Marketing 21st edition Pride Test Bank

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Name:_____ Class:_____ Date:_____

Chapter 01: An Overview of Strategic Marketing

True / False

1. Marketing consists primarily of selling and advertising.
   a. True
   b. False

ANSWER: False

2. The broadest and simplest definition of marketing states that it is the development and efficient distribution of products for consumer segments.
   a. True
   b. False

ANSWER: False

3. Customers are the focal point of all marketing activities.
   a. True
   b. False

ANSWER: True

4. A target market is a specific group of customers on whom an organization focuses its marketing efforts.
   a. True
   b. False

ANSWER: True

5. Organizations have to define their products as what they make or produce.
   a. True
   b. False

ANSWER: False

6. The marketing mix consists of three major variables: product, price, and distribution.
   a. True
   b. False

ANSWER: False

7. In marketing, a product can be a good or a service but not an idea.
   a. True
   b. False

ANSWER: False

8. Marketing efforts do not involve the design and development of products.
   a. True
   b. False

ANSWER: False

9. Products can be goods, services, or ideas.
   a. True

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b. False

ANSWER: True

10. Services are provided by applying human and mechanical efforts to people or objects to provide intangible benefits to customers.

a. True

b. False

ANSWER: True

11. The actual physical production of goods is a marketing activity.

a. True

b. False

ANSWER: False

12. Promotion can help sustain interest in established products that have long been available.

a. True

b. False

ANSWER: True

13. The distribution variable in a marketing mix is directed toward making products available in the quantities desired to as many target market customers as possible and keeping the total inventory, transportation, and storage costs as low as possible.

a. True

b. False

ANSWER: True

14. Customers are interested in a product's price because they are concerned about the value obtained in an exchange.

a. True

b. False

ANSWER: True

15. Price is seldom used as a competitive tool.

a. True

b. False

ANSWER: False

16. For an exchange to occur, each party involved has something of value that the other party finds desirable.

a. True

b. False

ANSWER: True

17. The outcomes of a marketer's decisions and actions may be affected by the variables in the marketing environment.

a. True

b. False

ANSWER: True

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18. Changes in the marketing environment always hurt marketing efforts.
    a. True
    b. False
ANSWER: False

19. The marketing environment is a set of static, unchanging surroundings.
    a. True
    b. False
ANSWER: False

20. The marketing concept stresses that a business organization can best achieve its goals by providing customer satisfaction through coordinated activities.
    a. True
    b. False
ANSWER: True

21. Achievement of the firm's overall goals is part of the marketing concept.
    a. True
    b. False
ANSWER: True

22. The marketing concept is a philosophy that a business organization should employ to satisfy customers' needs while achieving the overall goals of the organization.
    a. True
    b. False
ANSWER: True

23. The marketing concept is a philanthropic philosophy aimed at helping customers at the expense of the business organization.
    a. True
    b. False
ANSWER: False

24. The marketing concept is a management philosophy, not a second definition of marketing.
    a. True
    b. False
ANSWER: True

25. Profit, even at the expense of customers' satisfaction, is the major thrust of the marketing concept.
    a. True
    b. False
ANSWER: False

26. The marketing concept directly affects marketing activities but should have a negligible impact on other

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organizational activities.

a. True

b. False

ANSWER: False

27. The market concept stresses that an organization can best achieve its objectives by being customer-oriented.

a. True

b. False

ANSWER: True

28. The market concept developed out of a sequence of three eras: the production orientation, the marketing orientation, and the industrial orientation.

a. True

b. False

ANSWER: False

29. During the market orientation, businesspeople realized that if they could produce products efficiently, customers would buy them.

a. True

b. False

ANSWER: False

30. During the market orientation, businesspeople realized that products, which by this time could be made relatively efficiently, would have to be promoted through much personal selling and advertising.

a. True

b. False

ANSWER: False

31. A market orientation requires the organization-wide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across departments, and organization-wide responsiveness to it.

a. True

b. False

ANSWER: True

32. To implement the marketing concept, an organization must first establish an information system to discover customers' real needs and then use the information to create products to satisfy those needs.

a. True

b. False

ANSWER: True

33. To satisfy customers' objectives as well as its own, a company must coordinate all its activities.

a. True

b. False

ANSWER: True

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Chapter 01: An Overview of Strategic Marketing

34. At the most basic level, profits can be obtained through relationships by acquiring new customers, enhancing the profitability of existing customers, and extending the duration of customer relationships.
    a. True
    b. False
ANSWER: True

35. Customer relationship management is the use of information about customers to create marketing strategies that develop and sustain desirable customer relationships.
    a. True
    b. False
ANSWER: True

36. Value = customer costs − customer benefits.
    a. True
    b. False
ANSWER: False

37. Basic and extended warranties can reduce risk, a major customer cost.
    a. True
    b. False
ANSWER: True

38. Customer benefits include time and effort.
    a. True
    b. False
ANSWER: False

39. The process people use to determine the value of a product is not highly scientific.
    a. True
    b. False
ANSWER: True

40. Marketing costs consume about one-quarter of a buyer's dollar.
    a. True
    b. False
ANSWER: False

41. Marketing costs consume about one-half of a buyer's dollar.
    a. True
    b. False
ANSWER: True

42. For a business organization to remain healthy and to survive, it must sell products and make profits.
    a. True
    b. False

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ANSWER: True

43. Knowing about marketing can help you evaluate the types of corrective measures needed to stop questionable marketing practices.
    a. True
    b. False
ANSWER: True

44. Gloria is a pianist who wants to become a professional. Whenever she has a performance, she places a flyer in the local community center and encourages her friends to tell others about the performance. Gloria is engaging in marketing activities.
    a. True
    b. False
ANSWER: True

45. It is a good idea to consider parents as part of the target market when marketing new children's lunchboxes that stay colder longer.
    a. True
    b. False
ANSWER: True

46. There are four conditions that must be met before an exchange can take place. Once these conditions are met, an exchange will always take place.
    a. True
    b. False
ANSWER: False

47. Marketing activities can occur even when an exchange doesn't take place.
    a. True
    b. False
ANSWER: True

48. The reason the marketing concept is named this way is that it pertains solely to marketing.
    a. True
    b. False
ANSWER: False

49. Relationship marketing focuses on satisfying customers to generate the most profit.
    a. True
    b. False
ANSWER: False

50. When assessing value, customers consider nonmonetary costs such as time and effort.
    a. True
    b. False

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ANSWER: True

51. To reduce customer costs and thereby increase their sense of value, companies can increase product availability.
    a. True
    b. False

ANSWER: True

52. The impact of environmental forces on value can be extensive as market changes can easily influence how stakeholders perceive certain products.
    a. True
    b. False

ANSWER: True

53. The ability to identify individual customers allows marketers to shift their focus from increasing their share of an individual customer's purchases to targeting groups of similar customers.
    a. True
    b. False

