

BUSINESS — Concepts of Branding and Marketing

Marketing Concept · Products · Target Market · Marketing Mix · Branding · Selling

PAGE 1 · CHAPTER ROADMAP, DEFINITIONS & CORE CONCEPT

1 CHAPTER OVERVIEW — THE ROADMAP

CENTRAL IDEA Marketing plays a key role in business success: identify the **needs and wants** of buyers, then provide goods & services that **meet or exceed expectations**. It must coordinate with **operations, finance and management**, generating revenue and **long-term, trust-based** customer relationships.

AREA 1
Marketing concept & activities

AREA 2
Products
Consumer · industrial · services · digital

AREA 3
Marketing strategy
Target market + 5Ps

AREA 4
Branding
7 key elements

AREA 5
Selling
Marketing vs sales

2 KEY DEFINITIONS

Teal terms = high exam priority

Marketing

A **systematic approach** to meeting consumer needs through **planning, pricing, promotion and distribution** — not manipulation or just selling/advertising.

Marketing concept

Using marketing data to address **customer needs and wants**, which helps achieve organisational goals.

Exchange

The **core of marketing** — goods, services or ideas in return for money/credit (or non-monetary, e.g. recognition).

Product

"Anything offered to a market for **attention, acquisition, use or consumption** that might satisfy a want or need" (Kotler & Armstrong).

Service

Application of human & mechanical efforts to provide **intangible benefits**; cannot be stored or owned.

Digital product

Created in a **digital format** as a file — downloaded or streamed; purchasers are **digital buyers**.

Marketing strategy

A plan for **developing, pricing, distributing and promoting** products: **target market + marketing mix**.

Market

People with a **need, purchasing power**, and the desire & authority to spend.

Target market

A more **specific group** of consumers on whose needs a company focuses its marketing.

Market segmentation

Separating, identifying & evaluating the **layers of a market** to identify a target market.

Marketing mix

The **Five Ps** — product, price, place, promotion + **people or packaging** (traditionally 4Ps).

Branding

A way to **identify products and distinguish them** from competitors — typically a name and symbol.

Trademark

A brand's **legally protected identifier**, preventing others from using it.

Selling concept

Customers won't buy enough **unless persuaded** through selling & promotion efforts.

3 CORE CONCEPT — MUTUALLY BENEFICIAL EXCHANGE

BUSINESS GIVES

Goods, services or ideas

Innovative — and conveniently available, well-priced, well-promoted



CUSTOMER GIVES

Money or credit

...or non-monetary value (e.g. recognition for volunteering)

RESULT

Value for both sides

Firm reaches its goals only by offering customers something valuable

4 MARKETING ≠ SALES — A COMMON MISCONCEPTION

MARKETING

Focuses on **communicating the value** of a product/service to customers, encouraging them to purchase.

SALES

The **actual exchange** of products or services for money or credit.

WHAT MARKETING IS NOT Not about **manipulating** consumers, nor simply **selling and advertising**. Predicting behaviour is hard — unclear motives, **fragmented markets**, demand for customised products & better service.

PAGE 2 · MARKETING CONCEPT, ACTIVITIES & WHAT A PRODUCT IS

5 THE MARKETING CONCEPT — 3 KEY COMPONENTS

①

Focus on customer needs & wants

To differentiate products from competitors

+

②

Integrate all organisational activities

Incl. production & promotion, to meet these needs

+

③

Achieve long-term goals

By satisfying needs legally & responsibly

STUDY TEXT EXAMPLES

- Ride-hailing firms saw customers couldn't get items delivered → launched **delivery & logistics** using existing cars & bikes
- Food chains offer **loyalty points / membership cards** to retain customers vs new entrants

KEY TO UNDERSTANDING IT

Products are built from **market research from inception** — **not** made by production first and then handed to marketing to find ways to sell.

CUSTOMERS BUY BENEFITS

A **vacuum cleaner** = clean carpets; **premium coffee shops** = convenience, quality, inviting environment. The intangible "something of value" (capability, image, **brand name**) may matter more than the tangible product.

6 MARKETING ACTIVITIES THAT GENERATE EXCHANGES

Study Text lists 8 and also explains branding

1 Buying

Everyone decides whether & what to buy — understand buyers' needs

2 Selling

Persuasive — via promotion: advertising, personal selling, sales promotion, publicity, packaging

3 Branding

Increase sales & differentiate — logo, registered trademark, unique name

4 Transporting

Moving products seller → buyer; focus on costs & services

5 Storing

Warehousing → **time utility**; e.g. **orange juice** concentrate in cold storage all year

6 Grading

Standardise into labelled subgroups — meat, steel, fruit (often government standards)

7 Financing

Arranging **credit** for large items — cars, refrigerators, homes

8 Marketing research

Ascertain need for new products; detect **trends** & changing preferences

9 Risk taking

Chance of loss — e.g. new product not accepted → lose development costs

⚠ SELF-TEST Q3 Accounting is NOT one of the marketing activities.

