

Marketing (Career) : Assessing the Marketplace

Lesson 1 Overview

Your first lesson consists of five sections that cover the first five chapters. These sections provide a useful overview of the contemporary marketing environment and all that it entails, including the importance of ethics in designing a marketing strategy.



1.1 State the importance of marketing as an integral part of an organization

Overview of Marketing

READING ASSIGNMENT

Read this assignment. Then read Chapter 1 in your textbook.

Marketing Defined

We deal with marketing at all levels and in all facets of life. We live

with marketing almost every day. We market ourselves and our ideas to our peers, superiors, children, parents, and other loved ones all the time. All transactions taking place among the 315 million people in the United States and the more than 7.3 billion people in the world involve some type of marketing—that is, exchanging things of value in a way that both parties of the exchange perceive an improvement in their lives as a result.

The main function of marketing is to create value for a product or products—which may be goods, services, or ideas—in the eyes of customers, while providing benefits to the stakeholders in the company that produces those goods, services, or ideas. Value is created primarily by offering something that satisfies the wants and needs of customers and by communicating to customers that what they receive is worth more than the cost of obtaining it. To accomplish this exchange most effectively, marketers employ a variety of methods to determine potential customers who have an interest in the product being offered and the ability to purchase it.

An overall marketing strategy involves analyzing and combining four interrelated factors or decisions, known as the marketing mix and commonly referred to as the four Ps. The four Ps are

1. Product
2. Price
3. Place (or placement)
4. Promotion

The *product*, as mentioned earlier, can refer to goods, services, or ideas that satisfy a customer's wants or needs. *Price* includes what the customer gives up in return for the product—including money, time, and information. *Place*, or *placement*, involves all the decisions that go into delivering the product to the customer—that is, making products available when, where, and how people want to buy them. *Promotion* includes all the strategies, including advertising, that communicate the value of the product.

Note that marketing can be conducted by individuals and organizations. The various types of marketing transactions can be broken down into three basic categories.

- In business-to-consumer (B2C) marketing, a business, such as a store, sells directly to a consumer.
- *Business-to-business (B2B)* marketing is the process through which one company sells a product directly to another company.
- In recent years, Internet auction sites have spawned a new category, known as consumer-to-consumer (C2C) marketing, through which individuals sell products directly to other individuals.

Your textbook quotes the American Marketing Association's definition of *marketing* as “the activity, set of institutions, and processes for creating, capturing, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.” Marketing has gone through four eras of change to arrive at

this contemporary definition. It has evolved from a production orientation, to a sales orientation, to a marketing orientation, to today's relationship marketing orientation. Exhibit 1.5 on page 13 of your textbook describes the four eras of marketing and the prevailing attitudes during these eras:

- During the production-oriented era, the dominant attitude was that quality products would sell themselves.
- The sales-oriented era emphasized convincing people to buy products.
- The market-oriented era saw the emergence of a company-wide consumer orientation, focusing on what consumers wanted and needed before designing and producing goods and services.
- The value-based era focuses on establishing and maintaining relationships with customers based on what they perceive as a fair exchange for their money and time. Value-based strategies can involve pricing decisions, communicating the particular benefits of a product (often over a competitor's product), or value co-creation, in which customers participate in designing the product they purchase.

Value-Based Marketing

Almost all firms now compete for customers based on communicating the value of their products. To compete in this way, firms use three integrated strategies:

- Sharing information about customers and competitors to

determine trends in customer needs and wants, and developing strategies to place those products in a timely and appropriate manner

- Balancing customers' perceptions of the benefits they receive against the cost of the product
- Moving from a transactional-oriented approach toward building long-term relationships with customers
- Connecting with customers via social and mobile media

Why Is Marketing Important?

For several reasons, marketing has become a critical function both within and outside both product- and service-oriented organizations. For example, many brands and stores are now global, operating in many countries and appealing to a wide variety of customers. An effective marketing strategy ensures that the value of a company's products is communicated appropriately and consistently across these various markets.

In addition, a coherent marketing strategy helps to ensure effective communication and coordination of goals and ideas throughout a company's entire organizational structure, which includes areas such as product design, production, logistics, and human resources. Marketing helps to promote an efficient flow of materials and processes throughout the entire *supply chain*—the companies and departments that contribute to the production and delivery of products.

For consumers, of course, marketing provides opportunities to

determine the value of various products. As a prospective employee, your understanding of the principles for communicating value and designing effective strategies can increase your value as an asset to a firm.

