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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 1. What utility does Coach create when the company combines fabric and leather in the production of its high-fashion handbags?

|  |  |  |
| --- | --- | --- |
|   | a.  | ownership |
|   | b.  | form |
|   | c.  | place |
|   | d.  | time |

|  |  |
| --- | --- |
| *ANSWER:* | b |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2. What utility is NOT created when you purchase tickets to a Winnipeg Jets game over the Internet?

|  |  |  |
| --- | --- | --- |
|   | a.  | place |
|   | b.  | time |
|   | c.  | form |
|   | d.  | ownership |

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| --- | --- |
| *ANSWER:* | c |

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| 3. What must all organizations create in order to survive?

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| --- | --- | --- |
|   | a.  | a variety of goods or services |
|   | b.  | utility |
|   | c.  | an environment of ethics and social consciousness |
|   | d.  | advertising, salesmanship, and consumer-focused sales promotion |

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| *ANSWER:* | b |

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| 4. Fame-us is a talent agency that focuses on youth looking to work in television and movies. As part of its marketing strategy, how will Fame-us generate time and place utility?

|  |  |  |
| --- | --- | --- |
|   | a.  | by creating a nationwide advertising campaign to attract applicants |
|   | b.  | by launching roadshows across Canada and by conducting talent hunts at university campuses during holidays |
|   | c.  | by endorsing its services using famous entertainers and celebrities |
|   | d.  | by opening a well-equipped studio using pre- and post-production facilities |

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| *ANSWER:* | b |

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| 5. What is the want-satisfying power of a good or service called?

|  |  |  |
| --- | --- | --- |
|   | a.  | utility |
|   | b.  | price |
|   | c.  | buyer’s attraction |
|   | d.  | function |

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| *ANSWER:* | a |

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| 6. What utility does Purolator create when the company offers a variety of package delivery services?

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| --- | --- | --- |
|   | a.  | time |
|   | b.  | place |
|   | c.  | ownership |
|   | d.  | form |

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| *ANSWER:* | a |

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| 7. What do we call the ability to transfer title to goods and services from marketer to buyer?

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| --- | --- | --- |
|   | a.  | ownership utility |
|   | b.  | place utility |
|   | c.  | time utility |
|   | d.  | form utility |

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| *ANSWER:* | a |

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| 8. What utility is created when a firm’s production department converts raw materials and other inputs into finished products?

|  |  |  |
| --- | --- | --- |
|   | a.  | ownership |
|   | b.  | time |
|   | c.  | form |
|   | d.  | place |

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| *ANSWER:* | c |

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| 9. Which statement best describes the idea of marketing?

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|   | a.  | The marketing concept emphasizes creating and maintaining short-term successful relationships with customers and suppliers. |
|   | b.  | Marketing encompasses such a broad scope of activities and ideas that settling on one definition is often difficult. |
|   | c.  | Marketing refers to an activity in which two or more parties give something of value to each other to satisfy perceived needs. |
|   | d.  | The marketing concept is a belief that consumers will resist purchasing nonessential goods and services. |

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| *ANSWER:* | b |

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| 10. Which statement best describes the state of the global marketplace?

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| --- | --- | --- |
|   | a.  | The global marketplace is diminishing because of Internet technology. |
|   | b.  | The global marketplace is growing because of trade agreements. |
|   | c.  | The global marketplace is growing due to the threat of the ability of a single nation to manufacture, supply, and consume all that it produces. |
|   | d.  | The global marketplace is growing owing to the talent shortage in the home countries of national companies. |

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| *ANSWER:* | b |

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| 11. Which of the following is NOT a reason for a growing global marketplace?

|  |  |  |
| --- | --- | --- |
|   | a.  | internet technology |
|   | b.  | trade agreements |
|   | c.  | no single country can manufacture, supply, and consume all that it produces |
|   | d.  | changing climate patterns |

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| *ANSWER:* | d |

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| 12. What do we call the organizational function and set of processes that create, communicate, and deliver value to customers, and that manages customer relationships in ways that benefit the organization and its stakeholders?

|  |  |  |
| --- | --- | --- |
|   | a.  | marketing |
|   | b.  | finance |
|   | c.  | sales |
|   | d.  | administration |

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| *ANSWER:* | a |

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| 13. When in marketing history did the production era end in North America?

|  |  |  |
| --- | --- | --- |
|   | a.  | late 1800s, with the mass immigration of skilled workers to North America |
|   | b.  | 1920s, with the improvement in production capabilities |
|   | c.  | 1960s, with the establishment of overseas production facilities |
|   | d.  | 21st century, with the introduction of robotics |

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| *ANSWER:* | b |

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| 14. What era of marketing history had a philosophy that could be summarized by the phrase “a good product will sell itself”?

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| --- | --- | --- |
|   | a.  | production |
|   | b.  | sales |
|   | c.  | development |
|   | d.  | relationship |

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| *ANSWER:* | a |

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| 15. A company produces a high-quality product, with a maximum monthly output of 10,000 units. Production levels are constant and the company relies on its marketing department to find customers. What era of marketing history is this approach consistent with?

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| --- | --- | --- |
|   | a.  | production |
|   | b.  | relationship |
|   | c.  | sales era |
|   | d.  | development |

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| *ANSWER:* | c |

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| 16. Which factor contributed to the transition from the production era to the sales era?

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|   | a.  | significantly increased consumer demand |
|   | b.  | improved production techniques |
|   | c.  | increased urbanization |
|   | d.  | the Great Depression |

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| *ANSWER:* | b |

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| 17. What type of orientation does a company have when it assumes that customers will resist purchasing products not deemed essential and, therefore, the marketing department must overcome this resistance through personal selling and advertising?

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| --- | --- | --- |
|   | a.  | production |
|   | b.  | marketing |
|   | c.  | sales |
|   | d.  | relationship |

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| *ANSWER:* | c |

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| 18. Which statement best describes the marketing era?

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|   | a.  | Marketing and selling would no longer be considered synonymous terms. |
|   | b.  | Marketing was relegated to a supplemental role performed after the production process. |
|   | c.  | The marketing concept was linked to a shift from a buyer’s market to a seller’s market. |
|   | d.  | Business success often was defined solely in terms of production successes. |

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| *ANSWER:* | a |

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| 19. What characterizes a buyer’s market?

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| --- | --- | --- |
|   | a.  | more goods and services than buyers |
|   | b.  | more buyers than available goods and services |
|   | c.  | practically no competition in the marketplace |
|   | d.  | slow economic growth |

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| *ANSWER:* | a |

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| 20. What characterizes a seller’s market?

|  |  |  |
| --- | --- | --- |
|   | a.  | more goods and services than buyers |
|   | b.  | more buyers than available goods and services |
|   | c.  | practically no competition in the marketplace |
|   | d.  | slow economic growth |

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| *ANSWER:* | b |

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| 21. What best explains the emergence of the marketing concept?

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|   | a.  | higher production levels |
|   | b.  | a shift from a production to a sales orientation |
|   | c.  | a shift from a seller’s market to a buyer’s market |
|   | d.  | a focus on product quality |

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| *ANSWER:* | c |

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| 22. Assume you want to increase the number of customers by applying the marketing concept. Which strategy would be most likely to use?

