

## Chapter 1 - Customer-Driven Strategic Marketing

1. List four marketing mix variables and describe each one of them.

**ANSWER:** Marketers consider activities such as product, pricing, distribution, and promotions as the marketing mix because they decide what type of each element to use and in what amounts.

The product variable of the marketing mix deals with researching customers' needs and wants and designing a product that satisfies them. A product can be a good, a service, or an idea. The product variable also involves creating or modifying brand names and packaging and may include decisions regarding warranty and repair services.

In dealing with the distribution variable, a marketing manager makes products available in the quantities desired to as many target-market customers as possible, keeping total inventory, transportation, and storage costs as low as possible.

The promotion variable relates to activities used to inform individuals or groups about the organization and its products. Promotion can aim to increase public awareness of the organization and of new or existing products.

The price variable relates to decisions and actions associated with establishing pricing objectives and policies and determining product prices. Price is a critical component of the marketing mix because customers are concerned about the value obtained in an exchange. Price is often used as a competitive tool, and intense price competition sometimes leads to price wars.

**POINTS:** 1

**DIFFICULTY:** Difficulty: Easy

**LEARNING OBJECTIVES:** FOM.PRID.15.01.01

**NATIONAL STANDARDS:** United States - BUSPROG: Analytic

**CORPORATE STANDARDS:** DISC: International Perspective

**TOPICS:** A-Head: Defining Marketing

**KEYWORDS:** Bloom's: Knowledge

2. Describe the three different types of products with suitable examples.

**ANSWER:** A product can be a good, a service, or an idea. A good is a physical entity you can touch. A branded pair of spectacles or a branded pair of jeans is an example of a good. A service is the application of human and mechanical efforts to people or objects to provide intangible benefits to customers. Air travel, education, and child day care are examples of services. Ideas include concepts, philosophies, images, and issues. For instance, a marriage counselor, for a fee, gives spouses ideas to help improve their relationship.

**POINTS:** 1

**DIFFICULTY:** Difficulty: Easy

**LEARNING OBJECTIVES:** FOM.PRID.15.01.01

**NATIONAL STANDARDS:** United States - BUSPROG: Analytic

**CORPORATE STANDARDS:** DISC: Product

**TOPICS:** A-Head: Defining Marketing

**KEYWORDS:** Bloom's: Knowledge

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3. Describe several activities encompassed by the distribution variable.

**ANSWER:** When considering the distribution variable, a marketing manager makes products available in the quantities desired to as many target-market customers as possible, keeping total inventory, transportation, and storage costs as low as possible. A marketing manager also may select and motivate intermediaries (wholesalers and retailers), establish and maintain inventory control procedures, and develop and manage transportation and storage systems. The advent of the Internet and electronic commerce also has dramatically influenced the distribution variable. Companies now can make their products available throughout the world without maintaining facilities in each country.

**POINTS:** 1

**DIFFICULTY:** Difficulty: Easy

**LEARNING OBJECTIVES:** FOM.PRID.15.01.01

**NATIONAL STANDARDS:** United States - BUSPROG: Analytic

**CORPORATE STANDARDS:** DISC: Distribution

**TOPICS:** A-Head: Defining Marketing

**KEYWORDS:** Bloom's: Knowledge

4. Explain why marketing efforts should be oriented toward creating and sustaining satisfying exchange relationships.

**ANSWER:** The essence of marketing is to develop satisfying exchanges from which both customers and marketers benefit. The customer expects to gain a reward or benefit greater than the costs incurred in a marketing transaction. The marketer expects to gain something of value in return, generally the price charged for the product. To fulfill these expectations, the marketer must deliver on promises made. Over time, this interaction results in relationships between the two parties.

**POINTS:** 1

**DIFFICULTY:** Difficulty: Easy

**LEARNING OBJECTIVES:** FOM.PRID.15.01.01

**NATIONAL STANDARDS:** United States - BUSPROG: Analytic

**CORPORATE STANDARDS:** DISC: International Perspective

**TOPICS:** A-Head: Defining Marketing

**KEYWORDS:** Bloom's: Comprehension

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5. What are the three ways that marketing environment forces affect a marketer's ability to create satisfying exchange relationships?

**ANSWER:** The marketing environment forces affect a marketer's ability to facilitate value-driven marketing exchanges in three general ways. First, they influence customers by affecting their lifestyles, standards of living, and preferences and needs for products. . Second, marketing environment forces help to determine whether and how a marketing manager can perform certain marketing activities. Third, environmental forces may affect a marketing manager's decisions and actions by influencing buyers' reactions to the firm's marketing mix.

**POINTS:** 1

**DIFFICULTY:** Difficulty: Easy

**LEARNING OBJECTIVES:** FOM.PRID.15.01.01

**NATIONAL STANDARDS:** United States - BUSPROG: Analytic

**CORPORATE STANDARDS:** DISC: International Perspective

**TOPICS:** A-Head: Defining Marketing

**KEYWORDS:** Bloom's: Knowledge

6. Define the term target market.

**ANSWER:** Organizations generally focus their marketing efforts on a specific group of customers called a target market. A target market is the group of customers toward which a company directs a set of marketing efforts.

**POINTS:** 1

**DIFFICULTY:** Difficulty: Easy

**LEARNING OBJECTIVES:** FOM.PRID.15.01.01

**NATIONAL STANDARDS:** United States - BUSPROG: Analytic

**CORPORATE STANDARDS:** DISC: International Perspective

**TOPICS:** A-Head: Defining Marketing

**KEYWORDS:** Bloom's: Knowledge

7. Define the term *value*. Explain how people determine a product's value.

**ANSWER:** Value is defined as a customer's subjective assessment of benefits relative to costs in determining the worth of a product (customer value = customer benefits – customer costs). Consumers develop a concept of value through the integration of their perceptions of product quality and financial sacrifice.

**POINTS:** 1

**DIFFICULTY:** Difficulty: Easy

**LEARNING OBJECTIVES:** FOM.PRID.15.01.01

**NATIONAL STANDARDS:** United States - BUSPROG: Analytic

**CORPORATE STANDARDS:** DISC: International Perspective

**TOPICS:** A-Head: Defining Marketing

**KEYWORDS:** Bloom's: Knowledge

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8. Discuss the evolution of the marketing concept through the various types of orientation.

**ANSWER:** The marketing concept may seem like an obvious approach to running a business. However, businesspeople have not always believed that the best way to make sales and profits is to satisfy customers. The first type of orientation is known as production orientation. In production orientation, with new technology and new ways of using labor, products poured into the marketplace, where demand for manufactured goods was strong. According to the sales orientation, businesses viewed sales as the major means of increasing profits, and this period came to have a sales orientation. Businesspeople believed that the most important marketing activities were personal selling, advertising, and distribution. Market orientation requires the “organization wide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across departments, and organization wide responsiveness to it.” Market orientation is linked to new-product innovation by developing a strategic focus to explore and develop new products to serve target markets.

**POINTS:** 1  
**DIFFICULTY:** Difficulty: Easy  
**LEARNING OBJECTIVES:** FOM.PRID.15.01.02  
**NATIONAL STANDARDS:** United States - BUSPROG: Analytic  
**CORPORATE STANDARDS:** DISC: International Perspective  
**TOPICS:** A-Head: Understanding the Marketing Concept  
**KEYWORDS:** Bloom's: Knowledge

9. What is meant by the term “marketing concept”?

**ANSWER:** Marketing concept refers to a management philosophy guiding an organization’s overall activities. Departments such as production, finance, accounting, human resources, and marketing must work together to establish the marketing concept. The overall objectives of a business might relate to increasing profits, market share, sales, or a combination of all three. The marketing concept stresses that an organization can best achieve these objectives by being customer oriented.

**POINTS:** 1  
**DIFFICULTY:** Difficulty: Easy  
**LEARNING OBJECTIVES:** FOM.PRID.15.01.02  
**NATIONAL STANDARDS:** United States - BUSPROG: Analytic  
**CORPORATE STANDARDS:** DISC: International Perspective  
**TOPICS:** A-Head: Understanding the Marketing Concept  
**KEYWORDS:** Bloom's: Knowledge

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10. What is meant by the term "*relationship marketing*"? How does relationship marketing affect a customer?

**ANSWER:** Relationship marketing refers to “long-term, mutually beneficial arrangements in which both the buyer and seller focus on value enhancement through the creation of more satisfying exchanges.” Relationship marketing continually deepens the buyer’s trust in the company, and as the customer’s confidence grows, this, in turn, increases the firm’s understanding of the customer’s needs. Buyers and marketers can thus enter into a close relationship in which both participate in the creation of value.

**POINTS:** 1

**DIFFICULTY:** Difficulty: Easy

**LEARNING OBJECTIVES:** FOM.PRID.15.01.03

**NATIONAL STANDARDS:** United States - BUSPROG: Analytic

**CORPORATE STANDARDS:** DISC: Customer

**TOPICS:** A-Head: Customer Relationship Management

**KEYWORDS:** Bloom's: Knowledge

11. Why is marketing important to businesses and to the economy?

**ANSWER:** Businesses must engage in marketing to survive and grow, and marketing activities are needed to reach customers and provide products. Financial resources generated from sales are necessary for the operations of a firm and to provide financial returns to investors. Innovation in operations and products drive business success and customer loyalty. Marketing activities help to produce the profits that are essential to the survival of individual businesses. Without profits, businesses would find it difficult, if not impossible, to buy more raw materials, hire more employees, attract more capital, and create additional products that, in turn, make more profits. Therefore, marketing helps create a successful economy and contributes to the well-being of society.

**POINTS:** 1

**DIFFICULTY:** Difficulty: Easy

**LEARNING OBJECTIVES:** FOM.PRID.15.01.04

**NATIONAL STANDARDS:** United States - BUSPROG: Analytic

**CORPORATE STANDARDS:** DISC: International Perspective

**TOPICS:** A-Head: The Importance of Marketing in our Global Economy

**KEYWORDS:** Bloom's: Knowledge

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12. Explain how knowledge of marketing enhances consumer awareness.

**ANSWER:** Studying marketing allows us to understand the importance of marketing to customers, organizations, and our economy. Thus, we can analyze marketing efforts that need improvement and how to attain that goal. As a consumer becomes more aware it is possible to improve purchasing decisions. Understanding marketing enables people to evaluate corrective measures (such as laws, regulations, and industry guidelines) that could stop unfair, damaging, or unethical marketing practices.