ANSWER: False

Multiple Choice

54. Marketing is the process of which of the following?
    a. Promoting products through personal selling and advertising to develop and maintain favorable relationships with customers and stakeholders
    b. Exploring, developing, and delivering value to satisfy the needs of the target market
    c. Delivering a standard of living to society
    d. Creating, distributing, promoting, and pricing goods, services, and ideas to facilitate the achievement of the firm's objectives
    e. Focusing on customers' needs

ANSWER: b

55. Which of the following is the focal point of all marketing activities?
    a. Products
    b. The marketing mix
    c. Profits
    d. Sales
    e. Customers

ANSWER: e

56. Rather than defining themselves by the products they produce, organizations should define themselves by which of the following?
    a. Profitability
    b. Their stock price
    c. The abundance of their product selection
    d. The way they treat their employees

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e. Customer satisfaction

ANSWER: e

57. The definition of marketing implies that which of the following should receive benefits from exchange relationships?

a. Only customers
b. Only businesses
c. Company management
d. Both customers and businesses
e. Only the most important customers

ANSWER: d

58. Which of the following is the primary value that a marketer expects to receive from a customer in an exchange relationship?

a. A financial reward or something else of value
b. Customer satisfaction
c. References to other potential customers
d. Quality merchandise that meets expectations
e. Few returns of the merchandise purchased

ANSWER: a

59. Which of the following best characterizes a target market?

a. A large number of customers
b. A specific group of customers on whom an organization focuses its marketing efforts
c. Several competitors vying for customers' business
d. A salesperson's prospective client list
e. A customer group classified as people with similar demographic characteristics

ANSWER: b

60. Caulipower is a cauliflower-based food company aimed at people trying to eat healthier. These people represent what to Caulipower?

a. Marketing mix
b. Marketing strategy
c. Target market
d. Marketing tactic
e. Consumer advocates

ANSWER: c

61. Which of the following is the primary value that a customer expects to receive from a marketer in an exchange relationship?

a. A reward or benefit greater than the costs incurred in the transaction
b. The price charged for the product
c. Customer satisfaction
d. Quality merchandise that meets expectations
e. A discounted price

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ANSWER: a

62. Distribution, price, promotion, and product are all elements of which of the following?
    a. Marketing strategy
    b. The marketing mix
    c. A target market
    d. A consumer good
    e. A business strategy

ANSWER: b

63. A marketing manager decides what combination of variables is needed to satisfy customers' needs for a general type of product. What are the essential variables that the marketing manager combines?
    a. Product, price, distribution, and promotion variables
    b. Marketing environment variables
    c. Product and promotion variables
    d. Product, price, and customer variables
    e. Product, price, customer, and promotion variables

ANSWER: a

64. The marketing mix is built around which of the following?
    a. The product
    b. The company
    c. Customers
    d. Employees
    e. Retail outlets

ANSWER: c

65. Which of the following is not part of the product variable of the marketing mix?
    a. Creation of brand names
    b. Consumer perception of the product price
    c. Development of product packaging
    d. Warranty issues
    e. Repair services

ANSWER: b

66. What are the three basic forms that a product can take?
    a. Markets, products, and images
    b. Goods, ideas, and intangibles
    c. Brands, services, and tangibles
    d. Services, ideas, and goods
    e. Ideas, services, and things

ANSWER: d

67. Which of the following represents a physical product that can be touched?

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a. Service
b. Good
c. Idea
d. Concept
e. Philosophy

ANSWER: b

68. Which of the following is the application of mechanical and human efforts to either people or objects to provide intangible benefits to customers?
a. Issue
b. Experience
c. Idea
d. Good
e. Service

ANSWER: e

69. Which of the following companies is the *best* example of a service marketer?
a. American Airlines
b. Samsung
c. J. Crew
d. The Humane Society
e. Procter & Gamble

ANSWER: a

70. MADD (Mothers Against Drunk Driving) is a group that works to educate people about the dangers of driving under the influence of alcohol. MADD primarily markets which of the following?
a. Goods
b. Ideas
c. Services
d. Political figures
e. Applications

ANSWER: b

71. The ASPCA has used advertising for many years, airing TV commercials that show animals in need of care. The organization is using marketing to promote which of the following?
a. Goods
b. Services
c. Experiences
d. Production
e. Ideas

ANSWER: e

72. Which of the following is most likely to be an idea marketer?
a. Realtor

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b. Bus driver
c. Personal trainer
d. Environmental advocacy group
e. Orthodontist

ANSWER: d

73. By adding a built-in grip and MagSafe capabilities to its phone cases, OtterBox is making a change to which element of its marketing mix?
a. Price
b. Good
c. Product
d. Promotion
e. Distribution

ANSWER: c

74. Making modifications to packaging or brand names involves which component of the marketing mix?
a. Price
b. Promotion
c. Market
d. Distribution
e. Product

ANSWER: e

75. Issues of inventory levels and storage costs are both concerns that relate to which area of the marketing mix?
a. Distribution
b. Product
c. Exchange
d. Price
e. Promotion

ANSWER: a

76. Maile Moana runs a successful wholesale business that sells equipment to restaurants throughout the Southwest. She is considering purchasing her own fleet of trucks to deliver the equipment instead of relying on a shipper, as she is currently doing. This most closely represents a decision about which of the following?
a. The market she should target
b. The best way to distribute her products
c. How to effectively promote her business
d. The product she provides to her customer
e. Which supplier she should use

ANSWER: b

77. Consumers buying products online have dramatically affected which variable of the marketing mix?
a. Product
b. Price

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c. Distribution
d. Research
e. Promotion

ANSWER: c

78. Changing the hours of operation of a service business involves which component of the marketing mix?
a. Product
b. Price
c. Distribution
d. Promotion
e. Marketing concept

ANSWER: c

79. Which of the following scenarios involves the distribution element of the marketing mix?
a. Deciding whether or not a certain product should continue to be sold
b. Determining whether an advertising message would be more effective on television or in magazines
c. Choosing between a company jet or the airlines for executive travel
d. Deciding whether or not to have retail outlets in addition to a website
e. Developing a new warranty policy for an existing product

ANSWER: d

80. Which of the following is an element of the marketing mix used to increase awareness of a product or company?
a. Information
b. Product
c. Price
d. Distribution
e. Promotion

ANSWER: e

81. When Carpella develops new carpet fibers that are highly stain-resistant and durable, it must educate consumers about the product's benefits. This calls for activity in which of the following marketing mix variables?
a. Price
b. Promotion
c. Distribution
d. Product
e. Packaging

ANSWER: b

82. American Airlines introduced a “basic economy” seat category to better compete with discount airlines like Allegiant and Breeze. Which of the following aspects of the marketing mix is American Airlines likely altering?
a. Price
b. Promotion
c. Distribution
d. Product

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e. Target market

ANSWER: a

83. When CyberMinds, a producer of software, delayed the introduction of its new app to modify the package, its scheduled TV commercials announcing the new product needed to be revised. What variables were changed in the marketing mix?

a. Distribution and promotion
b. Distribution and product
c. Product and price
d. Product and promotion
e. Promotion and price

ANSWER: d

84. Marketing facilitates exchange relationships between buyers and sellers. What is marketing's intended outcome for this relationship?

a. Profits for the seller
b. A good bargain on the product for the buyer
c. Reducing the seller's inventory
d. One party having to compromise in the exchange
e. Satisfaction for both the buyer and seller

ANSWER: e

85. Which of the following statements about marketing environment forces is not true?

a. They do not influence customers' reactions to a firm's marketing mix.
b. They influence customers by affecting their lifestyles, standards of living, and preferences and needs for products.
c. They fluctuate quickly and thereby create threats to a firm's marketing mix.
d. They may create opportunities as well as threats.
e. They influence whether and how a marketing manager performs certain marketing activities.

