

c1

Student: _____

1. A feeling of physiological deprivation of the basic necessities of life, such as food, clothing, shelter, or safety is a(n):

A. demand.
B. want.
C. exchange.
D. necessity.
E. need.

2. The particular way in which a person chooses to satisfy the requirement for any of the basic necessities of life is a(n):

A. demand.
B. want.
C. exchange.
D. necessity.
E. need.

3. A non-governmental organization provides food and shelter to people who make their living on the streets. Food and shelter are included in the definition of:

- A. demand.
- B. want.
- C. exchange.
- D. necessity.
- E. need.

4. Human beings require clothes to cover their bodies. Some of them may wear designer clothes, while others may pick up cloth from the flea market. This example illustrates different ways to satisfy a basic requirement of life and describes the concept of:

- A. demand.
- B. want.
- C. exchange.
- D. necessity.
- E. need.

5. A company specializes in rock climbing. It aims its advertisements at men and women who are between the ages of 18 and 50. It also aims at overworked executives and people in managerial positions who need to get away from their jobs. These two categories constitute the _____ for the company.

A. commodity market

B. stock market

C. target market

D. currency market

E. artificial market

6. A trader in the market trades his goods for the money that is paid for the goods offered by him. This is an example of:

A. demand.

B. want.

C. exchange.

D. necessity.

E. need.

7. The customer segment or group to whom a firm is interested in selling its products and services is a(n):
- A. commodity market.
 - B. stock market.
 - C. target market.
 - D. currency market.
 - E. artificial market.
8. The trade of things of value between the buyer and the seller so that each is better off as a result is referred to as:
- A. demand.
 - B. want.
 - C. exchange.
 - D. necessity.
 - E. need.
9. One main purpose of marketing is to create value by:
- A. hiring the right people for the promotion of the products being manufactured.
 - B. informing potential buyers about a product or service.
 - C. fixing the measure of sacrifice that a customer is willing to make in order to acquire a specific product.
 - D. developing a variety of offerings, including goods, services, and ideas, to satisfy customer needs.
 - E. delivering the product on offer to the customer.

10. Which of the following holds true for the term *goods*?

- A. It refers to tangible customer benefits that are produced by people or machines and can be separated from the producer.
- B. It refers to intangible customer benefits that are produced by people or machines and cannot be separated from the producer.
- C. It refers to the overall sacrifice a consumer is willing to make in terms of money, time, and energy in order to acquire a specific product or service.
- D. It refers to thoughts, opinions, philosophies, and intellectual concepts that also can be marketed.
- E. It refers to the groups of people who need or want a company's products or services and have the ability and willingness to buy them.

11. Which of the following holds true for the term *services*?

- A. It refers to the tangible customer benefits that are produced by people or machines and can be separated from the producer.
- B. It refers to the intangible customer benefits that are produced by people or machines and cannot be separated from the producer.
- C. It refers to the overall sacrifice a consumer is willing to make in terms of money, time, and energy in order to acquire a specific product or service.
- D. It refers to thoughts, opinions, philosophies, and intellectual concepts that also can be marketed.
- E. It refers to the groups of people who need or want a company's products or services and have the ability and willingness to buy them.

12. Which of the following holds true for the term *price*?

- A. It refers to the tangible customer benefits that are produced by people or machines and can be separated from the producer.
- B. It refers to the intangible customer benefits that are produced by people or machines and cannot be separated from the producer.
- C. It refers to the overall sacrifice a consumer is willing to make in terms of money, time, and energy in order to acquire a specific product or service.
- D. It refers to thoughts, opinions, philosophies, and intellectual concepts that also can be marketed.
- E. It refers to the groups of people who need or want a company's products or services and have the ability and willingness to buy them.

13. An accountant preparing financial statements must use a pencil to make all calculations and an eraser to correct errors. Pencils and erasers are examples of:

- A. ideas.
- B. goods.
- C. services.
- D. exchange.
- E. price.

14. An artist in an opera performs for the benefit of the audience. The live performance of the artist would be termed a(n):

- A. idea.
- B. good.
- C. service.
- D. exchange.
- E. price.

15. Jane wants to buy a bike. She spends a lot of time and energy trying to find the right bike. She does find one and then pays \$200 to buy it. The time and energy spent along with the sum of money constitutes the:

- A. idea.
- B. good.
- C. service.
- D. exchange.
- E. price.

16. Since women constitute 90 percent of Karen's, a pharmacy chain's, customers, the chain decided to implement changes that would make the shopping experience more pleasant for them. Karen introduced shorter wait-times, wider and better-lit passageways, and more beauty products. Women constitute Karen's:

- A. primary commodity market.
- B. primary target market.
- C. primary currency market.
- D. secondary target market.
- E. niche market.

17. A commercial roofing company provides commercial roofing services. It also provides residential roof repair and replacement. The residential market provides solid revenue and constitutes the:

- A. primary commodity market.
- B. primary target market.
- C. primary currency market.
- D. secondary target market.
- E. niche market.

18. Sports Inc., a global sports brand, wants to deliver an effective campaign across many markets. The company wants to effectively engage the youth across key markets in Europe, and the campaign's main objective is to generate awareness about the company. These efforts are made by Sports Inc. to attract the youth, as they constitute the company's:

- A. primary commodity market.
- B. primary target market.
- C. primary currency market.
- D. secondary target market.
- E. niche market.

19. A toy store's reduced prices have successfully attracted children over the years. The toy store has traditionally offered lower prices than other stores and was also the first to expand into the suburbs and crowded downtown areas of large urban cities. Children are the toy store's:

- A. secondary target market.
- B. niche market.
- C. primary currency market.
- D. primary commodity market.
- E. primary target market.

20. A company manufactures and sells baby products targeting new moms and dads, grandparents, and people who go to baby showers. Grandparents constitute the company's:

- A. primary commodity market.
- B. primary target market.
- C. primary currency market.
- D. secondary target market.
- E. niche market.

21. Art World conducts art contests for kindergarten classes across many schools. Art World encourages parents and siblings to be involved in these contests to encourage and support participants. Parents and siblings constitute the:

- A. primary commodity market.
- B. primary target market.
- C. primary currency market.
- D. secondary target market.
- E. niche market.

22. A fast-food restaurant aiming to attract children between the ages of 4 and 10 creates a tempting menu and cheerful environment. Since children are always accompanied by adults, the restaurant creates a separate, soundproof play area to give the parents some quiet time. The fast-food centre is now popular even with grandparents. Parents and grandparents are the:

- A. primary commodity market.
- B. primary target market.
- C. primary currency market.
- D. secondary target market.
- E. niche market.

23. A company manufactures soaps. It selects a small number of retail outlets to distribute the product. This is an example of _____ of the four Ps of marketing.

- A. people
- B. price
- C. place
- D. product
- E. promotion

24. A major sports goods company distributes its products via retailers. It offers attractive subsidies on its products to encourage retailers to sell higher volumes. This is an example of _____ of the four Ps of marketing.

- A. people
- B. price
- C. place
- D. product
- E. promotion

25. A company is concerned with developing an efficient system for merchandise to be distributed in the right quantities, to the right locations, and at the right time in the most efficient way. It is making:

- A. people decisions.
- B. price decisions.
- C. place decisions.
- D. product decisions.
- E. promotion decisions.

26. All the activities necessary to get a product from the manufacturer or producer to the right customer when that customer wants it make up the _____ component of the four Ps of marketing.

- A. people
- B. price
- C. place
- D. product
- E. promotion

27. The communication that informs, persuades, and reminds potential buyers about a product or service to influence their opinions or elicit a response is the _____ component of the four Ps of marketing.

- A. people
- B. price
- C. place
- D. product
- E. promotion

28. The process in which businesses sell to consumers is referred to as:

- A. C2C marketing.
- B. C2B marketing.
- C. B2B marketing.
- D. B2C marketing.
- E. D2R marketing.

29. The process of selling merchandise or services from one business to another is referred to as:

- A. C2C marketing.
- B. C2B marketing.
- C. B2B marketing.
- D. B2C marketing.
- E. D2R marketing.

30. A daycare business provides babysitting services as well as structured preschool education and learning stimulation. This is an example of:

- A. B2C marketing.
- B. D2R marketing.
- C. B2B marketing.
- D. C2C marketing.
- E. C2B marketing.

31. An automobile manufacturer buys tires, glass for windshields, and rubber hoses for its vehicles. The suppliers of these products are other companies that specialize in the manufacturing of this equipment. This is an example of:

- A. B2C marketing.
- B. D2R marketing.
- C. B2B marketing.
- D. C2C marketing.
- E. C2B marketing.

32. Mir Air is one of the largest airlines operating in the world. It provides scheduled and charter air transport for passengers to 200 destinations worldwide. Together with its regional partners, the airline operates on average, more than 1,500 scheduled flights daily. This is an example of:

- A. B2C marketing.
- B. D2R marketing.
- C. B2B marketing.
- D. C2C marketing.
- E. C2B marketing.

33. Bank International was created to provide the working class with a means of saving. The bank accepts all deposits between \$1 and \$500. The bank encourages people who save a very small amount every month to continue to save. This is an example of:

- A. C2C marketing.
- B. C2B marketing.
- C. B2B marketing.
- D. B2C marketing.
- E. D2R marketing.

34. Spaceair, an aerospace company, is a major service provider for space research organizations.

This is an example of:

A. C2C marketing.

B. C2B marketing.

C. B2B marketing.

D. B2C marketing.

E. D2R marketing.

35. Terliss manufactures passenger car and automobile tires. It offers radial and tubeless tires to dealers and automobile companies. This is an example of:

A. C2C marketing.

B. C2B marketing.

C. B2B marketing.

D. B2C marketing.

E. D2R marketing.

36. Hi Design is a company that allows customers to have a unique experience in that they can open a virtual "shop" that includes an online storefront. This virtual shop also offers other facilities such as website hosting, order management, fulfillment, payment processing, and customer service. The products uploaded by customers can be bought by people visiting the website. This "shop" is an example of:

- A. C2C marketing.
- B. C2B marketing.
- C. B2B marketing.
- D. B2C marketing.
- E. D2R marketing.

37. Mychoice, a social shopping website, launched a marketing platform that enables shoppers to recommend purchased products to their friends. Friends discover these recommendations through Facebook, Twitter, email, and the Mychoice website and search engine. This is an example of:

- A. C2B marketing.
- B. D2R marketing.
- C. B2B marketing.
- D. C2C marketing.
- E. B2C marketing.

38. A TV network company launched a Facebook application for users. This application allows the users to create their own sports bar and grill. The gamers can serve foods and soft drinks in their bars. This is an example of:

- A. broadcast advertising.
- B. print media marketing.
- C. social media marketing.
- D. out-of-home marketing.
- E. visual merchandising.

39. Mary buying an iPod from Tom on eBay is an example of:

- A. B2C marketing.
- B. D2R marketing.
- C. B2B marketing.
- D. C2C marketing.
- E. C2B marketing.

40. The process in which consumers sell to other consumers is referred to as:

- A. C2C marketing.
- B. C2B marketing.
- C. B2B marketing.
- D. B2C marketing.
- E. D2R marketing.

41. Blur Associates is a company that sells gaming consoles. It has developed a Facebook fan page that provides interesting discussion topics. This is an example of:

- A. broadcast advertising.
- B. print media marketing.
- C. social media marketing.
- D. out-of-home marketing.
- E. visual merchandising.

42. A martial arts training institute has uploaded quick two-to three-minute training tutorial videos on YouTube in order to advertise the institute. This is an example of:

- A. secondary merchandising.
- B. social media marketing.
- C. out-of-home marketing.
- D. broadcast advertising.
- E. print media marketing.

43. Home Cook is a company that sells recipe books. It has almost 100 uploads in YouTube. The main video is from the company's star customers who explain how the recipe books have made their lives a lot easier. This is an example of:

- A. visual merchandising.
- B. print media marketing.
- C. out-of-home marketing.
- D. social media marketing.
- E. broadcast advertising.

44. The use of Internet tools to easily and quickly create and share content to foster dialogue, relationships, and personal identities is referred to as:

- A. broadcast advertising.
- B. print media marketing.
- C. social media marketing.
- D. out-of-home marketing.
- E. visual merchandising.

45. Bagged is a leading producer of travel bags. It uses blogging sites to connect with its customers and has daily updates about new marketing trends. This is an example of:

- A. visual merchandising.
- B. print media marketing.
- C. out-of-home marketing.
- D. social media marketing.
- E. broadcast advertising.

46. Which of the following holds true for product-oriented companies?

- A. They try to sell as many of their products as possible rather than focus on making products consumers really want.
- B. They focus on giving customers better worth (monetary and non-monetary) for the products than their competitors.
- C. They focus on developing and distributing innovative products with little concern about whether the products best satisfy customers' needs.
- D. They focus on the extension of a single brand name to market products in different product categories.
- E. They focus on what consumers want and need before they design, make, or attempt to sell their products and services.

47. Which of the following holds true for sales-oriented companies?

- A. They try to sell as many of their products as possible rather than focus on making products consumers really want.
- B. They focus on giving their customers better worth (monetary and non-monetary) for the products than their competitors.
- C. They focus on developing and distributing innovative products with little concern about whether the products best satisfy customers' needs.
- D. They focus on the extension of a single brand name to market products in different product categories.
- E. They focus on what consumers want and need before they design, make, or attempt to sell their products and services.

48. Which of the following holds true for market-oriented companies?

- A. They try to sell as many of their products as possible rather than focus on making products consumers really want.
- B. They focus on giving their customers better worth (monetary and non-monetary) for the products than their competitors.
- C. They focus on developing and distributing innovative products with little concern about whether the products best satisfy customers' needs.
- D. They focus on the extension of a single brand name to market products in different product categories.
- E. They focus on what consumers want and need before they design, make, or attempt to sell their products and services.

49. Which of the following holds true for value-oriented companies?

- A. They focus on selling as many of their products as possible rather than focus on making products consumers really want.
- B. They focus on giving their customers better worth (monetary and non-monetary) for the products than their competitors.
- C. They focus on developing and distributing innovative products with little concern about whether the products best satisfy customers' needs.
- D. They focus on the extension of a single brand name to market products in different product categories.
- E. They focus on what consumers want and need before they design, make, or attempt to sell their products and services.

50. Which of the following types of companies focus on each transaction rather than building long-term customer relationships?

- A. cause-oriented companies
- B. value-oriented companies
- C. market-oriented companies
- D. sales-oriented companies
- E. product-oriented companies

51. Innovatives Inc. creates phones with features that attract the target market. The devices are created as a product to be sold and not based on what customers want. Apple is a:

- A. brand-oriented company.
- B. market-oriented company.
- C. sales-oriented company.
- D. value-oriented company.
- E. product-oriented company.

52. An online Internet marketing company attempts to sell consumers a number of different products. It attempts to sell software to consumers and other businesses to meet their needs. It has created products that are based on the assumption that the product will meet the need of the business or individual, whether or not they have expressed a need for the product. This is an example of a:

- A. brand-oriented company.
- B. market-oriented company.
- C. sales-oriented company.
- D. value-oriented company.
- E. product-oriented company.

53. Mirrors is a company that believes that every idea and technical solution should be focused on meeting customers' needs. It emphasizes understanding specific customer needs. Mirrors is an example of a:

- A. brand-oriented company.
- B. market-oriented company.
- C. sales-oriented company.
- D. value-oriented company.
- E. product-oriented company.

54. A certain wine retailer sells what it calls QPR wines. QPR refers to quality price ratio. It simply means getting the best quality wine for the lowest possible price. The wine retailer would be an example of a:

- A. brand-oriented company.
- B. market-oriented company.
- C. sales-oriented company.
- D. value-oriented company.
- E. product-oriented company.

55. Home Bakers introduced a new cake in the market. It was created as a product to be sold and not based on what customers wanted at that time. Therefore, the company concentrated on selling and paid little attention to the question as to whether it best satisfied customers' needs. Home Bakers is a:

- A. product-oriented company.
- B. sales-oriented company.
- C. market-oriented company.
- D. value-oriented company.
- E. brand-oriented company.

56. A company sells cars of a single colour and boast that the cars have many innovative features. The company refuses to change the colour of the car irrespective of the desire of the public to have a different-coloured car. This is an example of:

- A. sales orientation.
- B. value orientation.
- C. market orientation.
- D. product orientation.
- E. brand orientation.

57. Drakes manufactures dirt bikes. The company makes products and sells them in the market, as many as it can. It does not focus on the needs of the customer. This is an example of:

- A. sales orientation.
- B. value orientation.
- C. market orientation.
- D. product orientation.
- E. brand orientation.

58. An airline was launched as a no-frills, heavy-discount carrier. One bottle of water was provided free of cost to all passengers and airline staff provided free fun and games to entertain passengers. All this was based on the understanding of what the customer needed. This airline has a:

- A. sales orientation.
- B. value orientation.
- C. market orientation.
- D. product orientation.
- E. brand orientation.

59. A coffee shop attempted to discover what customers really wanted from their coffee-drinking experience. It found that people liked to chat over their cup of coffee without anybody disturbing them. Therefore, the coffee shop allowed its customers to stay as long as they liked, without requiring them to order a new cup of coffee every 20 minutes to stay in the shop. This is an example of:

- A. value orientation.
- B. brand orientation.
- C. product orientation.
- D. market orientation.
- E. sales orientation.

60. Which of the following is a requirement for making a firm value-driven?

- A. self-contained independent units with little capacity to influence or be influenced
- B. high-priced goods with more emphasis on branding than quality control
- C. innovative product range with low emphasis on customers' needs
- D. sharing information about customers and competitors across one's own organization
- E. one-time transactional interaction rather than building relationships with customers

61. Which of the following regards the buyer-seller relationship as a series of individual sales, so anything that happened before or after the sales is of little importance?

- A. referral marketing
- B. transactional orientation
- C. live-in marketing
- D. relational orientation
- E. influence marketing

62. An automobile manufacturer maintains a database of when and how repeat customers buy its products, the options they choose, the way they finance the purchase, and so on. This database enables the company to understand customers and make offers that appeal to them. Because of this initiative, a long-term bond is established between the buyer and seller. This is an example of:

- A. transformational marketing.
- B. transactional marketing.
- C. live-in marketing.
- D. relational marketing.
- E. optimal marketing.

63. A sales agent is paid a commission for each sale that she makes. She convinces the customer to buy the product by describing its benefits, and then she receives her commission. The customer is of little concern to her. This is an example of:

- A. transformational marketing.
- B. transactional marketing.
- C. live-in marketing.
- D. relational marketing.
- E. optimal marketing.

64. The philosophy that buyers and sellers should develop a long-term bond is called:

- A. transformational marketing.
- B. transactional marketing.
- C. live-in marketing.
- D. relational marketing.
- E. optimal marketing.

65. Which of the following holds true for customer relationship management (CRM)?

- A. It helps a company to allocate resources and is used as an analytical tool in brand marketing, product management, strategic management, and portfolio analysis.
- B. It is a strategic performance management tool that can be used by managers to keep track of the execution of activities by the staff within their control and to monitor the consequences arising from these actions.
- C. It is a set of strategies, programs, and systems that focus on identifying and building loyalty among the firm's most valued patrons.
- D. It is a framework for industry analysis and business strategy to determine the competitive intensity and, therefore, the attractiveness of a market.
- E. It is a system of processes that enables organizations to centrally manage deployment of surveys while dispersing authoring and analysis throughout an organization.

66. Heaven Hotels is a hotel chain that treats its customers like family. The company further influences its bond with customers with its quality of staff, reliability, consistent overall high quality, and global social responsibility programs. This is an example of:

- A. transformational marketing.
- B. transactional marketing.
- C. live-in marketing.
- D. relational marketing.
- E. optimal marketing.

67. Fly Air offers credit-card flyer miles for a flight. If a Fly Air flight is late, the company gives the miles back to the customer without the customer even having to complain. Therefore, Fly Air has maintained excellent customer satisfaction ratings. This policy creates long-term bonds with passengers and makes them loyal to the company. This is an example of:

- A. relational marketing.
- B. transactional marketing.
- C. transformational marketing.
- D. live-in marketing.
- E. optimal marketing.

68. A company making fruit juices employs a set of strategies to collect information about customer needs. It then uses this information to focus on identifying and building loyalty among the firm's most valued patrons. This is an example of:

- A. customer relationship management.
- B. the BCG matrix.
- C. Porter's five forces.
- D. transformational marketing.
- E. live-in marketing.

