Marketing (Canadian) 4th edition Grewal Test Bank

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Chapter 02
Developing Marketing Strategies and a Marketing Plan

Multiple Choice Questions

1. The wine industry is a very competitive market. Some wineries invest in corporate social responsibility programs knowing that competitors cannot easily copy the programs. This is a good example of _____
A. defining the target market.
B. reducing the cost.
C. gaining competitive advantage.
D. increasing promotion.
E. providing outstanding customer services.

A sustainable competitive advantage is an advantage over the competition that is not easily copied and could be maintained over a long period of time.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Moderate
Learning Objective: 02-01 Define a marketing strategy.
Topic: 02-01 What Is A Marketing Strategy?

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2. Customer excellence focuses on:
A. having a good physical location and Internet presence.
B. carrying out effective branding and positioning.
C. having products with high perceived value.
D. retaining loyal buyers and providing excellent service.
E. maintaining efficient operations and an excellent supply chain.

Customer excellence focuses on retaining loyal customers and providing excellent customer service. Viewing customers with a lifetime value perspective is key to modern customer retention programs.

Accessibility: Keyboard Navigation
Blooms: Evaluate
Difficulty: Easy
Learning Objective: 02-01 Define a marketing strategy.
Topic: 02-02 Customer Excellence

3. Emily regularly chooses Argo Airlines for her travels. The company values her preference and rewards her with loyalty points. It would entitle Emily for reduced ticket rates for certain flights. Through this offer, the company succeeds in retaining a regular user. In this scenario, which of the following is used by Argo Airlines to achieve sustainable competitive advantage?
A. Operational excellence
B. Product excellence
C. Diversification excellence
D. Locational excellence
E. Customer excellence

By retaining a loyal customer, Argo Airlines has used customer excellence to achieve sustainable competitive advantage. Customer excellence is achieved when a firm develops value-based strategies for retaining loyal customers and provides outstanding customer service.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Difficult
Learning Objective: 02-01 Define a marketing strategy.
Topic: 02-02 Customer Excellence

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4. Operational excellence is achieved by:
A. ensuring an excellent supply chain management and strong relationships with suppliers.
B. maintaining excellent customer service and excellent relationships with suppliers.
C. strong relationships with suppliers and retailing loyal buyers.
D. maintain efficient operations with the best location selection.
E. excellent supply chain management and differentiate the product offerings.

Operational excellence is achieved by ensuring an excellent supply chain management and strong relationships with suppliers. It helps firms to satisfy their customers through better service.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Moderate
Learning Objective: 02-01 Define a marketing strategy.
Topic: 02-03 Operational Excellence

5. Tectron Computers Inc., a manufacturer of desktop computers and peripherals, focuses on efficient coordination in every stage of production and delivery and ensures that customers' demands are met within the target time. This precision makes Tectron a favourite choice among customers. Given this information, which of the following does the company use to achieve sustainable competitive advantage?
A. Product excellence
B. Customer excellence
C. Operational excellence
D. Diversification excellence
E. Locational excellence

Tectron Computers achieves sustainable competitive advantage through operational excellence. It is achieved by ensuring an excellent supply chain management.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Difficult
Learning Objective: 02-01 Define a marketing strategy.
Topic: 02-03 Operational Excellence

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6. Davison Associates Inc. manufactures office furniture. The management of the company believes that developing a strong brand name is the primary strategy to compete in the market. Hence, it invests a significant share of its resources to position its brands through promotions and service. Which of the following does the company use to achieve sustainable competitive advantage?
A. Diversification excellence
B. Product excellence
C. Customer excellence
D. Locational excellence
E. Operational excellence

In this scenario, Davison Associates uses product excellence to achieve sustainable competitive advantage. Product excellence focuses on having products with high perceived value and effective branding and positioning.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Difficult
Learning Objective: 02-01 Define a marketing strategy.
Topic: 02-04 Product Excellence

7. Which of the following strategies involves focusing on having an Internet presence?
A. Diversification excellence
B. Product excellence
C. Locational excellence
D. Operational excellence
E. Customer excellence

Locational excellence focuses on having an Internet presence. A competitive advantage based on location is sustainable because it is not easily duplicated.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Easy
Learning Objective: 02-01 Define a marketing strategy.
Topic: 02-05 Locational Excellence

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8. Foodstar Corp., a chain of restaurants, has outlets in the major residential areas of a town. It ensures that its outlets are well placed and easily accessible. It also maintains a strong Internet presence by updating the details of each day's menu on its website. Given this information, which of the following strategies is used by Foodstar to achieve sustainable competitive advantage?
A. Locational excellence
B. Operational excellence
C. Product excellence
D. Customer excellence
E. Diversification excellence

Foodstar uses locational excellence to achieve sustainable competitive advantage. Locational excellence involves having a good physical location and Internet presence.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Moderate
Learning Objective: 02-01 Define a marketing strategy.
Topic: 02-05 Locational Excellence

9. Apple achieved success by providing customers with products that meet/exceed expectations, good customer service, convenient locations, and an online presence. Which of the following strategies is used by Apple to achieve sustainable competitive advantage?
A. Service excellence
B. Marketing excellence
C. Product excellence
D. Multiple sources of advantage
E. Operational excellence

Successful firms, in many cases, use multiple strategies to build a competitive advantage. In this example, Apple is using product, operational, and service excellence.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Moderate
Learning Objective: 02-01 Define a marketing strategy.
Topic: 02-06 Multiple Sources of Advantage

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10. The top managers of a firm prepare a marketing plan. They define the mission and objectives of the business and evaluate the present situation of the firm. Which of the following phases of the marketing plan includes these activities performed by the top managers?
A. Planning
B. Implementation
C. Control
D. Initiation
E. Design

In the planning phase of the marketing plan, marketing executives and other top managers define the mission and objectives of the business and evaluate the situation by assessing how various players, both inside and outside the organization, affect the firm's potential for success.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-02 Describe the elements of a marketing plan.
Topic: 02-07 The Marketing Plan

11. Which of the following is NOT an activity in the planning phase of a marketing plan?
A. Developing a marketing mix
B. Setting business objectives
C. Defining the mission
D. Situation analysis
E. Observe consumer behaviour.

The planning phase of a marketing plan involves defining the mission and objectives of a business. It also involves situation analysis and evaluating how different factors affect a firm's potential for success.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Moderate
Learning Objective: 02-02 Describe the elements of a marketing plan.
Topic: 02-07 The Marketing Plan

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12. The board of directors of an organization meets to redefine the mission and objectives of the business. They set long-term objectives and form a new mission statement. Which of the following phases of developing a marketing plan do the actions by the board of directors constitute?
A. Initiation
B. Planning
C. Design
D. Control
E. Implementation

The activities of the board of directors occur in the planning phase of developing a marketing plan. It involves defining the mission and objectives of the business.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-02 Describe the elements of a marketing plan.
Topic: 02-08 Step 1: Define the Business Mission and Objectives

13. Tech Niche Corp., a provider of IT services, has recorded a decrease in sales and profit over the past few months. The managers of the firm review the situation and conduct a SWOT analysis of the firm. This provides new insights into the ways to improve sales. In the context of developing a marketing plan, the organization is in the phase of:
A. Implementation.
B. Control.
C. Planning.
D. Design.
E. Initiation.

