

# MARKETING FINAL

7 to 13 (which is Lecture 14 until the end of the class) and from the middle of Chapter 11 (page 242) until the end of Chapter 20 (page 543)

The marketing mix:

Promotion

Product

Place

Price

"I think there is a world market for maybe five computers" – Thomas Watson, chairman of IBM 1943.

Product Line:

A group of closely related products that satisfy:

1. A class of needs.
2. Are used together.
3. Are sold to the same customer group.
4. Are distributed through the same type of outlet.
5. Fall within a given price.

Product Life Cycle:

"refers to a concept that describes the stages of a product goes through in the marketplace"

Introduction:

- See the firm attempting to create market development with its marketing strategy.
- Find a higher cost per unit of production.

Maturity:

- Focus on our advertising on developing brand loyalty.

Growth:

- Find costs declining
- Industry profits reach their peak
- Focus on market penetration to achieve both brand preference and intensive distribution for our product.
- Find firm focused on an overall strategy of market penetration.

Decline:

- Find decreasing competition.
- Convenience goods: be sure to make the product widely available, make sure it is visible in the store and use extensive advertising.

Slotting fee: a payment a manufacturer makes to place a new product of a retailer's shelf.

New Product process: the seven stages an organization goes through to identify business opportunities and convert them into salable products or services.

Nondurable good: an item consumed in one or few uses.

Durable good: products that usually last over many uses, such as cars and appliances.

- Goods can be divided into durable goods and nondurable goods.

Concept test: external evaluation with consumers that consist of preliminary testing with consumers of the new product idea rather than an actual product.

Specialty Product: consumer product that is purchased infrequently and takes an extensive amount of time to make the purchase decision.

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Danger of Family Branding: if a product has a problem it can affect the image of all the company's brands.

Experience properties: consumers evaluate during the service purchase.

Free Samples: most popular means to gain consumer trial. Most consumers consider a sample to be the best way to evaluate a new product.

Building brand equity:

- (1) developing positive brand awareness; (2) establishing a brand's meaning in the minds of consumers; (3) eliciting the proper consumer responses to a brand's identity and meaning; and (4) creating a consumer-brand connection.

Five basic criteria for selecting a brand name:

- (1) suggest product benefits; (2) be memorable, distinctive and positive; (3) fit the company or product image; (4) have no legal or regulatory restrictions; and (5) be simple and emotional.

Search properties: property of services that consumers can evaluate before the purchase.

Limited coverage: warranties that specifically state the bounds of coverage and more importantly, areas of no coverage.

Four general branding strategies:

- (1) multiproduct branding; (2) multibranding; (3) private branding; and (4) mixed branding.

Private branding: private labeling, or reseller branding.

Product modification: a marketing strategy that alters a product's characteristic such as its quality, performance or appearance to increase its value and sales to customers.

Product class: the entire product category or industry.