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| 1. | Marketing plans are unwritten guidelines for the business center's marketing programs and allocations over the planning period.    True    False |

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| 2. | While marketing plans' horizons vary from product to product, the typical horizon is annual.    True    False |

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| 3. | Marketing plans usually have a longer time horizon than strategic plans; a horizon of three to five years or more with annual updates is not uncommon.    True    False |

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| 4. | Competitors often determine a brand's profits as much as any action taken by the marketing managers.    True    False |

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| 5. | Frequent reevaluation of planning strategies can lead to erratic firm behavior and make the planning process more burdensome.    True    False |

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| 6. | A thorough marketing planning process utilizes experience from product managers and not from the various managerial levels.    True    False |

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| 7. | The marketing planning sequence is a logical flow of events leading from data collection and analysis to strategy formulation to auditing the performance of the plan.    True    False |

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| 8. | Category analysis identifies factors that significantly impact the attractiveness of a product category in which the product competes at a given point in time.    True    False |

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| 9. | Decisions about pricing, channels of distribution, advertising and other relevant marketing programs are described in the situation analysis section of the marketing plan.    True    False |

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| 10. | The final three parts of the marketing plan—financial documents, monitors and controls and contingency plans—form a cohesive unit and are therefore important components.    True    False |

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| 11. | A written document containing the guidelines for the business center's marketing programs and allocations over the planning period is known as a      |  |  | | --- | --- | | A. | Mission statement |  |  |  | | --- | --- | | B. | Marketing plan |  |  |  | | --- | --- | | C. | Marketing mix |  |  |  | | --- | --- | | D. | Financial plan |  |  |  | | --- | --- | | E. | Positioning strategy | |

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| 12. | The single most important activity of the marketing manager is      |  |  | | --- | --- | | A. | Creating effective advertisements |  |  |  | | --- | --- | | B. | Developing the marketing plan |  |  |  | | --- | --- | | C. | Designing profitable products |  |  |  | | --- | --- | | D. | Gathering market data |  |  |  | | --- | --- | | E. | Building effective distribution systems | |

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| 13. | Identify the INCORRECT statement pertaining to marketing plans      |  |  | | --- | --- | | A. | They generally have a quarterly horizon |  |  |  | | --- | --- | | B. | They focus on a product or one or more product lines |  |  |  | | --- | --- | | C. | They involve situation analysis |  |  |  | | --- | --- | | D. | They make use of information from the sales force |  |  |  | | --- | --- | | E. | They include objectives, strategies and programs based on background analysis | |

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| 14. | All of the following are benefits of having a written marketing plan EXCEPT:      |  |  | | --- | --- | | A. | It calls for disciplined thinking |  |  |  | | --- | --- | | B. | It provides a vehicle for communications between functional areas of the firm |  |  |  | | --- | --- | | C. | It ensures that prior strategies that failed are forgotten |  |  |  | | --- | --- | | D. | It pinpoints responsibility for achieving results by a specified date |  |  |  | | --- | --- | | E. | It provides continuity when management turnover occurs | |

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| 15. | The length of the planning period is affected by all of the following factors EXCEPT:      |  |  | | --- | --- | | A. | Seasonality of demand |  |  |  | | --- | --- | | B. | Product development lead times |  |  |  | | --- | --- | | C. | Bottom-up planning |  |  |  | | --- | --- | | D. | Competitive intensity |  |  |  | | --- | --- | | E. | Frequency of shifts in customer tastes | |

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| 16. | The Internet has      |  |  | | --- | --- | | A. | Had an extremely limited impact on marketing planning |  |  |  | | --- | --- | | B. | Led to planning assumptions being valid for longer times |  |  |  | | --- | --- | | C. | Reduced the typical "annual" planning period of marketing plans to a "quarterly" horizon |  |  |  | | --- | --- | | D. | Made it necessary that assumptions underlying the marketing plan be checked frequently |  |  |  | | --- | --- | | E. | Lengthened the time horizons for marketing plans | |

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| 17. | Marketing planning      |  |  | | --- | --- | | A. | Is done at the higher levels of the firm |  |  |  | | --- | --- | | B. | Focuses on broad objectives |  |  |  | | --- | --- | | C. | Takes place at the business center level |  |  |  | | --- | --- | | D. | Strategies are mostly general |  |  |  | | --- | --- | | E. | Typically focuses on objectives such as return on investment/assets | |

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| 18. | The strategic plan      |  |  | | --- | --- | | A. | Is an operational document |  |  |  | | --- | --- | | B. | Typically focuses on an annual time frame |  |  |  | | --- | --- | | C. | Is made at the business center level |  |  |  | | --- | --- | | D. | Focuses on specific objectives and strategies |  |  |  | | --- | --- | | E. | Usually has a horizon of three to five years or more | |

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| 19. | Which of the following is typically NOT an objective of a marketing plan?      |  |  | | --- | --- | | A. | To define the current situation facing the product |  |  |  | | --- | --- | | B. | To encourage careful and disciplined thinking |  |  |  | | --- | --- | | C. | To establish a market orientation |  |  |  | | --- | --- | | D. | To set broad objectives at the corporate level |  |  |  | | --- | --- | | E. | To pinpoint responsibility for achieving product objectives | |

