

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 1) The most formal definition of marketing is _____. 1) _____
A) identifying and meeting human and social needs
B) the four Ps (product, price, place, promotion)
C) an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders
D) meeting needs profitably
E) improving the quality of life for consumers
- 2) _____ takes place when at least one party to a potential exchange thinks about the means of achieving desired responses from other parties. 2) _____
A) Segmentation
B) Targeting
C) Marketing management
D) Distribution
E) Forecasting
- 3) Marketing management is _____. 3) _____
A) developing marketing strategies to move the company forward
B) the art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering, and communicating superior customer value
C) monitoring the profitability of the company's products and services
D) managing the marketing process
E) selecting target markets
- 4) A social definition of marketing says _____. 4) _____
A) marketing is the process of extracting maximal value from consumers to facilitate corporate growth
B) marketing is a societal process by which individuals and groups obtain what they need and want through creating, offering, and freely exchanging products and services of value with others
C) effective marketing requires companies to remove intermediary parties to achieve a closer connection with direct consumers
D) a company should focus exclusively on achieving high production efficiency, low costs, and mass distribution to facilitate the broadest possible access to the company's products
E) marketing is the process of aggressive selling and promotion to encourage the purchase of products that might otherwise be unsought by the consumer
- 5) _____ goods constitute the bulk of most countries' production and marketing efforts. 5) _____
A) Service B) Durable C) Impulse D) Event E) Physical

- 6) As economies advance, a growing proportion of their activities focuses on the production of _____ 6) _____
- A) experiences
 - B) events
 - C) services
 - D) products
 - E) places
- 7) _____ actively work to build a strong, favorable, and unique image in the minds of their target publics. 7) _____
- A) Durable goods
 - B) Shopping goods
 - C) Properties
 - D) Organizations
 - E) Information
- 8) Charles Revson of Revlon observed: "In the factory, we make cosmetics; in the store, _____." 8) _____
- A) we sell hope
 - B) we challenge competitors
 - C) we implement ads
 - D) we sell quality
 - E) we make profits
- 9) A _____ is someone seeking a response (attention, a purchase, a vote, a donation) from another party, called the _____. 9) _____
- A) marketer; prospect
 - B) politician; voter
 - C) celebrity; audience
 - D) salesperson; customer
 - E) fund-raiser; contributor
- 10) In _____, consumers may share a strong need that cannot be satisfied by an existing product. 10) _____
- A) nonexistent demand
 - B) latent demand
 - C) declining demand
 - D) negative demand
 - E) irregular demand
- 11) In _____, more customers would like to buy the product than can be satisfied. 11) _____
- A) latent demand
 - B) negative demand
 - C) overfull demand
 - D) excessive
 - E) irregular demand
- 12) In _____, consumers dislike the product and may even pay a price to avoid it. 12) _____
- A) overfull demand
 - B) declining demand
 - C) nonexistent demand
 - D) negative demand
 - E) irregular demand

- 13) Marketers often use the term _____ to cover various groupings of customers. 13) _____
A) market
B) demographic segment
C) social class position
D) people
E) buying power
- 14) Companies selling mass consumer goods and services such as soft drinks, cosmetics, air travel, and athletic shoes and equipment spend a great deal of time trying to establish a superior brand image in markets called _____. 14) _____
A) business markets
B) nonprofit and governmental markets
C) global markets
D) service markets
E) consumer markets
- 15) Much of a brand's strength in consumer markets depends on _____. 15) _____
A) backing the product with engaging communications and reliable service
B) creating superior packaging
C) ensuring the product's availability
D) developing a superior product
E) all of the above
- 16) In business markets, advertising can play a role, but a stronger role may be played by the sales force, _____, and the company's reputation for reliability and quality. 16) _____
A) distribution
B) performance
C) price
D) brand image
E) promotion
- 17) Global marketers must decide _____. 17) _____
A) which countries to enter
B) how to enter each country (as an exporter, licensor, joint venture partner, contract manufacturer, or solo manufacturer)
C) how to price their products in different countries
D) how to adapt their product and service features to each country
E) all of the above
- 18) Mohan Sawhney has proposed the concept of _____ to describe a cluster of complementary products and services that are closely related in the minds of consumers but are spread across a diverse set of industries. 18) _____
A) betamarket
B) synchronized marketing
C) metamarket
D) horizontal integration
E) vertical integration

- 19) The _____ process consists of analyzing marketing opportunities, selecting target markets, designing marketing strategies, developing marketing programs, and managing the marketing effort. 19) _____
- A) opportunity analysis
 - B) share of customer
 - C) marketing planning
 - D) strategic planning
 - E) market research
- 20) _____ are basic human requirements; _____ are the ways in which we satisfy those requirements, and they are shaped by our society. 20) _____
- A) Wants; needs
 - B) Needs; demands
 - C) Demands; needs
 - D) Needs; wants
 - E) Demands; wants
- 21) A(n) _____ need is a need that the consumer explicitly verbalizes. 21) _____
- A) real
 - B) stated
 - C) delight
 - D) secret
 - E) unstated
- 22) The identification and profiling of distinct groups of buyers who might prefer or require varying product and service mixes is known as _____. 22) _____
- A) disintermediation
 - B) segmentation
 - C) partner relationship management
 - D) integration
 - E) targeting
- 23) Companies address needs by putting forth a(n) _____, a set of benefits that they offer to customers to satisfy their needs. 23) _____
- A) offering
 - B) brand
 - C) target market
 - D) demand
 - E) value proposition
- 24) A(n) _____ need is one that motivates the consumer but that the consumer is reluctant or unwilling to explicitly verbalize. 24) _____
- A) unstated
 - B) stated
 - C) real
 - D) secret
 - E) delight
- 25) During market segmentation analysis, the marketer identifies which segments present the greatest opportunity. These segments are called _____. 25) _____
- A) tertiary markets
 - B) demographic markets
 - C) focused markets
 - D) target markets
 - E) primary markets

