

CHAPTER 1 – An overview of marketing

TRUE/FALSE

1. Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organisational goals.

ANS: T PTS: 1 DIF: Easy

TOP 1: Gain an overview of marketing.

2. Marketing exchanges can take place in situations where some parties in the exchange have something that the other party values, but the other party may not per se.

ANS: F PTS: 1 DIF: Easy

TOP 2: Explain the marketing exchange conditions and their influence on marketing.

3. Marketing is a philosophy, a perspective or a management orientation that emphasises the pursuit customer satisfaction or delight.

ANS: T PTS: 1 DIF: Difficult

TOP 1: Gain an overview of marketing.

4. Marketing can be classified as a static business function applying a management philosophy, attitude or perspective.

ANS: F PTS: 1 DIF: Easy

TOP 1: Gain an overview of marketing.

5. App4U Industries spent considerable time, effort and money developing a new mobile application allowing customers to combine their online banking with different banks in a single location. The company had not conducted market research among customers, but it was confident that its science and technology department had provided a successful new item. Based on this example, App4U is a good example of a production-oriented company.

ANS: F PTS: 1 DIF: Moderate

TOP 3: Describe the four competing marketing management orientations.

6. Initially, when Kodak started its production, it assumed that customers wanted photographic film, rather than a way to capture and share memories. This is an example of a societal marketing-oriented company.

ANS: F PTS: 1 DIF: Moderate

TOP 3: Describe the four competing marketing management orientations.

7. Marketing focuses on selling products and services to customers.

ANS: F PTS: 1 DIF: Easy

TOP 3: Describe the four competing marketing management orientations.

8. A production-oriented company considers whether the product meets the needs of customers.

ANS: F PTS: 1 DIF: Difficult

TOP 3: Describe the four competing marketing management orientations.

9. Relationship marketing orientation expands the marketing orientation focus from making a sale that meets the needs and wants of the marketplace to the value of the repeat sale.

ANS: T PTS: 1 DIF: Difficult

TOP 3: Describe the four competing marketing management orientations.

10. Silk Air, an airline carrier, has generated loyal consumer and business clients by providing the best customer support in the airline industry. Silk Air also provides direct sales consultation that gives salespeople in-depth knowledge of what makes its customer support successful. This partnership entails relationship marketing.

ANS: T PTS: 1 DIF: Difficult

TOP 3: Describe the four competing marketing management orientations.

11. A competitive advantage is the idea that a product can solve a set of customer problems better than any competitor's product.

ANS: T PTS: 1 DIF: Moderate

TOP 3: Describe the four competing marketing management orientations.

12. Marketing is a job that should be handled by marketers; people in management, accounting and finance should focus on their own specialties.

ANS: F PTS: 1 DIF: Easy

TOP 3: Describe the four competing marketing management orientations.

13. Customer value is the ratio of benefits to what must be forgone to obtain those benefits; and hence entails a tension in the customer's mind regarding what is perceived to be gained, versus what is to be given up in an exchange.

ANS: T PTS: 1 DIF: Moderate

TOP 3: Describe the four competing marketing management orientations.

14. Customer satisfaction (delight) is the customer's feeling that a product or service has met (exceeded) their expectations.

ANS: T PTS: 1 DIF: Easy

TOP 3: Describe the four competing marketing management orientations.

15. The Internet is an effective tool for generating, maintaining and developing relationships with customers because it allows customer interaction, such as on blogs, online communities, social media sites, etc.

ANS: T PTS: 1 DIF: Moderate

TOP 3: Describe the four competing marketing management orientations.

16. Customers value goods and services regarding the quality level they expect, and are sold at the prices they are willing to pay.

ANS: T

PTS: 1

DIF: Easy

TOP 3: Describe the four competing marketing management orientations.

17. A production-oriented organisation assumes that each element of the marketing mix is important.

ANS: F

PTS: 1

DIF: Easy

TOP 3: Describe the four competing marketing management orientations.

18. Sales-oriented organisations place a higher premium on long-term customer relationships than on making a sale.

ANS: F; The opposite is true. Sales-oriented organisations place a greater emphasis on generating sales volume.

PTS: 1

DIF: Moderate

TOP 3: Describe the four competing marketing management orientations.

MULTIPLE CHOICE

1. The term 'marketing' refers to _____.

- A selling
- B advertising
- C planning sales campaigns
- D new product concepts and improvements
- E a philosophy that stresses customer satisfaction

ANS: E

PTS: 1

DIF: Easy

TOP 1: Gain an overview of marketing.

