

MIDTERM REVIEW

Principles of Marketing – Chapters 1 - 8

Review for the Midterm Exam

1. Exam Rules

- Closed book & closed notes – no help
- Use Respondus Lockdown Browser (more info on that will be posted on Monday, 18th)
- Webcam needed
- Student ID or valid driver's licence needed

2. Exam Structure

- 50 Questions – Multiple Choice (1 hour 30 minutes – please make sure to have at least a two-hour time window to work on the exam)
- Distributed across the Intro trends on marketing class session and chapters 1 – 8.

3. Extra Credit for the Exam

- 5% Extra Credit for watching the lecture recordings of chapter 1-8 in their entirety.
- 1% Extra Credit for participating in the Midterm Exam Quiz (opens on Monday 18th).

4. Tips for the Exam

- Core focal areas of class coverage
- Know the PPT-slides in the midterm review – they cover 80% of the questions in the exam
- Read the textbook chapter 1 – 8 and other lecture materials (interview) – they cover 20% of the test.
- Be familiar with the “Glossary” of each chapter that you can find in your textbook.

An Introduction to Trends in Marketing



SYLLABUS LECTURE – Keeping Pace with Changing Times

Era of Efficiency

- System reengineering
- Process
- Downsizing

30 Years Ago

Era of Acquisition

- Takeovers
- Mergers
- Leveraged buyouts, etc.

15 Years Ago

Era of Organic Growth

- Sales
- Market Share
- Innovation

Today

SYLLABUS LECTURE

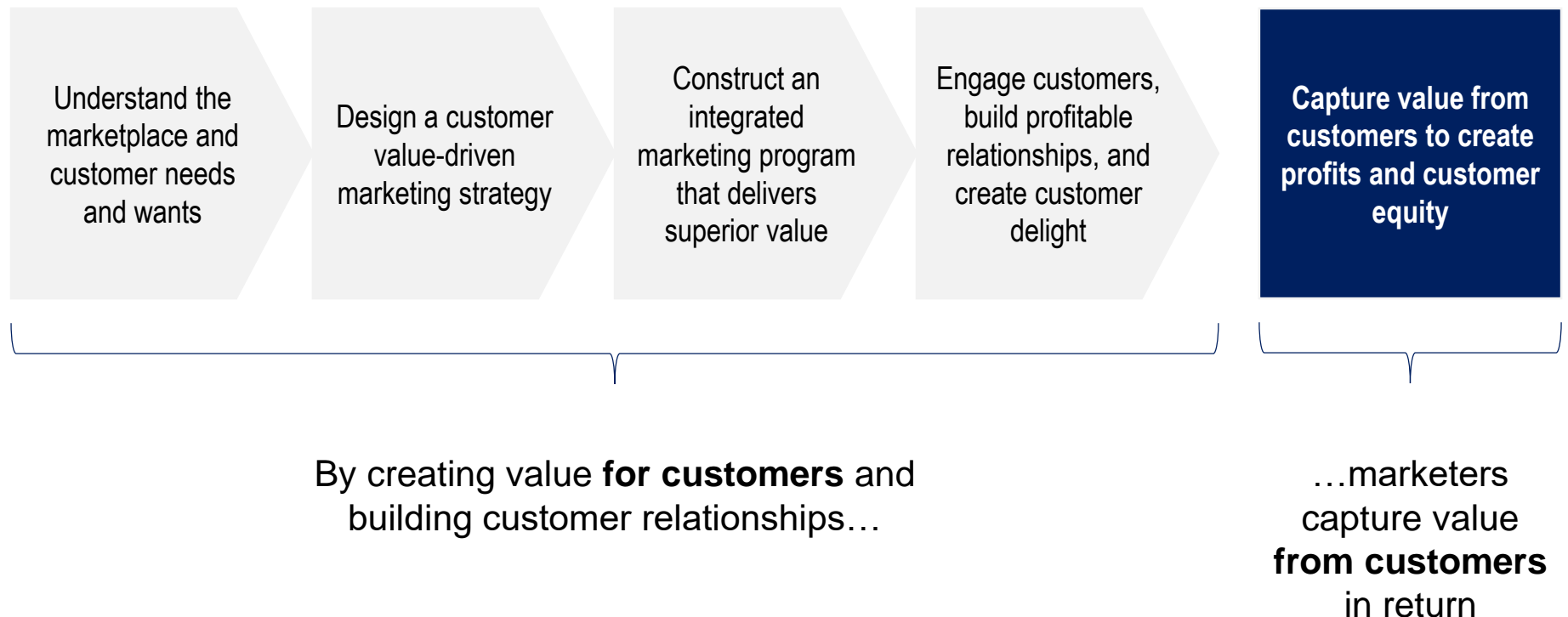
The Drivers of Organic Growth

1. An average company has more than twice as many competitors as it had five years ago.
2. Market share of the average company has been halved.
3. Customers today can access more than 20 times as much data.

CHAPTER 1

What is Marketing?

