**Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Marketing – Chapter 1 – Notes pg. 3 – 12**

**ANSWER KEY**

**In the case of P & G and Tide, what did P & G do to strengthen the Tide brand with consumers?**

* P & G did research to better understand their customers’ needs and wants.
* P & G focused their marketing efforts on connecting with the target consumer and creating an emotional connection with the brand.

**What percent of the laundry detergent market does Tide control?**

* 43 %

**Compare and contrast the old sense of marketing “telling and selling” with the new sense of marketing “satisfying customer needs”?**

* If the marketer understands consumer needs; develops products and services that provide superior customer value; and prices, distributes, and promotes them effectively, these products will sell easily. Effectively, eliminating the need to “sell” a product.

**What are the 5 steps in the marketing process (described in figure 1.1)**

* 1. Understand the marketplace and customer needs and wants
  2. Design a customer-driven marketing strategy
  3. Construct and integrated marketing program that delivers superior value
  4. Build profitable relationships and create customer delight.
  5. Capture value from customers to create profits and customer quality

**Needs are segmented into three categories. List and briefly explain each of the three categories.**

* Physical Needs – food, clothing, warmth and safety
* Social Needs – belonging and affection
* Individual Needs – knowledge and self-expression

**What shapes consumers wants?**

* Wants are shaped by one’s society and are described in terms of objects will satisfy needs.

**Describe the relationship between “wants” and “demands”**

* When backed by buying power, wants become demands. People demand products with benefits that add up to the most value and satisfaction.

**Describe a current situation where you think a company or marketer is suffering from Marketing Myopia. What are the symptoms of marketing myopia?**

* Kodak continually focusing on film cameras while consumers’ needs changed to digital formats.

Symptoms

* + Focus only on existing wants and lose sight of underlying customer needs
  + Forger a product is only a tool to solve a problem i.e. drill bit makes a hole… customer needs a hole not the drill bit.

**Why do marketers want to create a brand experience for customers?**

* Pg. 7 bottom
* Marketers want to look beyond the basic attributes of the product and sell an entire experience. Disney is not just an amusement park it is an experience. Riding a Harley is not just a motorcycle it is an experience to ride the Harley. Apple to an extent too.

**What factors affect ALL actors in the market system?**

* Major environmental forces, demographic, economic, physical, technological, policitcal/legal and social/cultural

**What are the TWO questions a marketing manager must answer in order to develop a winning marketing strategy?**

* What customers will we serve (what’s our target market)?
* How can we serve these customers best (what’s our value proposition)?

**When deciding what customers to serve why is it important to segment the market and identify specific segments to target?**

* Marketers know that they cannot serve all customers in every way. By trying to serve all customers they may not serve any customers well.
* Marketers want to select only customers that it can serve well and profitably.
  + Nordstrom – affluent
  + Family Dollar – modest

**What is demarketing? Give an example of when a marketer may want to demarket their product or service?**

* To reduce demand, shift temporarily or permanently remove the demand for your product.
* Overcrowded national park or deter people from using fossil fuels to promote clean energy.

**What is a company’s value proposition? What is the purpose?**

* Is the set of benefits or values it promises to deliver to consumers to satisfy their needs.
  + Value propositions differentiate brands from one another.
  + They tell the customer why they should purchase your brand.

**Why is it important for management to improve production and distribution efficiency? What concept is this?**

* Production concept: consumers will favor products that are available and highly affordable.

**What concept holds that consumers will favor products that offer the most in quality, performance, and innovative features?**

* Product Concept

**What is the danger of focusing too much of your time on product quality and improvement?**

* + Marketing Myopia

**This concept is typically practiced with unsought goods-those that buyers do not normally think of buying, such as insurance or blood donations?**

* Selling Concept

**How does the marketing concept utilize an outside-in perspective to generate sales and profits?**

* Customer focus and value are the paths to sales and profits.
* The job is not to find the right customer for your product but to find the right products for your customers. i.e. 20 years ago…ipod, laptob, digital camera
* Customer driven companies research current customers deeply to learn about their desires, generate new product and service ideas, and test proposed product improvements.

**Define the social marketing concept. How can you apply that concept to the U.S. Automakers?**

* Questions whether the pure marketing concept overlooks possible conflicts between consumer short-run wants and consumer long-run welfare.
* The social marketing concept holds that marketing strategy should deliver value to customers in a way that maintains or improves both the consumer’s and the society’s well being.
  + Obviously, there was a very profitable market for large SUV’s and trucks. In fact, the market for SUV’s and trucks was so much more profitable, that U.S. Automakers ignored greater worldwide trends towards more fuel efficient vehicles in response to higher gas prices. Applying the social marketing concept would hold U.S. Automakers responsible for catering to short-term wants and ignoring the long-run welfare of consumers.

**What three considerations should a company balance under the social marketing concept?**

1. Company Profits
2. Consumer Wants Figure 1.4
3. Society’s Interests