***M: Marketing, 6e* (Grewal)**

**Chapter 1 Overview Of Marketing**

1) Marketing is an activity that only large firms with specialized departments can execute.

Answer: FALSE

Explanation: Marketing activities can be performed by organizations of all sizes and also by individuals.

Difficulty: 1 Easy

Topic: Define Marketing

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

2) The marketing plan is broken down into various components—how the product or service will be conceived or designed, how much it should cost, where and how it will be promoted, and how it will get to the consumer.

Answer: TRUE

Explanation: The marketing plan is broken down into various components—how the product or service will be conceived or designed, how much it should cost, where and how it will be promoted, and how it will get to the consumer.

Difficulty: 2 Medium

Topic: Define Marketing

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

3) Understanding the marketplace and especially a consumer's needs and wants, is fundamental to marketing success.

Answer: TRUE

Explanation: Marketing is about satisfying customer needs and wants, which is fundamental to marketing success.

Difficulty: 1 Easy

Topic: Define Marketing

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

4) In their battle for chocolate lovers, Godiva and Hershey's must divide the population into different categories of consumers, for example, luxury versus cost-conscious, those looking for a quick energy boost versus those looking for a gift for a loved one.

Answer: TRUE

Explanation: As Godiva and Hershey's battle for chocolate lovers, they divide the population into a host of categories, for example, luxury versus cost-conscious consumers, service-oriented versus self-service consumers, those who purchase chocolates for a quick energy-boosting snack versus those who purchase it as a reward for a hard day's work or as a gift for a friend or loved one.

Difficulty: 1 Easy

Topic: Define Marketing

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

5) The four Ps of the marketing mix are product, promotion, planning, and place.

Answer: FALSE

Explanation: The four Ps of the marketing mix are product, price, place, and promotion.

Difficulty: 1 Easy

Topic: The Four Ps

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

6) Without a strong and efficient marketing channel system, merchandise isn't available when customers want it.

Answer: TRUE

Explanation: Marketing channel management, also known as supply chain management, is the set of approaches and techniques that firms employ to efficiently and effectively integrate their suppliers, manufacturers, warehouses, stores, and other firms involved in the transaction (e.g., transportation companies) into a seamless value chain in which merchandise is produced and distributed in the right quantities, to the right locations, and at the right time, while minimizing systemwide costs and satisfying the service levels required by the customers.

Difficulty: 1 Easy

Topic: Supply Chain Management

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

7) Value is what you get for what you give.

Answer: TRUE

Explanation: Value reflects the relationship of benefits to costs, or what you get for what you give.

Difficulty: 1 Easy

Topic: Product Value Creation

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

8) In value cocreation, the customer participates in the creation of a good or service, which provides additional value to the customer.

Answer: TRUE

Explanation: A creative way to provide value to customers is to engage in value cocreation. In this case, customers can act as collaborators to create the product or service. When clients work with their investment advisers, they cocreate their investment portfolios; when Nike allows customers to custom design their sneakers, they are cocreating.

Difficulty: 2 Medium

Topic: Product Value Creation

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

9) Communicating value to customers is the primary function of marketing.

Answer: FALSE

Explanation: Marketing is an organizational function and a set of processes for creating, capturing, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders.

Difficulty: 2 Medium

Topic: Define Marketing

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

10) Entrepreneurs are people who organize, operate, and assume the risk of a business venture.

Answer: TRUE

Explanation: Entrepreneurs are people who organize, operate, and assume the risk of a business venture.

Difficulty: 1 Easy

Topic: Define Marketing

Learning Objective: 01-03 Understand why marketing is important both within and outside the firm.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

11) When a manufacturer sells truck and car parts to Toyota, this is an example of B2C marketing.

Answer: FALSE

Explanation: The auto parts manufacturer and Toyota are both businesses. The process of selling merchandise or services from one business to another is called *business-to-business (B2B) marketing,* whereas the process by which businesses sell to consumers is known as *business-to-consumer (B2C) marketing*.

Difficulty: 2 Medium

Topic: Buyer-seller Relationships

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

12) The power adapters that Dell sells with its computers are built by small companies that specialize in power-related accessories. When Dell purchases its power adapters from these small companies, it is engaging in B2B marketing.

Answer: TRUE

Explanation: Dell, a business, is purchasing supplies from another business, making this transaction an example of business-to-business (B2B) marketing.

Difficulty: 2 Medium

Topic: Buyer-seller Relationships

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

13) Garage sales and online classified ads are examples of C2C marketing.

Answer: TRUE

Explanation: These are C2C marketing scenarios, where consumers market to one another.

Difficulty: 2 Medium

Topic: Buyer-seller Relationships

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

14) Key to the success of many entrepreneurs is that they launch ventures that aim to satisfy unfilled needs.

Answer: TRUE

Explanation: Whereas marketing plays a major role in the success of large corporations, it also is at the center of the successes of numerous new ventures initiated by entrepreneurs, or people who organize, operate, and assume the risk of a business venture. Key to the success of many such entrepreneurs is that they launch ventures that aim to satisfy unfilled needs.

Difficulty: 2 Medium

Topic: The Importance of Marketing

Learning Objective: 01-03 Understand why marketing is important both within and outside the firm.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

15) Marketing is important because without it, it would be difficult for any of us to learn about new products and services.

Answer: TRUE

Explanation: Marketing identifies those elements that customers value. Without marketing, it would be difficult for any of us to learn about new products and services.

Difficulty: 1 Easy

Topic: The Importance of Marketing

Learning Objective: 01-03 Understand why marketing is important both within and outside the firm.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

16) In marketing, an exchange is when the buyer and the seller trade things of value to benefit the other.

Answer: TRUE

Explanation: Marketing is about an exchange—the trade of things of value between the buyer and the seller so that each is better off as a result.

Difficulty: 1 Easy

Topic: Define Marketing

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

17) Marketing's fundamental purpose is to create value by developing a variety of offerings that will earn income for the company.

Answer: FALSE

Explanation: Marketing's fundamental purpose is to create value by developing a variety of offerings, including goods, services, and ideas, to satisfy customer needs.

Difficulty: 2 Medium

Topic: Define Marketing

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

18) Margo always stops at Starbucks for her morning coffee. Not only is there a Starbucks Drive-Thru on her way to work, there is also a small kiosk in the lobby of her office building. Starbucks is using the place element of the marketing mix to influence its customers.

Answer: TRUE

Explanation: Place represents all the activities necessary to get the product to the right customer when that customer wants it. For Starbucks, that means expanding its storefronts constantly and providing creative locations for coffee lovers to get their fix.

Difficulty: 3 Hard

Topic: The Four Ps

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

19) When Apple makes innovations compatible with its existing products, it is encouraging consumers to maintain long-term relationships with the company.

Answer: TRUE

Explanation: To build relationships, firms focus on the lifetime profitability of the relationship, not how much money is made during each transaction. Thus, Apple makes its innovations compatible with existing products to encourage consumers to maintain a long-term relationship with the company across all their electronic needs.

Difficulty: 2 Medium

Topic: Buyer-seller Relationships

Learning Objective: 01-02 Describe how marketers create value for a product or service.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

20) Firms have come to realize that good corporate citizenship through socially responsible actions should be a priority because it will help their bottom line in the long run.

Answer: TRUE

Explanation: Socially responsible firms recognize that including a strong social orientation in business is a sound strategy that is in both its own and its customers' best interest. It shows consumers that the firm will be around for the long run and can be trusted with their business.

Difficulty: 1 Easy

Topic: Corporate Social Responsibility

Learning Objective: 01-03 Understand why marketing is important both within and outside the firm.

Bloom's: Remember

AACSB: Ethics

Accessibility: Keyboard Navigation

21) Effectively managing supply chain relationships has a minimal effect on profitability.

Answer: FALSE

Explanation: Effectively managing supply chain relationships often has a marked impact on a firm's ability to satisfy the consumer, which results in increased profitability for all parties.

Difficulty: 1 Easy

Topic: Supply Chain Management

Learning Objective: 01-03 Understand why marketing is important both within and outside the firm.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

22) A group of firms that make and deliver a given set of goods and services is known as a distribution network.

Answer: FALSE

Explanation: A group of firms that make and deliver a given set of goods and services is known as a supply chain or a marketing channel.

Difficulty: 1 Easy

Topic: Marketing Channels

Learning Objective: 01-03 Understand why marketing is important both within and outside the firm.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

23) Buffalo Wild Wings suggests that its diners check in to its locations using their phones. This demonstrates the use of social and mobile media to connect better with their customers.

Answer: TRUE

Explanation: Buffalo Wild Wings suggests that its diners check in to its locations using their phones. The target customers for this chain are young and tech savvy, and with its in-house games and sports broadcasts, Buffalo Wild Wings is uniquely situated to encourage customers to connect and bring their friends along.

Difficulty: 2 Medium

Topic: Social Media as part of the Marketing Plan

Learning Objective: 01-02 Describe how marketers create value for a product or service.

Bloom's: Understand

AACSB: Technology

Accessibility: Keyboard Navigation

24) Approximately half of marketers use social media tools for their businesses.

Answer: FALSE

Explanation: Ninety-seven percent of marketers assert that they use social media tools for their businesses.

Difficulty: 1 Easy

Topic: Social Media as part of the Marketing Plan

Learning Objective: 01-02 Describe how marketers create value for a product or service.

Bloom's: Remember

AACSB: Technology

Accessibility: Keyboard Navigation

25) Firms become value driven, in part, by sharing information about their customers and competitors across their own organization and other firms.