The Five Step Marketing Process



CHAPTER 1

Understanding the Marketplace and Customer Needs

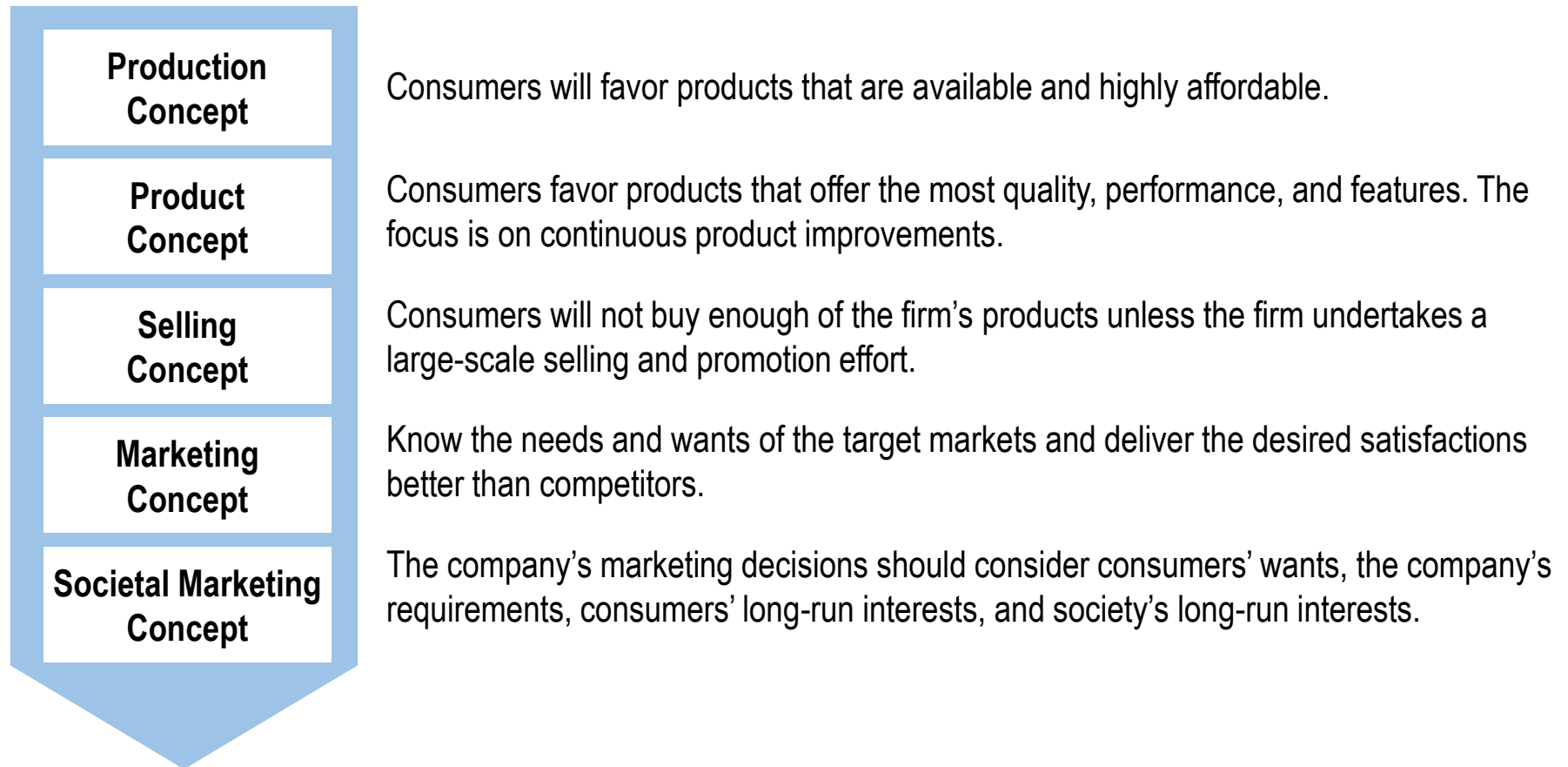
Customer Needs, Wants and Demands

- **Needs** – State of deprivation
- **Wants** – Form that needs take
- **Demands** – Wants backed by buying power

CHAPTER 1

Designing a Customer Value-Driven Marketing Strategy

Marketing Management Orientations



CHAPTER 2

Company-Wide Strategic Planning

Strategic Planning

Strategic planning is the process of developing and maintaining a strategic fit between the organization's goals and capabilities, and its changing marketing opportunities.

CHAPTER 2

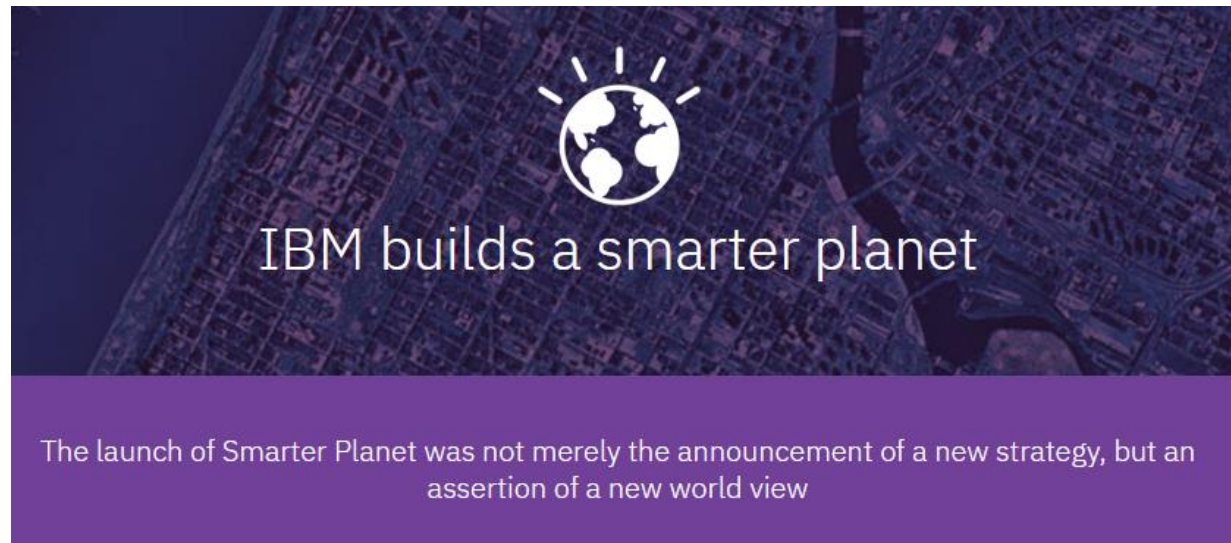
Company-Wide Strategic Planning

Defining a Market-Oriented Mission

The mission statement is the organization's purpose. What does it want to accomplish in the larger environment?

Forging a sound mission begins with the following questions:

- What is our business?
- Who is the customer?
- What do consumers value?
- What should our business be?



