

## Chapter 2

*Student:* \_\_\_\_\_

1. Which of the following statements is true?
  - A. A marketing-orientated firm looks at exploiting any opportunities in foreign markets.
  - B. A marketing-orientated firm looks internally at the organization and adapts, taking advantages of strengths, and to minimise potential weaknesses.
  - C. A marketing-orientated firm looks outward to the environment in which it operates adapting to take advantage of emerging opportunities, and to minimise potential threats.
  - D. None of the above
  
2. The marketing environment consists of which of the following?
  - A. Actors and forces
  - B. Customers and staff
  - C. Competitors and staff
  - D. None of the above
  
3. The marketing environment affects which of the following?
  - A. It affects primarily a company's pricing strategies and tactics
  - B. It affects primarily a company's advertising and promotional strategies
  - C. It affects primarily a company's capability to operate effectively in providing products and services to its customers
  - D. It affects primarily a company's competitors and the company's ability to compete in their designated niche market

4. The marketing environment consists of which of the following?

- A. Microenvironment and Macroenvironment
- B. Microenvironment and Mini Environment
- C. Macroenvironment and Mini Environment
- D. Mini Environment and Major Environment

5. The key actors in the firm's immediate environment that affect its capabilities to operate effectively in its chosen markets are which of the following?

- A. Customers, staff, distributors and competitors
- B. Customers, staff, distributors and retailers
- C. Suppliers, distributors, customers and retailers
- D. Suppliers, distributors, customers and competitors

6. \_\_\_\_\_ are an important element of the microenvironment as ultimately, they determine the success or failure of a business.

- A. Suppliers
- B. Distributors
- C. Competitors
- D. Customers

7. Distributors are an important element of the microenvironment as they provide many valuable services, such as \_\_\_\_\_.

A. making products available to customers

B. providing specialist services

C. breaking bulk

D. all of the above

8. Suppliers are important actors in the \_\_\_\_\_ as powerful suppliers can extract profitability from an industry by restricting the supply of essential components and forcing prices up.

A. microenvironment

B. macroenvironment

C. minienvironment

D. majorenvironment

9. To be successful in the marketplace, companies must not only consider customers as an important element of the microenvironment, but must also consider \_\_\_\_\_ and how the company can gain a differential advantage over them.

A. competitors

B. suppliers

C. distributors

D. employees

10. Which of the following is an accurate characteristic of the macroenvironment?

- A. The macroenvironment is largely uncontrollable
- B. The macroenvironment is largely controllable
- C. The macroenvironment is influenced by the size and resources of a company
- D. The macroenvironment is influenced by the products and services that a company offers

11. Which of the following are major macroeconomic forces that affect marketing decisions?

- A. Economic, physical and technological
- B. Economic, competitors and social
- C. Social, legal and distributors
- D. Social, competitors and legal

12. Which of the following are not major macroeconomic forces that affect marketing decisions?

- A. Physical, competitors and economic
- B. Social, economic and legal
- C. Social, legal and technological
- D. Physical, technological and legal

13. The macroeconomic forces shape the character of which of the following?

- A. The future marketing plans for a company
- B. The strengths and weaknesses of a company
- C. The opportunities and threats facing a company
- D. The immediate capabilities of a company

14. The economic environment has a critical impact on the success of companies through its effect on which of the following?

- A. Profit and turnover
- B. Success and prices
- C. Supply and demand
- D. Sales and prices

15. Which of the following is not a major economic influence on the marketing environment of companies?

- A. Economic growth and unemployment
- B. The development and implications of the Single European Market
- C. Further political integration of the European Union
- D. Interest and exchange rates

16. Which of the following can have a profound effect on a company's prosperity?

- A. The general state of a nation's and the world economy
- B. The general state of a nation's economy
- C. The general state of the world economy
- D. None of the above

17. Low growth rates in an economy can affect which of the following?

- A. Can affect consumer spending power
- B. Can affect competitors' pricing strategies
- C. Can affect investment in advertising
- D. Can affect consumer confidence

18. In times of economic recession, consumers tend to do which of the following?

- A. To accelerate spending, hoping that the recession will end
- B. To postpone spending and/or become more cost conscious
- C. To postpone spending and/or buy mainly commodity items
- D. To accelerate spending, looking for value for money items

19. In times of economic recession, consumers tend to shop more at which of the following?

- A. Supermarkets
- B. Luxury stores
- C. High street stores
- D. Discount Stores

20. \_\_\_\_\_ rates are an important aspect of the economy that impact on businesses as they affect the rate at which money is borrowed by businesses and individuals.

- A. Interest
- B. Exchange
- C. Rent
- D. Mortgage

21. International marketers must take account of the fact that floating \_\_\_\_\_ rates (rates at which one currency buys another) can have a significant impact on the profitability of a company's international operations.
- A. interest
  - B. exchange
  - C. rent
  - D. mortgage
22. Taxation is an economic factor that impacts on consumers' levels of \_\_\_\_\_ income (the amount of money available after essentials) and thereby influences the purchase of goods and services.
- A. discretionary
  - B. preliminary
  - C. recessionary
  - D. progressionary
23. Inflation is an economic factor that measures the cost of living in an economy. Rapid rises in inflation affect marketing as they affect the prices of goods and services and also \_\_\_\_\_ the future value of savings, investments and pensions.
- A. grow
  - B. maintain
  - C. increase
  - D. reduce

24. How many consumers are in the European Union?

- A. 120 million consumers
- B. 320 million consumers
- C. 520 million consumers
- D. 820 million consumers

25. Many decisions may be influenced by political legal forces which determine the rules by which business is conducted. Political forces describe the close connections that politicians and senior business people often have, sometimes known as '\_\_\_\_\_ capitalism'

- A. crony
- B. phony
- C. felony
- D. proxy

26. Businesses often try to influence political processes through the use of \_\_\_\_\_. This involves businesses attempting to influence decisions made by officials in government, most often legislators or regulatory agencies.

- A. lobbying
- B. positioning
- C. begging
- D. targeting



27. Which country is not a member of the European Union?

- A. United Kingdom
- B. Norway
- C. Finland
- D. Greece

28. How many countries have as their common currency, the euro?

- A. 17
- B. 10
- C. 23
- D. 15

29. Which of the following is an emerging implication of the development of the "Single European Market"?

- A. Globalization
- B. International Marketing
- C. Global Marketing
- D. Pan- European Marketing

30. NAFTA stands for:

- A. North American Free Trade Association
- B. North American Free Trade Agreement
- C. North American Financial Trade Agreement
- D. North American Financial Tariff Association

31. ASEAN stands for:

- A. Advertising Standards, Ethics and Negotiations
- B. Association of Standards for Economic Activity in Norway
- C. Association of South East Asian Nations
- D. Advertising Standards for European and Asian Nations

32. Which of the following factors has promoted the realization of pan- European marketing?

- A. The introduction of the euro
- B. Increasing mobility of consumers
- C. Increasing information flow across borders
- D. All of the above

33. Which of the following factors has hindered the realization of pan- European marketing in the EU?

- A. Trade Barriers
- B. Persistence of local tastes
- C. Some countries have not adopted the Euro
- D. All of the above

34. Standardization appears to depend mainly upon which of the following?

- A. Product type
- B. Competitors' offering
- C. Manufacturing costs
- D. Newness of product

35. Standardization of "FMCG's" is more difficult due to differences in local tastes. "FMCG" stands for which of the following?

- A. Fast Moving Consumer Goods
- B. Fixed Managed Company Goods
- C. Fair, Modest, Competitively-Priced Goods
- D. None of the Above

36. Which of the following types of product is more difficult to standardize due to local preferences?

- A. Industrial Goods
- B. Consumer durables
- C. Clothing
- D. Food

37. What is "parallel importing"?

- A. Parallel importing is where similar goods are sourced from different countries according to supply and demand
- B. Parallel importing is where goods that are sold in different countries at varying prices are exported from low to high price countries
- C. Parallel importing is where goods are sourced from different countries taking advantage of different taxation rates
- D. All of the above

38. Which company is perceived as the world's most ethical company?

- A. Accenture
- B. ABB Asea Brown Boveri Ltd.
- C. Capgemini
- D. Atlas Copco AB

39. Which of the following is not a key social force that has implications for marketing?

- A. Changes in the demographic profile of the population
- B. Increasing levels of globalization
- C. Social responsibility and marketing ethics
- D. The influence of the consumer movement

40. When considering the social environment, two major aspects need to be examined: demographic changes and \_\_\_\_\_ differences that exist between nations.

- A. legal
- B. political
- C. cultural
- D. economic

41. The dramatic growth in the world's population presents \_\_\_\_\_ for marketers in the form of growing markets but also raises questions about the sustainability of this global growth.

- A. opportunities
- B. threats
- C. weaknesses
- D. problems

42. There is huge variation in population growth worldwide. Population growth is slowing in the \_\_\_\_\_ world and increases in population are forecast in Africa, Asia and Latin America.

- A. developing
- B. developed
- C. emerging
- D. third

43. \_\_\_\_\_ has given rise to significant movement of labour from poorer areas of Central and Eastern Europe to the wealthier Western European countries.

