Marketing is an exciting field of study with a wide range of topics. In the Marketing curriculum, information on the following topics will be covered extensively. These topics will be introduced in the MKT 170 course and then reinforced throughout all the other marketing option courses. In future classes it will be expected that you know this material, with each course extending some of these issues. It is expected that you will become familiar with the following:

<table>
<thead>
<tr>
<th>No.</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The definition and scope of marketing.</td>
</tr>
<tr>
<td>2</td>
<td>The “Marketing Concept” and its linkages with satisfaction, quality, value and profitability.</td>
</tr>
<tr>
<td>3</td>
<td>The “Marketing Management Process” and its integration of marketing activities.</td>
</tr>
<tr>
<td>4</td>
<td>The growth opportunities available to firms that want to expand.</td>
</tr>
<tr>
<td>5</td>
<td>The process of market segmentation, targeting and positioning.</td>
</tr>
<tr>
<td>6</td>
<td>The environmental forces that affect a company’s ability to serve its customers in domestic and international markets.</td>
</tr>
<tr>
<td>7</td>
<td>How to collect and utilize marketing knowledge for decision making.</td>
</tr>
<tr>
<td>8</td>
<td>The major factors that influence buyer behavior.</td>
</tr>
<tr>
<td>9</td>
<td>Personal selling activities and the steps involved before, during and after a transaction.</td>
</tr>
<tr>
<td>10</td>
<td>Characteristics and shape of the “Product Life Cycle.”</td>
</tr>
<tr>
<td>11</td>
<td>The “Innovation Adoption Curve” and the corresponding percentages within each category.</td>
</tr>
<tr>
<td>12</td>
<td>“Marketing Math” and an understanding of the importance of numerical calculations in the field of marketing.</td>
</tr>
</tbody>
</table>
American Marketing Association Definition of Marketing:

Marketing is an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders.
The Marketing Concept

Customer Satisfaction

Total Company Effort

The Marketing Concept

Profit as an objective
(or other measure of long term success)
The Marketing Management Process

- Business Mission Statement
- Objectives
- Situation or SWOT Analysis
- Marketing Strategy
- Implementation, Evaluation, and Control
- Target Market Strategy
- Market Marketing Mix
  - Product
  - Place
  - Price
  - Promotion
Growth Opportunities

- Present Markets
  - Market Penetration
  - Market Development
- New Markets
  - Product Development
  - Diversification
SEGMENTATION
A process that clusters groups of people that have common needs and will respond similarly to a marketing action.

TARGETING
Targeting is the process of focusing marketing efforts on specific segments identified through the segmentation process.

POSITIONING
The process of communicating to target market segments how they should think about, view, or perceive an offering in relation to competitors.
Environmental Forces

- Social/Cultural
- Demographic
- Economic
- Regulatory
- Technological
- Competitive

Suppliers → Organization → Customers
The Marketing Research Process

1. Identify Problems & Opportunities
2. Define Research Objectives & Research Questions
3. Determine & Choose Research Design
4. Develop Sampling Plan & Questionnaire Design
5. Collect & Process Data
6. Analyze & Interpret Data
7. Present Findings
8. Learn from Results and/or Take Actions

Conduct Exploratory Research
The Consumer Behavior Process

Problem Solving Process

1. Problem Recognition
2. Information Search
3. Evaluation of Alternatives
4. Purchase Decision
5. Post-Purchase Behavior
The Personal Selling Process

Pretransaction (Precall Planning)

Prospecting

Preapproach

Transactional (Interaction Phase)

Approach

Needs Assessment

Presentation

Meeting Objections

Gaining Commitment

Post - Transaction

Follow-Up & Services
The Product Life Cycle

<table>
<thead>
<tr>
<th>Product Life Cycle Stages</th>
<th>Marketing Objectives</th>
<th>Competition</th>
<th>Product</th>
<th>Price</th>
<th>Promotion</th>
<th>Place</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Introduction</td>
<td>Gain Awareness</td>
<td>Few</td>
<td>Skimming or Penetration</td>
<td>Inform, educate</td>
<td>Limited</td>
<td></td>
</tr>
<tr>
<td>Market Growth</td>
<td>Stress Differentiation</td>
<td>More</td>
<td>More Versions</td>
<td>Stress points of difference</td>
<td>More outlets</td>
<td></td>
</tr>
<tr>
<td>Market Maturity</td>
<td>Maintain Brand Loyalty</td>
<td>Many</td>
<td>Full Product Line</td>
<td>Reminder oriented</td>
<td>Maximum outlets</td>
<td></td>
</tr>
<tr>
<td>Sales Decline</td>
<td>Harvest/Delete</td>
<td>Reduced</td>
<td>Best Sellers</td>
<td>Stay Profitable</td>
<td>Minimal Promotion</td>
<td>Fewer Outlets</td>
</tr>
</tbody>
</table>

Product Category Sales

Product Category Profits

Time

Dollars

0
The Innovation Adoption Curve

- Innovators (3 - 5%)
- Early Adopters (10 - 15%)
- Early Majority (34%)
- Late Majority (34%)
- Laggards or Nonadopters (5-16%)
PROFIT
is the amount of money earned over the expenses incurred. When provided with price, quantity and cost information, you should be able to algebraically solve the equation if any one piece of information is missing (i.e. you can calculate the selling price if given profit, quantity, fixed costs & unit variable costs).

\[
\text{Total Revenue} = \text{Price} \times \text{Quantity} \\
\text{Total Costs} = \text{Fixed Costs} + (\text{Unit Variable Costs} \times \text{Quantity}) \\
\text{Profit} = \text{Total Revenue} - \text{Total Costs} \\
\text{Therefore,} \\
\text{Profit} = (\text{Price} \times \text{Quantity}) - \left[ \text{Fixed Costs} + (\text{Unit Variable Costs} \times \text{Quantity}) \right]
\]

MARGINS
When selling a product, the contribution margin (sometimes called gross margin) is the amount left over after you have covered the costs of the good sold. Contribution margin is often expressed as a percent

\[
\text{Contribution Margin in Dollars} = \text{Price} - \text{Unit Variable Cost} \\
\text{Markup Percent} = \frac{\text{Price} - \text{Unit Variable Costs}}{\text{Price}}
\]

BREAK - EVEN
is the point at which the revenue generated from sales equal the total costs.

\[
\text{Break Even Point in Units} = \frac{\text{Fixed Costs}}{(\text{Price} - \text{Unit Variable Costs})} \\
\text{Break Even Point in Dollars} = \frac{\text{Fixed Costs}}{1 - \left( \frac{\text{Unit Variable Costs}}{\text{Price}} \right)}
\]

PRICING
Price based on Markup on Cost
\[
\text{Desired Selling Price} = \text{Unit Variable Cost} \times (1 + \text{Markup Percent})
\]

Markup as a percent of cost
\[
\frac{\text{Dollar Markup}}{\text{Cost}}
\]

Price based on Return from Price
\[
\text{Desired Selling Price} = \frac{\text{Unit Variable Cost}}{1 - \text{Desired Return Percent on Price}}
\]

Markup as a percent of price
\[
\frac{\text{Dollar Markup}}{\text{Price}}
\]