Answer: TRUE

Explanation: Firms become value driven by sharing information about their customers and competitors across their own organization and with other firms that help them get the product or service to the marketplace, such as manufacturers and transportation companies.

Difficulty: 1 Easy

Topic: Product Value Creation

Learning Objective: 01-02 Describe how marketers create value for a product or service.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

26) When a T-shirt manufacturer states, "Customers can have any color T-shirt they want, so long as it's black," it is reflecting a view that was popular in which era of the marketing evolution?

A) production-oriented

B) sales-oriented

C) market-oriented

D) value-based marketing

E) economics-oriented

Answer: A

Explanation: Around the turn of the 20th century, most firms were production oriented and believed that a good product would sell itself. Manufacturers were concerned with product innovation, not with satisfying the needs of individual consumers, and retail stores typically were considered places to hold the merchandise until a consumer wanted it.

Difficulty: 2 Medium

Topic: Marketing Eras

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

27) The core aspects of marketing include all of the following *except*

A) conducting exchanges.

B) satisfying customer needs and wants.

C) creating value.

D) product, price, place, and promotion decisions.

E) production scheduling.

Answer: E

Explanation: Production scheduling is the responsibility of manufacturing; all other activities are part of marketing.

Difficulty: 2 Medium

Topic: Define Marketing

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

28) Jami sells construction equipment. Whenever she calls on her building contractor customers, she asks if they are having any problems. In doing so, Jami is addressing which of the following core aspects of marketing?

A) satisfying customer needs and wants

B) completing the exchange function of marketing

C) making product, place, promotion, and price decisions

D) making decisions about the setting in which marketing takes place

E) creating value

Answer: A

Explanation: By asking about problems, Jami is asking what unmet needs the contractor might have. She hopes that her company may have products that will help meet these needs.

Difficulty: 3 Hard

Topic: CRM

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

29) Julia is considering a career in marketing. She is concerned about the image of marketers as fast-talking, high-pressure people who care only about making a sale. When reading about the core aspects of marketing, Julia is relieved to see that in marketing

A) understanding consumer needs and wants is fundamental.

B) promotion is the most important consideration, followed by pricing decisions.

C) value creation is driven by corporate interests.

D) customers are not considered until the product is ready for sale.

E) distribution is controlled by customers.

Answer: A

Explanation: Marketing is about understanding the marketplace, and especially consumer needs and wants. Knowing for which marketplace segments your product is most relevant, then making sure you build a marketing strategy that targets those groups, is essential to satisfying customer needs and wants.

Difficulty: 3 Hard

Topic: Define Marketing

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

30) Xavier must determine the price of his products carefully on the basis of the potential buyer's interest in his products and

A) a thorough knowledge of his brand messages.

B) the buyer's belief about the products' value.

C) knowledge of competing products.

D) ability to negotiate discounts.

E) susceptibility to traditional marketing alternatives.

Answer: B

Explanation: Everything has a price, although it doesn't always have to be monetary. Marketers must determine the price of a product carefully on the basis of the potential buyer's belief about its value. For example, if you value the convenience of buying an airline ticket at the last minute for a ski trip between Christmas and New Year's Day and you want to fly business class, you can expect to pay four or five times as much as you would for the cheapest available ticket. That is, you have traded off a lower price for convenience.

Difficulty: 2 Medium

Topic: Target Markets

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

31) For marketers, "exchange," refers to

A) the location where products and services are traded.

B) the price charged, adjusted for currency exchange rates.

C) location-based tactics for creating value.

D) promotional offers designed to stimulate barter.

E) the trading of things of value.

Answer: E

Explanation: Marketing is about an exchange—the trade of things of value between the buyer and the seller so that each is better off as a result.

Difficulty: 1 Easy

Topic: Product Value Creation

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

32) Valerie is an organizational expert. Whenever she works with a new client, she always invites the client to join her e-mail distribution list. In this exchange, the client's e-mail address represents

A) information.

B) promotional capital.

C) pricing data.

D) value cocreation.

E) feedback.

Answer: A

Explanation: Sellers provide products or services, then communicate and facilitate the delivery of their offering to buyers. Buyers complete the exchange by giving money and information to the seller. In this case, Valerie's client (the buyer) receives organizational support and Valerie (the seller) receives both payment and information (in the form of the client's e-mail address).

Difficulty: 3 Hard

Topic: Define Marketing

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

33) Which of the following is a core aspect of marketing?

A) satisfying as many needs as possible

B) creating a product that everyone will want to buy

C) setting prices lower than all competitors

D) making product, place, promotion, and price decisions

E) increasing the company's profit

Answer: D

Explanation: Most of these answers are too broad. Marketers don't generally try to sell to everyone, and they don't necessarily strive to have the lowest price. Instead, they select customers they can successfully serve and design a marketing mix (product, place, promotion, and price) to meet those needs.

Difficulty: 1 Easy

Topic: Define Marketing

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

34) Marketing has traditionally been divided into a set of four interrelated decisions known as the marketing mix, or four Ps, including all of the following *except*

A) product.

B) place.

C) performance.

D) promotion.

E) price.

Answer: C

Explanation: The four Ps are product, place, promotion, and price.

Difficulty: 1 Easy

Topic: The Four Ps

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

35) The four Ps make up the marketing mix, which is the \_\_\_\_\_\_\_\_ set of decisions or activities that the firm uses to respond to the wants of its target markets.

A) unpredictable

B) external

C) internal

D) controllable

E) global

Answer: D

Explanation: The four Ps are the controllable set of decisions or activities that the firm uses to respond to the wants of its target markets.

Difficulty: 2 Medium

Topic: The Four Ps

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

36) The *fundamental* goal of marketers when creating goods, services, or combinations of both is to

A) defeat the competition.

B) serve all consumers.

C) operate according to government regulations.

D) stimulate short-term sales.

E) create value.

Answer: E

Explanation: While some of the other answers are things that marketers and their firms have to consider, the fundamental purpose of marketing activities is to create value for consumers.

Difficulty: 1 Easy

Topic: Define Marketing

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

37) Brian is struggling with the choice of publishing his new book, *How to Cook Polish Barbeque*, as an e-book or a paperback. Brian is addressing which core marketing aspect?

A) developing a promotional plan

B) managing the exchange function of marketing

C) making a product decision

D) deciding where and how to sell the product

E) pricing the product

Answer: C

Explanation: Since Brian is making decisions about the form his book will take, he is making a product decision. If he were deciding where and how to sell the product (online, in bookstores, or both), it would be a place decision. If he were pricing the product, he would be deciding how much people would be willing to pay for it. And, if he were developing a promotional plan, he would be deciding how to communicate the book's value to consumers.

Difficulty: 3 Hard

Topic: The Four Ps

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

38) The basic difference between a good and a service is that a good

A) provides intangible benefits.

B) can be physically touched.

C) is always less expensive than a corresponding service.

D) generates greater interest among consumers.

E) is more quickly forgotten by consumers.

Answer: B

Explanation: The basic difference between a good and a service is that a good is a tangible thing that can be touched; a service is intangible.

Difficulty: 1 Easy

Topic: Components and Classifications of Products and Services

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

39) Four Winds Art Gallery, known for selling paintings, recently began offering appraisals of customers' art collections. Four Winds is

A) shifting its focus from offering just services to also offering goods.

B) implementing a market segmentation strategy.

C) capturing value through multiple pricing strategies.

D) expanding from offering just goods to also offering services.

E) increasing customer value through inflated appraisal evaluations.

Answer: D

Explanation: The paintings are goods; appraisals are services.

Difficulty: 2 Medium

Topic: Components and Classifications of Products and Services

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

40) Marketers must determine the price of a product carefully on the basis of the potential buyer's beliefs about

A) its value.

B) the environment.

C) the cost to manufacture the product.

D) the economic outlook.

E) the product's new advertising campaign.

Answer: A

Explanation: For marketers, the key to determining prices is figuring out how much customers are willing to pay to feel satisfied with the purchase—that satisfaction, and the price a buyer is willing to pay for the product, reflect the buyer's belief about the product's value.

Difficulty: 1 Easy

Topic: The Four Ps

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

41) Some discount stores place products in large bins, inviting consumers to spend time hunting through them to find a bargain. The price these consumers pay includes

A) only the actual price they pay at the register.

B) the value of their time and energy.

C) the excitement they experience in finding an item they desire.

D) the savings to the store of not having to display the products neatly on shelves.

E) the time the product was full price and didn't sell.

Answer: B

Explanation: Price is everything the buyer gives up—money, time, and/or energy—in exchange for the product.

Difficulty: 2 Medium

Topic: The Four Ps

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

42) Henriette offers financial counseling and management on a fee-only basis. She has found that different customers are willing to pay different rates for her services. This shows that her pricing decisions should depend primarily on

A) choosing an average price that she will charge all her clients.

B) changes in technology allowing consumers to manage their own affairs.

C) how different customers perceive the value of her services.

D) changes in the economy.

E) how much her competitors charge for similar services.

Answer: C

Explanation: Although the other factors might need to be considered in pricing, the primary consideration should be perceived value—and the reason different customers are willing to pay different rates is because they perceive the value differently.

Difficulty: 3 Hard

Topic: The Four Ps

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

43) Marketing channel management is also known as

A) endless chain marketing.

B) a transactional orientation.

C) wholesaling.

D) production management.

E) supply chain management.

Answer: E

Explanation: Marketing channel management, also known as supply chain management, is the set of approaches and techniques that firms employ to efficiently and effectively integrate their suppliers, manufacturers, warehouses, stores, and other firms involved in the transaction (e.g., transportation companies) into a seamless value chain in which merchandise is produced and distributed in the right quantities, to the right locations, and at the right time, while minimizing systemwide costs and satisfying the service levels required by the customers.