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| 20. | Competitor orientation is especially important in today's business environment because      |  |  | | --- | --- | | A. | There are less competitors and longer life cycles |  |  |  | | --- | --- | | B. | A majority of products and services are monopolies |  |  |  | | --- | --- | | C. | Competitors often determine a brand's profits |  |  |  | | --- | --- | | D. | Competitors' actions usually remain unchanged |  |  |  | | --- | --- | | E. | Of its negative relationship with customer orientation | |

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| 21. | According to research a significant and positive relationship exists between all of the following, EXCEPT the firm's degree of      |  |  | | --- | --- | | A. | Customer orientation |  |  |  | | --- | --- | | B. | Competitor orientation |  |  |  | | --- | --- | | C. | Selling orientation |  |  |  | | --- | --- | | D. | Interfunctional coordination |  |  |  | | --- | --- | | E. | Performance | |

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| 22. | Critical oversights during the planning process are most likely to be the results of      |  |  | | --- | --- | | A. | Hasty planning |  |  |  | | --- | --- | | B. | Having diverse strategic options |  |  |  | | --- | --- | | C. | Using both line and staff executives in the planning process |  |  |  | | --- | --- | | D. | Using flexible planning structures |  |  |  | | --- | --- | | E. | Developing contingency plans | |

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| 23. | The advantage of structure in the planning process is that it      |  |  | | --- | --- | | A. | Forces discipline on the planners |  |  |  | | --- | --- | | B. | Takes precedence over the content |  |  |  | | --- | --- | | C. | Reduces planning to form filling or number crunching |  |  |  | | --- | --- | | D. | Gives little thought for planning purposes |  |  |  | | --- | --- | | E. | Helps to make the process more bureaucratic | |

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| 24. | While the appropriate length for planning documents will vary according to individual circumstances, most plans are likely to be      |  |  | | --- | --- | | A. | 40-60 pages in length |  |  |  | | --- | --- | | B. | 60-90 pages in length |  |  |  | | --- | --- | | C. | 35-50 pages in length |  |  |  | | --- | --- | | D. | 50-70 pages in length |  |  |  | | --- | --- | | E. | 20-30 pages in length | |

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| 25. | Identify the INCORRECT statement pertaining to the frequency of planning.      |  |  | | --- | --- | | A. | Frequent reevaluation of strategies can lead to erratic firm behavior |  |  |  | | --- | --- | | B. | Often a company adopts its fiscal year as its planning cycle |  |  |  | | --- | --- | | C. | Frequent planning can make the process more burdensome |  |  |  | | --- | --- | | D. | Plans revised less frequently than necessary can deteriorate a firm's competitive position |  |  |  | | --- | --- | | E. | The appropriate planning interval is easy to determine and can be done with precision | |

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| 26. | The successful implementation of a marketing plan requires a broad consensus from      |  |  | | --- | --- | | A. | The marketing department only |  |  |  | | --- | --- | | B. | The product manager only |  |  |  | | --- | --- | | C. | As many corporate departments as possible |  |  |  | | --- | --- | | D. | Consumers and competitors |  |  |  | | --- | --- | | E. | The finance department alone | |

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| 27. | Which of the following uses of a planning document is most often overlooked?      |  |  | | --- | --- | | A. | Generating funds |  |  |  | | --- | --- | | B. | Identifying future threats |  |  |  | | --- | --- | | C. | Identifying future opportunities |  |  |  | | --- | --- | | D. | Preparing for contingencies |  |  |  | | --- | --- | | E. | Establishing a market orientation | |

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| 28. | Management compensation should      |  |  | | --- | --- | | A. | Be totally based on rewarding market share |  |  |  | | --- | --- | | B. | Concentrate solely on margins |  |  |  | | --- | --- | | C. | Be oriented to achieving planned objectives |  |  |  | | --- | --- | | D. | Be solely determined by rank and experience |  |  |  | | --- | --- | | E. | Be randomly assigned | |

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| 29. | Which of the following statements about a "thorough" planning process is NOT true?      |  |  | | --- | --- | | A. | It utilizes experience from several managerial levels |  |  |  | | --- | --- | | B. | It employs only internal information sources |  |  |  | | --- | --- | | C. | It allows sufficient time for data collection/analysis |  |  |  | | --- | --- | | D. | It employs a variety of incentives for the planner |  |  |  | | --- | --- | | E. | It considers employment security and advancement | |

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| 30. | Identify the INCORRECT statement about marketing planning.      |  |  | | --- | --- | | A. | It provides intangible benefits |  |  |  | | --- | --- | | B. | It leads to lesser variations in profitability |  |  |  | | --- | --- | | C. | It has a disciplined approach to strategy development |  |  |  | | --- | --- | | D. | It adequately considers the external environment |  |  |  | | --- | --- | | E. | It guarantees improved market performance | |

