

1.	<p>The marketing mix of free newspapers is as follows:</p> <ul style="list-style-type: none"> • Product: The size of free newspapers is only half that of traditional newspapers that are purchased. Readers can easily carry and read the free newspapers when travelling on a crowded MTR or bus. Also, all of the news in free newspapers is condensed into relatively short reports. This suits the needs of most readers as they merely want an overview of the latest news. • Price: Free newspapers maintain a ‘free’ pricing strategy. Readers do not need to pay for a copy of a free newspaper. • Distribution: All free newspapers are distributed at convenient locations so that readers can easily find a copy. • Promotion: With their product, price and distribution strategies, free newspapers are able to maintain a high circulation. This allows the publishers of free newspapers to readily promote their newspapers to advertisers and generate even more advertising revenues.
2.	<p>In the face of keen competition from free newspapers, traditional Chinese newspapers that are purchased should focus on readers who have more time to read detailed news reports.</p> <p>To differentiate themselves from free newspapers, traditional newspapers should provide information that is not available in free newspapers. For instance, traditional newspapers should take advantage of their relatively stronger financial resources (as they charge buyers) to provide their target readers with a greater variety of news, information and special columns, etc.</p> <p>Also, as traditional newspapers have long-established relationships with advertisers, they can collaborate with advertisers (e.g., PARKnSHOP, McDonald’s) to launch joint promotions. This can give their readers more ‘value for money’.</p>
3.	<p>‘Values’ offer by ‘free newspaper’</p> <p>Readers of free newspapers can obtain newspapers free of charge, mostly in the morning. They have easy access to the latest news because all of the free newspapers are distributed at convenient locations. The readers can also use their time constructively by reading their free newspapers while commuting to work.</p>

4.	<p>SWOT: Opportunity for ‘free newspaper’</p> <p>The changing lifestyles of Hong Kong people have led to the rapid growth of free newspapers. As Hong Kong people become busier and have less time to read newspapers, they enjoy reading newspapers in a ‘cost-effective’ manner. As such, free newspapers that feature precise and concise news and a simple layout suit their needs. They pick up copies before getting on the bus or MTR and read them while commuting to work. This helps them save time. Thus, free newspapers are becoming more popular.</p>
5.	<p>The ‘values’ that Samsung’s customers can gain from its Galaxy series are that they can use the phone to make phone calls, take photos and access the Internet. If they have downloaded some mobile apps, they can also use a wider variety of functions such as instant communications and photo editing, etc.</p> <p>In addition to various physical functions, Samsung’s customers may also gain from the ‘value’ of being socially accepted by their peers. Their friends may envy them for owning such a trendy product.</p> <p>The ‘value’ Samsung gains is the revenue it receives from selling its Galaxy products.</p>
6.	<p>The process of exchanging values at my school:</p> <p><i>Step 1:</i> The school identifies students’ needs to acquire knowledge, achieve all-round development and attain good examination results, especially in public examinations. Based on this, the school designs various courses accordingly.</p> <p><i>Step 2:</i> Students then enrol in the school by paying school fees.</p> <p><i>Step 3:</i> After attending classes in the school, students would then be able to acquire knowledge, achieve all-round development as well as attain satisfactory examination results (value for students).</p> <p><i>Step 4:</i> The school would, in turn, gain a reputation and enjoy an increasing number of applications, as well as receive more revenue (value for the school).</p>
7.	<p>A low-priced product may not satisfy a customer:</p> <p>If a consumer wants to show off a luxury handbag to her peers, a low-priced, unbranded handbag may not be the right product to satisfy this consumer.</p> <p>A product with very high quality may not satisfy a customer:</p> <p>If a consumer is price-conscious, she may simply prefer a low-priced or a medium-priced product (an unbranded handbag). Since a very high-quality product is likely to be very expensive, it may not be the right product to satisfy this consumer.</p>

