Essentials of Marketing A Marketing Strategy Planning Approach 15th edition Perreault Test Bank

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Chapter 02 Marketing Strategy Planning Answer Key

True / False Questions

1. Planning, implementation, and control are basic jobs of all managers.

   Answer: TRUE

   Feedback: In the marketing management process, planning, implementation, and control are basic jobs of all marketing managers.

AACSB: Analytical Thinking
AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-1
Level of Difficulty: 1 Easy
Topic: The Management Job in Marketing

2. Controlling the marketing plan is the first step of the marketing management process.

   Answer: FALSE

   Feedback: Controlling marketing plans is the final step of the marketing management process. It involves measuring results and evaluating progress of plans after they have been devised and implemented.

AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 2-1
Level of Difficulty: 1 Easy
Topic: The Management Job in Marketing

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3. The three basic jobs in the marketing management process are planning, implementation, and control.

Answer: TRUE

Feedback: The marketing management process is the process of (1) planning marketing activities, (2) directing the implementation of the plans, and (3) controlling these plans.

AACSB: Analytical Thinking
AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-1
Level of Difficulty: 1 Easy
Topic: The Management Job in Marketing

4. The marketing management process consists of (1) planning marketing activities, (2) directing the implementation of the plans, and (3) controlling these plans.

Answer: TRUE

Feedback: The marketing management process is the process of (1) planning marketing activities, (2) directing the implementation of the plans, and (3) controlling these plans.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-1
Level of Difficulty: 1 Easy
Topic: The Management Job in Marketing

5. Strategic planning is a top management job that includes planning only for marketing.

Answer: FALSE

Feedback: Strategic planning includes planning not only for marketing but also for production, finance, human resources, and other areas.

AACSB: Analytical Thinking

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Blooms: Remember
Learning Objective: 2-1
Level of Difficulty: 1 Easy
Topic: The Management Job in Marketing

6. Strategic planning is the managerial process of developing and maintaining a match between an organization's resources and its market opportunities.

Answer: TRUE

Feedback: Strategic planning is the managerial process of developing and maintaining a match between an organization's resources and its market opportunities. It includes planning not only for marketing but also for production, finance, human resources, and other areas.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-1
Level of Difficulty: 1 Easy
Topic: The Management Job in Marketing

7. Strategic (management) planning is a managerial process of developing and maintaining a match between the resources of the production department and its product opportunities.

Answer: FALSE

Feedback: Strategic planning is the managerial process of developing and maintaining a match between an organization's resources and its market opportunities.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-1
Level of Difficulty: 1 Easy
Topic: The Management Job in Marketing

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8. Finding attractive opportunities and developing profitable marketing strategies are the tasks included in the marketing manager's marketing strategy planning job.

Answer: TRUE

Feedback: The marketing manager's marketing strategy planning job involves finding attractive opportunities and developing profitable marketing strategies.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-2
Level of Difficulty: 1 Easy
Topic: What is a Marketing Strategy?

9. Marketing strategy planning is the process of deciding how best to sell the products the firm produces.

Answer: FALSE

Feedback: Marketing strategy planning means finding attractive opportunities and developing profitable marketing strategies.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-2
Level of Difficulty: 1 Easy
Topic: What is a Marketing Strategy?

10. A marketing strategy specifies a target market and a related marketing mix.

Answer: TRUE

Feedback: A marketing strategy specifies a target market and a related marketing mix. It is a broad view of what a firm will do in some market.

AACSB: Analytical Thinking
Blooms: Remember

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Learning Objective: 2-2
Level of Difficulty: 1 Easy
Topic: What is a Marketing Strategy?

11. A marketing strategy is composed of two interrelated parts-a target market and a marketing mix.

Answer: TRUE

Feedback: The two interrelated parts that make up a marketing mix are (1) target market, and (2) marketing mix.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-2
Level of Difficulty: 1 Easy
Topic: What is a Marketing Strategy?

12. A marketing strategy is composed of two interrelated parts-planning and implementation.

Answer: FALSE

Feedback: A marketing strategy is composed of two interrelated parts-a target market and a marketing mix.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-2
Level of Difficulty: 1 Easy
Topic: What is a Marketing Strategy?

