

PCM[®] Marketing Management

Body of Knowledge



AM> | AMERICAN MARKETING ASSOCIATION
Professional Certified Marketer[®]

Overview

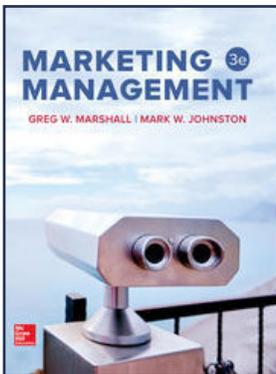
About the AMA PCM® Program

The American Marketing Association [Professional Certified Marketer \(AMA PCM®\)](#) exams are created using a Body of Knowledge format which outlines the responsibilities of and knowledge needed by today's marketing professional in the specific topic.

Below is an outline of the eight major content areas, or domains, of the [AMA PCM® Marketing Management](#) Body of Knowledge with an indication (in parentheses) of the approximate percentage of the test devoted to each domain.

Each domain is further organized into topics and learning objectives. The following pages detail the domains, topics and learning objectives, and a list of key terms to study as you prepare for the PCM® Marketing Management exam.

Recommended Review



While accomplished marketing professionals should have a good grasp of the content in this Body of Knowledge, the exam still requires preparation for most candidates.

The AMA recommends Marshall and Johnson's 3rd edition Marketing Management textbook as a resource for those preparing for the AMA PCM® Marketing Management exam. You can find further details regarding this text and purchase online by [clicking here](#).

The AMA does not require that individuals purchase or study from a specific source to be eligible for the exam. Also, the AMA does not guarantee a passing score on the exam for individuals who study from a specific source.

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DOMAIN 1: MARKETING STRATEGY (10%)

Topic 1: Marketing Management Fundamentals

Learning Objectives

1. Identify typical misconceptions about marketing, why they persist, and the resulting challenges for marketing management
2. Define what marketing and marketing management really are and how they contribute to a firm's success
3. Appreciate how marketing has evolved from its early roots to be practiced as it is today
4. Recognize the impact of key change drivers on the future of marketing

Key Terms

- Marketing management
- Marketing's stakeholders
- Societal marketing
- Sustainability
- Value
- Exchange
- Production orientation
- Sales orientation
- Marketing concept
- Marketing mix (4Ps of marketing)
- Customer-centric
- Differentiation
- Market orientation
- Customer orientation
- Relationship orientation
- One-to-one marketing
- Mass customization
- Marketing (Big M)
- Strategic marketing
- Market creation
- Marketing (little m)
- Tactical marketing
- Marketing metrics

Topic 2: Market Planning and Strategy

Learning Objectives

1. Examine the concept of value and the elements and role of the value chain
2. Understand the conditions required for successful marketing planning, that marketing planning is focused on the value proposition, and that marketing planning is a dynamic process
3. Identify various types of organizational strategies
4. Conduct a situation analysis
5. Use the framework provided for marketing planning, along with the content in future chapters, to build a marketing plan

Key Terms

- Benefit
- Utility
- Value proposition
- Customer satisfaction
- Customer loyalty
- Customer retention
- Customer switching
- Value chain
- Value-creating activities
- Marketing planning
- Marketing plan
- Market-driven strategic planning
- Strategic business unit (SBU)
- Corporate-level strategic plan
- SBU-level strategic plan
- Portfolio analysis
- Boston Consulting Group (BCG) Growth-Share Matrix
- GE Business Screen
- Functional-level plans
- Mission statement
- Strategic vision
- Goals
- Objectives
- Strategy
- Generic strategy
- Competitive strategy
- Core competencies
- Distinctive competencies
- Sustainable competitive advantage
- Strategic type
- First-mover advantage
- Situation analysis
- SWOT analysis
- Market penetration strategies
- Product development strategies
- Market development strategies
- Diversification strategies
- Marketing control

DOMAIN 2: GLOBAL, ETHICAL, AND SUSTAINABLE MARKETING (11%)