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CHAPTER 2

Company-Wide Strategic Planning

Setting Company Objectives and Goals

Business Objectives

1. Build profitable customer relationships
2. Invest in research
3. Improve profits

Marketing Objectives

1. Increase market share
2. Create local partnerships
3. Increase promotion

CHAPTER 2

Designing the Business Portfolio

Analyzing the Current Business Portfolio



**Identify strategic
business units (SBUs)**

**Assess the
attractiveness of its
various SBUs**

**Decide how much support
each SBU deserves**

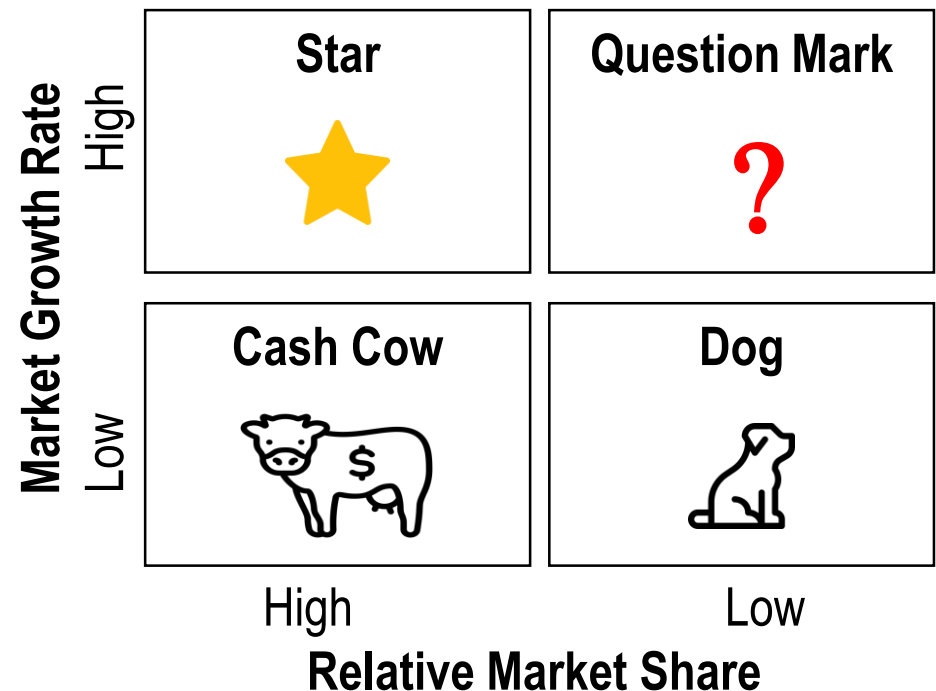
CHAPTER 2

Designing the Business Portfolio

The BCG Matrix

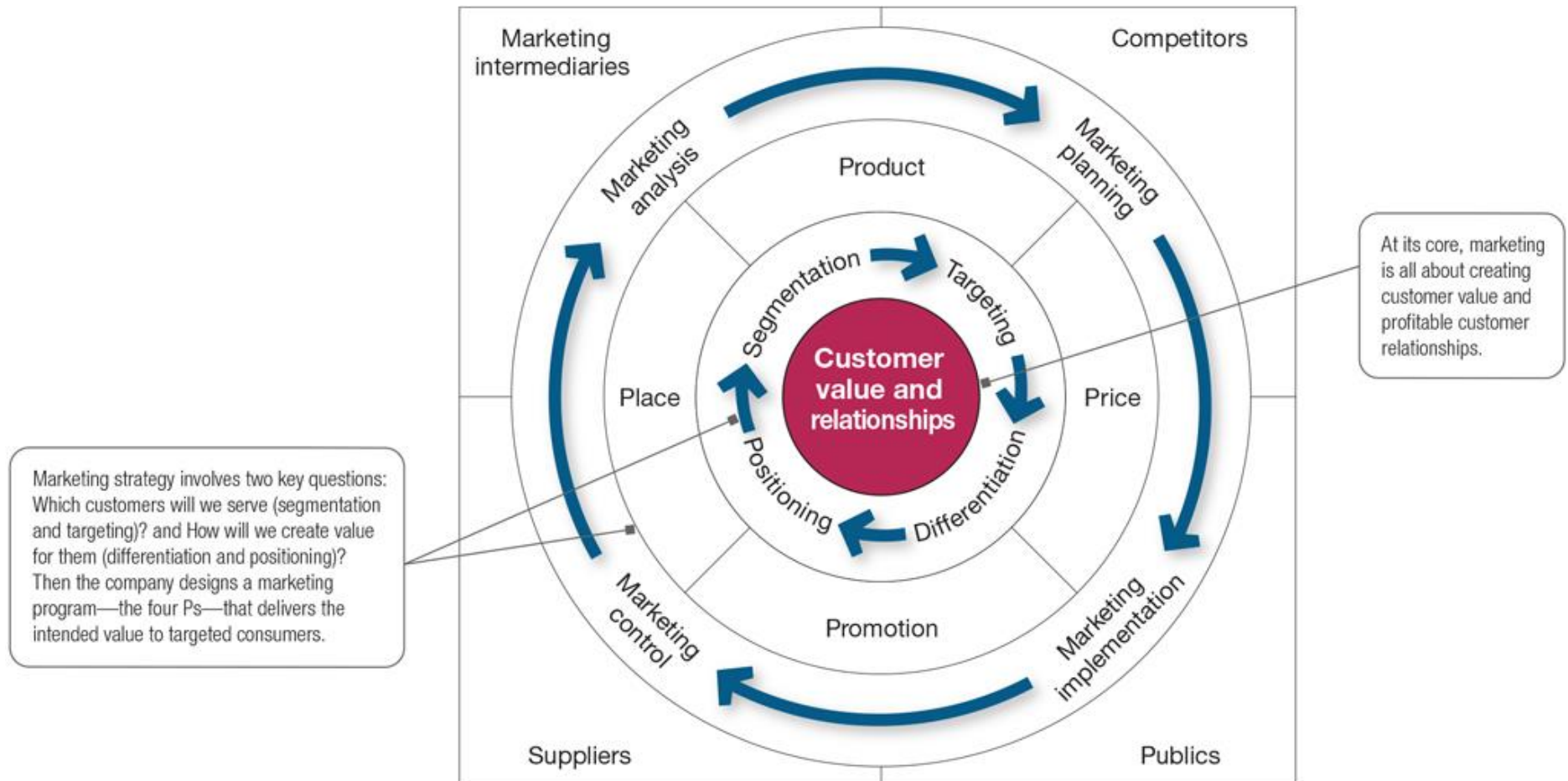
BCG portfolio planning approach

- The company invests funds from mature, successful products and businesses (cash cows) to support promising products and business in faster-growing markets (stars & question marks), hoping to turn them into future cash cows.
- The company must decide how much it will invest in each product or business. For each SBU, it must decide whether to build, hold, harvest, or divest.