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| --- | --- | --- |
|   | a.  | Reduce product costs. |
|   | b.  | Offer more product variety than competitors. |
|   | c.  | Focus on understanding buying habits. |
|   | d.  | Employ inexpensive labour. |

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| *ANSWER:* | c |

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| 23. Indigo Ltd. wanted to increase its customers by applying the marketing concept. Which strategy would be an appropriate way to achieve this?

|  |  |  |
| --- | --- | --- |
|   | a.  | Maximize production of goods. |
|   | b.  | Focus on meeting the needs of the consumers. |
|   | c.  | Offer more product variety than competitors. |
|   | d.  | Produce high quality goods. |

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| *ANSWER:* | b |

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| 24. When did relationship marketing emerge?

|  |  |  |
| --- | --- | --- |
|   | a.  | right after the end of World War II |
|   | b.  | during the mid-1960s |
|   | c.  | during the mid-1980s |
|   | d.  | during the 1990s |

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| *ANSWER:* | d |

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| 25. Which statement best describes a strong market orientation?

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|   | a.  | It reflects the adoption by a firm of a sales orientation. |
|   | b.  | It is consistent with a production orientation. |
|   | c.  | It becomes necessary with a shift from a buyer’s market to a seller’s market. |
|   | d.  | It generally improves market success and overall performance. |

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| *ANSWER:* | d |

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| 26. What type of relationships do firms focus on in the relationship era?

|  |  |  |
| --- | --- | --- |
|   | a.  | short-term relationships with customers and suppliers |
|   | b.  | long-term relationships with customers and suppliers |
|   | c.  | short-term relationships with customers and distributors |
|   | d.  | long-term relationships with suppliers and distributors |

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| *ANSWER:* | b |

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| 27. Which of the following would be visible in relationship marketing?

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| --- | --- | --- |
|   | a.  | a focus on producing high quality goods |
|   | b.  | a sales orientation |
|   | c.  | a companywide consumer orientation |
|   | d.  | strategic alliances |

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| *ANSWER:* | d |

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| 28. What management approach would most likely endanger the future growth of a company?

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| --- | --- | --- |
|   | a.  | adopting a consumer orientation |
|   | b.  | becoming aware of the scope of its business |
|   | c.  | committing to maintaining a product-oriented philosophy |
|   | d.  | focusing on providing benefits rather than producing products |

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| *ANSWER:* | c |

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| 29. If a company such as Bison Transport wanted to avoid marketing myopia, how should it define its business?

|  |  |  |
| --- | --- | --- |
|   | a.  | as transportation |
|   | b.  | as trucking |
|   | c.  | as materials handling |
|   | d.  | as freight hauling |

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| *ANSWER:* | a |

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| 30. Which statement would suggest that a firm has avoided marketing myopia?

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| --- | --- | --- |
|   | a.  | We write computer software. |
|   | b.  | We make our customers’ dreams come true. |
|   | c.  | We manufacture high-quality machine tools. |
|   | d.  | We handle freight for our customers. |

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| *ANSWER:* | b |

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| 31. How many not-for-profit and charity organizations are there in Canada*?*

|  |  |  |
| --- | --- | --- |
|   | a.  | under 120,000 |
|   | b.  | between 120,000 and 149,000 |
|   | c.  | between 150,000 and 169,000 |
|   | d.  | over 170,000 |

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| *ANSWER:* | c |

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| 32. Who often benefits from an alliance between a not-for-profit organization and a for-profit organization?

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| --- | --- | --- |
|   | a.  | neither party |
|   | b.  | both parties |
|   | c.  | competitor for-profits |
|   | d.  | the general public |

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| *ANSWER:* | b |

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| 33. Which statement best exemplifies a comparison between not-for-profit organizations to for-profit organizations?

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| --- | --- | --- |
|   | a.  | Not-for-profit organizations cannot be impacted by contributors’ personal agendas. |
|   | b.  | Not-for-profit organizations may only market intangibles. |
|   | c.  | Not-for-profit organizations may form partnerships with for-profit organizations that promote their cause. |
|   | d.  | Not-for-profit organizations must try to find ways to market only their services. |

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| *ANSWER:* | c |

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| 34. Which statement best describes not-for-profit organizations?

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|   | a.  | The sole common factor between not-for-profit organizations and for-profit firms is the financial bottom line. |
|   | b.  | Not-for-profit organizations hope to generate as much revenue as possible to support their causes. |
|   | c.  | Not-for-profit organizations are all found in the public sector. |
|   | d.  | Historically, not-for-profit firms have had more exact goals and marketing objectives than for-profit firms. |

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| *ANSWER:* | b |

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| 35. Which statement is most accurate when considering not-for-profit organizations against for-profit organizations?

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|   | a.  | Not-for-profit organizations tend to focus their marketing on just one public—their customers. |
|   | b.  | Not-for-profit organizations often possess some degree of monopoly power in a given geographical area. |
|   | c.  | Not-for-profit organizations depend on strategic alliances with for-profits to provide advertising and visibility. |
|   | d.  | A service user of a not-for-profit organization may have more control over the organization’s destiny than customers of a profit-seeking firm. |

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| *ANSWER:* | b |

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| 36. What does the term “bottom line” refer to?

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| --- | --- | --- |
|   | a.  | the overall company profitability |
|   | b.  | a firm’s social responsibility |
|   | c.  | the limit on the marketing budget |
|   | d.  | the ethical and social viability of marketing |

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| *ANSWER:* | a |

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| 37. What is the biggest distinction between not-for-profit and for-profit organizations?

|  |  |  |
| --- | --- | --- |
|   | a.  | For-profits have more exact marketing goals. |
|   | b.  | Not-for-profits have a different view of what constitutes the bottom line. |
|   | c.  | Customers of not-for-profits have more control. |
|   | d.  | Not-for-profits market services, not goods. |

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| *ANSWER:* | b |

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| 38. What type of marketing is an example of traditional marketing, as opposed to non-traditional marketing*?*

|  |  |  |
| --- | --- | --- |
|   | a.  | services |
|   | b.  | cause |
|   | c.  | event |
|   | d.  | organization |

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| *ANSWER:* | a |

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| 39. Melissa is managing the campaign of her friend for the presidency of the student council. What type of marketing is Melissa’s effort an example of?

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| --- | --- | --- |
|   | a.  | cause |
|   | b.  | person |
|   | c.  | place |
|   | d.  | organization |

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| *ANSWER:* | b |

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| 40. You receive a flyer urging you to attend a rally for a local political candidate. You’re asked to bring a can of food for the local food bank as the “price of admission.” What two types of marketing is this a combination of?

|  |  |  |
| --- | --- | --- |
|   | a.  | event and person |
|   | b.  | event and organization |
|   | c.  | organization and cause |
|   | d.  | cause and person |

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| *ANSWER:* | d |

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| 41. A music star promotes her concerts, but also uses her concerts to promote a charitable cause. What two types of marketing is this example a combination of?

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|   | a.  | event and person |
|   | b.  | cause and person |
|   | c.  | cause and event |
|   | d.  | person and organization |

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| *ANSWER:* | c |

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| 42. What is the basic objective of place marketing?

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|   | a.  | to attract visitors or new businesses to a particular area |
|   | b.  | to influence others to accept the goals of the sponsoring organization |
|   | c.  | to convince people to attend a sporting or cultural event |
|   | d.  | to bring to the attention of the public some charitable issue |

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| *ANSWER:* | a |

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| 43. What type of marketing do federal and provincial departments of tourism typically engage in?

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|   | a.  | organization |
|   | b.  | person |
|   | c.  | place |
|   | d.  | cause |

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| *ANSWER:* | c |

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| 44. Wild Escape advertises jungle safaris, chimpanzee tracking, and gorilla tracking tours. What is this type of advertising an example of?