Difficulty: 2 Medium

Topic: Supply Chain Management

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

44) \_\_\_\_\_\_\_\_ represents all the activities necessary to get the product to the right customer when that customer wants it.

A) Place

B) Promotion

C) Social media

D) Value cocreation

E) Supply chain marketing

Answer: A

Explanation: Place represents all the activities necessary to get the product to the right customer when that customer wants it.

Difficulty: 1 Easy

Topic: The Four Ps

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

45) Not only does GIS technology help Starbucks determine the ideal locations for new stores, but it also enables the company to decide which kinds of stores to open. This represents what type of marketing mix decision?

A) product

B) place

C) price

D) promotion

E) process

Answer: B

Explanation: Place, represents all the activities necessary to get the product to the right customer when that customer wants it. For Starbucks, that means expanding its storefronts constantly and proactively, and getting creative about location, such as kiosks at the baggage claim in airports or small booths in grocery stores.

Difficulty: 2 Medium

Topic: The Four Ps

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

46) The marketing goal of getting the "right quantities to the right locations, at the right time" relates to

A) communicating the value proposition.

B) managing the supply chain.

C) performing service marketing.

D) capturing value.

E) managing price and performance.

Answer: B

Explanation: Supply chain management is the set of approaches and techniques that firms employ to efficiently and effectively integrate their suppliers, manufacturers, warehouses, stores, and other firms involved in the transaction (e.g., transportation companies) into a seamless value chain in which merchandise is produced and distributed in the right quantities, to the right locations, and at the right time, while minimizing systemwide costs and satisfying the service levels required by the customers.

Difficulty: 1 Easy

Topic: Supply Chain Management

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

47) Value-oriented marketers constantly measure

A) promotional effectiveness against ethical advertising standards.

B) the problem of price maximization against cost-efficiency.

C) perceived customer benefits against the costs of their offerings.

D) the desire to achieve against the need for a stable source of supply.

E) the goal of efficiency against the price charged by competitors.

Answer: C

Explanation: Value-oriented marketers constantly measure the benefits that customers perceive against the cost of their offerings. They use available customer data to find opportunities to better satisfy their customers' needs, keep down costs, and develop long-term loyalties.

Difficulty: 2 Medium

Topic: Product Value Creation

Learning Objective: 01-02 Describe how marketers create value for a product or service.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

48) Many marketing students initially overlook the importance of marketing channel management because

A) marketing has no responsibility for supply chain management.

B) marketing channel management doesn't add much value for customers.

C) companies do not want customers to know anything about the supply chain.

D) many of these activities take place behind the scenes.

E) marketing channel management is already transparent.

Answer: D

Explanation: Many marketing students initially overlook the importance of marketing channel management because a lot of these activities are behind the scenes.

Difficulty: 2 Medium

Topic: Supply Chain Management

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

49) Which element of the marketing mix deals with supply chain management?

A) product

B) price

C) promotion

D) production

E) place

Answer: E

Explanation: The *place* aspect of the marketing mix represents all the activities necessary to get the product to the right customer when that customer wants it. Without a strong and efficient supply chain management system, merchandise isn't available when customers want it.

Difficulty: 1 Easy

Topic: The Four Ps

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

50) UPS, FedEx, and other shipping companies support other firms' \_\_\_\_\_\_\_\_ marketing goals.

A) supply chain management

B) value communication

C) value capture

D) retail management

E) promotion

Answer: A

Explanation: Supply chain management includes the shipment/delivery of products, so these companies can be an important part of the supply chain.

Difficulty: 2 Medium

Topic: Supply Chain Management

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

51) \_\_\_\_\_\_\_\_ is communication by a marketer that informs, persuades, and reminds potential buyers about a product or service so as to influence their opinions and elicit a response.

A) Pricing

B) Promotion

C) Placement

D) A relational orientation

E) Value cocreation

Answer: B

Explanation: Promotion is communication by a marketer that informs, persuades, and reminds potential buyers about a product or service so as to influence their opinions and elicit a response.

Difficulty: 1 Easy

Topic: The Four Ps

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Remember

AACSB: Communication

Accessibility: Keyboard Navigation

52) Effective promotion enhances a product or service's

A) supply chain management system.

B) wholesaling capabilities.

C) perceived value.

D) design features.

E) trialability.

Answer: C

Explanation: Promotion influences buyers' opinions and aim to elicit a response. Promotion generally can enhance a product's or service's value.

Difficulty: 1 Easy

Topic: Role of Promotion

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

53) By promoting perfume based on youth, style, and sex appeal, Calvin Klein is attempting to

A) influence social norms regarding sexuality.

B) encourage consumers to participate in product redesign.

C) stimulate supply chain management cooperation.

D) increase the perceived value of its products.

E) demonstrate social responsibility.

Answer: D

Explanation: Promotion is communication by a marketer that informs, persuades, and reminds potential buyers about a product or service so as to influence their opinions and elicit a response. Promotion generally can enhance a product's or service's value.

Difficulty: 2 Medium

Topic: Role of Promotion

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

54) When retailers accumulate merchandise from producers in large amounts and sell to consumers in smaller amounts it is considered \_\_\_\_\_\_\_\_ marketing.

A) B2C

B) B2B

C) R2C

D) C2C

E) C2B

Answer: A

Explanation: B2C (business-to-consumer) marketing is the process by which businesses sell to consumers.

Difficulty: 1 Easy

Topic: Buyer-seller Relationships

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

55) By allowing consumers to sell their unwanted goods to other consumers, auction sites like eBay and Etsy cater to \_\_\_\_\_\_\_\_ marketing.

A) B2B

B) C2C

C) D2C

D) C2D

E) B2G

Answer: B

Explanation: Consumers can buy and sell from one another on sites like eBay and Etsy, increasing the amount of consumer-to-consumer (C2C) marketing that takes place.

Difficulty: 2 Medium

Topic: Buyer-seller Relationships

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

56) As use of the Internet took off, car manufacturers were tempted to sell directly to consumers, but decided instead to continue to sell through their existing dealer networks. The car manufacturers considered switching from \_\_\_\_\_\_\_\_ to \_\_\_\_\_\_\_\_ marketing.

A) B2C; B2B

B) B2C; C2C

C) B2B; B2C

D) B2B; C2C

E) C2C; B2C

Answer: C

Explanation: The car manufacturers considered switching from B2B marketing (where they sell cars to dealers, who then sell them to consumers) to B2C marketing (where the car manufacturers sell directly to consumers).

Difficulty: 3 Hard

Topic: Buyer-seller Relationships

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

57) Many universities provide physical or electronic bulletin boards to facilitate ride-sharing and exchange of used books among students. These bulletin boards increase \_\_\_\_\_\_\_\_ marketing.

A) B2C

B) C2B

C) B2B

D) C2C

E) underground

Answer: D

Explanation: These bulletin boards are designed to encourage consumer-to-consumer (C2C) marketing since they make it easier for consumers (students, in this case) to connect with one another.

Difficulty: 2 Medium

Topic: Buyer-seller Relationships

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

58) The "Milk Life" advertising campaign, designed to increase awareness of the health benefits of milk, was intended to help market a(n)

A) service.

B) firm.

C) industry.

D) organization.

E) specific product.

Answer: C

Explanation: Marketing can aim to benefit an entire industry or society at large. The dairy industry targets its "Milk Life" and "Body by Milk" campaigns at different target segments, including parents, their children, and athletes. Through this campaign, the allied milk producers have created high levels of awareness about the benefits of drinking milk, including the high levels of protein, potassium, and calcium it provides.

Difficulty: 2 Medium

Topic: Advertising Appeals

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

59) In which era of the marketing evolution did firms begin to focus on what consumers wanted and needed before designing, making, or selling a product?

A) production-oriented era

B) sales-oriented era

C) value-based marketing era

D) market-oriented era

E) creative production era

Answer: D

Explanation: Products that were once in limited supply during World War II became plentiful after the war. Once supplies increased, consumers once again had choices and were able to make purchasing decisions based on such factors as quality, convenience, and price. Manufacturers and retailers thus began to focus on what consumers wanted and needed before they designed, made, or attempted to sell their products and services.

Difficulty: 1 Easy

Topic: Marketing Eras

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

60) The idea that a good product will sell itself is associated with the \_\_\_\_\_\_\_\_ era of marketing.

A) production-oriented

B) sales-oriented

C) market-oriented

D) value-based marketing

E) retailing-oriented

Answer: A

Explanation: In the production-oriented era, the assumption was that if companies built good products, they would sell without any particular effort.

Difficulty: 2 Medium

Topic: Marketing Eras

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

61) The era in which manufacturers were not concerned with satisfying the needs of individual consumers characterizes the \_\_\_\_\_\_\_\_ era of marketing.

A) production-oriented

B) sales-oriented

C) market-oriented

D) value-based marketing

E) retailing-oriented

Answer: A

Explanation: The production-oriented era of marketing dealt primarily with manufacturing processes and the design of a good product, but without concern for meeting specific customer needs.

Difficulty: 2 Medium

Topic: Marketing Eras

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

62) Melanie works for a small computer software company. Her boss is constantly improving the company's products but neglects customers, billing, and promoting the company. Her boss is probably stuck in the \_\_\_\_\_\_\_\_ era of marketing.

A) production-oriented

B) sales-oriented

C) market-oriented

D) value-based marketing

E) retailing-oriented

Answer: A

Explanation: In the production-oriented era of marketing, manufacturers were concerned with product innovation, not with satisfying the needs of individual consumers, and retail stores typically were considered places to hold the merchandise until a consumer wanted it.

