

Chapter 1: The Global Marketing Imperative

TRUE/FALSE

1. Firms that operate in the United Kingdom (domestic only) pay significantly higher wages than international firms.

ANS: F PTS: 1 DIF: Moderate REF: Page 9

2. In the definition of international marketing, the major foundation of this process is the planning and conducting of transactions across national borders to create exchanges that satisfy the objectives of individuals and organisations.

ANS: T PTS: 1 DIF: Easy REF: Page 3

3. World trade has forged a network of global linkages that bind countries together and were first recognised during the rebuilding of Europe after WWII.

ANS: F PTS: 1 DIF: Moderate REF: Page 5

4. The United Nations has been active in trying to influence global trade and financial flows by implementing quotas and tariffs which in turn affect markets.

ANS: F PTS: 1 DIF: Difficult REF: Page 8

5. Due to Canada's rich uranium deposits, it ranks second behind Western Europe in major regions in terms of total gross domestic product. The United States is third because the majority of the products sold in the country are imported.

ANS: F PTS: 1 DIF: Difficult REF: Page 10

6. International marketing is a tool used to obtain improvement of one's present position and retains the basic marketing tenets of "satisfaction" and "exchange".

ANS: T PTS: 1 DIF: Easy REF: Page 3

7. To achieve success in the art of international marketing, it is necessary to be firmly grounded in its technological aspects.

ANS: F PTS: 1 DIF: Difficult REF: Page 4

8. World trade has assumed an importance heretofore unknown to the global community, and, as a result, many countries and firms have found it highly desirable to become major participants in international marketing.

ANS: T PTS: 1 DIF: Moderate REF: Page 4

9. The effect of closer global linkages on the economics of countries has been dramatic.

ANS: T PTS: 1 DIF: Moderate REF: Page 8

10. Currency flows and exchange rates have a greater effect on trade than do government monetary policies.
- ANS: T PTS: 1 DIF: Moderate REF: Page 8
11. Many firms do not participate in the global market because they feel international marketing should only be carried out by large, multinational corporations.
- ANS: T PTS: 1 DIF: Moderate REF: Page 12
12. Companies are fairly consistent in their international activities because of the similarities in their levels of experience, resources and capabilities.
- ANS: F PTS: 1 DIF: Moderate REF: Page 12
13. The marketing manager's role has two integral parts: determining out-sourcing output and the level of government regulation as it applies to productivity.
- ANS: F PTS: 1 DIF: Difficult REF: Page 17 - Appendix A
14. The four variables of the marketing mix are product, price, place, and promotion.
- ANS: T PTS: 1 DIF: Easy REF: Page 18 - Appendix A
15. Short term control tools included in an annual plan include comprehensive and functional audits.
- ANS: F PTS: 1 DIF: Moderate REF: Page 18 - Appendix A
16. Lakes, rivers and other bodies of water influence the kinds of economic activities that occur in a given place.
- ANS: T PTS: 1 DIF: Moderate REF: Page 21 - Appendix B
17. When human beings build buildings, roads and other infrastructure in the place in which they live and work, this activity is defined in the text as place controlled environment.
- ANS: F PTS: 1 DIF: Moderate REF: Page 22 - Appendix B
18. The text defines the economic heartland of Europe as Mitteleuropa.
- ANS: T PTS: 1 DIF: Moderate REF: Page 25 - Appendix B
19. International marketing is much more than the science and art of business; it includes economics, anthropology, cultural studies, geography, history, languages, jurisprudence, statistics, demographics and many other fields.
- ANS: T PTS: 1 DIF: Moderate REF: Page 3

MULTIPLE CHOICE

1. Which of the following is NOT one of the forms of international marketing defined in the text?
- Government-owned operations
 - Export-import trade
 - Joint ventures
 - Wholly owned subsidiaries

ANS: A PTS: 1 DIF: Moderate REF: Page 3

2. Which of the following statements is not true when describing the role of and the effect of international marketing on companies?
- International markets can become a source of growth.
 - International markets can become a source of profit.
 - International markets can produce a quality of life that would not have existed.
 - International markets can simplify the process and eliminate complex business decisions.

ANS: D PTS: 1 DIF: Difficult REF: Page 4

3. Which of the following is not a bonafide trading bloc?
- NAFTA in North America
 - SurAsia in South America and Hong Kong
 - ASEAN in Asia
 - European Union in Europe

ANS: B PTS: 1 DIF: Moderate REF: Page 4

4. Technological innovation in marketing has direct effects on the efficiency of business. Which of the following statements is true?
- Technological innovation has complicated the production process, so products take longer to produce.
 - Technological innovation has increased demand, therefore products cost more to distribute.
 - Technological innovation allows for customisation in order to meet diverse customer needs.
 - Technological innovation causes higher prices because of the distance that raw materials have to travel.