ANSWER: a

86. The forces of the marketing environment include which of the following?

a. Political/legal/regulatory, sociocultural, technological, economic, and competitive
b. Sociocultural, legal, regulatory, economic, pricing strategies, and competitive
c. Political/legal/regulatory, sociocultural, pricing strategies, and technological
d. Political/legal/regulatory, competitive, and non-competitive forces that affect most lifestyles
e. Political/legal/regulatory, pricing strategies, and fairly static components

ANSWER: a

87. A marketing manager for a wireless headset manufacturer is analyzing the potential effects of political/legal/regulatory, sociocultural, and economic forces on the firm’s operations. Which of the following influences on the firm’s strategy is the marketing manager examining?

a. Operating situation
b. Marketing environment

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c. Surroundings
d. Economic conditions
e. Trends

ANSWER: b

88. Which of the following is the least controllable factor in developing a marketing mix?
a. Product adaptations
b. Pricing strategies
c. Government regulations
d. Advertising campaigns
e. Retail locations

ANSWER: c

89. PepsiCo has acquired new brands in recent years to appeal more to local and regional preferences. Which of the following is likely the factor driving this strategy?
a. Sociocultural forces of the marketing environment
b. Economic forces of the marketing environment
c. Technological forces of the marketing environment
d. The marketing mix
e. The marketing concept

ANSWER: a

90. Which of the following best describes the marketing environment?
a. Being composed of controllable variables
b. Having variables that are independent of one another
c. Indirectly influencing the performance of marketing activities
d. Being dynamic and changing
e. Being slow, with infrequent fluctuations

ANSWER: d

91. Which of the following best defines the marketing concept?
a. A second definition of marketing
b. A philosophy stating that an organization should try to satisfy customers' needs through a coordinated set of activities that allows the organization to achieve its goals
c. The performance of business activities that direct the flow of goods and services from producer to customer or user
d. A philosophy stating that an organization should attempt to accomplish its goals with no regard for the needs of customers
e. The inclusion of marketing activities in the activities of an organization

ANSWER: b

92. According to the marketing concept, an organization should try to do which of the following?
a. Consider short-run objectives and cash flow needs before developing new products
b. Define its business as “making a product”

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c. Provide products that satisfy customers' needs and allow the organization to achieve its goals
d. Put most of its emphasis on marketing activities and be less concerned with finance, accounting, and personnel
e. View selling activities as the major means of increasing profits

ANSWER: c

93. The marketing concept is a management philosophy that affects which of the following?
a. Only marketing activities
b. All efforts of the organization
c. Mainly the efforts of sales personnel
d. Mainly customer relations
e. Only business organizations

ANSWER: b

94. The marketing concept focuses on which of the following?
a. Achieving the goals of top executives
b. Creating maximum visibility for the firm
c. Maximizing sales in a way that helps to achieve organizational objectives
d. Maximizing market share in a way that helps to achieve organizational objectives
e. Satisfying customers' needs in a way that helps to achieve organizational objectives

ANSWER: e

95. The marketing concept is a philosophy that states that an organization should try to satisfy customers' needs and also do which of the following?
a. Increase market share
b. Increase sales
c. Achieve the organization's goals
d. Produce high-quality products
e. Coordinate its activities to increase production

ANSWER: c

96. Which one of the following statements by a company president best reflects the marketing concept?
a. We have organized our business to make certain that customers get what they want.
b. We believe that the marketing department must organize to sell what we produce.
c. We have organized an aggressive sales force in our company to promote our products.
d. We try to produce only high-quality, technically efficient products.
e. We try to encourage company growth.

ANSWER: a

97. Volumighty is not attracting a sufficient number of customers. It has long defined itself as being a maker of food storage products. To improve its sales and long-term viability, it should consider redefining itself as which of the following?
a. Employing food storage product makers
b. Helping potential customers satisfy their needs with Volumighty food storage products
c. Helping the environment with food storage products

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d. Helping people experiencing food insecurity by providing food storage products
e. Selling food storage products

ANSWER: b

98. The marketing concept is which of the following?
a. A management philosophy
b. Synonymous with exchange
c. A component of the marketing mix
d. A function of the marketing environment
e. Focused solely on satisfying customer objectives

ANSWER: a

99. During the Industrial Revolution, most firms operated using which orientation?
a. Market
b. Societal
c. Sales
d. Evolutionary
e. Production

ANSWER: e

100. During the Industrial Revolution, demand for manufactured goods could be described as which of the following?
a. Weak
b. Nonexistent
c. Declining
d. Strong
e. Mediocre

ANSWER: d

101. During the 1920s, competition increased, and businesspeople realized they had to do more than just focus on manufacturing, which led to which orientation?
a. Production
b. Market
c. Revolutionary
d. Sales
e. Reduction

ANSWER: d

102. Boxilla implemented a program of texting its current customers to find out what changes they would like to see in the services provided. The firm is exhibiting characteristics associated with which of the following orientations?
a. Production
b. Sales
c. Market
d. Social
e. Development

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ANSWER: c

103. Which of the following is not an activity that reflects an organization-wide market orientation?
a. Researching customers' needs
b. Focusing on just the marketing department
c. Generating marketing intelligence for use in the organization
d. Being responsive to customers' ever-changing wants and needs
e. Disseminating marketing intelligence across departments within the organization

ANSWER: b

104. Which of the following statements best describes the acceptance of the marketing concept by all organizations?
a. The marketing concept has yet to be fully accepted by all organizations.
b. All organizations fully utilize the marketing concept to run their businesses.
c. Nearly half of all organizations are still in the sales orientation and have not implemented the marketing concept.
d. Most organizations have really not accepted the marketing concept because of its many costs and problems.
e. Although American organizations fully accept the marketing concept, many foreign companies do not.

ANSWER: a

105. Which of the following is not an example of the implementation of the marketing concept?
a. Jimmy Dean’s Sausage introduces turkey sausage patties for a healthier alternative to pork.
b. Oreo asks customers to vote online for a new cookie flavor.
c. Chik-fil-A reduces the labor costs to produce its grilled chicken sandwich.
d. Salesforce offers rewards for users who can find flaws in its app update.
e. Volkswagen introduces pop-up rollover bars in its convertibles to protect its consumers in the event of a serious collision.