Topic 1: Issues in Managing Global Marketing

Learning Objectives

1. Identify the various levels in the Global Marketing Experience Curve
2. Learn the essential information components for assessing a global market opportunity
3. Define the key regional market zones and their marketing challenges
4. Describe the strategies for entering new global markets
5. Recognize key factors in creating a global product strategy

Key Terms

- Developed economies
- Emerging markets
- Regional market zones
- NAFTA
- MERCOSUR
- ASEAN
- Exporting
- Exporters
- Distributors
- Licensing
- Franchising
- Strategic Alliances
- Joint Ventures
- Direct Foreign Investment
- Decision Making Authority
- Degree of Centralization
- Global product lines
- Geographic regions
- Matrix Structure
- Country-of-origin effect
- Global marketing themes
- Global marketing with local content
- Basket of global advertising themes
- Local market ad generation
- Transfer pricing
- Dumping
- Gray market

Topic 2: Ethics in Marketing Management

Learning Objectives

1. Understand the importance of ethics in Marketing Management and Strategy
2. Identify the linkage between ethics and the value proposition
3. Describe the impact of ethics on the elements in the marketing mix

Key Terms

- Marketing ethics
- Triple Bottom Line

Topic 3: Sustainability in Marketing Strategy

Learning Objectives

1. Recognize the significance of sustainability as part of marketing strategy and the use of the triple bottom line as a metric for evaluating corporate performance
2. Know the concept of triple bottom line as a metric for evaluating corporate performance

Key Term

- Triple Bottom Line

DOMAIN 3: MANAGING INFORMATION FOR MARKETING INSIGHTS (15%)

Topic 1: Market Research Fundamentals

Learning Objectives

1. Describe the difference between market information systems and market research systems
2. Identify how critical internal (inside the firm) information is collected and used in making marketing decisions
3. Explain essential external (outside the firm) information collection methods
4. Recognize the value of market research and its role in marketing
5. Define the market research process
6. Illustrate current research technologies and how they are used in market research

Key Terms

- Market information systems (MIS)
- Marketing intelligence
- Demographics
- Microeconomics
- Macroeconomics
- Market research
- Management research deliverable
- Research problem
- Exploratory research
- Descriptive research
- Casual research
- Primary data
- Secondary data
- Qualitative research
- Quantitative research
- Focus group
- In-depth interview
- Surveys
- Behavioral data
- Observational data
- Mechanical observation
- Open-ended questions
- Closed-ended questions
- Census
- Sample
- Probability sampling
- Nonprobability sampling
- Online database

Topic 2: CRM

Learning Objectives

1. Define CRM and articulate its objectives and capabilities
2. Describe the CRM process cycle
3. Understand the concept of customer touchpoints and why touchpoints are critical in CRM

Key Terms

- Customer relationship management (CRM)
- Customer satisfaction
- Customer loyalty
- Customer lifetime value (CLV)
- Return on customer investment (ROCI)
- Firing a customer
- Customer touchpoints
- Data warehouse
- Data mining
- Database marketing
- Organizational learning
- Formalization
- Customer mind-set

Topic 3: Data and Marketing Analytics

Learning Objectives

1. Identify and appreciate the types of data used in marketing management decision making
2. Recognize key approaches to marketing analytics
3. Understand the concept of a marketing dashboard and how it improves marketing planning for a firm
4. Explain return on marketing investment (ROMI), including cautions about its use

Key Terms

- Big data
- Structured data
- Unstructured data
- Semi-structured data
- Marketing analytics
- Marketing analyst
- Descriptive analytics
- Diagnostic analytics
- Predictive analytics
- Prescriptive analytics
- Sentiment analysis
- Attribution
- Content filtering
- Collaborative filtering
- Marketing dashboard
- Return on marketing investment (ROMI)

DOMAIN 4: BUYERS AND MARKETS (17%)

Topic 1: Consumer Behavior

Learning Objectives

1. Understand the value of knowing the consumer
2. Consider the role of personal and psychological factors in consumer decision making
3. Appreciate the critical and complex role of cultural, situational, and social factors in a consumer purchase decision
4. Understand the consumer decision-making process

