

Exam

Name_____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 1) After management has identified the key businesses making up its company, what is the next step in portfolio analysis? 1) _____
- A) completing short-range planning
 - B) assessing the attractiveness of its SBUs
 - C) deciding whether to harvest any businesses
 - D) identifying SBUs
 - E) identifying businesses in which to invest

Answer: B

Diff: 2 Type: MC

- 2) Your firm is attempting to divide up the total market to determine the best segments it can serve. Which is the correct order of doing so? 2) _____
- A) market segmentation, target marketing, market positioning
 - B) mass marketing, demographic segmentation, psychographic segmentation
 - C) target marketing, market positioning, market segmentation
 - D) market positioning, market segmentation, target marketing
 - E) market segmentation, market positioning, target marketing

Answer: A

Diff: 3 Type: MC

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 3) The major activity in strategic planning is strategic business unit planning, whereby management evaluates the products and businesses making up the company. 3) _____

Answer: True ☒ False

Diff: 2 Type: TF

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 4) Berman Electric, a chain of 18 appliance stores, has a marketing organization in which specialists head different marketing activities. What is this type of organization called? 4) _____
- A) geographic
 - B) functional
 - C) product
 - D) market
 - E) organic

Answer: B

Diff: 2 Type: MC

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

- 5) What is business portfolio planning? Discuss how a company might use the Boston Consulting Group's product portfolio analysis method.

Answer: A business portfolio is the collection of businesses and products that make up a company. Business portfolio planning entails two steps. First, there is an analysis of the company's current business portfolio, followed by decisions about what businesses should receive more, less, or no investment. Second, planners must shape the future portfolio by developing strategies for growth and/or downsizing. The Boston Consulting Group matrix evaluates SBUs on two important dimensions: the attractiveness of the SBU's market or industry growth rate and the strength of the SBU's position or relative market share in that market or industry. The growth-share matrix defines four types of SBUs: stars, cash cows, question marks, and dogs. Once each SBU has been defined, a company can determine what role each will play in the firm's future, using strategies of building, holding, harvesting, or divesting each SBU.

Diff: 2 Type: ES

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

- 6) What are some ways in which Tim Hortons' management has focused on product development as a growth strategy? 6) _____

Answer: Tim Hortons' management has focused on product development by offering modified or new products to current markets. Tim Hortons introduced cappuccino, bagels, sandwiches, and soup to get consumers to see it as more than just a doughnut shop.

Diff: 2 Type: SA

- 7) Into what quadrant of the product/market expansion grid would a "new and improved" product fall? 7) _____

Answer: The "new and improved" product would fall into the product development quadrant.

Diff: 1 Type: SA

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 8) When a firm finds products or businesses that no longer fit its overall strategy, it must carefully milk, harvest, or better develop them. 8) _____

Answer: True ☒ False

Diff: 2 Type: TF

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 9) Making more sales to current customers without changing a firm's products is _____. 9) _____

- A) market penetration
- B) market attractiveness
- C) diversification
- D) market development
- E) product development

Answer: A

Diff: 1 Type: MC

10) Tim Hortons works to train people who come into Tim Hortons first thing in the morning for coffee and breakfast to return several times during the rest of the day. This effort by Tim Hortons management is an example of _____. 10) _____

- A) market penetration
- B) market development
- C) product development
- D) diversification
- E) product adaptation

Answer: A

Diff: 3 Type: MC

11) In a basic SWOT analysis, the "S" stands for _____. 11) _____

- A) situation
- B) solutions
- C) strengths
- D) satisfactions
- E) strategy

Answer: C

Diff: 1 Type: MC

12) An increasingly large number of firms are changing their organizational focus from _____ to _____. 12) _____

- A) brand management; customer management
- B) geographic management; functional management
- C) product management; geographic management
- D) global management; regional management
- E) product management; functional management

Answer: A

Diff: 2 Type: MC

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

13) Define marketing planning. Briefly outline the major steps in a marketing plan.

Answer: Marketing planning involves deciding on marketing strategies that will help the company achieve its overall strategic objectives. A detailed marketing plan is needed at the business, product, or brand level. An executive summary is the first step in the plan. It contains a brief summary of the main goals and recommendations of the plan for management review. The main section of the plan presents a detailed SWOT analysis of the current marketing situation, along with potential threats and opportunities. The plan then states major objectives for the brand and outlines the specifics of a marketing strategy for achieving them. In addition, action programs for implementing the marketing strategy along with the details of a supporting marketing budget are presented. The final section outlines the controls used to monitor progress and corrective action.

Diff: 2 Type: ES

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

14) The _____ organizational format was first used by Procter and Gamble in 1929.

14) _____

- A) product management
- B) market management
- C) customer management
- D) geographic management
- E) functional

Answer: A

Diff: 3 Type: MC

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

15) Discuss how Sun-Rype Products Ltd., headquartered in Kelowna, British Columbia, evolved through its use of product-based and geographic segmentation.

Answer: Most companies enter a new market by serving a single segment, and if this proves successful they add more segments. Sun-Rype began as a regional player, and thus it's not surprising that the Sun-Rype brand is the number-one player in Western Canada, holding a 55 percent share of the pure apple juice category in that region. Over the years, Sun-Rype has added other related products—more juice varieties and other fruitbased products, such as its Fruit to Go and Energy to Go products. Sun-Rype has also expanded its share of central and eastern Canadian marketplaces, and its Fruit to Go and Energy to Go bars command a 31 percent share of this broader market.

Diff: 3 Type: ES

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

16) Mission statements should both emphasize the company's strengths in the marketplace and be motivating.

16) _____

Answer: ☒ True ☐ False

Diff: 2 Type: TF

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

Refer to the scenario below to answer the following questions.

Fun-Spot Fun Park began as a small amusement park in 1985. With nothing more than a merry-go-round, a slide, pony rides, and an ice cream stand, Fun-Spot grew into a popular family attraction with 20 rides, a restaurant, and an outdoor performing arts theater.

"My wife, Gail, and I didn't know what we were getting into," commented Ron Hart, the owner. "We just knew that weekenders coming to the lakes in our rural area represented an untapped market."

Today, thousands of visitors flock to Fun-Spot: families, children of all ages, and even senior citizens who enjoy strolling through the gardens and arbor.

"There's something here for everyone," Gail Hart said with a smile. "Dozens of companies hold annual company picnics here. We have welcomed class field trips. And we even had one wedding here at the park!"

"Here's the funny thing," Ron chimed in. "We really don't know why we've been so successful! There is nothing else like Fun-Spot Fun Park in the area. We were just lucky."

"I think it's the ambience of the park that has brought so many visitors," Gail added. We provide a 'total package' of entertainment. Plus, we try to change our rides and various attractions from time to time."

Ron and Gail Hart admitted that making every visitor happy is a priority. "That has always been our philosophy," they said. "Like it says on the entrance to the park, 'We're here to make you happy!' And we've always been able to deliver on that because we've never allowed ourselves to grow too big too quickly."