**POINTS:** 1

**DIFFICULTY:** Difficulty: Easy

**LEARNING OBJECTIVES:** FOM.PRID.15.01.04

**NATIONAL STANDARDS:** United States - BUSPROG: Analytic

**CORPORATE STANDARDS:** DISC: International Perspective

**TOPICS:** A-Head: The Importance of Marketing in our Global Economy

**KEYWORDS:** Bloom's: Comprehension

13. Discuss the concept of green marketing and why it is important to marketers.

**ANSWER:** Green marketing refers to a strategic process involving stakeholder assessment to create meaningful long-term relationships with customers while maintaining, supporting, and enhancing the natural environment. Such initiatives not only reduce the negative impact that businesses have on the environment but also serve to enhance their reputations as sustainability concerns continue to grow. By addressing concerns about the impact of marketing on society, a firm can contribute to society through socially responsible activities as well as increase its financial performance.

**POINTS:** 1

**DIFFICULTY:** Difficulty: Easy

**LEARNING OBJECTIVES:** FOM.PRID.15.01.04

**NATIONAL STANDARDS:** United States - BUSPROG: Analytic

**CORPORATE STANDARDS:** DISC: International Perspective

**TOPICS:** A-Head: The Importance of Marketing in our Global Economy

**KEYWORDS:** Bloom's: Knowledge

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14. The focal point of all marketing activities is its:
- products.
  - marketing mix.
  - profits.
  - sales.
  - customers.

*ANSWER:* e

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.01

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: International Perspective

*TOPICS:* A-Head: Defining Marketing

*KEYWORDS:* Bloom's: Knowledge

15. Organizations should define themselves not according to the products they produce, but according to:
- how profitable they are.
  - the price of their stock.
  - the abundance of their product selection.
  - how they treat employees.
  - how they satisfy customers.

*ANSWER:* e

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.01

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: International Perspective

*TOPICS:* A-Head: Defining Marketing

*KEYWORDS:* Bloom's: Knowledge

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16. The definition of marketing implies that \_\_\_\_ should receive benefits from exchange relationships.
- a. only customers
  - b. only businesses
  - c. company management
  - d. both customers and businesses
  - e. only selected customers

*ANSWER:* d

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.01

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: International Perspective

*TOPICS:* A-Head: Defining Marketing

*KEYWORDS:* Bloom's: Knowledge

17. The primary value that a marketer expects to receive from a customer in an exchange relationship is:
- a. the price charged for the product.
  - b. customer satisfaction.
  - c. references to other potential customers.
  - d. quality merchandise that meets expectations.
  - e. few returns of the merchandise purchased.

*ANSWER:* a

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.01

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: International Perspective

*TOPICS:* A-Head: Defining Marketing

*KEYWORDS:* Bloom's: Knowledge

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18. A target market:

- a. involves a large number of customers.
- b. is a specific group of customers on whom a company focuses its marketing efforts.
- c. already has several competitors vying for customers' business.
- d. is the same as a salesperson's prospective client list.
- e. is a customer group classified as people with similar demographic characteristics.

*ANSWER:* b

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.01

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: International Perspective

*TOPICS:* A-Head: Define Marketing

*KEYWORDS:* Bloom's: Knowledge

19. Kashi Heart to Heart<sup>TM</sup> cereal is aimed at people concerned about their heart health. These people represent the Kashi:

- a. marketing mix.
- b. marketing strategy.
- c. target market.
- d. marketing tactic.
- e. consumer advocates.

*ANSWER:* c

*POINTS:* 1

*DIFFICULTY:* Difficulty: Moderate

*LEARNING OBJECTIVES:* FOM.PRID.15.01.01

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: International Perspective

*TOPICS:* A-Head: Defining Marketing

*KEYWORDS:* Bloom's: Application

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20. A commercial for the drink “SunnyD” explains how nutritious it is in comparison to other, more “sugary” drinks. While children under 12 are the most likely consumers of SunnyD, the commercial is aimed at mothers. These mothers represent SunnyD's:
- target market.
  - consumer advocates.
  - marketing strategy.
  - marketing mix.
  - marketing tactic.

*ANSWER:* a

*POINTS:* 1

*DIFFICULTY:* Difficulty: Moderate

*LEARNING OBJECTIVES:* FOM.PRID.15.01.01

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: Strategy

*TOPICS:* A-Head: Defining Marketing

*KEYWORDS:* Bloom's: Application

21. Distribution, price, promotion, and product are all elements of:
- marketing strategy.
  - the marketing mix.
  - a target market.
  - a consumer good.
  - a business strategy.

*ANSWER:* b

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.01

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: International Perspective

*TOPICS:* A-Head: Defining Marketing

*KEYWORDS:* Bloom's: Knowledge

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22. A marketing manager decides what combination of variables is needed to satisfy customers' needs for a general type of product. What are the essential variables that the marketing manager combines?
- Product, price, distribution, and promotion variables
  - Marketing environment variables
  - Target market variables
  - Product, price, and customer variables
  - Customer and promotion variables

*ANSWER:* a

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.01

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: International Perspective

*TOPICS:* A-Head: Defining Marketing

*KEYWORDS:* Bloom's: Knowledge

23. The marketing mix is built around the:
- product.
  - company.
  - customer.
  - employee.
  - retail outlet.

*ANSWER:* c

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.01

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: International Perspective

*TOPICS:* A-Head: Defining Marketing

*KEYWORDS:* Bloom's: Knowledge

## Chapter 1 - Customer-Driven Strategic Marketing

24. Marketing managers strive to develop a marketing mix that:
- minimizes marketing costs.
  - matches what competitors are offering.
  - best matches the abilities of the firm.
  - matches the needs of the target market.
  - generates the highest level sales.

**ANSWER:** d

**POINTS:** 1

**DIFFICULTY:** Difficulty: Easy

**LEARNING OBJECTIVES:** FOM.PRID.15.01.01

**NATIONAL STANDARDS:** United States - BUSPROG: Analytic

**CORPORATE STANDARDS:** DISC: International Perspective

**TOPICS:** A-Head: Defining Marketing

**KEYWORDS:** Bloom's: Knowledge

25. The product variable of the marketing mix can include all of the following *except*:
- creation of brand names.
  - consumer perception of the product price.
  - development of product packaging.
  - warranty issues.
  - repair services.

**ANSWER:** b

**POINTS:** 1

**DIFFICULTY:** Difficulty: Easy

**LEARNING OBJECTIVES:** FOM.PRID.15.01.01

**NATIONAL STANDARDS:** United States - BUSPROG: Analytic

**CORPORATE STANDARDS:** DISC: Product

**TOPICS:** A-Head: Defining Marketing

**KEYWORDS:** Bloom's: Knowledge

## Chapter 1 - Customer-Driven Strategic Marketing

26. The three basic forms that a product can take are:
- markets, products, and images.
  - goods, ideas, and intangibles.
  - brands, services, and tangibles.
  - services, ideas, and goods.
  - ideas, services, and things.

*ANSWER:* d

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.01

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: Product

*TOPICS:* A-Head: Define Marketing

*KEYWORDS:* Bloom's: Knowledge

27. A physical product you can touch is a(n):
- service.
  - good.
  - idea.
  - concept.
  - philosophy.

*ANSWER:* b

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.01

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: Product

*TOPICS:* A-Head: Defining Marketing

*KEYWORDS:* Bloom's: Knowledge

## Chapter 1 - Customer-Driven Strategic Marketing

28. The application of mechanical and human efforts to either people or objects to provide intangible benefits to customers is known as a(n):
- issue.
  - experience.
  - idea.
  - good.
  - service.

*ANSWER:* e  
*POINTS:* 1  
*DIFFICULTY:* Difficulty: Easy  
*LEARNING OBJECTIVES:* FOM.PRID.15.01.01  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic  
*CORPORATE STANDARDS:* DISC: Product  
*TOPICS:* A-Head: Defining Marketing  
*KEYWORDS:* Bloom's: Knowledge

29. Mothers Against Drunk Driving (MADD) is a group that works to change attitudes and laws about driving under the influence of alcohol. MADD primarily markets:
- goods.
  - ideas.
  - services.
  - political figures.
  - applications.

*ANSWER:* b  
*POINTS:* 1  
*DIFFICULTY:* Difficulty: Moderate  
*LEARNING OBJECTIVES:* FOM.PRID.15.01.01  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic  
*CORPORATE STANDARDS:* DISC: Promotion  
*TOPICS:* A-Head: Defining Marketing  
*KEYWORDS:* Bloom's: Application

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30. The Church of the Latter Day Saints has used advertising for many years, airing a commercial TV spot that shows parents actively playing games with their children. The Church is using the process of marketing to promote its:
- goods.
  - services.
  - experiences.
  - production.
  - ideas.

*ANSWER:* e  
*POINTS:* 1  
*DIFFICULTY:* Difficulty: Moderate  
*LEARNING OBJECTIVES:* FOM.PRID.15.01.01  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic  
*CORPORATE STANDARDS:* DISC: Promotion  
*TOPICS:* A-Head: Defining Marketing  
*KEYWORDS:* Bloom's: Application

31. Which of the following is an idea marketer?
- Car salesperson
  - Airline pilot
  - Attorney
  - Abuse counselor
  - Orthodontist

*ANSWER:* d  
*POINTS:* 1  
*DIFFICULTY:* Difficulty: Moderate  
*LEARNING OBJECTIVES:* FOM.PRID.15.01.01  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic  
*CORPORATE STANDARDS:* DISC: Product  
*TOPICS:* A-Head: Defining Marketing  
*KEYWORDS:* Bloom's: Application

## Chapter 1 - Customer-Driven Strategic Marketing

32. Deciding to add gel insoles to its running shoes would be a change in the \_\_\_\_ element of the marketing mix for Nike.
- price
  - good
  - product
  - promotion
  - distribution

*ANSWER:* c

*POINTS:* 1

*DIFFICULTY:* Difficulty: Moderate

*LEARNING OBJECTIVES:* FOM.PRID.15.01.01

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: Product

*TOPICS:* A-Head: Defining Marketing

*KEYWORDS:* Bloom's: Application

33. Making modifications to packaging or brand names involves the \_\_\_\_ component of the marketing mix.
- price
  - promotion
  - market
  - distribution
  - product

*ANSWER:* e

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.01

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: Product

*TOPICS:* A-Head: Defining Marketing

*KEYWORDS:* Bloom's: Knowledge

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34. Issues of inventory levels and storage costs are both concerns relating to the \_\_\_\_ variable of the marketing mix.
- distribution
  - product
  - exchange
  - price
  - promotion

*ANSWER:* a

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.01

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: Distribution

*TOPICS:* A-Head: Defining Marketing

*KEYWORDS:* Bloom's: Knowledge

35. Rob Donaldson runs a successful wholesale business that sells equipment to restaurants throughout the Midwest. He is considering purchasing his own fleet of trucks to deliver the equipment instead of relying on a shipper as he is currently doing. This most closely represents a decision about:
- which market he should target.
  - the best way to distribute his products.
  - how to effectively promote his business.
  - the product he provides to his customer.
  - which supplier he should use.

