



Otázka: Marketing and advertising

Jazyk: Angličtina

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We can divide marketing into 4 parts:

- 1) marketing
- 2) market research
- 3) marketing mix – tools of marketing
- 4) marketing department in the company

What is marketing? Marketing is

- A wide range of activities to sell products, satisfy customer and make a profit
- The sum of activities involved in directing the flow of goods and services from producers to consumers
- In recent years marketing has become a driving force in most companies
- Its principal function is to promote and facilitate Exchange of products and services with other parties
- Marketing is connected with both a profit-oriented business and non-profit institution (hospital, school,..)

Marketing concept:

- We put the customer first



- We must produce what people want, not what we want to produce

Market research

- We must find out what the customer wants and then we can carry out Market research.
- We must collect, study and use data on the market for our product (or service)
- **Focus on population**
 - Statistics on the population and their habits
 - Customer's point of view
 - We can ask or give them questionnaires
- **Focus on goods**
 - We give questionnaires about quality, price and packing of good
- **Focus on competition**

Marketing mix - tools of marketing

Marketing mix consists of

- PRODUCT
- PRICE
- PLACE
- PROMOTION

PRODUCT

- Product is the goods or service
- Product includes design, quality, reliability, packing of goods, after-sales services



Product has a life cycle

- **Introduction**

- Typical for introduction is expensive advertising and promotional campaign.
- Companies get large investments to cover the costs of developing the products.

- **Growth**

- Competition of product increases
- Pressure to maintain large promotion and reduce the prices.

- **Maturity**

- Slight decline is starting
- It is the longest phase in the life cycle of product.
- The key to success is to stimulate consumption of the existing product by making some improvement advertisement

- **Decline**

- It is time when sales and profit begin to slip away
- Companies are continually developing new products to replace products whose sales are declining.

PRICE

- Pricing takes account of (*bere v úvahu*)
 - The value of the products
 - Its quality
 - The ability of the customer to pay
 - The prices charged by the competition
- Too low prices can reduce sales as well as too high prices.
- A low price may increase but not as profitably as fixing a higher, still popular price.
 - Discount pricing = offering a reduction on price
 - Quantity discount = discount offered to buyers of large quantities
- VAT = shopkeepers have to add value added tax on the selling price

PLACE



- =distribution
- Distribution is getting the product from the producer to the customer
- **We have two channels of distribution**
 - First channel is direct – product gets from the producer to the customer or retailer (retail can be hypermarket, supermarket, discount shops) without intermediary
 - Second channel is indirect – product gets through the intermediary (wholesale = velkoobchod)

PROMOTION

- Promotion is presenting the product to the customer
- Promotion can be divided to 4 points
- **1. Sales force (prodavači)**
 - It's the most expensive means of promotion, because Sales force require income
 - The less expensive methods are direct mail and telemarketing
- **2. Sales promotion**
 - While advertising present a reason to buy a product, sales promotion offers short-term incentive to purchase
 - Sales promotion can be for customers – for example coupon, bonus, brochures, competition, discounts or hire purchase
 - Sales promotion can be for businessmen too – for example price advantages, fairs (trhy), exhibitions or training (kurzy)
- **3. Advertising**
 - Advertising can be print (newspaper, magazines, billboard) or can be broadcast (TV, radio).
 - Rules of advertisement
 - Truthful
 - impressive
 - Efficient
 - We can make the advertisement more effective:
 - The longer advertisement is the more effective it is



- We should be surprised with the story
- Emotional elements can be humour, love, pain, beauty etc.
- Early identification of the brand of the goods

• 4. Publicity

- Publicity is the relationship among an organization and the public.
- It's explaining to the public what an organization does.
- Publicity isn't paid by the producer (unlike advertisement).
- Public relation is a part of publicity

Marketing department in the company

- Every big company has its Marketing Department. The employees of Marketing Department must have a clear idea of:
 - What the customer need
 - What the customer want
 - What makes them buy the product
- Job description of marketing specialists:
 - Research what the customer want to buy
 - They use the research to design new products and services
 - They set the right price
 - They handle transportation, storage and distribution
 - They are responsible for advertising, promotion, publicity and personal selling