69. The group of firms and set of techniques and approaches firms use to make and deliver a given set of goods and services is commonly referred to as a(n):

- A. value chain.
- B. demand optimization.
- C. inventory control.
- D. demand chain.
- E. supply chain.

70. Each link in the supply chain is out for its own best interest in a:

- A. transformational orientation.
- B. transactional orientation.
- C. live-in orientation.
- D. relational orientation.
- E. optimal orientation.

71. When a customer makes an online purchase from the website of a company selling computers, the website provides the customer with information regarding pricing, product variety, and product availability. The customer makes a product choice. The order then goes to the assembly plant, and then to all of the company's vendors and their vendors. This is an example of a(n):

- A. value chain.
- B. demand optimization.
- C. inventory control.
- D. demand chain.
- E. supply chain.

72. These two categories constitute the _____ for the company.

- A. commodity market
- B. stock market
- C. target market
- D. currency market
- E. artificial market

73. For this tennis academy, girls between the ages of 11 and 16 constitute the:

- A. primary commodity market.
- B. primary target market.
- C. primary currency market.
- D. secondary target market.
- E. niche market.

74. Amateur tennis enthusiasts constitute the:

- A. primary commodity market.
- B. primary target market.
- C. primary currency market.
- D. secondary target market.
- E. niche market.

75. The time and energy spent along with the sum of money constitutes the:

- A. idea.
- B. good.
- C. service.
- D. exchange.
- E. price.

76. The bike is an example of a(n):

- A. idea.
- B. good.
- C. service.
- D. exchange.
- E. price.

77. The bike is delivered to Julie by a transport company. This is an example of a(n):

- A. idea.
- B. good.
- C. service.
- D. exchange.
- E. price.

Sky Cars International manufactures cars. It launches a new car in the market, priced at \$300,000 and aimed at the premium segment. It selects a small number of exclusive outlets to distribute the product. The company has also booked some international rock stars to perform at a ceremony to mark the car's launch in the market. The car is endorsed by popular Hollywood celebrities.

78. Which of the four Ps of marketing represents the exclusive outlets where the new model will be displayed and sold?

- A. people
- B. price
- C. place
- D. product
- E. promotion

79. Which of the four Ps of marketing does the \$300,000 tag represent?

- A. people
- B. price
- C. place
- D. product
- E. promotion

80. The international rock stars that perform at the ceremony to launch the car and the popular Hollywood celebrities that endorse the car represent which of the four Ps of marketing?

- A. people
- B. price
- C. place
- D. product
- E. promotion

81. The new car being launched in the market represents which of the four Ps of marketing?

- A. people
- B. price
- C. place
- D. product
- E. promotion

82. The selling of equipment by the equipment supplier to the automobile company is called:

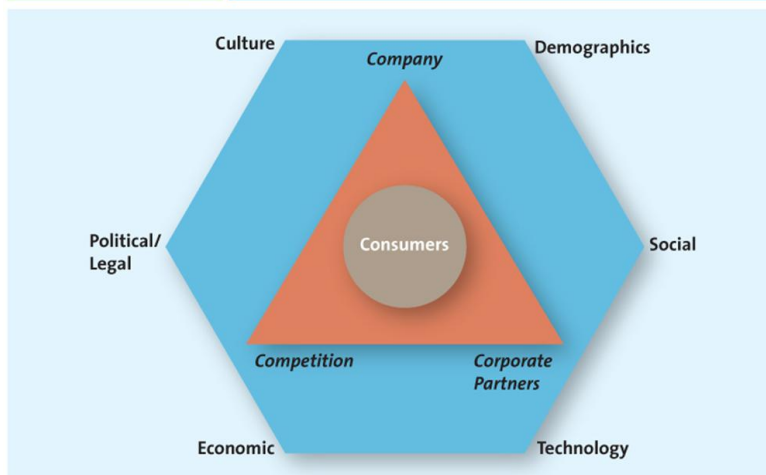
- A. B2C marketing.
- B. D2R marketing.
- C. B2B marketing.
- D. C2C marketing.
- E. C2B marketing.

83. The selling of sport-utility vehicles by International Autos to Moose is called:

- A. B2C marketing.
- B. D2R marketing.
- C. B2B marketing.
- D. C2C marketing.
- E. C2B marketing.

84. Moose sells his sport-utility vehicle to Mark. This is:

- A. B2C marketing.
- B. D2R marketing.
- C. B2B marketing.
- D. C2C marketing.
- E. C2B marketing.



85. Many Western fast-food restaurants have introduced paneer (cottage cheese) burgers in India to cater to the tastes of the vegetarian population in India. They do not serve beef burgers in India. This is an example of _____ affecting marketing.

- A. cultural issues
- B. political issues
- C. demographics
- D. technology
- E. economics

86. Many large retailers have established corporate Twitter accounts and opened online storefronts in Facebook. Consumers no longer need to visit a retailer's main website to buy; some platforms allow them to make the purchase without ever leaving Facebook. This is an example of _____ affecting marketing.

- A. cultural issues
- B. political issues
- C. demographics
- D. social trends
- E. economics

87. A company launches a new product in a developing economy. Its advertising maintains that the product saves customers' money, costs less than the competitor's product, lasts a long time, and has great value. This is an example of _____ affecting marketing.

- A. cultural issues
- B. political issues
- C. demographics
- D. social trends
- E. economics

88. The rising population of Indian immigrants in Canada has forced marketers in Canada to make changes in their products to meet the requirements of this group of people. This is an example of _____ affecting marketing.

- A. cultural issues
- B. political issues
- C. demographics
- D. social trends
- E. economics

89. A company launches a car that runs on electricity. It promotes the car as being environmentally friendly. This is an example of _____ affecting marketing.

- A. cultural issues
- B. political issues
- C. demographics
- D. social trends
- E. economics

90. Customers of the printed editions of *Encyclopaedia Britannica* have declined recently because of the availability of the digital versions. This is an example of _____ affecting marketing.

- A. cultural issues
- B. technology
- C. demographics
- D. social trends
- E. economics

EXHIBIT 1.5

Marketing Can Be Performed by Both Individuals and Organizations



91. A confectioner sells sweets to its customers in the market. This is called:

- A. C2C marketing.
- B. C2B marketing.
- C. B2B marketing.
- D. B2C marketing.
- E. D2R marketing.

92. A dairy farm sells milk to a company that makes milk-based products for the market. This is called:

- A. C2C marketing.
- B. C2B marketing.
- C. B2B marketing.
- D. B2C marketing.
- E. D2R marketing.

93. Jack sells a used car to Jill. This is called:

- A. C2C marketing.
- B. C2B marketing.
- C. B2B marketing.
- D. B2C marketing.
- E. D2R marketing.

94. A marketing plan is broken down into various components and specifies the marketing activities for a specific period of time.

True False

95. Marketers find it practical to sell their products and services to everyone.

True False

96. The process of identifying customer segments that the company wants to target with its products and services requires market research.

True False

97. Marketing mix is the controllable set of activities that a firm uses to respond to the wants of its target markets.

True False

98. Services are tangible customer benefits that are produced by people or machines and can be easily separated from the producer.

True False

99. Ideas include thoughts, opinions, philosophies, and intellectual concepts that cannot be marketed.

True False

104. Technological changes seldom shape a company's marketing activities.

True False

110.Explain the concept of the marketing mix.

111.Differentiate between goods and services.

112.Differentiate between B2C and B2B marketing.

113. Differentiate between companies that have a sales orientation and companies that have a market orientation.

114. Explain value-based orientation.

115. Differentiate between a transactional orientation and a relational orientation.

116.Explain customer relationship management and why it is important for an organization.

117.Explain the concept of the supply chain.

118.Explain the concept that marketing offers a host of career opportunities.

119. You are planning to set up an educational institution to cater to the educational needs of students between the ages of 4 and 16. Formulate a marketing plan indicating the various aspects that you would have to consider to set up this institution.

120. Explain how firms compete on the basis of value.

121. Describe how sharing information helps a firm to be value-driven.

122."Marketing is pervasive across the organization." Explain.

123.You want to start a chain of fast-food restaurants serving Mexican food, including tacos, burritos, quesadillas, nachos, other specialty items, and a variety of "value menu" items. You want to draw in a young crowd to your restaurants. What different social media tools can you use to promote your chain of restaurants?

c1 Key

1. A feeling of physiological deprivation of the basic necessities of life, such as food, clothing, shelter, or safety is a(n):
(p. 6)

A. demand.
B. want.
C. exchange.
D. necessity.
E. need.

Blooms: Knowledge

Chapter - Chapter 01 #1

Difficulty: Easy

Gradable: automatic

Learning Objective: 01-01 Define marketing and explain its core concepts

2. The particular way in which a person chooses to satisfy the requirement for any of the basic necessities of life is a(n):
(p. 6)

A. demand.
B. want.
C. exchange.
D. necessity.
E. need.

Blooms: Knowledge

Chapter - Chapter 01 #2

Difficulty: Easy

Gradable: automatic

3. A non-governmental organization provides food and shelter to people who make their living on the streets. Food and shelter are included in the definition of:

(p. 6)

- A. demand.
- B. want.
- C. exchange.
- D. necessity.
- E. need.

Blooms: Comprehension

Chapter - Chapter 01 #3

Difficulty: Easy

Gradable: automatic

Learning Objective: 01-01 Define marketing and explain its core concepts

4. Human beings require clothes to cover their bodies. Some of them may wear designer clothes, while others may pick up cloth from the flea market. This example illustrates different ways to satisfy a basic requirement of life and describes the concept of:

(p. 6)

- A. demand.
- B. want.
- C. exchange.
- D. necessity.
- E. need.

Blooms: Comprehension

Chapter - Chapter 01 #4

Difficulty: Easy

Gradable: automatic

Learning Objective: 01-01 Define marketing and explain its core concepts

5. A company specializes in rock climbing. It aims its advertisements at men and women who are between the ages of 18 and 50. It also aims at overworked executives and people in managerial positions who need to get away from their jobs. These two categories constitute the _____ for the company.

(p. 7)

- A. commodity market
- B. stock market
- C. target market
- D. currency market
- E. artificial market

Blooms: Comprehension

Chapter - Chapter 01 #5

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-01 Define marketing and explain its core concepts

6. A trader in the market trades his goods for the money that is paid for the goods offered by him. This is an example of:

(p. 7)

- A. demand.
- B. want.
- C. exchange.
- D. necessity.
- E. need.

Blooms: Comprehension

Chapter - Chapter 01 #6

Difficulty: Easy

Gradable: automatic

Learning Objective: 01-01 Define marketing and explain its core concepts

7. The customer segment or group to whom a firm is interested in selling its products and services is a(n):

(p. 7)

- A. commodity market.
- B. stock market.
- C. target market.
- D. currency market.
- E. artificial market.

Blooms: Knowledge

Chapter - Chapter 01 #7

Difficulty: Easy

Gradable: automatic

Learning Objective: 01-01 Define marketing and explain its core concepts

8. The trade of things of value between the buyer and the seller so that each is better off as a result is referred to as:

(p. 7)

- A. demand.
- B. want.
- C. exchange.
- D. necessity.
- E. need.

Blooms: Knowledge

Chapter - Chapter 01 #6

Difficulty: Easy

Gradable: automatic

Learning Objective: 01-01 Define marketing and explain its core concepts

9. One main purpose of marketing is to create value by:

(p. 8)

- A. hiring the right people for the promotion of the products being manufactured.
- B. informing potential buyers about a product or service.
- C. fixing the measure of sacrifice that a customer is willing to make in order to acquire a specific product.
- D. developing a variety of offerings, including goods, services, and ideas, to satisfy customer needs.
- E. delivering the product on offer to the customer.

Blooms: Knowledge

Chapter - Chapter 01 #9

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

10. Which of the following holds true for the term *goods*?

(p. 9)

- A. It refers to tangible customer benefits that are produced by people or machines and can be separated from the producer.
- B. It refers to intangible customer benefits that are produced by people or machines and cannot be separated from the producer.
- C. It refers to the overall sacrifice a consumer is willing to make in terms of money, time, and energy in order to acquire a specific product or service.
- D. It refers to thoughts, opinions, philosophies, and intellectual concepts that also can be marketed.
- E. It refers to the groups of people who need or want a company's products or services and have the ability and willingness to buy them.

Blooms: Knowledge

Chapter - Chapter 01 #10

11. Which of the following holds true for the term *services*?

(p. 9)

- A. It refers to the tangible customer benefits that are produced by people or machines and can be separated from the producer.
- B.** It refers to the intangible customer benefits that are produced by people or machines and cannot be separated from the producer.
- C. It refers to the overall sacrifice a consumer is willing to make in terms of money, time, and energy in order to acquire a specific product or service.
- D. It refers to thoughts, opinions, philosophies, and intellectual concepts that also can be marketed.
- E. It refers to the groups of people who need or want a company's products or services and have the ability and willingness to buy them.

12. Which of the following holds true for the term *price*?

(p. 9)

- A. It refers to the tangible customer benefits that are produced by people or machines and can be separated from the producer.
- B. It refers to the intangible customer benefits that are produced by people or machines and cannot be separated from the producer.
- C. It refers to the overall sacrifice a consumer is willing to make in terms of money, time, and energy in order to acquire a specific product or service.
- D. It refers to thoughts, opinions, philosophies, and intellectual concepts that also can be marketed.
- E. It refers to the groups of people who need or want a company's products or services and have the ability and willingness to buy them.

Blooms: Knowledge

Chapter - Chapter 01 #12

Di ficulty: Moderate

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

13. An accountant preparing financial statements must use a pencil to make all calculations and an eraser to correct errors. Pencils and erasers are examples of:

(p. 9)

- A. ideas.
- B. goods.
- C. services.
- D. exchange.
- E. price.

Blooms: Comprehension

Chapter - Chapter 01 #13

Di ficulty: Easy

14. An artist in an opera performs for the benefit of the audience. The live performance of the
(p. 9) artist would be termed a(n):

- A. idea.
- B. good.
- C. service.
- D. exchange.
- E. price.

Blooms: Comprehension

Chapter - Chapter 01 #14

Difficulty: Easy

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

15. Jane wants to buy a bike. She spends a lot of time and energy trying to find the right bike. She
(p. 9) does find one and then pays \$200 to buy it. The time and energy spent along with the sum of money constitutes the:

- A. idea.
- B. good.
- C. service.
- D. exchange.
- E. price.

Blooms: Comprehension

Chapter - Chapter 01 #15

Difficulty: Easy

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

16. Since women constitute 90 percent of Karen's, a pharmacy chain's, customers, the chain
(p. 9) decided to implement changes that would make the shopping experience more pleasant for them. Karen introduced shorter wait-times, wider and better-lit passageways, and more beauty products. Women constitute Karen's:

- A. primary commodity market.
- B. primary target market.**
- C. primary currency market.
- D. secondary target market.
- E. niche market.

Blooms: Comprehension

Chapter - Chapter 01 #16

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

17. A commercial roofing company provides commercial roofing services. It also provides
(p. 9) residential roof repair and replacement. The residential market provides solid revenue and constitutes the:

- A. primary commodity market.
- B. primary target market.
- C. primary currency market.
- D. secondary target market.**
- E. niche market.

Blooms: Comprehension

Chapter - Chapter 01 #17

Difficulty: Moderate

Gradable: automatic

18. Sports Inc., a global sports brand, wants to deliver an effective campaign across many markets. The company wants to effectively engage the youth across key markets in Europe, and the campaign's main objective is to generate awareness about the company. These efforts are made by Sports Inc. to attract the youth, as they constitute the company's:

(p. 9)

- A. primary commodity market.
- B. primary target market.
- C. primary currency market.
- D. secondary target market.
- E. niche market.

Blooms: Application

Chapter - Chapter 01 #18

Difficulty: Difficult

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

19. A toy store's reduced prices have successfully attracted children over the years. The toy store has traditionally offered lower prices than other stores and was also the first to expand into the suburbs and crowded downtown areas of large urban cities. Children are the toy store's:

(p. 9)

- A. secondary target market.
- B. niche market.
- C. primary currency market.
- D. primary commodity market.
- E. primary target market.

Blooms: Application

Chapter - Chapter 01 #19

Difficulty: Moderate

20. A company manufactures and sells baby products targeting new moms and dads, grandparents, and people who go to baby showers. Grandparents constitute the company's:

(p. 9)

- A. primary commodity market.
- B. primary target market.
- C. primary currency market.
- D. secondary target market.
- E. niche market.

Blooms: Application

Chapter - Chapter 01 #20

Difficulty: Difficult

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

21. Art World conducts art contests for kindergarten classes across many schools. Art World encourages parents and siblings to be involved in these contests to encourage and support participants. Parents and siblings constitute the:

(p. 9)

- A. primary commodity market.
- B. primary target market.
- C. primary currency market.
- D. secondary target market.
- E. niche market.

Blooms: Application

Chapter - Chapter 01 #21

Difficulty: Difficult

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

22. (p. 9) A fast-food restaurant aiming to attract children between the ages of 4 and 10 creates a tempting menu and cheerful environment. Since children are always accompanied by adults, the restaurant creates a separate, soundproof play area to give the parents some quiet time. The fast-food centre is now popular even with grandparents. Parents and grandparents are the:

- A. primary commodity market.
- B. primary target market.
- C. primary currency market.
- D. secondary target market.
- E. niche market.

Blooms: Application

Chapter - Chapter 01 #22

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

23. (p. 10) A company manufactures soaps. It selects a small number of retail outlets to distribute the product. This is an example of _____ of the four Ps of marketing.

- A. people
- B. price
- C. place
- D. product
- E. promotion

Blooms: Comprehension

Chapter - Chapter 01 #23

Difficulty: Easy

Gradable: automatic

24. A major sports goods company distributes its products via retailers. It offers attractive subsidies on its products to encourage retailers to sell higher volumes. This is an example of _____ of the four Ps of marketing.

(p. 10)

- A. people
- B. price
- C. place
- D. product
- E. promotion

Blooms: Comprehension

Chapter - Chapter 01 #24

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

25. A company is concerned with developing an efficient system for merchandise to be distributed in the right quantities, to the right locations, and at the right time in the most efficient way. It is making:

(p. 10)

- A. people decisions.
- B. price decisions.
- C. place decisions.
- D. product decisions.
- E. promotion decisions.

Blooms: Knowledge

Chapter - Chapter 01 #25

Difficulty: Moderate

Gradable: automatic

26. All the activities necessary to get a product from the manufacturer or producer to the right customer when that customer wants it make up the _____ component of the four Ps of marketing.

(p. 10)

- A. people
- B. price
- C. place
- D. product
- E. promotion

Blooms: Knowledge

Chapter - Chapter 01 #26

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

27. The communication that informs, persuades, and reminds potential buyers about a product or service to influence their opinions or elicit a response is the _____ component of the four Ps of marketing.

(p. 10)

- A. people
- B. price
- C. place
- D. product
- E. promotion

Blooms: Knowledge

Chapter - Chapter 01 #27

Difficulty: Moderate

Gradable: automatic

28. The process in which businesses sell to consumers is referred to as:

(p. 12)

- A. C2C marketing.
- B. C2B marketing.
- C. B2B marketing.
- D. B2C marketing.
- E. D2R marketing.

Blooms: Knowledge

Chapter - Chapter 01 #28

Difficulty: Easy

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

29. The process of selling merchandise or services from one business to another is referred to as:

(p. 12)

- A. C2C marketing.
- B. C2B marketing.
- C. B2B marketing.
- D. B2C marketing.
- E. D2R marketing.

Blooms: Knowledge

Chapter - Chapter 01 #29

Difficulty: Easy

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

30. A daycare business provides babysitting services as well as structured preschool education and learning stimulation. This is an example of:

(p. 12)

- A. B2C marketing.
- B. D2R marketing.
- C. B2B marketing.
- D. C2C marketing.
- E. C2B marketing.

Blooms: Comprehension

Chapter - Chapter 01 #30

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

31. An automobile manufacturer buys tires, glass for windcreens, and rubber hoses for its vehicles. The suppliers of these products are other companies that specialize in the manufacturing of this equipment. This is an example of:

(p. 12)

- A. B2C marketing.
- B. D2R marketing.
- C. B2B marketing.
- D. C2C marketing.
- E. C2B marketing.