- 17) It takes the unified efforts of several departments at Fun-Spot to make the amusement park a success. The purchasing department, restaurant management, theatre group, and others all work in harmony to deliver a superior product. This is an example of the benefits of a strong _____ 17) _____
- A) market segment
 - B) value delivery network
 - C) marketing ROI
 - D) diversification strategy
 - E) value chain

Answer: E

Diff: 2 Type: MC

- 18) Ensuring that the company achieves the sales, profits, and other goals set out in its annual marketing plan is the purpose of _____. 18) _____
- A) marketing control
 - B) strategic control
 - C) operating control
 - D) a marketing audit
 - E) ROMI

Answer: C

Diff: 2 Type: MC

- 19) The BCG growth-share matrix classifies four types off SBUs. They are _____, _____, _____, and _____. 19) _____
- A) planning; implementing; leading; controlling
 - B) sales; market share; price; promotion
 - C) market penetration; market development; product development; diversification
 - D) stars; cash cows; question marks; dogs
 - E) product; price; promotion; placement

Answer: D

Diff: 1 Type: MC

20) According to the textbook, your boss is most likely referring to _____ when she mentions "doing things right." 20) _____

- A) strategy
- B) objectives
- C) planning
- D) efficiency
- E) implementation

Answer: E

Diff: 3 Type: MC

21) Acme, Inc., has slightly modified the production processes of its widgets and gadgets in order to tap into the Eastern European market. Acme is likely following a _____ strategy. 21) _____

- A) market penetration
- B) diversification
- C) harvesting
- D) market development
- E) product development

Answer: D

Diff: 2 Type: MC

22) NASCAR is the number-one televised motorsport in Canada. It is a premier marketing organization that knows how to create customer value that translates into deep and lasting _____ 22) _____

- A) profit analysis
- B) market segments.
- C) value chains,
- D) value delivery network
- E) customer relationships.

Answer: E

Diff: 2 Type: MC

23) Fence Patrol has developed an entirely new mounting system for chain link fences. Although they are a local company, through the acquisition of a distributor they now have the ability to market their products nationwide. Fence Patrol is most likely to be following a _____ strategy. 23) _____

- A) market development
- B) divesting
- C) diversification
- D) market penetration
- E) product development

Answer: C

Diff: 3 Type: MC

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

24) According to the product/market expansion grid, what strategy would a fast-food hamburger restaurant follow if it offered a salad bar option during lunch hours? 24) _____

Answer: In this scenario, the restaurant would be following a product development strategy.

Diff: 2 Type: SA

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 25) At Zellers, "we offer products and services that deliver superior style and value to Canadians.," is a product-oriented business definition. 25) _____

Answer: True ☒ False

Diff: 3 Type: TF

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 26) Which of the following is the marketing logic by which a company hopes to achieve profitable customer relationships? 26) _____

- A) marketing strategy
- B) price
- C) the value delivery network
- D) a consistent product mix
- E) differentiation

Answer: A

Diff: 1 Type: MC

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

- 27) What is the role of a company's Chief Marketing Officer (CMO)? 27) _____

Answer: The CMO heads up the company's entire marketing operation and represents marketing on the company's top management team. The CMO position puts marketing on equal footing with other C-level executives, such as the chief executive officer (CEO) and the chief financial officer (CFO).

Diff: 2 Type: SA

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 28) In the Boston Consulting Group approach, _____ serves as a measure of company strength in the market. 28) _____

- A) market growth rate
- B) market development
- C) relative market share
- D) market segmentation
- E) market diversification

Answer: C

Diff: 2 Type: MC

- 29) The main section of the marketing plan presents a detailed _____ analysis of the current marketing situation. 29) _____

- A) SWOT
- B) when, where, how
- C) competitor
- D) economic
- E) who, when, where

Answer: A

Diff: 2 Type: MC

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

30) How are partner relationship management and the value chain related? 30) _____

Answer: Marketers must work closely and coordinate activities with partners in other company departments to form an effective value chain, with each department executing value-creating activities to design, produce, market, deliver, and support the company's products.

Diff: 2 Type: SA

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

31) Evaluating the results of marketing strategies and plans and taking corrective action to ensure that objectives are attained is called _____. 31) _____

- A) marketing control
- B) efficiency
- C) operating control
- D) developmental control
- E) strategic control

Answer: A

Diff: 1 Type: MC

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

32) What is the purpose of the Threats and Opportunities Analysis section in a marketing plan? 32) _____

Answer: The Threats and Opportunities Analysis assesses major threats and opportunities that the product might face, helping management anticipate important positive or negative developments that might have an impact on the firm and its strategies.

Diff: 2 Type: SA

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

33) Define marketing strategy. Discuss the steps in formulating marketing strategy.

Answer: The marketing logic by which a company hopes to achieve profitable relationships is called its marketing strategy. Marketing strategy formulation entails four specific steps: market segmentation, market targeting, differentiation, and positioning. The process of dividing a market into distinct groups of buyers with different needs, characteristics, or behaviour is called market segmentation. Market targeting involves evaluating each market segment's attractiveness and selecting one or more segments to enter. A company should target segments in which it can profitably generate the greatest customer value and sustain that value over time. Effective positioning begins with actually differentiating the company's marketing offer so that it gives consumers greater value. Positioning is defined as creating a distinct image of a product in the eyes of target consumers. A product's positioning should take advantage of a competitive advantage within the market target.

Diff: 3 Type: ES

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 34) Which of the following does NOT accurately reflect a problem with the BCG matrix approach? 34) _____
- A) It can be costly to conduct.
 - B) It focuses on classifying current businesses.
 - C) It is difficult to define SBUs and measure market share and growth.
 - D) It focuses on planning for the future.
 - E) It can be time consuming to implement.

Answer: D

Diff: 2 Type: MC

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 35) One valid criticism of the four Ps concept is that services are not considered. 35) _____

Answer: True ☒ False

Diff: 3 Type: TF

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 36) _____ should be market oriented and defined in terms of _____. 36) _____
- A) Mission statements; customers' needs
 - B) Strategic plans; company needs
 - C) Long-range plans; company needs
 - D) Annual plans; product needs
 - E) Objectives; competitors' threats

Answer: A

Diff: 2 Type: MC

- 37) Harris, the marketing manager at a small sports retail chain, has conducted a marketing analysis. He has investigated the company's internal resources and situational factors, as well as factors and trends in the competitive sports retail chain market. Which of the following has Harris completed? 37) _____
- A) a business portfolio analysis
 - B) a SWOT analysis
 - C) a marketing mix
 - D) an executive summary
 - E) a marketing plan

Answer: B

Diff: 1 Type: MC

- 38) Emerson Studios, a chain of 25 portrait stores in five states, has organized its marketing organization into groups headed by a sales manager, an advertising manager, and a customer-service manager. What type of organization is this? 38) _____
- A) customer
 - B) product
 - C) functional
 - D) geographic
 - E) market

Answer: C

Diff: 1 Type: MC

39) Which of the following is NOT a step in the strategic planning process?

