

***V. Kravchenko***

*Research supervisor: O.O. Kalinichenko*

*Candidate of Economic Sciences,*

*Senior Lecturer*

*Zhytomyr Ivan Franko State University*

*Language tutor: L.P. Serdiichuk*

## **KEY POINTS OF MARKETING THEORY**

The purpose of this article is to present a brief overview of the marketing study outcomes and interpretation of the key points of marketing theory. The interpretation will be aimed at emphasizing the practical importance of marketing today.

The key components of any marketing strategy are target market (a group of customers to satisfy) and product mix (product, price, place, and promotion). These components make the following objective all businesses need to fulfill: to increase the number of customers so as to increase sales.

Business consultant Evan Carmichael identified the three main purpose of marketing: capture the attention of a target market; facilitate the prospect's purchasing decision; provide the customer with a specific, low-risk and easy-to-take action. Since marketing is the cornerstone of every business, the overall objective is to sell more products or services.

Marketing is best identified using what are called the 4 P's or a mix of marketing: Product, Price, Promotion, and Place. Starting with *products*, companies have many procedures they must undertake to ensure their products are ready for selling. The first stage is called the "ideation stage," where the idea for the product is conceived. Then, marketing departments usually test new product concepts with focus groups and surveys to ascertain interest levels among potential buyers. If the interest level is high, marketers may then sell products on a limited basis to track sales. If product sales are high, products are then rolled out on a national level.

Before products go to the market, companies must decide what styles, sizes, flavors, and scents they should sell and the packaging designs they should use.

*Price* is also tested through focus groups and surveys. Companies must know the optimal price to sell their products to achieve maximum return. One way to determine price is to set it at a level comparable to competitors; that is if the company can recover all associated product expenses and still make a profit.

*Promotion* pertains to brochures, ads, and information which companies use to generate interest in their products. For more complex concepts, companies may promote their wares at trade shows. Promotions usually have two purposes: generate leads for sales reps or initiate actual purchases.

*Place* in marketing nomenclature is the distribution. It is how and where products are sold. Consumer product companies, for example, sell to wholesalers who, in turn, sell to retailers.

The supply, demand, and elasticity have a direct impact on marketing decisions. The low demand may point to the necessity for better promotion of products and services simply because the consumers may turn out to know too little about the product, or be unaware of it at all. There would be little wonder if our specific product is not in demand, even though our competitors sell the same one very successfully. The idea of market segmentation (naming and segmenting) is how not to lose the focus. For this purpose, identifying most promising consumers is really a critical part of marketing activities.

So, the complex reality of today's economic life requires a comprehensive knowledge and profound understanding of the marketing theory. The great variety of specific marketing decisions the businesses have to make in day-to-day life always relies not only on our specific accumulated experience and skills, but also on our learning process and ability to filter and make use of specific marketing information in every particular case, be it a small family business or a large corporation.

## References

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