Marketing also fulfills important ethical and societal functions, which often translate into improved customer relationships, increased employee loyalty, marketplace successes, and improved financial performance.

Finally, marketing is a critical element of *entrepreneurialism*, the spirit of innovation that drives people and companies to identify needs or wants and to risk their time, talent, and financial resources to create goods and services that address them.

Chapter 1 Activities

- Watch the videos at <http://tinyurl.com/h7jz6y9> (tinyurl.com/h7jz6y9) and <http://tinyurl.com/ztwze6o> (tinyurl.com/ztwze6o) .
- Complete the Net Savvy questions at the end of Chapter 1.

Exercise: Elements Of Marketing

Fill in the blank.

1. Value-based marketing supports developing _____ customer loyalty.
2. The group of firms that makes and delivers a given set of goods

and services is known as a/an _____.

3. Value reflects the relationship of _____ to _____.

Exercise Answer Key:

Exercise: Elements Of Marketing

1. long-term
2. supply chain
3. benefits, costs

1.2 Describe how firms select marketing efforts based on marketing strategies and SWOT analysis

Developing Marketing Strategies and a Marketing Plan

READING ASSIGNMENT

Read this assignment. Then read Chapter 2 in your textbook.

Marketing Strategy

Developed by marketers, a *marketing strategy* is an outline that describes the particular areas a firm proposes to consider to attract customers. It identifies three specific areas of concern:

1. The *target market*—that is, the group or groups of people toward whom the product is designed to appeal
2. The *marketing mix*—the four Ps
3. The foundations upon which the firm intends to build a

sustainable competitive advantage—the proposition a firm creates to define the uniqueness of its product's value and protect itself over time from competitors in the marketplace

A sustainable competitive advantage is defined by four major, or *macro*, elements, commonly referred to as areas of excellence:

1. *Customer excellence*, which focuses on developing a loyal customer base and providing outstanding customer service
2. *Operational excellence*, which focuses on strategies designed to streamline the process of producing and delivering products, effectively manage supply chain resources, develop productive relationships with suppliers, and increase workforce productivity
3. *Product excellence*, which focuses on communicating the value of the product, often through creating a clear, attractive, and targeted image of the product
4. *Locational excellence*, which focuses on choosing the best physical location—and, increasingly, developing a strong Internet presence—to place a product

Marketing Plan

A *marketing plan* is a written document that consists of analysis of the current marketing environment, competitive opportunities and challenges, goals and strategies defined by the marketing mix, and financial statements including projected income and costs. Developing a marketing plan has three stages: planning, implementation, and control.

In the *planning* phase, which is usually conducted by the highest levels of management, firms first develop a *mission statement*, which sets forth a firm's vision of how it defines itself now and how it sees itself in the future. A crucial step in the planning phase is conducting a *SWOT analysis*, which is an assessment of resources, risk, and opportunities. *SWOT* is an acronym for "strengths, weaknesses, opportunities, and threats." This analysis is an approach that evaluates internal strengths and weaknesses and external opportunities and threats. This evaluation of the external and internal environments helps a firm evaluate the fulfillment of its stated mission.

In the second phase, *implementation*, firms determine how best to execute their vision in operational terms. The implementation phase typically has two critical steps. The first entails identifying and assessing business opportunities through a process known as *STP*—segmenting, targeting, and positioning. *Segmenting* is dividing the overall market of consumers into groups—or segments—that are likely to respond most enthusiastically to the product being offered.

Targeting is creating profitable strategies aimed at appealing to the identified segment or segments, based on the firm's perceived ability to satisfy the wants and needs of those segments better than competitors can. *Positioning* is determining the appropriate combination of marketing mix elements to communicate the perceived value of a product or brand relative to the products or brands of competitors. This step requires something of a trade-off among the four Ps to create value.

Marketers must decide on the characteristics of the product that appeal most to its targeted consumers and offer it at an attractive price. They must then determine the promotional strategies that best communicate the value proposition. Finally, they must determine how to place their products most effectively and profitably.

In the *control* phase of developing a marketing plan, firms evaluate the financial results of their strategy and implementation decisions using systems—known as *metrics*—that measure market trends and characteristics and help to explain why the marketing goals were or weren't achieved.

One of the most important metrics is known as a *portfolio analysis*, which is an evaluation of all of a company's products and business groups. A portfolio analysis determines which products and groups are most successful and which aren't achieving desired goals. This evaluation, in turn, assists firms in allocating financial resources most effectively to maximize profits while still creating customer value.

