**Chapter 01**

**Test Bank**

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

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Define Marketing*

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

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

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Define Marketing*Feedback: The marketing plan is broken down into various components—how the product or service will be conceived or designed, how much it should cost, where and how it will be promoted, and how it will get to the consumer.3. Understanding the marketplace and a customer's needs and wants is fundamental to marketing success.**TRUE**

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Define Marketing*Feedback: Understanding the marketplace, and especially the needs and wants of the customer, is fundamental to marketing success.4. As Godiva and Hershey’s battle for chocolate lovers, they divide the population into a host of categories such as luxury versus cost-conscious and service-oriented versus self-service.**TRUE**

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Define Marketing*Feedback: As Godiva and Hershey’s battle for chocolate lovers, they divide the population into a host of categories: luxury versus cost-conscious, service-oriented versus self-service, those who purchase chocolates for a quick energy-boosting snack versus those who purchase it as a reward for a hard day’s work or as a gift for a friend or loved one, and those who prefer "Made in America” versus those who prefer the illusion that their chocolates are made in Belgium (even though Godiva has manufacturing facilities in the U.S.).5. The four Ps of the marketing mix include product, promotion, planning, and place.**FALSE**

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Define the role of marketing in organizations.Topic: The Four Ps*Feedback: The four Ps of the marketing mix are product, price, place, and promotion.6. Supply chain management is the set of approaches and techniques that firms employ to efficiently and effectively integrate their suppliers, manufacturers, warehouses, stores, and other firms involved in the transaction into a seamless value chain in which merchandise is produced and distributed in the right quantities, to the right locations, and at the right time.**TRUE**

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Define Marketing*Feedback: Supply chain management is the set of approaches and techniques that firms employ to efficiently and effectively integrate their suppliers, manufacturers, warehouses, stores, and other firms involved in the transaction (e.g., transportation companies) into a seamless value chain in which merchandise is produced and distributed in the right quantities, to the right locations, and at the right time, while minimizing systemwide costs and satisfying the service levels required by the customers.7. Value is what you get for what you give.**TRUE**

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Product Value Creation*Feedback: Value reflects the relationship of benefits to costs, or what you get for what you give.8. In value cocreation, the customer participates in the creation of a good or service, which provides additional value to the customer.**TRUE**

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Product Value Creation*Feedback: A creative way to provide value to customers is to engage in value cocreation. In this case, customers can act as collaborators to create the product or service. When clients work with their investment advisers, they cocreate their investment portfolios; when Nike allows customers to custom design their sneakers, they are cocreating.9. Marketing advises production about how much of the company's product to make and then tells supply chain mangers when to ship it.**TRUE**

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-02 Describe how marketers create value for a product or service.Topic: Define Marketing*Feedback: Marketing advises production about how much of the company's product to make and then tells supply chain mangers when to ship it.10. Entrepreneurs are people who organize, operate, and assume the risk of a business venture.**TRUE**

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-03 Understand why marketing is important both within and outside the firm.Topic: Define Marketing*Feedback: Entrepreneurs are people who organize, operate, and assume the risk of a business venture.11. When a manufacturer sells truck and car parts to Toyota, this is an example of B2C marketing.**FALSE**

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Buyer-seller Relationships*Feedback: This is an example of B2B (business-to-business) marketing. B2C marketing would involve selling cars or trucks to individual consumers.12. The power adapters Dell sells with its computers are built by small companies that specialize in power-related accessories. When Dell purchases its power adapters from these small companies, it is engaged in B2B marketing.**TRUE**

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Buyer-seller Relationships*Feedback: Dell, a business, is purchasing supplies from another business, so this is an example of business-to-business (B2B) marketing.13. Garage sales and online classified ads are examples of C2C marketing.**TRUE**

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Buyer-seller Relationships*Feedback: These are C2C marketing scenarios, where consumers market to one another.14. Key to the success of many entrepreneurs is that they launch ventures that aim to satisfy unfilled needs.**TRUE**

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-03 Understand why marketing is important both within and outside the firm.Topic: The Four Ps*Feedback: Whereas marketing plays a major role in the success of large corporations, it also is at the center of the successes of numerous new ventures initiated by entrepreneurs, or people who organize, operate, and assume the risk of a business venture. Key to the success of many such entrepreneurs is that they launch ventures that aim to satisfy unfilled needs.15. HappyCow is an example of a location-based social media application.**TRUE**

*AACSB: TechnologyAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 1 EasyLearning Objective: 01-02 Describe how marketers create value for a product or service.Topic: Social Media as part of the Marketing Plan*Feedback: Several restaurant chains are exploiting location-based social media applications such as HappyCow, Yelp, Foodspotting, Foursquare, OpenTable, and Seamless. By using location-based apps on their mobile phones, customers can use, for example, HappyCow to find nearby vegetarian restaurants or Yelp to find restaurants that are well rated by users. The result is that users are driving the way brands and stores are interacting with social media.16. As it relates to marketing, the trade of things of value between the buyer and the seller so that each is better off as a result is known as an exchange.**TRUE**

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Define Marketing*Feedback: In a marketing exchange, sellers provide products or services, then communicate and facilitate the delivery of their offering to consumers. Buyers complete the exchange by giving money and information to the seller.17. Marketing's fundamental purpose is to create value by developing a variety of offerings that will earn income for the company.**FALSE**

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Define Marketing*Feedback: Marketing's fundamental purpose is to create value by developing a variety of offerings, including goods, services, and ideas, to satisfy customer needs.18. Margo likes her morning coffee, and she always stops at Starbucks because it is on her way to work. Margo is being influenced by the *place* element of the marketing mix.**TRUE**

*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-01 Define the role of marketing in organizations.Topic: The Four Ps*Feedback: Place represents all the activities necessary to get the product to the right customer when that customer wants it.19. To build relationships, firms focus on the lifetime profitability of the relationship, not how much money is made during each transaction.**TRUE**

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-02 Describe how marketers create value for a product or service.Topic: Buyer-seller Relationships*Feedback: To build relationships, firms focus on the lifetime profitability of the relationship, not how much money is made during each transaction.20. Firms have come to realize that good corporate citizenship through socially responsible actions should be a priority because it will help their bottom line in the long run.**TRUE**

*AACSB: EthicsAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-03 Understand why marketing is important both within and outside the firm.Topic: Corporate Social Responsibility*Feedback: Socially responsible firms recognize that including a strong social orientation in business is a sound strategy—one that is in both its own and its customers' best interest. It shows consumers that the firm will be around for the long run and can be trusted with their business.21. Effectively managing supply chain relationships has a minimal effect on profitability.**FALSE**

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 1 EasyLearning Objective: 01-03 Understand why marketing is important both within and outside the firm.Topic: Supply Chain Management*Feedback: Effectively managing supply chain relationships often has a marked impact on a firm's ability to satisfy the consumer, which results in increased profitability for all parties.22. A group of firms that make and deliver a given set of goods and services is known as a distribution network.**FALSE**

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-03 Understand why marketing is important both within and outside the firm.Topic: Marketing Channels*Feedback: A group of firms that make and deliver a given set of goods and services is known as a supply chain or a marketing channel.23. Buffalo Wild Wings suggests that its diners check in to its locations using their phones. This demonstrates the use of social media to market a product.**TRUE**

*AACSB: TechnologyAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-02 Describe how marketers create value for a product or service.Topic: Social Media as part of the Marketing Plan*Feedback: Social media enable Buffalo Wild Wings to reach young, tech-savvy customers, its target market.24. Approximately half of marketers use social media tools for their businesses.**FALSE**

*AACSB: TechnologyAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-02 Describe how marketers create value for a product or service.Topic: Social Media as part of the Marketing Plan*Feedback: Ninety-seven percent of marketers assert that they use social media tools for their businesses.25. Firms become value driven, in part, by focusing on the competition.**TRUE**

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-02 Describe how marketers create value for a product or service.Topic: Product Value Creation*Feedback: Firms become value driven by sharing information about their customers and competitors across their own organization and with other firms that help them get the product or service to the marketplace, such as manufacturers and transportation companies.26. When a T-shirt manufacturer states, "We sell it only in black because that way we can buy plenty of black fabric and run our plant efficiently," its statement reflects the views that were popular in which era of the evolution of marketing?**A.** production-orientedB. sales-orientedC. market-orientedD. value-based marketingE. economics-oriented

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Marketing Eras*Feedback: This question refers to the production-oriented era, when companies would just manufacture items without taking individuals' needs or wants into consideration.27. 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.

