

TEST REVIEW – Chapters 4-1, 4-2, 4-3, and 4-4

CHAPTER 4-1: Changes in Today's Marketing

Marketing Has Changed

1. From Few Activities → Many Activities
2. From Independent → Integrated
3. From Problem-Solving → Opportunity Creation
4. From Expense → Investment

The Marketing Concept

- Focus on customer needs in planning, production, distribution, and promotion.
- Businesses fail when they don't study customer needs (Reliable Auto Service, Dee's Designs).

CHAPTER 4-2: Planning a Marketing Strategy

What Is Strategy?

- A strategy is a plan for how a business will achieve its goals.
- With the marketing concept: research customers first, identify needs, build a marketing mix.

Understanding Customers

- Customers compare products and look for value.
- Businesses use market segments, market opportunity analysis, and target markets.

Marketing Mix (4 Ps)

- Product, Distribution, Price, Promotion.

CHAPTER 4-3: Understanding Consumers and Competitors

Consumer Decision-Making Process

1. Recognize
2. Identify
3. Evaluate
4. Decide
5. Assess

Types of Competition

- Intense Competition (pure competition, oligopoly)
- Limited Competition (monopoly)
- Monopolistic Competition (differentiated products)

CHAPTER 4-4: The Varied Role of Marketing

Marketing in Different Businesses

- Producers/Manufacturers → focus on product and distribution
- Channel Members → wholesalers/retailers, focus on distribution, pricing, promotion
- Service Businesses → must control quality, location matters, hard to promote
- Non-Business Organizations → government agencies, nonprofits use marketing too