

## **Chapter 1—Customer-Driven Strategic Marketing**

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### **ESSAY**

1. Suppose you are a marketing manager at Procter & Gamble for a new, all-purpose cleaning product. List four marketing mix variables and describe the decisions and activities associated with each.

ANS:

Answer not provided.

PTS: 1

DIF: Moderate

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Reflective Thinking | MKTG: Model Marketing Plan

MSC: Application

2. Describe several activities encompassed by the distribution variable.

ANS:

Answer not provided.

PTS: 1

DIF: Moderate

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Reflective Thinking | MKTG: Model Distribution

MSC: Knowledge

3. Explain why marketing efforts should be oriented toward creating and sustaining satisfying exchange relationships.

ANS:

Answer not provided.

PTS: 1

DIF: Easy

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Analytic | MKTG: Model Strategy

MSC: Knowledge

4. What is meant by the term *relationship marketing*? How does relationship marketing affect the customer?

ANS:

Answer not provided.

PTS: 1

DIF: Easy

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Reflective Thinking | MKTG: Model Customer

MSC: Knowledge

5. What are the three ways that marketing environment forces affect a marketer's ability to create satisfying exchange relationships?

ANS:

Answer not provided.

PTS: 1 DIF: Moderate

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Analytic | MKTG: Model Strategy

MSC: Knowledge

6. What is meant by the term *marketing concept*, and what departments of a company does it affect?

ANS:

Answer not provided.

PTS: 1 DIF: Easy

OBJ: 01-03 Be aware of the marketing concept and market orientation.

NAT: AACSB: Reflective Thinking | MKTG: Model Marketing Plan

MSC: Knowledge

7. What does it mean for a company to be marketing-oriented? What are the most important factors involved in being marketing-oriented?

ANS:

Answer not provided.

PTS: 1 DIF: Moderate

OBJ: 01-03 Be aware of the marketing concept and market orientation.

NAT: AACSB: Reflective Thinking | MKTG: Model Marketing Plan | MKTG: Model Customer

MSC: Knowledge

8. Define the term *value*, and explain how people determine a product's value.

ANS:

Answer not provided.

PTS: 1 DIF: Easy

OBJ: 01-04 Understand the importance of building customer relationships.

NAT: AACSB: Communication | MKTG: Model Marketing Plan | MKTG: Model Customer

MSC: Knowledge

9. Define the term *marketing management*, and describe its four major components.

ANS:

Answer not provided.

PTS: 1 DIF: Easy

OBJ: 01-05 Explain the major marketing functions that are part of the marketing management process.

NAT: AACSB: Communication | MKTG: Model Marketing Plan

MSC: Knowledge

10. Why is marketing important to businesses and to the economy?

ANS:

Answer not provided.

PTS: 1 DIF: Moderate  
OBJ: 01-06 Understand the role of marketing in our society.  
NAT: AACSB: Reflective Thinking | MKTG: Model Marketing Plan  
MSC: Knowledge

11. Explain why a knowledge of *marketing* is beneficial for all students.

ANS:  
Answer not provided.

PTS: 1 DIF: Easy  
OBJ: 01-06 Understand the role of marketing in our society.  
NAT: AACSB: Analytic | MKTG: Model Strategy MSC: Knowledge

12. Define the term *target market* and provide an example for a product of your choice.

ANS:  
Answer not provided.

PTS: 1 DIF: Easy  
OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.  
NAT: AACSB: Communication | MKTG: Model Marketing Plan  
MSC: Knowledge

13. Discuss the concept of *green marketing* and why it is important to marketers.

ANS:  
Answer not provided.

PTS: 1 DIF: Moderate  
OBJ: 01-06 Understand the role of marketing in our society.  
NAT: AACSB: Analytic | MKTG: Model Strategy MSC: Knowledge

14. Describe the three different types of *products*.

ANS:  
Answer not provided.

PTS: 1 DIF: Easy  
OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.  
NAT: AACSB: Communication | MKTG: Model Product MSC: Knowledge

15. Discuss the evolution of the *marketing concept* through the various types of orientation.

ANS:  
Answer not provided.

PTS: 1 DIF: Moderate  
OBJ: 01-03 Be aware of the marketing concept and market orientation.  
NAT: AACSB: Analytic | MKTG: Model Strategy MSC: Knowledge

## MULTIPLE CHOICE

16. Marketing is the process of
- promoting products through personal selling and advertising to develop and maintain favorable relationships with customers and stakeholders.
  - creating, distributing, promoting, and pricing products to facilitate satisfying exchange relationships with customers and to develop and maintain favorable relationships with stakeholders in a dynamic environment.
  - delivering a standard of living to a society.
  - creating, distributing, promoting, and pricing goods, services, and ideas to facilitate the achievement of the firm's objectives.
  - focusing on customers' needs.

ANS: B                      PTS: 1                      DIF: Moderate                      OBJ: 01-01 Define Marketing  
NAT: AACSB: Communication | MKTG: Model Marketing Plan  
MSC: Knowledge

17. The focal point of all marketing activities is
- products.
  - the marketing mix.
  - profits.
  - sales.
  - customers.

ANS: E                      PTS: 1                      DIF: Easy                      OBJ: 01-01 Define Marketing  
NAT: AACSB: Communication | MKTG: Model Marketing Plan  
MSC: Knowledge

18. Organizations should define themselves not according to the products they produce but according to
- how profitable they are.
  - the price of their stock.
  - the abundance of their product selection.
  - how they treat employees.
  - how they satisfy customers.

ANS: E                      PTS: 1                      DIF: Easy                      OBJ: 01-01 Define Marketing  
NAT: AACSB: Communication | MKTG: Model Marketing Plan  
MSC: Knowledge

19. The definition of marketing implies that \_\_\_\_ should receive benefits from exchange relationships.
- only customers
  - only businesses
  - company management
  - both customers and businesses
  - only the most important customers

ANS: D                      PTS: 1                      DIF: Easy                      OBJ: 01-01 Define Marketing  
NAT: AACSB: Communication | MKTG: Model Marketing Plan  
MSC: Knowledge

20. The primary value that a marketer expects to receive from a customer in an exchange relationship is
- the price charged for the product.
  - customer satisfaction.
  - references to other potential customers.
  - quality merchandise that meets expectations.

e. few returns of the merchandise purchased.

ANS: A                      PTS: 1                      DIF: Easy                      OBJ: 01-01 Define Marketing  
NAT: AACSB: Communication | MKTG: Model Strategy                      MSC: Application

21. A target market

- a. involves a large number of customers.
- b. is a specific group of customers on whom a company focuses its marketing efforts.
- c. already has several competitors vying for customers' business.
- d. is the same as a salesperson's prospective client list.
- e. is a customer group classified as people with similar demographic characteristics.

ANS: B                      PTS: 1                      DIF: Easy  
OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.  
NAT: AACSB: Communication | MKTG: Model Marketing Plan | MKTG: Model Customer  
MSC: Knowledge

22. Kashi Heart to Heart<sup>TM</sup> cereal is aimed at people concerned about their heart health. These people represent the Kashi

- a. marketing mix.
- b. marketing strategy.
- c. target market.
- d. marketing tactic.
- e. consumer advocates.

ANS: C                      PTS: 1                      DIF: Moderate  
OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.  
NAT: AACSB: Communication | MKTG: Model Marketing Plan | MKTG: Model Customer  
MSC: Application

23. SunnyD is aimed at mothers with children under age twelve. These mothers represent SunnyD's

- a. target market.
- b. consumer advocates.
- c. marketing strategy.
- d. marketing mix.
- e. marketing tactic.