The organization is in the phase of planning. It involves defining the mission and objectives of a business and conducting a situation analysis.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-03 Analyze a marketing situation using a SWOT analysis.
Topic: 02-09 Step 2: Conduct a Situation Analysis

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14. Availability of new technology in the market can always be categorized as:
A. Strength or Weakness
B. Opportunity or Threat
C. Weakness or Threat
D. Threat
E. Strength or Opportunity

Technology is an external factor, therefore it cannot be a strength or weakness. If a company can use technology to increase its competitive advantage, it would be an opportunity; if they cannot it is a threat.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Difficult
Learning Objective: 02-03 Analyze a marketing situation using a SWOT analysis.
Topic: 02-09 Step 2: Conduct a Situation Analysis

15. Lincoln introduced the new Lincoln Navigator, a large luxury SUV, to appeal to higher income families who do not want to buy a minivan. The Navigator is a luxury 8-seat car, which has more power, and offers many more luxury features than traditional minivans. This is an example of:
A. Market development
B. Market positioning
C. Situation analysis
D. Market segmentation
E. A strategic business unit

Lincoln offers a clear, distinct, and desirable understanding of the Navigator model. It is sporty, powerful, roomy, and luxurious for families who require more room.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Difficult
Learning Objective: 02-04 Explain how a firm chooses what consumer group(s) to pursue with its marketing efforts.
Topic: 02-10 Step 3: Identify and Evaluate Opportunities by Using STP (Segmentation, Targeting, and Positioning)

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16. Which of the following is NOT correct about segmentation:
A. A market can consists of several segments.
B. There are more than one way of segmenting a market
C. A market segment is a group of consumers who respond to a firm's marketing efforts in the same way.
D. A company should understand and satisfy the needs of all the segments in the market.
E. Segmentation is a process of dividing the market into distinct groups of customers.

A firm should identify market segments it might pursue. It is almost impossible for a firm to satisfy the needs of all segments.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-04 Explain how a firm chooses what consumer group(s) to pursue with its marketing efforts.
Topic: 02-10 Step 3: Identify and Evaluate Opportunities by Using STP (Segmentation, Targeting, and Positioning)

17. The implementation phase of a marketing plan involves:
A. Identifying a business's mission and objectives.
B. Evaluating the performance of a marketing strategy.
C. Analyzing a market by using marketing metrics.
D. Identifying and evaluating different opportunities.
E. Evaluating the present situation of a business.

The implementation phase of a marketing plan involves identifying and evaluating different opportunities by engaging in a process known as segmentation, targeting, and positioning. It also involves developing and implementing the marketing mix by using the four Ps.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-11 Step 4: Implement Marketing Mix and Allocate Resources

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18. An organization appoints a marketing manager to study the effectiveness of the marketing plan that it has implemented. The manager analyzes organizational performance using various metrics and gives a final report. In the context of developing a marketing plan, the organization is in the phase of:
A. initiation.
B. planning.
C. design.
D. control.
E. implementation.

The organization is in the control phase of developing a marketing plan. The activities in this phase help a firm to determine why it achieved or did not achieve its performance goals.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-12 Step 5: Evaluate Performance by Using Marketing Metrics

19. Which of the following is an activity in the control phase of a marketing plan?
A. Developing and implementing a marketing mix
B. Identifying a business's mission and objectives
C. Evaluating the performance of a marketing strategy
D. Identifying the opportunities present in a market
E. Understanding a firm's competitive strengths and weaknesses

The control phase of a marketing plan entails evaluating the performance of a marketing strategy. It also involves making the necessary corrective actions in a marketing strategy.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-12 Step 5: Evaluate Performance by Using Marketing Metrics

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20. Which of the following is true of situation analysis?
A. It is performed using a SWOT analysis
B. It is independent of political and demographic factors.
C. It overlooks the opportunities and threats to an organization.
D. It categorizes strengths and weaknesses as outside the control of a firm.
E. It is executed before creating the mission statement of an organization.

A situation analysis is performed using a SWOT analysis. It requires a firm to undertake a critical assessment of resources, capabilities, organization, strategies, and performance in relation to competitors.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Easy
Learning Objective: 02-03 Analyze a marketing situation using a SWOT analysis.
Topic: 02-09 Step 2: Conduct a Situation Analysis

21. Which of the following is true of a SWOT analysis?
A. It is typically performed by lower-level managers.
B. It is used to design a firm's mission and objectives.
C. It is independent of social and political factors.
D. It is designed to help a firm determine its own strengths.
E. It is usually conducted in the control phase of a market plan.

A SWOT analysis is designed to help a firm determine its strengths. It is used as a tool in situation analysis.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-02 Describe the elements of a marketing plan.
Topic: 02-08 Step 1: Define the Business Mission and Objectives

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22. In a SWOT analysis, which of the following is considered a company's strength?
A. Presence of wide distribution networks
B. Attractiveness of the industry
C. Market exit of a competitor
D. Favourable political changes
E. Acquiring another firm and gaining market access

In a SWOT analysis, the presence of wide distribution networks is considered as a company's strength. It is an internal factor that contributes to the company's potential for success.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-03 Analyze a marketing situation using a SWOT analysis.
Topic: 02-09 Step 2: Conduct a Situation Analysis

23. In the context of a SWOT analysis, which of the following is considered a company's weakness?
A. Changes in consumer behaviour
B. Lack of financial resources
C. Unfavourable political changes
D. Natural disasters that affect the company
E. Entry of new players into the industry

In a SWOT analysis, the lack of financial resources is considered as a weakness of a company. It is an internal factor that is in the company's control.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-03 Analyze a marketing situation using a SWOT analysis.
Topic: 02-09 Step 2: Conduct a Situation Analysis

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24. In a SWOT analysis, which of the following is considered a threat to businesses?
A. Lack of credibility in the market
B. Limited consumer base
C. Lack of adequate financial resources
D. Poor location of service outlets
E. New entrants into the industry or market

In a SWOT analysis, new entrants into the industry or market are considered a threat to businesses. It is an external negative factor outside a company's control.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-03 Analyze a marketing situation using a SWOT analysis.
Topic: 02-09 Step 2: Conduct a Situation Analysis

25. In the context of a SWOT analysis, which of the following is considered an opportunity to businesses?
A. Presence of wide distribution networks
B. Availability of strong financial resources
C. Favourable political changes
D. Superior product offerings
E. Presence of a strong base of loyal customers

In a SWOT analysis, favourable political changes are considered an opportunity for businesses. They constitute a change in external environment that works in a company's favour.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-03 Analyze a marketing situation using a SWOT analysis.
Topic: 02-09 Step 2: Conduct a Situation Analysis

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26. What is the next step that a business organization has to perform after completing situation analysis?
A. Identifying the organization's objectives
B. Evaluating the effectiveness of the marketing plan
C. Evaluating market performance
D. Conducting segmentation, targeting, and positioning
E. Setting marketing objectives for the organization

After completing situation analysis, an organization has to conduct segmentation, targeting, and positioning. It helps the organization to locate its target customers and design appropriate strategies.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-04 Explain how a firm chooses what consumer group(s) to pursue with its marketing efforts.
Topic: 02-10 Step 3: Identify and Evaluate Opportunities by Using STP (Segmentation, Targeting, and Positioning)

27. Which of the following terms refers to a group of consumers who respond similarly to a firm's marketing efforts?
A. Market segment
B. Targeting
C. Product line
D. Market penetration
E. Market positioning

A market segment refers to a group of consumers who respond similarly to a firm's marketing efforts. Identifying appropriate market segments helps a company develop suitable marketing strategies.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-04 Explain how a firm chooses what consumer group(s) to pursue with its marketing efforts.
Topic: 02-10 Step 3: Identify and Evaluate Opportunities by Using STP (Segmentation, Targeting, and Positioning)

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28. Rockslide Inc., a manufacturer of sports equipment, classifies its customers into different age groups. Each of these groups is unique in terms of its preference for the company's products. Given this information, this classification is an example of:
A. downsizing.
B. positioning.
C. segmentation.
D. diversification.
E. locational excellence.