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|   | a.  | form utility creation |
|   | b.  | place marketing |
|   | c.  | organization utility |
|   | d.  | sports marketing |

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| *ANSWER:* | b |

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| 45. Mars Inc.’s M&M’s division donates 50 cents of specially marked candy sales to the Special Olympics. What is this an example of?

|  |  |  |
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|   | a.  | event marketing |
|   | b.  | person marketing |
|   | c.  | cause marketing |
|   | d.  | place marketing |

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| *ANSWER:* | c |

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| 46. What type of marketing does the Coca-Cola Company engage in as an official sponsor of the Olympics?

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| --- | --- | --- |
|   | a.  | place marketing |
|   | b.  | event marketing |
|   | c.  | person marketing |
|   | d.  | organization marketing |

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| *ANSWER:* | b |

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| 47. Which of the following is a combination of person, cause, and organization marketing?

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|   | a.  | Tiger Woods’ endorsement of Nike, a sports company and Accenture, a consulting company |
|   | b.  | The Nobel Peace Prize for Al Gore for his work on global warming |
|   | c.  | UNICEF’s work to improve the living conditions of children across the world |
|   | d.  | Angelina Jolie’s role as a UN Goodwill Ambassador for refugees |

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| *ANSWER:* | d |

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| 48. A university sells customized sweat shirts, pull overs, and jerseys to its students and staff. What type of marketing is this an example of?

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| --- | --- | --- |
|   | a.  | cause |
|   | b.  | organization |
|   | c.  | person |
|   | d.  | event |

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| *ANSWER:* | b |

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| 49. An alumni association at a university sends out announcements promoting the upcoming football game and an alumni association function. What two types of marketing is this example a combination of?

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|   | a.  | place and person |
|   | b.  | event and organization |
|   | c.  | person and organization |
|   | d.  | event and place |

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| *ANSWER:* | b |

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| 50. Some Canadian drivers have decals of their college or university on their car windows. What type of marketing is this an example of?

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| --- | --- | --- |
|   | a.  | organization |
|   | b.  | cause |
|   | c.  | place |
|   | d.  | event |

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| *ANSWER:* | a |

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| 51. What do we refer to when we discuss the revenues and intangible benefits accrued to the firm, minus the investment to attract and keep a customer?

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| --- | --- | --- |
|   | a.  | gradient of return on investment |
|   | b.  | intangible benefit stream |
|   | c.  | investment-benefit differential |
|   | d.  | lifetime value of the customer |

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| *ANSWER:* | d |

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| 52. What are companies able to do by converting indifferent customers into loyal ones through relationship marketing?

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| --- | --- | --- |
|   | a.  | Minimize lifetime value. |
|   | b.  | Start a process by which customers become bound contractually to the business. |
|   | c.  | Avoid the necessity of improving customer service in the long run. |
|   | d.  | Generate repeat sales. |

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| *ANSWER:* | d |

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| 53. In the practice of relationship marketing, the definition of a customer is taken to another level. Which scenario best illustrates how a company practising relationship marketing is different from a traditional transaction-based marketer?

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|   | a.  | The city pool allows children aged 12 years and younger to swim for free on Fridays. |
|   | b.  | A local coffee shop distributes coupons for $.50 off each cup of coffee. |
|   | c.  | The purchasing department of a defense contractor invites its suppliers to attend an annual golf outing. |
|   | d.  | The heads of the financial departments meet with the Chief Financial Officer to discuss year-end financial reporting. |

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| *ANSWER:* | c |

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| 54. The application of relationship marketing requires attention to levels of customer loyalty. What is the highest level, as defined by this type of marketing?

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|   | a.  | loyal supporter of the company and its goods and services |
|   | b.  | advocate who buys the products and recommends them to others |
|   | c.  | regular purchaser of the company’s products |
|   | d.  | shareholder who literally buys into the organization and its mission |

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| *ANSWER:* | b |

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| 55. Sally Myers, head of marketing at Sally’s Salon, serviced six new customers over the past two weeks. Through a feedback form, Sally learned that all of them had acted upon the opinions of their friends and family members. What did Sally encounter?

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|   | a.  | transaction-based marketing |
|   | b.  | sales orientation |
|   | c.  | marketing myopia |
|   | d.  | buzz marketing |

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| *ANSWER:* | d |

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| 56. Which statement best describes relationship marketing?

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|   | a.  | It applies only to individual consumers and employees. |
|   | b.  | It affects distributors as well as other types of corporate partnerships. |
|   | c.  | It does not allow marketers and customers to customize their communication. |
|   | d.  | It is a buyer–seller communication in which the marketer controls the amount and type of information received from a customer. |

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| *ANSWER:* | b |

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| 57. What does interactive marketing refer to?

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|   | a.  | sequential marketing efforts beginning with frontline salespersons and proceeding to detailed instructions by a technical expert |
|   | b.  | marketing efforts through interactive programs where customers can post their queries directly to the management |
|   | c.  | buyer–seller communications in which the customer controls the amount and type of information received from a marketer |
|   | d.  | software-controlled marketing strategies which use central databases to segment the market on various demographic and psychographic factors |

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| *ANSWER:* | c |

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| 58. Which of the following would be an example of interactive marketing?

|  |  |  |
| --- | --- | --- |
|   | a.  | a customer creating his or her own products, as in the case of Subway or Build-a-Bear |
|   | b.  | an intermediary wholesaler who links sale of goods from manufacturer to consumer |
|   | c.  | buyer–seller communication through the Internet and virtual reality kiosks |
|   | d.  | sponsoring local sports teams |

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| *ANSWER:* | c |

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| 59. What does mobile marketing refer to?

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| --- | --- | --- |
|   | a.  | running promotional campaigns on transport media like trains and airplanes |
|   | b.  | marketing messages transmitted via wireless technology |
|   | c.  | promoting associated products or services alongside mobile technologies |
|   | d.  | the use of online social media as a communications channel for marketing messages |

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| *ANSWER:* | b |

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| 60. Why does relationship marketing focus more attention on existing customers?

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|   | a.  | New customers are less expensive to acquire. |
|   | b.  | New customers are unnecessary. |
|   | c.  | New customers are more expensive to acquire. |
|   | d.  | New customers are more predictable. |

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| *ANSWER:* | c |

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| 61. Many hotel chains offer free stays and other perks to repeat customers. What is this an example of?

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| --- | --- | --- |
|   | a.  | relationship marketing |
|   | b.  | transaction-based marketing |
|   | c.  | team marketing |
|   | d.  | a strategic alliance |

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| *ANSWER:* | a |

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| 62. A biotechnology company and a university medical school work to develop a new drug to treat arthritis. What is this an example of?

|  |  |  |
| --- | --- | --- |
|   | a.  | a joint marketing agreement |
|   | b.  | marketing research |
|   | c.  | a one-to-one marketing program |
|   | d.  | a strategic alliance |

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| *ANSWER:* | d |

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| 63. A gaming corporation and a mobile manufacturer work together to develop unique games which are made available for use on smartphones. What is this an example of?

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|   | a.  | an exchange function |
|   | b.  | marketing research |
|   | c.  | social marketing |
|   | d.  | a strategic alliance |

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| *ANSWER:* | d |

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| 64. Schwann’s Foods sells its products through both grocery stores and door-to-door sales. Selling, order taking, delivery, and limited customer service are all conducted by the drivers. What two marketing functions overlap as a result of the drivers’ required responsibilities?

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|   | a.  | facilitation and distribution |
|   | b.  | exchange and facilitation |
|   | c.  | distribution and exchange |
|   | d.  | exchange and financing |

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| *ANSWER:* | c |

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| 65. What function is Future Shop performing when it sells a person a new television or DVD player?