*ANSWER:* b

*POINTS:* 1

*DIFFICULTY:* Difficulty: Moderate

*LEARNING OBJECTIVES:* FOM.PRID.15.01.01

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: Distribution

*TOPICS:* A-Head: Defining Marketing

*KEYWORDS:* Bloom's: Application

## Chapter 1 - Customer-Driven Strategic Marketing

36. Consumers buying products online have dramatically affected the \_\_\_\_ variable of the marketing mix.
- a. product
  - b. price
  - c. distribution
  - d. research
  - e. promotion

*ANSWER:* c

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.01

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: Distribution

*TOPICS:* A-Head: Defining Marketing

*KEYWORDS:* Bloom's: Knowledge

37. Changing the hours of operation for a service business involves the \_\_\_\_ component of the marketing mix.
- a. product
  - b. price
  - c. distribution
  - d. promotion
  - e. marketing concept

*ANSWER:* c

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.01

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: Distribution

*TOPICS:* A-Head: Defining Marketing

*KEYWORDS:* Bloom's: Knowledge

## Chapter 1 - Customer-Driven Strategic Marketing

38. Which of the following scenarios involves the distribution element of the marketing mix?
- Deciding whether or not a certain product should continue to be sold
  - Determining whether an advertising message would be more effective on television or in magazines
  - Deciding whether or not to provide a percentage of discount for a particular product.
  - Deciding whether or not to have retail outlets in addition to a website
  - Developing a new warranty policy for an existing product

*ANSWER:* d

*POINTS:* 1

*DIFFICULTY:* Difficulty: Moderate

*LEARNING OBJECTIVES:* FOM.PRID.15.01.01

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: Distribution

*TOPICS:* A-Head: Defining Marketing

*KEYWORDS:* Bloom's: Application

39. Which of the following is an element of the marketing mix that is used to increase the level of awareness of a product or company?
- Communication
  - Product
  - Price
  - Distribution
  - Promotion

*ANSWER:* e

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.01

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: Promotion

*TOPICS:* A-Head: Defining Marketing

*KEYWORDS:* Bloom's: Knowledge

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40. When DuPont develops new carpet fibers that are highly stain-resistant and durable, it must educate consumers about the product's benefits. Which of the following marketing mix variables is implicated in this regard?
- Price
  - Promotion
  - Distribution
  - Product
  - Packaging

*ANSWER:* b

*POINTS:* 1

*DIFFICULTY:* Difficulty: Moderate

*LEARNING OBJECTIVES:* FOM.PRID.15.01.01

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: Promotion

*TOPICS:* A-Head: Defining Marketing

*KEYWORDS:* Bloom's: Application

41. Boca Burger's website features information about products, recipes, and nutritional values, but customers cannot actually purchase products from the website. This website is most likely used primarily as a \_\_\_\_ marketing tool.
- promotional
  - distributional
  - pricing
  - targeting
  - production

*ANSWER:* a

*POINTS:* 1

*DIFFICULTY:* Difficulty: Moderate

*LEARNING OBJECTIVES:* FOM.PRID.15.01.01

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: Promotion

*TOPICS:* A-Head: Defining Marketing

*KEYWORDS:* Bloom's: Application

## Chapter 1 - Customer-Driven Strategic Marketing

42. When Ikea Inc. showcases rooms of furniture on its website, it lists each item in the room. However, if customers like all of the items, they can purchase them as a bundle. Which of the following aspects of the marketing mix is being adopted by Ikea?
- Price
  - Promotion
  - Distribution
  - Product
  - Target market

*ANSWER:* c

*POINTS:* 1

*DIFFICULTY:* Difficulty: Moderate

*LEARNING OBJECTIVES:* FOM.PRID.15.01.01

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: Distribution

*TOPICS:* A-Head: Defining Marketing

*KEYWORDS:* Bloom's: Application

43. When DataComp Corp., a producer of software, delayed the introduction of its new spreadsheet app to modify the package, its scheduled TV advertisements announcing the new product needed to be revised. In this case, a change in the \_\_\_\_ variable caused changes in the \_\_\_\_ variable of the marketing mix.
- distribution; promotion
  - distribution; product
  - product; price
  - product; promotion
  - promotion; price

*ANSWER:* d

*POINTS:* 1

*DIFFICULTY:* Difficulty: Moderate

*LEARNING OBJECTIVES:* FOM.PRID.15.01.01

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: Product  
DISC: Promotion

*TOPICS:* A-Head: Defining Marketing

*KEYWORDS:* Bloom's: Application

## Chapter 1 - Customer-Driven Strategic Marketing

44. Marketing facilitates exchange relationships between buyers and sellers. What is the intended outcome for this relationship in marketing?
- Profits for the seller
  - A good bargain on the product for the buyer
  - Reducing the seller's inventory
  - One party having to compromise in the exchange
  - Satisfaction for both the buyer and seller

*ANSWER:* e

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.01

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: International Perspective

*TOPICS:* A-Head: Defining Marketing

*KEYWORDS:* Bloom's: Knowledge

45. Which of the following statements about marketing environment forces is correct?
- They influence customers by affecting their lifestyles, standards of living, and preferences and needs for products.
  - They do not influence customers' reactions to a firm's marketing mix.
  - They fluctuate slowly and do not create threats to a firm's marketing mix.
  - They never fluctuate quickly.
  - They do not influence the way a marketing manager performs certain marketing activities.

*ANSWER:* a

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.01

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: International Perspective

*TOPICS:* A-Head: Defining Marketing

*KEYWORDS:* Bloom's: Comprehension

## Chapter 1 - Customer-Driven Strategic Marketing

46. The forces of the marketing environment include:
- political, legal and regulatory, sociocultural, technological, economic, and competitive.
  - sociocultural, legal, regulatory, economic, and competitive.
  - legal, regulatory, political, and sociocultural.
  - competitive and noncompetitive forces that affect most lifestyles.
  - fairly static components.

**ANSWER:** a

**POINTS:** 1

**DIFFICULTY:** Difficulty: Easy

**LEARNING OBJECTIVES:** FOM.PRID.15.01.01

**NATIONAL STANDARDS:** United States - BUSPROG: Analytic

**CORPORATE STANDARDS:** DISC: International Perspective

**TOPICS:** A-Head: Defining Marketing

**KEYWORDS:** Bloom's: Knowledge

47. Which of the following *best* characterizes the forces of the marketing environment?
- The forces are relatively stable over time and are interrelated with one another.
  - There are few overlapping aspects of these forces; therefore, a change in one is unlikely to result in a change in another.
  - The various forces ensure that the marketing environment will remain fairly certain in the future.
  - These forces change dramatically over time, but a change in one force is unlikely to impact another force.
  - The forces change dramatically and quickly, and a change in one force is likely to affect the other forces.

**ANSWER:** e

**POINTS:** 1

**DIFFICULTY:** Difficulty: Easy

**LEARNING OBJECTIVES:** FOM.PRID.15.01.01

**NATIONAL STANDARDS:** United States - BUSPROG: Analytic

**CORPORATE STANDARDS:** DISC: International Perspective

**TOPICS:** A-Head: Defining Marketing

**KEYWORDS:** Bloom's: Comprehension

## Chapter 1 - Customer-Driven Strategic Marketing

48. A change in the minimum drinking age in any given state illustrates a change in the \_\_\_\_ for Miller Brewing.
- marketing mix
  - marketing environment
  - marketing concept
  - marketing task
  - product concept

*ANSWER:* b

*POINTS:* 1

*DIFFICULTY:* Difficulty: Moderate

*LEARNING OBJECTIVES:* FOM.PRID.15.01.01

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: International Perspective

*TOPICS:* A-Head: Defining Marketing

*KEYWORDS:* Bloom's: Application

49. StarKist Tuna announced a dolphin-safe policy and stopped buying tuna from fishing vessels that net dolphins. This decision indicates a response to concerns about:
- target market selection.
  - the marketing environment.
  - the reduction of marketing costs.
  - marketing mix decisions.
  - efficiency in marketing activities.

*ANSWER:* b

*POINTS:* 1

*DIFFICULTY:* Difficulty: Moderate

*LEARNING OBJECTIVES:* FOM.PRID.15.01.01

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: International Perspective

*TOPICS:* A-Head: Defining Marketing

*KEYWORDS:* Bloom's: Application

## Chapter 1 - Customer-Driven Strategic Marketing

50. Which of the following is essentially an uncontrollable factor in developing a marketing mix?
- Product adaptations
  - Pricing strategies
  - Government regulations
  - Advertising campaigns
  - Retail locations

*ANSWER:* c

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.01

*NATIONAL STANDARDS:* United States - BUSPROG: Communication

*CORPORATE STANDARDS:* DISC: International Perspective

*TOPICS:* A-Head: Defining Marketing

*KEYWORDS:* Bloom's: Knowledge

51. The forces of the marketing environment primarily affect marketers in three ways: They influence customers by affecting their lifestyles and preferences for products; they determine whether or how a marketing manager can perform certain marketing activities; and they:
- affect a marketing manager's decisions and actions by influencing buyers' reactions to the firm's marketing mix.
  - dictate that changes be made to the existing marketing mix despite any negative reactions from customers.
  - make most new products obsolete very quickly so that research and development must continually develop new products.
  - cause most advertising to be ineffective at communicating product benefits due to rapidly changing environmental forces.
  - change a customer's decisions about the appropriate marketing mix for the company and its various products.

