

CHAPTER
1

Introduction to Marketing

Part 1: Content Review

Matching

Write the letter for the correct term for each definition on the line provided.

- _____ 1. Strategy for using the elements of product, price, place, and promotion.
- _____ 2. Customer who buys products for his or her own use.
- _____ 3. Route a product takes from the producer to the customer.
- _____ 4. Consists of customers who buy products for use in a business rather than for personal use.
- _____ 5. Anywhere a buyer and a seller convene to buy and sell goods.
- _____ 6. Consists of dynamic activities that identify, anticipate, and satisfy customer demand while making a profit.
- _____ 7. Consists of customers who buy products for their own use.
- _____ 8. Concept, cause, issue, image, or philosophy.
- _____ 9. Handling the activities involved in getting products through the different routes from the producers to the customers.
- _____ 10. Physical item that can be touched.

Terms

- A. business-to-business (B2B) market
- B. business-to-consumer (B2C) market
- C. channel
- D. channel management
- E. consumer
- F. good
- G. idea
- H. market
- I. marketing
- J. marketing mix

Completion

Fill in the blanks with the term that best completes each sentence.

Terms

- | | | |
|------------------------|-----------|---------|
| customer satisfaction | product | service |
| marketing professional | profit | utility |
| need | promotion | want |
| pricing | | |

- 1. The degree to which customers are pleased with a company's goods or services is _____.
- 2. A(n) _____ helps determine the marketing needs of a company, develops and implements marketing plans, and focuses on customer satisfaction.
- 3. A(n) _____ is necessary for survival, such as food, clothing, and shelter.
- 4. A good, service, or idea is a(n) _____.
- 5. Something a person desires, but could live without is a(n) _____.

6. The difference between the income earned and the expenses incurred by a business during a certain period of time is _____.
7. The _____ function includes all the activities involved in setting prices for products.
8. The characteristics of a product that satisfy human wants and needs is _____.
9. _____ is the process of communicating with potential customers in an effort to influence their buying behavior.
10. A(n) _____ an action done for you, usually for a fee.

True or False

Decide whether each statement is true or false. If the statement is true, write *True* on the line provided. If the statement is false, write *False* and rewrite the statement to make it true.

1. A need is something that a person desires but could live without, such as a new cell phone or a vacation.

2. Marketing-information management is gathering and analyzing information about markets, customers, industry trends, new technology, and competing businesses.

3. The marketing concept is an approach to business that focuses on achieving profit goals regardless of customer satisfaction.

4. The three elements of the marketing concept are customer satisfaction, total company approach, and promotion.

5. The different routes a product takes from the producers to the customers are called channels.

Part 2: Concept Review

Marketing Concept

Write your response to each of the following statements or questions in the space provided. Use complete sentences.

1. What does it mean to say, "Without customers, there would be no businesses"?

Name _____

2. List three of your needs and three of your wants.

A. Needs

1. _____
2. _____
3. _____

B. Wants

1. _____
2. _____
3. _____

C. In general, would you say that you have more needs than wants or more wants than needs? Explain why.

3. Explain why marketing is much more than just promoting a product.

4. Why is setting the best price important for both business success and customer satisfaction?

5. How does the marketing concept benefit customers of a business?

Marketing Mix

The marketing mix uses the elements of product, price, place, and promotion to sell products to consumers. However, consumer preferences are constantly changing. The marketing mix for a product needs to be adjusted when consumer demand increases or decreases.

Read each of the following scenarios. For each one, identify whether consumer demand is increasing or decreasing. Then, using complete sentences, explain how you think this change in consumer demand might impact each element of the marketing mix.

1. The items sold in the natural and organic foods section of a grocery store sell for 10 to 30 percent more than similar items not labeled as natural or organic. The items are not often featured in the

grocery store’s weekly advertisements. Despite the higher prices and the low level of advertising, the products sell very well and stock often runs out.

A. Is consumer demand increasing or decreasing in this scenario?

B. How might the increase/decrease affect *product* in the marketing mix?

C. How might the increase/decrease affect *price* in the marketing mix?

D. How might the increase/decrease affect *place* in the marketing mix?

E. How might the increase/decrease affect *promotion* in the marketing mix?

2. In the late 1970s, consumers had major concerns about the safety of convertible-top automobiles. As a result, several manufacturers stopped making this style of car. However, increasingly strict automobile safety standards have been put in place, and advancements in manufacturing technology have made cars safer. Today, many automobile manufacturers offer convertible models.

A. Is consumer demand increasing or decreasing in this scenario?

B. How might the increase/decrease affect *product* in the marketing mix?

Name _____

C. How might the increase/decrease affect *price* in the marketing mix?

D. How might the increase/decrease affect *place* in the marketing mix?

E. How might the increase/decrease affect *promotion* in the marketing mix?

3. Golden Circle is a reliable mail-order company that sells safety items to families with young children, such as cabinet door locks and child car seats, through its catalog. However, Golden Circle's website does not give customers the option to make online purchases. Customers must place a phone call during Golden Circle's business hours or mail an order form that can be torn out of the catalog. Many customers have sent complaints about not being able to place orders online, and sales are lower each year.

