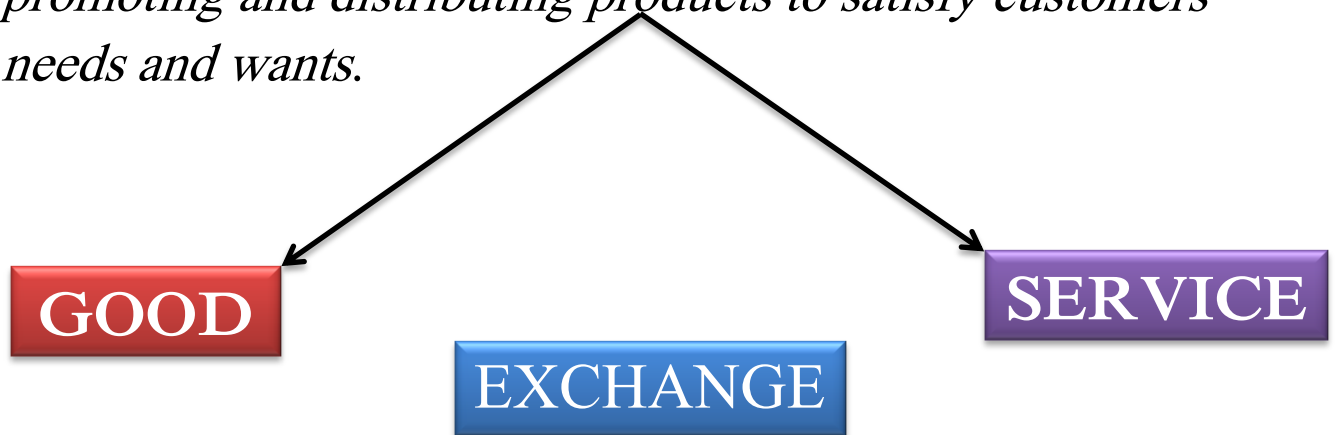


# CHAPTER ONE – DEFINING MARKETING

## WHAT IS MARKETING?

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Marketing is defined as *the process of developing, promoting and distributing products to satisfy customers' needs and wants.*



