Chapter 2

The Marketing Plan

Chapter Objectives

After reading this chapter, you should be able to:

- Conduct a SWOT analysis
- List the three key areas of an internal company analysis
- Identify the factors in an environmental scan
- Explain the basic elements of a marketing plan
- Explain the concept of market segmentation
- Analyze a target market
- Differentiate between mass marketing and market segmentation

EXPLORE THE PHOTO

Market Talk

Marketers understand that for a product to be successful, they first need to find out who needs the product or has an interest in it. Marketers must determine their potential customers among diverse groups of people.

Quick Think

There are more than 25 million teenagers in the U.S. They spend $180 billion each year. Many have regular jobs and weekly income. List three ways to research this market.

List the three key areas of an internal company analysis. Questions that are part of a company’s internal analysis are about what a company does well and what areas are weak. This includes staff, management, financial situation, production capabilities, product, promotion, place, and pricing.

Identify the factors in an environmental scan. An analysis of outside influences that may have an impact on an organization.

Explain the basic elements of a marketing plan. Basic elements include an executive summary, a situation analysis, marketing goals/objectives, marketing strategies, and implementation as well as a system for evaluation and control.

Explain the concept of market segmentation. The process of classifying people who form a given market into even smaller groups.

Analyze a target market. The same factors that help segment a market are used to describe a target market. They are: demographics, geographics, psychographics, and behavioral factors.

Differentiate between mass marketing and market segmentation. Mass marketing involves using a single marketing strategy to reach all customers. Market segmentation or niche marketing means that markets are narrowed down and defined with extreme precision.

REVIEW THE OBJECTIVES

Conduct a SWOT analysis. The acronym for strengths, weaknesses, opportunities and threats. This assessment lists and analyzes the company’s strengths and weaknesses. It also includes the opportunities and threats that surround it. This analysis lists everything that can foster the business’ success and what could make it fail.

BUILD BACKGROUND

Ask students to obtain driving directions between their school and a local attraction or another school. Ask them to mark the route on a roadmap. Ask the class the advantages of this kind of planning, such as that it reduces the chances of getting lost or being late. Draw a comparison between the driving directions or roadmap the importance of a marketing plan.

EXPLORE THE PHOTO

Market Talk

Point out that the group pictured in the photograph could be considered a target market for a certain product or idea. Ask students how this market might be further broken down into even smaller components.

Quick Think

Students may suggest that they can research this market by looking at media directed to or about the target market, administering and analyzing surveys, and observing and interviewing individuals in the target market.

Follow Up

Have students brainstorm and suggest ideas, goods, and services that might appeal to the target market displayed in the photograph.

Chapter Overview

INTRODUCE THE CHAPTER

Chapter 2 focuses on SWOT analysis and its place in the marketing plan. The text then discusses the overall marketing plan and then market segmentation, the key to any successful marketing effort.

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Discuss the performance indicators for the DECA events listed, so that students understand how to demonstrate their understanding.

The event acronyms stand for:

- **AAM**: Apparel and Accessories Marketing Series
- **ADC**: Advertising Campaign Event
- **ASM**: Automotive Services Marketing Series
- **BSM**: Business Services Marketing Series
- **EMDM**: E-Commerce Management Team Decision Making Event
- **FMAL**: Food Marketing Series, AL
- **FMDM**: Financial Analysis Management Team Decision Making Event
- **FMML**: Food Marketing Series, ML
- **FSRM**: Full Service Restaurant Management Series
- **HMDM**: Hospitality Services Management Team Decision Making Event
- **HRR**: Hospitality and Recreation Marketing Research Event
- **MMS**: Marketing Management Series
- **QSRM**: Quick Serve Restaurant Management Series
- **RFSM**: Restaurant and Food Service Management Series
- **RMS**: Retail Merchandising Series
- **SEM**: Sports and Entertainment Marketing Series
- **SMDM**: Sports and Entertainment Management Team Decision Making Event
- **TMDM**: Travel and Tourism Management Team Decision Making Event
- **TSE**: Technical Sales Event

**Role Play** Check your understanding of DECA performance indicators with the DECA activity in this chapter’s review. For more information and DECA Prep practice, go to the Marketing Essentials OLC through glencoe.com.
SECTION 2.1

Marketing Planning

BELLRINGER ACTIVITY
Have students work in small groups to brainstorm and list companies that they consider successful. Have groups share lists with the rest of the class. Ask: Have any companies been listed more than once? Do any dominate? Why did students make the choices they did? Point out that now the students are learning to think like marketers. Explain that there are formal means by which businesses can evaluate themselves and use the information as part of a marketing plan, a roadmap for all their business efforts.

PRETEACHING VOCABULARY
KEY TERMS Assign two of the key terms to each of four students. Have each student find the two words in context and read definitions to classmates.
ELL Have students write the key terms in their own language first, then in English.
ACADEMIC VOCABULARY Refer students to the OLC through glencoe.com for the Academic Vocabulary Glossary before they read the section.

GRAPHIC ORGANIZER
Model using the graphic organizer for students. Tell students to go to the OLC through glencoe.com for a printable graphic organizer.

THE MAIN IDEA
A company looks at itself and the world around it to create a marketing plan for reaching goals.

GRAPHIC ORGANIZER
Draw an outline to identify the steps of a marketing plan.

OBJECTIVES
• Conduct a SWOT analysis
• Identify factors in an environmental scan
• Explain elements of a marketing plan

KEY TERMS
• SWOT analysis
• Technology
• Marketing strategy

ACADEMIC VOCABULARY
You will find these words in your reading and on your tests. Make sure you know their meanings.
• factor
• technology

ACADEMIC STANDARDS
English Language Arts
NCTE 1 Read texts to acquire new information.
Social Studies
NCSS 7 Production, Distribution, and Consumption: how people organize for the production, distribution, and consumption of goods and services

SWOT Analysis
Good marketing relies on good plans. A company’s planning efforts begin with a critical look at itself and its business environment, or the market in which it operates. This assessment lists and analyzes the company’s strengths and weaknesses. It also includes the opportunities and the threats that surround it. In other words, this analysis lists everything that can foster the business’s success and what could make it fail. The acronym SWOT stands for strengths, weaknesses, opportunities, and threats. Students will perform the SWOT analyses by developing a sample analysis.

BEFORE YOU READ
Connect You want to have a magazine sale to raise $500 for your school. How would you organize it?

THE MAIN IDEA
Point out that a company uses information about the world around it to create a marketing plan.

AS YOU READ
Conduct a SWOT analysis on yourself. List your strengths and weaknesses. List opportunities and threats that may impact your goals.

DEVELOP CONCEPTS
Work as a class to create a plan. Consider who will buy the subscriptions, the price of them, the percentage the school will receive from each sale, the number of orders necessary to reach the goal, and record-keeping.