The classification is an example of segmentation. It is the process of classifying a market into distinct groups of customers where each individual group has similar needs, wants, or characteristics.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Moderate
Learning Objective: 02-04 Explain how a firm chooses what consumer group(s) to pursue with its marketing efforts.
Topic: 02-10 Step 3: Identify and Evaluate Opportunities by Using STP (Segmentation, Targeting, and Positioning)

29. Which of the following refers to the process of classifying a market into distinct groups of customers where each individual group has similar needs, wants, or characteristics?
A. Downsizing
B. Positioning
C. Locational excellence
D. Segmentation
E. Diversification

Segmentation refers to the process of classifying a market into distinct groups of customers where each individual group has similar needs, wants, or characteristics. It is important to identify customer requirements to locate target customers.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Easy
Learning Objective: 02-04 Explain how a firm chooses what consumer group(s) to pursue with its marketing efforts.
Topic: 02-10 Step 3: Identify and Evaluate Opportunities by Using STP (Segmentation, Targeting, and Positioning)

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30. Alchemistro Inc. is a firm that manufactures chemical detergents and associated products. The company decides to manufacture detergent products that cater to the needs of the high-income consumers. Which of the following best describes Alchemistro's decision to specifically cater to the high-income segment?
A. Locational excellence
B. Downsizing
C. Targeting
D. Diversification
E. Operational excellence

The decision to cater to a particular market segment is a part of targeting. Targeting is the process of evaluating the attractiveness of various segments and then deciding which to pursue as a market.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-04 Explain how a firm chooses what consumer group(s) to pursue with its marketing efforts.
Topic: 02-10 Step 3: Identify and Evaluate Opportunities by Using STP (Segmentation, Targeting, and Positioning)

31. SleakTouch Inc., a manufacturer of mobile phones, conducts market research to understand the market situation. The research suggests that its customers are mostly young people between the ages of 30 and 40. The company decides to focus its resources on this market segment. Given this information, the company's decision is a part of:
A. locational excellence.
B. operational excellence.
C. diversification.
D. downsizing.
E. targeting.

The company's decision is a part of targeting. Targeting is the process of evaluating the attractiveness of various segments and then deciding which to pursue as a market.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Difficult
Learning Objective: 02-04 Explain how a firm chooses what consumer group(s) to pursue with its marketing efforts.
Topic: 02-10 Step 3: Identify and Evaluate Opportunities by Using STP (Segmentation, Targeting, and Positioning)

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32. Market positioning is the process of:
A. attempting to change the identity of competing products in the collective minds of the target market.
B. defining the marketing mix variables to give target customers a distinct and desirable understanding of what a product represents.
C. evaluating the attractiveness of various segments and then deciding which to pursue as a market.
D. dividing the market into distinct groups of customers where each individual group has similar needs, wants, or characteristics.
E. attempting to engage customers with one another or with a company or a brand.

Market positioning is the process of defining the marketing mix variables to give target customers a distinct and desirable understanding of what a product represents. It helps customers to compare a product with competing products.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-04 Explain how a firm chooses what consumer group(s) to pursue with its marketing efforts.
Topic: 02-10 Step 3: Identify and Evaluate Opportunities by Using STP (Segmentation, Targeting, and Positioning)

33. Lego Inc., a manufacturer of computers, has developed a brand image by delivering high-quality products at affordable prices. This image results in customers choosing Lego's products over competing products. In this case, which of the following refers to Lego's strategy of creating a distinct and desirable understanding in the minds of consumers of what its product represents?
A. Locational excellence
B. Market segmentation
C. Target marketing
D. Market positioning
E. Downsizing

Lego's strategy is a part of market positioning. It is the process of defining the marketing mix variables to give target customers a distinct and desirable understanding of what a product represents.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-04 Explain how a firm chooses what consumer group(s) to pursue with its marketing efforts.
Topic: 02-10 Step 3: Identify and Evaluate Opportunities by Using STP (Segmentation, Targeting, and Positioning)

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34. In the context of marketing mix, which of the following aspects of customer value is closely associated with products?
A. Value creation
B. Value delivery
C. Value for money
D. Value communication
E. Value exchange

The aspect of value creation is most closely associated with products. Firms develop products and services that customers perceive as valuable enough to buy.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-11 Step 4: Implement Marketing Mix and Allocate Resources

35. TravelSmart Inc. offers a range of travel packages to tourist destinations across the world. The customers are charged according to the services provided during the tour. This allows the customers to choose a package proportionate to their income and requirements. Given this information, which of the following elements of a marketing mix is stressed upon by the company?
A. Promotion
B. Product
C. Price
D. Place
E. Power

The company stresses on the element of price. Value-based marketing requires that firms charge a price that customers perceive as giving them good value for the products and services they receive.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Difficult
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-11 Step 4: Implement Marketing Mix and Allocate Resources

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36. Which of the following Ps of marketing is associated with the delivery of value to customers?
A. Process
B. Place
C. Price
D. Promotion
E. Product

The variable of place is associated with the delivery of value to customers. For the proper delivery of value, a firm makes a product or service readily accessible when and where a customer wants it.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-11 Step 4: Implement Marketing Mix and Allocate Resources

37. Paralegal Consulting Inc., a firm that offers legal services, decides to open new branches in rural areas. The new branches would help the firm reach out to people who cannot travel to cities and avail legal help. In this case, this decision reflects the firm's strategy regarding:
A. product.
B. process.
C. price.
D. place.
E. promotion.

The company's strategy regarding place is reflected in its decision to start new branches in rural areas. The variable of place determines the accessibility of a product or service.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Moderate
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-11 Step 4: Implement Marketing Mix and Allocate Resources

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38. Uncle Steve Inc., a chain of restaurants, opens a new outlet near an industrial complex. This helps it to attract many customers as there is no other restaurant in the vicinity. In this case, the decision to open a new outlet in this area is a part of the firm's strategy on:
A. place.
B. product.
C. price.
D. promotion.
E. power.

The decision is a part of the firm's strategy on place. It is associated with the delivery of value of a product.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Difficult
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-11 Step 4: Implement Marketing Mix and Allocate Resources

39. Balter Technologies Inc. is a firm that manufactures innovative computer accessories. The company organizes a media campaign to increase the public awareness about its products. Which of the following elements of a marketing mix is used by Balter Technologies in this case to communicate the value of its offerings?
A. Product
B. Price
C. Promotion
D. Place
E. Process

The element of promotion helps marketers communicate the value of their offering, or the value proposition, to their customers. In this scenario, Balter technologies uses media to promote its products.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Difficult
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-11 Step 4: Implement Marketing Mix and Allocate Resources

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40. Promotion, the fourth P of a marketing mix, is essentially used by marketers to:
A. communicate the value of their offering.
B. create value for their offering.
C. make their product or service readily accessible when and where the customer wants it.
D. create value for customers' money.
E. deliver the services associated with their offering.

Promotion is used by marketers to communicate the value of their offering. Marketers use a variety of media, including television, radio, and Internet to promote their products.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-11 Step 4: Implement Marketing Mix and Allocate Resources

41. Which of the following is the final step in the marketing planning process of an organization?
A. Performing a situational analysis of an organization
B. Identifying the opportunities present in a market
C. Evaluating the business objectives of an organization
D. Evaluating the performance by using marketing metrics
E. Implementing the marketing mix within an organization

Evaluating the performance using marketing metrics is the final step in the marketing planning process of an organization. A firm can determine why it achieved or did not achieve its performance goals with the help of these metrics.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-12 Step 5: Evaluate Performance by Using Marketing Metrics

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42. A small non-profit organization ran a campaign on Facebook and Instagram to increase customers' donations. The ad briefly showcased the cause and invited customers to donate through the non-profit's website. Which metrics would be the best to assess the effectiveness of this campaign?
A. Ad exposure.
B. Click through rate.
C. Website traffic before and after the campaign.
D. Number of donors before and after the campaign.
E. Ad engagement.

The goal of the campaign was to increase donations. Even though ad exposure, click through rate or website traffic might be interesting to know, the only choice that measures the effectiveness of the campaign is the number of donors before and after the campaign.

Accessibility: Keyboard Navigation
Blooms: Analyze
Difficulty: Difficult
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-12 Step 5: Evaluate Performance by Using Marketing Metrics

43. Which of the following refers to a division of a company that can be managed somewhat independently from other divisions of the company since it markets a specific set of products to a clearly defined group of customers?
A. Business branch
B. Executive department
C. Executive business segment
D. Subsidiary firm
E. Strategic business unit

A strategic business unit is a division of a company that can be managed somewhat independently from other divisions of the company since it markets a specific set of products to a clearly defined group of customers. A portfolio analysis is typically done at the strategic business unit of a company.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-13 Strategic Planning Is Not Sequential

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44. Zorbo Furniture Inc. is a firm that manufactures and markets wooden furniture. One of the departments in the firm is devoted to the production and marketing of office furniture. The department is managed independently from other departments and is held accountable for its profitability. In this case, the office furniture department is an example of a(n):
A. joint venture.
B. executive department.
C. product line.
D. subsidiary firm.
E. strategic business unit.