7 WHAT IS A PRODUCT?

KOTLER & ARMSTRONG

"Anything that can be offered to a market for **attention, acquisition, use or consumption** that might satisfy a want or need" — includes **physical objects, services, persons, places, organisations and ideas**.

A complex mix of **tangible & intangible** attributes; includes emotional & psychological features and supporting services — installation, guarantees, information, repair commitments.

GOOD

Physical entity that can be touched — luxury car, printer, bicycle

SERVICE

Human & mechanical effort → intangible benefits — air travel, dry cleaning, haircuts, banking, insurance, medical & child care

IDEA

Concepts, philosophies, images, issues — legal advice for a fee; environmental & advocacy groups, educational institutions

KEY POINTS Purchases involve **trade-offs** (favourable vs unfavourable attributes). Products are the firm's most visible contact with consumers; the product is often the **central focus of the marketing mix** — price, promotion & distribution must be coordinated with it.

8 4 CHARACTERISTICS OF A PRODUCT

① Relevant

Users have an **immediate use**; functions as intended with **good quality**

② Communicated

Users know why they need it & its benefits — via **advertising & brand building**

③ Has a name

A memorable name → it becomes a **brand**, standing out from the clutter

④ Adaptable

Adapts with trends, time & segments to stay relevant and keep **revenue**

PAGE 3 · TYPES OF PRODUCTS

9 TYPES OF PRODUCTS — CLASSIFICATION TREE



10 INDUSTRIAL vs CONSUMER PRODUCTS

Study Text table

Basis	INDUSTRIAL PRODUCTS	CONSUMER PRODUCTS
Meaning	Used for further production of other goods	Used for final consumption by end consumers
Number of buyers	Limited	Numerous (Q12)
Buying decision	Technical specifications & goodwill	Advertising & sales promotion schemes
Nature of demand	Derived demand (Q11)	Direct demand

PART vs MATERIAL A component is used **without change** in the end product; a **material** undergoes a **transformation**.

11 APPLY IT — CLASSIFY THE PRODUCT

Examples from the Study Text

Product (and buyer)	Classification
Milk, newspapers, chewing gum	Consumer — convenience
Furniture, appliances	Consumer — shopping
Luxury watch, high-end car	Consumer — specialty
Potatoes & salt bought by a chips maker	Industrial — raw material
Tyres & batteries bought by a car maker	Industrial — manufactured part
Welding robots in a car factory	Industrial — capital item
Oil & grease to lubricate machines	Industrial — supplies
An eBook bought on Kindle	Digital product

PAGE 4 · MARKETING STRATEGY, 5 Ps & ORIGIN OF BRANDING

12 DEVELOPING A MARKETING STRATEGY



13 SELECTING A TARGET MARKET

MARKET vs TARGET MARKET

Market: people with a need, purchasing power, desire & authority to spend.

Target market: a more specific group the firm focuses on → uses resources **efficiently**.

STUDY TEXT EXAMPLE

A clothing brand first targeted **women 25+**, then all women, men & children; diversified into home linen & spin-off brands.

BROAD CLASSIFICATION

Consumer markets — cameras, clothes, household items

Industrial markets — plastic, steel
Some serve both — e.g. **tyres**. Only a **broad** description.

Approach	TOTAL-MARKET APPROACH	MARKET SEGMENTATION
Idea	Appeal to everyone ; assume all buyers have similar needs	Divide the total market into segments sharing characteristics & similar needs
Used by	Sellers of salt, sugar , many agricultural products	Most firms
Example	Everyone is a potential consumer	Families with children → hot & presweetened cereals; without → health-oriented cereals. Business markets: large vs small customers, geography

DEMOGRAPHIC

Age, sex, race, ethnicity, income, education, occupation, family size, religion, social class — **readily measured**. e.g. clothing & fragrances by **gender**; toys by **age**

GEOGRAPHIC

Climate, terrain, natural resources, population density, subcultural values — e.g. **climate** affects clothing, cars, heating/AC, leisure equipment

SOCIAL FACTORS

Personality, motives, lifestyles, faith & beliefs — e.g. soft drinks in **2-litre bottles & can cases** for different lifestyles

14 CREATING THE MARKETING MIX — THE 5 Ps

Traditionally 4Ps; 5th = People or Packaging

PRODUCT

Offered in exchange — goods (smartphone), services (telecoms), ideas (being connected). Tangible + intangible; has a **useful life & life cycle**; must keep improving.

PRICE

Value given up — monetary or **non-monetary** (queueing, donating blood); rent, fees, charges. Drives **revenue & profit**; adjusted quickly for demand/competitors.

