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Chapter 1 - Marketing in Today's Economy

1. Changes in how consumers access information via technology allow easy comparison shopping and broader choices. This increase in information has affected the buyer-selling power dynamic. Who now holds most of the power in today's economy?

a. retailers
b. wholesalers
c. customers
d. manufacturers
e. market research firms

ANSWER: c

FEEDBACK:

a.
b.
c. Perhaps the single most important change during the last two decades is the shift in power from marketers to consumers. Individual consumers and business customers have gained power via technology that allows easy comparison shopping and broader choices of where to purchase products.
d.
e.

POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
NATIONAL STANDARDS: United States - BUSPROG: Analytic - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Challenges and Opportunities of Marketing in Today's Economy
KEYWORDS: Bloom's: Remember
DATE CREATED: 2/23/2021 1:08 AM
DATE MODIFIED: 2/27/2021 2:01 AM

2. Smartphone and mobile technology have reduced or replaced entire section of retail stores. How have marketers reacted as a result?

a. Marketers now focus efforts on goods not easily replaced by digital and technology-enabled products.
b. Companies avoid a digital-first strategy.
c. Marketers no longer sell consumable and household goods.
d. The varieties of products available have decreased.
e. Efforts are now focused on targeting a true mass audience.

ANSWER: a

FEEDBACK:

a. The ways that products are delivered have eliminated the need for thousands of products, changing what and how marketers create a mix for retail and online stores. The smartphone and mobile technology have reduced or replaced entire sections of retail stores (e.g., CDs/DVDs, books, maps, audio components, magazines, cameras), making the focus of most marketing efforts on consumable and household goods not easily replaced by digital and technology-enabled products.
b.
c.
d.

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e.

POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
NATIONAL STANDARDS: United States - BUSPROG: Analytic - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Challenges and Opportunities of Marketing in Today's Economy
KEYWORDS: Bloom's: Remember
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3. Which of the following changes occurring in today's economy has **NOT** been caused by the growth of the Internet?

a. increase in product selection
b. shifting demand patterns
c. privacy, security, and ethical concerns
d. rising prices for most products
e. audience and media fragmentation

ANSWER: d
FEEDBACK:

a.
b.
c.
d. New and disruptive companies have used new technologies and strategies to change how we travel, shop for daily needs, and even how we get food. Fundamental changes to marketing, as a result, include a power shift to customers, changes in products and selection, audience and media fragmentation, changing value propositions, shifting demand patterns, privacy, security, and ethical concerns, and unclear legal jurisdiction.
e.

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
NATIONAL STANDARDS: United States - BUSPROG: Analytic - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Challenges and Opportunities of Marketing in Today's Economy
KEYWORDS: Bloom's: Understand
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4. Although it is increasingly difficult for marketers to reach a true mass audience due to audience and media fragmentation, media fragmentation does have a major advantage. What is this advantage?

a. Consumers now spend most of their time with a single medium.
b. It is much easier to measure feedback from mass media audiences.
c. It is now easier to reach small, highly targeted audiences.
d. Consumers are now much more receptive to radio advertising.

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e. There are now greater radio audience concentrations based on geographic location.

ANSWER: c

FEEDBACK:

a.

b.

c. Despite the challenge of reaching mass audiences today, media fragmentation does have a big advantage: It is easier to reach small, highly targeted audiences who are more receptive to specific marketing messages. Thus, for some marketing situations, opportunities exist with small audiences (e.g., products focused on specific customers, such as windsurfers or rock climbers), but for others, it has become increasingly difficult to spread messages to a large audience.

d.

e.

POINTS: 1

DIFFICULTY: Moderate

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

NATIONAL STANDARDS: United States - BUSPROG: Analytic - BUSPROG: Analytic

STATE STANDARDS: United States - AK - DISC: Promotion

TOPICS: A-Head: The Challenges and Opportunities of Marketing in Today's Economy

KEYWORDS: Bloom's: Understand

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5. Changing value propositions in today’s economy have caused marketers to learn a tough lesson about customers. What is that lesson?

a. Customers will always seek the best value regardless of quality.

b. Customers will always turn to the most recognized brand.

c. Customers will always respond favorably to advertising for premium products.

d. Customers will turn to the most convenient, least expensive alternative in situations where they see goods and services as commodities.

e. Customers will always seek the best quality regardless of price.