The department for office furniture is an example of a strategic business unit. A strategic business unit is a division of a company that can be managed somewhat independently from other divisions of the company since it markets a specific set of products to a clearly defined group of customers.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Difficult
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-13 Strategic Planning Is Not Sequential

45. Which of the following terms refers to a group of products that consumers are likely to use together or perceive as similar in some way?
A. Product mix
B. Product line
C. Product portfolio
D. Niche market
E. Market mix

A product line refers to a group of products that consumers are likely to use together or perceive as similar in some way. A portfolio analysis is frequently done at the product line level of an organization.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-13 Strategic Planning Is Not Sequential

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46. Denthrill Inc. is a firm that manufacturers dental products. Denthrill produces a range of products such as toothbrushes, toothpastes, and breath fresheners. These products form a:
A. premium offering.
B. market mix.
C. promotion mix.
D. product line.
E. niche portfolio.

The products under the dental hygiene section of the company constitute a product line. A product line refers to a group of products that consumers are likely to use together or perceive as similar in some way.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Difficult
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-13 Strategic Planning Is Not Sequential

47. Which of the following is a measure of a product's strength in a particular market?
A. Wholesale index
B. Industry index
C. Market value
D. Relative market share
E. Market growth rate

Relative market share is the measure of a product's strength in a particular market. It is defined as the sales of the focal product divided by the sales achieved by the largest firm in the industry.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-13 Strategic Planning Is Not Sequential

Marketing (Canadian) 4th edition Grewal Test Bank

48. Which of the following terms is used in the Boston Consulting Group (BCG) product portfolio analysis to refer to a product that has a high market share in a high-growth market?
A. Cash cow
B. Star
C. Dog
D. Question mark
E. Neutral factor

In the Boston Consulting Group (BCG) product portfolio analysis, a star refers to a product that has a high market share in a high-growth market. It requires a heavy resource investment to fuel its rapid growth.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-13 Strategic Planning Is Not Sequential

49. The telecom sector in Slakavia has been growing at a fast pace in the last few years. Rex Telecom is the market leader in the Slakavian telecom market. In the context of the Boston Consulting Group (BCG) matrix, this firm is a:
A. star.
B. cash cow.
C. dog.
D. question mark.
E. neutral factor.

In the context of the Boston Consulting Group (BCG) analysis, Rex Telecom is a star. A star enjoys a high market share in a high-growth market.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Difficult
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-13 Strategic Planning Is Not Sequential

Marketing (Canadian) 4th edition Grewal Test Bank

50. In the context of the Boston Consulting Group (BCG) analysis, a firm whose offering is a star in an industry should:
A. consider resource investments to fuel rapid growth.
B. disinvest partly from the business.
C. stop doing business in the industry.
D. refrain from allocating excess funds to existing services.
E. transfer its resources to other strategic business units.

A firm whose offering is a star in an industry should consider resource investments to fuel rapid growth. Since a star serves in a high-growth market, there is always potential for higher market share.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-13 Strategic Planning Is Not Sequential

51. In the Boston Consulting Group (BCG) portfolio analysis, a product that serves a low-growth market but has a high market share in the industry is a:
A. star.
B. dog.
C. question mark.
D. champion.
E. cash cow.

In the Boston Consulting Group (BCG) portfolio analysis, a product that serves a low-growth market but has a high market share in the industry is a cash cow. The resources for such a product can be reallocated to other products in need of resources.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-13 Strategic Planning Is Not Sequential

Marketing (Canadian) 4th edition Grewal Test Bank

52. The growth rate of the soft-drink industry in the country of Norborg has been low for a few years now. Which of the following terms, according to the Boston Consulting Group (BCG) portfolio analysis, can be used to refer to Cranco Inc., the brand that has the highest market share in this industry?
A. Question mark
B. Star
C. Dog
D. Champion
E. Cash cow

In the context of the Boston Consulting Group (BCG) portfolio analysis, Cranco Inc. is a cash cow. A cash cow enjoys a high market share in a low-growth market.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Difficult
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-13 Strategic Planning Is Not Sequential

53. MM Manufacturing is a small-scale firm that manufactures optical cables. The firm's market share is significantly lower than most other players in the market. However, optical cable manufacturing is a high-growth market. Hence, the management of the company has decided to allocate more resources for the production of cables. According to the Boston Consulting Group (BCG) matrix, the company's offering is a:
A. star.
B. dog.
C. cash cow.
D. question mark.
E. champion.

According to the Boston Consulting Group (BCG) matrix, the company's offering is a question mark. A company can decide either to allocate more resources or phase out the product depending on the market situation.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Difficult
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-13 Strategic Planning Is Not Sequential

Marketing (Canadian) 4th edition Grewal Test Bank

54. Which of the following terms is used in the Boston Consulting Group (BCG) product portfolio analysis to refer to a product that has low market share in a market characterized by high growth?
A. Champion
B. Star
C. Question mark
D. Dog
E. Cash cow

In a BCG portfolio analysis, a product that has low market share in a market characterized by high growth is known as a question mark. Such products require significant resources to maintain and potentially increase their market share.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-13 Strategic Planning Is Not Sequential

55. In the Boston Consulting Group (BCG) portfolio analysis, products that are in low-growth markets could be called:
A. Stars or question marks
B. Question marks or dogs
C. Cash cows or dogs
D. Stars or cash cows
E. Cash cows or question marks

In the BCG portfolio analysis, products that are in low-growth markets could be called cash cows (if market share is high) or dogs (if market share is low).

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Moderate
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-13 Strategic Planning Is Not Sequential

Marketing (Canadian) 4th edition Grewal Test Bank

56. In the context of the Boston Consulting Group (BCG) analysis, a firm whose product is a dog should:
A. invest significant resources to improve production.
B. launch an intense media campaign to promote the product.
C. phase out the product and concentrate on other strategic business units.
D. start a new production facility for the product.
E. use its extra resources to sustain the product.

The firm should phase out the product and concentrate on other strategic business units. A product that is a dog does not generate any profit for a company.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-13 Strategic Planning Is Not Sequential

57. Happy Puppy Inc., a manufacturer of toys, makes a wide variety of toys including board games, action figures, stuffed toys, and model airplanes. Since the market for board games is a low-growth market, the company decides to draw back its products in this market. In the context of the Boston Consulting Group (BCG) analysis, the company's offering of board games is a:
A. star.
B. dog.
C. cash cow.
D. question mark.
E. slacker.

The company's offering of board games is a dog. It has a low market share in a low-growth industry.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Difficult
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-13 Strategic Planning Is Not Sequential

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58. In the context of the Boston Consulting Group (BCG) portfolio analysis, which of the following is a similarity between the products represented by a star and a question mark?
A. Both serve high growth-rate markets.
B. Both have a significant market share in their respective markets.
C. Both generate considerable revenue for their respective firms.
D. Both have surplus resources remaining after production.
E. Both are used to boost the sales of other products.

The similarity between products represented by a star and a question mark is that they serve high growth-rate markets. Both require intense resource investment to improve production.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-13 Strategic Planning Is Not Sequential

59. Which of the following is the marketing strategy that employs an existing marketing mix and focuses a firm's efforts on existing customers?
A. Product diversification
B. Market diversification
C. Market development
D. Market penetration
E. Product development

Market penetration refers to the marketing strategy that employs an existing marketing mix and focuses a firm's efforts on existing customers. It requires intense marketing efforts.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-06 Describe how firms grow their businesses.
Topic: 02-15 Market Penetration

Marketing (Canadian) 4th edition Grewal Test Bank

60. A market penetration strategy requires:
A. development of a highly innovative product offering.
B. entry to a new geographic market.
C. lesser marketing efforts.
D. reduced spending on advertising.
E. intensified distribution efforts in existing markets.