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| 31. | The marketing planning process is best described as a      |  |  | | --- | --- | | A. | Linear process |  |  |  | | --- | --- | | B. | Sequential process |  |  |  | | --- | --- | | C. | Longitudinal process |  |  |  | | --- | --- | | D. | Circular process |  |  |  | | --- | --- | | E. | Parallel process | |

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| 32. | In this approach to planning the marketing plans are formulated by either senior or middle management with the aid of staff and product management and then implemented by the latter.      |  |  | | --- | --- | | A. | Top-down planning |  |  |  | | --- | --- | | B. | Parallel planning |  |  |  | | --- | --- | | C. | Contingency planning |  |  |  | | --- | --- | | D. | Bottom-up planning |  |  |  | | --- | --- | | E. | Situation-specific planning | |

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| 33. | Generally, \_\_\_\_\_ planning is characterized by better implementation.      |  |  | | --- | --- | | A. | Top-down |  |  |  | | --- | --- | | B. | Parallel |  |  |  | | --- | --- | | C. | Contingency |  |  |  | | --- | --- | | D. | Bottom-up |  |  |  | | --- | --- | | E. | Situation-specific | |

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| 34. | Typically this is the first step in a sequential planning process.      |  |  | | --- | --- | | A. | Audit |  |  |  | | --- | --- | | B. | Update the facts about the past |  |  |  | | --- | --- | | C. | Negotiate final plan |  |  |  | | --- | --- | | D. | Analyze historical and background data |  |  |  | | --- | --- | | E. | Measure progress | |

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| 35. | The historical and background data analysis step in marketing planning is used to      |  |  | | --- | --- | | A. | Monitor progress of the plan |  |  |  | | --- | --- | | B. | Determine variances of planned versus actual results |  |  |  | | --- | --- | | C. | Select a basic objective |  |  |  | | --- | --- | | D. | Forecast competitors' actions |  |  |  | | --- | --- | | E. | To develop budgets and profit and loss figures | |

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| 36. | Identify the step of the sequential planning process that is critical to the planning process because it outlines in detail what will be done with the product during the year or the appropriate planning period.      |  |  | | --- | --- | | A. | Negotiate |  |  |  | | --- | --- | | B. | Update the facts about the past |  |  |  | | --- | --- | | C. | Develop objectives, strategies and programs |  |  |  | | --- | --- | | D. | Analyze historical and background data |  |  |  | | --- | --- | | E. | Measure progress | |

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| 37. | The \_\_\_\_\_ financial statements, developed during the planning process, typically include budgets and profit and loss figures.      |  |  | | --- | --- | | A. | Pro forma |  |  |  | | --- | --- | | B. | Pro rata |  |  |  | | --- | --- | | C. | Auditing |  |  |  | | --- | --- | | D. | Dollar |  |  |  | | --- | --- | | E. | Payroll | |

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| 38. | The \_\_\_\_\_ step of the planning process provides important diagnostic information for both current and future planning efforts and acts as a source of feedback on the planning effort.      |  |  | | --- | --- | | A. | Audit |  |  |  | | --- | --- | | B. | Negotiate |  |  |  | | --- | --- | | C. | Measure progress |  |  |  | | --- | --- | | D. | Develop pro forma |  |  |  | | --- | --- | | E. | Collect background data | |

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| 39. | All of the following are part of the situation analysis section of the marketing plan EXCEPT:      |  |  | | --- | --- | | A. | Category analysis |  |  |  | | --- | --- | | B. | Competitor analysis |  |  |  | | --- | --- | | C. | Customer analysis |  |  |  | | --- | --- | | D. | Planning assumptions |  |  |  | | --- | --- | | E. | Executive summary | |

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| 40. | The category definition portion of the marketing plan      |  |  | | --- | --- | | A. | Provides a detailed description of the firm's product |  |  |  | | --- | --- | | B. | Defines the competitor set |  |  |  | | --- | --- | | C. | Identifies a product's market potential |  |  |  | | --- | --- | | D. | Defines factors impacting the attractiveness of a category |  |  |  | | --- | --- | | E. | Outlines planning assumptions | |

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| 41. | Resource analysis or self-assessment is a critical section of      |  |  | | --- | --- | | A. | Planning assumptions |  |  |  | | --- | --- | | B. | Category analysis |  |  |  | | --- | --- | | C. | Competitor analysis |  |  |  | | --- | --- | | D. | Customer analysis |  |  |  | | --- | --- | | E. | Pro-forma analysis | |

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| 42. | These are helpful in dynamic markets where either new products or new competitors create the need for changes in strategy before the end of the plan's horizon.      |  |  | | --- | --- | | A. | Budgets |  |  |  | | --- | --- | | B. | Customer service programs |  |  |  | | --- | --- | | C. | Fixed plans |  |  |  | | --- | --- | | D. | Historical data |  |  |  | | --- | --- | | E. | Contingency plans | |

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| 43. | Typically the implementation "instructions" for the marketing plan are contained in      |  |  | | --- | --- | | A. | The marketing objectives/strategy |  |  |  | | --- | --- | | B. | The executive summary |  |  |  | | --- | --- | | C. | Situation analysis |  |  |  | | --- | --- | | D. | Supporting marketing programs |  |  |  | | --- | --- | | E. | Planning assumptions | |