8.	<p>Target market of a ‘shopping mall’ featuring arts:</p> <p>The target tenants are (a) artists who will display their masterpieces, (b) craftsmen who sell their handicrafts, and (c) companies that organise workshops.</p> <p>To <u>deliver satisfaction</u> to the target tenants, I might design a trendy layout for the shopping mall and carry out a large-scale promotion to attract shoppers.</p> <p>Shoppers who will come to this shopping mall are most likely those who are interested in the arts, who want to learn more about them, or who would like to take part in workshops.</p> <p>To <u>deliver satisfaction</u> to these shoppers, I might organise exhibitions or flea markets for them.</p>
9.	<p><u>The introduction of animation news is ‘customer-oriented’ to the needs of today readers:</u></p> <p><u>Customer-oriented</u> means that a company should offer customers what they really need and want.</p> <p>With the development of smartphones, more and more Hong Kong people are reading the news on the internet. They prefer watching animation or video clips instead of reading text.</p> <p>As such, the media has introduced animation news to serve the needs of readers. This shows that the media are offering readers what they really need and want.</p> <p>Thus, the introduction of animation news is customer-oriented.</p>
10.	<p><u>Tung Wah Group of Hospitals will use marketing the following ways in providing its community service:</u></p> <p>Most people recognise the importance of providing <u>community services</u>. They feel satisfied or happy if they can help others (especially the poor or disadvantaged).</p> <p>By employing the marketing concept, the Tung Wah Group of Hospitals provides people with such satisfaction.</p> <p>For example, the Tung Wah Group of Hospitals can organise various marketing activities (i.e., <u>fund raising activities</u> such as flag selling, an annual fund raising variety show jointly organised with TVB). <u>Donating money and offering community services</u> make people feel satisfied.</p> <p>At the same time, the Tung Wah Group of Hospitals can use the needed contributions and free labour to continue its operations.</p>

11.	<p>Marketing can help a charity organization to promote ‘child sponsorship’ the following way:</p> <p>The charity organisation first identifies the needs of its target market (i.e., potential child sponsors or donators), for example, the <i>satisfaction derived from helping children</i> in poor countries.</p> <p>It may ask <i>existing child sponsors to share their experience in publications or in TV programmes</i>. This may persuade the potential child sponsors or donators that it can better satisfy their needs (i.e., satisfaction from helping children) than ‘competitors’, i.e., other charity organisations.</p>
12.	<p>The marketing concept emphasises the identification of the target market’s needs and wants, and better delivery of the desired satisfaction than its competitors.</p> <p>For example, <i>in view of the increasing customer demand for more communications and multimedia functions for their mobile phones</i>, large mobile phone manufacturers (e.g., Apple, Samsung) continue to <u>launch new models with advanced functions</u>. These manufacturers are applying the marketing concept in order to <u>deliver more satisfaction</u> to their customers than their competitors.</p>
13.	<p>Social enterprises should practise the marketing concept.</p> <p><u>Social enterprises also need to identify what their target customers need and want so as to deliver more satisfaction to these customers.</u></p> <p>By delivering the satisfaction that customers want and doing it better than their competitors, social enterprises can then make enough profit to maintain their operations.</p> <p><u>If social enterprises ignore the needs of their target customers and suffer a financial loss, they will not be able to maintain their operations and may need to close down. As a result, they would not be able to achieve their social objectives.</u></p>
14.	<p>The casual wear retailer can determine its customer needs by:</p> <ul style="list-style-type: none"> • Conducting marketing research • Seeking information from frontline employees • Observing customers’ buying behaviour at its retail shops
15.	<p>A company should build a long-term relationship with its customers because:</p> <ul style="list-style-type: none"> • this helps it retain customers who may refer more customers to the company • existing customers will likely buy more from the company. <p>As a result, the company can generate more sales and earn more profits.</p>
16.	<p><u>A marketing plan</u> lists in detail all the activities required to implement the marketing strategies. The major purpose of formulating this plan is to provide a set of detailed and workable guidelines which can help the company achieve its marketing objectives.</p>

