

Foundations of Marketing

The nature of marketing, exchange, customer needs, and why marketing is an ongoing process.

Worksheet	4.1-WS01	Suggested time	45-60 minutes
Total marks	34	Coverage	IB Business Management 4.1 Introduction to marketing

Answer all questions. Show full workings for calculations. Use business terminology and apply answers to the context where relevant.

Section A - Multiple choice

- Which statement best defines marketing? **[1]**
 - Producing as many goods as possible at the lowest cost
 - Identifying, anticipating and satisfying customer needs in a mutually beneficial exchange
 - Persuading customers to buy any product the business has already made
 - Distributing products to retailers after production is complete
- Why is marketing described as an ongoing process? **[1]**
 - Because prices are fixed by law in every market
 - Because only new businesses need to understand customers
 - Because customer needs, competition and the business environment change over time
 - Because production decisions never affect marketing
- Which outcome most strongly suggests that customers are delighted rather than merely satisfied? **[1]**
 - They buy once when the product is discounted
 - They delay payment until reminded
 - They recommend the product to friends and are willing to try new launches
 - They ask the business to lower costs before buying again
- In a mutually beneficial exchange, which statement is most accurate? **[1]**
 - Only the business should gain because it takes the financial risk
 - Only the customer should gain because the business already owns the product
 - Both the customer and the business should gain value from the transaction
 - Neither side needs to gain as long as the sale is completed

Section B - Short answer

- Define the term exchange process. **[2]**
- Explain two ways effective marketing can benefit a business beyond immediate sales revenue. **[4]**
- Explain how marketing can influence operations when a business launches a new product. **[4]**

Section C - Data response / case study

Case study - GlowFuel

GlowFuel sells energy bars through gyms and convenience stores. Its original bars were high in sugar and aimed at people wanting quick energy before exercise. Over the past year, customers in its market have become more health

conscious and several rivals now advertise low-sugar, high-protein alternatives.

GlowFuel has noticed that repeat purchases have fallen. Store managers say some customers still like the brand name, but many want clearer nutritional information, new flavours and products that fit changing health trends.

8. Explain two marketing actions GlowFuel could take to better match changing customer needs. [4]

9. Analyse why ongoing marketing is important for GlowFuel as customer tastes and competition change. [6]

Section D - Extended response

10. Evaluate the importance of marketing to the success of a new subscription meal-box business. [10]

Answer key and marking guidance

Indicative answers are provided below. Equivalent, well-applied business answers should also be credited.

Marks	General marking guidance
2	Award for a precise definition or one simple explained point. Terminology should be accurate.
4	Award for two relevant explained points, or correct working plus answer where calculation is required.
6	Award for developed analysis that links cause and effect and uses case material where relevant.
10	Award for balanced evaluation or discussion, use of context, and a supported conclusion or judgement.

Section A - Multiple choice answers

Q	Answer	Why
1	B	Marketing involves identifying, anticipating and satisfying customer needs through exchange.
2	C	Firms must keep adapting as tastes, rivals and external conditions change.
3	C	Delighted customers are more likely to recommend, repeat purchase and try new products.
4	C	Marketing aims for an exchange where the customer gets value and the firm meets its objectives.

Section B - Short answer guidance

Q5. Define the term exchange process. [2]

- A two-way process in which a business offers a good or service and receives something in return, usually payment.
- Both sides obtain value from the transaction.

Credit other relevant, accurate and well-explained answers.

Q6. Explain two ways effective marketing can benefit a business beyond immediate sales revenue. [4]

- It can increase repeat purchases because satisfied customers come back.
- It can generate positive word of mouth, reducing the cost of winning new customers.
- It can improve brand loyalty and make customers less likely to switch to competitors.
- It can make customers more willing to try new products launched by the business.

Credit other relevant, accurate and well-explained answers.

Q7. Explain how marketing can influence operations when a business launches a new product. [4]

- Marketing estimates likely demand, which affects how many units operations must be able to produce.

- Marketing decisions about features, quality, design or packaging affect production methods and costs.
- If marketing creates higher demand, operations may need more capacity, equipment or stock.

Credit other relevant, accurate and well-explained answers.

Section C - Data response / case study guidance

Q8. Explain two marketing actions GlowFuel could take to better match changing customer needs. [4]

- Carry out market research to identify which ingredients, flavours and nutritional claims customers now value.
- Redesign the product, for example by reducing sugar or increasing protein, so the offering matches current preferences.
- Change packaging and promotion to highlight health benefits and clear product information.
- Review price and distribution so the products are available in channels used by health-conscious consumers.

Credit other relevant, accurate and well-explained answers.

Q9. Analyse why ongoing marketing is important for GlowFuel as customer tastes and competition change. [6]

- Marketing is ongoing because customer preferences change; GlowFuel must keep monitoring demand to avoid losing relevance.
- New rivals offering low-sugar bars increase competitive pressure, so GlowFuel must adjust product and promotion to protect sales.
- Feedback from retailers and repeat purchase data can help GlowFuel refine its offer before loyalty falls further.
- If marketing responds early, the firm can improve satisfaction, rebuild repeat sales and strengthen its position against competitors.

Credit other relevant, accurate and well-explained answers.

Section D - Extended response guidance

Q10. Evaluate the importance of marketing to the success of a new subscription meal-box business. [10]

- Marketing helps the business identify what target customers actually want, such as convenience, healthy choices, flexible delivery times or value for money.
- It influences product design, price, promotion and distribution, so the offer matches customer needs and available resources.
- Strong marketing can build awareness, trial and repeat purchasing in a competitive market with many alternatives.
- Marketing also links with operations, finance and human resources; the business must be able to deliver what marketing promises.
- However, marketing alone is not enough. Poor food quality, unreliable delivery or weak cost control could still cause failure.
- A strong answer should reach a supported judgement, for example that marketing is essential because it aligns the offer with demand, but success also depends on delivery and financial control.

Judgement guidance: reward balance, use of relevant evidence or case context, and a justified final conclusion.