- A. Standardization
- B. Globalization
- C. Localization
- D. Nationalization

44. Recent demographic trends have led to a growth in the number of household units and a \_\_\_\_\_ in household sizes.

- A. fall
- B. increase
- C. growth
- D. ascent

45. International marketers must be aware of the significant differences that exist between cultures. For example, The East is deeply culturally bound in complex \_\_\_\_\_ networks, whereas greater levels of independence are more important for those living in the West.

- A. company
- B. brand
- C. business
- D. social

46. The rapid movement of global populations has meant that \_\_\_\_\_ based subcultures have sprung up in most developed countries, creating potentially lucrative niche markets for products and services.

- A. ethnically
- B. socially
- C. age
- D. gender

47. Demographic forces affect which of the following?

- A. Changes in population
- B. Changes in technology
- C. Changes in the marketplace
- D. Changes in climate

48. What is meant by "grey purchasing power"?

- A. "Grey purchasing power" refers to the fact that retailers are increasingly sourcing product from low priced countries, not using manufacturers established channels of distribution, thereby creating a "grey market".
- B. "Grey purchasing power" refers to the fact that the over 65-year-old market is of increasing importance for marketers.
- C. "Grey purchasing power" refers to the fact that the over 45-year-old market is of increasing importance for marketers.
- D. None of the above

49. Which of the following is a major demographic which will affect demand for products and services

- A. Rising proportions of people over 60
- B. A fall in proportion of people over 60
- C. An increase in 30 to 40 year olds
- D. An increase in the current birth rate

50. Which of the following is a major demographic force?

- A. Changing technology
- B. Increases in consumer spending
- C. Increases in competition
- D. Changing age distribution

51. Which of the following is a major demographic force?

- A. Increasing marketing opportunities
- B. Increasing foreign competition
- C. Increasing technological innovation
- D. Increasing world population



52. The combination of values, beliefs and attitudes that is possessed by a national group or sub-group is called:

- A. Religion
- B. Norms
- C. Culture
- D. Society

53. Which of the following is a macroenvironmental force?

- A. Customers
- B. Suppliers
- C. Competitors
- D. Social

54. Which of the following groups need to pay particular attention to the possible impact of culture?

- A. International marketers
- B. Key account managers
- C. Marketers
- D. Top management

55. Corporate social responsibility refers to which of the following?

- A. Refers to the ethical principle that a person or an organization should be accountable for how its acts might affect the physical environment and the general public
- B. Refers to that company's need to be aware that they have a responsibility to society and to meet their minimum legal responsibilities
- C. Refers to companies having "to be seen to be green" in their policies, processes and products
- D. Refers to companies having to meet all national and international environmental regulations

56. What is meant by the term "green marketing"?

- A. The term 'green marketing' is used to describe marketing efforts to produce and promote products, which meet legal regulations concerning the environment.
- B. The term 'green marketing' is used to describe marketing efforts to produce and promote organic food products
- C. The term 'green marketing' is used to describe marketing efforts to produce, promote, and reclaim environmentally sensitive products
- D. None of the above

57. Why is corporate social responsibility a key part of business strategy?

- A. Because of the close scrutiny of pressure groups
- B. Because of the close scrutiny of institutional investors
- C. Because of the close scrutiny of shareholders
- D. All of the above

58. What is meant by the term "social reporting"?

- A. Social reporting is where firms conduct independent audits of their social performance
- B. Social reporting is where firms act as issue advocates
- C. Social reporting is where firms acknowledge and rectify any ethical or environmental misdemeanours
- D. Social reporting is where firms conduct market research on latest consumer trends

59. What is meant by the term "cause- related marketing"?

- A. Cause-related marketing is philanthropy where organizations give money to a charity or a cause not expecting any return for their donation, thereby boosting their corporate image
- B. Cause-related marketing is a commercial activity by which businesses and charities or causes form a partnership with each other to market an image, goods or service for mutual benefit
- C. Cause- related marketing is where a company adopts an issue or a concern and acts as a public advocate of the issue or concern
- D. Cause- related marketing is where a company sets forward a long term marketing objective for a company to achieve. This objective helps form a company's mission statement

60. The moral principles and values that govern the actions and decisions of an individual or group refer to which of the following?

- A. Norms
- B. Religion
- C. Ethics
- D. Culture

61. The "consumer movement" refers to which of the following?

- A. A collection of individuals, organizations and groups whose objective is to protect the rights of consumers
- B. To people demanding higher quality from the products and services they buy
- C. To people demanding more environmentally friendly products and organizations to be socially conscious in their actions
- D. To the rise of consumerism in modern society

62. The "consumer movement" represents which of the following to marketing managers?

- A. A threat
- B. An opportunity
- C. An annoyance
- D. None of the above

63. How can political and legal forces influence marketing decisions?

- A. By determining how products can be segmented, targeted and positioned
- B. By determining the level of foreign competition
- C. By determining health and safety regulations under which a firm operates
- D. By determining the rules by which business can be conducted

64. Marketers need to be aware of consumer legislation. Many countries throughout Europe have some form of Consumer Protection Act that outlaws practices that are deemed to be unfair, misleading or \_\_\_\_\_.

- A. protective
- B. progressive
- C. aggressive
- D. competitive

65. Control of monopolies in Europe increased in 1990 when the EU introduced its first direct mechanism for dealing with mergers and takeovers: the Merger \_\_\_\_\_.

- A. Law
- B. Regulation
- C. Code
- D. Directive

66. Political action may translate directly into legislation. One key area in Europe where regulators act is ensuring that competition is fair, legal and operates in a way so that consumers and \_\_\_\_\_ benefit.

- A. society
- B. shareholders
- C. suppliers
- D. employees

67. The self-regulatory Code of Advertising Standards and Practice is designed to do which of the following?

- A. To keep advertising legal and decent
- B. To keep advertising legal and honest
- C. To keep advertising truthful and honest
- D. All of the above

68. Consumer groups can exert enormous power on companies by influencing which of the following?

- A. Public opinion
- B. Competitors
- C. Government
- D. Investors

69. The process of monitoring and analysing the marketing environment of a company is called:

- A. Situational Analysis
- B. Market Analysis
- C. Market Scanning
- D. Environmental Scanning

70. When monitoring and analysing the marketing environment, what are the two key decisions to be made?
- A. What to scan and how to organize the activity
  - B. How to find information and how to analyze it
  - C. What to research and what information to ignore
  - D. All of the above
71. Potentially relevant environmental forces are those that:
- A. Are controllable by the company
  - B. Are uncontrollable by the company
  - C. Have the most likelihood of affecting future business prospects
  - D. Have the most likelihood of affecting future costs
72. In general, who in the organization is not responsible for monitoring and analyzing the company's marketing environment?
- A. Senior Management Team
  - B. Front line Staff
  - C. Separate Organizational Unit
  - D. All of the above

73. Why is the monitoring and analysis of the marketing environment so essential?

- A. This is essential because of increasing use by competitors of imitation strategies
- B. This is essential because of the increasing turbulence of the marketing environment
- C. This is essential because of increasing price fluctuations in the marketplace
- D. This is essential because of threat of foreign competition

74. Which of the following is not part of a complete environment scanning system?

- A. Keep information on the business environment for top management use only
- B. Provide a focal point for the interpretation and analysis of environmental information identified by other people in the company
- C. Monitor trends, issues and events and study their implications
- D. All of the above

75. Pollution, climate change and animal testing are all examples of which of the following macroenvironmental forces?

- A. Political
- B. Social
- C. Ecological
- D. Legal



76. Explosion in the world's population and the resulting economic growth has brought the issue of environmental sustainability to centre stage and as a result \_\_\_\_\_ forces have become of greater concern.

- A. ecological
- B. social
- C. technological
- D. legal

77. \_\_\_\_\_ change has the potential to have a major impact on business and society. Many commentators argue that human activity is hastening the depletion of the ozone layer and impacting negatively on our ecology.

- A. Demographic
- B. Climate
- C. Cultural
- D. Social

78. Pollution is an ecological issue that has become relevant in recent years. Rapidly growing economies like China and India have particular problems in this regard, with China having overtaken the USA as the world's biggest emitter of \_\_\_\_\_.

- A. CO<sub>2</sub>
- B. H<sub>2</sub>O
- C. CFC
- D. HO<sub>2</sub>

79. Recognition of the finite nature of the world's resources has stimulated a drive towards conservation. This is reflected in the demand for \_\_\_\_\_.

- A. energy-efficient housing
- B. fuel-efficient cars
- C. solar panels
- D. all of the above

80. The Body Shop's initial success was due to its consideration of ecological issues, in particular that its products were not subject to \_\_\_\_\_.

- A. pollution
- B. recycling
- C. animal testing
- D. climate change

81. Corporate Social Responsibility (CSR) is a widely used term that describes a form of self-regulation by businesses based on the ethical principle that a person or organization should be accountable for how its actions might affect the \_\_\_\_\_ environment and the general public.