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Define Marketing*Feedback: Production scheduling is the responsibility of manufacturing; all other activities are part of marketing.28. Jami sells construction equipment. Whenever she calls on her building contractor customers, she asks if they are having any problems. In doing so, Jami is addressing which of the following core aspects of marketing?**A.** satisfying customer needs and wantsB. completing the exchange function of marketingC. making product, place, promotion, and price decisionsD. making decisions about the setting in which marketing takes placeE. creating value

*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-01 Define the role of marketing in organizations.Topic: CRM*Feedback: By asking about problems, Jami is asking what unmet needs the contractor might have. She hopes that her company may have products that will help meet these needs.29. Julia is considering a career in marketing. She is concerned about the image of marketers as fast-talking, high-pressure people who care only about making a sale. When reading about the core aspects of marketing, Julia is relieved to see that in marketing**A.** all parties to the transaction 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.

*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Define Marketing*Feedback: Marketing is about satisfying customer needs and wants. If all parties to the exchange are satisfied, that indicates that marketers are considering customers' needs as well as the company's welfare.30. Xavier is analyzing potential market segments. He should carefully seek potential customers who have both an interest in his products andA. 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.

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Target Markets*Feedback: 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.31. When referring to "exchange," marketers are focusing onA. 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.

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Product Value Creation*Feedback: In terms of marketing, an exchange refers to each of the parties involved giving something and getting something in return.32. 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 cocreation.E. feedback.

*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-01 Define the role of marketing in organizations.Topic: CRM*Feedback: In this case, Valerie's customer receives a massage, and she receives both payment and information (in the form of the customer's e-mail address) as part of the exchange process.33. Which of the following is a core aspect of marketing?A. satisfying as many needs as possibleB. creating a product that everyone will want to buyC. setting prices lower than all competitors**D.** making product, place, promotion, and price decisionsE. increasing the company's profit

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Define Marketing*Feedback: 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.34. Marketing has traditionally been divided into a set of four interrelated decisions known as the marketing mix, or four Ps, including all of the following *except*A. product.B. place.**C.** performance.D. promotion.E. price.

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Define the role of marketing in organizations.Topic: The Four Ps*Feedback: The four Ps are product, place, promotion, and price.35. The four Ps make up the marketing mix, which is the \_\_\_\_\_\_\_\_\_\_ set of decisions or activities that the firm uses to respond to the wants of its target markets.A. unpredictableB. externalC. internal**D.** controllableE. global

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: The Four Ps*Feedback: The four Ps are the controllable set of decisions or activities that the firm uses to respond to the wants of its target markets.36. The *fundamental* goal of marketers when creating goods, services, or combinations of both is toA. defeat the competition.B. serve all consumers.C. operate according to government regulations.D. stimulate short-term sales.**E.** create value.

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Define Marketing*Feedback: 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.37. Brian is struggling with the choice of publishing his new book, *How to Cook Polish Barbeque,* as an e-book or a paperback. Brian is addressing which core marketing aspect?A. developing a promotional planB. managing the exchange function of marketing**C.** making product decisionsD. deciding where and how to sell the productE. pricing the product

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: AnalyzeDifficulty: 3 HardLearning Objective: 01-01 Define the role of marketing in organizations.Topic: The Four Ps*Feedback: 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.38. The basic difference between a good and a service is that a goodA. 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.

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Components and Classifications of Products and Services*Feedback: The basic difference between a good and a service is that a good is a tangible thing that can be touched; a service is intangible.39. Four Winds Art Gallery recently began offering appraisals of customers' art collections, in addition to continuing to sell paintings. Four Winds isA. 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.

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Components and Classifications of Products and Services*Feedback: The paintings are goods; appraisals are services.40. 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.

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Define the role of marketing in organizations.Topic: The Four Ps*Feedback: Ultimately, a product should attempt to satisfy a customer's needs. Pricing based on buyers' perceptions of value ensures that buyers believe the product is worth its price.41. Some discount stores put products in large bins and let consumers hunt and find bargains. The price these consumers pay includesA. only the actual price they pay at the register.**B.** the value of their time and energy.C. the excitement they experience in finding an item they desire.D. the savings to the store of not having to display the products neatly on shelves.E. the time the product was full price and didn't sell.

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: The Four Ps*Feedback: Price is everything the buyer gives up—money, time, and/or energy—in exchange for the product.42. Henriette offers financial counseling and management on a fee-only basis. She has found that different customers are willing to pay different rates for her services. This shows that her pricing decisions should depend primarily onA. 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.

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: AnalyzeDifficulty: 3 HardLearning Objective: 01-01 Define the role of marketing in organizations.Topic: The Four Ps*Feedback: 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.43. Marketing channel management is also known asA. endless chain marketing.B. a transactional orientation.C. wholesaling.D. production management.**E.** supply chain management.

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Supply Chain Management*Feedback: Marketing channel management, also known as supply chain management, is the set of approaches and techniques that firms employ to efficiently and effectively integrate their suppliers, manufacturers, warehouses, stores, and other firms involved in the transaction (e.g., transportation companies) into a seamless value chain in which merchandise is produced and distributed in the right quantities, to the right locations, and at the right time, while minimizing systemwide costs and satisfying the service levels required by the customers.44. \_\_\_\_\_\_\_\_\_\_\_ represents all the activities necessary to get the product to the right customer when that customer wants it.**A.** PlaceB. PromotionC. Social mediaD. Value cocreationE. Supply chain marketing

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 1 EasyLearning Objective: 01-01 Define the role of marketing in organizations.Topic: The Four Ps*Feedback: Place represents all the activities necessary to get the product to the right customer when that customer wants it.45. Not only does GIS technology help Starbucks determine the ideal locations for new stores, but it also can enable the company to decideA. the age of its target market.**B.** which kinds of stores to open.C. the type of coffee to sell.D. the type of food to sell.E. how many new locations it should open.

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: The Four Ps*Feedback: Not only does the GIS technology help Starbucks determine the ideal locations for new stores, but it also can enable the company to decide which kinds of stores to open. For example, many of the 1,500 planned new stores will feature drive-through windows; others will be smaller stores, strategically placed to provide the greatest customer convenience.46. The marketing goal of getting the "right quantities to the right locations, at the right time" relates toA. communicating the value proposition.**B.** managing the supply chain.C. performing service marketing.D. capturing value.E. managing price and performance.

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Supply Chain Management*Feedback: Supply chain management is the set of approaches and techniques that firms employ to efficiently and effectively integrate their suppliers, manufacturers, warehouses, stores, and other firms involved in the transaction (e.g., transportation companies) into a seamless value chain in which merchandise is produced and distributed in the right quantities, to the right locations, and at the right time, while minimizing systemwide costs and satisfying the service levels required by the customers.47. Value-oriented marketers constantly measureA. promotional effectiveness against ethical advertising standards.B. the problem of price maximization against cost-efficiency.**C.** perceived customer benefits against the costs of their offerings.D. the desire to achieve against the need for a stable source of supply.E. the goal of efficiency against the price charged by competitors.