Blooms: Comprehension

Chapter - Chapter 01 #31

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

32. Mir Air is one of the largest airlines operating in the world. It provides scheduled and charter air transport for passengers to 200 destinations worldwide. Together with its regional partners, the airline operates on average, more than 1,500 scheduled flights daily. This is an example of:

(p. 12)

- A. B2C marketing.
- B. D2R marketing.
- C. B2B marketing.
- D. C2C marketing.
- E. C2B marketing.

Blooms: Application

Chapter - Chapter 01 #32

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

33. Bank International was created to provide the working class with a means of saving. The bank accepts all deposits between \$1 and \$500. The bank encourages people who save a very small amount every month to continue to save. This is an example of:

(p. 12)

- A. C2C marketing.
- B. C2B marketing.
- C. B2B marketing.
- D. B2C marketing.
- E. D2R marketing.

Blooms: Application

Chapter - Chapter 01 #33

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

34. Spaceair, an aerospace company, is a major service provider for space research organizations. This is an example of:

(p. 12)

- A. C2C marketing.
- B. C2B marketing.
- C. B2B marketing.
- D. B2C marketing.
- E. D2R marketing.

Blooms: Application

Chapter - Chapter 01 #34

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

35. Terliss manufactures passenger car and automobile tires. It offers radial and tubeless tires to dealers and automobile companies. This is an example of:

(p. 12)

- A. C2C marketing.
- B. C2B marketing.
- C. B2B marketing.
- D. B2C marketing.
- E. D2R marketing.

Blooms: Application

Chapter - Chapter 01 #35

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

36. Hi Design is a company that allows customers to have a unique experience in that they can open a virtual "shop" that includes an online storefront. This virtual shop also offers other facilities such as website hosting, order management, fulfillment, payment processing, and customer service. The products uploaded by customers can be bought by people visiting the website. This "shop" is an example of:

(p. 13)

- A. C2C marketing.
- B. C2B marketing.
- C. B2B marketing.
- D. B2C marketing.
- E. D2R marketing.

Blooms: Application

Chapter - Chapter 01 #36

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

37. Mychoice, a social shopping website, launched a marketing platform that enables shoppers to recommend purchased products to their friends. Friends discover these recommendations through Facebook, Twitter, email, and the Mychoice website and search engine. This is an example of:

(p. 13)

- A. C2B marketing.
- B. D2R marketing.
- C. B2B marketing.
- D. C2C marketing.
- E. B2C marketing.

Blooms: Application

Chapter - Chapter 01 #37

38. A TV network company launched a Facebook application for users. This application allows the users to create their own sports bar and grill. The gamers can serve foods and soft drinks in their bars. This is an example of:

(p. 14)

- A. broadcast advertising.
- B. print media marketing.
- C. social media marketing.
- D. out-of-home marketing.
- E. visual merchandising.

39. Mary buying an iPod from Tom on eBay is an example of:

(p. 13)

- A. B2C marketing.
- B. D2R marketing.
- C. B2B marketing.
- D. C2C marketing.
- E. C2B marketing.

40. The process in which consumers sell to other consumers is referred to as:

(p. 13)

- A. C2C marketing.
- B. C2B marketing.
- C. B2B marketing.
- D. B2C marketing.
- E. D2R marketing.

Blooms: Knowledge

Chapter - Chapter 01 #40

Difficulty: Easy

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

41. Blur Associates is a company that sells gaming consoles. It has developed a Facebook fan page that provides interesting discussion topics. This is an example of:

(p. 14)

- A. broadcast advertising.
- B. print media marketing.
- C. social media marketing.
- D. out-of-home marketing.
- E. visual merchandising.

Blooms: Application

Chapter - Chapter 01 #41

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

42. A martial arts training institute has uploaded quick two-to three-minute training tutorial videos on YouTube in order to advertise the institute. This is an example of:

(p. 14)

- A. secondary merchandising.
- B. social media marketing.
- C. out-of-home marketing.
- D. broadcast advertising.
- E. print media marketing.

Blooms: Application

Chapter - Chapter 01 #42

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

43. Home Cook is a company that sells recipe books. It has almost 100 uploads in YouTube. The main video is from the company's star customers who explain how the recipe books have made their lives a lot easier. This is an example of:

(p. 14)

- A. visual merchandising.
- B. print media marketing.
- C. out-of-home marketing.
- D. social media marketing.
- E. broadcast advertising.

Blooms: Application

Chapter - Chapter 01 #43

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

44. The use of Internet tools to easily and quickly create and share content to foster dialogue, relationships, and personal identities is referred to as:

(p. 14)

- A. broadcast advertising.
- B. print media marketing.
- C. social media marketing.
- D. out-of-home marketing.
- E. visual merchandising.

Blooms: Knowledge

Chapter - Chapter 01 #44

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

45. Bagged is a leading producer of travel bags. It uses blogging sites to connect with its customers and has daily updates about new marketing trends. This is an example of:

(p. 14)

- A. visual merchandising.
- B. print media marketing.
- C. out-of-home marketing.
- D. social media marketing.
- E. broadcast advertising.

Blooms: Application

Chapter - Chapter 01 #45

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

46. Which of the following holds true for product-oriented companies?

(p. 16)

- A. They try to sell as many of their products as possible rather than focus on making products consumers really want.
- B. They focus on giving customers better worth (monetary and non-monetary) for the products than their competitors.
- C. They focus on developing and distributing innovative products with little concern about whether the products best satisfy customers' needs.
- D. They focus on the extension of a single brand name to market products in different product categories.
- E. They focus on what consumers want and need before they design, make, or attempt to sell their products and services.

Blooms: Knowledge

Chapter - Chapter 01 #46

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-03 Summarize the four orientations of marketing

47. Which of the following holds true for sales-oriented companies?

(p. 16)

- A. They try to sell as many of their products as possible rather than focus on making products consumers really want.
- B. They focus on giving their customers better worth (monetary and non-monetary) for the products than their competitors.
- C. They focus on developing and distributing innovative products with little concern about whether the products best satisfy customers' needs.
- D. They focus on the extension of a single brand name to market products in different product categories.
- E. They focus on what consumers want and need before they design, make, or attempt to sell their products and services.

Blooms: Knowledge

Chapter - Chapter 01 #47

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-03 Summarize the four orientations of marketing

48. Which of the following holds true for market-oriented companies?

(p. 16)

- A. They try to sell as many of their products as possible rather than focus on making products consumers really want.
- B. They focus on giving their customers better worth (monetary and non-monetary) for the products than their competitors.
- C. They focus on developing and distributing innovative products with little concern about whether the products best satisfy customers' needs.
- D. They focus on the extension of a single brand name to market products in different product categories.
- E. They focus on what consumers want and need before they design, make, or attempt to sell their products and services.

Blooms: Knowledge

Chapter - Chapter 01 #48

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-03 Summarize the four orientations of marketing

49. Which of the following holds true for value-oriented companies?

(p. 16)

- A. They focus on selling as many of their products as possible rather than focus on making products consumers really want.
- B. They focus on giving their customers better worth (monetary and non-monetary) for the products than their competitors.
- C. They focus on developing and distributing innovative products with little concern about whether the products best satisfy customers' needs.
- D. They focus on the extension of a single brand name to market products in different product categories.
- E. They focus on what consumers want and need before they design, make, or attempt to sell their products and services.

Blooms: Knowledge

Chapter - Chapter 01 #49

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-03 Summarize the four orientations of marketing

50. Which of the following types of companies focus on each transaction rather than building long-term customer relationships?

(p. 16)

- A. cause-oriented companies
- B. value-oriented companies
- C. market-oriented companies
- D. sales-oriented companies
- E. product-oriented companies

Blooms: Knowledge

Chapter - Chapter 01 #50

Difficulty: Moderate

51. Innovatives Inc. creates phones with features that attract the target market. The devices are created as a product to be sold and not based on what customers want. Apple is a:

(p. 16)

- A. brand-oriented company.
- B. market-oriented company.
- C. sales-oriented company.
- D. value-oriented company.
- E. product-oriented company.

Blooms: Comprehension

Chapter - Chapter 01 #51

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-03 Summarize the four orientations of marketing

52. An online Internet marketing company attempts to sell consumers a number of different products. It attempts to sell software to consumers and other businesses to meet their needs. It has created products that are based on the assumption that the product will meet the need of the business or individual, whether or not they have expressed a need for the product. This is an example of a:

(p. 16)

- A. brand-oriented company.
- B. market-oriented company.
- C. sales-oriented company.
- D. value-oriented company.
- E. product-oriented company.

Blooms: Comprehension

Chapter - Chapter 01 #52

53. (p. 16) Mirrors is a company that believes that every idea and technical solution should be focused on meeting customers' needs. It emphasizes understanding specific customer needs. Mirrors is an example of a:

- A. brand-oriented company.
- B. market-oriented company.
- C. sales-oriented company.
- D. value-oriented company.
- E. product-oriented company.

54. (p. 16) A certain wine retailer sells what it calls QPR wines. QPR refers to quality price ratio. It simply means getting the best quality wine for the lowest possible price. The wine retailer would be an example of a:

- A. brand-oriented company.
- B. market-oriented company.
- C. sales-oriented company.
- D. value-oriented company.
- E. product-oriented company.

55. Home Bakers introduced a new cake in the market. It was created as a product to be sold and not based on what customers wanted at that time. Therefore, the company concentrated on selling and paid little attention to the question as to whether it best satisfied customers' needs. Home Bakers is a:

(p. 16)

- A. product-oriented company.
- B. sales-oriented company.
- C. market-oriented company.
- D. value-oriented company.
- E. brand-oriented company.

56. A company sells cars of a single colour and boast that the cars have many innovative features. The company refuses to change the colour of the car irrespective of the desire of the public to have a different-coloured car. This is an example of:

(p. 16)

- A. sales orientation.
- B. value orientation.
- C. market orientation.
- D. product orientation.
- E. brand orientation.

57. Drakes manufactures dirt bikes. The company makes products and sells them in the market, as many as it can. It does not focus on the needs of the customer. This is an example of:

(p. 16)

- A. sales orientation.
- B. value orientation.
- C. market orientation.
- D. product orientation.
- E. brand orientation.

Blooms: Application

Chapter - Chapter 01 #57

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-03 Summarize the four orientations of marketing

58. An airline was launched as a no-frills, heavy-discount carrier. One bottle of water was provided free of cost to all passengers and airline staff provided free fun and games to entertain passengers. All this was based on the understanding of what the customer needed. This airline has a:

(p. 16)

- A. sales orientation.
- B. value orientation.
- C. market orientation.
- D. product orientation.
- E. brand orientation.

Blooms: Application

59. A coffee shop attempted to discover what customers really wanted from their coffee-drinking experience. It found that people liked to chat over their cup of coffee without anybody disturbing them. Therefore, the coffee shop allowed its customers to stay as long as they liked, without requiring them to order a new cup of coffee every 20 minutes to stay in the shop. This is an example of:

(p. 16)

- A. value orientation.
- B. brand orientation.
- C. product orientation.
- D. market orientation.
- E. sales orientation.

60. Which of the following is a requirement for making a firm value-driven?

(p. 18)

- A. self-contained independent units with little capacity to influence or be influenced
- B. high-priced goods with more emphasis on branding than quality control
- C. innovative product range with low emphasis on customers' needs
- D. sharing information about customers and competitors across one's own organization
- E. one-time transactional interaction rather than building relationships with customers

61. Which of the following regards the buyer-seller relationship as a series of individual sales, so anything that happened before or after the sales is of little importance?

(p. 20)

- A. referral marketing
- B. transactional orientation
- C. live-in marketing
- D. relational orientation
- E. influence marketing

62. An automobile manufacturer maintains a database of when and how repeat customers buy its products, the options they choose, the way they finance the purchase, and so on. This database enables the company to understand customers and make offers that appeal to them. Because of this initiative, a long-term bond is established between the buyer and seller. This is an example of:

(p. 20)

- A. transformational marketing.
- B. transactional marketing.
- C. live-in marketing.
- D. relational marketing.
- E. optimal marketing.

Blooms: Comprehension

Chapter - Chapter 01 #62

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-04 Identify the role of customer relationship management in creating value

63. A sales agent is paid a commission for each sale that she makes. She convinces the customer to buy the product by describing its benefits, and then she receives her commission. The customer is of little concern to her. This is an example of:

(p. 20)

- A. transformational marketing.
- B. transactional marketing.
- C. live-in marketing.
- D. relational marketing.
- E. optimal marketing.

Blooms: Comprehension

Chapter - Chapter 01 #63

Difficulty: Moderate

64. The philosophy that buyers and sellers should develop a long-term bond is called:

(p. 20)

- A. transformational marketing.
- B. transactional marketing.
- C. live-in marketing.
- D. relational marketing.
- E. optimal marketing.

Blooms: Knowledge

Chapter - Chapter 01 #64

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-04 Identify the role of customer relationship management in creating value

65. Which of the following holds true for customer relationship management (CRM)?

(p. 20)

- A. It helps a company to allocate resources and is used as an analytical tool in brand marketing, product management, strategic management, and portfolio analysis.
- B. It is a strategic performance management tool that can be used by managers to keep track of the execution of activities by the staff within their control and to monitor the consequences arising from these actions.
- C. It is a set of strategies, programs, and systems that focus on identifying and building loyalty among the firm's most valued patrons.
- D. It is a framework for industry analysis and business strategy to determine the competitive intensity and, therefore, the attractiveness of a market.
- E. It is a system of processes that enables organizations to centrally manage deployment of surveys while dispersing authoring and analysis throughout an organization.

Blooms: Knowledge

Chapter - Chapter 01 #65

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-04 Identify the role of customer relationship management in creating value

66. Heaven Hotels is a hotel chain that treats its customers like family. The company further
(p. 20) influences its bond with customers with its quality of staff, reliability, consistent overall high quality, and global social responsibility programs. This is an example of:

- A. transformational marketing.
- B. transactional marketing.
- C. live-in marketing.
- D. relational marketing.
- E. optimal marketing.

Blooms: Application

Chapter - Chapter 01 #66

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-04 Identify the role of customer relationship management in creating value

67. Fly Air offers credit-card flyer miles for a flight. If a Fly Air flight is late, the company gives the
(p. 20) miles back to the customer without the customer even having to complain. Therefore, Fly Air has maintained excellent customer satisfaction ratings. This policy creates long-term bonds with passengers and makes them loyal to the company. This is an example of:

- A. relational marketing.
- B. transactional marketing.
- C. transformational marketing.
- D. live-in marketing.
- E. optimal marketing.

Blooms: Application

Chapter - Chapter 01 #67

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-04 Identify the role of customer relationship management in creating value

68. A company making fruit juices employs a set of strategies to collect information about customer needs. It then uses this information to focus on identifying and building loyalty among the firm's most valued patrons. This is an example of:

(p. 20)

- A. customer relationship management.
- B. the BCG matrix.
- C. Porter's five forces.
- D. transformational marketing.
- E. live-in marketing.

Blooms: Application

Chapter - Chapter 01 #68

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-04 Identify the role of customer relationship management in creating value

69. The group of firms and set of techniques and approaches firms use to make and deliver a given set of goods and services is commonly referred to as a(n):

(p. 24)

- A. value chain.
- B. demand optimization.
- C. inventory control.
- D. demand chain.
- E. supply chain.

Blooms: Knowledge

Chapter - Chapter 01 #69

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-05 Explain the importance of marketing both within and outside the firm

70. Each link in the supply chain is out for its own best interest in a:

(p. 24)

- A. transformational orientation.
- B. transactional orientation.
- C. live-in orientation.
- D. relational orientation.
- E. optimal orientation.

Blooms: Knowledge

Chapter - Chapter 01 #70

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-05 Explain the importance of marketing both within and outside the firm

71. When a customer makes an online purchase from the website of a company selling computers, the website provides the customer with information regarding pricing, product variety, and product availability. The customer makes a product choice. The order then goes to the assembly plant, and then to all of the company's vendors and their vendors. This is an example of a(n):

(p. 24)

- A. value chain.
- B. demand optimization.
- C. inventory control.
- D. demand chain.
- E. supply chain.

Blooms: Knowledge

Chapter - Chapter 01 #71

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-05 Explain the importance of marketing both within and outside the firm

In a marketplace with many junior tennis academies, one academy accepts only girls between the ages of 11 and 16. It is extremely convenient for parents wanting a tennis academy that addresses the specific needs of their daughters. The tennis academy also allows its courts to be used by amateur enthusiasts on weekends.

Chapter - Chapter 01

72. These two categories constitute the _____ for the company.

(p. 7)

- A. commodity market
- B. stock market
- C. target market
- D. currency market
- E. artificial market

Blooms: Application

Chapter - Chapter 01 #72

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-01 Define marketing and explain its core concepts

73. For this tennis academy, girls between the ages of 11 and 16 constitute the:

(p. 9)

- A. primary commodity market.
- B. primary target market.
- C. primary currency market.
- D. secondary target market.
- E. niche market.

Blooms: Application

Chapter - Chapter 01 #73

Difficulty: Moderate

74. Amateur tennis enthusiasts constitute the:

(p. 9)

- A. primary commodity market.
- B. primary target market.
- C. primary currency market.
- D. secondary target market.
- E. niche market.

Blooms: Application

Chapter - Chapter 01 #74

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

Julie wants to buy a bike. She spends a lot of time and energy trying to find the right bike. When she does find one, she persuades her father to buy it for her and arranges for its transportation from the store to her college. The bike is delivered to her at the college by a transport company arranged by the store.

Chapter - Chapter 01

75. The time and energy spent along with the sum of money constitutes the:

(p. 9)

- A. idea.
- B. good.
- C. service.
- D. exchange.
- E. price.

Blooms: Comprehension

Chapter - Chapter 01 #75

Difficulty: Easy

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

76. The bike is an example of a(n):

(p. 9)

- A. idea.
- B. good.
- C. service.
- D. exchange.
- E. price.

Blooms: Comprehension

Chapter - Chapter 01 #76

Difficulty: Easy

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

77. The bike is delivered to Julie by a transport company. This is an example of a(n):

(p. 9)

- A. idea.
- B. good.
- C. service.
- D. exchange.
- E. price.

Blooms: Comprehension

Chapter - Chapter 01 #77

Difficulty: Easy

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

Sky Cars International manufactures cars. It launches a new car in the market, priced at \$300,000 and aimed at the premium segment. It selects a small number of exclusive outlets to distribute the product. The company has also booked some international rock stars to perform at a ceremony to mark the car's launch in the market. The car is endorsed by popular Hollywood celebrities.

Chapter - Chapter 01

78. Which of the four Ps of marketing represents the exclusive outlets where the new model will be displayed and sold?
(p. 10)

- A. people
- B. price
- C. place
- D. product
- E. promotion

Blooms: Comprehension

Chapter - Chapter 01 #78

Difficulty: Easy

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

79. Which of the four Ps of marketing does the \$300,000 tag represent?
(p. 10)

- A. people
- B. price
- C. place
- D. product
- E. promotion

Blooms: Comprehension

Chapter - Chapter 01 #79

Difficulty: Easy

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

80. The international rock stars that perform at the ceremony to launch the car and the popular Hollywood celebrities that endorse the car represent which of the four Ps of marketing?
(p. 10)

- A. people
- B. price
- C. place
- D. product
- E. promotion

Blooms: Comprehension

Chapter - Chapter 01 #80

Difficulty: Easy

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

81. The new car being launched in the market represents which of the four Ps of marketing?
(p. 10)

- A. people
- B. price
- C. place
- D. product
- E. promotion

Blooms: Comprehension

Chapter - Chapter 01 #81

Difficulty: Easy

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

Matil Autos is an original equipment supplier that supplies tires, glass for windscreens, and rubber hoses to International Autos, which manufactures sport-utility vehicles. International Autos fits the equipment into its vehicles and sells them to individual customers. Moose buys one such vehicle and uses it for five years and then resells it to his friend, Mark.

Chapter - Chapter 01

82. The selling of equipment by the equipment supplier to the automobile company is called:

(p. 12)

- A. B2C marketing.
- B. D2R marketing.
- C. B2B marketing.
- D. C2C marketing.
- E. C2B marketing.

Blooms: Application

Chapter - Chapter 01 #82

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

83. The selling of sport-utility vehicles by International Autos to Moose is called:

(p. 12)

- A. B2C marketing.
- B. D2R marketing.
- C. B2B marketing.
- D. C2C marketing.
- E. C2B marketing.