- A. technological
- B. cultural
- C. social
- D. physical

82. Companies are increasingly conscious of the need to communicate their socially responsible activities. The term '\_\_\_\_\_ marketing' is used to describe marketing efforts to produce, promote and reclaim environmentally sensitive products.

- A. physical
- B. mass
- C. brand
- D. green

83. The \_\_\_\_\_ concept is a label often used to describe how the activities of companies should not only consider the needs of customers, but also society at large.

- A. societal marketing
- B. marketing
- C. product
- D. production

84. Corporate Social Responsibility (CSR) has become a key part of a company's business strategy. Two outcomes of this growth in CSR have been the growth in social reporting and \_\_\_\_\_-related marketing.

- A. cause
- B. society
- C. social
- D. ethical

85. Cause-related marketing is a commercial, activity by which businesses and charities or causes form a partnership with each other in order to market an image, product or service for mutual benefit. Cause-related marketing works well when the business and charity have a similar \_\_\_\_\_.

- A. budget
- B. target audience
- C. plan
- D. location

86. Which best describes the distinction between ethics and laws?

- A. Ethics concern moral principles, while laws reflects society's principles and standards
- B. Ethics concern society's principles and standards, while laws concern moral principles
- C. Ethics are enforceable in the courts, whereas laws are not
- D. All unethical practices bare illegal and all unlawful activities are illegal

87. Consumer movements have been active in which of the following areas?

- A. Product quality and safety
- B. Information accuracy
- C. Campaigning against unfair business practices
- D. All of the above

88. The consumer movement has led many companies to change their approach to conducting business. For example, growing concerns about \_\_\_\_\_ levels in the developed world has led McDonalds to make significant changes to its menu items and marketing approach, introducing healthier options.

- A. poverty
- B. obesity
- C. pollution
- D. recycling

89. Which of the following is a benefit of formal environmental scanning?

- A. Better implementation of the marketing plans
- B. Better general awareness of, and responsiveness to environmental changes
- C. Better foreign investment and international marketing
- D. All of the above are benefits of formal environmental scanning

90. People's lives and companies' fortunes have been affected significantly by \_\_\_\_\_ advances which has given us robotics, computers, body scanners etc which have contributed to our quality of life.

- A. social
- B. political
- C. economic
- D. technological

91. Monitoring the technological environment resulted in new opportunities and major investments. For example, Google has invested heavily in the development of Google \_\_\_\_\_, a miniature computer that is worn like a pair of spectacles.

- A. Glass
- B. Plus
- C. Hangout
- D. Social

92. Technology has impacted on how consumers pay for goods or services. For example, in Japan there has been a huge growth in the use of \_\_\_\_\_-cash facilities where consumers buy smart cards which are topped up on a monthly basis and can be used for everything from transport systems to shops and cafes.

- A. e
- B. tech
- C. m
- D. smart

93. The key to successful technological investment is \_\_\_\_\_ potential, not technological sophistication for its own sake. For example, although the Concorde was technologically sophisticated, management knew before its launch that it wasn't commercially viable.

- A. promotion
- B. market
- C. brand
- D. international

94. Environmental scanning provides the essential informational input to create strategic fit between which of the following?

- A. Resource allocation, organization and the environment
- B. Resource allocation, tactics and the environment
- C. Strategy, tactics and the environment
- D. Strategy, organization and the environment

95. How can companies respond to environmental change?

- A. Delay
- B. Retrenchment
- C. Radical Strategic Repositioning
- D. All of the above

96. An environmental response where a company continues as normal, in spite of environmental forces is called?

- A. Apathy
- B. Ignorance
- C. Delay
- D. Standard

97. An environmental response where a company cuts costs in response to declining sales is called?

- A. Standard strategic repositioning
- B. Gradual strategic repositioning
- C. Containment
- D. Retrenchment

98. What is the main difference between gradual strategic repositioning and radical strategic repositioning?

- A. Radical strategic repositioning doesn't exist
- B. Radical strategic repositioning is much riskier
- C. Radical strategic repositioning is much costlier
- D. Radical strategic repositioning is much rarer

99. What is "marketing myopia"?

- A. Marketing myopia is where management are product focused rather than customer focused
- B. Marketing myopia is where management fails to respond to technological change
- C. Marketing myopia is where bureaucratic decision processes occur that stifle responses to change
- D. Marketing myopia is where a company sees change as a threat and therefore defends the status quo



100.Which of the following is a source of delay when responding to environmental change?

- A. Technological myopia
- B. Emotional recoil
- C. Autocratic decision processes
- D. All of the above

101."Gradual Strategic Repositioning" involves which of the following?

- A. Involves a gradual and ad hoc adaptation to the changing marketing environment
- B. Involves a gradual and planned changing of a company's promotional strategy
- C. Involves a gradual, planned and continuous adaptation to the changing marketing environment
- D. Involves a gradual and planned refocus of a company's target market

102."Technological Myopia" refers to which of the following?

- A. Where a company is lacking sufficient technological resources to compete
- B. Where a company is technology led rather than customer led
- C. Where a company fails to respond to a technological change
- D. Where a company has fallen behind the market leader in technological investment

103. When managers see a change as a threat and thus defend the status quo, this is seen as which of the following?

- A. Psychological recoil
- B. Apathy
- C. Ignorance
- D. Delay Tactic

104. A "retrenchment" response to environmental change focuses on which of the following?

- A. This response tackles effectiveness problems but ignores efficiency issues
- B. This response tackles efficiency problems but ignores effectiveness issues
- C. This response focuses on the long term, trying to rectify an organization wide problem
- D. This response focuses on the long term, trying to rectify specific problems

105. What is "environmental scanning"?

- A. Environmental scanning is the process of monitoring and analyzing the macroenvironment
- B. Environmental scanning is the process of monitoring and analyzing the microenvironment
- C. Environmental scanning is part of the process in developing environmentally friendly products
- D. Environmental scanning is the process of monitoring and analyzing the marketing environment

106. Which of the following is not a response to environmental change?

- A. Delay
- B. Ignorance
- C. Retrenchment
- D. Standard repositioning

107.Which of the following is not a macroenvironmental force?

- A. Competitors
- B. Legal
- C. Social
- D. Political

108.The promotion of a pan-European marketing concept has occurred due to which of the following?

- A. Publicity surrounding the introduction of the Euro
- B. The accelerating flow of information across borders
- C. The increasing mobility of European consumers
- D. All of the above

109.Which of the following is a major future demographic change in the E.U. that will affect the demand for products and services?

- A. Longer periods of sustained economic growth
- B. Low and stable interest rates
- C. More opportunities due to the continued expansion of the E.U.
- D. The rising proportion of the population over the age of 45

110.Which of the following can be classified as social forces affecting the marketing environment?

- A. Consumer legislation
- B. Demographic forces
- C. Codes of practice
- D. None of the above

111.Social reporting is where firms conduct independent audits of their social performance. The audits usually involve surveys of which of these key stakeholders:

- A. Competitors
- B. Employees
- C. Investors
- D. Suppliers

112.CRM stands for which of the following?

- A. Continuous Real-time Marketing
- B. Cause Related Management
- C. Customer Relationship Management
- D. Company Reputation Marketing

113.Environmental scanning is the process of monitoring and analyzing the marketing environment of a company.

True   False

114.Ethics are the moral principles and values that govern the actions and decisions of an individual or group.

True False

115.The macroenvironment contains a number of broader forces that affect not only the company, but also other actors in the environment, e.g. social, political, commercial and economic.

True False

116.Cause-related marketing is a philanthropic activity by which businesses and charities or causes form a partnership with each other to market an image, goods or service for mutual benefit

True False

117.The marketing environment contains the actors and issues that affect a company's capability to operate effectively in providing products and services to its customers.

True False

118.Social reporting is where firms acknowledge and rectify any ethical or environmental misdemeanours.

True False

119.Corporate social responsibility refers to the ethical principle that a person or an organization should be accountable for how its acts might affect the physical environment and the general public.

True False

120. A marketing-orientated firm looks internally at the organization and adapts, taking advantages of strengths, and minimising potential weaknesses.

True False

121. Radical strategic positioning refers to companies who fundamentally change the direction of their entire business.

True False

122. Marketing myopia is a powerful contributor to inertia.

True False

123. World population growth, the changing age distribution, and the rise in the number of two-income households are major demographic forces.

True False

124. The rise of two-income households among professional and middle-class households means that this market segment has high disposal income leading to increased price sensitivity.

True False

125. The term 'green marketing' is used to describe marketing efforts to produce, promote, and reclaim environmentally sensitive products.

True False

126. The marketing environment can be divided into the microenvironment, which consists of suppliers, distributors, customers and competitors, and the macroenvironment, which can be grouped under economic, social, political and legal, physical, and technological forces.