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| 44. | This section of the marketing plan specifies the type of marketing research and other information necessary to measure progress toward achieving the stated objectives.      |  |  | | --- | --- | | A. | Monitors and controls |  |  |  | | --- | --- | | B. | Executive summary |  |  |  | | --- | --- | | C. | Contingency plans |  |  |  | | --- | --- | | D. | Customer analysis |  |  |  | | --- | --- | | E. | Situation analysis | |

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| 45. | These are often previously considered strategies that were discarded.      |  |  | | --- | --- | | A. | Financial strategies |  |  |  | | --- | --- | | B. | Operational plans |  |  |  | | --- | --- | | C. | Management strategies |  |  |  | | --- | --- | | D. | Execution plans |  |  |  | | --- | --- | | E. | Contingencies | |

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| 46. | Define a marketing plan and describe its main objectives. |

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| 47. | Identify and explain some of the most common mistakes in marketing planning. |

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| 48. | Briefly compare top-down and bottom-up planning. Are these approaches mutually exclusive? |

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| 49. | Explain the various steps in the planning process. |

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| 50. | Briefly explain situation analysis in context to the marketing plan. What are its various components? |

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| 1. *(p. 1)* | Marketing plans are unwritten guidelines for the business center's marketing programs and allocations over the planning period.    **FALSE** |

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| *Difficulty: Easy Lehmann - Chapter 01 #1* |

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| 2. *(p. 3)* | While marketing plans' horizons vary from product to product, the typical horizon is annual.    **TRUE** |

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| *Difficulty: Medium Lehmann - Chapter 01 #2* |

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| 3. *(p. 4)* | Marketing plans usually have a longer time horizon than strategic plans; a horizon of three to five years or more with annual updates is not uncommon.    **FALSE** |

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| *Difficulty: Easy Lehmann - Chapter 01 #3* |

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| 4. *(p. 5)* | Competitors often determine a brand's profits as much as any action taken by the marketing managers.    **TRUE** |

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| *Difficulty: Medium Lehmann - Chapter 01 #4* |

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| 5. *(p. 7)* | Frequent reevaluation of planning strategies can lead to erratic firm behavior and make the planning process more burdensome.    **TRUE** |

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| *Difficulty: Easy Lehmann - Chapter 01 #5* |

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| 6. *(p. 9)* | A thorough marketing planning process utilizes experience from product managers and not from the various managerial levels.    **FALSE** |

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| *Difficulty: Hard Lehmann - Chapter 01 #6* |

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| 7. *(p. 12)* | The marketing planning sequence is a logical flow of events leading from data collection and analysis to strategy formulation to auditing the performance of the plan.    **TRUE** |

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| *Difficulty: Easy Lehmann - Chapter 01 #7* |

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| 8. *(p. 14)* | Category analysis identifies factors that significantly impact the attractiveness of a product category in which the product competes at a given point in time.    **TRUE** |

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| *Difficulty: Easy Lehmann - Chapter 01 #8* |

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| 9. *(p. 15)* | Decisions about pricing, channels of distribution, advertising and other relevant marketing programs are described in the situation analysis section of the marketing plan.    **FALSE** |

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| *Difficulty: Hard Lehmann - Chapter 01 #9* |

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| 10. *(p. 15)* | The final three parts of the marketing plan—financial documents, monitors and controls and contingency plans—form a cohesive unit and are therefore important components.    **FALSE** |

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| *Difficulty: Medium Lehmann - Chapter 01 #10* |

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| 11. *(p. 1)* | A written document containing the guidelines for the business center's marketing programs and allocations over the planning period is known as a      |  |  | | --- | --- | | A. | Mission statement |  |  |  | | --- | --- | | **B.** | Marketing plan |  |  |  | | --- | --- | | C. | Marketing mix |  |  |  | | --- | --- | | D. | Financial plan |  |  |  | | --- | --- | | E. | Positioning strategy | |

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| *Difficulty: Easy Lehmann - Chapter 01 #11* |

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| 12. *(p. 1)* | The single most important activity of the marketing manager is      |  |  | | --- | --- | | A. | Creating effective advertisements |  |  |  | | --- | --- | | **B.** | Developing the marketing plan |  |  |  | | --- | --- | | C. | Designing profitable products |  |  |  | | --- | --- | | D. | Gathering market data |  |  |  | | --- | --- | | E. | Building effective distribution systems | |

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| *Difficulty: Easy Lehmann - Chapter 01 #12* |

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| 13. *(p. 1)* | Identify the INCORRECT statement pertaining to marketing plans      |  |  | | --- | --- | | **A.** | They generally have a quarterly horizon |  |  |  | | --- | --- | | B. | They focus on a product or one or more product lines |  |  |  | | --- | --- | | C. | They involve situation analysis |  |  |  | | --- | --- | | D. | They make use of information from the sales force |  |  |  | | --- | --- | | E. | They include objectives, strategies and programs based on background analysis | |

