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Name:_____ Class:_____ Date:_____

Chapter 1 An Introduction to Marketing

1. What does the term marketing refer to?
   a. new product concepts and improvements
   b. selling
   c. advertising and promotional activities
   d. understanding and focusing on customer needs

ANSWER: d

2. What is the definition of marketing?
   a. understanding the wants of the consumer
   b. understanding the needs of the consumer
   c. developing the needs for the advertising
   d. developing the wants of a marketing firm

ANSWER: b

3. Without marketing, which of the following does not exist?
   a. product
   b. strategy
   c. customer
   d. competition

ANSWER: c

4. What is marketing's sole focus?
   a. a control system
   b. marketing products
   c. understanding the customer
   d. profits

ANSWER: c

5. Which of the following best defines marketing?
   a. creating processes within an organization
   b. creating advertising and social media strategies
   c. analyzing the market for the next big product or service
   d. helping shape the products and services of a firm

ANSWER: d

6. Today more than ever the marketing is becoming a conversation with the customer made possible by the explosive growth of which of the following?
   a. product marketing
   b. competitive analysis
   c. social media
   d. marketing concept

ANSWER: c

7. What is the most important part of marketing?
   a. planning strategy
   b. customer management
   c. engaging with the customer
   d. reciprocity

ANSWER: c

8. Which of the following best describes the outcome of marketing?
   a. promotional activities
   b. personal selling
   c. advertising
   d. customer satisfaction

ANSWER: d

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Chapter 1 An Introduction to Marketing

9. The goal of marketing is summarized nicely by which of the following?
   a. the customer b. the competition
   c. the firms advertising d. the marketing concept

ANSWER: d

10. An organization that is focused on satisfying customer wants and needs while achieving the long-term goals of the organization is one that operates with an adherence to which of the following?
   a. the marketing concept b. the profit principle
   c. the need to make money d. a desire to beat competition

ANSWER: a

11. Which statement best describes marketing?
   a. It is more of a philosophy rather than an organization function.
   b. It is focused on just selling goods, services, and/or ideas.
   c. It rewards the seller and not the buyer of a transaction.
   d. It focuses on delivering value and benefits to customers.

ANSWER: d

12. Which statement best describes production-oriented firms?
   a. They do not focus on their internal capabilities.
   b. They lack an understanding of the needs and wants of the marketplace.
   c. They focus on their customers and have quick cycle times.
   d. They determine what products their customers want and then produce them.

ANSWER: b

13. When would a firm benefit from production orientation?
   a. competition is weak, and demand exceeds supply
   b. market demand falls short of the firm's supply
   c. the product being produced is not something that customers want
   d. to preserve society's long-term best interests

ANSWER: a

14. For many years, Procter & Gamble (P&G) viewed its Ivory soap as just plain old soap. P&G focused on how well it made Ivory soap and not on what customers wanted from a bar of soap. What type of orientation did the company have?
   a. sales b. production
   c. market d. customer

ANSWER: b

15. Indonesian logging companies harvest rainforests for wood and assume that a market exists for their products. Which type of orientation does the Indonesian logging company have?
   a. exchange b. environmental
   c. production d. sales

ANSWER: c

16. Owens' Tools manufactures oil-drilling equipment. The firm has always focused on their internal capacity as opposed

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to understanding the needs of customers. What orientation does this describe?

a. sales b. production
c. market d. customer

ANSWER: b

17. Company ABC has strategies based on what its current equipment can produce, what products their engineers can design, and what the company can get to market quickly. What type of orientation does Company ABC have?

a. marketplace b. sales
c. production d. exchange

ANSWER: c

18. Researchers at PPG Industries spent time, effort, and money developing a bluish windshield that would let in filtered sunlight but block the heat. Little market research was done, but the scientists were convinced this new product would be better than the existing windshields. This suggests PPG most likely has which type of orientation?

a. exchange b. production
c. sales d. customer

ANSWER: b

19. What is a major shortcoming of a production orientation?

a. There is no customer value.
b. Customer satisfaction is not considered.
c. Customers' opinions are neglected in the process.
d. Customers are presented with whatever has been developed.

ANSWER: d

20. What type of orientation does a firm have if it does NOT take into consideration the needs of the marketplace?

a. customer b. product
c. market d. production

ANSWER: d

21. Fashion designers at the House of Jones use computer-assisted design software to create what it thinks women should wear. The company regularly hires industry experts to examine its factories to find waste that can be eliminated. For the last two years the House of Jones has lost money. What should the company do?

a. Hire more retail efficiency experts to trace down any production problems.
b. Increase its sales force to find more potential customers for the firm.
c. Focus on its target market to see what needs and wants should be met.
d. Cut prices so that its prices will be at least 10 percent below those of its competitors.

ANSWER: c

22. Canon Computer Products has improved the efficiency and productivity of its plant, which manufactures printing technology. Canon projects a production increase of 25 percent and has instructed its sales force to distribute the product. What type of marketing management orientation is Canon practicing?

a. sales orientation b. production orientation
c. market orientation d. societal marketing orientation

ANSWER: b

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23. What is the primary tool used by sales-oriented organizations to achieve corporate goals?
    a. price b. sales pitches
    c. product design d. place (distribution)

ANSWER: b

24. The manufacturer of Country Kitchen Art bowls relies solely on promotion to attract customers. They advertise in cooking magazines and offer coupons. What type of orientation does Country Kitchen Art have?
    a. market b. societal
    c. production d. sales

ANSWER: d

25. Tata Motors has improved the productivity of its plant. For the new financial year, the company projects a production increase of 30 percent. It has instructed its sales force to aggressively distribute and promote its trucks. The company believes the market will absorb more products if the sales force is aggressive. What type of orientation does Tata have?
    a. market b. production
    c. sales d. customer

ANSWER: c

26. Which of the following is a sales-oriented organization?
    a. Fournotts Corp. produces what the company management thinks should be produced.
    b. Magnira Corp. understands the needs and wants of the marketplace.
    c. Fillets Inc. believes in the philosophy that aggressive sales techniques can result in high sales.
    d. Laelle Inc. believes that a sale is based on a customer's decision to purchase a product.

