

Chapter 12 Lecture Notes Marketing

How does marketing affect value?

= process of understanding the market

its all about creating a sale

A market is **competitors and customers!**

The job of marketing entails:

1. understanding a market
2. positioning product
3. distributing products
4. pricing product
5. promoting

The Four Ps of Marketing

Product, Place, Price, and Promotion

Marketing research: define the research question, design the research so the question can be answered, collect needed data, analyze the data, make strategic decisions based on data

We want confidence to be high, no such thing as perfect research

Customer's buying decision: buy or not to buy?

1. recognize need or want
2. seek info
3. evaluate and compare
4. decide to buy or not
5. evaluate and take action

Types of Customers:

1. Business to consumer
2. Business to business
3. Consumer to consumer (flea markets, craigslist) =transparency with technology

Consumer Behavior:

Cultural Factors- what is popular?

Social factors

Economic factors- what can we afford?

Psychological factors- what do we need?

Maslow's Hierarchy of Needs:

1. food and water
2. security
3. friendship and family
4. self-esteem and respect
5. morality and creativity

Environment:

Internal or External?

Marketing Strategy: creating a competitive advantage

- product differentiation

- product positioning
- product development
- marketing development
- market penetration= get more sales out of it

Product Life Cycle: all things grow and mature

1. Introduction state:

opportunities!

Sales are low

Costs per unit are high

Profits = loss

Risk= high

1. Growth State:

Sales are increasing

Costs per unit are decreasing

Profits are increasing

Risk is decreasing

3. Maturity Stage:

Sales are level

Costs are increasing

Profits are decreasing

Risk are increasing

Decline Stage:

4. Sales are decreasing

Costs per unit are increasing

Profits is decreasing

Risk is high

Legal and ethical issues:

1. Federal trade commission
2. Consumer Protection Safety Commission
3. Sustainable Marketing

Creating a sustainable competitive advantage

The Long-term: relationship marketing