

# Snazzlefrag's Marketing CLEP Study Notes

Contact: <http://www.degreeforum.net/members/snazzlefrag.html>

Hosted at: <http://www.free-clep-prep.com>

2 Market Research Functions - Environmental Analysis, Consumer Analysis

Situation Analysis - SWOT: Strengths, Weaknesses, Opportunities, and Threats.

The Four "P's" (Marketing Mix) - Product, Place (Physical Distribution), Price, Promotion.

Product Mix - Product line, packaging, branding, quality

Place/Distribution Mix - Logistics, Types of Channels, Market Location, Sales Territories

Price Mix - Price, Transportation Costs, Credit Terms

Promotion Mix - Advertising, Publicity, Personal Selling, Sales Promotion

Market Segmentation - Division of market by needs

4 Segmentation Variables - Demographic (age, sex), Geographic (location), Psychographic (personality traits), Behavioral (product usage, brand loyalty).

Single-segment/Concentration Strategy - Focus on one segmentation variable (less expensive/less flexible).

Multisegment/Differentiated Strategy - Focus on multiple segments (more expensive/more flexible).

Total Market/Undifferentiated Strategy - Mass Marketing, hit and miss, good for products with little or no variations (salt/sugar).

5 Stages of Buying Behavior - Problem, info, evaluate alternatives, purchase, post-purchase.

3 Buying influences - Psychological, Social, Informational.

5 Psychological Forces - Perception, Motives, Ability/Knowledge, Attitudes, Personality

Heterogeneous Markets - Different product needs.

Homogeneous Markets - Similar product needs.

Product Differentiation - Different than competitor's product.

Differential Advantage - Customers prefer a product over a competitor's because of the actual differences.

Product Positioning - Molding perception/image of the product compared to competitor's product.

Loss leader - little or no profit.

Product/Market Opportunity Matrix (Four Marketing Strategies): Market Penetration, Market Development, Product Development, Product Diversification.

Boston Consulting Group Matrix - Star, Problem Child, Cash Cow, Dog.

Star - (HH/HH) High profit, high share of a high growth market, high investment (to keep up with market growth)

Problem Child (Question Mark) - (LL/HH) Low profit, low share of a high growth market, high investment.

Cash Cow - (HH/LL) High profit, high share of low growth market, low investment.

Dog - (LL/LL) Low profit, low share of low growth market, low investment.

Marketing Myopia - Company focusses on product instead of customer need.

3 Types of Direct Marketing - In-home, telemarketing, mail-order.

Derived Demand - Industrial purchases depend on level of consumer purchases.

3 Industrial Purchase Variables - Customer type, customer size, buying situation.

3 Buying Situations - New-task buying, straight rebuy, modified rebuy.

The Buying Center (in an organization) - Buyers, users, influencers, gatekeepers, deciders.

Marketing Concept - Meet needs, meet goals

Marketing Plan - Overall Company Blueprint (Situation Analysis/SWOT, target markets etc.)

Marketing Objective - Goals (corporate image, profit goals etc.)

Marketing Strategy - How to achieve objectives/goals, adjust Marketing Mix (product/marketing opportunity matrix).

3 Types of Consumer goods - Convenience, shopping, specialty.

Unsought goods - Insurance, Cemetery plots etc. Aggressive selling is required.

6 Types of Industrial goods - raw materials, component materials, process materials, major equipment (installations), accessory equipment, operating supplies (consumables).

Family Life Cycle - single, married with children, divorced, retired etc.

6 Stages of New-product Development - Idea, Screening, Analysis, Development, Test marketing (and Commercialization).

5 Stages of the Product Adoption Process - Awareness, interest, evaluation, trial, adoption.

5 Types of Buyers in the Product Diffusion Process - Innovators, Early adopters, Early majority, Late majority, Laggards.

4 Steps of the Product Life Cycle - Introduction, growth (sales rise, profits peak), maturity (sales peak), decline.

3 Functions of Packaging - Protection, Promotion, Information.

3 Functions of Distribution - Transportation, Inventory Management, Customer Service. (Anchor Distributors)

3 Functions of Sorting Activities - Sorting, Accumulation, Assorting.

3 Types of Market Coverage (intensity) - Intensive, Selective, Exclusive.

Vertical Channel Integration - A company owns two or more of the distribution channels.

3 Types of Vertical Marketing Systems (VMS) - Corporate, Contractual (most common), Administered (Walmart).

Horizontal Channel Integration - A company owns several of ONE distribution channel (Eg, several retail stores).

"Push" Promotion - Producer markets to next institution down the channel and so on.

"Pull" Promotion - Producer markets directly to the consumer (creates consumer demand).

2 Distribution Strategies - Total-cost (best approach), Distribution-center (instead of centralized inventory)

3 Types of Wholesalers - Manufacturer (sales branches and sales offices), Merchant (jobbers, distributors), Agents/brokers (middle-men).

Wholesaling - Purchases for: Resale, Manufacturing, General business operations.

3 Wholesaling Activities - Warehousing, transportation, financing. (WTF)

3 Elements of a Promotion Plan - Promotion Mix, Objectives, Budget (POB)

Sherman Antitrust Act - (1890) conspiracies, monopolies.

Clayton Act - (1914) price discrimination, tying.

Federal Trade Commission Act - (1914) investigate and enforce laws.

Robinson-Patman Act - (1936) (Retail/Wholesale) Different prices.

Price Elasticity of Demand - E(d)

% change in demand

% change in price

0 = Perfectly Inelastic - Price increase = No change in demand, revenue increases (0/+)

<1 = Inelastic - Price increase = Revenue increases (-/+)

1 = Unitary Elastic - Price increase = No change in revenue (-/0)

>1 = Elastic - Price increase = Revenue decreases (-/-)

Price Skimming - High prices for new products