ANSWER: c

27. Which statement best describes a sales orientation?
    a. Sales-oriented firms concentrate on producing the product at the lowest possible cost.
    b. Sales-oriented firms understand the needs and wants of the marketplace.
    c. Sales-oriented firms give maximum emphasis to society's long-term best interests.
    d. Intermediaries are encouraged to push manufacturers' products aggressively.

ANSWER: d

28. Which statement illustrates a similarity between techniques used with firms following a production era mentality and a sales era mentality?
    a. Both ignore the importance of assessing a firm's internal capabilities.
    b. Both lack an understanding of the needs and wants of the marketplace.
    c. Both place little emphasis on the assessment of manufacturing plants and facilities.
    d. Both fail in a market where demand exceeds supply.

ANSWER: b

29. Which statement best describes a drawback of the sales-orientation philosophy?
    a. It gives excessive importance to the needs and wants of the marketplace.
    b. Hard-selling techniques are intrusive to the consumer.
    c. It places little emphasis on the assessment of manufacturing plants and facilities.
    d. It gives importance to the production function over other functions.

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ANSWER: b

30. Minor League Baseball suffers from poor attendance. If salespeople for the teams try to push the sales of tickets onto local softball teams, which marketing management philosophy is being used?

a. sales b. market

c. production d. societal marketing

ANSWER: a

31. Hanif is a customer service representative at The Curb, a furniture store. His salary is heavily influenced by his weekly sales, so he often uses aggressive sales efforts to convince consumers to buy. His approach often results in customers leaving the store and not returning. Which methodology is Hanif using?

a. market orientation b. sales orientation

c. customer orientation d. production orientation

ANSWER: b

32. Innovative Silversmiths creates and markets silver and turquoise jewellery, which it sells to retailers. The company's management believes its retail customers will stock more jewellery if its salespeople use aggressive marketing techniques. Which type of orientation does the company have?

a. customer orientation b. production orientation

c. sales orientation d. market orientation

ANSWER: c

33. If a company subscribes to the concept of the sales era, what would consumer complaints most likely result in?

a. a less aggressive sales presentation b. product reinvention

c. continuous market research d. attempts to cut production costs

ANSWER: a

34. Which statement best describes a sales-oriented business?

a. The company develops its products to meet the needs of specific groups of people.

b. The company's primary goal is profit through customer satisfaction.

c. The company invests the majority of its resources in promoting its products and services.

d. The company is in business to satisfy customers' wants and needs and deliver superior value.

ANSWER: c

35. One way to identify the orientation of a firm is to examine its primary goal. What type of marketing management philosophy does a firm practice if it seeks to achieve profitability through higher sales volume?

a. societal marketing orientation b. market orientation

c. sales orientation d. production orientation

ANSWER: c

36. Despite challenges over the years, and the latest threats to success as brought on by the COVID-19 pandemic, Lululemon continues to be a successful retailer of quality casual wear by understanding their customers well. This philosophy is at the heart of which of the following?

a. sales b. market company

c. retail d. production

ANSWER: b

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37. Which of the following is primarily used by a market-oriented organization to achieve its goals?
a. advertising, sales, and public relations
b. price
c. product design
d. place (distribution)

ANSWER: a

38. Jacques Torres Chocolate is a factory and retail store. Its owner is willing to try to produce new flavours when his customers suggest them, such as chili-pepper-laced chocolate candy. He believes his customers have the final say on whether the product is of any value. He states, "If something doesn't move, that's the last time you see it." How does Jacques Torres Chocolate keep its customers coming back?
a. It directs its chocolates to the "average customer."
b. It seeks its goals primarily through the use of intensive promotion.
c. It has an inward focus on the organization's needs.
d. It focuses on matching the competencies of his company to the needs of the customer.

ANSWER: d

39. What type of company assumes that a sale does not depend on an aggressive sales force but rather on a customer's decision to purchase a product?
a. an exchange-oriented company
b. a market-oriented company
c. a sales-oriented company
d. a production-oriented company

ANSWER: b

40. Which statement best describes the marketing concept?
a. The marketing concept focuses on linking the needs of customers with the competencies of the organization.
b. It overlooks the importance of understanding the competitive arena and competitors' strengths and weaknesses.
c. It states that firms should give maximum importance to aggressive promotional and advertising activities.
d. It states that marketing solely means selling things and collecting money.

ANSWER: a

41. Even with a focus on the coordination of marketing efforts to ensure his restaurant continually meets customer expectations, Jason knows he can never get complacent. Why is this?
a. The customer is always right.
b. Consumers are asking for more from restaurants as they seek out new ways to be satisfied.
c. There is so much competition.
d. The economy is in a slump.