39) _____

- A) evaluating all members of the value chain
- B) planning marketing and other functional strategies
- C) designing the business portfolio
- D) defining the company mission
- E) setting company objectives and goals

Answer: A

Diff: 2 Type: MC

40) The collection of businesses and products that make up a company is called its _____.

40) _____

- A) operational factor
- B) strategic plan
- C) business portfolio
- D) mission statement
- E) strategic business unit

Answer: C

Diff: 1 Type: MC

Refer to the scenario below to answer the following questions.

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"My wife, Gail, and I didn't know what we were getting into," commented Ron Hart, the owner. "We just knew that weekenders coming to the lakes in our rural area represented an untapped market."

Today, thousands of visitors flock to Fun-Spot: families, children of all ages, and even senior citizens who enjoy strolling through the gardens and arbor.

"There's something here for everyone," Gail Hart said with a smile. "Dozens of companies hold annual company picnics here. We have welcomed class field trips. And we even had one wedding here at the park!"

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Ron and Gail Hart admitted that making every visitor happy is a priority. "That has always been our philosophy," they said. "Like it says on the entrance to the park, 'We're here to make you happy!' And we've always been able to deliver on that because we've never allowed ourselves to grow too big too quickly."

41) Which of the following scenarios would mean that Fun-Spot had become a market nicher?

41) _____

- A) Activities for families with young children are reduced.
- B) Fun-Spot adds a video game arcade to attract gamers.
- C) The park is overhauled to meet only the needs of the physically disabled.
- D) The restaurant is closed and replaced with a food court.
- E) Fun-Spot develops a promotion to attract college students every Friday.

Answer: C

Diff: 2 Type: MC

- 42) Fun-Spot has grown into a popular family attraction with 20 rides, a restaurant, and an outdoor performing arts theater. These products and services make up Fun-Spot's _____. 42) _____
- A) marketing plan.
 - B) business portfolio.
 - C) value chain.
 - D) cash cows.
 - E) delivery network.
- Answer: B
Diff: 2 Type: MC
- 43) Gail and Ron strive to provide new offerings and entertainment options for their visitors. What type of strategy is this? 43) _____
- A) market penetration
 - B) customer development
 - C) diversification
 - D) market development
 - E) product development
- Answer: E
Diff: 2 Type: MC
- 44) Google's mission statement could be, "to be the world's best search engine" , yet Google's actual statement is, "to organize the world's information and make it universally accessible and useful." This reflects the guideline that mission statements should be _____. 44) _____
- A) specific
 - B) motivating
 - C) market-oriented
 - D) realistic
 - E) narrow
- Answer: C
Diff: 3 Type: MC
- 45) Kimball Gardens is a company that operates as two distinct businesses: one that sells lawn and garden products and one that markets booklets. Each business is called a _____. 45) _____
- A) strategic business unit (SBU)
 - B) star
 - C) separate entity
 - D) business portfolio
 - E) cash cow
- Answer: A
Diff: 2 Type: MC
- 46) Which of the following is the principle objective of a market-oriented mission statement? 46) _____
- A) to satisfy basic stockholder needs
 - B) to satisfy basic owner needs
 - C) to satisfy basic customer needs
 - D) to satisfy basic supplier needs
 - E) to satisfy basic partnership needs
- Answer: C
Diff: 2 Type: MC

- 47) To enter new global markets, a company like BASF can create new local partnerships within targeted countries. These are examples of _____. 47) _____
- A) diversification
 - B) value chains
 - C) brand experiences
 - D) product development
 - E) broad strategies for growth

Answer: E

Diff: 2 Type: MC

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- 48) Gail and Ron' amusement park serves families, seniors, corporations, and students. Fun-Spot has been very successful in meeting the distinct needs of individual _____. 48) _____
- A) businesses
 - B) market niches
 - C) cash cows
 - D) partners
 - E) market segments.

Answer: E

Diff: 2 Type: MC

- 49) If Tim Hortons were to leverage its strong brand name onto products like sportswear that fit with its friendly, relaxed image, this would represent which strategy for growth? 49) _____
- A) market penetration
 - B) product development
 - C) market development
 - D) partner development
 - E) diversification

Answer: E

Diff: 3 Type: MC

- 50) Which of the following measures the profits generated by investments in marketing activities? 50) _____
- A) a budget
 - B) an executive summary
 - C) marketing ROI
 - D) a marketing audit
 - E) SWOT analysis

Answer: C

Diff: 1 Type: MC

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

- 51) Briefly discuss how marketers measure return on marketing investment, explaining why this figure can be difficult to assess.

Answer: Marketing ROI (return on investment) is the net return from a marketing investment divided by the costs of the marketing investment. In other words, ROI is a measure of the profits generated by investments in a marketing activity. Marketing ROI can be difficult to assess because the benefits of marketing are not always easily translated in dollar amounts. However, marketing ROI can be assessed in terms of brand awareness, sales, or market share. Some companies are now using marketing dashboards, which are single displays showing several sets of marketing performance measures. And beyond standard performance measures, many marketers are using customer-centred measures such as customer acquisition, retention, and lifetime value.

Diff: 3 Type: ES

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 52) The growth strategy of diversification involves offering modified or new products to current markets. 52) _____

Answer: True ☒ False

Diff: 2 Type: TF

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 53) A sound marketing strategy begins with which of the following? 53) _____
- A) SWOT analysis
 - B) positioning
 - C) differentiation
 - D) promotion
 - E) customer analysis

Answer: E

Diff: 2 Type: MC

- 54) Revlon has clearly defined its "mission" of selling lifestyle and self-expression. In order for the firm to launch its strategic plan, the mission needs to next be turned into detailed _____ that guide each level of the company. 54) _____
- A) supporting objectives
 - B) product mixes
 - C) sets of tactics
 - D) sets of promotional tools
 - E) sets of strategies

Answer: A

Diff: 3 Type: MC

- 55) Effective positioning begins with _____ the company's marketing offer in order to give consumers more perceived value. 55) _____
- A) promoting
 - B) placing
 - C) aligning
 - D) differentiating
 - E) pricing

Answer: D

Diff: 2 Type: MC

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 56) The four marketing management functions are: analysis, planning, implementation, and control. 56) _____

Answer: ☒ True False

Diff: 1 Type: TF

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 57) Which of the following is the first step in strategic planning? 57) _____
- A) set objectives and goals
 - B) develop the business portfolio
 - C) plan marketing strategies
 - D) identify threats and weaknesses
 - E) define the company mission

Answer: E

Diff: 1 Type: MC

- 58) Which of the following can be a company division, a product line within a division, or sometimes a single product or brand? 58) _____
- A) a market
 - B) an SBU
 - C) a PLC
 - D) the BCG
 - E) a value delivery network