Key Terms

- Demographics
- Family life cycle
- Lifestyle
- Gender roles
- Motivation
- Attitude
- Multi-attribute model
- Perception
- Selective awareness
- Selective distortion
- Selective retention
- Memory
- Short-term memory
- Long-term memory
- Learning
- Conditioning
- Cognitive learning
- Personality
- Culture
- Language
- Cultural values
- Nonverbal communication
- Subculture
- Family
- Household life cycle (HLC)
- Social class
- Aspirational purchases
- Opinion leaders
- Market mavens
- Reference group
- Desirability
- Degree of affiliation
- Primary groups
- Secondary groups
- Involvement
- High-involvement learning
- Low-involvement learning
- Real state
- Preferred state
- Minimal information search
- Extensive information search
- Limited information search
- Internal information sources
- External information sources
- Complete set
- Awareness set
- Consideration (evoked) set
- Emotional choices
- Attitude-based choices
- Attribute-based choice
- Post-purchase dissonance
- Instrumental performance
- Symbolic performance

Topic 2: Organizational Buyer Behavior

Learning Objectives

1. Understand the critical role of the buying center and each participant in the B2B process
2. Learn the B2B purchase decision process and different buying situations
3. Comprehend the role of technology in business markets
4. Understand the differences between B2C and B2B markets

Key Terms

- Business-to-business (B2B) markets
- Supply chain
- Product demand
- Derived demand
- Acceleration effect
- Inelastic demand
- Buying decisions
- Straight rebuy
- Out suppliers
- Modified rebuy
- New purchase
- Buying center
- Users
- Initiator
- Influencers
- Gatekeepers
- Deciders
- North American Industrial Classification System (NAICS)
- Original equipment manufacturer (OEM)
- End user purchases
- Capital equipment
- Materials, repairs, and operational (MRO)
- Resellers
- Government
- Institutions
- Request for proposal (RFP)
- Product choice
- Supplier choice
- Reliability
- Personal factors
- Organizational factor
- Electronic data interchange (EDI)
- E-procurement

Topic 3: Segmentation, Targeting, and Positioning

Learning Objectives

1. Explain the criteria for effective segmentation
2. Identify the various approaches to market segmentation
3. Describe the steps in target marketing
4. Define positioning and link it to the use of the marketing mix
5. Use and interpret positioning maps
6. Identify sources of differentiation
7. Avoid potential positioning errors

Key Terms

- Market segmentation
- Differentiation
- Geographic segmentation
- Demographic segmentation
- Family life cycle
- Psychographic segmentation
- VALS Framework
- Behavioral segmentation
- Target marketing
- Primary target markets
- Secondary target markets
- Tertiary target markets
- Target markets to abandon for future development
- Undifferentiated target marketing
- Concentrated target marketing
- Customized (one-to-one) marketing
- Positioning
- Positioning strategy
- Perceptual map
- Repositioning

DOMAIN 5: THE OFFERING – PRODUCT AND SERVICE (21%)

Topic 1: Consumer Behavior

Learning Objectives

1. Understand the essential role of the product experience in marketing
2. Define the characteristics of a product
3. Recognize how product strategies evolve from one product to many products
4. Understand the life of a product and how product strategies change over time

Key Terms

- Product
- Stock-keeping unit (SKU)
- Essential benefit
- Core product
- Enhanced product
- Tangibility
- Durability
- Nondurable product
- Durable product
- Convenience goods
- Shopping goods
- Specialty goods
- Unsought goods
- Materials
- Parts
- MRO supplies (maintenance, repair, operating)
- Capital goods
- Form
- Feature
- Conformance
- Durability
- Reliability
- Reparability
- Style
- Product line
- Product mix
- Product life cycle (PLC)
- Fads
- Market penetration
- Market skimming

Topic 2: New Product Development

Learning Objectives

1. Recognize the importance of new product development to long-term success
2. Understand the new product development process
3. Identify how new products become diffused in a market