Blooms: Application

Chapter - Chapter 01 #83

Difficulty: Moderate

84. Moose sells his sport-utility vehicle to Mark. This is:

(p. 12)

- A. B2C marketing.
- B. D2R marketing.
- C. B2B marketing.
- D. C2C marketing.
- E. C2B marketing.

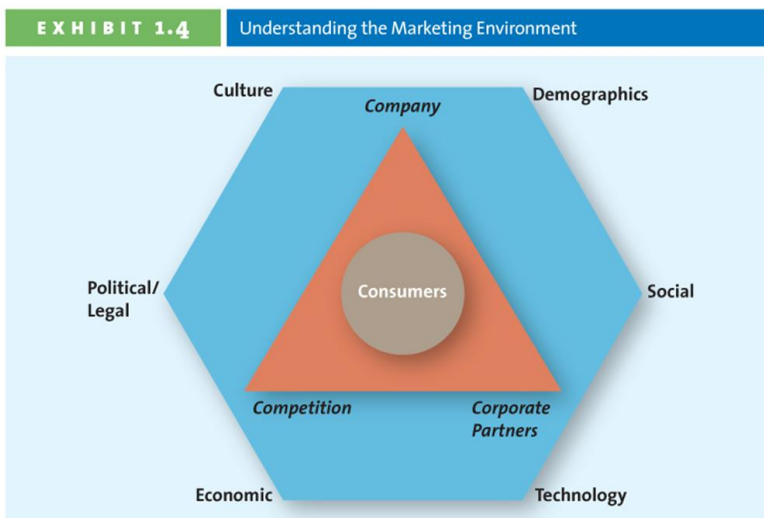
Blooms: Application

Chapter - Chapter 01 #84

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service



Chapter - Chapter 01

85. Many Western fast-food restaurants have introduced paneer (cottage cheese) burgers in India to cater to the tastes of the vegetarian population in India. They do not serve beef burgers in India. This is an example of _____ affecting marketing.

(p. 11)

- A. cultural issues
- B. political issues
- C. demographics
- D. technology
- E. economics

Blooms: Comprehension

Chapter - Chapter 01 #85

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

86. Many large retailers have established corporate Twitter accounts and opened online storefronts in Facebook. Consumers no longer need to visit a retailer's main website to buy; some platforms allow them to make the purchase without ever leaving Facebook. This is an example of _____ affecting marketing.

(p. 11)

- A. cultural issues
- B. political issues
- C. demographics
- D. social trends
- E. economics

Blooms: Comprehension

Chapter - Chapter 01 #86

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

87. A company launches a new product in a developing economy. Its advertising maintains that the product saves customers' money, costs less than the competitor's product, lasts a long time, and has great value. This is an example of _____ affecting marketing.

(p. 11)

- A. cultural issues
- B. political issues
- C. demographics
- D. social trends
- E. economics

Blooms: Comprehension

Chapter - Chapter 01 #87

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

88. The rising population of Indian immigrants in Canada has forced marketers in Canada to make changes in their products to meet the requirements of this group of people. This is an example of _____ affecting marketing.

(p. 11)

- A. cultural issues
- B. political issues
- C. demographics
- D. social trends
- E. economics

Blooms: Comprehension

Chapter - Chapter 01 #88

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

89. A company launches a car that runs on electricity. It promotes the car as being environmentally friendly. This is an example of _____ affecting marketing.

(p. 11)

- A. cultural issues
- B. political issues
- C. demographics
- D. social trends**
- E. economics

Blooms: Comprehension

Chapter - Chapter 01 #89

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

90. Customers of the printed editions of *Encyclopaedia Britannica* have declined recently because of the availability of the digital versions. This is an example of _____ affecting marketing.

(p. 11)

- A. cultural issues
- B. technology**
- C. demographics
- D. social trends
- E. economics

Blooms: Comprehension

Chapter - Chapter 01 #90

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service



Chapter - Chapter 01

91. A confectioner sells sweets to its customers in the market. This is called:

(p. 13)

- A. C2C marketing.
- B. C2B marketing.
- C. B2B marketing.
- D. B2C marketing.
- E. D2R marketing.

Blooms: Comprehension

Chapter - Chapter 01 #91

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

92. A dairy farm sells milk to a company that makes milk-based products for the market. This is called:

(p. 13)

- A. C2C marketing.
- B. C2B marketing.
- C. B2B marketing.
- D. B2C marketing.
- E. D2R marketing.

Blooms: Comprehension

Chapter - Chapter 01 #92

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

93. Jack sells a used car to Jill. This is called:

(p. 13)

- A. C2C marketing.
- B. C2B marketing.
- C. B2B marketing.
- D. B2C marketing.
- E. D2R marketing.

Blooms: Comprehension

Chapter - Chapter 01 #93

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

94. A marketing plan is broken down into various components and specifies the marketing activities for a specific period of time.

(p. 5)

TRUE

Blooms: Knowledge

Chapter - Chapter 01 #94

Difficulty: Easy

Gradable: automatic

Learning Objective: 01-01 Define marketing and explain its core concepts

95. Marketers find it practical to sell their products and services to everyone.

(p. 6)

FALSE

Blooms: Knowledge

Chapter - Chapter 01 #95

Difficulty: Easy

Gradable: automatic

Learning Objective: 01-01 Define marketing and explain its core concepts

96. The process of identifying customer segments that the company wants to target with its products and services requires market research.

(p. 7)

TRUE

Blooms: Knowledge

Chapter - Chapter 01 #96

Difficulty: Easy

Gradable: automatic

Learning Objective: 01-01 Define marketing and explain its core concepts

97. Marketing mix is the controllable set of activities that a firm uses to respond to the wants of its target markets.

(p. 8)

TRUE

Blooms: Knowledge

Chapter - Chapter 01 #97

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

98. Services are tangible customer benefits that are produced by people or machines and can be easily separated from the producer.

(p. 9)

FALSE

Blooms: Knowledge

Chapter - Chapter 01 #98

Difficulty: Easy

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

99. Ideas include thoughts, opinions, philosophies, and intellectual concepts that cannot be marketed.

(p. 9)

FALSE

Blooms: Knowledge

Chapter - Chapter 01 #99

Difficulty: Easy

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

100. Price doesn't always have to be calculated in monetary terms.

(p. 9)

TRUE

Blooms: Knowledge

Chapter - Chapter 01 #100

Difficulty: Easy

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

101. Promotion generally can enhance a product or service's value.

(p. 10)

TRUE

Blooms: Knowledge

Chapter - Chapter 01 #101

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

102. Marketers can deliver greater value to consumers by treating the four Ps as separate components rather than configuring them as a whole.

(p. 10)

FALSE

Blooms: Knowledge

Chapter - Chapter 01 #102

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

103. A company's marketing activities are shaped by factors that are both internal as well as external to the firm.

(p. 11)

TRUE

Blooms: Knowledge

104. Technological changes seldom shape a company's marketing activities.

(p. 12)

FALSE

105. Some companies engage in both B2B and B2C marketing at the same time.

(p. 12)

TRUE

106. Marketing helps in jump-starting the economies of less developed countries by actually putting buyers and sellers together to create new markets.

(p. 15)

TRUE

107. Product-oriented companies focus on whether the products best satisfy customers' needs.

(p. 16)

FALSE

Blooms: Knowledge

Chapter - Chapter 01 #107

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-03 Summarize the four orientations of marketing

108. Companies with a selling orientation tend to focus on building long-term customer relationships.

(p. 16)

FALSE

Blooms: Knowledge

Chapter - Chapter 01 #108

Difficulty: Moderate

Gradable: automatic

Learning Objective: 01-03 Summarize the four orientations of marketing

109. Differentiate between a need and a want.

(p. 6)

Understanding and satisfying consumer needs and wants is fundamental to marketing success. A need is when a person feels deprived of the basic necessities of life, such as food, clothing, shelter, or safety. A want is the particular way in which the person chooses to fulfill his or her need, which is shaped by a person's knowledge, culture, and personality. For example, when we are hungry, we need something to eat. Some people want a submarine sandwich to satisfy that hunger, whereas others want a salad and some soup instead.

Blooms: Comprehension

Chapter - Chapter 01 #109

Difficulty: Moderate

110. Explain the concept of the marketing mix.

(p. 8)

Marketing traditionally has been divided into a set of four interrelated decisions known as the marketing mix, or four Ps: product, price, place, and promotion. One main purpose of marketing is to create value by developing a variety of offerings, including goods, services, and ideas, to satisfy customer needs. Everything has a price, though it does not always have to be monetary. Price, therefore, is everything the buyer gives up—money, time, energy—in exchange for the product. Marketers must determine the price of a product carefully on the basis of the potential buyer's belief about its value. The third P, place, describes all the activities necessary to get the product from the manufacturer or producer to the right customer when that customer wants it. Promotion is communication by a marketer that informs, persuades, and reminds potential buyers about a product or service to influence their opinions or elicit a response.

Blooms: Comprehension

Chapter - Chapter 01 #110

Difficulty: Moderate

Gradable: manual

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

111. Differentiate between goods and services.

(p. 9)

Goods are items that you can physically touch. Roots clothing, Molson Canadian beer, Kraft Dinner, and countless other products are examples of goods. Unlike goods, services are intangible customer benefits that are produced by people or machines and cannot be separated from the producer. Air travel, banking, insurance, beauty treatments, and entertainment all are services. Getting money from your bank by using an ATM or teller is another example of using a service.

Blooms: Comprehension

Chapter - Chapter 01 #111

Difficulty: Moderate

Gradable: manual

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

112. Differentiate between B2C and B2B marketing.

(p. 13)

The process in which businesses sell to consumers is known as B2C (business-to-consumer) marketing, whereas the process of selling merchandise or services from one business to another is called B2B (business-to-business) marketing. Some companies, such as GE (General Electric), are engaged in both B2B and B2C marketing at the same time.

Blooms: Comprehension

Chapter - Chapter 01 #112

Difficulty: Moderate

Gradable: manual

Learning Objective: 01-02 Illustrate how marketers create value for a product or service

113. Differentiate between companies that have a sales orientation and companies that have a market orientation.
(p. 16)

Companies that have a sales orientation basically view marketing as a selling function where companies try to sell as many of their products as possible rather than focus on making products consumers really want. These firms typically depend on heavy doses of personal selling and advertising to attract new customers. Companies with a selling orientation tend to focus on making a sale or on each transaction rather than building long-term customer relationships. They generally believe that if consumers try their products, they will like them. Market-oriented companies start out by focusing on what consumers want and need before they design, make, or attempt to sell their products and services. They believe that customers have choice and make purchase decisions based on several factors, including quality, convenience, and price. Basically, the "customer is king," and the market is a buyer's market since consumers wield tremendous power. In this orientation, marketers' role is to understand and respond to the needs of consumers and to do everything possible to satisfy them.

Blooms: Comprehension

Chapter - Chapter 01 #113

Difficulty: Moderate

Gradable: manual

Learning Objective: 01-03 Summarize the four orientations of marketing

114. Explain value-based orientation.

(p. 16)

Marketing firms recognized that there was more to good marketing than simply discovering and providing what consumers wanted and needed; to compete successfully, they would have to give their customers greater value than their competitors. Value reflects the relationship of benefits to costs, or what you get for what you give. In a marketing context, customers seek a fair return in goods and/or services for their hard-earned money and scarce time. They want products or services that meet their specific needs or wants and that are offered at competitive prices. The challenge for firms is to find out what consumers are looking for and to attempt to provide those goods and services but still make a profit. Every value-based marketing firm must implement its strategy according to what its customers value.

Blooms: Comprehension

Chapter - Chapter 01 #114

Difficulty: Moderate

Gradable: manual

Learning Objective: 01-03 Summarize the four orientations of marketing

115. Differentiate between a transactional orientation and a relational orientation.

(p. 20)

A transactional orientation regards the buyer-seller relationship as a series of individual transactions, so anything that happened before or after the transaction is of little importance. A relational orientation, in contrast, is based on the philosophy that buyers and sellers should develop a long-term relationship. According to this idea, the lifetime profitability of the relationship matters, not how much money is made during each transaction.

Blooms: Comprehension

Chapter - Chapter 01 #115

Difficulty: Moderate

116. Explain customer relationship management and why it is important for an organization.

(p. 20)

Firms that practise value-based marketing also use a process known as *customer relationship management (CRM)*, a business philosophy and set of strategies, programs, and systems that focus on identifying and building loyalty among the firm's most valued customers. Firms that employ CRM systematically collect information about their customers' needs and then use that information to target their best customers with the products, services, and special promotions that appear most important to those customers. Building strong relationships with customers is important to creating value for an organization as it maximizes the long-term value of the buyer-seller relationship rather than trying to maximize the profit from each transaction.

Blooms: Comprehension

Chapter - Chapter 01 #116

Difficulty: Moderate

Gradable: manual

Learning Objective: 01-04 Identify the role of customer relationship management in creating value

117. Explain the concept of the supply chain.

(p. 24)

Firms typically do not work in isolation. Manufacturers buy raw materials and components from suppliers, which they sell to retailers or other businesses after they have turned the materials into their products. Every time materials or products are bought or sold, they are transported to a different location, which sometimes requires that they be stored in a warehouse operated by yet another organization. The group of firms and set of techniques and approaches firms use to make and deliver a given set of goods and services is commonly referred to as a supply chain.

Blooms: Comprehension

Chapter - Chapter 01 #117

Difficulty: Moderate

Gradable: manual

Learning Objective: 01-05 Explain the importance of marketing both within and outside the firm

118. Explain the concept that marketing offers a host of career opportunities.

(p. 25)

Marketing offers a host of career opportunities that require a variety of skills. On the creative side, positions such as artists, graphic designers, voice talent, animators, music composers, and writers represent just a few of the opportunities available to talented individuals. On the analytical side, marketing requires database analysts, market researchers, and inventory managers who can quickly digest information, cross-reference data, and spot trends that might make or break a company. On the business side, marketing requires strategists, project/product/brand managers, sales associates, and analysts who are capable of designing and implementing complex marketing strategies that increase the bottom line.

Blooms: Comprehension

Chapter - Chapter 01 #118

119. You are planning to set up an educational institution to cater to the educational needs of students between the ages of 4 and 16. Formulate a marketing plan indicating the various aspects that you would have to consider to set up this institution.

(p. 5)

Student answers will vary. A marketing plan is a written document composed of an analysis of the current marketing situation, opportunities and threats for the firm, marketing objectives and strategy specified in terms of the four Ps, action programs, and projected or pro forma income (and other financial) statements. The following are some of the issues that might be addressed by the marketing plan:

- Funding
- Recruitment Geographic Range
- Image Building/Promotion of the Institution
- Website/E-recruiting
- Target Audiences
- Promotion of Academic Programs
- Scholarship Development
- Internal Communication
- Internal Marketing
- TV and Radio
- Media Relations
- Visit Programs
- Community Involvement

120. Explain how firms compete on the basis of value.

(p. 18)

In today's quickly changing world, consistently creating and delivering value is quite difficult. Consumer perceptions change quickly, competitors constantly enter markets, and global pressures continually reshape opportunities. Thus, marketers must keep a vigilant eye on the marketplace so they can adjust their offerings to meet customer needs and keep ahead of their competition. Value-based marketing, however, is not just about creating strong products and services; it should be at the core of every firm's functions. For example, Walmart does not serve those customers who are looking to impress their friends with conspicuous consumption. Rather, this store is for people who want convenient one-stop shopping and low prices—and on those values, it consistently delivers. But good value is not limited to just low prices. Although Walmart carries low-priced pots, pans, and coffee pots, cooking enthusiasts may prefer the product selection, quality, and expert sales assistance at a Paderno outlet. The prices there are not as low as at Walmart, but Paderno customers believe they are receiving good value when they shop there because of the selection, quality, and service they receive. Even nonprofit organizations need to focus on creating value to ensure the services they provide to stakeholders are of high quality while also minimizing the total fundraising required.

*Blooms: Comprehension**Chapter - Chapter 01 #120**Difficulty: Moderate**Gradable: manual**Learning Objective: 01-03 Summarize the four orientations of marketing*

121. Describe how sharing information helps a firm to be value-driven.

(p. 19)

In a value-based, market-oriented firm, marketers share information about customers and competitors that has been collected through customer relationship management and integrate it across the firm's various departments. The fashion designers for Zara, the Spain-based fashion retailer, for instance, collect purchase information and research customer trends to determine what their customers will want to wear in the next few weeks; simultaneously, the logisticians—those persons in charge of getting the merchandise to the stores—use the same purchase history to forecast sales and allocate appropriate merchandise to individual stores. Sharing and coordinating such information represents a critical success factor for any firm. Imagine what might happen if Zara's advertising department were to plan a special promotion but not share its sales projections with those people in charge of creating the merchandise or getting it to stores.

Blooms: Comprehension

Chapter - Chapter 01 #121

Difficulty: Moderate

Gradable: manual

Learning Objective: 01-03 Summarize the four orientations of marketing

122. "Marketing is pervasive across the organization." Explain.

(p. 22)

In value-based marketing firms, the marketing department works seamlessly with other functional areas of the company to design, promote, price, and distribute products. Consider the Scion, a car and brand designed by Toyota for the less affluent youth market, which sometimes is referred to as Generation Y. Scion's marketing department worked closely with engineers to ensure that the new car exceeded customers' expectations in terms of design but remained affordable. The company also coordinated the product offering with an innovative communications strategy. Because Generation Y is famous for its resistance to conventional advertising, Scion introduced a virtual road race in which participants received mileage points for sending Scion e-cards. The more "places" they visited, the more mileage points they received. At the end of the competition, each driver's points were totalled and compared with other racers' scores. The driver with the most points won an onboard navigation system worth more than \$2,000. In addition, when Scion was a new car, the marketing department worked closely with the distribution department to ensure that advertising and promotions reached all distributors' territories and that distribution existed where those promotions occurred. Thus, marketing was responsible for coordinating all these aspects of supply and demand.

Blooms: Comprehension

Chapter - Chapter 01 #122

Difficulty: Moderate

Gradable: manual

Learning Objective: 01-05 Explain the importance of marketing both within and outside the firm

123. You want to start a chain of fast-food restaurants serving Mexican food, including tacos, burritos, quesadillas, nachos, other specialty items, and a variety of "value menu" items. You want to draw in a young crowd to your restaurants. What different social media tools can you use to promote your chain of restaurants?

Student answers will vary. They might suggest having a Facebook page where people can post their preferences with regard to the menu, or post suggestions. The page could feature discussions with regard to the different choices offered by the restaurant. Student might also suggest using a Twitter account to allow people to share their experiences in the restaurants. The restaurants would benefit from the insights provided by the customers. YouTube can also be used to upload videos with demonstrations, celebrities endorsing the product, and so on.

Blooms: Application

Chapter - Chapter 01 #123

Difficulty: Difficult

Gradable: manual

Learning Objective: 01-05 Explain the importance of marketing both within and outside the firm

c1 Summary

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c2

Student: _____

1. The marketing planning process refers to:
 - A. the annual planning process for a particular product, brand, or market.
 - B. a set of steps that a marketer has to adopt to survive in an existing market.
 - C. the combination of elements that a marketer will use to promote a product.
 - D. a planned mix of the controllable elements of a product's marketing plan.
 - E. a set of steps that a marketer goes through when developing a marketing plan.

2. The top managers of a firm prepare a marketing plan. They define the mission and objectives of the business and evaluate the present situation of the firm. Which of the following phases of the marketing plan includes these activities performed by the top managers?
 - A. planning
 - B. implementation
 - C. control
 - D. evaluation
 - E. execution

3. Which of the following is an activity in the planning phase of a marketing plan?

- A. developing and implementing a marketing mix
- B. evaluating the performance of a marketing strategy
- C. taking corrective actions in a firm's marketing plan
- D. segmenting, targeting, and positioning a market
- E. defining the mission and objectives of a business

4. Which of the following is an activity in the implementation phase of a marketing plan?

- A. identifying a business's mission and objectives
- B. evaluating the performance of a marketing strategy
- C. analyzing a market by using marketing metrics
- D. segmenting, targeting, and positioning a market
- E. evaluating the present situation of a business

5. The top level managers of an organization meet to redefine the mission and objectives of the business. The managers set long-term objectives and form a new mission statement. The company is in the _____ phase of forming a marketing plan.