PLACE

Distribution in desired quantities — store, vending machine, online. **Intermediaries** (wholesalers, retailers): transport, warehousing, handling, inventory.

PROMOTION

Inform & influence buyers — advertising, sales promotion, PR, personal selling, social media, e-commerce. **Most visible** part — not all of marketing.

PEOPLE

Using **employees** to support marketing strategy — crucial to a product's **intangible** aspects.

15 ORIGIN & MEANING OF BRANDING

ORIGIN

Old Norse “brand” = “to burn”

Producers burned their symbol onto products

1200s

Italians

Watermarks on paper

19TH CENTURY

Mass-marketing branding

Rise of packaged goods; Industrial Revolution — logos on soap barrels

RESULT

Marks became trademarks

Signalling quality & trust

BRANDING

A way to **identify products & distinguish them** from competitors (Q15) — typically a **name and symbol**.

TRADEMARK

Legally protected identifier. Some become the **name of the product itself** (a popular cola → any soft drink; a leading nappy → any diaper). Sometimes the **symbol** is more recognised than the name.

AS A MARKETING ACTIVITY

Undertaken by marketing to **increase sales**, promote & **differentiate** — logo, registered trademark, unique product name.

PAGE 5 · BRANDING, SELLING & MARKETING vs SALES

16 IMPORTANCE OF BRANDING

✓ BRANDING...

- ✓ Shapes **perceptions**
- ✓ Attracts **new customers**
- ✓ Increases **brand awareness**
- ✓ Influences **consumer decisions**
- ✓ Helps determine **pricing**
- ✓ Helps introduce **new products** using existing positive perceptions
- ✓ → **long-term profitability**

MORE THAN NAMES & LOGOS

Effective branding covers **every aspect of the customer's experience** — design, quality, service, purchasing experience. Requires deep understanding of customers and a **long-term commitment** to delivering the brand's unique value.

17 7 KEY ELEMENTS (PILLARS) OF BRANDING

1 Brand positioning

Creating an **image** of the product in customers' minds

3 Brand elements

Components of **identity** — name, slogan, colour, character, symbol, sound, jingle, shape, graphics, taste, movements

5 Brand personality

Characteristics representing the business's **culture, purpose, mission, vision & goals**

7 Brand image

The customer's **perception** of a specific brand

2 Brand attributes

Features & characteristics highlighting brand **personality** — built through actions, imagery, advertising

4 Brand ownership

Protect rights by **registering a trademark** (Q16); license the name, patents or knowledge for payment

6 USP

Key characteristics showing why the product is **superior** to similar products

⚠ DON'T CONFUSE

Positioning = image the firm creates · **Image** = what the customer perceives · **Elements** = the identity components

18 SELLING & THE SELLING CONCEPT

SELLING

The **short-term** need to **close a sale** / secure an agreement. e.g. **sales volume targets** for weeks, months or quarters, with strategies for sales staff.

THE SELLING CONCEPT

Customers **won't buy enough unless persuaded**. Consumers are typically **inert** → convert inactive needs into **buying motives** through persuasion & selling.

WHEN IT'S USED

Unsought goods — life insurance, vacuum cleaners, firefighting equipment (strong sales force). Also **overproduction** — sell what is produced, not what customers want, e.g. **perishables**.

19 MARKETING vs SALES

Study Text table

Basis	MARKETING	SALES
Definition	Systematic planning, implementation & control of activities bringing buyers & sellers together	A transaction : buyer receives goods, services or assets for money
Approach	Broad — selling, client relationships, future needs , long-term strategies	Align demand with products currently offered
Focus	Overall promoting, distributing & pricing to fulfil wants & needs	Achieve sales volume objectives
Process	Market & channel analysis, competitors, pricing, sales tracking, market share, budgeting	Usually one to one
Horizon	Long term	Short term
Priority	How to reach customers & build lasting relationships	The ultimate outcome of marketing
Identity	Builds a brand identity customers associate with need fulfilment	Opportunistic , individual, human interaction — no reliance on brand identity
Audience	General population / broad audience	Individuals or small groups of prospects

PAGE 6 · KEY ACTIVITIES, EXAM PATTERNS, TRAPS & DECISION TREE

20 MARKETING ACTIVITIES vs SALES ACTIVITIES

MARKETING — generate interest, create leads

- Consumer research to identify needs
- Innovative products for existing or **latent** needs
- Advertising → awareness & brand
- Pricing to maximise **long-term** revenue

SALES — convert prospects into paying customers

Direct interaction with prospects to persuade them. Supports marketing by ensuring customers get a **quality product on time**. Neither works in a vacuum — they **rely on each other**; in small firms the same people often do both.