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| *Difficulty: Medium Lehmann - Chapter 01 #13* |

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| 14. *(p. 2)* | All of the following are benefits of having a written marketing plan EXCEPT:      |  |  | | --- | --- | | A. | It calls for disciplined thinking |  |  |  | | --- | --- | | B. | It provides a vehicle for communications between functional areas of the firm |  |  |  | | --- | --- | | **C.** | It ensures that prior strategies that failed are forgotten |  |  |  | | --- | --- | | D. | It pinpoints responsibility for achieving results by a specified date |  |  |  | | --- | --- | | E. | It provides continuity when management turnover occurs | |

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| *Difficulty: Medium Lehmann - Chapter 01 #14* |

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| 15. *(p. 2-3)* | The length of the planning period is affected by all of the following factors EXCEPT:      |  |  | | --- | --- | | A. | Seasonality of demand |  |  |  | | --- | --- | | B. | Product development lead times |  |  |  | | --- | --- | | **C.** | Bottom-up planning |  |  |  | | --- | --- | | D. | Competitive intensity |  |  |  | | --- | --- | | E. | Frequency of shifts in customer tastes | |

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| *Difficulty: Medium Lehmann - Chapter 01 #15* |

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| 16. *(p. 3)* | The Internet has      |  |  | | --- | --- | | A. | Had an extremely limited impact on marketing planning |  |  |  | | --- | --- | | B. | Led to planning assumptions being valid for longer times |  |  |  | | --- | --- | | C. | Reduced the typical "annual" planning period of marketing plans to a "quarterly" horizon |  |  |  | | --- | --- | | **D.** | Made it necessary that assumptions underlying the marketing plan be checked frequently |  |  |  | | --- | --- | | E. | Lengthened the time horizons for marketing plans | |

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| *Difficulty: Hard Lehmann - Chapter 01 #16* |

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| 17. *(p. 3)* | Marketing planning      |  |  | | --- | --- | | A. | Is done at the higher levels of the firm |  |  |  | | --- | --- | | B. | Focuses on broad objectives |  |  |  | | --- | --- | | **C.** | Takes place at the business center level |  |  |  | | --- | --- | | D. | Strategies are mostly general |  |  |  | | --- | --- | | E. | Typically focuses on objectives such as return on investment/assets | |

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| *Difficulty: Hard Lehmann - Chapter 01 #17* |

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| 18. *(p. 4)* | The strategic plan      |  |  | | --- | --- | | A. | Is an operational document |  |  |  | | --- | --- | | B. | Typically focuses on an annual time frame |  |  |  | | --- | --- | | C. | Is made at the business center level |  |  |  | | --- | --- | | D. | Focuses on specific objectives and strategies |  |  |  | | --- | --- | | **E.** | Usually has a horizon of three to five years or more | |

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| *Difficulty: Hard Lehmann - Chapter 01 #18* |

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| 19. *(p. 4)* | Which of the following is typically NOT an objective of a marketing plan?      |  |  | | --- | --- | | A. | To define the current situation facing the product |  |  |  | | --- | --- | | B. | To encourage careful and disciplined thinking |  |  |  | | --- | --- | | C. | To establish a market orientation |  |  |  | | --- | --- | | **D.** | To set broad objectives at the corporate level |  |  |  | | --- | --- | | E. | To pinpoint responsibility for achieving product objectives | |

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| *Difficulty: Medium Lehmann - Chapter 01 #19* |

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| 20. *(p. 5)* | Competitor orientation is especially important in today's business environment because      |  |  | | --- | --- | | A. | There are less competitors and longer life cycles |  |  |  | | --- | --- | | B. | A majority of products and services are monopolies |  |  |  | | --- | --- | | **C.** | Competitors often determine a brand's profits |  |  |  | | --- | --- | | D. | Competitors' actions usually remain unchanged |  |  |  | | --- | --- | | E. | Of its negative relationship with customer orientation | |

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| *Difficulty: Medium Lehmann - Chapter 01 #20* |

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| 21. *(p. 5)* | According to research a significant and positive relationship exists between all of the following, EXCEPT the firm's degree of      |  |  | | --- | --- | | A. | Customer orientation |  |  |  | | --- | --- | | B. | Competitor orientation |  |  |  | | --- | --- | | **C.** | Selling orientation |  |  |  | | --- | --- | | D. | Interfunctional coordination |  |  |  | | --- | --- | | E. | Performance | |

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| *Difficulty: Medium Lehmann - Chapter 01 #21* |

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| 22. *(p. 6)* | Critical oversights during the planning process are most likely to be the results of      |  |  | | --- | --- | | **A.** | Hasty planning |  |  |  | | --- | --- | | B. | Having diverse strategic options |  |  |  | | --- | --- | | C. | Using both line and staff executives in the planning process |  |  |  | | --- | --- | | D. | Using flexible planning structures |  |  |  | | --- | --- | | E. | Developing contingency plans | |

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| *Difficulty: Medium Lehmann - Chapter 01 #22* |