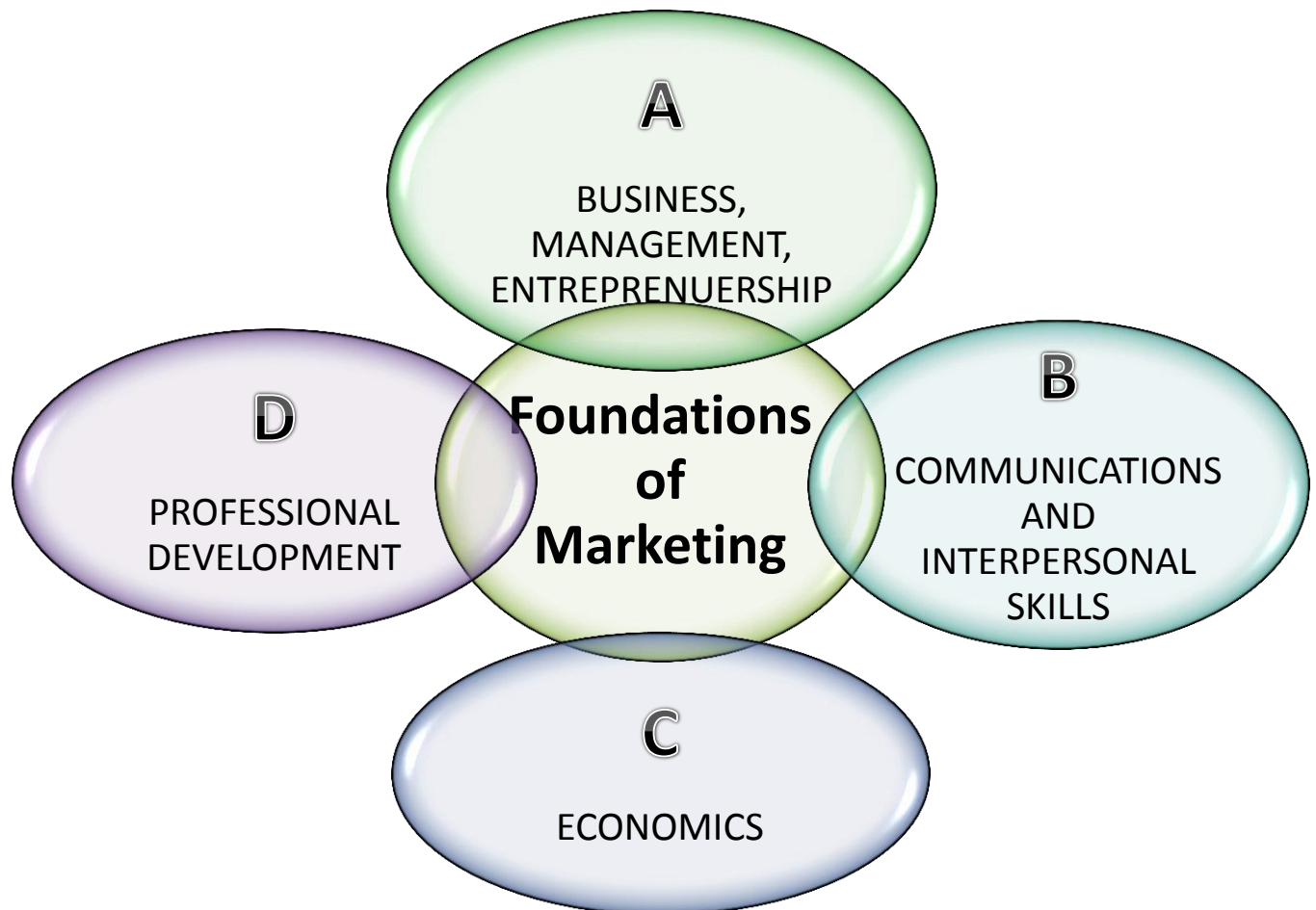
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**How are you a part of the marketing process? (EV)**

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# FOUNDATIONS OF MARKETING

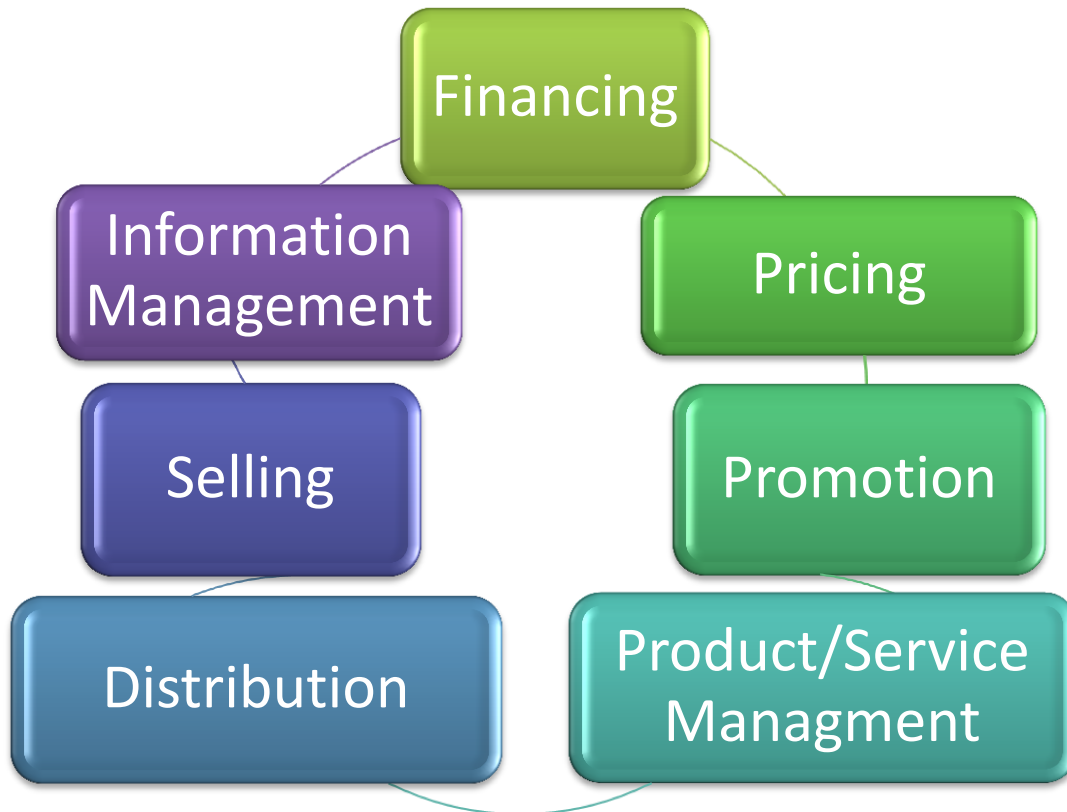
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- A. Understanding the basics of business, management and entrepreneurial concepts that affect business decision making.
- B. Understanding concepts, strategies, and systems needed to interact effectively with others.
- C. Understanding the economic principles and concepts that are basic to marketing.
- D. Understanding concepts and strategies needed for career exploration, development, and growth.

