**SOCIETAL AND SOCIAL MARKETING**

**Learning Outcome 2: ACTIVITY 1**

**PAIRS ACTIVITY**

**How exchanges work**

***Price is the amount the consumer must exchange to receive the offering****. - Solomon et al (2009)*

A marketing exchange is what happens any time two or more people trade goods or services. In marketing theory, every exchange is supposed to produce "utility," which means the value of what you trade is less than the value of what you receive from the trade. Of course, all exchanges in the real world are much more complicated.

Marketing theorists consider exchange to be the central concept without which there would be no such thing as marketing. For an exchange to happen, both parties have to have something of value for each other.

For instance, a person visiting a coffee shop might have enough money to buy a cup of coffee while the cafe has the coffee. Both parties must be able to communicate with each other, and both must want to exchange something and be able to do so. If the customer in the coffee shop can't make themselves understood, or if they decide they doesn't want a cup of coffee, or if it turns out not to have quite enough money, then there will be no exchange. If all of the needed conditions are met, there will be an exchange of money for coffee.

Give an example of an exchange that:

* Requires money
* Requires no money
* Requires exchange of value