ANSWER: b

42. The manufacturer of Omega brand watches has a market orientation and follows the marketing concept. What would most likely be the first action the company would take if it learned its customers were dissatisfied with its watches?
a. hire more salespeople
b. conduct research to determine if customers' needs have changed
c. increase advertising to underserved markets
d. increase the number of jewellery stores that carry Omega watches

ANSWER: b

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43. Purple Paper Notebooks believes that the social and economic validation for its existence is obtained from achieving their organizational objectives by satisfying customer wants and needs legally and responsibly. Which orientation does this firm have?

a. production b. sales
c. market d. societal

ANSWER: c

44. For years, Richard Branson, founder of the Virgin Group, has believed in customer service. He believes that good customer service stems from an environment founded on "a chain, one that is consistent from beginning to end." Which idea has Virgin Group captured in this short phrase?

a. the societal concept b. Maslow's hierarchy of needs
c. the marketing concept d. the sales-orientation philosophy

ANSWER: c

45. Which strategy is put into place by a company that has a marketing company orientation?

a. coordination of marketing activities to satisfy customer wants
b. focus on company needs and wants
c. differentiation of the firm's products from other firms' products
d. sales growth fuelled through the application of aggressive sales techniques

ANSWER: a

46. What does the marketing concept involve?

a. focusing on customers' wants so that the organization can distinguish its product (or products) from the competitors' products
b. selling products at the highest prices that the market will bear with the idea of maximizing profits in the short run
c. selling as much product as possible under the assumption people will buy more goods and services if aggressive selling techniques are used
d. focusing on production in order to increase product quality and lower prices

ANSWER: a

47. Which statement best describes the focus of the marketing concept?

a. It links the needs of the customer with the competencies of the organizational.
b. Customers must be satisfied no matter the long-term effect on the firm.
c. The only reason for any business to exist is to make a profit.
d. It is focused on finding a target market that differs from that of the competition.

ANSWER: a

48. The marketing concept stresses that the social and economic justification for an organization's existence is the satisfaction of customer needs and wants while doing which of the following?

a. producing a good or service at the lowest possible cost
b. linking needs of the customer to the organization's competencies
c. constantly increasing sales volumes
d. applying scientific management techniques to improve efficiency

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ANSWER: b

49. Levi Strauss has developed a line of jeans that does not use any chemical dyes to colour the pants. Consumers like the look of the jeans, and Levi's use of all-natural dyes is good for the environment. The production of this line would be consistent with which type of orientation?

a. societal marketing orientation b. supplier orientation

c. sales orientation d. production orientation

ANSWER: a

50. While shopping at their local supermarket Justine and her husband Amil are often asked if they wish to make a donation to Food Share, a local charity in support of those facing food insecurity. Which orientation is the supermarket following?

a. societal marketing orientation b. supplier orientation

c. sales orientation d. philanthropic orientation

ANSWER: a

51. Many of the lowest-priced diamonds are sold by African rebels who use the profits to engage in genocide. LeeBrant is one retail jewellery store that sells only diamonds certified as originating in "conflict-free" countries. Which type of orientation does LeeBrant have?

a. production orientation b. sales orientation

c. societal marketing orientation d. market orientation

ANSWER: c

52. Which strategy is most closely associated with the societal marketing era?

a. competing in the market b. fostering opportunism

c. using clean energy sources d. increasing overhead production costs

ANSWER: c

53. Allied Inc., a beverage manufacturer, has decided to sell all beverages from now on in recyclable containers versus the current single use plastic containers. What is this strategy reflective of?

a. the marketing company era b. the sale era

c. the societal marketing era d. the relationship marketing era

ANSWER: c

54. Health issues relating to product use with greater awareness of the safety and dietary issues attached to products is consistent with which era?

a. sales era b. production era

c. marketing concept era d. societal marketing era

ANSWER: d

55. Nessca Corp. manufactures rechargeable lights for cyclists to attach to the front and rear of their bikes to enhance safety while commuting back and forth to work. It instructs its marketing team to competitively advertise and promote the lights using a variety of mediums, and to use social media and their website to capture customer feedback to ensure product improvements are always made in the best interests of customer wants and cycle safety. Nessa is practicing the philosophy of which of the following?

a. societal marketing era b. marketing era

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c. production era d. sales era

ANSWER: a

56. Livin' Styles is a home décor company that is well known for its varieties of designs. The management of Livin' Styles collaborates with its customers and co-creates designs. What does this example illustrate?

a. a sales orientation b. a focus on environmental value

c. delegating authority d. the relationship marketing era

ANSWER: d

57. If a firm extensively uses relationship marketing strategies, what is it most likely to do?

a. Focus on the internal, rather than the external, business environment.

b. Rely on aggressive sales strategies.

c. Focus on short-term goals of increasing sales.

d. Encourage teamwork among employees.

ANSWER: d

58. An organization believes that it exists not only to satisfy customer wants and needs and meet organizational objectives, but also to preserve individuals' and society's long-term best interests. What type of orientation does the organization have?

a. sales orientation b. market orientation

c. ethical business mission orientation d. societal orientation

ANSWER: d

59. Arcelor Mittal Dofasco Inc. is a highly successful international steel company. They work together with the communities they operate in to decide what projects will improve the local environment and make contributions to supporting these initiatives. This indicates that Arcelor Mittal Dofasco is subscribing to which era?

a. societal marketing era b. sales era

c. product era d. philanthropic era

ANSWER: a

60. Kinko's copy shops use 27 square kilometres of forest to produce all the paper needed by the corporation annually. While the company is committed to making a profit, it is also committed to preserving the environment. Which type of orientation does Kinko's follow?

a. societal marketing orientation b. sales orientation

c. reciprocal orientation d. production orientation

ANSWER: a

61. Nurture-U is an organic and natural beauty brand. It manufactures a variety of environmentally friendly skincare products. It believes that the environment should be protected for future generations. The company is against the use of animal products and uses plant extracts. Which type of orientation does Nurture-U have?

