

| <b>MARKETING</b>                                       |  |
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| <b>BMS2.0 Demonstrate marketing concepts.</b>          |  |
| <b>2.1 Explain marketing terminology and concepts.</b> |  |
| 2.1  | Advertising – All forms of paid promotion that deliver a message to many people at the same time through a media channel such as radio, television, newspaper, billboard, magazine, or Internet.   |
| 2.1  | Brick and Mortar Retailer – Traditional retailers that sell goods to customers from physical stores, rather than over the Internet.  |
| 2.1  | Channel of Distribution – The path a product takes from its producer to the final user. Channels of distribution can be direct from manufacturer to customer or indirect including intermediaries such as wholesalers and/or retailers.  |
| 2.1  | Chief Marketing Officer (CMO) – A chief marketing officer (CMO) is a corporate executive responsible for marketing activities in an organization. Most often the position reports to the chief executive officer. With primary or shared responsibility for areas such as <a href="#">sales management</a> , <a href="#">product development</a> , <a href="#">distribution channel management</a> , marketing communications (including <a href="#">advertising</a> and promotions), pricing, <a href="#">market research</a> , and <a href="#">customer service</a> , CMOs are faced with a diverse range of specialized disciplines in which they are required to be knowledgeable. |
| 2.1  | Discretionary Income – The money left over from a consumer’s income after paying for basic living necessities such as food, clothing, and shelter.   |
| 2.1  | Disposable Income – The money left over after taxes are taken out of a consumer’s income. Also called net income. Type of income used to purchase necessities.   |
| 2.1  | Distribution – The set of activities required to transport and store products and make them available to customers in convenient locations such as local retailers and dealerships.  |
| 2.1  | Distribution Methods – Common methods of distribution are direct and indirect. Direct distribution is when goods are delivered to the customer directly from the manufacturer or producer. Indirect distribution involves a party(ies) between the producer and consumer. These intermediaries can include wholesalers and retailers.  |
| 2.1  | E-Commerce – Doing business online.  |
| 2.1  | Economic Utility – The amount of satisfaction or added value received from using a product or service. Types of economic utility include: form, place, time, possession, and information utility.  |
| 2.1  | Intermediaries – Businesses involved in sales transactions that move products from the manufacturer to the final user; also known as middlemen. Retailers and wholesalers are examples of intermediaries.  |
| 2.1  | Market Segmentation – Dividing a market into groups based on criteria such as demographics, geographics, product benefits, and psychographics.   |
| 2.1  | Marketing – The process of planning and executing the conception, pricing, promotion, and distribution of goods and services to facilitate exchanges that satisfy individual and organizational objectives.  |
| 2.1  | Marketing Concept – A three-part business philosophy: (1) a customer orientation, (2) a service orientation, and (3) a profit orientation. Businesses should satisfy customers’ needs and wants while making a profit.   |
| 2.1  | Mass Marketing – Use of a single marketing plan to reach all customers.  |
| 2.1  | Online Marketing – A form of business or selling/advertising products over the Internet through the World Wide Web. E-commerce.  |
| 2.1  | Package – The physical container or wrapping for a product. The purposes of the package are to store, protect, and promote the product.  |
| 2.1  | Price – The value, in money or its equivalent, placed upon a product for sale.   |
| 2.1  | Social Media - refers to the means of interactions among people in which they create, share, and exchange information and ideas in virtual communities and networks.   |
| 2.1  | Target Market – A group of people identified as those most likely to become customers. Marketing plans are developed with the target market in mind.   |
| 2.1  | Trademark – A brand that has been given exclusive legal protection for both the brand name and the pictorial design.   |
| 2.1  | Warehousing-the act of holding or handling goods in a warehouse.   |
| <b>2.2 Analyze internal and external markets.</b>      |  |
| 2.2  | Business to Business Marketing – Industrial marketing is marketing to a business. Marketing that takes place in a manufacturer’s or a wholesaler’s showroom (inside sales). Marketing that takes place in a business customer’s place of employment (outside sales).   |
| 2.2  | Business to Customer Marketing – Product marketing or consumer marketing. Marketing products to end users who  |

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|            | will utilize or consume the products.  |
| 2.2        | Customer Needs Analysis – <a href="#">Collection</a> and <a href="#">evaluation</a> of <a href="#">data associated</a> with <a href="#">customer needs</a> and <a href="#">market trends</a> , through <a href="#">customer focus groups</a> , <a href="#">customer satisfaction measurement</a> , and field <a href="#">testing</a> .   |
| 2.2        | Demographics – Statistics that describe a population in terms of personal characteristics such as age, gender, income, marital status, ethnicity, education, and occupation.   |
| 2.2        | External Market – The customers outside the company.   |
| 2.2        | Internal Market – Individuals and units within the firm that receive services from other company employees and departments.  |
