if they are selling in _____ numbers then the product must be good
 - when services _____ each time it is harder to evaluate based on one experience
 - for example: it would be difficult to evaluate how a barber cuts hair when you do not see everyone else's hair he or she cuts

24. Goods & Services

- Differ in the following ways:
 - inventories are _____
 - shoes are mass produced so a large number of the same shoe is _____
 - a chef only makes the food after you order it

25. Goods & Services

- Marketing strategies differ in the following ways:
 - services are marketed towards a _____ with the customer
 - goods are _____ towards customers everyday use and value of the product itself

Segmentation Segment

1. Target vs. Mass Marketing

Mass Marketing	Target Marketing
production-oriented approach using the same marketing mix to vaguely target ALL consumers	an approach which segments the mass market in order to tailor the marketing mix to a specific type of consumer
applies to a <input type="text"/> or diverse group	applies to a <input type="text"/> or similar group

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2. Mass Marketing

- Advantages include:
 - marketers can spend less time and money on applying a marketing mix to _____
 - less expensive compared to _____ marketing
 - diversity in customers
 - less research required to determine the best marketing strategy

3. Mass Marketing

- Disadvantages include:
 - success rates differ across _____ areas
 - adaptations to changes in the marketing environment can be difficult
 - increased _____ between companies
 - marketers can lose the “niche” effect, which can attract customers
 - especially for service industries where customers want to feel like “one in a million”
 - have less of a competitive edge compared to other companies who use market segmentation

4. Market Segmentation

- Advantages include:
 - identifies most _____ customers
 - improves customer service
 - allows for more _____ advertising
 - segmentation helps companies focus on particular consumers for the companies products
 - companies can gain a competitive advantage compared to other companies

5. Market Segmentation

- Disadvantages include:
 - segment size could limit business
 - cost of production increases
 - could cause companies to _____ other potential customers
 - potential customers may not fit into any market segments
 - segmentation can get _____ for companies trying to create too many segments for different types of people

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6. Target Markets

- Are similar groups of consumers a company wishes to attract
- Are vital to keeping the marketing mix _____ and directed toward the right customers
- Allow the marketing mix to be _____ to fit a specific target customer

7. Market Segmentation

- Is a two-step process:
 - identifying _____ markets (generic markets)
 - segmenting markets into _____ markets for marketing mix development

8. Identifying Generic Markets

- Divides possible needs of consumers into generic markets
 - reduces the marketing focus to _____ areas where companies are more likely to have a competitive advantage
 - companies cannot satisfy all consumer needs
 - for example: car manufacturers concentrate on transportation markets and _____ possible opportunities in clothing and food markets

9. Segmentation

- Is dividing people based on certain characteristics
 - _____ people with similar needs into market segments
 - a _____ group of consumers responding to the same marketing mix

10. Types of Segmentation

- Include:
 - demographic
 - _____
 - geographic
 - consumer _____

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11. Demographic Segmentation

- Is using statistical data which describes a population through personal characteristics including:
 - age
 - gender
 - income
 - _____background
 - cultural background
 - education and _____

12. Demographics

- Allow businesses to understand consumers and their behaviors
- Influence the marketing _____ through the following:
 - population trends
 - shift of age in the _____population
 - population shifts
 - movement of people from one geographic location to another

13. Segmentation by Age

- Consists of dividing people by age and targeting a certain age
 - separate age groups by _____
 - this is common due to generation gaps
 - separate generations further
 - for example: toy _____place age recommendations on their packaging

Generation Gap: difference in values and attitudes between one generation and another; especially between young people and their parents.