2. A business is concerned with many day-to-day activities. Some of the most important are the planning and conception of the product or service, its pricing policy and the distribution strategy. These activities are all a part of _____.

- A engineering
- B marketing
- C accounting
- D production
- E sales

ANS: B

PTS: 1

DIF: Easy

TOP 1: Gain an overview of marketing.

3. An area which is relatively new in business study and likely to be modified as academics and practitioners understand more about it is called _____.

- A science marketing
- B science
- C procurement
- D management
- E psychology

ANS: B

PTS: 1

DIF: Easy

TOP 1: Gain an overview of marketing.

4. Your friend gave you the *Titanic* movie and you gave him the *Gladiator* movie. This is an example of _____.

- A exchange
- B marketing
- C bargaining
- D reciprocity
- E mutuality

ANS: A

PTS: 1

DIF: Easy

TOP 2: Explain the marketing exchange conditions and their influence on marketing.

5. For an exchange to occur:

- A money is essential.
- B organisational profit is required.
- C third-party involvement is required.
- D each party must have something that is of value to the other party.
- E the buyer cannot reject the offer once the offer is accepted.

ANS: D

PTS: 1

DIF: Moderate

TOP 2: Explain the marketing exchange conditions and their influence on marketing.

6. Exchange can take place only if _____ is given or received.

- A money
- B something of value
- C cost of time
- D cost of travel
- E opportunity cost

ANS: B

PTS: 1

DIF: Moderate

TOP 2: Explain the marketing exchange conditions and their influence on marketing.

7. Danny Johnson wants to sell his home. A preliminary investigation has shown that many people would be interested in this type of home. He has taken out an advertisement in his local trade paper and provided customers with a toll-free number to make an appointment to view the home. He has also read in the real estate papers that similar homes to the one that he owns are selling for about \$400 000. Before accepting this opportunity, what else should Johnson find out about?

- A Production
- B Customers
- C Sales
- D Satisfaction
- E Value

ANS: C; For an exchange to take place, each party must have something the other values, the parties must be able to communicate, and each party must believe that it is appropriate to deal with the other.

PTS: 1

DIF: Difficult

TOP 2: Explain the marketing exchange conditions and their influence on marketing.

8. _____-oriented companies focus on the internal capabilities of the organisation to develop products that are better and cheaper.

- A Production
- B Customer
- C Value
- D Satisfaction
- E Sales

ANS: A

PTS: 1

DIF: Moderate

TOP 4: Appreciate the application of the orientation to an organisation.

9. _____-oriented companies have long-term goals of improving products and services by focusing more on the welfare of the community.

- A Production
- B Societal marketing
- C Marketing
- D Satisfaction
- E Sales

ANS: B

PTS: 1

DIF: Moderate

TOP 3: Describe the four competing marketing management orientations.

10. When a company uses its resources to resolve questions like, 'What can we do best?', 'What can our engineers design?' and 'What is easy to produce with our equipment?', it is said to have a _____ orientation.

- A sales
- B customer
- C marketing
- D production
- E value

ANS: D PTS: 1 DIF: Easy

TOP 3: Describe the four competing marketing management orientations.

11. A hospital canteen manager said, 'Our hospital only allows the visitors to have food from the canteen due to health and safety reasons. Our team spends time to find ways of cutting costs on each meal.' The manager is putting the _____ philosophy into practice.

- A production orientation
- B sales orientation
- C marketing orientation
- D customer orientation
- E profit orientation

ANS: A PTS: 1 DIF: Difficult

TOP 3: Describe the four competing marketing management orientations.

12. One issue with the _____ approach to marketing is its failure to consider whether what the company produces most effectively also meets the needs of the marketplace.

- A production orientation
- B sales orientation
- C marketing orientation
- D customer orientation
- E profit orientation

ANS: A PTS: 1 DIF: Easy

TOP 3: Describe the four competing marketing management orientations.

13. In a situation where there is weak competition or when demand exceeds supply, a _____-oriented company can still be very successful in today's market.

- A marketing
- B societal
- C retailing
- D production
- E sales

ANS: D PTS: 1 DIF: Moderate

TOP 3: Describe the four competing marketing management orientations.