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-02 Describe how marketers create value for a product or service.Topic: Product Value Creation*Feedback: Value-oriented marketers constantly measure the benefits that customers perceive against the cost of their offerings. They use available customer data to find opportunities to better satisfy their customers' needs, keep down costs, and develop long-term loyalties.48. Many marketing students initially overlook the importance of marketing channel management becauseA. marketing has no responsibility for supply chain management.B. marketing channel management doesn't add much value for customers.C. companies do not want customers to know anything about the supply chain.**D.** many of these activities take place behind the scenes.E. marketing channel management is already transparent.

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Supply Chain Management*Feedback: Many marketing students initially overlook the importance of marketing channel management because a lot of these activities are behind the scenes.49. Which element of the marketing mix deals with supply chain management?A. productB. priceC. promotionD. production**E.** place

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Define the role of marketing in organizations.Topic: The Four Ps*Feedback: The *place* aspect of the marketing mix represents all the activities necessary to get the product to the right customer when that customer wants it.50. UPS, FedEx, DHL, and other shipping companies support other firms' \_\_\_\_\_\_\_\_\_\_ marketing goals.**A.** supply chain managementB. value communicationC. value captureD. retail managementE. promotion

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Supply Chain Management*Feedback: Supply chain management includes the shipment/delivery of products, so these companies can be an important part of the supply chain.51. \_\_\_\_\_\_\_\_\_\_ is communication by a marketer that informs, persuades, and reminds potential buyers about a product or service so as to influence their opinions and elicit a response.A. Pricing**B.** PromotionC. PlacementD. A relational orientationE. Value cocreation

*AACSB: CommunicationAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Define the role of marketing in organizations.Topic: The Four Ps*Feedback: Promotion is communication by a marketer that informs, persuades, and reminds potential buyers about a product or service so as to influence their opinions and elicit a response.52. Effective promotion enhances a product or service'sA. supply chain management system.B. wholesaling capabilities.**C.** perceived value.D. design features.E. trialability.

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Role of Promotion*Feedback: Effective promotion communicates value by attempting to ensure that customers understand the value being offered.53. By promoting perfume based on youth, style, and sex appeal, Calvin Klein is attempting toA. influence social norms regarding sexuality.B. encourage consumers to participate in product redesign.C. stimulate supply chain management cooperation.**D.** increase the perceived value of its products.E. demonstrate social responsibility.

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Role of Promotion*Feedback: Promotion is communication by a marketer that informs, persuades, and reminds potential buyers about a product or service so as to influence their opinions and elicit a response. Promotion generally can enhance a product’s or service’s value.54. When retailers accumulate merchandise from producers in large amounts and sell to consumers in smaller amounts it is considered \_\_\_\_\_\_\_ marketing.**A.** B2CB. B2BC. R2CD. C2CE. C2B

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Buyer-seller Relationships*Feedback: B2C (business-to-consumer) marketing is the process by which businesses sell to consumers.55. By allowing consumers to sell their unwanted goods to other consumers, auction sites like eBay and Etsy cater to \_\_\_\_\_\_\_\_\_\_ marketing.A. B2B**B.** C2CC. D2CD. C2DE. B2G

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Buyer-seller Relationships*Feedback: Consumers can buy and sell from one another on sites like eBay and Etsy, increasing the amount of consumer-to-consumer (C2C) marketing that takes place.56. As use of the Internet took off, car manufacturers were tempted to sell directly to consumers, but decided instead to continue to sell through their existing dealer networks. The car manufacturers considered switching from \_\_\_\_\_\_\_\_\_\_ to \_\_\_\_\_\_\_\_\_\_ marketing.A. B2C; B2BB. B2C; C2C**C.** B2B; B2CD. B2B; C2CE. C2C; B2C

*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Buyer-seller Relationships*Feedback: The car manufacturers considered switching from B2B marketing (where they sell cars to dealers, who then sell them to consumers) to B2C marketing (where the car manufacturers sell directly to consumers).57. Many universities provide physical or electronic bulletin boards to facilitate ride-sharing and exchange of used books among students. These bulletin boards increase \_\_\_\_\_\_\_\_\_\_ marketing.A. B2CB. C2BC. B2B**D.** C2CE. underground

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Buyer-seller Relationships*Feedback: These bulletin boards are designed to encourage consumer-to-consumer (C2C) marketing since they make it easier for consumers (students, in this case) to connect with one another.58. The "Milk Life" advertising campaign, designed to increase awareness of the health benefits of milk, was intended to help market a(n)A. service.B. firm.**C.** industry.D. organization.E. specific product.

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Advertising Appeals*Feedback: Marketing can aim to benefit an entire industry or society at large. The dairy industry targets its “Milk Life” and “Body by Milk” campaigns at different target segments, including parents, their children, and athletes. Through this campaign, the allied milk producers have created high levels of awareness about the benefits of drinking milk, including the high levels of protein, potassium, and calcium it provides.59. The “onboard, online retail business” refers toA. the options airlines offer passengers to upgrade their seat to first class.B. the options airlines offer passengers to change their destination.C. the options airlines offer passengers to connect to Facebook and Twitter.**D.** the options airlines offer passengers to shop through their mobile devices while they fly toward their destination.E. the options airlines offer passengers to purchase food and beverages while on their flight.

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Buyer-seller Relationships*Feedback: The “onboard, online retail business” refers to the options that more and more airlines offer passengers to shop through their mobile devices while they fly toward their destination.60. The idea that a good product will sell itself is associated with the \_\_\_\_\_\_\_\_\_\_ era of marketing.**A.** production-orientedB. sales-orientedC. market-orientedD. value-based marketingE. retailing-oriented

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Marketing Eras*Feedback: In the production-oriented era, the assumption was that if companies built good products, they would sell without any particular effort.61. Henry Ford's statement, "Customers can have any color they want so long as it's black," typified the \_\_\_\_\_\_\_\_\_\_ era of marketing.**A.** production-orientedB. sales-orientedC. market-orientedD. value-based marketingE. retailing-oriented

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Marketing Eras*Feedback: 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.62. Melanie works for a small computer software company. Her boss is constantly improving the company's products but neglects customers, billing, and promoting the company. Her boss is probably stuck in the \_\_\_\_\_\_\_\_\_\_ era of marketing.**A.** production-orientedB. sales-orientedC. market-orientedD. value-based marketingE. retailing-oriented

*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Marketing Eras*Feedback: In the production-oriented era of marketing, manufacturers were concerned with product innovation, not with satisfying the needs of individual consumers, and retail stores typically were considered places to hold the merchandise until a consumer wanted it.63. During the \_\_\_\_\_\_\_\_\_\_ era, firms had excess capacity and used personal selling and advertising to generate customers.A. production-oriented**B.** sales-orientedC. market-orientedD. value-based marketingE. retailing-oriented

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Marketing Eras*Feedback: In the sales-oriented era, manufacturers had the capacity to produce more than customers really wanted or were able to buy. Firms found an answer to their overproduction in becoming sales oriented; they depended on heavy doses of personal selling and advertising.64. The prevailing marketing strategy of the \_\_\_\_\_\_\_\_\_\_ era was to find customers for inventories that went unsold.A. production-oriented**B.** sales-orientedC. market-orientedD. value-based marketingE. retailing-oriented

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Marketing Eras*Feedback: In the sales-oriented era, manufacturers had the capacity to produce more than customers really wanted or were able to buy. Firms found an answer to their overproduction in becoming sales oriented; they depended on heavy doses of personal selling and advertising.65. Near the end of the model year, the Move-Them-Out automobile dealership had an unusually high inventory level. The manager increased her advertising spending and gave extra incentives to its salespeople. Move-Them-Out operates as if it were in the \_\_\_\_\_\_\_\_\_\_ era.A. production-oriented**B.** sales-orientedC. market-orientedD. value-based marketingE. retailing-oriented

*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Marketing Eras*Feedback: In the sales-oriented era, manufacturers had the capacity to produce more than customers really wanted or were able to buy. Firms found an answer to their overproduction in becoming sales oriented; they depended on heavy doses of personal selling and advertising.66. Many U.S. companies first discovered marketing during the \_\_\_\_\_\_\_\_\_\_ era.A. production-orientedB. sales-oriented**C.** market-orientedD. value-based marketingE. retailing-oriented

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Marketing Eras*Feedback: The market-oriented era was when most companies first started thinking in terms of meeting customer wants and needs before they designed, made, or attempted to sell their products and services. It was during this period that firms discovered marketing.67. Which of the following statements reflects the philosophy of the market-oriented era?A. A good product will sell itself.**B.** The customer is king.C. Firms should take advantage of a seller's market.D. Advertising and personal selling should be emphasized in order to make the sale.E. Firms should focus on value.