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14. Segmentation by Age

Baby Boomers	Generation X	Generation Y	Generation Z
Born 1946-1964	Born 1965-1977	Born 1978-1994	Born 1995-now
Control \$2.6 trillion of GNP and 51% of wealth in the United States	Are arguably most educated: 29% college educated	Are much more diverse than previous generations	Are the most technologically savvy and most likely to multitask
Are of interest to companies promoting products related to aging <input type="text"/>	Are big spenders in electronics, clothing and entertainment and reached through sharp images, music, humor and a hint of impertinence	Are more likely to be immune to traditional marketing and sales pitches and tend to be less brand loyal	Are attractive to marketers for building lasting consumer loyalty to their brands at <input type="text"/>

15. Segmentation by Gender

- Divides _____ according to whether they are male or female
 - many companies have _____ revenues by targeting women
 - for example: Gillette® razors and Joe Boxer®

16. Segmentation by Income

- Includes two types:
 - disposable income
 - money left after taxes are taken out of paychecks
 - attractive to _____ who produce “necessities” such as food and personal hygiene products
 - discretionary income
 - money left after basic living _____ have been paid (bills, groceries, etc.)
 - attractive to companies who sell non-necessity type products such as entertainment services and luxury items

17. Segmentation by Ethnicity

- _____ consumers by ethnic background
 - ethnic populations are increasing in the United States while the Caucasian population is _____

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18. Hispanic Populations

- Include 52 million people
 - approximately 16.7 percent of total population
- Are the _____ ethnic group and include many diverse groups:
 - Mexican
 - Spanish
 - Puerto Rican
 - Cuban
 - _____
 - Caribbean
 - other Central and South American nationalities

19. Hispanic Populations

- Are targeted through:
 - Spanish language _____ such as Telemundo®
 - Spanish language print _____ and radio

20. African-American Populations

- Include more than 40 million people
 - approximately 13.1 percent of total population
- Bring in \$400 billion annually
- Are targeted by:
 - _____ in African-American centered media (for example: Essence® or BET®)
 - coordinating promotions with important cultural events such as Black History Month
 - using African-American _____ to promote products

21. Asian-American Populations

- Include more than 15 million people
 - approximately five percent of population
- Are the _____ growing and most affluent ethnic population
- Include many diverse groups:
 - Chinese
 - Filipino
 - _____
 - Asian-Indian
 - Korean
 - Vietnamese

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22. Asian-American Populations

- Are targeted through:
 - _____ media
 - positivity

23. Segmentation by Culture

- Refers to the _____ of individuals within a society
- Can determine whether or not a business is successful
 - for example: if a business does not _____ the community or region to which it is marketing to, the consumer will feel as if they do not belong

24. Elements of Culture

- Include:
 - social organization
 - division of _____, communication systems, sexual composition, etc.
 - customs and traditions
 - behaviors, statement, etc. passed from generation to generation
 - religion
 - system of _____ and worship
 - language
 - spoken or written communication

25. Elements of Culture

- Include:
 - arts and _____
 - government
 - economic systems
 - countries resource _____ and distribution of goods and services

26. Cultural Diversity

- Affects the way businesses may _____ goods or services
 - for example: in the United States, people value individualism and will respond to _____ messages, but in other countries, people may feel targeted by individualistic messages and NOT respond appropriately to the message

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27. Multiculturalism

- Refers to two or more _____ cultures co-existing with one another
- Can _____ marketing strategies due to different meanings and interpretations across cultures

28. Multigene Rationalism

- Refers to two or more generations co-existing with one another
 - a generation is a group of people who were born around the same time and will have _____ experiences as they age
- Can affect how a product or company is _____
 - each generation has been through experiences in which shape their outlook

29. Psychographic Segmentation

- Uses consumer studies of social and psychological characteristics of different types of customers
 - people's attitudes, values and lifestyles
 - magazine _____ understand psychographic segmentation
 - numerous types of _____ magazines targeted to a psychographic population
 - Golf Digest®
 - Sport's Illustrated®
 - Home and Garden®

30. Psychographic Segmentation

- Requires knowledge of trends
 - changes in households, the _____, politics and the workplace
 - changes in personal attitudes about health, time, fun and general living
 - trends include:
 - living a healthy lifestyle
 - companies are pushing more _____ products to consumers
 - having enough time
 - Campbell's Soup® introduced a soup in a to-go cup for customers on the go

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31. Geographic Segmentation

- Is segmentation based on where people live
 - local, regional, national and global markets
 - locally owned restaurants will market differently than national or global _____chain
- Is often based on ethnic concentrations
 - to pursue Hispanic consumers, _____target states with high Hispanic populations

