

Advance Marketing Management

Chapter 1: CHOOSING CUSTOMERS - Segmentation, Targeting & Positioning

Marketing begins with identifying and understanding the customer. This chapter explores the foundational process of Segmentation, Targeting, and Positioning (STP), which guides all strategic marketing decisions.

1.1. Segmentation

Segmentation is the process of dividing a large, heterogeneous market into smaller, more homogeneous groups (segments) that share similar needs, characteristics, or behaviors and are likely to respond similarly to a specific marketing action.

Geographic: Dividing the market by location: nations, regions, states, cities, or neighborhoods. Example - Fast-food chains offering different menus in Asia vs. North America.

Demographic: Dividing the market based on measurable characteristics: age, gender, income, education, occupation, religion, or family size. Example-Marketing luxury cars to high-income earners (Age 45+).

Psychographic: Dividing the market based on psychological characteristics: lifestyle, personality, values, attitudes, and interests. Example-Fitness brands targeting "health-conscious, goal-oriented achievers."

Behavioral: Dividing the market based on consumer knowledge, attitudes, uses, or responses to a product: occasion, benefits sought, user status, usage rate, and loyalty status. Example-Airlines offering loyalty programs to "high-usage, loyal customers."

1.2. Targeting

Targeting is the process of evaluating each market segment's attractiveness and selecting one or more segments to enter. A company must assess:

1. **Segment Size and Growth:** Is the segment large enough and does it have potential for growth?
2. **Segment Structural Attractiveness:** How competitive is the segment? Are there many strong substitutes or powerful buyers/suppliers (Porter's Five Forces)?
3. **Company Objectives and Resources:** Does the segment fit the company's long-term goals and does the company have the necessary skills and resources to succeed?

Targeting Strategies:

- **Undifferentiated (Mass) Marketing:** Targeting the whole market with one offer, focusing on common needs (e.g., salt, gasoline).
- **Differentiated (Segmented) Marketing:** Targeting several market segments and designing separate offers for each (e.g., The Gap targeting different age groups with Old Navy, Gap, and Banana Republic).

- **Concentrated (Niche) Marketing:** Targeting a large share of one or a few small segments or niches (e.g., highly specialized athletic gear).
- **Micromarketing (Local/Individual):** Tailoring products and marketing programs to the needs and wants of specific individuals or local customer segments.

1.3. Positioning

Positioning is defining how the company's offering is perceived by the target market relative to competitors. It involves creating a clear, distinctive, and desirable place for the offering in the minds of target consumers.

The Positioning Statement: The firm's positioning is often summarized in a positioning statement, which follows the format: *To [Target Segment and Need], our [Brand] is [Concept] that [Point of Difference].*

Example: *To busy, upper-income professionals (Target Segment) who need an easy way to get coffee (Need), Starbucks (Brand) is a premium coffee house (Concept) that offers a high-quality, customized, third-place experience (Point of Difference).*

Key Steps in Differentiation and Positioning:

1. **Identifying Competitive Advantages:** Offering better value by having lower prices or providing more benefits.
2. **Selecting the Right Competitive Advantages:** Choosing differences that are important, distinctive, superior, communicable, preemptive, affordable, and profitable.
3. **Selecting an Overall Positioning Strategy:** Choosing a "Value Proposition" (e.g., "More for More," "More for the Same," "The Same for Less," "Less for Much Less," or "More for Less").
4. **Developing a Positioning Map (Perceptual Map):** A visual tool to show consumer perceptions of a brand versus competing brands on important buying dimensions.

1.4. Case Study: Red Lobster (Abridged Summary)

Red Lobster, the world's largest seafood restaurant chain, faced significant challenges in the early 2000s.

The Challenge: Despite high brand recognition, the chain suffered from an inconsistent brand image. It was seen by some as an affordable family dinner location, and by others as a low-quality, high-carb (the famous biscuits) casual dining spot. It lacked a clear, distinctive **positioning** in a crowded casual dining market dominated by younger, more agile competitors. Furthermore, its core product—seafood—is often perceived as expensive and intimidating, creating a barrier for the desired **target segment** of young professionals.

The Response (Strategic Shift): The company had to redefine its **Segmentation and Targeting**.

- **Old Target:** Broad family dining.
- **New Target:** Families and young adults who desire fresh, high-quality seafood but don't want the high price or stuffy atmosphere of fine dining.

