

CHAPTER 1

Introduction to Marketing

Sections

- 1.1 Marketing Defined
- 1.2 Marketing Basics



College
and Career
Readiness

Reading Prep

Before reading this chapter, review the key terms and definitions to preview the new content. Building a personal vocabulary is an important activity to broadening your understanding of new material.

Check Your Marketing IQ

Before you begin the chapter, see what you already know about marketing by taking the chapter pretest. The pretest is available at www.g-wlearning.com/marketing/.

DECA Emerging Leaders

Introduction

This learning activity, *DECA Emerging Leaders*, is designed for you to become familiar with DECA activities and connect them to chapter content. Where appropriate, the learning activity begins with identification of the career cluster, instructional area, and performance indicators associated with the activity content. Performance indicators are specific work-based skills and knowledge that identify what an employee must know or be able to do in order to achieve a performance element in an instructional area. Performance indicators define performance elements.

Career Cluster: Marketing

Instructional Area: Professional Development

Performance Indicators

- Explain marketing and its importance in a global economy.
- Explain career opportunities in marketing management.
- Assess the services of professional organizations in marketing.
- Employ career-advancement strategies in marketing.

Purpose

Designed for DECA members, this activity enables student members to better understand opportunities available through DECA in marketing, finance, hospitality, and management.

DECA's Comprehensive Learning Program consists of all DECA activities by category and supports programs of study in the four career clusters.

- **College, Business, and Educational Partnerships** provide scholarships, classroom presentations and career guidance, internships, work experience, and community service activities.
- **Competitive Events Program** provides authentic situations relating to current business practices.
- **DECA Direct Magazine** is a full-color international publication featuring articles on career development in leadership; community service; and professionalism.
- **Educational Conferences** provide targeted, highly focused learning experiences for members

and advisors while connecting with corporate professionals.

- **Emerging Leader Series** strives to empower DECA members to provide effective leadership through goal setting, consensus building, and project implementation.
- **Global Entrepreneurship Week (GEW)** engages millions of young people around the world each November to embrace innovation, imagination, creativity, and problem solving.
- **School-Based Enterprises** reinforce and enhance career preparation.
- **Social Media Correspondent Program** creates conversation among chapters and shares best practices and ideas.
- **Video Challenges** provide classroom activities that challenge members to apply highly engaging, relevant learning activities from their seats in the classroom.

Procedure

1. DECA members should become familiar with the organization and its diverse learning activities. Use the following activities to learn about DECA, identify membership benefits, and apply DECA's connection to college and career preparation.
2. The information will be presented to you through the navigation of the DECA website. Visit the DECA website at www.deca.org to become familiar with the activities and opportunities available to you as a student and DECA member. Find the page for High School Programs and review the Comprehensive Learning Program.

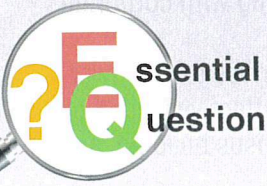
Critical Thinking

1. Review the components of DECA's Comprehensive Learning Program.
2. Which activities enhance your career or personal goals? How do they help you achieve your career and personal goals?
3. Select two activities about which you wish to learn more and discuss them with your instructor.

Visit www.deca.org for more information.

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Section 1.1



What is marketing?

Marketing Defined

Learning Objectives

LO 1.1-1 Discuss marketing.

LO 1.1-2 Identify why a student might study marketing.

Key Terms

marketing
need
want
product
good

service
idea
marketing professional
consumer

LO
1.1-1

Marketing Is More Than an Advertisement

When you hear the term *marketing*, what goes through your mind? When asked this question, most people respond that marketing is advertising. Think of an advertisement you saw today or yesterday. What story did the advertisement tell? What impression did it leave on you? Did you think the advertisement was marketing? If you did, then you were correct. However, marketing is much more than just an advertisement.

Marketing consists of dynamic activities that identify, anticipate, and satisfy customer demand while making a profit. These activities help to tell the story of the company, the brand, the person, or the idea. The goal of marketing is to meet customer needs and wants with products they can and will buy. A **need** is something necessary for survival, such as food, clothing, and shelter. A **want** is something that a person desires, but could live without.

A **product** is a good, service, or idea. A **good** is a physical item that can be touched. A **service**

is an action that is done for you, usually for a fee. An **idea** is a concept, cause, issue, image, or philosophy.

Marketing takes on both the risks and responsibilities of getting others to buy products. Activities involved in marketing include:



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Marketing is more than just an advertisement. It tells a story about a company, person, brand, or idea. *What stories does marketing tell?*

- determining what type of research about customers is needed;
- deciding how to get products to customers;
- pricing, promoting, and selling the products; and
- deciding how to manage data and information.

