Contemporary Marketing 19th edition Boone Test Bank

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Name:_____ Class:_____ Date:_____

Chapter 01: Marketing: The Art and Science of Satisfying Customers

1. Production and marketing of goods and services are two basic functions that create utility.
   a. True
   b. False

ANSWER: True

2. Form utility refers to conversion of raw materials and components into finished goods and services.
   a. True
   b. False

ANSWER: True

3. An auto manufacturer creates ownership utility for its consumers by combining metal, rubber, plastic, and petroleum products.
   a. True
   b. False

ANSWER: False

4. Within a business environment, the marketing function is responsible for the creation of time, place, and ownership utility, whereas the production function creates form utility.
   a. True
   b. False

ANSWER: True

5. Buying an iPod generates ownership utility; however, buying a concert ticket does not.
   a. True
   b. False

ANSWER: False

6. Owen buys a car to drive to and from school. Owen has created ownership utility.
   a. True
   b. False

ANSWER: True

7. Marketing of a product begins after it hits the shelf.
   a. True
   b. False

ANSWER: False

8. Production orientation is a business philosophy that stresses on the importance of quantity of products rather than the quality of products.
   a. True
   b. False

ANSWER: False

9. In the sales era, firms attempted to match their output to the potential number of customers who would want it.
   a. True

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b. False

ANSWER: True

10. A seller's market is one in which there are more goods and services than people willing to buy them.
    a. True
    b. False

ANSWER: False

11. The marketing era is the successive historical outcome of the production era.
    a. True
    b. False

ANSWER: False

12. The marketing era is defined by a shift in focus from products and sales to satisfying a consumer's needs.
    a. True
    b. False

ANSWER: True

13. The emergence of the marketing concept has resulted in companies being better able to understand their customers' buying needs.
    a. True
    b. False

ANSWER: True

14. The advent of a strong buyer's market created the need for consumer orientation by businesses.
    a. True
    b. False

ANSWER: True

15. The marketing concept focuses on the objective of achieving short-term profits instead of long-run success during tough economic times.
    a. True
    b. False

ANSWER: False

16. It can be said that Glen Inc., a woolen products manufacturing company based in Switzerland, is a firm that uses a market-driven strategy because it produces goods based on local customers' experiences, needs, and preferences.
    a. True
    b. False

ANSWER: True

17. In the history of marketing, the fourth era, known as the social era, has given way to the fifth era, called the relationship era.
    a. True
    b. False

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ANSWER: False

18. A firm with a fully developed marketing concept is one with a company-wide consumer orientation with the objective of achieving long-term success.

a. True

b. False

ANSWER: True

19. The relationship era builds on the marketing era's customer orientation by only focusing on maintaining relationships with customers.

a. True

b. False

ANSWER: False

20. Celebrities use person marketing as a way to increase their value in the marketplace.

a. True

b. False

ANSWER: True

21. Promotional events designed to attract visitors to a particular area or to improve the image of a city, state, or nation would be examples of event marketing.

a. True

b. False

ANSWER: False

22. Branches of the U.S. military sometimes show recruitment advertisements in cinemas featuring movies that are most likely to attract viewers of military age. This is an example of place marketing.

a. True

b. False

ANSWER: False

23. A theater group promoting a performance to raise funds in the fight against cancer is an example of both cause marketing and event marketing.

a. True

b. False

ANSWER: True

24. Marketing of sporting, cultural, and recreational activities to selected target markets is known as cause marketing.

a. True

b. False

ANSWER: False

25. Virtually all colleges and universities have alumni associations that publish magazines, hold reunions, and try to raise funds. These activities constitute organization marketing.

a. True

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b. False

ANSWER: True

26. The traditional view of marketing can be described as transaction-based marketing.
a. True
b. False

ANSWER: True

27. According to relationship marketing, the lifetime value of a customer should exceed the investment made by the firm to attract and keep the customer.
a. True
b. False

ANSWER: True

28. Relationship marketing moves customers up a loyalty ladder—from new customers to regular purchasers, then to loyal supporters of the firm and its goods and services, and finally to advocates who not only buy its products but recommend them to others.
a. True
b. False

ANSWER: True

29. Relationship building in marketing starts with excellent customer service after purchase.
a. True
b. False

ANSWER: False

30. Mobile marketing is a term used to describe marketing messages sent via wireless technology.
a. True
b. False

ANSWER: True

31. The cost of finding new customers is far less than the cost of maintaining existing ones.
a. True
b. False

ANSWER: False

32. Compared to transaction marketing, relationship marketing relies more heavily on information technologies.
a. True
b. False

ANSWER: True

33. On average, marketing expenses account for half of the costs involved in a product.
a. True
b. False

ANSWER: True

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34. Intermediaries that may be involved in a product's movement from producer to final consumer are known as wholesalers.

a. True

b. False

ANSWER: True

35. Manufacturers engage in risk taking when they create goods and services based on research and their belief that consumers need them.

a. True

b. False

ANSWER: True

36. Marketing is the indirect connection between a firm and its customers.

a. True

b. False

ANSWER: False

37. Noel Pvt. Ltd. combines metal, rubber, and other components in the production of appliances. In doing so, the company creates _____ utility.

a. ownership

b. form

c. place

d. time

ANSWER: b

38. The utility of a product or service is its:

a. want-satisfying power.

b. reusability.

c. function as a commodity.

d. design quality.