ANS: A                      PTS: 1                      DIF: Easy  
OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.  
NAT: AACSB: Communication | MKTG: Model Marketing Plan | MKTG: Model Customer  
MSC: Application

24. Distribution, price, promotion, and product are all elements of

- a. marketing strategy.
- b. the marketing mix.
- c. a target market.
- d. a consumer good.
- e. a business strategy.

ANS: B                      PTS: 1                      DIF: Easy  
OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Communication | MKTG: Model Marketing Plan

MSC: Knowledge

25. A marketing manager decides what combination of variables is needed to satisfy customers' needs for a general type of product. What are the essential variables that the marketing manager combines?
- Product, price, distribution, and promotion variables
  - Marketing environment variables
  - Product and promotion variables
  - Product, price, and customer variables
  - Product, price, customer, and promotion variables

ANS: A PTS: 1 DIF: Easy

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Communication | MKTG: Model Marketing Plan

MSC: Knowledge

26. The marketing mix is built around the
- product.
  - company.
  - customer.
  - employee.
  - retail outlet.

ANS: C PTS: 1 DIF: Easy

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Communication | MKTG: Model Marketing Plan

MSC: Knowledge

27. Marketing managers strive to develop a marketing mix that
- minimizes marketing costs.
  - matches what competitors are offering.
  - best matches the abilities of the firm.
  - matches the needs of the target market.
  - generates the highest level sales.

ANS: D PTS: 1 DIF: Moderate

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Communication | MKTG: Model Marketing Plan

MSC: Knowledge

28. The product variable of the marketing mix can include all of the following *except*
- creation of brand names.
  - consumer perception of the product price.
  - development of product packaging.
  - warranty issues.
  - repair services.

ANS: B PTS: 1 DIF: Moderate

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Communication | MKTG: Model Product

MSC: Knowledge

29. The three basic forms that a product can take are

- a. markets, products, and images.
- b. goods, ideas, and intangibles.
- c. brands, services, and tangibles.
- d. services, ideas, and goods.
- e. ideas, services, and things.

ANS: D PTS: 1 DIF: Easy

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Communication | MKTG: Model Product MSC: Knowledge

30. A physical product you can touch is a(n)

- a. service.
- b. good.
- c. idea.
- d. concept.
- e. philosophy.

ANS: B PTS: 1 DIF: Easy

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Communication | MKTG: Model Product MSC: Knowledge

31. The application of mechanical and human efforts to either people or objects to provide intangible benefits to customers is known as a(n)

- a. issue.
- b. experience.
- c. idea.
- d. good.
- e. service.

ANS: E PTS: 1 DIF: Moderate

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Communication | MKTG: Model Product MSC: Knowledge

32. Which of the following companies is the *best* example of a service marketer?

- a. FedEx
- b. Sony
- c. Abercrombie & Fitch
- d. The Democratic Party
- e. General Electric

ANS: A PTS: 1 DIF: Moderate

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Analytic | MKTG: Model Product MSC: Application

33. Mothers Against Drunk Driving (MADD) is a group that works to change attitudes and laws about driving under the influence of alcohol. MADD primarily markets

- a. goods.
- b. ideas.
- c. services.
- d. political figures.

e. applications.

ANS: B PTS: 1 DIF: Easy

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Analytic | MKTG: Model Promotion

MSC: Application

34. The Church of the Latter Day Saints has used advertising for many years to market its
- goods.
  - services.
  - experiences.
  - production.
  - ideas.

ANS: E PTS: 1 DIF: Moderate

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Communication | MKTG: Model Promotion

MSC: Application

35. Which of the following is *most likely* to be an idea marketer?
- Car salesperson
  - Airline pilot
  - Attorney
  - Abuse counselor
  - Orthodontist

ANS: D PTS: 1 DIF: Easy

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Analytic | MKTG: Model Promotion

MSC: Application

36. Deciding to add gel insoles to its running shoes would be a change in the \_\_\_\_ element of the marketing mix for Nike.
- price
  - good
  - product
  - promotion
  - distribution

ANS: C PTS: 1 DIF: Easy

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Analytic | MKTG: Model Product

MSC: Application

37. Making modifications to packaging or brand names involves the \_\_\_\_ component of the marketing mix.
- price
  - promotion
  - market
  - distribution
  - product

ANS: E PTS: 1 DIF: Moderate

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.



NAT: AACSB: Reflective Thinking | MKTG: Model Product MSC: Knowledge

38. Issues of inventory levels and storage costs are both concerns relating to the \_\_\_\_ variable of the marketing mix.
- a. distribution
  - b. product
  - c. exchange
  - d. price
  - e. promotion

ANS: A PTS: 1 DIF: Easy

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Reflective Thinking | MKTG: Model Distribution

MSC: Knowledge

39. Rob Donaldson runs a successful wholesale business that sells equipment to restaurants throughout the Midwest. He is considering purchasing his own fleet of trucks to deliver the equipment instead of relying on a shipper as he is currently doing. This most closely represents a decision about
- a. which market he should target.
  - b. the best way to distribute his products.
  - c. how to effectively promote his business.
  - d. the product he provides to his customer.
  - e. which supplier he should use.

ANS: B PTS: 1 DIF: Moderate

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Reflective Thinking | MKTG: Model Distribution

MSC: Application

40. Consumers buying products online have dramatically affected the \_\_\_\_ variable of the marketing mix.
- a. product
  - b. price
  - c. distribution
  - d. research
  - e. promotion

ANS: C PTS: 1 DIF: Easy

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Communication | MKTG: Model Distribution MSC: Knowledge

41. Changing the hours of operation for a service business involves the \_\_\_\_ component of the marketing mix.
- a. product
  - b. price
  - c. distribution
  - d. promotion
  - e. marketing concept

ANS: C PTS: 1 DIF: Moderate

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Reflective Thinking | MKTG: Model Distribution

MSC: Knowledge

42. Which of the following scenarios involves the distribution element of the marketing mix?
- a. Deciding whether or not a certain product should continue to be sold
  - b. Determining whether an advertising message would be more effective on television or in magazines
  - c. Choosing between a company jet or the airlines for executive travel
  - d. Deciding whether or not to have retail outlets in addition to a website
  - e. Developing a new warranty policy for an existing product

ANS: D                      PTS: 1                      DIF: Moderate

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Analytic | AACSB: Strategy | MKTG: Model Distribution

MSC: Knowledge

43. The element of the marketing mix used to increase awareness of a product or company is
- a. communication.
  - b. product.
  - c. price.
  - d. distribution.
  - e. promotion.

ANS: E                      PTS: 1                      DIF: Easy

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Communication | MKTG: Model Promotion                      MSC: Knowledge

44. When DuPont develops new carpet fibers that are highly stain-resistant and durable, it must educate consumers about the product's benefits. This calls for activity in which of the following marketing mix variables?
- a. Price
  - b. Promotion
  - c. Distribution
  - d. Product
  - e. Packaging

ANS: B                      PTS: 1                      DIF: Easy

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Reflective Thinking | MKTG: Model Promotion

MSC: Application

45. Boca Burger's website features information about products, recipes, and nutritional values, but customers cannot actually purchase products from the website. This website is most likely used primarily as a \_\_\_\_ marketing tool.
- a. promotional
  - b. distributional
  - c. pricing
  - d. targeting
  - e. production

ANS: A                      PTS: 1                      DIF: Moderate

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Analytic | MKTG: Model Promotion | MKTG: Model Online/Computer  
MSC: Application

46. When Burger King offers 99-cent Whoppers to increase store traffic, it is altering which aspect of the marketing mix?
- Price
  - Promotion
  - Distribution
  - Product
  - Target market

ANS: A PTS: 1 DIF: Easy

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Analytic | MKTG: Model Pricing