ANSWER: c

106. Caresco rolls out an innovative nurse-on-call information system available online. The product is not widely accepted because patients don't see the need for such a service. This situation represents a failure in which aspect of implementing the marketing concept?
a. An information system to determine customer needs
b. The organizational structure
c. Top-management commitment
d. Technological advancement
e. Scanning corporate capabilities

ANSWER: a

107. Flowers Foods introduced a new bread made with light whole wheat and packaged in smaller loaves as a response to the number of health-conscious customers who live alone. In this case, Flowers Foods was most likely adopting which of the following?
a. Selling concept
b. Production concept
c. Marketing concept

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d. Customer concept
e. Retailing concept

ANSWER: c

108. Today, establishing long-term, mutually beneficial arrangements in which both the buyer and seller focus on value enhancement through the creation of more satisfying exchanges is known as which of the following?
a. Marketing synthesis
b. Relationship marketing
c. A marketing orientation
d. The marketing concept
e. Strategic marketing

ANSWER: b

109. A junior marketing executive at Cerealicious Cereals suggests increasing the package size and price of its best-selling brand without increasing the amount of cereal inside the box. Her supervisor warns that this might be a bad idea because Cerealicious's long-term survival, like most companies, depends on which of the following?
a. Cost-cutting measures
b. Continually selling to new customers and markets
c. Creating and maintaining satisfying exchange relationships
d. High-volume, low-margin sales
e. Increasing shelf space for their brands

ANSWER: c

110. To build long-term customer relationships, marketers are turning to which of the following?
a. Stakeholder analytics
b. Marketing research
c. Data analytics
d. Marketing research and data analytics
e. The marketing environment and a sales orientation

ANSWER: d

111. Long-term relationships with profitable customers is the key objective of which of the following?
a. Personal selling
b. Customer relationship management
c. Production oriented firms
d. Digital marketing
e. Distribution channels

ANSWER: b

112. Initiatives intended to improve an organization's positive impact on society and the natural environment are called which of the following?
a. Environmental marketing
b. Green marketing
c. Socially-responsible marketing

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d. Energy-conscious marketing
e. Socially-conscious marketing

ANSWER: b

113. If a family spends $5,000 a month on goods and services, how much of that $5,000 is used to cover the expenses associated with marketing those goods and services?
a. $2,000
b. $1,500
c. $2,500
d. $500
e. $0

ANSWER: c

114. For most products, the costs of marketing activities consume approximately what portion of the consumer's dollar?
a. One-half
b. One-fifth
c. One-fourth
d. One-third
e. One-sixth

ANSWER: a

115. In today's market environment, you might pay $35.00 for a vinyl LP record by your favorite musical artist. Approximately how much of that price goes to activities related to marketing (promotion, distribution)?
a. $14.25
b. $4.00
c. $5.10
d. $17.50
e. $20.75

ANSWER: d

116. Which of the following best characterizes marketing activities?
a. They are used by organizations of all sizes, including for-profit, nonprofit, and government agencies.
b. They are limited to larger for-profit and nonprofit organizations.
c. They are implemented only to increase profits for the organization and to expand the scope of its customer base.
d. They are used by all types and sizes of businesses but are not used by nonprofit organizations.
e. They are used by small businesses and small nonprofit organizations the most frequently.

ANSWER: a

117. What percent of all civilian workers in the United States perform marketing activities?
a. 100 percent
b. 50 percent
c. 25 to 49 percent
d. 51 to 75 percent

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e. 25 to 33 percent

ANSWER: e

118. Which of the following is true about marketing knowledge and skills?

a. They are not necessary for a nonprofit organization.
b. They are valuable personal and professional assets.
c. They constitute the marketing mix.
d. They were most important during the production era.
e. They are most valuable for advertising executives but less important for wholesalers and distributors.

ANSWER: b

119. The public is becoming more aware of how marketers' activities affect the welfare of consumers and society. As a result, more firms are working to do which of the following?

a. Raise prices in order to increase their profits so that they can contribute to philanthropic causes
b. Reduce the quality of their products in order to save money and provide less expensive products to their consumers
c. Reduce their profits by donating more time and money to improve social welfare and environmental conditions
d. Enact laws requiring companies to work toward the welfare of customers and society
e. Create a responsible approach to developing long-term relationships with customers and society

ANSWER: e

120. Businesses would find it difficult, if not impossible, to buy more raw materials, hire more employees, attract more capital, and create additional products that, in turn, make more profits without which of the following?

a. Marketing
b. Distribution
c. Promotion
d. Profits
e. Production

ANSWER: d

Scenario 1.1.

Use the following scenario to answer the questions.

Shady Pines Cemetery in Chattanooga offers a full-service funeral and burial that is non-toxic to the environment. All materials used in the burial are natural and will decompose with no negative impact. Shady Pines' service is relatively new in the United States, but services of this type are common in Great Britain. A typical burial in Shady Pines Cemetery includes a casket made from bamboo, wicker, paper, or other natural material. There are no headstones of stone or concrete that will detract from the landscape, but trees and plants as "markers" are allowed. The cost for a burial at Shady Pines is approximately $3,000, compared to about $6,000 at most traditional cemeteries. Although business was slow at first, Shady Pines is now experiencing an increase in the number of burials due to referrals and a newly developed website. The owners of Shady Pines were previously in the cemetery business and are active conservationists who wanted to make their business more sustainable. After conducting research and finding that there were natural burial sites in Great Britain, they wanted to provide an alternative to other environmentally conscious Americans like themselves.

121. Refer to Scenario 1.1. A new website has helped Shady Pines' pre-planned funeral business grow. This would come under which of the following marketing mix variables?

a. Product

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b. Price
c. Distribution
d. Promotion
e. Promotion and price

ANSWER: d

122. Refer to Scenario 1.1. Shady Pines' main competitive advantage over traditional cemeteries comes from its attention to which element in the marketing mix?

a. Product
b. Packaging
c. Promotion
d. Distribution
e. Marketing research

ANSWER: a

123. Refer to Scenario 1.1. The customers of Shady Pines Cemetery are most likely choosing Shady Pines because of what concept? This is evidence of what?

a. Customers are choosing Shady Pines because of pricing, and this is evidence of a sales orientation.
b. Customers are choosing Shady Pines because of environmental consciousness, and this is evidence of a market orientation.
c. Customers are choosing Shady Pines because of novelty, and this is evidence of a production orientation.
d. Customers are choosing Shady Pines because of environmental consciousness, and this is evidence of a business orientation.
e. Customers are choosing Shady Pines because of pricing, and this is evidence of a profit orientation.

ANSWER: b

124. Refer to Scenario 1.1. Shady Pines' competitors, traditional cemeteries, focus on advertising and personal selling of their services. This indicates what type of orientation?

a. Environmental
b. Marketing
c. Production
d. Sales
e. Marketing concept

ANSWER: d

Scenario 1.2.
Use the following scenario to answer the questions.