Difficulty: 3 Hard

Topic: Marketing Eras

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

63) During the \_\_\_\_\_\_\_\_ era, firms had excess production capacity and used personal selling and advertising to generate customers.

A) production-oriented

B) sales-oriented

C) market-oriented

D) value-based marketing

E) retailing-oriented

Answer: B

Explanation: In the sales-oriented era, manufacturers had the capacity to produce more than customers really wanted or were able to buy. Firms found an answer to their overproduction in becoming sales oriented; they depended on heavy doses of personal selling and advertising.

Difficulty: 2 Medium

Topic: Marketing Eras

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

64) The prevailing marketing strategy of the \_\_\_\_\_\_\_\_ era was to find customers for inventories that went unsold.

A) production-oriented

B) sales-oriented

C) market-oriented

D) value-based marketing

E) retailing-oriented

Answer: B

Explanation: In the sales-oriented era, manufacturers had the capacity to produce more than customers really wanted or were able to buy. Firms found an answer to their overproduction in becoming sales oriented; they depended on heavy doses of personal selling and advertising.

Difficulty: 2 Medium

Topic: Marketing Eras

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

65) Near the end of the model year, the Move-Them-Out automobile dealership had an unusually high inventory level. The manager increased her advertising spending and gave extra incentives to its salespeople. Move-Them-Out operates as if it were in the \_\_\_\_\_\_\_\_ era.

A) production-oriented

B) sales-oriented

C) market-oriented

D) value-based marketing

E) retailing-oriented

Answer: B

Explanation: In the sales-oriented era, manufacturers had the capacity to produce more than customers really wanted or were able to buy. Firms found an answer to their overproduction in becoming sales oriented; they depended on heavy doses of personal selling and advertising.

Difficulty: 3 Hard

Topic: Marketing Eras

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

66) Many U.S. companies first discovered marketing during the \_\_\_\_\_\_\_\_ era.

A) production-oriented

B) sales-oriented

C) market-oriented

D) value-based marketing

E) retailing-oriented

Answer: C

Explanation: The market-oriented era was when most companies first started thinking in terms of meeting customer wants and needs before they designed, made, or attempted to sell their products and services. It was during this period that firms discovered marketing.

Difficulty: 2 Medium

Topic: Marketing Eras

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

67) Which of the following statements reflects the philosophy of the market-oriented era?

A) A good product will sell itself.

B) The customer is king.

C) Firms should take advantage of a seller's market.

D) Advertising and personal selling should be emphasized in order to make the sale.

E) Firms should focus on value.

Answer: B

Explanation: The market-oriented era was when most companies first started thinking in terms of meeting customer needs. It was a buyer's market and the customer was king.

Difficulty: 2 Medium

Topic: Marketing Eras

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

68) Data about how, when, why, where, and what people buy refers to

A) statistics.

B) demographics.

C) marketing analytics.

D) value-based marketing.

E) relational orientation.

Answer: C

Explanation: This refers to marketing analytics. Modern marketers rely on sophisticated data analytics to define and refine their approaches to their customers and their markets. Companies such as Starbucks, CVS, Kroger, Netflix, and Amazon collect massive amounts of data about how, when, why, where, and what people buy, and then analyze those data to inform their choices.

Difficulty: 1 Easy

Topic: Marketing Metrics

Learning Objective: 01-02 Describe how marketers create value for a product or service.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

69) During the \_\_\_\_\_\_\_\_ era, manufacturers and retailers recognized they needed to give their customers greater value than their competitors did.

A) production-oriented

B) sales-oriented

C) market-oriented

D) value-based marketing

E) retailing-oriented

Answer: D

Explanation: Before the turn of the 21st century, better marketing firms recognized that there was more to good marketing than simply discovering and providing what consumers wanted and needed; to compete successfully, they would have to give their customers greater value than their competitors did.

Difficulty: 2 Medium

Topic: Marketing Eras

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

70) Creative locations, such as kiosks at the baggage claim in airports or small booths in grocery stores, represent Starbucks' effort to improve its offering on which dimension of the marketing mix?

A) product

B) promotion

C) price

D) perception

E) place

Answer: E

Explanation: Creative locations, such as kiosks at the baggage claim in airports or small booths in grocery stores, represent the chain's effort to improve its offering on the place dimension of the marketing mix.

Difficulty: 1 Easy

Topic: The Four Ps

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

71) Trey sells consumer electronics. He knows his customers weigh the costs versus the benefits associated with the different options available. He decides which products to offer and what prices to charge based on the way his customers think. Trey operates as if he were in the \_\_\_\_\_\_\_\_ era.

A) production-oriented

B) sales-oriented

C) market-oriented

D) value-based marketing

E) retailing-oriented

Answer: D

Explanation: Trey is thinking in terms of the value his customers perceive. Value reflects the relationship of benefits to costs, or what you get for what you give.

Difficulty: 3 Hard

Topic: Marketing Eras

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

72) Serena studies her customer profiles, marketing research data, complaints, and other information for the primary purpose of discovering her customers' wants and needs. Serena most likely operates in the \_\_\_\_\_\_\_\_ era of marketing.

A) production-oriented

B) sales-oriented

C) market-oriented

D) value-based marketing

E) retailing-oriented

Answer: C

Explanation: In the market-oriented era, manufacturers and retailers began to focus on what consumers wanted and needed before they designed, made, or attempted to sell their products and services. It was during this era that firms discovered marketing.

Difficulty: 3 Hard

Topic: Marketing Eras

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

73) From a customer's perspective, value reflects

A) the need for value and the perception of value.

B) explicit versus implicit value.

C) the relationship of benefits to costs.

D) the balance between needs and wants.

E) the need for product improvement.

Answer: C

Explanation: Value reflects the relationship of benefits to costs, or what you get for what you give. Customers want products or services that meet their specific needs or wants and that are offered at a price that they believe is a good value.

Difficulty: 2 Medium

Topic: Product Value Creation

Learning Objective: 01-02 Describe how marketers create value for a product or service.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

74) Yolanda is the new restaurant manager in a major hotel. When considering which changes would most likely increase the restaurant's value to customers, Yolanda must provide her customers the menu items that they want and the quality service that they need as well as

A) a better dining experience than what her competitors can give.

B) increase prices to increase revenue.

C) offset higher hotel rates with lower restaurant prices.

D) reduce customer expectations through reduced service.

E) minimize menu items but increase the price of popular entrees.

Answer: A

Explanation: Before the turn of the 21st century, better marketing firms recognized that there was more to good marketing than simply discovering and providing what consumers wanted and needed; to compete successfully, they would have to give their customers greater value than their competitors did.

Difficulty: 2 Medium

Topic: Product Value Creation

Learning Objective: 01-02 Describe how marketers create value for a product or service.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

75) Christie has just started with a travel agency, and she has been offering clients and prospective clients a range of packaged tours. She is concerned because the commissions she is earning on her sales are lower than she had hoped. Her colleague Peter, who has been with the agency for several years, is having a great deal of success by working closely with the clients, seeking their ideas, and building customized tour packages for each one based on their suggestions. Peter's approach is based on

A) transaction-oriented marketing.

B) premium pricing.

C) his seniority at the firm.

D) special incentives from tour operators.

E) value cocreation.

Answer: E

Explanation: Peter is collaborating with his clients to build custom packages, which is an example of value cocreation.

Difficulty: 3 Hard

Topic: Product Value Creation

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

76) Pokrah University recently began holding regular coffee-hour discussions with current and prospective students and surveying all new and alumni students regarding educational needs and desires. These actions reflect how Pokrah University is striving to become more value driven by

A) sharing information across the organization.

B) balancing its customers' benefits and costs.

C) evaluating strategic competitive partnerships.

D) building relationships with customers.

E) keeping the faculty members happy.

Answer: D

Explanation: Pokrah University is striving to become more value driven by communicating regularly with students and alumni—an effort that helps the school build closer relationships with its customers.

Difficulty: 3 Hard

Topic: Product Value Creation

Learning Objective: 01-02 Describe how marketers create value for a product or service.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

77) As owner of a retail franchise food store, Mary Gray purchases supplies based on specials advertised nationally throughout the franchise system. One Monday, she was surprised to find customers asking for specials she hadn't been informed of in advance. The franchise company failed to live up to the value-driven activity of

A) sharing information across the organization.

B) balancing customers' benefits and costs.

C) evaluating strategic competitive partnerships.

D) building relationships with customers.

E) keeping prices below those charged by competitors.

Answer: A

Explanation: In a value-based, market-oriented firm, marketers share information about customers and competitors and integrate it across the firm's various departments. Apparently, the national headquarters forgot to inform franchisees of the special, suggesting a failure of information sharing.

Difficulty: 3 Hard

Topic: Product Value Creation

Learning Objective: 01-02 Describe how marketers create value for a product or service.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

78) In the past, manufacturer's representatives did not have real-time inventory data about the products they were selling. Today, manufacturer's representatives are often provided online access to inventory data for the companies they represent. These online inventory systems allow companies to become more value driven by

A) sharing information across their own organizations and with other firms.

B) balancing customers' benefits and costs with customers' needs and wants.

C) evaluating strategic competitive partnerships.

D) building relationships with government regulators of marketing institutions.

E) keeping prices below those charged by competitors.

Answer: A

Explanation: Online inventory systems help members of the supply chain share information about inventory levels. This sharing, in turn, helps firms get the product or service to the marketplace.

Difficulty: 2 Medium

Topic: Supply Chain Management

Learning Objective: 01-02 Describe how marketers create value for a product or service.

