1. Marketing includes all the activities required to bring products/services from the manufacturer to the consumerdriven by wants and needs.

2. 4 P’s: Product, Place, Promotion, Price (Also known as the Marketing Mix)

3. If Marketing did not exist:Less Competition

* Higher Prices
* Less Choices
* Less improvements on existing products
* Less info available

4. Role of Marketing

* Create awareness of products/services
* Have access to products/services
* Multiple channels to purchase

5. Customer: Buys product and/or services

Consumer: Buys and consumes (uses) products and/or services

6. Marketing Concept: on satisfying the needs and wants of the consumer.

7. SWOT Analysis

* Strength and Weakness (Internal – can control on the inside of the business)
* Opportunities for Improvement and Threats/Competition (External – Cannot be controlled by the business)

8. Seven Functions of Marketing

1. **MIM** – Marketing Information Management
   * + Provide info in a useful format for business decisions (Ex: customer survey)
2. **PSM** – Product/Service Management
   * + Making products/services available to meet wants/needs of customers
3. **Pricing**
   * + Purpose: to make profits
4. **Distribution**
   * + Availability, Transportation, Inventory Methods
5. **Promotion**

* Communicate info about products/services to potential customers

1. **Selling**

* Finalizing the exchange process with the customer by selling products/services & developing loyal, repeat customers

1. **Financing**

* Manage cash needs on daily basis/future

9. Mission Statement – Guiding principle for all decision/planning.

10. Goal – Objective you plan to fulfill.

11. Strategy – Plan of action for achieving goal.

12. Tactics – Specific actions used to carry out strategies.

13. Market - group of all potential customers who have similar needs and wants and have the ability to buy the product.

14. Consumer Market (Personal Use) and Industrial Market (Business Use)

15. Market Share - percentage of the total sales revenue acquired by a business within a market.

16. Mass Marketing - single marketing plan used to reach all consumers

17. Niche Marketing - Narrowing markets, by identifying very specific characteristics, into a more specific group of people

18. **Direct distribution** is when a product/service goes from the manufacturer (wholesaler) directly to the consumer.

19.**Indirect distribution** is when a product/service goes through an intermediary or middlemen.

20.**Agents** do not take ownership but instead represent a business and assist in the sales transaction. Real Estate Agents, Travel Agents, Sports Agents

21. Market Segmentation - Dividing the entire market into smaller groups who share similar characteristics

1. Demographic –Dividing the market based on personal characteristics such as age, gender, marital status, income, ethnic background, education, and occupation

2. Psychographic - Dividing the market based on values (ethics, morals, standards), attitudes (personality), and lifestyles (how people spend their time, hobbies, interests)

3. Behavioral - Dividing the market into groups based on what they are looking for in a product and why they buy the product

4. Geographic - Dividing a market based on where a person lives (local, regional, state, national, or global markets).

21. Marketing Info

- Internal Sources – Company Records, Customer Profile

- External Sources – Competitor’s Records, Govt. Data, Business Publications

22. Marketing Research - Reports from research firms, surveys, observations, test markets, and simulations

23. Categories of Research

* + Primary – for business’ own use
  + Secondary – research carried out by someone else
  + Qualitative – WHY (soft data) – Why buyers remember ads
  + Quantitative - (hard data) Numbers, Percentages,
    - # or % of buyers who buy or remember ads

24. Competitive Analysis Information

* Used to create detailed profiles on major competitors.
* Gives an in-depth description of the competitor's:
  + - Background - location, history, ownership, structure
    - Finances
    - Products
    - Markets – segments served
    - Facilities – location of plant, shipping logistics
    - Personnel - # of employees, benefits, salary, retention rate
    - Strategies – mission, growth, objectives

25. Buying Motives

- Emotional - feelings, social approval, love

- Rational - conscious, logical reason – dependable

26. Selling - Responding to consumer needs and wants through planned, personalized communication.

27. Tangible products are those items that can be touched, smelled, tasted, seen or heard.

28. Intangible products are productive activities that we pay someone else to perform

29. Customer Service a process rather than a function or a department.

30. Every customer has their own unique expectations based on:

1. Past experience

2. Word-of-mouth

3. Advertising

* + A business invests in advertising to let potential customers know that their products and services are the best

4. Personal Selling

* + Determine what is of value to the customer and what they need help with.