Answer: B

Diff: 2 Type: MC

- 59) Which of the following is the place a product occupies in the consumer's mind relative to competition? 59) _____
- A) product promotion
 - B) market targeting
 - C) market segmentation
 - D) position
 - E) placement

Answer: D

Diff: 2 Type: MC

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 60) When a company positions its product, it should first identify possible customer value differences within a market segment that could be the basis of a competitive advantage for the product. 60) _____

Answer: ☒ True ☐ False
Diff: 3 Type: TF

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 61) Your new employer has asked you, as a new marketing graduate, to develop a group of potential customers who might respond in a similar way to a given set of marketing efforts. You have been asked to develop a(n) _____. 61) _____

- A) market
- B) market strategy
- C) market segment
- D) undefined niche
- E) target market

Answer: C
Diff: 2 Type: MC

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 62) Mandros International Foods evaluates each market segment's attractiveness and selects one or more segments to enter when considering adding new lines of imported foods. Mandros is engaged in selective marketing. 62) _____

Answer: ☐ True ☒ False
Diff: 2 Type: TF

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 63) A company's mission statement serves as a statement of _____. 63) _____

- A) financial goals
- B) values
- C) fact
- D) purpose
- E) employee commitment

Answer: D
Diff: 2 Type: MC

- 64) In the Boston Consulting Group approach, _____ provides a measure of market attractiveness. 64) _____

- A) relative market share
- B) market penetration
- C) market growth rate
- D) market development
- E) market segmentation

Answer: C
Diff: 2 Type: MC

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

65) Define strategic planning. Discuss the steps involved.

Answer: The process of developing and maintaining a strategic fit between the organization's goals and capabilities and its marketing opportunities is called strategic planning. At the outset, beginning at the corporate level, each company must define its overall purpose and mission. What is our business? Who is the customer? What do our customers value? Answers to these questions are crucial in writing a clear mission statement. Mission statements need to be carefully defined in terms of customer needs. Missions should be realistic, motivating, and fit the market environment. Missions then lead to setting business and marketing objectives/goals in the planning process. This is followed by decisions regarding what portfolio of businesses and products is best for the company and how much support to give each one. Next, each business and product develops detailed marketing and other functional strategies. In this step, plans are drawn at the business unit, product, and market levels in support of company wide plans.

Diff: 2 Type: ES

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

66) Why should a mission statement be "motivating" instead of stated in terms of sales or profits? 66) _____

Answer: Sales and profits are only a reward for undertaking a useful activity; a company's employees will be more dedicated to the company's mission if they feel that their work is significant.

Diff: 2 Type: SA

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

67) The purpose of strategic planning is to find ways in which your company can best use its strengths to take advantage of attractive opportunities in the environment. 67) _____

Answer: ☒ True ☐ False

Diff: 2 Type: TF

68) When an organization identifies and develops new markets for its current products and services, it is engaged in market development. 68) _____

Answer: ☒ True ☐ False

Diff: 1 Type: TF

69) An SBU is a company division or product line, never a single product or brand. 69) _____

Answer: ☐ True ☒ False

Diff: 2 Type: TF

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

70) IBM has its sales and marketing people assigned to markets in specific countries, regions, and districts. This is an example of which type of marketing organization? 70) _____

- A) functional
- B) psychographic
- C) divisional
- D) product
- E) geographic

Answer: E

Diff: 2 Type: MC

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

71) The image of a product in the minds of consumers is called market segmentation.

71) _____

Answer: True ☒ False

Diff: 1 Type: TF

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

72) Jack Welch, former CEO at General Electric, said that "Companies can't give job security, only _____ can."

72) _____

- A) growth
- B) development
- C) good strategy
- D) efficiency
- E) customers

Answer: E

Diff: 3 Type: MC

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

73) In the BCG matrix, "dogs" are low-growth businesses and products that do not generate enough cash to maintain themselves.

73) _____

Answer: True ☒ False

Diff: 3 Type: TF

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

74) A marketing plan begins with an executive summary, which quickly overviews goals and _____.

74) _____

- A) recommendations
- B) obstacles
- C) budgets
- D) controls
- E) promotions

Answer: A

Diff: 3 Type: MC

75) Which of the following involves adapting a firm to take advantage of opportunities in its constantly changing environment?

75) _____

- A) short-range planning
- B) media planning
- C) long-range planning
- D) strategic planning
- E) annual planning

Answer: D

Diff: 2 Type: MC

- 76) For Hyundai Corporation, customers who care about the price of a car and its operating economy make up one _____. 76) _____
- A) value chain
 - B) market segment
 - C) customer extension
 - D) value network
 - E) market position

Answer: B

Diff: 2 Type: MC

- 77) The process of customer-driven marketing involves which of the following? 77) _____
- A) product; price; promotion; adaptation
 - B) problem identification; information search; decision; implementation
 - C) marketing analysis; planning; implementation; feedback
 - D) market segmentation; target marketing; differentiation; positioning
 - E) analysis; targeting; implementation; control

Answer: D

Diff: 2 Type: MC

- 78) While a valuable planning tool, a problem with using the BCG matrix centres is that it focuses on _____. 78) _____
- A) the customer instead of suppliers
 - B) the past instead of the present
 - C) the present instead of the future
 - D) the future instead of the present
 - E) financial issues instead of the customer

Answer: C

Diff: 3 Type: MC

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

- 79) Explain market targeting and the guidelines marketers should use when choosing what markets to enter. 79) _____

Answer: Market targeting involves evaluating each market segment's attractiveness and selecting one or more segments to enter. A company should target segments in which it can profitably generate the greatest customer value and sustain it over time.

Diff: 3 Type: SA

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 80) In SWOT analysis, which of the following would be considered a strength? 80) _____
- A) internal limitations
 - B) internal resources
 - C) favourable factors in the environment
 - D) trends in the market
 - E) factors that challenge the company's performance

Answer: B

Diff: 2 Type: MC

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

81) What is a strategic business unit (SBU) and how is it involved in a business portfolio analysis? 81) _____

Answer: An SBU is a key part of a company—whether a product, product line, department, or an entire division—that has its own mission and objectives. Identifying and analyzing a company's SBUs are the first two steps in business portfolio analysis.

