1. **Define the marketing mix**
	1. **Marketing mix:**
		1. A combination of decisions a business makes in order to best reach its target market. Known as the four Ps (**product, price, place, promotion**).
		2. It is called a Marketing Mix because the 4 P’s can each be adjusted to better meet the needs of the customers and company
		3. The proper combination of product, price, place and promotion helps companies reach their target market and convince customers to buy.
	2. **Product**: Businesses must decide which products to offer customers.
		1. What products should be offered for sale?
		2. How should the product be packaged?
		3. What level of product quality will be offered?
		4. Will brand name products be sold?
		5. Will guarantees or warranties be offered?
	3. Price: The amount a business charges customers for a product.
		1. Will price be based on competitor’s current price?
		2. What are customers willing to pay?
		3. Will price be based on cost of production + markup?
		4. Will the product be discounted at certain times of the year?
	4. Place: Having the product available at the right time and location. Also known as channel management/distribution.
		1. Will the product be sold by a wholesaler or a retailer?
		2. Will the product be sold in a department store, boutique, discount store, specialty store, or on the Internet?
		3. Will the product be transported by truck, plane, boat, or pipeline?
		4. How will the inventory be handled and controlled?
	5. Promotion: Informing and reminding customers of the products available to them and persuading them to purchase. Promotion includes advertising, personal selling, sales promotion, and publicity.
		1. Should coupons or newspaper advertisements be used to promote products?
		2. How often should the business advertise?
		3. Should contests and games be used to promote products?
		4. Should additional sales people be used at particular times of the day or year?
		5. Should a celebrity be used as part of an event to entice customers?
2. Explain the concept of marketing strategies
	1. Goals/Objectives: Specific statements that clearly communicate what the business expects to achieve.
		1. Established to fulfill the mission statement
		2. Must be single-minded, realistic, specific, measurable, consistent with each other and with overall company goals, and must include a time frame for completion
	2. Strategies: Specific statements indicating how the business expects to accomplish its objectives taking the demands of the target market(s) into account.
		1. Identify target markets
		2. Identify appropriate marketing mix choices
		3. Utilize information obtained during SWOT analysis
	3. Tactics:
		1. Tangible, measurable tasks that have to be completed to accomplish the strategic objectives.
		2. Tactics are the day-to-day activities that step the company toward its goals.
		3. Tactics are used to reach the strategies that then meet the goals.
3. Define the following terms: market, target market, mass marketing, marketing segments, market segmentation, demographic segmentation, geographic segmentation, psychographic segmentation, and behavioral segmentation.
	1. Market: The group of all potential customers who have similar needs and wants and have the ability to buy the product. Businesses must understand who the potential consumers are in order to effectively meet their needs and wants.
		1. Consumer markets: Consumers who make purchases for personal use. For example, Debbi buying a Dell computer for her home so she can pay her bills online
		2. Industrial markets: Businesses that buy products to use in their own business. Also referred to as a business-to-business (B2B) market. For example, Bathel’s Accounting Firm buying a Dell computer to process customer tax returns
	2. Target market: The group of consumers a business desires to have as customers.
	3. Mass marketing: A single marketing plan used to reach all consumers. For example, chewing gum and light bulbs.
	4. Market segmentation: Dividing the entire market into smaller groups who share similar characteristics. Segmentation allows businesses to customize products to reach specific markets. For example, Coca-Cola offers Caffeine Free Coke for customers who prefer no caffeine. Diet Coke is offered to customers who prefer a low-calorie or low carb diet.
		1. Demographic segmentation: Dividing the market based on personal characteristics such as age, gender, income, ethnic background, education, and occupation. For example, *Teen Vogue* is marketed to females ages 12-17 years old.
		2. Geographic segmentation: Dividing a market based on where a person lives (local, regional, state, national, or global markets). For example, swimwear and body boards sell best on the coast of North Carolina, while snow skis sell best in the North Carolina mountains.
		3. Psychographic segmentation: Dividing the market based on values (ethics, morals, standards), attitudes (personality), and lifestyles (how people spend their time). For example, Schwin Bicycle manufacturer should advertise their new line of bikes in *Cyclist* magazine.
		4. Behavioral segmentation: Dividing the market into groups based on what they are looking for in a product and why they buy the product; loyalty; product benefits; holidays, special occasions, themes. For example, Evadale buys Crest whitening toothpaste to brighten her teeth, Maria buys Crest for cavity prevention because she eats a lot of sweets, and Jamar buys Crest with Scope to combat his love of onions and garlic.