ANSWER: d

FEEDBACK:

a.

b.

c.

d. Even before the Great Recession began in 2008, consumers and business buyers were already facing increasing costs associated with energy, food, building materials, and other essentials. Then, as the economy weakened, buyers were forced to tighten their belts and look for other ways to lower expenses. Consequently, many marketers learned a tough lesson: In situations where customers see goods and services as commodities, they will turn to the most convenient, least-expensive alternative.

e.

POINTS: 1

DIFFICULTY: Challenging

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

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NATIONAL STANDARDS: United States - BUSPROG: Analytic - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Customer
TOPICS: A-Head: The Challenges and Opportunities of Marketing in Today's Economy
KEYWORDS: Bloom's: Understand
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6. In what way have demand patterns shifted as a result of changes in technology?
   a. Traditional newspapers are growing as consumers avoid online and mobile news.
   b. Demand has increased for the direct-to-consumer streaming model on a global scale.
   c. Digital distribution of music and video is decreasing.
   d. Fewer consumers demand delivery of prescriptions.
   e. More consumers are shopping in traditional brick-and-mortar stores.

ANSWER: d
FEEDBACK:
   a.
   b.
   c.
   d. The success of Apple Music, YouTube, Spotify, Netflix, and Disney+, along with the continuing integration of television and computers, has dramatically shifted demand for the music and movie industries. The direct-to-consumer streaming model has irreversibly altered the entertainment industry on a global scale.
   e.

POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
NATIONAL STANDARDS: United States - BUSPROG: Analytic - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: International Perspective
TOPICS: A-Head: The Challenges and Opportunities of Marketing in Today's Economy
KEYWORDS: Bloom's: Remember
DATE CREATED: 2/23/2021 2:56 AM
DATE MODIFIED: 2/27/2021 2:39 AM

7. A marketing strategy can be composed of one or more marketing programs; each program consists of two elements: a target market or markets and a marketing mix. What elements make up the marketing mix?
   a. product, price, place (distribution), and promotion
   b. supply and demand
   c. market segmentation and target marketing
   d. branding and positioning
   e. quality and value

ANSWER: a
FEEDBACK:
   a. The marketing mix is also known as the four Ps: product, price, place (distribution), and promotion. To develop a marketing strategy, an organization must select the right combination of target market(s) and marketing mix(es) to create distinct competitive advantages over its rivals.
   b.
   c.

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d.

e.

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
NATIONAL STANDARDS: United States - BUSPROG: Analytic - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: Basic Marketing Concepts
KEYWORDS: Bloom's: Remember
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8. What is a market?
   a. a collection of buyers and sellers
   b. an electronic marketplace unbound by time or space
   c. something that can be acquired via exchange to satisfy a need or a want
   d. something that the firm does better than its competitors
   e. one or more segments of individuals, businesses, or institutions toward which the firm's marketing efforts will be directed

ANSWER: a
FEEDBACK:
   a. At its most basic level, a market is a collection of buyers and sellers. We tend to think of a market as a group of individuals or institutions that have similar needs that can be met by a particular product.
   b.
   c.
   d.
   e.

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
NATIONAL STANDARDS: United States - BUSPROG: Analytic - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: Basic Marketing Concepts
KEYWORDS: Bloom's: Remember
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DATE MODIFIED: 2/27/2021 2:59 AM

9. Which of the following **IS NOT** one of the five conditions of exchange in marketing?
   a. There must be at least two parties to the exchange.
   b. Each party has something of value to offer the other party.
   c. Each party must be free to accept or reject the exchange.
   d. Each party must be capable of immediate delivery.
   e. Each party believes that it is desirable to exchange with the other party.