CHAPTER 2

Marketing Strategy and the Marketing Mix

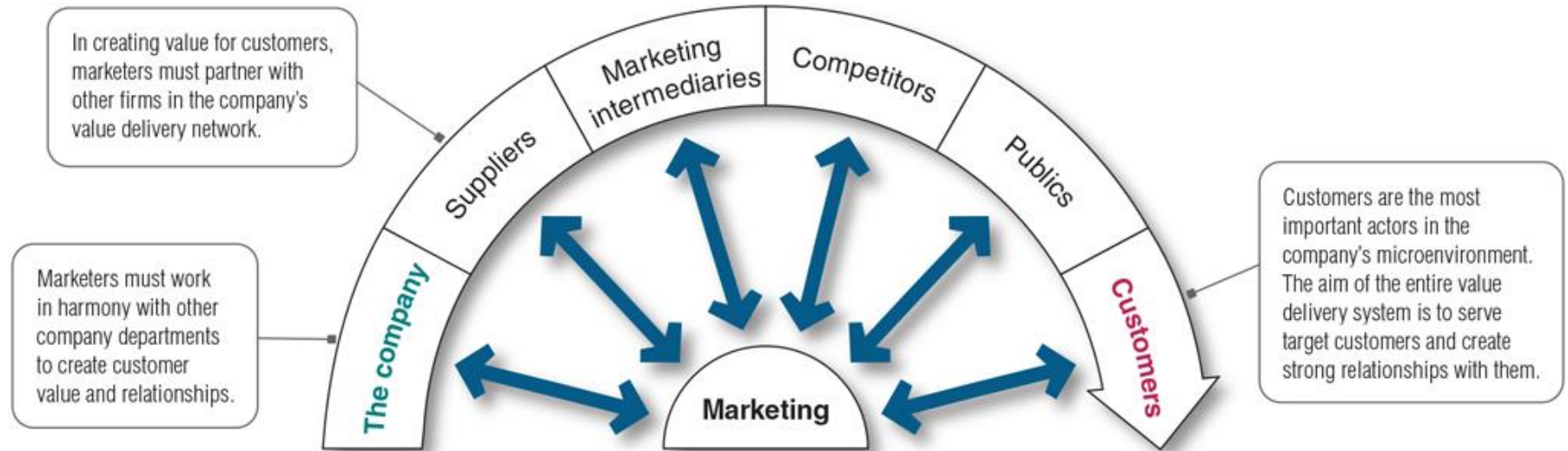


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CHAPTER 3

The Microenvironment

Actors in the Microenvironment

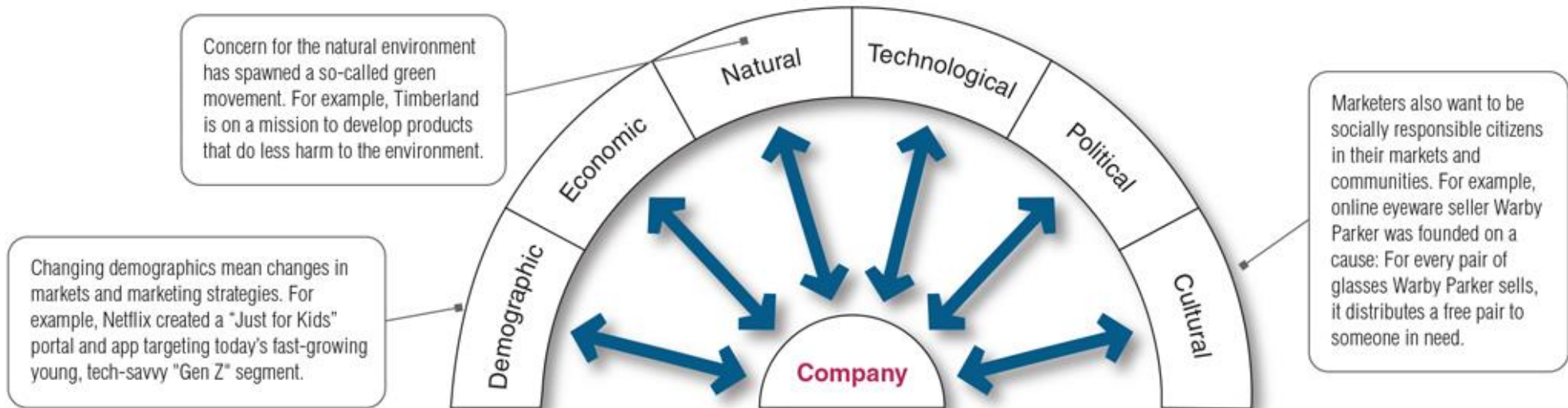


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CHAPTER 3

The Macroenvironment

Actors in the Macroenvironment



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CHAPTER 3

The Microenvironment

Marketing Intermediaries

Resellers

Physical distribution firms

Marketing services agencies

Financial intermediaries

CHAPTER 3

The Macroenvironment

Demographic Environment

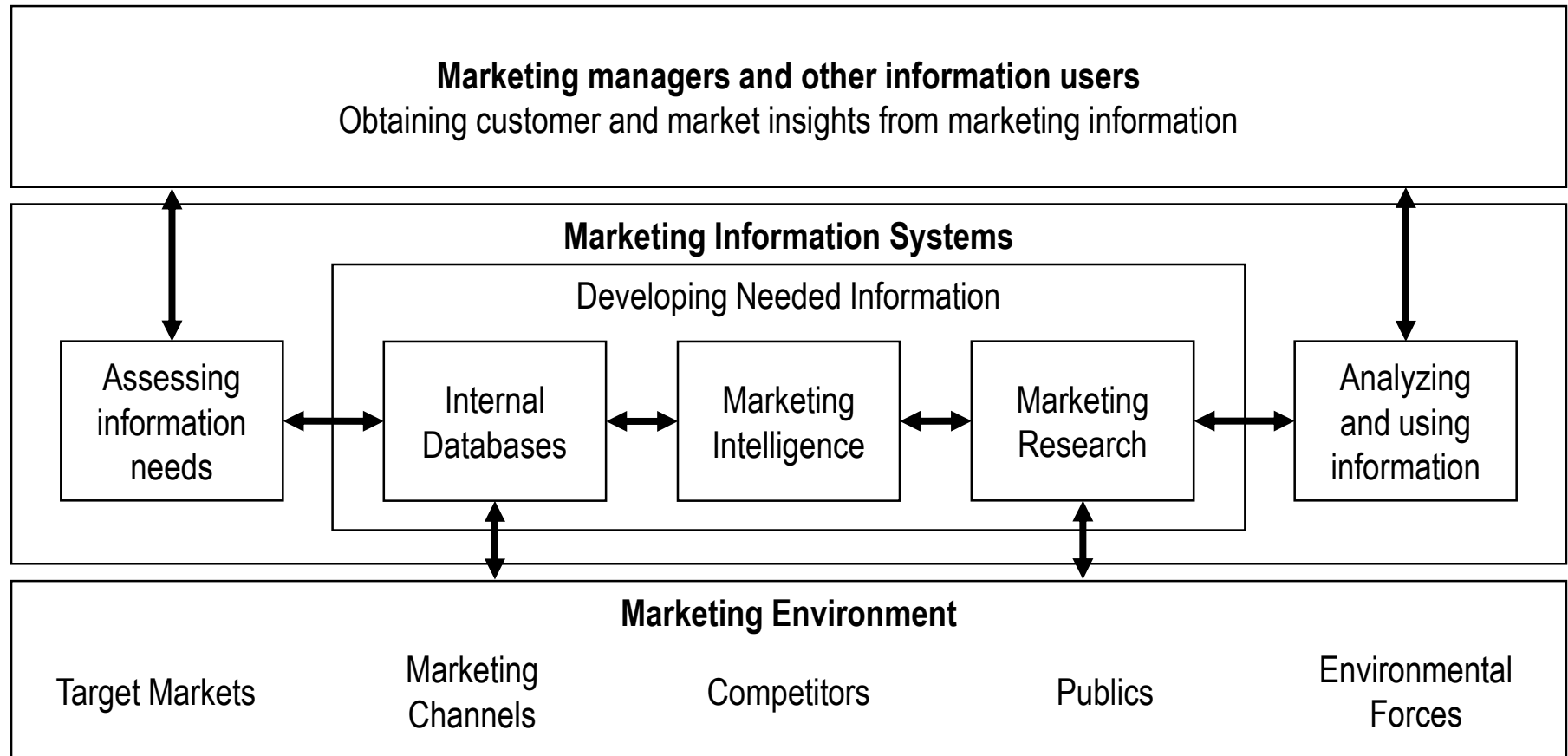
Generational marketing is important in segmenting people by lifestyle or life stage instead of age.

- Silent Generation – born 1928 to 1945
- Baby Boomers – born 1946 to 1964
- Generation X – born between 1965 and 1980
- Millennials – born between 1981 and 1996
- Generation Z – born between 1997 and 2012
- Generation Alpha – born after 2012

CHAPTER 4

Marketing Information and Customer Insights

Managing Marketing Information



CHAPTER 4

Marketing Research

Types of Research

- **Exploratory Research**
 - Initial research conducted to clarify and define the nature of a problem
 - Does not provide conclusive evidence
 - Subsequent research expected
- **Descriptive Research (Performance Monitoring, Environmental Scanning)**
 - Describes characteristics of a population or phenomenon
 - Some understanding of the nature of the problem
 - Performance monitoring vs. environmental scanning
 - Performance monitoring: “How well are we doing?” – Profit Market Share Preferences Awareness, Beliefs
 - Environmental Scanning: “What is changing?” – Competition, Customers, Trade, Government Regulations
- **Causal Research**
 - Conducted to identify “cause and effect” relationships
 - Make specific predictions (e.g., sales forecast for a particular product)
 - Estimate the effects of a particular marketing action (evaluate the likely outcomes of alternative courses of action)