31. Suggestion Selling - Suggesting additional products/services that will enhance his/her primary purchase

* Cross selling – Related merchandise
  + Buying sneakers, suggest socks
* Upselling – larger quantities at lower prices
  + Buying a Big Mac only, suggest a Value Meal
  + Special sales opportunities – inform about any sales
  + Buying pants, mention sale on shoes.
* Special sales opportunities – inform about any sales
  + Buying pants, mention sale on shoes.

32. Post-Sale Customer Service (Post Sale = After the Sale)

Order processing

* + It is the salespersons responsibility to ensure customer’s orders are processed correctly

Shipping and delivery

* + Can be a major source of frustration for customers
  + Items arriving too early or too late, get lost/damaged

Installation

* + Salespeople need to stay involved to reduce frustration and minimize problems

Warranty Issues

* + Successful salespeople take responsibility to make sure customers understand exactly what their warranties cover.

Maintenance and repair

* + Certain products need routine service and may also need specialized repairs over time
  + May be offered as part of overall sales package
  + Successful salespeople make sure their customers understand

Credit/Financing

* + Problems with obtaining credit and financing are a main cause of customer-service complaints for sales organizations.

Technical assistance and support

* + Ex: computers and Internet service

Customer training

* + Some products require customer training, even classes

33. A Customer Service Mindset is:

* + A clear focus on the customer
  + Makes customer feel special
  + Satisfies customer

34. Business Policy - predetermined course of action which is established to provide a guide toward accepted business strategies and objectives.

35. Types of Difficult Customers

* Disagreeable
  + Unpleasant
* Domineering/Superior
  + Think they know more than salesperson
* Suspicious
  + Questions everything - doubtful
* Slow/Methodical
  + Take a lot of time to decide/buy
* Dishonest
  + Intentionally avoid paying, switch prices, etc.

36. Noncomplainer is worse than a complainer because you do not know what to fix.

37. Product lines are groups of similar products offered by a company.

38. A product mix is all the items made or sold by a company.

39. A narrow product mix - limited product lines offered

40. A broad a product mix - offering many product lines

41. Trading Down - Adding lower priced items to a product line of prestige products

42. Trading Up - Adding higher priced items to a product line

43. **Standards** are statements that specify a product’s size, contents, and/or quality

44. **Grades** are ratings assigned to products that tell to what extent standards

45. Express Warranty – Defined as promises expressed in a specific statement concerning the quality of the product

46. Implied Warranty – Defined as an unwritten, unstated warranty understood by the consumer and the seller that a product will perform as expected

47. Full Warranty –Cover entire product

48. Limited Warranty - do not contain the provisions of full warranties, may cover only certain repairs or specific parts

49. Guarantee - a promise made by the seller to the consumer that the seller will refund the consumer’s purchase price if the product doesn’t perform as expected.

50. **Product liability** is the area of law in which manufacturers, distributors, suppliers, retailers, and others who make products available to the public are held responsible for the injuries those products cause.

51. A **product recall** is a request to return to the maker a batch or an entire production run of a product, usually due to the discovery of safety issues. The recall is an effort to limit liability (which can cause costly legal penalties and damage in reputation)

52. A **corporate image** is the perception that the general public holds about a particular business.

53. Companies with strong corporate images have an advantage in the market place because their names add value to their products and reduces uncertainty in the eyes of distributors, retailers and consumers.

54. Employees are walking, talking demonstrations of brand value.

55. Employees connect brand values with customers through **touch points**. Touch Points are all the opportunities that businesses have to connect with customers and reinforce brand value

56. Product Knowledge - Must have adequate knowledge of the products features & benefits to be able to explain how they will fulfill the customer’s wants and needs.

* + It is key to a successful presentation of any product.
  + The more complicated or expensive, the more important these skills are in closing the sale.

57. A feature is a physical characteristic or quality of a product.

58. A benefit is the personal satisfaction or advantage that a customer wants from a product.

* + Obvious or Apparent benefits
  + Unique or Exclusive benefits
  + Hidden benefits – salesperson tells you

59. Merchandise Approach – Approach customer while they are looking at a product

60. Service Approach – Approach customer and ask them questions about what they are looking for.

61. 7 Components of the Selling Process

1. Approach Customer (Service or Merchandise Approach)

2. Determine Needs

3. Present the Product (no more than 3 – med. priced first)

4. Overcome Objections (need, time, price, product, source)

5. Close the Sale

6. Suggestion Selling

7. Build Relationships

- Order Processing – bag mdse.