Key Terms

- New-to-the-world product
- Upgrades or modifications to existing products
- Additions to existing product lines
- Reposition existing products
- Cost reduction
- Go-to-market mistake
- Stop-to-market mistake
- Business case analysis
- Innovation diffusion process

Topic 3: Branding Strategy

Learning Objectives

1. Recognize the essential elements in a brand
2. Learn the importance of brand equity in product strategy
3. Explain the role of packaging and labeling as critical brand elements
4. Define the responsibility of warranties and service agreements in building consumer confidence

Key Terms

- Brand
- Brand strategy
- Brand identity
- Brand equity
- Brand awareness
- Brand loyalty
- Perceived quality
- Brand association
- Brand assets
- Stand-alone brands
- Family branding
- Category extension
- National brands
- Store brand
- Licensing
- Co-branding
- General warranties
- Specific warranties

Topic 4: Service Strategy

Learning Objectives

1. Understand why service is a key source of potential differentiation
2. Explain the characteristics that set services apart from physical goods
3. Explain the service-profit chain and how it guides marketing management decisions about service
4. Describe the continuum from pure goods to pure services
5. Discuss the elements of service quality and gap analysis
6. Measure service quality through use of SERVQUAL
7. Understand service blueprinting and how it aids marketing managers

Key Terms

- Service
- Service economy
- Service sector
- Service dominant logic
- Intangibility
- Inseparability
- Variability
- Perishability
- Fluctuating demand
- Service-profit chain
- Internal marketing
- Customer-centric
- Customer mind-set
- Customer expectations management
- Customer retention
- Customer advocacy
- Search attributes
- Experience attributes
- Credence attributes
- Professional services
- Customer delight
- Delightful surprises
- Service quality
- Service encounter
- Moment of truth
- Gap model
- Service recovery
- Service failure
- Dimensions of service quality
- Tangibles

DOMAIN 6: MANAGE PRICING DECISIONS (7%)

Topic 1: Pricing Objectives and Strategies

Learning Objective

1. Explore different pricing objectives and related strategies.

Key Terms

- Cost Leadership
- Penetration Pricing
- Market Share
- Price Skimming
- Profit Maximization
- Target ROI
- Price elasticity of demand
- Competitor based pricing
- Price war
- Stability pricing
- Value pricing

Topic 2: Pricing Tactics

Learning Objectives

1. Identify pricing tactics
2. Describe approaches to setting the exact price
3. Determine discounts and allowances to offer to channel members

Key Terms

- Product line pricing (price lining)
- Price Points
- Captive pricing (or complementary pricing)
- Price bundling
- Reference pricing
- Prestige pricing
- Odd pricing
- Even pricing
- Psychological pricing
- One-price strategy
- Variable pricing
- Everyday low pricing (EDLP)
- High/low pricing
- Auction pricing
- Reverse auctions
- Cost-plus pricing
- Markup on cost
- Markup on sales price
- Average cost pricing
- Target return pricing
- Discounts
- Allowances
- Cash discounts
- Trade discounts
- Quantity discounts
- Seasonal discounts
- Promotional allowances
- FOB Pricing
- Uniform delivered pricing
- Zone pricing

Topic 3: Execute the Pricing Strategy

Learning Objectives

1. Understand how to execute price changes
2. Understand legal considerations in pricing

Key Terms

- Just-noticeable difference
- Price-fixing
- Price discrimination
- Deceptive pricing
- Bait and switch
- Predatory pricing
- Fair trade laws
- Minimum markup laws
- Loss leader products

DOMAIN 7: DELIVER THE VALUE OFFERING (8%)

Topic 1: Channels

Learning Objectives

1. Define a value network and how organizations operate within this approach
2. Identify various types of intermediaries and distribution channels
3. Explain the different types of vertical marketing systems
4. Utilize suitable criteria to select appropriate channel approaches