- 26) For each target market, the firm develops a _____. The offering is then positioned in the minds of the target buyers as delivering some central benefit(s). 26) _____
- A) market offering
 - B) social offering
 - C) value offering
 - D) segment offering
 - E) niche offering
- 27) _____ reflects a customer's judgment of a product's performance in relation to his or her expectations. 27) _____
- A) Satisfaction
 - B) Expectations
 - C) Loyalty
 - D) Value
 - E) Comparison shopping
- 28) If a marketer decides to use warehouses, transportation companies, banks, and insurance companies to facilitate transactions with potential buyers, the marketer is using what is called a _____. 28) _____
- A) service channel
 - B) distribution channel
 - C) intermediary channel
 - D) relationship channel
 - E) brand channel
- 29) The _____ is a long channel stretching from raw materials to components to final products that are carried to final buyers. 29) _____
- A) service channel
 - B) communication channel
 - C) supply chain
 - D) marketing channel
 - E) distribution channel
- 30) Value reflects _____. 30) _____
- A) the sum of the perceived tangible and intangible benefits and costs to customers
 - B) the cost of manufacturing a product
 - C) the price consumers are charged for a product
 - D) the degree to which consumer demand for the product is positive
 - E) all of the above
- 31) _____ includes all the actual and potential rival offerings and substitutes that a buyer might consider. 31) _____
- A) The product offering
 - B) Competition
 - C) The marketing environment
 - D) The supply chain
 - E) A value proposition

- 32) The _____ includes the actors involved in producing, distributing, and promoting the offering. 32) _____
 The main actors are the company, suppliers, distributors, dealers, and the target customers.
- A) operations environment
 - B) tactical environment
 - C) task environment
 - D) strategic environment
 - E) management environment
- 33) Many countries have _____ industries to create greater competition and growth opportunities. 33) _____
- A) deregulated
 - B) open-market
 - C) scientifically segmented
 - D) created mass market
 - E) regulated
- 34) Rising promotion costs and shrinking profit margins are the result of _____. 34) _____
- A) heightened competition
 - B) changing technology
 - C) privatization
 - D) deregulation
 - E) globalization
- 35) Industry boundaries are blurring rapidly as companies identify new opportunities at the intersection of two or more industries—this is called _____. 35) _____
- A) globalization
 - B) customization
 - C) acquisition
 - D) industry convergence
 - E) heightened competition
- 36) In response to giant retailers and category killers, entrepreneurial retailers are building entertainment into stores with coffee bars, lectures, demonstrations, and performances. They are marketing a(n) _____ rather than a product assortment. 36) _____
- A) customer value
 - B) total service solution
 - C) experience
 - D) customer delight
 - E) intangible benefit(s)
- 37) In response to threats from such companies as AOL, Amazon.com, Yahoo!, eBay, E*TRADE, and dozens of others, established manufacturers and retailers became "brick-and-click" oriented by adding online services to their existing offerings. This process became known as _____. 37) _____
- A) e-collaboration
 - B) e-commerce
 - C) new-market synchronization
 - D) reintermediation
 - E) disintermediation

- 38) Many brick-and-click competitors became stronger contenders in the marketplace than the pure-click firms because they had a larger pool of resources to work with and _____. 38) _____
- A) well-established brand names
 - B) greater value
 - C) direct-selling capability
 - D) better prices
 - E) one-on-one communications
- 39) Managers of _____-oriented businesses concentrate on achieving high production efficiency, low costs, and mass distribution. 39) _____
- A) production
 - B) consumer
 - C) product
 - D) selling
 - E) marketing
- 40) The feasibility of companies dealing with customers one at a time has risen as a result of advances in _____, computers, the Internet, and database marketing software. 40) _____
- A) customer-centered strategies
 - B) improved communication flow
 - C) information technology
 - D) just-in-time manufacturing
 - E) factory customization
- 41) The _____ concept holds that consumers will favor those products that offer the most quality, performance, or innovative features. 41) _____
- A) selling
 - B) holistic marketing
 - C) product
 - D) production
 - E) marketing
- 42) The _____ is practiced most aggressively with unsought goods, goods that buyers normally do not think of buying, such as insurance, encyclopedias, and cemetery plots. 42) _____
- A) product concept
 - B) selling concept
 - C) production concept
 - D) marketing concept
 - E) holistic marketing concept
- 43) The _____ concept holds that consumers and businesses, if left alone, will ordinarily not buy enough of the organization's products. 43) _____
- A) holistic marketing
 - B) production
 - C) selling
 - D) product
 - E) marketing