a. market orientation b. sales orientation

c. production orientation d. societal marketing orientation

ANSWER: d

62. Sky High Builders is a sustainable construction company that uses eco-friendly materials to repair or construct infrastructure in the city. The company's products are made from recycled plastic. Which type of orientation does Sky

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High Builders have?

a. market orientation b. sales orientation

c. production orientation d. societal marketing orientation

ANSWER: d

63. Happy Eating is a catering company that offers organic food. It serves edibles that are made from organic and locally grown fresh ingredients at private events and corporate functions. The company avoids using plastic and paper products for packaging. It also promotes awareness of the environmental benefits of choosing chemical free, organic food. In this scenario, which orientation has Happy Eating adopted?

a. market orientation b. societal marketing orientation

c. sales orientation d. production orientation

ANSWER: b

64. Fresh Looks is a beauty salon that uses organic products to minimize the environmental impact of chemical-based products. It uses natural soaps and shampoos and other vegan beauty products, such as vegan moisturizers, nail polishes, and spa treatments. Which type of business orientation has this eco-friendly beauty business adopted?

a. market orientation b. sales orientation

c. societal marketing orientation d. production orientation

ANSWER: c

65. Adorn is a fashion brand that uses recycled materials to create its products. It produces eco-friendly dress materials, handbags, and other accessories. Adorn's policies evolved over the years through an ongoing process of customer engagement through online social media conversations and attention paid to customer comments on their website. Which marketing era is Adorn an example of?

a. evolution era b. sales era

c. relationship marketing era d. societal marketing era

ANSWER: c

66. Jojo is a bath and body product manufacturer. This company produces handmade soaps and other products that are made of organic ingredients such as natural, herbal, and fruit extracts. Jojo has recently received funding to improve their business model by creating a proprietary customer relationship management program. They are convinced this will support a revitalization of the business which was badly impacted by COVID-19. Jojo subscribes to which marketing era?

a. market era b. production era

c. relationship marketing era d. societal marketing era

ANSWER: c

67. In an effort to be the leader in the coffee beverage market, McDonalds has introduced a promotion for a free coffee after every eight coffees purchased. This has proven to be an extremely effective tool to bring customers back time and time again. What is this an example of?

a. a loyalty program to ensure retention b. competitive strategy

c. creativity d. just another great idea

ANSWER: a

68. Surj went to Second Cup and ordered a vanilla latte on a Monday. He enjoyed it so much that he returned every day that week and ordered the same drink from the same barista. By the end of the week the barista asked him if he would like his "usual." What this an example of?

a. commitment selling b. relationship marketing

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c. transactional marketing d. market engineering

ANSWER: b

69. Domino's Pizza is offering racing fans a chance to earn points toward NASCAR-branded merchandise via the NASCAR RacePoints loyalty program. What is Domino's engaging in?

a. transactional marketing b. sports-distribution marketing

c. relationship marketing d. one-to-one marketing

ANSWER: c

70. A company replaces any dissatisfied customer's purchase at its own expense. Which strategy is the company using?

a. management empowerment b. management–customer synergy

c. customer satisfaction d. transactional marketing

ANSWER: c

71. What is created when customer expectations regarding product quality, service quality, and value-based price are met or exceeded?

a. a value line b. quality products

c. dissonance excellence d. customer satisfaction

ANSWER: d

72. What is customer satisfaction?

a. the relationship between benefits and the sacrifice necessary to obtain those benefits

b. the customer's evaluation of a good or service in terms of whether that good or service has met the customer's needs and expectations

c. a customer who wants to purchase something

d. the relationship between benefits and opportunity necessary to obtain those benefits

ANSWER: b

73. What is churn rate?

a. customer satisfaction b. customer rejection

c. customer relationship d. customer attrition

ANSWER: d

74. What has been an important result of the relationship marketing era?

a. customer happiness b. reduced attrition

c. customer relationship management d. churn rate

ANSWER: c

75. Frequent-flyer programs are an example of financial incentives to customers in exchange for their continuing support. After flying a certain number of miles, the frequent-flyer program participant earns a free flight. What is this an example of?

a. one-to-one marketing b. transaction marketing

c. transformational marketing d. relationship marketing

ANSWER: d

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76. Which term refers to the relationship between benefits and the sacrifice necessary to obtain those benefits?
a. customer exchange b. customer value
c. market value d. marketing mix
ANSWER: b

77. Canadian Smoked Turkey Inc. is a mail-order business that does not accept credit cards and does not have a toll-free number for customers to call. It may be old-fashioned, but it has a very loyal following. What does Canadian Smoked Turkey most likely use to maintain long-term ties to its customers?
a. reactive marketing b. synergistic management
c. relationship marketing d. promotional marketing
ANSWER: c

78. Which statement best describes customer relationship management?
a. It involves targeting the average customer or everybody.
b. It involves establishing and tracking customer interactions with the company.
c. It considers all customers as one large group that should be targeted with a single promotional strategy.
d. It is used by sales-oriented firms to convince customers to buy their products.
ANSWER: b

79. Which of the following is a key aspect of customer relationship management?
a. trust b. happiness
c. sales d. market share
ANSWER: a

80. Which statement best describes customer relationship management?
a. It involves targeting the average customer.
b. It involves establishing and tracking customer interactions with the company.
c. It considers all customers as one large group that should be targeted with a single promotional strategy.
d. It is used by sales-oriented firms to convince customers to buy their products.
ANSWER: b

81. The success of customer relationship management has been supported by companies increased use of which of the following?
a. salesforce management tools b. mobile marketing and social media
c. advertising d. sales promotion
ANSWER: b

82. What is one desired outcome of marketing?
a. exchange b. happiness
c. money d. quality product
ANSWER: a

83. Which condition needs to be met for an exchange to take place?
a. At least two parties are involved.
b. Each party needs to be happy.