There are many experts who express their ideas about the definition of marketing. These all have similar themes that revolve around selling products, connecting with customers, and satisfying customers' needs. A few examples of these definitions are as follows.

- Marketing is "to find out what your customers want and then give it to them," from Tim Cohn, marketing consultant.
- Marketing is "a way to connect what products and services you have to offer with customers who want and need such products and services," from Trish Green, Executive Vice President, Head of Marketing, Student Funding Group, LLC.
- The job of marketing is "to sell lots of stuff and make lots of money," from Sergio Zyman, former Chief Marketing Officer of The Coca-Cola Company.
- "Marketing is getting someone who has a need to know, like, and trust you," from John Jantsch, author of *Duct Tape Marketing*.

To fully define someone involved in marketing today, a broad term and definition is needed. A **marketing professional** is a person who helps determine the marketing needs of a company, develops and implements marketing plans, and

focuses on customer satisfaction. In a small business, a marketing professional might also be the owner or a manager. In most large companies, marketing professionals usually work together as a marketing team.

LO
1.1-2

Why Study Marketing?

Marketing is global. No matter where you go or what you do, marketing will impact the decisions you make about what to buy, where to travel on vacation, and even what you eat for lunch today.

Learning about marketing will make you a better consumer. A **consumer** is a customer who buys a product for his or her own use. As a consumer, you need to make informed decisions about the products you buy. Knowledge about marketing will help you understand how businesses influence your purchasing decisions. Marketing includes the products businesses offer, the prices charged, and other information to help you make wise purchasing decisions.

Learning about marketing helps you learn how to market yourself. Marketing is not just for selling products, but for selling your talents and abilities as well. Whether you are job searching, applying for college, volunteering, or asking for a promotion, marketing can help prepare you for your future.



Case in Point

Eataly

The marketing concept is an approach to business that focuses on satisfying customer needs and wants while achieving profit goals for the company. Eataly is an example of a company that is completely focused on its customers and making sure they have an enjoyable experience at Eataly stores.

Eataly is a unique business with locations around the world. Each store is modeled after an open-air European market. The stores have a fresh market as well as multiple Italian eateries and cafés under one roof. The fresh market displays signage informing customers about each product, including its Italian history. Each of the Eataly restaurants uses ingredients sold in the fresh market.

Customers enjoy learning about what they are eating. Being able to shop for the food that is served in the restaurant is a unique touch customers cannot resist. Eataly also offers cooking classes at *La Scuola di Eataly*, or The School of Eataly, in Italian pastas, sauces, desserts, and more. To continue the experience after customers leave, cooking tips and recipes are available through social media and e-mail newsletters. Eataly separates itself from the competition by providing customers with unique products and information all in one convenient location.



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A marketing professional helps determine the marketing needs of a company. *What aspects of a marketing career interest you?*

In the competitive working environment in the United States, employers look for workers who will add value to the business. Learning about

marketing will make you a better employee in any job field. Many people in a company will perform their job duties, but they often do not know the company's vision and what it wants to achieve. You can become a more valuable worker by understanding marketing functions and how to work with the company's marketing team.

Learning about marketing can influence your career path. You may have been talking all of your life about what you want to be when you grow up. Now the time is here, and you are making career plans. It is an exciting time in your life. There are many marketing careers you could pursue, including marketing manager, sales professional, market researching, buyer, or logistics professional. No matter what your talents are, there is a marketing career that will probably fit.

Later chapters will explore marketing careers in more depth. As you progress through the text, think about your personal connection with marketing. There may be a career waiting for you.

Section 1.1 Review

Check Your Understanding

1. What is the goal of marketing?
2. Explain the difference between a good and a service.
3. What is the broad term applied to a person who works in marketing?
4. How does learning about marketing make a person a better consumer?
5. Provide an example of a situation in which a person might need to market himself or herself.

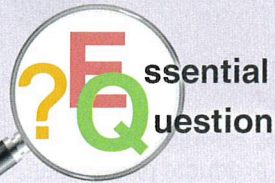
Build Your Vocabulary

As you progress through this text, develop a personal glossary of key terms. This will help you build your vocabulary and prepare you for a career. Write a definition for each of the following terms and add them to your personal glossary.

consumer
good
idea
marketing
marketing professional

need
product
service
want

Section 1.2



Why is marketing necessary for business success?

Marketing Basics

Learning Objectives

- LO 1.2-1 Discuss the marketing concept.
- LO 1.2-2 Explain the marketing mix.
- LO 1.2-3 Identify the seven functions of marketing.
- LO 1.2-4 Define *economic utility*.
- LO 1.2-5 Describe benefits of marketing.