A number of large multiproduct organizations also use the concept of *strategic business units (SBUs)* to aid in market planning. The SBU concept groups the company into various operating divisions, and distinct strategies are designed for each SBU. Multiproduct firms may also use a market share/ market growth matrix for evaluating their market planning. This matrix classifies the products or SBUs of the firm into four quadrants: question marks, stars, cash cows, and dogs. It's also possible to use spreadsheet analysis in conjunction with

matrix analysis.

Growth Strategies

Firms utilize four basic marketing strategies to grow their businesses. The first, *market penetration*, focuses on using the current marketing mix to encourage existing customers to purchase more or to attract new customers in the target segment. Penetration strategies typically include increasing advertising and promotional events in targeted areas, and/or stepping up distribution in areas where the product is already sold.

The second, *market development*, relies on the current marketing mix to attract new market segments—for example, by expanding markets domestically or internationally. International expansion can be risky, however, because firms must take into consideration variations in government regulations, cultural tastes, supply chain operations and relationships, and language barriers.

The two remaining growth strategies are *product development* and *diversification*. A product development strategy involves offering a new product or service to the target market that extends the current lineup—for example, adding new fragrances or properties (like moisturizing) to an existing line of soaps or shampoos. A diversification strategy involves introducing a new product or service to a new segment that isn't being served by the firm's current offerings. Diversification strategies can be for the firm's current business—for example, when a women's hair product company starts

making and selling hair products for men. A riskier diversification strategy involves expanding into a completely unrelated business that doesn't build on the firm's existing strengths, supply chain, or consumer base.

Chapter 2 Activities

- Watch the videos at <http://tinyurl.com/jn6ba62> (tinyurl.com/jn6ba62) and <http://tinyurl.com/jzahnwm> (tinyurl.com/jzahnwm) .
- Complete the Net Savvy questions at the end of Chapter 2.

Exercise: Marketing Strategies And Plans

Respond to the following based on your reading.

1. Establishing a/an _____ effectively builds a lasting wall around a firm's position against similar businesses.
2. Product excellence involves creating a perception of value through effective _____ and _____.
3. The blending of the four strategic elements to fit the needs and preferences of a specific target market is known as the _____.
4. A group of consumers toward whom a firm directs its marketing efforts is a/an _____ market.
5. In a SWOT analysis, when does a problem exist?
6. Creating a/an _____ is the first step in developing a marketing plan.

Exercise Answer Key:

Exercise: Marketing Strategies And Plans

1. sustainable competitive advantage
2. branding , positioning
3. marketing mix
4. target
5. A problem exists when threats attack weaknesses.
6. mission statement

1.3 Describe how social media has changed the marketing and business environment

Social and Mobile Marketing

READING ASSIGNMENT

Read this assignment. Then read Chapter 3 in your textbook.

Chapter 3 provides an overview of how social media has revolutionized the way companies communicate with, listen to, and learn from their customers. No longer are traditional methods such as print, television, and radio sufficient when it comes to spreading a company's message—social media has become a necessity. Social media refers to any content, including photos and videos, distributed through online and mobile technologies to facilitate interpersonal interactions. Facebook and Twitter are perfect examples of this.

Starting on page 84, your textbook describes the 4E framework—four objectives of marketing communications for social media:

1. Excite customers with relevant offers.
2. Educate them about the offering.
3. Help them experience products, whether directly or indirectly.
4. Give them an opportunity to engage with their social network.

Your textbook also delves into the three categories of social media and how they touch upon each of the four Es.

1. *Social networking sites* are great for marketers to create excitement. Examples include Facebook, LinkedIn, and Google+.
2. *Media-sharing sites* are used to demonstrate how customers can experience goods and services and encourage consumers to engage with the company, its other social media outlets, and other consumers. Examples include YouTube, Instagram, Flickr, and other photo sites.
3. *Thought-sharing sites* such as Twitter, blogs, and microblogs are particularly effective at educating and engaging users and enhancing users' experience with the products and services being discussed.

Aside from social media outlets, companies also can provide consumers with mobile apps, which prove successful when they meet one or more of a customer's seven primary needs:

1. Self-expression

2. Discovery
3. Preparation
4. Accomplishing
5. Shopping
6. Socializing
7. “Me time”

Firms can generate revenue from app production via ad-supported apps, freemium apps, paid apps, and paid apps with in-app purchases. Details about each option can be found on page 100.