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c. Each party must trust each other.

d. Each party needs to accept the exchange offer.

ANSWER: a

84. In 2019, while visiting Disney World with his mom, young Brody was completely overwhelmed and had a "meltdown." As a young boy with autism, Brody couldn't handle the stimulation coming at him. A Disney character, recognizing how Brody was feeling, took him aside and spent some time comforting and chatting with him. This is an example of Disney empowering employees to go beyond the regular to provide which of the following?

a. unparalleled customer value b. unparalleled customer happiness

c. a gift d. an exchange

ANSWER: a

85. The management at Fairmont Hotels has authorized its hotel staff to provide, as quickly as possible, whatever amenity—such as a special magazine or a hypoallergenic pillow—their frequent guests request. What is Fairmont management using to provide customer value?

a. relationship selling b. deregulation

c. customer satisfaction d. commissioning

ANSWER: c

86. Which term refers to the relationship between benefits and the sacrifice necessary to obtain those benefits?

a. opportunity cost b. marketing utility

c. market quality d. customer value

ANSWER: d

87. Canada Post argues that its express service is comparable to what is offered by FedEx and that its prices are much lower. Yet FedEx dominates, with a significantly higher market share in the express-delivery market. Why does FedEx have a higher market share?

a. Canada Post is perceived as offering greater customer value.

b. FedEx is perceived as offering greater customer value.

c. FedEx and Canada Post offer the same customer value.

d. Customer value is not an issue in deciding between FedEx and Canada Post.

ANSWER: b

88. What should a retail casket outlet do if it wishes to offer customer value?

a. Use a production orientation.

b. Use a sales orientation.

c. Offer free services to go along with the casket.

d. Provide customers with only a few casket choices.

ANSWER: c

89. Joban purchased a Canada Goose coat just in time for winter. It cost him almost $800. What marketing activity does this transaction describe?

a. exchange b. synergy

c. leverage d. reciprocity

ANSWER: a

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90. Shaun wanted to purchase a used car. He was willing to either trade his old car or pay cash to get what he wanted. What is missing in this scenario?

a. There must be at least two parties involved in an exchange.

b. Money must be used in the transaction.

c. At least one party must feel obligated to accept the offer.

d. At least one party must have something of value that the other party desires.

ANSWER: a

91. Andi Littleton has inherited a Featherlite brand horse trailer from her recently deceased grandfather. A preliminary investigation has shown that many people would be interested in owning a Featherlite brand horse trailer. She is considering placing an advertisement in a newspaper targeted to horse owners. The advertisement would mention a selling price of $14,000 and that she would be willing to deliver it to the new owner if they were not equipped with a trailer hitch at the time of purchase. What is this an example of?

a. relationship b. customer value

c. campaign d. marketing mix

ANSWER: d

92. To increase interest in rodeos, the local chapter of the National Rodeo Cowboys Association (NRCA) is offering free roping lessons to students in Grades 6 and 7. Which statement best describes this exchange?

a. Students and their parents can decide for themselves if the lessons have any value.

b. The students want to take the lessons but are unaware that they are being offered for free.

c. The parents of the students are unsure whether the NRCA is a legitimate organization.

d. Both the NRCA and the students taking the lessons will trade something of value.

ANSWER: d

93. Which term refers to groups of individuals, families, or companies that are placed together because it is believed they share similar needs?

a. market segment b. marketing mix

c. customer value d. relationship

ANSWER: a

94. What is a market segment?

a. a target market

b. a group of individuals who have similar needs

c. a group who want to make an exchange

d. a group that buys because of market research

ANSWER: b

95. A portion of the automobile market loves taking long country drives in a convertible while their kids are with the babysitter. Which term refers to this subgroup of individuals?

a. a market universe b. a market segment

c. an aggregated market d. a segmentation base

ANSWER: b

96. The computer market can be divided into laptops, personal computers, mainframes, and tablets. This market can also be broken down by the types of users who will use each of these types of devices. Which term refers to this process of

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dividing markets?

a. perceptual mapping b. positioning
c. micromarketing d. market segmentation

ANSWER: d

97. If customer value occurs, which of the following is most likely to result?

a. A customer will continue to a relationship.
b. A customer will recommend the company.
c. A customer will have buyer's remorse.
d. A customer will purchase a product or service.

ANSWER: d

98. The best companies view new-customer attraction as the launching point for developing and enhancing which of the following?

a. customer value b. customer segments
c. relationships d. market segments

ANSWER: c

99. Which of the following is a marketing mix?

a. product, price, place, and promotion b. product place, people, and process
c. product, price, place, and people d. price, promotion, people, and place

ANSWER: a

100. Which of the following is an example of the principle of customer exchange?

a. customer satisfaction b. customer marketing
c. customer relationship management d. customer value

ANSWER: d

101. Which of the following is a characteristic of customer loyalty?

a. maintaining and building trust with the customer
b. developing a competitive advantage
c. increasing company profits through sales
d. increasing company profits using a pricing strategy

ANSWER: a

102. Sybil has been purchasing from Electronics Store for over 10 years. Which term best refers to Sybil's relationship with Electronics Store?

a. customer relationship management b. customer value
c. customer loyalty d. customer marketing

