

CHAPTER TWO
STRATEGIC E-MARKETING AND PERFORMANCE METRICS

Multiple Choice

1. Which of the following is a goal oriented focus of strategic planning?
 - a. growth
 - b. competitive position
 - c. geographic scope (e.g., expansion)
 - d. all of the above(d; Easy; LO1; Analytic Skills)

2. The four performance areas of the balanced scorecard include all of the following except _____.
 - a. customer perspective
 - b. internal business perspective
 - c. learning and growth perspective
 - d. metrics perspective(d; Moderate; LO3; Analytic Skills)

3. Regarding customers and business partners, e-marketing is capable of improving the overall value propositions by _____.
 - a. increasing benefits for customers
 - b. decreasing costs for customers and the company
 - c. increasing the revenues
 - d. all of the above(d; Moderate; LO2; Analytic Skills)

4. The various levels of organizational commitment to e-business include all of the following, except _____.
 - a. activity
 - b. business process
 - c. enterprise
 - d. business policy(d; Moderate; LO2; Use of Information Technology)

5. The costs associated with the organization's value proposition include, for example, _____.
 - a. time
 - b. energy
 - c. psychic
 - d. all of the above(d; Easy; LO3; Analytic Skills)

6. Which of the following is true about business use of informational technology?
- a. It generally increases benefits to stakeholders.
 - b. It generally lowers costs to stakeholders.
 - c. It can lead to a decrease in value to stakeholders.
 - d. All of the above.
- (d; Easy; LO1; Use of Information Technology)
7. Which of the following is not a viable competitive position for a firm within its given industry?
- a. industry leader (e.g., Google)
 - b. price leader (e.g., Priceline)
 - c. quality leader (e.g., Mercedes)
 - d. business model leader (e.g., Borders)
- (d; Moderate; LO1; Analytic Skills)
8. Corporate level business strategies that include information technology components, such as internet, digital databases) are known as _____.
- a. marketing strategies
 - b. e-business strategies
 - c. e-marketing strategies
 - d. corporate strategies
- (b; Easy; LO2; Use of Information Technology)
9. Which of the following is not one of the four appropriate rationales for choosing the objectives of a strategic plan?
- a. strategic justification
 - b. personal justification
 - c. technical justification
 - d. financial justification
- (b; Moderate; LO1; Reflective Thinking Skills)
10. Important elements of value include all of the following except _____.
- a. customers' perception of product benefits
 - b. partners' perception of product costs
 - c. customer evaluations of support services
 - d. all of the above
- (b; Moderate, LO3; Analytic Skills)

11. Which of the following processes is unlikely to be carried out at the activity level of e-business commitment?
- a. customer relationship management
 - b. online purchasing
 - c. e-mail
 - d. dynamic pricing online
- (a; Difficult; LO2; Reflective Thinking Skills)
12. Which of the following is not an activity which is likely to be practiced at the business process level of e-business commitment?
- a. content publishing
 - b. knowledge management
 - c. direct selling
 - d. database marketing
- (c; Difficult; LO2; Reflective Thinking Skills)
13. _____ are specific measures designed to evaluate the effectiveness and efficiency of an organization's operations.
- a. Strategic outcomes
 - b. Key performance metrics
 - c. Business models
 - d. Strategic objectives
- (b; Moderate; LO3; Analytic Skills)
14. _____ can be learned from dividing net profits by total assets.
- a. Return on investment (ROI)
 - b. Market capitalization
 - c. Earnings
 - d. Income
- (a; Easy; LO3; Analytic Skills)
15. Profits and return on investment (ROI) are among the most common metrics used to assess performance from the _____ perspective.
- a. customer
 - b. internal
 - c. innovation/learning
 - d. financial
- (d; Moderate; LO3; Reflective Thinking)