CHAPTER 4

Degree of Problem Definition

Exploratory Research Unaware of Problem	Descriptive Research Aware of Problem	Causal Research Problem Clearly Defined
<p>“Why are our sales declining?”</p> <p>“Would people like our new product idea?”</p>	<p>“Who is going to buy our new product?”</p> <p>“What features do our buyers prefer in our product?”</p>	<p>“Will buyers purchase more of our products if we change the packaging?”</p> <p>“Which of two advertising campaigns is more effective?”</p>

CHAPTER 4

Developing Marketing Information

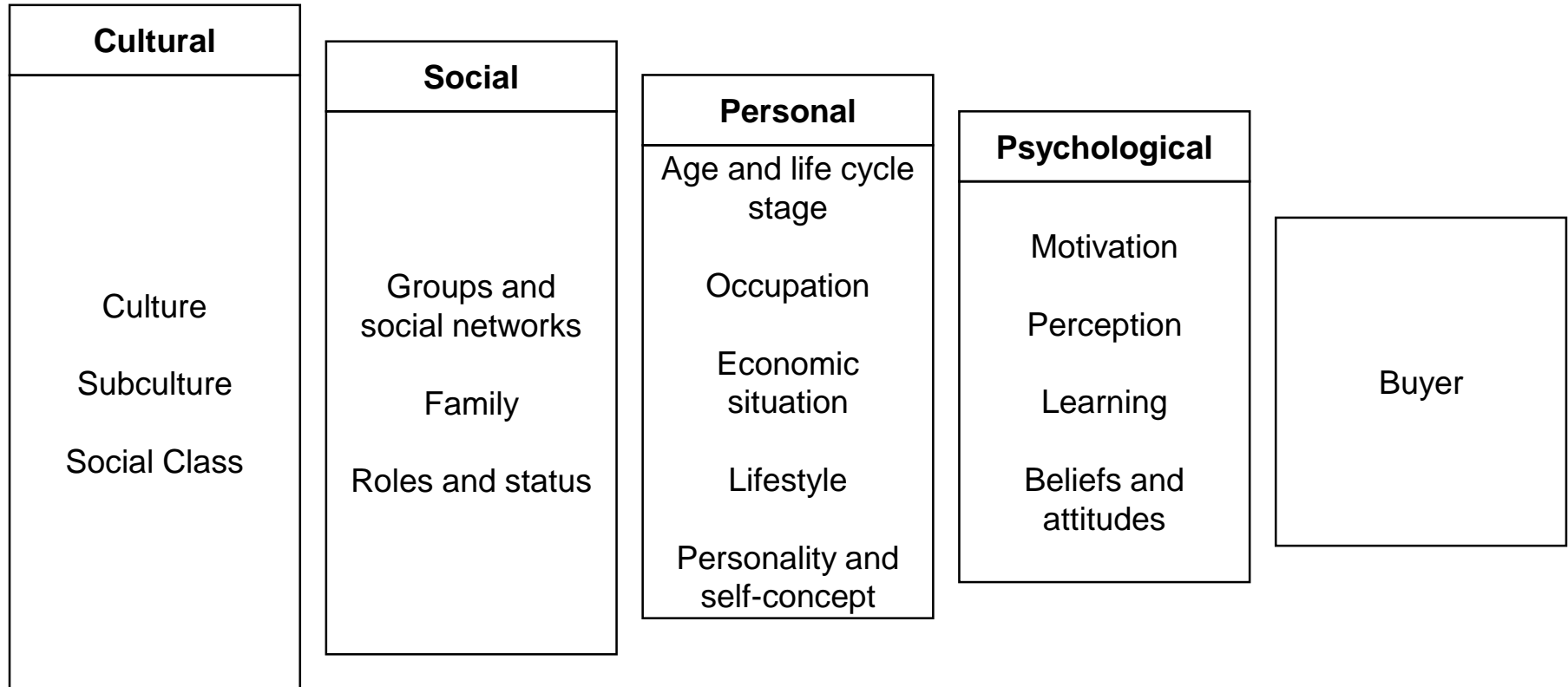
Marketers obtain information from

- Internal Data
- Marketing Intelligence
- Marketing Research

CHAPTER 5

Consumer Markets and Buyer Behavior

Factors Influencing Consumer Behavior

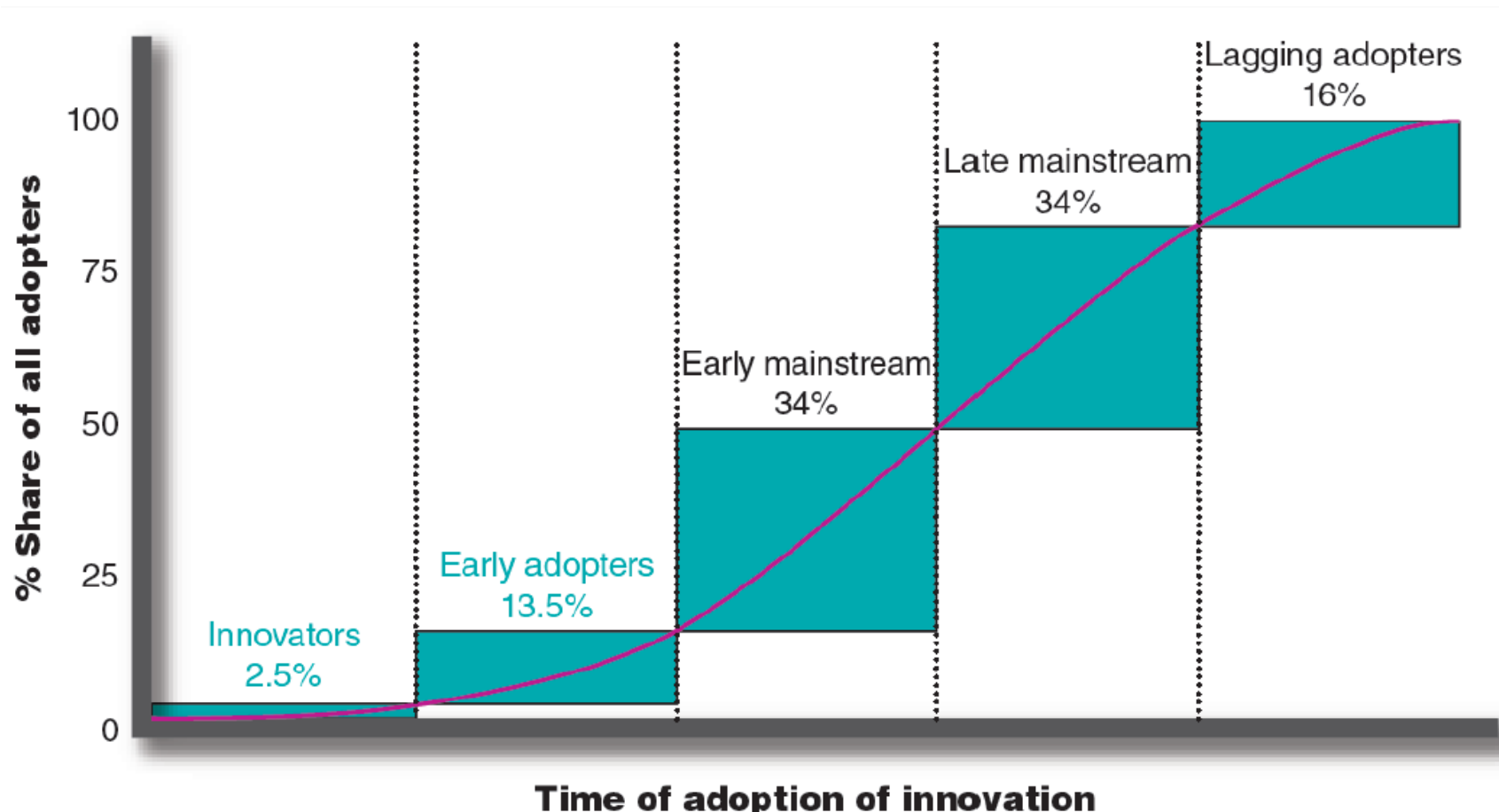


What factors influenced your decision to *buy the specific smart phone* you have?