FurStay is a full-service pet salon and boarding kennel. FurStay has an interactive website where customers can directly book a grooming appointment, obedience class, or overnight accommodations for their dog or cat. FurStay has several unique services, such as a 600-square-foot swimming pool, complete with a slide and dog-friendly graduated steps to help dogs exit the pool. Customers can also drop their dog or cat off each morning for pet day care. FurStay has a pick-up and delivery service, webcams in every kennel so that pet families can view their pets while away, and pet "furniture" so that cats and dogs can lie on sofas just like at home. FurStay is also open 24 hours a day, 365 days each year, so that customers can pick up their pet at any time.

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The cost for an overnight stay at FurStay averages $75, compared to competing kennels at about $50. The day care costs are $40 for either a dog or a cat. The majority of FurStay's competitors don't offer day care services and require a two-day minimum for overnight stays.

Informal discussions with customers led to the addition of pet day care and 24-hour operations. Previously, FurStay was more interested in competing based on its prices.

125. Refer to Scenario 1.2. The fact that FurStay is open 24 hours each day is part of what type of marketing mix variable? What type of marketing mix variable is the swimming pool?

a. The fact that FurStay is open 24 hours a day is part of the product marketing mix variable, and the swimming pool is part of the distribution variable.
b. The fact that FurStay is open 24 hours a day is part of the price marketing mix variable, and the swimming pool is part of the product variable.
c. The fact that FurStay is open 24 hours a day is part of the distribution marketing mix variable, and the swimming pool is part of the promotion variable.
d. The fact that FurStay is open 24 hours a day is part of the distribution marketing mix variable, and the swimming pool is part of the product variable.
e. The fact that FurStay is open 24 hours a day is part of the distribution marketing mix variable, and the swimming pool is part of the environment variable.

ANSWER: d

126. Refer to Scenario 1.2. Previously, FurStay was most likely using what type of orientation? Now it is in the process of employing what other type of orientation?

a. FurStay was using the sales orientation, and now it is in the process of employing the marketing concept orientation.
b. FurStay was using the sales orientation, and now it is in the process of employing the marketing mix orientation.
c. FurStay was using the promotion orientation, and now it is in the process of employing the marketing concept orientation.
d. FurStay was using the promotion orientation, and now it is in the process of employing the marketing orientation.
e. FurStay was using the sales orientation, and now it is in the process of employing the product orientation.

ANSWER: a

127. Refer to Scenario 1.2. If FurStay employs the philosophy of building relationships with its dog and cat customers and their owners, it will be implementing which of the following?

a. Environment
b. Marketing mix
c. Sales concept
d. Production concept
e. Marketing concept

ANSWER: e

128. You will give the keynote address at the annual meeting of the American Bankers Association. You realize most of the attendees think marketing is just advertising. So, you decide to start your keynote address by defining what marketing is in order to set the proper context for your speech.
You define marketing as which of the following?

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a. The process of creating, distributing, promoting, and pricing goods, services, and ideas to facilitate satisfying exchange relationships with customers
b. The process of persuading or seeking to persuade a customer or organization to take a preferred course of action
c. The process of speaking or writing in support or defense of a firm's products or services
d. The process or practice of calling public attention to a firm's goods and services through communications in print media, social media, or other forms of information distribution
e. The process of proving that a product or service offered by an organization meets or exceeds customers' expectations

ANSWER: a

129. The majority of the heads of marketing for most multinational corporations would likely describe marketing as a very complex discipline. They will give a long list of variables and factors that influence a company's marketing success. Most of these variables and factors are part of what is called the marketing environment.
Inflation, a general increase in prices and a decrease in the purchasing power of money would fall under which set of forces in the marketing environment?

a. Sociocultural forces
b. Political/legal/regulatory forces
c. Economic forces
d. Competitive forces
e. International trade forces

ANSWER: c

130. Your competition is beating you on price in your most important product market. In response, you decided to launch a new ad campaign focusing your customers on the price attribute of your marketing mix. You need a catchy slogan that conveys the attractiveness of your product's pricing.
Which of the following slogans should you use to convey this message most effectively?

a. "Travel Better Together"
b. "Growing and Protecting Your Wealth"
c. "Save Money. Live Better"
d. "There Is No Substitute"
e. "Move The Way You Want"

ANSWER: c

131. You believe one of the most effective ways to remind your staff about key marketing concepts and objectives is to give them desk plaques with simple phrases. You want to create a phrase that reminds them that their primary focus should be creating customer value.

Which of the following phrases best tells the story of what customer value is?

a. "Customer Benefits = Customer Value – Customer Costs"
b. "Customer Value = Customer Benefits + Customer Costs"
c. "Customer Costs > Customer Benefits = Customer Value"
d. "Customer Value = Customer Benefits – Customer Costs"
e. "Customer Value = Customer Benefits = Customer Costs"

ANSWER: d

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132. Your company manufactures health supplements. The FDA sets specific rules and guidelines regarding ingredients that can be used, manufacturing processes, labeling requirements, and health claims. Failure to comply with these guidelines can lead to severe consequences, including fines, product recalls, and damage to the company's reputation. This situation showcases why which of the following is important to marketers?

a. Segmentation
b. Stakeholders
c. The marketing environment
d. Relationship marketing
e. Big data

ANSWER: c

133. To fully appreciate what an effective marketing concept means to the firm, the marketer must first understand which of the following is the major focus of the marketing concept? This, in turn, should enable the firm to earn what? And to what does this all ultimately lead?

a. Customer satisfaction is the major focus of the marketing concept. This, in turn, should enable the firm to earn customer satisfaction, which will ultimately lead to increased shareholder value.
b. Securing management is the major focus of the marketing concept. This, in turn, should enable the firm to earn long-term profits, which will ultimately lead to management continuity.
c. Employee satisfaction is the major focus of the marketing concept. This, in turn, should enable the firm to earn long-term profits, which will ultimately lead to positive labor relations.
d. Selling products is the major focus of the marketing concept. This, in turn, should enable the firm to earn long-term profits, which will ultimately lead to organizational stability.
e. Regulatory compliance is the major focus of the marketing concept. This, in turn, should enable the firm to earn long-term profits, which will ultimately lead to reduced regulatory costs.

ANSWER: a

134. The successful marketer understands that the key to its success is the relationships its firm is able to develop with current customers and potential customers. Moreover, its goal is to achieve the full potential of each of these relationships for the benefit of the firm.
This marketer clearly understands which of the following?

a. The only way for the firm to increase profits is to constantly acquire new customers.
b. Customers' needs, desires and habits are homogeneous.
c. Customer loyalty leads to increasing long-term profitability for the firm.
d. Data is of limited use in helping the firm understand the needs of customers.
e. Customer lifetime value includes only the value of what customers purchase from the firm.