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|   | a.  | facilitation |
|   | b.  | buying |
|   | c.  | distribution |
|   | d.  | risk taking |

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| *ANSWER:* | c |

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| 66. What is included in the facilitating functions of marketing?

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|   | a.  | securing marketing information and risk taking |
|   | b.  | buying and selling |
|   | c.  | transportation and storage |
|   | d.  | typing and separation |

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| *ANSWER:* | a |

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| 67. What is involved in the selling function of marketing?

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| --- | --- | --- |
|   | a.  | making sufficient quantities of goods available in the marketplace |
|   | b.  | ensuring products meet established quality and quantity standards |
|   | c.  | securing marketing information |
|   | d.  | using advertising, personal selling, and sales promotion |

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| *ANSWER:* | d |

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| 68. What function is financing a part of?

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|   | a.  | exchange |
|   | b.  | pricing |
|   | c.  | commercial |
|   | d.  | facilitating |

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| *ANSWER:* | d |

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| 69. Honda Canada provides credit to Honda dealers, as well as buyers. What function is this an example of?

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|   | a.  | financing |
|   | b.  | exchange |
|   | c.  | distribution |
|   | d.  | securing marketing information |

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| *ANSWER:* | a |

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| 70. What are the physical distribution functions of marketing?

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| --- | --- | --- |
|   | a.  | storing and transporting |
|   | b.  | standardization and grading |
|   | c.  | financing and risk taking |
|   | d.  | buying and selling |

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| *ANSWER:* | a |

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| 71. Why do marketers apply quality and quantity control standards?

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|   | a.  | to engage in the process of exchange |
|   | b.  | to reduce the need for purchasers to inspect each item they purchase |
|   | c.  | to determine the amount an individual will be allowed to buy on credit |
|   | d.  | to develop channels of distribution for a product |

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| *ANSWER:* | b |

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| 72. Which function of marketing involves advertising?

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|   | a.  | standardizing |
|   | b.  | buying |
|   | c.  | selling |
|   | d.  | storing |

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| *ANSWER:* | c |

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| 73. Which function of marketing helps determine what potential consumers want and need, and how to offer goods and services to satisfy them?

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|   | a.  | financing |
|   | b.  | securing market information |
|   | c.  | risk taking |
|   | d.  | physical distribution |

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| *ANSWER:* | b |

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| 74. Manufacturers create goods and services based on research and their belief that consumers need them. In doing so, what marketing function are they performing?

|  |  |  |
| --- | --- | --- |
|   | a.  | financing |
|   | b.  | standardizing and grading |
|   | c.  | risk taking |
|   | d.  | physical distribution |

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| *ANSWER:* | c |

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| 75. What is a facilitating function of marketing?

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| --- | --- | --- |
|   | a.  | buying |
|   | b.  | selling |
|   | c.  | standardization and grading |
|   | d.  | distribution |

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| *ANSWER:* | a |

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| 76. What does the financing function of marketing involve?

|  |  |  |
| --- | --- | --- |
|   | a.  | making sufficient quantities of goods available in the marketplace |
|   | b.  | ensuring products meet established quality and quantity standards |
|   | c.  | providing funds to buyers for building inventories prior to sales |
|   | d.  | using advertising, personal selling, and sales promotion to match goods and services to customers |

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| *ANSWER:* | c |

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| 77. What are the moral standards of behaviour expected by society called?

|  |  |  |
| --- | --- | --- |
|   | a.  | social responsibilities |
|   | b.  | marketing concepts |
|   | c.  | facilitating functions of marketing |
|   | d.  | ethics |

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| *ANSWER:* | d |

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| 78. Approximately what percentage of large companies offer some sort of ethics training for workers?

|  |  |  |
| --- | --- | --- |
|   | a.  | less than one-quarter |
|   | b.  | around one-third |
|   | c.  | around one-half |
|   | d.  | more than one-half |

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| *ANSWER:* | d |

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| 79. Which of the following involves marketing philosophies, policies, procedures, and actions whose primary objective is the enhancement of society?

|  |  |  |
| --- | --- | --- |
|   | a.  | social responsibility |
|   | b.  | green marketing |
|   | c.  | ethics |
|   | d.  | relationship marketing |

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| *ANSWER:* | a |

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| 80. When a firm contributes to environment protection and human welfare programs, which type of behaviour is it exhibiting?

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| --- | --- | --- |
|   | a.  | relationship marketing |
|   | b.  | social responsibility |
|   | c.  | economic neutrality |
|   | d.  | one-to-one marketing |

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| *ANSWER:* | b |

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| 81. What term refers to items that can be produced, used, and disposed of with minimal impact on the environment?

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| --- | --- | --- |
|   | a.  | non-renewable products |
|   | b.  | bio-gradable products |
|   | c.  | sustainable products |
|   | d.  | modulated effluents |

|  |  |
| --- | --- |
| *ANSWER:* | c |

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| 82. What is the role of marketing in sustainability efforts?

|  |  |  |
| --- | --- | --- |
|   | a.  | Firms stand to exploit newer markets that are opened up to them. |
|   | b.  | Firms gain credibility from their efforts to protect the environment. |
|   | c.  | Firms can expect to save on costs incurred in discarding older, ineffective technology in favour of newer, state-of-the-art technology. |
|   | d.  | Firms can increase their profitability by enhancing their carbon-footprint. |

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| --- | --- |
| *ANSWER:* | b |

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| 83. What type of behaviour does Walmart Canada exhibit by contributing to local scholarships and community programs?

|  |  |  |
| --- | --- | --- |
|   | a.  | relationship marketing |
|   | b.  | social responsibility |
|   | c.  | green marketing |
|   | d.  | one-to-one marketing |

|  |  |
| --- | --- |
| *ANSWER:* | b |

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| 84. Production and marketing of goods and services are two basic functions that create utility.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

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| --- | --- |
| *ANSWER:* | True |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 85. Information technologies give organizations fast new ways to interact and develop long-term relationships with their customers and suppliers.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

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| --- | --- |
| *ANSWER:* | True |

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| 86. By combining fabric, thread, wood, springs, and other components, a furniture maker creates time utility for its consumers.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | False |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 87. Buying an iPod generates ownership utility; however, buying a concert ticket does not.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | False |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 88. All organizations must create utility to survive.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

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| --- | --- |
| *ANSWER:* | True |

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| 89. Form utility refers to conversion of raw materials and components into finished goods and services.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | True |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 90. Taylor purchased a new TV at Best Buy. Later that evening he invited his cousin, Marshall, to watch a baseball game. Impressed with the TV’s performance, Marshall went home and purchased the same TV on Best Buy’s website. Time, place, and ownership utility were created for Marshall.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | True |

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| 91. Successful marketing specialists must approach the marketplace in a three-step method: determine consumer wants, calculate an organization’s ability to service these wants, and put in place the processes to create the goods or services to change consumers into customers.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | True |

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| 92. Marketers are responsible for functions such as identifying customer needs and designing   products to meet these needs. Pricing decisions are typically left to finance or accounting departments.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | False |

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| 93. The definition of marketing includes the assumption that the marketing processes will be conducted ethically and will serve the best interests of society, as well as the organization.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | True |

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| 94. Marketing is the organizational function that refers to all forms of selling from institutional sales to personal selling.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | False |

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| 95. Marketing of a product begins as soon as the product is introduced to the marketplace.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | False |

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| 96. The expanded concept of marketing activities permeates all functions in business and not-for-profit organizations.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

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| --- | --- |
| *ANSWER:* | True |