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Marketing Eras*Feedback: The market-oriented era was when most companies first started thinking in terms of meeting customer needs. It was a buyer's market and the customer was king.68. Data about how, when, why, where, and what people buy refers toA. statistics.B. demographics.**C.** marketing analytics.D. value-based marketing.E. relational orientation.

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-02 Describe how marketers create value for a product or service.Topic: Marketing Metrics*Feedback: This refers to marketing analytics. Modern marketers rely on sophisticated data analytics to define and refine their approaches to their customers and their markets. Companies such as Starbucks, CVS, Kroger, Netflix, and Amazon collect massive amounts of data about how, when, why, where, and what people buy, and then analyze those data to inform their choices.69. During the \_\_\_\_\_\_\_\_\_\_ era, manufacturers and retailers recognized they needed to give their customers greater value than their competitors did.A. production-orientedB. sales-orientedC. market-oriented**D.** value-based marketingE. retailing-oriented

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Marketing Eras*Feedback: Before the turn of the 21st century, better marketing firms recognized that there was more to good marketing than simply discovering and providing what consumers wanted and needed; to compete successfully, they would have to give their customers greater value than their competitors did.70. Creative locations, such as kiosks at the baggage claim in airports or small booths in grocery stores, represent Starbucks' effort to improve its offering on which dimension of the marketing mix?A. productB. promotionC. priceD. perception**E.** place

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 1 EasyLearning Objective: 01-01 Define the role of marketing in organizations.Topic: The Four Ps*Feedback: Creative locations, such as kiosks at the baggage claim in airports or small booths in grocery stores, represent the chain’s effort to improve its offering on the place dimension of the marketing mix.71. Trey sells consumer electronics. He knows his customers weigh the costs versus the benefits associated with the different options available. He decides which products to offer and what prices to charge based on the way his customers think. Trey operates as if he were in the \_\_\_\_\_\_\_\_\_\_ era.A. production-orientedB. sales-orientedC. market-oriented**D.** value-based marketingE. retailing-oriented

*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Marketing Eras*Feedback: Trey is thinking in terms of the value his customers perceive. Value reflects the relationship of benefits to costs, or what you get for what you give.72. Serena studies her customer profiles, market research data, complaints, and other information, attempting to better understand what her customers want. Serena most likely operates in the \_\_\_\_\_\_\_\_\_\_ era of marketing.A. production-orientedB. sales-orientedC. market-oriented**D.** value-based marketingE. retailing-oriented

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Marketing Eras*Feedback: Serena is attempting to understand her customers' perceptions of value.73. In delivering value, marketing firms attempt to find the most desirable balance betweenA. the need for value and the perception of value.B. explicit versus implicit value.**C.** the need to provide benefits to customers and keep down costs.D. the desire to satisfy customers and the desire to satisfy employees.E. the need for product improvement and the need for advertising.

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-02 Describe how marketers create value for a product or service.Topic: Product Value Creation*Feedback: The challenge for all firms is to provide the value customers expect while keeping costs low enough to allow the firm to be profitable.74. Yolanda is the new restaurant manager in a major hotel. When considering changes in the restaurant that will increase value 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. lower the quality and the price.

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: AnalyzeDifficulty: 3 HardLearning Objective: 01-02 Describe how marketers create value for a product or service.Topic: Product Value Creation*Feedback: By improving products at the same cost, Yolanda would create additional value for her customers.75. Christie has just started with a travel agency, and she has been offering clients and prospective clients a range of packaged tours. She is concerned because the commissions she is earning on her sales are lower than she had hoped. Her colleague Peter, who has been with the agency for several years, is having a great deal of success by working closely with the clients, seeking their ideas, and building customized tour packages for each one based on their suggestions. Peter's approach is based onA. transaction-oriented marketing.B. premium pricing.C. his seniority at the firm.D. special incentives from tour operators.**E.** value cocreation.

*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Product Value Creation*Feedback: Peter is collaborating with his clients to build custom packages, which is an example of value cocreation.76. To become a more value-driven organization, Pokrah University is holding regular coffee-hour discussions with its students and surveying its graduates regarding students' educational needs and desires. By doing so, Pokrah University is becoming more value driven throughA. sharing information across the organization.B. balancing its customers' benefits and costs.C. evaluating strategic competitive partnerships.**D.** building relationships with customers.E. keeping the faculty members happy.

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-02 Describe how marketers create value for a product or service.Topic: Product Value Creation*Feedback: By communicating regularly with students and alumni, Pokrah University is working to build closer relationships with these groups.77. As owner of a retail franchise food store, Mary Gray purchases supplies based on specials advertised nationally throughout the franchise system. One Monday, she was surprised to find customers asking for specials she hadn't been informed of in advance. The franchise company failed to live up to the value-driven activity of**A.** sharing information across the organization.B. balancing customers' benefits and costs.C. evaluating strategic competitive partnerships.D. building relationships with customers.E. keeping prices below those charged by competitors.

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-02 Describe how marketers create value for a product or service.Topic: Product Value Creation*Feedback: In a value-based, market-oriented firm, marketers share information about customers and competitors and integrate it across the firm's various departments. Apparently the national headquarters forgot to inform franchisees of the special, suggesting a failure of information sharing.78. In the past, manufacturer's representatives did not have real-time inventory data about the products they were selling. Today, manufacturer's representatives are often provided online access to inventory data for the companies they represent. These online inventory systems allow companies to become more value driven by**A.** sharing information across 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.

*AACSB: TechnologyAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-02 Describe how marketers create value for a product or service.Topic: Supply Chain Management*Feedback: The online systems discussed help members of the supply chain share information about inventory levels.79. To build relationships, firms focus on the \_\_\_\_\_\_\_\_\_\_\_ of the relationship, not how much money is made during each transaction.A. cost**B.** lifetime profitabilityC. lengthD. valueE. worth

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 1 EasyLearning Objective: 01-02 Describe how marketers create value for a product or service.Topic: Buyer-seller Relationships*Feedback: To build relationships, firms focus on the lifetime profitability of the relationship, not how much money is made during each transaction.80. One of the benefits of value-driven marketing is that attention to customer needs and wants will likely result inA. higher prices than the market leader charges.B. increased competition.**C.** long-term relationships.D. strong connections among competing firms in the marketplace.E. lower prices.

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-02 Describe how marketers create value for a product or service.Topic: CRM*Feedback: Value-driven marketing is likely to lead to loyal customers through the relationships that are formed.81. Even though they operate from out-of-the-way airports and offer few extra services, discount, no-frill airlines like Ryanair and EasyJet have been successful. Consumers obviously considerA. the extra services offered by these airlines to be the most thorough in the industry.B. the long-term relationships established by these airlines to be a critical benefit.C. the prices to be slightly lower, but not low enough to have much influence.**D.** the benefit of lower prices to be greater than the cost of reduced services and less convenience.E. the major airlines to be worthless.

*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-02 Describe how marketers create value for a product or service.Topic: Price Sensitivity*Feedback: 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.82. A relational orientation is based on the philosophy that buyers and sellers developA. a complete understanding of one another's needs.**B.** a long-term relationship.C. a price-value comparison matrix.D. supply chain synergy.E. a marketing value transaction focus.