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| 23. *(p. 6)* | The advantage of structure in the planning process is that it      |  |  | | --- | --- | | **A.** | Forces discipline on the planners |  |  |  | | --- | --- | | B. | Takes precedence over the content |  |  |  | | --- | --- | | C. | Reduces planning to form filling or number crunching |  |  |  | | --- | --- | | D. | Gives little thought for planning purposes |  |  |  | | --- | --- | | E. | Helps to make the process more bureaucratic | |

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| *Difficulty: Medium Lehmann - Chapter 01 #23* |

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| 24. *(p. 7)* | While the appropriate length for planning documents will vary according to individual circumstances, most plans are likely to be      |  |  | | --- | --- | | A. | 40-60 pages in length |  |  |  | | --- | --- | | B. | 60-90 pages in length |  |  |  | | --- | --- | | C. | 35-50 pages in length |  |  |  | | --- | --- | | D. | 50-70 pages in length |  |  |  | | --- | --- | | **E.** | 20-30 pages in length | |

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| *Difficulty: Easy Lehmann - Chapter 01 #24* |

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| 25. *(p. 7-8)* | Identify the INCORRECT statement pertaining to the frequency of planning.      |  |  | | --- | --- | | A. | Frequent reevaluation of strategies can lead to erratic firm behavior |  |  |  | | --- | --- | | B. | Often a company adopts its fiscal year as its planning cycle |  |  |  | | --- | --- | | C. | Frequent planning can make the process more burdensome |  |  |  | | --- | --- | | D. | Plans revised less frequently than necessary can deteriorate a firm's competitive position |  |  |  | | --- | --- | | **E.** | The appropriate planning interval is easy to determine and can be done with precision | |

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| *Difficulty: Hard Lehmann - Chapter 01 #25* |

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| 26. *(p. 8)* | The successful implementation of a marketing plan requires a broad consensus from      |  |  | | --- | --- | | A. | The marketing department only |  |  |  | | --- | --- | | B. | The product manager only |  |  |  | | --- | --- | | **C.** | As many corporate departments as possible |  |  |  | | --- | --- | | D. | Consumers and competitors |  |  |  | | --- | --- | | E. | The finance department alone | |

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| *Difficulty: Easy Lehmann - Chapter 01 #26* |

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| 27. *(p. 8)* | Which of the following uses of a planning document is most often overlooked?      |  |  | | --- | --- | | **A.** | Generating funds |  |  |  | | --- | --- | | B. | Identifying future threats |  |  |  | | --- | --- | | C. | Identifying future opportunities |  |  |  | | --- | --- | | D. | Preparing for contingencies |  |  |  | | --- | --- | | E. | Establishing a market orientation | |

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| *Difficulty: Medium Lehmann - Chapter 01 #27* |

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| 28. *(p. 8)* | Management compensation should      |  |  | | --- | --- | | A. | Be totally based on rewarding market share |  |  |  | | --- | --- | | B. | Concentrate solely on margins |  |  |  | | --- | --- | | **C.** | Be oriented to achieving planned objectives |  |  |  | | --- | --- | | D. | Be solely determined by rank and experience |  |  |  | | --- | --- | | E. | Be randomly assigned | |

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| *Difficulty: Easy Lehmann - Chapter 01 #28* |

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| 29. *(p. 9)* | Which of the following statements about a "thorough" planning process is NOT true?      |  |  | | --- | --- | | A. | It utilizes experience from several managerial levels |  |  |  | | --- | --- | | **B.** | It employs only internal information sources |  |  |  | | --- | --- | | C. | It allows sufficient time for data collection/analysis |  |  |  | | --- | --- | | D. | It employs a variety of incentives for the planner |  |  |  | | --- | --- | | E. | It considers employment security and advancement | |

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| *Difficulty: Medium Lehmann - Chapter 01 #29* |

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| 30. *(p. 9)* | Identify the INCORRECT statement about marketing planning.      |  |  | | --- | --- | | A. | It provides intangible benefits |  |  |  | | --- | --- | | B. | It leads to lesser variations in profitability |  |  |  | | --- | --- | | C. | It has a disciplined approach to strategy development |  |  |  | | --- | --- | | D. | It adequately considers the external environment |  |  |  | | --- | --- | | **E.** | It guarantees improved market performance | |

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| *Difficulty: Medium Lehmann - Chapter 01 #30* |

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| 31. *(p. 10)* | The marketing planning process is best described as a      |  |  | | --- | --- | | A. | Linear process |  |  |  | | --- | --- | | B. | Sequential process |  |  |  | | --- | --- | | C. | Longitudinal process |  |  |  | | --- | --- | | **D.** | Circular process |  |  |  | | --- | --- | | E. | Parallel process | |

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| *Difficulty: Easy Lehmann - Chapter 01 #31* |

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| 32. *(p. 10)* | In this approach to planning the marketing plans are formulated by either senior or middle management with the aid of staff and product management and then implemented by the latter.      |  |  | | --- | --- | | **A.** | Top-down planning |  |  |  | | --- | --- | | B. | Parallel planning |  |  |  | | --- | --- | | C. | Contingency planning |  |  |  | | --- | --- | | D. | Bottom-up planning |  |  |  | | --- | --- | | E. | Situation-specific planning | |