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| 97. The expanded concept of marketing assumes the marketing effort will proceed in a socially responsible manner and the needs of society will be addressed before the needs of the shareholders.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

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| --- | --- |
| *ANSWER:* | False |

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| 98. International markets are becoming more important but less interdependent than in years past. This trend is due to growth in electronic commerce and other computer technologies that have simplified the way business is conducted.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

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| --- | --- |
| *ANSWER:* | False |

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| 99. The existence of the World Trade Organization, the passage of the North American Free Trade Agreement, and the creation of the euro are examples of protectionism on the part of nations concerned with increased globalization of the marketplace.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

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| --- | --- |
| *ANSWER:* | False |

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| 100. A trade dispute in Nigeria, a pipeline rupture in Alberta, or a tsunami in Asia can impact the price of everything from cars to clothing. The increased costs can be attributed solely to the cost of the gasoline used to deliver these goods.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

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| --- | --- |
| *ANSWER:* | False |

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| 101. In the global marketplace, brand standardization is the most effective way to market products. For example, having a single product name, such as Coke, Toshiba, or BMW, allows a company to create a universal marketing program that can be implemented to attract consumers from all the countries in which it markets.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

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| --- | --- |
| *ANSWER:* | False |

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| 102. An exchange process is an activity in which two or more parties give something of value to each other to satisfy perceived needs.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | True |

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| 103. Production orientation is a business philosophy that stresses on the importance of quantity of products rather than the quality of products.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

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| --- | --- |
| *ANSWER:* | False |

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| 104. Defined in its most historical and simplest form, marketing is essentially an exchange process in which one party, the consumer, receives something to satisfy a perceived need.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

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| --- | --- |
| *ANSWER:* | False |

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| 105. In the sales era, firms attempted to match their output to the potential number of customers who would want it.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

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| --- | --- |
| *ANSWER:* | True |

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| 106. A sellers’ market is one in which there are more goods and services than people willing to buy them.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

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| --- | --- |
| *ANSWER:* | True |

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| 107. The advent of a strong buyer’s market created the need for consumer orientation by businesses.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | True |

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| 108. The emergence of the marketing concept can be linked to the shift from a seller’s market to a buyer’s market.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

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| --- | --- |
| *ANSWER:* | True |

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| 109. The marketing concept focuses on the objective of achieving short-term profits instead of long-run success during tough economic times.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

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| --- | --- |
| *ANSWER:* | False |

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| 110. While many firms claim to have adopted the marketing concept, there is little evidence that a strong market orientation contributes to market success and overall performance.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

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| --- | --- |
| *ANSWER:* | False |

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| 111. An increase in output, as a result of improvements in production techniques, helped usher in the marketing era in the 1950s.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

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| --- | --- |
| *ANSWER:* | False |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 112. Production-era marketing paid close attention to the different needs of the consumer.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

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| --- | --- |
| *ANSWER:* | False |

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| 113. The marketing era is defined by the shift in focus from products and sales to satisfying a consumer’s needs.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

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| --- | --- |
| *ANSWER:* | True |

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| 114. The marketing era was characterized by the phrase “the consumer rules.”

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

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| --- | --- |
| *ANSWER:* | True |

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| 115. When management shifts its focus from product orientation to customer orientation, future growth is endangered.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | False |

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| 116. A firm with a fully developed marketing concept is one with a company-wide consumer orientation with the objective of achieving long-term success.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | True |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 117. A focus on maintaining and satisfying existing customers and suppliers is consistent with the relationship era.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | True |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 118. Relationship marketing begins once the sales transaction is completed.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | False |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 119. The relationship era builds on the marketing era’s customer orientation by only focusing on maintaining relationships with customers.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | False |

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| 120. Marketing myopia exists when management fails to recognize the scope of its business.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | True |

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| 121. Firms that narrowly define their organizational goals can avoid the problem of marketing myopia.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | False |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 122. If WestJet describes itself as a transportation company rather than an airline, it is suffering from marketing myopia.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | False |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 123. Wesley Pvt. Ltd. can avoid marketing myopia by finding innovative ways to reach new markets with existing goods and services.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | False |

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| 124. The public sector in Canada has a more diverse array of not-for-profit organizations than does the private sector.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

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| --- | --- |
| *ANSWER:* | False |

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| 125. Some not-for-profit organizations have adopted the marketing concept by partnering with for-profit companies.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | True |

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| 126. Not-for profit organizations can be found only in the private sectors of an economy.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | False |

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| 127. Not-for-profit organizations are generally less concerned with the bottom line than for-profit organizations.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | True |

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| 128. An important difference between not-for-profit organizations and for-profit organizations is that not-for-profit organizations cannot market tangible goods.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | False |

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| 129. One important difference between for-profit and not-for-profit organizations is that for-profits often market to multiple publics rather than the single public on which not-for-profits may focus.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | False |

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| 130. Not-for-profit organizations have numerous organizational objectives other than profitability due to their diversity.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | True |

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| 131. A service user of a not-for-profit organization has more control over the organization’s destiny than customers of a profit-seeking firm.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | False |

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| 132. Not-for-profit organizations face complex decision-making issues about the correct markets to target because they often must market to multiple publics.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | True |

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| 133. On account of their unselfish goals of serving society, not-for-profit organizations are not required to have marketing objectives.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | False |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 134. For-profit organizations tend to focus more on their customers than not-for-profits do.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | True |

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| 135. Freedom to focus on altruistic goals, rather than profitability alone, allows not-for-profit organizations flexibility to operate successfully without the use of recognized marketing principles.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | False |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 136. For-profit organizations are more influenced by their customers than not-for-profits.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | True |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 137. A problem unique to the not-for-profit organization is the major contributor who tries to interfere with the organization’s marketing program to promote a message the contributor believes is relevant, rather than one the organization thinks is appropriate.

|  |  |  |
| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

|  |  |
| --- | --- |
| *ANSWER:* | True |

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| 138. The five major types of nontraditional marketing are person marketing, place marketing, political marketing, event marketing, and advocate marketing.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | False |

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| 139. Celebrities such as Sidney Crosby and Drake use person marketing to increase their value in the marketplace.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | True |

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| 140. Place marketing is important for cities such as Niagara Falls, Vancouver, Halifax, and St. John’s because it is a useful technique to attract visitors.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | True |

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| 141. Marketing efforts designed to attract visitors to a particular area or to improve the image of a city, province, or country would be examples of cause marketing.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | False |

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| 142. Marketing of sporting, cultural, and recreational activities to selected target markets is known as cause marketing.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | False |

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| 143. The Gap’s sponsorship of the “Product Red” campaign to combat AIDS in Africa is an example of a for-profit organization linking its products to a social objective in cause marketing.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | True |

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| 144. Surveys have shown that marketers overestimate the impact that cause marketing has on how the customer views the company. Sales will not increase because a company is linked to a cause.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | False |

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| 145. A theatre group promoting a performance to raise funds in the fight against cancer is an example of both cause marketing and event marketing.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | True |

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| 146. The Canadian Armed Forces sending military personnel out to make a public appearance at the Grey Cup is an example of organization marketing.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | False |

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| 147. Virtually all colleges and universities have alumni associations that publish magazines, hold reunions, and try to raise funds. These activities constitute organization marketing.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | True |

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| 148. Interactive marketing refers to buyer–seller communication in which the customer controls the amount and type of information received from a marketer.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | True |

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| 149. Interactive promotions put customers in control because they can gain immediate access to key product information when they want it.