- Departure

- Order Fulfillment

62. Overcome Objections

* Substitution - Identify other products to meet needs
* Boomerang - Toss objection back as a selling point
* Question - Ask to learn more about the objection
* Superior-Point - Offset objection with features & benefits
* Denial - Customer is misinformed
* Demonstration - Seeing is believing
* Third party - Customer or celeb testimonies

63. Customers are classified as:

* Decided – Ask questions immediately to determine merchandise desired
* Undecided – Ask questions about intended use to help select merchandise
* Just Looking – Be ready with a list of questions, open ended work best

64. Purchase Discount – set amount of money that a business saves on a specific order if the payment is made within a certain period of time.

65. Bulk discounts – purchasing a large quantity and getting a discount on the price

66. Product Life Cycle - Represents the stages that a product goes through during its life.

There are 4 Stages of Life Cycle:

1. Introduction – Increase product awareness

2. Growth – Consumers aware of product – companies focus on customer satisfaction

3. Maturity – Sales level off – companies spend money to compete with competitors

4. Decline – Improve product or eliminate it

67. Planned Obsolescence - Making products that are known to not last long, or change, so that people will need to replace them

68. Technology in Product Service Management

1. Point of Sale Systems

2. Interactive Touch Screens

3. Interactive TV

4. Customer Relationship Management

5. Enterprise Resource Planning System - Software that allows all parts of the company’s management to be integrated

6. Internet

69. Competitive Advantage – Unique features of a company and its products that are observed by the target market as significant and superior to the competition.

70. Positioning – developing a specific marketing mix to influence potential customers’ overall perception of a brand, product line or organization in general

71. Purpose of Positioning

* Marketers use positioning to:
  + Spot in the Marketplace
  + Distinguish product from Competitors
* The actual position is how the customers see the product.
* If Marketing is Successful then:
  + Positioning and the actual position of the product are the same.
  + Appeals to desires of customers.

72. 6 Common Bases for Positioning

1. Attribute- Product Feature
2. Price and Quality – May stress high price as a sign of quality, or emphasize low price as an indication of value.

3.Use or Application – Stressing unique uses or applications.

1. Product User – Associating a personality or type of user with the product.
2. Product Classification – Associate the product with a particular category of products.
3. Competitor – Demonstrate how they are positioned against the competitors that hold a strong market position.

73. A Brand is a design, symbol, term, or word that identifies a company or product

74. Levels of Brand Loyalty

* Recognition:
  + When consumers become aware of a brand and know a bit about it
* Preference:
  + When consumers prefer to purchase a certain product brand based on their positive experience with the brand.
* Insistence:
  + When the consumer insists on “their” brand and will not accept substitutes.

75. Types of Products

* Generic:
  + Unbranded products that are plainly packaged, have lower or standard quality, are sold at lower prices than branded products, and receive little or no promotion.
* National (Manufacturer’s Brand):
  + The manufacturer has assumed all responsibility of branding (logo, slogan, name, etc.)
* Private/Distributor (Store Brand):
  + A brand owned by an intermediary or store.
    - Examples -- Radio Shack batteries & Great Value Macaroni & Cheese.

76. Brand Strategies

1. Brand Positioning:

* + The way consumers see the brand, as compared to a competitive brand.

2. Brand Extensions:

* + When a brand name is used for a new or improved product line.

3. Brand Licensing:

* + Allows one company to use another’s brand name, logo, or character for a fee.

4. Co-Branding

* + Companies join forces to increase recognition, customer loyalty, and sales of both brands.

5. Family branding

* + Involves using the same brand for related products in a product line.

6. Individual branding

* + Involves using different brands for products owned by one company.

77. Branding involves:

* + ***Brand identity***—elements that are instantly recognized as belonging to a certain company or product
  + ***Brand cues***—elements that remind customers of brands and their values
  + ***Brand personality***—the behavior of your brand -- creates and maintains an emotional connection with customers (people buy what they relate to)
    - Excitement, Sincerity, Ruggedness, Competence, Sophistication)
  + ***Brand promise***—agreement that a company or product will consistently meet expectations and deliver on characteristics and value
  + ***Corporate brand***—represents the entire company or organization
  + ***Distributor brand*** – private or store brands

78. - **Anti-Dumping Laws** - punish foreign producers for offering their products to domestic consumers at low prices.

- **Bait & Switch** – First, customers are "baited" by [advertising](http://en.wikipedia.org/wiki/Advertising) for a product or service at a low price; second, the customers discover that the advertised good is not available or the sales person disparages the advertised item and customers are "switched" to a costlier product.

- **Loss Leader** - a product sold at a low price (at cost or below cost) to stimulate other profitable sales.

