Business Ch. 10 Checkpoint Questions KEY Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Hour:\_\_\_\_

1. Define marketing and the seven marketing functions.

* Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.
* The seven marketing functions include product and service management, distribution, selling, marketing information management, financial analysis, pricing, and promotion.

2. What are the two steps in developing a marketing strategy?

* The two steps are identifying a target market and developing a marketing mix.

3. What are the steps in the consumer decision-making process?

* Steps in the consumer decision-making process include recognizing a need, gathering information, selecting and evaluating alternatives, making a purchase decision, and determining the effectiveness of the decision.

4. List the steps in a marketing research study.

* The steps in marketing research are to define the marketing problem, study the situation, develop a data collection procedure, gather and analyze information, and propose a solution.

5. What are the components of a product?

* Products are everything businesses offer to customers and are composed of the basic product, product features, its brand name and packaging, and sometimes a guarantee or warranty.

6. In what ways are services different from products?

* Products are tangible and may be nonperishable; it is generally easier to control the quality and marketability of these items.
* Services, however, are intangible, more difficult to market, and perishable.

7. What is the formula for calculating the selling price of a product?

* Selling price = Product cost + Operating expenses + Profit

8. What is the difference between a direct and an indirect channel of distribution?

* In a direct channel of distribution, products move directly from the producer to the consumer.
* In an indirect channel, others may participate in the movement of products from the producer to the consumer, such as transportation services and retailers.

9. How does identifying a target market improve promotion communications?

* Communication can be developed and directed more specifically if a target market is identified.

10. Describe the advantages and disadvantages of the major types of promotion.

* Personalized promotion allows the provider to meet customers and identify customer needs.
* It is, however, the most expensive type of promotion.
* Mass promotion reaches a larger target market and is much less expensive.
* It does not, however, provide for individualized service, and sales (results) are often not immediate.