ANSWER: c

103. Which marketing tools does an organization use to achieve its goals?

a. advertising and personal selling b. production, promotion, and pricing
c. the marketing mix d. aggressive promotion

ANSWER: c

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104. Which of the following best defines place in the marketing mix?
a. quantifying of a value in exchange for a company's offering
b. the tangible and intangible aspects of a company's offering
c. making an offering available to the customer
d. the visible activities of marketing
ANSWER: c

105. Which of the following best defines promotion in the marketing mix?
a. quantifying a value in exchange for a company's offering
b. tangible and intangible aspects of a company's offering
c. making an offering available to the customer
d. the visible activities of marketing
ANSWER: d

106. Which of the following best defines price in the marketing mix?
a. quantifying a value in exchange for a company's offering
b. taking factors into consideration and making the best decision
c. making an offering available to the customer
d. the visible activities of marketing
ANSWER: b

107. Which of the following best defines product in the marketing mix?
a. the needs that are being satisfied and how to best package all aspects of the offering
b. taking factors into consideration and making the best decision
c. making an offering available to the customer
d. the visible activities of marketing
ANSWER: a

108. What is the difference between place and promotion?
a. Place is the production of the product, and promotion is how the product is distributed.
b. Place is the distribution and logistics, and promotion is packaging of the product.
c. Place is the distribution and logistics, and promotion is the communication to the customer.
d. Place is the location of the pricing, and promotion is the communication to the customer.
ANSWER: c

109. Which of the following is an example of promotion in the marketing mix?
a. quantifying of a value in exchange for a company's offering
b. making the best decision that satisfies the bottom line
c. making an offering available to the customer
d. designing and developing communication materials
ANSWER: d

110. If promotion in a marketing mix occurs, what is the most likely result?

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a. product development b. product pricing
c. product packaging d. product advertising

ANSWER: d

111. As a freelance logistical specialist, Layne is finding that she is so busy she has turn clients away. The trend to online shopping and heightened consumer expectations for speedier delivery has forced companies to pay far closer attention to which element in the marketing mix?

a. product b. price
c. place d. promotion

ANSWER: c

112. There is so much competition in the fiction novel market. As a new fiction crime author hoping to get some decent sales from her self-published book, Lynn has invested a great deal of time and money into the creation of a visually arresting cover. Lynn is concentrating on which component of the marketing mix?

a. product b. price
c. place d. promotion

ANSWER: a

113. Jose has asked his friend Sam, who is an accountant, to look at his costs for growing and selling his heirloom tomatoes. He is sure that he can generate greater profits from reducing his costs because the consumer doesn't want to pay more for his tomatoes (even though his do taste better). Jose is concentrating on which component of the marketing mix?

a. product b. price
c. place d. promotion

ANSWER: b

114. The new hospice in town has created a marketing campaign that has some great visual imagery to support building awareness of all the services the hospice offers to families of the critically ill in the community. Which of the following is being used in this situation?

a. product b. price
c. place d. promotion

ANSWER: d

115. Which of the following factors would you use to develop a full marketing strategy?

a. production orientation b. marketing mix 4Ps
c. customer value strategy d. sales orientation

ANSWER: b

116. Which statement exemplifies a valid reason to study marketing?

a. Marketing teaches students how to sell all types of products and services.
b. Marketing is part of every company.
c. Marketing is used in many types of organizations but not charities and government.
d. Marketing offers more money than other disciplines like finance.

ANSWER: b

117. Which statement best describes the importance of studying marketing?

a. Marketing teaches students how to sell products that people do not need.

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b. Marketing deals with transactions, not relationships.
c. Marketing is seen by everyone many times in a day.
d. Marketing offers outstanding career opportunities.

ANSWER: d

118. Wilson is studying dairy science at university. After graduation, he hopes to modernize and expand his family's dairy farm in a scientific and efficient manner. His adviser at school has suggested he take a marketing course, but Wilson doesn't see the value in that. You are studying marketing. What would you suggest?
a. Marketing knowledge will help Wilson to understand that he must satisfy wholesalers, retailers, and consumers.
b. Wilson should also take a finance course to further broaden his business knowledge.
c. More biology and agriculture classes will be most useful for Wilson. He should leave marketing to the experts and pay consultants when he needs them.
d. The main reason to take marketing is to teach Wilson how to advertise milk.

ANSWER: a

119. Mohamed owns a small moving company. He has decided to take a few night school business courses because the company is growing quickly and there are many things he simply does not understand. Should he enrol in a marketing course?
a. Yes, because marketing is synonymous with selling, and he will want to learn sales techniques to continue the growth of the company.
b. Yes, because the concept of marketing will help him to better satisfy his customers.
c. No, because marketing should be done by experts rather than someone who has taken one course.
d. Yes, because marketing helps businesses sell products that people wouldn't have thought to buy without being marketed to.