AS YOU READ
Help students perform their SWOT analyses by developing a sample analysis.
for strengths, weaknesses, opportunities, and threats is also the name of this process: **SWOT analysis**.

This internal and external awareness will help a business identify weaknesses and prepare to handle threats such as competition or a changing marketplace. An accurate analysis also will help a company be more competitive because it provides guidance and direction.

The company will develop strategies around the SWOT analysis.

**Internal Strengths and Weaknesses**

Strengths and weaknesses are both internal factors that affect a business operation. The internal analysis centers around three Cs: company, customers, and competition. It is important to review these factors objectively and fairly. For this reason, some firms bring in outside consultants to conduct this analysis.

**Company Analysis**

Questions that are part of a company’s internal analysis are about what a company does well and what areas are weak. This includes a review of the staff (both management and other personnel), the company’s financial situation, its production capabilities, and each aspect of the marketing mix (product, promotion, place, and pricing). Here are a few sample questions that could be used as part of a company analysis:

- **Staff-Related Questions**
  - What is the company’s mission statement? Does everyone know it? Is everyone on staff following it?
  - How experienced are the company executives? What have they accomplished?
  - Does the company have too much or not enough staff in each area to provide the quality of service it should? Should staff be re-assigned?
  - What is the quality of the staff? Are there formal training and assessment programs?
  - How effective is its sales force?

- **Financial Questions**
  - Has the company been profitable? In which areas and why?
  - Are there enough financial resources to achieve the company’s goals?
  - What is the company’s sales history? Are sales increasing or decreasing?

- **Production Capability Questions**
  - How are adjustments made in production due to an increase or decrease in sales orders?
  - Has the research and development (R & D) department created successful new products?
  - What percentage of sales come from products that are five years or older?
  - What changes in technology are required to remain competitive?

- **Marketing Mix (Four Ps) Questions**
  - **Product**
    - What new products have been successful and why?
    - Does the company own a patent on any of those products?
    - Are any patents expiring in the future?
  - **Price**
    - What are the present pricing strategies?
    - Are the pricing strategies working?
  - **Promotion**
    - How is the company positioned in the marketplace?
    - What are the promotional strategies and have they been successful?
    - What is the company’s reputation and image among consumers?
  - **Place**
    - Do products easily reach customers?
    - Who helps the company with distribution?

The answers to these questions might reveal such strengths (or core competencies) as talented and well-trained employees, quality workmanship, and excellent service records.

**Discussion Starter**

**INTERNAL STRENGTHS AND WEAKNESSES**

Ask students to discuss why an organization might hire an outside company to perform analysis to best determine strengths and weaknesses. Answers might include because a third party can be more objective.

**Reading Strategy**

**Guided Practice**

**Analyze Words**

Give students the following list of words: external, weaknesses, opportunities, strengths, internal, threats. Point out that the words on the list can be divided into pairs, each pair a word and its opposite in meaning. Have the students study the list, form these pairs, and be prepared to explain their choices:

- strengths, weaknesses
- internal, external
- opportunities, threats

**Skill Practice**

**Independent Practice**

**SWOT Analysis**

Ask students to begin to perform a basic company analysis for the company or organization of their choice. Encourage students to use the Internet, school or public libraries, periodicals, and other resources to identify a business and to try to answer some of the questions about staff, production, and the marketing mix.

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**Extended Activity**

**Debating Pros and Cons**

Have students brainstorm business situations in which a threat could also be considered an opportunity. How might the threat help a company? Ask if marketers could “sell” a disadvantage to customers. Encourage students to share their ideas.
Amazon.com

Amazon.com was one of the first online discount book retailers, and it enjoys a positive reputation and excellent name recognition. After being in business for seven years, it finally made a profit in 2001. Some of its strengths at that time included an increase in sales outside North America. In mid-2004, sales at sites outside the United States rose 50 percent to $600 million. They climbed 13 percent to $700 million in the United States. In 2004, Amazon agreed to buy Joyo.com, China’s largest online retailer of books, music, and videos, to gain access to the world’s second-biggest Internet market in terms of users. By 2007, Amazon’s North American sales jumped to more than $2 billion. Amazon expects sales from foreign sites in China, Canada, France, Germany, and Great Britain to surpass U.S. sales in the future.

Amazon’s Other Strengths

Other strengths were: expanded product selections (electronics, apparel, toys, and more) and successful pricing strategies, which included discounted prices and free shipping for orders over $25. However, this very same pricing strategy was also considered a weakness because it produced low gross profit margins. (Gross profit margin is the percentage of sales revenue left after paying for the cost of the goods or services sold.)

Case Study

Discussion

Point out that many marketers make profits by selling relatively few higher-priced items at a large profit, but a profit also can be made by selling a greater quantity of items that are cheaper to produce and sell at a lower price. Ask the class to come up with other examples of products that decrease in price the less costly they become to produce.

THINK STRATEGICALLY

Answer: Students may suggest that Amazon should continue its efforts to keep prices low, to offer perks like free shipping, and to make its range of merchandise broader still while serving the larger world market that resulted from acquiring the huge Joyo.com and other foreign companies.

Online Activity

Online Inventory

Internet companies sell millions of items per year and offer an amazing array of goods. Tell students that recent purchases from these companies by one individual include a used textbook on English grammar, a cashmere shawl, an omelet pan, and a small square of fabric advertised as a piece of a religious burial shroud. Few of these companies maintain huge warehouses full of inventory. Interested students might work in small groups to research how the company determines the needs of its customers, how orders are placed, how they are filled, and how products get to the customer. Allow time for groups to share findings.

Skill Practice

Independent Practice

Customer Profiles

Ask students to select an ad. You can ask students to research ads on their own or provide some in class. Students can also use the ads provided in their textbook. Have students construct a customer profile for the ad they selected.

Reading Strategy

Analyze Words

Preview the following term by reading it in context. Ask students to provide a short definition or synonym.

- segment: part or portion

Online Activity

Customer Analysis

Customers are a great source of information. Studying their buying habits may reveal patterns that offer insights into product offerings and pricing strategies. Here are a few questions that help in the analysis of customers.

- Who are the customers?
- How do groups of customers differ from one another?
- What, when, where, and how much do they buy?
- How do customers rate the company on quality, service, and value?
- How satisfied is each customer segment?
- What customer segments are not having their needs met?
- Is your customer base increasing or decreasing? Why?

Catalog companies use database technology to see buying patterns, which allow them to produce interest-specific catalogs. Companies with this technology and know-how

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For instructions, ideas, and answer guide, go to the Teacher Center at the Marketing Essentials OLC through glencoe.com.
have a major advantage over their competitors because they can structure their product selection, pricing, and promotional messages to very specific targeted audiences.