MSC: Application

47. When DataComp Corp., a producer of computer software, delayed the introduction of its new spreadsheet program to modify the package, its scheduled magazine advertisements announcing the new product needed to be revised. In this case, a change in the \_\_\_\_ variable caused changes in the \_\_\_\_ variable of the marketing mix.
- distribution; promotion
  - distribution; product
  - product; price
  - product; promotion
  - promotion; price

ANS: D PTS: 1 DIF: Moderate

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Reflective Thinking | MKTG: Model Marketing Plan

MSC: Application

48. Marketers often speak of the "controllable" variables in the practice of marketing. Which of the following is *not* considered one of the controlled variables?
- Product
  - Price
  - Distribution
  - Competition
  - Promotion

ANS: D PTS: 1 DIF: Easy

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Communication | MKTG: Model Strategy

MSC: Knowledge

49. The concept of "exchange" is fundamental to the definition of marketing. What is the *best* description of *exchange*?
- Activities that are performed primarily by producers and manufacturers
  - Development of products, distribution channels, promotional strategies, and pricing objectives to satisfy customer requirements
  - Transfer of products in return for monetary considerations
  - Provision or transfer of goods, services, or ideas in return for something of value
  - Transfer of products that takes place only between for-profit organizations

ANS: D PTS: 1 DIF: Easy

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Reflective Thinking | MKTG: Model Marketing Plan

MSC: Knowledge

50. For an exchange to occur, four conditions must exist: first, two or more individuals, groups, or organizations must participate, and each must possess "something of value" that the other desires; second, the exchange must provide a benefit or satisfaction to both parties; third, each must have confidence in the promise of the "something of value" held by the other; and fourth,
- the parties must agree to participate in the trading of "something of value."
  - to build trust, parties to the exchange must meet expectations.
  - both parties must participate in the trading of the "something of value."
  - one party must be willing to compromise.
  - one party must have sufficient bank credit to finance the exchange.

ANS: B

PTS: 1

DIF: Moderate

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Reflective Thinking | MKTG: Model Marketing Plan

MSC: Knowledge

51. Mark goes to a vending machine, deposits \$1.00, and receives a Sprite. Which one of the following aspects of the definition of marketing is illustrated here?
- Production conception
  - Satisfaction of organizational goals
  - Distribution of ideas
  - Product planning
  - Exchange

ANS: E

PTS: 1

DIF: Easy

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Analytic | MKTG: Model Marketing Plan

MSC: Application

52. Marketing facilitates exchange relationships between buyers and sellers. What is marketing's intended outcome for this relationship?
- Profits for the seller
  - A good bargain on the product for the buyer
  - Reducing the seller's inventory
  - One party having to compromise in the exchange
  - Satisfaction for both the buyer and seller

ANS: E

PTS: 1

DIF: Easy

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Analytic | MKTG: Model Marketing Plan

MSC: Knowledge

53. Which of the following statements about marketing environment forces is correct?
- They influence customers by affecting their lifestyles, standards of living, and preferences and needs for products.
  - They do not influence customers' reactions to a firm's marketing mix.
  - They fluctuate slowly and thereby create threats to a firm's marketing mix.
  - They never fluctuate quickly.
  - They do not influence the way a marketing manager performs certain marketing activities.

ANS: A PTS: 1 DIF: Moderate

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Analytic | MKTG: Model Marketing Plan MSC: Comprehension

54. The forces of the marketing environment include
- political, legal and regulatory, sociocultural, technological, economic, and competitive.
  - sociocultural, legal, regulatory, economic, and competitive.
  - legal, regulatory, political, and sociocultural.
  - competitive and noncompetitive forces that affect most lifestyles.
  - fairly static components.

ANS: A PTS: 1 DIF: Easy

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Communication | MKTG: Model Strategy MSC: Knowledge

55. A marketing manager for a small computer manufacturer is analyzing the potential effects of political, legal, sociocultural, and economic forces on the firm's operations. The marketing manager is examining the \_\_\_\_ that influence(s) the firm's strategy.
- operating situation
  - marketing environment
  - surroundings
  - economic conditions
  - trends

ANS: B PTS: 1 DIF: Easy

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Reflective Thinking | MKTG: Model Strategy MSC: Application

56. Which of the following *best* characterizes the forces of the marketing environment?
- The forces are relatively stable over time and are interrelated with one another.
  - There are few overlapping aspects of these forces; therefore, a change in one is unlikely to result in a change in another.
  - The various forces ensure that the marketing environment will remain fairly certain in the future.
  - These forces change dramatically over time, but a change in one force is unlikely to impact another force.
  - The forces change dramatically and quickly, and a change in one force is likely to affect the other forces.

ANS: E PTS: 1 DIF: Moderate

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Reflective Thinking | MKTG: Model Strategy MSC: Knowledge

57. A change in the minimum drinking age in any given state illustrates a change in the \_\_\_\_ for Miller Brewing.
- marketing mix
  - marketing environment
  - marketing concept
  - marketing task
  - product concept

ANS: B PTS: 1 DIF: Difficult

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Analytic | MKTG: Model Marketing Plan MSC: Application

58. StarKist Tuna announced a dolphin-safe policy and stopped buying tuna from fishing vessels that net dolphins. This decision indicates a response to concerns about
- target market selection.
  - the marketing environment.
  - the reduction of marketing costs.
  - marketing mix decisions.
  - efficiency in marketing activities.

ANS: B PTS: 1 DIF: Moderate

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Analytic | MKTG: Model Strategy MSC: Application

59. Which of the following is essentially an uncontrollable factor in developing a marketing mix?
- Product adaptations
  - Pricing strategies
  - Government regulations
  - Advertising campaigns
  - Retail locations

ANS: C PTS: 1 DIF: Easy

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Analytic | MKTG: Model Strategy MSC: Knowledge

60. The forces of the marketing environment primarily affect marketers in three ways: They influence customers by affecting their lifestyles and preferences for products; they determine whether or how a marketing manager can perform certain marketing activities; and they
- affect a marketing manager's decisions and actions by influencing buyers' reactions to the firm's marketing mix.
  - dictate that changes be made to the existing marketing mix despite any negative reactions from customers.
  - make most new products obsolete very quickly so that research and development must continually develop new products.
  - cause most advertising to be ineffective at communicating product benefits due to rapidly changing environmental forces.
  - change a customer's decisions about the appropriate marketing mix for the company and its various products.

ANS: A PTS: 1 DIF: Moderate

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Reflective Thinking | MKTG: Model Marketing Plan

MSC: Knowledge

61. The marketing environment is *best* described as being
- composed of controllable variables.
  - composed of variables independent of one another.
  - an indirect influence on the performance of marketing activities.
  - dynamic and changing.

e. slow, with infrequent fluctuations.

ANS: D                      PTS: 1                      DIF: Easy

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Analytic | MKTG: Model Strategy

MSC: Knowledge

62. The marketing concept is *best* defined as
- a second definition of marketing.
  - a philosophy stating that an organization should try to satisfy customers' needs through a coordinated set of activities that allows the organization to achieve its goals.
  - the performance of business activities that direct the flow of goods and services from producer to customer or user.
  - a philosophy stating that an organization should attempt to accomplish its goals with no regard for the needs of customers.
  - the inclusion of marketing activities in the activities of an organization.

ANS: B                      PTS: 1                      DIF: Easy

OBJ: 01-03 Be aware of the marketing concept and market orientation.

NAT: AACSB: Reflective Thinking | MKTG: Model Strategy      MSC: Knowledge

63. According to the marketing concept, an organization should try to
- consider short-run objectives and cash flow needs before developing new products.
  - define its business as "making a product."
  - provide products that satisfy customers' needs and allow the organization to achieve its goals.
  - put most of its emphasis on marketing activities and be less concerned with finance, accounting, and personnel.
  - view selling activities as the major means of increasing profits.