Key Terms

marketing concept

market

business-to-consumer (B2C) market

business-to-business (B2B) market

target market

profit

marketing mix

price

place

promotion

promotional mix

channel

channel management

marketing-information management (MIM)

market planning

pricing

product/service management

selling

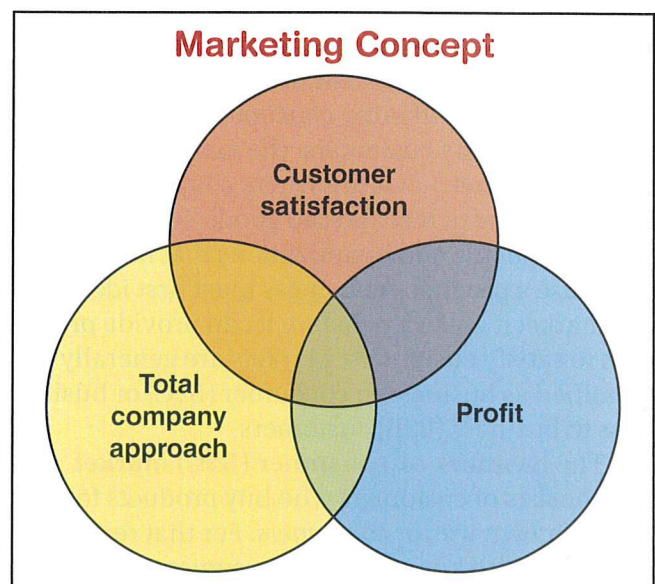
utility

LO
1.2-1

Marketing Concept

Marketing focuses on customers in order to meet their needs and wants. The **marketing concept** is an approach to business that focuses on satisfying customer needs and wants while achieving profit goals for the company. The three elements of the marketing concept are customer satisfaction, total company approach, and profit. These three elements overlap and work together, as illustrated in Figure 1-1.

Marketing is about building relationships between buyers and sellers. A long-term relationship leads to customers who are more satisfied and loyal to the business. Research has shown that it is less costly to keep a current customer than to attract a new one. Developing and maintaining relationships with customers is not only cost efficient, it is a good business practice.



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Figure 1-1 The marketing concept is an approach to business that focuses on satisfying customer needs and wants while achieving profit goals for the company.



Exploring Marketing Careers

Marketing Manager

A company's marketing policies play a large role in the products or services it offers. People who work in marketing identify potential customers and develop strategies to market the company's products or services effectively to these customers. In addition, marketing professionals help keep the company on track by monitoring customer wants and needs and suggesting new products or services to satisfy those needs. Typical job titles for these positions include *marketing manager*, *marketing director*, *marketing coordinator*, *brand manager*, *commercial lines manager*, and *market development manager*.

Some examples of tasks that marketing professionals perform include:

- Coordinate marketing activities and policies to promote the company's products or services
- Develop marketing and pricing strategies
- Perform market research and analysis
- Coordinate or participate in promotional activities and trade shows to showcase the company's products or services

Marketing professionals need a strong background in sales and marketing strategy, as well as in principles of customer service and employee management. They need a solid knowledge of the English language, business and management principles, and media production and communication. Marketing professionals must also be able to think creatively and use critical thinking skills to solve problems. A bachelor's degree in marketing, advertising, communications, or a related field is required. Management positions generally require one to five years of work experience. For more information, access the *Occupational Outlook Handbook* online.

Customer Satisfaction

Customer satisfaction is the degree to which customers are pleased with a company's products. One of the ways it can be measured is by the number of repeat customers. The marketing concept benefits customers because the business is focused on meeting their needs.

Before the marketing concept can be implemented to satisfy customers, the market must be identified. A **market** is anywhere a buyer and a seller convene to buy and sell goods. It also refers to all the people and organizations that might purchase a product. A business must first identify the market it will serve before it can provide products to satisfy customers. Markets are generally classified as business to consumer (B2C) or business to business (B2B) customers.

- The **business-to-consumer (B2C) market** consists of customers who buy products for their own use, or *consumers*. For that reason, B2C is also known as the *consumer market*.
- The **business-to-business (B2B) market** consists of customers who buy products for use in a business rather than for personal use. These customers are called *clients* in the business

market. The market also includes governmental agencies and other organizations.

Market identification is the process of identifying existing or potential customers as business to consumer (B2C) or business to business (B2B) customers. Each type of customer has specific needs and wants.

