Chapter 01

Overview of Marketing

**True / False Questions**

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| 1. | Marketing is an activity that only large firms with specialized departments can execute.    True    False |

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| 2. | Good marketing is not a random activity.    True    False |

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| 3. | Understanding a customer's needs and wants is fundamental to marketing success.    True    False |

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| 4. | Marketers might wish to sell their products to everyone, but it is not practical to do so.    True    False |

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| 5. | The four Ps include product, promotion, planning, and place.    True    False |

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| 6. | Because thoughts, opinions, and philosophies are neither goods nor services, they cannot really be marketed.    True    False |

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| 7. | The group of firms that makes and delivers a given set of goods and/or services is called a supply chain.    True    False |

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| 8. | Value is what you get for what you give.    True    False |

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| 9. | Value-based marketing helps to build long-term customer loyalty.    True    False |

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| 10. | Over the past decade or so, marketers have begun to realize that it is best to structure a firm's customer orientation in terms of transactions rather than relationships.    True    False |

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| 11. | The Apple™ iPad has been successful because it provides value to customers.    True    False |

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| 12. | When a good or service is promoted, the purpose of the promotion is to inform, persuade, or remind customers.    True    False |

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| 13. | By publishing a Code of Ethics, a firm ensures that all employees will behave ethically.    True    False |

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| 14. | When a car manufacturer sells trucks, cars, and car parts to the government or military, this is an example of B2C marketing.    True    False |

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| 15. | The power adapters Dell sells with its computers are built by small companies who specialize in power-related accessories. Dell and the power adapter manufacturers are engaging in B2B marketing.    True    False |

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| 16. | Garage sales and online classified ads are examples of C2C marketing.    True    False |

**Multiple Choice Questions**

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| 17. | When a tee shirt manufacturer states, "We only sell it in black because that way we can buy plenty of black fabric and run our plant efficiently," their statement reflects the views that were popular in which era of the evolution of marketing?      |  |  | | --- | --- | | A. | Production-oriented |  |  |  | | --- | --- | | B. | Sales-oriented |  |  |  | | --- | --- | | C. | Market-oriented |  |  |  | | --- | --- | | D. | Value-based marketing |  |  |  | | --- | --- | | E. | Economic-oriented | |

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| 18. | Marketing involves all of the following EXCEPT:      |  |  | | --- | --- | | A. | conducting exchanges. |  |  |  | | --- | --- | | B. | satisfying customer needs and wants. |  |  |  | | --- | --- | | C. | creating value. |  |  |  | | --- | --- | | D. | efforts by individuals and organizations. |  |  |  | | --- | --- | | E. | production scheduling. | |

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| 19. | Jami sells construction equipment. Whenever she calls on her building contractor customers, she asks if they are having any problems. In doing so, Jami is addressing which of the following core aspects of marketing?      |  |  | | --- | --- | | A. | Satisfying customer needs and wants |  |  |  | | --- | --- | | B. | The exchange function of marketing |  |  |  | | --- | --- | | C. | Product, place, promotion, and price decisions |  |  |  | | --- | --- | | D. | Decisions about the setting in which marketing takes place |  |  |  | | --- | --- | | E. | Creating value | |

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| 20. | Julia is considering a career in marketing. She is concerned about the image of marketers as fast-talking, high-pressure people. When reading about the core aspects of marketing, Julia is relieved to see that in marketing:      |  |  | | --- | --- | | A. | all parties to an exchange should be satisfied. |  |  |  | | --- | --- | | B. | promotion is the most important consideration, followed by pricing decisions. |  |  |  | | --- | --- | | C. | decisions are made regarding how a product is designed. |  |  |  | | --- | --- | | D. | customers are not considered until the product is ready for sale. |  |  |  | | --- | --- | | E. | distribution is controlled by customers. | |

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| 21. | Xavier is analyzing potential market segments. He should carefully seek potential customers who have both an interest in his products and:      |  |  | | --- | --- | | A. | a thorough knowledge of his brand messages. |  |  |  | | --- | --- | | B. | the ability to buy them. |  |  |  | | --- | --- | | C. | knowledge of competing products. |  |  |  | | --- | --- | | D. | the ability to negotiate discounts. |  |  |  | | --- | --- | | E. | are removed from traditional marketing alternatives. | |

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| 22. | Of primary interest to marketers are \_\_\_\_\_\_\_\_\_\_ buyers.      |  |  | | --- | --- | | A. | centrally controlled |  |  |  | | --- | --- | | B. | unqualified and underserved |  |  |  | | --- | --- | | C. | qualified potential |  |  |  | | --- | --- | | D. | first-time |  |  |  | | --- | --- | | E. | C2C | |

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| 23. | When referring to "exchange," marketers are focusing on:      |  |  | | --- | --- | | A. | the location where products and services are traded. |  |  |  | | --- | --- | | B. | the price charged, adjusted for currency exchange rates. |  |  |  | | --- | --- | | C. | location-based tactics for creating value. |  |  |  | | --- | --- | | D. | promotional offers designed to stimulate barter. |  |  |  | | --- | --- | | E. | the trading of things of value. | |

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| 24. | Whenever Valerie has a new massage therapy customer, she invites the person to be on her e-mail distribution list. In the process, in addition to exchanging her massage therapy service for payment, Valerie is gathering:      |  |  | | --- | --- | | A. | information. |  |  |  | | --- | --- | | B. | promotional capital. |  |  |  | | --- | --- | | C. | pricing data. |  |  |  | | --- | --- | | D. | value co-creation. |  |  |  | | --- | --- | | E. | all of these. | |

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| 25. | Which of the following is a core aspect of marketing?      |  |  | | --- | --- | | A. | Satisfying as many needs as possible |  |  |  | | --- | --- | | B. | Creating a product that everyone will want to buy |  |  |  | | --- | --- | | C. | Setting prices lower than all competitors |  |  |  | | --- | --- | | D. | Making product, place, promotion, and price decisions |  |  |  | | --- | --- | | E. | All of these | |

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| 26. | Which of the following questions must be addressed when making marketing decisions?      |  |  | | --- | --- | | A. | How is the product to be designed? |  |  |  | | --- | --- | | B. | How much should the product cost? |  |  |  | | --- | --- | | C. | Where should the product be promoted? |  |  |  | | --- | --- | | D. | How will the product be delivered to the customer? |  |  |  | | --- | --- | | E. | All of these | |

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| 27. | Fiona has developed a new software application that automatically recalculates and reformats accounting information based on the standards used in each country. Her product is superior to anything that exists on the market. Which of the following questions will she have to address when making marketing decisions?      |  |  | | --- | --- | | A. | How the software will be promoted? |  |  |  | | --- | --- | | B. | What price should she charge? |  |  |  | | --- | --- | | C. | Should she sell her software on the Internet? |  |  |  | | --- | --- | | D. | In what country should she offer the software for sale first? |  |  |  | | --- | --- | | E. | All of these | |

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| 28. | Marketing has traditionally been divided into a set of four interrelated decisions known as the marketing mix, or four Ps, including all of the following EXCEPT:      |  |  | | --- | --- | | A. | product |  |  |  | | --- | --- | | B. | place |  |  |  | | --- | --- | | C. | performance |  |  |  | | --- | --- | | D. | promotion |  |  |  | | --- | --- | | E. | price | |

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| 29. | The four Ps make up the marketing mix, which is the \_\_\_\_\_\_\_\_\_\_ set of activities that the firm uses to respond to the wants and needs of its target markets.      |  |  | | --- | --- | | A. | unpredictable |  |  |  | | --- | --- | | B. | external |  |  |  | | --- | --- | | C. | internal |  |  |  | | --- | --- | | D. | controllable |  |  |  | | --- | --- | | E. | global | |

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| 30. | The fundamental goal of marketers when creating goods, services, or combinations of both, is to:      |  |  | | --- | --- | | A. | defeat the competition. |  |  |  | | --- | --- | | B. | serve all consumers. |  |  |  | | --- | --- | | C. | operate according to government regulations. |  |  |  | | --- | --- | | D. | stimulate short-term sales. |  |  |  | | --- | --- | | E. | create value. | |

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| 31. | Marketing includes offering:      |  |  | | --- | --- | | A. | goods. |  |  |  | | --- | --- | | B. | services. |  |  |  | | --- | --- | | C. | ideas. |  |  |  | | --- | --- | | D. | goods, services, and ideas. |  |  |  | | --- | --- | | E. | goods and services only. | |

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| 32. | Brian is struggling with the choice of publishing his new book, "How to cook Polish Barbeque" as an e-book or a paperback. Brian is addressing which core marketing aspect?      |  |  | | --- | --- | | A. | Developing a promotional plan |  |  |  | | --- | --- | | B. | Managing the Exchange function of marketing |  |  |  | | --- | --- | | C. | Making product decisions |  |  |  | | --- | --- | | D. | Deciding where and how to sell the product |  |  |  | | --- | --- | | E. | Pricing the product | |

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| 33. | The basic difference between a good and a service is that a good:      |  |  | | --- | --- | | A. | provides intangible benefits. |  |  |  | | --- | --- | | B. | can be physically touched. |  |  |  | | --- | --- | | C. | is always less expensive than a corresponding service. |  |  |  | | --- | --- | | D. | generates greater interest among consumers. |  |  |  | | --- | --- | | E. | is more quickly forgotten by consumers. | |

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| 34. | UPS washes its trucks nightly so they are always clean, and requires its delivery people to wear clean, unwrinkled uniforms. UPS probably established these rules because they know that:      |  |  | | --- | --- | | A. | consumers want friendly delivery people. |  |  |  | | --- | --- | | B. | most delivery services do not require uniforms. |  |  |  | | --- | --- | | C. | consumers' judgment of the benefits they receive from services are tied to the image of the producer. |  |  |  | | --- | --- | | D. | the goods UPS sells are easily replicated. |  |  |  | | --- | --- | | E. | all of these. | |

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| 35. | Four Winds Art Gallery recently began offering appraisals of customers' art collections, in addition to continuing to sell paintings. Four Winds is:      |  |  | | --- | --- | | A. | expanding from offering just services to also offering goods. |  |  |  | | --- | --- | | B. | implementing a market segmentation strategy. |  |  |  | | --- | --- | | C. | capturing value through multiple pricing strategies. |  |  |  | | --- | --- | | D. | expanding from offering just goods to also offering services. |  |  |  | | --- | --- | | E. | increasing customer value through inflated appraisal evaluations. | |

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| 36. | The owner of The Pipe Doctor, a plumbing service, often orders the sinks, faucets, and toilets he installs for his customers. Since his customers pay him for these items and also for the labor to install them, the Pipe Doctor:      |  |  | | --- | --- | | A. | is a provider of goods. |  |  |  | | --- | --- | | B. | is a service provider. |  |  |  | | --- | --- | | C. | provides both goods and services. |  |  |  | | --- | --- | | D. | is primarily a marketer of ideas. |  |  |  | | --- | --- | | E. | offers neither goods nor services. | |

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| 37. | The price of a product:      |  |  | | --- | --- | | A. | is usually expressed in terms of money. |  |  |  | | --- | --- | | B. | includes the time involved in the purchase decision. |  |  |  | | --- | --- | | C. | includes the effort and energy involved in researching the product. |  |  |  | | --- | --- | | D. | is everything the buyer gives up to obtain the product. |  |  |  | | --- | --- | | E. | all of these. | |

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| 38. | Marketers must determine the price of a product carefully, based on potential buyers' beliefs about:      |  |  | | --- | --- | | A. | its value. |  |  |  | | --- | --- | | B. | the environment. |  |  |  | | --- | --- | | C. | the cost to manufacture the product. |  |  |  | | --- | --- | | D. | the economic outlook. |  |  |  | | --- | --- | | E. | the product's new advertising campaign. | |

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| 39. | Some discount stores put products in large bins and let consumers hunt and find bargains. The price these consumers pay includes:      |  |  | | --- | --- | | A. | only the actual price they pay at the register. |  |  |  | | --- | --- | | B. | the value of their time and energy. |  |  |  | | --- | --- | | C. | the excitement they experience in finding an item they desire. |  |  |  | | --- | --- | | D. | the savings to the store of not having to display the products neatly on shelves. |  |  |  | | --- | --- | | E. | all of these. | |

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| 40. | Henriette offers financial counseling and management on a fee-only basis. She has found that different customers are willing to pay different rates for her services. This shows that her pricing decisions should depend primarily on:      |  |  | | --- | --- | | A. | choosing an average price that she will charge all her clients. |  |  |  | | --- | --- | | B. | changes in technology allowing consumers to manage their own affairs. |  |  |  | | --- | --- | | C. | how different customers perceive the value of her services. |  |  |  | | --- | --- | | D. | changes in the economy. |  |  |  | | --- | --- | | E. | how much her competitors charge for similar services. | |

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| 41. | Delivering the value proposition is also known as:      |  |  | | --- | --- | | A. | endless chain marketing. |  |  |  | | --- | --- | | B. | a transactional orientation. |  |  |  | | --- | --- | | C. | wholesaling. |  |  |  | | --- | --- | | D. | product design. |  |  |  | | --- | --- | | E. | supply chain management. | |

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| 42. | Marketing efforts designed to get the product or service to the right customer, when that customer wants it, are called:      |  |  | | --- | --- | | A. | supply chain management. |  |  |  | | --- | --- | | B. | a transactional orientation. |  |  |  | | --- | --- | | C. | wholesaling. |  |  |  | | --- | --- | | D. | value co-creation. |  |  |  | | --- | --- | | E. | endless chain marketing. | |

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| 43. | Yesenia, the new university course scheduling manager, is struggling with adjustments to the fall schedule. She is trying to determine how to offer the classes students need at the times when students need them. Yesenia is struggling with the marketing function of:      |  |  | | --- | --- | | A. | communicating the value proposition. |  |  |  | | --- | --- | | B. | supply chain management. |  |  |  | | --- | --- | | C. | creating value. |  |  |  | | --- | --- | | D. | capturing value. |  |  |  | | --- | --- | | E. | value co-creation. | |

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| 44. | Supply chain management involves integrating the efforts of:      |  |  | | --- | --- | | A. | suppliers. |  |  |  | | --- | --- | | B. | manufacturers. |  |  |  | | --- | --- | | C. | warehouses. |  |  |  | | --- | --- | | D. | stores. |  |  |  | | --- | --- | | E. | all of these. | |

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| 45. | The marketing goal of getting the "right quantities to the right locations, at the right time" is:      |  |  | | --- | --- | | A. | communicating the value proposition. |  |  |  | | --- | --- | | B. | supply chain management. |  |  |  | | --- | --- | | C. | creating value. |  |  |  | | --- | --- | | D. | capturing value. |  |  |  | | --- | --- | | E. | price and performance management. | |

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| 46. | Marketers involved in supply chain management are constantly balancing:      |  |  | | --- | --- | | A. | the goal of promotional effectiveness against ethical advertising standards. |  |  |  | | --- | --- | | B. | the problem of price maximization against cost efficiency. |  |  |  | | --- | --- | | C. | the goal of minimizing costs against satisfying the service levels customers expect. |  |  |  | | --- | --- | | D. | the desire to achieve against the need for a stable source of supply. |  |  |  | | --- | --- | | E. | the goal of efficiency against the price charged by competitors. | |

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| 47. | UPS, FedEx, DHL, and other shipping companies support other firms' \_\_\_\_\_\_\_\_\_\_ marketing goals.      |  |  | | --- | --- | | A. | supply chain management |  |  |  | | --- | --- | | B. | value communication |  |  |  | | --- | --- | | C. | value capture |  |  |  | | --- | --- | | D. | retail management |  |  |  | | --- | --- | | E. | none of these | |

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| 48. | \_\_\_\_\_\_\_\_\_\_ is communication by a marketer that informs, persuades, or reminds potential customers about a product.      |  |  | | --- | --- | | A. | Pricing |  |  |  | | --- | --- | | B. | Promotion |  |  |  | | --- | --- | | C. | Placement |  |  |  | | --- | --- | | D. | A relational orientation |  |  |  | | --- | --- | | E. | Value co-creation | |

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| 49. | The goal of promotion is to \_\_\_\_\_\_\_\_\_\_ potential buyers about a product or service.      |  |  | | --- | --- | | A. | inform |  |  |  | | --- | --- | | B. | persuade |  |  |  | | --- | --- | | C. | remind |  |  |  | | --- | --- | | D. | all of these |  |  |  | | --- | --- | | E. | none of these | |

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| 50. | Every Christmas season, Anheuser-Busch runs television ads featuring Clydesdale horses in a winter scene. These ads focus on the promotional goal of \_\_\_\_\_\_\_\_\_\_ consumers about Budweiser, the company's well-known brand of beer.      |  |  | | --- | --- | | A. | informing |  |  |  | | --- | --- | | B. | persuading |  |  |  | | --- | --- | | C. | reminding |  |  |  | | --- | --- | | D. | all of these |  |  |  | | --- | --- | | E. | none of these | |

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| 51. | Local television advertising often includes ads for automobile dealerships using actors trying to create a sense of excitement and urgency among consumers. These ads are attempting to achieve the promotional goal of \_\_\_\_\_\_\_\_\_\_ potential buyers.      |  |  | | --- | --- | | A. | informing |  |  |  | | --- | --- | | B. | persuading |  |  |  | | --- | --- | | C. | reminding |  |  |  | | --- | --- | | D. | all of these |  |  |  | | --- | --- | | E. | none of these | |

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| 52. | Effective promotion enhances a product or service's:      |  |  | | --- | --- | | A. | supply chain management system. |  |  |  | | --- | --- | | B. | wholesaling capabilities. |  |  |  | | --- | --- | | C. | perceived value. |  |  |  | | --- | --- | | D. | design features. |  |  |  | | --- | --- | | E. | all of these. | |

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| 53. | By promoting perfume based on youth, style, and sex appeal, Calvin Klein is attempting to:      |  |  | | --- | --- | | A. | influence social norms regarding sexuality. |  |  |  | | --- | --- | | B. | encourage consumers to participate in product redesign. |  |  |  | | --- | --- | | C. | stimulate supply chain management cooperation. |  |  |  | | --- | --- | | D. | increase the perceived value of their products. |  |  |  | | --- | --- | | E. | none of these. | |

