

c1

Student: _____

1. Which level of strategy provides direction on the company's mission, the kinds of businesses it should be in and its growth policies?

- A. business-level strategy
- B. corporate strategy
- C. marketing strategy
- D. service strategy

2. What component of strategy involves detailing the desired levels of accomplishment on one or more performance dimension over specified time periods for the organisation as a whole?

- A. scope of an organisation
- B. resource deployments
- C. identifying a sustainable competitive advantage
- D. goals and objectives of an organisation

3. What question needs to be specifically addressed while developing a business strategy?

- A. What business are we in?
- B. What business should we be in?
- C. What portion of our total resources should we devote to each business to achieve overall goals and objectives?
- D. What distinctive competencies can give the business unit a competitive advantage?

4. What is the primary focus of marketing strategy?

- A. decisions about the organisation's scope and resource deployments across divisions
- B. effective allocation and coordination of resources to meet organisational objectives within a specific product-market
- C. addressing which competitive advantage best matches the needs and wants of the customers in the target segment
- D. how a business unit competes within its industry

5. Which of the following falls within the scope of corporate strategy?

- A. target market definition
- B. vertical integration
- C. branding policies
- D. line extension

6. Which observation concerning market-oriented firms is incorrect?
- A. They are characterised by a consistent focus on customers' needs by personnel in all departments.
 - B. They adapt product offerings to the special needs of different target markets.
 - C. They are slower and less willing to adapt products and functional programs to fit environmental changes.
 - D. They adopt a variety of organisational procedures to improve the responsiveness of decision-making.
7. Why are early entrants into newly emerging industries, particularly industries based on new technologies, especially likely to be internally focused and not very market-oriented?
- A. strong competition during the formative years
 - B. rapid growth in demand for the new product
 - C. customer demand less than available supply
 - D. resource constraints rarely an immediate threat to survival
8. The tendency for firms to automatically continue strategies that were successful in the past, even though current market conditions are changing, is referred to as:
- A. marketing myopia
 - B. strategic inertia
 - C. cognitive dissonance
 - D. law of probability
9. Product-oriented firms:
- A. are primarily concerned with the marketing concept
 - B. are likely to be internally focused
 - C. have broad product lines
 - D. consider credit a customer service
10. Which of the following approaches characterises a production-oriented organisation?
- A. pricing based on perceived benefits provided
 - B. applying new technology to satisfy customer needs
 - C. company makes what can be sold
 - D. primary focus on functional performance and cost
11. What characterises a market-oriented organisation?
- A. narrow product lines
 - B. packaging designed for customer convenience
 - C. technical research and focus on cost cutting in the production process
 - D. emphasis on product features, quality and price

12. Dell attempted to maintain its long-standing low-cost position by reducing the number of technicians in its customer call centres. As a result, an increasing number of customers spent 30 minutes or more on hold before they found a technician to solve their problem. This affected Dell's customer satisfaction rating in the United States and its sales and profit growth stagnated. This scenario highlights:

- A. the increased importance of service
- B. strategic inertia
- C. the company's market-orientation focus
- D. the impact of information technology

13. Identify the incorrect statement concerning services.

- A. Services are the fastest-growing sector of developed economies.
- B. Good services improve customer loyalty over the long term.
- C. The intangible nature of services creates unique challenges for marketers.
- D. Efficient services are always tied to a physical product.

14. E-tailers such as Amazon and iTunes are examples of firms in this e-commerce category:

- A. Business-to-business
- B. consumer-to-business
- C. business-to-consumer
- D. consumer-to-consumer

15. Marketers have identified 4Cs critical to a good strategic marketing plan. Which of the following is not one among them?

- A. company
- B. context
- C. contacts
- D. customers

16. A distinct subset of people with similar needs, circumstances and characteristics that lead them to respond in a similar way to a particular product or service offering is known as a:

- A. market segment
- B. target market
- C. penetrated market
- D. marketing mix

17. Which of the following is considered an important tool for communicating and coordinating expectations and responsibilities throughout the firm?

