Marketing The Core (Canadian) 5th edition Kerin Test Bank

SKU: 9781259269264-TEST-BANK

Chapter 02
The Marketing Environment

True / False Questions

1. A marketing environmental scan is performed to identify trends and pinpoint opportunities and threats to a business.
TRUE

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-02 Describe the elements of an environmental scan and summarize the trends affecting each area.
Topic: 02-01 The Marketing Environment

2. Albert, who was born in 1978, is a baby boomer.
FALSE

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-03 Demographic Forces

3. Generation X is the group of people born between 1981 and 2000 and referred to as Millennials.
FALSE

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-03 Demographic Forces

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4. Generation Z consumers are considered to be pioneers of social media.
TRUE

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-03 Demographic Forces

5. Each generation tends to have different tastes, consumption patterns, and attitudes.
TRUE

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-03 Demographic Forces

6. In Canada, rural areas tend to dominate most of the population growth.
FALSE

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-03 Demographic Forces

7. The main immigrant languages are German, and Spanish.
FALSE

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-03 Demographic Forces

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8. The dominant household structure in Canada is the one-person household.
TRUE

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-03 Demographic Forces

9. Socio-cultural forces refer to cultural values, ideas, and attitudes that are learned and shared among a group of people.
TRUE

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-04 Socio-cultural Forces

10. Internet access has changed the way consumers communicate with each other and with marketers.
TRUE

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-04 Socio-cultural Forces

11. Showrooming refers to when consumers use mobile devices to check product pricing and reviews online while in a retail store.
TRUE

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-04 Socio-cultural Forces

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12. Twitter is now the most commonly accessed Social Media in Canada.
FALSE

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-04 Socio-cultural Forces

13. Recently, Canadians have moved towards purchasing more fresh, local and ethnic food options.
TRUE

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Moderate
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-04 Socio-cultural Forces

14. Increased interest in healthy living has been driven by growth in the young adult population.
FALSE

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-04 Socio-cultural Forces

15. Macroeconomic forces refer to the state of a country's economy as a whole.
TRUE

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-04 Explain how changes in the economic environment influence consumer purchase behaviour.
Topic: 02-05 Economic Forces

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16. Inflation is a period in which product prices rise without an increase in the cost of production.
FALSE

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-04 Explain how changes in the economic environment influence consumer purchase behaviour.
Topic: 02-05 Economic Forces

17. A recession is a time of slow economic activity with two consecutive periods of negative growth.
TRUE

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-04 Explain how changes in the economic environment influence consumer purchase behaviour.
Topic: 02-05 Economic Forces

18. Greg has $60,000 left annually for spending after paying all the taxes. Greg's gross income is $60,000.
FALSE

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-04 Explain how changes in the economic environment influence consumer purchase behaviour.
Topic: 02-05 Economic Forces

19. Disposable income is the after-tax income a consumer has left after paying for necessities.
FALSE

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-04 Explain how changes in the economic environment influence consumer purchase behaviour.
Topic: 02-05 Economic Forces

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20. A consumer has $100,000 left for spending and savings after paying his taxes. This sum amounts to his disposable income.
TRUE

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-04 Explain how changes in the economic environment influence consumer purchase behaviour.
Topic: 02-05 Economic Forces

21. Cloud computing refers to the ability to access and use programs from a personal computer.
FALSE

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-05 Discuss the technological developments shaping current marketing practices.
Topic: 02-06 Technological Forces

22. In Canada, online shopping grew in popularity much faster than in most developed countries.
FALSE

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-05 Discuss the technological developments shaping current marketing practices.
Topic: 02-06 Technological Forces

23. Competitive forces refer to alternative products that can satisfy a specific market's needs.
TRUE

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-06 Describe the different forms of competition and the regulatory forces that shape the marketing industry.
Topic: 02-06 Technological Forces

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24. Direct competitors refer to products that compete for the same buying dollar in a slightly different category.
FALSE

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-06 Describe the different forms of competition and the regulatory forces that shape the marketing industry.
Topic: 02-06 Technological Forces

25. Oligopoly is a type of competition that occurs when few companies control a market.
TRUE

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-06 Describe the different forms of competition and the regulatory forces that shape the marketing industry.
Topic: 02-06 Technological Forces

26. A locality has only one cable service provider. The locality experiences monopolistic competition in the cable service market.
FALSE

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-06 Describe the different forms of competition and the regulatory forces that shape the marketing industry.
Topic: 02-06 Technological Forces

27. Products such as grains and vegetables cannot function in an environment where perfect competition exists.
FALSE

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-06 Describe the different forms of competition and the regulatory forces that shape the marketing industry.
Topic: 02-06 Technological Forces

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28. Regulations refer to the restrictions placed on marketing practices by government and industry associations.
TRUE

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-06 Describe the different forms of competition and the regulatory forces that shape the marketing industry.
Topic: 02-08 Regulatory Forces

29. Ad Standards Canada is a self-regulatory non-government association run by advertising, media, and marketing professionals.
TRUE

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-06 Describe the different forms of competition and the regulatory forces that shape the marketing industry.
Topic: 02-08 Regulatory Forces

30. The Canadian Marketing Association provides guidelines for its members through its Code of Ethics and Standards of Practice.
TRUE

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-06 Describe the different forms of competition and the regulatory forces that shape the marketing industry.
Topic: 02-08 Regulatory Forces

31. A company introduces a contest that requires a mix of chance and skill. This contest will be illegal in Canada.
FALSE

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-06 Describe the different forms of competition and the regulatory forces that shape the marketing industry.
Topic: 02-06 Technological Forces

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Multiple Choice Questions

32. Which of the following is main the reason why organizations constantly monitor the marketing environment?
A. To estimate the human resource requirements
B. To limit the flow of information within the organization
C. To capitalize on new opportunities and curtail potential threats
D. To curtail the weaknesses of an organization

Marketers constantly monitor the marketing environment with a view to capitalizing on new opportunities and curtailing potential threats that may challenge their businesses.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-01 Explain the importance of an environmental scan and how it is used to improve marketing programs.
Topic: 02-01 The Marketing Environment

33. Elements such as technological forces, regulatory forces, and demographic forces constitute _____.
A. organizational strengths
B. microeconomic environment
C. marketing intermediaries
D. marketing environment