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| 54. | The traditional marketing channel through which consumers most often find and purchase goods and services is known as:      |  |  | | --- | --- | | A. | B2B |  |  |  | | --- | --- | | B. | C2C |  |  |  | | --- | --- | | C. | D2C |  |  |  | | --- | --- | | D. | C2D |  |  |  | | --- | --- | | E. | B2C | |

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| 55. | Retailers accumulate merchandise from producers in large amounts and sell to consumers in smaller amounts. Retailers function as:      |  |  | | --- | --- | | A. | market intermediaries. |  |  |  | | --- | --- | | B. | monopolists. |  |  |  | | --- | --- | | C. | regulators of consumer demand. |  |  |  | | --- | --- | | D. | wholesale specialists. |  |  |  | | --- | --- | | E. | intermediate promoters. | |

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| 56. | Auction sites like eBay have increased opportunities for \_\_\_\_\_\_\_\_\_\_ marketing.      |  |  | | --- | --- | | A. | B2B |  |  |  | | --- | --- | | B. | C2C |  |  |  | | --- | --- | | C. | D2C |  |  |  | | --- | --- | | D. | C2D |  |  |  | | --- | --- | | E. | B2G | |

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| 57. | As use of the Internet took off, car manufacturers were tempted to sell directly to consumers, but decided instead to continue to sell through their existing dealer networks. The car manufacturers considered switching from \_\_\_\_\_\_\_\_\_\_ to \_\_\_\_\_\_\_\_\_\_ marketing.      |  |  | | --- | --- | | A. | B2C; B2B |  |  |  | | --- | --- | | B. | B2C; C2C |  |  |  | | --- | --- | | C. | B2B; B2C |  |  |  | | --- | --- | | D. | B2B; C2C |  |  |  | | --- | --- | | E. | C2C; B2C | |

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| 58. | Many universities provide physical or electronic bulletin boards to facilitate ride-sharing and exchange of used books among students. These bulletin boards increase \_\_\_\_\_\_\_\_\_\_ marketing.      |  |  | | --- | --- | | A. | B2C |  |  |  | | --- | --- | | B. | C2B |  |  |  | | --- | --- | | C. | B2B |  |  |  | | --- | --- | | D. | C2C |  |  |  | | --- | --- | | E. | underground | |

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| 59. | Which of the following is NOT true about marketing ideas?      |  |  | | --- | --- | | A. | Opinions, philosophies, intellectual concepts and even thoughts can be effectively marketed. |  |  |  | | --- | --- | | B. | The marketing of ideas does not involve true exchange of value. |  |  |  | | --- | --- | | C. | Ideas can be "purchased" by convincing someone to change his or her behavior. |  |  |  | | --- | --- | | D. | Marketing can be directed toward primary and secondary targets to increase knowledge and change behavior. |  |  |  | | --- | --- | | E. | Value can be created through changing behaviors. | |

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| 60. | Valerie's firm researched what its employees wanted from their jobs. It then communicated a brand image for the firm and worked to ensure that the employees' experiences matched what was advertised. The firm is using:      |  |  | | --- | --- | | A. | human resources marketing. |  |  |  | | --- | --- | | B. | employee relations mediation. |  |  |  | | --- | --- | | C. | human factors analysis. |  |  |  | | --- | --- | | D. | employment marketing. |  |  |  | | --- | --- | | E. | human asset branding. | |

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| 61. | Joseph is about to graduate near the top of his class and has been looking at some forward-thinking firms. He had expected the job market to be tight, but found that some firms were using employment marketing to attract the candidates they want and need. He noticed these firms used all of the following approaches EXCEPT:      |  |  | | --- | --- | | A. | using marketing research to understand what future employees want from a position. |  |  |  | | --- | --- | | B. | using advertising agencies to focus creatively on the targeted job seekers. |  |  |  | | --- | --- | | C. | developing an employee-oriented brand image. |  |  |  | | --- | --- | | D. | assuming that the right candidates will learn about the firm and apply for jobs without any encouragement. |  |  |  | | --- | --- | | E. | working to ensure the employment experiences match the candidates' expectations. | |

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| 62. | The "Got Milk" advertising campaign, designed to increase consumption of milk, was intended to help market a(n):      |  |  | | --- | --- | | A. | individual. |  |  |  | | --- | --- | | B. | firm. |  |  |  | | --- | --- | | C. | industry. |  |  |  | | --- | --- | | D. | organization. |  |  |  | | --- | --- | | E. | all of these. | |

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| 63. | The evolution of marketing progressed along the following continuum:      |  |  | | --- | --- | | A. | sales, marketing, value-based marketing, production |  |  |  | | --- | --- | | B. | marketing, value-based marketing, production, sales |  |  |  | | --- | --- | | C. | value-based marketing, production, sales, marketing |  |  |  | | --- | --- | | D. | production, sales, marketing, value-based marketing |  |  |  | | --- | --- | | E. | sales, value-based marketing, marketing, production | |

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| 64. | The idea that a good product will sell itself is associated with the \_\_\_\_\_\_\_\_\_\_ era of marketing.      |  |  | | --- | --- | | A. | production-oriented |  |  |  | | --- | --- | | B. | sales-oriented |  |  |  | | --- | --- | | C. | market-oriented |  |  |  | | --- | --- | | D. | value-based marketing |  |  |  | | --- | --- | | E. | retailing-oriented | |

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| 65. | Henry Ford's statement, "Customers can have any color they want so long as it's black," typified the \_\_\_\_\_\_\_\_\_\_ era of marketing.      |  |  | | --- | --- | | A. | production-oriented |  |  |  | | --- | --- | | B. | sales-oriented |  |  |  | | --- | --- | | C. | market-oriented |  |  |  | | --- | --- | | D. | value-based marketing |  |  |  | | --- | --- | | E. | retailing-oriented | |

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| 66. | Melanie works for a small computer software company. Her boss is constantly improving their products but neglecting customers, billing, and promoting the company. Her boss is probably stuck in the \_\_\_\_\_\_\_\_\_\_ era of marketing.      |  |  | | --- | --- | | A. | production-oriented |  |  |  | | --- | --- | | B. | sales-oriented |  |  |  | | --- | --- | | C. | market-oriented |  |  |  | | --- | --- | | D. | value-based marketing |  |  |  | | --- | --- | | E. | retailing-oriented | |

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| 67. | During the \_\_\_\_\_\_\_\_\_\_ era, firms had excess capacity and used personal selling and advertising to generate customers.      |  |  | | --- | --- | | A. | production-oriented |  |  |  | | --- | --- | | B. | sales-oriented |  |  |  | | --- | --- | | C. | market-oriented |  |  |  | | --- | --- | | D. | value-based marketing |  |  |  | | --- | --- | | E. | retailing-oriented | |

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| 68. | The prevailing marketing strategy of the \_\_\_\_\_\_\_\_\_\_ era was to find customers for inventories that went unsold.      |  |  | | --- | --- | | A. | production-oriented |  |  |  | | --- | --- | | B. | sales-oriented |  |  |  | | --- | --- | | C. | market-oriented |  |  |  | | --- | --- | | D. | value-based marketing |  |  |  | | --- | --- | | E. | retailing-oriented | |

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| 69. | Near the end of the model year, Move-Them-Out automobile dealership had an unusually high inventory level. The manager increased her advertising spending and gave extra incentives to its salespeople. Move-Them-Out operates as if it were in the \_\_\_\_\_\_\_\_\_\_ era.      |  |  | | --- | --- | | A. | production-oriented |  |  |  | | --- | --- | | B. | sales-oriented |  |  |  | | --- | --- | | C. | market-oriented |  |  |  | | --- | --- | | D. | value-based marketing |  |  |  | | --- | --- | | E. | retailing-oriented | |

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| 70. | Many U.S. companies first discovered marketing during the \_\_\_\_\_\_\_\_\_\_ era.      |  |  | | --- | --- | | A. | production-oriented |  |  |  | | --- | --- | | B. | sales-oriented |  |  |  | | --- | --- | | C. | market-oriented |  |  |  | | --- | --- | | D. | value-based marketing |  |  |  | | --- | --- | | E. | retailing-oriented | |

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| 71. | During the market-oriented era:      |  |  | | --- | --- | | A. | a good product would sell itself. |  |  |  | | --- | --- | | B. | the customer was king. |  |  |  | | --- | --- | | C. | marketing was more important than production. |  |  |  | | --- | --- | | D. | advertising and personal selling were emphasized to make the sale. |  |  |  | | --- | --- | | E. | firms focused on value. | |

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| 72. | During the \_\_\_\_\_\_\_\_\_\_ era manufacturers and retailers began to focus on what consumers wanted and needed before they designed, made, or attempted to sell their products.      |  |  | | --- | --- | | A. | production-oriented |  |  |  | | --- | --- | | B. | sales-oriented |  |  |  | | --- | --- | | C. | market-oriented |  |  |  | | --- | --- | | D. | value-based marketing |  |  |  | | --- | --- | | E. | retailing-oriented | |

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| 73. | During the \_\_\_\_\_\_\_\_\_\_ era manufacturers and retailers recognized they needed to give their customers greater value than their competitors did.      |  |  | | --- | --- | | A. | production-oriented |  |  |  | | --- | --- | | B. | sales-oriented |  |  |  | | --- | --- | | C. | market-oriented |  |  |  | | --- | --- | | D. | value-based marketing |  |  |  | | --- | --- | | E. | retailing-oriented | |

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| 74. | Value is:      |  |  | | --- | --- | | A. | the lowest cost option. |  |  |  | | --- | --- | | B. | represented by brand names. |  |  |  | | --- | --- | | C. | the highest priced alternative. |  |  |  | | --- | --- | | D. | everyday low prices. |  |  |  | | --- | --- | | E. | what you get for what you give. | |

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| 75. | Trey sells consumer electronics. He knows his customers weigh the costs versus the benefits associated with the different options available. He decides which products to offer and what prices to charge based on the way his customers think. Trey operates in the \_\_\_\_\_\_\_\_\_\_ era.      |  |  | | --- | --- | | A. | production-oriented |  |  |  | | --- | --- | | B. | sales-oriented |  |  |  | | --- | --- | | C. | market-oriented |  |  |  | | --- | --- | | D. | value-based marketing |  |  |  | | --- | --- | | E. | retailing-oriented | |

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| 76. | Serena studies her customer profiles, market research data, complaints, and other information attempting to better understand what her customers want. Serena operates in the \_\_\_\_\_\_\_\_\_\_ era of marketing.      |  |  | | --- | --- | | A. | production-oriented |  |  |  | | --- | --- | | B. | sales-oriented |  |  |  | | --- | --- | | C. | market-oriented |  |  |  | | --- | --- | | D. | value-based marketing |  |  |  | | --- | --- | | E. | retailing-oriented | |

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| 77. | In delivering value, marketing firms attempt to find the most desirable balance between:      |  |  | | --- | --- | | A. | the need for value and the perception of value. |  |  |  | | --- | --- | | B. | explicit versus implicit value. |  |  |  | | --- | --- | | C. | providing benefits to customers and keeping costs down. |  |  |  | | --- | --- | | D. | the desire to satisfy customers and the need to keep customers from running the company. |  |  |  | | --- | --- | | E. | the need for product improvement and the need for advertising. | |

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| 78. | Yolanda is the new restaurant manager in a major hotel. When considering changes in the restaurant to improve benefits to customers, Yolanda will likely attempt to either provide the same quality at a lower cost or:      |  |  | | --- | --- | | A. | improve products and services at the same cost. |  |  |  | | --- | --- | | B. | increase prices to increase revenue. |  |  |  | | --- | --- | | C. | offset higher hotel rates with lower restaurant prices. |  |  |  | | --- | --- | | D. | reduce customer expectations through reduced service. |  |  |  | | --- | --- | | E. | any of the above. | |

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| 79. | Some consumers will try to get a lot of merchandise for a small amount of money. In marketing, this is known as:      |  |  | | --- | --- | | A. | the marketing paradox. |  |  |  | | --- | --- | | B. | the outer limits of pricing. |  |  |  | | --- | --- | | C. | customers seeking value. |  |  |  | | --- | --- | | D. | excess valuation. |  |  |  | | --- | --- | | E. | marketing myopia. | |

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| 80. | Value-based marketing depends on:      |  |  | | --- | --- | | A. | knowing what the customer perceives as the key benefits of a product or service. |  |  |  | | --- | --- | | B. | balancing customer benefits with reasonable costs. |  |  |  | | --- | --- | | C. | knowing what benefits customers would do without to keep prices down. |  |  |  | | --- | --- | | D. | looking at quality from the customer's perspective. |  |  |  | | --- | --- | | E. | all of these. | |

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| 81. | Ann Marie has been working on pricing for the hotel where she works. She knows that business travelers stay at the hotel because it has easy access to the airport, and leisure travelers stay there because it is convenient to the shopping and entertainment districts. She is unsure whether she should raise rates for the business travelers, the leisure travelers, both, or neither. As she works to find the best pricing mix, she'll have to look at the ways these travelers will evaluate the benefits of staying at the hotel. In doing so, Ann Marie will be using:      |  |  | | --- | --- | | A. | value-based marketing. |  |  |  | | --- | --- | | B. | convenience pricing. |  |  |  | | --- | --- | | C. | destination planning. |  |  |  | | --- | --- | | D. | all of these. |  |  |  | | --- | --- | | E. | none of these. | |

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| 82. | Janine has a new clothing design she would like to market, but she knows that creating and delivering value to consumers is a challenge. She has seen other designers' successful products copied by other firms soon after they were introduced. For Janine, the major problem she faces in creating and delivering value is probably that:      |  |  | | --- | --- | | A. | consumer perceptions change quickly. |  |  |  | | --- | --- | | B. | competitors constantly enter markets. |  |  |  | | --- | --- | | C. | global pressures continually reshape market opportunities. |  |  |  | | --- | --- | | D. | marketers' understanding of consumers is complete. |  |  |  | | --- | --- | | E. | consumers do not know what they want. | |

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| 83. | In 2006, the film *Supersize Me* provided a critical view of McDonald's and its products that caused some consumers to stop eating at McDonald's. The company was caught off guard and had to move quickly to develop a response. In terms of value-based marketing, McDonald's faced what potential problem?      |  |  | | --- | --- | | A. | Consumer perceptions change quickly. |  |  |  | | --- | --- | | B. | Competitors constantly enter markets. |  |  |  | | --- | --- | | C. | Global pressures continually reshape market opportunities. |  |  |  | | --- | --- | | D. | Marketers' understanding of consumers is complete. |  |  |  | | --- | --- | | E. | Consumers do not know what they want. | |

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| 84. | To become a more value driven organization, Pokrah University is holding regular coffee-hour discussions with its students and is surveying its graduates regarding students' educational needs and desires. Pokrah University is becoming more value driven through:      |  |  | | --- | --- | | A. | sharing information across the organization. |  |  |  | | --- | --- | | B. | balancing their customers' benefits and costs. |  |  |  | | --- | --- | | C. | evaluating strategic competitive partnerships. |  |  |  | | --- | --- | | D. | building relationships with customers. |  |  |  | | --- | --- | | E. | keeping the faculty members happy. | |

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| 85. | As owner of a retail franchise food store, Mary Gray purchases supplies based on specials advertised nationally throughout the franchise system. One Monday, she was surprised to find customers asking for specials she hadn't been informed of in advance. The franchise company failed to live up to the value-driven principle of:      |  |  | | --- | --- | | A. | sharing information across the organization. |  |  |  | | --- | --- | | B. | balancing customers' benefits and costs. |  |  |  | | --- | --- | | C. | evaluating strategic competitive partnerships. |  |  |  | | --- | --- | | D. | building relationships with customers. |  |  |  | | --- | --- | | E. | keeping prices below those charged by competitors. | |

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| 86. | BestBulk clothing store is striving to become a more value-driven organization. Its managers should ensure that the staff shares information about:      |  |  | | --- | --- | | A. | customers. |  |  |  | | --- | --- | | B. | competitors. |  |  |  | | --- | --- | | C. | complaints. |  |  |  | | --- | --- | | D. | inventories. |  |  |  | | --- | --- | | E. | all of these. | |

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| 87. | In the past, manufacturer's representatives did not have up-to-minute data about the products they were selling. Today, manufacturer's representatives are often provided online access to inventory data for the companies they represent. These online inventory systems allow companies to become more value-driven through:      |  |  | | --- | --- | | A. | sharing information across the organization. |  |  |  | | --- | --- | | B. | balancing customers' benefits and costs. |  |  |  | | --- | --- | | C. | evaluating strategic competitive partnerships. |  |  |  | | --- | --- | | D. | building relationships with government regulators of marketing institutions. |  |  |  | | --- | --- | | E. | keeping prices below those charged by competitors. | |

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| 88. | Value-driven firms constantly measure the \_\_\_\_\_\_\_\_\_\_ that customers perceive, compared to the prices of their offerings.      |  |  | | --- | --- | | A. | information |  |  |  | | --- | --- | | B. | benefits |  |  |  | | --- | --- | | C. | relationships |  |  |  | | --- | --- | | D. | rebates |  |  |  | | --- | --- | | E. | merchandise | |

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| 89. | One of the benefits of value-driven marketing is that attention to customer needs and wants will likely result in:      |  |  | | --- | --- | | A. | higher prices than the market leader charges. |  |  |  | | --- | --- | | B. | increased competition. |  |  |  | | --- | --- | | C. | long-term loyalties. |  |  |  | | --- | --- | | D. | strong connections among competing firms in the marketplace. |  |  |  | | --- | --- | | E. | all of these. | |

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| 90. | Even though they operate from out-of-the-way airports and offer few extra services, discount airlines like Ryanair and EasyJet have been successful. Consumers obviously consider:      |  |  | | --- | --- | | A. | the schedules these airlines offer to be the most convenient in the industry. |  |  |  | | --- | --- | | B. | the long-term relationships established by these airlines to be a critical benefit. |  |  |  | | --- | --- | | C. | the prices to be slightly lower, but not low enough to have much influence. |  |  |  | | --- | --- | | D. | the benefit of lower prices to be greater than the cost of reduced services and less convenience. |  |  |  | | --- | --- | | E. | the major airlines to be worthless. | |