- A. value statement
- B. written marketing plan
- C. detailed market analysis
- D. positioning statement

18. Research indicates that the general influence of marketing managers on higher-level strategic decisions has:

- A. remained negligible in comparison to managers from other departments such as finance and operations
- B. been welcomed by governments as a move toward greater market efficiency
- C. increased significantly in recent years and is particularly noticeable in countries like the US
- D. increased significantly in recent years and is particularly noticeable in countries like Germany

19. The marketing concept was originally developed by:

- A. Motorola
- B. Philip Kotler
- C. The American Marketing Association
- D. General Electric

20. Changes in the environment that are rapidly altering the way marketing strategies are planned include the following:

- A. globalisation and Americanisation
- B. globalisation and information technology
- C. globalisation and terrorism
- D. globalisation and the ageing workforce

21. What is the primary focus of marketing-level strategies? What critical issues do they focus on?

22. What is a marketing plan? Explain its importance.

23. The five components of strategy are scope, goals and objectives, resource deployments, identification of a sustainable competitive advantage and systems.

True False

24. The primary strategic responsibility of any manager is to continuously monitor the performance of market competitors.

True False

25. Spending more on selling efforts usually creates a sustainable competitive advantage.

True False

26. Planning and executing a marketing strategy involves many interrelated decisions about what to do, when to do it and how.

True False

27. When analysing available market opportunities, managers must always consider price as being the key attribute for positioning a product or service in the minds of customers in the target market segment.

True False

28. When Eric Kim joined the global marketing team at Samsung, he quickly recognised the importance of service training for all employees and initiated a process of total quality management, whereby all departments received extensive training in quality assurance.

True False

29. Current trends indicate that in the future, the most important task for strategic marketing is the creation of effective advertising and promotion campaigns to reach customers in global markets.

True False

c1 Key

1. (p. 4) Which level of strategy provides direction on the company's mission, the kinds of businesses it should be in and its growth policies?
- A. business-level strategy
 - B.** corporate strategy
 - C. marketing strategy
 - D. service strategy

Difficulty: Easy
Walker - Chapter 01 #1

2. (p. 6) What component of strategy involves detailing the desired levels of accomplishment on one or more performance dimension over specified time periods for the organisation as a whole?
- A. scope of an organisation
 - B. resource deployments
 - C. identifying a sustainable competitive advantage
 - D.** goals and objectives of an organisation

Difficulty: Medium
Walker - Chapter 01 #2

3. (p. 8) What question needs to be specifically addressed while developing a business strategy?
- A. What business are we in?
 - B. What business should we be in?
 - C. What portion of our total resources should we devote to each business to achieve overall goals and objectives?
 - D.** What distinctive competencies can give the business unit a competitive advantage?

Difficulty: Hard
Walker - Chapter 01 #3

4. (p. 9) What is the primary focus of marketing strategy?

- A. decisions about the organisation's scope and resource deployments across divisions
- B.** effective allocation and coordination of resources to meet organisational objectives within a specific product-market
- C. addressing which competitive advantage best matches the needs and wants of the customers in the target segment
- D. how a business unit competes within its industry

Difficulty: Medium
Walker - Chapter 01 #4

5. (p. 7 (Exhibit 1.2)) Which of the following falls within the scope of corporate strategy?

- A. target market definition
- B.** vertical integration
- C. branding policies
- D. line extension

Difficulty: Medium
Walker - Chapter 01 #5

6. (p. 11) Which observation concerning market-oriented firms is incorrect?

- A. They are characterised by a consistent focus on customers' needs by personnel in all departments.
- B. They adapt product offerings to the special needs of different target markets.
- C.** They are slower and less willing to adapt products and functional programs to fit environmental changes.
- D. They adopt a variety of organisational procedures to improve the responsiveness of decision-making.

Difficulty: Medium
Walker - Chapter 01 #6

7. (p. 14) Why are early entrants into newly emerging industries, particularly industries based on new technologies, especially likely to be internally focused and not very market-oriented?