*ANSWER:* a

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.01

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: International Perspective

*TOPICS:* A-Head: Defining Marketing

*KEYWORDS:* Bloom's: Knowledge

## Chapter 1 - Customer-Driven Strategic Marketing

52. The marketing environment is *best* described as being:
- composed of controllable variables.
  - composed of variables independent of one another.
  - an indirect influence on the performance of marketing activities.
  - dynamic and changing.
  - slow, with infrequent fluctuations.

**ANSWER:** d

**POINTS:** 1

**DIFFICULTY:** Difficulty: Easy

**LEARNING OBJECTIVES:** FOM.PRID.15.01.01

**NATIONAL STANDARDS:** United States - BUSPROG: Reflective Thinking

**CORPORATE STANDARDS:** DISC: International Perspective

**TOPICS:** A-Head: Defining Marketing

**KEYWORDS:** Bloom's: Knowledge

53. The marketing concept is *best* defined as:
- a customer's subjective assessment of benefits relative to costs in determining the worth of a product.
  - a philosophy stating that an organization should try to satisfy customers' needs through a coordinated set of activities that allows the organization to achieve its goals.
  - the performance of business activities that direct the flow of goods and services from producer to customer or user.
  - a philosophy stating that an organization should attempt to accomplish its goals with no regard for the needs of customers.
  - the inclusion of marketing activities in the activities of an organization.

**ANSWER:** b

**POINTS:** 1

**DIFFICULTY:** Difficulty: Easy

**LEARNING OBJECTIVES:** FOM.PRID.15.01.02

**NATIONAL STANDARDS:** United States - BUSPROG: Analytic

**CORPORATE STANDARDS:** DISC: International Perspective

**TOPICS:** A-Head: Understanding the Marketing Concept

**KEYWORDS:** Bloom's: Knowledge

## Chapter 1 - Customer-Driven Strategic Marketing

54. According to the marketing concept, an organization should try to:
- consider short-run objectives and cash flow needs before developing new products.
  - define its business as "making a product."
  - provide products that satisfy customers' needs and allow the organization to achieve its goals.
  - put most of its emphasis on marketing activities and be less concerned with finance, accounting, and personnel.
  - view selling activities as the major means of increasing profits.

*ANSWER:* c  
*POINTS:* 1  
*DIFFICULTY:* Difficulty: Easy  
*LEARNING OBJECTIVES:* FOM.PRID.15.01.02  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic  
*CORPORATE STANDARDS:* DISC: International Perspective  
*TOPICS:* A-Head: Understanding the Marketing Concept  
*KEYWORDS:* Bloom's: Knowledge

55. The marketing concept is a management philosophy that affects:
- only marketing activities.
  - all efforts of the organization.
  - mainly the efforts of sales personnel.
  - mainly customer relations.
  - only business organizations.

*ANSWER:* b  
*POINTS:* 1  
*DIFFICULTY:* Difficulty: Easy  
*LEARNING OBJECTIVES:* FOM.PRID.15.01.02  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic  
*CORPORATE STANDARDS:* DISC: International Perspective  
*TOPICS:* A-Head: Understanding the Marketing Concept  
*KEYWORDS:* Bloom's: Knowledge

## Chapter 1 - Customer-Driven Strategic Marketing

56. The marketing concept focuses on:
- achieving the goals of top executives.
  - creating maximum visibility for the firm.
  - maximizing sales.
  - maximizing market share.
  - satisfying customers' needs in a way that helps to achieve organizational objectives.

*ANSWER:* e

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.02

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: International Perspective

*TOPICS:* A-Head: Understanding the Marketing Concept

*KEYWORDS:* Bloom's: Knowledge

57. The marketing concept is a philosophy that states that an organization should try to satisfy customers' needs and also:
- increase market share.
  - increase sales.
  - achieve the organization's goals.
  - produce high-quality products.
  - coordinate its activities to increase production.

*ANSWER:* c

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.02

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: International Perspective

*TOPICS:* A-Head: Understanding the Marketing Concept

*KEYWORDS:* Bloom's: Knowledge

## Chapter 1 - Customer-Driven Strategic Marketing

58. Which one of the following statements by a company president *best* reflects the marketing concept?
- We have organized our business to make certain that customers get what they want.
  - We believe that the marketing department must organize to sell what we produce.
  - We have organized an aggressive sales force in our company to promote our products.
  - We try to produce only high-quality, technically efficient products.
  - We try to encourage company growth.

**ANSWER:** a

**POINTS:** 1

**DIFFICULTY:** Difficulty: Moderate

**LEARNING OBJECTIVES:** FOM.PRID.15.01.02

**NATIONAL STANDARDS:** United States - BUSPROG: Analytic

**CORPORATE STANDARDS:** DISC: International Perspective

**TOPICS:** A-Head: Understanding the Marketing Concept

**KEYWORDS:** Bloom's: Application

59. Campbell has introduced a line of low-sodium soups in response to customer demand. Which of the following philosophies has been incorporated by Campbell?
- Selling concept
  - Production concept
  - Customer concept
  - Marketing concept
  - Retailing concept

**ANSWER:** d

**POINTS:** 1

**DIFFICULTY:** Difficulty: Moderate

**LEARNING OBJECTIVES:** FOM.PRID.15.01.02

**NATIONAL STANDARDS:** United States - BUSPROG: Analytic

**CORPORATE STANDARDS:** DISC: International Perspective

**TOPICS:** A-Head: Understanding the Marketing Concept

**KEYWORDS:** Bloom's: Application

## Chapter 1 - Customer-Driven Strategic Marketing

60. The H&R Block company intends to adopt the marketing concept as a business philosophy. To be consistent with this decision, which of the following philosophies is most appropriate?
- The customer is always right
  - Making money is our business
  - Sell, sell, sell
  - Keep prices low
  - Focus on today

*ANSWER:* a

*POINTS:* 1

*DIFFICULTY:* Difficulty: Moderate

*LEARNING OBJECTIVES:* FOM.PRID.15.01.02

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: Strategy

*TOPICS:* A-Head: Understanding the Marketing Concept

*KEYWORDS:* Bloom's: Application

61. As the Industrial Revolution came to the United States, most firms operated in a(n) \_\_\_\_\_ orientation.
- market
  - societal
  - sales
  - evolutionary
  - production

*ANSWER:* e

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.02

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: International Perspective

*TOPICS:* A-Head: Understanding the Marketing Concept

*KEYWORDS:* Bloom's: Knowledge

## Chapter 1 - Customer-Driven Strategic Marketing

62. During the Industrial Revolution demand for manufactured goods was:
- a. weak.
  - b. non-existent.
  - c. declining.
  - d. strong.
  - e. paltry.

*ANSWER:* d

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.02

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: International Perspective

*TOPICS:* A-Head: Understanding the Marketing Concept

*KEYWORDS:* Bloom's: Knowledge

63. From the 1920s to the 1950s, demand for manufactured goods decreased, leading to the \_\_\_\_ orientation.
- a. production
  - b. market
  - c. revolutionary
  - d. sales
  - e. reduction

*ANSWER:* d

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.02

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: International Perspective

*TOPICS:* A-Head: Understanding the Marketing Concept

*KEYWORDS:* Bloom's: Knowledge

## Chapter 1 - Customer-Driven Strategic Marketing

64. U.S. Electric Inc., the maker of a highly innovative xenon light bulb used in large manufacturing facilities, finds that it has excess inventory. The firm increases its direct marketing budget by 20 percent and adds three new sales representatives. Which of the following orientations has been adopted by this company?
- Production
  - Sales
  - Market
  - Customer
  - Societal

*ANSWER:* b

*POINTS:* 1

*DIFFICULTY:* Difficulty: Moderate

*LEARNING OBJECTIVES:* FOM.PRID.15.01.02

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: International Perspective

*TOPICS:* A-Head: Understanding the Marketing Concept

*KEYWORDS:* Bloom's: Application

65. TMobile Corp.<sup>TM</sup> implements a program of texting its current customers to find out what changes they would like to see in the services provided. The firm is exhibiting characteristics associated with \_\_\_\_\_ orientation.
- production
  - sales
  - market
  - social
  - development

*ANSWER:* c

*POINTS:* 1

*DIFFICULTY:* Difficulty: Moderate

*LEARNING OBJECTIVES:* FOM.PRID.15.01.02

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: Customer

*TOPICS:* A-Head: Understanding the Marketing Concept

*KEYWORDS:* Bloom's: Application

## Chapter 1 - Customer-Driven Strategic Marketing

66. Which of the following is *not* an example of the implementation of the marketing concept?
- Jimmy Dean's Sausage introduces turkey sausage patties for a healthier alternative to pork.
  - Ford asks customers to vote online for a new color for next year's Ford Focus.
  - Burger King reduces the labor costs to produce its sausage-egg biscuits.
  - Microsoft offers rewards for users who can find flaws in its new software.
  - Volkswagen introduces pop-up rollover bars in its convertibles to protect its consumers in the event of a serious collision.