	<p>Elements included in a marketing plan:</p> <ul style="list-style-type: none"> • Description of the company’s products • The competitive position of the company’s products, including information about the competitors • SWOT analysis of the products • Marketing objectives • Target markets of the products • Marketing strategies • Marketing mix • Marketing budget
17.	<p>The major steps required to plan the marketing activities of a fast food company include:</p> <p>Step 1: Reviewing current performance: The fast food company should first review its current performance in terms of sales revenue, market share, return on investment, cash flow or profit margin.</p> <p>Step 2: Conducting a SWOT analysis: The fast food company needs to assess its own strengths and weaknesses. It also needs to assess the environment in which it operates. This is aimed at identifying the opportunities and threats which the company needs to face.</p> <p>Step 3: Setting marketing objectives: The fast food company needs to determine its objectives in terms of marketing performance (e.g., increase the company’s market share by 10% over the next year) and financial performance (e.g., increase net profits by 5% over the next year).</p> <p>Step 4: Researching and selecting target markets: The fast food company needs to undertake marketing research in the Hong Kong fast food market to find out which customer group(s) is(are) most promising and can be best served by the company.</p> <p>Step 5: Developing marketing strategies: The fast food company needs to formulate the appropriate marketing strategies to attract the target customers it has chosen in step 4. The exact strategies formulated depend on whether the company is a market leader, a market challenger, a market follower or a market nicher.</p> <p>Step 6: Formulating a marketing plan: The fast food company needs to work out a detailed marketing plan to spell out all the activities/actions required for the proper implementation of the marketing strategies. The plan should detail how the company is going to allocate the total marketing budget among various tools in the marketing mix.</p>
18.	<p><u>Geographical structure</u> should be the most suitable choice. The reasons are as follows:</p> <ul style="list-style-type: none"> • In a geographical structure, regional managers are assigned to look after their respective regional markets. The company would then be able to tailor its marketing strategies to the needs of customers in different overseas markets. • Regional managers focus on developing the company’s marketing strategies in their respective regional markets. The company can then be more sensitive to changes in the marketing environment of different regions. It can respond to changes in different overseas markets quickly.

19.	<p><u>The major organisational structures used to organise marketing activities include:</u></p> <ul style="list-style-type: none"> ● Functional organisation: all marketing activities are arranged by functions (e.g., marketing administration, advertising and sales promotion). The <u>head</u> of the marketing department, i.e., the marketing vice president or marketing director, is responsible for overall coordination. ● Geographical organisation: regional managers are assigned to look after their respective <u>regional markets</u>. They are responsible for some or all of the functional activities. ● Product organisation: product managers are assigned to look after their respective groups of products. This organisational structure usually involves having <u>product managers</u> support the functional managers. ● Market-management organisation: marketing managers are assigned to look after their respective <u>customer groups</u>.
20.	<p>Factors that affect the implementation of a crazy sale of a department store include:</p> <ul style="list-style-type: none"> ● Whether the department store establishes a <u>reasonable target</u> for the crazy sale. ● Whether the department store <u>allocates enough staff</u> to work at the crazy sale or whether it has enough of a promotional budget. ● Whether the <u>marketing manager has the leadership skills</u> to coordinate all of the activities and motivate salespeople to work enthusiastically.
21.	<p>The performance standards of a customer service officer in a bank include:</p> <ul style="list-style-type: none"> ● number of complaints received from customers; ● number of new accounts opened; and ● amount of deposits attracted.
22.	<p>‘Monopolists’ such as the MTR needs to practice the marketing concept</p> <p>Although a monopolist, by definition, is the only seller within a particular industry, it may still <u>face ‘competition’ from other companies</u>.</p> <p>For example, the MTR is the only supplier of mass transit railway services in Hong Kong. There is no competition in the narrowly defined market of ‘mass transit railway services’.</p> <p>However, the MTR still needs to <u>compete for customers who use public transportation</u> such as buses, minibuses and taxis, etc.</p> <p>Hence, monopolists still need to practise the marketing concept in order to provide <u>more satisfaction</u> to their target customers and outperform their broadly defined ‘competitors’.</p>
23.	<p>The target market for a cinema is an audience who watches movies at the cinema.</p> <p>Different audiences want to satisfy different needs when they go to movies at the cinema.</p> <p><u>Satisfactions that they get include:</u> enjoying their favourite movies, gathering with their friends or family members, better and bigger screen and sound effects</p>