13. The two parts of a marketing strategy are an attractive opportunity and a target market.

Answer: FALSE

Feedback: A marketing strategy is composed of two interrelated parts-a target market and a marketing mix.

AACSB: Analytical Thinking

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Blooms: Remember
Learning Objective: 2-2
Level of Difficulty: 1 Easy
Topic: What is a Marketing Strategy?

14. A target market consists of a group of consumers who are usually quite different.

Answer: FALSE

Feedback: A target market consists of a fairly homogeneous group of customers.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-2
Level of Difficulty: 1 Easy
Topic: What is a Marketing Strategy?

15. A marketing mix consists of the uncontrollable variables which a company puts together to satisfy a target market.

Answer: FALSE

Feedback: A marketing mix is the set of controllable variables that a company puts together to satisfy a target group.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-2
Level of Difficulty: 1 Easy
Topic: What is a Marketing Strategy?

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16. Target marketing aims a marketing mix at some specific target customers.

Answer: TRUE

Feedback: Target marketing aims a marketing mix at some specific target customers.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-3
Level of Difficulty: 1 Easy
Topic: Selecting a Market-Oriented Strategy is Target Marketing

17. Mass marketing means focusing on some specific customers, as opposed to assuming that everyone is the same and will want whatever the firm offers.

Answer: FALSE

Feedback: Mass marketing vaguely aims at everyone with the same marketing mix. It assumes that everyone is the same—and it considers everyone a potential customer.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-3
Level of Difficulty: 1 Easy
Topic: Selecting a Market-Oriented Strategy is Target Marketing

18. The mass marketing approach is more production-oriented than marketing-oriented.

Answer: TRUE

Feedback: Mass marketing is the typical production-oriented approach that vaguely aims at everyone with the same marketing mix.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-3
Level of Difficulty: 1 Easy
Topic: Selecting a Market-Oriented Strategy is Target Marketing

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19. The terms mass marketing and mass marketers mean the same thing.

Answer: FALSE

Feedback: Mass marketing means trying to sell to everyone, whereas mass marketers aim at clearly defined target markets.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-3
Level of Difficulty: 2 Medium
Topic: Selecting a Market-Oriented Strategy is Target Marketing

20. "Mass marketers" like Target usually try to aim at clearly defined target markets.

Answer: TRUE

Feedback: Unlike mass marketing, which aims at trying to sell to everyone, mass marketers aim at clearly defined target markets.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-3
Level of Difficulty: 1 Easy
Topic: Selecting a Market-Oriented Strategy is Target Marketing

21. The problem with target marketing is that it limits the firm to small market segments.

Answer: FALSE

Feedback: Target marketing is not limited to small market segments, only to fairly homogeneous ones.

AACSB: Analytical Thinking
Blooms: Understand
Learning Objective: 2-3
Level of Difficulty: 1 Easy

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Topic: Selecting a Market-Oriented Strategy is Target Marketing

22. Potential customers are all alike.

Answer: FALSE

Feedback: Mass marketing assumes that everyone is the same and considers everyone a potential customer.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-3
Learning Objective: 2-7
Level of Difficulty: 1 Easy
Topic: Marketing Strategy Planning Highlights Opportunities
Topic: Selecting a Market-Oriented Strategy is Target Marketing

23. The basic reason to focus on some specific target customers instead of all possible customers is so that managers can develop a marketing mix that satisfies those customers' specific needs better than they are satisfied by some other firm.

Answer: TRUE

Feedback: Since everyone is different, marketers need to focus efforts on some specific target customers instead of all customers. Target marketing allows marketers to develop a marketing mix that satisfies the needs of select consumers.

AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-3
Level of Difficulty: 1 Easy
Topic: Selecting a Market-Oriented Strategy is Target Marketing

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24. The four "Ps" are: Product, Promotion, Price, and Personnel.