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 1 EasyLearning Objective: 01-02 Describe how marketers create value for a product or service.Topic: CRM*Feedback: During the past couple of decades, marketers have begun to develop a relational orientation as they have realized that they need to think about their customers in terms of relationships rather than transactions.83. A local art gallery keeps information on its customers regarding their preferences for certain artists as well as the style of art that interests them. The gallery uses this information to inform the customers when new products arrive from their favorite artists and targets them with special promotions. In this way, the gallery is using \_\_\_\_\_\_\_ to build loyalty among its customers.A. value cocreation**B.** customer relationship managementC. transactional marketingD. B2B marketingE. the supply chain

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-02 Describe how marketers create value for a product or service.Topic: CRM*Feedback: Firms that employ customer relationship management (CRM) focus on identifying and building loyalty among the firm's most valued customers. They do so by systematically collecting information about their customers' needs and then using that information to target their best customers with the products, services, and special promotions that appear most important to them.84. If a firm adopts a CRM business philosophy, it most likely has a(n) \_\_\_\_\_\_\_ orientation with its customers.A. transactionalB. external**C.** relationalD. internalE. divisional

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-02 Describe how marketers create value for a product or service.Topic: CRM*Feedback: A relational orientation refers to the building of relationships and the development of a better understanding of customers' needs and wants. A customer relationship management (CRM) program uses a set of strategies, programs, and systems that focus on identifying and building loyalty among the firm's most valued customers.85. 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 thatA. they can make more money from government contracts than from sales to customers.B. a transactional orientation is the key to long-term profitability.C. none of their competitors would be raising prices.**D.** lifetime profitability of relationships matters more than profits from a particular transaction.E. if they raised prices they would be in violation of Commerce Department regulations.

*AACSB: EthicsAccessibility: Keyboard NavigationBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-02 Describe how marketers create value for a product or service.Topic: CRM*Feedback: 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.86. What is the focus of a firm that develops a relational orientation with its customers?A. relating product knowledge to customers' interestsB. gaining profit from each customer transactionC. generating profits quickly before customers shop elsewhereD. working with competitors to simplify product offerings for customers**E.** gaining lifetime profitability from customer relationships

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-02 Describe how marketers create value for a product or service.Topic: CRM*Feedback: Firms that espouse a relational orientation focus on the lifetime profitability of their customer relationships, not on how much money is made in each transaction.87. The goal of customer relationship management is toA. manage every customer relationship differently.B. manage every customer relationship to maximize short-term profitability.C. eliminate customers who are profitable, but not highly profitable.**D.** identify and build loyalty among a firm's most valued customers.E. generate relationships with competitors' customers.

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-02 Describe how marketers create value for a product or service.Topic: CRM*Feedback: Some of the answers include CRM themes but are carried to an extreme—for example, although CRM seeks to customize the relationship to meet the customer's primary needs, it doesn't mean that every customer must be managed differently from every other. But CRM does concern itself with identifying and building loyalty among the firm's most valued customers.88. Franco uses a database software system to remind him when his customers should be ready to reorder his industrial cleaning products. With this reminder system, Franco contacts his customers when they are most likely to be "in the buying mode." Franco's system is part ofA. C2C marketing.**B.** customer relationship management.C. a transactional marketing orientation.D. supply chain management.E. typical production era marketing practices.

*AACSB: TechnologyAccessibility: Keyboard NavigationBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-02 Describe how marketers create value for a product or service.Topic: CRM*Feedback: Franco's system is one element of a customer relationship management (CRM) system. Firms that employ CRM systematically collect information about their customers’ needs and then use that information to target their best customers with the products, services, and special promotions that appear most important to them.89. Many catalog companies create special-run issues based on what customers have purchased in the past. For example, customers who frequently order bedding items like sheets and pillows receive a catalog with a larger section of bedding items than do customers who mostly order kitchen tools. This is an example ofA. C2C marketing.**B.** customer relationship management.C. a transactional marketing orientation.D. supply chain management.E. typical production-oriented era marketing practices.

*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-02 Describe how marketers create value for a product or service.Topic: CRM*Feedback: 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.90. It was during the market-oriented era that firms first discovered "marketing." In what timeframe did this occur?A. around the turn of the 20th centuryB. shortly before the Great Depression**C.** just after World War IID. during the Roaring TwentiesE. during the civil rights movement

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Marketing Eras*Feedback: After World War II, soldiers returned home, got new jobs, and started families. At the same time, manufacturers turned from focusing on the war effort toward making consumer products. Manufacturers and retailers thus began to focus on what consumers wanted and needed before they designed, made, or attempted to sell their products and services. It was during this period that firms discovered marketing.91. Many inventors struggle with the question, "I made it; now how do I get rid of it?" They have made the error of considering marketing as**A.** an afterthought.B. an integral part of a business plan.C. an accounting function.D. a profit center.E. important only for new products.

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-03 Understand why marketing is important both within and outside the firm.Topic: Define Marketing*Feedback: 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.92. Georgia, the outside sales rep for a major building supply company, reads a report stating that building permits are down dramatically in her sales territory. She had noticed that things were slowing down, but now she has data confirming her impression. Based on this information, Georgia will help her company become more value driven if sheA. pushes her customers to buy products whether they need them or not.**B.** advises the production and purchasing departments to produce or order smaller quantities of products.C. avoids contacting her customers until the slowdown ends.D. avoids contact with competing firms in order to maximize value-driven marketing.E. keeps the information to herself.

*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-02 Describe how marketers create value for a product or service.Topic: Supply Chain Management*Feedback: In a value-based, marketing-oriented firm, information should be shared and integrated across the firm's various departments. Georgia should share what she has learned with the production and purchasing departments, so that they can plan accordingly. She should not push her customers to buy things they don't need—this will damage her firm's reputation and will come back to haunt her when the downturn ends.93. Jenny, the delivery and sales representative for a beer distributor, is calling on a retailer and sees the shelves are almost empty. An unexpected sporting event held nearby resulted in a huge increase in sales. She calls her company's distribution manager and requests a special delivery for her customer. Jenny is providing the important marketing function ofA. advising production on how much product to make.**B.** alerting the logistics department when to ship products.C. advising the customer about new products and markets.D. identifying opportunities to expand.E. synthesizing and interpreting sales, accounting, and customer-profile data.

*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-03 Understand why marketing is important both within and outside the firm.Topic: Supply Chain Management*Feedback: Jenny is arranging for a shipment through the distribution manager, who handles the logistics function.94. After the previous sales representative in his territory infuriated an important customer, Benjamin visited the customer once a month, never asking for business but hoping to rebuild trust through listening and expressing concern. Finally, after more than two years, the customer gave Benjamin an order. Benjamin was providing the important marketing function ofA. 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.

*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-02 Describe how marketers create value for a product or service.Topic: CRM*Feedback: Benjamin was involved in a relational orientation, hoping to rebuild the long-term relationship with this customer.95. Which of the following *best* represents how marketing expands firms' global presence?A. when companies hire employees from different backgrounds and cultures**B.** when companies manufacture and sell their products all over the worldC. when companies see a product manufactured overseas and decide to produce it domesticallyD. when companies require their employees to learn a foreign languageE. when companies adhere to government restrictions in overseas markets

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-03 Understand why marketing is important both within and outside the firm.Topic: Marketing Globalization*Feedback: Long gone are the days when a product was made and sold in one market only. Firms now not only sell their products to markets around the world, they may also have their products produced in other countries as well.96. Leah is the marketing manager for an electronics company. While on vacation in Ecuador, she visited electronics stores in the major malls in Quito, the capital city. Most of her company's products were available, except for smartphones. When she returned to work, she mentioned this observation to her international sales manager. Leah was providing the important marketing function ofA. 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.

