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Name:_____ Class:_____ Date:_____

Chapter 01: An Overview of Marketing

Multiple Choice

1. Which of the following statements is NOT true of marketing?
   a. Marketing focuses on practices that deliver value and benefits to customers.
   b. Marketing focuses primarily on selling goods, services, and/or ideas to customers.
   c. Marketing employs the combined use of communication, distribution, and pricing strategies.
   d. Marketing involves building long-term, mutually rewarding relationships with customers.

ANSWER: b

2. Which statement expresses the American Marketing Association (AMA)'s core definition of marketing?
   a. Marketing is a philosophy, an attitude, a perspective, or a management orientation that stresses employee satisfaction.
   b. Marketing is an organization function and a set of processes that have value for customers, clients, partners, and society at large.
   c. Marketing refers to personal selling that focuses solely on selling goods, services, and/or ideas to customers.
   d. Marketing involves building long-term, mutually rewarding relationships that are beneficial exclusively to the sellers.

ANSWER: b

3. We "give up" money to "get" the goods and services we want. Giving up something in order to receive something else is an example of the basic marketing principle of _____.
   a. exchange
   b. distribution
   c. production
   d. selling

ANSWER: a

4. The Standard, a cloud computing company in Dallas, captured the number-one position in *Fortune*'s "100 Best Companies to Work For" because the company _____.
   a. had a large increase in profits
   b. provided jobs to unemployed workers
   c. fostered trust, growth, innovation, and equality
   d. produced innovative goods and services

ANSWER: c

5. Which of the following is a facet of marketing?
   a. Marketing is a philosophy.
   b. Marketing focuses solely on selling services.
   c. Marketing focuses only on advertising.
   d. Marketing focuses solely on selling goods.

ANSWER: a

6. The co-founder of Hewlett Packard said, "Marketing is too important to be left only to the marketing department." This comment means all of the following EXCEPT _____.
   a. marketing involves more than just activities performed by a department

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b. marketing entails processes that focus on delivering value and benefits to customers
c. marketing means selling and promoting products and services
d. marketing involves building long-term, mutually rewarding relationships

ANSWER: c

7. Which of the following is NOT required for an exchange to take place?
a. There must be at least three parties.
b. Each party has something that might be of value to the other party.
c. Each party is capable of communication and delivery.
d. Each party is free to accept or reject the exchange offer.

ANSWER: a

8. Marketing is based on the understanding that organizations have employees, suppliers, stockholders, and distributors as _____.
a. stakeholder "partners"
b. competitors
c. clients
d. consultants

ANSWER: a

9. Gentech, a cloud-computing company, is rated as a top company to work for. It offers rich monetary and psychological rewards. It has developed software that identifies strong performers who have not been promoted for 18 months and helps them seek new challenges. Gentech has shown that _____.
a. employee commitment does not add to productivity
b. companies rated by employees as the top places to work outperform their competitors
c. marketing includes benefits for customers but not employees
d. employees are not considered connected "stakeholder partners"

ANSWER: b

10. Kendall Wong has a car to sell and advertises it online. Several potential buyers test drive the car. All five conditions that are necessary for an exchange to occur exist in this scenario. Has an exchange occurred?
a. An exchange has occurred because all the conditions have been met.
b. An exchange has occurred because Kendall has identified prospective buyers.
c. Until Kendall sells the car, an exchange has not taken place.
d. Until Kendall and a buyer decide on the price, an exchange has not occurred.

ANSWER: c

11. Marketing can occur even if an exchange does not occur. When Sally Rodriguez sold her car, she put an ad in the local newspaper and allowed potential customers to test drive the vehicle. Sally engaged in marketing by _____, even if no one bought her used automobile.
a. advertising
b. hiring a used car dealer
c. preparing the car for sale
d. considering a replacement vehicle

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ANSWER: a

12. As a social media network, Facebook has evolved to fill users' needs for a variety of communication beyond simply updating their status or posting photos or video from their day-to-day life. Users like Jose can now post messages that they are looking to buy or sell items. Jose recently posted that he had a solid oak dining room table and chairs for sale in great condition for $250. Caleb and his partner have been looking for a dining room set but they don't use Facebook, only Instagram and Twitter. Is it likely an exchange will occur?

a. No, it is not likely an exchange will occur because the parties are not using the same platforms of communication.
b. Yes, it is likely an exchange will occur because there are at least two parties.
c. No, it is not likely an exchange will occur since it's not known whether the dining room set is of value to another party.
d. Yes, it is likely an exchange will occur as each party will consider the other to be a desirable exchange partner.