Key Terms

- Value network
- Value co-creation
- Network organization (virtual organization)
- Channel of distribution
- Intermediaries
- Merchant intermediaries
- Agent intermediaries
- Direct channel
- Indirect channel
- Facilitating functions
- Disintermediation
- Vertical marketing system (VMS)
- Corporate VMS
- Vertical integration
- Contractual VMS
- Franchise organization
- Retailer cooperative
- Wholesaler cooperative
- Administered VMS
- Channel captain (channel leader)
- Partner relationship management (PRM) strategies
- Channel power
- Channel conflict
- Coercive power
- Reward power
- Expert power
- Referent power
- Legitimate power
- Push strategy
- Slotting allowance (shelf fee)
- Pull strategy

Topic 2: Pricing Tactics

Learning Objective

1. Understand the impact of intermediary contributions via physical distribution functions, transaction and communication functions, and facilitating functions

Key Terms

- Physical distribution (logistics)
- Breaking bulk
- Accumulating bulk
- Sorting
- Creating assortments
- Reducing transactions
- Transportation and storage
- Distribution intensity
- Intensive distribution
- Convenience goods
- Impulse goods
- Shopping goods
- Selective distribution
- Exclusive distribution

Topic 3: Logistics

Learning Objective

1. Identify the logistics aspects of supply chain management

Key Terms

- Outbound logistics
- Inbound logistics
- Reverse logistics
- Stock-out
- Enterprise resource planning (ERP) systems
- Just-in-time (JIT) inventory control system
- Materials requirement planning (MRP)

Topic 4: Supply Chain Management

Learning Objective

1. Understand the role of retailing and e-commerce in delivering the value offering to the customer

Key Terms

- Supply chain
- Supply chain management
- Outsourcing (third-party logistics, 3PL)
- Exclusive dealing
- Exclusive territory
- Tying contract
- Retailing
- Electronic commerce (e-commerce)
- Electronic retailing (e-retailing or e-tailing)
- Omnichannel retailing
- Market makers
- Customer communities

DOMAIN 8: COMMUNICATE THE VALUE OFFERING (11%)

Topic 1: Promotion Management Basics

Learning Objectives

1. Understand promotion and identify the elements of promotion mix
2. Explain the hierarchy of effects (AIDA) model and its usefulness to promotion strategy

Key Terms

- Promotion
- Promotion mix
- Digital and social media marketing
- Advertising sales promotion
- Public relations (PR)
- Personal selling
- Promotional mix strategies
- Promotional campaign
- Push strategy
- Pull strategy
- Internal marketing
- AIDA model

Topic 2: Digital Marketing

Learning Objective

1. Discuss the role and key types of digital marketing in communicating value to customers

Key Terms

- Digital marketing
- Paid media
- Cost per impression
- Cost per click
- Owned media
- Earned media
- Digital advertising
- Display ads
- Banner ads
- Interstitials
- Retargeting
- Search ads
- Social network ads
- Native ads
- Landing page
- Microsites
- Blog
- Search engine optimization (SEO)
- M-commerce
- Geolocation marketing
- Branded mobile apps
- In-app ads

Topic 3: Social Media Marketing

Learning Objective

1. Identify the key types of social media and their benefits to marketers in communicating value to customers

Key Terms

- Social networks
- Viral marketing
- Seeding strategy
- Online brand communities

Topic 4: Legacy Promotional Approaches

Learning Objective

1. Understand the key types of advertising and the role of the creative agency
2. Identify various approaches to sales promotion and how each might be used
3. Describe the activities and aims of public relations
4. Understand the role of personal selling in marketing communications
5. Learn the process of relationship selling
6. Understand the major job responsibilities of sales management

Key Terms

- Advertising wearout
- Advertising response function
- Institutional advertising
- Product advertising
- Pioneering advertising
- Competitive advertising
- Comparative advertising
- Reach
- Frequency
- Advertising execution
- Clutter
- Trade show
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- Allowance
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- Sales skill level
- Motivation
- Extrinsic rewards
- Intrinsic rewards
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Confidence Prepared

The Professional Certified
Marketer® Program



If you have additional questions after reviewing this document, please contact us.

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