CHAPTER

10 Marketing

Part 1: Content Review

Matching

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

Terms

A. marketing
B. promotion
C. product
D. marketing plan
E. marketing mix

F. target market
G. database marketing
H. relationship selling
I. routine buying decision
J. external influence

_____ 1. A system of gathering, storing, and using customer data for marketing directly to customers based on their histories.

_____ 2. The process of communicating with potential customers in an effort to influence their buying behavior.

_____ 3. A specific group of customers whose needs a company will focus on satisfying.

_____ 4. A document describing business and marketing objectives and the strategies and tactics to achieve them.

_____ 5. Consists of dynamic activities that identify, anticipate, and satisfy customer demand while making a profit.

_____ 6. The strategy for using the elements of product, price, place and promotion.

_____ 7. A purchase made quickly and with little thought.

_____ 8. Motivators or change factors from outside the business.

_____ 9. Anything that can be bought or sold.

_____ 10. Focuses on building long-term relationships with customers.

Multiple Choice

Place the letter of the correct answer to each question on the line provided.

_____ 1. Which of the following is an element of the marketing concept?
   A. Customer satisfaction
   B. Vendor satisfaction
   C. Behavioral segmentation
   D. All of the above.

_____ 2. The four Ps of marketing include product, price, place, and ____.
   A. prime location
   B. progressive marketing
   C. promotion
   D. production

_____ 3. The process of dividing the market into smaller groups is ____.
   A. market planning
   B. market segmentation
   C. promotion
   D. situational influence

_____ 4. Dividing the market by certain preferences or lifestyle choices is ____.
   A. demographic segmentation
   B. psychographic segmentation
   C. mass marketing
   D. target marketing

_____ 5. A detailed description of the typical consumer in a market segment is a(n) ____.
   A. customer profile
   B. psychological profile
   C. marketing plan
   D. target market

_____ 6. Businesses that sell primarily to individual consumers are in the ____ market.
   A. business-to-consumer (B2C)
   B. business-to-business (B2B)
   C. target
   D. mass

_____ 7. Which of the following is *not* an influence on consumer buying behavior?
   A. Social
   B. Psychological
   C. Informational
   D. Situational

_____ 8. A purchase made with no planning or research is a(n) ____ buying decision.
   A. routine
   B. extensive
   C. expensive
   D. impulse

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Name _____

_____   9. Which of the following business-to-business (B2B) buying decisions involves a great deal of research and thought?
- A. Repeat purchase
- B. Modified purchase
- C. New purchase
- D. Impulse purchase

_____   10. The ____ level of a business-to-business (B2B) buying decision involves little research and thought.
- A. repeat purchase
- B. modified purchase
- C. new purchase
- D. impulse purchase

Completion

In the space provided, write the word(s) that best completes each of the following statements.

_____   1. The _____ is an approach to business that focuses on satisfying customers.

_____   2. An amount of money requested or exchanged for a product is _____.

_____   3. The plan that helps a business meet its overall goals and objectives is a(n) _____.

_____   4. Segmenting a market based on where customers live is _____.

_____   5. Dividing the market of potential customers by their personal statistics is _____.

_____   6. The influences that make each individual consumer unique and affect buying behavior are _____ influences.

_____   7. The power to sway or produce an effect is a(n) _____.

_____   8. The influences that come from the environment and affect buying consumer behavior are _____ influences.

_____   9. In the business-to-consumer (B2C) market, a(n) _____ buying decision involves a great deal of research and planning.

_____   10. In the business-to-business (B2B) market, _____ influences are motivators or change factors that come from within the business itself.

Name _____

Part 2: Concept Review

Open Response

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

1. What are the four Ps of marketing? Give an example of a product you buy primarily based on price. Give an example of a product you buy primarily based on place.

    _____

    _____

    _____

    _____

    _____

    _____

2. What is demographic segmentation? What are five demographic factors you could collect when segmenting the market in this way?

    _____

    _____

    _____

    _____

    _____

    _____

3. What is mass marketing? What is a potential drawback of mass marketing?

    _____

    _____

    _____

    _____

    _____

    _____

Name _____

4. What is database marketing? Describe an example of database marketing.

_____

_____

_____

_____

_____

_____

5. What are the four levels of consumer buying decisions? Identify a product you might purchase at each of the four levels.

_____

_____

_____

_____

_____

_____

Name _____

Part 3: Math Skills

Statistics

Businesses constantly make decisions that involve various types of numerical data, such as prices, sales, order sizes, and various measurements. A math application which involves the collection, analysis and interpretation of data is called *statistics*. Some of most commonly used statistical measures are the *mean*, *median*, *mode*, and *range*.