To monitor customer satisfaction, many firms ask customers to complete a questionnaire or some form of survey after making a purchase. Data from this research helps companies pinpoint areas that need improvement.

Monitoring customer satisfaction reveals both strengths and weaknesses. Take, for example, the case of an eye doctor. Suppose that a strength is the amount of personal attention the doctor gives each patient. Patients report that the doctor spends a lot of time answering their questions. This strength also creates a weakness: complaints about the time patients spend in the eye doctor’s waiting room. The solution seems simple: schedule fewer patients in a given time period so there is less overlap. This poses another problem that may generate complaints from patients wishing to make appointments. Under that new policy, patients might have to wait two weeks or more before they can get an appointment. So, what appeared to be a quick and easy solution is not so simple.

**Competitive Position**

A company may find that it has certain strengths and weaknesses when compared to its competitors. A company’s market share may be greater than its competitors’, which would be a major strength. If a company loses market share to its competitors, it would be a weakness. Questions that help a company analyze its internal competitive position are:

- **Market Share**: How does the company compare to its competitors in terms of market share?
- **Product Differentiation**: What unique features or benefits does the company offer compared to competitors?
- **Customer Loyalty**: How loyal are customers to the company versus competitors?
- **Distribution**: Does the company have a broader or more efficient distribution network compared to competitors?
- **Cost Structure**: Does the company have lower costs or more efficient production processes than competitors?

**TEACH CONTINUED**

**Critical Thinking**

Independent Practice

Measuring Customer Satisfaction

Ask interested students to find online sites or surveys that rate products or services. Have students predict how companies can use the information and feedback generated on these sites in formulating their own marketing plan. Encourage students to find and print out an online consumer survey directed to their age group or demographic and share it with the class. Be sure to caution students against submitting their personal e-mail information over the internet.

**Develop Concepts**

Guided Practice

**Competition** After students have read the section on competition, ask them to consider how studying competitors is an important part of creating a marketing plan. Studying competitors allows companies to generate comparisons and goals in relation to their market and their competitors. Analyzing how a competitor approaches the market can help companies determine what approaches to take in their own marketing plan.

**Clarify** Point out that market share is a tool that can be used to identify competitors and set quantifiable goals in a marketing plan.

**AD GUIDE**

**• COMPARE and CONTRAST**

**Discussion** Lead a discussion on which of these ads students find to be most effective, and why.

**Caption Answer** DHL stresses how, being newer, it must work harder and offer more services than any other company; and USPS promises ease of use and familiarity; UPS implies that using its service simplifies complex business tasks.

**Follow Up** Walk the students through analysis of the USPS ad, asking what is implied by the statement at the top of the ad (possible answer: that USPS has taken all the hassle out of shipping).
Influences
Understanding Economic
Guided Practice
Environmental Scan After students have read this section, ask them to consider the word environment. Have them brainstorm what the word makes them think of. Many students will mention physical or concrete surroundings. Tell students that in the same way that they are sensitive to their physical surroundings, marketers need to be sensitive to their business environment. Ask them to list components of an environmental scan. political, economic, socio-cultural, and technological surroundings
Writing Support
Researching Spam Ask students who are interested in Internet marketing to research changes in legislation regarding e-mail spam. Have students share the results of their research in class, or use a word processing program to summarize their findings in a one-page report.
Skill Practice
Guided Practice
Understanding Economic Influences Ask students to research and report on their local or state economies. Encourage students to use the library, newspapers, magazines, and online resources in their research. Have students summarize what they learned about their economy in a one-page report and moderate a discussion in class to determine if students have a basic understanding of how economic criteria such as employment rate and economic growth or slowing are considered when making marketing plans.
External Opportunities and Threats
Companies must always look for opportunities to create competitive advantage due to external factors.
Competition
To stay competitive, companies need to know what their competitors are doing at all times. Changes in a competitor's financial situation and problems in the marketplace can provide opportunities. For example, Smart & Final, a discount supermarket chain based in the western United States, enjoyed increased customer traffic and increased sales when a labor strike crippled three competitors (Vons, Ralphs, and Albertsons) in 2004. The obvious weakness of Vons, Ralphs, and Albertsons (their inability to end the strike quickly) opened the door for competitors to take business away from them.
Companies that conduct a SWOT analysis on an ongoing basis are in a better position to react and make adjustments to their marketing mix. To assist in this process, companies must continually scan the external environment.
Environmental Scan
An environmental scan is an analysis of outside influences that may have an impact on an organization. This is a methodical look at the world that typically includes four areas: political, economic, socio-cultural, and technological (sometimes referred to with the acronym PEST). Understanding how each of these areas is changing or is likely to change in the future can lead to a better appreciation of potential opportunities or threats for the firm. An alert business owner may use a change in one of these four aspects as an opportunity to be first to market products customers want.
Political
Political issues center around government involvement in business operations. Companies must be alert to changes in laws and regulations that affect their industries. Global companies need to understand the political structure and regulations of each foreign country in which they conduct business. To assess potential political risks and new opportunities, it is important to see what changes are likely in the laws governing your business operation, as they will have an impact on marketing plans. Here are a few examples of issues and current regulations that may affect certain industries in a positive way (opportunity) or in a negative way (threat):
• Do Not Call Registry The U.S. government passed this legislation in 2003. It requires telemarketers to drop from their lists home and cell phone numbers of registered consumers. This regulation forced many businesses to rethink their marketing strategies. Telemarketing companies had to adjust data files to comply with the law.
• Downloading Music from the Internet The problem of illegal downloading of music created an industry of online companies that provide legal downloading of music for a fee. This industry may hurt music stores but has become an opportunity for Apple's iTunes, RealNetworks' RealRhapsody, Roxio's Napster, and Wal-Mart's Music Downloads.
Economic
The current state of the economy is of interest to all businesses: If the economy is robust, businesses are more likely to invest in new products and markets. An economy that is in a recession or slowing down sends a completely different message to the company's
Universal Access

Students with Learning Disabilities

Students with learning disabilities may require additional guidelines or study aids to get the most out of text material. You may wish to make audio recordings for students who find written text difficult to use. Establish a relaxed reading pace, and use a bell or clicker to signal page turns. Elicit the help of classmates who have clear voices.

Skill Practice

Guided Practice

Exploring Socio-Cultural Change

Have interested students research or create an example of a marketing survey that seeks to determine the attitudes of consumers toward a product, service, or idea. Give the example of a political survey as a type of survey that is used to determine the attitude of citizens or consumers toward an idea, such as a school bond measure that would be funded by a tax on a certain product. Encourage students to share the results of their research in class.