- **Deceptive Pricing** – False/Deceptive Advertising

- **Predatory pricing** is the practice of selling a product/service at a very low **price**, intending to drive competitors out of the market

- **Price discrimination** or **price differentiation** exists when sales of identical goods or services are transacted at different [prices](http://en.wikipedia.org/wiki/Price) from the same provider.

- **Price fixing** is an agreement among competitors to raise, fix, or otherwise maintain the price at which their goods or services are sold, price fixing is illegal.

79. Channels - A path through which goods and services flow in one direction (from vendor to the consumer), and the payments generated by them that flow in the opposite direction (from consumer to the vendor).

80. Channel length is the total number of channel members in a channel of distribution

81. Channel members are business or individuals who assist in moving goods and services from the producer to the consumer

82. Distribution Patterns

* + Exclusive - a producer sells a product through just one middle man (intermediary) in a geographic area
  + Selective - a producer sells a product through a limited number of middlemen in a geographic area
  + Intensive - a producer sells a product through every available wholesaler and retailer in a geographic area

83. Chargebacks – financial penalties assessed for a variety of problems

84. Horizontal Conflict: occurs between channel members at the same level

* + Good, old-fashioned business competition
  + Ex: two retailers selling pet supplies compete to sell to the same target market

85. Vertical Conflict: occurs between channel members at different levels within the same channel

* + Producers and wholesalers or producers and retailers

86. Factors that affect price

* **Perfect competition**-Many buyers and many sellers all dealing in an identical product. Neither producer nor user has any market power and both must accept the prevailing market price.
* **Monopoly**-One seller who dominates many buyers.
* **Monopolistic competition**-A large number of suppliers offer similar, but not identical products.
* **Oligopoly**-Where relatively few competitive companies dominate the market while each large firm has the ability to influence [market prices](http://www.articlealley.com/) the unpredictable reaction from the other giants makes the final industry price in determinate.
* **Cost to produce**
* **Cost to ship**

87. Price fixing is collaborating with other companies (competitors) to set prices for a company’s products, price fixing is illegal.

88. Predatory pricing is the practice of selling a product or service at a very low **price**, intending to drive competitors out of the market

89. Institutional Promotion- used to create a favorable image for itself. Does not directly sell a certain product.

90. Four Types of Promotion

1. Advertising - any paid form of non-personal presentation and promotion by an identified sponsor.

2. Publicity - placing newsworthy information about a company, product, or person in the media to build an image.

3. Sales Promotion - All marketing activities, other than personal selling, advertising, and publicity, that are used to stimulate consumer purchasing and sales effectiveness.

4. Personal Selling - making an oral sales presentation to one or more potential buyers. The most expensive form of promotion.

91. Public Relations

* News Release - a pre-written story about the company.
* Press Kit - a folder containing articles, news releases, feature stories, and photographs about a company, product, or person.
* Press Conference - a meeting in which media members are invited to hear an announcement about a newsworthy event.
* Public Relations is used to create patronage (supportive, loyal, repeat customers)

92. Direct Marketing

* Advertising directed at a specific group of customers/prospects
* Printed direct mail
* Electronic direct mail
* Purpose is to generate sales/leads for sales
* One-way communication

93. Marketing Research (MR)= involves the marketing function that links the consumer, customer, & public to the marketer through information.

94. MIS = Marketing Information Systems

- Internal data = Sales Reports, Company Records, Customer Profiles

-Outside sources= Govt. gathered statistics, Trade Reports, other Marketing Research Studies

Difficulties of MIS

Cost $ - small businesses cannot afford own dept

Significant investment of time & money

Therefore have to prioritize most important info to track/keep

Marketing Database= collection of related info about a specific topic

95. Advertising Media - Channels of Communication

1. PUBLICATIONS

* + **Newspapers**
    - Reach a large audience
    - Divided into sections
  + **Magazines**
    - Appeal to a very specific target audience
      * Consumer magazines
      * Business magazines

2. BROAD CASTS (TIME MEDIA)

* **Radio**
  + Effective and affordable way to reach your target market
  + Targets a specific audience through the stations format
  + Trends:
  + National Radio
  + Broadcasting over the Internet
* **Television (Mass Media)**
  + - The most influential &best selling type
    - Channels are chosen based on type of audience & cost
      * Network TV (ABC, NBC, CBS, FOX) reach a broad audience but are extremely expensive
      * Cable TV channel s target a more specific audience and are less expensive
      * Local TV targets a specific geographic area and is the least expensive