True   False

## Chapter 2 Key

1. Which of the following statements is true?
- A. A marketing-orientated firm looks at exploiting any opportunities in foreign markets.
  - B. A marketing-orientated firm looks internally at the organization and adapts, taking advantages of strengths, and to minimise potential weaknesses.
  - C. A marketing-orientated firm looks outward to the environment in which it operates adapting to take advantage of emerging opportunities, and to minimise potential threats.
  - D. None of the above

*Blooms: Evaluate*

*Difficulty: Medium*

*Fahy - Chapter 02 #1*

*Learning Objective: 02-01 Understand what is meant by the term 'marketing environment'*

*Topic: The macroenvironment*

2. The marketing environment consists of which of the following?

- A. Actors and forces
- B. Customers and staff
- C. Competitors and staff
- D. None of the above

*Blooms: Evaluate*

*Difficulty: Medium*

*Fahy - Chapter 02 #2*

*Learning Objective: 02-01 Understand what is meant by the term 'marketing environment'*

*Topic: The macroenvironment*



3. The marketing environment affects which of the following?

- A. It affects primarily a company's pricing strategies and tactics
- B. It affects primarily a company's advertising and promotional strategies
- C. It affects primarily a company's capability to operate effectively in providing products and services to its customers
- D. It affects primarily a company's competitors and the company's ability to compete in their designated niche market

*Blooms: Understand*

*Difficulty: Medium*

*Fahy - Chapter 02 #3*

*Learning Objective: 02-01 Understand what is meant by the term 'marketing environment'*

*Topic: The macroenvironment*

4. The marketing environment consists of which of the following?

- A. Microenvironment and Macroenvironment
- B. Microenvironment and Mini Environment
- C. Macroenvironment and Mini Environment
- D. Mini Environment and Major Environment

*Blooms: Remember*

*Difficulty: Easy*

*Fahy - Chapter 02 #4*

*Learning Objective: 02-01 Understand what is meant by the term 'marketing environment'*

*Topic: The macroenvironment*

5. The key actors in the firm's immediate environment that affect its capabilities to operate effectively in its chosen markets are which of the following?

- A. Customers, staff, distributors and competitors
- B. Customers, staff, distributors and retailers
- C. Suppliers, distributors, customers and retailers
- D. Suppliers, distributors, customers and competitors

*Blooms: Evaluate*

*Difficulty: Medium*

*Fahy - Chapter 02 #5*

*Learning Objective: 02-05 Analyse the impact of customers, distributors, suppliers and competitors on marketing decisions*

*Topic: The microenvironment*

6. \_\_\_\_\_ are an important element of the microenvironment as ultimately, they determine the success or failure of a business.

- A. Suppliers
- B. Distributors
- C. Competitors
- D. Customers

*Blooms: Understand*

*Difficulty: Medium*

*Fahy - Chapter 02 #6*

*Learning Objective: 02-05 Analyse the impact of customers, distributors, suppliers and competitors on marketing decisions*

*Topic: The microenvironment*

7. Distributors are an important element of the microenvironment as they provide many valuable services, such as \_\_\_\_\_.

- A. making products available to customers
- B. providing specialist services
- C. breaking bulk
- D. all of the above

*Blooms: Understand*

*Difficulty: Medium*

*Fahy - Chapter 02 #7*

*Learning Objective: 02-05 Analyse the impact of customers, distributors, suppliers and competitors on marketing decisions*

*Topic: The microenvironment*

8. Suppliers are important actors in the \_\_\_\_\_ as powerful suppliers can extract profitability from an industry by restricting the supply of essential components and forcing prices up.

- A. microenvironment
- B. macroenvironment
- C. minienvironment
- D. majorenvironment

*Blooms: Understand*

*Difficulty: Easy*

*Fahy - Chapter 02 #8*

*Learning Objective: 02-05 Analyse the impact of customers, distributors, suppliers and competitors on marketing decisions*

*Topic: The microenvironment*

9. To be successful in the marketplace, companies must not only consider customers as an important element of the microenvironment, but must also consider \_\_\_\_\_ and how the company can gain a differential advantage over them.

- A. competitors
- B. suppliers
- C. distributors
- D. employees

*Blooms: Evaluate*

*Difficulty: Medium*

*Fahy - Chapter 02 #9*

*Learning Objective: 02-05 Analyse the impact of customers, distributors, suppliers and competitors on marketing decisions*

*Topic: The microenvironment*

10. Which of the following is an accurate characteristic of the macroenvironment?

- A. The macroenvironment is largely uncontrollable
- B. The macroenvironment is largely controllable
- C. The macroenvironment is influenced by the size and resources of a company
- D. The macroenvironment is influenced by the products and services that a company offers

*Blooms: Understand*

*Difficulty: Medium*

*Fahy - Chapter 02 #10*

*Learning Objective: 02-01 Understand what is meant by the term 'marketing environment'*

*Topic: The macroenvironment*

11. Which of the following are major macroeconomic forces that affect marketing decisions?

- A. Economic, physical and technological
- B. Economic, competitors and social
- C. Social, legal and distributors
- D. Social, competitors and legal

*Blooms: Remember*

*Difficulty: Easy*

*Fahy - Chapter 02 #11*

*Learning Objective: 02-02 Explain the distinction between the microenvironment and the macroenvironment*

*Topic: The macroenvironment*

12. Which of the following are not major macroeconomic forces that affect marketing decisions?

- A. Physical, competitors and economic
- B. Social, economic and legal
- C. Social, legal and technological
- D. Physical, technological and legal

*Blooms: Remember*

*Difficulty: Medium*

*Fahy - Chapter 02 #12*

*Learning Objective: 02-02 Explain the distinction between the microenvironment and the macroenvironment*

*Topic: The macroenvironment*

13. The macroeconomic forces shape the character of which of the following?

- A. The future marketing plans for a company
- B. The strengths and weaknesses of a company
- C. The opportunities and threats facing a company
- D. The immediate capabilities of a company

*Blooms: Evaluate*

14. The economic environment has a critical impact on the success of companies through its effect on which of the following?

- A. Profit and turnover
- B. Success and prices
- C. Supply and demand
- D. Sales and prices

15. Which of the following is not a major economic influence on the marketing environment of companies?

- A. Economic growth and unemployment
- B. The development and implications of the Single European Market
- C. Further political integration of the European Union
- D. Interest and exchange rates

16. Which of the following can have a profound effect on a company's prosperity?

- A. The general state of a nation's and the world economy
- B. The general state of a nation's economy
- C. The general state of the world economy
- D. None of the above

*Blooms: Understand*

*Difficulty: Easy*

*Fahy - Chapter 02 #16*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Economic forces*

17. Low growth rates in an economy can affect which of the following?

- A. Can affect consumer spending power
- B. Can affect competitors' pricing strategies
- C. Can affect investment in advertising
- D. Can affect consumer confidence

*Blooms: Analyse*

*Difficulty: Easy*

*Fahy - Chapter 02 #17*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Economic forces*

18. In times of economic recession, consumers tend to do which of the following?

- A. To accelerate spending, hoping that the recession will end
- B. To postpone spending and/or become more cost conscious
- C. To postpone spending and/or buy mainly commodity items
- D. To accelerate spending, looking for value for money items

*Blooms: Evaluate*

19. In times of economic recession, consumers tend to shop more at which of the following?

- A. Supermarkets
- B. Luxury stores
- C. High street stores
- D. Discount Stores

20. \_\_\_\_\_ rates are an important aspect of the economy that impact on businesses as they affect the rate at which money is borrowed by businesses and individuals.

- A. Interest
- B. Exchange
- C. Rent
- D. Mortgage



21. International marketers must take account of the fact that floating \_\_\_\_\_ rates (rates at which one currency buys another) can have a significant impact on the profitability of a company's international operations.

A. interest

B. exchange

C. rent

D. mortgage

*Blooms: Evaluate*

*Difficulty: Medium*

*Fahy - Chapter 02 #21*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Economic forces*

22. Taxation is an economic factor that impacts on consumers' levels of \_\_\_\_\_ income (the amount of money available after essentials) and thereby influences the purchase of goods and services.

A. discretionary

B. preliminary

C. recessionary

D. progressionary

*Blooms: Understand*

*Difficulty: Medium*

*Fahy - Chapter 02 #22*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Economic forces*

23. Inflation is an economic factor that measures the cost of living in an economy. Rapid rises in inflation affect marketing as they affect the prices of goods and services and also \_\_\_\_\_ the future value of savings, investments and pensions.

- A. grow
- B. maintain
- C. increase
- D. reduce

*Blooms: Apply*

*Difficulty: Medium*

*Fahy - Chapter 02 #23*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Economic forces*

24. How many consumers are in the European Union?

- A. 120 million consumers
- B. 320 million consumers
- C. 520 million consumers
- D. 820 million consumers

*Blooms: Remember*

*Difficulty: Medium*

*Fahy - Chapter 02 #24*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Political and legal forces*

25. Many decisions may be influenced by political legal forces which determine the rules by which business is conducted. Political forces describe the close connections that politicians and senior business people often have, sometimes known as '\_\_\_\_\_ capitalism'

- A. crony
- B. phony
- C. felony
- D. proxy

*Blooms: Remember*

*Difficulty: Medium*

*Fahy - Chapter 02 #25*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Political and legal forces*

26. Businesses often try to influence political processes through the use of \_\_\_\_\_. This involves businesses attempting to influence decisions made by officials in government, most often legislators or regulatory agencies.