- **New Positioning:** Red Lobster shifted its focus to a clearer value proposition: "Affordable Fresh Seafood" in a comfortable, celebratory environment. This was supported by massive interior redesigns, updated menus with healthier options, and marketing campaigns focusing on the **source** and **freshness** of the fish, thus differentiating itself from other casual dining competitors on the key benefit of "seafood expertise."

Learning Points: The Red Lobster case illustrates the criticality of aligning all marketing mix elements (Product: fresher menus; Place: redesigned restaurants; Promotion: focus on freshness; Price: affordable bundles) with a singular, clear positioning strategy for a chosen target segment.

Chapter 2: CREATING VALUE - Product Life Cycle and Product Management

This chapter focuses on managing the offerings themselves—products and services—from conception to decline, establishing brand identity, and setting the right price.

2.1. Product Life Cycle (PLC) and Product Management

The **Product Life Cycle (PLC)** is the course a product's sales and profits take over its lifetime. It consists of five distinct stages, each requiring different marketing strategies.

1. **Product Development:** Zero sales, high investment costs.
2. **Introduction:** Slow sales growth, negative or low profits, high distribution and promotion expenses.
3. **Growth:** Rapid market acceptance and increasing profits.
4. **Maturity:** Slowdown in sales growth, profits stabilize or decline, increased competition.
5. **Decline:** Sales fall off and profits drop.

2.2. New Product Development (NPD)

The process of creating and bringing a new product to market is critical for a firm's long-term survival.

Stages of NPD:

1. **Idea Generation:** Systematic search for new product ideas (Internal: R&D, employees; External: Customers, competitors, suppliers).
2. **Idea Screening:** Sifting through ideas to spot good ones and drop poor ones as soon as possible.
3. **Concept Development and Testing:**
 - *Concept Development:* Developing the product idea into a detailed product concept (a detailed version of the idea stated in meaningful consumer terms).
 - *Concept Testing:* Testing new product concepts with groups of target consumers to find out if the concepts have strong consumer appeal.

4. **Marketing Strategy Development:** Designing an initial marketing strategy for the new product based on the concept.
5. **Business Analysis:** A review of the sales, costs, and profit projections for a new product to find out whether they satisfy the company's objectives.
6. **Product Development (Technical):** Developing the concept into a physical product prototype.
7. **Test Marketing:** The product and its proposed marketing program are tested in realistic market settings.
8. **Commercialization:** Introducing the new product into the market (high costs and risk).

2.3. Branding

a) What is a Brand?

A **brand** is a name, term, sign, symbol, or design, or a combination of these, that identifies the products or services of one seller or group of sellers and differentiates them from those of competitors.

b) Need for Branding

Branding is essential because it:

1. **Helps consumers:** Brands provide signals about product quality and consistency, simplifying the purchasing decision.
2. **Differentiates products:** In a crowded marketplace, the brand is often the only sustainable point of difference.
3. **Builds loyalty:** Strong brands create emotional connections, leading to repeat purchases and brand advocacy.
4. **Provides legal protection:** The brand name and logo are protected intellectual property.
5. **Aids segmentation:** Brands can be specifically positioned to appeal to different market segments.

c) Brand Equity

Brand Equity is the differential effect that knowing the brand name has on customer response to the product and its marketing. It is a measure of the brand's ability to capture consumer preference and loyalty. High brand equity offers a company competitive advantages, such as strong bargaining power with distributors and retailers.

d) Types of Brands

- **Manufacturer Brands (National Brands):** Brands created and owned by the producer (e.g., Apple, Coca-Cola).
- **Private Brands (Store Brands/Labels):** Brands created and owned by a reseller of a product (e.g., Target's Up&Up).
- **Licensed Brands:** A firm sells the right to use a brand name or symbol to another company for a fee (e.g., Disney licensing characters).

- **Co-Brands:** Two established brand names of different companies are used on the same product (e.g., Nike + Apple Watch collaboration).

2.4. Brand Extension

Brand Extension is the use of a successful brand name to introduce a new or modified product in a new category.

a) Types of Brand Extension

- **Line Extension:** The use of the same brand name within the same product category (e.g., Coca-Cola introducing Diet Coke or Coca-Cola Zero).
- **Category Extension:** The use of the brand name to enter a completely different product category (e.g., Yamaha moving from musical instruments to motorcycles).

b) Suitability of Brand Extension

A brand extension is suitable when:

1. The original brand has high **brand equity** and a strong, positive, and clear association.
2. There is a perceived **fit** between the original product category and the new product category in the consumer's mind.
3. The brand name is able to add **value** and credibility to the new product.

c) Pitfalls of Brand Extension

1. **Brand Dilution:** Extending the brand too far can weaken the core brand's meaning and image (e.g., Pierre Cardin's name on too many unrelated products).
2. **Harm to Parent Brand:** A poor execution or failure of the new product can negatively reflect on the original, successful brand.
3. **Loss of Opportunity:** Focusing resources on extending an existing brand might distract from creating a new, stronger brand identity for the new category.