*Objectives*:

1. Define the following terms: facts, estimates, predictions, relationships, and marketing information.
	1. Facts – verifiable, accurate information. “Facts are true, provable, observable, measurable, recorded, confirmed, indisputable.”
	2. Estimates – best guess based on facts. “[To](http://ardictionary.com/To/4489) [judge](http://ardictionary.com/Judge/965) [and](http://ardictionary.com/And/5818) [form](http://ardictionary.com/form/5208) [an](http://ardictionary.com/An/5460) [opinion](http://ardictionary.com/Opinion/1740) [of](http://ardictionary.com/Of/869) [the](http://ardictionary.com/The/2611) [value](http://ardictionary.com/Value/247) [of,](http://ardictionary.com/Of/869) [from](http://ardictionary.com/From/6446) [imperfect](http://ardictionary.com/Imperfect/1286) [data,](http://ardictionary.com/Data/561) [either](http://ardictionary.com/Either/1005) [the](http://ardictionary.com/The/2611) [extrinsic](http://ardictionary.com/Extrinsic/7237) [(money),](http://ardictionary.com/Money/6372) [or](http://ardictionary.com/Or/1924) [intrinsic](http://ardictionary.com/Intrinsic/6482) [(moral),](http://ardictionary.com/Moral/6944) [value;](http://ardictionary.com/Value/247) [to](http://ardictionary.com/To/4489) [fix](http://ardictionary.com/Fix/2935) [the](http://ardictionary.com/The/2611) [worth](http://ardictionary.com/Worth/3987) [of](http://ardictionary.com/Of/869) [roughly](http://ardictionary.com/Roughly/7750) [or](http://ardictionary.com/Or/1924) [in](http://ardictionary.com/In/1915) [a](http://ardictionary.com/A/1) [general](http://ardictionary.com/General/1233) [way;](http://ardictionary.com/Way/1282) [as,](http://ardictionary.com/As/9128) [to](http://ardictionary.com/To/4489) [estimate](http://ardictionary.com/Estimate/5016) [the](http://ardictionary.com/The/2611) [value](http://ardictionary.com/Value/247) [of](http://ardictionary.com/Of/869) [goods](http://ardictionary.com/Goods/3166) [or](http://ardictionary.com/Or/1924) [land;](http://ardictionary.com/Land/686) [to](http://ardictionary.com/To/4489) [estimate](http://ardictionary.com/Estimate/5016) [the](http://ardictionary.com/The/2611) [worth](http://ardictionary.com/Worth/3987) [or](http://ardictionary.com/Or/1924) talents [of](http://ardictionary.com/Of/869) [a](http://ardictionary.com/A/1) [person.](http://ardictionary.com/Person/4420)”
	3. Predictions – guesses of the future based on facts, estimates and experience
		1. “Predictive marketing helps businesses better understand customer desires, needs, and behaviors for a greater return on investment”
		2. “Predictive marketing can help improve customer service practices”
		3. “While attractive, using predictive marketing to define new products and services is still in the conceptual stage for many industries”
	4. Relationships – how information is interacts with each other
	5. Marketing Information – information on customers, competitors, the external environment (government regulations, economy, social changes)
		1. Information collected has value only when used to make better decisions.
		2. Data must be understandable and accessible to be used.
		3. Managers must not allow bias to enter their perspective of research results.
		4. Outcomes can be construed in multiple ways, so managers and researchers must work together to interpret research results and develop conclusions.
2. Identify types of information used in marketing decision-making.
	1. Primary: Information collected for the specific purpose at hand
		1. Research approaches
			1. *Observational research*: The gathering of primary data by observing relevant people, actions, and situations. Examples: watching shoppers in a grocery store, observing traffic patterns, and developing a lab (e.g. Fisher Price toy lab) to watch people react to and interact with products
				1. Monitors exterior reactions but fails to yield an understanding of feelings, attitudes, and/or motives
				2. *Ethnographics*: Consumer research that reveals the unspoken cultural and social patterns that shape consumer behavior and attempts to capture these personal characteristics.
			2. *Survey research*: The gathering of primary data by asking people questions about their knowledge, attitudes, preferences, and buying behavior. This method is the most flexible and best suited for gathering descriptive information.
			3. *Experimental research*: The gathering of primary data by selecting matched groups of subjects, giving them different treatments, controlling related factors, and checking for differences in group responses.
	2. Secondary: Information that already exists, having been collected for another purpose.
		1. Secondary research involves the study of information already generated and collected, it can be internal or external
			1. daily, weekly, monthly, and annual sales reports, broken down by geographical area, by product line, or even by product
			2. accounting information (e.g., spending and profitability)
			3. competitive information gathered by the sales force
		2. Includes sources like:
			1. Customer surveys
			2. Actual sales figures
			3. Company financial reports (income, balance, etc.)
			4. Observations of customers buying preferences
			5. Government. Examples: SBA, stat-usa.gov, and census.gov
			6. Commercial providers. Examples: compuserve.com, Hoovers Online, CNN, and demographics.com
			7. Outside suppliers
			8. Commercial online databases: Computerized collections of information available from online commercial sources or via the Internet. Examples: Dialog and LEXIS-NEXIS
3. Identify types of marketing information useful to marketers.
	1. Who are my existing and potential customers?
	2. Am I offering the kinds of goods or services my target customers want?
	3. Are my prices competitive?
	4. Are my promotional activities reaching my target audience?
	5. What is my business image?
4. Describe ways that marketers use marketing information. See <http://tutor2u.net/business/marketing/research_uses.asp>
	1. Customer segmentation
	2. Buying patterns
	3. What are the business risks?
	4. What are the current trends and potential problems in the market?
	5. What is the best plan of action?
5. Explain the impact of marketing information on marketers.
	1. Information is generated in vast quantities through technology.
	2. Not all information is relevant and marketing managers must sort through the volume to get to quality, useful data.
	3. Information must be controlled effectively to provide marketing information in the right form, at the desirable time.
	4. New and existing businesses alike need timely information in order to make good decisions.

