

Study Guide Score . . . 30 Name _____

Deduct. Date _____ Class _____

Your Score



Producing and Marketing Goods and Services

STUDY GUIDE

PART I

Directions: Indicate whether each statement below is correct or incorrect by placing a check mark on the line under *true* or *false* at the right.

	TRUE	FALSE	For Scoring
1. There are seven marketing functions that must be completed in order for an exchange to occur.	_____	_____	1. _____
2. Businesses and consumers benefit because of marketing.	_____	_____	2. _____
3. Careful planning is needed to develop successful new products.	_____	_____	3. _____
4. Marketing is the most visible business activity in the eyes of consumers yet is often the most misunderstood.	_____	_____	4. _____
5. Not everyone can be satisfied with the same product.	_____	_____	5. _____
6. Customers always want the lowest priced product.	_____	_____	6. _____
7. Sometimes the level of customer service provided by a business will influence a product's price.	_____	_____	7. _____
8. Most products are sold directly by the producer or manufacturer to the consumer.	_____	_____	8. _____
9. One of the 4 Ps of marketing is Process.	_____	_____	9. _____
10. Today most promotion is done through media advertising.	_____	_____	10. _____

PART II

Directions: An important term has been omitted from each sentence in Column 1. In Column 2 write the word or words needed to complete each sentence in Column 1.

COLUMN 1	COLUMN 2	For Scoring
1. The path that brings products to a consumer is called the (?)	_____	1. _____
2. An (?) channel of distribution uses one or more middle firms.	_____	2. _____
3. A business firm that sells directly to the consumer is a (?)	_____	3. _____
4. A (?) buys products, sorts and unitizes them, and sells them to retailers.	_____	4. _____
5. When a producer sells its products directly to the consumer it is called a (?) channel of distribution.	_____	5. _____
6. (?) is what customers pay and the method of payment.	_____	6. _____

For Scoring	
7.	_____
8.	_____
9.	_____
10.	_____

7. A (?) is a clearly identified group of consumers to be satisfied.
8. The reasons for making a purchase are called (?).
9. (?) is direct, personal communication between a salesperson and a customer to encourage the purchase of a product.
10. The (?) considers the needs of customers when planning, pricing, distributing, and promoting a product or service.

PART III

Directions: Indicate your answer to each of the following questions by placing a check mark on the line under *yes* or *no* at the right.

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

- | | YES | NO |
|--|-------|-------|
| 1. Do most consumers have a positive view of marketing? | _____ | _____ |
| 2. Do most successful businesses adopt the marketing concept? | _____ | _____ |
| 3. Are most businesses unconcerned about customer needs when they develop their products and marketing activities? | _____ | _____ |
| 4. Is a marketing strategy an eight-step process? | _____ | _____ |
| 5. Are there 4 Ps of marketing? | _____ | _____ |
| 6. Could an independent trucking company be considered an intermediary? | _____ | _____ |
| 7. Is most promotion done through personal selling? | _____ | _____ |
| 8. Do consumers ever perform marketing activities? | _____ | _____ |
| 9. Are buying motives always based on logic? | _____ | _____ |
| 10. Can the number of businesses in a channel of distribution affect the price of a product? | _____ | _____ |

ACTIVITIES

Applying Critical Thinking Skills

To be effective, promotion must be noticed, encourage consumers to pay attention to the message, and result in them taking some type of action. For most people, advertising is one of the primary sources for information about products and services. Today, most promotion is done through media advertising.

Find and clip an advertisement from a current magazine or newspaper that promotes an item or service that you would like to purchase. Think about why this advertisement is effective in getting your attention and resulting in your decision to buy. Answer the questions below.

1. What product or service does the advertisement promote?

2. Who is the target market?

3. What buying motives would you have as reasons for making the purchase? Are these motives rational or emotional?

4. Analyze and explain what it is about the advertisement itself that attracted your attention and made it stand out.

Applying Systems Skills

To develop a new product, a process is used to create and successfully market the item. The steps to be followed in developing a new product are described in Figure 8-2 in the textbook. Each of the following activities represents a step in the product development process. Put them in the correct order according to the new product development steps shown in Figure 8-2. Write a "1" beside the activity that would be completed first, a "2" beside the item that would be completed second, and so forth.

Step	Product Development Activity
_____	A building is remodeled to form an assembly line, storage for materials, and a small distribution center and office area. Equipment is ordered and 3 full-time and 8 part-time employees are hired and trained.
_____	A room is rented in a shopping mall where people are invited in to discuss several product ideas, look at sketches of possible designs, and record their reactions on a survey form.
_____	An accountant is hired to prepare budgets for all operations and to work with a marketing consultant to predict sales volume for the next three years.
_____	Thomas created a model of the product to show to his banker. He also took the model to a new products fair where it was examined by potential investors and a focus group of consumers.
_____	Bottles and squeegees will be purchased separately from two manufacturers according to the specifications developed by Thomas and his engineer. The parts will be assembled and packaged by Thomas' company. A wholesaler will distribute the products to auto supply and discount stores.
_____	Thomas Jervitch believes consumers would like a way to easily clean their auto windshields at any time. He has an idea for a small squeeze bottle of windshield cleaner with a squeegee attached that can be carried in the trunk of the car.

Applying Business Knowledge

A target market is a group of consumers with very similar needs to whom a company can sell its products. Businesses carefully study consumers' wants and needs and their previous experience with products and services to identify the best target market. The column on the left lists examples of products that will fit the needs of a target market. The column on the right lists people in a particular target market. Match a product with the most appropriate target market by writing the letter of the target market you select in the blank space provided.

Answers	Products	Target Markets
_____	1. a new laptop computer with SAT software	a. a woman who attends business dinners
_____	2. a doll that cries and speaks 25 words	b. a man who hauls lumber to construction sites
_____	3. a 4-wheel-drive truck	c. a three-year-old child
_____	4. a tailored suit	d. a junior in high school
_____	5. the latest designer perfume	e. a college student saving money
_____	6. a back pack on sale	f. a teenage girl who reads <i>Glamour</i> magazine
_____	7. a video game system	g. a family of five with busy schedules
_____	8. a diamond engagement ring	h. a 14-year-old boy with a TV in his room
_____	9. a grill for the deck of your home	i. a home owner who entertains and enjoys outdoor activities
_____	10. a microwave oven	j. a man and woman who are planning to get married

Applying Thinking and Information Skills

Many people have a very narrow view of marketing and are not aware of the many activities that must be completed in order for products to be successfully exchanged between businesses and consumers. The following words have been scrambled. Each of the words when unscrambled is one of the marketing activities. Unscramble and correctly spell each word to identify the activities completed by marketers.

BUSINESS

suniirgn _____

gincrip _____

psonrattnigr _____

byguni _____

gnihcraeser _____

leilnsg _____

oignrts _____

fnnggiac _____

CUSTOMER

On a separate sheet of paper, define each of the marketing activities. Use your own words rather than those in the chapter. Then find and clip an article from a current magazine or newspaper that describes how a company performed a marketing activity as it developed a new product or service, improved a marketing procedure, and/or responded to customer needs.