32. Geographic Segmentation

- Includes consideration of Metropolitan Statistical Areas (MSAs)
 - created by the government to help _____ federal aid
 - used by marketers to target consumers and launch promotional campaigns
- Includes the following trends:
 - South, West and _____ regions have fastest growing states

33. Geographic Segmentation

- Also causes marketers to consider whether a geographic area can use and buy products or would be _____ to new products

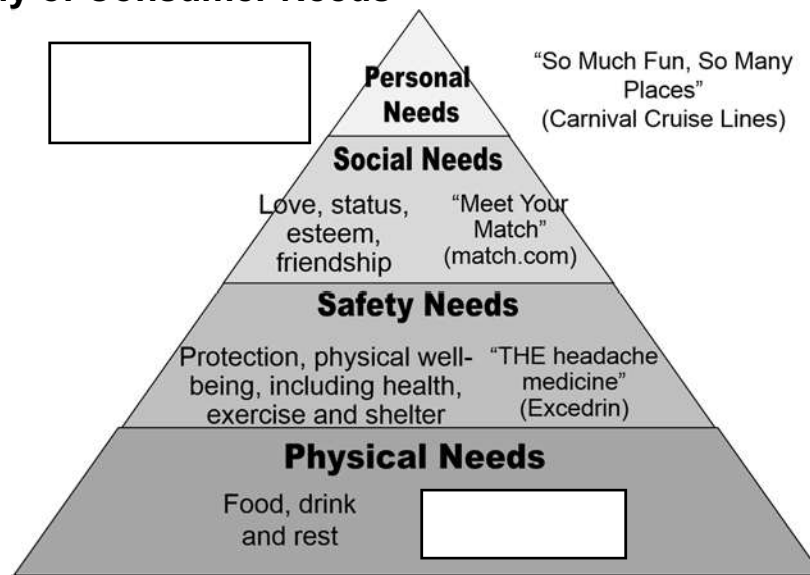
34. Consumer Behavior Segmentation

- Requires studying people's needs and attitudes
- Includes determining how present and future goods and services will fit into consumer's _____ patterns
 - customers may have more than one reason for buying a product
 - marketers refer to a _____ of consumer needs

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35. Hierarchy of Consumer Needs



Marketing Mix Segment

1. Marketing Mix

- Consists of businesses combining four, _____ marketing strategies to meet consumer needs
 - product
 - price
 - place
 - _____
- Success depends on how well the company defines the target market

2. Product

- Is any need-satisfying good or service from a company
 - "new" products sometimes are actually _____ of existing products
 - for example: Crest® launched its first toothpaste in 1955; today, the company produces 42 different types of toothpaste, 11 kinds of _____, 13 types of mouth rinse and seven varieties of teeth whitening systems

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3. Product

- Considerations include:
 - it is rare for a completely new product to enter markets and be successful
 - between 33 and 90 percent of new products fail depending on industry standards
 - reasons for new product failure:
 - _____ consumer reactions
 - poor positioning
 - inappropriate channels selected
 - too little marketing support
 - unexpected competitor _____

4. Types of Products

- Include:
 - parity products
 - negative driven products
 - _____ products
 - convenience products
 - specialty products

5. Parity Products

- Are those which are produced by many companies and, because of similarities, can be used _____
- Are seen as little-interest and little-involvement products
- Are hard for marketers to _____ from competitors, but can be done
- Include toilet paper, light bulbs and lettuce

6. Negative Driven Products

- Are those which are meant to replace products considered inferior in the minds of some
 - for example: bottled water, _____ diet soda, prepared grocery store meals
- Success relies on consumers _____ views on products they are meant to replace
 - for example: tap water, high-calorie/high-caffeine drinks, fast food

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-Student Notes

7. Unsought Products

- Are items customers do not yet know they want or need to buy
 - promotion is the only way for _____ to raise awareness of the product
- Are one of two types:
 - new unsought:
 - completely new products people do not yet know about
 - regular unsought:
 - generally _____, but not forever
 - for example: gravestones, encyclopedias, life insurance