2.5. Pricing

Price is the amount of money charged for a product or service, or the sum of the values that customers exchange for the benefits of having or using the product or service.

Factors Affecting Pricing Decisions:

- **Internal Factors:** Marketing objectives, marketing mix strategy, costs, and organizational considerations.
- **External Factors:** Nature of the market and demand, competitors' prices, and economic conditions.

2.6. Pricing Strategies

Cost-Based Pricing

Setting prices based on the costs of producing, distributing, and selling the product plus a fair rate of return.

- **Cost-Plus Pricing (Markup Pricing):** Adding a standard markup to the cost of the product.
- **Break-Even Pricing (Target Return Pricing):** Setting price to break even on the costs of making and marketing a product or setting price to achieve a target return.

Value-Based Pricing

Setting price based on buyers' perceptions of value rather than on the seller's cost.

- **Good-Value Pricing:** Offering the right combination of quality and good service at a fair price (often involving less expensive versions of branded products or everyday low pricing).
- **Value-Added Pricing:** Attaching value-added features and services to differentiate a company's offers and support higher prices (e.g., premium cinema experience).

Competition-Based Pricing

Setting prices based on competitors' strategies, prices, costs, and market offerings. Consumers will base their judgments of a product's value on the prices that competitors charge for similar products.

New Product Pricing Strategies

- **Market-Skimming Pricing (Price Skimming):** Setting a high initial price for a new product to *skim* maximum revenue layer by layer from the segments willing to pay the high price (fewer, but more profitable sales). **Suitable when:** product quality/image supports the high price, costs don't negate the advantage, and competitors cannot easily enter.
- **Market-Penetration Pricing:** Setting a low price for a new product to attract a large number of buyers and a large market share. **Suitable when:** market is highly price-sensitive, production and distribution costs fall as sales volume increases, and the low price helps keep out competition.

Chapter 3: INTRODUCTION TO SELLING

Selling is the interpersonal part of the promotional mix. This chapter covers the process of engaging customers, managing the sales force, and measuring performance.

3.1. Selling Process

The **Selling Process** is a logical, sequential series of actions that the salesperson must take in dealing with a prospect to effectively lead to a sale.

1. **Prospecting and Qualifying:** Identifying potential customers (prospects) and screening them (qualifying) to ensure they have the need, budget, and authority to buy.

2. **Pre-approach:** Learning as much as possible about a prospect before making a sales call (researching their needs, buyers, and organization).
3. **Approach:** The salesperson meets the buyer for the first time. The goal is to build rapport, gain the buyer's attention, and stimulate interest.
4. **Presentation and Demonstration:** The salesperson tells the "value story" to the buyer, showing how the company's offer solves the prospect's problems. A demonstration may be necessary for complex products.
5. **Handling Objections:** The salesperson seeks out, clarifies, and overcomes customer objections to buying. Objections should be viewed as opportunities to provide more information and reassurance.
6. **Closing:** The salesperson asks the customer for an order. Techniques include asking for the order, reviewing key benefits, or offering a final concession.
7. **Follow-Up:** The salesperson follows up after the sale to ensure customer satisfaction and repeat business. This is crucial for building long-term relationships.

3.2. Sales Force Design & Motivation

Sales Force Design involves determining the size, structure, and territory allocation of the sales force.

- **Territorial Structure:** Each salesperson is assigned to an exclusive geographic area and sells the company's full line of products to all customers in that territory.
- **Product Structure:** Salespeople specialize in selling only a portion of the company's products (necessary for complex products).
- **Customer (Market) Structure:** Salespeople specialize in selling only to certain customers or industries (e.g., a team for large accounts and a team for small business accounts).

Sales Force Motivation: Salespeople require strong motivation beyond compensation.

- **Compensation:** Combining a fixed amount (salary) for security, a variable amount (commissions or bonuses) for incentive, expenses, and fringe benefits.
- **Incentives:** Sales quotas, positive organizational climate, sales meetings, and sales contests are used to recognize and reward good performance.