Virtual Business

Introduce staffing to students using Knowledge Matters’ Virtual Business Retailing visual simulation, Staffing. In this simulation, students learn how staffing levels affect customer satisfaction and profitability.

AD GUIDE

• KNOWING YOUR MARKET

Discussion

Ask students to consider what emotions are being appealed to in this ad. Students may mention the fears connected with a serious auto accident, the responsibility of caring for the young, the fear of being helpless.

Caption Answer

This technology encourages companies to integrate it into existing products to fulfill customer needs. Auto companies that offer the OnStar option can consider it a strength. They can pose a threat to competitors. The competitors might decide to develop their own, similar technology, or pay OnStar to use the service.

Follow Up

Ask for opinions about the ad and the approach it takes. Responses will differ, but many students may feel manipulated or refer to the approach as a scare tactic. Ask students to suggest other ads that appeal to human fears or weaknesses.
Develop Concepts

Guided Practice

**Technological Change** After students have read the section on changes in an environmental scan, ask them to consider how the speed at which technology changes might affect the other aspects of a marketing plan. Encourage students to give examples of this kind of technological change. The speed at which technology changes affects the speed by which those products must be promoted, advertised, and sold. Examples will vary but might include new software programs and applications.

**Explain** Point out to students that evaluating technological change means that companies must determine whether new technologies can be used against them or for them, as well as innovating technology for their business itself.

### Technological Change

Changing technology may be a threat for one industry or company, but an opportunity for others. A perfect example is digital photography. To be competitive, traditional photo companies like Kodak are looking for ways to adapt to this new technology. Camera companies are making more digital cameras. Other companies are seizing the opportunity to capitalize on this new technology by developing products to support it. Printer companies like Epson and Hewlett-Packard have developed products to make it easy for consumers to print their own digital photographs. Companies that keep abreast of the newest technological breakthroughs can use that knowledge to be more competitive. Here are a few examples:

- **Computer Automation** The home of the future may be completely automated. You may be able to call from your cell phone to change your thermostat so your home is warm when you arrive.
- **Satellite Technology** Cars offer satellite radio and navigation systems that direct you to your destinations, as well as SOS systems, such as OnStar, that can help you in an emergency.

### Writing a Marketing Plan

Marketing is a complicated activity that relies on many different tasks. For this reason, marketers create a marketing plan. A marketing plan is a formal, written document that directs a company’s activities for a specific period of time. It details analysis and planning for the company’s products, services, and the marketplace. The plan includes market analysis, competition analysis, strategic planning, and implementation.

### Take Me Out to the Webcast

**Discussion** Lead a discussion by asking students to consider which markets are most and least likely to respond to Webcasts.

**Think Like a Marketer**

*Answer:* Students may suggest that teenagers to those in their early twenties would be most interested in this way of viewing games. Reasons might include the fact that this group is comfortable with and has access to technology.

**Online Action!**

For instructions, ideas, and answer guide, go to the Teacher Center of the *Marketing Essentials* OLC through *glencoe.com.*
**Elements of a Marketing Plan**

Marketing plans may differ from company to company. However, there are some basic elements that will be found in all marketing plans. Those elements include an executive summary, a situation analysis, marketing goals/objectives, marketing strategies, and implementation, as well as a system for evaluation and control. See Figure 2.1 on page 34 for a complete outline of a marketing plan. Follow the annotations for building a plan.

**Executive Summary**

An **executive summary** is a brief overview of the entire marketing plan. It briefly addresses each topic in the plan and gives an explanation of the costs involved in implementing the plan. The executive summary may also be used to provide information to people outside the organization, especially those who may be investing in the company or organization.

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**Critical Thinking**

**Critical Thinking**

**Analyze** Ask students: Why is an executive summary useful to investors in particular?
Critical Thinking

Draw Conclusions  Ask students: Does writing down a long-term plan help you accomplish your own goals?

Develop Concepts

Elements of a Marketing Plan  A marketing plan outlines goals, objectives, and strategies of a business or organization. Ask students to identify the main audience for a marketing plan. Answers may include that the main audience for marketing plans is employees. Remind students that all employees should direct their efforts toward fulfilling the company’s goals. The plan lets employees know what their roles and responsibilities are regarding those goals.

Explain  Explain to students that the type of business or organization will determine the complexity of the plan and the period of time covered by the plan. A small manufacturer might develop a marketing plan for a year, whereas a large, multinational corporation might prepare one for five years. The longer time period allows for longer or more complex product development.

Extend  Tell students that another audience for marketing plans might be potential or current investment advisors.

Elements of a Marketing Plan

I. Executive summary
II. Situation analysis
   A. SWOT analysis
   B. Environmental scan
III. Objectives
   A. Company’s mission
   B. Marketing objectives
   C. Financial objectives
IV. Marketing strategies
   A. Positioning and points of difference
   B. Marketing mix (four Ps)
      1. Product
      2. Promotion
      3. Price
      4. Place (distribution)
V. Implementation
   A. Organization
   B. Activities and responsibilities
   C. Timetables
VI. Evaluation and control
   A. Performance standards and measurements
      1. Marketing objectives
      2. Financial objectives
      3. Marketing mix strategies
   B. Corrective action
VII. Appendix

How to Build a Marketing Plan

A marketing plan is an essential planning tool for a company. This document defines the company’s overall goals, determines strategies for achieving those goals, and, at the end of a predetermined period of time, assesses how well those goals were achieved. Below are the basic elements found in a marketing plan.

How can a small company benefit from writing a marketing plan?

Go to the Marketing Essentials OLC through glencoe.com to find a project on marketing plans.

Discussion  Have students follow as the content of Figure 2.1 is read aloud. Lead a discussion about how company logos can be used to demonstrate goals.

Caption Answer  Students may suggest that successful businesses make it a goal to try to maintain or grow their market share.

For instructions, ideas, and answer guide, go to the Teacher Center at the Marketing Essentials OLC through glencoe.com.
Situation Analysis

Situation analysis is the study of the internal and external factors that affect marketing strategies. The information from a company's SWOT analysis and from the environmental scan becomes the basis for this portion of the marketing plan.

Goals and Objectives

Objectives let everyone know what the marketing plan will accomplish. To be useful, an objective must be single-minded (have only one topic for each objective), specific, realistic, measurable, and have a time frame. For example, you cannot include increasing sales and increasing profits in the same objective. Each topic needs to be a separate objective.

Specific means that the objective provides enough detail that there can be no misunderstanding. You cannot use, “to be better than a competitor” as an objective because what is “better” to one person may not be another.

Measurable means that the objective includes a way to evaluate it. For example, you cannot simply say you want to increase sales. You need to identify the percentage increase in dollar or unit sales to make that objective measurable. Thus, you could use, “to increase dollar sales by 15 percent as compared to the same time last year.”