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| 91. | To become value-driven, firms should:      |  |  | | --- | --- | | A. | share information across the entire organization about customers and competitors. |  |  |  | | --- | --- | | B. | prioritize relationships with customers above individual transactions. |  |  |  | | --- | --- | | C. | balance benefits with costs to create value for customers. |  |  |  | | --- | --- | | D. | all of these. |  |  |  | | --- | --- | | E. | none of these. | |

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| 92. | A buyer's representative in a real estate purchase was asked by her customer, "Is this a fair offer?" She responded. "You are only trying to buy one house. Do you want to offer more money than you have to?" The buyer's representative recognized that in most situations, home buyers are engaged in:      |  |  | | --- | --- | | A. | relationships. |  |  |  | | --- | --- | | B. | subterfuge. |  |  |  | | --- | --- | | C. | collective bargaining. |  |  |  | | --- | --- | | D. | prestige purchases. |  |  |  | | --- | --- | | E. | transactions. | |

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| 93. | If you are involved in a buying or selling situation in which you do not expect to do business with the other party again, you are engaged in a(n):      |  |  | | --- | --- | | A. | transaction. |  |  |  | | --- | --- | | B. | negotiation. |  |  |  | | --- | --- | | C. | relationship. |  |  |  | | --- | --- | | D. | C2C channel. |  |  |  | | --- | --- | | E. | marketing mix. | |

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| 94. | A relational orientation is based on the philosophy that buyers and sellers develop:      |  |  | | --- | --- | | A. | a complete understanding of each other's needs. |  |  |  | | --- | --- | | B. | a long-term relationship. |  |  |  | | --- | --- | | C. | a price-value comparison matrix. |  |  |  | | --- | --- | | D. | supply chain synergy. |  |  |  | | --- | --- | | E. | a marketing value transaction focus. | |

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| 95. | Many firms with complex products have "missionary" salespeople who assist customers with problems and implementation programs. These salespeople rarely sell products but often become involved in and knowledgeable about specific customers' needs and wants. These salespeople focus on a \_\_\_\_\_\_\_\_\_\_ orientation with their customers.      |  |  | | --- | --- | | A. | transactional |  |  |  | | --- | --- | | B. | external |  |  |  | | --- | --- | | C. | relational |  |  |  | | --- | --- | | D. | internal |  |  |  | | --- | --- | | E. | divisional | |

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| 96. | After major hurricanes like Katrina, many ethical home repair and building supply businesses continue to charge pre-hurricane prices to their customers, even though due to the huge increase in demand they could charge much more. These firms probably recognize that:      |  |  | | --- | --- | | A. | they can make more money from government contracts than from sales to customers. |  |  |  | | --- | --- | | B. | a transactional orientation is the key to long-term profitability. |  |  |  | | --- | --- | | C. | none of their competitors would be raising prices. |  |  |  | | --- | --- | | D. | lifetime profitability of relationships matters more than profits from each transaction. |  |  |  | | --- | --- | | E. | if they raised prices they would be in violation of Commerce Department regulations. | |

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| 97. | After hurricanes like Katrina, many small building contractors will flock to the damaged area charging whatever customers will pay for temporary repairs to roofs and other parts of damaged homes. These contractors are engaged in a(n) \_\_\_\_\_\_\_\_\_\_ marketing orientation.      |  |  | | --- | --- | | A. | transactional |  |  |  | | --- | --- | | B. | external |  |  |  | | --- | --- | | C. | relational |  |  |  | | --- | --- | | D. | internal |  |  |  | | --- | --- | | E. | value driven | |

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| 98. | Melinda, a marketing executive, is trying to explain customer relationship management (CRM) to her parents. She explains that CRM is a way of thinking that translates into \_\_\_\_\_\_\_\_\_\_ to identify and build long-term relationships with her customers.      |  |  | | --- | --- | | A. | a set of strategies |  |  |  | | --- | --- | | B. | programs |  |  |  | | --- | --- | | C. | efforts |  |  |  | | --- | --- | | D. | systems |  |  |  | | --- | --- | | E. | all of these | |

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| 99. | The goal of customer relationship management is to:      |  |  | | --- | --- | | A. | manage every customer relationship differently. |  |  |  | | --- | --- | | B. | manage every customer relationship to maximum short-term profitability. |  |  |  | | --- | --- | | C. | eliminate customers who are profitable, but not highly profitable. |  |  |  | | --- | --- | | D. | identify and build loyalty among a firm's customers. |  |  |  | | --- | --- | | E. | generate relationships with all of a firm's customers. | |

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| 100. | Firms and organizations use customer relationship management to:      |  |  | | --- | --- | | A. | provide their best customers with the products they need. |  |  |  | | --- | --- | | B. | systematically collect information about customers. |  |  |  | | --- | --- | | C. | offer special promotions that appeal to different groups of customers. |  |  |  | | --- | --- | | D. | target their best customers for special attention. |  |  |  | | --- | --- | | E. | all of these. | |

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| 101. | Many catalog companies create special-run issues based on what customers have purchased in the past. For example, customers who frequently order bedding items like sheets and pillows receive a catalog with a larger section of bedding items than do customers who mostly order kitchen tools. This is an example of:      |  |  | | --- | --- | | A. | C2C marketing. |  |  |  | | --- | --- | | B. | customer relationship management. |  |  |  | | --- | --- | | C. | a transactional marketing orientation. |  |  |  | | --- | --- | | D. | supply chain management. |  |  |  | | --- | --- | | E. | typical production-oriented era marketing practices. | |

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| 102. | Marketing was once an afterthought to:      |  |  | | --- | --- | | A. | accounting. |  |  |  | | --- | --- | | B. | economics. |  |  |  | | --- | --- | | C. | production. |  |  |  | | --- | --- | | D. | finance. |  |  |  | | --- | --- | | E. | none of these--marketing was never an afterthought. | |

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| 103. | Many inventors struggle with the question, "I made it; now how do I get rid of it?" They have made the error of considering marketing as:      |  |  | | --- | --- | | A. | an afterthought. |  |  |  | | --- | --- | | B. | an integral part of a business plan. |  |  |  | | --- | --- | | C. | an accounting function. |  |  |  | | --- | --- | | D. | a profit center. |  |  |  | | --- | --- | | E. | important only for new products. | |

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| 104. | Your roommate, a non-business major, sees you reading your marketing text. He or she asks, "Why is marketing important?" You respond by saying all of the following EXCEPT:      |  |  | | --- | --- | | A. | Marketers advise production on how much product to make. |  |  |  | | --- | --- | | B. | Marketers tell the logistics department when to ship products. |  |  |  | | --- | --- | | C. | Marketers engage customers and develop long-term relationships. |  |  |  | | --- | --- | | D. | Marketers identify opportunities to expand. |  |  |  | | --- | --- | | E. | Marketers are the most important profit center in any organization. | |

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| 105. | Georgia, the outside sales rep for a major building supply company, reads a report stating that building permits are down dramatically in her sales territory. She had noticed that things were slowing down, but now she has data confirming her impression. Based on this information, one important function Georgia should provide is:      |  |  | | --- | --- | | A. | pushing her customers to buy products whether they need them or not. |  |  |  | | --- | --- | | B. | advising the production and purchasing departments to produce or order smaller quantities of products. |  |  |  | | --- | --- | | C. | assisting customers in product recall confirmations. |  |  |  | | --- | --- | | D. | avoiding contact with competing firms in order to maximize value-driven marketing. |  |  |  | | --- | --- | | E. | estimating profit per sale to determine whether or not the firm can survive the slowdown. | |

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| 106. | Jenny, the delivery and sales representative for a beer distributor, is calling on a retailer and sees the shelves are almost empty. An unexpected sporting event held nearby resulted in a huge increase in sales. She calls her company's distribution manager and requests a special delivery for her customer. Jenny is providing the important marketing function of:      |  |  | | --- | --- | | A. | advising production on how much product to make. |  |  |  | | --- | --- | | B. | alerting the logistics department when to ship products. |  |  |  | | --- | --- | | C. | engaging customers and developing long-term relationships. |  |  |  | | --- | --- | | D. | identifying opportunities to expand. |  |  |  | | --- | --- | | E. | synthesizing and interpreting sales, accounting, and customer-profile data. | |

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| 107. | After the previous sales representative in his territory infuriated an important customer, Benjamin visited the customer once a month, never asking for business but hoping to rebuild trust through listening and expressing concern. Finally, after more than two years, the customer gave Benjamin an order. Benjamin was providing the important marketing function of:      |  |  | | --- | --- | | A. | advising production on how much product to make. |  |  |  | | --- | --- | | B. | alerting the logistics department when to ship products. |  |  |  | | --- | --- | | C. | engaging customers and developing long-term relationships. |  |  |  | | --- | --- | | D. | identifying opportunities to expand. |  |  |  | | --- | --- | | E. | synthesizing and interpreting sales, accounting, and customer-profile data. | |

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| 108. | Marketing provides the critical function of \_\_\_\_\_\_\_\_\_\_ when companies expand globally.      |  |  | | --- | --- | | A. | managing production efficiency |  |  |  | | --- | --- | | B. | understanding customers |  |  |  | | --- | --- | | C. | managing personnel |  |  |  | | --- | --- | | D. | forecasting economic growth |  |  |  | | --- | --- | | E. | evaluating government stability | |

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| 109. | Leah is the marketing manager for an electronics company. While on vacation in Ecuador, she visited electronics stores in the major malls in Quito, the capital city. Most of her company's products were available, except for smart phones. When she returned to work, she mentioned this observation to her international sales manager. Leah was providing the important marketing function of:      |  |  | | --- | --- | | A. | advising production on how much product to make. |  |  |  | | --- | --- | | B. | alerting the logistics department when to ship products. |  |  |  | | --- | --- | | C. | engaging customers, developing long-term relationships. |  |  |  | | --- | --- | | D. | identifying opportunities to expand. |  |  |  | | --- | --- | | E. | synthesizing and interpreting sales, accounting, and customer-profile data. | |

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| 110. | One of the most important challenges in marketing globally is to:      |  |  | | --- | --- | | A. | ensure that the firm's products or services stay the same as the offerings in the home country. |  |  |  | | --- | --- | | B. | avoid competing with local firms. |  |  |  | | --- | --- | | C. | adapt to the local situation but maintain strategy and identity. |  |  |  | | --- | --- | | D. | seek out other home-country firms as suppliers so as to ensure product quality. |  |  |  | | --- | --- | | E. | operate without publicity so as not to attract attention. | |

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| 111. | Greenbelt Construction has been a successful small home-building firm for years. The owner pays subcontractors slightly more than the usual rate for different tasks, reducing the company's gross margin. Greenbelt rarely changes subcontractors, has relatively few complaints from home buyers, and is able to get quick responses from subcontractors when buyers do have problems. Greenbelt is engaged in:      |  |  | | --- | --- | | A. | a traditional transactional orientation. |  |  |  | | --- | --- | | B. | C2C value-driven marketing. |  |  |  | | --- | --- | | C. | effective supply chain management. |  |  |  | | --- | --- | | D. | value co-creation. |  |  |  | | --- | --- | | E. | all of these. | |

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| 112. | Marketing enriches society by:      |  |  | | --- | --- | | A. | focusing solely on maximizing profits. |  |  |  | | --- | --- | | B. | encouraging employees to participate and invest in socially responsible activities and charities. |  |  |  | | --- | --- | | C. | recognizing that the firm can do very little by itself, and so it should stay focused on its own core competencies. |  |  |  | | --- | --- | | D. | all of these. |  |  |  | | --- | --- | | E. | none of these. | |

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| 113. | A friend of yours comments, "I'm starting my own business. I have a perfect product that no one else can touch, but I have no use for marketing. That's just for the mega-corporations." Which of the following arguments would you NOT use in talking about marketing?      |  |  | | --- | --- | | A. | Marketing helps new ventures organize, operate, and assess risk. |  |  |  | | --- | --- | | B. | Marketers help address unmet customer needs, regardless of the size of the firm. |  |  |  | | --- | --- | | C. | Marketing focuses on the product, but only as one element. Three other areas are Promotion, Price, and Place. |  |  |  | | --- | --- | | D. | Marketers are skilled at communicating the value of the product to potential customers. |  |  |  | | --- | --- | | E. | Marketing isn't essential now, but it will be in a year or two when the product takes off. | |

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| 114. | Many entrepreneurs are successful through marketing efforts designed to:      |  |  | | --- | --- | | A. | mimic existing products on the market. |  |  |  | | --- | --- | | B. | satisfy unfilled needs. |  |  |  | | --- | --- | | C. | raise social consciousness. |  |  |  | | --- | --- | | D. | gain monopoly power. |  |  |  | | --- | --- | | E. | push a new technology even if people aren't ready for it. | |

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| 115. | Which of the following describes a situation in which a company conducts research to understand what potential employees are seeking, as well as what they think of the company?      |  |  | | --- | --- | | A. | Employment marketing |  |  |  | | --- | --- | | B. | Empowerment marketing |  |  |  | | --- | --- | | C. | Extended marketing |  |  |  | | --- | --- | | D. | Exchange marketing |  |  |  | | --- | --- | | E. | Evangelical marketing | |

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| 116. | People who initiate, organize, operate and assume the risk of a business venture are called:      |  |  | | --- | --- | | A. | entrepreneurs |  |  |  | | --- | --- | | B. | leaders |  |  |  | | --- | --- | | C. | managers |  |  |  | | --- | --- | | D. | professionals |  |  |  | | --- | --- | | E. | consultants | |

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| 117. | If a radio station holds an online contest in which you must log on to their website and submit personal details such as name, phone number and email in order to participate, the radio station is:      |  |  | | --- | --- | | A. | offering an exchange. |  |  |  | | --- | --- | | B. | behaving unethically. |  |  |  | | --- | --- | | C. | hoping to receive feedback. |  |  |  | | --- | --- | | D. | implementing a CRM program. |  |  |  | | --- | --- | | E. | none of these. | |

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| 118. | A(n)\_\_\_\_\_\_\_\_\_\_ is the trade of things of value between the buyer and the seller so that each is better off as a result.      |  |  | | --- | --- | | A. | exchange |  |  |  | | --- | --- | | B. | market segment |  |  |  | | --- | --- | | C. | promotional plan |  |  |  | | --- | --- | | D. | transactional orientation |  |  |  | | --- | --- | | E. | relational orientation | |

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| 119. | Traditionally, marketing activities have been divided into product, price, place, and promotion. Select the term that best describes the four Ps.      |  |  | | --- | --- | | A. | Marketing mix |  |  |  | | --- | --- | | B. | Marketing channel |  |  |  | | --- | --- | | C. | Marketing plan |  |  |  | | --- | --- | | D. | Marketing era |  |  |  | | --- | --- | | E. | Marketing implementation | |

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| 120. | Internet sites, physical stores, and kiosks are most closely associated with which element of the marketing mix?      |  |  | | --- | --- | | A. | Place |  |  |  | | --- | --- | | B. | Price |  |  |  | | --- | --- | | C. | Product |  |  |  | | --- | --- | | D. | Promotion |  |  |  | | --- | --- | | E. | Proximity | |

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| 121. | The primary purpose of the \_\_\_\_\_\_\_\_\_\_ plan is to specify the marketing activities for a specific time.      |  |  | | --- | --- | | A. | marketing |  |  |  | | --- | --- | | B. | business |  |  |  | | --- | --- | | C. | strategic |  |  |  | | --- | --- | | D. | organizational |  |  |  | | --- | --- | | E. | resource | |

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| 122. | When an accounting firm provides an online training module showcasing real-life decision lapses and their negative effect on the company, they are trying to encourage what type of behavior from their employees?      |  |  | | --- | --- | | A. | ethical |  |  |  | | --- | --- | | B. | strategic |  |  |  | | --- | --- | | C. | formal |  |  |  | | --- | --- | | D. | casual |  |  |  | | --- | --- | | E. | secretive | |

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| 123. | Which of the following is a core aspect of marketing?      |  |  | | --- | --- | | A. | It creates value for the customer. |  |  |  | | --- | --- | | B. | It involves exchanges. |  |  |  | | --- | --- | | C. | It includes development of a marketing mix. |  |  |  | | --- | --- | | D. | It occurs in many settings. |  |  |  | | --- | --- | | E. | All of these are core aspects of marketing. | |

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| 124. | The activity, set of institutions, and process for creating, capturing, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large is called \_\_\_\_\_\_\_\_\_\_.      |  |  | | --- | --- | | A. | marketing |  |  |  | | --- | --- | | B. | marketing research |  |  |  | | --- | --- | | C. | market share analysis |  |  |  | | --- | --- | | D. | market segmentation |  |  |  | | --- | --- | | E. | market positioning | |

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| 125. | Jeff is going to sell sporting apparel, which he has already purchased from manufacturers, and has signed a deal agreeing to the volume he would sell monthly. He has researched his competition and talked to some customers and has decided on prices he will charge. Jeff has also developed a plan for promoting his business. Based on this description, which element of the marketing mix does Jeff still need to work on?      |  |  | | --- | --- | | A. | Place |  |  |  | | --- | --- | | B. | Product |  |  |  | | --- | --- | | C. | Price |  |  |  | | --- | --- | | D. | Promotion |  |  |  | | --- | --- | | E. | Planning | |

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| 126. | Jeff opened a sporting apparel store and has signed a lease on the property. He has also signed an agreement with the manufacturer on the amount of merchandise he will sell and the promotions he will conduct. Based on this description, which aspect of the marketing mix does he still need to work on?      |  |  | | --- | --- | | A. | Price |  |  |  | | --- | --- | | B. | Place |  |  |  | | --- | --- | | C. | Promotion |  |  |  | | --- | --- | | D. | Product |  |  |  | | --- | --- | | E. | Prototype | |

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| 127. | At one point in the evolution of marketing, the United States entered a buyer's market and the customer became king. Which era is being described?      |  |  | | --- | --- | | A. | Market-oriented |  |  |  | | --- | --- | | B. | Sales-oriented |  |  |  | | --- | --- | | C. | Production-oriented |  |  |  | | --- | --- | | D. | Value-based marketing |  |  |  | | --- | --- | | E. | Economic-oriented | |