ANSWER: a

13. Walmart is the largest retailer with both brick-and-mortar stores and a growing internet business. Walmart continues to innovate with its service to shop online and pick up at the store. Walmart has also faced criticism due to its low wages and difficulty for part-time employees to get group health insurance. Many consumers refuse to shop at the store due to their employee policies. Based on this scenario, which criterion for an exchange to occur is missing?

a. Each party has something of value to offer another party.
b. Each party must be capable of communication and delivery.
c. There must be at least two parties.
d. Each party is willing to consider the other to be a desirable exchange partner.

ANSWER: d

14. Rankings as well as word of mouth from satisfied customers drive additional sales for automotive companies. However, because this orientation uses an aggressive marketing style, the main problem with a _____ is that there is a lack of understanding of what customers want and need. The customer is not in charge.

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

ANSWER: a

15. When a firm focuses on its internal capabilities rather than on the desires and needs of the marketplace, then the firm is said to have adopted the _____ orientation.

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

ANSWER: a

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16. A firm could benefit from a production orientation when _____.
    a. it produces exactly what the market wants
    b. the market demand is less than the products supplied by the firm
    c. competition is strong
    d. it focuses on what products company management thinks should be produced and hopes customers want

ANSWER: a

17. The Brooks Machine Shop is known for adopting a strategy that focuses on designing new products based on its assessment of the capabilities of its engineers and on the easy availability of resources. The firm's approach, which emphasizes the ease of production and the talents of its resources rather than the needs and wants of the marketplace, can be attributed to its _____ orientation.
    a. production
    b. sales
    c. market
    d. societal marketing

ANSWER: a

18. A sales orientation is common for businesses selling products or services in _____.
    a. markets with a low level of competition
    b. highly competitive markets
    c. situations when intermediaries do not push manufacturers' products
    d. situations that convince people to buy products they do not want

ANSWER: b

19. Apple has a history of _____, creating computers, operating systems, and other gadgetry that it hopes the public will want and buy because of Apple's reputation for innovation.
    a. market orientation
    b. production orientation
    c. sales orientation
    d. societal marketing orientation

ANSWER: b

20. The management at DND Computers believes that an increased level of transactions will result in high profits. Together with the company team members, management devises a strategy to promote its new line of convertible laptops based on the assumption that consumers will purchase a product if the company promotes it aggressively. This hypothesis can be attributed to the company's _____ orientation.
    a. production
    b. sales
    c. market
    d. societal marketing

ANSWER: b

21. According to the _____, an organization exists not only to satisfy customer wants and needs but also to preserve or enhance individuals' and the community's long-term best interests.

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

ANSWER: a

22. Walgreens has addressed the health problems of local communities. To help solve the nation's opioid crisis, Walgreens instituted opioid utilization management protocols, installed drug disposal collection units, and is updating its pharmacists on the dangers of prescription drugs. Walgreens is an example of a company with a _____.

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

ANSWER: b

23. The Biking Company bikers told the manufacturer that they wanted lighter, more powerful bikes and a better way to handle corners. The Biking Company follows a market orientation. What did the company do?

a. It added more aggressive sales force employees.
b. It developed heavier bikes with wide angles for better cornering.
c. It created bikes with bigger engines and lighter, stronger frames.
d. It increased its internal capabilities by hiring more engineers.

ANSWER: c

24. The ABC Lawn Company aims for a high number of clients that result in high profits. To meet its goal ABC markets its landscaping service vigorously because there are many lawn services and nurseries in the local community. As a sales-oriented company, ABC focuses on _____.

a. the needs and wants of the customers
b. aggressive trading techniques
c. enhancing individuals' and society's long-term best interests
d. the internal capabilities of the firm

ANSWER: b

25. Which of the following is a similarity between a production orientation and a sales orientation?

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

26. The management of Intel believes that success can be achieved with a thorough understanding of its competitive arena and by developing products that satisfy the needs, wants, and expectations of customers. Therefore, Intel can be said to have a _____ orientation.

a. production

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b. sales
c. market
d. societal marketing

ANSWER: c

27. The research and development team of Nature's Way Beverages has discovered that, during the testing process, one of their highly profitable new beverages contains ingredients that may cause liver damage in humans if consumed regularly over time. Additionally, the team acknowledged that the plant that manufactures this beverage draws healthy groundwater which could cause a water shortage in areas surrounding the plant. Based on these findings, management has halted its production of this beverage until a solution can be found that does not adversely affect its consumers and the environment. Given this decision, it is evident that Nature's Way Beverages embraces a _____ orientation.