The B2C and B2B markets are large and it is necessary to target specific customers within those segments. A **target market** is the specific group of customers whose needs and wants a company will focus on satisfying. For example, a target



Marketing Ethics

Business Ethics

Ethics are the values that guide a person's behavior. Ethics help people make good decisions in both their personal and professional lives. *Business ethics* is a set of rules that help define appropriate behavior in the business setting.



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Students are a target market for companies that sell school supplies. *In what ways do you think you might belong to a target market?*

market in B2C could be teens ages 16–18 who live in the southern United States. A target market in B2B could be governmental agencies located in Chicago, Illinois, that purchase tablet computers. Each of these target markets would be approached in a unique way to meet their specific needs.

Total Company Approach

Businesses using the marketing concept integrate the total company in the goal of customer satisfaction. Employees in production, finance, marketing, and management must work together as a team to achieve that goal.

Marketing-oriented companies believe that every interaction with a customer should be viewed as a marketing opportunity. This means every person in the business, from the delivery people to the technical support staff, has a goal of satisfying their customers. By sharing information about customers with production, finance, and management departments, marketing helps an entire business focus on customer satisfaction goals.

Profit

Profit is the difference between the income earned and expenses incurred by a business during a specific period of time. Businesses using the marketing concept understand that building a strong base of satisfied customers leads to healthy profits. Satisfied customers are repeat customers and repeat customers ensure higher sales. Satisfying customers successfully over the long term benefits businesses.

Successful businesses need more than just marketing. Marketing is just one piece of the puzzle. In order to understand marketing, it is necessary to understand the basic concepts of business. Business concepts are covered in Chapter 3.

L0
1.2-2

Marketing Mix

For each product that a company markets, a plan is developed called the marketing mix. The **marketing mix** is the strategy for using the elements of product, price, place, and promotion, as shown in Figure 1-2. Product, price, place, and promotion are known as the *four Ps of marketing*.

A marketing mix can be developed for a single product, a group of products, or an entire business. One marketing mix usually does not meet the needs of all customers. The keys to creating a successful marketing mix are:

- choosing the right product;
- selling it at the right price;
- making it available at the right place; and
- promoting it in a way that will reach the target customers.



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Figure 1-2 The marketing mix is the strategy for using the elements of product, price, place, and promotion.

Product

Product may be the most important of the four Ps because without it, there are no sales. Price, place, and promotion relate directly to the product. Products include goods, services, and ideas. Examples of goods include laptops, boots, and cars. Examples of services include a haircut, a concert, and medical care. Examples of ideas include *contribute to a charity*, *buckle up for safety*, or *vote for this candidate*. Image has become a very important product. Marketers sell the image of goods and services, a business itself, and people.

Price

Price is the amount of money requested or exchanged for a product. A business can set prices at any level. However, if the price is too high, customers might not buy the product. If the price is too low, the business might not take in enough money to cover expenses necessary to make a profit. Determining the right price is a difficult task. There is no one formula for setting price. The goal of the business is to charge the exact amount a customer is willing to pay for an item. Setting the best price is important for both business success and customer satisfaction.

Place

In marketing, **place** refers to activities involved in getting a product or service to the end users. Place is also known as *distribution*. Physical distribution activities include shipping, order processing, inventory warehousing or storage, and stocking of goods.

Place decisions involve determining when, where, and how products get to customers. Place includes decisions about where to locate manufacturing plants, warehouses, and stores. It also involves making decisions about whether to have a physical store or an online store. Businesses try to make products available to customers at convenient times and places.

Promotion

Promotion is the process of communicating with potential customers in an effort to influence their buying behavior. It includes telling people about the price of the product and the place where it is offered. If customers do not know that a product exists, they cannot buy it. If customers do not know where to find a product, they will not be able to buy it.

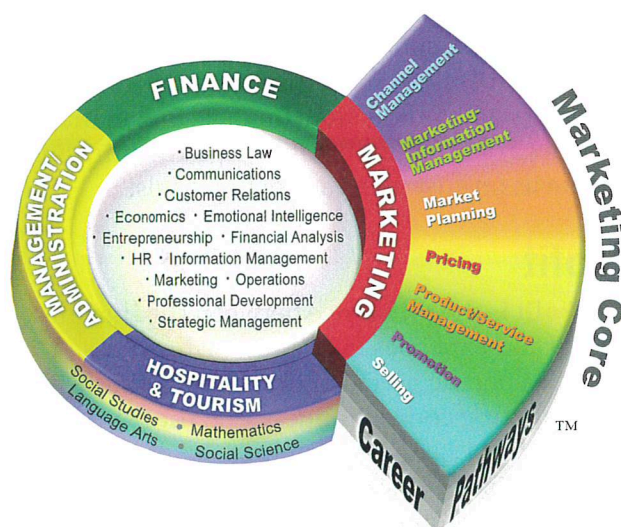
Promotion is the most visible part of marketing. The **promotional mix** is a combination of the elements used in a promotional campaign and includes personal selling, advertising, sales promotion, and public relations. For example, a salesperson delivers promotional messages when he or she helps a customer to learn more about the product before making a purchase. Advertising delivers paid promotional messages on television, the radio, mobile apps, the Internet, video games, and through many other formats.