CHAPTER 5

The Buyer Decision Process for New Products

Individual Differences in Innovativeness



CHAPTER 6

Business Markets

Market Structure and Demand

1. Fewer but larger buyers
2. Derived demand
3. Inelastic demand
4. Fluctuating demand

Chapter 6

Business Buyer Behavior

Participants in the Business Buying Process

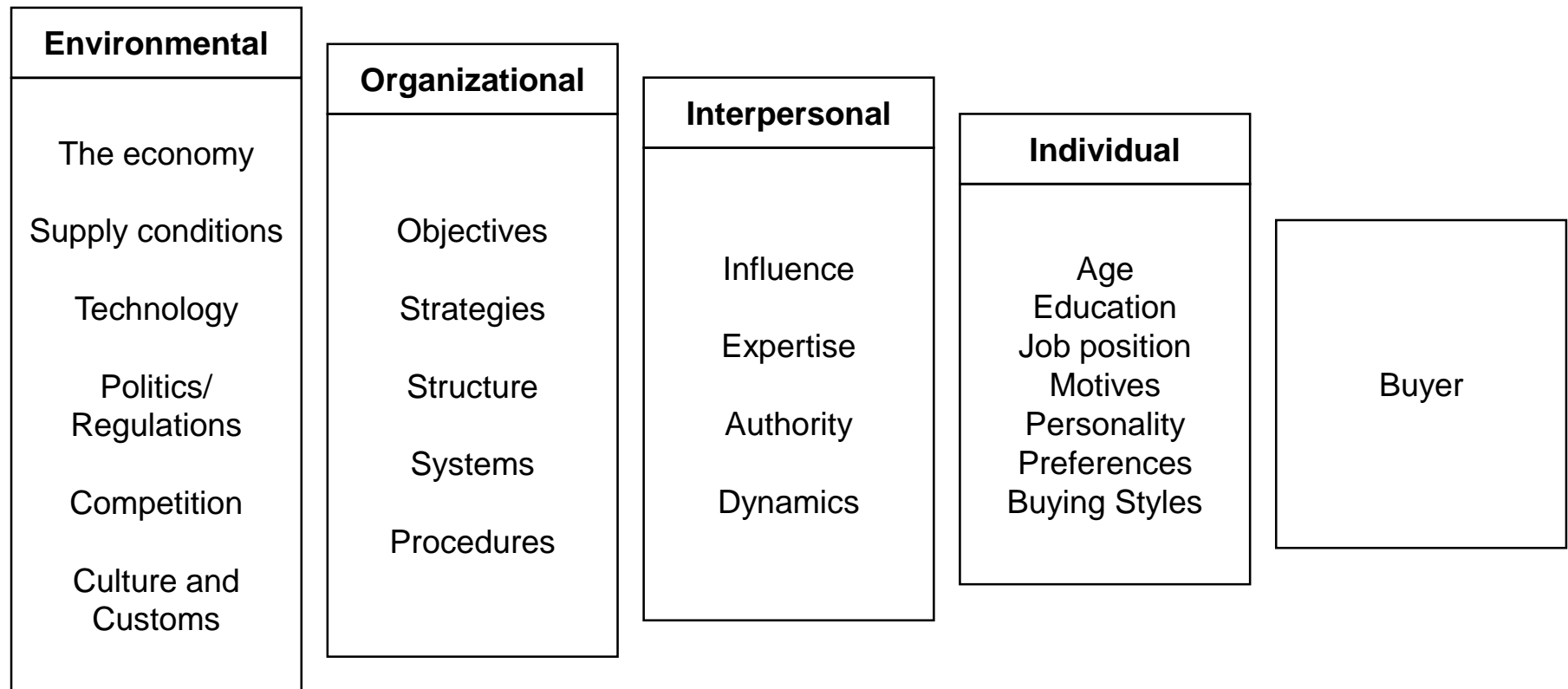
Buying centers consist of all the individuals and units that play a role in the business purchase decision making process:

- **Users** are those that will use the product or service.
- **Influencers** help define specifications and provide information for evaluating alternatives.
- **Deciders** have formal or informal power to select and approve final suppliers.
- **Buyers/Purchasers** have formal authority to select the supplier and arrange terms of purchase.
- **Gatekeepers** control the flow of information.