ANS: C PTS: 1 DIF: Difficult REF: Page 5

5. Which of the following has traditionally been a domestic issue and is now an international issue?
- Geographic boundaries of cities
 - The flow of water through dam diversion tunnels
 - Applications for government subsidies
 - Agriculture and farm policies affecting imports and exports

ANS: D PTS: 1 DIF: Difficult REF: Page 8

6. Which country has had the most dramatic growth in exportation of merchandise and commercial services, between the periods 1990-2004?
- Japan
 - Kenya
 - United States
 - China

ANS: D PTS: 1 DIF: Moderate REF: Page 7 - Figure 1.2

7. For a country to remain a player in the world economy, which of the following groups need to respond aggressively with innovation, process improvements, and creativity?
- Governments, companies, and individuals
 - Importers, social scientists, and teachers
 - Courts
 - Wholesalers who take possession of the product prior to sale

ANS: A PTS: 1 DIF: Difficult REF: Page 8

8. Terrorists succeed through:
- Decrease of freedom for others
 - Outgrowth of choice
 - Increasing their freedom through their actions
 - Freedom of growth potential

ANS: A PTS: 1 DIF: Moderate REF: Page 2

9. Which of the following is the best definition of international marketing?
- Planning and conducting economic forecasting in developing countries
 - Creating a subsidiary in a neighboring country
 - The process of planning and conducting transactions across national borders to create exchanges
 - Hiring employees from other countries to assist with advertising messages.

ANS: C PTS: 1 DIF: Moderate REF: Page 3

10. According to the text, international marketing differs from domestic marketing in three substantial ways. What are the three differences that marketers must take into account when conducting business internationally?
- Distance, products and ideas
 - Threats, exceptions and tolerance
 - Postage rates, telephone signals and personal contact
 - Different laws, cultures and societies

ANS: D PTS: 1 DIF: Difficult REF: Page 3

11. Which of the following events helped identify global linkages causing the world to realise that the systems of product development, distribution, and consumption are intertwined and related?
- The worldwide oil crisis of 1970
 - Gulf War I and Gulf War II
 - International all-stars playing in the World Series
 - The trans-continental joining of the United States by railroad

ANS: A PTS: 1 DIF: Moderate REF: Page 5

12. Common cultural pressures result in similar social phenomena and behavior around the world. To what does the text attribute more frequent shopping worldwide?
- The emergence of uniform currency worldwide
 - More dual-income families
 - Common ancestral beginnings
 - The rise in nuclear family units

ANS: B PTS: 1 DIF: Moderate REF: Page 5

13. The emergence of technology has created new markets for companies. Which of the following represents an example of this new market tendency?
- a. The construction of corner drugstores that replace gas stations
 - b. Listing of ingredients on the side panel labels of products distributed worldwide
 - c. Newspapers being distributed on-line as opposed to physically on newsprint
 - d. Storage facilities rented by the month

ANS: C PTS: 1 DIF: Moderate REF: Page 7

14. By erecting barriers, charging tariffs, designing quotas and implementing other import regulations, governments have attempted to:
- a. popularise bureaucratic movement and entice more individuals into government service.
 - b. restrict the impact of global trade and financial flows.
 - c. increase income into the government.
 - d. capitalise on technology and enforce worldwide standards.

ANS: B PTS: 1 DIF: Difficult REF: Page 8

15. One way to guard against market saturation of a product is:
- a. to lower interest rates.
 - b. to delay introduction of a new product.
 - c. to personalise the message to the customer.
 - d. to lengthen or rejuvenate product life cycles in other countries.

ANS: D PTS: 1 DIF: Difficult REF: Page 9

16. Which of the following is an example of industries that are near extinction because of the inability of these groups to adjust to new technology?
- a. VCRs in the U.K.
 - b. toy makers
 - c. air conditioning manufacturers
 - d. shopping malls

ANS: A PTS: 1 DIF: Moderate REF: Page 11

17. For a firm that is just beginning to enter the global market, which of the following is not true?
- a. The demand on time is low
 - b. Expectations about success are uncertain
 - c. Level of knowledge about international complexities is low
 - d. International environment is often inflexible

ANS: A PTS: 1 DIF: Difficult REF: Page 11

18. Trade-based progress toward global wealth must include all of the following except:
- a. substantial tariff reductions.
 - b. extensive health-care and environmental aid.
 - c. substantial quota increases.
 - d. massive debt write-offs.

ANS: C PTS: 1 DIF: Difficult REF: Page 3

19. Export-import trade, licensing, joint ventures, wholly owned subsidiaries, turnkey operations and management contracts are examples of what?
- Global positioning systems
 - Transparent industries
 - Televisual optimisation
 - International marketing

ANS: D PTS: 1 DIF: Moderate REF: Page 3

20. Which of the new technologies has allowed consumers to supply and receive products from across the world for personal use?
- Travelodge on cable television
 - The Internet
 - Pensions and individual retirement accounts
 - Newly created niche markets

ANS: B PTS: 1 DIF: Moderate REF: Page 5

21. Which is a pre-requisite for success in outsourcing innovation in order for a country to stay globally competitive?
- Understanding customers' changing needs
 - Law makers
 - Workers
 - “co-creation” between the two and a mutual understanding

ANS: A PTS: 1 DIF: Moderate
REF: Page 6 - International Marketplace 1.2

22. Many firms commit grave mistakes which lead to inefficiency, lack of consumer acceptance and sometimes even corporate failure because executives believe that:
- parents of children in domestic families watch too much television.
 - the influence of music on the masses dictates morals for a new generation.
 - Incomplete research affects the learning curve.
 - that international customers are just like the ones the firm deals with at home.