ANSWER: a

39. Fame-us is a talent hunt agency focusing on the youth looking to enter Hollywood. As part of their marketing strategy, Fame-us generates time and place utility by:

a. creating a nationwide advertising campaign to attract applicants.

b. launching road shows across cities and conducting talent hunts at campuses during Thanksgiving.

c. endorsing their services using famous celebrities from Hollywood.

d. opening a well-equipped studio with pre- and post-production facilities.

ANSWER: b

40. The ability to transfer title to goods or services from marketer to buyer is described as:

a. ownership utility.

b. form utility.

c. time utility.

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d. place utility.

ANSWER: a

41. Availability of goods and services at convenient locations creates:
a. form utility.
b. time utility.
c. place utility.
d. ownership utility.

ANSWER: c

42. Creating _____ utility is the responsibility of the production function.
a. place
b. form
c. time
d. ownership

ANSWER: b

43. Banks have recently begun to install ATMs in supermarkets to address customers' wants for instant cash when they go shopping. What type of utility are banks creating for customers?
a. Form
b. Possession
c. Place
d. Ownership

ANSWER: c

44. The process for creating, communicating, and delivering value to the customer is called _____.
a. marketing
b. financing
c. operations
d. administration

ANSWER: a

45. The marketing philosophy summarized by the phrase "a high-quality product will sell itself" is a characteristic of the _____ era.
a. production
b. sales
c. marketing
d. relationship

ANSWER: a

46. Which of the following factors contributed to the transition from the production era to the sales era?
a. Increased consumer demand
b. Sophisticated production techniques
c. Increase in urbanization

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d. The Great Depression

ANSWER: b

47. A company produces a high-quality product, with a maximum monthly output of 10,000 units. Production levels are constant, and the company relies on its marketing department to find customers for its output. This approach is consistent with which era in marketing history?

a. Production era
b. Relationship era
c. Marketing era
d. Sales era

ANSWER: d

48. A company with a _____ orientation assumes that customers will resist purchasing nonessential goods and services and that the task of personal selling and advertising is to persuade them to buy.

a. production
b. marketing
c. sales
d. relationship

ANSWER: c

49. A market in which there are more buyers for fewer goods and services is known as a:

a. seller's market.
b. monopoly.
c. buyer's market.
d. oligopoly.

ANSWER: a

50. A buyer's market is characterized by:

a. more goods and services than buyers to buy them.
b. a small number of firms dominating the production of goods offered.
c. practically no competition in the marketplace.
d. a single firm producing a major share of the products or services offered.

ANSWER: a

51. The emergence of the marketing concept can best be explained by:

a. higher production levels.
b. greater sophistication in the production of goods.
c. the shift from a seller's market to a buyer's market.
d. a focus on product quality.

ANSWER: c

52. Assume you want to increase the number of customers by applying the marketing concept. Which of the following strategies would be most consistent with this approach?

a. Reduce product costs

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b. Offer more product variety than competitors
c. Target markets
d. Employ inexpensive labor

ANSWER: c

53. Indigo Ltd. wanted to increase its customers by applying the marketing concept. Which of the following would be an appropriate way to apply this approach?
a. Maximize production of goods
b. Focus on meeting the needs of the consumers
c. Offer more product variety than competitors
d. Produce high-quality goods

ANSWER: b

54. The business philosophy incorporating the marketing concept where the focus is on satisfying the needs and wants of consumers rather than simply producing and selling products is known as:
a. customer persuasion.
b. consumer orientation.
c. aggressive marketing.
d. sales orientation.

ANSWER: b

55. The _____ is a companywide consumer orientation with the objective of achieving long-run success.
a. marketing myopia
b. exchange process
c. marketing concept
d. seller's market

ANSWER: c

56. In the relationship era, firms focus on:
a. short-term relationships with suppliers.
b. long-term relationships with customers and suppliers.
c. short-term relationships with customers and suppliers.
d. short-term relationships with customers.

ANSWER: b

57. Which of the following is an example of person marketing?
a. A firm creating awareness of the importance of using public transport.
b. A country promoting its sightseeing spots and cuisines.
c. A mall being inaugurated by a popular commercial actor.
d. A firm promoting an inter-state soccer match.

ANSWER: c

58. Melissa is campaigning for Janet, her friend, who is contesting for the presidency of the student council at Riverdale Junior College. Melissa's effort is an example of _____ marketing.

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a. cause
b. person
c. place
d. organization

ANSWER: b

59. The basic objective of place marketing is to:
a. attract visitors or new businesses to a particular area.
b. influence others to accept the goals of the sponsoring organization.
c. convince people to attend a sporting or cultural event.
d. bring to the attention of the public some charitable issue.

ANSWER: a

60. State bureaus of tourism and conventions typically engage in _____ marketing.
a. organization
b. person
c. place
d. cause

ANSWER: c

61. Billboards for the city's national football league team are positioned within 5 miles of the stadium. This is an example of _____.
a. form utility creation
b. place marketing
c. organization utility
d. sports marketing

ANSWER: b

62. Phoebe was asked to bring a can of food for the local food bank as the “price of admission” for a certain ceremony. This is an example of _____.
a. person marketing
b. organization marketing
c. ownership utility
d. cause marketing

ANSWER: d

63. Some Florida drivers have license plates that say “Save the Manatee.” This is an example of _____ marketing.
a. organization
b. cause
c. place
d. event

ANSWER: b

64. Fred Foods Inc. provides free cereals and biscuits to support a program that aims to end hunger in various emerging

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nations. This is an example of _____ marketing.

a. organization
b. person
c. cause
d. place

ANSWER: c

65. The Tour de Cure is a bicycle ride, not a race, to raise money for the American Diabetes Association and is held in 40 states nationwide. This is an example of:

a. cause marketing.
b. organization marketing.
c. person marketing.
d. place marketing.