Diff: 1 Type: SA

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

82) Each department in a company that carries out value-creating activities can be thought of as a link in the company's _____. 82) _____

- A) value chain
- B) product development
- C) business portfolio
- D) market development
- E) value delivery network

Answer: A

Diff: 1 Type: MC

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

83) A market segment consists of consumers who respond in different ways to a given set of marketing efforts. 83) _____

Answer: True ☒ False

Diff: 1 Type: TF

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

84) Unlike strategic-planning efforts of the past, which were conducted primarily by senior managers, today's strategic planning is _____. 84) _____

- A) decentralized
- B) limitation-free
- C) product oriented
- D) short-term oriented
- E) centralized

Answer: A

Diff: 2 Type: MC

85) The pharmaceuticals division of Omni Healthcare holds low market share in a high-growth market. In order to increase market share, managers would be most likely to decide which of the following? 85) _____

- A) use money from a cash cow to promote the pharmaceuticals division
- B) implement a harvest strategy
- C) divest the SBU
- D) hold the pharmaceuticals division's share
- E) diversify the pharmaceutical division

Answer: A

Diff: 3 Type: MC

- 86) The _____ organizational system's main advantage is that the company is organized around the needs of specific market segments. 86) _____
- A) geographic
 - B) product management
 - C) functional
 - D) market management
 - E) vertical

Answer: D

Diff: 2 Type: MC

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 87) A company can *divest* an SBU by selling it or phasing it out and using the resources elsewhere. 87) _____

Answer: ☒ True ☐ False

Diff: 1 Type: TF

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 88) Which of the following would NOT be useful in determining marketing ROI? 88) _____
- A) a marketing dashboard
 - B) customer equity
 - C) brand awareness
 - D) market share
 - E) SWOT analysis

Answer: E

Diff: 2 Type: MC

- 89) In the four Ps of the marketing mix, design, packaging, services, and variety all fall under the category of _____. 89) _____

A) price B) position C) product D) place E) promotion

Answer: C

Diff: 2 Type: MC

- 90) Which of the four Ps describes the goods-and-services combination the company offers to the target market? 90) _____

A) place B) price C) promotion D) product E) package

Answer: D

Diff: 1 Type: MC

- 91) Lucy Ortiz is preparing a PowerPoint presentation of the marketing process to show at a sales meeting. _____ should appear in the centre of her diagram depicting marketing strategies and the marketing mix. 91) _____

- A) Competitors
- B) Sales goals
- C) Customer retention rates
- D) Company objectives
- E) Customer value and relationships

Answer: E

Diff: 1 Type: MC

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

92) Into what BCG quadrant does a high-share, high-growth SBU fall?

92) _____

Answer: It falls into the "star" category.

Diff: 1 Type: SA

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

93) Which of the following entails reducing the business portfolio by eliminating products that no longer fit the company's overall strategy?

93) _____

- A) downsizing
- B) product line extension
- C) market segmentation
- D) market redesign
- E) the BCG approach

Answer: A

Diff: 1 Type: MC

94) Today the four Ps are compared to the four Cs. Product and place are called _____ and _____, respectively.

94) _____

- A) customer cost; convenience
- B) convenience; customer solution
- C) customer solution; convenience
- D) communication; customer solution
- E) communication; convenience

Answer: C

Diff: 3 Type: MC

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

95) Why is it more strategic for Canadian Tire's mission to be about meeting the everyday needs of Canadians instead of simply to sell tools and home improvement items?

95) _____

Answer: A company's mission should be market-oriented instead of just product-oriented. It must be defined in terms of satisfying basic customer needs. Products and technologies eventually become outdated, but basic market needs may last forever.

Diff: 2 Type: SA

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

96) Which of the following most accurately identifies a difference between a weakness and a threat in SWOT analysis?

96) _____

- A) A company can more easily identify threats than weaknesses.
- B) A company can be more negatively affected by a weakness than by a threat.
- C) A company is more able to change a threat than a weakness.
- D) A company is more able to change a weakness than a threat.
- E) A company can be more negatively affected by a threat than by a weakness.

Answer: D

Diff: 3 Type: MC

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 97) Holiday Inn has divided the total customer market into smaller segments and selected the most promising segments. Deciding what position it wants to occupy in these segments is called targeting. 97) _____

Answer: True ☒ False

Diff: 2 Type: TF

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 98) The four possible strategies that can be pursued for each SBU are building, holding, _____, and _____ 98) _____

- A) downsizing; expanding
- B) developing; growing
- C) diversifying; penetrating
- D) harvesting; divesting
- E) promoting; selling

Answer: D

Diff: 3 Type: MC

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

- 99) What is meant by a "marketing dashboard"? 99) _____

Answer: A company can assess return on marketing in terms of standard marketing performance measures, such as brand awareness, sales, or market share. Many companies are assembling such measures into *marketing dashboards*—meaningful sets of marketing performance measures in a single display used to monitor strategic marketing performance. Just as automobile dashboards present drivers with details on how their cars are performing, the marketing dashboard gives marketers the detailed measures they need to assess and adjust their marketing strategies.

Diff: 2 Type: SA

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 100) Mission statements should be realistic and general in nature. 100) _____

Answer: True ☒ False

Diff: 2 Type: TF

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

- 101) What role does the marketing mix play in positioning? 101) _____

Answer: The marketing mix components of product, price, place, and promotion are the tools that a company can use to differentiate its products from competitors' and to achieve strong positioning in a target market.

Diff: 3 Type: SA

102) Why should a mission statement be market oriented instead of product or technology oriented? 102) _____

Answer: A market-oriented mission statement defines the business in terms of customer needs; products and technologies become outdated, but basic market needs may last forever.

Diff: 2 Type: SA

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

103) In today's marketplace, competition increasingly takes place between entire value delivery networks rather than between individual competitors. 103) _____

Answer: ☒ True False

Diff: 1 Type: TF

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

104) In the marketing management functions, a SWOT analysis should _____ a marketing plan. 104) _____

- A) follow
- B) evaluate
- C) coincide with
- D) precede
- E) take priority over

Answer: D

Diff: 2 Type: MC

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

105) To improve its value delivery network, a company needs to examine the value chains of its suppliers and distributors. 105) _____

Answer: ☒ True False

Diff: 2 Type: TF

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

106) Marketing departments are organized in several ways. Discuss the most common forms of marketing organizations.

Answer: Some common forms of marketing department organization include functional organization, geographical organization, product management organization and market management organization. Under a functional department organization, a functional specialist, such as a sales manager, advertising manager, or market research manager, is responsible for all marketing activities. Under a geographic organization, sales and marketing people are assigned to specific countries, regions, and districts. Product management organization first appeared at P&G in 1929. Under this approach, a product manager develops and implements a complete strategy and marketing program for a specific product or brand. Under a market or customer management organization, the company is organized around the needs of specific customer segments. In firms that use this organization, one product line is sold to many different types of markets and customers that have different needs and preferences. Finally, large companies that produce many products sold in many geographic areas typically use some combination of these organizational forms.

Diff: 2 Type: ES

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

107) Why are many marketers today using customer-centred measures of marketing ROI? 107) _____

Answer: Companies are looking at marketing expenditures as investments in profitable customer relationships, with the goal of increasing individual customer lifetime values and overall customer equity.

Diff: 2 Type: SA

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

108) Which of the following is NOT a reason that a firm might want to abandon products or markets? 108) _____

- A) The market has changed, making some of the products less profitable.
- B) The economic environment is showing signs of recovery.
- C) The firm has not properly researched foreign markets which it has entered.
- D) The firm has grown too rapidly.
- E) The firm has entered areas in which it does not have expertise.