A market penetration strategy requires intensified distribution efforts in existing markets. It involves employing an existing marketing mix and focusing a firm's efforts on existing customers.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-06 Describe how firms grow their businesses.
Topic: 02-15 Market Penetration

61. QuSoft Inc., a manufacturer of apparels, introduces bonus points for regular customers. With this offer, regular customers are entitled to faster delivery and exclusive discounts on the company's existing products. In this scenario, the strategy applied by the company is:
A. market diversification.
B. product development.
C. market development.
D. market penetration.
E. product diversification.

QuSoft's bonus offer is an example of a market penetration strategy. It involves employing the existing marketing mix and focusing a firm's efforts on its existing customers.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Difficult
Learning Objective: 02-06 Describe how firms grow their businesses.
Topic: 02-15 Market Penetration

Marketing (Canadian) 4th edition Grewal Test Bank

62. Which of the following is the growth strategy that employs an existing marketing offering to reach new market segments?
A. Market development
B. Product development
C. Diversification strategy
D. Market penetration
E. Product intensification

A market development strategy employs an existing marketing offering to reach new segments. The expansion can be domestic or international.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-06 Describe how firms grow their businesses.
Topic: 02-16 Market Development

63. Adams Industries Inc. is a firm that manufactures and markets kitchen appliances in the northern part of Belvier. As part of its expansion program, the company decides to introduce its existing range of products in the southern parts of Belvier. In this scenario, the strategy applied by the company is:
A. product diversification.
B. market development.
C. market penetration.
D. product development.
E. product intensification.

Adams Industries Inc. has applied a market development strategy. It involves employing an existing marketing offering to reach new segments.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Difficult
Learning Objective: 02-06 Describe how firms grow their businesses.
Topic: 02-16 Market Development

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64. Which of the following is the best example of applying a market development strategy?
A. G&T Leather Inc. introduces its existing offering in a different market.
B. Robert Technologies Inc. introduces a new product based on a modern technology.
C. Apparo Retail Inc. announces a discount sale to increase its revenue.
D. RSB Bank intensifies its advertising campaign to attract customers.
E. Morko Chemicals Inc. invents a new vaccine and sells it around the globe.

A market development strategy is applied by G&T Leather when it introduces its existing offering in a different market. The new markets may be domestic, international, or segments not currently served by a company.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Difficult
Learning Objective: 02-06 Describe how firms grow their businesses.
Topic: 02-16 Market Development

65. Which of the following statements is true of the market development strategy?
A. It requires the creation of a new product.
B. It focuses on segments that are not currently served by a firm.
C. It primarily focuses on developing innovative offerings.
D. It requires products to be maintained at high prices.
E. It employs rewards programs and improved store atmospherics.

A market development strategy focuses on segments that are not currently served by a firm. It involves introducing an existing offering in a new market.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-06 Describe how firms grow their businesses.
Topic: 02-16 Market Development

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66. Roltech Limited is a telecom company that operates GSM networks in six countries. Roltech's top managers identify that the company's growth has been idle for a few years and decide to take these steps to promote growth: (1) Increase the spending on advertising and intensify promotional activities. (2) Open telecom companies in more countries. (3) Introduce special tariffs to attract more customers from existing markets. Which of the following strategies have Roltech's top managers decided to adopt?
A. Intensification and diversification
B. Product development and diversification
C. Market penetration and market development
D. Product intensification and product development
E. Segmentation and market diversification

The managers have decided to adopt market penetration and market development. Market penetration involves retaining an existing marketing mix in an existing market and market development involves introducing an existing product in a new market.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Difficult
Learning Objective: 02-06 Describe how firms grow their businesses.
Topic: 02-15 Market Penetration
Topic: 02-16 Market Development

67. Paramount Electronics Inc. manufactures electronic measuring tools. The company invents a new type of multimeter, an electronic measuring instrument, and introduces the product to its current customers. Which of the following strategies does Paramount employ in this scenario?
A. Product development
B. Market development
C. Diversification
D. Market penetration
E. Product intensification

Paramount Electronics employs the strategy of product development. It involves offering a new product to a firm's current target market.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Difficult
Learning Objective: 02-06 Describe how firms grow their businesses.
Topic: 02-17 Product Development

Marketing (Canadian) 4th edition Grewal Test Bank

68. Lava Scooters Inc. manufactures electric scooters with young women as its target customers. The company manufactures vehicles that have engine displacement ranging from 50 to 100 cubic centimetres. Of late, many customers have been preferring scooters that are more powerful. To satisfy such customers, the company introduces a powerful bike that has 200-cubic centimetres engine displacement. In this scenario, Lava Scooters uses the strategy of:
A. market development.
B. product development.
C. market penetration.
D. diversification.
E. market intensification.

Lava Scooters uses the strategy of product development. It involves introducing a new product to an existing customer base.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Difficult
Learning Objective: 02-06 Describe how firms grow their businesses.
Topic: 02-17 Product Development

69. Dorbo Inc. a manufacturer of microprocessors, is known for innovation and holds more than 300 patents. The company invents a microprocessor based on nanotechnology and introduces it to its current customers. Which strategy does Dorbo use in this scenario?
A. Customer intensification
B. Diversification
C. Product development
D. Market penetration
E. Market development

Dorbo Inc. uses the strategy of product development. It involves offering new products to existing target customers.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Difficult
Learning Objective: 02-06 Describe how firms grow their businesses.
Topic: 02-17 Product Development

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70. The growth strategy whereby a firm introduces a new product or service to a market segment that it does not currently serve is called:
A. diversification.
B. market development.
C. market penetration.
D. intensification.
E. product development.

Diversification is the growth strategy whereby a firm introduces a new product or service to a market segment that it does not currently serve. Diversification is classified as related or unrelated depending on the relation between the current marketing mix and the current target market with the new opportunity.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-06 Describe how firms grow their businesses.
Topic: 02-18 Diversification

71. Which of the following is a key difference between a market development strategy and a diversification strategy?
A. Diversification offers products in a new market, whereas market development involves offering a product in the existing market.
B. Diversification occurs when a new product is offered in an existing market, whereas market development takes place when an existing product is offered in a new market.
C. Diversification involves the development of a new product, whereas market development uses an existing product.
D. Diversification involves low levels of risk, whereas market development is characterized by high levels of risk.
E. Diversification involves offering a product in the existing market, whereas market development offers products in a new market.

Market development and diversification differ in that diversification involves the development of a new product, whereas market development uses an existing product. Both introduce products in a new market.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-06 Describe how firms grow their businesses.
Topic: 02-18 Diversification

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72. Which of the following is an example of a diversification strategy?
A. A firm introduces its current products to a new set of customers.
B. A company markets an innovative product by using its existing network.
C. A firm introduces a new product to a segment that is currently not served.
D. A company exports its products to a new geographical location.
E. A firm intensifies its marketing activities to increase the sale of its current offerings.

A firm that introduces a new product to a segment that is currently not served uses a diversification strategy. It involves high risk as firms do not possess any prior knowledge in terms of products or market.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-06 Describe how firms grow their businesses.
Topic: 02-18 Diversification

73. RON Inc. is a company that manufactures home appliances. The company has established a wide retail network to sell its products. As part of its growth strategy, the company launches a new subsidiary that manufactures office furniture. This division is expected to attract a new range of customers. In this scenario, the company applies the strategy of:
A. market development.
B. diversification.
C. market penetration.
D. intensification.
E. product development.

RON Inc. applies the strategy of diversification. It involves introducing a new product to an existing customer base.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Difficult
Learning Objective: 02-06 Describe how firms grow their businesses.
Topic: 02-18 Diversification

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Surge Manufacturing Inc. is a firm that manufactures surgical equipment. The firm sells its products to various hospitals and health centres. The firm has adopted lean manufacturing techniques to minimize wastage in its production process. The company is known for the quality of its products and its efficient supply chain activities.