*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-03 Understand why marketing is important both within and outside the firm.Topic: Marketing Globalization*Feedback: Leah was identifying a potential opportunity—the absence of the firm's smartphones from stores in Ecuador.97. Greenbelt Construction has been a successful small home-building firm for years. The owner pays subcontractors slightly more than the usual rate for different tasks, reducing the company's gross margin. Greenbelt rarely changes subcontractors, has relatively few complaints from home buyers, and is able to get quick responses from subcontractors when buyers do have problems. Greenbelt is engaged inA. a traditional transactional orientation.B. C2C value-driven marketing.**C.** effective supply chain management.D. value cocreation.E. a virtual monopoly.

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-03 Understand why marketing is important both within and outside the firm.Topic: Supply Chain Management*Feedback: 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.98. Marketing enriches society byA. focusing solely on maximizing profits.**B.** sponsoring charitable events.C. recognizing that the firm can do very little by itself, and so it should stay focused on its own core competencies.D. facilitating the smooth flow of goods through the supply chain.E. coordinating marketing functions with other functional areas in the company.

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-03 Understand why marketing is important both within and outside the firm.Topic: Corporate Social Responsibility*Feedback: 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.99. A friend of yours is starting a new business. She is confident that her product is superior to her competitors' and doesn't want to budget any money for marketing. You would recommend that she rethink her position on marketing for all of the following reasons *except*A. Marketing helps new ventures organize, operate, and assess risk.B. Marketers help address unmet customer needs, regardless of the size of the firm.C. Marketing focuses on the product, but only as one element. Three other areas are promotion, price, and place.D. Marketers are skilled at communicating the value of the product to potential customers.**E.** Marketing isn't essential now, but it will be in a year or two when the product takes off.

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-03 Understand why marketing is important both within and outside the firm.Topic: Define Marketing*Feedback: Marketing is necessary at all stages of a firm's life.100. When we say that marketing can be entrepreneurial, it means that entrepreneursA. attempt to mimic existing products on the market.**B.** launch ventures to satisfy unfilled needs.C. raise social consciousness.D. gain monopoly power.E. push new technology even if people aren't ready for it.

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-03 Understand why marketing is important both within and outside the firm.Topic: Define Marketing*Feedback: The key to the success of many entrepreneurs is that they launch ventures that aim to satisfy unfilled needs.101. People who organize, operate, and assume the risk of a business venture are called**A.** entrepreneurs.B. leaders.C. managers.D. professionals.E. consultants.

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-03 Understand why marketing is important both within and outside the firm.Topic: Buyer-seller Relationships*Feedback: Entrepreneurs are people who organize, operate, and assume the risk of a business venture.102. If a radio station holds an online contest in which you must log in to its website and submit personal details such as name, phone number, and e-mail 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. overstepping its role.

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Define Marketing*Feedback: 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 e-mail or personal information for a chance to win a contest. CRM would imply closer tracking of customers than this simple exchange suggests.103. Which of the following is true of marketing?**A.** Marketing affects various stakeholders.B. Marketing plays no role in creating value.C. Marketing is about satisfying the company's needs and wants.D. Marketing requires place, product, promotion, and perception decisions.E. Marketing is performed by organizations, not individuals.

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Define Marketing*Feedback: Marketing is fundamentally about an exchange—the trade of things of value between the buyer and the seller—so that each is better off as a result.104. Traditionally, marketing activities have been divided into product, price, place, and promotion. Select the term that best describes the four Ps.**A.** marketing mixB. marketing channelC. marketing planD. marketing eraE. marketing implementation

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Define the role of marketing in organizations.Topic: The Four Ps*Feedback: The marketing mix—or the four Ps—consists of product, price, place, and promotion.105. Internet sites, physical stores, and kiosks are most closely associated with which element of the marketing mix?**A.** placeB. priceC. productD. promotionE. proximity

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Define the role of marketing in organizations.Topic: The Four Ps*Feedback: Place represents all the activities necessary to get the product to the right customer when the customer wants it.106. The primary purpose of the \_\_\_\_\_\_\_\_\_\_ plan is to specify the marketing activities for a specific period of time.**A.** marketingB. businessC. strategicD. organizationalE. resource

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Strategic Marketing Planning*Feedback: The marketing plan specifies the marketing activities for a specific period of time.107. The process of value \_\_\_\_\_\_\_\_\_\_, in which customers collaborate in product design, often provides additional value to the firm's customers.**A.** cocreationB. positioningC. deliveryD. chain managementE. -based marketing

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Product Value Creation*Feedback: Value cocreation is a process in which customers and the firm work together to customize products. Since the products typically meet more of the customer's needs, this can provide additional value.108. How a product or service will be conceived or designed, how much it should cost, where and how it will be promoted, and how it will get to the consumer are all elements of**A.** a marketing plan.B. a marketing exchange.C. supply chain logistics.D. production management.E. delivery of the value proposition.

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Elements of the Marketing Plan*Feedback: A marketing plan specifies the marketing activities for a specific period of time and is broken down into various components—how the product or service will be conceived or designed, how much it should cost, where and how it will be promoted, and how it will get to the consumer.109. The activity, set of institutions, and processes for creating, capturing, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large is called**A.** marketing.B. marketing research.C. market share analysis.D. market segmentation.E. market positioning.

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Define Marketing*Feedback: The American Marketing Association states that “marketing is the activity, set of institutions, and processes for creating, capturing, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.”110. Jeff is going to sell sporting apparel, which he has already purchased from manufacturers, and has signed a deal agreeing to the volume he will sell monthly. He has researched his competition, talked to some customers, and decided on prices he will charge. Jeff has also developed a plan for promoting his business. Based on this description, which element of the marketing mix does Jeff still need to work on?**A.** placeB. productC. priceD. promotionE. planning

*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-01 Define the role of marketing in organizations.Topic: The Four Ps*Feedback: 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.111. Jeff opened a sporting apparel store and signed a lease on the property. He also signed an agreement with the manufacturer on the amount of merchandise he will sell and the promotions he will conduct. Based on this description, which aspect of the marketing mix does he still need to work on?**A.** priceB. placeC. promotionD. productE. prototype

*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-01 Define the role of marketing in organizations.Topic: The Four Ps*Feedback: The answer is price, because this is the only part of the marketing mix missing from the question description.112. 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-orientedB. sales-orientedC. production-orientedD. value-based marketingE. economics-oriented

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Marketing Eras*Feedback: This question is describing the market-oriented era where customers became king.113. Which of the following is true with regard to mobile advertising?A. Within just a couple of years, mobile advertising will be a smaller market than digital advertising.**B.** Within just a couple of years, mobile advertising will be a bigger market than digital advertising.C. Within just a couple of years, the mobile advertising market will be equal to that of the digital advertising market.D. Companies no longer advertise using mobile marketing.E. The approach and marketing plan of mobile advertising is the same as the approach and marketing plan of digital advertising.

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Advertising Appeals*Feedback: The signs of the growth of mobile advertising, at the expense of other digital forms such as desktops and laptops, have long been evident. But the speed with which this shift is occurring seemingly is taking many marketers by surprise, because it is virtually unprecedented. Consider some of the numbers: In 2009, mobile Internet ad spending was $1.3 billion, while in 2018 it is projected to be $125 billion. Within just a couple of years, mobile advertising will be a bigger market than digital advertising.114. Marketing channel management is related to which of the four Ps?A. productB. price**C.** placeD. promotionE. production

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Define the role of marketing in organizations.Topic: The Four Ps*Feedback: Marketing channel management, also known as supply chain management, is a process that manages the value chain to get products to the right customer when that customer wants it, which is related to the *place* component of the four Ps.115. Marney bought a dress from a retail store. Which type of transaction was Marney participating in?A. B2BB. C2C**C.** B2CD. R2CE. C2B

*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Buyer-seller Relationships*Feedback: The process by which businesses sell to consumers is known as B2C (business-to-consumer) marketing.116. According to your text, in the broadest terms, the "marketplace" refers toA. wholesale and retail environments.B. brick-and-mortar stores and the Internet.C. the four Ps.D. channels that are accessible to a given customer.**E.** the world of trade.