ANS: D PTS: 1 DIF: Moderate REF: Page 9

23. What are the characteristics of intended target markets?
- Millennials, matures, minors and mothers
 - Occupants, objects, occasions, objectives, outlets, organizations, operations and opposition
 - Location, lifestage, limited access, life cycle and longitude
 - People, promise, profile and power

ANS: B PTS: 1 DIF: Moderate REF: Page 17 - Appendix A

24. What are the elements of the marketing mix?
- Money, methodology, mechanics, and message
 - Fortune, forecast, future, and fashion
 - Product, price, place and promotion
 - Money, fortune, price and cost

ANS: C PTS: 1 DIF: Moderate REF: Page 18 - Appendix A

25. The analysis, planning, implementation and control stages make up what process?
- Researching product categories
 - Telecasting consumer characteristics
 - The marketing process
 - Eventual distribution

ANS: C PTS: 1 DIF: Moderate REF: Page 18 - Appendix A

26. The blueprint generated to react to and exploit opportunities in the marketplace comes from what stage of the marketing process?
- Control mechanism
 - Price
 - Planning
 - Target marketing

ANS: C PTS: 1 DIF: Moderate REF: Page 18 - Appendix A

27. Maps that gather, store, analyse and present information that answers the question “where” is considered:
- topology.
 - forensics.
 - mapology.
 - geography.

ANS: D PTS: 1 DIF: Moderate REF: Page 20 - Appendix B

28. What are the four natural features that affect geology?
- Geological characteristics, terrain, hydrology and climate
 - Time, place, environment and money
 - Posture, texture, rotogravure and agriculture
 - Prehistoric, historic, post-genealogical and genealogical

ANS: A PTS: 1 DIF: Moderate REF: Page 21-22 - Appendix B

29. What types of hydrology affect terrain?
- Rainfall, snowfall and hail
 - Rivers, lakes and other bodies of water
 - Canals, sewer systems and reservoirs
 - Precipitation, weather and climate

ANS: B PTS: 1 DIF: Moderate REF: Page 21 - Appendix B

30. As people live in a place, they modify it, creating something that can be as important as or more important in economic terms than the natural environment. What is this called?
- Post human retraction
 - Population implementation
 - Bureaucratic regulation
 - Built environment

ANS: D PTS: 1 DIF: Moderate REF: Page 22 - Appendix B

31. Halting destruction of forests in the Amazon Basin, selective harvesting of hardwoods and other products from natural forest and a restaurant refusing to purchase beef raised on pastures that are established by clearing forests are all examples of what?
- Televised interior department projects
 - Concerns about environmental quality
 - The clustering of people in lower terrain
 - Global companies not competing in international marketing

ANS: B PTS: 1 DIF: Moderate REF: Page 23 - Appendix B

32. _____ has allowed for the movement that encourages a structure for considering how different places relate to each other.
- The post WWII agreement regarding tariffs
 - Global transportation
 - The invention of the combustion engine
 - Top down marketing

ANS: B PTS: 1 DIF: Moderate REF: Page 24 - Appendix B

33. Which of the following goods would require more intensive production and are more expensive to ship, and thus are produced closer to the markets that consume them?
- Electronic components
 - Insurance
 - Vegetables and dairy products
 - Automobiles

ANS: C PTS: 1 DIF: Moderate REF: Page 25 - Appendix B

SHORT ANSWER

1. Why is international marketing important to the growth of global and domestic companies?

ANS:

International marketing is the process of planning and conducting transactions across national borders to create exchanges that satisfy the objectives of individual organisations. Global linkages have made possible investment strategies and marketing alternatives that offer tremendous opportunities for companies. To benefit from the opportunities and deal with the adversities of international trade, companies need to adopt the international marketing concept.

PTS: 1 DIF: Moderate REF: Page 13-14 - Chapter summary

2. What are the four elements of the marketing mix?

ANS:

The four Ps are traditionally featured as the elements of the marketing mix. These four variables (product, price, place and promotion) engage the company in the fundamental aspect of conducting business. Blending the four variables into a coherent program requires trade-offs based on the type of product or service being offered, the stage of the product's life cycle, and resources available for the marketing effort, as well as the type of customer at whom the marketing efforts are directed.

PTS: 1 DIF: Moderate REF: Page 18 - Appendix A

3. What are the five fundamental themes that shape geography?

ANS:

The five themes are (1) location, (2) place, (3) interaction, (4) movement and (5) region. The five themes are neither exclusive nor exhaustive; however, they complement other disciplinary approaches to organising information in order to address specific kinds of questions and provide a powerful means for understanding geography.

PTS: 1

DIF: Moderate

REF: Page 20 - Appendix B