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ANSWER: d

FEEDBACK:

a.

b.

c.

d. For exchange to occur, five conditions must be met: there must be at least two parties to the exchange, each party has something of value to offer the other party, each party must be capable of communication and delivery, each party must be free to accept or reject the exchange, and each party believes that it is desirable to exchange with the other party.

e.

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
NATIONAL STANDARDS: United States - BUSPROG: Analytic - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: Basic Marketing Concepts
KEYWORDS: Bloom's: Understand
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10. A customer's decision to purchase one product or group of products over another is primarily a function of:
    a. the convenience of acquiring the product or group of products.
    b. how well that choice will fulfill that person's needs and satisfy their wants.
    c. the product's features relative to competing products.
    d. the product's price.
    e. the availability of the product or group of products.

ANSWER: b

FEEDBACK:

a.

b. To effectively meet the needs of their customers and fulfill organizational objectives, marketers must be astute in creating products and combining them in ways that make them unique from other offerings. A customer's decision to purchase one product or group of products over another is primarily a function of how well that choice will fulfill their needs and satisfy their wants.

c.

d.

e.

POINTS: 1
DIFFICULTY: Challenging
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
NATIONAL STANDARDS: United States - BUSPROG: Analytic - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Customer
TOPICS: A-Head: Basic Marketing Concepts
KEYWORDS: Bloom's: Understand
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11. A product that provides the utmost in convenience is said to offer exceptional:

a. time and place utility.
b. place and possession utility.
c. time and possession utility.
d. form and time utility.
e. form and place utility.

ANSWER: a

FEEDBACK:

a. Products that are high in both time and place utility are exceptionally valuable to customers because they provide the utmost in convenience.
b.
c.
d.
e.

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
NATIONAL STANDARDS: United States - BUSPROG: Analytic - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: Basic Marketing Concepts
KEYWORDS: Bloom's: Understand
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12. Madeline's Steakhouse offers high-quality cuts of beef. What types of utility does this restaurant offer with its superior meat?

a. time utility
b. place utility
c. possession utility
d. form utility
e. psychological utility

ANSWER: d

FEEDBACK:

a.
b.
c.
d. Products high in form utility have attributes or features that set them apart from the competition. Often these differences result from the use of high-quality raw materials, ingredients, or components, or from the use of highly efficient production processes.
e.

POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
NATIONAL STANDARDS: United States - BUSPROG: Analytic - BUSPROG: Analytic

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STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: Basic Marketing Concepts
KEYWORDS: Bloom's: Apply
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DATE MODIFIED: 2/27/2021 3:03 AM

13. An automaker is working on plans to address the electric vehicle market and is developing a marketing program to fulfill the needs of customers in this market. What type of planning is this?

a. market planning
b. strategic planning
c. local planning
d. lower-level planning
e. tactical planning

ANSWER: e
FEEDBACK:
a.
b.
c.
d.
e. Tactical planning addresses specific markets or market segments and the development of marketing programs that will fulfill the needs of customers in those markets.

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
NATIONAL STANDARDS: United States - BUSPROG: Analytic - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: Major Marketing Activities and Decisions
KEYWORDS: Bloom's: Apply
DATE CREATED: 2/23/2021 3:41 AM
DATE MODIFIED: 2/27/2021 3:04 AM

14. Which of the following involves the objective review of internal information pertaining to the firm's current strategy and performance, as well as the current and future availability of resources?

a. competitive intelligence
b. environmental scanning
c. tactical planning
d. external analysis
e. internal analysis

ANSWER: e
FEEDBACK:
a.
b.
c.
d.
e. Internal analysis involves the objective review of internal information pertaining to the firm's current strategy and performance, as well as the current and future

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availability of resources.