74. Which of the following overarching strategies are evident from the available description of Surge Manufacturing?
A. Operational excellence and product excellence
B. Locational excellence and customer excellence
C. Customer excellence and positional excellence
D. Locational excellence and positional excellence
E. Positional excellence and customer excellence

Surge Manufacturing employs the strategies of operational excellence and product excellence. This helps the firm to produce quality goods through efficient means of production.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Difficult
Learning Objective: 02-01 Define a marketing strategy.
Topic: 02-03 Operational Excellence
Topic: 02-04 Product Excellence

75. Surge Manufacturing sells its products by using a wide variety of channels, including the Internet. This gives the firm:
A. product excellence.
B. customer excellence.
C. operational excellence.
D. procedural excellence.
E. locational excellence.

By utilizing the Internet, the firm achieves locational excellence. A competitive advantage based on location is sustainable because it is not easily duplicated.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Difficult
Learning Objective: 02-01 Define a marketing strategy.
Topic: 02-05 Locational Excellence

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Arpin Stores Inc. is a wholesale food manufacturing company. The company markets packaged food products across the United States. The company appoints an external agency to perform a SWOT analysis of the company.

76. Which of the following observations, if made by the external agency, will indicate the company's strength?
A. The market potential for packaged goods is high in the United States.
B. Economic slowdowns do not have a significant impact in the wholesale food industry.
C. The company has exclusive market reach in the packaged food industry.
D. One of Arpin Stores' major competitors has recently gone bankrupt.
E. The U.S Congress recently passed a bill to subsidize wholesale food manufacturers.

The conclusion that the company has exclusive market reach in the packaged food industry will indicate its strength. It is a positive internal attribute of the firm.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Difficult
Learning Objective: 02-03 Analyze a marketing situation using a SWOT analysis.
Topic: 02-09 Step 2: Conduct a Situation Analysis

77. Which of the following observations, if made by the external agency, will indicate the company's weakness?
A. The company incurs high transportation costs as its manufacturing facility is at a remote place.
B. The wholesale food industry has seen an influx of new players in recent times.
C. An economic downturn has increased people's liking for organic products.
D. A food poisoning disaster that occurred recently has lowered people's preference for packaged foods.
E. The government has imposed a new tax on packaged food industry.

The conclusion that the company incurs high transportation costs will indicate its weakness. It is an internal factor that is in company's control.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Difficult
Learning Objective: 02-03 Analyze a marketing situation using a SWOT analysis.
Topic: 02-09 Step 2: Conduct a Situation Analysis

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78. Which of the following observations, if made by the external agency, will present the company with an opportunity?
A. The company has exclusive market reach in the packaged food industry.
B. One of Arpin Stores' major competitors has recently gone bankrupt.
C. The company owns the largest food manufacturing facility in the United States.
D. The company owns many brands that are well known in the United States.
E. Arpin Stores has a stronger marketing department compared to its competitors.

The conclusion that one of the company's major competitors has gone bankrupt will present the company with an opportunity. It is an external factor that the company can utilize to its advantage.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Difficult
Learning Objective: 02-03 Analyze a marketing situation using a SWOT analysis.
Topic: 02-09 Step 2: Conduct a Situation Analysis

79. Which of the following observations, if made by the external agency, will indicate that the company is facing a threat?
A. The company incurs high transportation costs as its manufacturing facility is at a remote place.
B. One of Arpin Stores' major competitors has recently gone bankrupt.
C. Many of the company's employees lack interpersonal skills.
D. A recent regulation has increased the tax rates for packaged food products.
E. Arpin Stores has a weaker marketing department compared to its competitors.

The conclusion that a recent regulation has increased the tax rates for packaged food products will indicate that the company is facing a threat. It is an external factor outside the company's control.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Difficult
Learning Objective: 02-03 Analyze a marketing situation using a SWOT analysis.
Topic: 02-09 Step 2: Conduct a Situation Analysis

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Capricus Leathers Inc. is a company that manufactures leather apparel and accessories. The company sells two products, Indigo and Tango. Both the products serve in a low-growth market. While Indigo has significant market share in the market, Tango has less than 1 percent market share.

80. According to the Boston Consulting Group (BCG) matrix, Indigo is called a:
A. question mark.
B. cash cow.
C. star.
D. dog.
E. champion.

Indigo is called a cash cow. It enjoys a high market share in a low-growth market.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Difficult
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-14 Growth Strategies

81. According to the Boston Consulting Group (BCG) matrix, Tango is called a:
A. cash cow.
B. star.
C. dog.
D. champion.
E. question mark.

Tango is called as a dog. It has a low market share in a low-growth market.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Difficult
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-14 Growth Strategies

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82. Which of the following observations about Indigo is likely to be true?
A. It will require heavy resource investments to survive in the market.
B. It has the opportunity to become a star in the market.
C. It will experience rapid growth for a few years.
D. It has fewer chances to be profitable for the company in the near future.
E. It has already received heavy investments to develop its market share.

Since Indigo is a cash cow, it has already received heavy investments to develop its market share. It has excess resources that can be diverted to other products if the need arises.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-14 Growth Strategies

83. Which of the following is a suitable course of action that Capricus Leathers should initiate?
A. It should make a heavy resource investment to rescue Tango.
B. It should open new production facilities to fuel the growth of Tango.
C. It should withdraw both the products and introduce a new brand in the market.
D. It should increase the production of both the products to gain more market share.
E. It should phase out Tango if it is not needed to complement Indigo.

Since Indigo is a cash cow and Tango a dog, Capricus Leathers should phase out Tango if it is not needed to complement Indigo. This will help the company in proper reallocation of resources to gain more profit.

Accessibility: Keyboard Navigation
Blooms: Analyze
Difficulty: Difficult
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-14 Growth Strategies

Lunar Inc. and Qwerty Inc. are competitors in the production of laptops for professionals. To improve sales, the management of Lunar decides to adopt the strategy of market penetration and the management of Qwerty decides to adopt market development.

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84. Which of the following is Lunar Inc. most likely to do as part of its strategy?
A. It will declare discounts on its products.
B. It will expand its operation to new countries.
C. It will start producing laptop accessories.
D. It will launch a series of laptops exclusively designed for children.
E. It will roll back less successive models of laptops.

The management of Lunar Inc. will declare a discount on its products. It helps to improve the sales of the existing product in the existing market.

Accessibility: Keyboard Navigation
Blooms: Analyze
Difficulty: Difficult
Learning Objective: 02-06 Describe how firms grow their businesses.
Topic: 02-15 Market Penetration

85. Which of the following is Qwerty most likely to do as part of its strategy?
A. It will announce bonus points for regular customers.
B. It will get celebrities to endorse its product.
C. It will start producing laptop accessories.
D. It will expand its operation to new countries.
E. It will begin a media campaign for marketing its product.

The management of Qwerty will expand its operation to new countries. This will help the company to serve new markets with the existing product.

Accessibility: Keyboard Navigation
Blooms: Analyze
Difficulty: Difficult
Learning Objective: 02-06 Describe how firms grow their businesses.
Topic: 02-16 Market Development

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True / False Questions

86. Operational excellence is achieved mostly by producing high-quality products.
FALSE

Operational excellence is achieved through efficient operations and excellent supply chain and human resource management. It helps firms to ensure good value to their customers, earn profitability for themselves, and satisfy their customers' needs.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-01 Define a marketing strategy.
Topic: 02-03 Operational Excellence

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87. Product excellence occurs by having offerings with high perceived value and effective branding and positioning.
TRUE

Product excellence occurs by having offerings with high perceived value and effective branding and positioning. It involves creating a clear, distinctive brand image and constantly reinforcing it.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-01 Define a marketing strategy.
Topic: 02-04 Product Excellence

88. Nonprofit organizations don't need to state objectives and form mission statements.
FALSE

All organizations, including nonprofit organizations state objectives and form mission statements. A mission statement is a broad description of a firm's objectives and the scope of activities it plans to undertake.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-02 Describe the elements of a marketing plan.
Topic: 02-08 Step 1: Define the Business Mission and Objectives

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89. Lack of financial resources is an example of a threat that a company is facing.
FALSE