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

ANSWER: d

28. Identify the situation(s) in which a production-oriented firm can survive or prosper in the marketplace.

a. When competition is weak
b. When supply exceeds demand
c. When competition is strong
d. When demand equals supply

ANSWER: a

29. Which of the following activities is NOT required to achieve a market orientation?

a. Obtaining information about customers and competitors
b. Examining information about markets from a business perspective
c. Employing a high-quality sales force to aggressively promote goods and services
d. Determining and implementing actions to provide and deliver added value to customers

ANSWER: c

30. The Shoe Company and Bob's Natural Foods outperform their competitors in today's marketplace because they try to find out what their customers want, and they do their best to provide the products and services that their customers request. They derive their understanding of the competitive arena from a _____-oriented focus.

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

ANSWER: c

31. The Brown Company follows a market-oriented approach, whereas The Columbia Company believes in a sales-oriented approach. Considering their approaches, it is evident that _____ has/have an advantage in

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today's marketplace because it/they finds/find out what customers want and what they need.

a. The Brown Company
b. The Columbia Company
c. both
d. neither

ANSWER: a

32. The relationship between benefits and the sacrifice necessary to obtain those benefits is known as _____.

a. teamwork
b. customer value
c. customer satisfaction
d. empowerment

ANSWER: b

33. Great Burger is a burger restaurant that targets those who care about how food tastes and where the food comes from. Prices are higher than average, but Great Burger uses hormone-free meat from humanely raised animals. The meat is shipped fresh, not frozen. This restaurant prides itself on its superior service. This example shows that _____.

a. customer value is the relationship between benefits and the sacrifice necessary to obtain them
b. customer satisfaction is the relationship between benefits and the sacrifice necessary to obtain them
c. empowerment is the relationship between benefits and the sacrifice necessary to obtain them
d. teamwork is the relationship between benefits and the sacrifice necessary to obtain them

ANSWER: a

34. Jamal, a customer of Associated Bank, feels that the bank has met his expectations for high-quality service. He gives the bank high ratings on its feedback form and also recommends the bank to his friends and family. Jamal's evaluation of Associated Bank is a reflection of _____.

a. customer value
b. customer satisfaction
c. customer relations
d. consumer management

ANSWER: b

35. One vision, a publisher of video games, monitors social media conversations that are relevant to its products and follows up on those conversations. This long-term focus on customer needs is the hallmark of _____.

a. customer value
b. relationship marketing
c. teamwork
d. empowerment

ANSWER: b

36. The strategy of improving affiliations with existing customers, which is based on the assumption that most customers prefer to maintain an ongoing rapport with one organization rather than switch continually among providers in their search for value, is defined as _____.

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a. customer value
b. relationship marketing
c. teamwork
d. empowerment

ANSWER: b

37. Employees at the Lucerne luxury hotels developed service guidelines. The guidelines include brief statements such as "I own and immediately resolve guest problems." These employees sustain the company's success in addition to taking responsibility for their actions because they are _____.

a. empowered to put values into actions
b. offered extensive training
c. given less work
d. not pressurized with deadlines

ANSWER: a

38. All of the following are advantages of defining a firm's mission in terms of benefits that customers seek except for which one?

a. Keeping the firm focused on its customer, instead of becoming preoccupied with its internal needs
b. Encouraging innovation, creativity, and developing new ways to satisfy customer expectations
c. Stimulating an awareness of changes in customer desires and preferences so that product offerings remain relevant
d. Allowing management to focus on creating an aggressive sales force

ANSWER: d

39. Bob Mills furniture aims to improve the lives of many people. The mission statement could have focused on affordable furniture (product oriented), but instead it focuses on making *life better* for its customers. This example shows that _____.

a. market-oriented firms shape their mission statement in terms of customer benefits
b. sales-oriented firms create a connection with their customers and employees
c. market-oriented firms shape their mission statement in terms of goods and services
d. a sales-oriented firm defines its mission statement in terms of goods and services

ANSWER: a

40. The Lee Corporation is a sales-oriented firm that focuses on high sales. It does not take into account the customer's wants and needs, and instead concentrates on manufacturing products that will reap high profits. This attitude might lead to the firm's missing business opportunities because _____.

a. its focus on manufacturing specific products may not meet customer needs and wants
b. it focuses on providing value and benefits to its customers instead of meeting company objectives
c. it emphasizes enhancing individuals' and society's long-term best interests
d. it concentrates on relationship building, empowerment, and teamwork

ANSWER: a

41. BCD Sportswear has introduced initiatives to attract millennial shoppers, who typically avoid department stores. These include themed pop-up shops, shop-in shops featuring new fashion designers, and concept shops.