16. Content sponsorship, direct selling, and social networking, occur at the _____ of the e-business model.
- a. activity level
 - b. business process level
 - c. enterprise level
 - d. none of the above
- (c; Difficult; LO2; Use of Information Technology)
17. Database marketing and customer relationship management (CRM) occur at the _____ of the e-business model.
- a. activity level
 - b. business process level
 - c. enterprise level
 - d. none of the above
- (b; Difficult; LO2; Use of Information Technology)
18. Within the e-business model, e-mail occurs _____.
- a. at the activity level
 - b. at the business process level
 - c. at the enterprise level
 - d. none of the above
- (a; Difficult; LO2; Use of Information Technology)
19. Within the e-business model, order processing occurs _____.
- a. at the activity level
 - b. at the business process level
 - c. at the enterprise level
 - d. none of the above
- (a; Difficult; LO2; Use of Information Technology)
20. The internal perspective of the Balanced Scorecard gives particular attention to _____.
- a. market share
 - b. shareholder value
 - c. supply chain value to the company
 - d. customer satisfaction
- (c; Moderate; LO3; Analytic Skills)

True/False

21. The Balanced Scorecard is based on three stakeholder perspectives.
a. True
b. False
(b; Easy; LO3; Analytic Skills)
22. Return on investment (ROI) is a popular metric used to measure performance regarding the *financial perspective* or the Balanced Scorecard.
a. True
b. False
(a; Moderate; LO3; Analytic Skills)
23. According to the text, Raytheon has measured transactions and loyalty to evaluate the *customer perspective* of the Balanced Scorecard.
a. True
b. False
(a; Moderate; LO3; Reflective Thinking Skills)
24. Objectives, strategies and tactics exist exclusively at the executive level.
a. True
b. False
(b; Difficult; LO1; Reflective Thinking Skills)
25. In order to determine whether a business model is an appropriate fit for a given firm it is important to consider connected activities and price.
a. True
b. False
(a; Moderate; LO2; Reflective Thinking Skills)
26. All e-business models are internet business models.
a. True
b. False
(b; Easy; LO2; Reflective Thinking Skills)
27. Customer relationship management focuses only on retaining existing individual customers.
a. True
b. False
(b; Moderate; LO2; Reflective Thinking Skills)

28. The Balanced Scorecard can be used by all types of businesses.
a. True
b. False
(a, Moderate, LO3; Reflective Thinking Skills)
29. Strategy represents the means to achieve a goal.
a. True
b. False
(a; Easy; LO1; Reflective Thinking Skills)
30. An e-business model is a method by which the organization sustains itself in the long term using information technology resources and principles.
a. True
b. False
(a; Moderate; LO2; Use of Information Technology)
31. Information technology always lowers costs to business stakeholders.
a. True
b. False
(b; Difficult; LO2; Use of Information Technology)
32. Growth in market share is the main way for e-commerce companies to evaluate long term performance.
a. True
b. False
(b; Difficult, LO3; Analytic Skills)

Essay

33. What are four types of justifications that a decision maker may cite to support or oppose an organizational or marketing campaign?
- Strategic justification
 - Operational justification
 - Technical justification
 - Financial justification
- (Moderate; LO1)

34. From the customer's perspective, what are the value-added benefits of e-marketing?
- Online mass customization
 - Personalization
 - 24/7 Convenience
 - Self-service ordering and tracking
 - One-stop shopping
- (Moderate; LO1; Use of Information Technology)
35. Business organizations may vary according to their e-business activities. What are the different levels of commitment to e-business available to these organizations?
- Activity: e-mail, blog
 - Business process: customer relationship management (CRM)
 - Enterprise: offline and online retailing
 - Pure play: 100% online, dot-com or dot-net, presence
- (Difficult; LO2; Use of Information Technology)
36. What are the benefits of the Balanced Scorecard?
- Means to monitor and measure performance
 - Links strategy to measurement
 - Measure performance metrics in customer, internal, innovation and learning, and financial areas.
- (Difficult; LO3; Analytic Skills)
37. What are the four perspectives of the Balanced Scorecard?
- Customer
 - Internal business
 - Learning and growth
 - Financial
- (Easy; LO3)
38. On what bases can organizations appraise or evaluate their business models?
- Customer Value
 - Scope
 - Price
 - Revenue Sources
 - Connected Activities
 - Implementation
 - Capabilities
 - Sustainability
- (Moderate, LO2; Analytic Skills)

39. The Balanced Scorecard provides several metrics for evaluating the customer perspective. What are these specific metrics?
- Customer Loyalty
 - Lifetime Value
 - Customer perceptions
 - Penetration of target market
 - Customer buying patterns
- (Difficult; LO3)