Unit 1 The World of Marketing Chapter 1 Marketing Concepts

**Main Concepts**

* A. Main Goal of marketing
* B. Marketing is Customer-Focused
* C. Target Market
* D. Marketing is Relationships
* E. Marketing is International
* F. The 4 Ps: Product (good, service, and idea), Place, Price, Promotion
* G. Marketing mix

**A. Main goal of marketing** is to meet customers’ needs and wants with products they will buy.

1. List three marketing activities you have seen in the past seven days.

2. Describe how your needs and wants have changed since kindergarten.

**B. Customer Focused.** A **customer** is an individual or group who buys products. A customer can be an individual person, a business, a nonprofit organization, or a government.

3. Name three products you have purchased in the past five days.

4. Name three products a business would purchase. Name business and product.

**C. Target market** is the specific group of customers whose needs a company will focus on satisfying. Teens are a popular target market.

5. Name three products teens would buy.

6. Think of something that you purchased recently. How did that product meet your needs and wants?

**D. Relationship Marketing.** Marketing is based on the relationship between the buyer and the seller. Research has shown that long-term customer relationships, built on satisfaction and loyalty, is less costly than recruiting a new customer.

7. **Name a business** that you and/or your parents have developed a long-term relationship. How has this relationship benefited you or your parents as a customer?

8. Do you or someone you know belong to a **customer loyalty programs**? Name the business that offers the program and describe the program. Example: Kroger customer points rewards card, Panera Bread points reward card, Dick’s Sporting Goods customer reward points card, etc.

**E. Marketing Is International.** In the twenty-first century, telephone, fax, Internet, and jet travel link people around the world. A Japanese student who lives in Tokyo can buy a hamburger at a McDonald’s Restaurant near his or her home. Through the Internet people can buy products from anywhere in the world.

9. Name three international products you have purchased in the past several months.

10. Find the “Made in” tag on an article of clothing or a product that you have with you. Name the country where the item was made.

**F. The 4 Ps: Product (good, service, and idea), Place, Price, Promotion**

Marketers meet customer needs by developing a plan of action consisting of the Four Ps.

**Product** is anything that can be bought or sold. Products include goods, services, and ideas.

* A **good** is a physical item, something that you can touch. Examples of goods: jeans, snacks, and cell phones.
* A **service** is an action that is done for you. You cannot touch a service or take it with you. Examples of service: haircut, concert, sporting event, and medical care.
* An **idea** is a concept, cause, issue, image, or philosophy that can be marketed. Examples of ideas: contribute to charity, buckle up for safety, and vote for this candidate.

11. Think of a product that you use. How would you change it to better meet your needs? How would you change it to meet other’s needs?

**Place** involves making products available to customers. Place decisions involve determining when, where, and how products get to customers.

12. Have you experienced **poor product placement** decisions? If you have not experienced poor product placement, give an example of poor product placement. For example, in the grocery store, placing beer and wine on the same isle as children’s toys.

**Price** is the amount of money requested or exchanged for a product.

13. Does the price of a product affect whether you will buy it? Give an example.

**Promotion** is the process of telling people about the product and the company that offers it. If customers do not know where to find a product, they will not be able to buy it. Promotion is the most visible part of marketing.

14. Name three locations that you have seen an ad in the past week. What were the ads? Did any of them influence you to make a purchase? Why?

15. Name a product. List all the promotions you have seen for that product. Example: Pepsi ad on TV, coupons for a laundry detergent, etc.

**G. Marketing Mix.** Marketers have hundreds of choices for each of the Four Ps. For each product that a company markets, the marketers develop a plan called the marketing mix. The marketing mix is a plan of action for marketing a product; it consists of the decisions made about each of the Four Ps for that product. A marketing mix can also be developed for a group of products or fan an entire store.

Scenario: Imagine that you want to purchase a smart TV. You search the Internet for a sale on smart TVs. You find a sale price of $239.00. You have saved $250.00 for the TV. The Web site shows the smart TV at HH Gregg. You go to HH Gregg, and a salesperson helps you find the right TV. You buy the TV. Now, let’s identify the Four Ps in this marketing mix.

Smart TV is the *product*. The Internet ad is part of the *promotion*. The salesperson in the store is also part of the *promotion*. The *price* is $239.00. HH Gregg is the place.

16. Create a scenario like the one above identifying the Four Ps. Identify the marketing mix of the product in the scenario.

**Review**

17. Dental care is considered what part of a product? Good, service or idea? Explain.

18. A charitable organization, such as St. Jude Children’s Research Hospital falls under what category of product? Good, service, or idea? Explain.

19. T or F A product is a good, service, or idea that can be marketed.

20. T or F The Four Ps are product, place, people, and promotion.

Worth 100 points: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Due Date