

Unit 4.1 The role of marketing

Task 1: True or false?

		True/False
a.	Marketing is concerned with selling goods and services to consumers.	
b.	Marketing is the same as advertising and selling.	
c.	Advertising is what gets a product sold.	
d.	Markets can exist without physical locations.	
e.	Consumer markets are the products directly aimed at individuals and households.	
f.	Goods and services are marketed in the same way.	
g.	Market orientated businesses are more financially successful than product orientated firms.	
h.	The use of marketing strategies to meet the needs and wants of customers in a profitable way is called commercial marketing.	
i.	The use of commercial marketing methods to achieve the benefits of social change is called social marketing.	
j.	Market leaders are firms with the largest market share within an industry.	

Task 2: Vocabulary quiz

Identify the key terms from the clues given. *Hint:* the answers are in alphabetical order.

Key term	Definition
	The guidelines that help businesses to act in a socially moral way by considering what is ethically right or wrong.
	A marketing approach that places the needs and wants of customers as the key to success.
	A measure of a firm's market power, this is measured by calculating the firm's sales revenue as a percentage of all sales in the market.
	A document outlining the marketing mix of an organization in order to achieve its marketing objectives.
	The marketing approach that does not respond well to change because the needs of customers and the market are not catered for.
	Marketing activities that seek to influence social behaviour to benefit the target audience and society as a whole.

Task 3: Explain ...

- a. the meaning of marketing.

b. how businesses might calculate their market share.

c. one advantage and one disadvantage to a business that plans to launch new products in rapidly growing markets.

d. the difference between commercial marketing and social marketing, using smoking as an example.

e. the difference between product orientation and market orientation.

Task 4: Calculating market share

a. Complete the missing figures in the table below for a market valued at \$150 million.

Company	Sales (\$m)	Market share (%)
A	60	i
B	30	ii
C	iii	22
D	iv	18

b. Based on your answers to the above, calculate and comment on the two-firm concentration ratio.

Task 5: Multiple choice

1. Marketing is not about
 - A. Customer relations management
 - B. Understanding the needs and wants of customers
 - C. Recruiting the best sales people
 - D. Meeting the needs and wants of consumers

2. Which statement cannot be applied to the nature of marketing?
 - A. Customers are of central importance to marketing
 - B. Marketing is far more than advertising
 - C. Marketing is all about selling products to meet the needs of customers
 - D. Marketing affects all functional aspects of a business

3. The size of a market cannot be measured in terms of
 - A. Sales revenue
 - B. Sales volume
 - C. The number of customers
 - D. Marketing budgets

4. Which of the following is not part of the marketing mix for physical goods?
 - A. Product
 - B. Promotion
 - C. People
 - D. Distribution

5. The marketing mix for services does not necessarily include
 - A. Price
 - B. Packaging
 - C. People
 - D. Physical evidence

6. Which of the following is not part of the marketing mix for services?
 - A. People
 - B. Product
 - C. Production
 - D. Distribution

7. A key difference between goods and services is that services are
 - A. Perishable
 - B. Owned upon purchase
 - C. Tangible
 - D. Homogeneous

8. Market orientation is a marketing strategy that involves
 - A. Researching consumers' needs in order to develop new products
 - B. Primary research to find out about customers' wants and needs
 - C. Producing goods that are innovative to meet the needs of the market
 - D. Developing products based on a firm's production capabilities

9. Which statement does not apply to market orientated businesses?
 - A. The products made are what customers actually want or need
 - B. There is heavy spending on research and development
 - C. Customer buying habits enable a firm to use appropriate promotional strategies
 - D. Prices take into account what people are prepared and able to pay

10. Which feature cannot be applied to market orientated businesses?
 - A. Research is conducted about people's needs and wants
 - B. Products are designed according to what the producer feels will sell
 - C. Price is based on customers' ability and willingness to pay
 - D. Distribution networks make it convenient for customers to make purchases

11. Product orientated marketing means
 - A. Using a firm's strengths such as its brand image to market existing and new products
 - B. Basing all marketing decisions on the needs of customers
 - C. Producing and marketing products that the firm believes will sell
 - D. Using a firm's assets to increase the marketing budget

12. The physical element in the marketing of a service is known as the
 - A. Physical product
 - B. Physical evidence
 - C. Packaging
 - D. Value-added

Section 4 Marketing

13. Market share can be described as
- A. The total sales, as measured by value or volume, in a market
 - B. The percentage of total sales in a market that can be attributed to a firm
 - C. The relative size of a particular market
 - D. The number of suppliers in a particular market
14. An advantage of higher market share is that
- A. It can lead to market leadership
 - B. It requires economies of scale to be earned
 - C. There will be less competitors in the market
 - D. The firm will operate more productively
15. Organizations trying to market healthier diets and eating habits are most likely to use
- A. Commercial marketing
 - B. Social marketing
 - C. Product orientation
 - D. Market orientation
16. Which of the following is an example of a marketing objective for Toys R Us?
- A. Increase output by 1 million toys by the end of this year
 - B. Open five new stores in Vietnam within the next three years
 - C. Increase market share by 5% within the next 18 months
 - D. Improve customer relations management within the organization
17. Hannah has decided to operate a franchised Le Café coffee shop in a busy commercial district. She chose to use premium pricing for its range of coffees and desserts. She also decided to advertise by distributing flyers and coupons in the local area.
- Which elements of the marketing mix below have not been mentioned for the above situation?
- A. Price, Promotion and People
 - B. Place, Product and Promotion
 - C. Place, Price and Promotion
 - D. People, Physical evidence and Process
18. Marketing that takes account of the moral issues involved in business activity is known as
- A. Commercial marketing
 - B. Social marketing
 - C. Ethical marketing
 - D. E-marketing