- A. monitoring
- B. planning
- C. designing
- D. control
- E. implementation

6. An organization appoints a marketing manager to study the effectiveness of the marketing plan that it has implemented. The manager analyzes organizational performance using various matrices and gives a final report. This organization is in the _____ phase of marketing plan.

- A. defining
- B. planning
- C. designing
- D. control
- E. implementation

7. Which of the following is an activity in the control phase of a marketing plan?

- A. developing and implementing the marketing mix
- B. segmenting, targeting, and positioning a market
- C. evaluating the performance of a marketing strategy
- D. identifying the opportunities present in a market
- E. evaluating the present situation of a business

8. Which of the following is true of the mission statement of a company?

- A. It does not discuss the fundamental business issues of the company.
- B. It specifically describes the financial performance of the company.
- C. It is a specific description of the firm's profits and losses.
- D. It does not describe what the firm needs to do or accomplish.
- E. It broadly describes the scope of activities that the company is planning to undertake.

9. A SWOT analysis is:

- A. typically performed by lower level managers.
- B. a form of operational analysis.
- C. a day-to-day control measure.
- D. designed to help the firm determine its strengths.
- E. performed after implementing the marketing mix.

10. A SWOT analysis is performed during the _____ phase of developing a marketing plan.

- A. planning
- B. execution
- C. review
- D. control
- E. implementation

11. Which of the following is considered a company's strength?

- A. presence of wide distribution networks
- B. attractiveness of the industry
- C. market exit of a competitor
- D. favourable political changes
- E. prospect of acquiring market share in a new market

12. Which of the following is considered a company's weakness?

- A. changes in consumer behaviour
- B. lack of financial resources
- C. unfavourable political changes
- D. natural disasters that affect the company
- E. entry of new players into the industry

13. Which of the following is considered a threat to businesses?

- A. lack of credibility in the market
- B. limited consumer base
- C. lack of adequate financial resources
- D. poor location of service outlets
- E. negative changes in demographic trends

14. Which of the following is considered an opportunity to businesses?

- A. presence of wide distribution networks
- B. availability of strong financial resources
- C. favourable political changes
- D. superior product offerings
- E. presence of a strong base of loyal customers

15. Which of the following terms refers to a group of consumers who respond similarly to a firm's marketing efforts?
- A. market segment
 - B. product position
 - C. product line
 - D. market share
 - E. market position
16. What is the next step that a business organization has to perform after completing the situation analysis?
- A. identifying the organization's objectives
 - B. evaluating the effectiveness of the marketing plan
 - C. evaluating market performance
 - D. conducting segmentation, targeting, and positioning
 - E. setting marketing objectives for the organization
17. A company that runs chains of department stores and warehouse stores classifies its customers into various demographic groups for effective targeting. This process of dividing the market into distinct groups of customers is called:
- A. proximity mapping.
 - B. positioning.
 - C. segmentation.
 - D. marketing bias.
 - E. consumer branding.

18. Which of the following refers to the process of classifying a market into distinct groups of customers where each individual group has similar needs, wants, or characteristics?

- A. consumer branding
- B. positioning
- C. marketing bias
- D. segmentation
- E. proximity mapping

19. Alchemistro Inc. is a firm that manufactures chemical detergents and associated products. Instead of making a product that suits all, the company manufactures products that satisfy the needs of a particular market segment. Which of the following refers to this act of making a product that caters to the needs of a specific market segment?

- A. consumer branding
- B. de-positioning
- C. targeting
- D. product optimization
- E. repositioning

20. The process of evaluating the attractiveness of various segments and then deciding which to pursue as a market is called:

- A. market optimization.
- B. repositioning.
- C. targeting.
- D. de-positioning.
- E. consumer branding.

21. Market positioning is the process of:

- A. attempting to change the identity of competing products in the collective minds of the target market.
- B. defining the marketing mix variables to give target customers a distinct and desirable understanding of what the product represents.
- C. evaluating the attractiveness of various segments and then deciding which to pursue as a market.
- D. dividing the market into distinct groups of customers where each individual group has similar needs, wants, or characteristics.
- E. attempting to continually engage customers with one another or with a company or a brand.

22. Apple Computers has created an image in the minds of consumers of a company that creates high-quality products. This image helps its customers identify Apple's products as more desirable than competing products. Which of the following terms refers to the process of creating a distinct and desirable understanding in the minds of consumers of what the product represents?

- A. market optimization
- B. market segmentation
- C. target marketing
- D. market positioning
- E. perceptual marketing

23. Which of the following is the first of the four Ps of marketing that creates value for customers?

- A. place
- B. physical evidence
- C. promotion
- D. price
- E. product

24. Which of the following aspects of customer value is most closely associated with the product?

- A. value creation
- B. value delivery
- C. value for money
- D. value communication
- E. value exchange

25. Which of the following Ps of marketing is associated with the delivery of value to customers?
- A. physical evidence
 - B. place
 - C. price
 - D. promotion
 - E. product
26. A manufacturing company decides to increase the number of retail outlets that the company has. This decision is part of the company's _____ strategy.
- A. product
 - B. advertising
 - C. price
 - D. place
 - E. promotion
27. McDonald's fast-food chain stresses the importance of having retail outlets in places that have heavy footfall. By doing this, restaurants are stressing the company's _____ strategy.
- A. product
 - B. advertising
 - C. place
 - D. price
 - E. promotion

28. Balter Technologies is a firm that manufactures innovative computer accessories. The company organizes a marketing campaign to increase the public awareness of its products. Which of the following elements of the marketing mix is used by Balter Technologies in this case to communicate the value of its offerings?

- A. product
- B. price
- C. promotion
- D. place
- E. process

29. The fourth P of the marketing mix, promotion, is used by marketers to:

- A. communicate the value of their offering.
- B. create value for their offering.
- C. deliver their offering effectively to customers.
- D. create value for customers' money.
- E. deliver the services associated with their offering.

30. Which of the following is the final step in the marketing planning process of an organization?

- A. performing a situational analysis of the organization
- B. identifying the opportunities that the organization has
- C. evaluating the business objectives of the organization
- D. evaluating the performance by using marketing metrics
- E. implementing the marketing mix within the organization

31. Which of the following refers to a division of the company that can be managed somewhat independently from other divisions of the company since it markets a specific set of products to a clearly defined group of customers?

- A. business alliance
- B. executive department
- C. executive business segment
- D. subsidiary firm
- E. strategic business unit

32. Zorbo Furniture is a firm that manufactures and markets wooden furniture. One of the departments in the firm is devoted to the production and marketing of office furniture. The department is managed independently from the other departments and is held accountable for its profitability. The office furniture department is an example of a(n):

- A. joint venture.
- B. executive department.
- C. business alliance.
- D. subsidiary firm.
- E. strategic business unit.

33. Which of the following terms refers to a group of products that consumers are likely to use together or perceive as similar in some way?

- A. product mix
- B. product line
- C. product portfolio
- D. niche market
- E. market mix

34. Albo Drinks is a firm that produces different types of beverages. In the soft-drinks section, the company has products in a variety of flavours. These soft-drink products, which come in many flavours, are called:

- A. premium offerings.
- B. market mix.
- C. promotion mix.
- D. product line.
- E. niche portfolio.

35. Which of the following is a measure of a product's strength in a particular market?

- A. market potential
- B. industry index
- C. market value
- D. relative market share
- E. market growth rate

36. Market growth rate is the:

- A. annual rate of growth of the specific market in which the product competes.
- B. growth rate of the largest firm in the industry.
- C. average of the growth rate of the largest firm in the industry and the smallest firm in the industry.
- D. average growth rate of the products in the specific market in which the product competes.
- E. sales of the focal product divided by the sales achieved by the largest firm in the industry.

37. Which of the following terms is used in the BCG product portfolio analysis to refer to a product that has high market share in a high-growth market?

- A. cash cow
- B. star
- C. dog
- D. question mark
- E. champion

38. The telecom sector in China has been growing at a fast pace in the last few years. Rex Telecom is the market leader in the Chinese telecom market. This firm can be called a:

- A. star.
- B. cash cow.
- C. dog.
- D. question mark.
- E. champion.

39. A product that serves a low-growth market but has a high market share in the industry is an example of a:

- A. star
- B. dog
- C. question mark
- D. champion
- E. cash cow

40. The growth rate of the soft-drink industry in the Canada has been low for a few years now. Which of the following terms, according to the BCG portfolio analysis, can be used to refer to the brand that has the highest market share in this industry?

- A. question mark
- B. star
- C. dog
- D. champion
- E. cash cow

41. A product enjoys significant market share in a high-growth industry. According to the BCG portfolio analysis, the product is called a:

- A. champion.
- B. star.
- C. cash cow.
- D. dog.
- E. question mark.

42. Tropo Consultants is a firm that gives investment advice to entrepreneurs. BCG portfolio analysis reveals that the firm's offering is a star in the industry. Which of the following is a valid suggestion for the company?

- A. The company should consider resource investments to fuel rapid growth.
- B. The company should disinvest partly from the business.
- C. The company should stop doing business in the industry.
- D. The company should not allocate excess funds to existing services.
- E. The company should transfer its resources to other strategic business units.

43. Which of the following terms is used in the BCG product portfolio analysis to refer to a product that has high market share in a market characterized by low growth?

- A. cash cow
- B. star
- C. dog
- D. question mark
- E. champion

44. MM Manufacturing is a small-scale firm that manufactures optical cables. The firm's market share is significantly lower than most other players in the market. However, optical cable manufacturing is a high-growth market. According to the BCG matrix, the company's offering is a:

- A. star.
- B. dog.
- C. cash cow.
- D. question mark.
- E. champion.

45. Which of the following terms is used in the BCG product portfolio analysis to refer to a product that has low market share in a market characterized by high growth?

- A. champion
- B. star
- C. question mark
- D. dog
- E. cash cow

46. In the BCG portfolio analysis, products that are in low-growth markets and have relatively low market shares are called:

- A. slackers.
- B. stars.
- C. dogs.
- D. cash cows.
- E. question marks.

47. Which of the following is the marketing strategy that employs the existing marketing mix and focuses a firm's efforts on existing customers?
- A. product diversification
 - B. market diversification
 - C. market development
 - D. market penetration
 - E. product development
48. A company attempts to increase its market share by engaging in aggressive promotional activities. The company increases its spending on advertising and sales promotions. Which of the following is the strategy that the company is using?
- A. product diversification
 - B. market penetration
 - C. market development
 - D. product development
 - E. market diversification
49. A market penetration strategy generally requires:
- A. development of a highly innovative product offering.
 - B. entry to a new geographic market.
 - C. lesser marketing efforts.
 - D. reduced spending on advertising.
 - E. intensified distribution efforts in existing markets.

50. Which of the following is a feature of the market penetration strategy?

- A. introducing the existing products in a new market segment
- B. exploring new geographical markets
- C. introducing a new product in a new target market
- D. obtaining new customers from the existing target market
- E. introducing an innovative product in a new target market

51. A retail outlet offers summer discounts to its customers to increase sales. This is an example of the _____ strategy.

- A. market diversification
- B. product development
- C. market development
- D. market penetration
- E. product diversification

52. Which of the following is the growth strategy that employs the existing marketing offering to reach new market segments?

- A. market development
- B. product development
- C. diversification
- D. market penetration
- E. product intensification

53. IBF Industries Inc. is a firm that manufactures and markets kitchen appliances in Italy. The company decides to introduce its existing range of products in Germany. This scenario is an example of the _____ strategy.

- A. diversification
- B. market development
- C. market penetration
- D. product development
- E. product intensification

54. Which of the following is the best example of using the market development strategy?

- A. ABB Leather introduces its existing offering in a different market.
- B. Robert Technologies introduces a new product based on a modern technology.
- C. Apparo Retail announces a discount sale to increase its revenue.
- D. RSB Bank intensifies its advertising campaign to attract customers.
- E. Morko Chemicals invents a new vaccine and sells it around the globe.

55. Which of the following statements is true of the market development strategy?

- A. A new product should be created to follow the market development strategy.
- B. The strategy focuses on segments that are not served by the firm currently.
- C. The strategy has its main focus on developing extremely innovative offerings.
- D. The product prices should be high in a market development strategy.
- E. Market development tactics include rewards programs and improved store atmospherics.

56. Which of the following is the growth strategy that offers a new product or service to a firm's current target market?

- A. product intensification
- B. diversification
- C. market penetration
- D. product development
- E. market development

57. Roltech Limited is an Asian telecom company that operates GSM networks in six countries across South Asia. Roltech's top managers identify that the company's growth has been idle for a few years and decide to take these steps to promote growth: (1) Increase the spending on advertising and intensify promotional activities. (2) Open telecom companies in European markets such as Germany and Britain. (3) Introduce special tariffs to attract more customers from South Asian markets. Which of the following strategies have Roltech's top managers decided to adopt?

- A. market development and diversification
- B. product development and diversification
- C. market penetration and market development
- D. product intensification and product development
- E. market penetration and market diversification

58. Paramount Electronics manufactures electronic measuring tools. The company invents a new type of multi-meter for electronic measurements and introduces the product to its current customers. Which of the following strategies is Paramount employing?

- A. product development
- B. market development
- C. diversification
- D. market penetration
- E. product intensification

59. Lava Scooters manufactures electric scooters targeted at young women. The company manufactures vehicles that have engine displacement ranging from 50 to 100 cubic centimetres. Of late, many customers have been preferring scooters that are more powerful. To satisfy such customers, the company introduces a powerful bike that has 200-cubic centimetres engine displacement. Lava Scooters is using a _____ strategy.

- A. market development
- B. product development
- C. market penetration
- D. diversification
- E. product intensification

60. Dorbo Inc. manufactures microprocessors. The company is known for innovation and holds more than 300 patents. The company invents a microprocessor based on nanotechnology and introduces it to its current customers. Which strategy is Dorbo using?

- A. product intensification
- B. diversification
- C. product development
- D. market penetration
- E. market development

61. Which of the following is a growth strategy whereby a firm introduces a new product or service to a market segment that it does not currently serve?

- A. diversification
- B. market development
- C. market penetration
- D. product intensification
- E. product development

62. Which of the following is a key difference between market development strategy and diversification strategy?

- A. Diversification offers products in a new market, whereas market development involves offering a product in the existing market.
- B. Diversification occurs when a new product is offered in an existing market, whereas market development takes place when an existing product is offered in a new market.
- C. Diversification involves development of new product, whereas market development uses an existing product.
- D. Diversification involves low levels of risk, whereas market development is characterized by high levels of risk.
- E. Market development offers products in a new market, whereas diversification involves offering a product in the existing market.

63. Which of the following is an example of the diversification strategy?

- A. A firm introduces its current products to a new set of customers.
- B. A company markets an innovative product by using its existing network.
- C. A firm introduces a new product to a segment that is currently not served.
- D. A company exports its products to a new geographical location.
- E. A firm intensifies its marketing activities to increase the sale of its current offerings.

64. RON Inc. is a company that manufactures home appliances. The company has established a wide retail network to sell its products. As part of its growth strategy, the company launches a new subsidiary that manufactures office furniture. This is an example of the _____ strategy.

- A. market development
- B. diversification
- C. market penetration
- D. product intensification
- E. product development

65. Customer excellence focuses on:

- A. having a good physical location and Internet presence.
- B. carrying out effective branding and positioning.
- C. having products with high perceived value.
- D. retaining loyal buyers and excellent service.
- E. maintaining efficient operations and an excellent supply chain.

66. Samson Associates manufactures office furniture. The company mainly focuses on effective branding and positioning. Management believes that a good brand name alone is sufficient to attract more and more orders. This company is trying to achieve competitive advantage through _____ excellence.

- A. supportive
- B. product
- C. customer
- D. locational
- E. operational

67. A focus on maintaining a substantial Internet presence is called _____ excellence.

- A. supportive
- B. product
- C. customer
- D. locational
- E. operational

68. Operational excellence is achieved by:

- A. having excellent supply chain management.
- B. maintaining excellent customer service.
- C. having products with high perceived value.
- D. focusing on retaining loyal customers.
- E. having a good physical location and Internet presence.

69. Argos Airlines offers loyalty air miles to its regular customers. The company believes that this will build loyalty and is the most effective way of obtaining a competitive advantage. This company is focusing on _____ excellence.

- A. operational
- B. product
- C. process
- D. locational
- E. customer

70. Artech Computers is a firm that manufactures desktop computers and computer peripherals. It focuses on minimizing wastage and gives importance to efficient supply chain procedures. This firm is attempting to obtain _____ excellence.

- A. product
- B. customer
- C. operational
- D. procedural
- E. locational

71. Which of the following conclusions, if made by the external agency, will indicate the company's strength?

- A. The market potential for packaged goods is high in Canada.
- B. Economic slowdowns do not have a significant impact in the wholesale food industry.
- C. The company has exclusive market reach in the packaged food industry.
- D. One of Arpin Stores' major competitors has recently gone bankrupt.
- E. Congress recently passed a bill to subsidize wholesale food manufacturers.

72. Which of the following conclusions, if made by the external agency, will indicate the company's weakness?

- A. The company incurs high transportation costs as its manufacturing facility is at a remote place.
- B. Many new players have entered the wholesale food industry in recent times.
- C. An economic downturn has increased people's liking for organic products.
- D. A food poisoning disaster that occurred recently has lowered people's preference for packaged foods.
- E. The company must buy new machinery to remain competitive in the market.

73. Which of the following conclusions, if made by the external agency, will present the company with an opportunity?

- A. The company has exclusive market reach in the packaged food industry.
- B. One of Arpin Stores' major competitors has recently gone bankrupt.
- C. The company owns the largest food manufacturing facility in Canada.
- D. The company owns many brands that are well-known in Canada.
- E. Arpin Stores has a stronger marketing department compared to its competitors.

74. Which of the following conclusions, if made by the external agency, will indicate that the company is facing a threat?

- A. The company incurs high transportation costs as its manufacturing facility is at a remote place.
- B. One of Arpin Stores' major competitors has recently gone bankrupt.
- C. Many of the company's employees lack interpersonal skills.
- D. A recent regulation has increased the tax rates for packaged food products.
- E. Arpin Stores has a weaker marketing department compared to its competitors.

75. According to the BCG matrix, Product A is called a:

- A. question mark.
- B. cash cow.
- C. star.
- D. dog.
- E. champion.

76. According to the BCG matrix, Product B is called a:

- A. cash cow.
- B. star.
- C. dog.
- D. champion.
- E. question mark.

77. Which of the following observations of Product A is likely to be true?

- A. The product will require heavy resource investments to survive in the market.
- B. The product has the opportunity to become a star in the market.
- C. The product will experience rapid growth for a few years.
- D. The product is not likely to be profitable for the company in the near future.
- E. The product has already received heavy investments to develop its market share.

78. Which of the following is a suitable course of action that the company should initiate?

- A. The company should make a heavy resource investment to rescue Product B.
- B. The company should open new production facilities to fuel growth of Product B.
- C. The company should withdraw both the products and introduce a new brand in the market.
- D. The company should increase the production of both the products to gain more market share.
- E. The company should phase out Product B if it is not needed to complement Product A.

Sabot Manufacturing is a firm that manufactures surgical equipment. The firm sells its products to various hospitals and health centres across Canada. The firm has adopted lean manufacturing techniques to minimize wastage in its production process. The company is known for the quality of its products and its efficient supply chain activities.

79. Which of the following overarching strategies are evident from the available description of Sabot Manufacturing?

- A. operational excellence and product excellence
- B. product excellence and customer excellence
- C. customer excellence and positional excellence
- D. locational excellence and operational excellence
- E. positional excellence and customer excellence

80. Sabot Manufacturing sells its products by using a wide variety of channels, including the Internet. This gives the firm _____ excellence.

- A. product
- B. customer
- C. operational
- D. procedural
- E. locational

Levels of Planning	Scope	Duration	Strategic Focus
Corporate planning	Entire firm	Long-term (5 years)	Define the company's mission, set company's goals, and establish the business portfolio
Strategic business unit (SBU)/Division planning (applies only to large firms with more than one distinct line of business)	Single SBU within the firm	Medium to long-term (3 to 5 years)	Set goals and establish portfolio of products and markets for the business unit
Functional planning (e.g., marketing planning)	Product portfolio, single product, brand or market	Short-term to medium term (1 to 3 years)	Develop marketing plans for specific products, brands, or markets

81. Developing a marketing plan for a specific brand is an example of _____ planning.

- A. SBU level
- B. functional
- C. divisional
- D. long-term
- E. corporate

82. Setting a company's goals and establishing the business portfolio is an example of _____ planning.

- A. divisional
- B. marketing
- C. corporate
- D. SBU level
- E. functional

83. Which of the following is a valid observation of strategic business unit (SBU) planning?

- A. It involves establishing a portfolio of products for the whole corporation.
- B. It involves medium to long-term planning activities.
- C. It applies to small firms with a single business unit.
- D. It refers to developing marketing plans for a specific brand.
- E. Its strategic focus is on defining a company's mission.

