**Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Period: \_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_**

**Entrepreneurship**

### Unit 4.1: The 4 Components of the Marketing Mix

Student:

Date:

Period:

1. **The Marketing Mix (Also known as )**
   * Answers:
   * Answers:
   * Answers:
   * Answers:

### Products/Services

CD

Example:

### Categories:

* + **Cereal:**

1. **Define Inventory Methods:** 
   * Tracking inventory on a daily basis as it arrives or is sold is called: Computers allow “accurate” and up-to-date information.
   * **Physical Inventory:** Mistakes can be made, items are stolen or lost. Conducting a physical count of inventory is a good idea and should be done periodically to get
   * Suppliers ship inventory just before it’s used to keep stock at a minimum is called:

### Pricing Strategies

You’re in business to . Know which pricing strategies to utilize.

### Pricing Strategies

### Psychological Pricing

### Cost-based Pricing Method

* + Utilizes Cost + Mark-up (**$** *–or–* **%**)

***\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_* + \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_= \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

# $500 sofa + $300 MU = $800

Method best used for:

### + =

$50 muffler + 60%MU = $80

$50 x .60 = $30

$50 + $30 = $80

Method best used if:

### Competition-based Pricing Method

Lower or raise price of products/services based on:

* + If Burger King offers Whopper for , McDonalds changes price of Big Mac to
  + Retailers employ people whose job is to , so they can stay in-line or offer lower prices.

— Some retailers will offer

### Demand-based Pricing Method

Price is raised or lowered based on

*Give Example:*

### Psychological Pricing Methods

CD \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_: Denotes status

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_: Odd numbers suggest bargains ($19.99); Even numbers suggest

higher quality ($20).

® \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_: Pricing items in low, moderate, and high-priced categories.

@ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_: Lower prices offered for a limited time to stimulate sales

® \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_: Items priced in multiples to suggest a bargain and to increase volume

sales (3 for $1)

® \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_: Bundling several **complementary products** together and selling them for a lower combined-price

### What are Discount Pricing Methods?

CD **Cash discounts: Example:** (2/10, n/30) A 2% cash discount if invoice paid in 10 days. Otherwise, entire amount is due within 30 days of invoice date.

*Write the terms for a 3% cash discount given if the bill is paid in 15 days. Full amount is due within 30 days of invoice date*.

### Quantity discounts:

1-1,000 units = $ each 1,001-5,000 units = $ each 5,001 + units = $ each

### ® Trade discounts:

@ **Promotional discounts:**

® **Seasonal discounts:**

1. **What is Credit?** 
   * What risks do Retailers take if they allow customers to Buy “On Account?”
   * What is the disadvantage of allowing customers to use credit cards to make purchases?

### What is the “Channel of Distribution?”

1. **Types of Channels**

!

!

### Why would you use an indirect channel of distribution?

1. **Channels of Distribution includes:**

!

!

!

### What are the 4 areas of the Promotional Mix?

CD **Advertising:**

**Publicity:**

® **Personal Selling:**

@ **Promotions:**

1. **List 4 Advertising Methods (and provide examples):**

### List 4 Publicity Methods:

### What is Public Relations:

1. **Name a company that utilizes Personal Selling**
2. **Give examples of how businesses can promote themselves:**