A. Is consumer demand increasing or decreasing in this scenario?

B. How might the increase/decrease affect *product* in the marketing mix?

C. How might the increase/decrease affect *price* in the marketing mix?

D. How might the increase/decrease affect *place* in the marketing mix?

E. How might the increase/decrease affect *promotion* in the marketing mix?

Functions of Marketing

In the space provided, describe each function of marketing in your own words and explain why you think it is important in marketing. Then, answer the questions that follow. Use complete sentences.

1. Channel management

2. Marketing-information management (MIM)

3. Market planning

4. Pricing

Name _____

5. Product/service management

6. Promotion

7. Selling

8. How do you think the seven functions of marketing are handled differently in a large company versus a small company? Explain your answer.

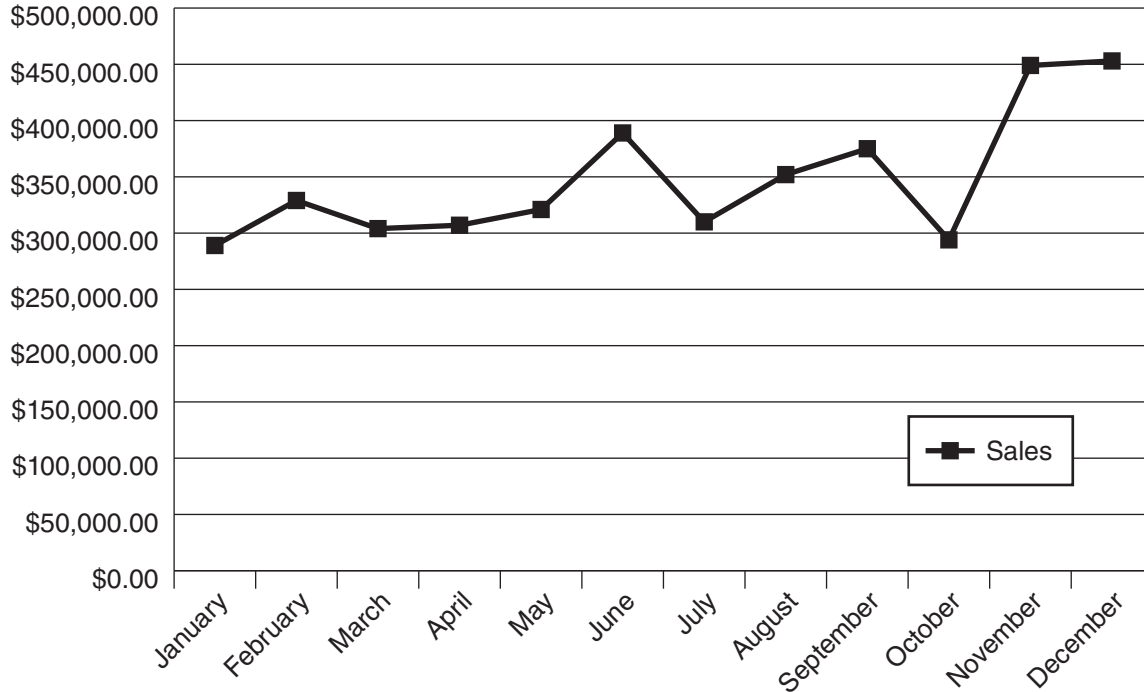
9. Which function of marketing do you think is the most important? Explain your reasoning.

10. Select one of the seven functions of marketing. When have you seen this function of marketing in action? Describe your experience.

Part 3: Marketing Math

Graphs

The following graph shows a year of sales for a cell phone company. Using the information from the graph, fill in the table with the monthly sales for the phone company. After you complete the table, answer the questions that follow.



Cell Phone Sales			
Month	Sales (\$)	Month	Sales (\$)
January		July	
February		August	
March		September	
April		October	
May		November	
June		December	

1. During which month were the cell phone sales the highest?

2. During which month were the cell phone sales the lowest?

Name _____

3. What is the dollar difference between the highest monthly sales and the lowest?

4. Why do you think there was such a large difference in sales?

5. Look at the graph and then look at the table. Which visual made it easier to answer the questions? Why?

Part 4: Be Your Own Leader

Leadership Skills

Marketing requires leadership skills. What makes a great leader? What is the difference between a good leader and a great leader? Identify people you believe are great leaders and the qualities those leaders possess. Answer the questions that follow.

1. Name two people you think are great leaders. They may be people you know personally, people from history, celebrities, athletes, or others. Explain why you believe they are a great leader.

A. Leader 1: _____

B. Explanation:

C. Leader 2: _____

D. Explanation:

2. List the top ten qualities you think great leaders possess. Once you have listed those qualities, interview a peer to find out the ten qualities he or she thinks a great leader possesses. Compare the two lists and write an analysis of the similarities and differences between them.

A. Your list

- 1. _____
- 2. _____
- 3. _____
- 4. _____
- 5. _____
- 6. _____
- 7. _____
- 8. _____
- 9. _____
- 10. _____

B. Interviewee's list

- 1. _____
- 2. _____
- 3. _____
- 4. _____
- 5. _____
- 6. _____
- 7. _____
- 8. _____
- 9. _____
- 10. _____

C. Analysis

3. Review the list of qualities that leaders possess that you wrote in part A. Determine which of those qualities you possess and those you do not. Explain how you plan to develop the qualities you do not currently possess.