ANSWER: a

66. As an official sponsor of the Olympics, The Coca-Cola Company engages in _____ marketing.

a. place
b. event
c. person
d. organization

ANSWER: b

67. Which of the following is a combination of person, cause, and organization marketing?

a. Tiger Woods' endorsement of Nike, a sports company and Accenture, a consulting company.
b. The Nobel Peace Prize for Al Gore for his work on global warming.
c. UNICEF's work to improve the living conditions of children across the world.
d. Angelina Jolie's role as a UN Goodwill Ambassador for refugees.

ANSWER: d

68. A university sells customized sweatshirts, pullovers, and jerseys to its students and staff. This is an example of _____.

a. cause marketing
b. organization marketing
c. person marketing
d. event marketing

ANSWER: b

69. The revenues and intangible benefits accrued to the firm, minus the investment to attract and keep a customer is known as the:

a. gradient of return on investment.
b. intangible benefit stream.
c. investment-benefit differential.
d. lifetime value of the customer.

ANSWER: d

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70. Many hotel chains offer free stays and other perks to repeat customers. This is an example of:
    a. relationship marketing.
    b. transaction-based marketing.
    c. interactive marketing.
    d. social marketing.

ANSWER: a

71. In the practice of relationship marketing, the definition of a customer is taken to another level. Which of the following best illustrates how a company practicing relationship marketing is different from a traditional transaction-based marketer?
    a. The city pool allows kids 12 years and younger to swim for free on Fridays.
    b. A local coffee shop distributes coupons for $.50 off each cup of coffee.
    c. The purchasing department of a defense contractor invites its suppliers to attend an annual golf outing.
    d. The heads of the financial departments meet with the Chief Financial Officer to discuss year-end financial reporting.

ANSWER: c

72. What is the ultimate objective of relationship marketing?
    a. Find new customers
    b. Create regular purchasers
    c. Turn customers into advocates
    d. Turn customers into loyal supporters

ANSWER: c

73. The application of relationship marketing requires attention to levels of customer loyalty. Which of the following is the highest level as defined by this type of marketing?
    a. Loyal supporter of the company and its goods and services.
    b. Advocate who not only buys the products but recommends them to others.
    c. Regular purchaser of the company's products.
    d. Stockholder who literally buys into the organization and its mission.

ANSWER: b

74. Mobile marketing refers to:
    a. running promotional campaigns on transport media such as trains and airplanes.
    b. marketing messages transmitted via wireless technology.
    c. promoting associated products or services alongside mobile technologies.
    d. the use of online social media as a communications channel for marketing messages.

ANSWER: b

75. By converting indifferent customers into loyal ones through relationship marketing, companies can:
    a. increase the cost of maintaining existing customers.
    b. start a process by which customers become bound contractually to the business.
    c. avoid the necessity of improving customer service in the long run.
    d. generate repeat sales.

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ANSWER: d

76. Which of the following is true of relationship marketing?
a. It focuses on finding new customers.
b. It prefers not to maintain existing customers due to high costs.
c. It does not believe in generating repeat sales.
d. It believes in maintaining existing customers.

ANSWER: d

77. Relationship marketing focuses more attention on _____ customers because new customers are _____ to acquire compared to existing customers.
a. existing; less expensive
b. new; less expensive
c. existing; more expensive
d. new; more expensive

ANSWER: c

78. Sally Myers, head of marketing at Sally's Salon, serviced six new customers over the past two weeks. Through a feedback form, Sally learned that all of them had acted upon the opinions of their friends and family members. What Sally encountered is an example of:
a. transaction-based marketing.
b. sales orientation.
c. marketing myopia.
d. buzz marketing.

ANSWER: d

79. Define utility and discuss the four types of utility. Give examples and list the functional areas within an organization that are responsible for each.

ANSWER: Utility is the want-satisfying power of a good or service. The four types of utility are (1) form (conversion of raw materials and components into finished products), (2) time (availability of goods and services when consumers want them), (3) place (availability of goods and services at convenient locations), and (4) ownership (ability to transfer title to goods and services from marketer to buyer). Examples of each type of utility are: form—mixing alloys, steel, and rubber to manufacture radial tires; time—courier delivery on time; place—banks at the supermarket; ownership—owning a new TV. Marketing is responsible for ownership, time, and place. The production function is responsible for form utility.

80. Compare the purchase of an AM/FM radio with the purchase of a satellite radio. Describe the creation of utility from the perspective of the manufacturer and marketer. Describe the utility relationship between the customer and the marketer.

ANSWER: The manufacturer of the clock radio creates form and ownership utility. The consumer will usually end the relationship with the manufacturer once the product is purchased, unless service is required. The broadcasts to this radio, generated by the local radio station, provide time and place utility to the customer. As the broadcast is free to the listener, however, the ownership utility for the broadcast is generated for the advertisers and sponsors. The latter, in turn, expect, but are not guaranteed, to have a utility relationship with the listener in the way of future sales.

The relationship between the customer and the satellite radio provider is different because it is ongoing in nature. The manufacture and sale of the radio hardware achieves form and ownership utility. The subscription

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required between the listener and the broadcaster creates time, place, and ownership utility. The amount of utility generated between the two can vary over time. Adding top celebrities can generate more utility to the listener. In turn, better broadcasts bring in more subscribers, adding to the profitability of the broadcaster.