Bloom's: Understand

AACSB: Technology

Accessibility: Keyboard Navigation

79) To build relationships, firms focus on the lifetime \_\_\_\_\_\_\_\_ of the relationship, not how much money is made during each transaction.

A) cost

B) profitability

C) investment

D) expense

E) worth

Answer: B

Explanation: To build relationships, firms focus on the lifetime profitability of the relationship, not how much money is made during each transaction.

Difficulty: 1 Easy

Topic: Buyer-seller Relationships

Learning Objective: 01-02 Describe how marketers create value for a product or service.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

80) One of the benefits of value-driven marketing is that attention to customer needs and wants will likely result in

A) higher prices than the market leader charges.

B) increased competition.

C) long-term relationships.

D) strong connections among competing firms in the marketplace.

E) lower prices.

Answer: C

Explanation: Value-driven marketing is likely to lead to loyal customers through the relationships that are formed.

Difficulty: 2 Medium

Topic: CRM

Learning Objective: 01-02 Describe how marketers create value for a product or service.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

81) Even though they operate from out-of-the-way airports and offer few extra services, discount, no-frill airlines like Ryanair and EasyJet have been successful. Consumers obviously consider

A) the extra services offered by these airlines to be the most thorough in the industry.

B) the long-term relationships established by these airlines to be a critical benefit.

C) the prices to be slightly lower, but not low enough to have much influence.

D) the benefit of lower prices to be greater than the cost of reduced services and less convenience.

E) the major airlines to be worthless.

Answer: D

Explanation: People flying discount airlines have decided to bear some inconvenience in return for lower prices. The benefits are lower, but so is the cost, so the offering can have value despite the inconvenience.

Difficulty: 3 Hard

Topic: Price Sensitivity

Learning Objective: 01-02 Describe how marketers create value for a product or service.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

82) A relational orientation is based on the philosophy that buyers and sellers develop

A) a complete understanding of one another's needs.

B) a long-term relationship.

C) a price-value comparison matrix.

D) supply chain synergy.

E) a marketing value transaction focus.

Answer: B

Explanation: During the past couple of decades, marketers have begun to develop a relational orientation as they have realized that they need to think about their customers in terms of relationships rather than transactions.

Difficulty: 1 Easy

Topic: CRM

Learning Objective: 01-02 Describe how marketers create value for a product or service.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

83) A local art gallery keeps information on its customers' artist and art style preferences. The gallery uses this information to inform the customers when new pieces arrive from their favorite artists and targets them with special promotions. In this way, the gallery is using \_\_\_\_\_\_\_\_ to build loyalty among its customers.

A) value cocreation

B) customer relationship management

C) transactional marketing

D) B2B marketing

E) the supply chain

Answer: B

Explanation: Firms that employ customer relationship management (CRM) focus on identifying and building loyalty among the firm's most valued customers. They do so by systematically collecting information about their customers' needs and then using that information to target their best customers with the products, services, and special promotions that appear most important to them.

Difficulty: 3 Hard

Topic: CRM

Learning Objective: 01-02 Describe how marketers create value for a product or service.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

84) If a firm adopts a CRM business philosophy, it most likely has a(n) \_\_\_\_\_\_\_\_ orientation with its customers.

A) transactional

B) external

C) relational

D) internal

E) divisional

Answer: C

Explanation: A relational orientation refers to the building of relationships and the development of a better understanding of customers' needs and wants. A customer relationship management (CRM) program uses a set of strategies, programs, and systems that focus on identifying and building loyalty among the firm's most valued customers.

Difficulty: 3 Hard

Topic: CRM

Learning Objective: 01-02 Describe how marketers create value for a product or service.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

85) After major storms, many ethical home repair and building supply businesses continue to charge pre-storm prices to their customers, even though they know they can charge more due to the huge increase in demand for their services and products. These firms probably recognize that

A) they can make more money from government contracts than from sales to customers.

B) a transactional orientation is the key to long-term profitability.

C) none of their competitors would be raising prices.

D) lifetime profitability of relationships matters more than profits from a particular transaction.

E) if they raised prices they would be in violation of Commerce Department regulations.

Answer: D

Explanation: By not raising prices when they could, the firms are resisting the temptation to make a quick profit and are instead demonstrating the value they place on long-term relationships with their customers.

Difficulty: 3 Hard

Topic: CRM

Learning Objective: 01-02 Describe how marketers create value for a product or service.

Bloom's: Apply

AACSB: Ethics

Accessibility: Keyboard Navigation

86) What is the focus of a firm that develops a relational orientation with its customers?

A) Relating product knowledge to customers' interests

B) Gaining profit from each customer transaction

C) Generating profits quickly before customers shop elsewhere

D) Working with competitors to simplify product offerings for customers

E) Gaining lifetime profitability from customer relationships

Answer: E

Explanation: Firms that espouse a relational orientation focus on the lifetime profitability of their customer relationships, not on how much money is made in each transaction.

Difficulty: 3 Hard

Topic: CRM

Learning Objective: 01-02 Describe how marketers create value for a product or service.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

87) The goal of customer relationship management is to

A) manage every customer relationship differently.

B) manage every customer relationship to maximize short-term profitability.

C) eliminate customers who are profitable, but not highly profitable.

D) identify and build loyalty among a firm's most valued customers.

E) generate relationships with competitors' customers.

Answer: D

Explanation: Some of the answers include CRM themes but are carried to an extreme—for example, although CRM seeks to customize the relationship to meet the customer's primary needs, it doesn't mean that every customer must be managed differently from every other. But CRM does concern itself with identifying and building loyalty among the firm's most valued customers.

Difficulty: 2 Medium

Topic: CRM

Learning Objective: 01-02 Describe how marketers create value for a product or service.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

88) Franco uses a database software system to remind him when his customers should be ready to reorder his industrial cleaning products. With this reminder system, Franco contacts his customers when they are most likely to be "in the buying mode." Franco's system is part of

A) C2C marketing.

B) customer relationship management.

C) a transactional marketing orientation.

D) supply chain management.

E) typical production era marketing practices.

Answer: B

Explanation: Franco's system is one element of a customer relationship management (CRM) system. Firms that employ CRM systematically collect information about their customers' needs and then use that information to target their best customers with the products, services, and special promotions that appear most important to them.

Difficulty: 3 Hard

Topic: CRM

Learning Objective: 01-02 Describe how marketers create value for a product or service.

Bloom's: Apply

AACSB: Technology

Accessibility: Keyboard Navigation

89) Many catalog companies create special-run issues based on what customers have purchased in the past. For example, customers who frequently order bedding items like sheets and pillows receive a catalog with a larger section of bedding items than do customers who mostly order kitchen tools. This is an example of

A) C2C marketing.

B) customer relationship management.

C) a transactional marketing orientation.

D) supply chain management.

E) typical production-oriented era marketing practices.

Answer: B

Explanation: The catalog is customized to each customer's needs and habits. This is a typical element of a customer relationship management program.

Difficulty: 3 Hard

Topic: CRM

Learning Objective: 01-02 Describe how marketers create value for a product or service.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

90) It was during the market-oriented era that firms first discovered "marketing." In what timeframe did this occur?

A) around the turn of the 20th century

B) shortly before the Great Depression

C) just after World War II

D) during the Roaring Twenties

E) during the civil rights movement

Answer: C

Explanation: After World War II, soldiers returned home, got new jobs, and started families. At the same time, manufacturers turned from focusing on the war effort toward making consumer products. Manufacturers and retailers thus began to focus on what consumers wanted and needed before they designed, made, or attempted to sell their products and services. It was during this period that firms discovered marketing.

Difficulty: 2 Medium

Topic: Marketing Eras

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

91) Many inventors struggle with the question, "I made it; now how do I get rid of it?" They have made the error of considering marketing as

A) an afterthought.

B) an integral part of a business plan.

C) an accounting function.

D) a profit center.

E) important only for new products.

Answer: A

Explanation: Marketing should be considered at every step of the conception, design, and manufacturing of a new product, and not treated as an afterthought once the product exists.

Difficulty: 2 Medium

Topic: Define Marketing

Learning Objective: 01-03 Understand why marketing is important both within and outside the firm.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

92) Georgia, the outside sales rep for a major building supply company, reads a report stating that building permits are down dramatically in her sales territory. She had noticed that things were slowing down, but now she has data confirming her impression. Based on this information, Georgia will help her company become more value driven if she

A) pushes her customers to buy products whether they need them or not.

B) advises the production and purchasing departments to produce or order smaller quantities of products.

C) avoids contacting her customers until the slowdown ends.

D) avoids contact with competing firms in order to maximize value-driven marketing.

E) keeps the information to herself.

Answer: B

Explanation: In a value-based, marketing-oriented firm, information should be shared and integrated across the firm's various departments. Georgia should share what she has learned with the production and purchasing departments, so that they can plan accordingly. She should not push her customers to buy things they don't need—this will damage her firm's reputation and will come back to haunt her when the downturn ends.

Difficulty: 3 Hard

Topic: Supply Chain Management

Learning Objective: 01-02 Describe how marketers create value for a product or service.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

93) Jenny, the delivery and sales representative for a beer distributor, is calling on a retailer and sees the shelves are almost empty. An unexpected sporting event held nearby resulted in a huge increase in sales. She calls her company's distribution manager and requests a special delivery for her customer. Jenny is providing the important marketing function of

A) advising production on how much product to make.

B) alerting the logistics department when to ship products.

C) advising the customer about new products and markets.

D) identifying opportunities to expand.