21 HOW THIS CHAPTER CAN BE TESTED

1 Definition / fill-in — marketing = systematic approach (Q1); branding identifies & differentiates (Q15)

3 Classification — consumer (convenience/shopping/specialty) vs industrial (4 categories)

5 Scenario — classify a product; identify a segmentation base or a P of the mix

2 “Which is NOT...” — accounting is not a marketing activity (Q3); relevance is not a product class (Q4)

4 Comparison — industrial vs consumer; marketing vs sales; total-market vs segmentation

6 Branding elements — positioning, attributes, elements, ownership, personality, USP, image

22 EXAM TRAPS

1 Marketing ≠ sales — Marketing communicates **value** (long term); sales is the **exchange** (short term).

3 Marketing concept order — Research customer needs **first**, then make the product — not the reverse.

5 Product classes — Goods, services, ideas — **relevance** is a characteristic, not a class (Q4).

7 Industrial sub-types — Raw materials, parts, **capital items, supplies** → industrial (Q8).

9 Demand type — Industrial = **derived** demand (Q11); consumer = **direct**, many buyers (Q12).

11 5th P — People **or** packaging — not product or price (Q14).

13 Positioning vs image — Positioning = image the firm **creates**; brand image = customer's **perception**.

2 Marketing ≠ promotion — Promotion is the **most visible** part only — marketing is much broader.

4 Accounting — **Not** a marketing activity (Q3) — transporting, storing, grading are.

6 Consumer sub-types — Convenience, shopping, specialty belong to **consumer** products (Q7).

8 Part vs material — Part used **unchanged**; material **transformed**.

10 Shopping vs specialty — Shopping: **compare price & quality**; specialty: **personal preference**, special effort.

12 Price can be non-monetary — Queueing, donating blood — price isn't only money.

14 Protecting a brand — **Register** it as a trademark (Q16).

23 DECISION TREE — CLASSIFY THE PRODUCT

WHO BUYS IT, AND WHY?

1 End user for **final consumption** → CONSUMER: bought often & easily → **convenience**; compare price/quality → **shopping**; unique, special effort → **specialty**

2 Business for **further production** → INDUSTRIAL (check next box)

INDUSTRIAL — WHICH CATEGORY?

A Unprocessed input → **raw material**

B Assembled unchanged → **manufactured part**

C Long-term plant/equipment → **capital item**

D Indirect consumable → **supplies**

PAGE 7 · MCQ CLUES, MEMORY MAP & 60-SECOND REVISION

24 MCQ QUICK-CLUE SECTION

All 17 Self-Test questions

Systematic approach to satisfying needs	›	Marketing (Q1)	›	Marketing activities include	›	Planning & pricing (Q2)
NOT a marketing activity	›	Accounting (Q3)	›	NOT a product classification	›	Relevance (Q4)
Characteristics of a product	›	Name & adaptable — all (Q5)	›	Types of products: banking, manufacturing?	›	None of the above (Q6)
Convenience/shopping/specialty	›	Consumer (Q7)	›	Capital items & supplies	›	Industrial (Q8)
Intangible part of a product	›	Service (Q9)	›	eBook buyer on Kindle	›	Digital buyer (Q10)
Industrial product demand	›	Derived (Q11)	›	Consumer product buyers	›	Many (Q12)
NOT a segmentation factor	›	Equality (Q13)	›	5th component of the mix	›	None of the above (Q14)
Identifies & differentiates products	›	Branding (Q15)	›	Protecting brand rights	›	Registered trademark (Q16)
Most important element for recognition	›	The logo (Q17)*				

* Q17 (logo most important for recognition) is **not explained in the chapter body** — learn the answer key as given.

25 QUICK MEMORY MAP

Concept	Key words	Core idea
Marketing concept	customer needs · integrate · long-term	research first, then product
Activities	buy · sell · brand · transport · store · grade · finance · research · risk	generate exchanges
Product	goods · services · ideas · 4 characteristics	tangible + intangible benefits
Types	consumer (3) · industrial (4) · service · digital	who buys & why
Strategy	target market + marketing mix	plan for the 5Ps
Segmentation	demographic · geographic · social	divide the total market
Branding	name · symbol · trademark · 7 pillars	identify & differentiate
Selling	short-term · persuasion · unsought goods	close the deal

26 BUSINESS — CONCEPTS OF BRANDING AND MARKETING IN 60 SECONDS

🔑 MARKETING

- Systematic approach to needs
- Core = mutually beneficial exchange
- Concept: needs · integrate · long-term
- Marketing ≠ sales ≠ promotion

🔑 PRODUCTS & STRATEGY

- Consumer: convenience, shopping, specialty
- Industrial: raw, parts, capital, supplies
- Target market via segmentation
- 5Ps: product, price, place, promotion, people

🔑 BRANDING & SELLING

- Brand: name + symbol; trademark
- 7 pillars incl. USP & image
- Selling: short-term, persuasion
- Marketing long-term; sales short-term