# 7 FUNCTIONS OF MARKETING

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**The functions of marketing add value to a product. That added value in economic terms is called UTILITY.**

**DISTRIBUTION** – involves deciding where and to whom products need to be sold in order to reach the final users.

- Physically moving product
- Storing goods
- Transportation
- Systems that track products

**FINANCING** – is getting the money that is necessary to pay for the operation of a business.

- Credit
- Bank Loans

**INFORMATION MANAGEMENT** – Most of this information is retained through marketing research.

- Questionnaires
- Customer preferences
- Taste tests

**PRICING** – these are decisions that dictate how much to charge for g/s in order to maximize profits.

- Competitive pricing
- Gaining market share
- Achieving a ROI

**P/S MANAGEMENT** – is obtaining, developing, maintaining, and improving a product or a product mix in response to market opportunities.

- Market research
- Consumer needs and wants

**PROMOTION** – communicating with potential customers to inform, persuade, or remind them about a business’s products.

- Television/Radio
- Print/Online
- Public relations
  - Socially responsible
  - Recyclable

**SELLING** – provides customers with g/s they want.

- Retail stores
- Customers
- Business-to-business market



# ECONOMIC UTILITIES

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The economic benefits of marketing add value to a product called UTILITY. Utilities are the attributes of a p/s that make it capable of satisfying consumers' wants and needs.

Economic utilities reflect the value that producers and marketers add to raw materials when they make them into products and offer them for sale to the public.

**FORM UTILITY -**  
INVOLVES CHANGING  
RAW MATERIAL OR  
PUTTING PARTS  
TOGETHER TO MAKE  
THEM MORE USEFUL.



# INFORMATION UTILITY

COMMUNICATIONS TO  
THE CONSUMER-  
SALESPEOPLE,  
PACKAGING,  
LABELLING,  
ADVERTISING



# PLACE UTILITY

HAVING A PRODUCT  
WHERE CUSTOMERS  
CAN BUY IT.



# TIME UTILITY

HAVING A PRODUCT  
AVAILABLE AT A  
CERTAIN TIME OF  
YEAR & CONVENIENT  
TIME OF DAY.





**POSSESSION**

**UTILITY -THE**

**EXCHANGE OF A  
PRODUCT FOR SOME  
MONETARY VALUE.**

**CREDIT, DEBIT,  
LAYAWAY**



**Choose five products that you could sell at school?**

**Which utility goes with what question?**

1. What raw materials went into the making of this product?
2. Where would you place this product so your customers would have access to purchasing it?
3. When would be the best time of day/year to sell this product?
4. How would students and/or faculty pay for this product?
5. How would you get information about this product to your potential customers?

**Write your own notes:**

**PG 8 starting at Lower Prices – PG 13.**