24.	<p>The fast food shop can first <u>identify what kind of food and drink items its target customers prefer</u>. It can then offer these items.</p> <p>When customers taste the foods and drinks, they will <u>gain value (the satisfaction)</u> from them.</p> <p>The shop <u>earns profits</u> in return.</p>
25.	<ol style="list-style-type: none"> 1 Health Works provides different kinds of ready-to-drink herbal teas and soups as well as other nourishing diets that apply the therapeutic value of traditional Chinese medicine. It also provides heating services so that customers can eat hot soup at its shops. 2 Health Works targets health-conscious customers who are interested in healthy and natural food. As most of its outlets are located in MTR stations, it targets MTR passengers who may buy soups or other food items when passing by. 3 No. Health Works changes its soups and food items from season to season to nourish different parts of the body. This shows that Health Works considers the changing needs of customers throughout the year and provides them with goods and services that can satisfy their needs.
26.	<p>A SWOT analysis is an analysis of the main strengths and weaknesses of a company (internal conditions), as well as the opportunities and threats in its operating environment (external environment).</p>
27.	<p>The SWOT analysis for Gingko House (a social enterprise employing mainly elderly as its staff):</p> <p>Strengths: Enthusiastic workers; healthy foods made with organic ingredients; located in prime area</p> <p>Weakness: Workers cannot work long hours</p> <p>Opportunities: Growing popularity of organic foods</p> <p>Threat: Increasing rents in Hong Kong</p>
28.	<p>Kai Tak Cruise Terminal: (1.19)</p> <p>The SWOT analysis of the Terminal's external and internal conditions is as follows:</p> <p>External conditions:</p> <p><u>Opportunity:</u> Mainland cruise passengers are expected to increase under CEPA; the Terminal can cooperate with terminals in other Asian countries.</p> <p><u>Threats:</u> The Terminal faces competition from other new Asian terminals such as Busan in Korea and those in Tianjin and Shanghai.</p> <p>Internal conditions:</p> <p><u>Strengths:</u> The berths can accommodate the largest cruise vessels; the Terminal is conveniently located.</p> <p><u>Weakness:</u> As the Terminal is relatively new, it may not have yet become popular among cruise lines.</p>

29.	<p>IKEA's target markets include:</p> <ul style="list-style-type: none"> • furniture buyers who are looking for space-saving furniture; • local householders who buy housewares; • diners who want to try Swedish cuisines; • people who want to prepare dishes from the food sold in its food market. <p>Strengths: IKEA provides eco-friendly and space-saving furniture. Its products suit the Hong Kong living environment. IKEA promotes self-help services. Customers are given product lists and measuring tape so that they can serve themselves. This helps reduce the amount of labour and thus labour costs.</p> <p>Weakness: Customers may not like the one-way layout at the outlets.</p> <p>Opportunity: Hong Kong's living environment is crowded. Demand for space-saving furniture is high.</p> <p>Threats: The high rent in Hong Kong puts a heavy burden on IKEA as all of its outlets need a large amount of floor space. IKEA faces competition from other furniture retailers which sell tailor-made furniture.</p> <p>3 Yes, it is a good strategy for IKEA to sell food in its outlets. This is because:</p> <ul style="list-style-type: none"> • Operating a restaurant and a food market can increase IKEA's revenues. • Operating a restaurant and a food market can strengthen the relationship between IKEA and its customers. • Customers can take a break and eat meals at its restaurant. This can be considered an add-on service to customers. <p>4 No. IKEA should not follow its competitors and cut prices. This is because IKEA attracts customers with its <i>eco-friendly and space-saving furniture</i>, rather than low-priced furniture. Cutting its prices significantly is not consistent with IKEA's established position. This might not help boost IKEA's sales.</p>
30.	<p>The SWOT analysis for Donald's company is as follows: (1.17)</p> <p>Strengths: Donald's shop has a well-established reputation in the neighbourhood. It has a group of loyal customers. It also seems that Donald has good connections with various dried seafood suppliers in the Mainland of China. This helps stabilise his supply of dried seafood and ensure product quality.</p> <p>Weaknesses: The shop seems to be relatively small in terms of its operational scale and resources. It may be difficult to compete with other more resourceful competitors when these firms enter the market. Donald also lacks the marketing knowledge to formulate his marketing strategies systematically so as to deal with competition or the changing business environment.</p> <p>Opportunities: Hong Kong people are fond of dried seafood.</p> <p>Threats: After the financial turmoil, Hong Kong people's purchasing power has declined. Since the barriers for entering the market are not high, Donald's company also may face keen competition when new competitors enter the market.</p>