Answer: B

Diff: 2 Type: MC

109) In SWOT analysis, which of the following refers to factors in the external environment? 109) _____

- A) strengths
- B) strategies
- C) trends
- D) weaknesses
- E) opportunities

Answer: E

Diff: 2 Type: MC

110) Which of the following is a comprehensive and systematic analysis of a company's environment, objectives, strategies, and activities that is conducted by an outside and objective party? 110) _____

- A) a marketing audit
- B) a marketing plan
- C) a portfolio analysis
- D) a marketing mix analysis
- E) SWOT analysis

Answer: A

Diff: 3 Type: MC

Refer to the scenario below to answer the following questions.

Fun-Spot Fun Park began as a small amusement park in 1985. With nothing more than a merry-go-round, a slide, pony rides, and an ice cream stand, Fun-Spot grew into a popular family attraction with 20 rides, a restaurant, and an outdoor performing arts theater.

"My wife, Gail, and I didn't know what we were getting into," commented Ron Hart, the owner. "We just knew that weekenders coming to the lakes in our rural area represented an untapped market."

Today, thousands of visitors flock to Fun-Spot: families, children of all ages, and even senior citizens who enjoy strolling through the gardens and arbor.

"There's something here for everyone," Gail Hart said with a smile. "Dozens of companies hold annual company picnics here. We have welcomed class field trips. And we even had one wedding here at the park!"

"Here's the funny thing," Ron chimed in. "We really don't know why we've been so successful! There is nothing else like Fun-Spot Fun Park in the area. We were just lucky."

"I think it's the ambience of the park that has brought so many visitors," Gail added. We provide a 'total package' of entertainment. Plus, we try to change our rides and various attractions from time to time."

Ron and Gail Hart admitted that making every visitor happy is a priority. "That has always been our philosophy," they said. "Like it says on the entrance to the park, 'We're here to make you happy!' And we've always been able to deliver on that because we've never allowed ourselves to grow too big too quickly."

111) Fun-Spot's mission is _____.

111) _____

- A) market-oriented
- B) product-oriented
- C) technology-oriented
- D) too focused on profits
- E) too specific

Answer: A

Diff: 1 Type: MC

112) Which of the following is NOT a market-oriented business definition?

112) _____

- A) "to make the Internet buying experience fast, easy, and enjoyable"
- B) "to be the guardian of our customers' financial dreams"
- C) "to sell tools and home repair and improvement items"
- D) "to bring aspiration and innovation to every athlete in the world"
- E) "to deliver low prices every day"

Answer: C

Diff: 2 Type: MC

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

113) In measuring financial ROI, both the *R* and the *I* are uniformly measured in dollars. But there is as of yet no consistent definition of marketing ROI.

113) _____

Answer: ☒ True ☐ False

Diff: 1 Type: TF

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

114) Describe some of the problems with matrix approaches.

Answer: The BCG and other portfolio planning approaches can be difficult to execute, time consuming, and also costly to implement. Defining SBUs and the measurement of relative market share and growth can be a difficult task as well. A serious flaw with these approaches is that, while they are helpful for classifying current businesses, they offer little or no advice for future planning.

Diff: 2 Type: ES

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

Refer to the scenario below to answer the following questions.

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115) Into which quadrant of the BCG matrix does Fun-Spot fall?

115) _____

- A) question mark
- B) diversification
- C) profit centre
- D) star
- E) dog

Answer: D

Diff: 2 Type: MC

116) Wal-Mart, the world's largest retailer, has successfully launched its stores in Mexico, Canada, the U.K., and Germany, and other nations. This is an example of how Wal-Mart is pursuing _____ as a growth strategy.

116) _____

- A) demographic market development
- B) product development
- C) geographic market development
- D) market penetration
- E) diversification

Answer: C

Diff: 2 Type: MC

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

117) The marketing mix consists of product, price, place, positioning, and promotion.

117) _____

Answer: True ☒ False

Diff: 2 Type: TF

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

118) Why is marketing analysis such an important part of marketing management?

118) _____

Answer: This function allows the marketer to analyze internal strengths and weaknesses as well as environmental opportunities and threats which, in turn, allows the marketer to match the company's strengths to opportunities to pursue. From this starting point, the market can continue with planning, implementation, and control.

Diff: 2 Type: SA

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

119) ABC Fortunes has just developed a formal statement of its purpose. This firm has put together a mission statement.

119) _____

Answer: ☒ True False

Diff: 1 Type: TF

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

120) Canadian Tire sells tools and home improvement products. The retailer defines its _____ as such: "to offer products and services to meet the everyday needs of Canadian families—today and tomorrow."

120) _____

- A) strategy
- B) value-delivery network
- C) business portfolio
- D) marketing development
- E) mission

Answer: E

Diff: 2 Type: MC

121) As Starbucks continues to grow, it is faced with a myriad of challenges and surprises during the implementation of marketing plans. Hence, the marketing department must practice constant _____.

121) _____

- A) corrective action
- B) marketing control
- C) customer management
- D) performance analysis
- E) environmental scanning

Answer: B

Diff: 2 Type: MC

- 122) Favorite Memories specializes in serving gift shoppers that major competitors overlook and ignore. 122) _____
Which of the following best describes Favorite Memories?
A) market challenger
B) full market coverer
C) market seeker
D) market nicher
E) market follower

Answer: D

Diff: 1 Type: MC

- 123) Modern marketing departments are arranged in the following ways, EXCEPT which one? 123) _____
A) functional organization
B) product management organization
C) geographic organization
D) strategic management organization
E) market management organization

Answer: D

Diff: 2 Type: MC

- 124) Most portfolio analysis methods evaluate SBUs on two dimensions, namely _____ and _____ 124) _____
A) market share; strength of the SBU's position
B) market or industry attractiveness; strength of the SBU's position
C) market growth rates; profits
D) market diversification; relative market share
E) market penetration; market development

Answer: B

Diff: 2 Type: MC

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

- 125) What makes Ferrari a market nicher? 125) _____
Answer: Ferrari sells only 1500 of its very high performance cars in North America each year, but at very high prices—from an eye-opening US\$190 000 for its Ferrari F430 model to an astonishing US\$2 million for its FXX super sports car, which can be driven only on race tracks. A nicher serves only one or a few special segments or “market niches.”

Diff: 3 Type: SA

- 126) How might Party Planning Paradise, a company that sells a wide range of party supplies for all occasions, implement a market development strategy? 126) _____
Answer: Party Planning Paradise might attempt to identify and develop new markets for its current products, looking for different demographic markets and geographical markets that might have a need its products would satisfy.