- 44) Several scholars have found that companies who embrace the marketing concept achieve superior performance. This was first demonstrated for companies practicing a _____—understanding and meeting customers' expressed needs. 44) _____
- A) total market orientation
 - B) reactive market orientation
 - C) impulsive market orientation
 - D) holistic market orientation
 - E) proactive marketing orientation
- 45) According to Theodore Levitt, who drew contrasts between the selling and marketing concepts, _____ is preoccupied with the need to convert products into cash. 45) _____
- A) marketing
 - B) selling
 - C) holistic marketing
 - D) service marketing
 - E) direct marketing
- 46) Companies that practice both a reactive and proactive marketing orientation are implementing a _____ and are likely to be the most successful. 46) _____
- A) total market orientation
 - B) external focus
 - C) competitive, customer focus
 - D) confrontation process
 - E) customer focus
- 47) Companies that adopt and employ the marketing concept switch from being solely product centered to being more _____ centered. 47) _____
- A) marketing
 - B) sales
 - C) strategy
 - D) customer
 - E) competency
- 48) _____ can be seen as the development, design, and implementation of marketing programs, processes, and activities that recognizes the breadth and interdependencies of their effects. 48) _____
- A) Supply chain marketing
 - B) Demand-centered marketing
 - C) Holistic marketing
 - D) Relationship marketing
 - E) Niche marketing
- 49) _____ marketing aims to build mutually satisfying long-term relations with key parties such as customers, suppliers, distributors, and other marketing partners. 49) _____
- A) Synthetic
 - B) Direct
 - C) Holistic
 - D) Relationship
 - E) Demand-based

- 50) The strength of the _____ depends on the mutually profitable business relationships built by the company and its supporting stakeholders. 50) _____
- A) integrated network
 - B) marketing network
 - C) supply chain network
 - D) sales network
 - E) holistic union
- 51) One traditional depiction of marketing activities is in terms of the marketing mix or four Ps. The four Ps are characterized as being _____. 51) _____
- A) product, production, price, and place
 - B) product, positioning, place, and price
 - C) product, price, promotion, and place
 - D) promotion, place, positioning, and price
 - E) place, promotion, production, and positioning
- 52) From a buyer's point of view, each marketing tool is designed to deliver a customer benefit. The SIVA customer-centric breakdown of marketing activities includes _____. 52) _____
- A) solution, information, value, and access
 - B) sale, interaction, voice, and availability
 - C) satisfaction, intention, value, and account
 - D) situation, importance, variability, and awareness
 - E) none of the above
- 53) A firm can _____ only in the long run. 53) _____
- A) change its price
 - B) reduce its sales-force size
 - C) modify advertising expenditures
 - D) develop new products
 - E) All of the above may be done in the short or long run.
- 54) Holistic marketing incorporates _____, ensuring that everyone in the organization embraces appropriate marketing principles, especially senior management. 54) _____
- A) strategic planning
 - B) the marketing mix
 - C) share of customer
 - D) internal marketing
 - E) profit objectives
- 55) Companies are recognizing that much of their market value comes from _____, particularly their brands, customer base, employees, distributor and supplier relations, and intellectual capital. 55) _____
- A) customer preferences
 - B) variable assets
 - C) the value proposition
 - D) tangible assets
 - E) intangible assets

- 56) Holistic marketing incorporates _____, an understanding of broader concerns in the ethical, environmental, legal, and social context of marketing activities. 56) _____
- A) direct-sales policies
 - B) cultural marketing
 - C) safe product design
 - D) social responsibility marketing
 - E) cross-functional teams
- 57) The _____ holds that the organization's task is to determine the needs, wants, and interests of target markets and to deliver the desired satisfactions more effectively and efficiently than competitors in a way that preserves or enhances the consumer's and the society's well-being. 57) _____
- A) societal marketing concept
 - B) production-centered business
 - C) customer-centered business
 - D) focused business model
 - E) ethically responsible marketing manager
- 58) At the heart of any marketing program is the _____—the firm's tangible offering to the market. 58) _____
- A) auxiliary offer
 - B) service offer
 - C) packaging
 - D) product
 - E) sales support team
- 59) _____ activities include those the company undertakes to make the product accessible and available to target customers. 59) _____
- A) Market segmentation
 - B) Channel
 - C) New-product development
 - D) Marketing research
 - E) Consumer behavior
- 60) Marketing feedback and _____ processes are necessary to understand the efficiency and effectiveness of marketing activities and how both could be improved. 60) _____
- A) control
 - B) retrospective
 - C) analysis
 - D) consumer behavior
 - E) measurement

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 61) A short definition of marketing is "meeting needs profitably." 61) _____
- 62) Value marketing is the "art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering, and communicating superior customer value." 62) _____
- 63) Services constitute the bulk of most countries' production and marketing effort. 63) _____
- 64) The U.S. economy today consists of a 70-30 services-to-goods mix. 64) _____

