Marketing 101: Working Knowledge.

Marketing is a formal discipline: more than a century of scholarship and practice, with its own vocabulary, methods, and body of evidence. Like medicine or finance, the work goes best when everyone at the table shares the same foundations. *This guide codifies them*: the concepts, methods, metrics, and tools used across both the profession and the academy, and the standard to which any partner should be held.

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I The First Principle — Market Orientation

Market orientation is where formal training begins, because it corrects the single most common error in commercial life: assuming the market thinks the way you do. It is the organizing principle, from Theodore Levitt and Benson Shapiro onward: run the company from the customer's point of view inward, not from the product outward.

The rule in four words: you are not the consumer. You cannot judge your own ad, price, or product the way a buyer does. You have stared at it for months. They give it three seconds. You know the category exhaustively. They carry three thousand brands in their life and spare yours almost no thought. Nearly every major effectiveness insight of the last decade falls out of this one correction.

The evidence, per Mark Ritson citing Kantar research: ask consumers whether a company's ethics or environmental record matters and ~70% say yes. Ask the same people why they just bought a specific bag of chips and those factors appear ~3% of the time. Stated importance is not revealed behavior. A market-oriented marketer trusts the second.

THE FRIDGE TEST · BOB HOFFMAN, AS MARK RITSON USES IT

Open your fridge and ask which of these brands you actually bought, and why. None of the answers will sound like your marketing plan. That gap, between how marketers imagine buying works and how it actually works, is what market orientation closes.

II How Marketers Work

Trained marketers work in a fixed order, and the order is the discipline. Untrained marketing starts at the end (tactics, channels, content) and works backward to justify them. The professional sequence runs:

PHASE	THE QUESTION	THE WORK
I · Diagnosis	What is actually happening in the market?	Research. Category size and growth, penetration and buying rates, brand health, competitive position, pricing dynamics. No opinions permitted that data could replace.
II · Strategy	Where will we play, and how will we win?	Segmentation → targeting → positioning → objectives. A one-page answer to whom we serve, what we stand for in their mind, and what success is, by number and date.
III · Tactics	What will we do about it?	The four Ps (product, price, place, promotion) deployed to deliver the strategy. Channels and campaigns live here, at the end, never at the beginning.

III Strategy — Segmentation, Targeting, Positioning, Objectives

SEGMENTATION

Dividing a market into groups of buyers with meaningfully different needs or behaviors. Common bases: demographic, geographic, behavioral, psychographic, and needs-based (the most useful and hardest). A usable segment must be measurable, substantial, accessible, differentiable, and actionable. Segmentation describes the market. It does not oblige you to serve only a sliver of it.

TARGETING

Choosing which segment(s) to serve, on segment attractiveness (size, growth, profitability, competitive intensity) and company fit. Options range from niche/concentrated through differentiated to sophisticated mass marketing: targeting the whole category with broad reach, the evidence-based default for growth (see §VII).

POSITIONING — THE MOST MISUSED WORD

The place a brand occupies in the mind of the target customer, relative to competing alternatives. Ries & Trout, 1981: it is not what you do to the product. It is what you do to the prospect's mind. A competent positioning answers who it is for, what it is, and why choose it. Good positioning is singular, true, and different.

OBJECTIVES

Strategy ends in numbers, in a hierarchy: business (revenue, margin, share) ← marketing (penetration, price realized, buying rate) ← communication (awareness, salience, association). Each SMART. **"Increase penetration among category buyers from 11% to 14% by Q4 2027"** is an objective. "Build buzz" is not.

IV Tactics — The Four Ps, in Full

E. Jerome McCarthy's four Ps are the levers a marketer controls. Decades of bolt-on "extra Ps" diluted the frame until an estimated 80–90% of effort now sits in one P: promotion. Knowing all four, and being conversant in the two most abandoned, price and place, is itself a professional differentiator.