ANS: C                      PTS: 1                      DIF: Easy

OBJ: 01-03 Be aware of the marketing concept and market orientation.

NAT: AACSB: Communication | MKTG: Model Marketing Plan

MSC: Knowledge

64. The marketing concept is a management philosophy that affects
- only marketing activities.
  - all efforts of the organization.
  - mainly the efforts of sales personnel.
  - mainly customer relations.
  - only business organizations.

ANS: B                      PTS: 1                      DIF: Moderate

OBJ: 01-03 Be aware of the marketing concept and market orientation.

NAT: AACSB: Communication | MKTG: Model Marketing Plan

MSC: Comprehension

65. The marketing concept focuses on
- achieving the goals of top executives.
  - creating maximum visibility for the firm.
  - maximizing sales.
  - maximizing market share.
  - satisfying customers' needs in a way that helps to achieve organizational objectives.

ANS: E                      PTS: 1                      DIF: Difficult

OBJ: 01-03 Be aware of the marketing concept and market orientation.

NAT: AACSB: Communication | MKTG: Model Marketing Plan

MSC: Knowledge

66. The marketing concept is a philosophy that states that an organization should try to satisfy customers' needs and also
- increase market share.
  - increase sales.
  - achieve the organization's goals.
  - produce high-quality products.
  - coordinate its activities to increase production.

ANS: C

PTS: 1

DIF: Easy

OBJ: 01-03 Be aware of the marketing concept and market orientation.

NAT: AACSB: Communication | MKTG: Model Marketing Plan

MSC: Knowledge

67. Which one of the following statements by a company president *best* reflects the marketing concept?
- We have organized our business to make certain that customers get what they want.
  - We believe that the marketing department must organize to sell what we produce.
  - We have organized an aggressive sales force in our company to promote our products.
  - We try to produce only high-quality, technically efficient products.
  - We try to encourage company growth.

ANS: A

PTS: 1

DIF: Moderate

OBJ: 01-03 Be aware of the marketing concept and market orientation.

NAT: AACSB: Reflective Thinking | MKTG: Model Marketing Plan

MSC: Application

68. The marketing concept affects
- just the marketing department.
  - all organizational activities.
  - only marketing and finance.
  - only production and marketing.
  - few decisions in an organization.

ANS: B

PTS: 1

DIF: Easy

OBJ: 01-03 Be aware of the marketing concept and market orientation.

NAT: AACSB: Communication | MKTG: Model Marketing Plan

MSC: Knowledge

69. When Campbell's introduced a line of low-sodium soups in response to customer demand, it was following which one of the following philosophies?
- Selling concept
  - Production concept
  - Customer concept
  - Marketing concept
  - Retailing concept

ANS: D

PTS: 1

DIF: Difficult

OBJ: 01-03 Be aware of the marketing concept and market orientation.

NAT: AACSB: Reflective Thinking | MKTG: Model Product MSC: Application

70. The Jackson Hewitt company wants to adopt the marketing concept as a business philosophy. To be consistent with this decision, it should adopt which of the following philosophies?



- a. The customer is always right.
- b. Making money is our business.
- c. Sell, sell, sell.
- d. Keep prices low.
- e. Focus on today.

ANS: A                      PTS: 1                      DIF: Easy

OBJ: 01-03 Be aware of the marketing concept and market orientation.

NAT: AACSB: Reflective Thinking | MKTG: Model Marketing Plan

MSC: Application

71. The marketing concept is
- a. a management philosophy.
  - b. synonymous with exchange.
  - c. a component of the marketing mix.
  - d. a function of the marketing environment.
  - e. focused solely on satisfying customer objectives.

ANS: A                      PTS: 1                      DIF: Difficult

OBJ: 01-03 Be aware of the marketing concept and market orientation.

NAT: AACSB: Communication | MKTG: Model Marketing Plan

MSC: Knowledge

72. As the Industrial Revolution came to the United States, most firms operated in a(n) \_\_\_\_ orientation.
- a. market
  - b. societal
  - c. sales
  - d. evolutionary
  - e. production

ANS: E                      PTS: 1                      DIF: Moderate

OBJ: 01-03 Be aware of the marketing concept and market orientation.

NAT: AACSB: Reflective Thinking | MKTG: Model Strategy      MSC: Knowledge

73. During the Industrial Revolution demand for manufactured goods was
- a. weak.
  - b. nonexistent.
  - c. declining.
  - d. strong.
  - e. mediocre.

ANS: D                      PTS: 1                      DIF: Moderate

OBJ: 01-03 Be aware of the marketing concept and market orientation.

NAT: AACSB: Reflective Thinking | MKTG: Model Strategy      MSC: Knowledge

74. From the 1920s to the 1950s, demand for manufactured goods decreased, leading to the \_\_\_\_ orientation.
- a. production
  - b. market
  - c. revolutionary
  - d. sales
  - e. reduction

ANS: D                      PTS: 1                      DIF: Easy

OBJ: 01-03 Be aware of the marketing concept and market orientation.

75. U.S. Electric, the maker of a highly innovative xenon light bulb, finds that it has excess inventory. The firm increases its advertising budget by 50 percent and doubles its sales staff. This company is operating as if it were in which of the following orientations?
- Production
  - Sales
  - Market
  - Customer
  - Societal

ANS: B

PTS: 1

DIF: Moderate

OBJ: 01-03 Be aware of the marketing concept and market orientation.

NAT: AACSB: Reflective Thinking | MKTG: Model Strategy MSC: Application

76. American Express implements a program of calling its current cardholders to find out what changes they would like to see in the services provided. The firm is exhibiting characteristics associated with which of the following orientations?
- Production
  - Sales
  - Market
  - Social
  - Development

ANS: C

PTS: 1

DIF: Moderate

OBJ: 01-03 Be aware of the marketing concept and market orientation.

NAT: AACSB: Reflective Thinking | MKTG: Model Marketing Plan

MSC: Application

77. A market orientation is an organization-wide effort that includes all of the following activities *except*
- researching customers' needs.
  - focusing on the marketing department only.
  - generating marketing intelligence for use in the organization.
  - being responsive to customers' ever-changing wants and needs.
  - disseminating marketing intelligence across departments within the organization.

ANS: B

PTS: 1

DIF: Moderate

OBJ: 01-03 Be aware of the marketing concept and market orientation.

NAT: AACSB: Reflective Thinking | MKTG: Model Strategy MSC: Comprehension

78. Which of the following *best* describes the acceptance of the marketing concept by American organizations?
- The marketing concept has yet to be fully accepted by all organizations.
  - All organizations fully utilize the marketing concept to run their businesses.
  - Nearly half of all organizations are still in the sales orientation and have not implemented the marketing concept.
  - Most organizations have really not accepted the marketing concept because of its many costs and problems.
  - Although American organizations fully accept the marketing concept, many foreign companies do not.

ANS: A

PTS: 1

DIF: Easy

OBJ: 01-03 Be aware of the marketing concept and market orientation.

NAT: AACSB: Analytic | MKTG: Model Marketing Plan MSC: Knowledge

79. Which of the following is *not* an example of the implementation of the marketing concept?
- a. Jimmy Dean's Sausage introduces turkey sausage patties for a healthier alternative to pork.
  - b. Mar's Candy asks customers to vote online for a new color for its M&M's candy.
  - c. Burger King reduces the labor costs to produce its sausage-egg biscuits.
  - d. Microsoft offers rewards for users who can find flaws in its new software.
  - e. Saab introduces pop-up rollover bars in its convertibles to protect its consumers in the event of a serious collision.

ANS: C

PTS: 1

DIF: Moderate

OBJ: 01-03 Be aware of the marketing concept and market orientation.

