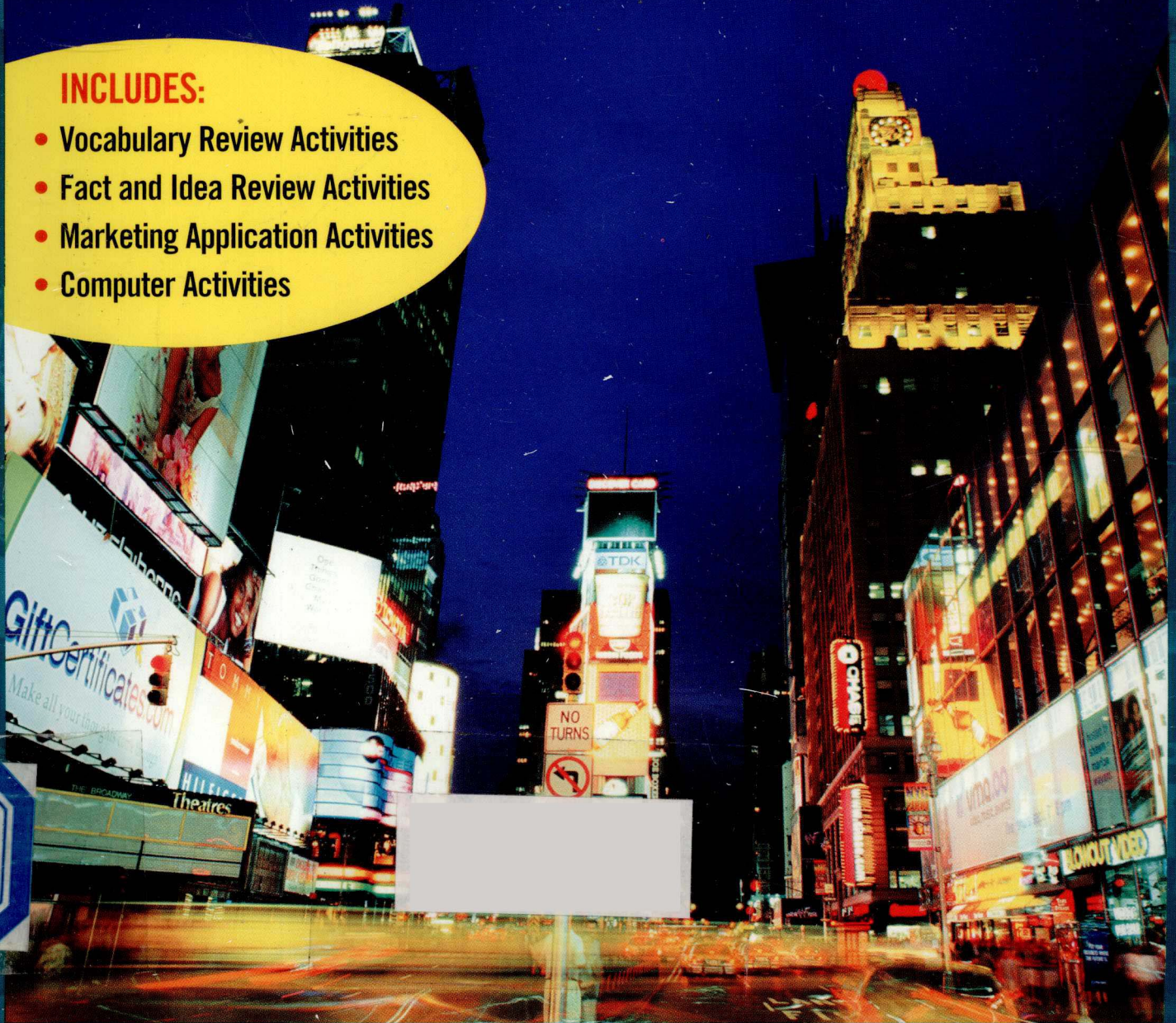


## Student Activity Workbook

# MARKETING ESSENTIALS

### INCLUDES:

- Vocabulary Review Activities
- Fact and Idea Review Activities
- Marketing Application Activities
- Computer Activities





# Marketing - Essentials

## Student Activity Workbook

**Lois Schneider Farese**  
Educational Consultant  
West Patterson, New Jersey

**Grady Kimbrell**  
Educational Consultant  
Santa Barbara, California

**Carl A. Woloszyk**  
Professor  
Consumer Resources and Technology  
Western Michigan University  
Kalamazoo, Michigan



New York, New York   Columbus, Ohio   Chicago, Illinois   Peoria, Illinois   Woodland Hills, California



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Printed in the United States of America.