31.	<p>A firm's current competitive position greatly affects the amount of corporate resources and competitive advantages it possesses.</p> <p>This amount of resources and advantages would, in turn, affect the type of marketing strategies this firm could effectively employ.</p> <p><i>In general, the marketing strategies that a firm adopts depend on whether it is a market leader, a market challenger, a market follower or a market nicher:</i></p> <p>A market leader is a company with the highest market share in the relevant market. It may consider three marketing strategies: (1) expanding the total market; (2) increasing its market share in the existing market; and (3) protecting its current market share.</p> <p>A market challenger is a company that has a smaller market share than the market leader and wants to challenge the market leader. It tries hard to gain its competitors' market share. The marketing strategies a market challenger adopts to increase its market share include: (1) attack the weaknesses of the market leader and/or other weaker competitors; (2) enhance the quality of its existing products; and (3) lower the prices of its products.</p> <p>A market follower is a company that is satisfied with its existing market share and follows what leading brands do. As market followers usually do not have enough resources for aggressive expansion, its major marketing strategy is to imitate or copy the products of leading brands.</p> <p>A market nicher is a company specialising in serving one or a few small market segments (i.e., market niches). Its major marketing strategy is to focus its resources on customising its marketing mix to better satisfy the needs of the niches.</p>
32.	<p><u>Market leader's strategy:</u></p> <p>The telecommunications company <u>may increase its market share</u> to enhance its competitive position. It may carry out <u>aggressive promotional activities</u> to other service providers' subscribers. It may also <u>offer financial incentives</u> (e.g., a tariff discount) to attract these subscribers to <u>switch to its services</u>.</p> <p>The telecommunications company <u>may protect its current market share to maintain its competitive position.</u> It may <u>offer value-added services to its existing subscribers.</u> When the service contracts of the existing subscribers are going to expire, it may offer a tariff discount and gifts to persuade them to renew their service contracts.</p>
33.	<p><u>A market follower</u> is a company that is satisfied with its existing market share and merely follows what other major players do.</p> <p><u>Good Decoration</u> is a local lifestyle store sells not only furniture and home decoration accessories, but also designer items. As not many furniture stores sell designer items, Good Decoration is not following what other furniture stores do. Therefore, it is not a market follower.</p>

34.	<p>The major controlling steps include:</p> <p>Step 1: Set marketing performance or target standard (e.g., increase the usage of the Terminal by 50% in two years).</p> <p>Step 2: Measure the actual usage of the Terminal</p> <p>Step 3: Compare the actual usage against the Terminal’s target standard</p> <p>Step 4: Take corrective actions if the actual usage is significantly below the target standard.</p> <p>Factors that affect the implementation of these marketing activities include:</p> <ul style="list-style-type: none"> • Soundness of the marketing plan: whether the marketing activities stated in the marketing plan are feasible and properly planned. • Availability of the required resources: whether the company has the required resources (e.g., financial, human and technological) to implement the planned activities. • Leadership skills of the marketing manager: whether I can direct and motivate employees.
35.	<p>The importance of marketing as a business function is that:</p> <p><u>Marketing helps the supermarket better understand what is needed and wanted by its customers.</u> This understanding helps the supermarket determine what should be stocked and what prices it should charge for its products.</p> <p><u>Marketing makes the supermarket more alert to its competitors’ moves</u> (e.g., other supermarkets, grocery stores, etc.). This helps the supermarket better adjust its strategies to compete with its rivals.</p> <p>Marketing reminds the supermarket of the importance of <u>building long-term relationships</u> with its customers.</p> <p>The supermarket needs to work closely with its merchandise suppliers, employees and other relevant business partners (e.g., advertising agency, marketing research agency, etc.). Consequently, marketing not only helps strengthen long-term relationships between the supermarket and its customers, but also those between the supermarket, its employees, suppliers and other business partners.</p> <p>Marketing helps the supermarket <u>better monitor the changing preferences of its customers</u> by performing marketing research and studying consumers’ behaviour.</p> <p>Knowing the changes in customers’ preferences, the supermarket can then refine its marketing segmentation, target marketing and positioning or design various marketing strategies in a timely manner.</p>