Answer: FALSE

Feedback: The four "Ps" in a firm's marketing mix are: Product, Price, Place, and Promotion.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

25. The "four Ps" of the marketing mix are: Product, Position, Promotion, and Price.

Answer: FALSE

Feedback: The four "Ps" in a firm's marketing mix are: Product, Price, Place, and Promotion.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

26. The "four Ps" of the marketing mix are: People, Products, Price, and Promotion.

Answer: FALSE

Feedback: The four "Ps" in a firm's marketing mix are: Product, Price, Place, and Promotion.

AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

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27. Product, Place, Promotion, and Price are the four major variables (decision areas) in a firm's marketing mix.

Answer: TRUE

Feedback: Product, Place, Promotion, and Price are the four important variables in a firm's marketing mix.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

28. The customer is a part of the marketing mix and should be the target of all marketing efforts.

Answer: FALSE

Feedback: The customer is the target of all marketing efforts, and is not part of the marketing mix.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 2 Medium
Topic: Developing Marketing Mixes for Target Markets

29. Although the customer should be the target of all marketing efforts, customers are not part of a marketing mix.

Answer: TRUE

Feedback: The customer is not part of the marketing mix, but instead the focus of all marketing efforts.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-4

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Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

30. The customer should not be considered part of a "marketing mix."

Answer: TRUE

Feedback: The customer is not part of the marketing mix, but instead the focus of all marketing efforts.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

31. The Product area is concerned with developing the right physical good, service, or blend of both for the target market.

Answer: TRUE

Feedback: The Product area is concerned with developing the right product for the target market. This offering may involve a physical good, a service, or a blend of both.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

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32. According to the text, a firm that sells a service rather than a physical good does not have a product.

Answer: FALSE

Feedback: The Product area is concerned with developing the right product, which may involve a physical good, a service, or both.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

33. The Product area of the marketing mix may involve a service and/or a physical good, which satisfies some customers' needs.

Answer: TRUE

Feedback: The Product area is concerned with developing the right product, which may involve a physical good, a service, or both.

AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

34. The Place decisions are concerned with getting the right product to the target market at the right time.

Answer: TRUE

Feedback: Place is concerned with all the decisions involved in getting the right product to the target market at the right time. A product isn't much good to a customer if it isn't available when and where it's wanted.

AACSB: Reflective Thinking

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Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

35. Any series of firms (or individuals) from producer to final user or consumer is a channel of distribution.

Answer: TRUE

Feedback: A channel of distribution is any series of firms (or individuals) that participate in the flow of products from producer to final user or consumer.

AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

36. A channel of distribution is any series of firms or individuals that participate in the flow of products from producer to final user or consumer.

Answer: TRUE

Feedback: A channel of distribution is any series of firms (or individuals) that participate in the flow of products from producer to final user or consumer.

AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

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37. A channel of distribution must include an intermediary.

Answer: FALSE

Feedback: A channel of distribution is any series of firms (or individuals) that participate in the flow of products from producer to final user or consumer. It may or may not include an intermediary depending on the industry and type of products offered.

AACSB: Analytical Thinking
AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

38. A channel of distribution must include several kinds of intermediaries and collaborators.

Answer: FALSE

Feedback: A channel of distribution is any series of firms (or individuals) that participate in the flow of products from producer to final user or consumer. It may or may not include an intermediary depending on the industry and type of products offered.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

39. Personal selling, mass selling, and sales promotion are all included in the Promotion area of the marketing mix.

Answer: TRUE

Feedback: Promotion includes personal selling, mass selling, and sales promotion. It is the marketing manager's job to blend these methods of communication.

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AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

40. Promotion is composed of personal selling, advertising, publicity, and sales promotion.

Answer: TRUE

Feedback: Promotion includes personal selling, mass selling (advertising, and publicity), and sales promotion. It is the marketing manager's job to blend these methods of communication.

AACSB: Analytical Thinking
AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

41. Personal selling involves direct personal communication to get the sale, but personal attention is seldom required after the sale.

Answer: FALSE

Feedback: Personal selling involves direct spoken communication between sellers and potential customers. Such sales often require personal attention even after the sale is made.

AACSB: Analytical Thinking
AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

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42. Customer service is needed when a customer wants the seller to resolve a problem with a purchase.