ANSWER: c

135. Toyota's extensive customer research revealed that Latinos are 15 percent more likely than other demographic groups to purchase Japanese automobile brands. Toyota, in particular, has consistently maintained its position as the preferred brand for this market for over a decade due it its effective marketing strategies—including the "Somos Muchos" campaign and the recent introduction of Total Toyota. Toyota developed the Total Toyota strategy, abbreviated as T2, with a specific focus on enhancing engagement with underrepresented communities and driving sales. This initiative was led by a team of underrepresented business leaders to bolster outreach and relevance within these communities. Based on this information, which orientation best applies to Toyota?

a. Environmental orientation

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b. Target market orientation
c. Sales orientation
d. Production orientation
e. Market orientation

ANSWER: e

136. Zara conducted marketing research to identify explanations for the sales declines its retail stores are experiencing across the United States. The research focused on understanding the shopping habits and desires of a key target market—the millennial generation. The results indicate that millennials are more interested in supporting organizations that stand for something—or support a cause or contribute to providing social justice. The information can assist Zara in reorganizing the company, developing new products, and communicating with its target audiences more effectively. Based on this information, which orientation best applies to Zara?

a. Sales orientation
b. Target market orientation
c. Market orientation
d. Production orientation
e. Stakeholder orientation

ANSWER: c

Scenario 1.3.
Use the following scenario to answer the questions.
A recent meeting of the Council of Supply Chain Management Professionals featured an executive from Dell, which is known for its ability to customize computers to customers' needs and provide quality products through its retail channel. The executive discussed the firm's capabilities regarding the ability to produce products that are "built-to-order" and noted that recent customer insight showed customers were less willing to wait 7 to 10 days to receive their computer even though it was built to their specifications. As a result of this customer trend, Dell began forging relationships with retailers such as Target to provide a limited number of computer models in the retailers' stores. In order to fulfill the orders to Target, Dell was required to make changes in its production and manufacturing, such as holding more products in inventory and utilizing different modes of transportation. For example, Dell was able to shift from a focus on air transportation to over-the-road trucking, which enabled it to cut costs in some areas. As Dell shifted from a "build-to-order" manufacturer to a "make-to-stock" manufacturer, it also had to make investments in customer analytics to identify customer needs as well as collect insight regarding pricing. This customer insight was especially important to retail partners like Target, which requires its vendors to justify product stock decisions and provide proof that retail inventory will sell at the projected price points. Dell's ability to modify its business model by forging relationships with retailers such as Target, as well as customer insights, has helped the company achieve its revenue and profitability goals.

137. Refer to Scenario 1.3. Which variable of the marketing mix is most affected by Dell's decision to become a "make-to-stock" manufacturer?

a. Product variable
b. Pricing variable
c. Distribution variable
d. Promotion variable
e. Strategic variable

ANSWER: a

138. Refer to Scenario 1.3. Which environmental factor is exemplified by the customer trend that consumers were no longer willing to wait 7 to 10 days for a "build-to-order" computer and led Dell to modify its business model to become a

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"make-to-stock" manufacturer?

a. Economic
b. Competitive
c. Political/legal/regulatory
d. Sociocultural
e. Technological

ANSWER: d

139. Refer to Scenario 1.3. Based on the information provided regarding Dell, which orientation would best describe its approach to marketing?

a. Marketing concept
b. Sales orientation
c. Competitive orientation
d. Production orientation
e. Market orientation

ANSWER: e

140. A New York-based brand and customer loyalty and engagement research consulting firm called UpBrand conducts research annually to identify the top 100 brands with the highest levels of customer loyalty. Amazon, Google, Apple, and Costco regularly lead the pack and demonstrate that consumers are enjoying long-term engagement with these companies. The top companies' ability to generate high levels of customer loyalty demonstrates these firms are engaging in which of the following?

a. Relationship marketing
b. Competitive marketing
c. Production marketing
d. Sales-oriented marketing
e. Strategic marketing

ANSWER: a

141. StreamPlus has one of the highest customer loyalty ratings in the entertainment industry, with a significant percentage of current streaming subscribers continuing to renew their subscriptions on a yearly or month-to-month basis. In addition, many customers have canceled their cable or satellite subscriptions and rely almost exclusively on streaming services such as StreamPlus and Hulu for their entertainment. StreamPlus is available for $139.00/year, or customers can also choose to pay by the month for $14.99/month. If a significant percentage of subscribers continue their service on an annual basis, StreamPlus can build a stable revenue stream based on repeat purchasers. A quick snapshot of one customer revealed that the customer had subscribed to StreamPlus for five years and generated over $1,000 in revenue for the company. Which of the following marketing terms best captures the importance of customer loyalty and its impact on StreamPlus?

a. Customer impact score
b. Customer retail calculation
c. Customer patronage value
d. Customer profitability value
e. Customer lifetime value

ANSWER: e

142. In many cities, the phenomenal growth of Airbnb and Vrbo has undercut the traditional hotel market. Airbnb and

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Vrbo are best described as which of the following?

a. Environmental marketing model
b. Sustainable marketing model
c. Marketing concept
d. Sharing economy economic model
e. Customer lifetime value model

ANSWER: d

143. Creating long-term relationships with customers is a key component to surviving and thriving in today's competitive business landscape. One tactic many companies are deploying is the use of membership or loyalty programs where customers can accumulate points and receive discounts or free merchandise. For example, Hilton encourages customers to join its membership program and provide key contact information such as their email, address, and phone number. Hilton offers these loyal members benefits such as upgrades and free room nights based on the number of stays or points a customer has accumulated. This example demonstrates how Hilton is utilizing which of the following?

a. Marketing mix deployment
b. Customer relationship management
c. Marketing technology
d. Competitive insight
e. The marketing concept

ANSWER: b

144. Akira Tanaka is in the process of creating, pricing, distributing, and promoting a new app to facilitate satisfying exchange relationships with customers and to develop and maintain favorable relationships with stakeholders in a dynamic environment. Akira is engaging in which of the following?

a. Advertising
b. Selling
c. Marketing
d. Target marketing
e. Disruption

ANSWER: c

145. Higher prices can be used competitively to do which of the following?

a. Achieve higher market share
b. Achieve greater profits
c. Start a price war
d. Establish a product's premium image
e. Convey value

ANSWER: d

146. Which of the following can help sustain interest in a product that has been around for a long time?

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

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e. Marketing concept

ANSWER: c

147. Which of the following comprise a company's customers, employees, shareholders, suppliers, governments, communities, and competitors?

a. Stakeholders
b. Stockholders
c. Public
d. Marketing mix
e. Target market

ANSWER: a

148. Which of the following is not a condition for an exchange to occur?

a. Two or more parties must participate, and each must possess something of value.
b. The exchange must meet expectations.
c. Each party must have confidence in the something of value held by the other.
d. The exchange should provide a benefit or satisfaction to only the buyer.
e. The exchange should provide a benefit or satisfaction to both parties.