Lack of financial resources is an example of a weakness of a company. It is an internal factor that is in company's control.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-03 Analyze a marketing situation using a SWOT analysis.
Topic: 02-09 Step 2: Conduct a Situation Analysis

90. A company has access to many proprietary technologies. This is an example of the company's strength.
TRUE

A company's access to many proprietary technologies is its strength. It is an internal positive attribute.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-03 Analyze a marketing situation using a SWOT analysis.
Topic: 02-09 Step 2: Conduct a Situation Analysis

91. A company sells its product through the Internet and hence is able to access a wide range of customers. This statement is indicative of the company's strength.
TRUE

A company's Internet presence and ability to access a wider range of customers is its strength. It is an internal factor in the company's control.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-03 Analyze a marketing situation using a SWOT analysis.
Topic: 02-09 Step 2: Conduct a Situation Analysis

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92. Targeting is the process of selecting a segment to pursue as a market.
TRUE

Targeting is the process of selecting a segment to pursue as a market. This helps a firm to design appropriate strategies for the chosen segment.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-04 Explain how a firm chooses what consumer group(s) to pursue with its marketing efforts.
Topic: 02-10 Step 3: Identify and Evaluate Opportunities by Using STP (Segmentation, Targeting, and Positioning)

93. Promotion is associated with value creation.
FALSE

Promotion is associated with value communication. Marketers communicate the value of their offering through a variety of media.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-11 Step 4: Implement Marketing Mix and Allocate Resources

94. Actual strategic planning is a sequential process.
FALSE

Actual strategic planning is not sequential. It can move back and forth as part of a continuous process.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-13 Strategic Planning Is Not Sequential

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95. A product line consists of a group of dissimilar products.
FALSE

A product line consists of a group of products that consumers may use together or perceive as similar in some way. A portfolio analysis is frequently done at the product line level of a company.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-13 Strategic Planning Is Not Sequential

96. A product with a low market share that competes in a high-growth market is called a dog.
FALSE

A product with a low market share that competes in a high-growth market is called a question mark. It requires significant resources to maintain and potentially increase its market share.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-13 Strategic Planning Is Not Sequential

97. Market penetration refers to introducing a new product in a new market.
FALSE

Market penetration refers to a growth strategy that employs the existing marketing mix and focuses a firm's efforts on existing customers. It requires intensive marketing efforts.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-06 Describe how firms grow their businesses.
Topic: 02-15 Market Penetration

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98. Market development strategy employs the existing marketing mix and focuses the firm's efforts on existing customers.
FALSE

Market development is a growth strategy that employs the existing marketing offering to reach new market segments. The expansion can be either domestic or international.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-06 Describe how firms grow their businesses.
Topic: 02-16 Market Development

Short Answer Questions

99. Describe the four overarching strategies that focus on aspects of a marketing mix to create and deliver value and to develop sustainable competitive advantages.

The four overarching strategies are the following:

Customer excellence: Focuses on retaining loyal customers and excellent customer service
Operational excellence: Achieved through efficient operations and excellent supply chain and human resource management
Product excellence: Having products with high perceived value and effective branding and positioning
Locational excellence: Having a good physical location and Internet presence

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-01 Define a marketing strategy.
Topic: 02-02 Customer Excellence
Topic: 02-03 Operational Excellence
Topic: 02-04 Product Excellence
Topic: 02-05 Locational Excellence

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100. Explain how Costco has used the four overarching strategies to build a sustainable competitive advantage.
Students need to provide example for each source of advantage:

Students need to provide an example for each source of advantage:
Customer excellence: Excellent customer service (the best return policy) and cash back program to retain loyal customers (regular membership, executive gold star membership, and business membership).
Operational excellence: efficient operations and excellent supply chain management.
Product excellence: carrying a variety of products that the target market needs. Costco sells quality merchandises at the lowest possible price.
Locational excellence: select physical locations that are convenient for their main target market, families; available online as well.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Difficult
Learning Objective: 02-01 Define a marketing strategy.
Topic: 02-02 Customer Excellence
Topic: 02-03 Operational Excellence
Topic: 02-04 Product Excellence
Topic: 02-05 Locational Excellence

101. Explain situation analysis.

After developing its mission, a firm must perform a situation analysis, using a SWOT analysis that assesses both the internal environment with regard to its strengths and weaknesses (internal analysis) and the external environment in terms of its opportunities and threats (external analysis). Situation analysis also includes an examination of market trends, customer analysis, and competitive analysis. Additionally, the firms should assess the opportunities and uncertainties of the marketplace caused by changes in cultural, demographic, social, technological, economic, and political forces.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-03 Analyze a marketing situation using a SWOT analysis.
Topic: 02-09 Step 2: Conduct a Situation Analysis

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102. Compare and contrast strengths and opportunities that apply to businesses.

Strengths are positive attributes that are internal to businesses. Businesses can control strengths. Opportunities are external to businesses and businesses cannot control them. A superior product is a strength, whereas a conducive market is an opportunity.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-03 Analyze a marketing situation using a SWOT analysis.
Topic: 02-09 Step 2: Conduct a Situation Analysis

103. Conduct a SWOT analysis of your university.

Student answers will vary. The strengths/weaknesses must be internal factors and opportunities/threats must be external factors.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Moderate
Learning Objective: 02-03 Analyze a marketing situation using a SWOT analysis.
Topic: 02-09 Step 2: Conduct a Situation Analysis

104. What is a market segment? Describe two market segments for a telecommunication company.

A market segment is a group of consumers who respond similarly to a firm's marketing efforts.
Student answer will vary. They are likely to define one segment as "students". A brief description of each segment is required (see exhibit 2.6 for an example).

Accessibility: Keyboard Navigation
Blooms: Apply
Blooms: Remember
Difficulty: Difficult
Learning Objective: 02-04 Explain how a firm chooses what consumer group(s) to pursue with its marketing efforts.
Topic: 02-10 Step 3: Identify and Evaluate Opportunities by Using STP (Segmentation, Targeting, and Positioning)

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105. Explain target marketing and provide an example of it.

Target marketing is the process of evaluating the attractiveness of various segments and then deciding which to pursue as a market. For example, Beau, a manufacturer of cosmetics, realizes that its products are mostly sought by teenagers and directs the bulk of its marketing efforts towards that group. Students' examples will vary.

Accessibility: Keyboard Navigation
Blooms: Remember
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-04 Explain how a firm chooses what consumer group(s) to pursue with its marketing efforts.
Topic: 02-10 Step 3: Identify and Evaluate Opportunities by Using STP (Segmentation, Targeting, and Positioning)

106. What is market positioning? Compare market positioning of Starbucks and Tim Horton's.

Market positioning involves the process of defining the marketing mix variables so that target customers have a clear, distinct, desirable understanding of what the product does or represents in comparison with competing products.
Starbucks position itself as a classic European-style coffee shop that offers premium coffee, good service, and great environment. On the other hand, Tim Hortons position itself as an iconic Canadian brand that offers fast service, affordable products, and continent locations.

Accessibility: Keyboard Navigation
Blooms: Apply
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-04 Explain how a firm chooses what consumer group(s) to pursue with its marketing efforts.
Topic: 02-10 Step 3: Identify and Evaluate Opportunities by Using STP (Segmentation, Targeting, and Positioning)

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107. Briefly explain the final step in the marketing planning process.

The final step in the planning process includes evaluating the results of the strategy and implementation program by using marketing metrics. Metrics are used to explain why things happened and to project the future. They make it possible to compare results across regions, business units, product lines, and time periods.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-12 Step 5: Evaluate Performance by Using Marketing Metrics

108. List a few financial performance metrics that an organization commonly uses.

Some commonly used metrics to assess performance include revenues, or sales, and profits. A firm can determine why it achieved or did not achieve its performance goals using this metrics.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-12 Step 5: Evaluate Performance by Using Marketing Metrics

109. Explain portfolio analysis.

In portfolio analysis, a management evaluates a firm's portfolio and allocates resources according to which products are expected to be the most profitable for the firm in the future. Portfolio analysis is typically performed at the strategic business unit (SBU) or product line level of the firm, though managers can also use it to analyze brands or even individual items. An SBU is a division of the company that can be managed somewhat independently from other divisions since it markets a specific set of products to a clearly defined group of customers.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Moderate
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-13 Strategic Planning Is Not Sequential

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110. Differentiate between relative market share and market growth rate.