Answer: TRUE

Feedback: Customer service is personal communication between a seller and a customer who wants the seller to resolve a problem with a purchase.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

43. Advertising is any paid form of nonpersonal presentation of ideas, goods, or services by an identified sponsor.

Answer: TRUE

Feedback: Advertising refers to any paid form of nonpersonal presentation of ideas, goods, or services by an identified sponsor.

AACSB: Reflective ThinkingBlooms: Remember
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

44. Sales promotion can involve point-of-purchase materials, store signs, contests, catalogs, and circulars.

Answer: TRUE

Feedback: Sales promotion refers to those promotion activities that stimulate interest, trial, or purchase by final customers or others in the channel. This includes use of coupons, point-of-purchase materials, samples, signs, contests, events, catalogs, novelties, and circulars.

AACSB: Reflective Thinking
Blooms: Remember

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Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

45. Sales promotion refers to those promotion activities-other than advertising, publicity, and personal selling-that stimulate interest, trial, or purchase by final customers or others in the channel.

Answer: TRUE

Feedback: Sales promotion refers to those promotion activities other than advertising, publicity, and personal selling that stimulate interest, trial, or purchase by final customers or others in the channel.

AACSB: Analytical Thinking
AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 2 Medium
Topic: Developing Marketing Mixes for Target Markets

46. Personal selling and advertising are both forms of sales promotion.

Answer: FALSE

Feedback: Sales promotion refers to those promotion activities other than advertising, publicity, and personal selling those stimulate interest, trial, or purchase. Therefore, neither personal selling nor advertising is a form of sales promotion.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

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47. According to the text, Promotion is the most important of the "four Ps."

Answer: FALSE

Feedback: No single element of the marketing mix is more important another. All four are equally important.

AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

48. Price is the most important of the four Ps.

Answer: FALSE

Feedback: No single element of the marketing mix is more important than another. All four are equally important.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

49. In general, no single element of the "four Ps" is more important than the others.

Answer: TRUE

Feedback: No single element of the marketing mix is more important than the other. All four are equally important.

AACSB: Analytical Thinking
Blooms: Create
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

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50. The marketing mix should be set before the best target market is selected.

Answer: FALSE

Feedback: Selecting a target market and developing a marketing mix are interrelated. Both parts of a marketing strategy must be decided together.

AACSB: Analytical Thinking
Blooms: Understand
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

51. As in the Toddler University case, the needs of a target market virtually determine the nature of an appropriate marketing mix.

Answer: TRUE

Feedback: The Toddler University case shows how the needs of a target market, in this case the attentive parents target market, determine the nature of an appropriate marketing mix.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

52. A marketing plan and a marketing strategy mean the same thing.

Answer: FALSE

Feedback: A marketing strategy is a big picture of what a firm will do in some market. A marketing plan is a written statement of a marketing strategy.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-5
Level of Difficulty: 1 Easy

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Topic: The Marketing Plan is a Guide to Implementation and Control

53. A marketing strategy and all the time-related details for carrying out the strategy is a "marketing plan."

Answer: TRUE

Feedback: A marketing plan is a written statement of a marketing strategy and the time-related details for carrying out the strategy.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-5
Level of Difficulty: 1 Easy
Topic: The Marketing Plan is a Guide to Implementation and Control

54. A marketing plan is a written statement of a marketing strategy and the time-related details for carrying out the strategy.

Answer: TRUE

Feedback: A marketing plan is a written statement of a marketing strategy and the time-related details for carrying out the strategy.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-5
Level of Difficulty: 1 Easy
Topic: The Marketing Plan is a Guide to Implementation and Control

55. Implementation means putting the marketing plan into operation.

Answer: TRUE

Feedback: Implementation refers to putting marketing plans into operation.

AACSB: Analytical Thinking
Blooms: Remember

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Learning Objective: 2-5
Level of Difficulty: 1 Easy
Topic: The Marketing Plan is a Guide to Implementation and Control

56. Short-run decisions that stay within the overall guidelines set during strategy planning are called implementation decisions.