- 65) "Friends Don't Let Friends Drive Drunk," is an example of marketing an experience to an interested audience. 65) _____
- 66) Unwholesome demand occurs when consumers' purchases vary on a seasonal, monthly, weekly, daily, or even hourly basis. 66) _____
- 67) When consumers share a strong need that cannot be satisfied by an existing product, they are engaged in latent demand. 67) _____
- 68) Companies selling goods and services in the global marketplace have the advantage of being able to sell the goods and services in almost the same way as they do in their domestic market. 68) _____
- 69) Companies selling their goods to nonprofit organizations may charge an extra premium over their normal prices because these organizations are largely indifferent to price. 69) _____
- 70) A marketplace is physical, as when you shop in a store. 70) _____
- 71) Wants are basic human requirements such as food or air. 71) _____
- 72) Demands are wants for specific products backed by an ability to pay. 72) _____
- 73) Most marketers satisfy everyone in a market—that's how they stay in business. 73) _____
- 74) The customer-value triad consists of a combination of quality, service, and price. 74) _____
- 75) A distribution channel includes distributors, wholesalers, retailers, and agents that display, sell, or deliver the physical product or service(s) to the buyer or user. 75) _____
- 76) The main actors in the task environment are the components of demographics, economics, physical setting, technology, the political-legal system, and the social-cultural arena. 76) _____
- 77) Regulation of industries has created greater competition and growth opportunities because the playing field has been leveled. 77) _____
- 78) Industry boundaries are blurring at an incredible rate as companies are recognizing that new opportunities lie at the intersection of two or more industries. 78) _____
- 79) The overabundance of information available on the Internet has made it more difficult for consumers to compare product features and prices. 79) _____
- 80) Companies can facilitate and speed external communication among customers by creating online and off-line "buzz" through brand advocates and user communities. 80) _____
- 81) The proliferation of targeted media and communication channels has allowed marketers to become much more aware of their target consumers' preferences and to customize both products and messages for individual consumers. 81) _____
- 82) The marketing concept is one of the oldest concepts in business. 82) _____

- 83) The selling concept holds that consumers will favor those products that offer the most quality, performance, or innovative features. 83) _____
- 84) The marketing concept stresses a customer-centered approach to marketing. 84) _____
- 85) The selling concept is based on the development, design, and implementation of marketing programs, processes, and activities that recognizes their breadth and interdependencies. 85) _____
- 86) Relationship marketing aims to build mutually satisfying long-term relationships with key parties. 86) _____
- 87) Attracting a new customer may cost five times as much as doing a good enough job to retain an existing one. 87) _____
- 88) The marketing-mix component called *promotion* includes such items as product variety, design, packaging, services, and warranties. 88) _____
- 89) When a marketer makes decisions involving channels, assortments, locations, and transportation, the marketer is making what are called *place decisions*. 89) _____
- 90) Advertising, sales promotion, and direct marketing are all part of what is called the *offering mix*. 90) _____
- 91) One of the key themes of integrated marketing is that there are very few marketing activities that can effectively communicate and deliver value. 91) _____
- 92) Internal marketing is an appropriate practice to be used in holistic marketing. 92) _____
- 93) In most companies, marketing should focus on the customer and other departments should focus on the business itself. 93) _____
- 94) Performance marketing involves reviewing metrics assessing market share, customer loss rate, customer satisfaction, and product quality in the evaluation of the effectiveness of marketing activities. 94) _____
- 95) The selling relationship concept holds that consumers will prefer products that are ethical, environmentally responsible, legal, and social in the context of marketing activities and programs. 95) _____
- 96) The societal marketing concept holds that the organization's task is to determine the needs, wants, and interests of target markets and to deliver the desired satisfactions more effectively and efficiently than competitors in a way that preserves or enhances the consumer's and the society's well-being. 96) _____
- 97) Cause-related marketing involves donating a percentage of revenues to a specific cause based on the revenue occurring during the announced period of support. 97) _____
- 98) Making gifts of money, goods, or time to help nonprofit organizations, groups, or individuals is known as corporate philanthropy. 98) _____
- 99) To understand what is happening inside and outside the company, the company needs a reliable marketing information system. 99) _____

100) Because of surprises and disappointments that can occur as marketing plans are implemented, the company will need feedback and control to improve itself. 100) _____

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

- 101) Marketing has been described being both an "art" and a "science." Discuss the differences and similarities between these two marketing thrusts. Provide your theoretical response and a "real-life" example where you have seen both processes work effectively at creating customer value and loyalty.
- 102) Marketing people are involved in marketing 10 types of entities. List and briefly characterize those entities.
- 103) Marketers are skilled in stimulating demand for a company's products, but this is too limited a view of the tasks they perform. Just as production and logistics professionals are responsible for supply management, marketers are responsible for demand management. Marketing managers seek to influence the level, timing, and composition of demand to meet the organization's objectives. List and briefly characterize the eight demand states described in the text.
- 104) We can distinguish among five types of customer needs. List and provide an example of each of those customer needs.
- 105) Distinguish between the concepts of value and satisfaction.
- 106) Examine and document the factors that have brought about customers' higher expectations of their suppliers. What are the major shifts in marketing management that have brought about these changes?
- 107) The competing concepts under which organizations have conducted marketing activities include: the production concept, product concept, selling concept, marketing concept, and holistic marketing concept. Evaluate the advantages and disadvantages of each concept as defined and presented in your textbook. Which concept do you believe is the most effective? Why?
- 108) Increasingly, a key goal of marketing is to develop deep, enduring relationships with all people or organizations that could directly or indirectly affect the success of the firm's marketing activities. *Relationship marketing* has the aim of building mutually satisfying long-term relations with key parties—customers, suppliers, distributors, and other marketing partners—in order to earn and retain their business.
- Discuss the merits of relationship marketing. Describe in detail a company who is in business today that models relationship marketing.
- 109) Identify and define the four Ps and the corresponding consumer-oriented SIVA dimensions.
- 110) According to Starbucks Chairman Howard Schultz, "Consumers now commonly engage in a cultural audit of [product and service] providers. People want to know your value and ethics demonstrated by how you treat employees, the community in which you operate." Discuss the concept of social responsibility marketing and how it impacts both companies and consumers.