Diff: 2 Type: SA

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 127) Which of the following is a useful tool for identifying growth opportunities? 127) _____
- A) the product/market expansion grid
 - B) the business portfolio
 - C) the BCG matrix
 - D) the value chain
 - E) the value delivery network

Answer: A

Diff: 1 Type: MC

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 128) The marketing audit covers *all* major marketing areas of a business, not just a few trouble spots. 128) _____

Answer: ☒ True ☐ False

Diff: 1 Type: TF

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 129) In the BCG matrix, income from _____ can be used to help finance the company's question marks and stars. 129) _____
- A) cash cows
 - B) low-share businesses
 - C) SBU revenues
 - D) dogs
 - E) overseas operations

Answer: A

Diff: 2 Type: MC

- 130) Which of the following involves looking at whether a company's basic strategies are well matched to its opportunities? 130) _____
- A) strategic control
 - B) operating control
 - C) ROMI
 - D) marketing control
 - E) portfolio analysis

Answer: A

Diff: 2 Type: MC

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

- 131) How might the BCG matrix represent a life cycle? 131) _____

Answer: As time passes, SBUs change their positions in the growth-share matrix. Many SBUs start out as question marks and move into the star category if they succeed. They later become cash cows as market growth falls, then finally die off or turn into dogs toward the end of their life cycle. The company needs to add new products and units continuously so that some of them will become stars and, eventually, cash cows that will help finance other SBUs.

Diff: 3 Type: SA

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

132) When the makers of a ballpoint pen state they are in the communication equipment business, they are defining their mission too _____. 132) _____

- A) narrowly
- B) specifically
- C) futuristically
- D) broadly
- E) realistically

Answer: D

Diff: 1 Type: MC

133) Multinationals like Honda Motor Co. and Wal-Mart stores have designed programs to work closely with their suppliers to help them reduce their costs and improve quality. This illustrates the importance of an efficient _____. 133) _____

- A) product mix
- B) low-cost operator
- C) value delivery network
- D) business portfolio
- E) value chain

Answer: C

Diff: 2 Type: MC

134) Disney is identifying and developing new markets for its theme parks. Disney is exploring possibilities for _____. 134) _____

- A) product development
- B) harvesting
- C) market penetration
- D) diversification
- E) market development

Answer: E

Diff: 1 Type: MC

135) Which department in a company carries the primary responsibility for achieving profitable growth? 135) _____

- A) marketing
- B) product development
- C) accounting
- D) human resources
- E) operations

Answer: A

Diff: 1 Type: MC

136) All of the following are examples of product-oriented mission statements, EXCEPT which one? 136) _____

- A) "We run theme parks."
- B) "We rent hotel rooms."
- C) "We sell shoes."
- D) "We provide online services."
- E) "We sell lifestyle and self-expression; success and status; memories, hopes, and dreams."

Answer: E

Diff: 2 Type: MC

137) Which of the following is NOT a step in the marketing control process?

137) _____

- A) defining the mission
- B) evaluating the causes of gaps between expected and actual performance
- C) taking corrective action
- D) setting goals
- E) measuring performance

Answer: A

Diff: 3 Type: MC

138) A vendor for Ford Motor Company received the following message from one of Ford's marketing managers: "As we move forward during the 21st century, Ford is committed to building profitable customer relationships by creating more environmentally friendly cars and getting them to market faster at lower costs." The marketing manager is referring to Ford's _____.

138) _____

- A) business portfolio
- B) marketing mix
- C) marketing strategy
- D) mission statement
- E) business objectives

Answer: D

Diff: 2 Type: MC

Refer to the scenario below to answer the following questions.

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Ron and Gail Hart admitted that making every visitor happy is a priority. "That has always been our philosophy," they said. "Like it says on the entrance to the park, 'We're here to make you happy!' And we've always been able to deliver on that because we've never allowed ourselves to grow too big too quickly."

139) "Fun-Spot is the nearby get-away that offers consistently fun, but ever-changing theatre, dining, and midway experience". This is an example of a _____ strategy.

139) _____

- A) value
- B) positioning
- C) vision
- D) proposition
- E) market

Answer: B

Diff: 2 Type: MC

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 140) Guided by marketing strategy, the company designs a marketing mix made up of factors under its control: product, price, place, and promotion. 140) _____

Answer: ☒ True ☐ False

Diff: 2 Type: TF

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 141) Saturn is "a different kind of company, different kind of a car"; the Hummer is "like nothing else." 141) _____
These statements reflect a firm's _____.

- A) product portfolio
- B) target markets
- C) strategy
- D) niche
- E) market positioning

Answer: E

Diff: 2 Type: MC

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 142) A firm's mission should always be stated as making more sales or profits. 142) _____

Answer: ☐ True ☒ False

Diff: 2 Type: TF

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 143) The marketing control process entails the following steps in order: setting goals, _____, 143) _____
evaluating performance, and _____.

- A) measuring performance; taking corrective action
- B) achieving goals; measuring performance
- C) taking corrective action; following up
- D) evaluating goals; measuring performance
- E) taking corrective action; measuring performance

Answer: A

Diff: 2 Type: MC

- 144) When a firm develops and maintains a strategic fit between its goals and capabilities, it is performing _____. 144) _____

- A) mission planning
- B) values planning
- C) business-portfolio planning
- D) operations planning
- E) strategic planning

Answer: E

Diff: 1 Type: MC

- 145) Which of the following involves evaluating each market segment's attractiveness and selecting one or more segments to enter? 145) _____
- A) positioning
 - B) differentiation
 - C) the market mix
 - D) market segmentation
 - E) market targeting
- Answer: E
Diff: 1 Type: MC
- 146) Tim Hortons might consider adding gas bars to complement its drive-through services. In that case, the company would be pursuing a _____. 146) _____
- A) product development strategy
 - B) product adaptation strategy
 - C) market penetration strategy
 - D) diversification strategy
 - E) downsizing strategy
- Answer: D
Diff: 2 Type: MC
- 147) A common practice among marketers is to identify and develop new markets for their existing products. This practice is called _____. 147) _____
- A) market development
 - B) market skimming
 - C) dual adaptation
 - D) market penetration
 - E) product development
- Answer: A
Diff: 1 Type: MC

Refer to the scenario below to answer the following questions.

Fun-Spot Fun Park began as a small amusement park in 1985. With nothing more than a merry-go-round, a slide, pony rides, and an ice cream stand, Fun-Spot grew into a popular family attraction with 20 rides, a restaurant, and an outdoor performing arts theater.

"My wife, Gail, and I didn't know what we were getting into," commented Ron Hart, the owner. "We just knew that weekenders coming to the lakes in our rural area represented an untapped market."

Today, thousands of visitors flock to Fun-Spot: families, children of all ages, and even senior citizens who enjoy strolling through the gardens and arbor.

"There's something here for everyone," Gail Hart said with a smile. "Dozens of companies hold annual company picnics here. We have welcomed class field trips. And we even had one wedding here at the park!"