Now that you have an idea about the various social and mobile media that are out there, you can use it to engage customers by following the three-stage social media engagement process of *listen > analyze > do*. Paying attention to what customers are saying about their interests and purchases on their social networks is key, as is analyzing the information that’s collected using metrics such as bounce rates, click paths, conversion rates, and keyword analysis, which is covered on page 103. Finally, all that data acquisition and analysis is worth little if the firm fails to act upon any of that information—in other words, undertake a social media marketing campaign. An example of such a campaign can be found on pages 104–106 in your textbook.

Chapter 3 Activities

- Watch the videos at <http://tinyurl.com/jrphpk8> (tinyurl.com/jrphpk8) and <http://tinyurl.com/h8fdaht> (tinyurl.com/h8fdaht) .

- Complete the Net Savvy questions at the end of Chapter 3.

Exercise: Social Media In Marketing

Fill in the blank.

1. _____ refers to content distribution through online and mobile technologies to facilitate interpersonal interactions.
2. _____ analysis refers to the study of people's queries on search engines.
3. For all Facebook pages, the conversion rate is calculated as the percentage of visitors to the page who click the " _____ " button.
4. Of the types of social media identified in the text, _____ is considered a thought-sharing site.
5. The focus of social media efforts targeted at customer interaction is _____.

Exercise Answer Key:

Exercise: Social Media In Marketing

1. Social Media
2. Keyword
3. Like
4. Twitter
5. building connections

1.4 State the importance of ethics in the field of marketing

Marketing Ethics

READING ASSIGNMENT

Read this assignment. Then read Chapter 4 in your textbook.

While moral or ethical issues affect all areas of a business, they're of particular concern to marketers because they're the people who interact most conspicuously with customers.

Consequently, marketers sometimes face especially complex challenges of balancing the reputation of their company and/or its products against personal or corporate goals. For example, a toymaker may immediately recall toys manufactured by a subcontractor that uses lead paint. Although the recall may result in a short-term loss of sales and a restructuring of its supply chain, the company will gain respect for honesty and responsibility—an ethically sound reputation from which it will benefit in the long run.

In addition, while ethical decisions may affect a company's immediate stakeholders—including employees, stockholders, customers, government agencies, consumer groups, and supply chain businesses—many companies also gain respect and positive attention for making socially responsible decisions. Consumers want more from companies than simply a good product. For example, consumers exert pressure on companies to avoid testing products on animals, to

be sensitive to cultural diversity, to be equal-opportunity employers, and to protect the environment. Social responsibility can also take the form of making charitable contributions or sponsoring activities such as blood drives, the Special Olympics, and programs that raise funds for life-threatening illnesses.

Firms can promote ethical and socially responsible decision-making in several ways. Among the most important is establishing an ethical climate within the organization by adopting a set of standards and procedures to which all employees—from top-management on down—must adhere. In addition, companies can employ ethical decision-making metrics, such as those shown in Exhibit 4.4 on page 124 of your textbook.

Read the [American Marketing Association's Code of Ethics](http://archive.ama.org/archive/AboutAMA/Pages/Statement%20of%20Ethics.aspx) (archive.ama.org/archive/AboutAMA/Pages/Statement%20of%20Ethics.aspx) .

Firms can also take steps to integrate ethical and socially responsible decision-making procedures in the development of their marketing plans. For example, in the planning phase, such concerns can be incorporated into a company's mission statement. When developing an implementation strategy, planners can address not only the issue of whether a particular strategy can be implemented but also whether it's ethically or socially responsible to do so. Finally, in the control phase, marketers can determine whether their planning decisions have successfully addressed potential ethical issues that may arise after a product has been brought to market, and have built in the

necessary flexibility to alter their plans if needed.

Chapter 4 Activities

- Watch the videos at <http://tinyurl.com/j65t5zr> (tinyurl.com/j65t5zr) and <http://tinyurl.com/zl29zqf> (tinyurl.com/zl29zqf) .
- Complete the Net Savvy questions at the end of Chapter 4.

Exercise: Ethics Of Marketing

Respond to the following based on your reading.

1. What is the first general norm in the AMA's code of ethics?
2. One means of establishing a strong ethical climate is to create a policy in which employees' _____ goals correspond with the company's _____ objectives.