Factors such as demographic forces, socio-cultural forces, economic forces, technological forces, competitive forces, and regulatory forces are key areas in the marketing environment of a business.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-01 Explain the importance of an environmental scan and how it is used to improve marketing programs.
Topic: 02-01 The Marketing Environment

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34. Marketing environmental scan is the process of _____.
A. using internal information to identify trends, strengths, and weaknesses of a business
B. continually acquiring information on events occurring outside an organization
C. evaluating the performance variables of an organization
D. using internal information to identify trends, opportunities, and threats to a business

A marketing environmental scan is the process of continually acquiring information on events occurring outside an organization to identify trends and pinpoint opportunities and threats to a business.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-02 Describe the elements of an environmental scan and summarize the trends affecting each area.
Topic: 02-02 An Environmental Scan

35. A SWOT analysis is
A. Internal factors
B. External factors
C. Both the internal factors and the external factors
D. Assessing how well a company is doing

A SWOT analysis involves assessing how well a company is servicing its businesses and/or consumers.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-02 Describe the elements of an environmental scan and summarize the trends affecting each area.
Topic: 02-02 An Environmental Scan

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36. A SWOT looks at the business in relation to?
A. It's competition and demographics
B. What other companies are doing
C. It's socio-cultural forces
D. Six key areas that affect the business

A SWOT is the analysis performed to understand what factors are affecting the business and what the business needs to focus on.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Moderate
Learning Objective: 02-02 Describe the elements of an environmental scan and summarize the trends affecting each area.
Topic: 02-02 An Environmental Scan

37. Which of the following differentiates a firm's strengths from its opportunities?
A. Companies can create opportunities, whereas they cannot build strengths.
B. Strengths are positive attributes, whereas opportunities can be positive or negative.
C. Strengths are internal aspects, whereas opportunities are external aspects.
D. Strengths are situational variables, whereas opportunities are person variables.

A SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats) involves assessing how well a company is faring in servicing its businesses and target consumers by assessing an organization's internal strengths and weaknesses, as well as its external opportunities and threats. Strengths are internal aspects, whereas opportunities are external aspects.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Moderate
Learning Objective: 02-02 Describe the elements of an environmental scan and summarize the trends affecting each area.
Topic: 02-02 An Environmental Scan

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38. Characteristics such as age, gender, and occupation refer to _____ forces.
A. competitive
B. demographic
C. economic
D. regulatory

The statistical study of populations is referred to as demographics. It looks at characteristics such as age, gender, ethnicity, income, and occupation of a group of people.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-03 Demographic Forces

39. _____ is the term used to describe people born between 1946 and 1965.
A. Generation X
B. Generation Z
C. Generation Y
D. Baby boomer

The people who were born between 1946 and 1965 are called baby boomers. Baby boomers are the main reason for the greying of North America.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-03 Demographic Forces

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40. Which of the following is a valid observation of baby boomers?
A. Baby boomers are people born between 1975 and 1991.
B. They are increasingly using digital technology for communication.
C. Baby boomers are people born between 1965 and 1975.
D. They are also referred to as the echo boomers or millennials.

The people who were born between 1946 and 1965 are called baby boomers. Baby boomers are increasingly using digital technology to communicate with others and research products.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Moderate
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-03 Demographic Forces

41. Which of the following products target baby boomers exclusively?
A. Bathroom accessories
B. Cosmetics
C. Social networks
D. Retirement homes

Baby boomers are people born between 1946 and 1965. Retirement homes target baby boomers exclusively.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Moderate
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-03 Demographic Forces

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42. Albert, a retired individual, was born in the year 1954. He usually buys products such as anti-wrinkle creams and grey-hair products. Identify the group that Albert belongs to.
A. Generation Z
B. Generation X
C. Baby boomer
D. Millennial

The people who were born between 1946 and 1965 are called baby boomers. Baby boomers consume such products as consumer goods, anti-wrinkle creams, and grey-hair products.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-03 Demographic Forces

43. Albero Products is a company that manufactures and markets consumer goods. The company markets products such as cosmetics, packaged foods, detergents, and groceries. Many of the company's products are targeted at certain demographic groups.

The company markets an anti-wrinkle cream that targets people aged 50 and above. Identify the likely target market of this product.
A. Generation X
B. Millennial
C. Generation Y
D. Baby boomer

The people who were born between 1946 and 1965 are called baby boomers. Baby boomers are likely to be the target market of this product.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Moderate
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-03 Demographic Forces

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44. Albero Products is a company that manufactures and markets consumer goods. The company markets products such as cosmetics, packaged foods, detergents, and groceries. Many of the company's products are targeted at certain demographic groups.

Baby products of the company target young parents aged between 25 and 35. Which of the following is the target market of these products?
A. Generation X
B. Prophet Generation
C. Generation Y
D. Baby boomer

Generation Y is the group of people born between 1980 and 2000. Young parents aged between 25 and 35 are from this group.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Moderate
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-03 Demographic Forces

45. Albero Products is a company that manufactures and markets consumer goods. The company markets products such as cosmetics, packaged foods, detergents, and groceries. Many of the company's products are targeted at certain demographic groups.

The company launches toys for children aged between 5 and 10. Which of the following segments will be the end users of this product?
A. Generation Z
B. Generation X
C. Baby boomer
D. Millennial

Generation Z is the group of people born in 2001 and beyond. The toys target generation Z.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Easy
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-03 Demographic Forces

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46. Which of the following is the difference between baby boomers and Generation Y?
A. Generation Y prefer products such as video games, whereas baby boomers are avid users of social media.
B. Baby boomers prefer technological products more than the Generation Y.
C. Generation Y are highly brand loyal, whereas baby boomers are not brand loyal.
D. Baby boomers spend more on consumer goods, whereas Generation Y spend more on music and computer goods.

Generation Y buys products such as music, video games, sports, and computer products. Baby boomers account for approximately 60 percent of expenditures on consumer goods and services.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-03 Demographic Forces

47. Generation X refers to the group of people born _____.
A. between 1946 and 1965
B. after generation Y consumers
C. between 1981 and 2000
D. between 1966 and 1980

Generation X is the group of people born after the baby boomers, between 1966 and 1980.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-03 Demographic Forces

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48. Which of the following is a key difference between Generation X and Baby Boomers?
A. Generation X consumers are less prone to materialism than baby boomers.
B. Baby boomers are more self-reliant than the consumers from generation X.
C. There are more generation X'ers than baby boomers.
D. Baby boomers are better educated than the consumers from generation X.