- A. lobbying
- B. positioning
- C. begging
- D. targeting

*Blooms: Understand*

*Difficulty: Medium*

*Fahy - Chapter 02 #26*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Political and legal forces*

27. Which country is not a member of the European Union?

A. United Kingdom

B. Norway

C. Finland

D. Greece

*Blooms: Remember*

*Difficulty: Medium*

*Fahy - Chapter 02 #27*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Political and legal forces*

28. How many countries have as their common currency, the euro?

A. 17

B. 10

C. 23

D. 15

*Blooms: Remember*

*Difficulty: Medium*

*Fahy - Chapter 02 #28*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Political and legal forces*

29. Which of the following is an emerging implication of the development of the "Single European Market"?

- A. Globalization
- B. International Marketing
- C. Global Marketing
- D. Pan- European Marketing

*Blooms: Understand*

*Difficulty: Medium*

*Fahy - Chapter 02 #29*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Political and legal forces*

30. NAFTA stands for:

- A. North American Free Trade Association
- B. North American Free Trade Agreement
- C. North American Financial Trade Agreement
- D. North American Financial Tariff Association

*Blooms: Remember*

*Difficulty: Medium*

*Fahy - Chapter 02 #30*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Political and legal forces*

31. ASEAN stands for:

- A. Advertising Standards, Ethics and Negotiations
- B. Association of Standards for Economic Activity in Norway
- C. Association of South East Asian Nations
- D. Advertising Standards for European and Asian Nations

*Blooms: Remember*

*Difficulty: Easy*

*Fahy - Chapter 02 #31*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Political and legal forces*

32. Which of the following factors has promoted the realization of pan- European marketing?

- A. The introduction of the euro
- B. Increasing mobility of consumers
- C. Increasing information flow across borders
- D. All of the above

*Blooms: Evaluate*

*Difficulty: Medium*

*Fahy - Chapter 02 #32*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Political and legal forces*

33. Which of the following factors has hindered the realization of pan- European marketing in the EU?

- A. Trade Barriers
- B. Persistence of local tastes
- C. Some countries have not adopted the Euro
- D. All of the above

*Blooms: Evaluate*

*Difficulty: Hard*

*Fahy - Chapter 02 #33*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Political and legal forces*

34. Standardization appears to depend mainly upon which of the following?

- A. Product type
- B. Competitors' offering
- C. Manufacturing costs
- D. Newness of product

*Blooms: Evaluate*

*Difficulty: Medium*

*Fahy - Chapter 02 #34*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Political and legal forces*

35. Standardization of "FMCG's" is more difficult due to differences in local tastes. "FMCG" stands for which of the following?

- A. Fast Moving Consumer Goods
- B. Fixed Managed Company Goods
- C. Fair, Modest, Competitively-Priced Goods
- D. None of the Above

*Blooms: Remember*

*Difficulty: Easy*

*Fahy - Chapter 02 #35*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Political and legal forces*

36. Which of the following types of product is more difficult to standardize due to local preferences?

- A. Industrial Goods
- B. Consumer durables
- C. Clothing
- D. Food

*Blooms: Evaluate*

*Difficulty: Medium*

*Fahy - Chapter 02 #36*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Political and legal forces*



37. What is "parallel importing"?

- A. Parallel importing is where similar goods are sourced from different countries according to supply and demand
- B.** Parallel importing is where goods that are sold in different countries at varying prices are exported from low to high price countries
- C. Parallel importing is where goods are sourced from different countries taking advantage of different taxation rates
- D. All of the above

*Blooms: Remember*

*Difficulty: Hard*

*Fahy - Chapter 02 #37*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Economic forces*

38. Which company is perceived as the world's most ethical company?

- A. Accenture
- B.** ABB Asea Brown Boveri Ltd.
- C. Capgemini
- D. Atlas Copco AB

*Blooms: Remember*

*Difficulty: Medium*

*Fahy - Chapter 02 #38*

*Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices*

*Topic: Ecological forces*

39. Which of the following is not a key social force that has implications for marketing?

- A. Changes in the demographic profile of the population
- B. Increasing levels of globalization
- C. Social responsibility and marketing ethics
- D. The influence of the consumer movement

*Blooms: Understand*

*Difficulty: Medium*

*Fahy - Chapter 02 #39*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Social forces*

40. When considering the social environment, two major aspects need to be examined: demographic changes and \_\_\_\_\_ differences that exist between nations.

- A. legal
- B. political
- C. cultural
- D. economic

*Blooms: Understand*

*Difficulty: Medium*

*Fahy - Chapter 02 #40*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Social forces*

41.

The dramatic growth in the world's population presents \_\_\_\_\_ for marketers in the form of growing markets but also raises questions about the sustainability of this global growth.

- A. opportunities
- B. threats
- C. weaknesses
- D. problems

*Blooms: Evaluate*

*Difficulty: Easy*

*Fahy - Chapter 02 #41*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Social forces*

42.

There is huge variation in population growth worldwide. Population growth is slowing in the \_\_\_\_\_ world and increases in population are forecast in Africa, Asia and Latin America.

- A. developing
- B. developed
- C. emerging
- D. third

*Blooms: Remember*

*Difficulty: Easy*

*Fahy - Chapter 02 #42*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Social forces*

43. \_\_\_\_\_ has given rise to significant movement of labour from poorer areas of Central and Eastern Europe to the wealthier Western European countries.

- A. Standardization
- B. Globalization
- C. Localization
- D. Nationalization

*Blooms: Apply*

*Difficulty: Medium*

*Fahy - Chapter 02 #43*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Social forces*

44. Recent demographic trends have led to a growth in the number of household units and a \_\_\_\_\_ in household sizes.

- A. fall
- B. increase
- C. growth
- D. ascent

*Blooms: Apply*

*Difficulty: Medium*

*Fahy - Chapter 02 #44*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Social forces*

45. International marketers must be aware of the significant differences that exist between cultures. For example, The East is deeply culturally bound in complex \_\_\_\_\_ networks, whereas greater levels of independence are more important for those living in the West.

A. company  
B. brand  
C. business  
D. social

*Blooms: Evaluate*

*Difficulty: Medium*

*Fahy - Chapter 02 #45*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Social forces*

46. The rapid movement of global populations has meant that \_\_\_\_\_ based subcultures have sprung up in most developed countries, creating potentially lucrative niche markets for products and services.

A. ethnically  
B. socially  
C. age  
D. gender

*Blooms: Apply*

*Difficulty: Hard*

*Fahy - Chapter 02 #46*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Social forces*

47. Demographic forces affect which of the following?

- A. Changes in population
- B. Changes in technology
- C. Changes in the marketplace
- D. Changes in climate

*Blooms: Evaluate*

*Difficulty: Easy*

*Fahy - Chapter 02 #47*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Social forces*

48. What is meant by "grey purchasing power"?

- A. "Grey purchasing power" refers to the fact that retailers are increasingly sourcing product from low priced countries, not using manufacturers established channels of distribution, thereby creating a "grey market".
- B. "Grey purchasing power" refers to the fact that the over 65-year-old market is of increasing importance for marketers.
- C. "Grey purchasing power" refers to the fact that the over 45-year-old market is of increasing importance for marketers.
- D. None of the above

*Blooms: Understand*

*Difficulty: Easy*

*Fahy - Chapter 02 #48*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Social forces*

49. Which of the following is a major demographic which will affect demand for products and services

- A. Rising proportions of people over 60
- B. A fall in proportion of people over 60
- C. An increase in 30 to 40 year olds
- D. An increase in the current birth rate

*Blooms: Evaluate*

*Difficulty: Medium*

*Fahy - Chapter 02 #49*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Social forces*

50. Which of the following is a major demographic force?

- A. Changing technology
- B. Increases in consumer spending
- C. Increases in competition
- D. Changing age distribution

*Blooms: Understand*

*Difficulty: Medium*

*Fahy - Chapter 02 #50*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Social forces*

51. Which of the following is a major demographic force?

- A. Increasing marketing opportunities
- B. Increasing foreign competition
- C. Increasing technological innovation
- D. Increasing world population

*Blooms: Understand*

*Difficulty: Medium*

*Fahy - Chapter 02 #51*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Social forces*

52. The combination of values, beliefs and attitudes that is possessed by a national group or sub-group is called:

- A. Religion
- B. Norms
- C. Culture
- D. Society

*Blooms: Understand*

*Difficulty: Easy*

*Fahy - Chapter 02 #52*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Social forces*



53. Which of the following is a macroenvironmental force?

- A. Customers
- B. Suppliers
- C. Competitors
- D. Social

*Blooms: Understand*

*Difficulty: Easy*

*Fahy - Chapter 02 #53*

*Learning Objective: 02-02 Explain the distinction between the microenvironment and the macroenvironment*

*Topic: The macroenvironment*

54. Which of the following groups need to pay particular attention to the possible impact of culture?

- A. International marketers
- B. Key account managers
- C. Marketers
- D. Top management

*Blooms: Apply*

*Difficulty: Hard*

*Fahy - Chapter 02 #54*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Social forces*