3.3. Evaluating Sales Personnel

Effective evaluation provides constructive feedback and helps improve performance.

Sources of Information:

1. **Sales Reports:** Activity reports, call reports, and expense reports.
2. **Personal Observation:** Sales managers accompanying salespeople on calls.
3. **Customer Feedback:** Direct feedback from customers about salesperson performance.

Performance Criteria:

- **Quantitative Measures (Results):** Sales volume, quota attainment, gross profit, sales per call, and expense-to-sales ratio.

- **Qualitative Measures (Behaviors):** Product knowledge, customer knowledge, selling skills, and territory management.

3.4. Managing the Selling Efforts

This involves the continuous process of setting goals, training, supervising, and evaluating the sales force.

- **Training:** Providing salespeople with knowledge about the company, its products, customers, competitors, and the sales process. Modern training often includes role-playing and simulations.
- **Supervision:** Helping salespeople work smart by encouraging them to identify their priority accounts and efficiently manage their time. Tools like contact management software and funnel analysis are used.
- **Ethics:** Ensuring the sales force adheres to high ethical standards, treating customers fairly and honestly, and avoiding deceptive or high-pressure selling tactics.

Chapter 4: MARKETING CHANNELS

This chapter explores how value is delivered to the customer, focusing on promotion (advertising and sales promotion) and distribution (channels).

4.1. Advertising and Sales Promotion

- **Advertising:** Any paid form of nonpersonal presentation and promotion of ideas, goods, or services by an identified sponsor.
 - **Objectives:** Informative (building primary demand), Persuasive (building selective demand), and Reminder (maintaining customer relationships).
 - **Media Types:** Broadcast (TV/Radio), Print (Newspapers/Magazines), Digital (Web/Social), Outdoor (Billboards).
- **Sales Promotion:** Short-term incentives to encourage the purchase or sale of a product or service.
 - **Consumer Promotions:** Samples, coupons, rebates, price packs, and contests (used to boost short-term sales).
 - **Trade Promotions:** Discounts, allowances, and free goods (used to get retailers to carry new items and push the product).

4.2. Franchises

A **Franchise** is a contractual agreement between a franchisor (the seller) and a franchisee (the buyer) that grants the franchisee the right to own and operate one or more units of the franchisor's business model.

- **Advantages for the Franchisor:** Fast geographic expansion with low capital commitment.
- **Advantages for the Franchisee:** Established business model, proven product/service, and brand recognition.
- **Marketing Channel Role:** Franchises act as a specialized form of vertical marketing system, providing strong coordination and control over the retail experience.

4.3. Sales Promotion Resources

These are the tools used to execute sales promotions:

- **Promotion Budget:** The total amount of funds allocated for sales promotion activities.
- **Physical Resources:** Displays, point-of-purchase (POP) materials, and demo equipment.
- **Human Resources:** Field sales force, in-store demonstrators, and specialized promotion agencies.
- **Digital Resources:** Online coupon codes, digital contests, and social media giveaways.

4.4. Integrated Marketing Communication (IMC)

Integrated Marketing Communication (IMC) involves carefully integrating and coordinating the company's many communications channels to deliver a clear, consistent, and compelling message about the organization and its products.

The goal is to ensure all touchpoints—advertising, public relations, sales promotion, direct marketing, and personal selling—work together seamlessly.

4.5. Managing Integrated Marketing Communication

Managing IMC requires a five-step process:

1. **Identifying the Target Audience:** Who is the message for?
2. **Determining the Communication Objectives:** What response is desired (e.g., awareness, knowledge, liking, preference, purchase)?
3. **Designing the Message:** Creating content that appeals to the target audience (AIDA framework: Attention, Interest, Desire, Action).
4. **Selecting Communication Channels:** Choosing personal (salespeople, word-of-mouth) and nonpersonal (media, events) channels.
5. **Selecting the Message Source:** Ensuring the message source (e.g., celebrity, expert) is credible.
6. **Collecting Feedback:** Measuring the impact of the message on the target audience.

4.6. On-line Marketing

Social Media Marketing

The use of social media platforms (e.g., Facebook, Instagram, LinkedIn, TikTok) to engage customers, build brand communities, drive traffic, and boost sales. It allows for highly targeted, real-time, two-way communication.

Customer Network Value

The value created when customers interact with each other and the company, forming a network of shared information and experiences. This is amplified by social media, where a single positive experience can be shared instantly and widely.