Generation X consumers differ from baby boomers in that they are less prone to materialism and extravagance than baby boomers.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-03 Demographic Forces

49. Which of the following refers to the group of people born between 1981-2000?
A. Generation X
B. Baby Boomers
C. Generation Y
D. Generation Z

Generation Y is the group of people born between 1981 and 2000.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-03 Demographic Forces

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50. Which of the following groups of people are mostly children of baby boomers?
A. Generation X
B. Generation Y
C. Youth boomer
D. Net generation

Generation Y is the group of people born between 1981 and 2000.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-03 Demographic Forces

51. An Internet company launches a social networking website to attract young people born between 1985 and 1990. This company is targeting _____.
A. Generation Z
B. Generation X
C. Generation Y
D. Baby boomers

Generation Y is the group of people born between 1981 and 2000. The company is targeting this group in this example.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Moderate
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-03 Demographic Forces

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52. Which of the following groups is referred to as the pioneers of social media?
A. Generation Z
B. Baby boomer generation
C. Generation X
D. Generation Y

Generation Z is the group of people born in 2001 and beyond and beyond. They have grown up with the Internet, and as pioneers of social media are considered the most disruptive of the generations.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-03 Demographic Forces

53. Generation Z consumers are the people born _____.
A. in 2001 and beyond
B. before generation Y consumers
C. between 1975 and 1991
D. before baby boomers

Generation Z is the group of people born in 2001 and beyond. They are also known as the next generation.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-03 Demographic Forces

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54. Andrew was born in 2001. Which of the following statements is most likely to be true about him?
A. He will rarely use product offerings such as social media.
B. He will communicate online. .
C. He is likely to be brand loyal to most products.
D. He belongs to the least disruptive generation.

People who belong to Generation Z are avid users of social media, very objective in their purchases, and not very brand loyal.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-03 Demographic Forces

55. An animation company develops a game that is aimed to attract children aged 15 or younger. Identify this company's target market.
A. Generation X
B. Generation Z
C. Baby boomer generation
D. Generation Y

Generation Z is the group of people born in 2001 and beyond. This is the market segment that the company is targeting.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Moderate
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-03 Demographic Forces

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56. Which of the following refers to the problem of big city dwelling that Canada is facing?
A. Big cities in the country lag behind the other cities in growth rates.
B. Most Canadians live in urban areas or their suburbs.
C. Population of women is greater in urban areas than in rural areas.
D. Population growth has been declining in big cities of Canada.

More than 80 percent of Canadians live in urban areas or their suburbs. Statistics indicate that cities are growing much more quickly than rural areas, which lag behind the rest of the country in growth rates. This refers to the problem of big city dwelling.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-03 Demographic Forces

57. The biggest driver of Canadian population growth between 2011 and 2016 is:
A. Immigration from Asia.
B. Higher than expected birth rates.
C. Immigration from Europe.
D. Immigration from the U.S.A.

Stats Canada indicates that more than two-thirds of population growth is attributable to immigration, with the largest component coming from Asia.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-03 Demographic Forces

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58. Which of the following is the dominant household structure in Canada?
A. Married couples.
B. Blended Families with more than two children.
C. One-person households.
D. Cohabitating couples with children.

The shift to one-person households has been driven by an aging population and high divorce/separation rates.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-03 Demographic Forces

59. Which of the following is a valid observation of socio-cultural changes?
A. Straightforward statistical data is available on societal and cultural shifts in attitudes.
B. Socio-cultural changes tend to be gradual in nature.
C. It is easy to identify societal and cultural shifts in attitudes.
D. Socio-cultural changes can be monitored clearly.

Socio-cultural changes tend to be gradual, take place over a prolonged period of time, and are sometimes very subtle.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-04 Socio-cultural Forces

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60. Identify the term that refers to cultural values, ideas, and attitudes, as well as society's morals and beliefs.
A. Socio-cultural forces
B. Demographic forces
C. Internal forces
D. Neutral forces

Socio-cultural forces refer to cultural values, ideas, and attitudes that are learned and shared among a group of people. This also includes society's morals and beliefs and is demonstrated through behaviour common among the socio-cultural group.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-04 Socio-cultural Forces

61. Marketers are responding to socio-cultural changes in what areas?
A. Financial slowdown
B. Unstable markets
C. Communications and the media
D. Group attitudes

Marketers note that consumers have taken the reins of the communication channel, choosing if, how, and when to listen to marketing messages. The media landscape is blurring, making marketing communications more complex and challenging.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-04 Socio-cultural Forces

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62. What role does the media play in socio-cultural forces?
A. Consumers have taken the reins of the communication channel.
B. Consumers no longer listen to marketing messages.
C. Consumers choose one device to receive their marketing messages.
D. Consumers find that there is too much clutter in the communication channel.

The media plays a large role in choosing how they want to receive their marketing messages. The power now is in the consumer rather than in the business.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-04 Socio-cultural Forces

63. In Canada, we find a society that:
A. Relies on electronic communication
B. Is very active physically.
C. Prefers face to face communication
D. Is able to spend holidays without electronic communication

Consumers have become very reliant on a variety of communication tools and they find it a fast way to communicate.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-04 Socio-cultural Forces

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64. Many shoppers access information about products through social media and online review sites using a mobile device while in a retail store. What do we call this behavior?
A. Transactional buying
B. Reverse showrooming
C. M-commerce
D. Showrooming

Showrooming has become popular to the point that many retailers offer to price match both competitor and online prices.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Moderate
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-04 Socio-cultural Forces

65. Which statement best describes the trend in Canadian TV viewing?
A. Across all ages, consumers average 40+ hours of viewing per week.
B. Young adults are switching towards streamed viewing and away from broadcast TV.
C. Older adults have engage in fewer viewing hours per week than young adults.
D. Streamed viewing in Canada has not gained popularity as of yet.

