

Chapter 10

Marketing

Answer Key

Part 1: Content Review

1. G
2. B
3. F
4. D
5. A
6. E
7. I
8. J
9. C
10. H

Multiple Choice

1. A
2. C
3. B
4. B
5. A
6. A
7. C
8. D
9. C
10. A

Completion

1. marketing concept
2. price
3. marketing strategy
4. geographic segmentation
5. demographic segmentation
6. personal
7. influence
8. situational
9. extensive
10. internal

Part 2: Concept Review

Open Response

1. The four Ps of marketing are product, price, place, and promotion. Products like gasoline, milk, and sugar are examples of products that are often purchased based on price. Many products purchased at a convenience store are often purchased because of the place. Student examples will vary.
2. Demographic segmentation is dividing the market of potential customers by their personal statistics. Demographic factors include age, gender, income level, ethnicity, education level, occupation, marital status, and family size.
3. Mass marketing is marketing to a larger group of people who might buy a product, such as with television advertising. The potential drawback of mass marketing is that this larger group will likely include people who are not interested in the product.
4. Database marketing is a system of gathering, storing, and using customer data for marketing directly to customers based on their histories. An example of a marketing database is a customer relationship management (CRM) system. A customer relationship management (CRM) system is a system to track contact and other information for current and potential customers.
5. The four levels of consumer buying decisions are impulse (candy or magazines near the checkout), routine (milk, facial tissue, and toothpaste), limited (small appliances and athletic equipment), and extensive (large electronic items). Student purchase examples will vary.

Part 3: Math Skills

Statistics

1. (a.) $(\$417,000 + \$355,000 + \$339,000 + \$312,000 + \$298,000) \div 5 = \text{mean sales}$
 $\$1,721,000 \div 5 = \$344,200$
 (b.) $(\$48,600 + \$37,900 + \$34,000 + \$29,600 + \$19,800) \div 5 = \text{mean profit}$
 $\$169,900 \div 5 = \$33,980$
2. (a.) $(\$199 + \$279 + \$499 + \$899 + \$1,299) \div 5 = \text{mean price}$
 $\$3,175 \div 5 = \635
 (b.) Median price = \$499
 (c.) There is no mode
 (d.) Largest data entry – smallest data entry = range
 $\$1,299 - \$199 = \$1,100$
3. $(526 + 511 + 599 + 545 + 577 + 489 + 647) \div 7 = \text{average number sold}$
 $3,894 \div 7 = 556.29 \text{ pinatas}$
4. (a.) $(15,000 + 14,000 + 14,000 + 19,000 + 17,000 + 18,000 + 38,000) \div 7 = \text{mean store size}$
 $135,000 \div 7 = 19,286 \text{ square feet}$
 (b.) 17,000 square feet
 (c.) 14,000 square feet
 (d.) $38,000 - 14,000 = 24,000 \text{ square feet}$
5. (a.) $(15,000 + 14,000 + 14,000 + 19,000 + 17,000 + 18,000 + 38,000 + 44,000) \div 8 = \text{mean store size}$
 $179,000 \div 8 = 22,375 \text{ square feet}$
 (b.) $(17,000 + 18,000) \div 2 = \text{median}$
 $35,000 \div 2 = 17,500 \text{ square feet}$
 (c.) 14,000 square feet
 (d.) $44,000 - 14,000 = 30,000 \text{ square feet}$

Part 4: Communication Skills

Writing

Section I

1. effect
2. weather
3. lose
4. capital
5. capital
6. hear
7. Who's
8. their
9. you're
10. too
11. principle
12. There

Section II

13. Where
14. Maid
15. Weigh
16. Male
17. Suede
18. Banned
19. Sell
20. Pause
21. Daze
22. Plane
23. Real
24. Brake
25. Grate