Finally, you must include a time frame, such as in six months, or as compared to last year’s sales. Without a time frame, you would not know if an objective was actually reached.

Marketing objectives must be in line with the organization’s goals and mission. If an organization’s goal is to double its business in five years, marketing objectives must coincide with that goal and provide the means to reach it.

A company’s mission statement provides the focus for a firm’s goals with its explanation of the company’s core competencies, values, expectations, and vision for the future.

Marketing Strategies

A marketing strategy identifies target markets and sets marketing mix choices that focus on those markets. All strategies need to take the customer’s needs and wants into account, as well as the objectives of the marketing plan.

A company’s or product’s position in the marketplace determines the appropriate marketing strategy. The positioning of the product or service will drive decisions for each of the four Ps.

An effective marketing strategy should be focused on the key points of difference. The key point of difference is the advantage a company, a product, or service has over its competition. The point of difference could be the quality of the product, a superior distribution system, a more creative ad campaign, or a more competitive pricing structure.

This competitive advantage is what will make the company successful. The marketing mix elements can help create points of difference with respect to competition.

The results of the SWOT analysis should provide enough information to identify the specific target market and suggest ideas to create the necessary point(s) of difference to be competitive.

Implementation: Make the Plan, Work the Plan

Implementation is putting the marketing plan into action and managing it. This means obtaining the financial resources, management, and staffing necessary to put the plan into action. A timetable shows when each part goes into play.

This part of the marketing plan outlines a schedule of activities, job assignments, sales forecasts (the projection of probable future sales in units or dollars), budgets, details of each activity, and who will be responsible for each activity.

This phase of the plan requires excellent communication among members of the management team so that tasks are completed on a timely basis.

Evaluation and Control

In the evaluation section of the marketing plan, measures that will be used to evaluate the plan are discussed. It is important to

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Critical Thinking

Drawing Conclusions

Phases of the Marketing Process Ask students to discuss which phase of the marketing plan is the most important. Tell students that in order to keep the economic system vital, new products must be continuously developed. Also, factors that influence the marketing process are changing all the time. For example, internal changes in a company or competition are ongoing, as are the external changes in the areas of politics, culture, society, economy, and technology.

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KEY TERMS

Have students work in small groups to review the definitions of key terms.

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Extended Activity

SWOT Role Play

Have students work in small groups and choose one component of a SWOT analysis. Ask them to create a brief role play in which one person conducting the study meets with his or her company’s employees to conduct that part of the analysis.
explain exactly how a specific objective will be measured and who will be responsible for providing that evaluation.

Performance Standards and Evaluation
Performance standards are the measuring stick. A performance standard is an expectation for performance that reflects the plan’s objectives. As part of the planning process, the control section suggests actions that should be considered if objectives are not met. In the control phase, the company’s goal is to reduce the gap between planned performance standards and the actual performance.

Let’s say sales did not reach the sales forecast numbers. One reason for this discrepancy could be recent changes in economic conditions. In such a situation, a company may revise its sales forecast in order to make it more realistic.

A SWOT analysis is to a marketing plan as (a) a glass is to water (b) a limb is to a tree (c) a puppy is to a dog (b) The SWOT analysis is an integral part of the whole marketing plan.

Key Terms and Concepts
1. What is a SWOT analysis and why is it helpful?
2. How can a business use a SWOT analysis and an environmental scan to create an effective marketing plan?
3. Why are evaluation and control important elements of a marketing plan?

Academic Skills
4. If a company’s current sales revenue is $1,386,000 and its marketing objective is to increase sales by 10 percent during the next year, what is the dollar sales goal for the following year?

Social Studies/Economics
5. How can a country’s current economic situation impact a business’s marketing plan?

Appendix
The appendix is the section of the marketing plan that includes supplemental materials such as detailed financial statements, sample ads, and other materials that support the plan.

Conclusion
The marketing process is ongoing. Think of it as a circular pattern that keeps going through the three phases of the marketing process of planning, implementation, and control. The key question at the end of the process is “Did we accomplish the objectives listed in the marketing plan within the boundaries of the plan?”

A marketing audit evaluates a company’s marketing objectives, strategies, budgets, organization, and performance. It identifies problem areas in marketing operations. A marketing audit happens on a formal basis once a year and informally on a continuous basis.
SECTION 2.2
Marketing Segmentation

BEFORE YOU READ

Identifying and Analyzing Markets

Businesses look for ways to connect with current and potential customers. The surest way to make that connection is to know these people well. This means knowing where they live, their income level, age, ethnic background, activities, values, and what interests them. When a company looks at its customers this way, it can identify groups of people who have many things in common.

THE MAIN IDEA

The key to marketing is to know your customer or target market. Market segmentation helps identify the target market.

GRAPHIC ORGANIZER

Draw and use this chart to list differences between mass marketing and market segmentation.

<table>
<thead>
<tr>
<th>Mass Market</th>
<th>Market Segmentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Definition</td>
<td>Ways to segment</td>
</tr>
<tr>
<td></td>
<td>1. Demographics</td>
</tr>
<tr>
<td></td>
<td>2.</td>
</tr>
<tr>
<td></td>
<td>3.</td>
</tr>
<tr>
<td></td>
<td>4.</td>
</tr>
</tbody>
</table>

Go to the OLC through glencoe.com for printable graphic organizers, Academic Vocabulary definitions, and more.

ACADEMIC STANDARDS

English Language Arts
NCTE 3 Apply strategies to interpret texts.

Social Studies
NCSS 3 People, Places, and Environments: apply geographic understanding across a broad range of fields

Preteaching

VOCABULARY

KEY TERMS
Read each key term aloud and have students skim this section to find that word and its definition. A volunteer can then read the definition aloud for the class.

ACADEMIC VOCABULARY
Refer to the OLC through glencoe.com for the Academic Vocabulary Glossary before they read the section.

GRAPHIC ORGANIZER
Model using the graphic organizer for students. Tell students to go to the OLC through glencoe.com for a printable graphic organizer.

Identifying and Analyzing Markets

Put out to the class that they themselves are a market. Encourage students to keep this idea in mind as they read.

Develop Concepts

Talk about each key term that is part of the main idea, rechecking definitions in context as needed.

Encourage students to start their notes on their characteristics now and add to them as they work through this section.
IDENTIFYING AND ANALYZING MARKETS

Have students list at least some of these characteristics: age, gender, income, marital status, ethnic background, education, and occupation. Inform students that these and other characteristics make up their demographic characteristics.

Clarify
Tell students that as their demographic characteristics change, they are reclassified in different kinds of terms to marketers.