55. Corporate social responsibility refers to which of the following?

- A. Refers to the ethical principle that a person or an organization should be accountable for how its acts might affect the physical environment and the general public
- B. Refers to that company's need to be aware that they have a responsibility to society and to meet their minimum legal responsibilities
- C. Refers to companies having "to be seen to be green" in their policies, processes and products
- D. Refers to companies having to meet all national and international environmental regulations

*Blooms: Understand*

*Difficulty: Medium*

*Fahy - Chapter 02 #55*

*Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices*

*Topic: Ecological forces*

56. What is meant by the term "green marketing"?

- A. The term 'green marketing' is used to describe marketing efforts to produce and promote products, which meet legal regulations concerning the environment.
- B. The term 'green marketing' is used to describe marketing efforts to produce and promote organic food products
- C. The term 'green marketing' is used to describe marketing efforts to produce, promote, and reclaim environmentally sensitive products
- D. None of the above

*Blooms: Understand*

*Difficulty: Medium*

*Fahy - Chapter 02 #56*

*Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices*

*Topic: Ecological forces*

57. Why is corporate social responsibility a key part of business strategy?

- A. Because of the close scrutiny of pressure groups
- B. Because of the close scrutiny of institutional investors
- C. Because of the close scrutiny of shareholders
- D. All of the above

*Blooms: Evaluate*

*Difficulty: Easy*

*Fahy - Chapter 02 #57*

*Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices*

*Topic: Ecological forces*

58. What is meant by the term "social reporting"?

- A. Social reporting is where firms conduct independent audits of their social performance
- B. Social reporting is where firms act as issue advocates
- C. Social reporting is where firms acknowledge and rectify any ethical or environmental misdemeanours
- D. Social reporting is where firms conduct market research on latest consumer trends

*Blooms: Understand*

*Difficulty: Hard*

*Fahy - Chapter 02 #58*

*Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices*

*Topic: Ecological forces*

59. What is meant by the term "cause- related marketing"?

- A. Cause-related marketing is philanthropy where organizations give money to a charity or a cause not expecting any return for their donation, thereby boosting their corporate image
- B. Cause-related marketing is a commercial activity by which businesses and charities or causes form a partnership with each other to market an image, goods or service for mutual benefit
- C. Cause- related marketing is where a company adopts an issue or a concern and acts as a public advocate of the issue or concern
- D. Cause- related marketing is where a company sets forward a long term marketing objective for a company to achieve. This objective helps form a company's mission statement

*Blooms: Understand*

*Difficulty: Hard*

*Fahy - Chapter 02 #59*

*Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices*

*Topic: Ecological forces*

60. The moral principles and values that govern the actions and decisions of an individual or group refer to which of the following?

- A. Norms
- B. Religion
- C. Ethics
- D. Culture

*Blooms: Understand*

*Difficulty: Medium*

*Fahy - Chapter 02 #60*

*Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices*

*Topic: Ecological forces*

61. The "consumer movement" refers to which of the following?

- A. A collection of individuals, organizations and groups whose objective is to protect the rights of consumers
- B. To people demanding higher quality from the products and services they buy
- C. To people demanding more environmentally friendly products and organizations to be socially conscious in their actions
- D. To the rise of consumerism in modern society

*Blooms: Understand*

*Difficulty: Medium*

*Fahy - Chapter 02 #61*

*Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices*

*Topic: Ecological forces*

62. The "consumer movement" represents which of the following to marketing managers?

- A. A threat
- B. An opportunity
- C. An annoyance
- D. None of the above

*Blooms: Evaluate*

*Difficulty: Hard*

*Fahy - Chapter 02 #62*

*Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices*

*Topic: Ecological forces*

63. How can political and legal forces influence marketing decisions?

- A. By determining how products can be segmented, targeted and positioned
- B. By determining the level of foreign competition
- C. By determining health and safety regulations under which a firm operates
- D. By determining the rules by which business can be conducted

*Blooms: Apply*

*Difficulty: Hard*

*Fahy - Chapter 02 #63*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Political and legal forces*

64. Marketers need to be aware of consumer legislation. Many countries throughout Europe have some form of Consumer Protection Act that outlaws practices that are deemed to be unfair, misleading or \_\_\_\_\_.

- A. protective
- B. progressive
- C. aggressive
- D. competitive

*Blooms: Remember*

*Difficulty: Medium*

*Fahy - Chapter 02 #64*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Political and legal forces*

65. Control of monopolies in Europe increased in 1990 when the EU introduced its first direct mechanism for dealing with mergers and takeovers: the Merger \_\_\_\_\_.

- A. Law
- B. Regulation
- C. Code
- D. Directive

*Blooms: Remember*

*Difficulty: Medium*

*Fahy - Chapter 02 #65*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Political and legal forces*

66. Political action may translate directly into legislation. One key area in Europe where regulators act is ensuring that competition is fair, legal and operates in a way so that consumers and \_\_\_\_\_ benefit.

- A. society
- B. shareholders
- C. suppliers
- D. employees

*Blooms: Remember*

*Difficulty: Medium*

*Fahy - Chapter 02 #66*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Political and legal forces*

67. The self-regulatory Code of Advertising Standards and Practice is designed to do which of the following?

- A. To keep advertising legal and decent
- B. To keep advertising legal and honest
- C. To keep advertising truthful and honest
- D. All of the above

*Blooms: Remember*

*Difficulty: Easy*

*Fahy - Chapter 02 #67*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Political and legal forces*

68. Consumer groups can exert enormous power on companies by influencing which of the following?

- A. Public opinion
- B. Competitors
- C. Government
- D. Investors

*Blooms: Apply*

*Difficulty: Medium*

*Fahy - Chapter 02 #68*

*Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices*

*Topic: Ecological forces*



69.

The process of monitoring and analysing the marketing environment of a company is called:

- A. Situational Analysis
- B. Market Analysis
- C. Market Scanning
- D. Environmental Scanning

*Blooms: Understand*

*Difficulty: Easy*

*Fahy - Chapter 02 #69*

*Learning Objective: 02-06 Explain how companies respond to environmental change*

*Topic: Environmental scanning*

70.

When monitoring and analysing the marketing environment, what are the two key decisions to be made?

- A. What to scan and how to organize the activity
- B. How to find information and how to analyze it
- C. What to research and what information to ignore
- D. All of the above

*Blooms: Remember*

*Difficulty: Medium*

*Fahy - Chapter 02 #70*

*Learning Objective: 02-06 Explain how companies respond to environmental change*

*Topic: Environmental scanning*

71. Potentially relevant environmental forces are those that:

- A. Are controllable by the company
- B. Are uncontrollable by the company
- C. Have the most likelihood of affecting future business prospects
- D. Have the most likelihood of affecting future costs

*Blooms: Evaluate*

*Difficulty: Medium*

*Fahy - Chapter 02 #71*

*Learning Objective: 02-06 Explain how companies respond to environmental change*

*Topic: Environmental scanning*

72. In general, who in the organization is not responsible for monitoring and analyzing the company's marketing environment?

- A. Senior Management Team
- B. Front line Staff
- C. Separate Organizational Unit
- D. All of the above

*Blooms: Understand*

*Difficulty: Medium*

*Fahy - Chapter 02 #72*

*Learning Objective: 02-06 Explain how companies respond to environmental change*

*Topic: Environmental scanning*

73. Why is the monitoring and analysis of the marketing environment so essential?

- A. This is essential because of increasing use by competitors of imitation strategies
- B. This is essential because of the increasing turbulence of the marketing environment
- C. This is essential because of increasing price fluctuations in the marketplace
- D. This is essential because of threat of foreign competition

*Blooms: Evaluate*

*Difficulty: Hard*

*Fahy - Chapter 02 #73*

*Learning Objective: 02-06 Explain how companies respond to environmental change*

*Topic: Environmental scanning*

74. Which of the following is not part of a complete environment scanning system?

- A. Keep information on the business environment for top management use only
- B. Provide a focal point for the interpretation and analysis of environmental information identified by other people in the company
- C. Monitor trends, issues and events and study their implications
- D. All of the above

*Blooms: Evaluate*

*Difficulty: Medium*

*Fahy - Chapter 02 #74*

*Learning Objective: 02-06 Explain how companies respond to environmental change*

*Topic: Environmental scanning*

75. Pollution, climate change and animal testing are all examples of which of the following macroenvironmental forces?

- A. Political
- B. Social
- C. Ecological
- D. Legal

*Blooms: Evaluate*

*Difficulty: Easy*

*Fahy - Chapter 02 #75*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Ecological forces*

76. Explosion in the world's population and the resulting economic growth has brought the issue of environmental sustainability to centre stage and as a result \_\_\_\_\_ forces have become of greater concern.

- A. ecological
- B. social
- C. technological
- D. legal

*Blooms: Evaluate*

*Difficulty: Easy*

*Fahy - Chapter 02 #76*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Ecological forces*

77. \_\_\_\_\_ change has the potential to have a major impact on business and society. Many commentators argue that human activity is hastening the depletion of the ozone layer and impacting negatively on our ecology.