8. Unsought Products

- Often require _____ selling to play a large role in the marketing mix

9. Convenience Products

- Are items of necessity consumers usually do not want to spend a lot of time or money buying, including:
 - staples
 - products bought _____ and without a lot of thought
 - for example: milk and soap
 - impulse items
 - products customers do not plan to buy
 - for example: candy and _____
 - sales may be lost if customers do not see these items at the right place and right time

10. Convenience Products

- Are items of necessity consumers usually do not want to spend a lot of time or money buying, including:
 - emergency products
 - specially _____ products, usually for emergency reasons with no time to shop around
 - for example: _____ and bandages

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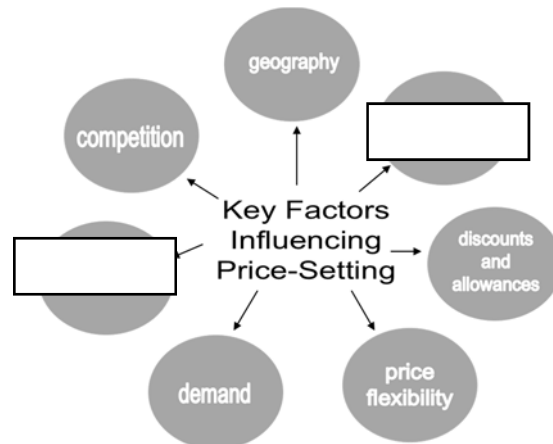
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11. Specialty Products

- Are items not purchased regularly by consumers
- Typically include less comparison shopping than other types of products
 - finding _____ is not always possible
 - customers may want to buy a specific product within a specific brand
 - extensive research may occur
 - for examples include: _____ dresses, diamonds, sports memorabilia

12. Price

- Is the amount a company charges for a product
 - several factors are taken into consideration when setting price



13. Methods for Setting Price

- Include mark-ups
 - dollar amount mark-up added to cost of product
 - percentage _____ added to cost of product
 - mass _____ offer fast-moving products at lower mark-ups and slow-moving products at higher mark-ups

14. Methods for Setting Price

- Include focus research groups
 - one method of finding the _____ price for a product
 - offer the product at different prices to study the reactions of the volunteers in the research group
 - do not let the research group _____ name their own price
 - make them react as they do in the real world

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-Student Notes

15. Types of Pricing

- Include:
 - average-cost pricing
 - target _____ pricing
 - value in use pricing
 - bait pricing
 - odd-even pricing
 - demand-backward pricing
 - prestige pricing
 - psychological pricing

16. Place

- Is concerned with getting the product at the right place at the right time
 - a product is of no use if these _____ are not met
- Includes determining channels of distribution
 - any series of _____ who participate in the flow of products from producer to the final customer

17. Channels of Distribution

- Can be short or complex
 - short distribution
 - _____ from the producer to the customer; no middleman
 - common in service industries
 - complex distribution
 - involving many different _____ and wholesalers

18. Promotion

- Is concerned with informing the _____ market or others in the distribution channel about the value of the product
- Includes _____ selling, mass selling and sales promotion

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19. Personal Selling

- Involves direct spoken communication between sellers and consumers
 - face-to-face or over the _____
- Advantages include:
 - allowing the salesperson to _____ the company's marketing mix to each individual customer
- Disadvantages include:
 - can be very expensive
 - some customers get unfriendly with "pushy" salespeople who come to customers homes or continually call them

20. Mass Selling

- Involves communicating with large numbers of consumers at one time
 - advertising- main form of mass selling
 - _____ - information about a product or a company circulating through various media to attract public notice
- Involves all forms of media
 - _____ print media (newspapers, magazines, etc.)
 - radio
 - Internet

21. Sales Promotions

- Involve promotional activities other than advertising, publicity and personal selling which _____ interest, trial or purchase by customers
 - examples include:
 - coupons
 - point-of-purchase materials
 - _____
 - signs
 - catalogs
 - novelties
 - circulars

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-Student Notes

22. Job Seeking Process

- Can use the marketing concepts:
 - individuals must compete with other qualified job seekers
 - must show employers a competitive _____ compared to other job seekers
 - must be in the right place at the right time; it is significant to looking competitive for _____