NAT: AACSB: Analytic | MKTG: Model Strategy

MSC: Application

80. Health Care Systems, Inc. rolls out an innovative nurse-on-call information system available online. The product is not widely accepted because patients don't see the need for such a service. This situation represents a failure in which aspect of implementing the marketing concept?
- a. An information system to determine customer needs
  - b. The organizational structure
  - c. Top-management commitment
  - d. Technological advancement
  - e. Scanning corporate capabilities

ANS: A

PTS: 1

DIF: Moderate

OBJ: 01-03 Be aware of the marketing concept and market orientation.

NAT: AACSB: Analytic | MKTG: Model Customer

MSC: Application

81. When Wonder introduced a new bread made with white whole wheat in response to customer demand, it was following which of the following philosophies?
- a. selling concept
  - b. production concept
  - c. marketing concept
  - d. customer concept
  - e. retailing concept

ANS: C

PTS: 1

DIF: Easy

OBJ: 01-03 Be aware of the marketing concept and market orientation.

NAT: AACSB: Communication | MKTG: Model Customer

MSC: Knowledge

82. Today, establishing long-term, mutually beneficial arrangements in which both the buyer and seller focus on value enhancement through the creation of more satisfying exchanges is known as
- a. marketing synthesis.
  - b. relationship marketing.
  - c. a marketing orientation.
  - d. the marketing concept.
  - e. strategic marketing.

ANS: B

PTS: 1

DIF: Easy

OBJ: 01-04 Understand the importance of building customer relationships.

NAT: AACSB: Communication | MKTG: Model Marketing Plan

MSC: Knowledge

83. A junior marketing executive at MegaGrain Cereals suggests increasing the package size and price of its best-selling brand without increasing the amount of cereal inside the box. Her superior warns that this might be a bad idea because MegaGrain's long-term survival, like most companies, depends on
- a. cost-cutting measures.
  - b. continually selling to new customers and markets.

- c. creating and maintaining satisfying exchange relationships.
- d. high-volume, low-margin sales.
- e. increasing shelf space for their brands.

ANS: C                      PTS: 1                      DIF: Moderate  
OBJ: 01-04 Understand the importance of building customer relationships.  
NAT: AACSB: Ethics | MKTG: Model Strategy                      MSC: Application

84. In managing customer relationships, the three primary ways profits can be obtained are by
- a. acquiring new customers, enhancing the profitability of new customers, and shortening the duration of relationships with existing customers.
  - b. enhancing the profitability of existing customers, eliminating customers who provide smaller profits, and finding new customers.
  - c. extending the length of relationships with customers, cutting organizational costs, and enhancing the profitability of new customers.
  - d. eliminating long-term customers who have decreased purchases, finding new customers, and increasing sales to existing customers.
  - e. enhancing the profitability of existing customers, extending the duration of relationships with customers, and obtaining new customers.

ANS: E                      PTS: 1                      DIF: Easy  
OBJ: 01-04 Understand the importance of building customer relationships.  
NAT: AACSB: Analytic | MKTG: Model Customer                      MSC: Knowledge

85. Customer relationship management (CRM) begins its focus on customers with
- a. communication.
  - b. product.
  - c. distribution.
  - d. information.
  - e. promotion.

ANS: D                      PTS: 1                      DIF: Easy  
OBJ: 01-04 Understand the importance of building customer relationships.  
NAT: AACSB: Communication | MKTG: Model Customer                      MSC: Knowledge

86. Long-term relationships with profitable customers is the key objective of
- a. personal selling.
  - b. customer relationship management.
  - c. production oriented firms.
  - d. e-marketing.
  - e. distribution channels.

ANS: B                      PTS: 1                      DIF: Easy  
OBJ: 01-04 Understand the importance of building customer relationships.  
NAT: AACSB: Communication | MKTG: Model Customer                      MSC: Knowledge

87. Managing customer relationships requires identifying patterns of \_\_\_\_ and then using that information to focus on the most promising and profitable customers.
- a. demographics
  - b. buying behavior
  - c. retailer information
  - d. personality differences
  - e. stock market cycles

ANS: B                      PTS: 1                      DIF: Moderate

OBJ: 01-04 Understand the importance of building customer relationships.  
NAT: AACSB: Analytic | MKTG: Model Customer MSC: Knowledge

88. \_\_\_\_ is a customer's subjective assessment of benefits relative to costs in determining the worth of a product.
- Marketing orientation
  - Monetary price
  - Product assessment
  - Price assessment
  - Value

ANS: E PTS: 1 DIF: Easy  
OBJ: 01-04 Understand the importance of building customer relationships.  
NAT: AACSB: Communication | MKTG: Model Customer MSC: Knowledge

89. The equation a buyer applies to assess a product's value is
- value = monetary price – customer benefits.
  - value = customer costs – customer benefits.
  - value = customer benefits – customer costs.
  - value = customer benefits – monetary price.
  - value = customer benefits – time and effort.

ANS: C PTS: 1 DIF: Easy  
OBJ: 01-04 Understand the importance of building customer relationships.  
NAT: AACSB: Communication | MKTG: Model Customer MSC: Knowledge

90. Customer costs include anything the buyer must give up in order to obtain the benefits the product provides. The most obvious customer cost is
- risk.
  - time.
  - monetary price.
  - effort.
  - availability.

ANS: C PTS: 1 DIF: Easy  
OBJ: 01-04 Understand the importance of building customer relationships.  
NAT: AACSB: Communication | MKTG: Model Customer MSC: Knowledge

91. Which of the following would *not* be a customer cost considered in determination of product value?
- Product's purchase price
  - Time spent purchasing the product
  - Effort spent purchasing the product
  - Benefits received in the exchange for the products
  - Risk of purchasing the product

ANS: D PTS: 1 DIF: Moderate  
OBJ: 01-04 Understand the importance of building customer relationships.  
NAT: AACSB: Analytic | MKTG: Model Customer MSC: Comprehension

92. Scott, a buyer for a medium-sized company, is assessing the value of competing software products for use in his firm. Which of the following would *not* be a customer benefit considered in his determination of this product's value?
- Speed of delivery
  - Ease of installation
  - Availability of technical support



OBJ: 01-05 Explain the major marketing functions that are part of the marketing management process.  
NAT: AACSB: Communication | MKTG: Model Marketing Plan  
MSC: Knowledge

97. A systematic process of assessing opportunities and resources, determining marketing objectives, and developing a marketing strategy and plans for implementation and control describes which of the following marketing management activities?
- Strategic planning
  - Marketing control
  - Implementation
  - Organizing
  - Planning

ANS: E PTS: 1 DIF: Easy

OBJ: 01-05 Explain the major marketing functions that are part of the marketing management process.  
NAT: AACSB: Analytic | MKTG: Model Strategy  
MSC: Knowledge

98. The marketing unit can be organized by \_\_\_\_.
- profitability.
  - functions and products only.
  - functions, products, regions, types of customers, or a combination of all four.
  - geographical regions and best-selling products.
  - customer demographics and frequency of purchases.