**Essay Questions**

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| 128. | Deonna has been asked to write a marketing plan for a new restaurant. What questions will Deonna likely address in her marketing plan? Be specific and offer questions related to a restaurant. |

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| 129. | Jean-Pierre is a wine distributor in the United States representing primarily European vintners (wine producers). He knows his potential market is every wine drinker in the United States, but he has limited resources to market his products. Using the ideas presented in the text, what should Jean-Pierre do as a first step when developing his marketing plan? |

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| 130. | The text states, "Good marketing is not a random activity." Create an example to respond to this statement. |

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| 131. | Your friend is writing a "how to" book and asks you for marketing advice. You start by exploring the four Ps. What questions will you ask? Be specific; your friend is creating a book. |

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| 132. | The manager of a restaurant supply company determined prices by adding a standard markup to her costs. What might the manager be missing when it comes to effective pricing decisions? |

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| 133. | As the customer service manager for a heating and air conditioning firm, you are constantly bombarded with complaints about service people not showing up, not having the parts needed to make repairs, and being unable to quickly get the materials needed to fix things. You decide to bring in a marketing consultant to assist you with these problems. What area of marketing specialization would you look for in a marketing consultant and what recommendations would you expect to receive? Be specific; this is a heating and air conditioning firm. |

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| 134. | As your first assignment in an advertising agency, your manager asks you to come up with messages for three billboards promoting the university you attended. The manager wants one ad for each of the three types of promotion objectives. Create an example of one sentence billboard advertising message for each objective. |

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| 135. | Which type of orientation would you expect among ethically-challenged marketers; a relational or transactional orientation? |

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| 136. | Some firms practice employment marketing to attract the "best and brightest" employees. If you were to be recruited by a firm practicing employment marketing, what would that firm do differently from a firm that did not? How would you react? |

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| 137. | Over the four marketing eras, how did the emphasis on the four Ps change? List the four eras and describe which of the four Ps were emphasized during each era. |

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| 138. | Suppose that your university creates a position of vice president for marketing and promotes your professor to the position. What activities will the new vice president of marketing probably be involved in? Be specific; this is a university. |

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| 139. | How can marketing be effectively used by entrepreneurs? |

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| 140. | Suppose your college roommate sees you reading your marketing textbook and says, "Marketing is just advertising and selling." How do you respond? |

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| 141. | Imagine you graduate with a marketing degree and are hired into the marketing department of a large consumer products company. You are initially given a two-week training program, an overview of what the marketing department does. What will your training program cover? |

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| 142. | How could you use marketing ideas to market yourself to potential employers after you graduate? |

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| 143. | What are the four Ps of marketing? |

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| 144. | What is the fundamental purpose of marketing? |

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| 145. | "Everything has a price, though it doesn't always have to be monetary." What else is included in a price? |

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| 146. | How should marketers determine prices? |

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| 147. | If you were hired as a supply chain manager, who would you interact with? |

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| 148. | When the U.S. Army advertises, "Be All You Can Be, Join the Army," which of the three primary advertising objectives are they primarily pursuing? |

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| 149. | During the period 1920-1950, what changes in the United States contributed to the shift from a production orientation to a sales orientation? |

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| 150. | When assessing customer value, what must a marketer always remember? |

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| 151. | Basically, there are two ways to improve value. What are they? |

Chapter 01 Overview of Marketing Answer Key

**True / False Questions**

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| 1. *(p. 9-10)* | Marketing is an activity that only large firms with specialized departments can execute.    **FALSE**  Marketing activities can be performed by organizations of all sizes and also by individuals. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 1 Easy Learning Objective: 01-01 Define the role of marketing in organizations. Topic: What Is Marketing?* |

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| 2. *(p. 4)* | Good marketing is not a random activity.    **TRUE**  Good marketing requires thoughtful planning. |

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| 3. *(p. 4)* | Understanding a customer's needs and wants is fundamental to marketing success.    **TRUE**  The needs and wants of the customer must be an integral part of marketing planning. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 1 Easy Learning Objective: 01-01 Define the role of marketing in organizations. Topic: What Is Marketing?* |

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| 4. *(p. 5)* | Marketers might wish to sell their products to everyone, but it is not practical to do so.    **TRUE**  A good marketer will seek out potential customers who have an interest in the product and the ability to buy it. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 1 Easy Learning Objective: 01-01 Define the role of marketing in organizations. Topic: What Is Marketing?* |

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| 5. *(p. 6)* | The four Ps include product, promotion, planning, and place.    **FALSE**  The four Ps are product, price, promotion, and place. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-02 List the elements of the marketing mix. Topic: What Is Marketing?* |

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| 6. *(p. 7)* | Because thoughts, opinions, and philosophies are neither goods nor services, they cannot really be marketed.    **FALSE**  Thoughts, opinions, and philosophies fall into the category of ideas, which can be marketed. In fact, this is the essence of a political campaign. |

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| *AACSB: Analytic Blooms: Apply Difficulty: 1 Easy Learning Objective: 01-02 List the elements of the marketing mix. Topic: What Is Marketing?* |

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| 7. *(p. 19)* | The group of firms that makes and delivers a given set of goods and/or services is called a supply chain.    **TRUE**  Supply chain partners include all firms involved in manufacturing and delivering goods and services, from raw material suppliers to retailers and shipping companies. |

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| *AACSB: Analytic Blooms: Apply Difficulty: 1 Easy Learning Objective: 01-04 Understand why marketing is important both inside and outside the firm. Topic: What Is Marketing?* |

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| 8. *(p. 12)* | Value is what you get for what you give.    **TRUE**  Value is the relationship between the benefits received and the costs. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-03 Describe how marketers create value for a product or service. Topic: What Is Value-Based Marketing?* |

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| 9. *(p. 16)* | Value-based marketing helps to build long-term customer loyalty.    **TRUE**  The greater value a firm can deliver to its customers, the more likely they are to be loyal in the long run. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 2 Medium Learning Objective: 01-03 Describe how marketers create value for a product or service. Topic: What Is Value-Based Marketing?* |

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| 10. *(p. 16)* | Over the past decade or so, marketers have begun to realize that it is best to structure a firm's customer orientation in terms of transactions rather than relationships.    **FALSE**  A transactional orientation focuses only on the current exchange, whereas a relational orientation attempts to build a long-term relationship with the customer, resulting in a stream of transactions and (usually) higher profits. |

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| *AACSB: Analytic Blooms: Apply Difficulty: 2 Medium Learning Objective: 01-03 Describe how marketers create value for a product or service. Topic: What Is Value-Based Marketing?* |

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| 11. *(p. 3)* | The Apple™ iPad has been successful because it provides value to customers.    **TRUE**  Apple succeeds because its revolutionary products provide value to customers. |

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| *AACSB: Analytic Blooms: Apply Difficulty: 1 Easy Learning Objective: 01-01 Define the role of marketing in organizations. Topic: What Is Marketing?* |

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| 12. *(p. 8)* | When a good or service is promoted, the purpose of the promotion is to inform, persuade, or remind customers.    **TRUE**  Promotions are generally designed to inform, persuade, or remind potential buyers about a product or service. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 1 Easy Learning Objective: 01-02 List the elements of the marketing mix. Topic: What Is Marketing?* |

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| 13. *(p. 22, Ethical and Societal Dilemma 1.1)* | By publishing a Code of Ethics, a firm ensures that all employees will behave ethically.    **FALSE**  The fact that a document has been written does not ensure that employees will follow the rules. |

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| *AACSB: Ethics Blooms: Apply Difficulty: 1 Easy Learning Objective: 01-04 Understand why marketing is important both inside and outside the firm. Topic: Why Is Marketing Important?* |

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| 14. *(p. 9-10)* | When a car manufacturer sells trucks, cars, and car parts to the government or military, this is an example of B2C marketing.    **FALSE**  This is an example of B2B (business to business) marketing. B2C marketing would involve selling cars or trucks to individual consumers. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 1 Easy Learning Objective: 01-01 Define the role of marketing in organizations. Topic: What Is Marketing?* |

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| 15. *(p. 9-10)* | The power adapters Dell sells with its computers are built by small companies who specialize in power-related accessories. Dell and the power adapter manufacturers are engaging in B2B marketing.    **TRUE**  Dell, a business, is purchasing supplies from another business, so this is an example of business-to-business (B2B) marketing. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 2 Medium Learning Objective: 01-01 Define the role of marketing in organizations. Topic: What Is Marketing?* |

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| 16. *(p. 9-10)* | Garage sales and online classified ads are examples of C2C marketing.    **TRUE**  These are C2C marketing scenarios, where consumers market to each other. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 1 Easy Learning Objective: 01-01 Define the role of marketing in organizations. Topic: What Is Marketing?* |

**Multiple Choice Questions**

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| 17. *(p. 12)* | When a tee shirt manufacturer states, "We only sell it in black because that way we can buy plenty of black fabric and run our plant efficiently," their statement reflects the views that were popular in which era of the evolution of marketing?      |  |  | | --- | --- | | **A.** | Production-oriented |  |  |  | | --- | --- | | B. | Sales-oriented |  |  |  | | --- | --- | | C. | Market-oriented |  |  |  | | --- | --- | | D. | Value-based marketing |  |  |  | | --- | --- | | E. | Economic-oriented |   This question refers to the Production-Oriented Era which is when companies would just manufacture items without taking individuals' needs or wants into consideration. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 1 Easy Learning Objective: 01-01 Define the role of marketing in organizations. Topic: What Is Marketing?* |

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| 18. *(p. 5)* | Marketing involves all of the following EXCEPT:      |  |  | | --- | --- | | A. | conducting exchanges. |  |  |  | | --- | --- | | B. | satisfying customer needs and wants. |  |  |  | | --- | --- | | C. | creating value. |  |  |  | | --- | --- | | D. | efforts by individuals and organizations. |  |  |  | | --- | --- | | **E.** | production scheduling. |   Production scheduling is the responsibility of manufacturing; all other activities are part of marketing. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-01 Define the role of marketing in organizations. Topic: What Is Marketing?* |

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| 19. *(p. 4)* | Jami sells construction equipment. Whenever she calls on her building contractor customers, she asks if they are having any problems. In doing so, Jami is addressing which of the following core aspects of marketing?      |  |  | | --- | --- | | **A.** | Satisfying customer needs and wants |  |  |  | | --- | --- | | B. | The exchange function of marketing |  |  |  | | --- | --- | | C. | Product, place, promotion, and price decisions |  |  |  | | --- | --- | | D. | Decisions about the setting in which marketing takes place |  |  |  | | --- | --- | | E. | Creating value |   By asking about problems, Jami is asking what unmet needs the contractor might have. She hopes that her company may have products that will help to meet these needs. |

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| *AACSB: Analytic Blooms: Apply Difficulty: 3 Hard Learning Objective: 01-01 Define the role of marketing in organizations. Topic: What Is Marketing?* |

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| 20. *(p. 5-6)* | Julia is considering a career in marketing. She is concerned about the image of marketers as fast-talking, high-pressure people. When reading about the core aspects of marketing, Julia is relieved to see that in marketing:      |  |  | | --- | --- | | **A.** | all parties to an exchange should be satisfied. |  |  |  | | --- | --- | | B. | promotion is the most important consideration, followed by pricing decisions. |  |  |  | | --- | --- | | C. | decisions are made regarding how a product is designed. |  |  |  | | --- | --- | | D. | customers are not considered until the product is ready for sale. |  |  |  | | --- | --- | | E. | distribution is controlled by customers. |   If all parties to the exchange are satisfied, that indicates that marketers are considering customers' needs as well as the company's welfare. None of the other alternatives ensure that customers' needs are being satisfied. |

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| *AACSB: Analytic Blooms: Analyze Difficulty: 3 Hard Learning Objective: 01-01 Define the role of marketing in organizations. Topic: What Is Marketing?* |

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| 21. *(p. 5)* | Xavier is analyzing potential market segments. He should carefully seek potential customers who have both an interest in his products and:      |  |  | | --- | --- | | A. | a thorough knowledge of his brand messages. |  |  |  | | --- | --- | | **B.** | the ability to buy them. |  |  |  | | --- | --- | | C. | knowledge of competing products. |  |  |  | | --- | --- | | D. | the ability to negotiate discounts. |  |  |  | | --- | --- | | E. | are removed from traditional marketing alternatives. |   If Xavier selects customers with an interest in the kinds of products he offers, and the ability to purchase, he can communicate the value his offerings provide and offer competitive comparisons as part of his marketing mix. |

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| *AACSB: Analytic Blooms: Apply Difficulty: 2 Medium Learning Objective: 01-01 Define the role of marketing in organizations. Topic: What Is Marketing?* |

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| 22. *(p. 5)* | Of primary interest to marketers are \_\_\_\_\_\_\_\_\_\_ buyers.      |  |  | | --- | --- | | A. | centrally controlled |  |  |  | | --- | --- | | B. | unqualified and underserved |  |  |  | | --- | --- | | **C.** | qualified potential |  |  |  | | --- | --- | | D. | first-time |  |  |  | | --- | --- | | E. | C2C |   Potential buyers who are qualified in terms of interest and ability to buy are the primary interest of marketers. C2C (consumer-to-consumer) buyers would be of interest to consumers who are marketing products, but not to businesses who participate in B2C and B2B markets. While first-time buyers are interesting to marketers, loyal customers are even more important to the firm. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 2 Medium Learning Objective: 01-01 Define the role of marketing in organizations. Topic: What Is Marketing?* |

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| 23. *(p. 5-6)* | When referring to "exchange," marketers are focusing on:      |  |  | | --- | --- | | A. | the location where products and services are traded. |  |  |  | | --- | --- | | B. | the price charged, adjusted for currency exchange rates. |  |  |  | | --- | --- | | C. | location-based tactics for creating value. |  |  |  | | --- | --- | | D. | promotional offers designed to stimulate barter. |  |  |  | | --- | --- | | **E.** | the trading of things of value. |   Exchange refers to each of the parties involved giving something and getting something in return. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-01 Define the role of marketing in organizations. Topic: What Is Marketing?* |

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| 24. *(p. 5-6)* | Whenever Valerie has a new massage therapy customer, she invites the person to be on her e-mail distribution list. In the process, in addition to exchanging her massage therapy service for payment, Valerie is gathering:      |  |  | | --- | --- | | **A.** | information. |  |  |  | | --- | --- | | B. | promotional capital. |  |  |  | | --- | --- | | C. | pricing data. |  |  |  | | --- | --- | | D. | value co-creation. |  |  |  | | --- | --- | | E. | all of these. |   In this case, Valerie's customer receives a massage, and she receives both payment and information (in the form of the customer's email address) as part of the exchange process. |

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| *AACSB: Analytic Blooms: Apply Difficulty: 3 Hard Learning Objective: 01-01 Define the role of marketing in organizations. Topic: What Is Marketing?* |

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| 25. *(p. 6)* | Which of the following is a core aspect of marketing?      |  |  | | --- | --- | | A. | Satisfying as many needs as possible |  |  |  | | --- | --- | | B. | Creating a product that everyone will want to buy |  |  |  | | --- | --- | | C. | Setting prices lower than all competitors |  |  |  | | --- | --- | | **D.** | Making product, place, promotion, and price decisions |  |  |  | | --- | --- | | E. | All of these |   Most of these answers are too broad. Marketers don't generally try to sell to everyone, and they don't necessarily strive to have the lowest price. Instead, they select customers they can successfully serve and design a marketing mix (product, place, promotion, and price) to meet those needs. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-02 List the elements of the marketing mix. Topic: What Is Marketing?* |

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| 26. *(p. 6)* | Which of the following questions must be addressed when making marketing decisions?      |  |  | | --- | --- | | A. | How is the product to be designed? |  |  |  | | --- | --- | | B. | How much should the product cost? |  |  |  | | --- | --- | | C. | Where should the product be promoted? |  |  |  | | --- | --- | | D. | How will the product be delivered to the customer? |  |  |  | | --- | --- | | **E.** | All of these |   The four questions represent the four Ps: product (design), price (cost), promotion, and place (delivery). |

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| *AACSB: Analytic Blooms: Understand Difficulty: 1 Easy Learning Objective: 01-02 List the elements of the marketing mix. Topic: What Is Marketing?* |

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| 27. *(p. 6-9)* | Fiona has developed a new software application that automatically recalculates and reformats accounting information based on the standards used in each country. Her product is superior to anything that exists on the market. Which of the following questions will she have to address when making marketing decisions?      |  |  | | --- | --- | | A. | How the software will be promoted? |  |  |  | | --- | --- | | B. | What price should she charge? |  |  |  | | --- | --- | | C. | Should she sell her software on the Internet? |  |  |  | | --- | --- | | D. | In what country should she offer the software for sale first? |  |  |  | | --- | --- | | **E.** | All of these |   Fiona's product is the software. The other four questions address the remaining elements of the four Ps: promotion, price, and place (Internet sales and choice of first country). |

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| 28. *(p. 6)* | Marketing has traditionally been divided into a set of four interrelated decisions known as the marketing mix, or four Ps, including all of the following EXCEPT:      |  |  | | --- | --- | | A. | product |  |  |  | | --- | --- | | B. | place |  |  |  | | --- | --- | | **C.** | performance |  |  |  | | --- | --- | | D. | promotion |  |  |  | | --- | --- | | E. | price |   The four Ps are product, place, promotion, and price. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-02 List the elements of the marketing mix. Topic: What Is Marketing?* |

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| 29. *(p. 6)* | The four Ps make up the marketing mix, which is the \_\_\_\_\_\_\_\_\_\_ set of activities that the firm uses to respond to the wants and needs of its target markets.      |  |  | | --- | --- | | A. | unpredictable |  |  |  | | --- | --- | | B. | external |  |  |  | | --- | --- | | C. | internal |  |  |  | | --- | --- | | **D.** | controllable |  |  |  | | --- | --- | | E. | global |   The four Ps represent controllable activities--in other words, the things the firm controls and manages. |

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| 30. *(p. 6)* | The fundamental goal of marketers when creating goods, services, or combinations of both, is to:      |  |  | | --- | --- | | A. | defeat the competition. |  |  |  | | --- | --- | | B. | serve all consumers. |  |  |  | | --- | --- | | C. | operate according to government regulations. |  |  |  | | --- | --- | | D. | stimulate short-term sales. |  |  |  | | --- | --- | | **E.** | create value. |   While some of the other answers are things that marketers and their firms have to consider, the fundamental purpose of marketing activities is to create value for consumers. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-02 List the elements of the marketing mix. Topic: What Is Marketing?* |