**ANSWER:** c  
**POINTS:** 1  
**DIFFICULTY:** Difficulty: Moderate  
**LEARNING OBJECTIVES:** FOM.PRID.15.01.02  
**NATIONAL STANDARDS:** United States - BUSPROG: Analytic  
**CORPORATE STANDARDS:** DISC: Marketing Plan  
**TOPICS:** A-Head: Understanding the Marketing Concept  
**KEYWORDS:** Bloom's: Application

67. Health Care Systems, Inc. rolls out an innovative nurse-on-call data system available online. The product is not widely accepted because patients don't see the need for such a service. According to the marketing concept, this situation represents a failure in \_\_\_\_\_.
- an information system to determine customer needs
  - the organizational structure
  - top-management commitment
  - technological advancement
  - scanning corporate capabilities

**ANSWER:** a  
**POINTS:** 1  
**DIFFICULTY:** Difficulty: Moderate  
**LEARNING OBJECTIVES:** FOM.PRID.15.01.02  
**NATIONAL STANDARDS:** United States - BUSPROG: Analytic  
**CORPORATE STANDARDS:** DISC: Marketing Plan  
**TOPICS:** A-Head: Understanding the Marketing Concept  
**KEYWORDS:** Bloom's: Application

## Chapter 1 - Customer-Driven Strategic Marketing

68. Wonder Inc. introduced a new bread made with light whole wheat and packaged in smaller loaves as a response to the number of health-conscious customers who live alone. In this case, Wonder Inc. was most likely following the\_\_\_\_\_.
- selling concept
  - production concept
  - marketing concept
  - customer concept
  - retailing concept

*ANSWER:* c

*POINTS:* 1

*DIFFICULTY:* Difficulty: Moderate

*LEARNING OBJECTIVES:* FOM.PRID.15.01.02

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: Marketing Plan

*TOPICS:* A-Head: Understanding the Marketing Concept

*KEYWORDS:* Bloom's: Application

69. Today, establishing long-term, mutually beneficial arrangements in which both the buyer and seller focus on value enhancement through the creation of more satisfying exchanges is known as:
- marketing synthesis.
  - relationship marketing.
  - a marketing orientation.
  - the marketing concept.
  - strategic marketing.

*ANSWER:* b

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.03

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: Customer

*TOPICS:* A-Head: Customer Relationship Management

*KEYWORDS:* Bloom's: Knowledge

## Chapter 1 - Customer-Driven Strategic Marketing

70. Laura, a junior marketing executive at MegaGrain Cereals suggests increasing the package size and price of its best-selling brand without increasing the amount of cereal inside the box. Her superior warns that this might be a bad idea because MegaGrain's long-term survival, like most companies, depends on:
- cost-cutting measures.
  - continually selling to new customers and markets.
  - creating and maintaining satisfying exchange relationships.
  - high-volume, low-margin sales.
  - increasing shelf space for their brands.

**ANSWER:** c

**POINTS:** 1

**DIFFICULTY:** Difficulty: Moderate

**LEARNING OBJECTIVES:** FOM.PRID.15.01.03

**NATIONAL STANDARDS:** United States - BUSPROG: Ethics

**CORPORATE STANDARDS:** DISC: International Perspective

**TOPICS:** A-Head: Customer Relationship Management

**KEYWORDS:** Bloom's: Application

71. In managing customer relationships, the three primary ways profits can be obtained are by:
- acquiring new customers, enhancing the profitability of new customers, and shortening the duration of relationships with existing customers.
  - enhancing the profitability of existing customers, eliminating customers who provide smaller profits, and finding new customers.
  - extending the length of relationships with customers, cutting organizational costs, and enhancing the profitability of new customers.
  - eliminating long-term customers who have decreased purchases, finding new customers, and increasing sales to existing customers.
  - enhancing the profitability of existing customers, extending the duration of relationships with customers, and obtaining new customers.

**ANSWER:** e

**POINTS:** 1

**DIFFICULTY:** Difficulty: Easy

**LEARNING OBJECTIVES:** FOM.PRID.15.01.03

**NATIONAL STANDARDS:** United States - BUSPROG: Analytic

**CORPORATE STANDARDS:** DISC: Customer

**TOPICS:** A-Head: Customer Relationship Management

**KEYWORDS:** Bloom's: Knowledge

## Chapter 1 - Customer-Driven Strategic Marketing

72. Ben is responsible for managing the customer satisfaction of Hampton Inn motel guests. Ben is currently analyzing the customer relationship management (CRM) program at Hampton Inn and is contemplating where he should begin making changes. Which of the following would be the beginning of a CRM program and the area Ben should consider first?
- Communicating with current customers via Facebook
  - Offering new types of hotel rooms for frequent guests
  - Expanding the number and locations of Hampton Inns
  - Providing information to customers through the web, Facebook, or in person
  - Increasing the promotion budget with new sweepstakes for frequent customers

*ANSWER:* d

*POINTS:* 1

*DIFFICULTY:* Difficulty: Moderate

*LEARNING OBJECTIVES:* FOM.PRID.15.01.03

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: Customer

*TOPICS:* A-Head: Customer Relationship Management

*KEYWORDS:* Bloom's: Application

73. Long-term relationships with profitable customers are the key objective of:
- personal selling.
  - customer relationship management.
  - production oriented firms.
  - e-marketing.
  - distribution channels.

*ANSWER:* b

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.03

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: Customer

*TOPICS:* A-Head: Customer Relationship Management

*KEYWORDS:* Bloom's: Knowledge

## Chapter 1 - Customer-Driven Strategic Marketing

74. Managing customer relationships requires identifying patterns of \_\_\_\_\_ and then using that information to focus on the most promising and profitable customers.
- demographics
  - buying behavior
  - retailer information
  - personality differences
  - stock market cycles

*ANSWER:* b

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.03

*NATIONAL STANDARDS:* United States - BUSPROG: Communication

*CORPORATE STANDARDS:* DISC: Customer

*TOPICS:* A-Head: Customer Relationship Management

*KEYWORDS:* Bloom's: Knowledge

75. \_\_\_\_\_ is a customer's subjective assessment of benefits relative to costs in determining the worth of a product.
- Marketing orientation
  - Monetary price
  - Product assessment
  - Price assessment
  - Value

*ANSWER:* e

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.01

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: Customer

*TOPICS:* A-Head: Defining Marketing

*KEYWORDS:* Bloom's: Knowledge

## Chapter 1 - Customer-Driven Strategic Marketing

76. The equation a buyer applies to assess a product's value is:
- value = monetary price - customer benefits.
  - value = customer costs - customer benefits.
  - value = customer benefits - customer costs.
  - value = customer benefits - monetary price.
  - value = customer benefits - time and effort.

*ANSWER:* c

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.01

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: Customer

*TOPICS:* A-Head: Defining Marketing

*KEYWORDS:* Bloom's: Knowledge

77. Customer costs include anything the buyer must give up in order to obtain the benefits the product provides. The most obvious customer cost is:
- risk.
  - time.
  - monetary price.
  - effort.
  - availability.

*ANSWER:* c

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.01

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: Customer

*TOPICS:* A-Head: Defining Marketing

*KEYWORDS:* Bloom's: Knowledge

## Chapter 1 - Customer-Driven Strategic Marketing

78. Which of the following would *not* be a customer cost considered in the determination of product value?
- Product's purchase price
  - Time spent purchasing the product
  - Effort spent purchasing the product
  - Benefits received in the exchange for the products
  - Risk of purchasing the product

*ANSWER:* d

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.01

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: Customer

*TOPICS:* A-Head: Defining Marketing

*KEYWORDS:* Bloom's: Comprehension

79. Scott, a buyer for a medium-sized company, is assessing the value of competing software products for use in his firm. Which of the following would *not* be a customer benefit considered in his determination of the value of software products?
- Speed of delivery
  - Ease of installation
  - Availability of technical support
  - Availability of training assistance
  - Monetary price

*ANSWER:* e

*POINTS:* 1

*DIFFICULTY:* Difficulty: Moderate

*LEARNING OBJECTIVES:* FOM.PRID.15.01.01

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: Customer

*TOPICS:* A-Head: Defining Marketing

*KEYWORDS:* Bloom's: Application

## Chapter 1 - Customer-Driven Strategic Marketing

80. Taco Bell is introducing some of its products into supermarkets, vending machines, college campuses, and other locations to increase its product availability and convenience. One reason Taco Bell is doing so is to:
- decrease customer benefits.
  - increase customer costs.
  - increase customer value.
  - increase distribution expenses.
  - decrease promotion expenses.

**ANSWER:** c

**POINTS:** 1

**DIFFICULTY:** Difficulty: Moderate

**LEARNING OBJECTIVES:** FOM.PRID.15.01.01

**NATIONAL STANDARDS:** United States - BUSPROG: Analytic

**CORPORATE STANDARDS:** DISC: Customer

**TOPICS:** A-Head: Defining Marketing

**KEYWORDS:** Bloom's: Application

81. Which of the following statements describes the best use of the Internet by John, a marketer, to establish his business units across the globe ?
- Reach out to buyers
  - Relay product information
  - Facilitate the marketing process
  - Accumulate as many friends as possible
  - Facilitate the marketing exchange, obtain customer feedback, and provide product information

**ANSWER:** a

**POINTS:** 1

**DIFFICULTY:** Difficulty: Easy

**LEARNING OBJECTIVES:** FOM.PRID.15.01.04

**NATIONAL STANDARDS:** United States - BUSPROG: Analytic  
United States - BUSPROG: Technology

**CORPORATE STANDARDS:** DISC: Online/Computer

**TOPICS:** A-Head: The Importance of Marketing in our Global Economy

**KEYWORDS:** Bloom's: Knowledge

## Chapter 1 - Customer-Driven Strategic Marketing

82. Initiatives intended to improve an organization's positive impact on society and the natural environment are called:
- environmental marketing.
  - green marketing.
  - socially-responsible marketing.
  - energy-conscious marketing.
  - socially-conscious marketing.

*ANSWER:* b

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.04

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: International Perspective

*TOPICS:* A-Head: The Importance of Marketing in our Global Economy

*KEYWORDS:* Bloom's: Knowledge

83. Marketing activities are:
- used by all sizes of organizations including for-profit, nonprofit, and government agencies.
  - limited to use by larger for-profit and nonprofit organizations.
  - implemented only to increase profits for the organization and to expand the scope of its customer base.
  - used by all types and sizes of businesses but are not used by nonprofit organizations.
  - used by small businesses and small nonprofit organizations the most.

*ANSWER:* a

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.04

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: International Perspective

*TOPICS:* A-Head: The Importance of Marketing in our Global Economy

*KEYWORDS:* Bloom's: Knowledge

## Chapter 1 - Customer-Driven Strategic Marketing

### 84. Marketing activities:

- a. are aimed at persuading customers through advertising.
- b. involve mainly distribution and promotion decisions.
- c. and selling activities are basically the same.
- d. are important only when a firm is developing new products or entering new markets.
- e. help sell an organization's products and generate financial resources for the firm.