E) synthesizing and interpreting sales, accounting, and customer-profile data.

Answer: B

Explanation: Jenny is arranging for a shipment through the distribution manager, who handles the logistics function.

Difficulty: 3 Hard

Topic: Supply Chain Management

Learning Objective: 01-03 Understand why marketing is important both within and outside the firm.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

94) After the previous sales representative in his territory infuriated an important customer, Benjamin visited the customer once a month, never asking for business but hoping to rebuild trust through listening and expressing concern. Finally, after more than two years, the customer gave Benjamin an order. Benjamin was providing the important marketing function of

A) advising production on how much product to make.

B) alerting the logistics department when to ship products.

C) engaging customers and developing long-term relationships.

D) identifying opportunities to expand.

E) synthesizing and interpreting sales, accounting, and customer-profile data.

Answer: C

Explanation: Benjamin was involved in a relational orientation, hoping to rebuild the long-term relationship with this customer.

Difficulty: 3 Hard

Topic: CRM

Learning Objective: 01-02 Describe how marketers create value for a product or service.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

95) Which of the following *best* represents how marketing expands firms' global presence?

A) when companies hire employees from different backgrounds and cultures

B) when companies manufacture and sell their products all over the world

C) when companies see a product manufactured overseas and decide to produce it domestically

D) when companies require their employees to learn a foreign language

E) when companies adhere to government restrictions in overseas markets

Answer: B

Explanation: Long gone are the days when a product was made and sold in one market only. Firms now not only sell their products to markets around the world, they may also have their products produced in other countries as well.

Difficulty: 1 Easy

Topic: Marketing Globalization

Learning Objective: 01-03 Understand why marketing is important both within and outside the firm.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

96) Leah is the marketing manager for an electronics company. While on vacation in Ecuador, she visited electronics stores in the major malls in Quito, the capital city. Most of her company's products were available, except for smartphones. When she returned to work, she mentioned this observation to her international sales manager. Leah was providing the important marketing function of

A) advising production on how much product to make.

B) alerting the logistics department when to ship products.

C) engaging customers, developing long-term relationships.

D) identifying opportunities to expand.

E) synthesizing and interpreting sales, accounting, and customer-profile data.

Answer: D

Explanation: Leah was identifying a potential opportunity—the absence of the firm's smartphones from stores in Ecuador.

Difficulty: 3 Hard

Topic: Marketing Globalization

Learning Objective: 01-03 Understand why marketing is important both within and outside the firm.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

97) Greenbelt Construction has been a successful small home-building firm for years. The owner pays subcontractors slightly more than the usual rate for different tasks, reducing the company's gross margin. Greenbelt rarely changes subcontractors, has relatively few complaints from home buyers, and is able to get quick responses from subcontractors when buyers do have problems. Greenbelt is engaged in

A) a traditional transactional orientation.

B) C2C value-driven marketing.

C) effective supply chain management.

D) value cocreation.

E) a virtual monopoly.

Answer: C

Explanation: By maintaining good relationships with subcontractors, Greenbelt Construction gains the benefit of receiving good service from these subcontractors for itself and for its home buyers. This is a key benefit of effective supply chain management.

Difficulty: 3 Hard

Topic: Supply Chain Management

Learning Objective: 01-03 Understand why marketing is important both within and outside the firm.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

98) Marketing enriches society by

A) focusing primarily on maximizing profits to stimulate the economy.

B) making socially responsible action a core component of everything a firm does.

C) staying focused on its own core competencies.

D) facilitating the smooth flow of goods through the supply chain.

E) coordinating marketing functions with other functional areas in the company.

Answer: B

Explanation: Many of America's best-known corporations have undertaken various marketing activities, such as improving their supply chains to reduce their carbon footprint, as a way to enrich society. At a more macro-level, firms are making socially responsible activities an integral component of everything they do.

Difficulty: 2 Medium

Topic: Corporate Social Responsibility

Learning Objective: 01-03 Understand why marketing is important both within and outside the firm.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

99) A friend of yours is starting a new business. She is confident that her product is superior to her competitors' and doesn't want to budget any money for marketing. You would recommend that she rethink her position on marketing for all of the following reasons *except*

A) marketing helps new ventures organize, operate, and assess risk.

B) marketers help address unmet customer needs, regardless of the size of the firm.

C) marketing focuses on the product, but only as one element; three other areas are promotion, price, and place.

D) marketers are skilled at communicating the value of the product to potential customers.

E) marketing isn't essential now, but it will be in a year or two when the product takes off.

Answer: E

Explanation: Marketing is necessary at all stages of a firm's life.

Difficulty: 3 Hard

Topic: Define Marketing

Learning Objective: 01-03 Understand why marketing is important both within and outside the firm.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

100) When we say that marketing can be entrepreneurial, it means that entrepreneurs

A) attempt to mimic existing products on the market.

B) launch ventures to satisfy unfilled needs.

C) raise social consciousness.

D) gain monopoly power.

E) push new technology even if people aren't ready for it.

Answer: B

Explanation: The key to the success of many entrepreneurs is that they launch ventures that aim to satisfy unfilled needs.

Difficulty: 2 Medium

Topic: Define Marketing

Learning Objective: 01-03 Understand why marketing is important both within and outside the firm.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

101) People who organize, operate, and assume the risk of a business venture are called

A) entrepreneurs.

B) leaders.

C) managers.

D) professionals.

E) consultants.

Answer: A

Explanation: Entrepreneurs are people who organize, operate, and assume the risk of a business venture.

Difficulty: 1 Easy

Topic: Buyer-seller Relationships

Learning Objective: 01-03 Understand why marketing is important both within and outside the firm.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

102) An organization on cycling safety visits an elementary school and gives a presentation on the importance of wearing helmets while bicycling. After listening to the presentation, which of the following actions indicates that an exchange of valuable ideas has taken place?

A) They decide to wear helmets while bicycling.

B) They go out to purchase new helmets.

C) They continue to ride without wearing helmets.

D) They service their bikes to ensure they are safe to ride.

E) They stop riding their bicycles.

Answer: A

Explanation: Ideas include thoughts, opinions, and philosophies that can also be marketed. Groups promoting bicycle safety go to schools, give talks, and sponsor bike helmet poster contests for the members of their primary market—children. The exchange of value occurs when the children listen to the sponsors' presentation and wear their helmets while bicycling, which means they have adopted, or become "purchasers," of the safety idea that the group marketed.

Difficulty: 2 Medium

Topic: Define Marketing

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

103) Which of the following is true of marketing?

A) Marketing affects various stakeholders.

B) Marketing plays no role in creating value.

C) Marketing is about satisfying the company's needs and wants.

D) Marketing requires place, product, promotion, and perception decisions.

E) Marketing is performed by organizations, not individuals.

Answer: A

Explanation: Marketing is fundamentally about an exchange—the trade of things of value between the buyer and the seller—so that each is better off as a result.

Difficulty: 1 Easy

Topic: Define Marketing

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

104) Traditionally, marketing activities have been divided into the four Ps: product, price, place, and promotion. The four Ps represent the

A) marketing mix.

B) marketing channel.

C) marketing plan.

D) marketing era.

E) marketing implementation.

Answer: A

Explanation: The marketing mix—or the four Ps—consists of product, price, place, and promotion.

Difficulty: 1 Easy

Topic: The Four Ps

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

105) Internet sites, physical stores, and kiosks are most closely associated with which element of the marketing mix?

A) place

B) price

C) product

D) promotion

E) proximity

Answer: A

Explanation: Place represents all the activities necessary to get the product to the right customer when the customer wants it.

Difficulty: 1 Easy

Topic: The Four Ps

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

106) The primary purpose of the \_\_\_\_\_\_\_\_ plan is to specify the marketing activities for a specific period of time.

A) marketing

B) business

C) strategic

D) organizational

E) resource

Answer: A

Explanation: The marketing plan specifies the marketing activities for a specific period of time.

Difficulty: 1 Easy

Topic: Strategic Marketing Planning

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

107) The process of value \_\_\_\_\_\_\_\_, in which customers collaborate in product design, often provides additional value to the firm's customers.

A) cocreation

B) positioning

C) delivery

D) chain management

E) based marketing

Answer: A

Explanation: Value cocreation is a process in which customers and the firm work together to customize products. Since the products typically meet more of the customer's needs, this can provide additional value.

Difficulty: 2 Medium

Topic: Product Value Creation

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

108) How a product or service will be conceived or designed, how much it should cost, where and how it will be promoted, and how it will get to the consumer are all elements of

A) a marketing plan.

B) a marketing exchange.

C) supply chain logistics.

D) production management.

E) delivery of the value proposition.

Answer: A

Explanation: A marketing plan specifies the marketing activities for a specific period of time and is broken down into various components—how the product or service will be conceived or designed, how much it should cost, where and how it will be promoted, and how it will get to the consumer.

Difficulty: 2 Medium

Topic: Elements of the Marketing Plan

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

109) The activity, set of institutions, and processes for creating, capturing, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large is called

A) marketing.

B) marketing research.

C) market share analysis.

D) market segmentation.

E) market positioning.

Answer: A

Explanation: The American Marketing Association states that "marketing is the activity, set of institutions, and processes for creating, capturing, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large."

Difficulty: 1 Easy

Topic: Define Marketing

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

110) Jeff is going to sell sporting apparel, which he has already purchased from manufacturers, and has signed a deal agreeing to the volume he will sell monthly. He has researched his competition, talked to some customers, and decided on prices he will charge. Jeff has also developed a plan for promoting his business. Based on this description, which element of the marketing mix does Jeff still need to work on?