ANSWER: b

120. Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.
a. True
b. False

ANSWER: True

121. Marketing can be defined as selling products.
a. True
b. False

ANSWER: False

122. Sara Lee Industries spent considerable money and time developing a crustless bread. Prior to the introduction, the company had not conducted market research among its customers, but it was confident that its technology department had produced a successful new product. Based on this example, Sara Lee is a good example of a production-oriented company.
a. True
b. False

ANSWER: True

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123. Bryson's online bicycle apparel store has not done well and Bryson can't figure out why. After all, he curated an inventory of products that he loved and was sure everyone else would. Bryson is exhibiting a market orientation.

a. True

b. False

ANSWER: False

124. In the early 1920s, Ford promised its customers that they could have any colour car they wanted, "as long as it was black." Ford's management assumed anyone buying a car would accept the colour black, so it made products affordable by offering only one variety in large quantities. Ford is an example of a market-oriented firm.

a. True

b. False

ANSWER: False

125. Both production and sales orientations are focused inward on the organization's needs.

a. True

b. False

ANSWER: True

126. While most marketing organizations rely on promotions to succeed, sales-oriented organizations make the most effective use of their entire marketing mix.

a. True

b. False

ANSWER: False

127. The relationship marketing era is about developing a real and sustainable relationship with a customer.

a. True

b. False

ANSWER: True

128. The marketing concept focuses on linking the needs of customers with the competencies of an organization seeking to meet those needs.

a. True

b. False

ANSWER: True

129. Salespeople who work for market-oriented organizations are generally perceived by their customers to be order takers.

a. True

b. False

ANSWER: False

130. The societal marketing concept considers society's long-term best interests, along with the satisfaction of customers' wants and needs.

a. True

b. False

ANSWER: True

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131. Firms try to achieve customer satisfaction and value by ensuring customer expectations are met or exceeded.
a. True
b. False
ANSWER: True

132. 3D Systems is a company that uses computers to generate new products. It has generated loyal business clients by providing the best customer support. The company also has salespeople who have both product and customer knowledge. This partnership between 3D Systems and its customers would be considered relationship marketing.
a. True
b. False
ANSWER: True

133. Only a firm's salespeople need to be customer-oriented.
a. True
b. False
ANSWER: False

134. Retailers who give their clerks the authority to handle customer complaints without having to get approval from a supervisor are using CRM.
a. True
b. False
ANSWER: True

135. Building customer trust is not important in the long run.
a. True
b. False
ANSWER: False

136. An exchange cannot take place unless each party in the exchange has something that the other party values.
a. True
b. False
ANSWER: True

137. Marketing is a job that should be handled by marketers. People in management, accounting, and finance should focus on their own specialties.
a. True
b. False
ANSWER: False

138. Creating market segments requires little effort or thought.
a. True
b. False
ANSWER: False

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139. The 4 P's of marketing include product, price, promotion, and place.

a. True

b. False

ANSWER: True

140. What is the definition of marketing?

ANSWER: Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

141. Exchange is the key concept in the definition of marketing. What is the concept of exchange? What are the five conditions of exchange that must be satisfied for exchange to occur?

ANSWER: The concept of exchange simply means that people give up something to receive something that they would rather have. Money, goods, or services may be the medium of exchange. There are five conditions of exchange:

1. There must be at least two parties.
2. Each party has something that might be of value to the other party.
3. Each party is capable of communication and delivery.
4. Each party is free to accept or reject the exchange offer.
5. Each party believes it is appropriate or desirable to deal with the other party.

142. There are five conditions that must be satisfied for an exchange to take place. However, even if all these conditions are met, exchange may not necessarily take place. Give an example of a situation in which all conditions are met, but exchange does not take place. Can marketing occur, even if an exchange does not take place? Why or why not?

ANSWER: Many selling situations satisfy all five conditions for exchange, but unless a purchase or trade actually takes place, exchange does not occur. The five conditions are necessary but not sufficient for final exchange. The text provides the example of advertising a used auto in the classified ads.

Marketing can occur even if an exchange does not take place. Many of the activities of marketing (product development, planning, promotion, pricing, distribution, and so on) can take place without a final exchange.

143. The goal of marketing is summarized nicely by the marketing concept. Explain what the marketing concept is, what it includes, and why it is important.

ANSWER: At its core, the marketing concept is about offering the customer what they are looking for. It includes the following:

· Focusing on customer wants and needs so that the organization can distinguish its offerings from those of its competitors.

· Integrating all the organization's activities, including production, to satisfy customers' wants.

· Achieving long-term goals for the organization by satisfying customers' wants and needs legally and responsibly.

· Adherence to the marketing concept will help companies stay focused on meeting customer needs satisfactorily.

144. Is the following statement true? "A production orientation is always harmful to relationship marketing." Explain your answer.

ANSWER: A company with a production orientation concentrates on what it can do best—its internal capabilities. Sometimes what the company produces is exactly what the customer wants. It is possible for a company to engage in relationship marketing (a strategy that entails forging long-term partnerships with customers) and still have a production orientation.

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145. If a firm has a production orientation, what types of questions does management ask after assessing its resources? How would these questions differ for a service organization?

ANSWER: With a production orientation, management focuses on the internal capabilities of the firm. Management might ask, "What can we do best?", "What can engineering design?", and/or "What is economical and easy to produce with our equipment?" Managers of a service organization might ask, "What services are most convenient for the firm to offer?" and/or "Where do our talents lie?"

146. The five eras of marketing strongly influence the role of marketing and marketing activities within an organization. Name and briefly describe each of these five eras.

ANSWER:

Production era: This era focuses firms on their internal production capabilities rather than the desires and needs of the marketplace.

Sales era: This era assumes that buyers will purchase more of any item if aggressive selling techniques are used. Again, this orientation does not address the needs and wants of the marketplace.

Market era: This era is the foundation of contemporary marketing philosophy. It recognizes that a sale is dependent on the customer's decision to purchase a product and provides increased responsiveness to customer needs and wants. To market-oriented firms, marketing means building relationships with customers.

Societal Marketing Era: This era refines the marketing orientation by stating that the social and economic justification for an organization's existence is the satisfaction of customer wants and needs while meeting the organization's objectives and preserving or enhancing both individuals' and society's long-term best interests.

Relationship marketing era: This era is about developing a real and sustainable relationship with the customer. The key movement in this era has to do with moving from interruption to interaction in a company's marketing efforts.