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| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | True |

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| 150. Interactive marketing allows marketers and consumers to customize their communication.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | False |

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| 151. *Mobile marketing* is a term used to describe marketing messages sent via wireless technology.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | True |

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| 152. In today’s competitive environment, attracting new customers is important but maintaining loyal customers is even more critical.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | True |

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| 153. The traditional view of marketing can be described as transaction-based marketing.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | True |

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| 154. According to relationship marketing, the lifetime value of a customer should exceed the investment made by the firm to attract and keep the customer.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | True |

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| 155. Relationship marketing broadens the scope of external marketing relationships to include suppliers, customers, and referral sources.

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| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | True |

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| 156. The cost of finding new customers is far less than the cost of keeping old ones.

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| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | False |

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| 157. Under the relationship marketing concept, employees within a firm need not apply the same high standards of customer satisfaction to internal relationships at they do to external customer relationships.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | False |

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| 158. In relationship marketing, employees serve customers within an organization as well as outside it.

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| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | True |

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| 159. Programs that improve customer service inside a company raise productivity and staff morale, resulting in better customer relationships outside the firm.

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| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | True |

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| 160. Relationship marketing moves customers up a loyalty ladder—from new customers to regular purchasers, then to loyal supporters of the firm and its goods and services, and finally to advocates who not only buy its products but recommend them to others.

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| --- | --- | --- |
|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | True |

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| 161. Relationship marketing relies more heavily on information technologies than transaction marketing.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | True |

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| 162. The marketing department at Sun Oil Company uses the printing services within its own company to design, edit, and print marketing materials. After mistakes and missed deadlines, the marketing department hires an outside printer. Using the transaction-based marketing theory, the Sun Oil printing department lost a customer when its own marketing department outsourced the printing.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | False |

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| 163. Buzz marketing is “spreading the word about a product or service” in an informal fashion. Due to the Internet, companies can do little to control or direct this type of consumer dialogue.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | False |

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| 164. Buzz marketing excludes visual aspects as it does not consist of a tangible expression of an issue or position.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | False |

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| 165. Firms that make the most efficient use of buzz marketing claim that it is a “one-way” approach to building customer relationships.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | False |

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| 166. A strategic alliance is defined as a partnership between a for-profit business and a not-for-profit organization.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | False |

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| 167. The limitation of a strategic alliance is that it eliminates competitive advantage.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | False |

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| 168. In the past, firms have viewed their suppliers as adversaries against whom they must fiercely negotiate prices, playing one off against the other.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | True |

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| 169. Company A provides a component to Company B, which then sells it under its own brand. This is an example of a vertical alliance.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | True |

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| 170. Product development partnerships and vertical alliances are two examples of strategic alliances.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | True |

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| 171. On average, marketing expenses account for half of the costs involved in a product.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | True |

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| 172. Westbrook & Co. seeks products that will appeal to its customers and then uses advertising, personal selling, and sales promotion to match the goods and services with the appropriate customers. This part of the marketing process is described as the facilitating function of marketing.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | False |

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| 173. The functions of marketing can be grouped into three major categories: exchange functions, physical distribution functions, and financing functions.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | False |

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| 174. When we go to the grocery store and buy milk, steak, and a dozen eggs, whether we know it or not, we are experiencing the effect of one of the facilitating functions of marketing.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | True |

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| 175. Buying, selling, transporting, and storing are known as the facilitating functions of marketing because they represent the exchange and physical distribution functions.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | False |

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| 176. The buying function of marketing involves advertising, personal selling, and sales promotion in the attempt to match products and services to consumer needs.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | False |

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| 177. The physical distribution functions of marketing are related to advertising, personal selling, and sales promotion in the attempt to match products and services to consumer needs.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | False |

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| 178. When Starbucks makes a latte for a customer, it is performing a distribution function.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | True |

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| 179. Manufacturers engage in risk taking when they create goods and services based on research and their belief that consumers need them.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | True |

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| 180. Marketing is the indirect connection between a firm and its customers.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | True |

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| 181. Less than one-quarter of all major corporations offer ethics training to employees.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | False |

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| 182. Social responsibility includes marketing philosophies, policies, procedures, and actions whose primary objective is to enhance society and protect the environment through sustainable products and practices.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | True |

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| 183. Sustainable products are products that can be produced, used, and disposed of with minimal impact on the environment.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | True |

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| 184. ARC Inc., a waste management company, expands its scope of business to recycle liquids that can be turned into fuel-grade ethanol, demonstrating the socially responsible approach of the company.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | True |

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| 185. Electronic commerce and computer technologies have created unprecedented opportunities in business today.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | True |

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| 186. Washquik Corporation recalled 200,000 washing machines that were experiencing motor problems. Upon repair of a machine, service technicians were instructed to leave a box of BioClean, a new environmentally friendly detergent offered by a partner company, BioCare. The actions of Washquik show both an ethical and socially responsible approach to servicing customers.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | True |

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| 187. While social responsibility varies from country to country, ethical behaviour is the same everywhere.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | False |

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| 188. Timberland Company’s charitable donations and time off given to employees who volunteer are evidence of its social responsibility.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | True |

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| 189. Liquid Resources, a waste management company, expands its scope of business to recycle liquids that can be turned into fuel-grade ethanol. The decision to take the company in a new direction is most likely based on ethics.

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|   | a.  | True |
|   | b.  | False |

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| *ANSWER:* | False |

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| 190. Define utility and discuss the four types of utility. Give examples of each, and explain which functional areas within an organization are responsible for each one.

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| *ANSWER:* | Utility is the want-satisfying power of a good or service. There are four types of utility. Form utility (conversion of raw materials and components into finished products) is evident with gold, which can be used for jewellery and also in the manufacturing of electronic devices, such as cellphones. Time utility (availability of goods and services when consumers want them) is evident in 24-hour convenience stores. Place utility (availability of goods and services at convenient locations) is evident in the location of convenience stores in areas that are easily accessible and are where you want them. Ownership utility (ability to transfer title to goods and services from marketer to buyer) is evident in signing up for a trip. Marketing is responsible for ownership, time, and place. The production function is responsible for form utility. |

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| 191. Compare the purchase of an AM/FM clock radio with the purchase of a satellite radio. Describe the creation of utility from the perspective of the manufacturer and marketer. Describe the utility relationship between the customer and the marketer.

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| *ANSWER:* | The manufacturer of the AM/FM clock radio creates form and ownership utility. The consumer will usually end the relationship with the manufacturer once the product is purchased, unless service is required. The broadcasts to this radio, generated by the local radio station, provide time and place utility to the customer. As the broadcast is free to the listener, however, the ownership utility for the broadcast is generated for the advertisers and sponsors. The latter, in turn, expect, but are not guaranteed to have a utility relationship with the listener in the way of future sales.The relationship between the customer and the satellite radio provider is different because it is ongoing in nature. The manufacture and sale of the radio hardware achieves form and ownership utility. The subscription required between the listener and the broadcaster creates time, place, and ownership utility. The amount of utility generated between the two can vary over time. Adding top celebrities can generate more utility to the listener. In turn, better broadcasts bring in more subscribers, adding to the profitability of the broadcaster. |

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| 192. List the activities that marketers must perform in order to create the customers organizations want.

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| *ANSWER:* | Marketing specialists are responsible for most of the activities necessary to create the customers the organization wants. These activities include the following:• identifying customer needs• designing products that meet those needs• communicating information about those goods and services to prospective buyers• making the items available at times and places that meet customers’ needs• pricing merchandise and services to reflect costs, competition, and customers’ ability to buy• providing the necessary service and follow-up to ensure customer satisfaction after the purchase |

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| 193. Explain the concept of marketing. What are some common misconceptions about marketing?