*ANSWER:* e

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.04

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: International Perspective

*TOPICS:* A-Head: The Importance of Marketing in our Global Economy

*KEYWORDS:* Bloom's: Knowledge

### 85. Marketing knowledge and skills:

- a. are not necessary for a nonprofit organization.
- b. enhance consumer awareness and help provide people with satisfying goods and services.
- c. constitute the marketing mix.
- d. were most important during the production era.
- e. are most valuable for advertising executives but less important for wholesalers and distributors.

*ANSWER:* b

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.04

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: International Perspective

*TOPICS:* A-Head: The Importance of Marketing in our Global Economy

*KEYWORDS:* Bloom's: Knowledge

## Chapter 1 - Customer-Driven Strategic Marketing

86. The public is becoming more aware of how marketers' activities affect the welfare of consumers and society. As a result, more firms are working to:
- raise prices in order to increase their profits so that they can contribute to philanthropic causes.
  - reduce the quality of their products in order to save money and provide less expensive products to their consumers.
  - reduce their profits by donating more time and money to improve social welfare and environmental conditions.
  - enact laws requiring companies to work toward the welfare of customers and society.
  - create a responsible approach to developing long-term relationships with customers and society.

*ANSWER:* e

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.04

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic  
United States - BUSPROG: Ethics

*CORPORATE STANDARDS:* DISC: Customer

*TOPICS:* A-Head: The Importance of Marketing in our Global Economy

*KEYWORDS:* Bloom's: Knowledge

## Chapter 1 - Customer-Driven Strategic Marketing

### Scenario 1.1

Use the following to answer the questions.

Greensprings Cemetery in upstate New York, offers a full-service funeral and burial that is non-toxic to the environment. All materials used in the burial are natural and will decompose with no negative impact. Greensprings' service is relatively new in the United States, but services of this type are common in Great Britain. A typical burial in Greensprings' cemetery includes a casket made from bamboo, wicker, paper, or other natural material. There are no headstones of stone or concrete that will detract from the landscape, but trees and plants as "markers" are allowed. The cost for a burial at Greensprings is approximately \$3,000, compared to about \$6,000 at most traditional cemeteries. Although business was slow at first, Greensprings is now experiencing an increase in the number of burials, due to referrals and a newly-developed website. The owners of Greensprings were previously in the cemetery business, and are active conservationist and wanted to make their business more sustainable. After conducting research and finding that there were natural burial sites in Great Britain, they wanted to provide an alternative to other environmentally-conscious Americans like themselves.

87. Refer to Scenario 1.1. A new website has helped Greensprings' pre-planned funeral business grow. These would come under which of the following marketing mix variables?
- Product
  - Price
  - Distribution
  - Promotion
  - Promotion and price

*ANSWER:* d

*POINTS:* 1

*DIFFICULTY:* Difficulty: Moderate

*PREFACE NAME:* Scenario 1.1

*LEARNING OBJECTIVES:* FOM.PRID.15.01.01

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: Promotion

*TOPICS:* A-Head: Defining Marketing

*KEYWORDS:* Bloom's: Application

## Chapter 1 - Customer-Driven Strategic Marketing

88. Refer to Scenario 1.1. Greensprings' main competitive advantage over traditional cemeteries comes from its attention to the \_\_\_\_\_ element in the marketing mix.
- product
  - price
  - promotion
  - distribution
  - marketing research

*ANSWER:* a

*POINTS:* 1

*DIFFICULTY:* Difficulty: Moderate

*PREFACE NAME:* Scenario 1.1

*LEARNING OBJECTIVES:* FOM.PRID.15.01.01

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: Product

*TOPICS:* A-Head: Defining Marketing

*KEYWORDS:* Bloom's: Application

89. Refer to Scenario 1.1. The customers of Greensprings Cemeteries most likely prefer it because of its\_\_\_\_\_, which is evidence of a \_\_\_\_\_.
- pricing; sales orientation
  - environmental consciousness; market orientation
  - novelty; production orientation
  - environmental consciousness; business orientation
  - pricing; profit orientation

*ANSWER:* b

*POINTS:* 1

*DIFFICULTY:* Difficulty: Moderate

*PREFACE NAME:* Scenario 1.1

*LEARNING OBJECTIVES:* FOM.PRID.15.01.02

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: Strategy

*TOPICS:* A-Head: Understanding the Marketing Concept

*KEYWORDS:* Bloom's: Application

## Chapter 1 - Customer-Driven Strategic Marketing

90. Refer to Scenario 1.1. Greensprings' competitors, the traditional cemeteries, focus on advertising and personal selling of their services. This indicates a(n) \_\_\_\_\_ orientation.
- a. sales
  - b. marketing
  - c. production
  - d. environmental
  - e. marketing concept

*ANSWER:* a

*POINTS:* 1

*DIFFICULTY:* Difficulty: Moderate

*PREFACE NAME:* Scenario 1.1

*LEARNING OBJECTIVES:* FOM.PRID.15.01.02

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: Promotion

*TOPICS:* A-Head: Understanding the Marketing Concept

*KEYWORDS:* Bloom's: Application

## Chapter 1 - Customer-Driven Strategic Marketing

### Scenario 1.2

Use the following to answer the questions.

Paws and Claws Hotel is a full-service pet salon and boarding kennel. Paws and Claws has an interactive website where customers can directly book a grooming appointment, obedience class, or overnight accommodations for their dog or cat. Paws and Claws has several unexpected services, such as a 600-square foot swimming pool, complete with slide and dog-friendly graduated steps to help them exit the pool. Customers can also drop their dog or cat off each morning for pet day care. Paws and Claws has a pick-up and delivery service, webcams in every kennel so that pet families can view their pets while away, and pet "furniture" so that the cats and dogs can lie on sofas just like at home. Paws and Claws is also open 24 hours a day, 365 days each year so that customers can pick up their pet at any time.

The cost for an overnight stay at Paws and Claws averages \$50, compared to competing kennels at about \$30. The day care costs are \$25 for either a dog or cat. The majority of Paws and Claws' competitors don't offer the day care service, and require a two-day minimum for overnight stays.

Informal discussions with customers led to the addition of pet day care and 24 hours of operation. Previously, Paws and Claws was more interested in competing based on its prices.

91. Refer to Scenario 1.2. Paws and Claws' target market is *most likely* to be \_\_\_\_\_.
- the dogs and cats who stay there
  - pet owners who go on vacation frequently
  - families with small children and several pets
  - suburban families with two-income households
  - urban professionals who travel often

**ANSWER:** e

**POINTS:** 1

**DIFFICULTY:** Difficulty: Moderate

**PREFACE NAME:** Scenario 1.2

**LEARNING OBJECTIVES:** FOM.PRID.15.01.01

**NATIONAL STANDARDS:** United States - BUSPROG: Analytic

**CORPORATE STANDARDS:** DISC: Customer

**TOPICS:** A-Head: Defining Marketing

**KEYWORDS:** Bloom's: Application

## Chapter 1 - Customer-Driven Strategic Marketing

92. Refer to Scenario 1.2. The fact that Paws and Claws is open 24 hours each day is part of the \_\_\_\_\_ marketing mix variable while the swimming pool is part of the \_\_\_\_\_ variable.
- product; distribution
  - price; product
  - distribution; promotion
  - distribution; product
  - distribution; environment

*ANSWER:* d

*POINTS:* 1

*DIFFICULTY:* Difficulty: Moderate

*PREFACE NAME:* Scenario 1.2

*LEARNING OBJECTIVES:* FOM.PRID.15.01.01

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: Strategy

*TOPICS:* A-Head: Defining Marketing

*KEYWORDS:* Bloom's: Application

93. Refer to Scenario 1.2. Paws and Claws' addition of unexpected services, pick-up and delivery, and 24-hour access while charging a higher price than its competition is best described as:
- value = monetary price - customer benefits.
  - value = customer costs - customer benefits.
  - value = customer benefits - customer costs.
  - value = customer benefits - monetary price.
  - value = customer benefits - time and effort.

*ANSWER:* c

*POINTS:* 1

*DIFFICULTY:* Difficulty: Moderate

*PREFACE NAME:* Scenario 1.2

*LEARNING OBJECTIVES:* FOM.PRID.15.01.01

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: International Perspective

*TOPICS:* A-Head: Defining Marketing

*KEYWORDS:* Bloom's: Application

## Chapter 1 - Customer-Driven Strategic Marketing

94. Refer to Scenario 1.2. Previously, Paws and Claws was most likely using a \_\_\_\_\_ orientation, while now it is now in the process of employing the \_\_\_\_\_.
- sales; marketing concept.
  - sales; marketing mix.
  - promotion; marketing concept.
  - sales; promotion orientation.
  - sales; product orientation.

*ANSWER:* a  
*POINTS:* 1  
*DIFFICULTY:* Difficulty: Moderate  
*PREFACE NAME:* Scenario 1.2  
*LEARNING OBJECTIVES:* FOM.PRID.15.01.02  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic  
*CORPORATE STANDARDS:* DISC: Promotion  
*TOPICS:* A-Head: Understanding the Marketing Concept  
*KEYWORDS:* Bloom's: Application

95. Refer to Scenario 1.2. If Paws and Claws employs the philosophy of building a relationship with its dog and cat customers, and their owners, it will be implementing the:
- marketing concept.
  - production concept.
  - sales concept.
  - marketing mix.
  - marketing environment.

*ANSWER:* a  
*POINTS:* 1  
*DIFFICULTY:* Difficulty: Moderate  
*PREFACE NAME:* Scenario 1.2  
*LEARNING OBJECTIVES:* FOM.PRID.15.01.02  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic  
*CORPORATE STANDARDS:* DISC: Customer  
*TOPICS:* A-Head: Understanding the Marketing Concept  
*KEYWORDS:* Bloom's: Application

## Chapter 1 - Customer-Driven Strategic Marketing

96. Marketing consists primarily of selling and advertising.

- a. True
- b. False

*ANSWER:* False

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.01

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: International Perspective

*TOPICS:* A-Head: Defining Marketing

*KEYWORDS:* Bloom's: Knowledge

97. The broadest and simplest definition of marketing states that it is the development and efficient distribution of products for consumer segments.