Exercise Answer Key:

Exercise: Ethics Of Marketing

1. Marketers must do no harm.
2. short-term, long-term

1.5 Identify the elements of the marketing environment

Analyzing the Marketing Environment

READING ASSIGNMENT

Read this assignment. Then read Chapter 5 in your textbook.

The *customer*—sometimes referred to as the *consumer*—is, of course, the central focus of any organization that produces and markets a product or service. To successfully attract and maintain consumers, a company must consider not only the consumers' wants and needs but also take into account many other factors that influence consumers' purchasing habits and their perception of a product's value. These factors are collectively referred to as the *marketing environment*, and they can be further subdivided into two categories: the *immediate environment* and the *macroenvironment*.

The immediate environment is made up of three basic factors. The first is the company itself—in particular, its ability to deliver a product that meets the consumer's needs and wants at a price considered reasonable for the benefits offered. The second factor is the competition—firms that offer similar products or substitutes in an effort to capture the same dollar of consumer spending. To attract customers and maintain loyalty, marketers must understand the strengths and weaknesses of rival companies, and they must assess the potential reactions to marketing strategies that they themselves adopt.

The third factor of the immediate environment is the relationship between corporate partners—the businesses that supply parts and materials, engage in research, and provide services such as

transportation. To deliver products and enhance their perceived value, companies must develop and maintain good relationships and effective communication among all the companies that play a role in the marketing mix.

The macroenvironment—the situation that exists beyond the immediate concerns of the company—consists of six factors:

- Culture
- Demographics
- Social trends or issues
- Technological advances
- Economic situation
- Political/regulatory environment

Collectively, these factors are referred to by the acronym *CDSTEP*.

Culture is understood as the behaviors, beliefs, and values widely shared among groups of people. Cultures can be narrowly defined by families, schools, and workplaces, and more broadly understood to include countries or ethnic groups. To market effectively to various segments, companies must understand the cultural influences that affect the purchasing decisions dominating a particular neighborhood, town, region, or country.

The term *demographics* refers to a part of the population that can be identified broadly as a group that likely displays similar purchasing habits. Demographic characteristics can include age (or more broadly,

generation), income bracket, educational level, gender, and ethnic background.

Social trends determine the attitudes of a society toward products as well as pricing, promotion, and distribution strategies. These attitudes reflect society's values relating to everything from special interests to food preferences to leisure activities. Marketers need to understand such factors and tailor both their products and advertising to satisfy consumers' tastes and social values. Because social trends and values change over time, marketers must periodically adapt their strategies to address current concerns and anticipate future trends. Current issues being faced by marketers include green marketing and privacy concerns.

Technology affects marketing in many ways. Advances in technology can result in new goods and services, and improvements to existing ones. Advances can also make other products obsolete. Technology is responsible for convenient services such as Google Wallet's wireless payments, Walgreens' Web Pickup service, suggestions from Netflix, Amazon, and Pandora, and more. The Internet is perhaps the best example of a technology that offers new opportunities and challenges to the marketplace.

Economic situations are important to marketers because they influence consumer buying power. Factors such as inflation, foreign-currency fluctuations, and interest rates all affect consumers' willingness to buy.

Finally, the *political/regulatory environment* must also be considered in marketing decisions. Federal, state, and local laws exist to ensure competitive conditions, by prohibiting monopolies or other business alliances and practices that might damage other companies or artificially determine prices for products and materials. Other legislation and regulatory practices are designed to protect consumer rights—for example, by prohibiting false advertising claims and the use of hazardous materials, and by mandating health warnings on the labels of certain products. Exhibit 5.5 on page 161 of your text provides a list of legislations designed to protect consumers.

Chapter 5 Activities

- Watch the videos at <http://tinyurl.com/hecfzan> (tinyurl.com/hecfzan) and <http://tinyurl.com/zcyydez> (tinyurl.com/zcyydez) .
- Complete the Net Savvy questions at the end of Chapter 5.

Exercise: Marketing Environment

Fill in the blank.

1. By paying close attention to customer needs and continuously monitoring the environment, a good marketer can identify potential _____.
2. Successful marketing firms focus their efforts on satisfying customer needs that match their _____.
3. _____ involves a strategic effort by firms to supply customers

with environmentally friendly merchandise.

4. _____ enables firms to anticipate market developments rather than merely react to them.
5. As the Euro becomes more _____ relative to the dollar, Americans are _____ likely to purchase European wines.