LO 1.2-3 Functions of Marketing

Marketing consists of hundreds of activities, and they can be organized in many different ways. *Function* is a general word for a category of activities. There are seven functions of marketing, as shown in the marketing core in Figure 1-3:

- channel management;
- marketing-information management (MIM);
- market planning;
- pricing;
- product/service management;
- promotion; and
- selling.

In a small company, these functions might be performed by one or two people. In a large corporation, each function might have its own department.



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Figure 1-3 There are seven functions of marketing.

Channel Management

A **channel** is a route a product takes from a producer to a customer. The **channel management** function is handling the activities involved in getting products through the different routes from producers to customers. These may include managing the methods used to transport and store goods, deciding where products are sold, finding sources for products, on-time delivery, and transferring product ownership. A channel can be as simple as a farmer having a roadside stand. It can also be as complicated as a product sold in 20 different countries that is built from parts produced in 17 different countries.

Marketing-Information Management (MIM)

The **marketing-information management (MIM)** function is gathering and analyzing information about markets, customers, industry trends, new technology, and competing businesses. It also includes making sure the right people in an organization get the information needed to make business decisions. MIM is also called *marketing research*. Activities might include developing surveys,

analyzing survey results, preparing recommendations, and meeting with customers. If you have ever completed a survey for a store, research company, or political campaign, you have participated in marketing-information management.

Market Planning

The **market planning** function is analyzing the potential of different marketplaces in order to create strategies to target a specific market. Activities in market planning include identifying the target market, determining appropriate marketing strategies, setting a marketing budget, and using metrics to measure budget effectiveness.

Pricing

The **pricing** function is all the activities involved in setting prices for products. This includes researching and analyzing pricing of competitors. It also involves using financial information to set prices that cover costs and allow the business to make a profit, as well as adjust prices when conditions change. The price of the product also depends on what the customer is willing to pay. Pricing directly affects the profit of any business.



You Do the Math

Basic Math

Mathematics is an educational discipline that is used extensively in many other educational disciplines. Science, business, economics, accounting, engineering, and many other areas feature mathematics as an integral part of the discipline. For example, accountants must use math to calculate balance sheets, marketers must use math to forecast sales, engineers must use math to calculate loads, and economists must use math to calculate the gross domestic product.

Solve the following problems.

1. A store manager must calculate the total number of winter hats available to sell in the store from a starting number of 293. In the past month, the store sold 43 blue hats, 96 black hats, 28 red hats, and 61 pink hats. The store received a shipment of 48 blue hats, 60 black hats, 18 red hats, and 24 pink hats. How many total hats does the store have for sale?
2. The volume of liquid in a packaged product must be converted from cubic centimeters to cubic inches. One cubic centimeter is equal to 0.06 cubic inches, and the product's package contains 28.6 cubic centimeters of liquid. How many cubic inches of liquid are in the package?
3. A marketing manager must calculate the response rate for the latest e-mail marketing campaign. Over the course of the campaign, the marketing department sent 9,500 e-mails. The company received 1,022 responses from the promotional e-mail. What percentage of e-mails generated responses?
4. A restaurant must calculate how much flour to order for the week. Each day the restaurant sells 356 biscuits and 48 loaves of bread. One biscuit requires 0.045 pounds of flour and each loaf of bread requires 0.62 pounds of flour. How many pounds of flour must be ordered for the week (seven days)?

Product/Service Management

The **product/service management** function is determining which products a business should offer to meet customer needs. Activities can include developing a new product or service or improving a current one. In retail, product/service management includes deciding which products to carry or services to offer. Other decisions are about which brands, quantities, colors, sizes, features, or options to offer. One shoe store might sell many brands and styles of shoes, including athletic, dress, and casual shoes, as well as boots for children and adults. Another shoe store might focus on children's shoes or athletic shoes.

Promotion

Communicating with potential customers in an effort to influence their behavior is *promotion*. All communication from an organization to its customers and the public can be considered promotion. The promotional mix has four activities: personal selling, advertising, sales promotion, and public relations. For example, helping a customer in your school store choose a sweatshirt, posting promotional messages on Twitter, offering a discount if a customer shows an event ticket stub, or sending out a press release about the grand opening of a store are all promotional activities.