Send all inquiries to: Glencoe/McGraw-Hill  
21600 Oxnard St. Suite 500  
Woodland Hills, California 91367-4906

ISBN 0-07-830715-5 (Student Edition)  
ISBN 0-07-845182-5 (Instructor Annotated Edition)

1 2 3 4 5 6 7 8 9 009 07 06 05 04 03 02

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# CHAPTER 1 Marketing Is All Around Us

## Vocabulary Review

**DIRECTIONS:** Complete each sentence with one of the terms.

exchange  
form utility  
benefits  
information utility  
goods

marketing  
place utility  
possession utility  
occupational area

services  
time utility  
utility  
products

- \_\_\_\_\_ is the process of developing, promoting, and distributing products.
- In marketing, \_\_\_\_\_ offered for exchange can be either goods or services.
- Plumbers, dentists, and gardeners all provide \_\_\_\_\_.
- Department stores use display windows to market their \_\_\_\_\_.
- A(n) \_\_\_\_\_ occurs every time legal ownership of a product changes hands.
- The value added to products by the many functions of marketing is called \_\_\_\_\_.
- Having products available when consumers want them increases value through the function of \_\_\_\_\_.
- Assembling parts to build an engine is adding value through \_\_\_\_\_.
- Cooking instructions on packaging add value to food products by providing \_\_\_\_\_.
- Credit cards and installment plans increase \_\_\_\_\_ by making products more attainable for some customers.
- A well-located drive-through window adds value to a bank's services by providing \_\_\_\_\_.
- Benefits are job-related "perks," or privileges or monetary payments beyond \_\_\_\_\_.
- A(n) \_\_\_\_\_ is a category of jobs that involves similar interests and skills.



# CHAPTER 1 Marketing Is All Around Us

## Fact and Idea Review

**DIRECTIONS:** In each series of terms, circle the one that does not belong. Then explain your choice on the line below.

1. interpersonal skills                      pricing                      promotion                      distribution

\_\_\_\_\_

2. advertising                      assembling                      displaying                      labeling

\_\_\_\_\_

3. establishing goals                      learning interpersonal skills  
perfecting communication skills                      understanding business

\_\_\_\_\_

4. added value                      improved products                      informed voting                      lower prices

\_\_\_\_\_

5. form                      information                      place                      possession

\_\_\_\_\_

6. credit cards                      layaway plans                      personal checks                      promotions

\_\_\_\_\_

7. advanced planning of inventory                      convenient shopping hours  
exchanges                      seasonal merchandise

\_\_\_\_\_

8. company car                      expense account                      bonuses                      advertising

\_\_\_\_\_

# CHAPTER 1 Marketing Is All Around Us

## Marketing Application 1

**DIRECTIONS:** Each of the seven marketing functions is defined below. After each definition, write an example of an activity that illustrates that function. Include enough specific information to demonstrate that you understand the function and the factors that must be considered.

1. Distribution—delivering products to buyers, making decisions about how and where products will be moved, stored, or located

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2. Financing—getting the money needed to finance the operation of a business

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3. Marketing information management—getting information needed for making sound business decisions

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4. Pricing—deciding how much to charge for goods and services in order to maximize profits

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5. Product/Service Management—obtaining, developing, maintaining, and improving a product or a product mix in response to market opportunities

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6. Promotion—communicating with potential customers to inform, persuade, or remind them about a business's products

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7. Selling—providing customers with goods and services they want to buy

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# CHAPTER 1 Marketing Is All Around Us

## Marketing Application 2

**DIRECTIONS:** Test your understanding of how marketing adds value to products. Assume that you have been hired to develop marketing campaigns for the businesses described below. List at least two values that you would emphasize in marketing each of the products. Explain your decisions.