81. List the five eras in marketing history in chronological order, and briefly describe the philosophy behind each era. Provide an example of an organization that is functioning in the social era and explain why you selected it.

ANSWER: The five eras are: the production era (quality products will sell themselves), the sales era (creative selling and advertising will overcome consumer resistance and convince them to buy), the marketing era (the consumer rules; find a need and satisfy it), the relationship era (build and maintain cost-effective long-term relationships with customers, employees, suppliers, and other parties for mutual benefit), and the social era (use the Web and social networking sites to connect with consumers). Students' examples will vary but should demonstrate their understanding of the use of the Internet to engage in two-way communication with consumers.

82. What is the major difference between the sales era and marketing era?

ANSWER: The sales era was characterized by the belief that consumers would resist purchasing nonessential goods and services, and the attitude that only creative advertising and personal selling could overcome consumers' resistance and persuade them to buy. The sales era was typified by the trend of seller's markets.
The marketing era was characterized by the business philosophy incorporating the marketing concept that emphasized first determining unmet consumer needs and then designing a system for satisfying them. There was a shift in the focus of companies away from products and sales to satisfying customer needs. Advertising not only communicated the benefits of products but also created needs and wants in the minds of consumers. The marketing era was influenced by the trend of buyer's markets.

83. List and describe the five categories of marketing. Give an example of each.

ANSWER: Cause marketing is the identification and promotion of a social issue, cause, or idea to selected target markets (Hurricane Katrina Relief Fund and Save the Rainforest). Person marketing is designed to cultivate the attention and preference of a target market toward a person (Oprah Winfrey). Place marketing is designed to attract visitors to, improve the image of, or entice business opportunity to utilize a particular city, state, nation, or geographic area. (A city vying for the rights to host an Olympic event will place market to the Olympic committee.) Event marketing is the promotion of specific recreational, sporting, cultural or charitable activities to a specific target market (concert promotion, the Super Bowl, and county fairs are all examples). Organizational marketing is the effort to influence others to recognize the goals, accept the goods and services, or contribute in some way to the organization (Salvation Army Christmas campaign, American Red Cross ads, and Army recruiting).

84. Define lifetime value of a customer. How has Apple, with the development of the iPod product line and iTunes software, gained a competitive advantage over competitors? Will Apple experience a higher or lower lifetime value of a customer and why?

ANSWER: The lifetime value of a customer is the measure of the revenue and intangible benefits a customer brings to the organization over the average lifetime, minus the investment that the firm has made to attract and keep the customer.

Apple has developed hardware and proprietary software that revolutionized the way that music, purchased or downloaded, can be stored, catalogued, and replayed. Because of the digital file structure, only Apple products can play the software. This links the hardware sales to the repeat purchases of music through the software, increasing the lifetime value of the customer.

By expanding iTunes to include movies, books, television shows, and podcasts, Apple is increasing its market with customers buying up the product line and expanding the media purchases through the software. Other companies failed to integrate hardware and software and have thus been relegated to smaller segments of the market. Since it has linked its hardware sales to the increasing demand for media downloads and purchases,

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Apple could experience a higher lifetime value of a customer.

85. Define relationship marketing and explain its characteristics.

ANSWER: Relationship marketing is the development and maintenance of long-term, cost-effective relationships with individual customers, suppliers, employees, and other parties for mutual benefit. Strategic alliances and partnerships among manufacturers, retailers, and suppliers often benefit everyone. It broadens the scope of external marketing relationships to include suppliers, customers, and referral sources. In relationship marketing, the term customer takes on a new meaning. Employees serve customers within an organization as well as outside it; individual employees and their departments are customers of and suppliers to one another. They must apply the same high standards of customer satisfaction to intradepartmental relationships as they do to external customer relationships. Relationship marketing recognizes the critical importance of internal marketing to the success of external marketing plans. Programs that improve customer service inside a company also raise productivity and staff morale, resulting in better customer relationships outside the firm. Relationship marketing gives a company new opportunities to gain a competitive edge by moving customers up a loyalty ladder—from new customers to regular purchasers, then to loyal supporters of the firm and its goods and services, and finally to advocates who not only buy its products but recommend them to others.

86. Describe the process of relationship building in marketing.

ANSWER: Relationship building begins early in marketing. It starts with determining what customers need and want, then developing high-quality products to meet those needs. It continues with excellent customer service during and after purchase. It also includes programs that encourage repeat purchases and foster customer loyalty. Marketers may try to rebuild damaged relationships or rejuvenate unprofitable customers with these practices as well.

87. Differentiate between transaction-based marketing and relationship marketing.

ANSWER: Historically, marketing was viewed as a simple exchange process, that is, a process that moved from transaction to transaction without any significant carryover of effects. In other words, closing deals was more important than making friends. More recently, a new concept explicitly realizes that relationships are important and maintaining a long-term relationship between marketing firm and customer is not only satisfying, but cost-effective too. If a one-time customer can be converted to a loyal customer, more sales will be generated over the long run. In short, it is cheaper to retain a customer than to constantly find new ones. Effective relationship marketing also relies heavily on information technologies such as computer databases to record customers' tastes, price preferences, and lifestyles. This technology helps companies become one-to-one marketers that gather customer-specific information and provide individually customized goods and services. The firms target their marketing programs to appropriate groups rather than relying on mass-marketing campaigns. Companies that study customer preferences and react accordingly gain distinct competitive advantages.

