

An aerial photograph of a hot air balloon festival. Numerous colorful balloons are floating over a lush green valley with rolling hills and scattered houses. The balloons feature various designs and logos, including 'TUBO', 'Coca-Cola', 'taisei', and 'Delav'. The scene is captured from a high angle, showing the dense forest and open fields below.

# Marketing Is All Around Us

- Marketing and the Marketing Concept
- The Importance of Marketing
- Fundamentals of Marketing

# Marketing and the Marketing Concept

## Key Terms

marketing

goods

services

marketing  
concept

## Objectives

- Define marketing
- List the seven marketing core functions
- Understand the marketing concept

# Marketing and the Marketing Concept

## Graphic Organizer

Draw an umbrella shape to organize the marketing concepts you will learn about in this section.

Marketing Core Functions



# The Scope of Marketing

## marketing

The process of planning, pricing, promoting, selling, and distributing products to satisfy customers' needs and wants.

You have already participated in the **marketing** process as a consumer. Now you need to think like a marketer and keep up with:

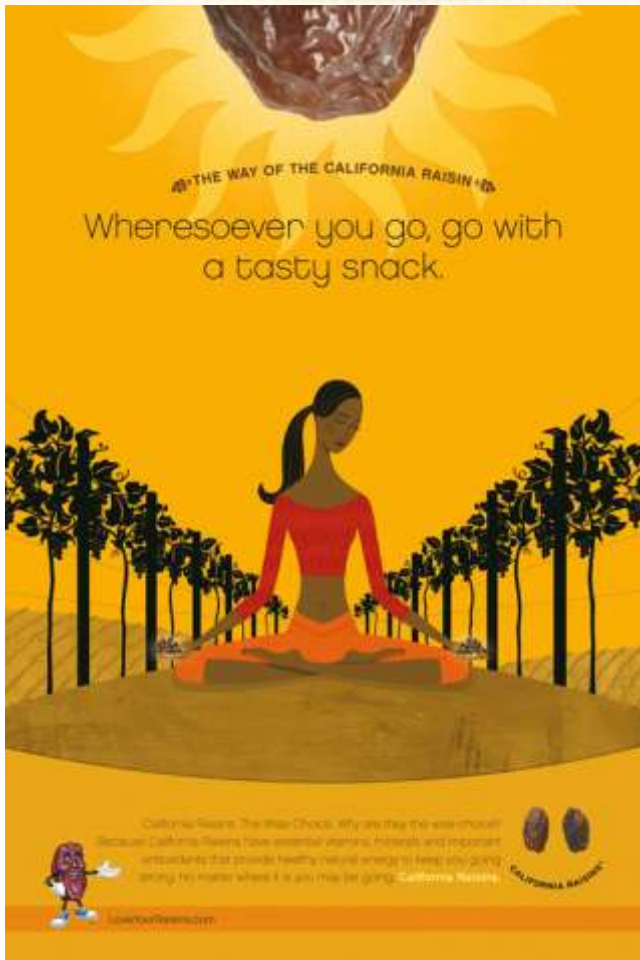
- Trends
- Consumer attitudes
- Customer relationships

# Ideas, Goods, and Services

Marketing promotes ideas, goods, and services, such as:

- A candidate's political platform
- A public service initiative

This ad promotes a healthy diet that includes dairy products



# Ideas, Goods, and Services

## **goods**



Tangible items of monetary value that satisfy needs and wants.

Examples of marketed **goods** include:

- Cars
- Electronics
- Home furnishings
- Foods

# Ideas, Goods, and Services

## **services**



Intangible items of monetary value that satisfy needs and wants.

Examples of **services** ◀ that may be marketed are:

- Automotive repair
- Hair styling
- Legal aid
- Financial consulting

# Ideas, Goods, and Services

The marketplace is the commercial environment in which buying and selling take place, including:

- Shops
- Internet stores
- Financial institutions

# Seven Marketing Core Functions

1. **Channel Management** getting goods to customers
2. **Market Planning** understanding concepts and strategies to develop and target marketing strategies to a specific market

continued

# Seven Marketing Core Functions

- 3. Marketing information management** researching customers, trends, and competitors
- 4. Pricing** charging for goods and services to make a profit

continued

# Seven Marketing Core Functions

- 5. Product/service management** obtaining, developing, maintaining, and improving a product or service
- 6. Promotion** informing, persuading, and reminding customers about a product or service

continued

# Seven Marketing Core Functions

**7. Selling** providing customers with goods and services

The move toward same-day fulfillment is gaining speed across the Internet as e-tailers compete for customers.