While the average viewing hours per week is near 40, younger adults have moved largely towards streamed media and away from traditional TV.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-04 Socio-cultural Forces

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66. Which of the following is NOT a trend in food consumption among Canadians?
A. A switch away from processed foods and towards more fresh foods.
B. Increased interest and sales for ethnic food products.
C. Increased interest in fast food and frozen dinners.
D. A new focus on gourmet foods including delivery options.

While moving towards more multi-cultural food options, Canadians continue to be very health and ingredient conscious.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Moderate
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-04 Socio-cultural Forces

67. The trend for "healthy living" in Canada is largely driven by:
A. An aging Baby Boom generation.
B. The emerging Generation Z.
C. New low-fat and gluten-free products.
D. Immigration trends.

As Baby Boomers reach their retirement years, they have become increasingly interested in activities and products that promote health.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-04 Socio-cultural Forces

Marketing The Core (Canadian) 5th edition Kerin Test Bank

68. Which of the following reflects the Canadian trend towards healthy living?
A. Growth in sales of the Fitbit wristband which tracks an individual's activities.
B. A new focus on gourmet foods and home delivery.
C. Men are becoming more involved in household duties.
D. An increase in "binge watching" of popular TV shows.

Aside from Fitbits, marketers offer consumers thousands of health-related apps and opportunities for health-related travel.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-04 Socio-cultural Forces

69. Identify the product whose business is most likely to be affected by an economic slowdown.
A. Automobiles
B. Entertainment
C. Home cooked meals
D. Vegetables

People are likely to defer the purchase of automotive items during economic crises and concentrate their purchases on life's necessities. Home cooked meals replace eating out or ready-to-eat items.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Moderate
Learning Objective: 02-04 Explain how changes in the economic environment influence consumer purchase behaviour.
Topic: 02-05 Economic Forces

Marketing The Core (Canadian) 5th edition Kerin Test Bank

70. Identify the product whose business is most likely to be affected by an economic slowdown.
A. smart phones
B. clothing
C. flour
D. sweaters

People are likely to defer the purchase of luxury items during economic crisis and concentrate their purchases on life's necessities. Of the given products, smart phones are a luxury product.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Moderate
Learning Objective: 02-04 Explain how changes in the economic environment influence consumer purchase behaviour.
Topic: 02-05 Economic Forces

Marketing The Core (Canadian) 5th edition Kerin Test Bank

71. Which of the following products is likely to do better business in a poor economy than in a strong economy?
A. packaged food
B. automobiles
C. flour
D. luxury apparel

Some products, such as flour, do better in a poor economy with consumers making their own cookies and muffins rather than spending the extra money to buy more expensive ready-to-eat items.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Moderate
Learning Objective: 02-04 Explain how changes in the economic environment influence consumer purchase behaviour.
Topic: 02-05 Economic Forces

72. Which of the following is an example of a macroeconomic force?
A. disposable income
B. fixed cost
C. inflation
D. variable cost

Macroeconomic forces refer to the state of a country's economy as a whole. Of the given choices, only inflation refers to a macroeconomic force.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-04 Explain how changes in the economic environment influence consumer purchase behaviour.
Topic: 02-05 Economic Forces

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73. Which of the following terms refers to the state of a country's economy as a whole?
A. macroeconomic forces
B. regulatory forces
C. nominal economic forces
D. microeconomic forces

The economy consists of macroeconomic forces and microeconomic forces. Macroeconomic forces refer to the state of a country's economy as a whole.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-04 Explain how changes in the economic environment influence consumer purchase behaviour.
Topic: 02-05 Economic Forces

74. _____ is a period when the cost to produce and buy products and services gets higher as prices rise.
A. Recession
B. Biflation
C. Depression
D. Inflation

Inflation is a period when the cost to produce and buy products and services gets higher as prices rise.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-04 Explain how changes in the economic environment influence consumer purchase behaviour.
Topic: 02-05 Economic Forces

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75. Prices of necessary goods increase in a country due to an increase in the cost of raw materials and labour. This is an example of _____.
A. inflation
B. recession
C. depression
D. biflation

Inflation is a period when the cost to produce and buy products and services gets higher as prices rise.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-04 Explain how changes in the economic environment influence consumer purchase behaviour.
Topic: 02-05 Economic Forces

76. Which of the following terms is used to define a time of slow economic activity with two consecutive periods of negative growth?
A. stagflation
B. inflation
C. deflation
D. recession

A recession is a time of slow economic activity with two consecutive periods of negative growth. During recessions, production levels decline, unemployment levels rise, and many consumers have less money to spend.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-04 Explain how changes in the economic environment influence consumer purchase behaviour.
Topic: 02-05 Economic Forces

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77. Albama Technologies is a firm that manufactures electronic appliances. Which of the following describes a scenario in which a microeconomic force is affecting the company's business?
A. Fluctuating exchange rates exposed the company's business to uncertain revenue projections.
B. High levels of inflation increased the employees' demand for higher salaries.
C. The company has a production plant in Japan and Japan is undergoing a recession.
D. The company's sales have declined sharply after it increased the prices of its products.

Microeconomic forces directly refer to the supply of and demand for goods and services and how this is impacted by individual, household, and company decisions to purchase. Decline in demand after a price increase is a microeconomic factor.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-04 Explain how changes in the economic environment influence consumer purchase behaviour.
Topic: 02-05 Economic Forces

78. Anderson's family earns $150,000 a year including taxes. This amount is referred to as the family's _____.
A. disposable income
B. gross income
C. net income
D. variable income

Gross income is the total amount of money made in one year by a person, household, or family unit including taxes.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-04 Explain how changes in the economic environment influence consumer purchase behaviour.
Topic: 02-05 Economic Forces

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79. Joseph earns $150,000 a year, while his wife Jennifer earns $200,000 a year. The couple file taxes jointly and the total taxes they pay amount to $60,000. What is the gross income of this family?
A. $175,000
B. $290,000
C. $145,000
D. $350,000

Gross income is the total amount of money made in one year by a person, household, or family unit including taxes. In this case, the gross income of the family is $350,000.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Moderate
Learning Objective: 02-04 Explain how changes in the economic environment influence consumer purchase behaviour.
Topic: 02-05 Economic Forces

80. Which of the following is used to define the after-tax income that consumers have left for spending and savings?
A. discretionary income
B. gross income
C. variable income
D. disposable income

Disposable income is the income that consumers have left for spending and savings. Typical purchases are for rent, clothing, and transportation.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-04 Explain how changes in the economic environment influence consumer purchase behaviour.
Topic: 02-05 Economic Forces

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81. The total amount of money that Robert earns in a year is $100,000. He pays income tax $18,000 and other taxes of $6,000. He spends $15,000 to buy necessities.