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This example shows that _____.

a. a market-oriented organization targets its products at "everybody"
b. a market-oriented organization recognizes that different customers want different benefits
c. most people are not attracted to an average product marketed to the average customer
d. a sales-oriented organization carefully divides the market into groups of people who are similar

ANSWER: b

42. The discovery, interpretation, and communication of meaningful patterns in data is referred to as _____.

a. Big Data
b. information technology
c. marketing research
d. data analysis

ANSWER: a

43. A _____ firm assumes that a sale does not depend on an aggressive sales force but rather on a customer's decision to purchase a product.

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

ANSWER: b

44. Which of the following statements is true of on-demand marketing?

a. It requires firms to focus on the internal rather than the external business environment.
b. It places maximum emphasis on aggressive personal selling strategies.
c. It is aimed at enhancing customer relationships.
d. It is the most important strategy used by sales-oriented firms.

ANSWER: c

45. A company that creates a marketing strategy to attract consumers who want to interact anywhere and anytime and expect interactions with the company to be easy is most likely practicing _____.

a. sales-oriented marketing
b. societal-oriented marketing
c. on-demand marketing
d. innovation marketing

ANSWER: c

46. _____ refers to the means by which organizations communicate with present and prospective customers about the merits and characteristics of their organization and products.

a. Pricing
b. Promotion
c. Big Data
d. Customer relations management

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ANSWER: b

47. Which of the following vital business activities is NOT included in marketing?
    a. Assessing the needs and wants of consumers
    b. Designing and managing product offerings
    c. Determining pricing and pricing policies
    d. Recruiting and selecting qualified employees

ANSWER: d

48. Which of the following is NOT a career opportunity in marketing?
    a. Product management
    b. Retail buying
    c. Distribution management
    d. Human resources management

ANSWER: d

49. All of the following nonbusiness organizations offer careers in marketing EXCEPT _____.
    a. the armed forces
    b. religious institutions
    c. social service agencies
    d. universities

ANSWER: b

50. Lucia is an accounting major at a university in Texas. What is the best reason for her to be familiar with the fundamentals of marketing and marketing terminology?
    a. She needs to be able to communicate with specialists in other areas.
    b. She plans to work in a not-for-profit organization.
    c. She wants to spend a semester abroad.
    d. She wants to broaden her scope of learning.

ANSWER: a

51. Marketing contributes directly to achieving all of the following business objectives EXCEPT _____.
    a. survival
    b. profits
    c. stagnation
    d. growth

ANSWER: c

52. Tshawna is opening up an online jewelry store that sells handmade necklaces, bracelets, and earrings. What is the best reason for her to study marketing?
    a. She will better understand the buying process.
    b. She will be able to negotiate less effectively with sellers.
    c. She will achieve customer satisfaction.
    d. She will be a better-informed consumer.

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ANSWER: a

53. The total population of the United States exceeds 328 million people. Many transactions each day are needed to feed, clothe, and shelter a population of this size. The number is huge. It all works because the US economic system distributes the output of farms and factories. This example shows that _____.

a. marketing is important to business
b. marketing dominates supply chain activities
c. distribution is not part of marketing activities
d. distribution is the focus of marketing

ANSWER: a

54. You are discussing your career plans with a friend. Your friend is majoring in finance. You explain to your friend why she should study marketing. What do you say?

a. Marketing plays an important role in society.
b. Marketing will help you increase your salary potential.
c. Jobs in marketing are easy to find.
d. Job openings are plentiful.

ANSWER: a

55. Carolina conducts marketing research for a pharmaceutical company in California. Carolina oversees telephone surveys to determine the satisfaction of those who use her company's products. This example shows that _____.

a. marketing can assess the needs and wants of present and potential customers
b. marketing can advertise the characteristics of a product
c. marketing can increase company revenues
d. marketing can effectively distribute goods and services

ANSWER: a

True / False

56. The all-inclusive definition of marketing is that it involves making products available in stores, arranging displays, and maintaining inventories of products.

a. True
b. False

ANSWER: False

57. Marketing has two facets. First, it is a philosophy, an attitude, and a perspective that stresses customer satisfaction. Second, marketing is an organizational function and a set of processes used to implement this philosophy.

a. True
b. False

ANSWER: True

58. Two (or more) people may barter or trade such items as baseball cards or oil paintings. This is not considered an exchange because this transaction does not require money.