ANS: C PTS: 1 DIF: Difficult

OBJ: 01-05 Explain the major marketing functions that are part of the marketing management process.  
NAT: AACSB: Analytic | MKTG: Model Strategy  
MSC: Knowledge

99. \_\_\_\_ of marketing plans hinges on coordination of marketing activities, motivation of marketing personnel, and effective communication within the marketing unit.
- Implementation
  - Planning
  - Organizing
  - Marketing control
  - Strategic planning

ANS: A PTS: 1 DIF: Moderate

OBJ: 01-05 Explain the major marketing functions that are part of the marketing management process.  
NAT: AACSB: Communication | MKTG: Model Marketing Plan  
MSC: Knowledge

100. If McDonald's runs a promotion advertising Big Macs for \$1.50, it must ensure that each of the company's restaurants has sufficient staff and product on hand to handle expected demand. This relates to which of the following marketing management activities?
- Strategic planning
  - Planning
  - Organizing
  - Implementation
  - Marketing control

ANS: D PTS: 1 DIF: Moderate

OBJ: 01-05 Explain the major marketing functions that are part of the marketing management process.  
NAT: AACSB: Analytic | MKTG: Model Strategy

MSC: Application

101. \_\_\_\_ is the process of establishing performance standards, comparing actual performance with established standards, and reducing the difference between desired and actual performance.
- Internal control analysis
  - Marketing control
  - Market flow regulation
  - Environmental market analysis
  - External analysis

ANS: B                      PTS: 1                      DIF: Difficult

OBJ: 01-05 Explain the major marketing functions that are part of the marketing management process.

NAT: AACSB: Reflective Thinking | MKTG: Model Strategy

MSC: Knowledge

102. Which of the following statements describes the best use of the Internet by a marketer?
- Gain information.
  - Relay product information.
  - Facilitate the marketing process.
  - Accumulate as many friends as possible.
  - Facilitate the marketing exchange, obtain customer feedback, and providing product information.

ANS: A                      PTS: 1                      DIF: Easy

OBJ: 01-06 Understand the role of marketing in our society.

NAT: AACSB: Communication | AACSB: Technology | MKTG: Model Online/Computer

MSC: Knowledge

103. Initiatives intended to improve an organization's positive impact on society and the natural environment are called
- environmental marketing
  - green marketing
  - socially-responsible marketing
  - energy-conscious marketing
  - socially-conscious marketing

ANS: B                      PTS: 1                      DIF: Easy

OBJ: 01-06 Understand the role of marketing in our society.

NAT: AACSB: Communication | MKTG: Model Strategy                      MSC: Knowledge

104. If a family spends \$2,000 a month on goods and services, how much of that \$2,000 goes for marketing activities?
- \$2,000
  - \$1,500
  - \$1,000
  - \$500
  - \$0

ANS: C                      PTS: 1                      DIF: Moderate

OBJ: 01-06 Understand the role of marketing in our society.

NAT: AACSB: Communication | MKTG: Model Strategy                      MSC: Application

105. For most firms, the costs of marketing activities consume approximately what portion of the consumer's dollar?
- One-half



- b. One-fifth
- c. One-fourth
- d. One-third
- e. One-sixth

ANS: A PTS: 1 DIF: Moderate

OBJ: 01-06 Understand the role of marketing in our society.

NAT: AACSB: Analytic | MKTG: Model Strategy

MSC: Knowledge

106. In today's market environment, you might pay \$15 for a CD by your favorite musical artist. Approximately how much of that price goes to activities related to marketing (promotion, distribution, profit margins)?
- a. \$1.70
  - b. \$3.40
  - c. \$5.10
  - d. \$7.50
  - e. \$12.75

ANS: D PTS: 1 DIF: Moderate

OBJ: 01-06 Understand the role of marketing in our society.

NAT: AACSB: Analytic | MKTG: Model Pricing

MSC: Application

107. Marketing activities are
- a. used by all sizes of organizations including for-profit, nonprofit, and government agencies.
  - b. limited to use by larger for-profit and nonprofit organizations.
  - c. implemented only to increase profits for the organization and to expand the scope of its customer base.
  - d. used by all types and sizes of businesses but are not used by nonprofit organizations.
  - e. used by small businesses and small nonprofit organizations the most.

ANS: A PTS: 1 DIF: Easy

OBJ: 01-06 Understand the role of marketing in our society.

NAT: AACSB: Communication | MKTG: Model Marketing Plan

MSC: Knowledge

108. Marketing activities
- a. are aimed at persuading customers through advertising.
  - b. involve mainly distribution and promotion decisions.
  - c. and selling activities are basically the same.
  - d. are important only when a firm is developing new products or entering new markets.
  - e. help sell an organization's products and generate financial resources for the firm.

ANS: E PTS: 1 DIF: Moderate

OBJ: 01-06 Understand the role of marketing in our society.

NAT: AACSB: Communication | MKTG: Model Marketing Plan

MSC: Knowledge

109. Marketing knowledge and skills
- a. are not necessary for a nonprofit organization.
  - b. enhance consumer awareness and help provide people with satisfying goods and services.
  - c. constitute the marketing mix.
  - d. were most important during the production era.
  - e. are most valuable for advertising executives but less important for wholesalers and distributors.

ANS: B                      PTS: 1                      DIF: Easy  
OBJ: 01-06 Understand the role of marketing in our society.  
NAT: AACSB: Communication | MKTG: Model Marketing Plan  
MSC: Knowledge

110. The public is becoming more aware of how marketers' activities affect the welfare of consumers and society. As a result, more firms are working to
- raise prices in order to increase their profits so that they can contribute to philanthropic causes.
  - reduce the quality of their products in order to save money and provide less expensive products to their consumers.
  - reduce their profits by donating more time and money to improve social welfare and environmental conditions.
  - enact laws requiring companies to work toward the welfare of customers and society.
  - create a responsible approach to developing long-term relationships with customers and society.

ANS: E                      PTS: 1                      DIF: Easy  
OBJ: 01-06 Understand the role of marketing in our society.  
NAT: AACSB: Reflective Thinking | AACSB: Ethics | MKTG: Model Customer  
MSC: Knowledge

111. Approximately what percentage of civilian workers in the United States performs marketing activities?
- 25 to 33 percent
  - 81 to 92 percent
  - 42 to 50 percent
  - 64 to 76 percent
  - 10 to 20 percent

ANS: A                      PTS: 1                      DIF: Difficult  
OBJ: 01-06 Understand the role of marketing in our society.  
NAT: AACSB: Communication | MKTG: Model Strategy                      MSC: Knowledge

### Scenario 1.1

Use the following to answer the questions.

Greensprings Cemetery in upstate New York, offers a full-service funeral and burial that is non-toxic to the environment. All materials used in the burial are natural and will decompose with no negative impact. Greensprings' service is relatively new in the United States, but services of this type are common in Great Britain. A typical burial in Greensprings' cemetery includes a casket made from bamboo, wicker, paper, or other natural material. There are no headstones of stone or concrete that will detract from the landscape, but trees and plants as "markers" are allowed. The cost for a burial at Greensprings is approximately \$3,000, compared to about \$6,000 at most traditional cemeteries. Although business was slow at first, Greensprings is now experiencing an increase in the number of burials, due to referrals and a newly-developed website. The owners of Greensprings were previously in the cemetery business, and are active conservationists. After conducting research and finding that there were natural burial sites in Great Britain, they wanted to provide an alternative to other environmentally-conscious Americans like themselves.

112. Refer to Scenario 1.1. Referrals and a new website have helped Greensprings' business grow. These would come under which of the following marketing mix variables?
- Product
  - Price
  - Distribution



OBJ: 01-03 Be aware of the marketing concept and market orientation.  
NAT: AACSB: Reflective Thinking | MKTG: Model Strategy MSC: Application

### Scenario 1.2

Use the following to answer the questions.

Paws and Claws Hotel is a full-service pet salon and boarding kennel. Paws and Claws has an interactive website where customers can directly book a grooming appointment, obedience class, or overnight accommodations for their dog or cat. Paws and Claws has several unexpected services, such as a 600-square foot swimming pool, complete with slide and dog-friendly graduated steps to help them exit the pool. Customers can also drop their dog or cat off each morning for pet day care. Paws and Claws has a pick-up and delivery service, webcams in every kennel so that pet families can view their pets while away, and pet "furniture" so that the cats and dogs can lie on sofas just like at home. Paws and Claws is also open 24 hours a day, 365 days each year so that customers can pick up their pet at any time.