What is Robert's gross income?
A. $100,000
B. $82,000
C. $76,000
D. $67,000

Gross income is the total amount of money made in one year by a person. In this case, the gross income is $100,000.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Moderate
Learning Objective: 02-04 Explain how changes in the economic environment influence consumer purchase behaviour.
Topic: 02-05 Economic Forces

82. The total amount of money that Robert earns in a year is $100,000. He pays income tax $18,000 and other taxes of $6,000. He spends $15,000 to buy necessities.

What is Robert's disposable income?
A. $100,000
B. $82,000
C. $76,000
D. $67,000

Disposable income is the income that consumers have left for spending and savings. In this case, the disposable income is $76,000.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Moderate
Learning Objective: 02-04 Explain how changes in the economic environment influence consumer purchase behaviour.
Topic: 02-05 Economic Forces

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83. The total amount of money that Robert earns in a year is $100,000. He pays income tax $18,000 and other taxes of $6,000. He spends $15,000 to buy necessities.

What is Robert's discretionary income?
A. $100,000
B. $82,000
C. $76,000
D. $61,000

Discretionary income is the after-tax income a consumer has left after paying for necessities. In this case, the discretionary income is $61,000.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Moderate
Learning Objective: 02-04 Explain how changes in the economic environment influence consumer purchase behaviour.
Topic: 02-05 Economic Forces

84. Brad has $50,000 left after paying taxes and for necessities such as food, shelter, and clothing. This amount refers to his _____.
A. disposable income
B. gross income
C. variable income
D. discretionary income

Discretionary income is the after-tax income a consumer has left after paying for necessities such as food, shelter, and clothing.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-04 Explain how changes in the economic environment influence consumer purchase behaviour.
Topic: 02-05 Economic Forces

Marketing The Core (Canadian) 5th edition Kerin Test Bank

85. Which of the following is a key difference between disposable income and discretionary income?
A. Discretionary income refers to the after-tax income, whereas disposable income refers to the before-tax income.
B. Unlike disposable income, discretionary income is used to pay for food and clothing.
C. Discretionary income will always be more than disposable income.
D. Unlike disposable income, discretionary income is used only for purchases that are not deemed a necessity.

Discretionary income is the after-tax income a consumer has left after paying for necessities such as food, shelter, and clothing. This income is used for discretionary purchases that are not deemed a necessity.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-04 Explain how changes in the economic environment influence consumer purchase behaviour.
Topic: 02-05 Economic Forces

86. Sunshine Vacations is a firm that offers holiday packages to customers in Canada. Which of the following statements, if true, will weaken the firm's business?
A. Employee salaries in Canada, on average, have increased by 25 percent.
B. The government of Canada raised income tax rates in the previous month.
C. Consumers' disposable income has increased in the recent past.
D. Necessities such as rent and clothing have become cheaper in Canada.

Discretionary income is the after-tax income a consumer has left after paying for necessities such as food, shelter, and clothing. This income is used for discretionary purchases such as going on a vacation. Increase in taxes reduces customers' discretionary income.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Difficult
Learning Objective: 02-04 Explain how changes in the economic environment influence consumer purchase behaviour.
Topic: 02-05 Economic Forces

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87. Which of the following is an item that people are less likely to purchase, if their discretionary income is very low?
A. sweater
B. flour
C. milk
D. concert tickets

Discretionary income is the after-tax income a consumer has left after paying for necessities such as food, shelter, and clothing. A concert is not considered a necessity.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Moderate
Learning Objective: 02-04 Explain how changes in the economic environment influence consumer purchase behaviour.
Topic: 02-05 Economic Forces

88. Which of the following refers to inventions or innovations that stem from scientific or engineering research?
A. competitive forces
B. pioneering forces
C. market forces
D. technological forces

Technological forces refer to inventions or innovations that stem from scientific or engineering research.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-05 Discuss the technological developments shaping current marketing practices.
Topic: 02-06 Technological Forces

Marketing The Core (Canadian) 5th edition Kerin Test Bank

89. Cloud computing refers to the ability to _____.
A. use technologies that are considered unstable for commercial purposes
B. install application software in a variety of operating systems
C. access and use programs on the Internet without owning the software
D. access and use programs on a personal computer without obtaining a licence

Cloud computing refers to the ability to access and use programs on the Internet without owning the software.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-05 Discuss the technological developments shaping current marketing practices.
Topic: 02-06 Technological Forces

90. Which of the following is an application that uses cloud computing?
A. Google Drive
B. MS Word
C. Adobe Acrobat
D. WinZip

Cloud computing refers to the ability to access and use programs on the Internet without owning the software. Google Drive is an example of cloud computing software.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-05 Discuss the technological developments shaping current marketing practices.
Topic: 02-06 Technological Forces

Marketing The Core (Canadian) 5th edition Kerin Test Bank

91. Some retailers now use _____ to track shopper movements in a store (with permission) and use it to provide customized offers.
A. RFID tags
B. QR Codes
C. Facsimile Machines
D. Beacons

Beacons provide shoppers with free wifi while tracking their movements through the store.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-05 Discuss the technological developments shaping current marketing practices.
Topic: 02-06 Technological Forces

92. E-commerce in Canada can be described as:
A. Slower to take hold than in the United States but growing in popularity.
B. Faster to take hold than in the United States but slowing significantly.
C. The most common form of purchase for consumers across all age groups.
D. Important only to the Baby Boom generation.