# The Marketing Concept

## marketing concept



Businesses should satisfy customers' needs and wants while making a profit.

The **marketing concept** ◀ focuses on satisfying the needs and wants of customers. For a business to be successful, all employees must:

- Understand the marketing concept
- Provide the best possible service to customers

# The Marketing Concept

Customer relationship management (CRM) combines:

- Customer information
- Marketing communications

The goal is to establish long-term relationships.

# The Importance of Marketing

## Key Terms

utility

## Objectives

- Analyze the benefits of marketing
- Apply the concept of utility

# The Importance of Marketing

## Key Terms

utility

Note the benefits of marketing and list the five utilities on lines jutting out from one of the ovals.



# Economic Benefits of Marketing

Marketing's benefits to the economy and consumers are:

- New and improved products
- Lower prices
- Added value

# New and Improved Products

Marketing generates competition. Some examples:

- Food manufacturers know that parents want children to start the day with healthy foods. So Quaker created Fruit & Oatmeal Toastables® and Breakfast Squares®.

## New and Improved Products



**THE ONE AND ONLY EASY-TO-HOLD,  
EASY-TO-OPEN, EASY-TO-POUR PAINT CONTAINER**



The biggest idea in paint could only come from one brand, Dutch Boy.® The Twist & Pour™ paint container makes every painting job easier, with its revolutionary easy-to-hold, easy-to-open, and easy-to-pour design. It's another neat idea from Dutch Boy. For a Twist & Pour retailer near you, call 1.800.828.5669 or visit [www.dutchboy.com](http://www.dutchboy.com).



Easy to hold    Easy to open    Easy to pour

**Dutch Boy**

- Dutch Boy Paints won an award for its new container design that makes the container easy to hold and open as paint is poured.

This ad promotes Dutch Boy Paints' innovative paint container.

## Lower Prices

Marketing increases demand. When demand is high:

- Products can be produced in larger quantities
- The fixed cost per unit is lower

# Lower Prices

As a result, a company can:

1. Charge a lower price per unit
2. Sell more units
3. Make more money

# Lower Prices


In addition, when demand for products increases:

- More companies enter the marketplace
- Companies must lower prices to remain competitive

## Added Value and Utility

### utility

An attribute of a product or service that makes it capable of satisfying consumers' wants and needs.

The value that marketing adds to a product or service is called **utility** . Five utilities contribute to making a product or service capable of satisfying customers' wants and needs:

- **Form** putting parts together to make a product consumers want

## Added Value and Utility

- **Place** offering a product where consumers can buy it (e.g. retail store, catalog, Web site)
- **Time** offering a product at a convenient time of day or year for consumers

# Added Value and Utility

- **Possession** allowing consumers to take legal ownership of a product
- **Information** communicating information about a product (e.g. through labeling, advertising, or an owners' manual)

# Fundamentals of Marketing

## Key Terms

market

consumer  
market

industrial  
market

market share

target market

customer  
profile

marketing mix

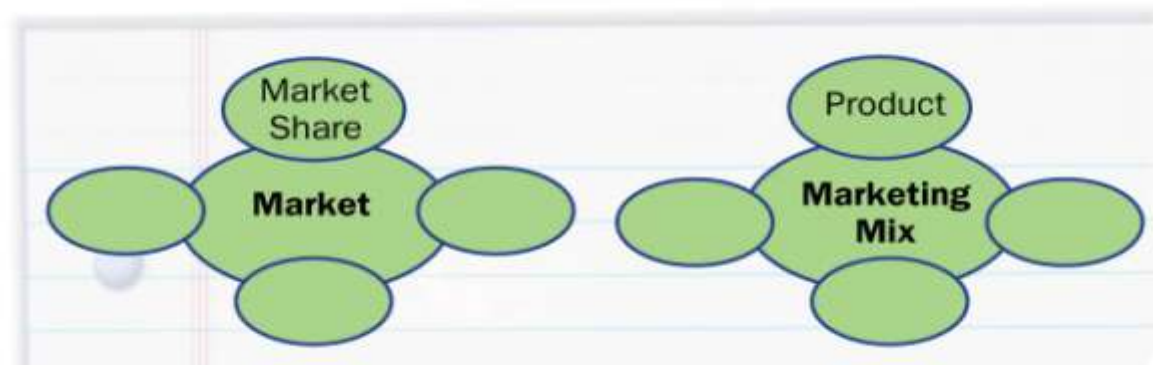
## Objectives

- Describe the concept of market
- Differentiate consumer and industrial markets
- Describe market share
- Define target market
- List the components of the marketing mix