The cost for an overnight stay at Paws and Claws averages \$50, compared to competing kennels at about \$30. The day care costs are \$25 for either a dog or cat. The majority of Paws and Claws' competitors don't offer the day care service, and require an two-day minimum for overnight stays. Currently, the Paws and Claws Hotel is operating in several large cities on the west coast, but is thinking of expanding their services in more locations across the U.S.

The director of marketing at Paws and Claws suggested talking to pet owners about what type of services they would like to have available. These discussions led to the pet day care and 24-hour hours of operation. Previously, Paws and Claws was more interested in competing based on its prices.

117. Refer to Scenario 1.2. Paws and Claws' target market is *most likely* to be which of the following?
- The dogs and cats who stay there
  - Pet owners who go on vacation frequently
  - Families with small children and several pets
  - Suburban families with two-income households
  - Urban professionals who travel often

ANS: E PTS: 1 DIF: Moderate

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Reflective Thinking | MKTG: Model Customer | MKTG: Model Marketing Plan

MSC: Application

118. Refer to Scenario 1.2. The fact that Paws and Claws is open 24 hours each day is part of which marketing mix variable?
- Product
  - Price
  - Promotion
  - Distribution
  - Environment

ANS: D PTS: 1 DIF: Easy

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Reflective Thinking | MKTG: Model Distribution

MSC: Application

119. Refer to Scenario 1.2. Paws and Claws is now in the process of employing the

- a. marketing concept.
- b. marketing mix.
- c. promotion orientation.
- d. sales orientation.
- e. product orientation.

ANS: A PTS: 1 DIF: Easy

OBJ: 01-03 Be aware of the marketing concept and market orientation.

NAT: AACSB: Reflective Thinking | MKTG: Model Strategy MSC: Application

120. Refer to Scenario 1.2. If Paws and Claws employs the philosophy of building a relationship with its dog and cat customers, and their owners, it will be implementing the

- a. marketing concept.
- b. production concept.
- c. sales concept.
- d. marketing mix.
- e. marketing environment.

ANS: A PTS: 1 DIF: Easy

OBJ: 01-03 Be aware of the marketing concept and market orientation.

NAT: AACSB: Reflective Thinking | MKTG: Model Strategy MSC: Application

121. Refer to Scenario 1.2. Previously, Paws and Claws was most likely using which type of orientation?

- a. Market
- b. Customer
- c. Sales
- d. Production
- e. Service

ANS: C PTS: 1 DIF: Easy

OBJ: 01-03 Be aware of the marketing concept and market orientation.

NAT: AACSB: Reflective Thinking | MKTG: Model Strategy MSC: Application

## TRUE/FALSE

122. Marketing consists primarily of selling and advertising.

ANS: F PTS: 1 DIF: Easy OBJ: 01-01 Define Marketing

NAT: AACSB: Communication | MKTG: Model Marketing Plan

MSC: Knowledge

123. The broadest and simplest definition of marketing states that it is the development and efficient distribution of products for consumer segments.

ANS: F PTS: 1 DIF: Easy OBJ: 01-01 Define Marketing

NAT: AACSB: Communication | MKTG: Model Marketing Plan

MSC: Knowledge

124. Customers are the focal point of all marketing activities.

ANS: T PTS: 1 DIF: Easy OBJ: 01-01 Define Marketing

NAT: AACSB: Communication | MKTG: Model Marketing Plan

MSC: Knowledge

125. A family that organizes and advertises a garage sale is performing marketing activities.

ANS: T                      PTS: 1                      DIF: Easy                      OBJ: 01-01 Define Marketing  
NAT: AACSB: Reflective Thinking | MKTG: Model Marketing Plan  
MSC: Knowledge

126. A target market is a specific group of customers on whom an organization focuses its marketing efforts.

ANS: T                      PTS: 1                      DIF: Easy  
OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.  
NAT: AACSB: Communication | MKTG: Model Customer                      MSC: Knowledge

127. A target market is always defined by demographics.

ANS: F                      PTS: 1                      DIF: Moderate  
OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.  
NAT: AACSB: Communication | MKTG: Model Customer                      MSC: Knowledge

128. Target markets can be people who *buy* the product but do not necessarily *use* the product.

ANS: T                      PTS: 1                      DIF: Moderate  
OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.  
NAT: AACSB: Communication | MKTG: Model Customer                      MSC: Knowledge

129. The marketing mix consists of three major variables: product, price, and distribution.

ANS: F                      PTS: 1                      DIF: Easy  
OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.  
NAT: AACSB: Communication | MKTG: Model Marketing Plan  
MSC: Knowledge

130. In marketing, a product can be a good or a service but not an idea.

ANS: F                      PTS: 1                      DIF: Easy  
OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.  
NAT: AACSB: Communication | MKTG: Model Product                      MSC: Knowledge

131. Marketing efforts do not involve the design and development of products.

ANS: F                      PTS: 1                      DIF: Easy  
OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.  
NAT: AACSB: Communication | MKTG: Model Product                      MSC: Knowledge

132. Products can be goods, services, or ideas.

ANS: T                      PTS: 1                      DIF: Easy  
OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix,

marketing exchanges, and marketing environment.

NAT: AACSB: Communication | MKTG: Model Product

MSC: Knowledge

133. Services are provided by applying human and mechanical efforts to people or objects.

ANS: T PTS: 1 DIF: Easy

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Communication | MKTG: Model Product

MSC: Knowledge

134. The actual physical production of goods is a marketing activity.

ANS: F PTS: 1 DIF: Easy

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Communication | MKTG: Model Product

MSC: Knowledge

135. Promotion can help sustain interest in established products that have long been available.

ANS: T PTS: 1 DIF: Easy

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Communication | MKTG: Model Promotion

MSC: Knowledge

136. The distribution variable in a marketing mix is directed toward making products available in the quantities desired to as many target market customers as possible and keeping the total inventory, transportation, and storage costs as low as possible.

ANS: T PTS: 1 DIF: Moderate

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Communication | MKTG: Model Distribution

MSC: Knowledge

137. Customers are interested in a product's price because they are concerned about the value obtained in an exchange.

ANS: T PTS: 1 DIF: Easy

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Communication | MKTG: Model Pricing

MSC: Knowledge

138. Price is seldom used as a competitive tool.

ANS: F PTS: 1 DIF: Easy

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Communication | MKTG: Model Pricing

MSC: Knowledge

139. For an exchange situation to arise, only one condition must exist: two or more individuals, groups, or organizations must each possess something that they value and are willing to give up to receive the "something of value" held by the other individual, group, or organization.

ANS: F PTS: 1 DIF: Moderate

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix,

marketing exchanges, and marketing environment.

NAT: AACSB: Reflective Thinking | MKTG: Model Marketing Plan

MSC: Knowledge

140. For an exchange to occur, at least one of the parties must be willing to give up his or her "something of value."

ANS: F PTS: 1 DIF: Easy

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Reflective Thinking | MKTG: Model Marketing Plan

MSC: Knowledge

141. Marketing activities do not always result in exchanges.

ANS: T PTS: 1 DIF: Moderate

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Communication | MKTG: Model Marketing Plan

MSC: Knowledge

142. The outcomes of a marketer's decisions and actions may be affected by the variables in the marketing environment.

ANS: T PTS: 1 DIF: Easy

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Communication | MKTG: Model Marketing Plan

MSC: Knowledge

143. Changes in the marketing environment always hurt marketing efforts.

ANS: F PTS: 1 DIF: Easy

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Communication | MKTG: Model Strategy MSC: Knowledge

144. The marketing environment is a set of static, unchanging surroundings.

ANS: F PTS: 1 DIF: Easy

OBJ: 01-02 Understand several important marketing terms, including target market, marketing mix, marketing exchanges, and marketing environment.