The mean is also called the average, which is calculated with the following formula:

$$\frac{\text{sum of data entries}}{\text{number of data entries}} = \text{mean}$$

The median is the middle number in the data set after it is organized from smallest to largest. If there are an even number of data entries, add the two middle numbers and divide by 2. For example, if a data range consisted of the numbers 1, 2, 3, 4, 5, the median would be 3. If a data range consisted of the numbers 1, 2, 3, 4, 5, 6, the median would be 3 + 4 divided by 2, which equals 3.5.

The mode is the number in the data set that appears the most. If no number appears more than once, there is no mode.

The range is the difference between the largest and smallest number in the data set and is found using the following formula:

$$\text{largest data entry} - \text{smallest data entry} = \text{range}$$

Answer the following questions involving statistics.

1. Jumpin' Jack is a manufacturer of backyard trampolines. The following are the sales and profit figures for each of the five years from 2011 to 2015.

2015
Sales: $417,000
Profit: $48,600

2012
Sales: $312,000
Profit: $29,600

2014
Sales: $355,000
Profit: $37,900

2011
Sales: $298,000
Profit: $19,800

2013
Sales: $339,000
Profit: $34,000

a. Calculate the mean sales for Jumpin' Jack's last five years.

_____

_____

Name _____

b. Calculate the mean profit for Jumpin' Jack's last five years.

_____

_____

2. Jumpin' Jack sells five different trampoline models at the following prices:

$199, $279, $499, $899, and $1,299

a. Calculate the mean price of the trampolines.

_____

_____

b. What is the median price of the trampolines?

_____

_____

c. What is the mode of the trampoline prices?

_____

_____

d. Calculate the range of the trampoline prices.

_____

_____

3. Grand Party Supply operates a chain of party supply stores. The following are the number of piñatas that it has sold over the past seven months.

March: 526

April: 511

May: 599

June: 545

July: 577

August: 489

September: 647

What is the average number of piñatas sold over this period?

_____

_____

Name _____

4. Grand Party Supply has seven stores in Ohio. The size of each store, measured in square feet, is as follows:

   Store #1: 15,000

   Store #2: 14,000

   Store #3: 14,000

   Store #4: 19,000

   Store #5: 17,000

   Store #6: 18,000

   Store #7: 38,000

   a. Calculate the mean store size.

   _____

   _____

   b. Calculate the median store size.

   _____

   _____

   c. Calculate the mode of the store sizes.

   _____

   _____

   d. Calculate the range of store sizes.

   _____

   _____

5. Refer to the data in the previous problem. Grand Party Supply will open a new 44,000 square foot store next year. Taking the new store into consideration, recalculate the following:

   a. Mean store size

   _____

   _____

Name _____

    b.   Median store size

        _____

        _____

    c.   Mode of the store sizes

        _____

        _____

    d.   Range of store sizes

        _____

        _____

Name _____

Part 4: Communication Skills

Writing

Successful employees continuously develop their communication skills. One way to develop communication skills is by working on your vocabulary. *Homonyms* are words that sound alike but have different meanings. Sometimes they are confused and used incorrectly in sentences.

Section I

Write the correct homonym for each of the sentences on the line provided.

_____   1.   The <u>affect/effect</u> of higher gasoline prices is less driving.

_____   2.   Sales of ice cream jumped dramatically during the unusually hot <u>weather/whether</u>.

_____   3.   Theft by employees caused the business to <u>lose/loose</u> a large amount of inventory.

_____   4.   The business owner needed to raise investment <u>capitol/capital</u> to open her factory.

_____   5.   Ace Trucking opened a new terminal is Lansing, the <u>capitol/capital</u> of Michigan.

_____   6.   The salesperson did not <u>hear/here</u> the customer ask for assistance.

_____   7.   <u>Who's/Whose</u> working in the ticket office today?

_____   8.   The customers were dissatisfied and took <u>their/there</u> business elsewhere.

_____   9.   I think <u>your/you're</u> the best accountant in this firm.

_____   10. The prices at Victory Electronics were <u>too/to</u> high to attract many customers.

_____   11. A guiding business <u>principle/principal</u> at Efficient Furnace is to install and repair furnaces with great care and at fair prices.

_____   12. <u>There/Their</u> is too much clutter in the manager's office.

Name _____

Section II

Next, write a homonym for each of the following words.

_____   13.   Wear

_____   14.   Made

_____   15.   Way

_____   16.   Mail

_____   17.   Swayed

_____   18.   Band

_____   19.   Cell

_____   20.   Paws

_____   21.   Days

_____   22.   Plain

_____   23.   Reel

_____   24.   Break

_____   25.   Great