- a. True
- b. False

*ANSWER:* False

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.01

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: International Perspective

*TOPICS:* A-Head: Defining Marketing

*KEYWORDS:* Bloom's: Knowledge

98. Customers are the focal point of all marketing activities.

- a. True
- b. False

*ANSWER:* True

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.01

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: International Perspective

*TOPICS:* A-Head: Defining Marketing

*KEYWORDS:* Bloom's: Knowledge

## Chapter 1 - Customer-Driven Strategic Marketing

99. A family that organizes and advertises a garage sale is performing marketing activities.
- a. True
  - b. False

*ANSWER:* True  
*POINTS:* 1  
*DIFFICULTY:* Difficulty: Easy  
*LEARNING OBJECTIVES:* FOM.PRID.15.01.01  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic  
*CORPORATE STANDARDS:* DISC: International Perspective  
*TOPICS:* A-Head: Defining Marketing  
*KEYWORDS:* Bloom's: Knowledge

100. A target market is a specific group of customers on whom an organization focuses its marketing efforts.
- a. True
  - b. False

*ANSWER:* True  
*POINTS:* 1  
*DIFFICULTY:* Difficulty: Easy  
*LEARNING OBJECTIVES:* FOM.PRID.15.01.01  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic  
*CORPORATE STANDARDS:* DISC: International Perspective  
*TOPICS:* A-Head: Defining Marketing  
*KEYWORDS:* Bloom's: Knowledge

101. A target market is always defined by demographics.
- a. True
  - b. False

*ANSWER:* False  
*POINTS:* 1  
*DIFFICULTY:* Difficulty: Moderate  
*LEARNING OBJECTIVES:* FOM.PRID.15.01.01  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic  
*CORPORATE STANDARDS:* DISC: International Perspective  
*TOPICS:* A-Head: Defining Marketing  
*KEYWORDS:* Bloom's: Knowledge

## Chapter 1 - Customer-Driven Strategic Marketing

102. Target markets are people who *buy* the product but do not necessarily *use* the product.

- a. True
- b. False

**ANSWER:** True

**POINTS:** 1

**DIFFICULTY:** Difficulty: Easy

**LEARNING OBJECTIVES:** FOM.PRID.15.01.01

**NATIONAL STANDARDS:** United States - BUSPROG: Analytic

**CORPORATE STANDARDS:** DISC: International Perspective

**TOPICS:** A-Head: Defining Marketing

**KEYWORDS:** Bloom's: Knowledge

103. Marketing efforts do not involve the design and development of products.

- a. True
- b. False

**ANSWER:** False

**POINTS:** 1

**DIFFICULTY:** Difficulty: Easy

**LEARNING OBJECTIVES:** FOM.PRID.15.01.01

**NATIONAL STANDARDS:** United States - BUSPROG: Analytic

**CORPORATE STANDARDS:** DISC: Product

**TOPICS:** A-Head: Defining Marketing

**KEYWORDS:** Bloom's: Knowledge

104. Products can be goods, services, or ideas.

- a. True
- b. False

**ANSWER:** True

**POINTS:** 1

**DIFFICULTY:** Difficulty: Easy

**LEARNING OBJECTIVES:** FOM.PRID.15.01.01

**NATIONAL STANDARDS:** United States - BUSPROG: Analytic

**CORPORATE STANDARDS:** DISC: Product

**TOPICS:** A-Head: Defining Marketing

**KEYWORDS:** Bloom's: Knowledge

## Chapter 1 - Customer-Driven Strategic Marketing

105. Services are provided by applying human and mechanical efforts to people or objects.

- a. True
- b. False

*ANSWER:* True  
*POINTS:* 1  
*DIFFICULTY:* Difficulty: Easy  
*LEARNING OBJECTIVES:* FOM.PRID.15.01.01  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic  
*CORPORATE STANDARDS:* DISC: Product  
*TOPICS:* A-Head: Defining Marketing  
*KEYWORDS:* Bloom's: Knowledge

106. The actual physical production of goods is a marketing activity.

- a. True
- b. False

*ANSWER:* False  
*POINTS:* 1  
*DIFFICULTY:* Difficulty: Easy  
*LEARNING OBJECTIVES:* FOM.PRID.15.01.01  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic  
*CORPORATE STANDARDS:* DISC: International Perspective  
*TOPICS:* A-Head: Defining Marketing  
*KEYWORDS:* Bloom's: Knowledge

107. Promotion can help sustain interest in established products that have long been available.

- a. True
- b. False

*ANSWER:* True  
*POINTS:* 1  
*DIFFICULTY:* Difficulty: Easy  
*LEARNING OBJECTIVES:* FOM.PRID.15.01.01  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic  
*CORPORATE STANDARDS:* DISC: Promotion  
*TOPICS:* A-Head: Defining Marketing  
*KEYWORDS:* Bloom's: Knowledge

## Chapter 1 - Customer-Driven Strategic Marketing

108. The distribution variable in a marketing mix is directed toward making products available in the quantities desired to as many target market customers as possible and keeping the total inventory, transportation, and storage costs as low as possible.

- a. True
- b. False

*ANSWER:* True  
*POINTS:* 1  
*DIFFICULTY:* Difficulty: Easy  
*LEARNING OBJECTIVES:* FOM.PRID.15.01.01  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic  
*CORPORATE STANDARDS:* DISC: Distribution  
*TOPICS:* A-Head: Defining Marketing  
*KEYWORDS:* Bloom's: Knowledge

109. Customers are interested in a product's price because they are concerned about the value obtained in an exchange.

- a. True
- b. False

*ANSWER:* True  
*POINTS:* 1  
*DIFFICULTY:* Difficulty: Easy  
*LEARNING OBJECTIVES:* FOM.PRID.15.01.01  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic  
*CORPORATE STANDARDS:* DISC: Customer  
*TOPICS:* A-Head: Defining Marketing  
*KEYWORDS:* Bloom's: Knowledge

110. Price is seldom used as a competitive tool.

- a. True
- b. False

*ANSWER:* False  
*POINTS:* 1  
*DIFFICULTY:* Difficulty: Easy  
*LEARNING OBJECTIVES:* FOM.PRID.15.01.01  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic  
*CORPORATE STANDARDS:* DISC: Pricing  
*TOPICS:* A-Head: Defining Marketing  
*KEYWORDS:* Bloom's: Knowledge

## Chapter 1 - Customer-Driven Strategic Marketing

111. For an exchange to occur, it should provide a benefit or satisfaction to both parties involved in the transaction.

- a. True
- b. False

*ANSWER:* True  
*POINTS:* 1  
*DIFFICULTY:* Difficulty: Easy  
*LEARNING OBJECTIVES:* FOM.PRID.15.01.01  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic  
*CORPORATE STANDARDS:* DISC: International Perspective  
*TOPICS:* A-Head: Defining Marketing  
*KEYWORDS:* Bloom's: Knowledge

112. For an exchange to occur, at least one of the parties must be willing to give up his or her "something of value."

- a. True
- b. False

*ANSWER:* False  
*POINTS:* 1  
*DIFFICULTY:* Difficulty: Easy  
*LEARNING OBJECTIVES:* FOM.PRID.15.01.01  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic  
*CORPORATE STANDARDS:* DISC: International Perspective  
*TOPICS:* A-Head: Defining Marketing  
*KEYWORDS:* Bloom's: Knowledge

113. Marketing activities do not always result in exchanges.

- a. True
- b. False

*ANSWER:* True  
*POINTS:* 1  
*DIFFICULTY:* Difficulty: Easy  
*LEARNING OBJECTIVES:* FOM.PRID.15.01.01  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic  
*CORPORATE STANDARDS:* DISC: International Perspective  
*TOPICS:* A-Head: Defining Marketing  
*KEYWORDS:* Bloom's: Knowledge

## Chapter 1 - Customer-Driven Strategic Marketing

114. The outcomes of a marketer's decisions and actions may be affected by the variables in the marketing environment.

- a. True
- b. False

*ANSWER:* True  
*POINTS:* 1  
*DIFFICULTY:* Difficulty: Easy  
*LEARNING OBJECTIVES:* FOM.PRID.15.01.01  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic  
*CORPORATE STANDARDS:* DISC: International Perspective  
*TOPICS:* A-Head: Defining Marketing  
*KEYWORDS:* Bloom's: Knowledge

115. Changes in the marketing environment always hurt marketing efforts.

- a. True
- b. False

*ANSWER:* False  
*POINTS:* 1  
*DIFFICULTY:* Difficulty: Easy  
*LEARNING OBJECTIVES:* FOM.PRID.15.01.01  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic  
*CORPORATE STANDARDS:* DISC: International Perspective  
*TOPICS:* A-Head: Defining Marketing  
*KEYWORDS:* Bloom's: Knowledge

116. The marketing environment is a set of static and constant surroundings.

- a. True
- b. False

*ANSWER:* False  
*POINTS:* 1  
*DIFFICULTY:* Difficulty: Easy  
*LEARNING OBJECTIVES:* FOM.PRID.15.01.01  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic  
*CORPORATE STANDARDS:* DISC: International Perspective  
*TOPICS:* A-Head: Defining Marketing  
*KEYWORDS:* Bloom's: Knowledge

## Chapter 1 - Customer-Driven Strategic Marketing

117. Value is calculated as customer costs - customer benefits.

- a. True
- b. False

*ANSWER:* False  
*POINTS:* 1  
*DIFFICULTY:* Difficulty: Easy  
*LEARNING OBJECTIVES:* FOM.PRID.15.01.01  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic  
*CORPORATE STANDARDS:* DISC: International Perspective  
*TOPICS:* A-Head: Defining Marketing  
*KEYWORDS:* Bloom's: Knowledge

118. A major customer cost such as risk can be reduced by offering good basic warranties or extended warranties for an additional charge.