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
NATIONAL STANDARDS: United States - BUSPROG: Analytic - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Research
TOPICS: A-Head: Major Marketing Activities and Decisions
KEYWORDS: Bloom's: Remember
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DATE MODIFIED: 2/27/2021 3:06 AM

15. A ride-sharing company reviews its customer data. Based on past sales, the company notices men in their 30s tend to spend more in the app and tip higher than other riders. The company decides to direct its marketing efforts toward this one segment. This segment is referred to as a

a. target market.
b. competitive advantage.
c. shareholder.
d. marketing channel.
e. noncustomer.

ANSWER: a
FEEDBACK:
a. When a marketer selects one or more target markets, they identify one or more segments of individuals, businesses, or institutions toward which the firm's marketing efforts will be directed.
b.
c.
d.
e.

POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
NATIONAL STANDARDS: United States - BUSPROG: Analytic - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: Major Marketing Activities and Decisions
KEYWORDS: Bloom's: Apply
DATE CREATED: 2/23/2021 3:48 AM
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16. Run Athlete, a shoe company, attempts to differentiate its product offering by featuring its memory foam cushions on the product packaging, a feature Run Athlete's competitors do not have. The company wants consumers to think of comfort when they think of Run Athlete's shoes. This refers to

a. product positioning.
b. target marketing.
c. perceptual marketing.
d. image marketing.

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e. social responsibility.

ANSWER: a

FEEDBACK:

a. Marketers must make decisions regarding package design, trademarks, and warranties or guarantees. Product positioning involves establishing a mental image, or position, of the product offering relative to competing offerings in the minds of target buyers.

b.

c.

d.

e.

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
NATIONAL STANDARDS: United States - BUSPROG: Analytic - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Promotion
TOPICS: A-Head: Major Marketing Activities and Decisions
KEYWORDS: Bloom's: Apply
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DATE MODIFIED: 2/27/2021 3:40 AM

17. Which of the following statements about pricing decisions in the marketing program is **TRUE**?

a. Price is one of two elements of the marketing mix that leads to revenue.
b. Pricing is the most overmanipulated element of the marketing mix.
c. Pricing has the goal of distribution.
d. Pricing is the most difficult element of the marketing mix to change.
e. Customers will always equate higher prices with higher quality products.

ANSWER: b

FEEDBACK:

a.

b. Price typically has a direct connection with customer demand. This connection makes pricing the most overmanipulated element of the marketing mix.

c.

d.

e.

POINTS: 1
DIFFICULTY: Challenging
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
NATIONAL STANDARDS: United States - BUSPROG: Analytic - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Pricing
TOPICS: A-Head: Major Marketing Activities and Decisions
KEYWORDS: Bloom’s: Understand
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18. In the relationship marketing approach, the ultimate goal of marketing is to:

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a. make a profit.
b. develop long-term customer relationships.
c. reduce costs associated with promotion.
d. acquire new customers and complete a large number of exchanges.
e. prohibit the customer from purchasing from competitors.

ANSWER: b

FEEDBACK:
a.
b. In relationship marketing, the goal is to develop and maintain long-term, mutually satisfying arrangements where both buyer and seller focus on the value obtained from the relationship.
c.
d.
e.

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
NATIONAL STANDARDS: United States - BUSPROG: Analytic - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: Major Marketing Activities and Decisions
KEYWORDS: Bloom's: Remember
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DATE MODIFIED: 2/27/2021 3:45 AM

19. Which of the following is **TRUE** of marketing strategy?
a. Marketing strategy is less important than in the past.
b. Marketing strategy is inherently people-driven.
c. Marketing strategy is immune to change.
d. Marketing strategy is easy to develop and implement.
e. Marketing strategy draws from personal experience rather than data.

ANSWER: b

FEEDBACK:
a.
b. Marketing strategy is inherently people-driven. Marketing strategy is about people (inside an organization) trying to find ways to deliver exceptional value by fulfilling the needs and wants of other people (customers, shareholders, business partners, society at large), as well as the needs of the organization itself.
c.
d.
e.