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| *Difficulty: Easy Lehmann - Chapter 01 #32* |

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| 33. *(p. 10)* | Generally, \_\_\_\_\_ planning is characterized by better implementation.      |  |  | | --- | --- | | A. | Top-down |  |  |  | | --- | --- | | B. | Parallel |  |  |  | | --- | --- | | C. | Contingency |  |  |  | | --- | --- | | **D.** | Bottom-up |  |  |  | | --- | --- | | E. | Situation-specific | |

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| *Difficulty: Easy Lehmann - Chapter 01 #33* |

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| 34. *(p. 10)* | Typically this is the first step in a sequential planning process.      |  |  | | --- | --- | | A. | Audit |  |  |  | | --- | --- | | **B.** | Update the facts about the past |  |  |  | | --- | --- | | C. | Negotiate final plan |  |  |  | | --- | --- | | D. | Analyze historical and background data |  |  |  | | --- | --- | | E. | Measure progress | |

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| *Difficulty: Easy Lehmann - Chapter 01 #34* |

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| 35. *(p. 11)* | The historical and background data analysis step in marketing planning is used to      |  |  | | --- | --- | | A. | Monitor progress of the plan |  |  |  | | --- | --- | | B. | Determine variances of planned versus actual results |  |  |  | | --- | --- | | C. | Select a basic objective |  |  |  | | --- | --- | | **D.** | Forecast competitors' actions |  |  |  | | --- | --- | | E. | To develop budgets and profit and loss figures | |

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| *Difficulty: Medium Lehmann - Chapter 01 #35* |

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| 36. *(p. 12)* | Identify the step of the sequential planning process that is critical to the planning process because it outlines in detail what will be done with the product during the year or the appropriate planning period.      |  |  | | --- | --- | | A. | Negotiate |  |  |  | | --- | --- | | B. | Update the facts about the past |  |  |  | | --- | --- | | **C.** | Develop objectives, strategies and programs |  |  |  | | --- | --- | | D. | Analyze historical and background data |  |  |  | | --- | --- | | E. | Measure progress | |

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| *Difficulty: Hard Lehmann - Chapter 01 #36* |

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| 37. *(p. 12)* | The \_\_\_\_\_ financial statements, developed during the planning process, typically include budgets and profit and loss figures.      |  |  | | --- | --- | | **A.** | Pro forma |  |  |  | | --- | --- | | B. | Pro rata |  |  |  | | --- | --- | | C. | Auditing |  |  |  | | --- | --- | | D. | Dollar |  |  |  | | --- | --- | | E. | Payroll | |

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| *Difficulty: Easy Lehmann - Chapter 01 #37* |

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| 38. *(p. 12)* | The \_\_\_\_\_ step of the planning process provides important diagnostic information for both current and future planning efforts and acts as a source of feedback on the planning effort.      |  |  | | --- | --- | | **A.** | Audit |  |  |  | | --- | --- | | B. | Negotiate |  |  |  | | --- | --- | | C. | Measure progress |  |  |  | | --- | --- | | D. | Develop pro forma |  |  |  | | --- | --- | | E. | Collect background data | |

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| *Difficulty: Medium Lehmann - Chapter 01 #38* |

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| 39. *(p. 13)* | All of the following are part of the situation analysis section of the marketing plan EXCEPT:      |  |  | | --- | --- | | A. | Category analysis |  |  |  | | --- | --- | | B. | Competitor analysis |  |  |  | | --- | --- | | C. | Customer analysis |  |  |  | | --- | --- | | D. | Planning assumptions |  |  |  | | --- | --- | | **E.** | Executive summary | |

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| *Difficulty: Medium Lehmann - Chapter 01 #39* |

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| 40. *(p. 14)* | The category definition portion of the marketing plan      |  |  | | --- | --- | | A. | Provides a detailed description of the firm's product |  |  |  | | --- | --- | | **B.** | Defines the competitor set |  |  |  | | --- | --- | | C. | Identifies a product's market potential |  |  |  | | --- | --- | | D. | Defines factors impacting the attractiveness of a category |  |  |  | | --- | --- | | E. | Outlines planning assumptions | |

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| *Difficulty: Hard Lehmann - Chapter 01 #40* |

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| 41. *(p. 14)* | Resource analysis or self-assessment is a critical section of      |  |  | | --- | --- | | A. | Planning assumptions |  |  |  | | --- | --- | | B. | Category analysis |  |  |  | | --- | --- | | **C.** | Competitor analysis |  |  |  | | --- | --- | | D. | Customer analysis |  |  |  | | --- | --- | | E. | Pro-forma analysis | |

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| *Difficulty: Medium Lehmann - Chapter 01 #41* |

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| 42. *(p. 15)* | These are helpful in dynamic markets where either new products or new competitors create the need for changes in strategy before the end of the plan's horizon.      |  |  | | --- | --- | | A. | Budgets |  |  |  | | --- | --- | | B. | Customer service programs |  |  |  | | --- | --- | | C. | Fixed plans |  |  |  | | --- | --- | | D. | Historical data |  |  |  | | --- | --- | | **E.** | Contingency plans | |