A. Demographic

B. Climate

C. Cultural

D. Social

*Blooms: Understand*

*Difficulty: Medium*

*Fahy - Chapter 02 #77*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Ecological forces*

78. Pollution is an ecological issue that has become relevant in recent years. Rapidly growing economies like China and India have particular problems in this regard, with China having overtaken the USA as the world's biggest emitter of \_\_\_\_\_.

A. CO<sub>2</sub>

B. H<sub>2</sub>O

C. CFC

D. HO<sub>2</sub>

*Blooms: Remember*

*Difficulty: Easy*

*Fahy - Chapter 02 #78*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Ecological forces*

79. Recognition of the finite nature of the world's resources has stimulated a drive towards conservation. This is reflected in the demand for \_\_\_\_\_.

- A. energy-efficient housing
- B. fuel-efficient cars
- C. solar panels
- D. all of the above

*Blooms: Evaluate*

*Difficulty: Easy*

*Fahy - Chapter 02 #79*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Ecological forces*

80. The Body Shop's initial success was due to its consideration of ecological issues, in particular that its products were not subject to \_\_\_\_\_.

- A. pollution
- B. recycling
- C. animal testing
- D. climate change

*Blooms: Apply*

*Difficulty: Medium*

*Fahy - Chapter 02 #80*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Ecological forces*

81. Corporate Social Responsibility (CSR) is a widely used term that describes a form of self-regulation by businesses based on the ethical principle that a person or organization should be accountable for how its actions might affect the \_\_\_\_\_ environment and the general public.

- A. technological
- B. cultural
- C. social
- D. physical

*Blooms: Understand*

*Difficulty: Medium*

*Fahy - Chapter 02 #81*

*Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices*

*Topic: Ecological forces*

82. Companies are increasingly conscious of the need to communicate their socially responsible activities. The term '\_\_\_\_\_ marketing' is used to describe marketing efforts to produce, promote and reclaim environmentally sensitive products.

- A. physical
- B. mass
- C. brand
- D. green

*Blooms: Remember*

*Difficulty: Medium*

*Fahy - Chapter 02 #82*

*Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices*

*Topic: Ecological forces*

83. The \_\_\_\_\_ concept is a label often used to describe how the activities of companies should not only consider the needs of customers, but also society at large.

- A. societal marketing
- B. marketing
- C. product
- D. production

*Blooms: Understand*

*Difficulty: Medium*

*Fahy - Chapter 02 #83*

*Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices*

*Topic: Ecological forces*

84. Corporate Social Responsibility (CSR) has become a key part of a company's business strategy. Two outcomes of this growth in CSR have been the growth in social reporting and \_\_\_\_\_-related marketing.

- A. cause
- B. society
- C. social
- D. ethical

*Blooms: Remember*

*Difficulty: Hard*

*Fahy - Chapter 02 #84*

*Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices*

*Topic: Ecological forces*



85. Cause-related marketing is a commercial, activity by which businesses and charities or causes form a partnership with each other in order to market an image, product or service for mutual benefit. Cause-related marketing works well when the business and charity have a similar \_\_\_\_\_.

- A. budget
- B. target audience
- C. plan
- D. location

*Blooms: Evaluate*

*Difficulty: Medium*

*Fahy - Chapter 02 #85*

*Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices*

*Topic: Ecological forces*

86. Which best describes the distinction between ethics and laws?

- A. Ethics concern moral principles, while laws reflects society's principles and standards
- B. Ethics concern society's principles and standards, while laws concern moral principles
- C. Ethics are enforceable in the courts, whereas laws are not
- D. All unethical practices bare illegal and all unlawful activities are illegal

*Blooms: Evaluate*

*Difficulty: Hard*

*Fahy - Chapter 02 #86*

*Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices*

*Topic: Ecological forces*

87. Consumer movements have been active in which of the following areas?

- A. Product quality and safety
- B. Information accuracy
- C. Campaigning against unfair business practices
- D. All of the above

*Blooms: Understand*

*Difficulty: Medium*

*Fahy - Chapter 02 #87*

*Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices*

*Topic: Ecological forces*

88. The consumer movement has led many companies to change their approach to conducting business. For example, growing concerns about \_\_\_\_\_ levels in the developed world has led McDonalds to make significant changes to its menu items and marketing approach, introducing healthier options.

- A. poverty
- B. obesity
- C. pollution
- D. recycling

*Blooms: Understand*

*Difficulty: Easy*

*Fahy - Chapter 02 #88*

*Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices*

*Topic: Ecological forces*

89. Which of the following is a benefit of formal environmental scanning?

- A. Better implementation of the marketing plans
- B. Better general awareness of, and responsiveness to environmental changes
- C. Better foreign investment and international marketing
- D. All of the above are benefits of formal environmental scanning

*Blooms: Evaluate*

*Difficulty: Medium*

*Fahy - Chapter 02 #89*

*Learning Objective: 02-06 Explain how companies respond to environmental change*

*Topic: Environmental scanning*

90. People's lives and companies' fortunes have been affected significantly by \_\_\_\_\_ advances which has given us robotics, computers, body scanners etc which have contributed to our quality of life.

- A. social
- B. political
- C. economic
- D. technological

*Blooms: Understand*

*Difficulty: Easy*

*Fahy - Chapter 02 #90*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Technological forces*

91. Monitoring the technological environment resulted in new opportunities and major investments. For example, Google has invested heavily in the development of Google \_\_\_\_\_, a miniature computer that is worn like a pair of spectacles.

A. Glass  
B. Plus  
C. Hangout  
D. Social

*Blooms: Remember*

*Difficulty: Medium*

*Fahy - Chapter 02 #91*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Technological forces*

92. Technology has impacted on how consumers pay for goods or services. For example, in Japan there has been a huge growth in the use of \_\_\_\_\_-cash facilities where consumers buy smart cards which are topped up on a monthly basis and can be used for everything from transport systems to shops and cafes.

A. e  
B. tech  
C. m  
D. smart

*Blooms: Remember*

*Difficulty: Medium*

*Fahy - Chapter 02 #92*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Technological forces*

93. The key to successful technological investment is \_\_\_\_\_ potential, not technological sophistication for its own sake. For example, although the Concorde was technologically sophisticated, management knew before its launch that it wasn't commercially viable.

A. promotion  
B. market  
C. brand  
D. international

*Blooms: Evaluate*

*Difficulty: Hard*

*Fahy - Chapter 02 #93*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Technological forces*

94. Environmental scanning provides the essential informational input to create strategic fit between which of the following?

A. Resource allocation, organization and the environment  
B. Resource allocation, tactics and the environment  
C. Strategy, tactics and the environment  
D. Strategy, organization and the environment

*Blooms: Understand*

*Difficulty: Hard*

*Fahy - Chapter 02 #94*

*Learning Objective: 02-06 Explain how companies respond to environmental change*

*Topic: Environmental scanning*

95. How can companies respond to environmental change?

- A. Delay
- B. Retrenchment
- C. Radical Strategic Repositioning
- D. All of the above

*Blooms: Remember*

*Difficulty: Hard*

*Fahy - Chapter 02 #95*

*Learning Objective: 02-06 Explain how companies respond to environmental change*

*Topic: Environmental scanning*

96. An environmental response where a company continues as normal, in spite of environmental forces is called?

- A. Apathy
- B. Ignorance
- C. Delay
- D. Standard

*Blooms: Understand*

*Difficulty: Medium*

*Fahy - Chapter 02 #96*

*Learning Objective: 02-06 Explain how companies respond to environmental change*

*Topic: Environmental scanning*

97. An environmental response where a company cuts costs in response to declining sales is called?

- A. Standard strategic repositioning
- B. Gradual strategic repositioning
- C. Containment
- D. Retrenchment

*Blooms: Understand*

*Difficulty: Medium*

*Fahy - Chapter 02 #97*

*Learning Objective: 02-06 Explain how companies respond to environmental change*

*Topic: Environmental scanning*

98. What is the main difference between gradual strategic repositioning and radical strategic repositioning?

- A. Radical strategic repositioning doesn't exist
- B. Radical strategic repositioning is much riskier
- C. Radical strategic repositioning is much costlier
- D. Radical strategic repositioning is much rarer

*Blooms: Evaluate*

*Difficulty: Hard*

*Fahy - Chapter 02 #98*

*Learning Objective: 02-06 Explain how companies respond to environmental change*

*Topic: Environmental scanning*

99. What is "marketing myopia"?

- A. Marketing myopia is where management are product focused rather than customer focused
- B. Marketing myopia is where management fails to respond to technological change
- C. Marketing myopia is where bureaucratic decision processes occur that stifle responses to change
- D. Marketing myopia is where a company sees change as a threat and therefore defends the status quo

*Blooms: Understand*

*Difficulty: Medium*

*Fahy - Chapter 02 #99*

*Learning Objective: 02-06 Explain how companies respond to environmental change*

*Topic: Environmental scanning*

100. Which of the following is a source of delay when responding to environmental change?

- A. Technological myopia
- B. Emotional recoil
- C. Autocratic decision processes
- D. All of the above

*Blooms: Evaluate*

*Difficulty: Hard*

*Fahy - Chapter 02 #100*

*Learning Objective: 02-06 Explain how companies respond to environmental change*

*Topic: Environmental scanning*



101. "Gradual Strategic Repositioning" involves which of the following?