A) place

B) product

C) price

D) promotion

E) planning

Answer: A

Explanation: This question outlines each item of the marketing mix except for *place*, which represents all the activities necessary to get the product to the right customer when the customer wants it. Jeff needs to decide if he will have a physical store (and if so, where), a website, and so on.

Difficulty: 3 Hard

Topic: The Four Ps

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

111) Jeff opened a sporting apparel store and signed a lease on the property. He also signed an agreement with the manufacturer on the amount of merchandise he will sell and the promotions he will conduct. Based on this description, which aspect of the marketing mix does he still need to work on?

A) price

B) place

C) promotion

D) product

E) prototype

Answer: A

Explanation: The answer is price, because this is the only part of the marketing mix missing from the question description.

Difficulty: 3 Hard

Topic: The Four Ps

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

112) During which era of marketing's evolution did customers find themselves with more buying options and therefore able to make purchasing decisions?

A) market-oriented

B) sales-oriented

C) production-oriented

D) value-based marketing

E) economics-oriented

Answer: A

Explanation: After World War II, when products became plentiful, the United States entered a buyers' market. This gave consumers more choices and the ability to make purchasing decisions on the basis of factors such as quality, convenience, and price.

Difficulty: 1 Easy

Topic: Marketing Eras

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

113) Which of the following is true with regard to mobile advertising?

A) Within just a couple of years, mobile advertising will be a smaller market than digital advertising.

B) Within just a couple of years, mobile advertising will be a bigger market than digital advertising.

C) Within just a couple of years, the mobile advertising market will be equal to that of the digital advertising market.

D) Companies no longer advertise using mobile marketing.

E) The approach and marketing plan of mobile advertising is the same as the approach and marketing plan of digital advertising.

Answer: B

Explanation: The signs of the growth of mobile advertising, at the expense of other digital forms such as desktops and laptops, have long been evident. But the speed with which this shift is occurring seemingly is taking many marketers by surprise, because it is virtually unprecedented. Consider some of the numbers: In 2009, mobile Internet ad spending was $1.3 billion, while in 2018 it is projected to be $125 billion. Within just a couple of years, mobile advertising will be a bigger market than digital advertising.

Difficulty: 1 Easy

Topic: Advertising Appeals

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

114) Marketing channel management is related to which of the four Ps?

A) product

B) price

C) place

D) promotion

E) production

Answer: C

Explanation: Marketing channel management, also known as supply chain management, is a process that manages the value chain to get products to the right customer when that customer wants it, which is related to the *place* component of the four Ps.

Difficulty: 1 Easy

Topic: The Four Ps

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

115) Marney bought a dress from a retail store. Which type of transaction was Marney participating in?

A) B2B

B) C2C

C) B2C

D) R2C

E) C2B

Answer: C

Explanation: The process by which businesses sell to consumers is known as B2C (business-to-consumer) marketing.

Difficulty: 3 Hard

Topic: Buyer-seller Relationships

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

116) According to your text, in the broadest terms, the "marketplace" refers to

A) wholesale and retail environments.

B) brick-and-mortar stores and the Internet.

C) the four Ps.

D) channels that are accessible to a given customer.

E) the world of trade.

Answer: E

Explanation: Using the broadest terms, the marketplace refers to the world of trade.

Difficulty: 1 Easy

Topic: Define Marketing

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

117) Which element of the marketing mix is most relevant to the activity "capturing value"?

A) promotion

B) purchasing

C) product

D) price

E) place

Answer: D

Explanation: The marketing mix activities are promotion (communicating value), product (creating value), price (capturing value), and place (delivering value).

Difficulty: 2 Medium

Topic: The Four Ps

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

118) Which element of the marketing mix is most relevant to the activity "delivering value"?

A) promotion

B) purchasing

C) product

D) price

E) place

Answer: E

Explanation: The marketing mix activities are promotion (communicating value), product (creating value), price (capturing value), and place (delivering value).

Difficulty: 2 Medium

Topic: The Four Ps

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

119) Which element of the marketing mix is most relevant to the activity "creating value"?

A) promotion

B) purchasing

C) product

D) price

E) place

Answer: C

Explanation: The marketing mix activities are promotion (communicating value), product (creating value), price (capturing value), and place (delivering value).

Difficulty: 2 Medium

Topic: The Four Ps

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

120) Which marketing activity is most directly served by the promotion element of the marketing mix?

A) communicating value

B) creating value

C) capturing value

D) delivering value

E) producing value

Answer: A

Explanation: The marketing mix activities are promotion (communicating value), product (creating value), price (capturing value), and place (delivering value).

Difficulty: 2 Medium

Topic: The Promotion Mix

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

121) Janine was tired of her winter coat, so she sold it to her friend, Marissa. This is an example of \_\_\_\_\_\_\_\_ marketing.

A) B2B

B) B2C

C) C2B

D) C2C

E) BBC

Answer: D

Explanation: Since Janine and Marissa are both consumers, the transaction exemplifies C2C, or consumer to consumer, marketing.

Difficulty: 2 Medium

Topic: Buyer-seller Relationships

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

122) Deonna has been asked to write a marketing plan for a new restaurant. What questions will Deonna likely address in her marketing plan? Be specific and offer questions related to a restaurant.

Answer: Responses will vary, but might include:

\* Where will the restaurant be located? (place)

\* What items will be included on the menu? (products)

\* Where will ingredients, supplies, equipment, and furnishings be purchased? (supply chain)

\* What prices will the restaurant charge? (pricing)

\* How will the restaurant be promoted? (promotion)

Difficulty: 3 Hard

Topic: Elements of the Marketing Plan

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

123) Jean-Pierre is a wine distributor in the United States representing primarily European vintners (wine producers). He knows his potential market is every wine drinker in the United States, but he has limited resources to market his products. Using the ideas presented in the text, what should Jean-Pierre do as a first step when developing his marketing plan?

Answer: Marketing is about creating value for the customer. With limited resources, Jean-Pierre should attempt to identify the segments of the wine drinking market that are most likely to be interested in his products. This would probably include people who travel more, are of European heritage, and are in upper-income groups.

Difficulty: 3 Hard

Topic: Elements of the Marketing Plan

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

124) The text states, "Good marketing is not a random activity." Create an example to respond to this statement.

Answer: Answers will vary, but should include discussion of marketing as thoughtful planning addressing questions of what, where, how, when, and for whom.

Difficulty: 3 Hard

Topic: Define Marketing

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

125) Your friend is writing a "how-to" book and asks you for marketing advice. You start by exploring the four Ps. What questions will you ask? Be specific.

Answer: Product-related questions should relate to format: printed book (bound or paperback, type of binding) or an e-book.

Second set of questions will be about pricing: retail and wholesale prices, prices of competing books, costs.

Third set of questions will be about place: how to distribute the book, access to major online booksellers, shipping costs.

Fourth set of questions will be about promotion: how will the book be promoted, access to publicity outlets, websites, etc.

Difficulty: 3 Hard

Topic: The Four Ps

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

126) The manager of a restaurant supply company determined prices by adding a standard markup to her costs. What might the manager be missing when it comes to effective pricing decisions?

Answer: Pricing should be based on the potential buyer's belief about its value. Some of the items offered by the restaurant supply company may have greater perceived value than other items.

Difficulty: 3 Hard

Topic: The Four Ps

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

127) As the customer service manager for a heating and air conditioning firm, you are constantly bombarded with complaints about service people not showing up, not having the parts needed to make repairs, and being unable to quickly get the materials needed to fix things. You decide to bring in a marketing consultant to assist you with these problems. What area of marketing specialization would you look for in a marketing consultant and what recommendations would you expect to receive? Be specific; this is a heating and air conditioning firm.

Answer: The problems span the organization from suppliers, to company employees, to customers. You would probably look for a supply chain management specialist and look for recommendations to coordinate parts inventories with vendors, train service personnel in inventory management, and improve communication among the service personnel, customers, and scheduling office.

Difficulty: 3 Hard

Topic: Strategic Marketing Planning

Learning Objective: 01-03 Understand why marketing is important both within and outside the firm.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

128) As your first assignment in an advertising agency, your manager asks you to come up with messages for three billboards promoting the university you attended. The manager wants one ad for each of the three types of promotion objectives. Create an example of a one-sentence billboard advertising message for each objective: inform, persuade, and remind.

Answer: Answers will vary, but should include:

Inform—Check out our new online course offerings today.

Persuade—XYZ University is your best value in education.

Remind—Sign up for the fall semester now.

Difficulty: 3 Hard

Topic: Advertising Appeals

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

129) Which type of orientation would you expect among ethically challenged marketers: a relational or transactional orientation? Explain.

Answer: A transactional orientation, because they just want to get their money and leave; they are not interested in building relationships.

Difficulty: 2 Medium

Topic: CRM

Learning Objective: 01-02 Describe how marketers create value for a product or service.

Bloom's: Understand

AACSB: Ethics

Accessibility: Keyboard Navigation

130) Over the four marketing eras, how did the emphasis on the four Ps change? List the four eras and describe which of the four Ps were emphasized during each era.

Answer: During the production-oriented era, the focus was on the product. During the sales-oriented era, the emphasis was on promotion, particularly selling and advertising. During the market-oriented era, the emphasis was on producing and providing (place) what customers wanted. In the value-based marketing era, all four Ps are equally important to delivering customer value.

Difficulty: 3 Hard

Topic: Marketing Eras

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

131) How does value cocreation provide additional value to customers?

Answer: Value cocreation not only involves the customer, it also offers the opportunity to explain unmet needs the firm can address. Within the broader framework of value-based marketing, the customer will probably gain greater benefits from the product or service since it will meet more of the customer's needs.