Chapter 6

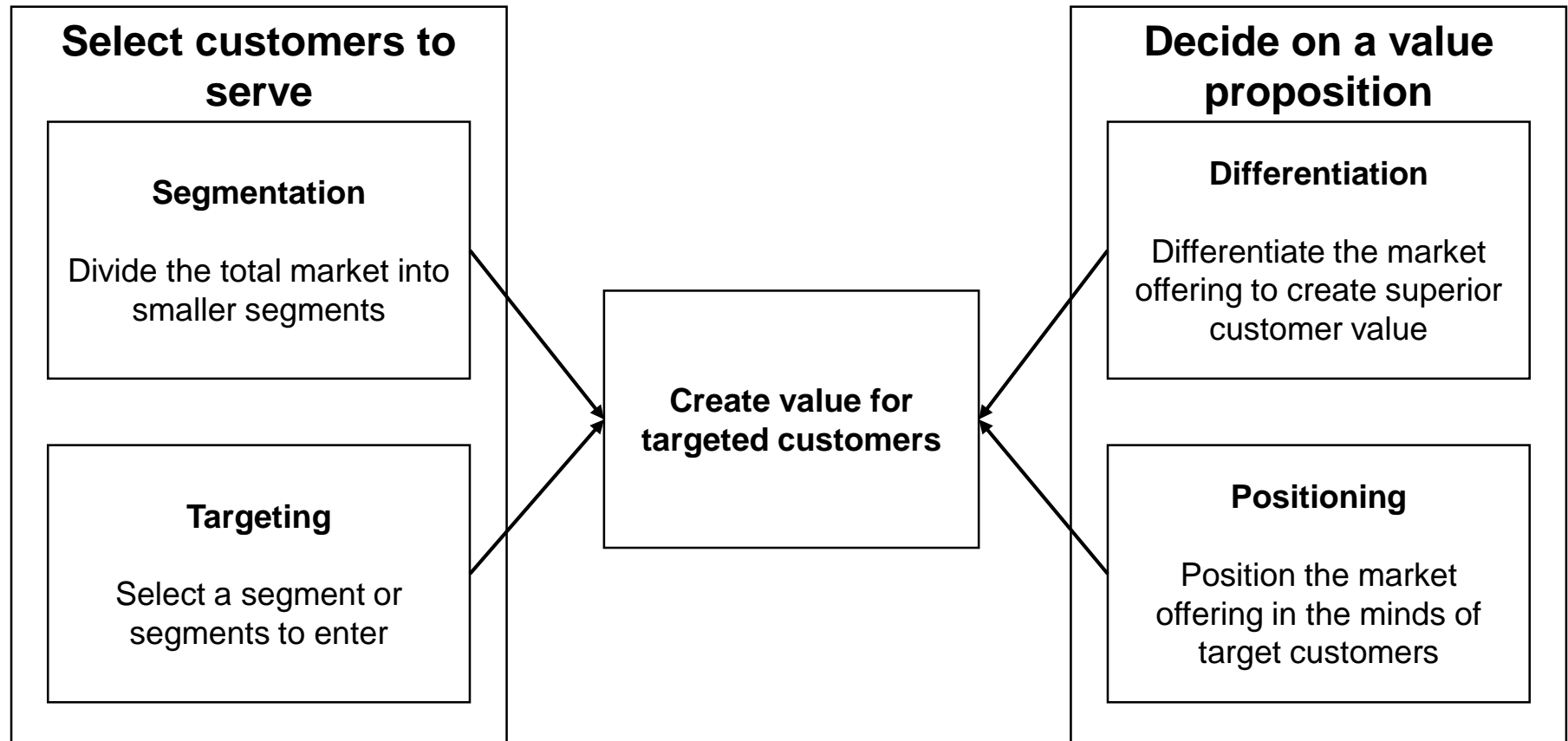
Business Buyer Behavior

Major Influences on Business Buyers



Chapter 7

Customer-Driven Marketing Strategy



CHAPTER 7

Market Segmentation

Requirements for Effective Segmentation

Measurable

Accessible

Substantial

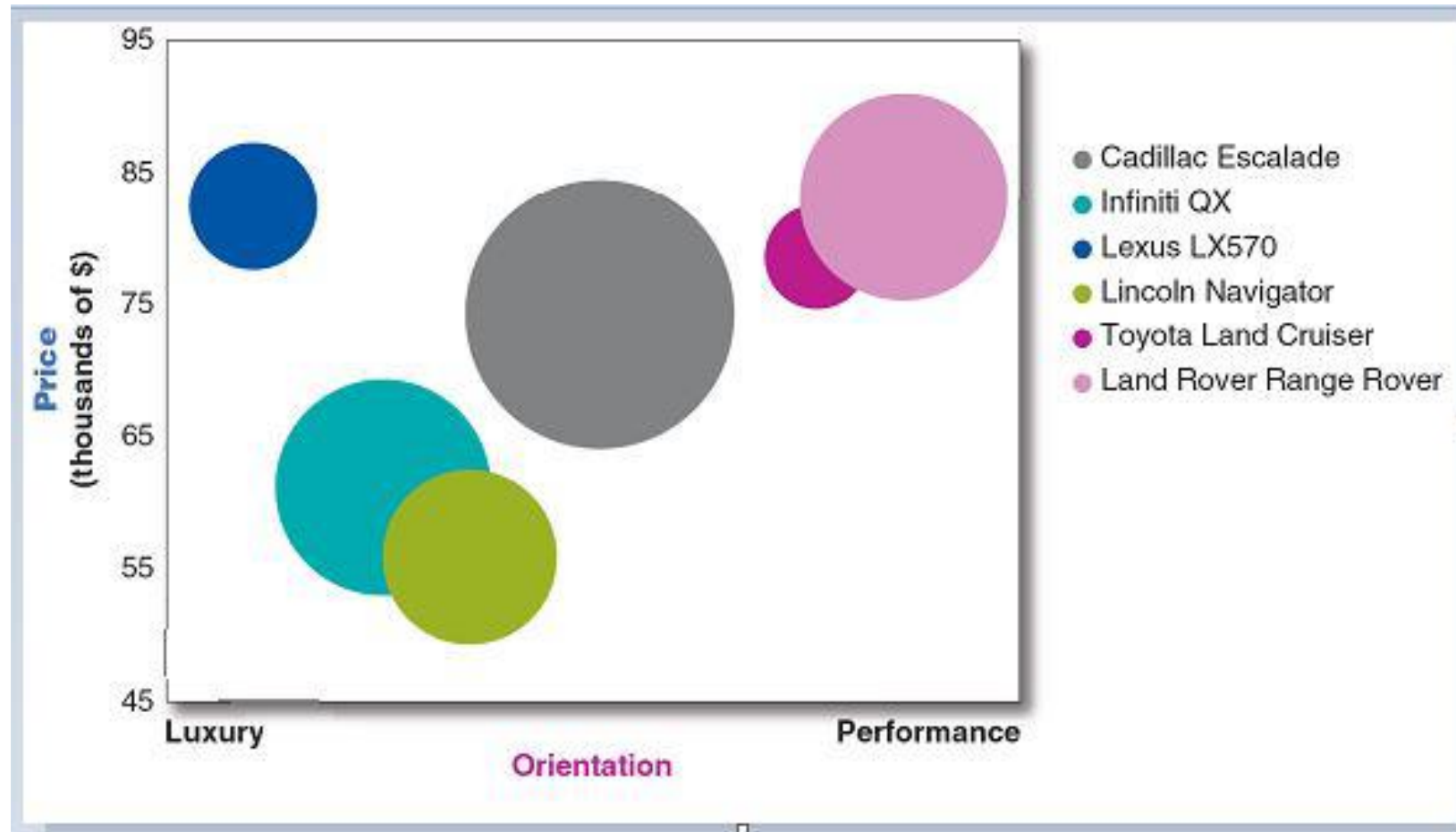
Differentiable

Actionable

CHAPTER 7

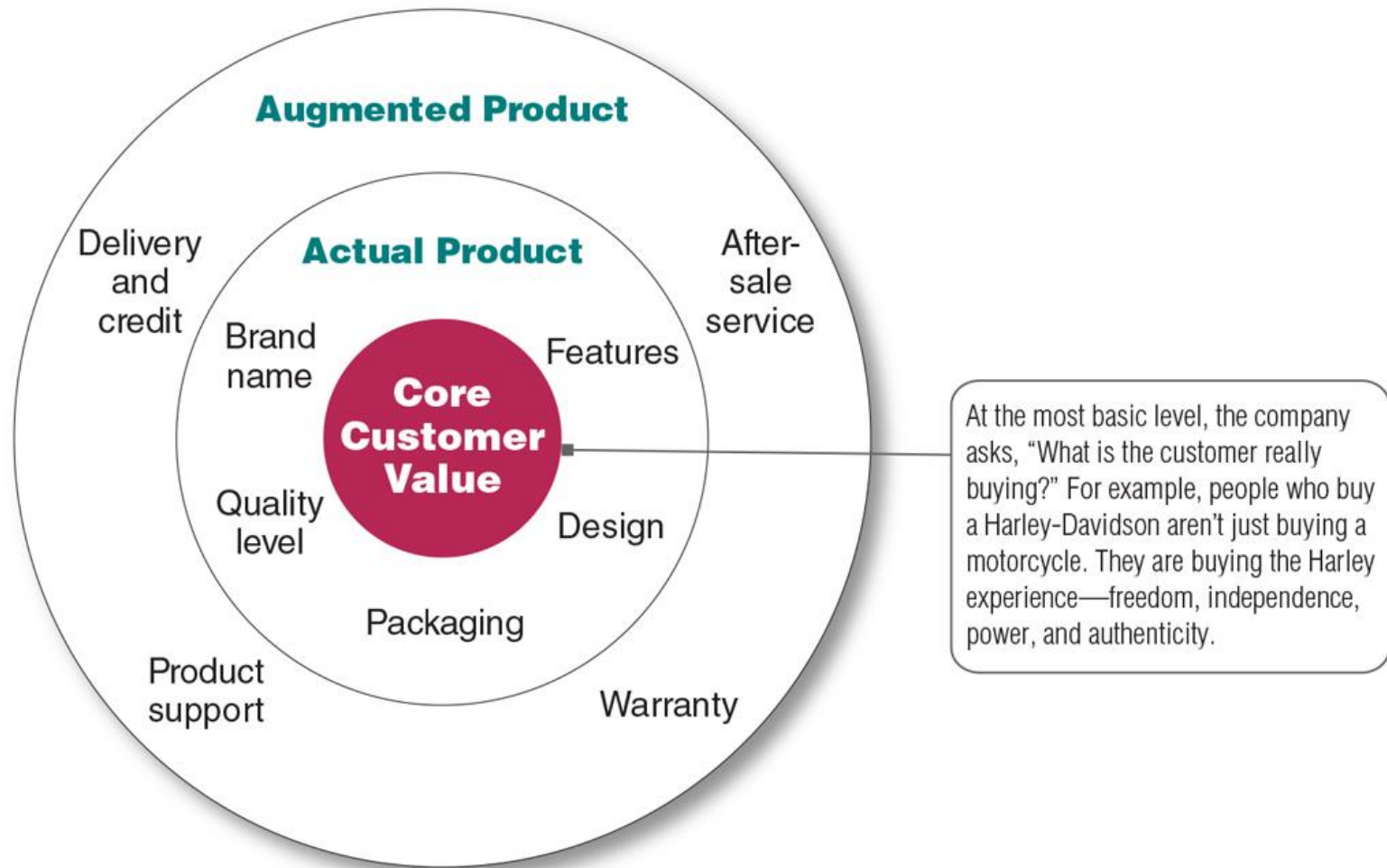
Differentiation and Positioning

Positioning Maps show consumer perceptions of marketer's brands versus competing products on important buying dimensions.



CHAPTER 8

Levels of Product

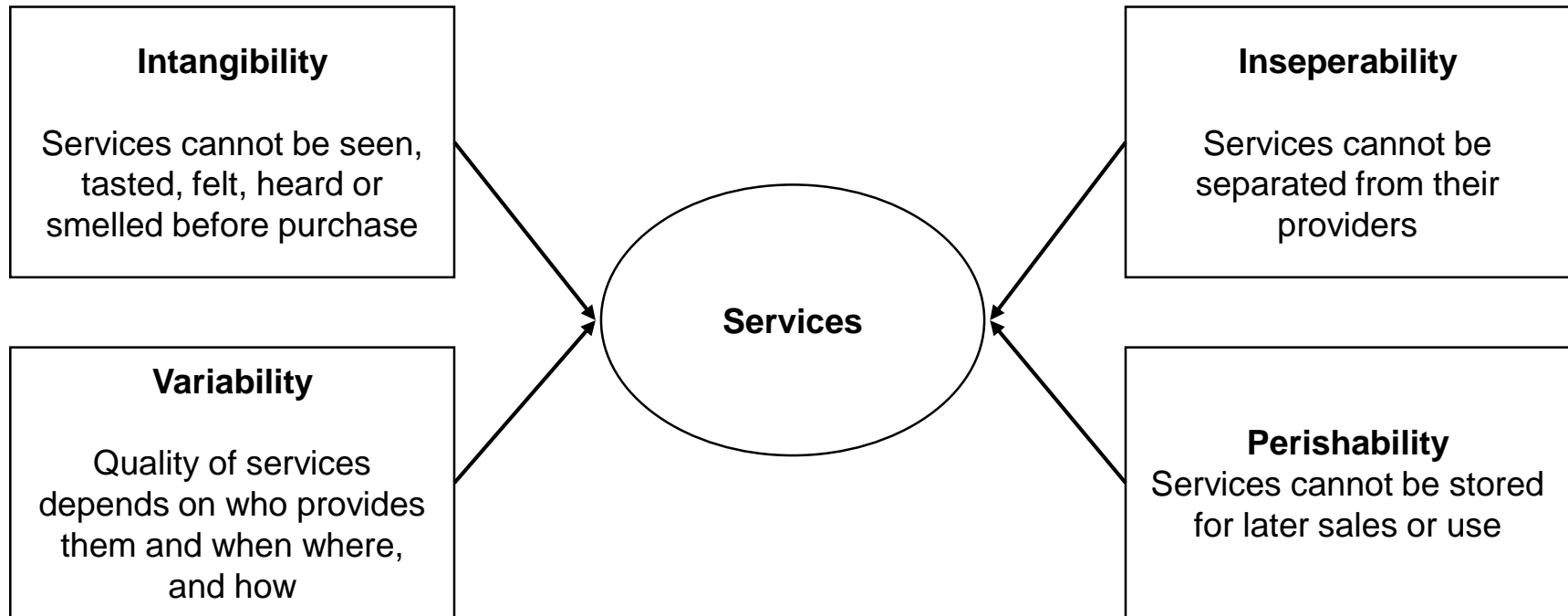


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Chapter 8

Services Marketing

Nature and Characteristics of a Service



Chapter 8

Products and Service Classifications

Consumer Products

Convenience Products <ul style="list-style-type: none">• Buy frequently and immediately• Low price• Many purchase locations• <i>This includes:</i><ul style="list-style-type: none">• Staple goods• Impulse goods• Emergency goods	Shopping Products <ul style="list-style-type: none">• Buy less frequently• Gather product information• Fewer Purchase locations• Compare for: Suitability & Quality• Price & Style
Speciality Products <ul style="list-style-type: none">• Special purchase efforts• Unique characteristics• Brand identification• Few purchase locations	Unsought Products <ul style="list-style-type: none">• New innovations• Products consumers don't want to think about• Require much advertising and personal selling

Review for the Midterm Exam

1. Download the Respondus Lockdown Browser.
2. Make sure that your webcam and microphone (either built into your laptop or separate) are working.
3. Make sure that you have access to your student ID or a valid driver's licence.
4. Academic Honesty – do not share content or materials.

Good luck for the exam!