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| 31. *(p. 7)* | Marketing includes offering:      |  |  | | --- | --- | | A. | goods. |  |  |  | | --- | --- | | B. | services. |  |  |  | | --- | --- | | C. | ideas. |  |  |  | | --- | --- | | **D.** | goods, services, and ideas. |  |  |  | | --- | --- | | E. | goods and services only. |   Goods, services, and ideas can be marketed. Political campaigns are good examples of the marketing of ideas. |

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| 32. *(p. 6)* | Brian is struggling with the choice of publishing his new book, "How to cook Polish Barbeque" as an e-book or a paperback. Brian is addressing which core marketing aspect?      |  |  | | --- | --- | | A. | Developing a promotional plan |  |  |  | | --- | --- | | B. | Managing the Exchange function of marketing |  |  |  | | --- | --- | | **C.** | Making product decisions |  |  |  | | --- | --- | | D. | Deciding where and how to sell the product |  |  |  | | --- | --- | | E. | Pricing the product |   Since Brian is making decisions about the form his book will take, he is making product decisions. If he were deciding whether to sell it online, in bookstores, or both, it would be a "where and how" (Place) decision. |

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| 33. *(p. 7)* | The basic difference between a good and a service is that a good:      |  |  | | --- | --- | | A. | provides intangible benefits. |  |  |  | | --- | --- | | **B.** | can be physically touched. |  |  |  | | --- | --- | | C. | is always less expensive than a corresponding service. |  |  |  | | --- | --- | | D. | generates greater interest among consumers. |  |  |  | | --- | --- | | E. | is more quickly forgotten by consumers. |   Goods are tangible things that can be touched; services are intangible. The remaining answers could be true in some cases, but untrue in others. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-02 List the elements of the marketing mix. Topic: What Is Marketing?* |

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| 34. *(p. 7)* | UPS washes its trucks nightly so they are always clean, and requires its delivery people to wear clean, unwrinkled uniforms. UPS probably established these rules because they know that:      |  |  | | --- | --- | | A. | consumers want friendly delivery people. |  |  |  | | --- | --- | | B. | most delivery services do not require uniforms. |  |  |  | | --- | --- | | **C.** | consumers' judgment of the benefits they receive from services are tied to the image of the producer. |  |  |  | | --- | --- | | D. | the goods UPS sells are easily replicated. |  |  |  | | --- | --- | | E. | all of these. |   Because services are intangible, factors such as appearance and image can become important factors in judging the benefits received. Consumers find it difficult to separate the service from the producer. |

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| *AACSB: Analytic Blooms: Apply Difficulty: 2 Medium Learning Objective: 01-02 List the elements of the marketing mix. Topic: What Is Marketing?* |

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| 35. *(p. 7)* | Four Winds Art Gallery recently began offering appraisals of customers' art collections, in addition to continuing to sell paintings. Four Winds is:      |  |  | | --- | --- | | A. | expanding from offering just services to also offering goods. |  |  |  | | --- | --- | | B. | implementing a market segmentation strategy. |  |  |  | | --- | --- | | C. | capturing value through multiple pricing strategies. |  |  |  | | --- | --- | | **D.** | expanding from offering just goods to also offering services. |  |  |  | | --- | --- | | E. | increasing customer value through inflated appraisal evaluations. |   The paintings are goods; appraisals are services. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 2 Medium Learning Objective: 01-02 List the elements of the marketing mix. Topic: What Is Marketing?* |

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| 36. *(p. 7)* | The owner of The Pipe Doctor, a plumbing service, often orders the sinks, faucets, and toilets he installs for his customers. Since his customers pay him for these items and also for the labor to install them, the Pipe Doctor:      |  |  | | --- | --- | | A. | is a provider of goods. |  |  |  | | --- | --- | | B. | is a service provider. |  |  |  | | --- | --- | | **C.** | provides both goods and services. |  |  |  | | --- | --- | | D. | is primarily a marketer of ideas. |  |  |  | | --- | --- | | E. | offers neither goods nor services. |   The sinks, faucets, and toilets are goods; installation labor is a service. |

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| 37. *(p. 7)* | The price of a product:      |  |  | | --- | --- | | A. | is usually expressed in terms of money. |  |  |  | | --- | --- | | B. | includes the time involved in the purchase decision. |  |  |  | | --- | --- | | C. | includes the effort and energy involved in researching the product. |  |  |  | | --- | --- | | D. | is everything the buyer gives up to obtain the product. |  |  |  | | --- | --- | | **E.** | all of these. |   The price includes everything the buyer gives up--money, time, energy--to obtain the product. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-02 List the elements of the marketing mix. Topic: What Is Marketing?* |

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| 38. *(p. 7)* | Marketers must determine the price of a product carefully, based on potential buyers' beliefs about:      |  |  | | --- | --- | | **A.** | its value. |  |  |  | | --- | --- | | B. | the environment. |  |  |  | | --- | --- | | C. | the cost to manufacture the product. |  |  |  | | --- | --- | | D. | the economic outlook. |  |  |  | | --- | --- | | E. | the product's new advertising campaign. |   Pricing based on buyers' perceptions of value ensures that buyers believe the product is worth its price. Some of the other answers include things that buyers might consider in arriving at a value perception, but they are incomplete answers. |

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| 39. *(p. 7)* | Some discount stores put products in large bins and let consumers hunt and find bargains. The price these consumers pay includes:      |  |  | | --- | --- | | A. | only the actual price they pay at the register. |  |  |  | | --- | --- | | **B.** | the value of their time and energy. |  |  |  | | --- | --- | | C. | the excitement they experience in finding an item they desire. |  |  |  | | --- | --- | | D. | the savings to the store of not having to display the products neatly on shelves. |  |  |  | | --- | --- | | E. | all of these. |   Price includes everything the customer gives up to get the product. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 2 Medium Learning Objective: 01-02 List the elements of the marketing mix. Topic: What Is Marketing?* |

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| 40. *(p. 7)* | Henriette offers financial counseling and management on a fee-only basis. She has found that different customers are willing to pay different rates for her services. This shows that her pricing decisions should depend primarily on:      |  |  | | --- | --- | | A. | choosing an average price that she will charge all her clients. |  |  |  | | --- | --- | | B. | changes in technology allowing consumers to manage their own affairs. |  |  |  | | --- | --- | | **C.** | how different customers perceive the value of her services. |  |  |  | | --- | --- | | D. | changes in the economy. |  |  |  | | --- | --- | | E. | how much her competitors charge for similar services. |   Although the other factors might need to be considered in pricing, the primary consideration should be perceived value--and the reason different customers are willing to pay different rates is because they perceive the value differently. |

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| *AACSB: Analytic Blooms: Analyze Difficulty: 3 Hard Learning Objective: 01-02 List the elements of the marketing mix. Topic: What Is Marketing?* |

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| 41. *(p. 8)* | Delivering the value proposition is also known as:      |  |  | | --- | --- | | A. | endless chain marketing. |  |  |  | | --- | --- | | B. | a transactional orientation. |  |  |  | | --- | --- | | C. | wholesaling. |  |  |  | | --- | --- | | D. | product design. |  |  |  | | --- | --- | | **E.** | supply chain management. |   Delivering the value proposition is the Place component of the four Ps, which involves managing the supply chain. |

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| 42. *(p. 8)* | Marketing efforts designed to get the product or service to the right customer, when that customer wants it, are called:      |  |  | | --- | --- | | **A.** | supply chain management. |  |  |  | | --- | --- | | B. | a transactional orientation. |  |  |  | | --- | --- | | C. | wholesaling. |  |  |  | | --- | --- | | D. | value co-creation. |  |  |  | | --- | --- | | E. | endless chain marketing. |   The question describes the Place component of the marketing mix, which involves managing the supply chain. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 2 Medium Learning Objective: 01-02 List the elements of the marketing mix. Topic: What Is Marketing?* |

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| 43. *(p. 8)* | Yesenia, the new university course scheduling manager, is struggling with adjustments to the fall schedule. She is trying to determine how to offer the classes students need at the times when students need them. Yesenia is struggling with the marketing function of:      |  |  | | --- | --- | | A. | communicating the value proposition. |  |  |  | | --- | --- | | **B.** | supply chain management. |  |  |  | | --- | --- | | C. | creating value. |  |  |  | | --- | --- | | D. | capturing value. |  |  |  | | --- | --- | | E. | value co-creation. |   Getting a product (in this case, a class) to customers when and where they want them describes the Place component of the marketing mix, which involves managing the supply chain. |

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| 44. *(p. 8)* | Supply chain management involves integrating the efforts of:      |  |  | | --- | --- | | A. | suppliers. |  |  |  | | --- | --- | | B. | manufacturers. |  |  |  | | --- | --- | | C. | warehouses. |  |  |  | | --- | --- | | D. | stores. |  |  |  | | --- | --- | | **E.** | all of these. |   Supply chain management involves integrating the efforts of all firms involved in getting the product to the customer, from suppliers of raw materials to stores in which customers purchase the finished product. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-02 List the elements of the marketing mix. Topic: What Is Marketing?* |

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| 45. *(p. 8)* | The marketing goal of getting the "right quantities to the right locations, at the right time" is:      |  |  | | --- | --- | | A. | communicating the value proposition. |  |  |  | | --- | --- | | **B.** | supply chain management. |  |  |  | | --- | --- | | C. | creating value. |  |  |  | | --- | --- | | D. | capturing value. |  |  |  | | --- | --- | | E. | price and performance management. |   The question describes the Place component of the marketing mix, which involves managing the supply chain. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-02 List the elements of the marketing mix. Topic: What Is Marketing?* |

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| 46. *(p. 8)* | Marketers involved in supply chain management are constantly balancing:      |  |  | | --- | --- | | A. | the goal of promotional effectiveness against ethical advertising standards. |  |  |  | | --- | --- | | B. | the problem of price maximization against cost efficiency. |  |  |  | | --- | --- | | **C.** | the goal of minimizing costs against satisfying the service levels customers expect. |  |  |  | | --- | --- | | D. | the desire to achieve against the need for a stable source of supply. |  |  |  | | --- | --- | | E. | the goal of efficiency against the price charged by competitors. |   In the supply chain, the primary concerns are keeping costs low enough to make a profit, and yet ensuring that customers can get products when and where they want them. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 2 Medium Learning Objective: 01-02 List the elements of the marketing mix. Topic: What Is Marketing?* |

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| 47. *(p. 8)* | UPS, FedEx, DHL, and other shipping companies support other firms' \_\_\_\_\_\_\_\_\_\_ marketing goals.      |  |  | | --- | --- | | **A.** | supply chain management |  |  |  | | --- | --- | | B. | value communication |  |  |  | | --- | --- | | C. | value capture |  |  |  | | --- | --- | | D. | retail management |  |  |  | | --- | --- | | E. | none of these |   Supply chain management includes the shipment/delivery of products, so these companies can be an important part of the supply chain. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 2 Medium Learning Objective: 01-04 Understand why marketing is important both inside and outside the firm. Topic: Why Is Marketing Important?* |

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| 48. *(p. 8)* | \_\_\_\_\_\_\_\_\_\_ is communication by a marketer that informs, persuades, or reminds potential customers about a product.      |  |  | | --- | --- | | A. | Pricing |  |  |  | | --- | --- | | **B.** | Promotion |  |  |  | | --- | --- | | C. | Placement |  |  |  | | --- | --- | | D. | A relational orientation |  |  |  | | --- | --- | | E. | Value co-creation |   This is the definition of promotion. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-02 List the elements of the marketing mix. Topic: What Is Marketing?* |

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| 49. *(p. 8)* | The goal of promotion is to \_\_\_\_\_\_\_\_\_\_ potential buyers about a product or service.      |  |  | | --- | --- | | A. | inform |  |  |  | | --- | --- | | B. | persuade |  |  |  | | --- | --- | | C. | remind |  |  |  | | --- | --- | | **D.** | all of these |  |  |  | | --- | --- | | E. | none of these |   Informing, persuading, and reminding are the three key goals of promotional campaigns. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-02 List the elements of the marketing mix. Topic: What Is Marketing?* |

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| 50. *(p. 8)* | Every Christmas season, Anheuser-Busch runs television ads featuring Clydesdale horses in a winter scene. These ads focus on the promotional goal of \_\_\_\_\_\_\_\_\_\_ consumers about Budweiser, the company's well-known brand of beer.      |  |  | | --- | --- | | A. | informing |  |  |  | | --- | --- | | B. | persuading |  |  |  | | --- | --- | | **C.** | reminding |  |  |  | | --- | --- | | D. | all of these |  |  |  | | --- | --- | | E. | none of these |   Most consumers are already aware of Budweiser; the Clydesdale ads serve as a reminder. |

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| 51. *(p. 8)* | Local television advertising often includes ads for automobile dealerships using actors trying to create a sense of excitement and urgency among consumers. These ads are attempting to achieve the promotional goal of \_\_\_\_\_\_\_\_\_\_ potential buyers.      |  |  | | --- | --- | | A. | informing |  |  |  | | --- | --- | | **B.** | persuading |  |  |  | | --- | --- | | C. | reminding |  |  |  | | --- | --- | | D. | all of these |  |  |  | | --- | --- | | E. | none of these |   These ads are trying to persuade consumers to take action quickly. |

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| 52. *(p. 8)* | Effective promotion enhances a product or service's:      |  |  | | --- | --- | | A. | supply chain management system. |  |  |  | | --- | --- | | B. | wholesaling capabilities. |  |  |  | | --- | --- | | **C.** | perceived value. |  |  |  | | --- | --- | | D. | design features. |  |  |  | | --- | --- | | E. | all of these. |   Effective promotion communicates value, attempting to ensure that customers understand the value being offered. |

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| 53. *(p. 8-9)* | By promoting perfume based on youth, style, and sex appeal, Calvin Klein is attempting to:      |  |  | | --- | --- | | A. | influence social norms regarding sexuality. |  |  |  | | --- | --- | | B. | encourage consumers to participate in product redesign. |  |  |  | | --- | --- | | C. | stimulate supply chain management cooperation. |  |  |  | | --- | --- | | **D.** | increase the perceived value of their products. |  |  |  | | --- | --- | | E. | none of these. |   Promotion communicates value to consumers so that they will more easily see the value offered by the product. |

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| 54. *(p. 10)* | The traditional marketing channel through which consumers most often find and purchase goods and services is known as:      |  |  | | --- | --- | | A. | B2B |  |  |  | | --- | --- | | B. | C2C |  |  |  | | --- | --- | | C. | D2C |  |  |  | | --- | --- | | D. | C2D |  |  |  | | --- | --- | | **E.** | B2C |   B2C, or business-to-consumer marketing, is the channel through which most consumers' purchases happen. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-01 Define the role of marketing in organizations. Topic: What Is Marketing?* |

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| 55. *(p. 9-10)* | Retailers accumulate merchandise from producers in large amounts and sell to consumers in smaller amounts. Retailers function as:      |  |  | | --- | --- | | **A.** | market intermediaries. |  |  |  | | --- | --- | | B. | monopolists. |  |  |  | | --- | --- | | C. | regulators of consumer demand. |  |  |  | | --- | --- | | D. | wholesale specialists. |  |  |  | | --- | --- | | E. | intermediate promoters. |   Retailers make up one category of market intermediary, which refers to firms that assist in getting products from the manufacturer to the consumer. |

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| 56. *(p. 10)* | Auction sites like eBay have increased opportunities for \_\_\_\_\_\_\_\_\_\_ marketing.      |  |  | | --- | --- | | A. | B2B |  |  |  | | --- | --- | | **B.** | C2C |  |  |  | | --- | --- | | C. | D2C |  |  |  | | --- | --- | | D. | C2D |  |  |  | | --- | --- | | E. | B2G |   Consumers can buy and sell from each other on sites like eBay, increasing the amount of consumer-to-consumer (C2C) marketing that takes place. |

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| 57. *(p. 10)* | As use of the Internet took off, car manufacturers were tempted to sell directly to consumers, but decided instead to continue to sell through their existing dealer networks. The car manufacturers considered switching from \_\_\_\_\_\_\_\_\_\_ to \_\_\_\_\_\_\_\_\_\_ marketing.      |  |  | | --- | --- | | A. | B2C; B2B |  |  |  | | --- | --- | | B. | B2C; C2C |  |  |  | | --- | --- | | **C.** | B2B; B2C |  |  |  | | --- | --- | | D. | B2B; C2C |  |  |  | | --- | --- | | E. | C2C; B2C |   The car manufacturers considered switching from B2B marketing (where they sell cars to dealers, who then sell them to consumers) to B2C marketing (where the car manufacturers would sell directly to consumers). |

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| 58. *(p. 10)* | Many universities provide physical or electronic bulletin boards to facilitate ride-sharing and exchange of used books among students. These bulletin boards increase \_\_\_\_\_\_\_\_\_\_ marketing.      |  |  | | --- | --- | | A. | B2C |  |  |  | | --- | --- | | B. | C2B |  |  |  | | --- | --- | | C. | B2B |  |  |  | | --- | --- | | **D.** | C2C |  |  |  | | --- | --- | | E. | underground |   These bulletin boards are designed to encourage consumer-to-consumer (C2C) marketing since they make it easier for consumers (students, in this case) to connect with each other. |

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| 59. *(p. 7)* | Which of the following is NOT true about marketing ideas?      |  |  | | --- | --- | | A. | Opinions, philosophies, intellectual concepts and even thoughts can be effectively marketed. |  |  |  | | --- | --- | | **B.** | The marketing of ideas does not involve true exchange of value. |  |  |  | | --- | --- | | C. | Ideas can be "purchased" by convincing someone to change his or her behavior. |  |  |  | | --- | --- | | D. | Marketing can be directed toward primary and secondary targets to increase knowledge and change behavior. |  |  |  | | --- | --- | | E. | Value can be created through changing behaviors. |   The marketing of ideas does, in fact, involve exchange of value. One party benefits from exposure to a new idea, while the other generally asks for a particular behavior. |

