

Think Critically

1. Why is marketing important to a business?

2. Why is it important to put your marketing plan in writing?

True or False

- _____ 1. A marketing mix is the blending of product, distribution, price, and promotion to satisfy a target market.
- _____ 2. Establishing short-, medium-, and long-term marketing goals ensures that the marketing you do today fits the vision you have for your business tomorrow.
- _____ 3. Long-term goals are what you want your business to achieve in the next two or three years.
- _____ 4. Short-term goals should not be listed in terms of product price, distribution, and promotion.
- _____ 5. Medium-term goals are used to create strategies for each element of the marketing mix.
- _____ 6. If a short-term goal is to generate traffic in a retail store, the marketing strategy should focus on the market share of the competition.
- _____ 7. Long-term goals show where you would like your business to be five or ten years from now but do not help you think about how to market your business today.
- _____ 8. A written marketing plan can help you define your market and identify your customers.
- _____ 9. The marketing concept uses the needs of entrepreneurs as the primary focus during the planning, production, distribution, and promotion of a product or service.
- _____ 10. Researching industry norms and past performances will help you develop appropriate performance standards for your marketing plan.

Multiple Choice

- _____ 1. Price is one of the elements of (a) the competition, (b) the marketing mix, (c) the channel of distribution, (d) market research.
- _____ 2. To use the marketing concept, businesses must do all of the following except (a) identify what will satisfy customers' needs and wants, (b) operate profitably, (c) devote half of its profits toward marketing, (d) develop products that are better than other choices.
- _____ 3. Marketing goals (a) need to be established only for the long-term, (b) help shape your marketing plan, (c) should never change, (d) can be used to determine your product mix.

- _____ 4. Short-term goals can be stated in terms of (a) number of customers, (b) level of profits, (c) level of sales, (d) all of these.
 - _____ 5. Your marketing strategy should address (a) product introduction or innovation, (b) pricing, (c) market share, (d) all of these.
 - _____ 6. Medium-term goals describe what you want your business to achieve (a) in ten years, (b) in terms of market share, (c) in two to five years, (d) by using various promotion methods.
 - _____ 7. A long-term goal might be to (a) expand by adding a second location, (b) increase market share to 50 percent, (c) establish a customer base, (d) network with local lawyers, accountants, and other business owners.
 - _____ 8. A marketing plan should do all of the following except (a) identify your overall market strategy, (b) include your specific strategies for price, product, distribution, and promotion, (c) identify the owner's net worth, (d) identify and anticipate change.
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Problem Solving

1. Explain the difference between short-term, medium-term, and long-term goals for your business and short-term, medium-term, and long-term marketing goals.

2. How can elements of the marketing mix be used to develop short-term marketing strategies?

3. Why does a business need a marketing plan?

4. What kinds of information must be included in a marketing plan?