Exercise Answer Key:

Exercise: Marketing Environment

1. opportunities
2. core competencies
3. Green marketing
4. CI
5. expensive, less

Lesson 1 Review

Self-Check

1. At the end of each section of *Marketing*, you'll check your understanding of what you've just read by completing a "Self-Check" exercise. Answering these questions will help you review what you've studied so far. Please complete *Self-Check* now. Marketing involves all of the following *except*
 - a. exchange.

- b. satisfying customer needs and wants.
 - c. creating value.
 - d. production scheduling.
- 2.** Which of the following statements represents a core principle of marketing?
- a. All parties to an exchange should be satisfied.
 - b. Promotion is foremost, followed by pricing decisions.
 - c. Customers aren't considered until the product is ready for sale.
 - d. Distribution is controlled by customers.
- 3.** A database software system used by a company to remind salespeople when customers should be ready to reorder products is an example of
- a. C2C marketing.
 - b. a transactional marketing orientation.
 - c. customer relationship management.
 - d. a value-driven global positioning system.
- 4.** A company's marketing plan revolves around its
- a. marketing budget.
 - b. marketing strategy.
 - c. appraisal of risks and opportunities.
 - d. statement of corporate objectives.
- 5.** The strategic business unit (SBU) concept is best identified as a
- a. planning tool that separates all tactical and operational issues for analysis.
 - b. device used primarily to separate marketing costs from production expenses.

c. marketing planning tool best suited to the needs of large, diversified organizations.

d. manageable analysis unit that tracks and controls product behavior.

6. Which of the following is an objective of marketing communications for social media?

- a. Excellence
- b. Enlightenment
- c. Education
- d. Evaluation

7. Which of the following is a stage of the process a firm uses to engage customers through social mobile media?

- a. Reading
- b. Analyzing
- c. Observing
- d. Visualizing

8. Which of the following is the first step when designing a social media marketing campaign?

- a. Identify strategy and goals
- b. Identify target audience
- c. Identify what to monitor and change
- d. Identify the budget

9. Which of the following refers to the percentage of times a visitor leaves a website almost immediately?

- a. Click path
- b. Page View

- c. Conversion rate
- d. Bounce rate

10. Which of the following blogs differ from traditional blogs in size of sentences, videos, or individual images?

- a. Micro blogs
- b. Professional blogs
- c. Personal blogs
- d. Corporate blogs

11. Using profit as the sole guide for corporate action can lead to short-term profits but

- a. increased corporate social responsibility options.
- b. more complicated measurement challenges.
- c. increased tax liabilities.
- d. long-term loss of customers.

12. Marketers are often singled out as the root cause of ethical concerns because

- a. they're trained in the art of effective persuasive communication.
- b. consumers recognize marketers aren't as quantitatively skilled as accounting and finance people.
- c. problems like those that occurred at Enron, Tyco, and WorldCom were caused by marketers.
- d. they interact directly with consumers.

13. Being socially responsible is generally considered

- a. inappropriate for most firms in today's market.
- b. a good thing to do only when a company is profitable.
- c. beyond the norms of corporate ethical behavior.

d. more appropriate for regulators, ethical philosophers, and clergy with a special interest in social and corporate behavior.

14. A recent court ruling banned the use of terms such as light, low tar, natural, or mild by tobacco companies. This ruling likely affects shareholders, employees, customers, and

- a. marketers.
- b. retail clerks who sell cigarettes.
- c. the firms who own or service vending machines.
- d. the firms that supply packaging to tobacco companies.

15. When looking at ethical issues associated with a strategic marketing planning process, questions

- a. should be addressed only during the evaluation stage.
- b. should never be asked, for only managers should deliberate marketing ethical issues.
- c. are never asked during the implementation stage.
- d. vary at each stage of the process.

16. When analyzing the immediate environment and the macroenvironment, marketers must be careful to keep _____ at the center of all analyses.

- a. the firm
- b. the consumers
- c. the competitors
- d. the partners

17. If the consumer was born in 1974, which of the following generational cohorts would that person belong to?

- a. Gen Y

- b. Gen X
- c. Baby Boomers
- d. Gen Z

18. In the immediate environment, the first factor that affects the consumer is the

- a. corporate partners.
- b. competition.
- c. firm.
- d. consumer.

19. Which of the following represents the cost of borrowing money?

- a. Foreign currency fluctuation
- b. Economic situations
- c. Interest rates
- d. Inflation

20. Which of the following provides an easily understood snapshot of the typical consumer in target markets?

- a. Social trends
- b. Demographics
- c. Culture
- d. Technological advances

Self-Check Answer Key

1. production scheduling.