- A. strong competition during the formative years
- B.** rapid growth in demand for the new product
- C. customer demand less than available supply
- D. resource constraints rarely an immediate threat to survival

Difficulty: Hard
Walker - Chapter 01 #7

8. (p. 16) The tendency for firms to automatically continue strategies that were successful in the past, even though current market conditions are changing, is referred to as:

- A. marketing myopia
- B. strategic inertia**
- C. cognitive dissonance
- D. law of probability

Difficulty: Medium
Walker - Chapter 01 #8

9. (p. 14) Product-oriented firms:

- A. are primarily concerned with the marketing concept
- B. are likely to be internally focused**
- C. have broad product lines
- D. consider credit a customer service

Difficulty: Medium
Walker - Chapter 01 #9

10. (p. 15) Which of the following approaches characterises a production-oriented organisation?

- A. pricing based on perceived benefits provided
- B. applying new technology to satisfy customer needs
- C. company makes what can be sold
- D. primary focus on functional performance and cost**

Difficulty: Medium
Walker - Chapter 01 #10

11. (p. 15) What characterises a market-oriented organisation?

- A. narrow product lines
- B. packaging designed for customer convenience**
- C. technical research and focus on cost cutting in the production process
- D. emphasis on product features, quality and price

Difficulty: Medium
Walker - Chapter 01 #11

12. (p. 17) Dell attempted to maintain its long-standing low-cost position by reducing the number of technicians in its customer call centres. As a result, an increasing number of customers spent 30 minutes or more on hold before they found a technician to solve their problem. This affected Dell's customer satisfaction rating in the United States and its sales and profit growth stagnated. This scenario highlights:

- A.** the increased importance of service
- B. strategic inertia
- C. the company's market-orientation focus
- D. the impact of information technology

Difficulty: Easy
Walker - Chapter 01 #12

13. (p. 17) Identify the incorrect statement concerning services.

- A. Services are the fastest-growing sector of developed economies.
- B. Good services improve customer loyalty over the long term.
- C. The intangible nature of services creates unique challenges for marketers.
- D.** Efficient services are always tied to a physical product.

Difficulty: Medium
Walker - Chapter 01 #13

14. (p. 18) E-tailers such as Amazon and iTunes are examples of firms in this e-commerce category:

- A. Business-to-business
- B. consumer-to-business
- C.** business-to-consumer
- D. consumer-to-consumer

Difficulty: Easy
Walker - Chapter 01 #14

15. (p. 21) Marketers have identified 4Cs critical to a good strategic marketing plan. Which of the following is not one among them?

- A. company
- B. context
- C.** contacts
- D. customers

Difficulty: Medium
Walker - Chapter 01 #15

16. (p. 22) A distinct subset of people with similar needs, circumstances and characteristics that lead them to respond in a similar way to a particular product or service offering is known as a:

- A.** market segment
- B. target market
- C. penetrated market
- D. marketing mix

Difficulty: Easy
Walker - Chapter 01 #16

17. (p. 23) Which of the following is considered an important tool for communicating and coordinating expectations and responsibilities throughout the firm?

- A. value statement
- B.** written marketing plan
- C. detailed market analysis
- D. positioning statement

Difficulty: Easy
Walker - Chapter 01 #17

18. (p. 9) Research indicates that the general influence of marketing managers on higher-level strategic decisions has:

- A. remained negligible in comparison to managers from other departments such as finance and operations
- B. been welcomed by governments as a move toward greater market efficiency
- C.** increased significantly in recent years and is particularly noticeable in countries like the US
- D. increased significantly in recent years and is particularly noticeable in countries like Germany

Difficulty: Medium
Walker - Chapter 01 #18

19. (p. 11) The marketing concept was originally developed by:

- A. Motorola
- B. Philip Kotler
- C. The American Marketing Association
- D.** General Electric

Difficulty: Medium
Walker - Chapter 01 #19

20. (p. 16) Changes in the environment that are rapidly altering the way marketing strategies are planned include the following:

- A. globalisation and Americanisation
- B. globalisation and information technology**
- C. globalisation and terrorism
- D. globalisation and the ageing workforce

Difficulty: Easy
Walker - Chapter 01 #20

21. (p. 9) What is the primary focus of marketing-level strategies? What critical issues do they focus on?