E-commerce in Canada, though growing steadily, had a slow start due mostly to a conservative approach taken by retailers.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-05 Discuss the technological developments shaping current marketing practices.
Topic: 02-06 Technological Forces

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93. Which of the following refers to the type of competition that occurs when only one company dominates a market?
A. monopolistic competition
B. oligopoly
C. duopoly
D. monopoly

Oligopoly refers to the type of competition that occurs when a few companies control a market.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-06 Describe the different forms of competition and the regulatory forces that shape the marketing industry.
Topic: 02-06 Technological Forces

94. Four banks dominate the banking sector in the United Kingdom. This market is an example of _____.
A. perfect competition
B. monopoly
C. oligopoly
D. duopoly

Oligopoly occurs when a few companies control a market. The given situation is an example of oligopoly.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-06 Describe the different forms of competition and the regulatory forces that shape the marketing industry.
Topic: 02-06 Technological Forces

Marketing The Core (Canadian) 5th edition Kerin Test Bank

95. The telecommunication industry of a country is characterized by intense competition. Many competitors are present in the market and they offer products that are similar. Which type of competition exists in this market?
A. perfect competition
B. oligopoly
C. monopoly
D. monopolistic competition

Monopolistic competition is a type of competition where a large number of sellers compete with each other, offering customers similar or substitute products. Product differentiation and branding are important in such markets.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Moderate
Learning Objective: 02-06 Describe the different forms of competition and the regulatory forces that shape the marketing industry.
Topic: 02-06 Technological Forces

96. Which of the following is a type of competition where there are many sellers with nearly identical products and little differentiation?
A. perfect competition
B. oligopoly
C. monopoly
D. monopsony

Perfect competition is a type of competition where there are many sellers with nearly identical products and little differentiation.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-06 Describe the different forms of competition and the regulatory forces that shape the marketing industry.
Topic: 02-06 Technological Forces

Marketing The Core (Canadian) 5th edition Kerin Test Bank

97. Alternative products that can satisfy a specific market's needs are called _____.
A. fundamental forces
B. direct forces
C. social forces
D. competitive forces

Alternative products that can satisfy a specific market's needs are referred to as competitive forces.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-06 Describe the different forms of competition and the regulatory forces that shape the marketing industry.
Topic: 02-06 Technological Forces

98. Direct competitors refer to _____.
A. products that have the shortest life cycle in a market
B. very similar products sold in the same category
C. products that are used by the same customer
D. dissimilar products that compete in the same market

Direct competitors refer to similar products sold in the same category.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-06 Describe the different forms of competition and the regulatory forces that shape the marketing industry.
Topic: 02-06 Technological Forces

Marketing The Core (Canadian) 5th edition Kerin Test Bank

99. Indirect competitors refer to products that _____.
A. compete for a different segment of customers in different categories
B. are very similar and compete in the same category
C. contend for a different segment of customers in the same category
D. compete for the same buying dollar in a slightly different category

Indirect competitors are products competing for the same buying dollar in a slightly different but related category.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-06 Describe the different forms of competition and the regulatory forces that shape the marketing industry.
Topic: 02-06 Technological Forces

100. The postal system is run by the government with competition forbidden by law in a country. This is an example of a(n) _____.
A. monopolistic competition
B. oligopoly
C. monopoly
D. duopoly

A monopoly exists when there is only one company selling in the market. This is an example of monopoly.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-06 Describe the different forms of competition and the regulatory forces that shape the marketing industry.
Topic: 02-06 Technological Forces

Marketing The Core (Canadian) 5th edition Kerin Test Bank

101. Which of the following is a valid observation of monopolies?
A. Monopolies are an illegal form of business in most countries including Canada.
B. The effect of substitute products is prominent in a monopoly.
C. This is the most common form of market competition.
D. A monopoly exists when there is only one company selling in the market.

A monopoly exists when there is only one company selling in the market. Monopolies are legal in Canada but they are carefully monitored.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-06 Describe the different forms of competition and the regulatory forces that shape the marketing industry.
Topic: 02-06 Technological Forces

102. Which of the following refers to the type of competition that occurs when a few companies control a market?
A. monopolistic competition
B. oligopoly
C. duopoly
D. monopoly

Oligopoly refers to the type of competition that occurs when a few companies control a market.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-06 Describe the different forms of competition and the regulatory forces that shape the marketing industry.
Topic: 02-06 Technological Forces

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103. Charcos Oil is an oil marketing company. The company has only three competitors in the country where it operates and has formed an agreement with the competitors to fix the prices of their offerings. This move was essential because of the price sensitivity of the oil market.

The market in which Charcos Oil competes exemplifies _____.
A. perfect competition
B. duopoly
C. monopoly
D. oligopoly

Oligopoly occurs when a few companies control a market. The given situation is an example of oligopoly.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Moderate
Learning Objective: 02-06 Describe the different forms of competition and the regulatory forces that shape the marketing industry.
Topic: 02-06 Technological Forces

104. Charcos Oil is an oil marketing company. The company has only three competitors in the country where it operates and has formed an agreement with the competitors to fix the prices of their offerings. This move was essential because of the price sensitivity of the oil market.

Which of the following is likely to occur if Charcos Oil reduces its prices?
A. The company's profitability will increase.
B. Competitors will also follow the price cut.
C. The market will become a monopoly.
D. Some of the competitors will stop business.

In an oligopoly, an unnecessary price cut will be followed by the entire industry. It may result in profits being taken out of the category for everyone.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Moderate
Learning Objective: 02-06 Describe the different forms of competition and the regulatory forces that shape the marketing industry.
Topic: 02-06 Technological Forces

Marketing The Core (Canadian) 5th edition Kerin Test Bank

105. Which of the following types of competition is criticized for price collusion?
A. oligopoly
B. differentiated competition
C. monopoly
D. perfect competition

Because there is limited competition in an oligopoly, companies can easily control prices and are often criticized for price collusion.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-06 Describe the different forms of competition and the regulatory forces that shape the marketing industry.
Topic: 02-06 Technological Forces

106. Which of the following is a type of competition where a large number of sellers compete with each other and offer customers substitute products with product differentiation?
A. monopolistic competition
B. monopoly
C. oligopoly
D. monopsony

Monopolistic competition is a type of competition where a large number of sellers compete with each other, offering customers similar or substitute products.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-06 Describe the different forms of competition and the regulatory forces that shape the marketing industry.
Topic: 02-06 Technological Forces

Marketing The Core (Canadian) 5th edition Kerin Test Bank

107. Which of the following statements is true of monopolistic competition?
A. Monopolistic competition is driven by price competition rather than differentiation.
B. Large numbers of sellers compete with each other in monopolistic competition.
C. Monopolistic competition occurs when a few companies control a market.
D. Companies that sell commodities are in a monopolistic competition.