POINTS: 1
DIFFICULTY: Challenging
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
NATIONAL STANDARDS: United States - BUSPROG: Analytic - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Customer
TOPICS: A-Head: Taking on the Challenges of Marketing Strategy

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KEYWORDS: Bloom's: Remember
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20. The airline industry has become commoditized. What does this mean for firms in the airline industry such as United and Delta?

a. Airlines will be forced to file for bankruptcy.
b. Airline customers have little power.
c. There is very little differentiation among product offerings in the industry.
d. The industry experiences very little change over time.
e. Airlines customers are easy to please due to a lack of options.

ANSWER: c
FEEDBACK:
a.
b.
c. Today's customers are price sensitive, especially in commoditized markets where products lack any real means of differentiation (such as airlines). Consequently, customers constantly seek the best value and thrive on their ability to compare prices among competing alternatives.
d.
e.

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
NATIONAL STANDARDS: United States - BUSPROG: Analytic - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: Taking on the Challenges of Marketing Strategy
KEYWORDS: Bloom's: Apply
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21. Discuss the implications of audience and media fragmentation for marketers and provide an example.

ANSWER: Changes in media usage and the availability of new media outlets have forced marketers to rethink the way they communicate with potential customers. For example, television audiences have been a favorite for marketing messages on broadcast networks such as ABC, CBS, and NBC and cable networks such as ESPN, HGTV, Nickelodeon, and the Discovery Channel. However, today most visual content is delivered via these traditional means and also through online streaming. These changes make it increasingly difficult for marketers to reach a true mass audience.
POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Essay
HAS VARIABLES: False
STUDENT ENTRY MODE: Basic
NATIONAL STANDARDS: United States - BUSPROG: Analytic - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Challenges and Opportunities of Marketing in Today's Economy

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KEYWORDS: Bloom's: Understand
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22. The American Marketing Association (AMA) has changed the definition of marketing over time. Discuss the different views or interpretations of marketing as a function of business, and share why you think the AMA changed the definition.

ANSWER: Many people, especially those not employed in marketing, see marketing as a function of business. As a business function, the goal of marketing is to connect the organization to its customers. Other individuals, particularly those working in marketing jobs, tend to see marketing as a process of managing the flow of products from the point of conception to the point of consumption. A final way to think about marketing relates to meeting human and social needs. This broad view links marketing with our standard of living, not only in terms of enhanced consumption and prosperity but also in terms of society's well-being.

The AMA changed the definition of marketing to better reflect the realities of competing in today's marketplace. The new definition stresses two critical success factors in marketing today: value and customer relationships. Whereas the former definition of marketing had a decidedly transactional focus, the new definition emphasizes long-term relationships that provide value for both customers and the firm.

POINTS: 1
DIFFICULTY: Challenging
QUESTION TYPE: Essay
HAS VARIABLES: False
STUDENT ENTRY MODE: Basic
NATIONAL STANDARDS: United States - BUSPROG: Analytic - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: Basic Marketing Concepts
KEYWORDS: Bloom's: Understand
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23. Briefly explain and discuss the five types of utility. Which type(s) of utility is(are) the most important and why?

ANSWER: The five types of utility are:
1. Form Utility—Products high in form utility have attributes or features that set them apart from the competition.
2. Time Utility—Products high in time utility are available when customers want them.
3. Place Utility—Products high in place utility are available where customers want them, which is typically wherever the customer happens to be at that moment or where the product needs to be at that moment.
4. Possession Utility—Possession utility deals with the transfer of ownership or title from marketer to customer. Products higher in possession utility are more satisfying because marketers make them easier to acquire.
5. Psychological Utility—Products high in psychological utility deliver positive experiential or psychological attributes that customers find satisfying. Conversely, a product might offer exceptional psychological utility because it lacks negative experiential or psychological attributes.

One type of utility is not necessarily more important than the others. In reality, all five types are complementary and overlap to a great degree. One could argue that form utility is the most important, however, because customers tend to choose products that offer certain

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features. For routinely purchased products (gasoline, bread), time and place utility are likely to be more important. For unique types of products (vacations, luxury goods), psychological utility might be relatively more important.