14. The marketing process commences with an understanding of _____.

- A a marketing opportunity analysis
- B the marketing mix
- C environmental scanning
- D marketing strategy
- E organisation mission

ANS: E

PTS: 1

DIF: Difficult

TOP 3: The marketing process

15. A firm that lacks an understanding of the needs and wants of the marketplace may be called:

- A market-oriented or promotional-oriented.
- B sales-oriented or production-oriented.
- C profit-oriented or sales-oriented.
- D customer relationship-oriented or profit-oriented.
- E promotional-oriented or marketing-oriented.

ANS: B

PTS: 1

DIF: Easy

TOP 3: Describe the four competing marketing management orientations.

16. The philosophy that assumes people are resistant to buying products that are not absolutely necessary is called the _____ orientation.

- A marketing
- B sales
- C moderate
- D production
- E discount

ANS: B

PTS: 1

DIF: Easy

The sales orientation assumes that aggressive selling is what is needed to increase demand.

TOP 3: Describe the four competing marketing management orientations.

17. Understanding your competitive arena and competitors' strengths and weakness is a critical component of the _____ orientation.

- A marketing
- B sales
- C customer
- D production
- E relationship

ANS: A

PTS: 1

DIF: Moderate

TOP 3: Describe the four competing marketing management orientations.

18. A _____ orientation assumes that customers resist buying items that are not essential and that people will buy more goods and services if aggressive marketing techniques are used.

A customer
B production
C marketing
D sales
E marketplace

ANS: A PTS: 1 DIF: Moderate

TOP 3: Describe the four competing marketing management orientations.

19. The philosophy focused on satisfying customer needs and wants, as well as key organisational objectives, is called the _____ orientation.

A promotion
B production
C sales
D market
E customer

ANS: D PTS: 1 DIF: Moderate

TOP 3: Describe the four competing marketing management orientations.

20. Successfully handling consumer complaints is an important aspect of business. A company receiving customer complaints and focusing on a sales orientation is likely to:

A change the product.
B modify the customer-facing sales presentation.
C analyse the target market and revise distribution.
D coordinate feedback into future product offerings.
E change the pricing structure.

ANS: B PTS: 1 DIF: Moderate

TOP 3: Describe the four competing marketing management orientations.

21. Pear Company has improved the efficiency and productivity of its plant. For the new financial year, the company projects a production increase of 20 per cent and has instructed its sales force to aggressively distribute and promote the product. The CEO is sure that the market will absorb more product if the sales force is determined and assertive. Pear Company appears to have a _____ orientation.

A marketing
B production
C sales
D customer

E marketplace

ANS: C

PTS: 1

DIF: Easy

TOP 3: Describe the four competing marketing management orientations.

22. The marketing concept and marketing orientation involve each of the following, EXCEPT:

A focusing on consumer needs and wants.

B integrating all the activities of the company to satisfy customer wants.

C differentiating a company's products from its competitor's products.

D fuelling sales growth through the application of aggressive sales techniques.

E long-term goal achievement (such as profits and growth) for the company.

ANS: D

PTS: 1

DIF: Easy

TOP 3: Describe the four competing marketing management orientations.

23. When Target was losing sales to newer specialty stores, superstores and discounters, the giant retailer refocused its efforts on doing a better job of satisfying customer needs and wants and thereby adopted a(n) _____ orientation.

A production

B sales

C retail

D market

E focused

ANS: D

PTS: 1

DIF: Easy

TOP 3: Describe the four competing marketing management orientations.

24. Which of the following is NOT an element of the marketing mix?

A Price

B Place

C Positioning

D Product

E Promotion

ANS: C

PTS: 1

DIF: Easy

TOP 4: Appreciate the application of the orientation to an organisation.

25. Suzy is a telephone order-taker for Myer Direct. A customer called to ask whether the red in a skirt that she had purchased matched the red in a skirt that was being offered in Myer's online store. Suzy took down the potential customer's phone number, went out to the warehouse, located the items, determined they did not match and called the potential customer to provide her with the information. Suzy demonstrated a _____ orientation.

A societal

- B sales
- C market
- D relationship
- E production

ANS: C

PTS: 1

DIF: Easy

TOP 3: Describe the four competing marketing management orientations.