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a. True
b. False

ANSWER: False

59. Exchange will not necessarily take place even if all the conditions exist, but they must exist for exchange to be possible.
a. True
b. False

ANSWER: True

60. Marketing entails processes that focus on delivering value and benefits to customers, not just selling goods, services, and/or ideas.
a. True
b. False

ANSWER: True

61. If each party is not free to accept or reject the exchange offer, no exchange takes place.
a. True
b. False

ANSWER: True

62. In most cases, in order for a firm to succeed in a competitive market, it needs to have a clear understanding of the marketplace and produce products based on the wants and needs of the customers, rather than expecting the customers to want the products manufactured solely based on the assessment of the firm's internal capabilities.
a. True
b. False

ANSWER: True

63. Success is achieved through a good understanding of your customers and your competition. In adopting a marketing orientation, you can carry out your plans on the basis of this customer understanding.
a. True
b. False

ANSWER: True

64. With the help of an effective sales force that implements aggressive sales techniques, a sales-oriented firm attempts to convince customers to purchase products that they may not want or need.
a. True
b. False

ANSWER: True

65. The internet and the extensive use of social media have fueled the change in power from consumers and business users to manufacturers and retailers.
a. True
b. False

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ANSWER: False

66. A high price for a product or service assures the customer that the product or service is of a good value.
    a. True
    b. False
ANSWER: False

67. Companies create strategy from the outside in by offering distinct and compelling customer value. This can be accomplished only by carefully studying customers and using deep market insights to inform and guide companies' outside-in view.
    a. True
    b. False
ANSWER: True

68. Training plays an important role in customer service and relationship building.
    a. True
    b. False
ANSWER: True

69. The organizations that are frequently noted for delivering superior customer value and providing high levels of customer satisfaction assign employees to teams and teach them team-building skills.
    a. True
    b. False
ANSWER: True

70. A sales-oriented firm targets its products at the average customer, while a market-oriented organization aims at selling its products to a specific customer group.
    a. True
    b. False
ANSWER: True

71. Having a market orientation and a focus on customer wants does not mean offering customers everything they want.
    a. True
    b. False
ANSWER: True

72. Salespeople who work for market-oriented organizations are generally perceived by their customers to be problem solvers and important links to supply sources and new products.
    a. True
    b. False
ANSWER: True

73. Market-oriented organizations recognize that promotion decisions are the most important of four basic marketing mix decisions that must be made.

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a. True
b. False
ANSWER: False

74. Marketing determines prices and pricing policies that typically contribute to achieving the fundamental objectives of most businesses.
a. True
b. False
ANSWER: True

75. Marketing career opportunities almost exclusively exist in nonbusiness organizations.
a. True
b. False
ANSWER: False

76. By developing a better understanding of marketing, you will become a better-informed consumer.
a. True
b. False
ANSWER: True

77. Since marketing is carried out exclusively by the marketing professions in an organization, it is not necessary for all businesspeople in an organization to have a basic understanding of marketing.
a. True
b. False
ANSWER: False

78. Marketing makes food available when we want it, in desired quantities, at accessible locations, and in sanitary and convenient packages and forms (such as instant and frozen foods).
a. True
b. False
ANSWER: True

79. Between one-fourth and one-third of the entire civilian workforce in the United States performs marketing activities.
a. True
b. False
ANSWER: True

80. According to the text, all businesspeople, regardless of specialization or area of responsibility, need to be familiar with the terminology and fundamentals of accounting, finance, management, and marketing.
a. True
b. False
ANSWER: True

Essay

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81. Describe the four marketing management philosophies.

ANSWER: The four marketing management philosophies include the following:
1. A production orientation is a philosophy that focuses on the internal capabilities of the firm rather than on the desires and needs of the marketplace.
2. A sales orientation is based on the belief that people will buy more goods and services if aggressive sales techniques are used and that high sales result in high profits.
3. A marketing orientation is based on the idea that social and economic justification for an organization's existence is the satisfaction of customer needs and wants while meeting organizational objectives.
4. A societal marketing orientation extends the marketing concept. It is based on the idea that an organization exists not only to satisfy customer wants and needs and to meet organizational objectives but also to preserve and enhance individuals' and society's long-term best interests.

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