NAT: AACSB: Communication | MKTG: Model Strategy MSC: Knowledge

145. The marketing concept stresses that a business organization can best achieve its goal by providing customer satisfaction through coordinated activities.

ANS: T PTS: 1 DIF: Moderate

OBJ: 01-03 Be aware of the marketing concept and market orientation.

NAT: AACSB: Communication | MKTG: Model Strategy MSC: Knowledge

146. Achievement of the firm's overall goals is part of the marketing concept.

ANS: T PTS: 1 DIF: Moderate



OBJ: 01-03 Be aware of the marketing concept and market orientation.  
NAT: AACSB: Communication | MKTG: Model Strategy MSC: Knowledge

147. The marketing concept is a philosophy that a business organization should employ to satisfy customers' needs while achieving the overall goals of the organization.

ANS: T PTS: 1 DIF: Easy  
OBJ: 01-03 Be aware of the marketing concept and market orientation.  
NAT: AACSB: Reflective Thinking | MKTG: Model Strategy MSC: Knowledge

148. The marketing concept is a philanthropic philosophy aimed at helping customers at the expense of the business organization.

ANS: F PTS: 1 DIF: Moderate  
OBJ: 01-03 Be aware of the marketing concept and market orientation.  
NAT: AACSB: Reflective Thinking | MKTG: Model Strategy MSC: Knowledge

149. The marketing concept is a management philosophy, not a second definition of marketing.

ANS: T PTS: 1 DIF: Easy  
OBJ: 01-03 Be aware of the marketing concept and market orientation.  
NAT: AACSB: Communication | MKTG: Model Marketing Plan  
MSC: Knowledge

150. The marketing concept deals only with marketing activities.

ANS: F PTS: 1 DIF: Easy  
OBJ: 01-03 Be aware of the marketing concept and market orientation.  
NAT: AACSB: Communication | MKTG: Model Marketing Plan  
MSC: Knowledge

151. Profit, even at the expense of customers' satisfaction, is the major thrust of the marketing concept.

ANS: F PTS: 1 DIF: Easy  
OBJ: 01-03 Be aware of the marketing concept and market orientation.  
NAT: AACSB: Reflective Thinking | MKTG: Model Strategy MSC: Knowledge

152. The marketing concept directly affects marketing activities but should have negligible impact on other organizational activities.

ANS: F PTS: 1 DIF: Moderate  
OBJ: 01-03 Be aware of the marketing concept and market orientation.  
NAT: AACSB: Communication | MKTG: Model Strategy MSC: Knowledge

153. The market concept stresses that an organization can best achieve its objectives by being customer-oriented.

ANS: T PTS: 1 DIF: Easy  
OBJ: 01-03 Be aware of the marketing concept and market orientation.  
NAT: AACSB: Communication | MKTG: Model Strategy MSC: Knowledge

154. The market concept developed out of a sequence of three eras: the production orientation, the marketing orientation, and the industrial orientation.



OBJ: 01-04 Understand the importance of building customer relationships.  
NAT: AACSB: Communication | MKTG: Model Customer MSC: Knowledge

162. Customer relationship management is the use of information about customers to create marketing strategies that develop and sustain desirable customer relationships.

ANS: T PTS: 1 DIF: Easy  
OBJ: 01-04 Understand the importance of building customer relationships.  
NAT: AACSB: Communication | MKTG: Model Customer MSC: Knowledge

163. In general, when marketers focus on customers chosen for their lifetime value, they earn lower profits in future periods than when they focus on customers selected for other reasons.

ANS: F PTS: 1 DIF: Moderate  
OBJ: 01-04 Understand the importance of building customer relationships.  
NAT: AACSB: Communication | MKTG: Model Customer MSC: Knowledge

164. Value = customer costs – customer benefits.

ANS: F PTS: 1 DIF: Easy  
OBJ: 01-04 Understand the importance of building customer relationships.  
NAT: AACSB: Communication | MKTG: Model Marketing Plan  
MSC: Knowledge

165. Basic and extended warranties can reduce risk, a major customer cost.

ANS: T PTS: 1 DIF: Easy  
OBJ: 01-04 Understand the importance of building customer relationships.  
NAT: AACSB: Communication | MKTG: Model Product MSC: Knowledge

166. Customer benefits include time and effort.

ANS: F PTS: 1 DIF: Easy  
OBJ: 01-04 Understand the importance of building customer relationships.  
NAT: AACSB: Communication | MKTG: Model Customer MSC: Knowledge

167. The process people use to determine the value of a product is not highly scientific.

ANS: T PTS: 1 DIF: Easy  
OBJ: 01-04 Understand the importance of building customer relationships.  
NAT: AACSB: Communication | MKTG: Model Customer MSC: Knowledge

168. Marketing management is the process of planning, organizing, implementing, and controlling marketing activities to facilitate and expedite exchanges effectively and efficiently.

ANS: T PTS: 1 DIF: Easy  
OBJ: 01-05 Explain the major marketing functions that are part of the marketing management process.  
NAT: AACSB: Communication | MKTG: Model Marketing Plan  
MSC: Knowledge

169. In marketing management, planning is a systematic process of assessing opportunities and resources, determining marketing objectives, and developing a marketing strategy and plans for implementation and control.

ANS: T                      PTS: 1                      DIF: Easy  
OBJ: 01-05 Explain the major marketing functions that are part of the marketing management process.  
NAT: AACSB: Communication | MKTG: Model Marketing Plan  
MSC: Knowledge

170. Organizing marketing activities hinges on coordination of marketing activities, motivation of marketing personnel, and effective communication within the unit.

ANS: F                      PTS: 1                      DIF: Moderate  
OBJ: 01-05 Explain the major marketing functions that are part of the marketing management process.  
NAT: AACSB: Reflective Thinking | MKTG: Model Marketing Plan  
MSC: Knowledge

171. Implementation of marketing plans requires motivating marketing personnel, coordinating their activities, and integrating their activities both with those in other areas of the company and with the marketing efforts of personnel in external organizations.

ANS: T                      PTS: 1                      DIF: Easy  
OBJ: 01-05 Explain the major marketing functions that are part of the marketing management process.  
NAT: AACSB: Reflective Thinking | MKTG: Model Marketing Plan  
MSC: Knowledge

172. Marketing costs consume about one-quarter of a buyer's dollar.

ANS: F                      PTS: 1                      DIF: Easy  
OBJ: 01-06 Understand the role of marketing in our society.  
NAT: AACSB: Communication | MKTG: Model Strategy                      MSC: Knowledge

173. Marketing costs consume about one-half of a buyer's dollar.

ANS: T                      PTS: 1                      DIF: Easy  
OBJ: 01-06 Understand the role of marketing in our society.  
NAT: AACSB: Communication | MKTG: Model Strategy                      MSC: Knowledge

174. For a business organization to remain healthy and to survive, it must sell products and make profits.

ANS: T                      PTS: 1                      DIF: Easy  
OBJ: 01-06 Understand the role of marketing in our society.  
NAT: AACSB: Communication | MKTG: Model Marketing Plan  
MSC: Knowledge

175. Knowing about marketing can help you evaluate the types of corrective measures needed to stop questionable marketing practices.

ANS: T                      PTS: 1                      DIF: Easy  
OBJ: 01-06 Understand the role of marketing in our society.  
NAT: AACSB: Communication | MKTG: Model Strategy                      MSC: Knowledge

176. Approximately 20 percent of civilian employees in this country perform marketing activities.

ANS: F                      PTS: 1                      DIF: Easy  
OBJ: 01-06 Understand the role of marketing in our society.  
NAT: AACSB: Communication | MKTG: Model Strategy                      MSC: Knowledge