88. Describe social marketing, and give at least three examples of the types of communications social marketers use.

ANSWER: Social marketing is the use of online social media as a communications channel for marketing messages. Social media platforms include Facebook, Twitter, Pinterest, and Instagram. Social media platforms allow marketers to educate customers, answer questions, and gather feedback that can be used for product development or customer service.

89. List the eight universal functions of marketing.

ANSWER: Marketing is responsible for the performance of eight universal functions: buying, selling, transporting, storing, standardizing and grading, financing, risk taking, and securing marketing information. Some functions are performed by manufacturers, others by retailers, and still others by marketing intermediaries called wholesalers.

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90. Zach Steffen, the goal-keeper for the U.S. men's soccer team, has just signed a major marketing deal with your company. You plan to utilize Zach in a variety of marketing campaigns leading up to the next Men's World Cup. Which one of the following categories of nontraditional marketing will you emphasize in this situation?

a. Sports marketing
b. Person marketing
c. Social media marketing
d. Place marketing
e. Event marketing

ANSWER: b

91. You work on the assembly line at Ford Motor Company. Your line produces the hot selling Ford Focus hybrid. Your line creates _____ utility for Ford's customers.

a. product
b. form
c. value
d. place

ANSWER: b

92. The NBA Sacramento Kings play their home games in the Golden 1 Center. The naming of their stadium is an example of which one of the following five types of nontraditional marketing?

a. Stadium naming rights marketing
b. Sports team marketing
c. Organization marketing
d. Event marketing
e. Place marketing

ANSWER: d

93. Which one of the following statements about marketing is false?

a. Mobile marketing refers to marketing messages transmitted via wireless technology.
b. Effective relationship marketing relies heavily on data and computer databases.
c. The lifetime value of a customer consists of the revenues and intangible benefits derived from the firm's relationship with the customer.
d. Buzz marketing involves using airplanes to "buzz" outdoor events with flying banners.
e. Interactive marketing gives more control to the customer.

ANSWER: d

94. When a company pays a market research firm to conduct a marketing research project, it is engaging in which one of the Eight Universal Marketing Functions?

a. Buying
b. Selling
c. Securing information
d. Risk-taking

ANSWER: c

95. You are the director of a health and wellness center that was successfully launched by using only marketing tools and

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techniques developed during the relationship and social eras. However, now that the business is established, there's a new owner who wants you to revert to using older, more traditional methods. Which of the following would NOT appeal to her?

a. Recruiting a nutritionist to answer members' diet-related questions on the center's website.
b. Offering both monthly and annual memberships.
c. Opening a retail store within the center that sells workout clothes, supplements, and similar items.
d. Offering discounts on merchandise to long-term members.

ANSWER: a

96. Your boss, the CEO of a restaurant chain, is very bullish on nontraditional marketing. He has instructed you to implement some of his team's ideas in the next six months, but first, to flag any of the ideas that are inaccurate applications of nontraditional marketing. Which of the following should you flag?

a. Implement cause marketing by donating $1 from every dinner check to antipoverty agencies.
b. Implement place marketing by locating new restaurants near stadiums and sports arenas.
c. Implement event marketing by sponsoring a high-profile sports tournament.
d. Implement organic marketing by switching to organic-certified ingredients.

ANSWER: d

97. Netflix has become a popular media streaming company and provides consumers with the opportunity to view programming at their leisure whenever it's convenient for them. In addition, consumers can stream programming on smart TVs, tablets, computers, or smartphones. What type of utility is Netflix offering?

a. Time
b. Convenience
c. Form
d. Ownership

ANSWER: a

98. Forever 21 is a popular fashion clothing company and often attracts customers to its website or retail stores by posting pictures to its Facebook and Instagram accounts. Forever 21 has over 15 million followers on both Instagram and Facebook. What marketing era best describes Forever 21 and its approach to marketing activities?

a. Social
b. Marketing
c. Sales
d. Production

ANSWER: a

99. Nations Bank has engaged in extensive marketing research to learn more about its customers - especially those in the 18 to 30 age group. The research identified that these consumers do not enjoy visiting a bank branch location and prefer to manage their banking via their smart phone, tablet, or computer. The bank has invested in sophisticated applications that enable consumers to deposit checks, check their balances, pay bills, and transfer funds. Nations Bank believes this investment in research to understand consumer needs enables them to develop the right array of services that will lead to improved market success and overall performance. This is an example of a(n):

a. marketing concept
b. consumer listening
c. marketing advocation
d. sales orientation

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ANSWER: a

100. The Today Show partnered with the U.S. National Parks in 2016 to celebrate 100 years of national parks. Various Today Show regulars such as Al Roker were featured visiting the parks. This campaign is an example of _____ marketing, a type of nontraditional marketing.

a. place
b. person
c. event
d. cause

ANSWER: a

101. Austin, Texas is host to a popular festival, South by Southwest (SXSW).. It has released dates for the new year and invites participants for the unique music, film, and interactive events or sessions from March 10th through 19th. Which category of nontraditional marketing would best characterize the marketing activities to attract attendees for the multi-day festival?

a. Event
b. Cause
c. Organization
d. Place

ANSWER: a

102. According to the text, once a company's customers have become "loyal supporters," the company should seek to further the relationship with those customers so that they become _____.

a. advocates
b. referral generators
c. clients
d. repeat purchasers

ANSWER: a

103. DHL has developed a reputation as an international business specialist enabling companies that produce or distribute products to economically ship finished goods to customers. Which function of marketing does DHL provide to companies?