POINTS: 1
DIFFICULTY: Challenging
QUESTION TYPE: Essay
HAS VARIABLES: False
STUDENT ENTRY MODE: Basic
NATIONAL STANDARDS: United States - BUSPROG: Analytic - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: Basic Marketing Concepts
KEYWORDS: Bloom's: Understand
DATE CREATED: 2/23/2021 4:50 AM
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24. With respect to the strategic planning process, why has social responsibility and marketing ethics become important today? Is it really necessary to consider these issues in strategic planning? How can a firm plan to be socially responsible?

ANSWER: Our society still reverberates from the effects of corporate scandals at Enron, Volkswagen, and Wells Fargo, among others. Although these scandals make for interesting reading, many innocent individuals have suffered the consequences from these companies' unethical behavior. Social responsibility refers to an organization's obligation to maximize its positive impact on society while minimizing its negative impact. In terms of marketing strategy, social responsibility addresses the total effect of an organization's marketing activities on society. A major part of this responsibility is marketing ethics, or the principles and standards that define acceptable conduct in marketing activities. Ethical marketing can build trust and commitment and is a crucial ingredient in building long-term relationships with all stakeholders. Another major component of any firm's impact on society is the degree to which it engages in philanthropic activities. Many firms now make philanthropy a key strategic activity.

Because efforts to be socially responsible involve the allocation of human and financial resources, these activities must be planned just like traditional marketing activities.

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Essay
HAS VARIABLES: False
STUDENT ENTRY MODE: Basic
NATIONAL STANDARDS: United States - BUS PROG: Ethics
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: Major Marketing Activities and Decisions
KEYWORDS: Bloom's: Understand
DATE CREATED: 2/23/2021 4:59 AM
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25. Discuss the challenges and opportunities associated with planning and developing marketing strategy in today's economy. Why is marketing strategy both exciting and challenging?

ANSWER: One of the greatest frustrations and opportunities in marketing is change—customers change, competitors change, technology changes, and even the marketing organization changes.

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Strategies that are highly successful today will not work tomorrow. Customers will buy products today that they will have no interest in tomorrow. These are truisms in marketing. Although frustrating, challenges like these also make marketing extremely interesting and rewarding.

Another fact about marketing strategy is that it is inherently people-driven. Marketing strategy is about people (inside an organization) trying to find ways to deliver exceptional value by fulfilling the needs and wants of other people (customers, shareholders, business partners, society at large), as well as the needs of the organization itself.

The combination of continual change and the people-driven nature of marketing makes developing and implementing marketing strategy a challenging task. A perfect strategy that is executed perfectly can still fail. This happens because there are very few rules for how to do marketing in specific situations. In other words, it is impossible to say that given "this customer need" and these "competitors" and this "level of government regulation" that Product A, Price B, Promotion C, and Distribution D should be used. Even with excellent data, and resources to analyze and interpret the data, the "formula" approach doesn't always work. The lack of rules and the ever-changing and disruptive economic, sociocultural, competitive, technological, and political/legal landscapes make marketing strategy a terribly fascinating subject that is new every day.

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Essay
HAS VARIABLES: False
STUDENT ENTRY MODE: Basic
NATIONAL STANDARDS: United States - BUS PROG: Reflective Thinking
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: Taking on the Challenges of Marketing Strategy
KEYWORDS: Bloom's: Understand
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26. Companies that have followed a digital-first strategy are often able to undercut prices of established retail brands and introduce new products more quickly.

a. True
b. False

ANSWER: True
FEEDBACK: *Correct* The variety and assortment of goods and services offered for sale on the Internet and in traditional stores is staggering. Companies that have followed a digital-first strategy, such as ColourPop Cosmetics, are often able to undercut prices of established retail brands and introduce new products more quickly.
Incorrect
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
NATIONAL STANDARDS: United States - DISC: Group Dynamics
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Challenges and Opportunities of Marketing in Today's Economy

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KEYWORDS: Bloom's: Apply
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27. Which of the following outlines the organization's game plan for success?
    a. market scanning
    b. planning
    c. strategy
    d. utility
    e. competitive intelligence

ANSWER: c
FEEDBACK:
    a.
    b.
    c. If an organization is to have any chance of reaching its goals and objectives, it must have a game plan or road map for getting there. A strategy, in effect, outlines the organization's game plan for success.
    d.
    e.

POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
NATIONAL STANDARDS: United States - DISC: Group Dynamics
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: Major Marketing Activities and Decisions
KEYWORDS: Bloom's: Remember
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28. What term is used to describe the ability of a product to satisfy a customer's desires?
    a. utility
    b. exchange
    c. strategy
    d. market scanning
    e. competitive intelligence

ANSWER: a
FEEDBACK:
    a. A customer's decision to purchase one product or group of products over another is primarily a function of how well that choice will fulfill their needs and satisfy their wants. Economists use the term utility to describe the ability of a product to satisfy a customer's desires.
    b.
    c.
    d.
    e.

POINTS: 1
DIFFICULTY: Easy

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QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
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TOPICS: A-Head: Basic Marketing Concepts
KEYWORDS: Bloom's: Remember
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29. Which of the following type of planning focuses on specific markets or market segments and the development of marketing programs that will fulfill the needs of customers in those markets?

a. strategic planning
b. customer analysis
c. environmental planning
d. tactical planning
e. marketing plan

ANSWER: d
FEEDBACK:
a.
b.
c.
d. Tactical planning addresses specific markets or market segments and the development of marketing programs that will fulfill the needs of customers in those markets.
e.

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
NATIONAL STANDARDS: United States - DISC: Group Dynamics
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: Major Marketing Activities and Decisions
KEYWORDS: Bloom's: Remember
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30. Environmental scanning refers to the overall process of collecting and interpreting internal, competitive, and environmental information.

a. True
b. False

ANSWER: False
FEEDBACK: *Correct*
Incorrect Analysis of the external environment, also known as environmental scanning, involves the analysis of economic, political, legal, technological, and cultural events and trends that may affect the future of the organization and its marketing efforts. Some marketing planners use the term situation analysis to refer to the overall process of collecting and interpreting internal, competitive, and environmental information.

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POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
NATIONAL STANDARDS: United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: Major Marketing Activities and Decisions
KEYWORDS: Bloom's: Remember
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31. Adam owns a restaurant that serves salad. After discovering a salad fast food chain, Easy Green, is opening a restaurant near his location, he thoroughly researches Easy Green to discover their strengths, weaknesses, and intentions. What type of marketing activity does Adam apply in this scenario?

a. tactical planning
b. internal analysis
c. competitive intelligence
d. environmental scanning
e. situation analysis

ANSWER: c
FEEDBACK:
a.
b.
c. Analysis of the competitive environment, increasingly known as competitive intelligence, involves analyzing the capabilities, vulnerabilities, and intentions of competing businesses.
d.
e.

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
NATIONAL STANDARDS: United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Analytic
TOPICS: A-Head: Major Marketing Activities and Decisions
KEYWORDS: Bloom's: Apply
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32. To be successful, a firm must possess one or more competitive advantages that it can leverage in the market in order to meet its objectives.

a. True
b. False

ANSWER: True
FEEDBACK: *Correct* To be successful, a firm must possess one or more competitive advantages that it can leverage in the market in order to meet its objectives. A competitive advantage is something that the firm does better than its competitors that gives it an edge in serving customers' needs and/or maintaining mutually satisfying relationships with

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important stakeholders.

Incorrect

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
NATIONAL STANDARDS: United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: Major Marketing Activities and Decisions
KEYWORDS: Bloom's: Remember
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33. List the elements that make up a marketing program.

a. product and target market
b. target market and marketing mix
c. market segment and market plan
d. product, price, place, promotion
e. marketing mix and promotion

ANSWER: b
FEEDBACK:

a.
b. A marketing strategy can be composed of one or more marketing programs; each program consists of two elements—a target market or markets and a marketing mix (sometimes known as the four Ps of product, price, place, and promotion).
c.
d.
e.