ANSWER: d

149. Which of the following is a customer's subjective assessment of benefits relative to costs in determining the worth of a product?

a. Marketing orientation
b. Monetary price
c. Product assessment
d. Price assessment
e. Value

ANSWER: e

150. Which of the following represents the equation a buyer applies to assess a product's value?

a. Value = monetary price − customer benefits
b. Value = customer costs − customer benefits
c. Value = customer benefits − customer costs
d. Value = customer benefits − monetary price
e. Value = customer benefits − time and effort

ANSWER: c

151. Customer costs include anything the buyer must give up in order to obtain the benefits the product provides. Which of the following is the most obvious customer cost?

a. Risk
b. Time
c. Monetary price
d. Effort
e. Availability

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ANSWER: c

152. Which of the following would not be a customer cost considered in the determination of product value?
a. The product's purchase price
b. Time spent purchasing the product
c. Effort spent purchasing the product
d. Benefits received in the exchange for the products
e. The risk of purchasing the product

ANSWER: d

153. Malcolm, a buyer for a medium-sized company, is assessing the value of competing software products for use in his firm. Which of the following would not be a customer benefit considered in his determination of this product's value?
a. Speed of delivery
b. Ease of installation
c. Availability of technical support
d. Availability of training assistance
e. Monetary price

ANSWER: e

154. Starbucks has introduced several of its products into supermarkets, vending machines, college campuses, and other locations to increase its product availability and convenience. Which of the following is a reason Starbucks has done this?
a. Decrease customer benefits
b. Increase customer costs
c. Increase customer value
d. Increase distribution expenses
e. Decrease promotion expenses

ANSWER: c

155. Businesses that view sales as the major means of increasing profits are operating with which orientation?
a. Production
b. Market
c. Disruptive
d. Sales
e. Green

ANSWER: d

156. Businesses that strive to determine what customers need or want and then develop products to satisfy those needs and wants are operating in which orientation?
a. Production
b. Disruptive
c. Sales
d. Evolutionary
e. Market

ANSWER: e

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157. Organizations try to retain and increase long-term profitability through customer loyalty, which results from increasing which of the following?

a. Production
b. Market share
c. Sales
d. Market value
e. Customer value

ANSWER: e

158. Which of the following has resulted from advances in technology, along with falling political and economic barriers and the universal desire for a higher standard of living?

a. A more competitive landscape
b. An easier implantation of the marketing concept
c. More challenging online marketing
d. Less marketing across national borders
e. More frequent marketing across national borders

ANSWER: e

159. Which of the following is the essence of marketing?

a. To select a target market big enough to make marketing efforts worthwhile
b. To collect market information and use it to develop long-lasting customer relationships
c. To develop satisfying exchanges from which both customers and marketers benefit
d. To modify marketing mix variables so as to secure the highest market share
e. To provide customers with the greatest amount of value

ANSWER: c

160. BMW's tagline, "The Ultimate Driving Machine," emphasizes which marketing mix variable?

a. Promotion
b. Pricing
c. Exchange
d. Product
e. Distribution

ANSWER: d

161. To fulfill customer expectations about a seller's future behavior, marketers must do which of the following?

a. Deliver on promises made
b. Advertise and sell products
c. Create, distribute, promote, and price products
d. Maintain favorable relationships with stakeholders
e. Tell the truth on social media

ANSWER: a

162. Nestlé made the announcement that it was eliminating artificial food additives. Which of the following most likely

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influenced Nestlé's decision?

a. Marketing costs
b. Regulatory variables
c. Marketing environment
d. Marketing task
e. Marketing mix

ANSWER: c

163. Air New Zealand's CEO regularly works as an in-flight crew member, serving snacks and beverages and assisting customers in flight. They believe the best way to understand customer needs is to be beside them in the air. Air New Zealand seems to embrace which orientation?

a. Value
b. Sales
c. Production
d. Stakeholder
e. Market

ANSWER: e

164. Mynda owns a company that sells snowboards. During the winter, she sells so many snowboards that she constantly has to restock. However, Mynda always seems to have dozens of snowboards left in inventory once spring hits and demand falls rapidly. To try and sell these excess snowboards, Mynda offers steep discounts on her products, invests heavily in advertising to make consumers aware of the discounts, and instructs her in-store salespeople to use strong persuasion tactics to convince them to purchase the remaining snowboards. During this period of time, what type of orientation is Mynda embracing?

a. Production
b. Sales
c. Market
d. Promotion
e. Marketing concept

ANSWER: b

165. Which of the following is not one of the ways in which a firm can obtain profit through customer relationships?

a. Shortening the duration of customer relationships
b. Acquiring new customers
c. Enhancing the profitability of existing customers
d. Regaining and managing relationships with customers who have stopped doing business with the firm
e. Extending the duration of customer relationships

ANSWER: a

166. You work in the marketing department of a company that sells skincare products directly to customers. Recently, your CEO decided they want to expand and begin selling through popular retailers. You have been given the task of identifying retailers that reach a significant portion of the target market, but that also fit with the quality of your company's brand. Once these retailers are selected, you are to work with these retailers to negotiate shelf placement. Your job deals mainly with which marketing mix element?

a. Promotion

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b. Distribution
c. Packaging
d. Pricing
e. Product

ANSWER: b

167. Which of the following best describes the marketing concept?
a. It is a definition of marketing to attract customers.
b. It focuses on selling and advertising to achieve organizational goals.
c. It focuses on production and selling to achieve organizational goals.
d. It is a strategy for achieving organizational goals by following management intuition.
e. It is a management philosophy that affects all organizational activities.

ANSWER: e

168. Which of the following statements about marketing is true?
a. Marketing knowledge enhances consumer awareness.
b. Marketing is only used by for-profit and government organizations.
c. Marketing is more likely to lead to a more just government.
d. Marketing activities are declining due to new technology.
e. The marketing profession is the highest-paying profession.

ANSWER: a

169. Which of the following statements is true about the marketing environment?
a. Competitive marketing environment forces are the hardest to understand.
b. Changing marketing environment forces are always advantageous for marketers.
c. The effects of marketing environment forces can be difficult to predict.
d. Marketing environment forces usually do not impact one another.
e. Good marketers are able to anticipate all marketing environment forces before they arise.

ANSWER: c

170. When companies offer basic or extended warranties, they are doing what for consumers?
a. Reducing benefits
b. Reducing costs
c. Reducing value
d. Increasing effort
e. Increasing risk

ANSWER: b

171. Before marketers can develop an appropriate marketing mix, they must do which of the following?
a. Adopt a sales orientation
b. Determine the customer lifetime value
c. Build relationships with stakeholders
d. Practice the marketing concept

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e. Collect in-depth, up-to-date information about customer needs

ANSWER: e

172. Which of the following relates to activities used to inform and persuade or create a desired response?

a. Promotion
b. Pricing
c. Distribution
d. Research and development
e. Product development

ANSWER: a

Essay

173. Suppose you are a marketing manager at Grove Collective for a new, all-purpose cleaning product. List four marketing mix variables and describe the decisions and activities associated with each.