"Here's the funny thing," Ron chimed in. "We really don't know why we've been so successful! There is nothing else like Fun-Spot Fun Park in the area. We were just lucky."

"I think it's the ambience of the park that has brought so many visitors," Gail added. We provide a 'total package' of entertainment. Plus, we try to change our rides and various attractions from time to time."

Ron and Gail Hart admitted that making every visitor happy is a priority. "That has always been our philosophy," they said. "Like it says on the entrance to the park, 'We're here to make you happy!' And we've always been able to deliver on that because we've never allowed ourselves to grow too big too quickly."

148) Which of the following would be classified as an opportunity in a SWOT analysis of Fun Spot?

148) _____

- A) Gail and Ron have paid off the mortgage on Fun Spot, significantly reducing their monthly expenses.
- B) Fun Spot employees tend to be enthusiastic and young, projecting an image of fun and vitality at Fun Spot.
- C) A rival amusement park announces plans to open three new rides next season.
- D) A new luxury hotel is being constructed in the area, with the aim of luring more high-spending families on vacation.
- E) Fun Spot plans to further diversify its offerings by beginning a two-week summer camp for elementary school students.

Answer: D

Diff: 2 Type: MC

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

149) The BCG is a useful approach to evaluate current businesses. Describe a device that a firm could use to identify future growth opportunities.

Answer: The product/market expansion grid is a useful device for identifying growth opportunities in the future. There are four strategies available to companies: market penetration, market development, product development, and diversification. Market penetration entails making more sales to current customers without changing products. Market development involves identifying and developing new markets for a company's products. New markets include demographic groups and geographic regions, among others. Companies can also consider product development, offering modified or new products to current markets. Diversifying companies might consider acquiring or starting new businesses unrelated to their core competencies. However, diversifying too broadly can be detrimental in the long run.

Diff: 1 Type: ES

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

150) Which of the following is the process of dividing a market into distinct groups of buyers with different needs, characteristics, or behaviours? 150) _____

- A) positioning
- B) marketing strategy
- C) market segmentation
- D) market targeting
- E) differentiation

Answer: C

Diff: 1 Type: MC

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

151) Question marks in the BCG matrix require a lot of cash to hold their share, let alone increase it. 151) _____

Answer: ☒ True False

Diff: 3 Type: TF

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

152) In the BCG approach, _____ are high-share, high-growth businesses or products. They need heavy investment to finance rapid growth. When their growth slows down, they turn into _____. 152) _____

- A) dogs; cash cows
- B) stars; cash cows
- C) stars; question marks
- D) cash cows; stars
- E) question marks; dogs

Answer: B

Diff: 2 Type: MC

153) All of the following are accurate guidelines for a company's mission statement EXCEPT which one? 153) _____

- A) A mission statement should be realistic.
- B) A mission statement should be specific.
- C) A mission statement should motivate employees.
- D) A mission statement should emphasize the company's strengths in the marketplace.
- E) A mission statement should be narrow.

Answer: E

Diff: 3 Type: MC

154) Which of the following is the most common approach to marketing organization? 154) _____

- A) functional
- B) product management
- C) combination
- D) divisional
- E) geographic

Answer: A

Diff: 3 Type: MC

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

155) A brief summary of the main goals and recommendations of the plan belongs in the Objectives and Issues section of a marketing plan. 155) _____

Answer: True ☒ False

Diff: 1 Type: TF

156) At Nike, "we sell athletic shoes and apparel" is a market-oriented business definition. 156) _____

Answer: True ☒ False

Diff: 3 Type: TF

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

157) In a basic SWOT analysis the "T" stands for _____. 157) _____

A) threats B) trust C) timing D) tangible E) trade

Answer: A

Diff: 1 Type: MC

158) The best known product portfolio planning method was developed by _____. 158) _____

A) James P. Hess
B) the Boston Consulting Group
C) the SRI Consulting Firm
D) Philip Kotler
E) Harvard University

Answer: B

Diff: 2 Type: MC

159) Which of the following provides an answer to these questions: What is our business? Who are our customers? What do our customers value? What should our business be? 159) _____

A) operational strategies
B) a mission statement
C) a business portfolio
D) marketing and functional strategies
E) objectives and goals

Answer: B

Diff: 2 Type: MC

Refer to the scenario below to answer the following questions.

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- 160) Ron and Gail plan to lower prices in an effort to encourage customers to stay longer, visit more often, and spend more money during each visit. What type of strategy are Ron and Gail planning? 160) _____
- A) customer development
 - B) market development
 - C) product development
 - D) diversification
 - E) market penetration

Answer: E

Diff: 2 Type: MC

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

- 161) Explain why, according to the authors of your text, the four Ps concept of the marketing mix takes a seller's view of the market, not the buyer's view. How should marketers consider the buyer's view?

Answer: In today's day and age of customer relationship marketing, the four Ps can be described as the four Cs from the customer's point of view. In lieu of product, there is customer solution; that is, customers buy solutions to their problems or look for value in products. Customers are more interested in the total costs of obtaining, using, and disposing of a product. That is, customer cost replaces price in customer relationships. The place element of the marketing mix focuses on convenience. Convenience in availability is the central focus of customers. Finally, customers and marketers want two-way communication. Marketers should use the four Cs as a base for the four Ps of their marketing mix.

Diff: 3 Type: ES

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 162) The CMO heads up the company's entire marketing operation and represents marketing on the company's top management team. 162) _____

Answer: ☒ True ☐ False

Diff: 1 Type: TF

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

163) What type of strategy should a company use to manage its cash cows and question marks? 163) _____

Answer: A company should invest in the more promising question marks to make them stars and to maintain the stars so that they will become cash cows as their markets mature. Income from cash cows will help finance a company's question marks, stars, and dogs.

Diff: 2 Type: SA

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

164) Juanita Castro is looking at whether her company's strategies are well matched to its opportunities. 164) _____
Juanita is utilizing _____.

- A) strategic control
- B) SWOT analysis
- C) operating control
- D) marketing control
- E) a marketing audit

Answer: A

Diff: 2 Type: MC

165) _____ are low-growth, high share businesses or products. They generate a lot of cash that the firm uses to pay its bills and support other SBUs that need investment. 165) _____

- A) Cats
- B) Question marks
- C) Dogs
- D) Cash cows
- E) Stars

Answer: D

Diff: 2 Type: MC

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

166) What does the term "value-delivery network" mean? Explain.

Answer: For decades, marketers have traditionally created value to satisfy customer needs and wants. Today, the manufacturer or retailer needs to look beyond its own value chain and into the value chains of suppliers and distributors to create value throughout the entire supply chain. More companies are partnering with other members of the supply chain to improve the performance of the customer value-delivery network. In fact, today competition takes place between entire value delivery networks instead of between individual competitors.

Diff: 1 Type: ES

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

167) The four Ps concept takes the seller's view of the market. 167) _____

Answer: True ☒ False

Diff: 2 Type: TF