Relative market share is a measure of a product's strength in a particular market, defined as the sales of the focal product divided by the sales achieved by the largest firm in the industry. Market growth rate is the annual rate of growth of the specific market in which a product competes. Market growth rate is a measure of an industry, whereas relative market share is a measure of a product's strength in a particular market.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-06 Describe how firms grow their businesses.
Topic: 02-14 Growth Strategies

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111. Explain the various steps involved in developing a marketing plan.

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There are five steps in developing a marketing plan.

• Step 1, Define the Business Mission and Objectives: The mission statement, a broad description of a firm's objectives and the scope of activities it plans to undertake, attempts to answer two main questions: What type of business are we? and What do we need to do to accomplish our goals and objectives? These fundamental business issues must be answered at the highest corporate levels before marketing executives can get involved.
• Step 2, Conduct a Situation Analysis: After developing its mission, a firm next must perform a situation analysis, using a SWOT analysis that assesses both the internal environment with regard to its strengths and weaknesses (internal analysis) and the external environment in terms of its opportunities and threats (external analysis). Situation analysis also includes an examination of market trends, customer analysis, and competitive analysis.
• Step 3, Identify and Evaluate Opportunities by Using STP (Segmentation, Targeting, and Positioning): After completing the situation analysis, the next step is to identify and evaluate opportunities for increasing sales and profits by using STP. With STP, the firm must first understand customer needs and wants through market research, then divide the market or customers into distinct subgroups or segments, determine which of those segments it should pursue or target, and finally decide how it should position its products and services to best meet the needs of those chosen targets.
• Step 4, Implement Marketing Mix and Allocate Resources: When the firm has identified and evaluated different growth opportunities by performing an STP analysis, the real action begins. The company has decided what to do, how to do it, and how many resources the firm should allocate to it. In the fourth step of the planning process, marketers implement the marketing mix—product, price, promotion, and place—for each product and service on the basis of what it believes its target markets will value. At the same time, it makes important decisions about how it will allocate its scarce resources to its various products and services. Each element of the four Ps must be fully integrated to achieve a coherent strategy.
• Step 5, Evaluate Performance by Using Marketing Metrics: The final step in the planning process includes evaluating the results of the strategy and implementation program by using marketing metrics. A metric is a measuring system that quantifies a trend, dynamic, or characteristic. Metrics are used to explain why things happened and to project the future. They make it possible to compare results across regions, business units, product lines, and time periods. The firm can determine why it achieved or did not achieve its performance goals with the help of these metrics.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-02 Describe the elements of a marketing plan.
Learning Objective: 02-03 Analyze a marketing situation using a SWOT analysis.
Learning Objective: 02-04 Explain how a firm chooses what consumer group(s) to pursue with its marketing efforts.
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-07 The Marketing Plan
Topic: 02-08 Step 1: Define the Business Mission and Objectives
Topic: 02-09 Step 2: Conduct a Situation Analysis
Topic: 02-10 Step 3: Identify and Evaluate Opportunities by Using STP (Segmentation, Targeting, and Positioning)
Topic: 02-11 Step 4: Implement Marketing Mix and Allocate Resources
Topic: 02-12 Step 5: Evaluate Performance by Using Marketing Metrics

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112. As part of a study project, Rachel has to choose a firm and conduct a detailed SWOT analysis. Explain how Rachel will conduct the analysis.

Student answers will vary. A SWOT analysis is designed to help the firm determine areas in which it is strong and can compete effectively and areas where it is weak and vulnerable to competitive attacks. A SWOT analysis assesses the internal environment with regard to its strengths and weaknesses (internal analysis) and the external environment in terms of its opportunities and threats (external analysis). Students should select a firm and analyze its strengths, weaknesses, opportunities, and threats.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Difficult
Learning Objective: 02-03 Analyze a marketing situation using a SWOT analysis.
Topic: 02-09 Step 2: Conduct a Situation Analysis

113. Explain the processes of segmentation, targeting, and positioning that firms use to identify and evaluate opportunities for increasing sales and profits.

Segmentation is the process of dividing the market into distinct groups of customers where each individual group has similar needs, wants, or characteristics and therefore might appreciate products or services geared especially for them in similar ways. Targeting is the process of evaluating the attractiveness of various market segments and then deciding which to pursue as a market.
Positioning involves the process of defining the marketing mix variables so that target customers have a clear, distinct, desirable understanding of what a product does or represents in comparison with competing products.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-04 Explain how a firm chooses what consumer group(s) to pursue with its marketing efforts.
Topic: 02-10 Step 3: Identify and Evaluate Opportunities by Using STP (Segmentation, Targeting, and Positioning)

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114. Briefly explain the four Ps of marketing.

The four Ps are as follows:

• Product: Products, which include services, constitute the first of the four Ps. Because the key to the success of any marketing program is the creation of value, firms attempt to develop products and services that customers perceive as valuable enough to buy.
• Price: The second element of the marketing mix is price. As part of the exchange process, a firm provides a product or a service, or some combination thereof, and in return it receives money. Value-based marketing requires that firms charge a price that customers perceive as giving them good value for the products and services they receive.
• Place: For the third P, place, the firm must be able to, after it has created value through a product and/or service, make the product or service readily accessible when and where the customer wants it.
• Promotion: The fourth P of the marketing mix is promotion. Marketers communicate the value of their offering, or the value proposition, to their customers through a variety of media, including TV, radio, magazines, buses, trains, blimps, sales promotion, publicity, the sales force, and the Internet.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-11 Step 4: Implement Marketing Mix and Allocate Resources

115. Discuss the four Ps of marketing for your favourite restaurant.

Student answers will vary. The 4 elements of marketing must be discussed for students' restaurant choices.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Difficult
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-11 Step 4: Implement Marketing Mix and Allocate Resources

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116. Explain social responsibility performance metrics and provide one example. Why is it important?

Student examples will vary.
Customers, particularly Canadians, like companies that are socially responsible. Therefore, many companies are now reporting their corporate social responsibility metrics such as their impact on the environment, their ability to diversify their workforce, their energy conservation initiatives, and their policies on protecting the human rights of their, and their suppliers', employees.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Difficult
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-12 Step 5: Evaluate Performance by Using Marketing Metrics

117. Explain the four major growth strategies that organizations adopt. Provide on example for each strategy.

The four major growth strategies are as follows.
A market penetration strategy employs the existing marketing mix and focuses the firm's efforts on existing customers. Such a growth strategy might be achieved by encouraging current customers to patronize the firm more often or buy more merchandise on each visit or by attracting new consumers from within the firm's existing target market.
A market development strategy employs the existing marketing offering to reach new market segments, whether domestic or international or segments not currently served by the firm.
The third growth strategy option, a product development strategy, offers a new product or service to a firm's current target market.
A diversification strategy, the last of the growth strategies, introduces a new product or service to a market segment that is currently not served.

Accessibility: Keyboard Navigation
Blooms: Apply
Blooms: Remember
Difficulty: Difficult
Learning Objective: 02-06 Describe how firms grow their businesses.
Topic: 02-15 Market Penetration
Topic: 02-16 Market Development
Topic: 02-17 Product Development
Topic: 02-18 Diversification

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118. Describe how your university can use the four major growth strategies.

Students answers will vary. Examples could be:

Market penetration: current students take more available courses in another field and get a double major degree.
Product development: develop a new certificate or master program targeting current students
Market development: open a new campus in another location offering the same programs, or offering courses online to a different audience
Diversification: offering a brand new program to target new students.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Difficult
Learning Objective: 02-06 Describe how firms grow their businesses.
Topic: 02-15 Market Penetration
Topic: 02-16 Market Development
Topic: 02-17 Product Development
Topic: 02-18 Diversification

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