a. Transporting
b. Selling
c. Risk taking
d. Storing

ANSWER: a

104. Edward Don & Company maintains over 12,000 food service and supply items for the hospitality industry as well as any organization that provides food service such as hospitals, schools, or prisons. Customers enjoy the opportunity to streamline their transactions by purchasing a large number of items from a single company. Customers may place orders online or order from their Edward Don sales representative. Edward Don purchases their items directly from the manufacturer and provides them to the business customer. What business function does Edward Don & Company provide?

a. Wholesaling
b. Financing

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c. Risk taking
d. Storing

ANSWER: a

105. Which of the following is NOT an element of the marketing strategy for any given product?
a. Competitive companies producing similar products
b. The people most likely to buy the product
c. The places where the product is sold
d. Product discounts and rebates

ANSWER: a

106. All Chuck E. Cheese's restaurants feature kid-friendly pizza and arcade games. The chain attracts families with young children, which is the organization's:
a. marketing mix.
b. marketing variable.
c. target market.
d. market tactic.

ANSWER: c

107. As the marketing director for Kia Motors, you've been tasked with marketing a new, moderately priced vehicle that runs on gas or electric and meets high safety standards. It seats up to five, holds a lot of cargo, and features an onboard vacuum cleaner. Which of the following market segments will you focus on primarily?
a. Wealthy consumers with $250,000+ annual incomes
b. Young, primarily single individuals
c. Environmentally conscious consumers
d. Budget-minded families with growing children

ANSWER: d

108. Your marketing instructor has asked you to put together a very detailed description of Starbuck's target market. Which of the following category of information would you NOT include?
a. Food and drink preferences
b. Social values
c. Financial status
d. Racial background

ANSWER: d

109. Red Robin Gourmet Burgers and Brews offers a tower of onion rings, a foot-high, vertical stack of about a dozen crispy onion rings served on a custom-made stand. This is an example of the company's:
a. package design.
b. customer service.
c. brand name.
d. trademark.

ANSWER: a

110. Your old computer has finally died, and you’re kind of happy about it. It had problems from the very start, and

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you've wasted more time online and on the phone with tech support than you care to remember. The manufacturer is notorious for giving customers the runaround! This time, when you buy your new computer, you're going to make a better choice. The product feature you'll find most appealing is:

a. the manufacturer's customer service.
b. the design.
c. the brand name.
d. the warranty.

ANSWER: a

111. You are a style-conscious shopper, even though you live on a tight budget. That's why you buy most of your clothes at Target. However, for the past several months, you've been hearing that the economy is slowing and is predicted to continue to do so in the months ahead. In looking at your options for future clothes purchases, you will most likely:

a. stay true to Target's good value.
b. look for stores offering cheaper alternatives, such as Ross Dress for Less and Wal-Mart.
c. start shopping at higher-end stores for better quality clothing that will last longer.
d. vow to not buy any new clothes for the next three years.

ANSWER: b

112. Many Audis come equipped with high-end Bose sound systems built in at the factory. In this context, Audi is part of Bose's:

a. promotions.
b. product line.
c. pricing strategy.
d. distribution channel.

ANSWER: d

113. Most marketing students are familiar with the "4 P's" of marketing. Distribution channels are related to which of the 4 P's?

a. Product
b. Promotion
c. Place
d. Price

ANSWER: c

114. The variables in the marketing mix include:

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

ANSWER: a

115. Explain how the economy influences an organization's pricing strategy. Then choose an industry and provide an example of how the economy has affected the pricing strategy of the major players in that industry.

ANSWER: If the economy is strong, consumers generally have more confidence and are willing to shop more frequently and pay more for goods. However, when the economy is weak, consumers look for bargains. In general,

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examples should show how an industry's players either lowered their prices in a weak economy or increased their prices in a strong economy.

116. During the most recent Thanksgiving holiday weekend in the United States, gasoline retailers increased the price of gas an average of five cents a gallon. Which statement is most likely to be true about gasoline retailers' pricing strategy?

a. Gasoline retailers must be greedy.

b. There was fierce competition among gasoline retailers.

c. The economy was strong, so gasoline retailers felt comfortable capitalizing on consumers' willingness to pay more for goods.

d. The economy was weak, and gasoline retailers needed to make up for shortfalls earlier in the year.

ANSWER: c

117. Used car lots, which rely heavily on flashy newspaper ads and loud commercials for their revenues, are still a great example of the third era of marketing history.

a. True

b. False

ANSWER: False

118. Dove Skincare maintains a Facebook page where customers can ask product questions, share testimonials, and discover special promotions. Dove is an example of an organization operating in the _____ era.

a. production

b. social

c. marketing

d. relationship

ANSWER: b

119. As a means of enhancing customer relationships, Verizon Wireless occasionally sends out text messages to its wireless customers promoting special offers. This is an example of:

a. consumer-based marketing.

b. transaction-based marketing.

c. mobile marketing.

d. social marketing.

ANSWER: c

120. You are the marketing director of Blue Ribbon Bakery, a producer of baked goods that are sold across the American South. Of all the ideas your team has come up with to promote your new line of hamburger and hot dog buns, which do you think will be least effective?

a. Offering the product at a lower introductory price for the first three months

b. Handing out coupons with free in-store samples

c. Sponsoring a giveaway contest through the company's Facebook page

d. Sponsoring an essay contest where consumers explain what they like about the products

ANSWER: d

121. When bad weather damages crops such as wheat and corn, food manufacturers such as Kraft often have to pass the additional cost of scarce supplies along to their customers in the form of higher prices.