| 2.2        | Market – People with unsatisfied wants and needs who have both the resources and willingness to buy.   |
| 2.2        | Niche Marketing – The process of finding small but profitable market segments and designing or finding products for them.  |
| 2.2        | Psychographics – Studies of consumers based on social and psychological characteristics such as values, beliefs, and lifestyles. Some marketers group this idea into a VALS survey. VALS stands for values, attitudes, and lifestyles. There are four basic VALS types: Thinkers, Innovators, Strivers and Achievers.  |
| <b>2.3</b> | <b>Explain the difference between product and service-based marketing.</b>   |
| 2.3        | Express Warranty – A warranty that is explicitly stated, in writing or verbally, to encourage a customer to make a purchase.   |
| 2.3        | Implied Warranty – A warranty that takes effect automatically by state law whenever a purchase is made. Guarantees legally imposed on the seller.  |
| 2.3        | Limited Warranty – A warranty that excludes certain parts of the product from coverage or requires the customer to bear some of the expense for repairs resulting from defects.  |
| 2.3        | Patent – a document that gives inventors exclusive rights to their inventions for 20 years. This is an incentive rewarding the efforts of innovation.  |
| 2.3        | Product – Goods or services of value to potential customers. Product planning involves making decisions about the features and services of a product or idea that will help sell the product.  |
| 2.3        | Product Mix – All of the different products that a company makes or sells. A product line is a group of closely related products. Product lines have depth and width.  |
| 2.3        | Service Marketing – Typically refers to both business to consumer (B2C) and business to business (B2B) services, and includes marketing of services like telecommunications services, financial services, all types of hospitality services, car rental services, air travel, health care services and professional services.  |
| 2.3        | Warranty (customer benefit)-a promise or guarantee to a customer that a product will meet certain standards on the quality of goods or services purchased.   |
| <b>2.4</b> | <b>Explain a marketing plan.</b>   |
| 2.4        | Marketing Mix (The 4 P's) – The four basic marketing strategies, called the four P's: product, place, price, and promotion. Sometimes called the 5 P's with the fifth P being people. the 7 P's which include physical environment and process. an 8 <sup>th</sup> P can be packaging. <ul style="list-style-type: none"> <li>○ Product strategies include what to make, how to package it, what brand name to use, and what image to project</li> <li>○ Price strategies should reflect what customers are willing and able to pay</li> <li>○ Place strategies determine how and where a product will be distributed</li> <li>○ Promotional strategies deal with how potential customers will be informed of the product</li> </ul> |
| 2.4        | Marketing Objective – The "marketing objectives" state just where the company intends to be at some specific time in the future. Objectives in general as: Goals (or objectives) state what is to be achieved and when results are to be accomplished, but they do not state "how" the results are to be achieved. They typically relate to what products (or services) will be where in what markets (and must be realistically based on customer behavior in those markets). To be most effective, objectives should be capable of measurement and therefore "quantifiable."   |
| 2.4        | Marketing Plan – A formal written document communicating the goals, objectives, and strategies of a company. <ul style="list-style-type: none"> <li>● Identifies the marketing policies <ul style="list-style-type: none"> <li>○ How a businesses will price and promote its products/services</li> <li>○ Promotional activities <ul style="list-style-type: none"> <li>▪ How a business will reach the greatest number of potential customers in the target market</li> </ul> </li> </ul> </li> </ul>   |

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| 2.4 | Promotion – Decisions about advertising, personal selling, sales promotion, and publicity used to attract potential customers. A promotional mix is a combination of strategies in a cost effective manner to send a message to consumers about a product and/or build the image of the business.  |
| 2.4 | Promotion Strategies – A combination of strategies and a cost effective allocation of resources is a promotional mix. Elements of promotion include: personal selling, advertising, sales promotion, visual merchandising, and public relations.   |
| 2.4 | Supply Chain – A system of organizations, people, technology, activities, information, and resources involved in moving a product or service from supplier to customer.  |
| 2.5 | <b>Predict how changes in sales, costs, and pricing impact net income.</b>   |
| 2.5 | Forecast Sales – Predicting what sales revenue will be earned during a fiscal period based upon previous information and future expectations.  |
| 2.5 | Forecasting – Predicting future expectations.  |
| 2.5 | Profit Margin – Profit margin, net margin, net profit margin or net profit ratio all refer to a measure of <a href="#">profitability</a> . It is calculated by finding the <a href="#">net profit</a> as a percentage of the <a href="#">revenue</a> . Net Profit = Revenue – Cost or Net Income/Sales X100. The profit margin is mostly used for internal comparison.<br><br>$\text{Net profit Margin} = \frac{\text{Net Profit}}{\text{Revenue}} \times 100$   |
| 2.5 | Sales – The activity or business of selling products or services in return for money or other compensation.  |