26. Which of the following is NOT a viable method a company can use to become more marketing-oriented?

- A Training employees in the latest aggressive selling techniques
- B Making sure all employees operate based on customer-centric principles
- C Training employees to understand the company, its philosophy and procedures
- D Implementing empowerment techniques to help staff make independent decisions
- E Training employees to focus on customer satisfaction

ANS: A

PTS: 1

DIF: Easy

TOP 3: Describe the four competing marketing management orientations.

27. When using a credit card for purchases, customers are often asked whether they have a 'Fly-buys' card. After purchasing a specific monetary amount, the frequent-flyer program participant earns a free flight or some other reward, such as free lodging. Airlines adopting frequent-flyer programs are practising _____.

- A service-dominant logic
- B customer-needs marketing
- C marketing optimisation
- D relationship marketing
- E marketing engineering

ANS: D

PTS: 1

DIF: Moderate

TOP 3: Describe the four competing marketing management orientations.

28. When a company's focus is on keeping existing customers and suppliers, which is based on the premise that maintaining existing stakeholders is less costly, in financial terms, than attracting new ones, it is said to have a _____ orientation.

- A marketing
- B sales
- C customer
- D production
- E relationship

ANS: D

PTS: 1

DIF: Easy

TOP 3: Describe the four competing marketing management orientations.

29. You are in charge of the marketing program at Leo's Home Products and have been asked to implement the relationship marketing orientation within the company. Which of the following actions are you likely to take first in implementing the relationship marketing concept?

- A Reorganise the company and make marketing the most important department.
- B Hire new salespeople to find new prospects for Leo's Home Products.
- C Expand the advertising budget so that customers will be more aware of Leo's Home Products new line of bathroom products.
- D Create a database of customers' buying patterns and develop reward programs.
- E Hire a new product-development manager and establish a marketing research department.

ANS: D

PTS: 1

DIF: Difficult

TOP 3: Describe the four competing marketing management orientations.

30. An organisation with a(n) _____ believes that it exists not only to satisfy customer wants and needs and to meet organisational objectives, but also to preserve or enhance individuals' and society's long-term best interests.

- A Greater-good marketing strategy
- B Society marketing orientation
- C Societal marketing orientation
- D Ethical marketing

ANS: C

PTS: 1

DIF: Easy

TOP 3: Describe the four competing marketing management orientations.

31. The philosophical approach of which the development and maintenance of a customer database is an integral part, is called _____.

- A the digital marketing philosophy
- B the relationship marketing orientation
- C the ethical business perspective
- D positioning strategy
- E the societal marketing orientation

ANS: B

PTS: 1

DIF: Moderate

TOP 3: Describe the four competing marketing management orientations.

32. When planning a funeral, the most expensive item, typically, is the casket. Funeral homes commonly show customers only three caskets, with people almost invariably choosing the middle-priced one, which tends to cost about \$2200. Many funeral directors describe the lowest-priced model as the 'welfare' casket, although it is just as serviceable as the more expensive ones. Some funeral directors who do NOT have a _____ orientation actually paint these less expensive caskets in ugly colours to lessen the probability they will be purchased.

- A production

- B sales
- C product
- D marketing
- E business

ANS: D PTS: 1 DIF: Moderate

TOP 3: Describe the four competing marketing management orientations.

33. The philosophy, which focuses on repeat sales, rather than one-time sales, is called the _____ orientation.

- A bottom line
- B relationship marketing
- C profitability
- D sales
- E harvesting

ANS: B PTS: 1 DIF: Moderate

TOP 3: Describe the four competing marketing management orientations.

34. Mooh-Mooh Dairy Company asks the consumer to return the top of the plastic container to the shop so that it may help in generating finances for local schools. The more milk-bottle tops, the larger the donation to local educational institutions. Mooh-Mooh Milk Company is displaying _____.

- A marketing recycling
- B customer-centric marketing
- C marketing planning
- D marketing engineering
- E societal marketing

ANS: E PTS: 1 DIF: Easy

TOP 3: Describe the four competing marketing management orientations.

35. Most of the successful companies are focused on packaging with less toxic, more durable and reusable materials. This is an example of a company adopting the _____ orientation.

- A production
- B relationship marketing
- C profitability
- D sales
- E societal marketing

ANS: E PTS: 1 DIF: Moderate

TOP 3: Describe the four competing marketing management orientations.

36. Marketers interested in customer value focus on each of the following, EXCEPT:

- A offering products that conform to customer expectations.
- B exceeding customer expectations.
- C setting a high price to indicate product quality.
- D acting in a transparent manner, e.g. by providing company facts and figures to customers.
- E offering organisation-wide commitment in service.