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| *ANSWER:* | Marketing is 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. Marketing involves analyzing customer needs, securing information needed to design and produce products that match buyer expectations, efficiently distributing products, satisfying customer preferences, and creating and maintaining relationships with customers and suppliers. Marketing applies to both profit-seeking and not-for-profit organizations. Because of the continuous exposure to advertising and personal selling, many people equate marketing with selling, or think that marketing begins only after a product has been produced. |

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| 194. Explain the essence of marketing.

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| *ANSWER:* | The essence of marketing includes managing customer relationships and the exchange process, in which two or more parties give something of value to each other to satisfy perceived needs. Often, people exchange money for tangible goods such as groceries, clothes, a car, or a house. In other situations, they exchange money for intangible services such as a haircut or a college education. Many exchanges involve a combination of goods and services. People also make exchanges when they donate money or time to a charitable cause. Managing customer relationships like these are the essence of successful marketing. |

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| 195. List the five eras in marketing history in chronological order. Briefly describe the philosophy behind each era.

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| *ANSWER:* | The five eras are the production era (quality products will sell themselves), the sales era (creative selling and advertising will overcome consumer resistance and convince them to buy), the marketing era (the consumer rules—find a need and fill it), the relationship era (build and maintain cost-effective long-term relationships with customers, employees, suppliers, and other parties for mutual benefit), and the social era (connect with customers through social media). |

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| 196. What is the major difference between the sales era and marketing era?

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| *ANSWER:* | The sales era was characterized by the belief that consumers would resist purchasing nonessential goods and services, and the attitude that only creative advertising and personal selling could overcome consumers’ resistance and persuade them to buy. The sales era was typified by the trend of seller’s markets.The marketing era was characterized by the business philosophy incorporating the marketing concept that emphasized first determining unmet consumer needs and then designing a system for satisfying them. There was a shift in the focus of companies away from products and sales to satisfying customer needs. Advertising not only communicated the benefits of products but also created needs and wants in the minds of consumers. The marketing era was influenced by the trend of buyer’s markets. |

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| 197. Define marketing myopia, and describe how a company can overcome a myopic view. Give an example of a company before and after changing its view.

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| *ANSWER:* | Marketing myopia is defined as management’s failure to recognize the scope of its business. Firms can avoid marketing myopia through a broader focus on the benefits of their products rather than the products themselves. A trucking company defining itself as a transportation company, or a telephone company defining itself as a communications company, are examples of how to avoid marketing myopia. Nokia defining itself as a cell phone manufacturer would be a myopic view. However, Nokia seeing its mission as connecting people shows that the creative focus of the company is on better ways to bring people together using telecommunications. |

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| 198. Explain the need for and the role of marketing in not-for-profit organizations?

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| *ANSWER:* | Today’s organizations—both profit oriented and not-for-profit—recognize universal needs for marketing and its importance to their success. These organizations generate billions of dollars of revenues each year through contributions and from fund-raising activities.Not-for-profits operate in both public and private sectors. Federal, provincial, and municipal organizations pursue service objectives not keyed to profitability targets. Regardless of their size or location, all of these organizations need funds to operate. Adopting the marketing concept can make a great difference in their ability to meet their service objectives. Some not-for-profits form partnerships with business firms that promote the organization’s cause or message. Generally, the alliances formed between not-for-profit organizations and commercial firms and their executives benefit both. The reality of operating with multimillion-dollar budgets requires not-for-profit organizations to maintain a focused business approach. |

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| 199. List and describe the five types of nontraditional marketing. Give an example of each.

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| *ANSWER:* | Cause marketing is the identification and promotion of a social issue, cause, or idea to selected target markets (Breast Cancer Research, Save the Rainforest). Person marketing is designed to cultivate the attention and preference of a target market toward a person (Drake, a political candidate). Place marketing is designed to attract visitors to, improve the image of, or entice business opportunity to utilize a particular city, county, province, country, or geographic region. (A city vying for the rights to host an Olympic event will place market to the Olympic committee.) Event marketing is the promotion of specific recreational, sporting, cultural or charitable activities to a specific target market (concert promotion, the Stanley Cup and county fairs are all examples). Organizational marketing is the effort to influence others to recognize the goals, accept the goods and services, or contribute in some way to the organization (Salvation Army Christmas campaign, Canadian Red Cross ads, Army recruiting). |

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| 200. Define lifetime value of a customer. How has Apple Computer, with the development of the iPod product line and iTunes software, gained a competitive advantage over competitors such as Napster? Will Apple experience a higher or lower lifetime value of a customer and why?

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| *ANSWER:* | The lifetime value of a customer is the measure of the revenue and intangible benefits a customer brings to the organization over the average lifetime, minus the investment that the firm has made to attract and keep the customer.Apple has developed hardware and proprietary software that revolutionized the way that music, purchased or downloaded, can be stored, catalogued and replayed. Because of the digital file structure, only iPod products can play the software. This links the hardware sales to the repeat purchases of music through the software, increasing the lifetime value of the customer.By expanding the jukebox catalogue to include movies, books on tape, television shows and podcasts, Apple is increasing its market with customers buying up the product line and expanding the media purchases through the software. Other jukebox companies, such as Napster, failed to integrate hardware and software and have thus been relegated to smaller segments of the market. Since it has linked its hardware sales to the increasing demand for media downloads and purchases, Apple could experience a higher lifetime value of a customer. |

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| 201. Define relationship marketing and explain its characteristics.

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| *ANSWER:* | Relationship marketing is the development and maintenance of long-term, cost-effective relationships with individual customers, suppliers, employees, and other parties for mutual benefit. Strategic alliances and partnerships among manufacturers, retailers, and suppliers often benefit everyone. It broadens the scope of external marketing relationships to include suppliers, customers, and referral sources. In relationship marketing, the term customer takes on a new meaning. Employees serve customers within an organization as well as outside it; individual employees and their departments are customers of and suppliers to one another. They must apply the same high standards of customer satisfaction to intradepartmental relationships as they do to external customer relationships. Relationship marketing recognizes the critical importance of internal marketing to the success of external marketing plans. Programs that improve customer service inside a company also raise productivity and staff morale, resulting in better customer relationships outside the firm. Relationship marketing gives a company new opportunities to gain a competitive edge by moving customers up a loyalty ladder—from new customers to regular purchasers, then to loyal supporters of the firm and its goods and services, and finally to advocates who not only buy its products but recommend them to others. |

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| 202. Describe the process of relationship building in marketing.

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| *ANSWER:* | Relationship building begins early in marketing. It starts with determining what customers need and want, then developing high-quality products to meet those needs. It continues with excellent customer service during and after purchase. It also includes programs that encourage repeat purchases and foster customer loyalty. Marketers may try to rebuild damaged relationships or rejuvenate unprofitable customers with these practices as well. |

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| 203. Differentiate between transaction-based marketing and relationship marketing.

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| *ANSWER:* | Historically, marketing was viewed as a simple exchange process, that is, a process that moved from transaction to transaction without any significant carry-forward of effects. In other words, closing deals was more important than making friends. More recently, a new concept explicitly realizes that relationships are important and maintaining a long-term relationship between marketing firm and customer is not only satisfying, but cost-effective too. If a one-time customer can be converted to a loyal customer, more sales will be generated over the long run. In short, it is cheaper to retain a customer than to constantly find new ones. Effective relationship marketing also relies heavily on information technologies such as computer databases to record customers’ tastes, price preferences, and lifestyles. This technology helps companies become one-to-one marketers that gather customer-specific information and provide individually customized goods and services. The firms target their marketing programs to appropriate groups rather than relying on mass-marketing campaigns. Companies that study customer preferences and react accordingly gain distinct competitive advantages. |

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| 204. Describe interactive marketing and social media. What are the advantages of interactive marketing and social marketing?