Word of Mouth (WOM) Concept

WOM is the passing of information about a product or service between noncommercial communicators (i.e., people who are not employed by the company) and a receiver. It is the most powerful form of marketing influence, as it is viewed as highly credible. Online reviews and social shares are the digital manifestation of WOM.

ROI of Social Media

Measuring the Return on Investment (ROI) of social media is challenging because direct sales are hard to track. Key metrics often focus on **engagement** (likes, comments, shares), **reach** (unique views), **sentiment** (positive/negative perception), and **website traffic** generated from social platforms, which are then linked to downstream sales.

Evolution of a Brand (Digital Context)

In the digital age, a brand is not what the company *says* it is; it's what Google, social media, and customers *say* it is. The brand evolves through continuous interaction, user-generated content, and shared experiences in the digital sphere, requiring constant monitoring and participation from the company.

Chapter 5: DIGITAL MARKETING

Digital marketing is the application of marketing principles using digital channels to reach and engage customers.

5.1. Search Engine Optimization (SEO)

SEO is the process of maximizing the number of visitors to a particular website by ensuring that the site appears high on the list of results returned by a search engine (organically, without paid ads).

Core Components of SEO:

- **On-Page SEO:** Optimizing individual web pages to rank higher and earn more relevant traffic in search engines (e.g., title tags, header tags, content quality, keyword density).
- **Off-Page SEO:** Actions taken outside of the website to impact rankings (e.g., link building/backlinks, social media shares).
- **Technical SEO:** Improving the technical aspects of a website to help search engines crawl and index it more effectively (e.g., site speed, mobile-friendliness, site structure).

5.2. Pay-per-click (PPC) Advertising

PPC is an internet marketing model in which advertisers pay a fee each time one of their ads is clicked. It allows firms to quickly buy visits to their site rather than earn those visits organically.

5.3. Google AdWords and Paid Search Advertising

Google AdWords (now Google Ads) is the platform used for paid search advertising. The process involves:

1. **Keyword Research:** Identifying search terms customers use.
2. **Ad Creation:** Writing compelling ads (Headline, Description, Display URL).
3. **Bidding Strategy:** Setting the maximum amount the company is willing to pay per click.
4. **Quality Score:** A metric (0-10) used by Google to determine the position and cost of an ad. It is influenced by the **expected click-through rate (CTR)**, **ad relevance**, and **landing page experience**.

5.4. Display Advertising

Display Advertising is visual advertising that appears on websites, apps, and social media platforms. It can be images, video, or interactive media.

- **Display Campaigns:** Typically used for branding, awareness, and retargeting (showing ads to users who previously visited the site). They often leverage sophisticated **audience targeting** based on demographics, interests, and browsing history, rather than search keywords.

5.5. HubSpot: Inbound Marketing and Web 2.0

- **Inbound Marketing:** The methodology promoted by HubSpot that focuses on attracting customers to the company through relevant and helpful content and adding value at every stage of the customer journey (Attract, Convert, Close, Delight). It contrasts with outbound marketing (cold calls, forced advertising).
- **Web 2.0:** The second generation of the World Wide Web, focused on user-generated content, interactivity, and collaboration (e.g., social networking sites, blogs, wikis). This shift made Inbound Marketing possible by giving consumers the power to create and share information.

5.6. Mobile Tools

Mobile marketing refers to engaging with customers through mobile devices. Key tools include:

- **Mobile-Optimized Websites/Apps:** Ensuring a seamless user experience on small screens.
- **Location-Based Services (Geofencing):** Targeting consumers with promotions based on their real-time location.
- **SMS/MMS Messaging:** Direct communication for alerts or promotions.
- **Push Notifications:** Alerts sent by apps to a user's device.

5.7. Measuring Effectiveness of Online Advertising

Online advertising is highly measurable, providing detailed metrics for optimization.

Online Metrics

- **Click-Through Rate (CTR):** The percentage of users who click on a specific ad or link: $(\text{Clicks} / \text{Impressions}) * 100$.
- **Conversion Rate:** The percentage of visitors who take the desired action (e.g., purchase, sign-up): $(\text{Conversions} / \text{Clicks}) * 100$.
- **Cost Per Click (CPC):** The amount paid for each click on an ad.
- **Cost Per Acquisition (CPA):** The total cost to acquire one customer who completes a conversion (e.g., purchase or lead).
- **Return on Ad Spend (ROAS):** The revenue generated for every dollar spent on advertising.
- **Bounce Rate:** The percentage of visitors who enter the site and then leave rather than continuing to view other pages within the site.