ANS: C PTS: 1 DIF: Easy

TOP 3: Describe the four competing marketing management orientations.

37. Marketers interested in offering customer value can:

- A offer products that perform.
- B give consumers more than they expect.
- C offer organisation-wide commitment to service and after-sales support.
- D avoid unrealistic pricing.
- E do all of these things.

ANS: E PTS: 1 DIF: Easy

TOP 3: Describe the four competing marketing management orientations.

38. A retail outlet that wishes to offer customer value should:

- A require customers to pick up and deliver their purchases.
- B charge a realistic price for the product instead of the inflated price charged by many competitors.
- C sell inexpensive products.
- D require that all purchases are made within traditional store opening hours.

ANS: B PTS: 1 DIF: Easy

TOP 3: Describe the four competing marketing management orientations.

39. _____ focus on repeat sales and referrals because this philosophy maintains that keeping customers costs much less than attracting new ones.

- A Relationship-oriented companies
- B Production-oriented companies
- C Sales-oriented companies
- D Profitability-oriented companies
- E Retail companies

ANS: A PTS: 1 DIF: Easy

TOP 3: Describe the four competing marketing management orientations.

40. When a customer's expectations are exceeded, customer _____ occurs.

- A confirmation
- B delight
- C value creation
- D achievement
- E empowerment

ANS: B PTS: 1 DIF: Easy

TOP 3: Describe the four competing marketing management orientations.

41. _____ is an (are) effective tool(s) in generating, maintaining and expanding relationships with customers.

- A Sales personnel
- B The Internet
- C Coupons
- D Publicity
- E Product placements

ANS: B PTS: 1 DIF: Easy

TOP 3: Describe the four competing marketing management orientations.

42. The final step in the marketing process is _____.

- A evaluation
- B implementation
- C development of marketing strategies
- D development of marketing objectives

ANS: A PTS: 1 DIF: Easy

TOP 4: Appreciate the application of the orientation to an organisation.

43. There are many reasons to study marketing. These reasons include each of the following, EXCEPT that marketing:

- A teaches businesses how to sell products that people do not need.
- B plays an important role in society, coordinating the huge numbers of transactions needed to provide goods and services.
- C is a key function in business.
- D offers outstanding career opportunities.
- E affects your day-to-day life as a consumer.

ANS: A PTS: 1 DIF: Easy

TOP 5: Describe the reasons for studying marketing.

44. Gathering, analysing and interpreting information about an organisation's environment is called _____.

- A environmental scanning
- B market scanning
- C primary data analysis
- D environmental scouring

ANS: A PTS: 1 DIF: Moderate

TOP 4: Appreciate the application of the orientation to an organisation.

45. At the core of every business are the activities that determine survival, profits and growth. Marketing contributes to these activities through five principal means. The first one is assessing the wants of customers, and the other four include each of the following, EXCEPT _____.

- A aggressive human resource practices
- B pricing policies
- C communication with customers
- D distribution strategies
- E promotional strategies

ANS: A PTS: 1 DIF: Easy

TOP 5: Describe the reasons for studying marketing.

COMPLETION

1. _____ orientation focuses on the internal capabilities of the company, rather than the desires, needs and wants that exist within the marketplace.

ANS: Product PTS: 1 DIF: Easy

TOP 4: Appreciate the application of the orientation to an organisation.

2. _____ advantage is the idea that a product can solve a set of customer problems in a superior way, relative to any competitor's product.

ANS: Competitive PTS: 1 DIF: Moderate

TOP 4: Appreciate the application of the orientation to an organisation.

3. _____ orientation assumes that a sale depends on a customer's decision to purchase an offering.

ANS: Marketing PTS: 1 DIF: Difficult

TOP 3: Describe the four competing marketing management orientations.

4. The orientation that focuses on forceful selling techniques to encourage high sales volume and high profits is called the _____ orientation.

ANS: sales PTS: 1 DIF: Easy

TOP 3: Describe the four competing marketing management orientations.

5. The idea that the social and economic satisfaction for a firm's existence is the satisfaction of customer wants and needs while meeting organisational objectives, is called the _____ concept.

ANS: marketing PTS: 1 DIF: Difficult

TOP 3: Describe the four competing marketing management orientations.

6. _____ marketing orientation focuses on maintaining existing customers and suppliers.