1. A fast food franchise that offers a choice of pastas and sauces

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2. A natural foods cafe that features locally grown products

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3. A small video store featuring foreign films

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4. A TV video service that allows the viewer to select a film from an on-screen list and then program the time that the film will be shown

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# CHAPTER 1 Marketing Is All Around Us

## Role Play

### Marketing Intern

**Situation:** You are to assume the role of intern in the marketing department of the Easy Store Corporation, a large company that produces cardboard and plastic storage containers. The company recently appointed a new CEO who was hired to reduce costs and increase profit margins. As a result, the CEO is taking a close look at all departments, including the marketing department. Your supervisor is the head of the marketing department. Your supervisor will meet with the new CEO to justify the activities of the marketing department, and has asked you to gather some ideas to aid in this endeavor.

**Activity:** Use your knowledge of marketing to explain how marketing increases customer awareness of your company's products and how marketing helps to increase sales. You are to put your ideas in outline form and present them to your supervisor during an informal meeting later today.

**Evaluation:** You will be evaluated on how well you meet the following performance indicators:

- Describe marketing functions and related activities.
- Explain the concept of marketing and market identification.
- Explain marketing and its importance in a global economy.
- Determine forms of economic utility created by marketing activities.
- Prepare simple written reports.

**DIRECTIONS:** Organize your thoughts around the performance indicators noted above. Use these performance indicators to jot down your ideas during the preparation period. Time your preparation period to last 15 minutes and your role play presentation to last a maximum of 10 minutes. After your role play, use the performance indicators to evaluate your efforts.

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*Continued on next page*

**Assessment:** Assume each performance indicator is worth 20 points ( $20 \times 5 = 100$  points). Use the evaluation levels listed below for judging consistency.

- Excellent (16–20) Participant demonstrated the performance indicator in a professional manner; exceeds business standards; would rank in the 90–100th percentile.
- Good (10–15) Participant demonstrated the performance indicator in an acceptable manner; meets minimal business standards; there would be no need for additional formalized training at this time; would rank in the 70–89th percentile.
- Fair (4–9) Participant demonstrated the performance indicator with limited effectiveness; performance generally fell below minimal business standards; additional training would be required to improve knowledge, attitude and/or skills; would rank in the 50–69th percentile.
- Poor (0–3) Participant demonstrated the performance indicator with little effectiveness or not at all; a great deal of formal training would be needed; would rank in the 0–49th percentile.

Describe marketing functions and related activities.

Score \_\_\_\_\_

Explain the concept of marketing and market identification.

Score \_\_\_\_\_

Explain marketing and its importance in a global economy.

Score \_\_\_\_\_

Determine forms of economic utility created by marketing activities.

Score \_\_\_\_\_

Prepare simple written reports.

Score \_\_\_\_\_

# CHAPTER 1 Marketing Is All Around Us

Software  
Activity  
(Optional)

## Spreadsheet Application

**OBJECTIVE:** To determine the effect of quantity produced on the cost of a product.

**ACTIVITY:** Look at the shelves of a local retail store and think about the quantity of merchandise there. For most products, the higher the quantity produced, the lower the unit cost of the item. For example, a manufacturer usually gets a quantity discount by buying a larger supply of the materials needed to make a product. This discount means a lower production cost. The cost of actually making a product usually decreases as larger quantities are produced. In most cases, a certain number of employees and equipment are needed whether 1,000 or 10,000 items are produced.

The price a manufacturer can obtain for its product is determined by the market, so the lower the production cost, the higher the manufacturer's profit. For example, if a product costs \$7 per unit when 10,000 are produced and \$6 per unit when 20,000 are produced, the profit will be \$1 more per unit for the production quantity of 20,000.