- A. Involves a gradual and ad hoc adaptation to the changing marketing environment
- B. Involves a gradual and planned changing of a company's promotional strategy
- C. Involves a gradual, planned and continuous adaptation to the changing marketing environment
- D. Involves a gradual and planned refocus of a company's target market

*Blooms: Understand*

*Difficulty: Hard*

*Fahy - Chapter 02 #101*

*Learning Objective: 02-06 Explain how companies respond to environmental change*

*Topic: Environmental scanning*

102. "Technological Myopia" refers to which of the following?

- A. Where a company is lacking sufficient technological resources to compete
- B. Where a company is technology led rather than customer led
- C. Where a company fails to respond to a technological change
- D. Where a company has fallen behind the market leader in technological investment

*Blooms: Evaluate*

*Difficulty: Medium*

*Fahy - Chapter 02 #102*

*Learning Objective: 02-06 Explain how companies respond to environmental change*

*Topic: Environmental scanning*

103. When managers see a change as a threat and thus defend the status quo, this is seen as which of the following?

- A. Psychological recoil
- B. Apathy
- C. Ignorance
- D. Delay Tactic

*Blooms: Evaluate*

*Difficulty: Hard*

*Fahy - Chapter 02 #103*

*Learning Objective: 02-06 Explain how companies respond to environmental change*

*Topic: Environmental scanning*

104. A "retrenchment" response to environmental change focuses on which of the following?

- A. This response tackles effectiveness problems but ignores efficiency issues
- B. This response tackles efficiency problems but ignores effectiveness issues
- C. This response focuses on the long term, trying to rectify an organization wide problem
- D. This response focuses on the long term, trying to rectify specific problems

*Blooms: Understand*

*Difficulty: Hard*

*Fahy - Chapter 02 #104*

*Learning Objective: 02-06 Explain how companies respond to environmental change*

*Topic: Environmental scanning*

105. What is "environmental scanning"?

- A. Environmental scanning is the process of monitoring and analyzing the macroenvironment
- B. Environmental scanning is the process of monitoring and analyzing the microenvironment
- C. Environmental scanning is part of the process in developing environmentally friendly products
- D. Environmental scanning is the process of monitoring and analyzing the marketing environment

*Blooms: Remember*

*Difficulty: Medium*

*Fahy - Chapter 02 #105*

*Learning Objective: 02-06 Explain how companies respond to environmental change*

*Topic: Environmental scanning*

106. Which of the following is not a response to environmental change?

- A. Delay
- B. Ignorance
- C. Retrenchment
- D. Standard repositioning

*Blooms: Evaluate*

*Difficulty: Medium*

*Fahy - Chapter 02 #106*

*Learning Objective: 02-06 Explain how companies respond to environmental change*

*Topic: Environmental scanning*

107. Which of the following is not a macroenvironmental force?

- A. Competitors
- B. Legal
- C. Social
- D. Political

*Blooms: Evaluate*

*Difficulty: Easy*

*Fahy - Chapter 02 #107*

*Learning Objective: 02-02 Explain the distinction between the microenvironment and the macroenvironment*

*Topic: The macroenvironment*

108. The promotion of a pan-European marketing concept has occurred due to which of the following?

- A. Publicity surrounding the introduction of the Euro
- B. The accelerating flow of information across borders
- C. The increasing mobility of European consumers
- D. All of the above

*Blooms: Evaluate*

*Difficulty: Medium*

*Fahy - Chapter 02 #108*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Political and legal forces*

109. Which of the following is a major future demographic change in the E.U. that will affect the demand for products and services?

- A. Longer periods of sustained economic growth
- B. Low and stable interest rates
- C. More opportunities due to the continued expansion of the E.U.
- D. The rising proportion of the population over the age of 45

*Blooms: Evaluate*

*Difficulty: Medium*

*Fahy - Chapter 02 #109*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Social forces*

110. Which of the following can be classified as social forces affecting the marketing environment?

- A. Consumer legislation
- B. Demographic forces
- C. Codes of practice
- D. None of the above

*Blooms: Evaluate*

*Difficulty: Medium*

*Fahy - Chapter 02 #110*

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions*

*Topic: Social forces*

111. Social reporting is where firms conduct independent audits of their social performance. The audits usually involve surveys of which of these key stakeholders:

- A. Competitors
- B. Employees
- C. Investors
- D. Suppliers

*Blooms: Understand*

*Difficulty: Hard*

*Fahy - Chapter 02 #111*

*Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices*

*Topic: Ecological forces*

112. CRM stands for which of the following?

- A. Continuous Real-time Marketing
- B. Cause Related Management
- C. Customer Relationship Management
- D. Company Reputation Marketing

*Blooms: Remember*

*Difficulty: Easy*

*Fahy - Chapter 02 #112*

*Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices*

*Topic: Ecological forces*

113. Environmental scanning is the process of monitoring and analyzing the marketing environment of a company.

TRUE

*Blooms: Understand*

*Difficulty: Easy*

*Fahy - Chapter 02 #113*

*Learning Objective: 02-06 Explain how companies respond to environmental change*

114. Ethics are the moral principles and values that govern the actions and decisions of an individual or group.

TRUE

*Blooms: Understand*

*Difficulty: Easy*

*Fahy - Chapter 02 #114*

*Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices*

*Topic: Ecological forces*

115. The macroenvironment contains a number of broader forces that affect not only the company, but also other actors in the environment, e.g. social, political, commercial and economic.

TRUE

*Blooms: Understand*

*Difficulty: Easy*

*Fahy - Chapter 02 #115*

*Learning Objective: 02-02 Explain the distinction between the microenvironment and the macroenvironment*

*Topic: The macroenvironment*

116. Cause-related marketing is a philanthropic activity by which businesses and charities or causes form a partnership with each other to market an image, goods or service for mutual benefit

FALSE

*Blooms: Understand*

*Difficulty: Medium*

*Fahy - Chapter 02 #116*

*Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices*

*Topic: Ecological forces*

117. The marketing environment contains the actors and issues that affect a company's capability to operate effectively in providing products and services to its customers.

TRUE

*Blooms: Understand*

*Difficulty: Medium*

*Fahy - Chapter 02 #117*

*Learning Objective: 02-01 Understand what is meant by the term 'marketing environment'*

*Topic: The macroenvironment*

118. Social reporting is where firms acknowledge and rectify any ethical or environmental misdemeanours.

FALSE

*Blooms: Understand*

*Difficulty: Medium*

*Fahy - Chapter 02 #118*

*Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices*

*Topic: Ecological forces*

119. Corporate social responsibility refers to the ethical principle that a person or an organization should be accountable for how its acts might affect the physical environment and the general public.

TRUE

*Blooms: Understand*

*Difficulty: Medium*

*Fahy - Chapter 02 #119*

*Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices*

*Topic: Ecological forces*



120. A marketing-orientated firm looks internally at the organization and adapts, taking advantages of strengths, and minimising potential weaknesses.

**FALSE**

*Blooms: Understand*

*Difficulty: Medium*

*Fahy - Chapter 02 #120*

*Learning Objective: 02-05 Analyse the impact of customers, distributors, suppliers and competitors on marketing decisions*

*Topic: The microenvironment*

121. Radical strategic positioning refers to companies who fundamentally change the direction of their entire business.

**TRUE**

*Blooms: Understand*

*Difficulty: Medium*

*Fahy - Chapter 02 #121*

*Learning Objective: 02-06 Explain how companies respond to environmental change*

*Topic: Environmental scanning*

122. Marketing myopia is a powerful contributor to inertia.

**TRUE**

*Blooms: Evaluate*

*Difficulty: Hard*

*Fahy - Chapter 02 #122*

*Learning Objective: 02-06 Explain how companies respond to environmental change*

*Topic: Environmental scanning*

123. World population growth, the changing age distribution, and the rise in the number of two-income households are major demographic forces.

**TRUE**

*Blooms: Evaluate*

*Difficulty: Easy*

124. The rise of two-income households among professional and middle-class households means that this market segment has high disposal income leading to increased price sensitivity.

FALSE

Blooms: Evaluate

Difficulty: Easy

Fahy - Chapter 02 #124

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions

Topic: Social forces

125. The term 'green marketing' is used to describe marketing efforts to produce, promote, and reclaim environmentally sensitive products.

TRUE

Blooms: Understand

Difficulty: Easy

Fahy - Chapter 02 #125

Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices

Topic: Ecological forces

126. The marketing environment can be divided into the microenvironment, which consists of suppliers, distributors, customers and competitors, and the macroenvironment, which can be grouped under economic, social, political and legal, physical, and technological forces.

TRUE

Blooms: Understand

Difficulty: Easy

Fahy - Chapter 02 #126

Learning Objective: 02-01 Understand what is meant by the term 'marketing environment'

Topic: The macroenvironment

## Chapter 2 Summary

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