ANS: Relationship PTS: 1 DIF: Difficult

TOP 3: Describe the four competing marketing management orientations.

7. The ratio of benefits to the sacrifice required to obtain those benefits is referred to as _____ value.

ANS: customer PTS: 1 DIF: Difficult

TOP 3: Describe the four competing marketing management orientations.

8. _____ marketing is a strategy that entails developing and maintaining long-term partnerships with customers, and is based on the marketing orientation.

ANS: Relationship PTS: 1 DIF: Moderate

TOP 3: Describe the four competing marketing management orientations.

9. _____ programs are examples of financial or other incentives provided to customers in exchange for their continued patronage.

ANS: Reward PTS: 1 DIF: Difficult

TOP 2: Explain the marketing exchange conditions and their influence on marketing.

10. Most successful relationship marketing strategies depend on _____ personnel, effective training programs, employee empowerment and team work.

ANS: customer-oriented PTS: 1 DIF: Difficult

TOP 3: Describe the four competing marketing management orientations.

11. Some organisations practise a _____ orientation by striving to help the less-privileged communities receive fair and reputable payment for their goods and labour, and they strive to deal only with other like-minded organisations.

ANS: societal marketing PTS: 1 DIF: Moderate

TOP 3: Describe the four competing marketing management orientations.

12. At the core of marketing is _____, an idea that people will sacrifice something to acquire something else.

ANS: exchange PTS: 1 DIF: Moderate

TOP 2: Explain the marketing exchange conditions and their influence on marketing.

13. _____ marketing is a strategy that creates enduring partnerships with _____, and is based on the _____ orientation.

ANS: Relationship; customers; marketing

PTS: 1 DIF: Difficult

TOP 3: Describe the four competing marketing management orientations.

14. A _____-oriented organisation seeks to generate sales volume through intensive _____ activities.

ANS: sales; promotional PTS: 1 DIF: Difficult

TOP 3: Describe the four competing marketing management orientations.

ESSAY

1. Marketing has two components or facets. Name and describe each of these two facets.

ANS:

- 1 The first facet of marketing is its philosophy. This philosophy is an attitude, perspective or management orientation that stresses the importance of customer satisfaction.
- 2 The second facet of marketing is the set of activities used to implement this philosophy. These activities include (but are not limited to) planning, pricing, promotion, distribution, selling, advertising and inventory management.

PTS: 1 DIF: Moderate

TOP 1: Gain an overview of marketing.

2. The text mentions five orientations/philosophies that strongly influence the role of marketing and marketing activities within an organisation. Name and briefly describe each of these orientations, and give examples to illustrate your answer.

ANS:

- **PRODUCTION ORIENTATION:** This orientation focuses companies on their internal production capabilities rather than the desires and needs of the marketplace (e.g. traditional companies; this orientation is becoming increasingly uncommon).
- **SALES ORIENTATION:** This orientation assumes that buyers resist purchasing items that are not essential and that buyers will purchase more of any item if aggressive selling techniques are used. Again, this orientation does not address the needs and wants of the marketplace (e.g. outbound calling by call centres with the aim of selling products to consumers).
- **MARKETING ORIENTATION:** This orientation is the foundation of contemporary marketing philosophy. It recognises that a sale is dependent on the customer's decision to purchase a product and provides increased responsiveness to customer needs and wants (e.g. the majority of contemporary Western companies are adopting this orientation today).
- **RELATIONSHIP MARKETING ORIENTATION:** This orientation focuses on marketing activities to keep existing customers and suppliers, based on the premise that keeping an existing customer is less expensive than attracting a new one.

- **SOCIETAL MARKETING ORIENTATION:** This orientation refines the marketing orientation by stating that the social and economic justification for an organisation's existence is the satisfaction of customer wants and needs while meeting the organisation's objectives and preserving or enhancing both individuals' and society's long-term best interests (e.g. this orientation is becoming increasingly popular, and fits in with the concept of corporate social responsibility).

PTS: 1

DIF: Moderate

TOP 3: Describe the four competing marketing management orientations.

3. Explain the steps in the marketing process.

ANS: The marketing process begins with an understanding of the organisation's mission (e.g. from the mission statement). This is a set of values that the organisation wishes to pursue through its business activities.

The next step is to look for and understand any opportunities that exist in the markets that the organisation currently services or is considering serving (i.e. environmental analysis, e.g. PESTEL).