PRODUCT

What is sold, at three levels: the core benefit (the job it is hired for), the actual product (features, quality, design, brand), and the augmented product (service, warranty, support). Managed through the life cycle and renewed through new-product development, where roughly 3 in 4 launches fail, usually from skipped diagnosis.



PRICE — THE MOST NEGLECTED P

The only P that captures value rather than costing money. Elasticity (FMCG typically ≈ −2: a 10% cut must lift volume ~20% to break even); cost-plus vs. value-based; skimming vs. penetration; discrimination via versions, bundles, timing. Discounting buys share today at the price of reference-price erosion tomorrow.



PLACE (DISTRIBUTION)

How the product reaches the buyer: channel choice (direct, retail, distributor, marketplace) and intensity (intensive → selective → exclusive). Measured as physical availability. In B2B, "place" includes the sales team, partners, and procurement pathways. No amount of promotion compensates for a brand that is hard to buy.



PROMOTION

The communications mix. The governing evidence (Binet & Field, §VII) splits the work in two: brand-building (broad-reach, emotional, paying out over the long run) and activation (targeted, rational, immediate), with long-run budgets near 60/40 brand : activation. Creative quality is the largest multiplier under the marketer's control.

V Research Methods — Qualitative & Quantitative

If one distinction signals fluency in any research conversation, it is this one. It takes a single paragraph to learn permanently.

QUALITATIVE — UNDERSTANDING, IN DEPTH

Small samples, open-ended, exploratory. Answers *why* and *how*: generates hypotheses and language, never proves prevalence. If the output is quotes, observations, or themes, it is qualitative.

Ethnography	Observing buyers in their real context. The most underused method — go where buyers use the product, watch, and listen.
Depth interview	One-on-one, semi-structured, 45–90 min. The workhorse of B2B, where committees make focus groups impractical.
Focus group	6–10 buyers, moderated. Fast and cheap; vulnerable to group-think. Never a basis for counting anything.

QUANTITATIVE — MEASUREMENT, AT SCALE

Large representative samples, closed-ended, statistical. Answers *how many, how much, which one*: tests hypotheses, produces numbers with confidence intervals. If the output is a percentage, it had better be quantitative.

Survey	Structured questionnaire to a representative sample (n ≈ 300–1,000+). The canonical quantitative method.
Experiment / A-B	Randomized exposure to variants; the only design that demonstrates causation, not correlation.
Conjoint	Buyers trade off attribute bundles; reveals willingness-to-pay. Now runnable synthetically in hours.
Panel data	Continuous purchase records from a fixed sample — raw material of the Ehrenberg-Bass laws.

SAMPLING, IN THREE SENTENCES

A sample supports generalization only if it is representative: every member of the population has a known chance of inclusion. Precision scales with size (a well-drawn n = 1,000 yields ≈ ±3% at 95% confidence). Correlation is not causation. But do not let that paralyze you: run the experiment and get into the market. The real enemy is having no data at all.

VI Metrics & Analytics — The Numbers That Matter

METRIC	DEFINITION & THE PROFESSIONAL DETAIL
Penetration	Buyers of the brand ÷ total population (or category buyers) × 100. E.g. 2M households of 25M → 2 ÷ 25 = 8%. Pair with purchase frequency: sales = population × penetration × frequency × weight per purchase.
Market share	Your sales ÷ total category sales (say value or volume). Growth decomposes into penetration × frequency, and penetration does the heavy lifting.
Awareness	Unaided ("name some brands of X") vs. aided ("heard of Y?"). Unaided is the harder, more predictive number — a proxy for mental availability.
Consideration & preference	The tracker middle: would you consider / prefer / recommend. Directionally useful; never confuse tracker movement with sales.
CLV & CAC	Lifetime value vs. acquisition cost — the unit-economics check. A CLV:CAC near 3:1 is the conventional floor.
Price elasticity	%Δ volume ÷ %Δ price. Elastic (<–1): cuts grow revenue; inelastic: they destroy it. Strong brands earn lower elasticity.
SOV & ESOV	Excess share of voice (SOV − share of market) predicts share growth: ≈ +10 pts ESOV → +0.5–1 pt share/year.
ROMI / ROAS	Treat with suspicion in attribution form: last-click flatters activation and starves brand. Profit, not ratio, is the objective.
NPS	% promoters − % detractors. Ubiquitous; weakly linked to growth in the literature. Know it, quote it carefully.