*Level:* Specialist*.*

***Performance Indicator****: Identify data monitored for marketing decision making (IM:184, IM LAP 11)*

*Objectives:*

1. Define the following terms: request and complaint reports, lost sales reports, call reports, and activity reports.
	1. request and complaint reports are ways to track customer requests (for information or products) or complaints
	2. lost sales reports track information as to why a sale didn’t close (for example; price, the product, competitor, etc.)
	3. call reports track the calls made to customers (date, time, who, what was discussed, etc.)
	4. activity reports track what has happened with an account (customer) and current status
2. Explain information contained in sales and expense reports that is monitored for marketing decision-making.
	1. There are different ways to define a sale. Has a sale occurred when the order is taken? When the product has been shipped or delivered? Or when the customer has paid? However you define it, the data must be recorded consistently throughout the company, or sales volume analyses are likely to be inaccurate. You’ll also need to decide what units of measure to use.
	2. Sales reports contain dollar amounts and units sold. By measuring sales in more than one way, companies can analyze sales volume as accurately as possible.
	3. Expense reports show how much money is being spent to secure the order from the customer. Expenses such as dinners, gifts, trips, etc. are tracked and compared.
3. Describe information in reports provided by salespeople that is monitored for use in marketing decision-making. Sales figures can be considered:

• By territory

• By salesperson

• By product or product line

• By distribution method

• By customer group or type

• By order size

• By method of sale (online, catalog, in-store, etc.)

1. Discuss information about customers that is monitored for marketing decision-making.
	1. Length of history as a customer
	2. Size and frequency of orders
	3. Complaints and returns
	4. Potential for growth
	5. Lost sales and reasons
2. Explain information about competitors that is monitored for marketing decision-making.

• Sales volume data

• Market share data

• Insights into the company’s strengths and weaknesses

• Insights into the company’s future plans (new products, new marketing campaigns, etc.)

• Financial records (for public corporations)

1. Demonstrate procedures for identifying information to monitor for marketing decision-making.
	1. A company must look at the whole picture of what is going on (internally and externally)
	2. The objective is to be successful
		1. What does the company need to know about:
			1. Current customers and potential customers
			2. Current and potential competitors
			3. Changes in government regulations or tax laws
			4. Internal communications, are they effective or constrained?
			5. Who is retiring? Who is in over their head?
			6. How is technology changing?