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| 60. *(p. 10)* | Valerie's firm researched what its employees wanted from their jobs. It then communicated a brand image for the firm and worked to ensure that the employees' experiences matched what was advertised. The firm is using:      |  |  | | --- | --- | | A. | human resources marketing. |  |  |  | | --- | --- | | B. | employee relations mediation. |  |  |  | | --- | --- | | C. | human factors analysis. |  |  |  | | --- | --- | | **D.** | employment marketing. |  |  |  | | --- | --- | | E. | human asset branding. |   Employment marketing is the application of marketing techniques to improve employee recruitment and retention. |

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| 61. *(p. 10)* | Joseph is about to graduate near the top of his class and has been looking at some forward-thinking firms. He had expected the job market to be tight, but found that some firms were using employment marketing to attract the candidates they want and need. He noticed these firms used all of the following approaches EXCEPT:      |  |  | | --- | --- | | A. | using marketing research to understand what future employees want from a position. |  |  |  | | --- | --- | | B. | using advertising agencies to focus creatively on the targeted job seekers. |  |  |  | | --- | --- | | C. | developing an employee-oriented brand image. |  |  |  | | --- | --- | | **D.** | assuming that the right candidates will learn about the firm and apply for jobs without any encouragement. |  |  |  | | --- | --- | | E. | working to ensure the employment experiences match the candidates' expectations. |   Employment marketing means being proactive in the recruitment process, not sitting back and waiting for people to apply. |

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| 62. *(p. 11)* | The "Got Milk" advertising campaign, designed to increase consumption of milk, was intended to help market a(n):      |  |  | | --- | --- | | A. | individual. |  |  |  | | --- | --- | | B. | firm. |  |  |  | | --- | --- | | **C.** | industry. |  |  |  | | --- | --- | | D. | organization. |  |  |  | | --- | --- | | E. | all of these. |   The "Got Milk" campaign advertised the dairy industry as a whole, not any particular brand of milk. |

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| 63. *(p. 12)* | The evolution of marketing progressed along the following continuum:      |  |  | | --- | --- | | A. | sales, marketing, value-based marketing, production |  |  |  | | --- | --- | | B. | marketing, value-based marketing, production, sales |  |  |  | | --- | --- | | C. | value-based marketing, production, sales, marketing |  |  |  | | --- | --- | | **D.** | production, sales, marketing, value-based marketing |  |  |  | | --- | --- | | E. | sales, value-based marketing, marketing, production |   The production-oriented era was followed by the sales-oriented era, then the marketing-oriented era, and finally the value-based marketing era. |

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| 64. *(p. 12)* | The idea that a good product will sell itself is associated with the \_\_\_\_\_\_\_\_\_\_ era of marketing.      |  |  | | --- | --- | | **A.** | production-oriented |  |  |  | | --- | --- | | B. | sales-oriented |  |  |  | | --- | --- | | C. | market-oriented |  |  |  | | --- | --- | | D. | value-based marketing |  |  |  | | --- | --- | | E. | retailing-oriented |   In the production-oriented era, the assumption was that if companies built good products, they would sell without any particular effort. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 2 Medium Learning Objective: 01-01 Define the role of marketing in organizations. Topic: What Is Marketing?* |

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| 65. *(p. 12)* | Henry Ford's statement, "Customers can have any color they want so long as it's black," typified the \_\_\_\_\_\_\_\_\_\_ era of marketing.      |  |  | | --- | --- | | **A.** | production-oriented |  |  |  | | --- | --- | | B. | sales-oriented |  |  |  | | --- | --- | | C. | market-oriented |  |  |  | | --- | --- | | D. | value-based marketing |  |  |  | | --- | --- | | E. | retailing-oriented |   The production-oriented era of marketing dealt primarily with manufacturing processes and the design of a good product, but without concern for meeting specific customer needs. |

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| 66. *(p. 12)* | Melanie works for a small computer software company. Her boss is constantly improving their products but neglecting customers, billing, and promoting the company. Her boss is probably stuck in the \_\_\_\_\_\_\_\_\_\_ era of marketing.      |  |  | | --- | --- | | **A.** | production-oriented |  |  |  | | --- | --- | | B. | sales-oriented |  |  |  | | --- | --- | | C. | market-oriented |  |  |  | | --- | --- | | D. | value-based marketing |  |  |  | | --- | --- | | E. | retailing-oriented |   The production-oriented era of marketing dealt primarily with manufacturing processes and the design of a good product, but without concern for meeting specific customer needs. |

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| 67. *(p. 12)* | During the \_\_\_\_\_\_\_\_\_\_ era, firms had excess capacity and used personal selling and advertising to generate customers.      |  |  | | --- | --- | | A. | production-oriented |  |  |  | | --- | --- | | **B.** | sales-oriented |  |  |  | | --- | --- | | C. | market-oriented |  |  |  | | --- | --- | | D. | value-based marketing |  |  |  | | --- | --- | | E. | retailing-oriented |   In the sales-oriented era, firms believed that a hard-sell approach was the answer to building sales. |

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| 68. *(p. 12)* | The prevailing marketing strategy of the \_\_\_\_\_\_\_\_\_\_ era was to find customers for inventories that went unsold.      |  |  | | --- | --- | | A. | production-oriented |  |  |  | | --- | --- | | **B.** | sales-oriented |  |  |  | | --- | --- | | C. | market-oriented |  |  |  | | --- | --- | | D. | value-based marketing |  |  |  | | --- | --- | | E. | retailing-oriented |   In the sales-oriented era, firms believed that a hard-sell approach was the answer to building sales. |

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| 69. *(p. 12)* | Near the end of the model year, Move-Them-Out automobile dealership had an unusually high inventory level. The manager increased her advertising spending and gave extra incentives to its salespeople. Move-Them-Out operates as if it were in the \_\_\_\_\_\_\_\_\_\_ era.      |  |  | | --- | --- | | A. | production-oriented |  |  |  | | --- | --- | | **B.** | sales-oriented |  |  |  | | --- | --- | | C. | market-oriented |  |  |  | | --- | --- | | D. | value-based marketing |  |  |  | | --- | --- | | E. | retailing-oriented |   In the sales-oriented era, firms believed that a hard-sell approach was the answer to building sales. |

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| 70. *(p. 12)* | Many U.S. companies first discovered marketing during the \_\_\_\_\_\_\_\_\_\_ era.      |  |  | | --- | --- | | A. | production-oriented |  |  |  | | --- | --- | | B. | sales-oriented |  |  |  | | --- | --- | | **C.** | market-oriented |  |  |  | | --- | --- | | D. | value-based marketing |  |  |  | | --- | --- | | E. | retailing-oriented |   The market-oriented era was when most companies first started thinking in terms of meeting customer needs. |

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| 71. *(p. 12)* | During the market-oriented era:      |  |  | | --- | --- | | A. | a good product would sell itself. |  |  |  | | --- | --- | | **B.** | the customer was king. |  |  |  | | --- | --- | | C. | marketing was more important than production. |  |  |  | | --- | --- | | D. | advertising and personal selling were emphasized to make the sale. |  |  |  | | --- | --- | | E. | firms focused on value. |   The market-oriented era was when most companies first started thinking in terms of meeting customer needs. |

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| 72. *(p. 12)* | During the \_\_\_\_\_\_\_\_\_\_ era manufacturers and retailers began to focus on what consumers wanted and needed before they designed, made, or attempted to sell their products.      |  |  | | --- | --- | | A. | production-oriented |  |  |  | | --- | --- | | B. | sales-oriented |  |  |  | | --- | --- | | **C.** | market-oriented |  |  |  | | --- | --- | | D. | value-based marketing |  |  |  | | --- | --- | | E. | retailing-oriented |   The market-oriented era was when most companies first started thinking in terms of meeting customer needs. |

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| 73. *(p. 12)* | During the \_\_\_\_\_\_\_\_\_\_ era manufacturers and retailers recognized they needed to give their customers greater value than their competitors did.      |  |  | | --- | --- | | A. | production-oriented |  |  |  | | --- | --- | | B. | sales-oriented |  |  |  | | --- | --- | | C. | market-oriented |  |  |  | | --- | --- | | **D.** | value-based marketing |  |  |  | | --- | --- | | E. | retailing-oriented |   In the value-based marketing era, firms began to recognize that value creation was the key to success for most firms. |

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| 74. *(p. 12)* | Value is:      |  |  | | --- | --- | | A. | the lowest cost option. |  |  |  | | --- | --- | | B. | represented by brand names. |  |  |  | | --- | --- | | C. | the highest priced alternative. |  |  |  | | --- | --- | | D. | everyday low prices. |  |  |  | | --- | --- | | **E.** | what you get for what you give. |   Value is the benefits received minus the costs of acquiring a product, or what you get in return for what you give. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-03 Describe how marketers create value for a product or service. Topic: What Is Marketing?* |

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| 75. *(p. 12)* | Trey sells consumer electronics. He knows his customers weigh the costs versus the benefits associated with the different options available. He decides which products to offer and what prices to charge based on the way his customers think. Trey operates in the \_\_\_\_\_\_\_\_\_\_ era.      |  |  | | --- | --- | | A. | production-oriented |  |  |  | | --- | --- | | B. | sales-oriented |  |  |  | | --- | --- | | C. | market-oriented |  |  |  | | --- | --- | | **D.** | value-based marketing |  |  |  | | --- | --- | | E. | retailing-oriented |   Trey is thinking in terms of the value his customers perceive (benefits minus costs), and thus is thinking about value-based marketing. |

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| *AACSB: Analytic Blooms: Apply Difficulty: 2 Medium Learning Objective: 01-03 Describe how marketers create value for a product or service. Topic: What Is Marketing?* |

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| 76. *(p. 12)* | Serena studies her customer profiles, market research data, complaints, and other information attempting to better understand what her customers want. Serena operates in the \_\_\_\_\_\_\_\_\_\_ era of marketing.      |  |  | | --- | --- | | A. | production-oriented |  |  |  | | --- | --- | | B. | sales-oriented |  |  |  | | --- | --- | | C. | market-oriented |  |  |  | | --- | --- | | **D.** | value-based marketing |  |  |  | | --- | --- | | E. | retailing-oriented |   Serena is attempting to understand her customers' perceptions of value. |

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| 77. *(p. 14)* | In delivering value, marketing firms attempt to find the most desirable balance between:      |  |  | | --- | --- | | A. | the need for value and the perception of value. |  |  |  | | --- | --- | | B. | explicit versus implicit value. |  |  |  | | --- | --- | | **C.** | providing benefits to customers and keeping costs down. |  |  |  | | --- | --- | | D. | the desire to satisfy customers and the need to keep customers from running the company. |  |  |  | | --- | --- | | E. | the need for product improvement and the need for advertising. |   The challenge for all firms is to provide the value customers expect while keeping costs low enough to allow the firm to be profitable. |

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| 78. *(p. 14)* | Yolanda is the new restaurant manager in a major hotel. When considering changes in the restaurant to improve benefits to customers, Yolanda will likely attempt to either provide the same quality at a lower cost or:      |  |  | | --- | --- | | **A.** | improve products and services at the same cost. |  |  |  | | --- | --- | | B. | increase prices to increase revenue. |  |  |  | | --- | --- | | C. | offset higher hotel rates with lower restaurant prices. |  |  |  | | --- | --- | | D. | reduce customer expectations through reduced service. |  |  |  | | --- | --- | | E. | any of the above. |   By improving products at the same cost, Yolanda would create additional value for her customers. |

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| 79. *(p. 14)* | Some consumers will try to get a lot of merchandise for a small amount of money. In marketing, this is known as:      |  |  | | --- | --- | | A. | the marketing paradox. |  |  |  | | --- | --- | | B. | the outer limits of pricing. |  |  |  | | --- | --- | | **C.** | customers seeking value. |  |  |  | | --- | --- | | D. | excess valuation. |  |  |  | | --- | --- | | E. | marketing myopia. |   These customers are simply seeking to maximize the value they receive. |

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| 80. *(p. 14-16)* | Value-based marketing depends on:      |  |  | | --- | --- | | A. | knowing what the customer perceives as the key benefits of a product or service. |  |  |  | | --- | --- | | B. | balancing customer benefits with reasonable costs. |  |  |  | | --- | --- | | C. | knowing what benefits customers would do without to keep prices down. |  |  |  | | --- | --- | | D. | looking at quality from the customer's perspective. |  |  |  | | --- | --- | | **E.** | all of these. |   Value-based marketing requires a sophisticated understanding of consumers' perceptions of value. |

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| 81. *(p. 14)* | Ann Marie has been working on pricing for the hotel where she works. She knows that business travelers stay at the hotel because it has easy access to the airport, and leisure travelers stay there because it is convenient to the shopping and entertainment districts. She is unsure whether she should raise rates for the business travelers, the leisure travelers, both, or neither. As she works to find the best pricing mix, she'll have to look at the ways these travelers will evaluate the benefits of staying at the hotel. In doing so, Ann Marie will be using:      |  |  | | --- | --- | | **A.** | value-based marketing. |  |  |  | | --- | --- | | B. | convenience pricing. |  |  |  | | --- | --- | | C. | destination planning. |  |  |  | | --- | --- | | D. | all of these. |  |  |  | | --- | --- | | E. | none of these. |   Ann Marie is thinking about value--comparing benefits to price from the customer's perspective. |

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| *AACSB: Analytic Blooms: Apply Difficulty: 3 Hard Learning Objective: 01-03 Describe how marketers create value for a product or service. Topic: What Is Value-Based Marketing?* |

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| 82. *(p. 14)* | Janine has a new clothing design she would like to market, but she knows that creating and delivering value to consumers is a challenge. She has seen other designers' successful products copied by other firms soon after they were introduced. For Janine, the major problem she faces in creating and delivering value is probably that:      |  |  | | --- | --- | | A. | consumer perceptions change quickly. |  |  |  | | --- | --- | | **B.** | competitors constantly enter markets. |  |  |  | | --- | --- | | C. | global pressures continually reshape market opportunities. |  |  |  | | --- | --- | | D. | marketers' understanding of consumers is complete. |  |  |  | | --- | --- | | E. | consumers do not know what they want. |   The question mentions copycat competitors, which suggests that her major problem is pressure from competitors. |

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| 83. *(p. 14)* | In 2006, the film *Supersize Me* provided a critical view of McDonald's and its products that caused some consumers to stop eating at McDonald's. The company was caught off guard and had to move quickly to develop a response. In terms of value-based marketing, McDonald's faced what potential problem?      |  |  | | --- | --- | | **A.** | Consumer perceptions change quickly. |  |  |  | | --- | --- | | B. | Competitors constantly enter markets. |  |  |  | | --- | --- | | C. | Global pressures continually reshape market opportunities. |  |  |  | | --- | --- | | D. | Marketers' understanding of consumers is complete. |  |  |  | | --- | --- | | E. | Consumers do not know what they want. |   This is an example of a change in consumer perceptions due to the film. |

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| 84. *(p. 16)* | To become a more value driven organization, Pokrah University is holding regular coffee-hour discussions with its students and is surveying its graduates regarding students' educational needs and desires. Pokrah University is becoming more value driven through:      |  |  | | --- | --- | | A. | sharing information across the organization. |  |  |  | | --- | --- | | B. | balancing their customers' benefits and costs. |  |  |  | | --- | --- | | C. | evaluating strategic competitive partnerships. |  |  |  | | --- | --- | | **D.** | building relationships with customers. |  |  |  | | --- | --- | | E. | keeping the faculty members happy. |   By communicating regularly with students and alumni, Pokrah University is working to build closer relationships with these groups. |

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| *AACSB: Analytic Blooms: Apply Difficulty: 2 Medium Learning Objective: 01-03 Describe how marketers create value for a product or service. Topic: What Is Value-Based Marketing?* |

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| 85. *(p. 15)* | As owner of a retail franchise food store, Mary Gray purchases supplies based on specials advertised nationally throughout the franchise system. One Monday, she was surprised to find customers asking for specials she hadn't been informed of in advance. The franchise company failed to live up to the value-driven principle of:      |  |  | | --- | --- | | **A.** | sharing information across the organization. |  |  |  | | --- | --- | | B. | balancing customers' benefits and costs. |  |  |  | | --- | --- | | C. | evaluating strategic competitive partnerships. |  |  |  | | --- | --- | | D. | building relationships with customers. |  |  |  | | --- | --- | | E. | keeping prices below those charged by competitors. |   Apparently the national headquarters forgot to inform franchisees of the special, suggesting a failure of information sharing. |

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| 86. *(p. 15)* | BestBulk clothing store is striving to become a more value-driven organization. Its managers should ensure that the staff shares information about:      |  |  | | --- | --- | | A. | customers. |  |  |  | | --- | --- | | B. | competitors. |  |  |  | | --- | --- | | C. | complaints. |  |  |  | | --- | --- | | D. | inventories. |  |  |  | | --- | --- | | **E.** | all of these. |   Information must be shared across a broad range of topics for value-based marketing to be successful. |

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| 87. *(p. 15)* | In the past, manufacturer's representatives did not have up-to-minute data about the products they were selling. Today, manufacturer's representatives are often provided online access to inventory data for the companies they represent. These online inventory systems allow companies to become more value-driven through:      |  |  | | --- | --- | | **A.** | sharing information across the organization. |  |  |  | | --- | --- | | B. | balancing customers' benefits and costs. |  |  |  | | --- | --- | | C. | evaluating strategic competitive partnerships. |  |  |  | | --- | --- | | D. | building relationships with government regulators of marketing institutions. |  |  |  | | --- | --- | | E. | keeping prices below those charged by competitors. |   The online systems discussed help members of the supply chain share information about inventory levels. |

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| 88. *(p. 15)* | Value-driven firms constantly measure the \_\_\_\_\_\_\_\_\_\_ that customers perceive, compared to the prices of their offerings.      |  |  | | --- | --- | | A. | information |  |  |  | | --- | --- | | **B.** | benefits |  |  |  | | --- | --- | | C. | relationships |  |  |  | | --- | --- | | D. | rebates |  |  |  | | --- | --- | | E. | merchandise |   Value is equal to the benefits received minus the cost (price) paid. |