| 2.5 | Sales Ratio - Price-to-sales ratios are calculated by dividing <a href="#">share price</a> by <a href="#">annual sales per share</a> and can be useful when evaluating companies with little or no profits. A low price to sales ratio (for example, below 1.0) is usually thought to be a better <a href="#">investment</a> since the <a href="#">investor</a> is <a href="#">paying less</a> for each <a href="#">unit</a> of sales.   |
| 2.5 | Unit Cost – The cost of producing one item. The unit cost formula is the total cost divided by the number of units produced.   |
| 2.5 | Variable expenses-a business expense that changes with each unit of product produced, such as supplies, wages, and production materials.   |
| 2.6 | <b>Describe how businesses compete for market share.</b>   |
| 2.6 | Brand – A name, term, design, symbol, or combination of these elements that identifies a business, product, or service and distinguishes it from its competition.  |
| 2.6 | Brand Label – Label giving the brand name, trademark, or logo.   |
| 2.6 | Brand Loyalty – Where a person buys products from the same manufacturer repeatedly rather than from other suppliers. Brand loyalty, in marketing, consists of a <a href="#">consumer's</a> commitment to repurchase or otherwise continue using the <a href="#">brand</a> and can be demonstrated by repeated buying of a product or service, or other positive behaviors such as word of mouth advocacy. True brand loyalty exists when customers have a high relative attitude toward the brand which is then exhibited through repurchase behavior. This type of loyalty can be a great asset to the firm: customers are willing to pay higher prices, they may cost less to serve, and can bring new customers to the firm |
| 2.6 | Brand Positioning – The image a product brand projects that sets it apart from its competition.  |
| 2.6 | Competition – The rivalry amongst sellers for customers' dollars in business.  |
| 2.6 | Competition Analysis – Competitor analysis in <a href="#">marketing</a> and strategic <a href="#">management</a> is an assessment of the strengths and weaknesses of current and potential <a href="#">competitors</a> . This analysis provides both an offensive and defensive strategic context to identify opportunities and threats. A common technique is to create detailed profiles on each of your major competitors. These profiles give an in-depth description of the competitor's background, finances, products, markets, facilities, personnel, and strategies.  |
| 2.6 | Competitive Advantage – Advantage from a lower cost structure: an advantage enjoyed by a company with lower costs than a rival, enabling it to sell for less or make greater profits at the same price as its rival.   |
| 2.6 | Federal Trade Commission (FTC) – The government agency responsible for protecting competition and fair trade laws in the United States and protecting consumers' rights.   |
| 2.6 | Lighting – An artistic element of using light in visual merchandising displays, settings, and retail dressing rooms.   |
| 2.6 | Market Positioning – In <a href="#">marketing</a> , positioning is the process by which marketers try to create an image or identity in the minds of their target market for its <a href="#">product</a> , <a href="#">brand</a> , or organization.  |
| 2.6 | Market Share – A company's percentage of total sales volume generated by all competition in a given market. The formula to calculate market share is the company's sales divided by the total sales of the industry as a whole.  |
| 2.6 | Premium – In marketing/promotion, premiums are low-cost items given to consumers at a discount price or for free.  |
| 2.6 | Press Release – An announcement that is sent by a business or organization to media (news) outlets to promote the company or its products/services. Usually, they are promoting image builder ideas or events. News release is another name for press release.   |

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| 2.6        | Product Promotion – A promotion method businesses use to convince consumers to select its products or services.  |
| <b>2.7</b> | <b>Explain the impact of market research.</b>  |
| 2.7        | Dependent Variable – Variables used in an experiment or modeling can be divided into three types: "dependent variable", "independent variable", or other. The "dependent variable" represents the output or effect, or is tested to see if it is the effect.   |
| 2.7        | Independent Variable - Variables used in an experiment or modeling can be divided into three types: "dependent variable", "independent variable", or other. The "independent variables" represent the inputs or causes, or are tested to see if they are the cause.  |
| 2.7        | Marketing Research – The process and methods used to gather information, analyze it, and report findings related to marketing goods and services. Primary research is conducted by the company itself. Secondary research is conducted by another party and used by the company.   |
| 2.7        | Survey – a method of collecting (quantitative) information about items in a population.  |
| <b>2.8</b> | <b>Use desktop publishing to design and produce promotional materials.</b>   |
| 2.8        | Desktop Publishing - production of publications using personal computer: the use of a personal computer and specialist software to layout and produce typeset-quality documents for printing. Microsoft Publisher is a common desktop publishing software program used to prepare documents for print such as fliers, brochures, cards, and calendars. |
| 10.2       | Publisher – A Microsoft program used to prepare documents such as brochures, calendars, newsletters, and flyers for marketing a business.  |