Selling

Selling is all personal communications with customers. Selling activities include helping



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Product/service management includes deciding which brands, quantities, colors, sizes, features, or options to offer. *How do you think a business makes these decisions?*

customers in a store, making sales or product demonstrations, and providing any form of customer service. Personal selling is done most often in business sales and for large-ticket items in retail settings. For example, if you know someone who is in the market for a new car, that person will most likely talk with a salesperson as they are shopping for the new car.

LO
1.2-4

Economic Utility

One of the major tasks of marketing is to provide economic utility. *Utility* means usefulness. In an economics context, **utility** is the characteristics of a product that satisfy human wants and needs. The process of adding utility is often referred to as adding value. *Adding value* means enhancing a feature or service to inspire a customer to purchase. There are five types of utility. Examples of each type are shown in Figure 1-4.

Form Utility

Form utility is the characteristic added when a business changes the form of something to make it more useful. The main job of the production is to add form utility. For example, an auto manufacturer turns steel, plastic, fabric, and glass into an automobile. In a service business, the performance of the service itself provides the utility. Marketing influences the creation of products in a business.

Place Utility

Place utility is the characteristic added when products are available at convenient places. For example, people often need to get cash when they are not near the bank. Financial institutions provide place utility through automated teller machines (ATMs) at convenient places, such as a supermarket or airport. Marketing guides business in adding place utilities.

Utility Examples

Form	Any manufacturing process
Place	Convenience stores
Time	Daily newspaper delivery
Information	Product advertising
Possession	Credit cards

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Figure 1-4 Each type of utility adds value to a product.

Time Utility

Time utility is the characteristic added when products are made available at the times that customers need and want them. For example, banks used to close at 4:00 p.m. and were never open on Saturdays. Many people who needed to do business at the bank were working during the time that banks were open. To provide time utility, most banks now stay open later, are open on Saturday mornings, or offer online banking 24 hours a day. Marketing research helps provide the data to make decisions about time utility.

Information Utility

Information utility is the characteristic added when marketing provides information about a product to a customer. A major part of information utility is telling the customer about products and where to buy them. Websites provide information utility by describing products and giving purchase opportunities. Advertising and other promotions provide information utility as well. Product information also includes providing directions or instructions, such as through owner manuals.

Possession Utility

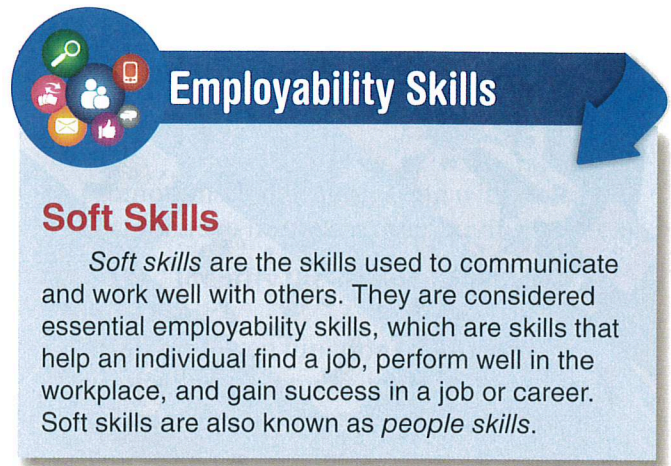
Possession utility is the characteristic added when it becomes easier for a customer to acquire a product. Possession utility includes offering various kinds of credit. For example, you need a car to get to work, but you do not have enough money to pay for it. The car dealer provides possession utility by helping you arrange for a loan. The loan enables you to take possession and use the car while you are still paying for it.

LO
1.2-5

Benefits of Marketing

In today's world of information overload, it is often difficult to get the attention of customers. Marketing efforts can target the best customers, research how to improve a product, and find new ways to sell it. Without marketing, companies cannot grow and business profits would decline because there would be fewer sales. Workers would lose their jobs, and many businesses might close.

Marketing efforts help businesses sell more products and increase profits. When customers are spending more, companies are willing to invest



Employability Skills

Soft Skills

Soft skills are the skills used to communicate and work well with others. They are considered essential employability skills, which are skills that help an individual find a job, perform well in the workplace, and gain success in a job or career. Soft skills are also known as *people skills*.

more. They can expand a current business or start new ones. Marketing helps to create a positive cycle of economic growth.

Provides Information

Marketing provides information to educate consumers. Information about products enable customers to make educated decisions about purchases. For example, detailed labeling can provide information to the consumer to help make wise purchasing decisions. Green packaging encourages environmental protection. Educational material, such as nutrition labels, encourages healthy eating and can lead to improved standards of living.