Writing Support
Guided Practice

Determining Lifestyle
Have students research and select a print or online periodical that is targeted to a particular interest group. Examples might include magazines that are geared to a particular sport or to a music consumer. Ask students to predict and summarize the prospective audience for the periodical in a one-page response. Encourage students to support their conclusions with examples from the periodical.

Marketers analyze groups of customers to see if any of them can be further broken down into smaller, more precise clusters. The process of classifying people who form a given market into even smaller groups is called **market segmentation**. Let’s look at the market for jeans. A marketer might ask, “Who buys jeans? At what price? What special features do they want?” Depending on the answers to these questions, the market for jeans could be segmented:

- **By age** jeans for kids, teens, and adults.
- **By price** marketers need to reach different income levels (often referred to as socio-economic groups).
- **By desired features** tight fit, comfortable fit, newest fashion, or a unique design.

To meet the needs of these different market segments, jeans manufacturers develop a unique marketing mix, including different products, promotions, stores for distribution, and price points. For example, Levi’s jeans are available in relaxed fit, regular fit, 501 original, loose straight, loose boot cut, low rise straight, and low rise boot cut.

The next question marketers ask is, “Which of these segments should we target?” It is usually too costly to target all the potential target markets. So, it is very important to identify those markets in which the company has an advantage that enables it to survive against its competition over a long period of time. Marketers call this situation a sustainable competitive advantage.

Companies study data generated by governments, private research firms, trade associations, and their own research to determine if a given target market is large enough to justify the expense. For example, United States census data might reveal that there are enough teenagers to justify making jeans for that segment of the market. To get a handle on the jeans market, additional research would reveal more about this market segment: their buying behavior, interests, activities, opinions about

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**AD GUIDE • PEPSI for EVERYBODY**

*PEPSI for EVERYBODY* PepsiCo, Inc. does extensive market research as do many other large corporations. This research reveals how the market for a given product is segmented. This information plays an important role in determining where and how a product is advertised.

Which market is PepsiCo trying to reach with this print ad? How?

Discussion
Lead a discussion of market segmentation by asking students to give their first impressions of this ad. Ask them to brainstorm to whom the ads might be directed.

Caption Answer
Pepsi is attempting to reach a Spanish-speaking family demographic with this ad by featuring their product in a family-specific setting with appropriate ethnic cuisine as well as using the Spanish language.

Follow Up
Encourage students to find and bring in to class other ads that are directed to a particular market segment. Have students identify the market segment to whom the ad is directed.
fashion, values, status, household income levels, ethnic background, and any other factor that might help marketers create a customer profile. The more specific the information is, the easier it is to design the jeans, price them, create the appropriate promotions, and sell them in the right outlets. The same factors are used to describe a target market. They are: demographics, geographics, psychographics, and behavioral factors.

**Demographics**

Demographics refer to statistics that describe a population in terms of personal characteristics such as age, gender, income, marital status, ethnic background, education, and occupation.

**Age**

Marketers can easily use age to segment the market by creating age ranges. The United States Census provides information that might help in deciding on the age categories. Here are common labels used to segment the population by generation:

- **Baby Boom Generation** The 76 million babies born in the United States between 1946 and 1964 are known as the baby boomers. As baby boomers get older, their income and spending power increase. So, they are prime targets for all types of products, such as technological gadgets, cosmetics, and products to enhance lifestyle.

- **Generation X (or the Baby Bust Generation)** They followed the Baby Boom Generation. Most members of Generation X are children of dual-career households or divorced parents. They have been bombarded with media from an early age. They are savvy purchasers and skeptical consumers. To reach this group, marketers must use sharp images, music, a sense of humor, and meet them on their terms.

- **Generation Y** They are the sons and daughters of the later baby boomers. Generation Y is also known as the Echo Boomers or Millennium Generation. According to the U.S. Census, this group is more racially and ethnically diverse with spending power. Fashions and information get passed along via the Internet, as most members of this generation use e-mail and surf the Web.

**Income**

Marketers want to know how much money they have to spend on different products. For this reason, they look at two types of income measurement: disposable income and discretionary income. **Disposable income** is the money left after taking out taxes. Marketers who produce and distribute products that are necessities are interested in changes in consumers’ disposable income. **Discretionary income** is the money left after paying for basic living necessities such as food, shelter, and clothing. Marketers who sell luxury and premium products are interested in changes in consumers’ discretionary income.

**Marital Status**

The U.S. Census indicates that married couples have slipped to 49.7 percent of total households, compared with 80 percent in the 1950s. Reasons for this reduction in married couples can be attributed to several factors. People are older when they get married for the first time, divorcing more, living longer, and remarrying less. Married couples with kids represent less than 25 percent of the population.

**Ethnic Background**

The U.S. population is becoming more multicultural and ethnically diverse, mainly as a result of increased immigration. The Caucasian population is declining, relative to other ethnic populations. African American, Hispanic, and Asian American populations make up more than 30 percent of the U.S. population. By 2025, these ethnic groups will represent more than 37.2 percent of all Americans.

**Gender**

Gender helps to create market segments as well. Jockey, at one time a men’s underwear company, doubled its sales when it entered the women’s market with Jockey underwear for women.

**Marketing to Children**

Ask interested students to research laws and regulations about advertising to children. Moderate a class discussion about whether it is ethical to market to children. Some students will argue that children should learn early that advertising is meant to influence them and begin to make judgments about what they see. Those against advertising aimed at children may point out that children cannot easily distinguish between fact and fiction, determine what is good for them and what is not, or make the distinction between program and advertising. They might further argue that when children are exposed to advertising, a responsible adult should be with them to talk about what they are seeing.
Geographics

The term geographics refers to segmentation of the market based on where people live. Geographics relate closely to demographics because of the similarity among people who live in a certain area. To segment a market geographically, you can refer to local, regional, national, or even global markets. For example, a small, independent restaurant generally caters to people who live in its vicinity. Some products, such as Coca-Cola and Pepsi, are marketed nationally and internationally.

- Businesses that are interested in marketing to Latinos need to know the top Hispanic markets, which are Los Angeles, New York, Miami, Houston, and Chicago. The best place to market-test new products for Latinos would be in these geographic areas.
- Fifty-five percent of the African-American population live in the South. However, the city with the largest number of people identified as African American is New York City with 2.3 million. Chicago is second with 1.1 million, followed by Detroit, Philadelphia, Houston, Los Angeles, Baltimore, Memphis, Washington, D.C., and New Orleans. Any company that wants to reach African Americans would want to make sure it has distribution outlets in those key cities.
- If you were interested in marketing to children, it would be good to know where a large number of them live. According to the U.S. Census, Utah and Alaska had the highest proportion of their populations in the 5-to-13 age group (15 percent each). States with 14 percent were Texas, Arizona, California, and Idaho.
- In 2005, the population 65 years of age and older could be found in the greatest numbers in California (3.8 million), Florida (2.9 million), New York (2.5 million), Texas (2.2 million), and Pennsylvania (1.8 million).