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 111) When IKEA noticed that people wanted good furniture at a substantially lower price and created knockdown furniture, they demonstrated marketing savvy and turned a private or social need into a(n) _____. 111) _____
- A) product development
 - B) profitable business opportunity
 - C) invention
 - D) market need
 - E) customer want
- 112) Car rental firms, barbers, and management consultants provide _____. 112) _____
- A) information
 - B) places
 - C) services
 - D) goods
 - E) experiences
- 113) Walt Disney's Magic Kingdom represents _____ marketing: Customers visit a fairy kingdom, a pirate ship, or a haunted house. 113) _____
- A) experiential
 - B) celebrity
 - C) goods
 - D) services
 - E) event
- 114) Janet is very upset that she can't get tickets to the new Rolling Stones concert. "Why do they keep advertising the show if you can't get tickets?" wonders Janet. Which of the following demand states applies to Janet's situation? 114) _____
- A) full demand
 - B) overfull demand
 - C) latent demand
 - D) nonexistent demand
 - E) unwholesome demand
- 115) When Jack purchases his air-conditioning unit in the winter to avoid the high prices found in the summer, he is exhibiting _____ demand. 115) _____
- A) latent B) declining C) negative D) impulse E) irregular
- 116) Julia hates smoking and is willing to pay an extra tax just to help eliminate smoking in her city. She is exhibiting _____ with respect to smoking. 116) _____
- A) declining demand
 - B) latent demand
 - C) negative demand
 - D) unwholesome demand
 - E) nonexistent demand

- 117) In a modern exchange economy, all of the following markets are likely to exist EXCEPT _____. 117) _____
 A) government market
 B) manufacturer market
 C) class market
 D) resource market
 E) consumer market
- 118) In a simple marketing system, if the automobile industry sends advertising and personal sales messages to prospective buyers, it expects _____ in exchange. 118) _____
 A) services
 B) information
 C) image enhancement
 D) goods
 E) money
- 119) Automobile manufactures, new car and used car dealers, financing companies, and insurance companies are all part of the automobile _____. 119) _____
 A) marketportal
 B) metamediary
 C) marketospace
 D) marketplace
 E) metamarket
- 120) When Frank identifies a marketing opportunity to market his company's ski and snowboard helmets to baby boomers interested in winter sports through advertisements in enthusiast magazines, Frank is going through the _____. 120) _____
 A) negative demand
 B) supply chain conglomeration
 C) social marketing concept
 D) metamarket
 E) marketing planning process
- 121) When a customer has a(n) _____ need, the customer might expect something like admiration from friends because he or she has purchased something that might indicate a certain market savvy. 121) _____
 A) secret B) stated C) real D) delight E) unstated
- 122) When Volvo runs advertisements suggesting that it is the safest car money can buy, it is engaging in which of the following forms of marketing programming? 122) _____
 A) Service
 B) Technological
 C) Market segmentation
 D) Public relations
 E) Positioning

- 123) When online dot-coms, such as eBay and Amazon.com cut out the majority of middlemen that normally would participate in the exchange process, they were advocating _____. 123) _____
- A) supply chain conglomeration
 - B) every-day-low prices
 - C) category killers
 - D) reintermediation
 - E) disintermediation
- 124) Under which of the following company orientations toward the marketplace would we expect to find the "better mousetrap" fallacy? 124) _____
- A) Product concept
 - B) Production concept
 - C) Holistic marketing concept.
 - D) Marketing concept
 - E) Selling concept
- 125) If marketers are characterized as "gardening" rather than "hunting," the _____ is most likely to be the concept the marketers are following. 125) _____
- A) production concept
 - B) selling concept
 - C) product concept
 - D) marketing concept
 - E) social responsibility concept
- 126) When 3M, HP, and Motorola practice researching or imaging latent needs of consumers through a "probe-and-learn" process, they are most likely using which of the following marketing orientations with respect to their consumers? 126) _____
- A) Promotion orientation
 - B) Supply-side orientation
 - C) Proactive marketing orientation
 - D) Selling orientation
 - E) Reactive market orientation
- 127) Companies that practice _____ are implementing a total market orientation and are likely to be the most successful. 127) _____
- A) proactive marketing orientation
 - B) reactive market orientation
 - C) both reactive and proactive marketing orientation
 - D) "invent and market"
 - E) consolidation and acquisition
- 128) In which of the following dimensions of holistic marketing might we find an emphasis on communications, products and services, and channels? 128) _____
- A) Integrated marketing
 - B) Socially responsible marketing
 - C) Internal marketing
 - D) Global marketing
 - E) Relationship marketing

- 129) Kroger supermarkets are aggressively pursuing a strategy of capturing a larger share of the customer's "stomach." Which of the following shifts in marketing management is most appropriate for this example? 129) _____
- A) From building brands through advertising to building brands through performance and integrated communications.
 - B) From focusing on profitable transactions to focusing on customer lifetime value.
 - C) From marketing does the marketing to everyone does the marketing.
 - D) From relying on old market positions to uncovering new ones.
 - E) From a focus on gaining market share to a focus on building customer share.