- a. True
- b. False

*ANSWER:* True  
*POINTS:* 1  
*DIFFICULTY:* Difficulty: Easy  
*LEARNING OBJECTIVES:* FOM.PRID.15.01.01  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic  
*CORPORATE STANDARDS:* DISC: Customer  
*TOPICS:* A-Head: Defining Marketing  
*KEYWORDS:* Bloom's: Knowledge

119. Customer benefits include time and effort.

- a. True
- b. False

*ANSWER:* False  
*POINTS:* 1  
*DIFFICULTY:* Difficulty: Easy  
*LEARNING OBJECTIVES:* FOM.PRID.15.01.01  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic  
*CORPORATE STANDARDS:* DISC: Customer  
*TOPICS:* A-Head: Defining Marketing  
*KEYWORDS:* Bloom's: Knowledge

## Chapter 1 - Customer-Driven Strategic Marketing

120. The process people use to determine the value of a product is not highly scientific.
- a. True
  - b. False

*ANSWER:* True  
*POINTS:* 1  
*DIFFICULTY:* Difficulty: Easy  
*LEARNING OBJECTIVES:* FOM.PRID.15.01.01  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic  
*CORPORATE STANDARDS:* DISC: International Perspective  
*TOPICS:* A-Head: Defining Marketing  
*KEYWORDS:* Bloom's: Knowledge

121. The marketing concept stresses that a business organization can best achieve its goal by providing customer satisfaction through coordinated activities.
- a. True
  - b. False

*ANSWER:* True  
*POINTS:* 1  
*DIFFICULTY:* Difficulty: Easy  
*LEARNING OBJECTIVES:* FOM.PRID.15.01.02  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic  
*CORPORATE STANDARDS:* DISC: International Perspective  
*TOPICS:* A-Head: Understanding the Marketing Concept  
*KEYWORDS:* Bloom's: Knowledge

122. Achievement of the firm's overall goals is part of the marketing concept.
- a. True
  - b. False

*ANSWER:* True  
*POINTS:* 1  
*DIFFICULTY:* Difficulty: Easy  
*LEARNING OBJECTIVES:* FOM.PRID.15.01.02  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic  
*CORPORATE STANDARDS:* DISC: International Perspective  
*TOPICS:* A-Head: Understanding the Marketing Concept  
*KEYWORDS:* Bloom's: Knowledge

## Chapter 1 - Customer-Driven Strategic Marketing

123. The marketing concept is a philosophy that a business organization should employ to satisfy customers' needs while achieving the overall goals of the organization.

- a. True
- b. False

*ANSWER:* True

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.02

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: International Perspective

*TOPICS:* A-Head: Understanding the Marketing Concept

*KEYWORDS:* Bloom's: Knowledge

124. The marketing concept is a philanthropic philosophy aimed at helping customers at the expense of the business organization.

- a. True
- b. False

*ANSWER:* False

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.02

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: International Perspective

*TOPICS:* A-Head: Understanding the Marketing Concept

*KEYWORDS:* Bloom's: Knowledge

125. The marketing concept is a management philosophy, not a second definition of marketing.

- a. True
- b. False

*ANSWER:* True

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.02

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: International Perspective

*TOPICS:* A-Head: Understanding the Marketing Concept

*KEYWORDS:* Bloom's: Knowledge

## Chapter 1 - Customer-Driven Strategic Marketing

126. The marketing concept deals only with marketing activities.

- a. True
- b. False

*ANSWER:* False  
*POINTS:* 1  
*DIFFICULTY:* Difficulty: Easy  
*LEARNING OBJECTIVES:* FOM.PRID.15.01.02  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic  
*CORPORATE STANDARDS:* DISC: International Perspective  
*TOPICS:* A-Head: Understanding the Marketing Concept  
*KEYWORDS:* Bloom's: Knowledge

127. Profit, even at the expense of customers' satisfaction, is the major thrust of the marketing concept.

- a. True
- b. False

*ANSWER:* False  
*POINTS:* 1  
*DIFFICULTY:* Difficulty: Easy  
*LEARNING OBJECTIVES:* FOM.PRID.15.01.02  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic  
*CORPORATE STANDARDS:* DISC: International Perspective  
*TOPICS:* A-Head: Understanding the Marketing Concept  
*KEYWORDS:* Bloom's: Knowledge

128. The marketing concept directly affects marketing activities but should have negligible impact on other organizational activities.

- a. True
- b. False

*ANSWER:* False  
*POINTS:* 1  
*DIFFICULTY:* Difficulty: Easy  
*LEARNING OBJECTIVES:* FOM.PRID.15.01.02  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic  
*CORPORATE STANDARDS:* DISC: International Perspective  
*TOPICS:* A-Head: Understanding the Marketing Concept  
*KEYWORDS:* Bloom's: Knowledge

## Chapter 1 - Customer-Driven Strategic Marketing

129. The market concept stresses that an organization can best achieve its objectives by being customer-oriented.
- True
  - False

**ANSWER:** True  
**POINTS:** 1  
**DIFFICULTY:** Difficulty: Easy  
**LEARNING OBJECTIVES:** FOM.PRID.15.01.02  
**NATIONAL STANDARDS:** United States - BUSPROG: Analytic  
**CORPORATE STANDARDS:** DISC: International Perspective  
**TOPICS:** A-Head: Understanding the Marketing Concept  
**KEYWORDS:** Bloom's: Knowledge

130. The market concept developed out of a sequence of three eras: the production orientation, the marketing orientation, and the industrial orientation.
- True
  - False

**ANSWER:** False  
**POINTS:** 1  
**DIFFICULTY:** Difficulty: Easy  
**LEARNING OBJECTIVES:** FOM.PRID.15.01.02  
**NATIONAL STANDARDS:** United States - BUSPROG: Analytic  
**CORPORATE STANDARDS:** DISC: International Perspective  
**TOPICS:** A-Head: Understanding the Marketing Concept  
**KEYWORDS:** Bloom's: Knowledge

131. During the market orientation, businesspeople realized that if they could produce products efficiently, customers would buy them.
- True
  - False

**ANSWER:** False  
**POINTS:** 1  
**DIFFICULTY:** Difficulty: Easy  
**LEARNING OBJECTIVES:** FOM.PRID.15.01.02  
**NATIONAL STANDARDS:** United States - BUSPROG: Analytic  
**CORPORATE STANDARDS:** DISC: International Perspective  
**TOPICS:** A-Head: Understanding the Marketing Concept  
**KEYWORDS:** Bloom's: Knowledge

## Chapter 1 - Customer-Driven Strategic Marketing

132. During the market orientation, businesspeople realized that products, which by this time could be made relatively efficiently, would have to be promoted through much personal selling and advertising.

- a. True
- b. False

*ANSWER:* False

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.02

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: International Perspective

*TOPICS:* A-Head: Understanding the Marketing Concept

*KEYWORDS:* Bloom's: Knowledge

133. A market orientation requires the organization-wide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across departments, and organization-wide responsiveness to it.

- a. True
- b. False

*ANSWER:* True

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.02

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: International Perspective

*TOPICS:* A-Head: Understanding the Marketing Concept

*KEYWORDS:* Bloom's: Knowledge

134. To implement the marketing concept, an organization must first establish an information system to discover customers' real needs and then use the information to create products to satisfy those needs.

- a. True
- b. False

*ANSWER:* True

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.02

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: Customer

*TOPICS:* A-Head: Understanding the Marketing Concept

*KEYWORDS:* Bloom's: Knowledge

## Chapter 1 - Customer-Driven Strategic Marketing

135. To satisfy customers' objectives as well as its own, a company must coordinate all its activities.
- a. True
  - b. False

*ANSWER:* True  
*POINTS:* 1  
*DIFFICULTY:* Difficulty: Easy  
*LEARNING OBJECTIVES:* FOM.PRID.15.01.02  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic  
*CORPORATE STANDARDS:* DISC: Customer  
*TOPICS:* A-Head: Understanding the Marketing Concept  
*KEYWORDS:* Bloom's: Knowledge

136. At the most basic level, profits can be obtained through relationships by acquiring new customers, enhancing the profitability of existing customers, and extending the duration of customer relationships.
- a. True
  - b. False

*ANSWER:* True  
*POINTS:* 1  
*DIFFICULTY:* Difficulty: Easy  
*LEARNING OBJECTIVES:* FOM.PRID.15.01.03  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic  
*CORPORATE STANDARDS:* DISC: Customer  
*TOPICS:* A-Head: Customer Relationship Management  
*KEYWORDS:* Bloom's: Knowledge

137. Relationship marketing is short-term, mutually beneficial arrangements in which the buyer and seller focus on the creation of satisfying exchanges.
- a. True
  - b. False

*ANSWER:* False  
*POINTS:* 1  
*DIFFICULTY:* Difficulty: Easy  
*LEARNING OBJECTIVES:* FOM.PRID.15.01.03  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic  
*CORPORATE STANDARDS:* DISC: International Perspective  
*TOPICS:* A-Head: Customer Relationship Management  
*KEYWORDS:* Bloom's: Knowledge

## Chapter 1 - Customer-Driven Strategic Marketing

138. Customer relationship management is the use of information about customers to create marketing strategies that develop and sustain desirable customer relationships.

- a. True
- b. False

*ANSWER:* True

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.03

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: Customer

*TOPICS:* A-Head: Customer Relationship Management

*KEYWORDS:* Bloom's: Knowledge

139. In general, when marketers focus on customers chosen for their lifetime value, they earn lower profits in future periods than when they focus on customers selected for other reasons.

- a. True
- b. False

*ANSWER:* False

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.03

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: Customer

*TOPICS:* A-Head: Customer Relationship Management

*KEYWORDS:* Bloom's: Knowledge

140. Marketing costs consume about one-half of a buyer's dollar.

- a. True
- b. False

*ANSWER:* True

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.04

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: International Perspective

*TOPICS:* A-Head: The Importance of Marketing in our Global Economy

*KEYWORDS:* Bloom's: Knowledge

## Chapter 1 - Customer-Driven Strategic Marketing

141. For a business organization to remain healthy and to survive, it must sell products and make profits.

- a. True
- b. False

*ANSWER:* True

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.04

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: International Perspective

*TOPICS:* A-Head: The Importance of Marketing in our Global Economy

*KEYWORDS:* Bloom's: Knowledge

142. The knowledge about marketing enables consumers to evaluate the types of corrective measures needed to stop questionable marketing practices.

- a. True
- b. False

*ANSWER:* True

*POINTS:* 1

*DIFFICULTY:* Difficulty: Easy

*LEARNING OBJECTIVES:* FOM.PRID.15.01.04

*NATIONAL STANDARDS:* United States - BUSPROG: Analytic

*CORPORATE STANDARDS:* DISC: International Perspective

*TOPICS:* A-Head: The Importance of Marketing in our Global Economy

*KEYWORDS:* Bloom's: Knowledge