	A	B	C	D	E	F	G	H
1	Chapter 1 Marketing Is All Around Us							
2								
3								
4	# of Units	Price	Unit Cost	Profit				
5								
6	5,000	\$9.00	\$6.00	\$3.00				
7	10,000	\$9.00						
8	15,000	\$9.00						
9	20,000	\$9.00						
10	25,000	\$9.00						
11	30,000	\$9.00						
12	35,000	\$9.00						
13	40,000	\$9.00						

Continued on next page



## **Spreadsheet Directions**

1. Turn on your computer and open your spreadsheet software program.
2. Create a spreadsheet like that on page 7 using your spreadsheet software program.
3. Calculate the fixed unit cost for quantities of 10,000, 15,000, 20,000, 25,000, 30,000, 35,000, and 40,000.
4. Assume that a product costs \$6 to produce in a quantity of 5,000. For each additional thousand produced, the cost decreases by \$0.10 up to 30,000 units. Thereafter, the cost increases again by \$0.10. In the third column of the spreadsheet, input the fixed unit cost for each level of production.
5. Subtract the unit cost from the price to determine the profit for each quantity produced. To determine the profit, subtract cell C from cell B.
6. Save your work on a floppy disk, the hard drive, or a network file.
7. Print out a copy of your work if your teacher has instructed you to do so. Then answer the questions that follow.

## **Interpreting Results**

1. At which level of production will the manufacturer have the highest profit per unit?

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2. At which level of production will the manufacturer have the lowest profit per unit?

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## **Drawing Conclusions**

3. Why do you think a manufacturer's fixed cost of producing a product would not just continue to decrease as a larger quantity is produced, regardless of the amount?

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Student

Date

Class

Instructor

## CHAPTER 2 Basic Marketing Concepts

### Vocabulary Review

**DIRECTIONS:** Match each definition with the correct term.

consumers

customer profile

customers

demographics

marketing mix

disposable income

geographics

market

marketing concept

target marketing

market segmentation

psychographics

discretionary income

- \_\_\_\_\_ 1. Those people who actually use a product.
- \_\_\_\_\_ 2. The group of all potential customers who share common needs and wants, and who have the ability and willingness to buy the product.
- \_\_\_\_\_ 3. Dividing the total market into smaller groups of people who share specific needs and characteristics.
- \_\_\_\_\_ 4. Money left after taking out taxes.
- \_\_\_\_\_ 5. States that businesses must satisfy customers' needs and wants in order to make a profit.
- \_\_\_\_\_ 6. Statistics that describe a population in terms of personal characteristics.
- \_\_\_\_\_ 7. Focusing all marketing decisions on the specific group of people you want to reach.
- \_\_\_\_\_ 8. The combination of the four basic marketing strategies—product, place, price, and promotion.
- \_\_\_\_\_ 9. Those people who buy a product.
- \_\_\_\_\_ 10. Involves information about the target market with regard to age, income level, ethnic background, attitudes, lifestyle, and geographic residence.
- \_\_\_\_\_ 11. Refers to segmentation of a market based on where people live.
- \_\_\_\_\_ 12. Involves the study of consumers based on lifestyle, and the attitudes and values that shape it.
- \_\_\_\_\_ 13. Money left after paying for basic living necessities, such as food, shelter, and clothing.

## CHAPTER 2 Basic Marketing Concepts

### Fact and Idea Review

**DIRECTIONS:** Circle the letter of the word or phrase that best completes the sentence or answers the question.

1. What ethnic group makes up 12 percent of the U.S. population and has a mean age ten years younger than the U.S. average?
  - a. African American
  - b. Hispanic
  - c. Asian American
  - d. Caucasian
2. Let's assume your parents do the household shopping, which includes buying special snacks, cereals, and shampoos requested and consumed only by you and your siblings. In this case, what would your parents would be identified as?
  - a. customers but not consumers of those products
  - b. consumers but not customers of those products
  - c. consumers and customers of those products
  - d. neither consumers nor customers of those products
3. What term is used to describe people born between 1946 and 1964?
  - a. the Baby Boom Generation
  - b. Generation X
  - c. Generation Y
  - d. Generation Z
4. What do geographics, demographics, psychographics, and product benefits have in common?
  - a. They are methods that can be used to segment a market.
  - b. They are examples of mass-marketing approaches.
  - c. They are terms used frequently in sales-oriented companies.
  - d. They are unrelated to one another and therefore should not be used in combination to market a product.
5. The study of consumers based on social and psychological characteristics.
  - a. demographics
  - b. geographics
  - c. psychographics
  - d. U.S. ethnic populations
6. Product, place, price, and promotion strategies
  - a. comprise the marketing mix.
  - b. must all be directed toward a well-defined target market in order to achieve success.
  - c. are known as the four Ps of marketing.
  - d. all the above