Explanation: Except for product scheduling, marketing involves communicating, capturing, creating, delivering, exchanging, and

satisfying customer needs and wants.

Reference: Section 1.1

2. All parties to an exchange should be satisfied.

Explanation: Marketing is about an exchange, thus, all parties to an exchange should be satisfied. This is one of the core aspects of marketing.

Reference: Section 1.1

3. customer relationship management.

Explanation: Customer relation management is employed by companies to collect information about their customers' needs and use the information to target their customers with special promotions, products, and services that seem most important to them.

Reference: Section 1.1

4. marketing strategy.

Explanation: A company's marketing plan revolves around its marketing strategy.

Reference: Section 1.2

5. marketing planning tool best suited to the needs of large, diversified organizations.

Explanation: The concept of SBU aids market planning. It's the best marketing planning tool for large, multiproduct organizations.

Reference: Section 1.2

6. Education

Explanation: The objectives of marketing communications use the 4E framework, which includes excitement, education, experience, and engagement.

Reference: Section 1.3

7. Analyzing

Explanation: Social media engagement process has three stages. They are listen, analyze, and do.

Reference: Section 1.3

8. Identify strategy and goals

Explanation: Social media marketing campaign design needs to follow five steps: 1. Identify strategy and goals, 2. Identify target audience, 3. Develop the campaign: Experiment and engage, 4. Develop the budget, and 5. Monitor and change.

Reference: Section 1.3

9. Bounce rate

Explanation: Bounce rate refers to the percentage of times a visitor leaves a website almost immediately. Analyzing this helps marketing teams find out the steps needed to make the website more effective.

Reference: Section 1.3

10. Micro blogs

Explanation: Microblogs differ from the traditional blogs in size, they have short sentences, short videos, or individual images.

Reference: Section 1.3

11. long-term loss of customers.

Explanation: The impact of a firm's actions and operating balances the short-term profit with the need for the society's long-term needs. This ensures the company's survival in a healthy environment. Thus, using profits as the sole guide to the firm's short-term profit can result in a long-term loss to the customers.

Reference: Section 1.4

12. they interact directly with consumers.

Explanation: Marketers or the people in marketing are often singled out as the root cause of ethical concerns because they interact directly with the consumers.

Reference: Section 1.4

13. beyond the norms of corporate ethical behavior.

Explanation: Being socially responsible is generally considered above and beyond the norms of corporate ethical behavior.

Reference: Section 1.4

14. marketers.

Explanation: If the tobacco companies are unable to use terms like light, low tar, natural, or mild, the marketers for those tobacco products need to design a new marketing campaign that excludes those words.

Reference: Section 1.4

15. vary at each stage of the process.

Explanation: Ethical issues are integrated into every stage of the strategic marketing planning process. In case of the planning stage, the firm decides its ethical policies and willingness to declare it publicly. In the case of the implementation stage, the firm questions switch from "can we" to a more ethically responsible manner "should we." Moreover, in the control stage, the firm ensures that all its potential ethical issues that were raised in the planning process have been addressed and actually practiced in the organization.

Reference: Section 1.4

16. the consumers

Explanation: The centerpiece of any marketing environment is always the consumer. Marketers continuously monitor the business environment in which the firm operates to identify potential consumers. A firm considers its business processes from the customer's perspective, hence in analyzing the immediate environment and the macroenvironment, marketers always ensure that customers are the centerpiece of their

analyses.

Reference: Section 1.5

17. Gen X

Explanation: Gen X or Generation X is referred to those people that are born between 1965 and 1976, hence people born in 1974 cohorts to the generation X.

Reference: Section 1.5

18. firm.

Explanation: Marketing firms focus on satisfying customer requirements that match the firm's core competencies. The firm's capabilities in the immediate environment are the first factor that affects the consumers.

Reference: Section 1.5

19. Interest rates

Explanation: Interest rates are the costs incurred by the customers for borrowing loans and advances from banks.

Reference: Section 1.5

20. Demographics

Explanation: The term demographics indicates the characteristics of human populations and segments that are generally used to classify consumer markets. Many firms undertake market research for identifying the demographics of a particular

community that ensures the firm targets their effective consumers. Hence, demographics provides an easy snapshot of the typical consumer in a specific market.

Reference: Section 1.5