A large number of sellers compete with each other, offering customers similar or substitute products.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-06 Describe the different forms of competition and the regulatory forces that shape the marketing industry.
Topic: 02-06 Technological Forces

108. Which of the following types of products is most likely to instigate perfect competition in a market?
A. packaged foods
B. cars
C. cell phones
D. grains

Perfect competition exists typically in commodities, that is, products such as grains, vegetables, or coal.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-06 Describe the different forms of competition and the regulatory forces that shape the marketing industry.
Topic: 02-06 Technological Forces

Marketing The Core (Canadian) 5th edition Kerin Test Bank

109. Which of the following is the reason why regulations are placed on marketing practices?
A. to protect consumers from unscrupulous business practices
B. to maximize the profitability of individual firms
C. to promote product differentiation in markets
D. to prevent monopolistic competition in markets

Regulations are put in place to protect consumers from unscrupulous business practices, to set acceptable standards of practice, and to encourage fair competition.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-06 Describe the different forms of competition and the regulatory forces that shape the marketing industry.
Topic: 02-08 Regulatory Forces

110. Which of the following agencies is primarily responsible for the administration and enforcement of the Competition Act and the Consumer Packaging and Labelling Act?
A. Canadian Marketing Association
B. Canadian R-T Commission
C. Competition Bureau
D. Better Business Bureau

The Competition Bureau is responsible for the administration and enforcement of the Competition Act and the Consumer Packaging and Labelling Act.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-06 Describe the different forms of competition and the regulatory forces that shape the marketing industry.
Topic: 02-08 Regulatory Forces

Marketing The Core (Canadian) 5th edition Kerin Test Bank

111. Which of the following is a basic function of the Competition Bureau?
A. endorsing marketing performance in Canada
B. curtailing false and misleading representations to sell products
C. establishing perfect competition in Canadian markets
D. monitoring digital information available to customers

The Competition Bureau's role is to promote and maintain fair competition and to curtail false and misleading representations to sell products.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-06 Describe the different forms of competition and the regulatory forces that shape the marketing industry.
Topic: 02-08 Regulatory Forces

112. Which of the following best describes Ad Standards Canada?
A. The Canadian Government agency that monitors and enforces advertising law.
B. An elected board of Government officials who sit on a Senate Committee.
C. It covers only traditional TV advertising directed to children.
D. A self-regulated, non-profit organization that sets standards in the advertising industry.

Ad Standards regulates guidelines for advertisers and marketers. It provides guidance but holds no legal authority.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-06 Describe the different forms of competition and the regulatory forces that shape the marketing industry.
Topic: 02-08 Regulatory Forces

Marketing The Core (Canadian) 5th edition Kerin Test Bank

113. _____ refers to the dissemination of unsolicited electronic messages to recipients.
A. Spoofing
B. Virus
C. Spam
D. Cookie

Spam refers to the dissemination of unsolicited electronic messages to recipients.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-06 Describe the different forms of competition and the regulatory forces that shape the marketing industry.
Topic: 02-08 Regulatory Forces

114. What purpose does the Do Not Call List serve?
A. It provides consumers with legal protection against unwanted telemarketing.
B. It lists the numbers for consumers who do not wish to be called but holds no legal authority.
C. There is no such thing in Canada at present.
D. It prevents charities and political parties from calling with unsolicited requests.

The CRTC compiles the Do Not Call List so that consumers can opt out of receiving unwanted calls for a 5 year period.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-06 Describe the different forms of competition and the regulatory forces that shape the marketing industry.
Topic: 02-08 Regulatory Forces

Marketing The Core (Canadian) 5th edition Kerin Test Bank

115. Marketing environmental scans are conducted routinely by marketers to _____.
A. gather data
B. see what the competition is doing
C. brainstorm
D. ensure that products stay relevant to the consumer

Marketing environment scans are conducted routinely by marketers to ensure that products stay relevant, are engaging, and resonate with consumers.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-07 List the steps in an environmental scan.
Topic: 02-08 Regulatory Forces

116. A marketing environmental scan will often be conducted _____.
A. annually
B. monthly
C. every quarter year
D. every 2 years

A marketing environmental scan will often be conducted annually as part of the marketing planning process.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Moderate
Learning Objective: 02-07 List the steps in an environmental scan.
Topic: 02-08 Regulatory Forces

Marketing The Core (Canadian) 5th edition Kerin Test Bank

117. How many steps are in an environmental scan?
A. 12 steps
B. 6 steps
C. 8 steps
D. 3 steps

There are three steps in an environmental scan.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-07 List the steps in an environmental scan.
Topic: 02-08 Regulatory Forces

118. The starting point of an environmental scan is?
A. Conduct competitive reviews
B. Cluster the information into facts
C. Brainstorm on marketing ideas
D. Gather data and information

Step one is to gather facts and trends.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Moderate
Learning Objective: 02-07 List the steps in an environmental scan.
Topic: 02-08 Regulatory Forces

119. How many factors are there in an environmental scan?
A. 3
B. 6
C. 7
D. 10

There are six factors in an environmental scan.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-07 List the steps in an environmental scan.
Topic: 02-08 Regulatory Forces

Marketing The Core (Canadian) 5th edition Kerin Test Bank

120. Why should marketers be aware of changes and developments in each area of a marketing environment scan?
A. to determine where and when further analyses are needed
B. to go where a company should be directing their energies
C. to understand what a company needs to do
D. to get ahead of their competitors

Marketers should be aware of changes and developments in each area of a marketing environment scan so that it is easier to determine when and where further analyses are needed.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-07 List the steps in an environmental scan.
Topic: 02-08 Regulatory Forces

Short Answer Questions

121. Explain the purpose of conducting a SWOT analysis.

SWOT analysis is performed to assess how well a company is servicing its business and target consumers by assessing an organization's internal strengths and weaknesses, as well as its external opportunities and threats.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-07 List the steps in an environmental scan.
Topic: 02-08 Regulatory Forces

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122. Pick a company of your choice and conduct a SWOT analysis.