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| 89. *(p. 16)* | One of the benefits of value-driven marketing is that attention to customer needs and wants will likely result in:      |  |  | | --- | --- | | A. | higher prices than the market leader charges. |  |  |  | | --- | --- | | B. | increased competition. |  |  |  | | --- | --- | | **C.** | long-term loyalties. |  |  |  | | --- | --- | | D. | strong connections among competing firms in the marketplace. |  |  |  | | --- | --- | | E. | all of these. |   Value-driven marketing is likely to lead to loyal customers through the relationships that are formed. |

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| 90. *(p. 15)* | Even though they operate from out-of-the-way airports and offer few extra services, discount airlines like Ryanair and EasyJet have been successful. Consumers obviously consider:      |  |  | | --- | --- | | A. | the schedules these airlines offer to be the most convenient in the industry. |  |  |  | | --- | --- | | B. | the long-term relationships established by these airlines to be a critical benefit. |  |  |  | | --- | --- | | C. | the prices to be slightly lower, but not low enough to have much influence. |  |  |  | | --- | --- | | **D.** | the benefit of lower prices to be greater than the cost of reduced services and less convenience. |  |  |  | | --- | --- | | E. | the major airlines to be worthless. |   People flying discount airlines have decided to bear some inconvenience in return for lower prices. The benefits are lower, but so is the cost, so the offering can have value despite the inconvenience. |

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| 91. *(p. 15-16)* | To become value-driven, firms should:      |  |  | | --- | --- | | A. | share information across the entire organization about customers and competitors. |  |  |  | | --- | --- | | B. | prioritize relationships with customers above individual transactions. |  |  |  | | --- | --- | | C. | balance benefits with costs to create value for customers. |  |  |  | | --- | --- | | **D.** | all of these. |  |  |  | | --- | --- | | E. | none of these. |   Information sharing, a relational orientation, and balancing benefits and costs are three essential characteristics of a value-driven firm. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 2 Medium Learning Objective: 01-03 Describe how marketers create value for a product or service. Topic: What Is Value-Based Marketing?* |

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| 92. *(p. 16)* | A buyer's representative in a real estate purchase was asked by her customer, "Is this a fair offer?" She responded. "You are only trying to buy one house. Do you want to offer more money than you have to?" The buyer's representative recognized that in most situations, home buyers are engaged in:      |  |  | | --- | --- | | A. | relationships. |  |  |  | | --- | --- | | B. | subterfuge. |  |  |  | | --- | --- | | C. | collective bargaining. |  |  |  | | --- | --- | | D. | prestige purchases. |  |  |  | | --- | --- | | **E.** | transactions. |   If the buyer were establishing a relationship with the seller, s/he might be concerned about ensuring that both sides felt the offer was fair; however, the buyer is unlikely to ever do business with this seller again. And in that case, the buyer's primary interest is likely to be getting the best result possible in this single transaction. |

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| 93. *(p. 16)* | If you are involved in a buying or selling situation in which you do not expect to do business with the other party again, you are engaged in a(n):      |  |  | | --- | --- | | **A.** | transaction. |  |  |  | | --- | --- | | B. | negotiation. |  |  |  | | --- | --- | | C. | relationship. |  |  |  | | --- | --- | | D. | C2C channel. |  |  |  | | --- | --- | | E. | marketing mix. |   A one-time purchase between buyer and seller is a transaction, as opposed to a relationship in which a continual stream of transactions is expected. |

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| 94. *(p. 16)* | A relational orientation is based on the philosophy that buyers and sellers develop:      |  |  | | --- | --- | | A. | a complete understanding of each other's needs. |  |  |  | | --- | --- | | **B.** | a long-term relationship. |  |  |  | | --- | --- | | C. | a price-value comparison matrix. |  |  |  | | --- | --- | | D. | supply chain synergy. |  |  |  | | --- | --- | | E. | a marketing value transaction focus. |   A relational orientation expects a relationship to develop over the long term. |

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| 95. *(p. 16)* | Many firms with complex products have "missionary" salespeople who assist customers with problems and implementation programs. These salespeople rarely sell products but often become involved in and knowledgeable about specific customers' needs and wants. These salespeople focus on a \_\_\_\_\_\_\_\_\_\_ orientation with their customers.      |  |  | | --- | --- | | A. | transactional |  |  |  | | --- | --- | | B. | external |  |  |  | | --- | --- | | **C.** | relational |  |  |  | | --- | --- | | D. | internal |  |  |  | | --- | --- | | E. | divisional |   A relational orientation refers to the building of relationships and the development of a better understanding of customers' needs and wants. |

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| 96. *(p. 16)* | After major hurricanes like Katrina, many ethical home repair and building supply businesses continue to charge pre-hurricane prices to their customers, even though due to the huge increase in demand they could charge much more. These firms probably recognize that:      |  |  | | --- | --- | | A. | they can make more money from government contracts than from sales to customers. |  |  |  | | --- | --- | | B. | a transactional orientation is the key to long-term profitability. |  |  |  | | --- | --- | | C. | none of their competitors would be raising prices. |  |  |  | | --- | --- | | **D.** | lifetime profitability of relationships matters more than profits from each transaction. |  |  |  | | --- | --- | | E. | if they raised prices they would be in violation of Commerce Department regulations. |   By not raising prices when they could, the firms were resisting the temptation to make a quick profit and were instead demonstrating the value they placed on long-term relationships with their customers. |

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| 97. *(p. 16)* | After hurricanes like Katrina, many small building contractors will flock to the damaged area charging whatever customers will pay for temporary repairs to roofs and other parts of damaged homes. These contractors are engaged in a(n) \_\_\_\_\_\_\_\_\_\_ marketing orientation.      |  |  | | --- | --- | | **A.** | transactional |  |  |  | | --- | --- | | B. | external |  |  |  | | --- | --- | | C. | relational |  |  |  | | --- | --- | | D. | internal |  |  |  | | --- | --- | | E. | value driven |   This behavior demonstrates a transactional orientation, where the seller seeks to make a quick profit and is not concerned about long-term relationships. |

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| 98. *(p. 16)* | Melinda, a marketing executive, is trying to explain customer relationship management (CRM) to her parents. She explains that CRM is a way of thinking that translates into \_\_\_\_\_\_\_\_\_\_ to identify and build long-term relationships with her customers.      |  |  | | --- | --- | | A. | a set of strategies |  |  |  | | --- | --- | | B. | programs |  |  |  | | --- | --- | | C. | efforts |  |  |  | | --- | --- | | D. | systems |  |  |  | | --- | --- | | **E.** | all of these |   CRM is not just a software application or a set of tasks--it is a complete approach to managing customer relationships that encompasses strategies, programs, software, and effort invested. |

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| 99. *(p. 16)* | The goal of customer relationship management is to:      |  |  | | --- | --- | | A. | manage every customer relationship differently. |  |  |  | | --- | --- | | B. | manage every customer relationship to maximum short-term profitability. |  |  |  | | --- | --- | | C. | eliminate customers who are profitable, but not highly profitable. |  |  |  | | --- | --- | | **D.** | identify and build loyalty among a firm's customers. |  |  |  | | --- | --- | | E. | generate relationships with all of a firm's customers. |   Some of the answers include CRM themes but are carried to an extreme--for example, although CRM seeks to customize the relationship to meet the customer's primary needs, it doesn't mean that every customer must be managed differently from every other. And not every customer wants a relationship (nor does the firm want a relationship with every customer). But CRM does concern itself with building loyalty in the customer base. |

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| 100. *(p. 16)* | Firms and organizations use customer relationship management to:      |  |  | | --- | --- | | A. | provide their best customers with the products they need. |  |  |  | | --- | --- | | B. | systematically collect information about customers. |  |  |  | | --- | --- | | C. | offer special promotions that appeal to different groups of customers. |  |  |  | | --- | --- | | D. | target their best customers for special attention. |  |  |  | | --- | --- | | **E.** | all of these. |   CRM includes all of the listed activities, combining together in an effort to build customer loyalty. |

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| 101. *(p. 16)* | Many catalog companies create special-run issues based on what customers have purchased in the past. For example, customers who frequently order bedding items like sheets and pillows receive a catalog with a larger section of bedding items than do customers who mostly order kitchen tools. This is an example of:      |  |  | | --- | --- | | A. | C2C marketing. |  |  |  | | --- | --- | | **B.** | customer relationship management. |  |  |  | | --- | --- | | C. | a transactional marketing orientation. |  |  |  | | --- | --- | | D. | supply chain management. |  |  |  | | --- | --- | | E. | typical production-oriented era marketing practices. |   The catalog is customized based on what is known about the customer's needs and habits. This is a typical element of a customer relationship management program. |

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| 102. *(p. 18)* | Marketing was once an afterthought to:      |  |  | | --- | --- | | A. | accounting. |  |  |  | | --- | --- | | B. | economics. |  |  |  | | --- | --- | | **C.** | production. |  |  |  | | --- | --- | | D. | finance. |  |  |  | | --- | --- | | E. | none of these--marketing was never an afterthought. |   In the production-oriented era, marketing was considered unnecessary--all that mattered was producing good products. |

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| 103. *(p. 18)* | Many inventors struggle with the question, "I made it; now how do I get rid of it?" They have made the error of considering marketing as:      |  |  | | --- | --- | | **A.** | an afterthought. |  |  |  | | --- | --- | | B. | an integral part of a business plan. |  |  |  | | --- | --- | | C. | an accounting function. |  |  |  | | --- | --- | | D. | a profit center. |  |  |  | | --- | --- | | E. | important only for new products. |   Marketing should be considered at every step of the conception, design, and manufacturing of a new product, and not treated as an afterthought once the product exists. |

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| 104. *(p. 18)* | Your roommate, a non-business major, sees you reading your marketing text. He or she asks, "Why is marketing important?" You respond by saying all of the following EXCEPT:      |  |  | | --- | --- | | A. | Marketers advise production on how much product to make. |  |  |  | | --- | --- | | B. | Marketers tell the logistics department when to ship products. |  |  |  | | --- | --- | | C. | Marketers engage customers and develop long-term relationships. |  |  |  | | --- | --- | | D. | Marketers identify opportunities to expand. |  |  |  | | --- | --- | | **E.** | Marketers are the most important profit center in any organization. |   Marketing is usually not a profit center (although sales, which is one marketing function, is often a profit center). |

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| 105. *(p. 18)* | Georgia, the outside sales rep for a major building supply company, reads a report stating that building permits are down dramatically in her sales territory. She had noticed that things were slowing down, but now she has data confirming her impression. Based on this information, one important function Georgia should provide is:      |  |  | | --- | --- | | A. | pushing her customers to buy products whether they need them or not. |  |  |  | | --- | --- | | **B.** | advising the production and purchasing departments to produce or order smaller quantities of products. |  |  |  | | --- | --- | | C. | assisting customers in product recall confirmations. |  |  |  | | --- | --- | | D. | avoiding contact with competing firms in order to maximize value-driven marketing. |  |  |  | | --- | --- | | E. | estimating profit per sale to determine whether or not the firm can survive the slowdown. |   Georgia should share what she has learned with the production and purchasing departments, so that they can plan accordingly. She should not push her customers to buy things they don't need--this will damage her firm's reputation and will come back to haunt her when the downturn ends. Estimating profit isn't Georgia's responsibility, but someone in the firm should look at the impact of the slowdown, if enough sales territories are affected. |

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| 106. *(p. 18)* | Jenny, the delivery and sales representative for a beer distributor, is calling on a retailer and sees the shelves are almost empty. An unexpected sporting event held nearby resulted in a huge increase in sales. She calls her company's distribution manager and requests a special delivery for her customer. Jenny is providing the important marketing function of:      |  |  | | --- | --- | | A. | advising production on how much product to make. |  |  |  | | --- | --- | | **B.** | alerting the logistics department when to ship products. |  |  |  | | --- | --- | | C. | engaging customers and developing long-term relationships. |  |  |  | | --- | --- | | D. | identifying opportunities to expand. |  |  |  | | --- | --- | | E. | synthesizing and interpreting sales, accounting, and customer-profile data. |   Jenny is arranging for a shipment through the distribution manager, who handles the logistics function. |

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| 107. *(p. 18)* | After the previous sales representative in his territory infuriated an important customer, Benjamin visited the customer once a month, never asking for business but hoping to rebuild trust through listening and expressing concern. Finally, after more than two years, the customer gave Benjamin an order. Benjamin was providing the important marketing function of:      |  |  | | --- | --- | | A. | advising production on how much product to make. |  |  |  | | --- | --- | | B. | alerting the logistics department when to ship products. |  |  |  | | --- | --- | | **C.** | engaging customers and developing long-term relationships. |  |  |  | | --- | --- | | D. | identifying opportunities to expand. |  |  |  | | --- | --- | | E. | synthesizing and interpreting sales, accounting, and customer-profile data. |   Benjamin was involved in a relational orientation, hoping to rebuild the long-term relationship with this customer. |

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| 108. *(p. 18)* | Marketing provides the critical function of \_\_\_\_\_\_\_\_\_\_ when companies expand globally.      |  |  | | --- | --- | | A. | managing production efficiency |  |  |  | | --- | --- | | **B.** | understanding customers |  |  |  | | --- | --- | | C. | managing personnel |  |  |  | | --- | --- | | D. | forecasting economic growth |  |  |  | | --- | --- | | E. | evaluating government stability |   Marketing is the part of the organization in the best position to understand customers in all situations. |

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| 109. *(p. 18)* | Leah is the marketing manager for an electronics company. While on vacation in Ecuador, she visited electronics stores in the major malls in Quito, the capital city. Most of her company's products were available, except for smart phones. When she returned to work, she mentioned this observation to her international sales manager. Leah was providing the important marketing function of:      |  |  | | --- | --- | | A. | advising production on how much product to make. |  |  |  | | --- | --- | | B. | alerting the logistics department when to ship products. |  |  |  | | --- | --- | | C. | engaging customers, developing long-term relationships. |  |  |  | | --- | --- | | **D.** | identifying opportunities to expand. |  |  |  | | --- | --- | | E. | synthesizing and interpreting sales, accounting, and customer-profile data. |   Leah was identifying a potential opportunity--the absence of the firm's smart phones from stores in Ecuador. |

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| 110. *(p. 18-19)* | One of the most important challenges in marketing globally is to:      |  |  | | --- | --- | | A. | ensure that the firm's products or services stay the same as the offerings in the home country. |  |  |  | | --- | --- | | B. | avoid competing with local firms. |  |  |  | | --- | --- | | **C.** | adapt to the local situation but maintain strategy and identity. |  |  |  | | --- | --- | | D. | seek out other home-country firms as suppliers so as to ensure product quality. |  |  |  | | --- | --- | | E. | operate without publicity so as not to attract attention. |   Firms almost always make some adjustments for local conditions; however, the challenge is to do so while still maintaining the company's overall mission, strategy, and brand identity. |

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| 111. *(p. 19)* | Greenbelt Construction has been a successful small home-building firm for years. The owner pays subcontractors slightly more than the usual rate for different tasks, reducing the company's gross margin. Greenbelt rarely changes subcontractors, has relatively few complaints from home buyers, and is able to get quick responses from subcontractors when buyers do have problems. Greenbelt is engaged in:      |  |  | | --- | --- | | A. | a traditional transactional orientation. |  |  |  | | --- | --- | | B. | C2C value-driven marketing. |  |  |  | | --- | --- | | **C.** | effective supply chain management. |  |  |  | | --- | --- | | D. | value co-creation. |  |  |  | | --- | --- | | E. | all of these. |   By maintaining good relationships with subcontractors, Greenbelt Construction gains the benefit of receiving good service from these subcontractors for itself and for its home buyers. This is a key benefit of effective supply chain management. |

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| 112. *(p. 20)* | Marketing enriches society by:      |  |  | | --- | --- | | A. | focusing solely on maximizing profits. |  |  |  | | --- | --- | | **B.** | encouraging employees to participate and invest in socially responsible activities and charities. |  |  |  | | --- | --- | | C. | recognizing that the firm can do very little by itself, and so it should stay focused on its own core competencies. |  |  |  | | --- | --- | | D. | all of these. |  |  |  | | --- | --- | | E. | none of these. |   Marketing techniques can be applied to social causes as well as to profit-making enterprises, and the firm's employees can support these causes as well. |

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| 113. *(p. 21)* | A friend of yours comments, "I'm starting my own business. I have a perfect product that no one else can touch, but I have no use for marketing. That's just for the mega-corporations." Which of the following arguments would you NOT use in talking about marketing?      |  |  | | --- | --- | | A. | Marketing helps new ventures organize, operate, and assess risk. |  |  |  | | --- | --- | | B. | Marketers help address unmet customer needs, regardless of the size of the firm. |  |  |  | | --- | --- | | C. | Marketing focuses on the product, but only as one element. Three other areas are Promotion, Price, and Place. |  |  |  | | --- | --- | | D. | Marketers are skilled at communicating the value of the product to potential customers. |  |  |  | | --- | --- | | **E.** | Marketing isn't essential now, but it will be in a year or two when the product takes off. |   Marketing is necessary at all stages of a firm's life. |

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| 114. *(p. 21)* | Many entrepreneurs are successful through marketing efforts designed to:      |  |  | | --- | --- | | A. | mimic existing products on the market. |  |  |  | | --- | --- | | **B.** | satisfy unfilled needs. |  |  |  | | --- | --- | | C. | raise social consciousness. |  |  |  | | --- | --- | | D. | gain monopoly power. |  |  |  | | --- | --- | | E. | push a new technology even if people aren't ready for it. |   Successful products address unsatisfied needs. |

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| 115. *(p. 10)* | Which of the following describes a situation in which a company conducts research to understand what potential employees are seeking, as well as what they think of the company?      |  |  | | --- | --- | | **A.** | Employment marketing |  |  |  | | --- | --- | | B. | Empowerment marketing |  |  |  | | --- | --- | | C. | Extended marketing |  |  |  | | --- | --- | | D. | Exchange marketing |  |  |  | | --- | --- | | E. | Evangelical marketing |   Employment marketing involves undertaking marketing research to understand what potential employees are seeking, as well as what they think about the firm; developing a value proposition and an employment brand image; and communicating the brand image to potential employees. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-01 Define the role of marketing in organizations. Topic: What Is Marketing?* |