From there, the organisation sets marketing objectives (aims, goals) and selects a set of consumers (target market) they wish to serve.

Based on this information the company develops their marketing mix (i.e. their product, price, promotion and distribution strategies; or the expanded marketing mix for service offerings, which also includes people, process and physical evidence).

The next stage is to implement the marketing mix strategies (i.e. execution).

Finally, the marketing organisation evaluates its performance against the objectives that were previously set and considers which areas may need amendment in the next round.

PTS: 1

DIF: Difficult

TOP 2: Explain the marketing exchange conditions and their influence on marketing.

4. You are a marketing adviser to a menswear retailer who is interested in applying the marketing concept in her store. What should be the focus of her retail outlet?

ANS: Marketing concepts are said to be market-oriented. When a retailer wants to put marketing concept into practice, she should consider the following:

- Focus on customer wants and needs so that the organisation can distinguish its product(s) from competitors' offerings. For example, if the retail outlet is located in the city centre where a majority of women work, this group of customers will need to purchase formal clothes for work. Therefore, a variety of products like formal pants, shirts, shoes and other accessories (in various colours, designs and sizes) could be offered, catering for the needs of working women.
- Integrate all of the organisation's activities, including production, to satisfy these wants. For example, a sales assistant could be hired who understands the needs of working women, especially in clothing lines. Also, the servicescape (wall colour, flooring, music, scent; i.e. physical evidence in the expanded marketing mix for services) of the shop should be attractive to working women.
- Achieve long-term goals for the organisation by satisfying customer wants and needs, legally and responsibly. For example, the retailer could be socially responsible by donating a few cents per item sold to women's charity organisations.

PTS: 1

DIF: Moderate

TOP 4: Appreciate the application of the orientation to an organisation.

5. You are a luxury car salesperson. What is your business value proposition for your (prospective) customers?

ANS: Your strategy could be outlined as follows:

- Offer products that perform. Your customer could be put off by shoddy cars.
- Give the customer more than expected. Offer promising after-sales service and warranties.
- Avoid unrealistic pricing. Do not increase the prices of small services, like addressing the immediate failure of some car parts, minor repairs and maintenance.
- Give facts to the buyer. Under-promise and over-deliver. Do not exaggerate the quality of the car.
- Offer an organisation-wide commitment to service, including after-sales service. All the employees must have good knowledge of the cars on offer, their features and the procedure of after-sales service.

PTS: 1

DIF: Difficult

TOP 4: Appreciate the application of the orientation to an organisation.

6. Discuss how a cigarette company can ethically promote its product.

ANS: A company that manufactures cigarettes can ethically promote its product. A good example of this was the 2001 launch of the slow-burning cigarette and the non-smoker cigarette by Philip Morris. The slow-burning cigarette was promoted as the cigarette that would restrict the starting of bushfires by smokers who carelessly disposed of their cigarette butts. The second, no- or little-smoke cigarette was promoted as a device that would catch the smoke from a cigarette while it was burning. These two campaigns were successful in the ethical promotion of cigarettes by Philip Morris.

PTS: 1

DIF: Moderate

TOP 2: Explain the marketing exchange conditions and their influence on marketing.

7. Why is marketing important to business?

ANS: Marketing contributes directly to the achievement of business objectives, including survival, profits and growth. Marketing is concerned with assessing the wants and satisfactions of customers, designing and managing product offerings, determining prices, developing distribution strategies and communicating with customers. These activities are vital to business organisations. A fundamental understanding of marketing is important to all businesspeople so that an organisation can operate cohesively.

PTS: 1

DIF: Easy

TOP 5: Describe the reasons for studying marketing.

8. What types of marketing careers are there? What is the current percentage of marketing employees in the Australian or New Zealand civilian workforce and what is the future forecast for marketing employment?

ANS: One-fourth to one-third of the Australian and New Zealand civilian workforce performs marketing activities in areas such as professional selling, research, advertising, retail buying, distribution management, product management and development, and wholesaling. Careers also exist in the area of marketing research and analytics (e.g. customer, competitor and product analyses). Marketing career opportunities exist in both business and non-business organisations.

Demand for marketing-educated personnel is growing. Marketing employment is projected

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to grow at a faster rate than that of all other jobs. Additionally, marketing is now the fastest route to the top in today's corporate world.

PTS: 1 DIF: Moderate

TOP 5: Describe the reasons for studying marketing.