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a. True
b. False

ANSWER: True

122. In modern terminology, Apple's excellent sales and customer service, sleek design, innovative engineering, and reliability all add up to a world-class "product."

a. True
b. False

ANSWER: True

123. Mary Kay Cosmetic's long-time policy of rewarding top sales representatives with a "Mary Kay pink" Cadillac is an example of integrated marketing communications.

a. True
b. False

ANSWER: True

124. When Dolly Parton promotes her theme park called Dollywood, it is both place and person marketing.

a. True
b. False

ANSWER: True

125. The makers of Advil have designed machines that automatically move plastic bottles along conveyor belts until each bottle is filled with a precise number of tablets or gelcaps. This is an example of which of the Eight Universal Marketing Functions?

a. Transporting
b. Standardizing and grading
c. Securing information
d. Selling

ANSWER: b

126. Given that a farmer's products are subject to unpredictable influences such as weather and pests, a farmer could be said to be engaging in which of the Eight Universal Marketing Functions?

a. Transporting
b. Standardizing and grading
c. Storing
d. Risk taking

ANSWER: d

127. In the context of marketing, which of the following is the best example of risk taking?

a. A restaurant owner creates a dish using fish purchased the day before.
b. An entrepreneur offers to sell products on credit to attract new customers.
c. A clothing retailer opens a store in a less developed neighborhood.
d. An inventor creates a new safety device for older adults living alone.

ANSWER: d

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128. In the context of marketing, which of the following is the best example of selling?
a. An app designer making her services available to clients
b. A food truck owner acquiring hamburger and lunch meat for his sandwiches
c. A custom furniture maker purchasing an old oak tree to make a dining table
d. A bakery owner hiring a marketing firm to promote her new cupcakes
ANSWER: a

129. In the context of marketing, which of the following is the best example of financing?
a. An apartment landlord charging an additional fee for late rent payments
b. A flower wholesaler allowing florists to purchase products on credit
c. A real estate developer taking out a loan to purchase 40 acres of land
d. An art gallery securing a line of credit for a small expansion project
ANSWER: b

130. You own a carpet, tile, and flooring store. Of the following activities, which one is the best example of selling in your business?
a. Purchasing the building next door so you can expand your showroom and warehouse
b. Deciding to add a new-to-the-market brand of flooring to your product offering
c. Offering customers a 90-days-same-as-cash discount on credit card purchases
d. Using a minivan to deliver the flooring and carpeting to customers' homes and offices
ANSWER: c

131. You are about to open a dog grooming business. Which of the following activities best represents your efforts to secure market information?
a. Contacting leasing agents about potential locations for your business
b. Contacting all of the vets in the area to establish an estimated number of dogs in your town
c. Asking your closest friends for feedback on your logo design
d. Estimating your costs accurately so you can determine a fair pricing structure
ANSWER: b

132. The Mistletoe Christmas Tree Farm has been in your family for generations, and you've been running it for more than 20 years. Today you are _____, which is a good example of the universal function of buying.
a. studying sales records from the last five years to determine whether you need to import more trees from other farms
b. placing ads in the local newspaper throughout November and December
c. hiring a designer to create a new website promoting Mistletoe Farm
d. planning family-friendly activities such as caroling, ornament making, and cookie decorating
ANSWER: a

133. At the local farmer's market, you sell one-pound bags of organically grown and naturally dried beans. In your business, standardizing and grading is a common function, as exemplified by which of the following?
a. Redesigning your packaging so your bags, labels, business cards, and website have the same look and feel
b. Narrowing your product offering to six different kinds of beans
c. Adding labels that explain the criteria for being an "organic" farmer

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d. Removing as many bad beans as possible before bagging

ANSWER: d

134. You've certainly got your customers' paper needs covered! Not only do you sell copier paper for businesses of all sizes, you will retrieve paper files for either storage or destruction (shredding). Of the following activities, which would you say best represents the function of storing in your business?

a. Holding at least four tons of unsold copier paper in your warehouse

b. Holding at least six tons of your customers' paper files in your warehouse

c. Delivering an average of 100 pounds of paper to your customers daily

d. Shredding an average of 300 pounds of paper weekly

ANSWER: a

135. Which of the following actions is part of the new product strategy at Martin's Knitted Hosiery?

a. To start selling their socks and knitwear through drugstores as well as department stores

b. To justify raising the price of their socks by promoting their durability

c. To start manufacturing knitted hats, scarves, and mittens

d. To hold a buy-two-get-one-pair-free special during the month of August

ANSWER: c

136. There's a new pricing strategy at Big Apple Bagel Bakery, which means they're going:

a. to offer one free bagel with the purchase of six and three free bagels with the purchase of a dozen.

b. to start selling cream cheese and lox in their stores.

c. to issue a coupon on all social media platforms for a free tub of cream cheese with the purchase of three or more bagels.

d. to package bagels by the half-dozen to sell in local supermarkets.

ANSWER: a

137. To increase revenues, Gorilla Glue is planning to launch a new distribution strategy by:

a. positioning Gorilla Glue as a premium product priced 5% higher than similar products.

b. starting to produce packing tape made with Gorilla Glue adhesive.

c. creating a special package, available for a limited time, that bundles a glue stick with a 6-oz bottle of Gorilla Glue.

d. targeting crafters through availability at Michael's and Hobby Lobby stores.