The students have to select a company of their choice and perform SWOT analysis to identify the strengths, weaknesses, opportunities, and threats. Student answers will vary for this question. Typically, students will initially struggle with the difference between internal and external factors.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-07 List the steps in an environmental scan.
Topic: 02-08 Regulatory Forces

123. Briefly explain the main generational groups of consumers that marketers consider.

Baby boomers are the main reason for the greying of North America. During the baby boom (between 1946 and 1965), families had an average of 4 children versus the current average of 1.54. Generation X is the group of people born after the baby boomers, between 1966 and 1980. Generation Y is the group of people born between 1981 and 2000. These are mostly children of baby boomers, and are also referred to as the echo boom or millennials. Generation Z is the group of people born in 2001 and beyond. They have grown up with the Internet, and as pioneers of social media are considered the most disruptive of the generations.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-03 Demographic Forces

124. Explain big city dwelling in Canada.

Canada is one of the most urbanized nations in the world. Most Canadians live in urban areas or their suburbs. Statistics indicate that cities are growing much more quickly than rural areas, which lag behind the rest of the country in growth rates.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-04 Socio-cultural Forces

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125. Explain the types of non-traditional families that a marketer is faced with in modern times.

Family size has decreased, with families having one or two children versus three or four (or more) in previous generations. The structure of the family has also changed, with evidence of more common-law relationships, single-parent families, and blended families. Over the last few years, same-sex marriages have also surfaced.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-03 Demographic Forces

126. What are socio-cultural forces?

Socio-cultural forces refer to cultural values, ideas, and attitudes that are learned and shared among a group of people. This also includes society's morals and beliefs and is demonstrated through behaviour common among the socio-cultural group.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-03 Outline the current demographic and socio-cultural influences that affect marketing approaches.
Topic: 02-04 Socio-cultural Forces

127. Consider an industry of your choice. Explain how macroeconomic forces affect that industry.

Macroeconomic forces refer to the state of a country's economy as a whole. A country's key economic indicators are its inflation rate, its unemployment rate, and its economic growth rate. Students should consider the impact of these factors in the industry that they have selected. Student answers will vary for this question.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-04 Explain how changes in the economic environment influence consumer purchase behaviour.
Topic: 02-05 Economic Forces

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128. Explain the concepts of recession and inflation.

One key economic indicator is inflation, a period when the cost to produce and buy products and services gets higher as prices rise. A recession is a time of slow economic activity with two consecutive periods of negative growth. During recessions, production levels decline, unemployment levels rise, and many consumers have less money to spend.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-04 Explain how changes in the economic environment influence consumer purchase behaviour.
Topic: 02-05 Economic Forces

129. Compare and contrast microeconomic forces with macroeconomic forces.

Macroeconomic forces refer to the state of a country's economy as a whole. It affects many firms. Microeconomic forces directly refer to the supply of and demand for goods and services and how supply and demand are affected by individual, household, and company decisions to purchase. Microeconomic forces could be specific to single company. It refers to aspects such as consumer buying power.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-04 Explain how changes in the economic environment influence consumer purchase behaviour.
Topic: 02-05 Economic Forces

130. Compare and contrast direct competitors and indirect competitors.

Any changes made by a major competitor in the areas of product, price, place, and promotion are routinely noted and detailed analyses are conducted to determine the impact on business results. These head-to-head competitors are called direct competitors and refer to very similar products sold in the same category. Indirect competitors are those products that compete for the same buying dollar but in a slightly different category.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-06 Describe the different forms of competition and the regulatory forces that shape the marketing industry.
Topic: 02-06 Technological Forces

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131. Predict the future: what new technology is likely to impact our lives in the next 5 years? How will it affect the way specific consumers live their daily lives?

The challenge is to keep current with changes in technology and then to consider how those changes will ripple through society. Good examples include the way mobile devices have changed not only communication but also purchase behavior.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-05 Discuss the technological developments shaping current marketing practices.
Topic: 02-06 Technological Forces

132. Describe the areas under which Ad Standards Canada (ASC) encourages truth in advertising

AdStandards Canada (ASC) encourages truth in advertising through a Code that provides guidelines under these areas: (1) Accuracy and clarity (2) Disguised advertising techniques (3) Price claims (4) Bait and switch (5) Guarantees (6) Comparative advertising (7) Testimonials (8) Professional or scientific claims (9) Imitation (10) Safety (11) Superstition and fears (12) Advertising to children (13) Advertising to minors (14) Unacceptable depictions and portrayal

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-06 Describe the different forms of competition and the regulatory forces that shape the marketing industry.
Topic: 02-08 Regulatory Forces

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133. Explain the role of the Canadian Radio-television and Telecommunications Commission.

The Canadian Radio-television and Telecommunications Commission (CRTC) is a government agency that sets guidelines and enforces a clear set of regulations on Canadian businesses. It administers the Broadcasting Act and Telecommunications Act, among others, setting guidelines for broadcast standards. It also adjudicates on the ownership of media companies to ensure that monopolies do not exist and approves broadcast licences for TV and radio stations. It also sets guidelines on the broadcast of Canadian content and sets the number of minutes of advertising permitted hourly on TV.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-06 Describe the different forms of competition and the regulatory forces that shape the marketing industry.
Topic: 02-08 Regulatory Forces

134. Briefly describe the role of Ad Standards of Canada (ASC).

ASC is a self-regulatory non-government association run by advertising, media and marketing professionals with the purpose of setting and regulating standards of professional practice in the advertising industry. The industry has agreed to abide by its leadership, code, process, and rulings. Ad Standards Canada sets and regulates advertising guidelines, monitored through a consumer complaint process. A single complaint will trigger a review of advertising places in the Canadian media, what the eventual withdrawal of the ad if changes are required and need to be made. The ASC also provides advice and pre-clearance services for advertisers.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Learning Objective: 02-06 Describe the different forms of competition and the regulatory forces that shape the marketing industry.
Topic: 02-08 Regulatory Forces

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135. Illustrate the significance of PIPEDA guidelines in an online environment.

PIPEDA signify privacy guidelines for an online environment. In an online environment, privacy policies must be clearly posted on all websites and detail what personal information is collected, how it is collected, how it is used and protected, whether information is disclosed to outside parties, and whether the company complies with Canadian privacy legislation and anti-spam laws. The policy needs to be honest, clear, and regularly reviewed.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Moderate
Learning Objective: 02-06 Describe the different forms of competition and the regulatory forces that shape the marketing industry.
Topic: 02-08 Regulatory Forces

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