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| *Difficulty: Medium Lehmann - Chapter 01 #42* |

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| 43. *(p. 15)* | Typically the implementation "instructions" for the marketing plan are contained in      |  |  | | --- | --- | | A. | The marketing objectives/strategy |  |  |  | | --- | --- | | B. | The executive summary |  |  |  | | --- | --- | | C. | Situation analysis |  |  |  | | --- | --- | | **D.** | Supporting marketing programs |  |  |  | | --- | --- | | E. | Planning assumptions | |

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| *Difficulty: Medium Lehmann - Chapter 01 #43* |

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| 44. *(p. 15)* | This section of the marketing plan specifies the type of marketing research and other information necessary to measure progress toward achieving the stated objectives.      |  |  | | --- | --- | | **A.** | Monitors and controls |  |  |  | | --- | --- | | B. | Executive summary |  |  |  | | --- | --- | | C. | Contingency plans |  |  |  | | --- | --- | | D. | Customer analysis |  |  |  | | --- | --- | | E. | Situation analysis | |

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| *Difficulty: Medium Lehmann - Chapter 01 #44* |

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| 45. *(p. 15)* | These are often previously considered strategies that were discarded.      |  |  | | --- | --- | | A. | Financial strategies |  |  |  | | --- | --- | | B. | Operational plans |  |  |  | | --- | --- | | C. | Management strategies |  |  |  | | --- | --- | | D. | Execution plans |  |  |  | | --- | --- | | **E.** | Contingencies | |

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| *Difficulty: Medium Lehmann - Chapter 01 #45* |

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| 46. *(p. 1-4)* | Define a marketing plan and describe its main objectives.     A marketing plan is a written document containing the guidelines for the business center's marketing programs and allocations over the planning period. The objectives of a marketing plan are: 1. To define the current situation facing the product. 2. To define problems and opportunities facing the business. 3. To establish objectives. 4. To define the strategies and programs necessary to achieve the objectives. 5. To pinpoint responsibility for achieving product objectives. 6. To encourage careful and disciplined thinking. 7. To establish a market orientation. |

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| *Difficulty: Medium Lehmann - Chapter 01 #46* |

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| 47. *(p. 5-8)* | Identify and explain some of the most common mistakes in marketing planning.     Frequent mistakes in the planning process make it less effective. These problems occur due to a variety of reasons. The speed of the process may either too slow or too fast. The amount of data collected may be insufficient. Establishment of a rigid structure may make the process too bureaucratic. Making marketing plans so long that both line and senior managers ignore them or so brief that they omit key details. Planning either more or less frequently, than necessary. Discussing too few alternatives thus raising the likelihood of failure or too many, thus increasing the time and cost of the planning effort. The marketing department viewing the marketing plan as its proprietary possession. Not using the plan as a sales document. Insufficient leadership from the senior management. Not tying compensation to successful planning efforts. |

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| *Difficulty: Hard Lehmann - Chapter 01 #47* |

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| 48. *(p. 10)* | Briefly compare top-down and bottom-up planning. Are these approaches mutually exclusive?     The traditional top-down approach "tasks" upper-level (VPs) management with planning in the belief that they have the broad vision required for the effort. Under the bottom-up approach lower-level, hands-on personnel are tapped to bring in their "on-the-ground" insights/experience. The approaches are not mutually exclusive. More firms are blending the approaches to gain the benefits of both and to gain the support of all levels of management. |

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| *Difficulty: Easy Lehmann - Chapter 01 #48* |

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| 49. *(p. 10-12)* | Explain the various steps in the planning process.     A sequential planning process generally includes eight steps. Step 1: Update the facts about the past. Step 2: Collect background. Step 3: Analyze historical and background data. Step 4: Develop objectives, strategies and action programs. Step 5: Develop pro forma financial statements. Step 6: Negotiate. Step 7: Measure progress. Step 8: Audit. |

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| *Difficulty: Medium Lehmann - Chapter 01 #49* |

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| 50. *(p. 14)* | Briefly explain situation analysis in context to the marketing plan. What are its various components?     The Situation Analysis contains the data and concomitant analysis vital to developing sound marketing strategies. It is the "homework" part of the marketing plan. The first major section of the situation analysis is the definition of the competitor set or category definition. The category analysis identifies factors that significantly impact the attractiveness of a product category in which the product competes at a given point in time. Competitor analysis asks who the key competitors are in the market and what their likely future strategies are. The aim of the customer analysis is to guarantee that the product manager retains a customer focus at all times. The fifth part of the background assessment deals with a wide variety of planning assumptions. |

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| *Difficulty: Medium Lehmann - Chapter 01 #50* |

ch1 Summary

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| *Category* | *# of Questions* |
| Difficulty: Easy | 16 |
| Difficulty: Hard | 9 |
| Difficulty: Medium | 25 |
| Lehmann - Chapter 01 | 50 |