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| 116. *(p. 21)* | People who initiate, organize, operate and assume the risk of a business venture are called:      |  |  | | --- | --- | | **A.** | entrepreneurs |  |  |  | | --- | --- | | B. | leaders |  |  |  | | --- | --- | | C. | managers |  |  |  | | --- | --- | | D. | professionals |  |  |  | | --- | --- | | E. | consultants |   Entrepreneurs are people who start new businesses and take major risks. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-04 Understand why marketing is important both inside and outside the firm. Topic: Why Is Marketing Important?* |

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| 117. *(p. 5-6)* | If a radio station holds an online contest in which you must log on to their website and submit personal details such as name, phone number and email in order to participate, the radio station is:      |  |  | | --- | --- | | **A.** | offering an exchange. |  |  |  | | --- | --- | | B. | behaving unethically. |  |  |  | | --- | --- | | C. | hoping to receive feedback. |  |  |  | | --- | --- | | D. | implementing a CRM program. |  |  |  | | --- | --- | | E. | none of these. |   Marketing is about an exchange the trade of things of value between buyer and seller so that each is better off. In this instance, the exchange is email/personal information for a chance to win a contest. CRM would imply closer tracking of customers than this simple exchange suggests. |

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| *AACSB: Analytic Blooms: Apply Difficulty: 2 Medium Learning Objective: 01-01 Define the role of marketing in organizations. Topic: What Is Marketing?* |

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| 118. *(p. 5)* | A(n)\_\_\_\_\_\_\_\_\_\_ is the trade of things of value between the buyer and the seller so that each is better off as a result.      |  |  | | --- | --- | | **A.** | exchange |  |  |  | | --- | --- | | B. | market segment |  |  |  | | --- | --- | | C. | promotional plan |  |  |  | | --- | --- | | D. | transactional orientation |  |  |  | | --- | --- | | E. | relational orientation |   This is the definition of the term "exchange." |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-01 Define the role of marketing in organizations. Topic: What Is Marketing?* |

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| 119. *(p. 6)* | Traditionally, marketing activities have been divided into product, price, place, and promotion. Select the term that best describes the four Ps.      |  |  | | --- | --- | | **A.** | Marketing mix |  |  |  | | --- | --- | | B. | Marketing channel |  |  |  | | --- | --- | | C. | Marketing plan |  |  |  | | --- | --- | | D. | Marketing era |  |  |  | | --- | --- | | E. | Marketing implementation |   The marketing mix - or the four Ps - consists of product, price, place, and promotion. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-02 List the elements of the marketing mix. Topic: What Is Marketing?* |

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| 120. *(p. 8)* | Internet sites, physical stores, and kiosks are most closely associated with which element of the marketing mix?      |  |  | | --- | --- | | **A.** | Place |  |  |  | | --- | --- | | B. | Price |  |  |  | | --- | --- | | C. | Product |  |  |  | | --- | --- | | D. | Promotion |  |  |  | | --- | --- | | E. | Proximity |   Place represents all the activities necessary to get the product to the right customer when the customer wants it. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 1 Easy Learning Objective: 01-02 List the elements of the marketing mix. Topic: What Is Marketing?* |

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| 121. *(p. 4)* | The primary purpose of the \_\_\_\_\_\_\_\_\_\_ plan is to specify the marketing activities for a specific time.      |  |  | | --- | --- | | **A.** | marketing |  |  |  | | --- | --- | | B. | business |  |  |  | | --- | --- | | C. | strategic |  |  |  | | --- | --- | | D. | organizational |  |  |  | | --- | --- | | E. | resource |   The marketing plan specifies the marketing activities for a specific period of time. A business plan is a formal statement of a set of business goals which are believed to be attainable. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-01 Define the role of marketing in organizations. Topic: What Is Marketing?* |

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| 122. *(p. 22)* | When an accounting firm provides an online training module showcasing real-life decision lapses and their negative effect on the company, they are trying to encourage what type of behavior from their employees?      |  |  | | --- | --- | | **A.** | ethical |  |  |  | | --- | --- | | B. | strategic |  |  |  | | --- | --- | | C. | formal |  |  |  | | --- | --- | | D. | casual |  |  |  | | --- | --- | | E. | secretive |   The question leads us to understand that the company has created an online training to ensure that the employees act ethically. |

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| *AACSB: Ethics Blooms: Apply Difficulty: 1 Easy Learning Objective: 01-04 Understand why marketing is important both inside and outside the firm. Topic: Why Is Marketing Important?* |

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| 123. *(p. 5)* | Which of the following is a core aspect of marketing?      |  |  | | --- | --- | | A. | It creates value for the customer. |  |  |  | | --- | --- | | B. | It involves exchanges. |  |  |  | | --- | --- | | C. | It includes development of a marketing mix. |  |  |  | | --- | --- | | D. | It occurs in many settings. |  |  |  | | --- | --- | | **E.** | All of these are core aspects of marketing. |   These are all core aspects of marketing. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-01 Define the role of marketing in organizations. Topic: What Is Marketing?* |

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| 124. *(p. 4)* | The activity, set of institutions, and process for creating, capturing, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large is called \_\_\_\_\_\_\_\_\_\_.      |  |  | | --- | --- | | **A.** | marketing |  |  |  | | --- | --- | | B. | marketing research |  |  |  | | --- | --- | | C. | market share analysis |  |  |  | | --- | --- | | D. | market segmentation |  |  |  | | --- | --- | | E. | market positioning |   This is the formal definition of marketing. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-01 Define the role of marketing in organizations. Topic: What Is Marketing?* |

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| 125. *(p. 8)* | Jeff is going to sell sporting apparel, which he has already purchased from manufacturers, and has signed a deal agreeing to the volume he would sell monthly. He has researched his competition and talked to some customers and has decided on prices he will charge. Jeff has also developed a plan for promoting his business. Based on this description, which element of the marketing mix does Jeff still need to work on?      |  |  | | --- | --- | | **A.** | Place |  |  |  | | --- | --- | | B. | Product |  |  |  | | --- | --- | | C. | Price |  |  |  | | --- | --- | | D. | Promotion |  |  |  | | --- | --- | | E. | Planning |   This question outlines each item of the marketing mix except for Place, which represents all the activities necessary to get the product to the right customer when the customer wants it. Jeff needs to decide if he will have a physical store (and if so, where), a website, and so on. |

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| *AACSB: Analytic Blooms: Apply Difficulty: 3 Hard Learning Objective: 01-02 List the elements of the marketing mix. Topic: What Is Marketing?* |

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| 126. *(p. 7)* | Jeff opened a sporting apparel store and has signed a lease on the property. He has also signed an agreement with the manufacturer on the amount of merchandise he will sell and the promotions he will conduct. Based on this description, which aspect of the marketing mix does he still need to work on?      |  |  | | --- | --- | | **A.** | Price |  |  |  | | --- | --- | | B. | Place |  |  |  | | --- | --- | | C. | Promotion |  |  |  | | --- | --- | | D. | Product |  |  |  | | --- | --- | | E. | Prototype |   The answer is Price, because this is the only part of the marketing mix missing from the question description. |

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| *AACSB: Analytic Blooms: Apply Difficulty: 3 Hard Learning Objective: 01-02 List the elements of the marketing mix. Topic: What Is Marketing?* |

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| 127. *(p. 12)* | At one point in the evolution of marketing, the United States entered a buyer's market and the customer became king. Which era is being described?      |  |  | | --- | --- | | **A.** | Market-oriented |  |  |  | | --- | --- | | B. | Sales-oriented |  |  |  | | --- | --- | | C. | Production-oriented |  |  |  | | --- | --- | | D. | Value-based marketing |  |  |  | | --- | --- | | E. | Economic-oriented |   This question is describing the market-oriented era where customers became king. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 1 Easy Learning Objective: 01-02 List the elements of the marketing mix. Topic: What Is Marketing?* |

**Essay Questions**

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| 128. *(p. 4)* | Deonna has been asked to write a marketing plan for a new restaurant. What questions will Deonna likely address in her marketing plan? Be specific and offer questions related to a restaurant.     Responses will vary but should include:  \* What items will be included on the menu? (products)? \* Where will ingredients, supplies, equipment, and furnishings be purchased? (supply chain)? \* What prices will the restaurant charge? (pricing)? \* How will the restaurant be promoted? (promotion)? |

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| *AACSB: Analytic Blooms: Apply Difficulty: 3 Hard Learning Objective: 01-01 Define the role of marketing in organizations. Topic: What Is Marketing?* |

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| 129. *(p. 4)* | Jean-Pierre is a wine distributor in the United States representing primarily European vintners (wine producers). He knows his potential market is every wine drinker in the United States, but he has limited resources to market his products. Using the ideas presented in the text, what should Jean-Pierre do as a first step when developing his marketing plan?     Marketing is about creating value for his customer. With limited resources, Jean-Pierre should attempt to identify the segments of the wine drinking market that are most likely to be interested in his products. This would probably include people who travel more, are of European heritage, and upper income groups. |

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| *AACSB: Analytic Blooms: Apply Difficulty: 3 Hard Learning Objective: 01-01 Define the role of marketing in organizations. Topic: What Is Marketing?* |

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| 130. *(p. 4)* | The text states, "Good marketing is not a random activity." Create an example to respond to this statement.     Answers will vary but should include discussion of marketing as thoughtful planning addressing questions of what, where, how, when, and for whom. |

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| *AACSB: Analytic Blooms: Apply Difficulty: 3 Hard Learning Objective: 01-01 Define the role of marketing in organizations. Topic: What Is Marketing?* |

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| 131. *(p. 6)* | Your friend is writing a "how to" book and asks you for marketing advice. You start by exploring the four Ps. What questions will you ask? Be specific; your friend is creating a book.     Product-related questions should relate to format: printed book (bound or paperback, type of binding) or an e-book Second set of questions will be about pricing: retail and wholesale prices, prices of competing books, costs Third set of questions will be about place: how to distribute the book, access to major online booksellers, shipping costs Fourth set of questions will be about promotion: how will the book be promoted, access to publicity outlets, Web sites, etc |

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| *AACSB: Analytic Blooms: Apply Difficulty: 3 Hard Learning Objective: 01-02 List the elements of the marketing mix. Topic: What Is Marketing?* |

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| 132. *(p. 7)* | The manager of a restaurant supply company determined prices by adding a standard markup to her costs. What might the manager be missing when it comes to effective pricing decisions?     Pricing should be based on the potential buyer's belief about its value. Some of the items offered by the restaurant supply company may have greater perceived value than other items. |

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| *AACSB: Analytic Blooms: Apply Difficulty: 2 Medium Learning Objective: 01-02 List the elements of the marketing mix. Topic: What Is Marketing?* |

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| 133. *(p. 8)* | As the customer service manager for a heating and air conditioning firm, you are constantly bombarded with complaints about service people not showing up, not having the parts needed to make repairs, and being unable to quickly get the materials needed to fix things. You decide to bring in a marketing consultant to assist you with these problems. What area of marketing specialization would you look for in a marketing consultant and what recommendations would you expect to receive? Be specific; this is a heating and air conditioning firm.     The problems span the organization from suppliers, to company employees, to customers. You would probably look for a supply chain management specialist and look for recommendations to coordinate parts inventories with vendors, train service personnel in inventory management, and improve communication among the service personnel, customers, and scheduling office. |

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| *AACSB: Analytic Blooms: Apply Difficulty: 3 Hard Learning Objective: 01-02 List the elements of the marketing mix. Topic: What Is Marketing?* |

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| 134. *(p. 8)* | As your first assignment in an advertising agency, your manager asks you to come up with messages for three billboards promoting the university you attended. The manager wants one ad for each of the three types of promotion objectives. Create an example of one sentence billboard advertising message for each objective.     Answers will vary but should include: Inform--Check out our new online course offerings today. Persuade--XYZ University is your best ticket to a future. Remind--Sign up for the fall semester now. |

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| *AACSB: Analytic Blooms: Apply Difficulty: 3 Hard Learning Objective: 01-02 List the elements of the marketing mix. Topic: What Is Marketing?* |

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| 135. *(p. 16)* | Which type of orientation would you expect among ethically-challenged marketers; a relational or transactional orientation?     A transactional orientation, because they just want to get their money and leave; they are not interested in building relationships. |

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| *AACSB: Analytic AACSB: Ethics Blooms: Remember Difficulty: 2 Medium Learning Objective: 01-03 Describe how marketers create value for a product or service. Topic: What Is Value-Based Marketing?* |

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| 136. *(p. 10)* | Some firms practice employment marketing to attract the "best and brightest" employees. If you were to be recruited by a firm practicing employment marketing, what would that firm do differently from a firm that did not? How would you react?     The firm will undertake research to determine the needs of employees, develop a value proposition based on that research, communicate a brand image to potential employees, and then ensure that the promise is being fulfilled. Students may draw a number of contrasts. The student reaction will provide insights into whether he or she has grasped the marketing concept and approach. |

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| 137. *(p. 12)* | Over the four marketing eras, how did the emphasis on the four Ps change? List the four eras and describe which of the four Ps were emphasized during each era.     During the production-oriented era, obviously the focus was on the product. During the sales-oriented era, the emphasis was on promotion, particularly selling and advertising. During the market-oriented era, the emphasis was producing and providing (place) what customers wanted. In the value-based marketing era, all four Ps are equally important to delivering customer value. |

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| *AACSB: Analytic Blooms: Analyze Difficulty: 3 Hard Learning Objective: 01-01 Define the role of marketing in organizations. Topic: What Is Marketing?* |

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| 138. *(p. 6)* | Suppose that your university creates a position of vice president for marketing and promotes your professor to the position. What activities will the new vice president of marketing probably be involved in? Be specific; this is a university.     Answers will vary depending on the institution but should include the four Ps. |

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| *AACSB: Analytic Blooms: Apply Difficulty: 3 Hard Learning Objective: 01-02 List the elements of the marketing mix. Topic: What Is Marketing?* |

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| 139. *(p. 21)* | How can marketing be effectively used by entrepreneurs?     Successful entrepreneurs work to fulfill unmet needs, a key responsibility in marketing. Understanding customers and creating value are essential to both entrepreneurs and marketers. |

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| *AACSB: Analytic Blooms: Apply Difficulty: 3 Hard Learning Objective: 01-04 Understand why marketing is important both inside and outside the firm. Topic: Why Is Marketing Important?* |

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| 140. *(p. 3-21)* | Suppose your college roommate sees you reading your marketing textbook and says, "Marketing is just advertising and selling." How do you respond?     Students' responses will vary but should contain discussion of anticipating and meeting the needs of customers and in the process creating value. They might cite the definition of marketing on page 4, "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." They could also state the core aspects of marketing also listed on page 5. |

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| 141. *(p. 4-12)* | Imagine you graduate with a marketing degree and are hired into the marketing department of a large consumer products company. You are initially given a two-week training program, an overview of what the marketing department does. What will your training program cover?     Students' responses will vary but should include a discussion of the core aspects of marketing. |

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| *AACSB: Analytic Blooms: Analyze Difficulty: 3 Hard Learning Objective: 01-01 Define the role of marketing in organizations. Topic: What Is Marketing?* |

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| 142. *(p. 3-21)* | How could you use marketing ideas to market yourself to potential employers after you graduate?     If an individual seeking a job sees the potential employer as a customer, he or she can begin to adopt the idea of creating value, focusing the "marketing mix" that the individual brings and bring a strategic approach to a job search. Research, of course, will help in separating fact and reality from suppositions and assumptions. |

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| *AACSB: Analytic Blooms: Create Difficulty: 3 Hard Learning Objective: 01-03 Describe how marketers create value for a product or service. Topic: What Is Value-Based Marketing?* |

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| 143. *(p. 6)* | What are the four Ps of marketing?     Product, price, place, and promotion. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-02 List the elements of the marketing mix. Topic: What Is Marketing?* |

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| 144. *(p. 4)* | What is the fundamental purpose of marketing?     To create value. |

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| *AACSB: Analytic Blooms: Remember Difficulty: 1 Easy Learning Objective: 01-01 Define the role of marketing in organizations. Topic: What Is Marketing?* |

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| 145. *(p. 7)* | "Everything has a price, though it doesn't always have to be monetary." What else is included in a price?     Price can also include time and energy, or anything else the customer gives up to get the product. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 2 Medium Learning Objective: 01-02 List the elements of the marketing mix. Topic: What Is Marketing?* |

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| 146. *(p. 7)* | How should marketers determine prices?     Prices should be based on potential customers' perceptions of value. |

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| 147. *(p. 8)* | If you were hired as a supply chain manager, who would you interact with?     You would likely interact with suppliers, production staff, warehousing and logistics people, transportation companies, and retailers. |

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| *AACSB: Analytic Blooms: Apply Difficulty: 3 Hard Learning Objective: 01-02 List the elements of the marketing mix. Topic: What Is Marketing?* |

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| 148. *(p. 8)* | When the U.S. Army advertises, "Be All You Can Be, Join the Army," which of the three primary advertising objectives are they primarily pursuing?     This is an example of an advertisement designed to persuade people to take action. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 2 Medium Learning Objective: 01-02 List the elements of the marketing mix. Topic: What Is Marketing?* |

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| 149. *(p. 12)* | During the period 1920-1950, what changes in the United States contributed to the shift from a production orientation to a sales orientation?     Improved production and distribution techniques increased output, while the Great Depression and World War II depressed demand, resulting in supply greater than demand and increased emphasis on selling and advertising. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 3 Hard Learning Objective: 01-01 Define the role of marketing in organizations. Topic: What Is Marketing?* |

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| 150. *(p. 14)* | When assessing customer value, what must a marketer always remember?     Value is in the eye of the beholder, meaning consumers have many different perceptions of what is of value and what is not. And the value perception that matters is the customer's perception, not the firm's. |

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| *AACSB: Analytic Blooms: Understand Difficulty: 2 Medium Learning Objective: 01-03 Describe how marketers create value for a product or service. Topic: What Is Marketing?* |

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| 151. *(p. 14)* | Basically, there are two ways to improve value. What are they?     Provide a better product or service at the same price or provide the same value at a lower price. |

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| *AACSB: Analytic Blooms: Apply Difficulty: 2 Medium Learning Objective: 01-03 Describe how marketers create value for a product or service. Topic: What Is Value-Based Marketing?* |