THE ANALYST'S TOOLKIT

TOOL	WHAT IT DOES — AND WHEN A PROFESSIONAL REACHES FOR IT
Brand tracking	Continuous measurement of awareness, salience, associations vs. competitors. The dashboard for mental availability; read in trends, not weeks.
Marketing-mix modeling	Econometric regression of sales against media, price, promotion, distribution over 2–3 years. The corrective to last-click attribution.
Attribution	Assigns conversion credit across digital touchpoints, largely to satisfy short-term goals and compensation structures. Treat it as a useful lie: fast, granular, biased toward the measurable click, and never authoritative when setting strategy from past performance.
Conjoint / MaxDiff	Trade-off analysis for pricing, packaging, features (conjoint); rank-ordering long lists of claims (MaxDiff).
Incrementality testing	Geo experiments and holdouts — turn spend off and measure sales. The causal gold standard, cheaper than most dashboards admit.
Synthetic research (AI)	LLM-simulated respondents, in hours instead of weeks. Directional, not definitive: use it to narrow the field before real fieldwork.

VII The Effectiveness Canon — What the Evidence Shows

Beneath the frameworks sits a body of empirical regularities: patterns that recur across categories, countries, and decades. These are what evidence-based practitioners reference when they disagree with your plan.

THE NBD-DIRICHLET MODEL · 1984

Goodhardt, Ehrenberg & Chatfield reduced buying to a statistical model that predicts, for every brand at once, purchases per buyer and choice probability, from just category buying rate and brand shares. Decades of panel data fit it.

DISTINCTIVENESS & DIFFERENTIATION

Distinctive assets (logos, colors, characters, sounds) must be built and never fidgeted with. A tight, singular position, plus famous distinctive assets, sustained for years.

THE 95:5 RULE · EHRENBERG-BASS

At any moment ~95% of category buyers, especially in B2B, are not in-market. Most advertising works by building memory for the future buyer, not harvesting the present one. The empirical case against funnel-only marketing.

MENTAL & PHYSICAL AVAILABILITY · SHARP, 2010

Brands grow by being easy to think of (mental availability) and easy to buy (physical availability). *How Brands Grow* is the modern codification; know the title and thesis by name. Availability is maintained, not banked: memory decays when reach stops.

THE LONG AND THE SHORT OF IT · 2013

Binet & Field: brand-building drives long-term growth and pricing power; activation drives short-term sales that decay. Optimal budgets sit near 60/40 brand : activation. Over-investing in the measurable short term is the signature failure of the digital era.

VIII Speak the Language — A Working Glossary

AIDA — 1898 funnel model (Awareness → Interest → Desire → Action). Useful shorthand; not how buying works.

Brand equity — the commercial value of the brand name: preference, price premium, lower elasticity (Aaker, Keller).

Brand salience — the propensity of a brand to come to mind in buying situations; operationalized as mental availability.

Category entry points — the situations, needs, and cues through which buyers enter a category. Brands grow by attaching to more of them.

Churn / retention — % of customers lost / kept per period.

Distinctive brand assets — non-logo identifiers a brand owns in memory: color, character, sound, tagline. Measured by fame and uniqueness.

Fame / fluency — System1's terms: work that is instantly recognized and emotionally coded.

Four Cs — Lauterborn's customer-side mirror of the Ps: Consumer, Cost, Convenience, Communication.

GRP / reach / frequency — media currency: reach = % exposed; frequency = average exposures; GRPs = reach × frequency.