Environment	Evaluation	
	Positive	Negative
Internal	Strengths	Weaknesses
External	Opportunities	Threats

84. Which of the following is a strength for a fast-food chain?

- A. a healthy economy
- B. a favourable regulatory change
- C. wide distribution networks
- D. exit of a major competitor
- E. changes in demographic patterns

85. Which of the following is considered a threat to an organization?

- A. little brand recognition among customers
- B. lack of technical talent within the organization
- C. lack of financial resources
- D. a narrow customer base
- E. a new technology invented by a competitor

86. Which of the following is a weakness for an organization?

- A. changes in demographic trends
- B. a recession or economic downturn
- C. an unfavourable political development
- D. a new technology invented by a competitor
- E. lack of financial resources

	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5
Segments	Single people and couples who want to have a bit of fun	Business customers and families who prefer a luxurious ride	Environmentally conscious customers	Families	Commercial customers
	Fun Collection	Prestige Collection	Green Collection	SUV/minivan & crossover	Commercial Van/Truck
Cars Offered	Corvette ZHZ	Infiniti QX56	Toyota Prius	Toyota Rav 4	Ford Cargo Van
	Chevrolet Camaro	Cadillac Escalade	Ford Fusion	Ford Explorer	

87. Arthur wants to rent a car for a family of six people. Which model is Hertz most likely to recommend to him?

- A. Corvette ZHZ
- B. Ford Cargo Van
- C. Toyota Prius
- D. Ford Explorer
- E. Chevrolet Camaro

88. Which car model is a customer likely to rent from Hertz for commercial purposes?

- A. Corvette ZHZ
- B. Chevrolet Camaro
- C. Toyota Prius
- D. Ford Fusion
- E. Ford Cargo Van

89. Which car model is Hertz most likely to recommend to an environmentally conscious customer?

- A. Chevrolet Camaro
- B. Corvette ZHZ
- C. Ford Cargo Van
- D. Toyota Rav 4
- E. Ford Fusion

90. Cadillac Escalade is a car model that Hertz targets to rent to:

- A. single people who want to have fun.
- B. environmentally conscious customers.
- C. commercial customers.
- D. families who prefer a luxurious ride.
- E. couples who want to have a bit of fun.

91. Nonprofit organizations state objectives and form mission statements.

True False

92. Lack of financial resources is an example of a threat that a company is facing.

True False

93. A company has access to many proprietary technologies. This is an example of the company's strength.

True False

94. A company sells its product through the Internet and hence is able to access a wide range of customers. This statement is indicative of the company's strength.

True False

95. Targeting is the process of selecting a segment to pursue as a market.

True False

96. Promotion constitutes the first of the four Ps and is associated with value creation.

True False

97. Advertising campaigns by businesses is an example of promotion.

True False

98. Actual strategic planning is a sequential process.

True False

99. A group of dissimilar products that are manufactured by the same organization is known as a product line.

True False

106.Explain situation analysis.

107.Compare and contrast strengths and opportunities that apply to businesses.

108.What is a market segment?

109.Explain target marketing and provide an example of it.

110.What is market positioning?

111.Briefly explain the final step in the marketing planning process.

112. List a few financial performance metrics that an organization commonly uses.

113. Explain portfolio analysis.

114. Differentiate between relative market share and market growth rate.

115. Describe the four overarching strategies that focus on aspects of the marketing mix to create and deliver value and to develop sustainable competitive advantages.

116. Explain the three types of strategic planning that occurs in corporations.

117. Explain the various steps involved in developing a marketing plan.

118. Choose a company of your choice and conduct a detailed SWOT analysis of the company.

119. Briefly explain the four Ps of marketing.

120. Explain the four major growth strategies that organizations adopt.

c2 Key

1. The marketing planning process refers to:

(p. 37)

- A. the annual planning process for a particular product, brand, or market.
- B. a set of steps that a marketer has to adopt to survive in an existing market.
- C. the combination of elements that a marketer will use to promote a product.
- D. a planned mix of the controllable elements of a product's marketing plan.
- E. a set of steps that a marketer goes through when developing a marketing plan.

Blooms: Knowledge

Chapter - Chapter 02 #1

Difficulty: Easy

Gradable: automatic

Learning Objective: 02-01 Describe how a firm develops and implements a marketing plan

2. The top managers of a firm prepare a marketing plan. They define the mission and objectives of the business and evaluate the present situation of the firm. Which of the following phases of the marketing plan includes these activities performed by the top managers?

(p. 38)

- A. planning
- B. implementation
- C. control
- D. evaluation
- E. execution

Blooms: Comprehension

Chapter - Chapter 02 #2

Difficulty: Moderate

Gradable: automatic

3. Which of the following is an activity in the planning phase of a marketing plan?

(p. 38)

- A. developing and implementing a marketing mix
- B. evaluating the performance of a marketing strategy
- C. taking corrective actions in a firm's marketing plan
- D. segmenting, targeting, and positioning a market
- E. defining the mission and objectives of a business

Blooms: Knowledge

Chapter - Chapter 02 #3

Difficulty: Easy

Gradable: automatic

Learning Objective: 02-01 Describe how a firm develops and implements a marketing plan

4. Which of the following is an activity in the implementation phase of a marketing plan?

(p. 38)

- A. identifying a business's mission and objectives
- B. evaluating the performance of a marketing strategy
- C. analyzing a market by using marketing metrics
- D. segmenting, targeting, and positioning a market
- E. evaluating the present situation of a business

Blooms: Knowledge

Chapter - Chapter 02 #4

Difficulty: Easy

Gradable: automatic

Learning Objective: 02-01 Describe how a firm develops and implements a marketing plan

5. The top level managers of an organization meet to redefine the mission and objectives of the business. The managers set long-term objectives and form a new mission statement. The company is in the _____ phase of forming a marketing plan.

(p. 38)

- A. monitoring
- B. planning**
- C. designing
- D. control
- E. implementation

Blooms: Application

Chapter - Chapter 02 #5

Difficulty: Difficult

Gradable: automatic

Learning Objective: 02-01 Describe how a firm develops and implements a marketing plan

6. An organization appoints a marketing manager to study the effectiveness of the marketing plan that it has implemented. The manager analyzes organizational performance using various matrices and gives a final report. This organization is in the _____ phase of marketing plan.

(p. 38)

- A. defining
- B. planning
- C. designing
- D. control**
- E. implementation

Blooms: Application

Chapter - Chapter 02 #6

Difficulty: Difficult

Gradable: automatic

Learning Objective: 02-01 Describe how a firm develops and implements a marketing plan

7. Which of the following is an activity in the control phase of a marketing plan?

(p. 38)

- A. developing and implementing the marketing mix
- B. segmenting, targeting, and positioning a market
- C. evaluating the performance of a marketing strategy
- D. identifying the opportunities present in a market
- E. evaluating the present situation of a business

Blooms: Knowledge

Chapter - Chapter 02 #7

Difficulty: Easy

Gradable: automatic

Learning Objective: 02-01 Describe how a firm develops and implements a marketing plan

8. Which of the following is true of the mission statement of a company?

(p. 39)

- A. It does not discuss the fundamental business issues of the company.
- B. It specifically describes the financial performance of the company.
- C. It is a specific description of the firm's profits and losses.
- D. It does not describe what the firm needs to do or accomplish.
- E. It broadly describes the scope of activities that the company is planning to undertake.

Blooms: Knowledge

Chapter - Chapter 02 #8

Difficulty: Easy

Gradable: automatic

Learning Objective: 02-01 Describe how a firm develops and implements a marketing plan

9. A SWOT analysis is:

(p. 40)

- A. typically performed by lower level managers.
- B. a form of operational analysis.
- C. a day-to-day control measure.
- D. designed to help the firm determine its strengths.
- E. performed after implementing the marketing mix.

Blooms: Knowledge

Chapter - Chapter 02 #9

Difficulty: Easy

Gradable: automatic

Learning Objective: 02-02 Conduct a SWOT analysis and explain its use in marketing planning

10. A SWOT analysis is performed during the _____ phase of developing a marketing plan.

(p. 40)

- A. planning
- B. execution
- C. review
- D. control
- E. implementation

Blooms: Knowledge

Chapter - Chapter 02 #10

Difficulty: Easy

Gradable: automatic

Learning Objective: 02-02 Conduct a SWOT analysis and explain its use in marketing planning

11. Which of the following is considered a company's strength?

(p. 41)

- A. presence of wide distribution networks
- B. attractiveness of the industry
- C. market exit of a competitor
- D. favourable political changes
- E. prospect of acquiring market share in a new market

Blooms: Comprehension

Chapter - Chapter 02 #11

Difficulty: Moderate

Gradable: automatic

Learning Objective: 02-02 Conduct a SWOT analysis and explain its use in marketing planning

12. Which of the following is considered a company's weakness?

(p. 41)

- A. changes in consumer behaviour
- B. lack of financial resources
- C. unfavourable political changes
- D. natural disasters that affect the company
- E. entry of new players into the industry

Blooms: Comprehension

Chapter - Chapter 02 #12

Difficulty: Moderate

Gradable: automatic

Learning Objective: 02-02 Conduct a SWOT analysis and explain its use in marketing planning

13. Which of the following is considered a threat to businesses?

(p. 41)

- A. lack of credibility in the market
- B. limited consumer base
- C. lack of adequate financial resources
- D. poor location of service outlets
- E. negative changes in demographic trends

Blooms: Application

Chapter - Chapter 02 #13

Difficulty: Difficult

Gradable: automatic

Learning Objective: 02-02 Conduct a SWOT analysis and explain its use in marketing planning

14. Which of the following is considered an opportunity to businesses?

(p. 41)

- A. presence of wide distribution networks
- B. availability of strong financial resources
- C. favourable political changes
- D. superior product offerings
- E. presence of a strong base of loyal customers

Blooms: Application

Chapter - Chapter 02 #14

Difficulty: Difficult

Gradable: automatic

Learning Objective: 02-02 Conduct a SWOT analysis and explain its use in marketing planning

15. Which of the following terms refers to a group of consumers who respond similarly to a firm's marketing efforts?
(p. 42)

- A. market segment
- B. product position
- C. product line
- D. market share
- E. market position

Blooms: Knowledge

Chapter - Chapter 02 #15

Difficulty: Easy

Gradable: automatic

Learning Objective: 02-03 Explain how a firm chooses what group(s) of people to pursue with its marketing efforts

16. What is the next step that a business organization has to perform after completing the situation analysis?
(p. 42)

- A. identifying the organization's objectives
- B. evaluating the effectiveness of the marketing plan
- C. evaluating market performance
- D. conducting segmentation, targeting, and positioning
- E. setting marketing objectives for the organization

Blooms: Knowledge

Chapter - Chapter 02 #16

Difficulty: Easy

Gradable: automatic

Learning Objective: 02-03 Explain how a firm chooses what group(s) of people to pursue with its marketing efforts

17. A company that runs chains of department stores and warehouse stores classifies its customers into various demographic groups for effective targeting. This process of dividing the market into distinct groups of customers is called:

(p. 43)

- A. proximity mapping.
- B. positioning.
- C. segmentation.
- D. marketing bias.
- E. consumer branding.

Blooms: Comprehension

Chapter - Chapter 02 #17

Difficulty: Moderate

Gradable: automatic

Learning Objective: 02-03 Explain how a firm chooses what group(s) of people to pursue with its marketing efforts

18. Which of the following refers to the process of classifying a market into distinct groups of customers where each individual group has similar needs, wants, or characteristics?

(p. 43)

- A. consumer branding
- B. positioning
- C. marketing bias
- D. segmentation
- E. proximity mapping

Blooms: Knowledge

Chapter - Chapter 02 #18

Difficulty: Easy

Gradable: automatic

Learning Objective: 02-03 Explain how a firm chooses what group(s) of people to pursue with its marketing efforts

19. Alchemistro Inc. is a firm that manufactures chemical detergents and associated products.
(p. 43) Instead of making a product that suits all, the company manufactures products that satisfy the needs of a particular market segment. Which of the following refers to this act of making a product that caters to the needs of a specific market segment?

- A. consumer branding
- B. de-positioning
- C. targeting
- D. product optimization
- E. repositioning

Blooms: Comprehension

Chapter - Chapter 02 #19

Difficulty: Moderate

Gradable: automatic

Learning Objective: 02-03 Explain how a firm chooses what group(s) of people to pursue with its marketing efforts

20. The process of evaluating the attractiveness of various segments and then deciding which to
(p. 43) pursue as a market is called:

- A. market optimization.
- B. repositioning.
- C. targeting.
- D. de-positioning.
- E. consumer branding.

Blooms: Knowledge

Chapter - Chapter 02 #20

Difficulty: Easy

Gradable: automatic

Learning Objective: 02-03 Explain how a firm chooses what group(s) of people to pursue with its marketing efforts

21. Market positioning is the process of:

(p. 44)

- A. attempting to change the identity of competing products in the collective minds of the target market.
- B. defining the marketing mix variables to give target customers a distinct and desirable understanding of what the product represents.
- C. evaluating the attractiveness of various segments and then deciding which to pursue as a market.
- D. dividing the market into distinct groups of customers where each individual group has similar needs, wants, or characteristics.
- E. attempting to continually engage customers with one another or with a company or a brand.

Blooms: Comprehension

Chapter - Chapter 02 #21

Difficulty: Moderate

Gradable: automatic

Learning Objective: 02-03 Explain how a firm chooses what group(s) of people to pursue with its marketing efforts

22. Apple Computers has created an image in the minds of consumers of a company that creates high-quality products. This image helps its customers identify Apple's products as more desirable than competing products. Which of the following terms refers to the process of creating a distinct and desirable understanding in the minds of consumers of what the product represents?

(p. 44)

- A. market optimization
- B. market segmentation
- C. target marketing
- D. market positioning
- E. perceptual marketing

Blooms: Comprehension

Chapter - Chapter 02 #22

Difficulty: Moderate

Gradable: automatic

Learning Objective: 02-03 Explain how a firm chooses what group(s) of people to pursue with its marketing efforts

23. Which of the following is the first of the four Ps of marketing that creates value for customers?

(p. 44)

- A. place
- B. physical evidence
- C. promotion
- D. price
- E. product

Blooms: Knowledge

Chapter - Chapter 02 #23

Difficulty: Easy

Gradable: automatic

Learning Objective: 02-04 Describe how the marketing mix increases customer value

24. Which of the following aspects of customer value is most closely associated with the product?

(p. 44)

- A. value creation
- B. value delivery
- C. value for money
- D. value communication
- E. value exchange

Blooms: Knowledge

Chapter - Chapter 02 #24

Difficulty: Easy

Gradable: automatic

Learning Objective: 02-04 Describe how the marketing mix increases customer value

25. Which of the following Ps of marketing is associated with the delivery of value to customers?

(p. 45)

- A. physical evidence
- B. place
- C. price
- D. promotion
- E. product

Blooms: Knowledge

Chapter - Chapter 02 #25

Difficulty: Easy

Gradable: automatic

Learning Objective: 02-04 Describe how the marketing mix increases customer value

26. A manufacturing company decides to increase the number of retail outlets that the company
(p. 45) has. This decision is part of the company's _____ strategy.

- A. product
- B. advertising
- C. price
- D. place
- E. promotion

Blooms: Application

Chapter - Chapter 02 #26

Difficulty: Diff icult

Gradable: automatic

Learning Objective: 02-04 Describe how the marketing mix increases customer value

27. McDonald's fast-food chain stresses the importance of having retail outlets in places that have
(p. 45) heavy footfall. By doing this, restaurants are stressing the company's _____ strategy.

- A. product
- B. advertising
- C. place
- D. price
- E. promotion

Blooms: Application

Chapter - Chapter 02 #27

Difficulty: Diff icult

Gradable: automatic

Learning Objective: 02-04 Describe how the marketing mix increases customer value

28. Balter Technologies is a firm that manufactures innovative computer accessories. The company organizes a marketing campaign to increase the public awareness of its products. Which of the following elements of the marketing mix is used by Balter Technologies in this case to communicate the value of its offerings?

(p. 45)

- A. product
- B. price
- C. promotion
- D. place
- E. process

Blooms: Application

Chapter - Chapter 02 #28

Difficulty: Diff icult

Gradable: automatic

Learning Objective: 02-04 Describe how the marketing mix increases customer value

29. The fourth P of the marketing mix, promotion, is used by marketers to:

(p. 45)

- A. communicate the value of their offering.
- B. create value for their offering.
- C. deliver their offering effectively to customers.
- D. create value for customers' money.
- E. deliver the services associated with their offering.

Blooms: Knowledge

Chapter - Chapter 02 #29

Difficulty: Easy

Gradable: automatic

Learning Objective: 02-04 Describe how the marketing mix increases customer value

30. Which of the following is the final step in the marketing planning process of an organization?

(p. 47)

- A. performing a situational analysis of the organization
- B. identifying the opportunities that the organization has
- C. evaluating the business objectives of the organization
- D. evaluating the performance by using marketing metrics
- E. implementing the marketing mix within the organization

Blooms: Knowledge

Chapter - Chapter 02 #30

Difficulty: Easy

Gradable: automatic

Learning Objective: 02-04 Describe how the marketing mix increases customer value

31. Which of the following refers to a division of the company that can be managed somewhat independently from other divisions of the company since it markets a specific set of products to a clearly defined group of customers?

(p. 49-50)

- A. business alliance
- B. executive department
- C. executive business segment
- D. subsidiary firm
- E. strategic business unit

Blooms: Knowledge

Chapter - Chapter 02 #31

Difficulty: Easy

Gradable: automatic

Learning Objective: 02-04 Describe how the marketing mix increases customer value

32. Zorbo Furniture is a firm that manufactures and markets wooden furniture. One of the departments in the firm is devoted to the production and marketing of office furniture. The department is managed independently from the other departments and is held accountable for its profitability. The office furniture department is an example of a(n):

(p. 49-50)

- A. joint venture.
- B. executive department.
- C. business alliance.
- D. subsidiary firm.
- E. strategic business unit.

Blooms: Application

Chapter - Chapter 02 #32

Difficulty: Diff icult

Gradable: automatic

Learning Objective: 02-04 Describe how the marketing mix increases customer value

33. Which of the following terms refers to a group of products that consumers are likely to use together or perceive as similar in some way?

(p. 50)

- A. product mix
- B. product line
- C. product portfolio
- D. niche market
- E. market mix

Blooms: Knowledge

Chapter - Chapter 02 #33

Difficulty: Easy

Gradable: automatic

Learning Objective: 02-04 Describe how the marketing mix increases customer value

34. Albo Drinks is a firm that produces different types of beverages. In the soft-drinks section, the company has products in a variety of flavours. These soft-drink products, which come in many flavours, are called:

(p. 50)

- A. premium offerings.
- B. market mix.
- C. promotion mix.
- D. product line.
- E. niche portfolio.

Blooms: Application

Chapter - Chapter 02 #34

Difficulty: Diff icult

Gradable: automatic

Learning Objective: 02-04 Describe how the marketing mix increases customer value

35. Which of the following is a measure of a product's strength in a particular market?

(p. 50)

- A. market potential
- B. industry index
- C. market value
- D. relative market share
- E. market growth rate

Blooms: Knowledge

Chapter - Chapter 02 #35

Difficulty: Easy

Gradable: automatic

Learning Objective: 02-04 Describe how the marketing mix increases customer value

36. Market growth rate is the:

(p. 50)

- A. annual rate of growth of the specific market in which the product competes.
- B. growth rate of the largest firm in the industry.
- C. average of the growth rate of the largest firm in the industry and the smallest firm in the industry.
- D. average growth rate of the products in the specific market in which the product competes.
- E. sales of the focal product divided by the sales achieved by the largest firm in the industry.

Blooms: Knowledge

Chapter - Chapter 02 #36

Difficulty: Easy

Gradable: automatic

Learning Objective: 02-04 Describe how the marketing mix increases customer value

37. Which of the following terms is used in the BCG product portfolio analysis to refer to a product that has high market share in a high-growth market?