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| *ANSWER:* | Interactive media technologies combine computers and telecommunications resources to create software that users can control. Interactive marketing refers to buyer–seller communications in which the customer controls the amount and type of information received from a marketer. This technique provides immediate access to key product information when the consumer wants it, and it is increasingly taking place on social media sites like Facebook, Twitter, and blogs.Interactive marketing allows marketers and consumers to customize their communication.Customers may come to companies for information, creating opportunities for one-to-one marketing. They also can tell the company what they like or dislike about a product, and they can just as easily click the exit button and move on to another area. As interactive promotions grow in number and popularity, the challenge is to attract and hold consumer attention.Social marketing is the use of online social media as a communications channel for marketing messages. Social media also allow larger exchanges in which consumers communicate with one another using email or social networking sites. These electronic conversations can establish innovative relationships between users and the business, providing customized information based on users’ interests and levels of understanding. |

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| 205. Give a brief description of strategic alliances and business partnerships.

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| *ANSWER:* | Relationship marketing does not apply only to individual consumers and employees. It also affects a wide range of other markets, including business-to-business relationships with the firm’s suppliers and distributors as well as other types of corporate partnerships. In the past, companies often have viewed their suppliers as adversaries against whom they must fiercely negotiate prices, playing one off against the other. But this attitude has changed radically as both marketers and their suppliers discover the benefits of collaborative relationships.The formation of strategic alliances—partnerships that create competitive advantages—is also on the rise. Alliances take many forms, including product development partnerships that involve shared costs for research and development and marketing, and vertical alliances in which one company provides a product or component to another firm, which then distributes or sells it under its own brand. |

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| 206. List the eight universal functions of marketing.

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| *ANSWER:* | Marketing is responsible for the performance of eight universal functions: buying, selling, transporting, storing, standardizing and grading, financing, risk taking, and securing marketing information. Some functions are performed by manufacturers, others by retailers, and still others by marketing intermediaries called wholesalers. |

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| 207. Explain the exchange and distribution functions of marketing.

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| *ANSWER:* | Buying and selling represent exchange functions. Buying is important to marketing on several levels. Marketers must try to understand consumer behaviour. Because they generate time, place, and ownership utilities through purchases, marketers must anticipate consumer preferences for purchases to be made several months later. Selling is the second half of the exchange process. It involves advertising, personal selling, and sales promotion in an attempt to match the firm’s goods and services to consumer needs. Transporting and storing are physical distribution functions. Transporting involves physically moving goods from the seller to the purchaser. Storing involves warehousing goods until they are needed for sale. |

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| 208. Define ethics and social responsibility. Why are these two concepts important for marketers? Give an example of each behaviour.

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| *ANSWER:* | Ethics consists of moral standards of behaviour expected by a society. Most businesspeople follow ethical practices. More than half of all major corporations now offer ethics training to employees, and most corporate mission statements include pledges to protect the environment, contribute to communities, and improve workers’ lives.Social responsibility includes marketing philosophies, policies, procedures, and actions whose primary objective is to enhance society and protect the environment through sustainable products and practices. Social responsibility often takes the form of philanthropy, making gifts of money or time to humanitarian causes. Many firms, both large and small, include social responsibility programs as part of their overall mission. These programs often produce such benefits as improved customer relationships, increased employee loyalty, marketplace success, and improved financial performance. |

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| 209. **What** are sustainable products? What are the benefits of sustainability efforts?

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| *ANSWER:* | Sustainable products are those that can be produced, used, and disposed of with minimal impact on the environment. Many such firms have added annual sustainability reports and a top-level executive position to develop and promote their sustainability efforts. Sustainability must permeate every firm’s corporate strategy from the top down, so all areas in the firms can align their environmental goals in the same direction for the greatest effectiveness. Firms stand to gain needed credibility from their efforts to protect the environment by reducing waste and pollution. |

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| *Match each definition to the corresponding term.*

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| a.  | utility |
| b.  | buzz marketing |
| c.  | exchange process |
| d.  | seller’s market |
| e.  | buyer’s market |
| f.  | marketing myopia |
| g.  | social responsibility |
| h.  | relationship marketing |
| i.  | person marketing |
| j.  | place marketing |
| k.  | event marketing |
| l.  | organization marketing |
| m.  | interactive marketing |
| n.  | lifetime value of a customer |
| o.  | social marketing |
| p.  | one-to-one marketing |
| q.  | strategic alliances |
| r.  | not-for-profit organizations |
| s.  | ethics |
| t.  | mobile marketing |
| u.  | wholesalers |
| v.  | transaction-based marketing |

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| 210. The want satisfying power of a product is its \_\_\_\_\_.

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| *ANSWER:* | a |

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| 211. The \_\_\_\_\_ occurs when two or more parties exchange something of value.

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| *ANSWER:* | c |

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| 212. A(n) \_\_\_\_\_ occurs when buyers outnumber sellers or product supply.

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| *ANSWER:* | d |

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| 213. A(n) \_\_\_\_\_ occurs when there are more sellers (or products) than buyers.

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| *ANSWER:* | e |

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| 214. describes the current era in the history of marketing.

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| *ANSWER:* | h |

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| 215. results from management’s failure to recognize the scope of its business.

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| *ANSWER:* | f |

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| 216. The Canadian Cancer Society in the private sector and The Department of National Defence in the public sector are examples of \_\_\_\_\_.

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| *ANSWER:* | r |

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| 217. A musician endorses a certain automobile. This is an example of \_\_\_\_.

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| *ANSWER:* | i |

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| 218. An advertisement titled “The Ultimate Place for a Vacation” is an example of \_\_\_\_\_.

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| *ANSWER:* | j |

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| 219. The concert of a French rock band was promoted by a certain firm in Canada. This is an example of \_\_\_\_\_.

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| *ANSWER:* | k |

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| 220. Many not-for-profits use \_\_\_\_\_ in order to influence people to accept their goals or contribute in some way.

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| *ANSWER:* | l |

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| 221. refers to buyer and seller exchanges characterized by limited communications and little or no ongoing relationships between the parties.

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| *ANSWER:* | v |

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| 222. The \_\_\_\_\_ equals the revenues and benefits a customer brings to an organization, minus expenses to attract and maintain the relationship.

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| *ANSWER:* | n |

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| 223. The growth of wireless technology has given rise to a new marketing strategy called \_\_\_\_\_.

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| 224. Buyer–seller communications in which the customer controls the amount and type of information received from a marketer is called \_\_\_\_\_.

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| *ANSWER:* | m |

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| 225. The use of online social media as a communications channel for marketing messages is known as \_\_\_\_\_.

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| *ANSWER:* | o |

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| 226. is a customized marketing program designed to build long-term relationships with individual customers.

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| *ANSWER:* | p |

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| 227. “Word-of-mouth” advertising that has grown in effectiveness with the advent of the Internet is called \_\_\_\_\_.

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| *ANSWER:* | b |

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| 228. For-profit organizations and not-for-profit organizations often form \_\_\_\_\_.

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| *ANSWER:* | q |

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| 229. are intermediaries that operate between producers and resellers.

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| 230. The moral standards of behaviour expected by a society are known as \_\_\_\_\_.

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| *ANSWER:* | s |

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| 231. Corporations that voluntarily recycle paper, glass and electronics practise \_\_\_\_\_.

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| *ANSWER:* | g |

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