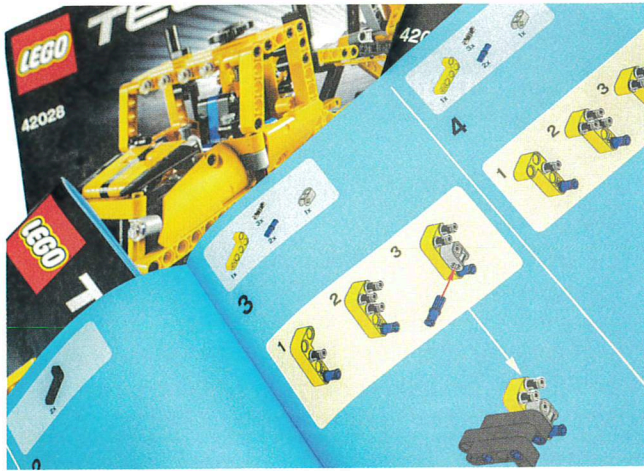
Stimulates Competition

Marketing stimulates competition to create more and better products at competitive prices. Today's customers want products when, where, and how they want them. Customers have access to more information in one day than the generation before them had in one week. Instant information and the ability to shop around the world results in more products being available from many sources.

Improves the Economy

Marketing helps to create a positive cycle of economic growth by persuading people to buy goods and services. When customers are spending more, businesses sell more products and increase profits, helping the state of the economy.

Marketing positions account for a large portion of all jobs in the United States. Jobs are vital to the success of any community. Businesses are aware



Radu Bercan /Shutterstock.com

Part of information utility is providing instructions, such as these assembly instructions for a LEGO® Brand product. *How has a company provided information utility for you?*

of the importance of their standing in the community. When an economy grows, more people are employed. More purchases are made and businesses can grow and help their communities more.

Identifies New Business Opportunities

Marketing activities help to identify new business opportunities. New products have been developed because market research showed the need for a change to an existing product or an entirely new product.

Marketing activities help to establish a brand and create loyal customers. It would be hard for a company to have loyal customers if marketing did not exist. Customers learn to trust and depend on certain businesses to meet their needs. People are more likely to buy from companies they know and trust.

Section 1.2 Review

Check Your Understanding

1. List three elements of the marketing concept.
2. Name the four elements of the marketing mix.
3. Provide examples of activities in the market planning function.
4. What does it mean to add value?
5. How does marketing improve the economy?

Build Your Vocabulary

As you progress through this text, develop a personal glossary of key terms. This will help you build your vocabulary and prepare you for a career. Write a definition for each of the following terms and add them to your personal glossary.

business-to-business (B2B) market
business-to-consumer (B2C) market
channel
channel management
market
marketing concept
marketing-information management (MIM)
marketing mix
market planning
place

price
pricing
product/service management
profit
promotion
promotional mix
selling
target market
utility

Chapter Summary

Section 1.1 Marketing Defined

LO 1.1-1 Discuss marketing.

Marketing consists of dynamic activities that identify, anticipate, and satisfy customer demand while making a profit. The goal of marketing is to meet customer needs and wants with products they can and will buy. A marketing professional is a person who determines the marketing needs of a company, develops and implements marketing plans, and focuses on customer satisfaction.

LO 1.1-2 Identify why a student might study marketing.

Learning about marketing will make a student a better consumer and will help him or her learn how to sell his or her talents and abilities. It will also make a student a better employee who understands a company's vision. Learning about marketing can influence a career path because there is a marketing career that will probably fit a student's talents.

Section 1.2 Marketing Basics

LO 1.2-1 Discuss the marketing concept.

The marketing concept is an approach to business that focuses on satisfying customers while achieving profit goals for the company. The three elements of the marketing concept are customer satisfaction, total company approach, and profit.

LO 1.2-2 Explain the marketing mix.

The marketing mix is the strategy for using the elements of product, price, place, and promotion, known as the four Ps of marketing. Products include goods, services, and ideas. Price is the amount of money requested or exchanged for a product. Place involves getting a product to the end users.

Promotion is communicating with potential customers to influence their buying behavior.

LO 1.2-3 Identify the seven functions of marketing.

There are seven functions of marketing: channel management, marketing-information management (MIM), market planning, pricing, product/service management, promotion, and selling.

LO 1.2-4 Define economic utility.

Utility is the characteristics of a product that satisfies human wants and needs. There are five types of utility: form, place, time, information, and possession.

LO 1.2-5 Describe benefits of marketing.