(p. 50)

- A. cash cow
- B. star
- C. dog
- D. question mark
- E. champion

Blooms: Knowledge

Chapter - Chapter 02 #37

Difficulty: Easy

Gradable: automatic

Learning Objective: 02-04 Describe how the marketing mix increases customer value

38. The telecom sector in China has been growing at a fast pace in the last few years. Rex
(p. 50) Telecom is the market leader in the Chinese telecom market. This firm can be called a:

- A. star.
- B. cash cow.
- C. dog.
- D. question mark.
- E. champion.

Blooms: Knowledge

Chapter - Chapter 02 #38

Difficulty: Easy

Gradable: automatic

Learning Objective: 02-04 Describe how the marketing mix increases customer value

39. A product that serves a low-growth market but has a high market share in the industry is an
(p. 50) example of a:

- A. star
- B. dog
- C. question mark
- D. champion
- E. cash cow

Blooms: Comprehension

Chapter - Chapter 02 #39

Difficulty: Moderate

Gradable: automatic

Learning Objective: 02-04 Describe how the marketing mix increases customer value

40. The growth rate of the soft-drink industry in the Canada has been low for a few years now.
(p. 50) Which of the following terms, according to the BCG portfolio analysis, can be used to refer to the brand that has the highest market share in this industry?

A. question mark
B. star
C. dog
D. champion
E. cash cow

Blooms: Application

Chapter - Chapter 02 #40

Di ficulty: Dif icult

Gradable: automatic

Learning Objective: 02-04 Describe how the marketing mix increases customer value

41. A product enjoys significant market share in a high-growth industry. According to the BCG
(p. 50) portfolio analysis, the product is called a:

A. champion.
B. star.
C. cash cow.
D. dog.
E. question mark.

Blooms: Comprehension

Chapter - Chapter 02 #41

Di ficulty: Moderate

Gradable: automatic

Learning Objective: 02-04 Describe how the marketing mix increases customer value

42. Tropo Consultants is a firm that gives investment advice to entrepreneurs. BCG portfolio analysis reveals that the firm's offering is a star in the industry. Which of the following is a valid suggestion for the company?
(p. 50)

- A. The company should consider resource investments to fuel rapid growth.
- B. The company should disinvest partly from the business.
- C. The company should stop doing business in the industry.
- D. The company should not allocate excess funds to existing services.
- E. The company should transfer its resources to other strategic business units.

Blooms: Application

Chapter - Chapter 02 #42

Difficulty: Diff icult

Gradable: automatic

Learning Objective: 02-04 Describe how the marketing mix increases customer value

43. Which of the following terms is used in the BCG product portfolio analysis to refer to a product that has high market share in a market characterized by low growth?
(p. 50)

- A. cash cow
- B. star
- C. dog
- D. question mark
- E. champion

Blooms: Knowledge

Chapter - Chapter 02 #43

Difficulty: Easy

Gradable: automatic

Learning Objective: 02-04 Describe how the marketing mix increases customer value

44. MM Manufacturing is a small-scale firm that manufactures optical cables. The firm's market share is significantly lower than most other players in the market. However, optical cable manufacturing is a high-growth market. According to the BCG matrix, the company's offering is a:

(p. 50)

- A. star.
- B. dog.
- C. cash cow.
- D. question mark.
- E. champion.

Blooms: Application

Chapter - Chapter 02 #44

Difficulty: Diff icult

Gradable: automatic

Learning Objective: 02-04 Describe how the marketing mix increases customer value

45. Which of the following terms is used in the BCG product portfolio analysis to refer to a product that has low market share in a market characterized by high growth?

(p. 50)

- A. champion
- B. star
- C. question mark
- D. dog
- E. cash cow

Blooms: Knowledge

Chapter - Chapter 02 #45

Difficulty: Easy

Gradable: automatic

Learning Objective: 02-04 Describe how the marketing mix increases customer value

46. In the BCG portfolio analysis, products that are in low-growth markets and have relatively low market shares are called:

(p. 50)

- A. slackers.
- B. stars.
- C. dogs.
- D. cash cows.
- E. question marks.

Blooms: Knowledge

Chapter - Chapter 02 #46

Difficulty: Easy

Gradable: automatic

Learning Objective: 02-04 Describe how the marketing mix increases customer value

47. Which of the following is the marketing strategy that employs the existing marketing mix and focuses a firm's efforts on existing customers?

(p. 52)

- A. product diversification
- B. market diversification
- C. market development
- D. market penetration
- E. product development

Blooms: Knowledge

Chapter - Chapter 02 #47

Difficulty: Easy

Gradable: automatic

Learning Objective: 02-05 Describe how firms grow their businesses

48. A company attempts to increase its market share by engaging in aggressive promotional activities. The company increases its spending on advertising and sales promotions. Which of the following is the strategy that the company is using?

(p. 52)

- A. product diversification
- B. market penetration
- C. market development
- D. product development
- E. market diversification

Blooms: Comprehension

Chapter - Chapter 02 #48

Difficulty: Moderate

Gradable: automatic

Learning Objective: 02-05 Describe how firms grow their businesses

49. A market penetration strategy generally requires:

(p. 52)

- A. development of a highly innovative product offering.
- B. entry to a new geographic market.
- C. lesser marketing efforts.
- D. reduced spending on advertising.
- E. intensified distribution efforts in existing markets.

Blooms: Knowledge

Chapter - Chapter 02 #49

Difficulty: Easy

Gradable: automatic

Learning Objective: 02-05 Describe how firms grow their businesses

50. Which of the following is a feature of the market penetration strategy?

(p. 52)

- A. introducing the existing products in a new market segment
- B. exploring new geographical markets
- C. introducing a new product in a new target market
- D. obtaining new customers from the existing target market
- E. introducing an innovative product in a new target market

Blooms: Knowledge

Chapter - Chapter 02 #50

Difficulty: Easy

Gradable: automatic

Learning Objective: 02-05 Describe how firms grow their businesses

51. A retail outlet offers summer discounts to its customers to increase sales. This is an example of the _____ strategy.

(p. 52)

- A. market diversification
- B. product development
- C. market development
- D. market penetration
- E. product diversification

Blooms: Application

Chapter - Chapter 02 #51

Difficulty: Difficult

Gradable: automatic

Learning Objective: 02-05 Describe how firms grow their businesses

52. Which of the following is the growth strategy that employs the existing marketing offering to reach new market segments?
(p. 52)

- A. market development
- B. product development
- C. diversification
- D. market penetration
- E. product intensification

Blooms: Knowledge

Chapter - Chapter 02 #52

Difficulty: Easy

Gradable: automatic

Learning Objective: 02-05 Describe how firms grow their businesses

53. IBF Industries Inc. is a firm that manufactures and markets kitchen appliances in Italy. The company decides to introduce its existing range of products in Germany. This scenario is an example of the _____ strategy.
(p. 52)

- A. diversification
- B. market development
- C. market penetration
- D. product development
- E. product intensification

Blooms: Application

Chapter - Chapter 02 #53

Difficulty: Difficult

Gradable: automatic

Learning Objective: 02-05 Describe how firms grow their businesses

54. Which of the following is the best example of using the market development strategy?

(p. 52)

- A. ABB Leather introduces its existing offering in a different market.
- B. Robert Technologies introduces a new product based on a modern technology.
- C. Apparo Retail announces a discount sale to increase its revenue.
- D. RSB Bank intensifies its advertising campaign to attract customers.
- E. Morko Chemicals invents a new vaccine and sells it around the globe.

Blooms: Application

Chapter - Chapter 02 #54

Difficulty: Diff icult

Gradable: automatic

Learning Objective: 02-05 Describe how firms grow their businesses

55. Which of the following statements is true of the market development strategy?

(p. 52)

- A. A new product should be created to follow the market development strategy.
- B. The strategy focuses on segments that are not served by the firm currently.
- C. The strategy has its main focus on developing extremely innovative offerings.
- D. The product prices should be high in a market development strategy.
- E. Market development tactics include rewards programs and improved store atmospherics.

Blooms: Knowledge

Chapter - Chapter 02 #55

Difficulty: Easy

Gradable: automatic

Learning Objective: 02-05 Describe how firms grow their businesses

56. Which of the following is the growth strategy that offers a new product or service to a firm's current target market?

(p. 53)

- A. product intensification
- B. diversification
- C. market penetration
- D. product development
- E. market development

Blooms: Knowledge

Chapter - Chapter 02 #56

Difficulty: Easy

Gradable: automatic

Learning Objective: 02-05 Describe how firms grow their businesses

57. Roltech Limited is an Asian telecom company that operates GSM networks in six countries across South Asia. Roltech's top managers identify that the company's growth has been idle for a few years and decide to take these steps to promote growth: (1) Increase the spending on advertising and intensify promotional activities. (2) Open telecom companies in European markets such as Germany and Britain. (3) Introduce special tariffs to attract more customers from South Asian markets. Which of the following strategies have Roltech's top managers decided to adopt?

(p. 52)

- A. market development and diversification
- B. product development and diversification
- C. market penetration and market development
- D. product intensification and product development
- E. market penetration and market diversification

Blooms: Application

Chapter - Chapter 02 #57

58. Paramount Electronics manufactures electronic measuring tools. The company invents a new type of multi-meter for electronic measurements and introduces the product to its current customers. Which of the following strategies is Paramount employing?

(p. 53)

- A. product development
- B. market development
- C. diversification
- D. market penetration
- E. product intensification

59. (p. 53) Lava Scooters manufactures electric scooters targeted at young women. The company manufactures vehicles that have engine displacement ranging from 50 to 100 cubic centimetres. Of late, many customers have been preferring scooters that are more powerful. To satisfy such customers, the company introduces a powerful bike that has 200-cubic centimetres engine displacement. Lava Scooters is using a _____ strategy.

- A. market development
- B. product development**
- C. market penetration
- D. diversification
- E. product intensification

Blooms: Application

Chapter - Chapter 02 #59

Difficulty: Difficult

Gradable: automatic

Learning Objective: 02-05 Describe how firms grow their businesses

60. (p. 53) Dorbo Inc. manufactures microprocessors. The company is known for innovation and holds more than 300 patents. The company invents a microprocessor based on nanotechnology and introduces it to its current customers. Which strategy is Dorbo using?

- A. product intensification
- B. diversification
- C. product development**
- D. market penetration
- E. market development

Blooms: Application

Chapter - Chapter 02 #60

Difficulty: Difficult

61. Which of the following is a growth strategy whereby a firm introduces a new product or service to a market segment that it does not currently serve?
(p. 53)

- A. diversification
- B. market development
- C. market penetration
- D. product intensification
- E. product development

Blooms: Knowledge

Chapter - Chapter 02 #61

Difficulty: Easy

Gradable: automatic

Learning Objective: 02-05 Describe how firms grow their businesses

62. Which of the following is a key difference between market development strategy and
(p. 52-53) diversification strategy?

- A. Diversification offers products in a new market, whereas market development involves offering a product in the existing market.
- B. Diversification occurs when a new product is offered in an existing market, whereas market development takes place when an existing product is offered in a new market.
- C. Diversification involves development of new product, whereas market development uses an existing product.
- D. Diversification involves low levels of risk, whereas market development is characterized by high levels of risk.
- E. Market development offers products in a new market, whereas diversification involves offering a product in the existing market.

Blooms: Comprehension

Chapter - Chapter 02 #62

Difficulty: Moderate

Gradable: automatic

Learning Objective: 02-05 Describe how firms grow their businesses

63. Which of the following is an example of the diversification strategy?

(p. 53)

- A. A firm introduces its current products to a new set of customers.
- B. A company markets an innovative product by using its existing network.
- C. A firm introduces a new product to a segment that is currently not served.
- D. A company exports its products to a new geographical location.
- E. A firm intensifies its marketing activities to increase the sale of its current offerings.

Blooms: Comprehension

Chapter - Chapter 02 #63

Difficulty: Moderate

64. (p. 53) RON Inc. is a company that manufactures home appliances. The company has established a wide retail network to sell its products. As part of its growth strategy, the company launches a new subsidiary that manufactures office furniture. This is an example of the _____ strategy.

- A. market development
- B. diversification
- C. market penetration
- D. product intensification
- E. product development

Blooms: Application

Chapter - Chapter 02 #64

Difficulty: Difficult

Gradable: automatic

Learning Objective: 02-05 Describe how firms grow their businesses

65. Customer excellence focuses on:

(p. 54)

- A. having a good physical location and Internet presence.
- B. carrying out effective branding and positioning.
- C. having products with high perceived value.
- D. retaining loyal buyers and excellent service.
- E. maintaining efficient operations and an excellent supply chain.

Blooms: Knowledge

Chapter - Chapter 02 #65

Difficulty: Easy

Gradable: automatic

Learning Objective: 02-05 Describe how firms grow their businesses

66. Samson Associates manufactures office furniture. The company mainly focuses on effective branding and positioning. Management believes that a good brand name alone is sufficient to attract more and more orders. This company is trying to achieve competitive advantage through _____ excellence.

(p. 54)

- A. supportive
- B. product**
- C. customer
- D. locational
- E. operational

Blooms: Application

Chapter - Chapter 02 #66

Difficulty: Diff icult

Gradable: automatic

Learning Objective: 02-05 Describe how firms grow their businesses

67. A focus on maintaining a substantial Internet presence is called _____ excellence.

(p. 54)

- A. supportive
- B. product**
- C. customer
- D. locational
- E. operational

Blooms: Knowledge

Chapter - Chapter 02 #67

Difficulty: Easy

Gradable: automatic

Learning Objective: 02-05 Describe how firms grow their businesses

68. Operational excellence is achieved by:

(p. 54)

- A. having excellent supply chain management.
- B. maintaining excellent customer service.
- C. having products with high perceived value.
- D. focusing on retaining loyal customers.
- E. having a good physical location and Internet presence.

Blooms: Knowledge

Chapter - Chapter 02 #68

Difficulty: Easy

Gradable: automatic

Learning Objective: 02-05 Describe how firms grow their businesses

69. Argos Airlines offers loyalty air miles to its regular customers. The company believes that this will build loyalty and is the most effective way of obtaining a competitive advantage. This company is focusing on _____ excellence.

(p. 56)

- A. operational
- B. product
- C. process
- D. locational
- E. customer

Blooms: Application

Chapter - Chapter 02 #69

Difficulty: Diff icult

Gradable: automatic

Learning Objective: 02-05 Describe how firms grow their businesses

70. Artech Computers is a firm that manufactures desktop computers and computer peripherals. It focuses on minimizing wastage and gives importance to efficient supply chain procedures. This firm is attempting to obtain _____ excellence.

(p. 57)

- A. product
- B. customer
- C. operational
- D. procedural
- E. locational

Blooms: Application

Chapter - Chapter 02 #70

Difficulty: Difficult

Gradable: automatic

Learning Objective: 02-05 Describe how firms grow their businesses

Arpin Stores Inc. is a wholesale food manufacturing company. The company markets packaged food products across Canada. The company appoints an external agency to perform a SWOT analysis of the company.

Chapter - Chapter 02

71. Which of the following conclusions, if made by the external agency, will indicate the company's strength?
(p. 41)

- A. The market potential for packaged goods is high in Canada.
- B. Economic slowdowns do not have a significant impact in the wholesale food industry.
- C. The company has exclusive market reach in the packaged food industry.
- D. One of Arpin Stores' major competitors has recently gone bankrupt.
- E. Congress recently passed a bill to subsidize wholesale food manufacturers.

Blooms: Application

Chapter - Chapter 02 #71

Difficulty: Difficult

Gradable: automatic

Learning Objective: 02-02 Conduct a SWOT analysis and explain its use in marketing planning

72. Which of the following conclusions, if made by the external agency, will indicate the company's weakness?
(p. 41)

- A. The company incurs high transportation costs as its manufacturing facility is at a remote place.
- B. Many new players have entered the wholesale food industry in recent times.
- C. An economic downturn has increased people's liking for organic products.
- D. A food poisoning disaster that occurred recently has lowered people's preference for packaged foods.
- E. The company must buy new machinery to remain competitive in the market.

Blooms: Application

Chapter - Chapter 02 #72

Difficulty: Difficult

Gradable: automatic

Learning Objective: 02-02 Conduct a SWOT analysis and explain its use in marketing planning

73. Which of the following conclusions, if made by the external agency, will present the company with an opportunity?
(p. 41)

- A. The company has exclusive market reach in the packaged food industry.
- B. One of Arpin Stores' major competitors has recently gone bankrupt.
- C. The company owns the largest food manufacturing facility in Canada.
- D. The company owns many brands that are well-known in Canada.
- E. Arpin Stores has a stronger marketing department compared to its competitors.

Blooms: Application

Chapter - Chapter 02 #73

Difficulty: Difficult

Gradable: automatic

Learning Objective: 02-02 Conduct a SWOT analysis and explain its use in marketing planning

74. Which of the following conclusions, if made by the external agency, will indicate that the company is facing a threat?
(p. 41)

- A. The company incurs high transportation costs as its manufacturing facility is at a remote place.
- B. One of Arpin Stores' major competitors has recently gone bankrupt.
- C. Many of the company's employees lack interpersonal skills.
- D. A recent regulation has increased the tax rates for packaged food products.
- E. Arpin Stores has a weaker marketing department compared to its competitors.

Blooms: Application

Chapter - Chapter 02 #74

Difficulty: Difficult

Gradable: automatic

Learning Objective: 02-02 Conduct a SWOT analysis and explain its use in marketing planning

Capricus Leathers is a European company that manufactures leather apparel and accessories. The company sells two products in Spain, Product A and Product B. Both the products serve in a low-growth market. Product A has significant market share in the market, whereas Product B has less than 1-percent market share.

Chapter - Chapter 02

75. According to the BCG matrix, Product A is called a:

(p. 50)

- A. question mark.
- B.** cash cow.
- C. star.
- D. dog.
- E. champion.

Blooms: Application

Chapter - Chapter 02 #75

Difficulty: Diff icult

Gradable: automatic

Learning Objective: 02-04 Describe how the marketing mix increases customer value

76. According to the BCG matrix, Product B is called a:

(p. 50)

- A. cash cow.
- B. star.
- C.** dog.
- D. champion.
- E. question mark.

Blooms: Application

Chapter - Chapter 02 #76

Difficulty: Diff icult

77. Which of the following observations of Product A is likely to be true?

(p. 50)

- A. The product will require heavy resource investments to survive in the market.
- B. The product has the opportunity to become a star in the market.
- C. The product will experience rapid growth for a few years.
- D. The product is not likely to be profitable for the company in the near future.
- E. The product has already received heavy investments to develop its market share.

Blooms: Comprehension

Chapter - Chapter 02 #77

Difficulty: Moderate

Gradable: automatic

Learning Objective: 02-04 Describe how the marketing mix increases customer value

78. Which of the following is a suitable course of action that the company should initiate?

(p. 51)

- A. The company should make a heavy resource investment to rescue Product B.
- B. The company should open new production facilities to fuel growth of Product B.
- C. The company should withdraw both the products and introduce a new brand in the market.
- D. The company should increase the production of both the products to gain more market share.
- E. The company should phase out Product B if it is not needed to complement Product A.

Blooms: Application

Chapter - Chapter 02 #78

Difficulty: Difficult

Gradable: automatic

Learning Objective: 02-04 Describe how the marketing mix increases customer value

Sabot Manufacturing is a firm that manufactures surgical equipment. The firm sells its products to various hospitals and health centres across Canada. The firm has adopted lean manufacturing techniques to minimize wastage in its production process. The company is known for the quality of its products and its efficient supply chain activities.

Chapter - Chapter 02

79. Which of the following overarching strategies are evident from the available description of
(p. 57-58) Sabot Manufacturing?

- A. operational excellence and product excellence
- B. product excellence and customer excellence
- C. customer excellence and positional excellence
- D. locational excellence and operational excellence
- E. positional excellence and customer excellence

Blooms: Application

Chapter - Chapter 02 #79

Difficulty: Diff icult

Gradable: automatic

Learning Objective: 02-05 Describe how firms grow their businesses

80. Sabort Manufacturing sells its products by using a wide variety of channels, including the Internet. This gives the firm _____ excellence.