Heavy vs. light buyers — most of any brand's buyers are light; growth comes from recruiting more of them, not squeezing the heavy few.

Insight — a non-obvious, actionable truth about buyers. If it's obvious or unactionable, it's an observation.

Jobs to be done — Christensen: customers "hire" products to do a job; competition is defined by the job, not the category.

Market definition — the set of alternatives buyers actually substitute between. Get it wrong and every share number lies.

Marketing funnel — awareness → consideration → purchase → loyalty. A measurement convenience, not a mechanism.

Positioning statement — one page: target, frame of reference, point of difference, reasons to believe.

Salience vs. persuasion — being thought of more often vs. being argued for. Evidence favors salience for growth.

Segmentation bases — demographic, geographic, behavioral, psychographic, needs-based.

Share of market (SOM) — your % of category sales. Pair with SOV for the ESOV budgeting rule.

System 1 / System 2 — Kahneman's fast-emotional vs. slow-deliberate processing; most advertising works on System 1.

Willingness to pay (WTP) — the maximum a buyer would pay; the target of value-based pricing and output of conjoint.

The Self-Test — Ten Questions

Ten undergraduate-level questions any trained marketer, or any good agency, should answer without hesitation. Sit it cold, then check the key. A reader of this guide should score 10.

1. Positioning is best defined as:

(a) a brand's mission and values (b) how the target market perceives the brand relative to competitors (c) the creative platform (d) the brand's price tier

2. The four Ps of the marketing mix are:

(a) product, price, place, promotion (b) purpose, people, process, promotion (c) product, positioning, price, promotion (d) people, product, platform, purpose

3. Which is a quantitative research method?

(a) a focus group of eight loyal customers (b) ethnographic store visits (c) a survey of a representative sample of 1,000 category buyers (d) depth interviews with lapsed buyers

4. 2M households bought your brand; the market has 25M. Penetration is:

(a) 2% (b) 8% (c) 12.5% (d) cannot be computed

5. Market orientation means:

(a) organizing the company around the customer's perspective, not your own (b) monitoring competitors weekly (c) orienting budget toward the largest market (d) preferring research to judgment

6. Mental availability means a brand is:

(a) stocked wherever buyers shop (b) easy to think of in buying situations (c) priced below its competitors (d) the largest in its category

7. Binet & Field put the optimal long-run split near:

(a) 90/10 activation : brand (b) 50/50 (c) 60/40 brand : activation (d) 100% performance if ROAS is positive

8. Price elasticity of −2 means a 10% price cut:

(a) lifts volume ~2% (b) lifts volume ~20% (c) cuts volume ~20% (d) has no effect

9. Distinctive brand assets are:

(a) points of functional superiority (b) recognizable identifiers (colors, characters, sounds) that trigger the brand in memory (c) balance-sheet assets (d) another term for brand purpose

10. The 95:5 rule holds that at any given time:

(a) 95% of ads are ignored (b) 95% of budgets go to promotion (c) ~95% of category buyers are not currently in-market (d) 5% of customers produce 95% of profit

ANSWER KEY

1 (b) · 2 (a) · 3 (c) · 4 (b) — 2 ÷ 25 = 8% · 5 (a) · 6 (b) · 7 (c) · 8 (b) — −2 × −10% = +20% · 9 (b) · 10 (c).

Seven or better and you know the fundamentals. Ten and you are ready for the conversation. *The same questions that tested you here are fair questions to put to any agency across the table.*

WHY PETRARCH STRATEGY CODIFIED THIS

Everything in this guide is knowledge your team can own. That is the point of the agency that wrote it. Petrarch Strategy runs two linked practices. The marketing practice builds systems grounded in this evidence for healthcare companies, and the client's team owns them outright. The valuation practice is investment intelligence: how marketing and revenue operations create valuation and investability in healthcare companies. The discipline in these pages is what investors look for when they judge whether a company's growth is substantive.