

Introduction to Business and Marketing

1.2 The Purpose of Marketing

72% of marketers state their top marketing priority is to convert website visitors into customers.

Source: iliyanastareva.com

The marketing concept is a method of selling that involves analyzing customer wants and needs and aiming to fulfill them better than competitors.



Customer Needs

Meeting customers' needs and wants involved extensive research to produce products that are in demand within an economy.



Company Goals

Aligning the business activities to customer needs means every action a company performs should match its goal of satisfying customers.



Profits

A company's revenue minus expenses represents its profits. Companies that build long-term returning customers create a relationship conducive to increased profits.

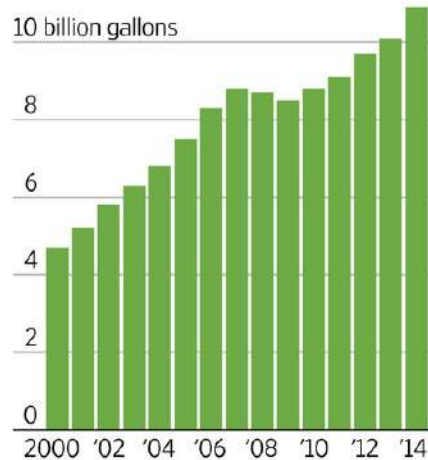


Market share is the percentage of the market for a product or service that a company supplies.

Bubbling Up

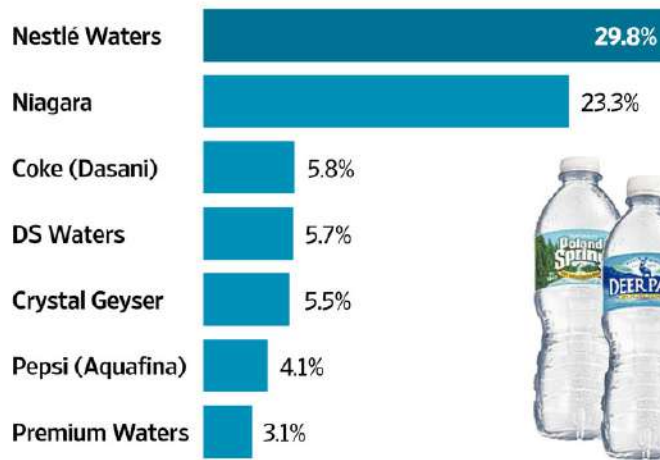
Bottled water consumption in the U.S. has recovered from a slump during the recent recession. Nestlé says its biggest area for growth is within its home-delivery business.

Bottled water consumption



Source: Beverage Marketing Corporation

Market share by volume



Some brands by Nestlé Waters North America



THE WALL STREET JOURNAL.

The 4 P's of marketing, also called the marketing mix, include four elements - product, promotion, price, and place.

MARKETING MIX



TARGET MARKET?

PRODUCT:

WATERPROOF PACKAGING

PRICE:

25 GOATS FOR A
SHIPLOAD OF BURGERS

PROMOTION:

FRE



PAXTON / PATTERSON

The 1, 2, 3, 4's of the Marketing Mix

Let's practice! Break up into 5 groups. Before we start, we'll need to choose a customer demographic. Let's consider the some different target markets:

- Million dollar mansion dwellers
- Gnarly wakeboard cruisers & powdah rippers
- Earth loving bohemian spirits
- Penny pinching townies
- Hill folks and billies

Our product will be something everyone uses on the daily...a vehicle.

As a group, define the four P's of the marketing mix for your target market. Be ready to share with the group.

4 Ps of Marketing Mix



How does your product satisfy customers' wants or needs?

4 Ps of Marketing Mix



How does your price reflect the amount of money expected by the target market?

4 Ps of Marketing Mix



How does your promotion engage customers?

4 Ps of Marketing Mix



How does the location of your vehicle sales encourage your target customers to make purchases?

Marketing related activities that occur within an organization fall into seven general categories known as marketing functions.

1. Channel Management
2. Marketing Information Management
3. Marketing Planning
4. Pricing
5. Product and Service Management
6. Promotion
7. Selling

Channel Management

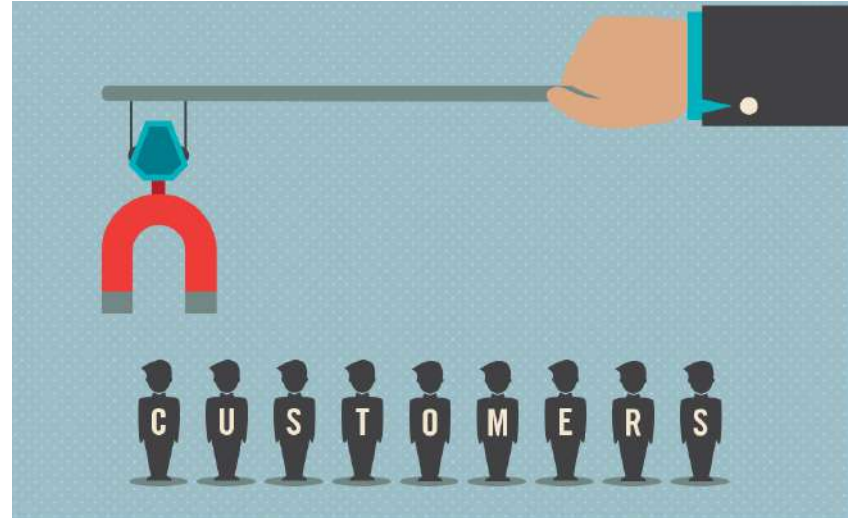
Focuses on distribution and involves making decisions about how, when and where products will travel from producers to customers



Marketing Information Management (MIM)

Also known as **market research**, which is the process of gathering quantitative and qualitative data about consumers' needs and wants

Identifies **target market**, which is a specific group of people a business focuses on selling their product to



Marketing Planning

Considers how marketing will be funded, as start-up capital must be secured before production and marketing can begin

Sources of funding often include:

- Equity financing: money given to a business through the purchase of stock
- Debt financing: relies on loans to support business activities
- Crowdfunding: the collection of small investments from a large number of individuals



Pricing

Pricing must align with economic and market conditions.



Product and Service Management

Determines specifications and features of products that are desirable to consumers



Promotion

Messages marketers send to customers to influence purchases



Selling

Aligning the other functions of marketing to sell a product to the target customer at the right place, price and time



Marketing Functions related to Market Concept

Review this [resource](#) to review examples of marketing functions and how they relate to the market concept.

Exit Ticket

1. Which of the following is NOT a marketing function?
 - a. MIM
 - b. Pricing
 - c. Payroll
 - d. Product and Service Management
2. Define the role of the 4 P's in the marketing mix.