(p. 59)

- A. product
- B. customer
- C. operational
- D. procedural
- E. locational

Blooms: Application

Chapter - Chapter 02 #80

Difficulty: Diff icult

Gradable: automatic

Learning Objective: 02-05 Describe how firms grow their businesses

Levels of Planning	Scope	Duration	Strategic Focus
Corporate planning	Entire firm	Long-term (5 years)	Define the company's mission, set company's goals, and establish the business portfolio
Strategic business unit (SBU)/Division planning (applies only to large firms with more than one distinct line of business)	Single SBU within the firm	Medium to long-term (3 to 5 years)	Set goals and establish portfolio of products and markets for the business unit
Functional planning (e.g., marketing planning)	Product portfolio, single product, brand or market	Short-term to medium term (1 to 3 years)	Develop marketing plans for specific products, brands, or markets

Chapter - Chapter 02

81. Developing a marketing plan for a specific brand is an example of _____ planning.

(p. 38)

- A. SBU level
- B. functional
- C. divisional
- D. long-term
- E. corporate

Blooms: Knowledge

Chapter - Chapter 02 #81

Difficulty: Easy

Gradable: automatic

Learning Objective: 02-01 Describe how a firm develops and implements a marketing plan

82. Setting a company's goals and establishing the business portfolio is an example of _____ planning.

(p. 38)

- A. divisional
- B. marketing
- C. corporate
- D. SBU level
- E. functional

Blooms: Knowledge

Chapter - Chapter 02 #82

Difficulty: Easy

Gradable: automatic

Learning Objective: 02-01 Describe how a firm develops and implements a marketing plan

83. Which of the following is a valid observation of strategic business unit (SBU) planning?

(p. 38)

- A. It involves establishing a portfolio of products for the whole corporation.
- B. It involves medium to long-term planning activities.
- C. It applies to small firms with a single business unit.
- D. It refers to developing marketing plans for a specific brand.
- E. Its strategic focus is on defining a company's mission.

Blooms: Comprehension

Chapter - Chapter 02 #83

Difficulty: Moderate

Gradable: automatic

Learning Objective: 02-01 Describe how a firm develops and implements a marketing plan

Environment	Evaluation	
	Positive	Negative
Internal	Strengths	Weaknesses
External	Opportunities	Threats

Chapter - Chapter 02

84. Which of the following is a strength for a fast-food chain?

(p. 41)

- A. a healthy economy
- B. a favourable regulatory change
- C. wide distribution networks
- D. exit of a major competitor
- E. changes in demographic patterns

Blooms: Application

Chapter - Chapter 02 #84

Difficulty: Difficult

Gradable: automatic

Learning Objective: 02-02 Conduct a SWOT analysis and explain its use in marketing planning

85. Which of the following is considered a threat to an organization?

(p. 41)

- A. little brand recognition among customers
- B. lack of technical talent within the organization
- C. lack of financial resources
- D. a narrow customer base
- E. a new technology invented by a competitor

Blooms: Comprehension

Chapter - Chapter 02 #85

Difficulty: Moderate

Gradable: automatic

Learning Objective: 02-02 Conduct a SWOT analysis and explain its use in marketing planning

86. Which of the following is a weakness for an organization?

(p. 41)

- A. changes in demographic trends
- B. a recession or economic downturn
- C. an unfavourable political development
- D. a new technology invented by a competitor
- E. lack of financial resources

Blooms: Comprehension

Chapter - Chapter 02 #86

Difficulty: Moderate

Gradable: automatic

Learning Objective: 02-02 Conduct a SWOT analysis and explain its use in marketing planning

Assume this exhibit shows the market segmentation of Hertz.

	Segment 1	Segment 2	Segment 3	Segment 4	Segment 5
Segments	Single people and couples who want to have a bit of fun	Business customers and families who prefer a luxurious ride	Environmentally conscious customers	Families	Commercial customers
	Fun Collection	Prestige Collection	Green Collection	SUV/minivan & crossover	Commercial Van/Truck
Cars Offered	Corvette ZHZ	Infiniti QX56	Toyota Prius	Toyota Rav 4	Ford Cargo Van
	Chevrolet Camaro	Cadillac Escalade	Ford Fusion	Ford Explorer	

Chapter - Chapter 02

87. Arthur wants to rent a car for a family of six people. Which model is Hertz most likely to recommend to him?

(p. 43)

- A. Corvette ZHZ
- B. Ford Cargo Van
- C. Toyota Prius
- D. Ford Explorer
- E. Chevrolet Camaro

Blooms: Application

Chapter - Chapter 02 #87

Difficulty: Difficult

Gradable: automatic

Learning Objective: 02-03 Explain how a firm chooses what group(s) of people to pursue with its marketing efforts

88. Which car model is a customer likely to rent from Hertz for commercial purposes?

(p. 43)

- A. Corvette ZHZ
- B. Chevrolet Camaro
- C. Toyota Prius
- D. Ford Fusion
- E. Ford Cargo Van

Blooms: Knowledge

Chapter - Chapter 02 #88

Difficulty: Easy

Gradable: automatic

Learning Objective: 02-03 Explain how a firm chooses what group(s) of people to pursue with its marketing efforts

89. Which car model is Hertz most likely to recommend to an environmentally conscious customer?

(p. 43)

- A. Chevrolet Camaro
- B. Corvette ZHZ
- C. Ford Cargo Van
- D. Toyota Rav 4
- E. Ford Fusion

Blooms: Knowledge

Chapter - Chapter 02 #89

Difficulty: Easy

Gradable: automatic

Learning Objective: 02-03 Explain how a firm chooses what group(s) of people to pursue with its marketing efforts

90. Cadillac Escalade is a car model that Hertz targets to rent to:

(p. 43)

- A. single people who want to have fun.
- B. environmentally conscious customers.
- C. commercial customers.
- D. families who prefer a luxurious ride.
- E. couples who want to have a bit of fun.

Blooms: Comprehension

Chapter - Chapter 02 #90

Difficulty: Moderate

Gradable: automatic

Learning Objective: 02-03 Explain how a firm chooses what group(s) of people to pursue with its marketing efforts

91. Nonprofit organizations state objectives and form mission statements.

(p. 39)

TRUE

Blooms: Knowledge

Chapter - Chapter 02 #91

Difficulty: Easy

Gradable: automatic

Learning Objective: 02-01 Describe how a firm develops and implements a marketing plan

92. Lack of financial resources is an example of a threat that a company is facing.

(p. 41)

FALSE

Blooms: Comprehension

Chapter - Chapter 02 #92

Difficulty: Moderate

Gradable: automatic

Learning Objective: 02-02 Conduct a SWOT analysis and explain its use in marketing planning

93. A company has access to many proprietary technologies. This is an example of the company's strength.
(p. 41)

TRUE

Blooms: Comprehension

Chapter - Chapter 02 #93

Difficulty: Moderate

Gradable: automatic

Learning Objective: 02-02 Conduct a SWOT analysis and explain its use in marketing planning

94. A company sells its product through the Internet and hence is able to access a wide range of customers. This statement is indicative of the company's strength.
(p. 41)

TRUE

Blooms: Comprehension

Chapter - Chapter 02 #94

Difficulty: Moderate

Gradable: automatic

Learning Objective: 02-02 Conduct a SWOT analysis and explain its use in marketing planning

95. Targeting is the process of selecting a segment to pursue as a market.
(p. 43)

TRUE

Blooms: Comprehension

Chapter - Chapter 02 #95

Difficulty: Moderate

Gradable: automatic

Learning Objective: 02-03 Explain how a firm chooses what group(s) of people to pursue with its marketing efforts

96. Promotion constitutes the first of the four Ps and is associated with value creation.
(p. 44)

FALSE

Blooms: Comprehension

97. Advertising campaigns by businesses is an example of promotion.

(p. 45)

TRUE

Blooms: Comprehension

Chapter - Chapter 02 #97

Difficulty: Moderate

Gradable: automatic

Learning Objective: 02-04 Describe how the marketing mix increases customer value

98. Actual strategic planning is a sequential process.

(p. 49)

FALSE

Blooms: Knowledge

Chapter - Chapter 02 #98

Difficulty: Easy

Gradable: automatic

Learning Objective: 02-04 Describe how the marketing mix increases customer value

99. A group of dissimilar products that are manufactured by the same organization is known as a product line.

(p. 50)

FALSE

Blooms: Comprehension

Chapter - Chapter 02 #99

Difficulty: Moderate

Gradable: automatic

Learning Objective: 02-04 Describe how the marketing mix increases customer value

100. A product with low market share that competes in a high-growth market is called a dog.

(p. 50)

FALSE

Blooms: Comprehension

Chapter - Chapter 02 #100

Difficulty: Moderate

Gradable: automatic

Learning Objective: 02-04 Describe how the marketing mix increases customer value

101. Market penetration refers to introducing a new product in a new market.

(p. 52)

FALSE

Blooms: Knowledge

Chapter - Chapter 02 #101

Difficulty: Easy

Gradable: automatic

Learning Objective: 02-05 Describe how firms grow their businesses

102. Market development strategy employs the existing marketing mix and focuses the firm's efforts on existing customers.

(p. 52)

FALSE

Blooms: Knowledge

Chapter - Chapter 02 #102

Difficulty: Easy

Gradable: automatic

Learning Objective: 02-05 Describe how firms grow their businesses

103. Operational excellence is achieved mostly by producing high-quality products.

(p. 54)

FALSE

Blooms: Comprehension

Chapter - Chapter 02 #103

Difficulty: Moderate

Gradable: automatic

Learning Objective: 02-05 Describe how firms grow their businesses

104. Organizations achieve sustainable competitive advantage through operational excellence.

(p. 57)

TRUE

Blooms: Knowledge

Chapter - Chapter 02 #104

Difficulty: Easy

Gradable: automatic

Learning Objective: 02-05 Describe how firms grow their businesses

105. Product excellence occurs by having offerings with high perceived value and effective branding and positioning.

(p. 58)

TRUE

Blooms: Knowledge

Chapter - Chapter 02 #105

Difficulty: Easy

Gradable: automatic

Learning Objective: 02-05 Describe how firms grow their businesses

106. Explain situation analysis.

(p. 39-40)

After developing its mission, a firm must perform a situation analysis, using a SWOT analysis that assesses both the internal environment with regard to its strengths and weaknesses (internal analysis) and the external environment in terms of its opportunities and threats (external analysis). Situation analysis also includes an examination of market trends, customer analysis, and competitive analysis. Additionally, the firms should assess the opportunities and uncertainties of the marketplace caused by changes in cultural, demographic, social, technological, economic, and political forces.

Blooms: Comprehension

Chapter - Chapter 02 #106

Difficulty: Moderate

Gradable: manual

Learning Objective: 02-02 Conduct a SWOT analysis and explain its use in marketing planning

107. Compare and contrast strengths and opportunities that apply to businesses.

(p. 40-41)

Strengths are positive attributes that are internal to businesses. Businesses can control strengths. Opportunities are external to businesses, and businesses cannot control them. A superior product is a strength, whereas a conducive market is an opportunity.

Blooms: Comprehension

Chapter - Chapter 02 #107

Difficulty: Moderate

Gradable: manual

Learning Objective: 02-02 Conduct a SWOT analysis and explain its use in marketing planning

108. What is a market segment?

(p. 42)

A market segment is a group of consumers who respond similarly to a firm's marketing efforts.

Blooms: Knowledge

Chapter - Chapter 02 #108

Difficulty: Easy

Gradable: manual

Learning Objective: 02-03 Explain how a firm chooses what group(s) of people to pursue with its marketing efforts

109. Explain target marketing and provide an example of it.

(p. 43)

Target marketing is the process of evaluating the attractiveness of various segments and then deciding which to pursue as a market. For example, Disney realizes that the Magic Kingdom's primary appeal is to young families, so the bulk of its marketing efforts for this business are directed toward that group. Students' examples will vary.

Blooms: Comprehension

Chapter - Chapter 02 #109

Difficulty: Moderate

Gradable: manual

Learning Objective: 02-03 Explain how a firm chooses what group(s) of people to pursue with its marketing efforts

110. What is market positioning?

(p. 44)

Market positioning involves the process of defining the marketing mix variables so that target customers have a clear, distinct, desirable understanding of what the product does or represents in comparison with competing products.

Blooms: Knowledge

Chapter - Chapter 02 #110

Difficulty: Easy

Gradable: manual

Learning Objective: 02-03 Explain how a firm chooses what group(s) of people to pursue with its marketing efforts

111. Briefly explain the final step in the marketing planning process.

(p. 47)

The final step in the planning process includes evaluating the results of the strategy and implementation program by using marketing metrics. Metrics are used to explain why things happened and to project the future. They make it possible to compare results across regions, business units, product lines, and time periods.

Blooms: Comprehension

Chapter - Chapter 02 #111

Difficulty: Moderate

Gradable: manual

Learning Objective: 02-04 Describe how the marketing mix increases customer value

112. List a few financial performance metrics that an organization commonly uses.

(p. 48)

Some commonly used metrics to assess performance include revenues, or sales, and profits.

Blooms: Knowledge

Chapter - Chapter 02 #112

Difficulty: Easy

Gradable: manual

Learning Objective: 02-04 Describe how the marketing mix increases customer value

113. Explain portfolio analysis.

(p. 49-50)

In portfolio analysis, management evaluates the firm's portfolio and allocates resources according to which products are expected to be the most profitable for the firm in the future. Portfolio analysis is typically performed at the strategic business unit (SBU) or product line level of the firm, though managers can also use it to analyze brands or even individual items. An SBU is a division of the company that can be managed somewhat independently from other divisions since it markets a specific set of products to a clearly defined group of customers.

Blooms: Comprehension

Chapter - Chapter 02 #113

Difficulty: Moderate

Gradable: manual

Learning Objective: 02-04 Describe how the marketing mix increases customer value

114. Differentiate between relative market share and market growth rate.

(p. 50)

Relative market share is a measure of the product's strength in a particular market, defined as the sales of the focal product divided by the sales achieved by the largest firm in the industry. Market growth rate is the annual rate of growth of the specific market in which the product competes. Market growth rate is a measure of the industry, whereas relative market share is a measure of the product's strength in a particular market.

Blooms: Comprehension

Chapter - Chapter 02 #114

Difficulty: Moderate

Gradable: manual

Learning Objective: 02-04 Describe how the marketing mix increases customer value

115. Describe the four overarching strategies that focus on aspects of the marketing mix to create and deliver value and to develop sustainable competitive advantages.

(p. 54)

The four overarching strategies are the following:

- *Customer excellence*: Focuses on retaining loyal customers and excellent customer service
- *Operational excellence*: Achieved through efficient operations and excellent supply chain and human resource management
- *Product excellence*: Having products with high perceived value and effective branding and positioning
- *Locational excellence*: Having a good physical location and Internet presence

Blooms: Knowledge

Chapter - Chapter 02 #115

Difficulty: Easy

Gradable: manual

116. Explain the three types of strategic planning that occurs in corporations.

(p. 37-38)

Strategic planning in most organizations occurs on at least two levels, the corporate level and the functional level. Corporate level planning is done by the company's top management and focuses on the overall direction of the entire company. It focuses on the long-term direction of the company. Generally, large corporations have various business functions such as human resources, research and development, finance, manufacturing, and marketing. Each of these functions usually undertakes some form of planning. This is referred to as functional planning.

In addition to corporate and functional level strategic planning, large companies that operate several business lines may see each of their strategic business units (SBUs) develop strategic plans for their products and the markets they serve. An SBU is a division of the company that can be managed somewhat independently from other divisions since it markets a specific set of products to a clearly defined group of customers.

Blooms: Comprehension

Chapter - Chapter 02 #116

Difficulty: Moderate

Gradable: manual

Learning Objective: 02-01 Describe how a firm develops and implements a marketing plan

117. Explain the various steps involved in developing a marketing plan.

(p. 39-48)

There are five steps in developing a marketing plan.

- *Step 1, Define the Business Mission and Objectives:* The mission statement, a broad description of a firm's objectives and the scope of activities it plans to undertake, attempts to answer two main questions: What type of business are we? and What do we need to do to accomplish our goals and objectives? These fundamental business issues must be answered at the highest corporate levels before marketing executives can get involved.
- *Step 2, Conduct a Situation Analysis:* After developing its mission, a firm next must perform a situation analysis, using a SWOT analysis that assesses both the internal environment with regard to its strengths and weaknesses (internal analysis) and the external environment in terms of its opportunities and threats (external analysis). Situation analysis also includes an examination of market trends, customer analysis, and competitive analysis.
- *Step 3, Identify and Evaluate Opportunities by Using STP (Segmentation, Targeting, and Positioning):* After completing the situation analysis, the next step is to identify and evaluate opportunities for increasing sales and profits by using STP. With STP, the firm must first understand customer needs and wants through market research, then divide the market or customers into distinct subgroups or segments, determine which of those segments it should pursue or target, and finally decide how it should position its products and services to best meet the needs of those chosen targets.
- *Step 4, Implement Marketing Mix and Allocate Resources:* When the firm has identified and evaluated different growth opportunities by performing an STP analysis, the real action begins. The company has decided what to do, how to do it, and how many resources the firm should allocate to it. In the fourth step of the planning process, marketers implement the marketing mix—product, price, promotion, and place—for each product and service on the basis of what

it believes its target markets will value. At the same time, it makes important decisions about how it will allocate its scarce resources to its various products and services. Each element of the four Ps must be fully integrated to achieve a coherent strategy.

- *Step 5, Evaluate Performance by Using Marketing Metrics.* The final step in the planning process includes evaluating the results of the strategy and implementation program by using marketing metrics. A metric is a measuring system that quantifies a trend, dynamic, or characteristic. Metrics are used to explain why things happened and to project the future. They make it possible to compare results across regions, business units, product lines, and time periods. The firm can determine why it achieved or did not achieve its performance goals with the help of these metrics.

Blooms: Comprehension

Chapter - Chapter 02 #117

Difficulty: Moderate

Gradable: manual

Learning Objective: 02-01 Describe how a firm develops and implements a marketing plan

118. Choose a company of your choice and conduct a detailed SWOT analysis of the company.

(p. 40)

A SWOT analysis is designed to help the firm determine areas in which it is strong and can compete effectively and areas where it is weak and vulnerable to competitive attacks. A SWOT analysis assesses the internal environment with regard to its strengths and weaknesses (internal analysis) and the external environment in terms of its opportunities and threats (external analysis). Students should select a firm and analyze its strengths, weaknesses, opportunities, and threats. Student answers will vary.

Blooms: Application

Chapter - Chapter 02 #118

Difficulty: Difficult

Gradable: manual

119. Briefly explain the four Ps of marketing.

(p. 44-45)

The four Ps are as follows:

- *Product*: Products, which include services, constitute the first of the four Ps. Because the key to the success of any marketing program is the creation of value, firms attempt to develop products and services that customers perceive as valuable enough to buy.
- *Price*: The second element of the marketing mix is price. As part of the exchange process, a firm provides a product or a service, or some combination thereof, and in return it receives money. Value-based marketing requires that firms charge a price that customers perceive as giving them good value for the products and services they receive.
- *Place*: For the third P, place, the firm must be able to, after it has created value through a product and/or service, make the product or service readily accessible when and where the customer wants it.
- *Promotion*: The fourth P of the marketing mix is promotion. Marketers communicate the value of their offering, or the value proposition, to their customers through a variety of media, including TV, radio, magazines, buses, trains, blimps, sales promotion, publicity, the sales force, and the Internet.

Blooms: Comprehension

Chapter - Chapter 02 #119

Difficulty: Moderate

Gradable: manual

Learning Objective: 02-04 Describe how the marketing mix increases customer value

120. Explain the four major growth strategies that organizations adopt.

(p. 51-53)

Students might draw the diagram given in Exhibit 2.9.

A market penetration strategy employs the existing marketing mix and focuses the firm's efforts on existing customers. Such a growth strategy might be achieved by encouraging current customers to patronize the firm more often or buy more merchandise on each visit or by attracting new consumers from within the firm's existing target market.

A market development strategy employs the existing marketing offering to reach new market segments, whether domestic or international or segments not currently served by the firm.

The third growth strategy option, a product development strategy, offers a new product or service to a firm's current target market.

A diversification strategy, the last of the growth strategies from Exhibit 2.9, introduces a new product or service to a market segment that is currently not served.

Blooms: Comprehension

Chapter - Chapter 02 #120

Difficulty: Moderate

Gradable: manual

Learning Objective: 02-05 Describe how firms grow their businesses

c2 Summary

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