23. Career Planning Process

- Can use the marketing mix:
 - place
 - use information channels in order to research about various careers, including career centers, career _____, career experts
 - product
 - ideal career to fit needs and wants
 - price
 - _____ to get the career wanted

24. Career Planning Process

- Can use the marketing mix:
 - promotion
 - résumé is the ultimate promotion
 - make it _____ neat and not flamboyant
 - make it _____ correct
 - make sure references are good

Trends in Marketing & Advertising Segment

1. Trends in Marketing

- Include:
 - relationship marketing
 - industrial marketing
 - _____ marketing
 - Internet marketing
 - mobile marketing

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2. Relationship Marketing

- Focuses on managing _____ and long-term relationships with customers
- Involves companies changing the way their businesses operate to maximize customer _____

3. Relationship Marketing

- Requires businesses to analyze the _____ and history of their customer base
 - who they are
 - what they buy
 - how do they provide products over an extended period of time
- Example:
 - American Airlines®
 - maintains frequent flyer program to reward customers loyalty with free flights, _____ and discounts

4. Industrial Marketing

- Provides goods and _____ to other businesses
 - also known as business-to-business
- Involves large orders and _____ relationships between businesses and customers

5. Industrial Marketing

- Includes:
 - identifying customer base
 - _____ ideas or products to prospective customers
 - continuing communication with prospective customers
 - completing a _____
- Example:
 - Business Technology Association
 - sells fax machines, copier and printers to offices in other businesses

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-Student Notes

6. Societal Marketing

- Focuses on first analyzing the interests of prospective consumers then aiming to provide products more _____
- Typically balances profits with consumer desires and interests
- Also includes related marketing
 - companies build relationships or _____ with a cause for mutual benefit
- Example
 - Nike®
 - NikeiD® program allows customer to design their own Nike® shoe

7. Internet Marketing

- Is increasing rapidly due to the increase of people using the Internet daily
- Includes:
 - online advertisements
 - _____ advertisements
 - targeted _____
- Examples:
 - Zappos®
 - has banners on most social media sites to attract customers

8. Mobile Marketing

- Is designed for cell phones, smart phones and other handheld devices
- Can include:
 - short message service (SMS)
 - _____ messaging service (MMS)
 - quick response codes (QR)
 - mobile applications
 - mobile _____ websites
- Example:
 - Redbox®
 - customers could send a text and in return received a discount on movie rentals

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-Student Notes

9. Mobile Marketing

- Advantages include:
 - efficiency
 - _____ and less expensive compared to other marketing methods
 - convenience
 - users are _____ using their phones
 - broad audience
 - mobile devices are more common across the population than desktops and laptops

10. Mobile Marketing

- Disadvantages include:
 - variety of shapes and sizes
 - messages may _____ differently according to the device
 - navigation can be difficult
 - navigation through a website can be more difficult on small screens or devices
 - privacy concerns
 - users and businesses worry about the _____ of privacy on personal devices

11. Trends in Advertising

- Include:
 - co-branding
 - content marketing
 - _____ advertising

12. Co-Branding

- Combines the advertising efforts of two or more businesses to create new customer products
- Elevates brand _____ and customer interest
 - for example:
 - a car dealership and a _____ shop create coupons for customers to use at both businesses; this creates mutual benefits for both businesses

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-Student Notes

13. Content Marketing

- Focuses on attracting and _____ customers by continually creating relevant products
- Informs customers about products rather than making a pitch to sell products
- Intends to change or _____ customer behavior

14. Online Advertising

- Focuses on driving customers to their websites or locations
- Is beneficial for the following reasons:
 - _____ audience
 - less expensive than other advertisement methods
 - brand _____ increases

15. Online Advertisements

- Can be purchased in the following ways:
 - cost per _____
 - advertisers pay when their advertisements are exposed to certain audiences
 - cost per click
 - advertisers pay any _____ a user clicks on their advertisements
 - cost per action
 - advertisers only pay when customers perform a specific action, such as making a purchase