Difficulty: 2 Medium

Topic: Product Value Creation

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

132) Suppose that your university creates a position for vice president of marketing and promotes your professor to the position. What activities will the new vice president of marketing probably be involved in? Be specific.

Answer: Answers will vary, depending on the institution, but should include the four Ps.

Difficulty: 3 Hard

Topic: Role of the Marketing Manager

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

133) How can marketing be effectively used by entrepreneurs?

Answer: Successful entrepreneurs work to fulfill unmet needs, a key responsibility in marketing. Understanding customers and creating value are essential to both entrepreneurs and marketers.

Difficulty: 2 Medium

Topic: Strategic Marketing Planning

Learning Objective: 01-03 Understand why marketing is important both within and outside the firm.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

134) Suppose your college roommate sees you reading your marketing textbook and says, "Marketing is just advertising and selling." How do you respond?

Answer: Students' responses will vary, but should contain discussion of anticipating and meeting the needs of customers and in the process creating value. They might cite the AMA's definition of *marketing*: "Marketing is the activity, set of institutions, and processes for creating, *capturing*, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large." They could also state the core aspects of marketing: creating value; satisfying customer wants and needs; making an exchange; and making product, price, place, and promotion decisions; and state that marketing is performed by individuals and organizations and occurs in many settings.

Difficulty: 3 Hard

Topic: Define Marketing

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

135) Imagine you graduate with a marketing degree and are hired by the marketing department of a large consumer products company. You are initially given a two-week training program, which is an overview of what the marketing department does. What will your training program cover?

Answer: Students' responses will vary, but should include a discussion of the core aspects of marketing.

Difficulty: 3 Hard

Topic: Role of the Marketing Manager

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

136) How could you use marketing ideas to market yourself to potential employers after you graduate?

Answer: If an individual seeking a job sees the potential employer as a customer, he or she can begin to adopt the idea of creating value, focusing the "marketing mix" that the individual brings, and bring a strategic approach to a job search. Research, of course, will help in separating fact and reality from suppositions and assumptions.

Difficulty: 3 Hard

Topic: Define Marketing

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Create

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

137) What are the four Ps of marketing? Give an example of each.

Answer: Product, price, place, and promotion. Examples will vary.

Difficulty: 1 Easy

Topic: The Four Ps

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

138) What is the fundamental purpose of marketing?

Answer: To create value by developing a variety of offerings, including goods, services, and ideas, to satisfy customer needs.

Difficulty: 1 Easy

Topic: Define Marketing

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

139) "Everything has a price, though it doesn't always have to be monetary." What else is included in a price?

Answer: Price is everything the buyer gives up—money, time, and/or energy—in exchange for the product

Difficulty: 2 Medium

Topic: The Four Ps

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

140) How should marketers determine prices?

Answer: Prices should be based on potential customers' perceptions of value.

Difficulty: 2 Medium

Topic: The Four Ps

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

141) If you were hired as a supply chain manager, whom would you interact with?

Answer: You would likely interact with suppliers, production staff, warehousing and logistics people, transportation companies, and retailers.

Difficulty: 2 Medium

Topic: Supply Chain Management

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

142) During the past couple of decades, marketers have begun to develop a relational orientation as they have realized that they need to think about their customers in terms of relationships rather than transactions. How does Apple encourage its customers to maintain a long-term relationship with the company?

Answer: During the past couple of decades, marketers have begun to develop a relational orientation as they have realized that they need to think about their customers in terms of relationships rather than transactions. To build relationships, firms focus on the lifetime profitability of the relationship, not how much money is made during each transaction. Thus, Apple makes its innovations compatible with existing products to encourage consumers to maintain a long-term relationship with the company across all their electronic needs.

Difficulty: 2 Medium

Topic: Buyer-seller Relationships

Learning Objective: 01-02 Describe how marketers create value for a product or service.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

143) You are employed by a firm that is considering the use of mobile advertising as opposed to digital advertising. Describe the similarities and differences between these two approaches to advertising.

Answer: Both mobile advertising and digital advertising are similar, in the sense that they are clearly distinct from traditional marketing and seek to reach technologically savvy shoppers; however, they require unique approaches and marketing plans, because a campaign that works well on a user's desktop computer might not function effectively on a tablet or smartphone. Furthermore, mobile marketing offers functionalities and advertising tactics that digital ads cannot provide. In addition, mobile advertising allows brands and marketers to send timely, location-based communications to consumers at the moment they enter a store or begin a search for a nearby restaurant on their phones.

Difficulty: 3 Hard

Topic: Marketing Channels

Learning Objective: 01-02 Describe how marketers create value for a product or service.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

144) Describe how marketing has evolved into a major business function that crosses all areas of a firm or organization.

Answer: Marketing advises production about how much of the company's product to make and then tells supply chain mangers when to ship it. It creates long-lasting, mutually valuable relationships between the company and the firms from which it buys. It identifies those elements that local customers value and makes it possible for the firm to expand globally. Marketing has had a significant impact on consumers as well. Without marketing, it would be difficult for any of us to learn about new products and services.

Difficulty: 2 Medium

Topic: Strategic Marketing Planning

Learning Objective: 01-03 Understand why marketing is important both within and outside the firm.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

145) Suppose you worked at a restaurant near campus, one that was popular with students, and the manager asked you to explain how the restaurant might benefit from using location-based social media tools. How would you answer?

Answer: Answers will vary, but the student should explain that location-based tools such as Foursquare allow patrons to "check in" at the restaurant. Customers can connect with their friends through these check-ins, which may encourage the friends to come to the restaurant as well. Contests can be offered that could encourage more frequent visits—customers who use location-based tools tend to visit restaurants nearly twice as often as those who don't.

Difficulty: 2 Medium

Topic: Social Media as part of the Marketing Plan

Learning Objective: 01-02 Describe how marketers create value for a product or service.

Bloom's: Understand

AACSB: Technology

Accessibility: Keyboard Navigation

146) Rodney bought a suit at Men's Warehouse. Men's Warehouse bought the suit from a distributor, which bought it from a designer. The designer bought the materials to make the suit from a factory in China, and the suits were made at that same factory. The employees in the factory bought their suits directly from the factory and sold them to their friends. Explain which of these transactions were B2B, B2C, and/or C2C.

Answer: Rodney bought a suit at Men's Warehouse—B2C

Men's Warehouse bought the suit from a distributor—B2B

The distributor bought it from a designer—B2B

The designer bought materials from a factory where the suits were made—B2B

The employees in the factory bought their suits directly from the factory—B2C

The employees sold the suits to their friends—C2C

Difficulty: 3 Hard

Topic: Buyer-seller Relationships

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

147) Describe a hypothetical supply chain—from manufacturer to customer.

Answer: Answers will vary. Example: Manufacturer makes a product and sells it to a wholesaler. The product is shipped by truck to the wholesaler's warehouse. The wholesaler sells it to a retailer. The product goes by air to the retail company's storage facility, which then ships it by truck to individual retail stores.

Difficulty: 3 Hard

Topic: Marketing Channels

Learning Objective: 01-02 Describe how marketers create value for a product or service.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

148) Many U.S. companies now use social media tools for marketing purposes. Demonstrate your knowledge of social media by describing a small company and the ways you would use social media to produce, promote, place, and price your goods or services.

Answer: Answers will vary, but should include the four Ps and several examples of social media, such as Twitter, Facebook, and Foursquare.

Difficulty: 3 Hard

Topic: Social Media as part of the Marketing Plan

Learning Objective: 01-02 Describe how marketers create value for a product or service.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

149) Explain the process of customer relationship management (CRM) in terms of how it impacts marketing activities.

Answer: Customer relationship management (CRM) is a business philosophy and set of strategies, programs, and systems that focus on identifying and building loyalty among the firm's most valued customers. Firms that employ CRM systematically collect information about their customers' needs and then use that information to target their best customers with the products, services, and special promotions that appear most important to them.

Difficulty: 2 Medium

Topic: CRM

Learning Objective: 01-02 Describe how marketers create value for a product or service.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

150) You are employed by a marketing firm that needs to become more value driven. How is this accomplished?

Answer: Firms become value driven by focusing on four activities. First, they share information about their customers and competitors across their own organization and with other firms that help them get the product or service to the marketplace, such as manufacturers and transportation companies. Second, they strive to balance their customers' benefits and costs. Third, they concentrate on building relationships with customers. Fourth, they take advantage of new technologies and connect with their customers using social and mobile media.

Difficulty: 2 Medium

Topic: Product Value Creation

Learning Objective: 01-02 Describe how marketers create value for a product or service.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

151) Name the various stakeholders who are impacted by marketing and give one example of how each one might be impacted in a fictitious situation.

Answer: Answers will vary, but the stakeholders mentioned should include customers, supply chain partners, stockholders, management, employees, and society at large.

Difficulty: 2 Medium

Topic: Corporate Social Responsibility

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

152) How does the exchange of ideas provide value, and what is the role of marketing in this process? Explain this using the example in the text of groups marketing bicycle helmets, or choose your own scenario.

Answer: Groups promoting bicycle safety go to schools, give talks, and sponsor bike helmet poster contests for the members of their primary market: children. Then their secondary target market segment, parents and siblings, gets involved through their interactions with the young contest participants. The exchange of value occurs when the children listen to the sponsors' presentation and wear their helmets while bicycling, which means they have adopted, or become "purchasers" of, the safety idea that the group marketed.

Difficulty: 2 Medium

Topic: Product Value Creation

Learning Objective: 01-01 Define the role of marketing in organizations.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation