

The Importance of Marketing

What You'll Learn

- The benefits of marketing
- The meaning of economic utility
- The five economic utilities and how to distinguish the four that are related to marketing

Economic Benefits of Marketing

- Marketing **bridges the gap** between you and the maker or seller of an item



Economic Benefits of Marketing

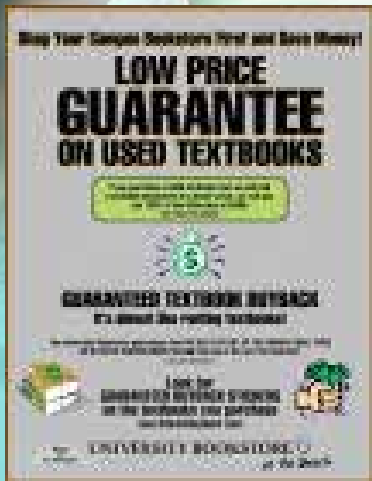
New and Improved Products --
businesses look for opportunities to
please the customer



Economic Benefits of Marketing



Lower Prices – marketing activities add value and increase demand. When demand is high, manufacturers can produce at a lower price. They can sell at a lower price but increase the quantity sold. Thus, profits are higher even though prices are low.



Economic Benefits of Marketing

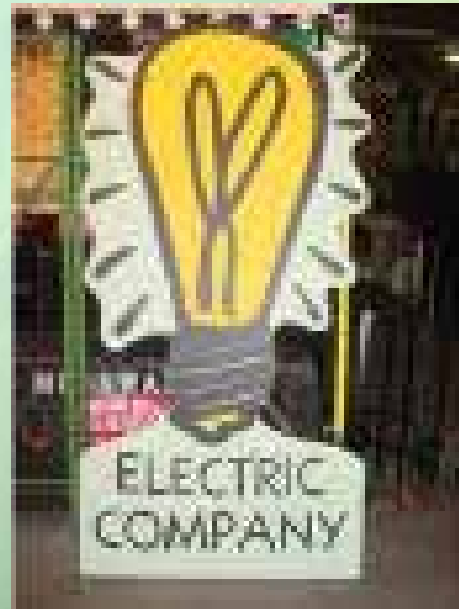
- It adds VALUE

Added Value = Utility

In economic terms, utility does **not** mean your closet or the electric company.



5' Wide Closet



Added Value = Utility

Attributes of a product or service that make it capable of satisfying consumers' wants and needs.

There are five types of Utility:

Form Utility

Changing raw materials or putting parts together to make them more useful – making and producing things.



- Sand into glass
- Wood into paper
- Silk into fabric

Place Utility

Having a product where customers can buy it.



It Involves

- Location – may be through a catalog or at a retailer (actual store) – or, Internet.
- Transporting the product to the location.



Time Utility

Having a product available at a certain time of year or a convenient time of day.

- Planning and ordering
- Time of day and week
- Time of year: holidays and seasons



Possession Utility

The exchange of a product for some monetary value.



The MasterCard logo features two overlapping circles, one red and one yellow, with horizontal lines in the intersection. The word "MasterCard" is written in a white, italicized, sans-serif font across the circles. A registered trademark symbol (®) is located at the bottom right of the logo.

MasterCard®

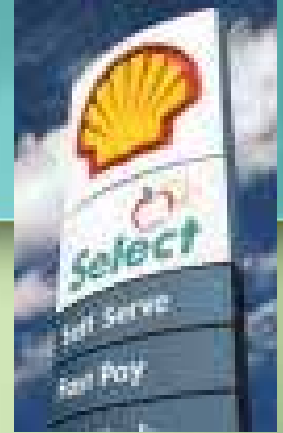
The VISA logo consists of the word "VISA" in a bold, blue, italicized, sans-serif font. Above the text is a solid blue horizontal bar, and below it is a solid yellow horizontal bar. A registered trademark symbol (®) is located at the bottom right of the logo.

VISA®

Payment may be made by

- Cash
- Personal checks
- Credit cards
- Installments
(layaway)

Information Utility



Involves communication with the consumer.

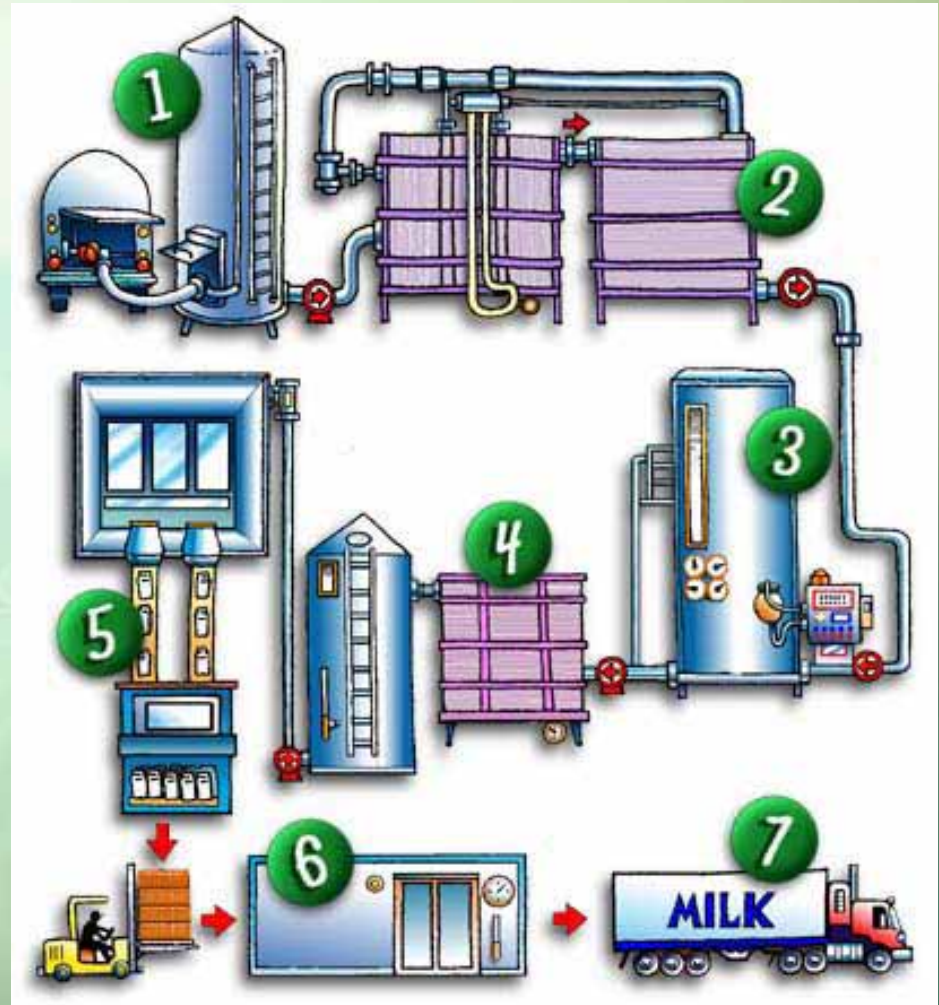


- ads
- packaging
- signs
- displays
- owner's manuals



Which types of utility are related to marketing?

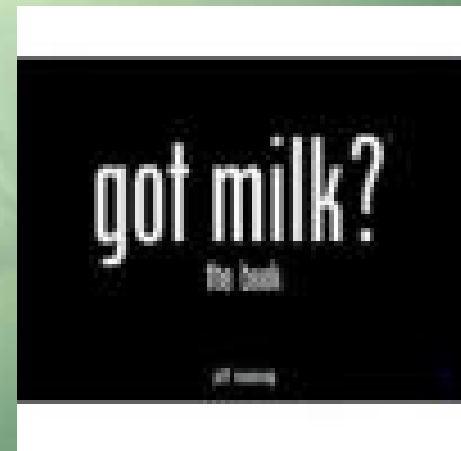
Form utility is a function of production, NOT marketing



These utilities ARE directly related to marketing:



- Place
- Time
- Possession
- Information



Test Your Understanding

Click on the iMAG Logo to test your knowledge!

LOCATED AT LAKE REGION HIGH SCHOOL



A CAREER ACADEMY WITH A DIFFERENCE