- 130) A number of companies—including the Body Shop, Ben & Jerry's, and Patagonia—have achieved notable sales and profit gains by adopting and practicing a form of the societal marketing concept called _____, by which a company with an image, product, or service to market builds a relationship or partnership with a cause, or a number of causes, for mutual benefit. 130) _____
- A) cause-related marketing
 - B) social marketing
 - C) responsible marketing
 - D) environmental marketing
 - E) benefit marketing

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

- 131) What would be a good social definition of marketing? 131) _____
- 132) Discuss the eight demand states with respect to bifocal lenses for glasses. 132) _____
- 133) New terms are now being used to describe where marketing is done. Using the automobile market, describe automotive buying behavior for a: (1) marketplace, (2) marketspace, and (3) metamarket. 133) _____
- 134) Identify the five key functions of the CMO in leading marketing within the organization. 134) _____
- 135) Assume that you have been given the task of assisting a company in designing its marketing planning process. What components should be in such a process? Be specific in your answer. 135) _____
- 136) Consumers often have many needs that are not readily obvious. Just observing their behavior inside a retail store is not enough to get a true feel for their "needs." List and briefly describe the five types of needs that most consumers have. 136) _____
- 137) Wal-Mart knows that to reach its target markets three kinds of marketing channels may be used. What are these three marketing channels and how might Wal-Mart use each of them? 137) _____
- 138) The marketplace isn't what it used to be. List and briefly discuss what new behaviors, new opportunities, and new challenges await the marketer in the 21st century. 138) _____
- 139) The digital revolution has placed a whole new set of capabilities in the hands of consumers and businesses. Consider what consumers have today that they didn't have yesterday. As indicated in the chapter, what would appear on such a list? 139) _____

- 140) Discuss the concept of disintermediation and provide an example. 140) _____
- 141) The Internet has given today's companies a new set of capabilities. Among those capabilities is the ability to operate a new information channel. Describe how information can be used by the marketer in this new channel. 141) _____
- 142) Arthur Jones has decided to build his manufacturing business (lawn mowers) around the production concept. If this approach is taken, what will be Mr. Jones' primary areas of concentration as he builds his business? 142) _____
- 143) Illustrate the differences between a *reactive market orientation* and a *proactive marketing orientation*. Give an example of a company that uses a proactive marketing orientation 143) _____
- 144) The ultimate outcome of relationship marketing is the building of a unique company asset called a *marketing network*. What would be the parts of a marketing network for a motorcycle company such as Harley-Davidson? 144) _____
- 145) Linda Evans has been given the task of developing the product portion of her company's marketing mix. List the components that will likely be included in this element of the marketing mix. 145) _____
- 146) Discuss how companies can use the Internet to build their brands. Give an example of a company that has done so. 146) _____
- 147) Define internal marketing and its role in the company. Outline how various departments within the company outside marketing can demonstrate a customer focus. 147) _____
- 148) According to information provided in the chapter, McDonald's has been involved in a variety of corporate social initiatives. Give an example of how McDonald's might initiate cause-related marketing, and define what cause-related marketing is. 148) _____
- 149) You have been given the assignment of justifying cause-related marketing to your board of directors. What would be your primary argument in favor of such a proposal? 149) _____
- 150) Your firm is in the process of moving from focusing on a financial scorecard as the basis for running and evaluating your organization to a marketing scorecard approach. What is a marketing scorecard approach and what might be some of its components? 150) _____

Answer Key

Testname: UNTITLED1

- 1) C
- 2) C
- 3) B
- 4) B
- 5) E
- 6) C
- 7) D
- 8) A
- 9) A
- 10) B
- 11) C
- 12) D
- 13) A
- 14) E
- 15) E
- 16) C
- 17) E
- 18) C
- 19) C
- 20) D
- 21) B
- 22) B
- 23) E
- 24) D
- 25) D
- 26) A
- 27) A
- 28) A
- 29) C
- 30) A
- 31) B
- 32) C
- 33) A
- 34) A
- 35) D
- 36) C
- 37) D
- 38) A
- 39) A
- 40) E
- 41) C
- 42) B
- 43) C
- 44) B
- 45) B
- 46) A
- 47) D
- 48) C
- 49) D
- 50) B

Answer Key

Testname: UNTITLED1

- 51) C
- 52) A
- 53) D
- 54) D
- 55) E
- 56) D
- 57) A
- 58) D
- 59) B
- 60) A
- 61) TRUE
- 62) FALSE
- 63) FALSE
- 64) TRUE
- 65) FALSE
- 66) FALSE
- 67) TRUE
- 68) FALSE
- 69) FALSE
- 70) FALSE
- 71) FALSE
- 72) TRUE
- 73) FALSE
- 74) TRUE
- 75) TRUE
- 76) FALSE
- 77) FALSE
- 78) TRUE
- 79) FALSE
- 80) TRUE
- 81) TRUE
- 82) FALSE
- 83) FALSE
- 84) TRUE
- 85) FALSE
- 86) TRUE
- 87) TRUE
- 88) FALSE
- 89) TRUE
- 90) FALSE
- 91) FALSE
- 92) TRUE
- 93) FALSE
- 94) TRUE
- 95) FALSE
- 96) TRUE
- 97) TRUE
- 98) TRUE
- 99) TRUE
- 100) TRUE