147. An entrepreneur has set up a company to manufacture and market GPS systems for hunters. He has decided a sales orientation would best suit his new company. What are important considerations for this firm when it adopts this orientation? What are potential problems of this orientation the owner needs to understand?

ANSWER: The most important component for a sales orientation is an aggressive sales force. The sales force can push intermediaries to carry products or push consumers to purchase. For the entrepreneur in question, this is important because hunters rarely buy GPS equipment directly from the manufacturer. Instead, GPS equipment is offered through specialty resellers. An aggressive sales force could help the entrepreneur sell his product in more outlets. However, despite a high-quality sales force, even aggressive salespeople cannot convince people to buy goods and services that are neither wanted nor needed.

148. What is the marketing concept? According to the marketing concept, what determines if a sale will actually occur?

ANSWER: The marketing concept is a simple and intuitively appealing philosophy. It states that the social and economic justification for an organization's existence is the satisfaction of customer wants and needs while meeting organizational objectives. It is based on an understanding that a sale does not depend on an aggressive sales force but rather on a customer's decision to purchase a product.

149. An important result of the relationship marketing era has been the concept of customer relationship management. Explain why this has become so important today.

ANSWER: Although created as a data-mining system to help marketers understand each customer on an individual level, CRM best serves the ultimate goal of meeting the needs of customers and building relationships. It helps companies build relationships using all tools available.

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150. A market-oriented organization may choose not to deliver the benefits sought by customers because these benefits are not in the best interests of the individual or society. This is termed the *societal orientation*. What does this concept mean in terms of organizational justification? List three current issues where the societal orientation concept may need to be applied.

ANSWER: The societal orientation refines the market orientation by stating that the social and economic justification for an organization's existence is the satisfaction of customer wants and needs while meeting the organization's objectives and preserving or enhancing both the individual's and society's long-term best interests.

For example, societal issues could include environmental protection, smoking in public places, promotion of high-sugar content foods to children, seat belt laws, alcohol marketing, gun sales, and purchasing drugs that have not been approved by the government.

151. Describe a real company that has a societal marketing orientation.

ANSWER: All students should select a company that exists not only to satisfy customers' wants and needs and meet organizational objectives, but also to preserve or enhance individuals' or society's long-term best interests.

152. Discuss the differences between sales and market orientations using the following five characteristics as guidelines: (1) the organization's focus, (2) the business the organization is in, (3) the people to whom the product is directed, (4) the organization's primary goal, and (5) the tools used to achieve that goal.

ANSWER:

Organization's focus: With a sales orientation, the firm's focus is inward upon the firm's own needs. With a market orientation, the focus is outward on the wants and preferences of customers. In particular, market-oriented firms create customer value, maintain customer satisfaction, and build long-term relationships.

Business: A firm with a sales orientation is in the business of selling goods and services. A firm with a market orientation is in the business of satisfying consumer wants and needs.

Customers: A sales orientation directs the firm's output at everyone, while a market orientation directs goods toward specific groups of people.

Primary goal: The primary goal of a firm with a sales orientation is to make profit through maximizing sales volume. The primary goal of a firm with a market orientation is to seek profit through customer satisfaction.

Tools for goal achievement: A sales orientation seeks to achieve goals primarily through intensive promotion. A market orientation achieves goals through coordinated use of a set of marketing activities.

See Review Learning Outcome 2.

153. What is customer value? How can marketers make sure customers perceive their companies/products as sources of value?

ANSWER: Customer value is the relationship between benefits and the sacrifice necessary to obtain those benefits. Marketers who want to be perceived by their customers as offering value can (1) offer products that perform as they are expected to, (2) earn trust, (3) avoid unrealistic pricing, and (4) give the buyer facts.

154. Marketing has an image problem. It is considered in a very narrow scope by many as consisting primarily of advertising, selling, and social media. Present a case for ensuring that colleagues and friends understand why you are studying marketing and why you believe it is so important.

ANSWER: Marketing is part of every company. If you do not concern yourself with your customer, you will not exist in the future. Marketing provides the customer focus that concentrates on satisfying customer needs, which requires more than just selling or just creating a social media campaign.

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155. What are three of the most important reasons for studying marketing.

ANSWER:

1. Marketing provides both financial and personal rewards.
2. Marketing is important to businesses.
3. Marketing offers outstanding career opportunities in a variety of industries.
4. Marketing develops strong communication and analytical skills.

156. How is marketing important to business?

ANSWER: Marketing contributes directly to the achievement of business objectives, including survival, profits, and growth. Marketing is concerned with assessing the wants and satisfactions of customers, designing and managing product offerings, determining prices, developing distribution strategies, and communicating with customers. These activities are vital to business organizations. A fundamental understanding of marketing is important to all businesspeople so that an organization can operate cohesively.

157. What types of marketing careers are available? What is the current percentage of marketing employees in the civilian workforce? What is the future forecast for marketing employment?

ANSWER: One-quarter to one-third of the civilian workforce performs marketing activities in areas such as professional selling, research, advertising, retail buying, distribution management, product management and development, and wholesaling. Marketing career opportunities exist in both business and non-business organizations.

Demand for marketing-educated personnel is growing. Marketing employment is projected to grow at a faster rate than that of all jobs. Additionally, marketing is a crucial part of every company's success.

158. How does marketing develop your personal skill set and help you in your job search?

ANSWER: You will need to sell yourself in whatever industry to intend to go into. Skills developed when learning marketing—how to understand needs, research trends, create an offering, and communicate benefits—all relate back to a person's job search.

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