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
NATIONAL STANDARDS: United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: Major Marketing Activities and Decisions
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34. Amazon capitalizes on faster and more innovative ways to deliver products directly to the customer. These decisions relate to which element of the marketing mix?

a. market segmentation
b. product
c. price
d. promotion
e. place (distribution)

ANSWER: e

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FEEDBACK:

a.
b.
c.
d.
e. Supply chain decisions involve a long line of activities—from the sourcing of raw materials, through the production of finished products, to ultimate delivery to final customers. Today, in many settings, the supply chain is becoming more obvious to consumers, as companies such as Amazon capitalize on faster and more innovative ways to deliver products directly to the customer.

POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: Multiple Choice
HAS VARIABLES: False
NATIONAL STANDARDS: United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: Major Marketing Activities and Decisions
KEYWORDS: Bloom's: Apply
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35. The "how" of marketing planning is known as branding and positioning.
    a. True
    b. False

ANSWER: False
FEEDBACK: *Correct*
Incorrect Once a marketing strategy has been selected and the elements of the marketing mix are in place, the marketer must put the plan into action. Marketing implementation, the process of executing the marketing strategy, is the "how" of marketing planning.

POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
NATIONAL STANDARDS: United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: Major Marketing Activities and Decisions
KEYWORDS: Bloom's: Remember
DATE CREATED: 2/23/2021 7:03 AM
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36. Marketing strategy is about people understanding and serving people.
    a. True
    b. False

ANSWER: True
FEEDBACK: *Correct* Marketing strategy is inherently people-driven. Marketing strategy is about people (inside an organization) trying to find ways to deliver exceptional value by fulfilling the needs and wants of other people (customers, shareholders, business partners,

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society at large), as well as the needs of the organization itself. In short, marketing strategy is about people understanding and serving people.

Incorrect

POINTS: 1
DIFFICULTY: Moderate
QUESTION TYPE: True / False
HAS VARIABLES: False
NATIONAL STANDARDS: United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: Major Marketing Activities and Decisions
KEYWORDS: Bloom's: Remember
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37. The customer, having more power than marketers in the buyer-seller power dynamic, drives pricing, promotional, and experience strategies of marketers.

a. True
b. False

ANSWER: True
FEEDBACK: *Correct* Perhaps the single most important change during the last two decades is the shift in power from marketers to consumers. The customer is king in most marketing situations, driving pricing, promotional, and experience strategies of marketers.

Incorrect

POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
NATIONAL STANDARDS: United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Challenges and Opportunities of Marketing in Today's Economy
KEYWORDS: Bloom's: Remember
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38. The four Ps of the marketing mix consist of product, positioning, pricing, and promotion.

a. True
b. False

ANSWER: False
FEEDBACK: *Correct*

Incorrect The four Ps of the marketing mix consist of product, price, place (distribution), and promotion.

POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
NATIONAL STANDARDS: United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic

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KEYWORDS: Bloom's: Remember
DATE CREATED: 2/23/2021 7:16 AM
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39. The term marketspace describes electronic marketplaces unbound by time or space.
    a. True
    b. False

ANSWER: True
FEEDBACK: *Correct* Early in the beginning of the dot-com era, the term marketspace was coined to describe these electronic marketplaces unbound by time or space.
Incorrect
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
NATIONAL STANDARDS: United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: Basic Marketing Concepts
KEYWORDS: Bloom's: Remember
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40. When marketers want to reach a true mass audience, they divide the market into homogenous groups or segments.
    a. True
    b. False

ANSWER: False
FEEDBACK: *Correct*
Incorrect When a marketer selects one or more target markets, they identify one or more segments of individuals, businesses, or institutions toward which the firm's marketing efforts will be directed.
POINTS: 1
DIFFICULTY: Easy
QUESTION TYPE: True / False
HAS VARIABLES: False
NATIONAL STANDARDS: United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: Major Marketing Activities and Decisions
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