Answer Key

Testname: UNTITLED1

- 101) The student should demonstrate his or her understanding that the marketer must use data to understand customer needs and translate this understanding into properly designed products and services. They should also see the "art" side of human behavior, where the customer makes decisions based on emotions, such as the perceived benefits.
- 102) The types of entities that marketing people are involved in marketing are (1) goods—physical goods, (2) services—hotels and car rental, (3) events—time-based events such as trade shows, (4) experiences—Walt Disney's Magic Kingdom, (5) persons—celebrity marketing, (6) places—cities, states, regions, and even whole nations, (7) properties—intangible rights of ownership of either real property or financial property, (8) organizations—corporate identity, (9) information—information produced and marketed as a product, and (10) ideas—marketing the basic idea of a market offering.
- 103) The eight different demand states are (1) negative demand—consumers dislike the product and may even pay a price to avoid it, (2) nonexistent demand—consumers may be unaware or uninterested in the product, (3) latent demand—consumers may share a strong need that cannot be satisfied by an existing product, (4) declining demand—consumers begin to buy the product less frequently or not at all, (5) irregular demand—consumer purchases vary on a seasonal, monthly, weekly, daily, or even hourly basis, (6) full demand—consumers are adequately buying all products put into the marketplace, (7) overfull demand—more consumers would like to buy the product than can be satisfied, and (8) unwholesome demand—consumers may be attracted to products that have undesirable social consequences.
- 104) The five types of customer needs are (note the example from the text): (1) stated needs—the customer wants an inexpensive car, (2) real needs—the customer wants a car whose operating cost, not its initial price, is low, (3) unstated needs—the customer expects good service from the dealer, (4) delight needs—the customer would like the dealer to include an onboard navigation system, and (5) secret needs—the customer wants to be seen by friends as a savvy consumer.
- 105) The offering will be successful if it delivers value and satisfaction to the target buyer. The buyer chooses between different offerings on the basis of which is perceived to deliver the most value. *Value* reflects the perceived tangible and intangible benefits and costs to customers. Value can be seen as primarily a combination of quality, service, and price (called the *customer-value triad*). *Satisfaction* reflects a person's comparative judgments resulting from a product's perceived performance (or outcome) in relation to his or her expectations.
- 106) Students may not understand that our world's capacity to produce products exceeds the needs. Therefore, customers have more choices and can be more demanding. The time crunch has allowed new providers to enter the market. For example, Netflix competes effectively with Blockbuster Video because they deliver videos to your home. It's service like this that fits the customer needs to satisfy what money can buy—time. Students may use appropriate marketing management shifts as described in the chapter.
- 107) Although students will be expected to research each concept, they should conclude the most effective concept is the holistic marketing concept, where companies need to have a more complete, cohesive approach that goes beyond traditional applications of the marketing concept.
- 108) Students should understand the relationship between any supplier and customer is not just in the mechanics of the transaction, but more importantly how the customer is treated during the transaction. The better the relationship, the more apt the customer will remain loyal. They should pick a company that has served them well and made them feel special each and every time.
- 109) The four Ps are: Product (product variety, quality, design, features, brand name, packaging, sizes, services, warranties, returns), Price (list price, discounts, allowances, payment period, credit terms), Promotion (sales promotion, advertising, sales force, public relations, direct marketing), and Place (channels, coverage, assortments, locations, inventory, transportation). A complementary breakdown of marketing activities that approaches the process from a customer-centric viewpoint is the SIVA framework: Solution (How can I solve my problem?), Information (Where can I learn more about it?), Value (What is my total sacrifice to get the solution?), and Access (Where can I find it?).

Answer Key

Testname: UNTITLED1

- 110) The societal marketing concept holds that the organization's task is to determine the needs, wants, and interests of target markets and to deliver the desired satisfaction more effectively and efficiently than competitors in a way that preserves or enhances the consumer's and society's long-term well-being. Many companies actively engaged in corporate social responsibility campaigns to both motivate employees and attract consumers. As goods become more commoditized, and as consumers grow more socially conscious, some companies are adding social responsibility as a way to differentiate themselves from competitors, build consumer preference, and achieve notable sales and profit gains. They believe customers will increasingly look for signs of good corporate citizenship.
- 111) B
112) C
113) A
114) B
115) E
116) C
117) C
118) B
119) E
120) E
121) A
122) E
123) E
124) A
125) D
126) C
127) C
128) A
129) E
130) A
- 131) Marketing is a societal process by which individuals and groups obtain what they need and want through creating, offering, and freely exchanging products and services of value with others.
- 132) Student answers may vary, but a possible answer includes the following: (1) negative demand—many people don't want to admit they need bifocals, (2) nonexistent demand—when bifocal lenses were first introduced, people didn't know they existed, (3) latent demand—before they were introduced, many people thought such a product would be nice, but didn't think it would ever exist, (4) declining demand—this will occur when something better is invented, such as surgery to repair the eyes, (5) irregular demand—the consumer perceives a need for eye care devices only periodically, possibly when they begin having trouble seeing, (6) full demand—the manufacturers of the lenses are making all they possibly can, (7) overfull demand—the manufacturers of the lenses can't make enough and inventories are low, and (8) unwholesome demand—seeking alternatives, consumers may find that alternatives have undesirable social consequences.
- 133) Responses to this question should include a reference to the following: (1) marketplace—shopping for an automobile at a dealer's lot, (2) marketspace—shopping for an automobile via the Internet, eBay, or even designing your own car via a manufacturer's Web site, and (3) metamarket—(a cluster of complementary products and services that are closely related in the customer's mind but are spread across a diverse set of industries) that might include insurance companies, the racing industry, the travel industry, the customization industry, et cetera. Individual answers might vary.
- 134) The five key functions of the CMO in leading marketing within the organization are: (1) strengthening brands, (2) measuring marketing effectiveness, (3) driving new-product development based on customer needs, (4) getting meaningful customer insights, (5) utilizing new marketing technology.
- 135) The marketing planning process consists of analyzing marketing opportunities, selecting target markets, designing strategies, developing marketing programs, and managing the marketing effort. Students might also review Figure 1.6 for additional information.