Psychographics

Psychographics involves grouping people with similar lifestyles, as well as shared attitudes, values, and opinions. Consumer lifestyles include how people spend their time and money. Attitudes, values, and opinions require special research to learn more about a group’s personality traits and motivation.

Activities

If you made a list of all of your present activities, you would come to realize just how many market segments can be identified by psychographics. A good way to get a feel for market segmentation by activities is to visit the magazine section of a bookstore. For each interest group and activity, you will find at least one related magazine, which represents a market segment.

Attitudes

Consumers’ attitudes, such as taking responsibility for one’s health, eating healthier, and becoming physically fit, are trend-setting issues for marketers in the twenty-first century.

Personality & Values

More advanced study of psychographics includes the study of personality characteristics and values.

Behavioral

Segmenting the market based on product-related behavior involves looking at the benefits desired by consumers, shopping patterns, and usage rate. For example, many people, regardless of their socio-economic status, desire luxury and premium merchandise. The luxury market is a growing consumer trend as

Extended Activity

Changing Geographics

The American family has changed over the decades. Ask students to research and describe the typical U.S. family of the 1950s, the 1980s, and today. Have students write a short report on their findings and include the ways in which marketers may have changed the way they approach selling to the families of different decades.
individuals define themselves more and more through the products and brands they buy.

For example, MasterCard research revealed five groups of online consumers: confident core users; cautious shoppers, mainstream users; curious but not convinced; and technology skeptics. The overriding finding was that enhanced security measures influenced a shopper’s online purchase decision. Each group had different levels of concern about security.

How Marketers Use Consumers’ Behavioral Patterns

Astute marketers study shopping patterns to determine usage rates. Jupiter Research, a market research company, has determined that most teenagers spend about $50 a month on entertainment and that teenage girls spend 15 percent more on music than teenage boys.

Companies classify their customers according to the percentage of sales each group generates. Many businesses find that the 80/20 rule applies. The 80/20 rule means that 80 percent of a company’s sales are generated by 20 percent of its loyal customers.

Mass Marketing Versus Segmentation

When products have universal appeal and few features to differentiate them from competitors, mass marketing is used. Mass marketing involves using a single marketing strategy to reach all customers.

A New Marketing Trend

Since most products can be segmented by demographics, psychographics, geographics, or buying behavior, mass marketing is not as popular as it once was. The current trend is niche marketing, which means that markets are narrowed down and defined with extreme precision. Even products that use one slogan in their advertising, such as Got Milk? ads, will use different models or themes to reach different segments of the market.

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Study of psychology includes examination of all types of human behavior. The more understanding a person has about other people, the more likely that person will be able to reach and persuade them.

For instructions, ideas, and answer guide, go to the Teacher Center at the Marketing Essentials OLC through glencoe.com.
A SWOT analysis identifies a company’s internal strengths and weaknesses, as well as external opportunities and threats. Internal strengths and weaknesses involve analysis of the company, its customers, and its competitive position. External opportunities and threats include political, economic, socio-cultural, and technological factors.

A marketing plan is a written document that directs the marketing activities of a company for a specific period of time. It includes an executive summary, situation analysis, marketing goals, marketing strategies, implementation, evaluation and control, and appendix.

Market segmentation classifies people in a given market into smaller groups. Four methods of segmenting are demographics, geographics, psychographics, and buying behavior.

Demographics can be broken down by age, gender, income, marital status, and ethnic background. Geographics relates to similarities among people who live in a certain area. Psychographics groups people with similar lifestyles, attitudes, values, and opinions.

On a sheet of paper, use each of these key terms and academic vocabulary words in a written sentence.

Key Terms
- SWOT analysis (p. 27)
- environmental scan (p. 30)
- marketing plan (p. 32)
- executive summary (p. 33)
- situation analysis (p. 35)
- marketing strategy (p. 35)
- sales forecasts (p. 35)
- performance standard (p. 36)

Academic Vocabulary
- factor (p. 27)
- technology (p. 28)
- range (p. 39)
- attitude (p. 40)

The purpose of a SWOT analysis is to help the company analyze its own strengths and weaknesses and the opportunities and threats in its environment.

The three key areas involved in an internal company analysis are company, customers, and competition (three Cs).

The factors in an external environmental scan are political, economic, socio-cultural, and technological (PEST).

The basic elements of a marketing plan include: summary, situation analysis, objectives, marketing strategies, implementation, evaluation, and control.

Market segmentation is classifying people in a given market into smaller groups based on common characteristics.

Using demographics to analyze a population involves segmenting it in terms of personal characteristics such as age, gender, income, marital status, ethnic background, education, and occupation.

Analyzing according to geographics involves segmenting the population based on where people live.

Psychographics focus on examining the market according to similar lifestyles and shared attitudes, values, and opinions.

Mass marketing refers to the using of a single marketing plan in efforts to reach all customers.

Market segmentation involves breaking the mass market into smaller parts based on shared characteristics and then aiming specific marketing efforts at a smaller group.

Sample answers might read:

Key Terms  A SWOT analysis is an analysis of internal strengths and weaknesses, as well as external opportunities and threats.

Academic Vocabulary  A factor is an active contributor to the production of a result.
CHAPTER 2 REVIEW

BUILD REAL-WORLD SKILLS

12. Workplace Skills
Answers should list three things the salesperson did to establish rapport, such as looking the customer in the eye, asking questions about product use, or sharing personal experiences.

13. Technology Applications
Answers should indicate the ability to make use of the program used to create spreadsheets. Spreadsheets should demonstrate an understanding of how to collate and chart demographic information.

BUILD ACADEMIC SKILLS

14. Math Practice
The two largest figures on this list represent the top 20 percent of customers; 80 percent of the company’s sales ($700,000 + $815,000) are generated by the top 20 percent of customers.

15. Social Studies
Student reports should demonstrate an understanding of the makeup of a population as well as specific information about the community. Paragraphs can be evaluated according to how well goals were met and by the quality of research.

16. Prepare a SWOT Analysis
Student charts and their responses during discussion should display an understanding of the components of SWOT analysis. Analyses should include appropriate strengths, weaknesses, threats, and opportunities.

DEVELOP CRITICAL THINKING

16. Prepare a SWOT Analysis
Select a company that interests you and on which you can find information (on the Web, through observations at different stores, or in business publications). Prepare a SWOT analysis. Then, prepare a chart that depicts the company’s internal strengths and weaknesses, as well as its external opportunities and threats. Be prepared to discuss your analysis with classmates.