ANSWER: Marketers consider activities such as product, pricing, distribution, and promotion as the marketing mix because they decide what type of each element to use and in what amounts.
The product variable of the marketing mix deals with researching customers' needs and wants and designing a product that satisfies them. A product can be a good, a service, or an idea. The product variable also involves creating or modifying brand names and packaging and may include decisions regarding warranty and repair services.
In dealing with the distribution variable, a marketing manager makes products available in the quantities desired to as many target-market customers as possible, keeping total inventory, transportation, and storage costs as low as possible.
The promotion variable relates to activities used to inform individuals or groups about the organization and its products. Promotion can aim to increase public awareness of the organization and of new or existing products.
The price variable relates to decisions and actions associated with establishing pricing objectives and policies and determining product prices. Price is a critical component of the marketing mix because customers are concerned about the value obtained in an exchange. Price is often used as a competitive tool, and intense price competition sometimes leads to price wars.

174. Describe several activities encompassed by the distribution variable.

ANSWER: When considering the distribution variable, a marketing manager makes products available in the quantities desired to as many target-market customers as possible, keeping total inventory, transportation, and storage costs as low as possible. A marketing manager may also select and motivate intermediaries (wholesalers and retailers), establish and maintain inventory control procedures, and develop and manage transportation and storage systems. The advent of the internet and e-commerce also has dramatically influenced the distribution variable. Companies now can make their products available throughout the world without maintaining facilities in each country.

175. Explain why marketing efforts should be oriented toward creating and sustaining satisfying exchange relationships.

ANSWER: The essence of marketing is to develop satisfying exchanges from which both customers and marketers benefit. The customer expects to gain a reward or benefit greater than the costs incurred in a marketing transaction. The marketer expects to gain something of value in return, generally the price charged for the product. To fulfill these expectations, the marketer must deliver on promises made. Over time, this interaction results in relationships between the two parties.

176. What is meant by the term relationship marketing? How does relationship marketing affect the customer?

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ANSWER: Relationship marketing refers to "long-term, mutually beneficial arrangements in which both the buyer and seller focus on value enhancement through the creation of more satisfying exchanges." Relationship marketing continually deepens the buyer's trust in the company, and as the customer's confidence grows, this, in turn, increases the firm's understanding of the customer's needs. Buyers and marketers can thus enter into a close relationship in which both participate in the creation of value.

177. What are the three ways that marketing environment forces affect a marketer's ability to create satisfying exchange relationships?

ANSWER: The marketing environment forces affect a marketer's ability to facilitate value driven marketing exchanges in three general ways. First, they influence customers by affecting their lifestyles, standards of living, and preferences and needs for products. Second, marketing environment forces help to determine whether and how a marketing manager can perform certain marketing activities. Third, environmental forces may affect a marketing manager's decisions and actions by influencing buyers' reactions to the firm's marketing mix.

178. What is meant by the term marketing concept, and what departments of a company does it affect?

ANSWER: The marketing concept refers to a management philosophy that an organization should try to provide products that satisfy customers' needs through a coordinated set of activities that also allows the organization to achieve its goals. It requires that departments such as production, finance, accounting, human resources, and marketing must work together. The overall objectives of a business might relate to increasing profits, market share, sales, or a combination of all three. The marketing concept stresses that an organization can best achieve these objectives by being customer oriented.

179. What does it mean for a company to be market-oriented? What are the most important factors involved in being market-oriented?

ANSWER: A market orientation requires the "organization-wide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across departments, and organization-wide responsiveness to it." Market orientation is linked to new product innovation by developing a strategic focus to explore and develop new products to serve target markets. Top management, marketing managers, non-marketing managers (those in production, finance, human resources, and so on), and customers are all important in developing and carrying out a market orientation. Trust, openness, honoring promises, respect, collaboration, and listening are six values required by organizations striving to become more market oriented. Unless marketing managers provide continuous customer-focused leadership with minimal interdepartmental conflict, achieving a market orientation will be difficult. Non-marketing managers must communicate with marketing managers to share information important to understanding the customer. Finally, a market orientation involves being responsive to ever-changing customer needs and wants.

180. Define the term value, and explain how people determine a product's value.

ANSWER: Value is defined as a customer's subjective assessment of benefits relative to costs in determining the worth of a product (customer value = customer benefits – customer costs). Consumers develop a concept of value through the integration of their perceptions of product quality and financial sacrifice.

181. Why is marketing important to businesses and to the economy?

ANSWER: Businesses must engage in marketing to survive and grow, and marketing activities are needed to reach customers and provide products. Financial resources generated from sales are necessary for the operations of a firm and to provide financial returns to investors. Innovation in operations and products drive business success and customer loyalty. Marketing activities help to produce the profits that are essential to the survival of individual businesses. Without profits, businesses would find it difficult, if not impossible, to buy more raw materials, hire more employees, attract more capital, and create additional products that, in turn, make more profits. Therefore, marketing helps create a successful economy and contributes to the well-being of society.

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182. Explain why a knowledge of *marketing* is beneficial for all students.

ANSWER: Studying marketing allows us to understand the importance of marketing to customers, organizations, and our economy. Thus, we can analyze marketing efforts that need improvement and how to attain that goal. As a consumer becomes more aware it is possible to improve purchasing decisions. Understanding marketing enables people to evaluate corrective measures (such as laws, regulations, and industry guidelines) that could stop unfair, damaging, or unethical marketing practices.

183. Define the term target market and provide an example for a product of your choice.

ANSWER: Student responses will vary depending on the product chosen. Organizations generally focus their marketing efforts on a specific group of customers called a target market. A target market is the group of customers toward which a company directs a set of marketing efforts.

184. Discuss the concept of green marketing and why it is important to marketers.

ANSWER: Green marketing refers to a strategic process involving stakeholder assessment to create meaningful long-term relationships with customers while maintaining, supporting, and enhancing the natural environment. Such initiatives not only reduce the negative impact that businesses have on the environment but also serve to enhance their reputations as sustainability concerns continue to grow. By addressing concerns about the impact of marketing on society, a firm can contribute to society through socially responsible activities as well as increase its financial performance.

185. Describe the three different types of products.

ANSWER: A product can be a good, a service, or an idea. A good is a physical entity you can touch. A branded pair of spectacles or a branded pair of jeans is an example of a good. A service is the application of human and mechanical efforts to people or objects to provide intangible benefits to customers. Air travel, education, and child day care are examples of services. Ideas include concepts, philosophies, images, and issues. For instance, a marriage counselor, for a fee, gives spouses ideas to help improve their relationship.

186. Discuss the evolution of the marketing concept through the various types of orientations.

ANSWER: The marketing concept may seem like an obvious approach to running a business. However, businesspeople have not always believed that the best way to make sales and profits is to satisfy customers. The first type of orientation is known as production orientation. In production orientation, with new technology and new ways of using labor, products poured into the marketplace, where demand for manufactured goods was strong. According to the sales orientation, businesses viewed sales as the major means of increasing profits, and this period came to have a sales orientation. Businesspeople believed that the most important marketing activities were personal selling, advertising, and distribution. Market orientation requires the "organization-wide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across departments, and organization-wide responsiveness to it." Market orientation is linked to new product innovation by developing a strategic focus to explore and develop new products to serve target markets.

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