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Define Marketing*Feedback: Using the broadest terms, the marketplace refers to the world of trade.117. Which element of the marketing mix is most relevant to the activity "capturing value"?A. promotionB. purchasingC. product**D.** priceE. place

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: The Four Ps*Feedback: The marketing mix activities are promotion (communicating value), product (creating value), price (capturing value), and place (delivering value).118. Which element of the marketing mix is most relevant to the activity "delivering value"?A. promotionB. purchasingC. productD. price**E.** place

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: The Four Ps*Feedback: The marketing mix activities are promotion (communicating value), product (creating value), price (capturing value), and place (delivering value).119. Which element of the marketing mix is most relevant to the activity "creating value"?A. promotionB. purchasing**C.** productD. priceE. place

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: The Four Ps*Feedback: The marketing mix activities are promotion (communicating value), product (creating value), price (capturing value), and place (delivering value).120. Which marketing activity is most directly served by the promotion element of the marketing mix?**A.** communicating valueB. creating valueC. capturing valueD. delivering valueE. producing value

*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: The Promotion Mix*Feedback: The marketing mix activities are promotion (communicating value), product (creating value), price (capturing value), and place (delivering value).121. Janine was tired of her winter coat, so she sold it to her friend, Marissa. This is an example of \_\_\_\_\_\_\_\_ marketing.A. B2BB. B2CC. C2B**D.** C2CE. BBC*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Buyer-seller Relationships*

Feedback: Janine and Marissa are both consumers, so this is C2C marketing.122. Deonna has been asked to write a marketing plan for a new restaurant. What questions will Deonna likely address in her marketing plan? Be specific and offer questions related to a restaurant.

Responses will vary, but might include:\* Where will the restaurant be located? (place)\* What items will be included on the menu? (products)\* Where will ingredients, supplies, equipment, and furnishings be purchased? (supply chain)\* What prices will the restaurant charge? (pricing)\* How will the restaurant be promoted? (promotion)*AACSB: Analytical ThinkingBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Elements of the Marketing Plan*123. Jean-Pierre is a wine distributor in the United States representing primarily European vintners (wine producers). He knows his potential market is every wine drinker in the United States, but he has limited resources to market his products. Using the ideas presented in the text, what should Jean-Pierre do as a first step when developing his marketing plan?

Marketing is about creating value for the customer. With limited resources, Jean-Pierre should attempt to identify the segments of the wine drinking market that are most likely to be interested in his products. This would probably include people who travel more, are of European heritage, and are in upper-income groups.*AACSB: Knowledge ApplicationBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Elements of the Marketing Plan*124. 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.*AACSB: Knowledge ApplicationBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Define Marketing*125. Your friend is writing a "how-to" book and asks you for marketing advice. You start by exploring the four Ps. What questions will you ask? Be specific.

Product-related questions should relate to format: printed book (bound or paperback, type of binding) or an e-book.Second set of questions will be about pricing: retail and wholesale prices, prices of competing books, costs.Third set of questions will be about place: how to distribute the book, access to major online booksellers, shipping costs.Fourth set of questions will be about promotion: how will the book be promoted, access to publicity outlets, websites, etc.*AACSB: Analytical ThinkingBlooms: AnalyzeDifficulty: 3 HardLearning Objective: 01-01 Define the role of marketing in organizations.Topic: The Four Ps*126. The manager of a restaurant supply company determined prices by adding a standard markup to her costs. What might the manager be missing when it comes to effective pricing decisions?

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.*AACSB: Analytical ThinkingBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-01 Define the role of marketing in organizations.Topic: The Four Ps*127. As the customer service manager for a heating and air conditioning firm, you are constantly bombarded with complaints about service people not showing up, not having the parts needed to make repairs, and being unable to quickly get the materials needed to fix things. You decide to bring in a marketing consultant to assist you with these problems. What area of marketing specialization would you look for in a marketing consultant and what recommendations would you expect to receive? Be specific; this is a heating and air conditioning firm.

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.*AACSB: Analytical ThinkingBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-03 Understand why marketing is important both within and outside the firm.Topic: Strategic Marketing Planning*128. As your first assignment in an advertising agency, your manager asks you to come up with messages for three billboards promoting the university you attended. The manager wants one ad for each of the three types of promotion objectives. Create an example of a one-sentence billboard advertising message for each objective: inform, persuade, and remind.

Answers will vary, but should include:Inform—Check out our new online course offerings today.Persuade—XYZ University is your best value in education.Remind—Sign up for the fall semester now.*AACSB: Knowledge ApplicationBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Advertising Appeals*129. Which type of orientation would you expect among ethically challenged marketers: a relational or transactional orientation? Explain.

A transactional orientation, because they just want to get their money and leave; they are not interested in building relationships.*AACSB: EthicsBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-02 Describe how marketers create value for a product or service.Topic: CRM*130. Over the four marketing eras, how did the emphasis on the four Ps change? List the four eras and describe which of the four Ps were emphasized during each era.

During the production-oriented era, the focus was on the product. During the sales-oriented era, the emphasis was on promotion, particularly selling and advertising. During the market-oriented era, the emphasis was on producing and providing (place) what customers wanted. In the value-based marketing era, all four Ps are equally important to delivering customer value.*AACSB: Analytical ThinkingBlooms: AnalyzeDifficulty: 3 HardLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Marketing Eras*131. How does value cocreation provide additional value to customers?

Value cocreation not only involves the customer, it also offers the opportunity to explain unmet needs the firm can address. Within the broader framework of value-based marketing, the customer will probably gain greater benefits from the product or service since it will meet more of the customer's needs.*AACSB: Analytical ThinkingBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Product Value Creation*132. Suppose that your university creates a position for vice president of marketing and promotes your professor to the position. What activities will the new vice president of marketing probably be involved in? Be specific.

Answers will vary, depending on the institution, but should include the four Ps.*AACSB: Analytical ThinkingBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Role of the Marketing Manager*133. 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.*AACSB: Analytical ThinkingBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-03 Understand why marketing is important both within and outside the firm.Topic: Strategic Marketing Planning*134. 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 AMA's definition of *marketing*: "Marketing is the activity, set of institutions, and processes for creating, *capturing*, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large." They could also state the core aspects of marketing: creating value; satisfying customer wants and needs; making an exchange; and making product, price, place, and promotion decisions; and state that marketing is performed by individuals and organizations and occurs in many settings.*AACSB: Analytical ThinkingBlooms: AnalyzeDifficulty: 3 HardLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Define Marketing*135. Imagine you graduate with a marketing degree and are hired by the marketing department of a large consumer products company. You are initially given a two-week training program, which is an overview of what the marketing department does. What will your training program cover?

Students' responses will vary, but should include a discussion of the core aspects of marketing.*AACSB: Analytical ThinkingBlooms: AnalyzeDifficulty: 3 HardLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Role of the Marketing Manager*136. 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.*AACSB: Analytical ThinkingBlooms: CreateDifficulty: 3 HardLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Define Marketing*137. What are the four Ps of marketing? Give an example of each.

Product, price, place, and promotion. Examples will vary.*AACSB: Analytical ThinkingBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Define the role of marketing in organizations.Topic: The Four Ps*138. What is the fundamental purpose of marketing?

To create value by developing a variety of offerings, including goods, services, and ideas, to satisfy customer needs.*AACSB: Analytical ThinkingBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Define Marketing*139. "Everything has a price, though it doesn't always have to be monetary." What else is included in a price?

Price is everything the buyer gives up—money, time, and/or energy—in exchange for the product*AACSB: Analytical ThinkingBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: The Four Ps*140. How should marketers determine prices?

Prices should be based on potential customers' perceptions of value.*AACSB: Analytical ThinkingBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: The Four Ps*141. If you were hired as a supply chain manager, whom would you interact with?