ANSWER: d

138. Of the following actions, which one is most likely to be part of the new promotion strategy at Panera Bread?

a. To change the menu seasonally to reflect the use of fresh, local ingredients

b. To offer a cookie or pastry for $1 with the purchase of any meal combo

c. To offer a free $10 gift card with the purchase of at least $50 in gift cards throughout December

d. To set up Panera branded kiosks in grocery stores

ANSWER: c

139. Knowing that gift certificates are a big contributor to winter revenues, Nonny's Nail Salon is offering a holiday special of $15 off the purchase of every mani/pedi gift certificate. It's a key component of the business's _____ every year.

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a. product strategy
b. pricing strategy
c. distribution strategy
d. promotion strategy

ANSWER: d

140. To encourage more purchases of their products with their _____, Curlie Girl's curl-enhancing shampoos and conditioners are sold in two formats: as individual bottles or as shampoo/conditioner sets priced 10% lower than two individual bottles.

a. product strategy
b. pricing strategy
c. distribution strategy
d. promotion strategy

ANSWER: b

141. The Parker & Frank brand is synonymous with the fine quality and exceptional styling of its leather handbags, shoes, luggage, belts, and other accessories. Earlier this year the company introduced a new direction in the company's _____: a branded line of furniture manufactured by one of the top furniture makers in the country.

a. product strategy
b. pricing strategy
c. distribution strategy
d. promotion strategy

ANSWER: a

142. Kraft Foods has been very happy with the sales of its new olive oil-based mayonnaise, which is why it has decided to start packaging it in branded single-serving packets for sale to restaurants, fast food chains, food trucks, and other eating establishments. This tactic is part of the company's:

a. product strategy.
b. pricing strategy.
c. distribution strategy.
d. promotion strategy.

ANSWER: c

143. You are the marketing director for Ladybug, a boutique girl's clothing manufacturer, and you love brainstorming growth ideas with the rest of the executive team. As a group, you've been focused on product strategy lately, specifically expanding your product line. Which of the following ideas do you think will work best for achieving your goals?

a. Enhance your e-commerce site with personalized product recommendations
b. Stop selling your products in small shops and make a deal with Macy's
c. Design a new line of clothing for infants
d. Redesign all of your products to carry the Ladybug logo

ANSWER: c

144. As the marketing manager for the salsa and dip division of a major snack food producer, you're aware that your product line is most popular with men aged 21 to 45. These customers report they typically consume your products while watching or streaming sports events. You've come up with a list of tactics for a new promotions strategy, but there's one

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idea on your list that you think is weaker than the others. Which one is it?

a. Advertise on major sports networks during important games
b. Build and maintain a sports-oriented website that simultaneously promotes your products
c. Become a sponsor or cosponsor of a highly visible sporting event
d. Insert a 15% off coupon in multiple editions of the most popular sports magazines

ANSWER: b

145. Your fruit juice brand is known worldwide, but you're always looking for new tactics to incorporate into your distribution strategy. Which of the following options do you find most appealing in terms of expanding your distribution network?

a. Using social media to promote a sweepstakes contest
b. Incentivizing your distributors to increase their orders by offering deeper discounts
c. Creating three new unique flavor blends
d. Licensing the leading snack foods producer to create a new line of branded frozen juice bars

ANSWER: d

146. You and your partners are investing millions in creating a small chain of five-star boutique hotels in six of the finest cities in the world. Which of the following tactics fits best with your premium pricing strategy?

a. Set room prices comparable to other high-end, boutique hotel chains
b. Bundle spa services in with the room rates
c. Advertise in magazines catering to wealthy, travel-minded consumers
d. Design branding that reflects the elegant, luxurious sensibility of the chain

ANSWER: a

147. You're the marketing manager for a cellphone manufacturer, and your company has just come out with a truly unique design with unusual features. You've decided the best way to introduce this interesting new product is to offer it at a low introductory price with a rebate, and then to gradually increase the price until you find the price ceiling for it. Your plan is part of both the _____ and _____ strategies for the product.

a. product; pricing
b. promotion; product
c. promotion; distribution
d. promotion; pricing

ANSWER: d

148. At the health food product manufacturer where you work, your boss, the Chief Marketing Officer, has just asked you to develop a strategic plan for introducing a new high-energy protein bar. You've just come up with a great idea: to give away free samples on college campuses, which are loaded with busy people on the go who need more energy. If they like the product, it's guaranteed that this market segment will talk about your product on social media, thus creating a buzz. In which section of your strategic plan does your idea belong?

a. Product strategy
b. Pricing strategy
c. Promotion strategy
d. Distribution strategy

ANSWER: c

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149. You've just been hired as the marketing director for a company whose products are sold through both inside and field sales representatives. You've spent the first week on the job analyzing the numbers, and you've determined that about 80% of your sales are coming from only 20% of the thousands of products the company distributes. The CEO has asked for product recommendations. What will you suggest?

a. Focus on improving sales of the poor-selling products by incentivizing the sales reps

b. Terminate about 25% of the sales and marketing teams due to poor performance

c. Discontinue selling at least half of the poorest sellers to free up more resources to market the best sellers

d. Continue to monitor sales over the next year while you test new marketing strategies

ANSWER: c

150. As the marketing manager for a small video game developer, you are constantly participating in and monitoring your company's social media feeds. Not only is it a great way to inform your customers about your products and build relationships, it's also an excellent tool for gathering customer feedback that you report out to your product development team. Social media participation is part of both the _____ and _____ strategies for your organization.

a. product; pricing

b. promotion; product

c. promotion; distribution

d. promotion; pricing

ANSWER: b

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