APPLY CONCEPTS

17. Segment a Market
Student's reports and presentations should express an understanding of a market segment as well as the components of the marketing plan. Presentations can be evaluated according to how well goals were met, quality of research, and mastery of the presentation software.

Math Practice

The 80/20 rule
Here are the sales figures for ten customers: (1) $75,000; (2) $700,000; (3) $815,000; (4) $70,000; (5) $60,000; (6) $30,000; (7) $25,000; (8) $53,750; (9) $40,000; and (10) $25,000. Explain the 80/20 rule using these figures.

For help, go to the Math Appendix located at the back of this book.

Social Studies

Market Segmentation
When marketing products to consumers, it is important to know about their characteristics and background. Research your community to determine its demographic makeup. Write a paragraph describing who lives in your community. Include such information as the total population and the number of people in various age ranges.

Prepare a written report and a visual presentation of your ideas.

Formative Assessment

Formative assessment is an essential component of classroom work. This type of assessment provides information that is then used as feedback to modify teaching and meet student needs.

L1 Ask students to work in pairs to explain the key terms in this chapter to one another.
L2 Ask students to name and describe the four components of SWOT analysis.
L3 Have students work in small groups to choose a product and create a marketing plan for it.

If the results of this formative assessment seem low, consider the following activity:

Ask students to read the selection subheads aloud and construct an outline which includes at least one key point under each heading.
Students should be evaluated on the performance standards noted in the role play. For another DECA role play, go to the Competitive Events Workbook or the Student Activity Workbook, or go to the Marketing Essentials OLC through glencoe.com.

For more information and DECA Prep practice, go to the Marketing Essentials OLC through glencoe.com.

1. Directions Choose the letter of the best answer. Write the letter for the answer on a separate piece of paper.
   What is 150 percent of 44?
   A 80
   B 50
   C 66
   D 88

2. Directions Choose either True or False as the answer. Write the letter for the answer on a separate piece of paper.
   The 20 in the 80/20 rule represents 20 percent of a company’s sales.
   T
   F

Test-Taking Tip
When you sit down to take a math test, jot down important equations or formulas on scrap paper. This way, you will not forget them during the test.

1. A SWOT analysis is a marketing plan. (false)
2. A target market is as big as a market can get. (false)
3. External factors, political, economic, social, and technological, all affect a company's marketing efforts. (true)
4. Customer profiles help determine marketing strategies. (true)
5. Small companies have no need for marketing plans. (false)

For an expanded chapter quiz, go to Chapter 2 in the TeacherWorks™ Plus DVD and to Chapter 2 in the ExamView® Assessment Suite.

For instructions, ideas, and answer guide, go to the Teacher Center at the Marketing Essentials OLC through glencoe.com.

MINI-QUIZ

Have students write or volunteer answers as you read each item aloud.

1. A SWOT analysis is a marketing plan. (false)
2. A target market is as big as a market can get. (false)
3. External factors, political, economic, social, and technological, all affect a company’s marketing efforts. (true)
4. Customer profiles help determine marketing strategies. (true)
5. Small companies have no need for marketing plans. (false)

For an expanded chapter quiz, go to Chapter 2 in the TeacherWorks™ Plus DVD and to Chapter 2 in the ExamView® Assessment Suite.

DECA Advisors Corner

Present an activity in marketing terms, where a new DECA chapter is the product. Work with your own DECA chapter to create a SWOT analysis and then a marketing plan. Secure the name of a school where you hope to create a DECA chapter and assign marketing tasks to chapter officers.
CONDUCT A SWOT ANALYSIS FOR NASCAR

**BASIC BACKGROUND**
NASCAR wants to begin holding races in the New York City area and attract teenagers as new fans. It would also like to sign sponsorship deals with high-tech and financial services companies. A few of your clients fit that description. You work with a large bank, an Internet company, a mobile phone service provider, and a teen apparel retailer.

**SKILLS NEEDED**
Preview the project, and then brainstorm a list of skills you will need to complete it. Describe how you might apply them. Some skills might include:
- **Academic Skills** reading, writing, social studies, and researching skills
- **Basic Skills** speaking, listening, thinking, and interpersonal skills
- **Technology Skills** word-processing, telecommunications, and Internet skills

**ASSIGNMENT AND STRATEGY**

- **Conduct research** Research NASCAR and its marketing activities. How successful is NASCAR as a business entity? How well does it follow the marketing concept? Who are NASCAR’s official sponsors? Do they compete with your clients? What is the customer profile of NASCAR’s target market?

**YOUR OBJECTIVE**
Once you know more about NASCAR, you will be in a better position to suggest a client for a sponsorship deal. The bank has branches in four states. The Internet company is a small auction site specializing in sports memorabilia. The cell phone company sells phones and plans with walkie-talkie and messaging features. The apparel retailer is a chain found in major shopping malls around the country.

Marketing Activities
Ask students to research and write about an athlete and his or her marketing activities. Ask them to consider what qualities make this athlete an effective spokesperson for the products he or she represents. Students can then organize their findings in a one- to two-page essay. For example, you may want to discuss the Lance Armstrong Foundation and the Nike-sponsored LIVESTRONG™ yellow wristband that stirred a cultural phenomenon around the world. It started out as a reference to Armstrong’s cancer story and quickly grabbed hold of the hearts of many people, from professionals to kids to other athletes. Tell students to be sure to discuss in their essays why they think that particular athlete was chosen to market the products and how the athlete’s representation may help to improve the products’ image or sales.
Explain to students that portfolios provide evidence of their knowledge and skills in working with data, people, and concepts. A portfolio is a valuable career tool. Point out to students to present a portfolio in a professional and organized manner. Encourage students to check the portfolio information available at the Marketing Essentials OLC through glencoe.com.

**Peer Review**

Fellow students who share common interests can serve as reviewers of the final portfolios. This review can be completed through the use of a checklist. Go to the Marketing Essentials OLC through glencoe.com.

**Unit Review**

Have each student select a consumer item that is demonstrable in class, such as a folder, a pen, or a shoe. Have students determine the item’s intended consumer market by using the library and Internet to research their answer. Ask: Has the market changed over the years? Items will vary, as will their markets. For example, the athletic shoe is no longer just for competitive athletes, but marketed and purchased by consumers with fashion and comfort in mind. Yet, the ballpoint pen has remained virtually unchanged for decades.

**STEP AHEAD**

Ask students how marketing and marketing plans influence the free enterprise system and the global economy. Answers may suggest that marketing helps a business compete nationally and internationally.

**Internship Wrap-Up**

Ask students what considerations a business should make before sponsoring a NASCAR race team. Have students give their responses in a ten-minute oral report. Encourage the use of presentation software and other visual aids. Answers may include that both parties align on demographics, psychographics, and geographics data.