Answer Key

Testname: UNTITLED1

- 136) The various consumer needs are: (1) stated needs—what the consumer says he or she wants—a car, (2) real needs—the customer wants a car whose operating costs, not its initial price, is low, (3) unstated needs—the customer expects good service and honesty from the dealer, (4) delight needs—the customer would like a DVD player set-up thrown in to guarantee a quick signing of the purchase agreement, and (5) secret needs—inner fantasies such as gaining prestige with members of the opposite sex or friends.
- 137) The three marketing channels are communication, distribution, and service channels. Wal-Mart could use advertising to communicate price specials to consumers (communication channel), use wholesalers to assemble merchandise assortments to be sold in the Wal-Mart stores (distribution channels), and use transportation companies (service channels) to extend Wal-Mart's global reach.
- 138) Responses to this question should include: (1) changing technology, (2) globalization, (3) deregulation, (4) privatization, (5) customer resistance, (6) heightened competition, (7) industry convergence, (8) retail transformation, and (9) disintermediation.
- 139) Responses to this question should include: (1) a substantial increase in buying power, (2) a greater variety of available goods and services, (3) a great amount of information about practically anything, (4) a greater ease in interacting and placing and receiving orders, and (5) an ability to compare notes on products and services.
- 140) Disintermediation grew out of the rush to embrace the dot-coms and e-commerce. Essentially, the dot-coms removed many of the traditional intermediaries that brought goods and services to consumers by encouraging consumers to deal directly with the dot-coms via the Internet. "Brick-and-click" businesses eventually brought some of the intermediaries back through a process called *reintermediation*.
- 141) Companies can operate a powerful new information and sales channel, the Internet, with augmented geographical reach to inform and promote their businesses and products worldwide. By establishing one or more Web sites, a company can list its products and services, its history, its business philosophy, its job opportunities, and other information of interest to visitors. For additional information, see chapter section.
- 142) This orientation holds that consumers will prefer products that are widely available and inexpensive. Managers of production-oriented businesses concentrate on high production efficiency, low costs, and mass distribution. This approach is also used when a company wants to expand the market. Students may use these facts as they design their answer.
- 143) In a *reactive market orientation* a company might be content to keep up with understanding and meeting customers' expressed needs. In a *proactive market orientation* a company such as Motorola might prefer to make a practice of researching and imagining latent needs through a "probe-and-learn" process. Students' answers may vary but the basic concepts of reaction and proactivity should be clear in answers.
- 144) A marketing network consists of the company and its supporting stakeholders. These stakeholders (in Harley-Davidson's case) might be customers, employees, suppliers, distributors, retailers, repair services, ad agencies, lobby groups, and motorcycle support clubs. The operating principle is simple: Build an effective network of relationships with key stakeholders, and profits will follow.
- 145) Product variety, quality, design, features, brand names, packaging, sizes, services, warranties, and returns are the key elements of the product portion of the marketing mix. To see a more complete diagram of the four Ps process, see Figure 1.5.
- 146) Online marketing activities can be used to build brands by increasing consumer exposure to the brand and creating an interactive experience between the customer and the brand, giving consumers access not only to company-created information but also consumer-generated content. For example, Carnival Connections, an online cruise-booking site, made it easy for cruise fans to compare notes on cruise destinations and onboard entertainment.
- 147) Internal marketing must take place on two levels. At one level, the various marketing functions must work together. At the second level, other departments must embrace marketing and "think customer." Students may use Table 1.1 to furnish various examples of customer-centric focus outside the marketing department.
- 148) Cause-related marketing is donating a percentage of revenues to a specific cause based on revenue occurring during the announced period of support. The example used in the chapter noted McDonald's earmarking of \$1 for Ronald McDonald Children's Charities from the sale of every Big Mac and pizza sold on McHappy Day. Students may create additional examples but each should meet the parameters set above.

Answer Key

Testname: UNTITLED1

- 149) Companies see cause-related marketing as an opportunity to enhance their corporate reputation, raise brand awareness, increase customer loyalty, build sales, and increase press coverage. They believe customers will increasingly look for signs of good corporate citizenship that go beyond supplying rational and emotional benefits.
- 150) Top management is going beyond sales revenue alone to examine the marketing scorecard. Today, the shift to the marketing scorecard attempts to interpret what is happening to market share, customer loss rate, customer satisfaction, product quality, and other measures. Managers know changes in marketing indicators predict changes in financial results.