The primary focus of marketing strategy is to effectively allocate and coordinate marketing resources and activities to accomplish the firm's objectives within a specific product-market. Thus, the critical issue concerning the scope of a marketing strategy is specifying the target market(s) for a particular product or product line. Firms then seek competitive advantage and synergy through a well-integrated program of marketing mix elements (primarily the 4Ps of product, price, place, promotion) tailored to the needs and wants of potential customers in that target market.

Difficulty: Hard
Walker - Chapter 01 #21

22. (p. 23) What is a marketing plan? Explain its importance.

A marketing plan is a written document detailing current situation concerning customers, competitors and the external environment; providing guidelines for objectives, marketing actions and resource allocations over the planning period for either an existing or a proposed product or service. It is important because it provides a concrete history of a product's strategies and performance over time, aiding institutional memory and educating new managers. It is an important tool for communicating and coordinating expectations and responsibilities through the firm. It is especially important in larger firms because (1) marketing proposals are usually reviewed and approved by higher management levels and (2) an approved plan provides a benchmark against which to judge performance.

Difficulty: Hard
Walker - Chapter 01 #22

23. (p. 5–6) The five components of strategy are scope, goals and objectives, resource deployments, identification of a sustainable competitive advantage and systems.

FALSE

The five components of strategy are scope, goals and objectives, resource deployments, identification of a sustainable competitive advantage and synergy.

Difficulty: Easy
Walker - Chapter 01 #23

24. (p. 9) The primary strategic responsibility of any manager is to continuously monitor the performance of market competitors.

FALSE

The primary strategic responsibility of any manager is to look outwards continuously to keep the business or businesses in step with changes in the environment.

Difficulty: Medium
Walker - Chapter 01 #24

25. (p. 15) Spending more on selling efforts usually creates a sustainable competitive advantage.

FALSE

Some firms still utilise a sales-oriented strategy to combat competitors but this approach is not appropriate for building a sustainable competitive advantage.

Difficulty: Easy
Walker - Chapter 01 #25

26. (p. 20) Planning and executing a marketing strategy involves many interrelated decisions about what to do, when to do it and how.

TRUE

To remain competitive a firm must be able to plan and execute a marketing strategy involving interrelated decisions about what to do, when to do it and how.

Difficulty: Medium
Walker - Chapter 01 #26

27. (p. 22) When analysing available market opportunities, managers must always consider price as being the key attribute for positioning a product or service in the minds of customers in the target market segment.

FALSE

Product positioning should emphasise all the attributes and benefits that appeal to customers in the target market segment that set aside the company's offerings from those of competitors.

Difficulty: Easy
Walker - Chapter 01 #27

28. (p. 3) When Eric Kim joined the global marketing team at Samsung, he quickly recognised the importance of service training for all employees and initiated a process of total quality management, whereby all departments received extensive training in quality assurance.

FALSE

One of his first moves was to reorganise the company's distribution channels. Consistent with the strategic objective of establishing Samsung as a high-quality brand worthy of a premium price, many of the company's products were pulled out of low-priced discount chains and distributed through service-oriented electronics specialty stores and internet retailers—such as Best Buy and Amazon.com—instead.

Difficulty: Hard
Walker - Chapter 01 #28

29. (p. 18) Current trends indicate that in the future, the most important task for strategic marketing is the creation of effective advertising and promotion campaigns to reach customers in global markets.

FALSE

the key concern for strategic marketing is the effective integration of all components of the company's value chain (suppliers, distributors, customers). Companies will need to forge more cooperative and efficient relationships with their suppliers and distribution channel partners. For example, in the United States, Procter & Gamble and 3M have formed alliances with major retailers—such as Kroger and Walmart—to develop automatic restocking systems.

Difficulty: Hard
Walker - Chapter 01 #29

c1 Summary

<u>Category</u>	<u># of Questions</u>
Difficulty: Easy	9
Difficulty: Hard	6
Difficulty: Medium	14
Walker - Chapter 01	29