You would likely interact with suppliers, production staff, warehousing and logistics people, transportation companies, and retailers.*AACSB: Analytical ThinkingBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Supply Chain Management*142. During the past couple of decades, marketers have begun to develop a relational orientation as they have realized that they need to think about their customers in terms of relationships rather than transactions. How does Apple encourage its customers to maintain a long-term relationship with the company?

During the past couple of decades, marketers have begun to develop a relational orientation as they have realized that they need to think about their customers in terms of relationships rather than transactions. To build relationships, firms focus on the lifetime profitability of the relationship, not how much money is made during each transaction. Thus, Apple makes its innovations compatible with existing products to encourage consumers to maintain a long-term relationship with the company across all their electronic needs.*AACSB: Analytical ThinkingBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-02 Describe how marketers create value for a product or service.Topic: Buyer-seller Relationships*143. You are employed by a firm that is considering the use of mobile advertising as opposed to digital advertising. Describe the similarities and differences between these two approaches to advertising.

Both mobile advertising and digital advertising are similar, in the sense that they are clearly distinct from traditional marketing and seek to reach technologically savvy shoppers; however, they require unique approaches and marketing plans, because a campaign that works well on a user’s desktop computer might not function effectively on a tablet or smartphone. Furthermore, mobile marketing offers functionalities and advertising tactics that digital ads cannot provide. In addition, mobile advertising allows brands and marketers to send timely, location-based communications to consumers at the moment they enter a store or begin a search for a nearby restaurant on their phones.*AACSB: Analytical ThinkingBlooms: AnalyzeDifficulty: 3 HardLearning Objective: 01-02 Describe how marketers create value for a product or service.Topic: Marketing Channels*144. Describe how marketing has evolved into a major business function that crosses all areas of a firm or organization.

Marketing advises production about how much of the company's product to make and then tells supply chain mangers when to ship it. It creates long-lasting, mutually valuable relationships between the company and the firms from which it buys. It identifies those elements that local customers value and makes it possible for the firm to expand globally. Marketing has had a significant impact on consumers as well. Without marketing, it would be difficult for any of us to learn about new products and services.*AACSB: Analytical ThinkingBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-03 Understand why marketing is important both within and outside the firm.*145. Suppose you worked at a restaurant near campus, one that was popular with students, and the manager asked you to explain how the restaurant might benefit from using location-based social media tools. How would you answer?

Answers will vary, but the student should explain that location-based tools such as Foursquare allow patrons to "check in" at the restaurant. Customers can connect with their friends through these check-ins, which may encourage the friends to come to the restaurant as well. Contests can be offered that could encourage more frequent visits—customers who use location-based tools tend to visit restaurants nearly twice as often as those who don't.*AACSB: TechnologyBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-02 Describe how marketers create value for a product or service.Topic: Social Media as part of the Marketing Plan*146. Rodney bought a suit at Men's Warehouse. Men's Warehouse bought the suit from a distributor, which bought it from a designer. The designer bought the materials to make the suit from a factory in China, and the suits were made at that same factory. The employees in the factory bought their suits directly from the factory and sold them to their friends. Explain which of these transactions were B2B, B2C, and/or C2C.

Rodney bought a suit at Men's Warehouse—B2CMen's Warehouse bought the suit from a distributor—B2BThe distributor bought it from a designer—B2BThe designer bought materials from a factory where the suits were made—B2BThe employees in the factory bought their suits directly from the factory—B2CThe employees sold the suits to their friends—C2C*AACSB: Analytical ThinkingBlooms: AnalyzeDifficulty: 3 HardLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Buyer-seller Relationships*147. Describe a hypothetical supply chain—from manufacturer to customer.

Answers will vary. Example: Manufacturer makes a product and sells it to a wholesaler. The product is shipped by truck to the wholesaler's warehouse. The wholesaler sells it to a retailer. The product goes by air to the retail company's storage facility, which then ships it by truck to individual retail stores.*AACSB: Knowledge ApplicationBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-02 Describe how marketers create value for a product or service.Topic: Marketing Channels*148. Many U.S. companies now use social media tools for marketing purposes. Demonstrate your knowledge of social media by describing a small company and the ways you would use social media to produce, promote, place, and price your goods or services.

Answers will vary, but should include the four Ps and several examples of social media, such as Twitter, Facebook, and Foursquare.*AACSB: Knowledge ApplicationBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-02 Describe how marketers create value for a product or service.Topic: Social Media as part of the Marketing Plan*149. Explain the process of customer relationship management (CRM) in terms of how it impacts marketing activities.

Customer relationship management (CRM) is a business philosophy and set of strategies, programs, and systems that focus on identifying and building loyalty among the firm's most valued customers. Firms that employ CRM systematically collect information about their customers' needs and then use that information to target their best customers with the products, services, and special promotions that appear most important to them.*AACSB: Analytical ThinkingBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-02 Describe how marketers create value for a product or service.Topic: CRM*150. You are employed by a marketing firm that needs to become more value driven. How is this accomplished?

Firms become value driven by focusing on four activities. First, they share information about their customers and competitors across their own organization and with other firms that help them get the product or service to the marketplace, such as manufacturers and transportation companies. Second, they strive to balance their customers’ benefits and costs. Third, they concentrate on building relationships with customers. Fourth, they take advantage of new technologies and connect with their customers using social and mobile media.*AACSB: Analytical ThinkingBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-02 Describe how marketers create value for a product or service.Topic: Product Value Creation*151. Name the various stakeholders who are impacted by marketing and give one example of how each one might be impacted in a fictitious situation.

Answers will vary, but the stakeholders mentioned should include customers, supply chain partners, stockholders, management, employees, and society at large.*AACSB: Analytical ThinkingBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Corporate Social Responsibility*152. How does the exchange of ideas provide value, and what is the role of marketing in this process? Explain this using the example in the text of groups marketing bicycle helmets, or choose your own scenario.

Groups promoting bicycle safety go to schools, give talks, and sponsor bike helmet poster contests for the members of their primary market: children. Then their secondary target market segment, parents and siblings, gets involved through their interactions with the young contest participants. The exchange of value occurs when the children listen to the sponsors' presentation and wear their helmets while bicycling, which means they have adopted, or become "purchasers" of, the safety idea that the group marketed.*AACSB: Analytical ThinkingBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: Product Value Creation*

*Category # of Questions*

AACSB: Analytical Thinking 118

AACSB: Communication 1

AACSB: Ethics 3

AACSB: Knowledge Application 24

AACSB: Technology 6

Accessibility: Keyboard Navigation 121

Blooms: Analyze 9

Blooms: Apply 37

Blooms: Create 1

Blooms: Remember 37

Blooms: Understand 68

Difficulty: 1 Easy 43

Difficulty: 2 Medium 62

Difficulty: 3 Hard 47

Learning Objective: 01-01 Define the role of marketing in organizations. 101

Learning Objective: 01-02 Describe how marketers create value for a product or service. 34

Learning Objective: 01-03 Understand why marketing is important both within and outside the firm. 17

Topic: Advertising Appeals 3

Topic: Buyer-seller Relationships 15

Topic: Components and Classifications of Products and Services 2

Topic: Corporate Social Responsibility 3

Topic: CRM 14

Topic: Define Marketing 24

Topic: Elements of the Marketing Plan 3

Topic: Marketing Channels 3

Topic: Marketing Eras 15

Topic: Marketing Globalization 2

Topic: Marketing Metrics 1

Topic: Price Sensitivity 1

Topic: Product Value Creation 14

Topic: Role of Promotion 2

Topic: Role of the Marketing Manager 2

Topic: Social Media as part of the Marketing Plan 5

Topic: Strategic Marketing Planning 3

Topic: Supply Chain Management 10

Topic: Target Markets 1

Topic: The Four Ps 27

Topic: The Promotion Mix 1