5.8. Capstone Case Studies

The final section of this textbook is dedicated to applying the principles from Chapters 1–5 to real-world business scenarios. These case studies will require you to analyze:

1. **STP Strategy:** Identify the target market and the brand's current positioning.
2. **Product Management:** Evaluate product-line decisions and PLC stage.
3. **Communication Strategy:** Assess the integration and effectiveness of the firm's sales and marketing channels.
4. **Digital Execution:** Analyze the use of SEO, PPC, and social media to achieve business objectives, using relevant online metrics.

Important Questions for full Subject:

Chapter 1: CHOOSING CUSTOMERS - Segmentation, Targeting & Positioning

1. **Segmentation Bases:** Define market segmentation. List and explain the four main bases for segmenting consumer markets (Geographic, Demographic, Psychographic, Behavioral), providing an illustrative example for each.
2. **Targeting Strategies:** Compare and contrast the four primary market targeting strategies (Undifferentiated, Differentiated, Concentrated, and Micromarketing) and discuss the conditions under which a firm might choose each.
3. **Positioning:** What is a Positioning Statement? Provide the template and an original example, clearly identifying the Target Segment, Need, Concept, and Point of Difference.
4. **Case Analysis:** Based on the Red Lobster case study, how did the strategic shift in **Targeting** (from broad family dining to families/young adults seeking quality seafood) necessitate a fundamental change in their **Positioning**?

Chapter 2: CREATING VALUE - Product Life Cycle, Branding, and Pricing

5. **Product Life Cycle (PLC):** Describe the five stages of the PLC. What are the primary marketing objectives and key differences in pricing and promotion strategies between the **Introduction** stage and the **Maturity** stage?

6. **New Product Development (NPD):** Outline the eight sequential stages of the NPD process. Why are the **Idea Screening** and **Business Analysis** stages critical filters, and what is the risk of bypassing them?

7. **Brand Extension:** Define Brand Equity. Explain the difference between **Line Extension** and **Category Extension**, and detail the two major pitfalls associated with aggressive Brand Extension (Brand Dilution and Harm to Parent Brand).
8. **Pricing Strategies:** Compare and contrast **Cost-Based Pricing** (like Cost-Plus) and **Value-Based Pricing**. Under what specific conditions is **Market-Skimming Pricing** suitable for a new product, and when is **Market-Penetration Pricing** preferred?

Chapter 3: INTRODUCTION TO SELLING

9. **The Selling Process:** List and briefly describe the seven steps in the **Selling Process**. Explain why the **Handling Objections** phase should be viewed as an opportunity rather than a barrier.
10. **Sales Force Design:** Describe the three main structures used for Sales Force Design (Territorial, Product, and Customer). Provide a scenario where organizing the sales force by **Product Structure** would be necessary and efficient.
11. **Sales Force Management:** How should a sales manager effectively evaluate sales personnel? Discuss the difference between the **Quantitative Measures** (results) and the **Qualitative Measures** (behaviors) used for performance criteria.

Chapter 4: MARKETING CHANNELS

12. **IMC:** Define Integrated Marketing Communication (IMC) and explain why it is essential for modern brands. List the six steps involved in managing the IMC process.
13. **Sales Promotion:** Differentiate between **Consumer Promotions** and **Trade Promotions**. Provide an example of each and explain their respective marketing objectives.
14. **Online Marketing & WOM:** Discuss the concept of **Customer Network Value** and its relationship to the digital manifestation of **Word of Mouth (WOM)**. Why is WOM considered the most powerful form of marketing influence?
15. **ROI of Social Media:** What are the key challenges in accurately measuring the **Return on Investment (ROI)** of social media marketing? What alternative metrics (Engagement, Reach, Sentiment) are used to track effectiveness?

Chapter 5: DIGITAL MARKETING

16. **SEO Components:** Differentiate between the three core components of Search Engine Optimization (SEO): **On-Page SEO**, **Off-Page SEO**, and **Technical SEO**.
17. **Paid Search:** In the context of Google Ads, explain the concept of the **Quality Score**. What three factors influence this score, and how does a high Quality Score benefit the advertiser?
18. **Inbound Marketing:** Define **Inbound Marketing** (the methodology promoted by HubSpot). Explain how the characteristics of **Web 2.0** made this marketing approach possible.
19. **Online Metrics:** Define, calculate, and explain the significance of the following key online metrics for assessing the success of a campaign: **Click-Through Rate (CTR)**, **Conversion Rate**, and **Cost Per Acquisition (CPA)**.