# Fundamentals of Marketing

## Graphic Organizer


Draw these two diagrams to record four terms about the concept of market and the four Ps of the marketing mix.



# Market and Market Identification

## market

People who share similar needs and wants and are capable of buying products.

Memorize the terms in this section. The first important term is **market** , which refers to people who:

- Share similar needs and wants
- Have the ability to purchase a product

# Consumer Versus Industrial Markets

## consumer market

All consumers who purchase goods and services for personal use.


The **consumer market**  wants products and services that:

- Save money
- Make life easier
- Improve appearance
- Create status

# Consumer Versus Industrial Markets

## Industrial market

Businesses that buy products to use in their operations; also called the business-to-business market (this can be abbreviated as B-to-B or B2B).

The **industrial market** , or business-to-business (B-to-B) market, wants products and services that:

- Improve productivity
- Improve efficiency
- Increase sales
- Decrease expenses

# Consumer Versus Industrial Markets



Perdue advertises its chicken and turkey products:

- On television and in newspapers, to reach consumers
- In *Supermarket News*, to reach professionals in the supermarket industry

# Market Share

## market share

A company's percentage of total sales volume generated by all competition in a given market.

A company's **market share** is its percentage of total sales in a given market, such as the video game market. Market share changes as:

- New competitors enter the market
- The market's volume increases or decreases

# Target Market and Market Segmentation

## target market

A group of people identified as those most likely to become customers.

Identifying a product's **target market** ◀ is a key to success. A single product may have these two target markets:

- Consumers
- Customers

# Target Market and Market Segmentation


A nutritious breakfast food would be targeted at:

- Children who will request it and eat it, the consumers
- Parents who will approve and buy it, the customers

# Target Market and Market Segmentation

## customer profile

A list of information about a target market, such as age, income level, ethnicity, occupation, attitudes, lifestyle, and geographic residence.

To develop a clear picture of its target market, a business may create a **customer profile** , which lists information such as:

- Age
- Income level
- Ethnic background

# Target Market and Market Segmentation

Customer profile lists may also include:

- Occupation
- Attitudes
- Lifestyle
- Geographic residence

# Marketing Mix

## marketing mix

The four basic marketing strategies, called the four Ps: product, place, price, and promotion.

The **marketing mix** ◀ includes four basic marketing strategies, or tools, called the four Ps:

- product
- place
- price
- promotion

# Marketing Mix



# Product

A company must choose **what products** to develop, update, and improve.

# Place

A company must decide **where** to sell and distribute a product.

# Price

A company must determine **what price** it will charge for a product.

# Promotion

A company must decide how to advertise, promote, and publicize a product.

## FOCUS on KEY POINTS

### Section 1.1

- Marketing is defined as 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.

continued

## FOCUS on KEY POINTS

### Section 1.1

- There are seven functions of marketing. The marketing concept is a focus on customers' needs and wants while generating a profit.

continued

## FOCUS on KEY POINTS

### **Section 1.2**

- Three benefits of marketing are new and improved products, lower prices, and added value (utility). Five economic utilities are form, place, time, possession, and information.

continued

## FOCUS on KEY POINTS

### Section 1.3

- A market is defined as all people who share similar needs and wants and who have the ability to purchase given products.
- Market share is a firm's percentage of total sales of all competitors in a given market.

continued

## FOCUS on KEY POINTS

### **Section 1.3**

- The four Ps of the marketing mix are product, place, price, and promotion. Marketing decisions and strategies for the four Ps are based on the target market.



This chapter has helped prepare you to meet the following DECA performance indicators:

- Describe marketing functions and related activities.
- Explain the nature of marketing plans.
- Select a target market.
- Set marketing goals and objectives.
- Develop a marketing plan.