Marketing provides information to educate consumers and enable them to make educated decisions. Marketing stimulates competition to create more and better products at competitive prices. Marketing also helps create a positive cycle of economic growth by persuading people to buy goods and services. It also helps identify new business opportunities.

Check Your Marketing IQ

Now that you have completed the chapter, see what you have learned about marketing by taking the chapter posttest. The posttest is available at www.g-wlearning.com/marketing/.

Review Your Knowledge

1. Discuss marketing.
2. Explain the role of a marketing professional.
3. Identify why a student might study marketing.
4. Discuss the marketing concept.
5. Explain the concept of the marketing mix.
6. What are the keys to creating a successful marketing mix?
7. Identify the seven functions of marketing.

8. Explain different forms of economic utility.
9. Describe benefits of marketing.
10. How does marketing impact the economy?

Apply Your Knowledge

1. Identify three ways that marketing has influenced you.
2. There are many definitions of marketing. Now that you have read this chapter, what does marketing mean to you?
3. What inspired you to take this marketing course?
4. How will marketing play a role in your future?
5. Imagine yourself as a marketing professional. How would you make the customer the focus of your marketing activities?
6. How can you use the marketing concept to promote the school store or a CTSO?
7. In this text, you will be creating a marketing plan for a business you select. Make a list of several goods, services, or ideas that you would consider as the focus of a marketing plan.
8. Based on the last question, identify the customer for your chosen marketing product.
9. List three instances of marketing providing information that informed a purchasing decision of yours.
10. How has marketing influenced the economy of the area in which you live?

Apply Your Math Skills

Math skills will be important to a successful marketing career. Apply your math skills to solve the following problems.

1. Marcy purchased an airplane ticket to visit a college in another state. There were 159 other passengers on the plane. Each individual's ticket cost \$114. How much money did the airline make on ticket sales for this flight?

2. Benny purchased a dishwasher from a department store for \$600. The appliance has required repairs three times in six months. The repair company charged \$75 for each service visit in addition to a rate of \$25 per hour. The first service call took 3 hours. The second service call took 1 hour and required a new part which cost \$20. The third service call took 1.5 hours. Benny is going to write a letter to the manufacturer of the dishwasher asking to be reimbursed for the cost of the repairs. How much money will he ask for?

Communication Skills



College and Career Readiness

Reading Active reading is processing the words, phrases, and sentences you read. It is a complex task that involves concentration. Apply active reading skills while you read the Case in Point in this chapter. What was the purpose of the feature? Who was the intended audience?

Writing Write one or two paragraphs that clearly and accurately describe the concept of marketing as you interpret it. Select, organize, and analyze information to support your thoughts and ideas.

Speaking Impromptu speaking is talking without advance notice to plan what will be said. Engage in an impromptu conversation with a classmate about the functions of marketing. Express your thoughts and ideas clearly and persuasively. Build on the ideas of your conversation partner.

Internet Research

Definition of Marketing Conduct an Internet search for *definition of marketing*. After reading a number of different results, write your own definition of marketing.

Marketing Associations There are professional organizations that can help you become a marketing professional. Conduct Internet research on professional marketing associations. Select one that interests you and report how this organization can help a student learn more about a career in marketing.

Customer Service Conduct an Internet search for *best customer service in the United States*. Review the top companies listed in the search results. What practices make them the best? Determine whether there are any common themes among these companies. Write a paragraph about what makes these companies stand out for their customer service.

Teamwork

Together with a teammate, select a business that interests you. Select two of the products sold by this company. Create a poster that describes the company and its products. On the poster, describe each of the four Ps as they might be applied in the marketing mix for each product.

Portfolio Development



College
and Career
Readiness

Portfolio Overview When you apply for a job, community service, or college, you will need to tell others why you are qualified for the position. To support your qualifications, you will need to create a portfolio. A *portfolio* is a selection of related materials that you collect and organize to show

your qualifications, skills, and talents to support a career or personal goal. For example,

a certificate that shows you have completed lifeguard and first-aid training could help you get a job at a local pool as a lifeguard. An essay you wrote about protecting native plants could show that you are serious about ecofriendly efforts and help you get a volunteer position at a park. A transcript of your school grades could help show that you are qualified for college. A portfolio is a *living document*, which means it should be reviewed and updated on a regular basis.

Artists and other communication professionals have historically presented portfolios of their creative work when seeking jobs or admission to educational institutions. However, portfolios are now used in many professions.

Two formats of portfolios commonly used are print portfolios and digital portfolios. A digital portfolio may also be called an *e-portfolio*.

1. Use the Internet to search for *print portfolio* and *digital portfolio*. Read articles about each type of portfolio.
2. In your own words, compare and contrast a print portfolio with a digital one.