3. DIRECT MAIL

* **Printed Mail (flyers, brochures, catalogs)**
* **Email**

4. INTERNET

5. OUT OF HOME

* **Billboards, Signs, Transit (buses with business name on them)**

6. OTHER

* 1. Directory Advertising –Phone books (Yellow Pages) can target specific geographic area

2. Specialty Media – reminds people of your business, must have three criteria:

* + - Have the businesses name or logo on it
    - Must be a useful item – i.e. pen, shirt, cap, etc
    - Must be given away

3. Telemarketing

* + - Calling prospective customers and providing a 1-800 number for them to call

4. Movie Theater Advertising

* + - Before the film, posters & standups in the lobby

5. DVD & CD-ROM Advertising

6.Product Placement

* + Manufacturers pay for the their products to be used as props in movies, TV, and computer games

7. Ads in Virtual Worlds

* + Companies creating avatars for businesses – i.e. Second Life

8. SMS Text

* + Sending ads through text messages – Cheap & targets specific audience

# 96. Types of Marketing Research

* **Attitude Research** = opinion research – feelings
* **Market Research** = info related to marketing a good/service
  + Sales Forecasting = project future sales
  + Economic Forecasting = predict economy future (city, county, state, nation, etc)
* **Media Research** = media selection & frequency, measures effectiveness of advertising (media mix)
  + Researching print advertisements
  + Researching broadcast media
  + Researching online advertising
* **Product Research** = evaluates product design, packaging, usage, consumer acceptance
  + New product acceptance
  + Existing product research

97. Ethics

* Ethics are the basic principles that govern behavior.
* Ethics are NOT laws because they are not enforced by governmental statutes.
* Ethics go *beyond* the law.
* A high level of ethics will compel you to behave in a truthful way.

98. Salespeople should acknowledge that **trust** is the foundation of customer relationships.

99. While working with customers salespersons must be cautious with:

* + Gift-giving: One of the most widely disputed issues.
  + Entertaining: can be viewed as favoritism or bribery.
  + Answering questions - without really knowing the answers could lead to legal issues of misrepresentation.
  + Communicating product information – some salespeople are tempted to without negative product information OR exaggerate its performance.

100. Five main steps in creating an effective business letter

1. Identify your aims-- Clearly establish what you want to achieve from the letter

2.Establish the facts-- Make sure you have the relevant accurate facts available

3.Know the recipient of the letter-- Write in the language of your recipient; Is the letter clear or open to misinterpretation

4.Create sample Copy-- write down the main points of your letter.

5.Decide on Physical layout of letter.-- The first thing a recipient sees is the envelope. It is essential that it is of suitable quality with the name and address spelled correctly. Quality envelopes and paper suggest a professional company.

101. Application Letters - Sales letter in which you market your skills, abilities, and knowledge

102. Cover Letter - Primarily a document of transmittal. Identifies an item being sent, the person to whom it is being sent, and the reason for its being sent.

103. Inquiry Letter - Is useful when you need information, advice, names, or directions.

Two Types

1. Solicited: Used when a business or agency advertises its products or services

2. Unsolicited: Used if the recipient has done nothing to prompt your inquiry.

104. Marketing Careers

* 1. Marketing research – learn about the markets and what influences customers’ purchasing decisions
  2. Advertising – reach out and attract customers
  3. Product management – functions pertaining to the product component of the marketing mix
  4. Distribution/Warehousing – channel management
  5. Sales – influencing the customer to purchase
  6. Retailing – store management
  7. Service marketing – marketing intangibles
  8. Customer service – satisfying customers
  9. Public relations – improving the company’s image

105. - Quantitative means we can count the results

- Quantitative inquiries use numerical & statistical processes to answer specific questions.

106. - Rating sets a scale for an individual item

- Ranking compares different items

107. Advantages of Market Research

* + Helps focus attention on objectives
  + Aids forecasting, planning and strategic development
  + May help to reduce risk of new product development
  + Communicates image, vision, etc.
  + Globalization makes market information valuable

108. Disadvantages of Market Research

* + Information only as good   
    as the methodology used
  + Can be inaccurate or unreliable
  + Results may not be what the business wants to hear!
  + May stifle initiative and ‘gut feeling’
  + Always a problem that we may never know enough to be sure!

109. Targeted pricing allows a company to charge different prices to new customers it is trying to entice than to established customers who need no other incentive to by the company’s brand.

110. Automated pricing allows the programmer to set the qualifications and then the system awards the targeted price when the conditions have been met.