Answer: FALSE

Feedback: Operational decisions refer to short-run decisions that stay within the guidelines set down during strategy planning made to help implement strategies.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-5
Level of Difficulty: 1 Easy
Topic: The Marketing Plan is a Guide to Implementation and Control

57. Marketing strategy planning should specify all of the operational decisions to implement the plan.

Answer: FALSE

Feedback: Operational decisions should stay within the guidelines set down during strategy planning but operational decisions are made regularly, sometimes daily, and should not be confused with planning strategy.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-5
Level of Difficulty: 1 Easy
Topic: The Marketing Plan is a Guide to Implementation and Control

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58. Companies such as Campbell's can only implement one marketing strategy at a time.

Answer: FALSE

Feedback: Campbell's has developed different soups that are targeted to the specific needs of different target markets. The marketing plan for each type of soup is different, and fits into its overall marketing program.

AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 2-5
Level of Difficulty: 1 Easy
Topic: The Marketing Plan is a Guide to Implementation and Control

59. Most companies implement only one marketing strategy at a time.

Answer: FALSE

Feedback: Most companies implement more than one marketing strategy, and related marketing plan, at the same time. One such company is Procter and Gamble.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-5
Level of Difficulty: 2 Medium
Topic: The Marketing Plan is a Guide to Implementation and Control

60. A marketing program blends all of the firm's marketing plans into one "big" plan and is the responsibility of the whole company.

Answer: TRUE

Feedback: A marketing program blends all of the firm's marketing plans into one "big" plan. Its success is based on the care that goes into planning individual strategies.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-5

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Essentials of Marketing A Marketing Strategy Planning Approach 15th edition Perreault Test Bank

Level of Difficulty: 1 Easy
Topic: The Marketing Plan is a Guide to Implementation and Control

61. A "marketing program" blends all of a firm's marketing plans into one "big" plan.

Answer: TRUE

Feedback: A marketing program blends all of the firm's marketing plans into one "big" plan. Its success is based on the care that goes into planning individual strategies.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-5
Level of Difficulty: 1 Easy
Topic: The Marketing Plan is a Guide to Implementation and Control

62. A marketing program may consist of several marketing plans.

Answer: TRUE

Feedback: A marketing program blends a firm's various marketing plans into one combined plan.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-5
Level of Difficulty: 1 Easy
Topic: The Marketing Plan is a Guide to Implementation and Control

63. A successful marketing program benefits the firm by increasing customer equity.

Answer: TRUE

Feedback: Customer equity is the expected earnings stream of a firm's current and prospective customers over a period of time. A successful marketing program is expected to identify opportunities that will lead to an increase in a firm's customer equity.

AACSB: Analytical Thinking

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AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-5
Level of Difficulty: 1 Easy
Topic: The Marketing Plan is a Guide to Implementation and Control

64. Customer lifetime value represents the total stream of purchase a customer could contribute to the company over the life of the relationship.

Answer: TRUE

Feedback: Customer lifetime value represents the total stream of purchase a customer could contribute to the company over the life of the relationship.

AACSB: Analytical Thinking
Blooms: Understand
Learning Objective: 2-6
Level of Difficulty: 1 Easy
Topic: Recognizing Customer Lifetime Value and Customer Equity

65. One way to increase customer equity is to find cost-effective ways to serve current customers so they buy more.

Answer: TRUE

Feedback: Increasing customer equity requires marketing managers to place an emphasis on long-term profits. This includes finding cost-effective ways to serve current customers so they buy more in the future.

AACSB: Analytical Thinking
AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-6
Level of Difficulty: 1 Easy
Topic: Recognizing Customer Lifetime Value and Customer Equity

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66. One way to increase customer equity is to find cost-effective ways to add new customers for the firm's products.

Answer: TRUE

Feedback: Increasing customer equity requires marketing managers to place an emphasis on long-term profits. This means that marketing strategies can focus on attracting new customers using cost-effective methods.

AACSB: Analytical Thinking
AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-6
Level of Difficulty: 1 Easy
Topic: Recognizing Customer Lifetime Value and Customer Equity

67. The best way to increase customer equity is to find cost-effective ways to increase earnings from current customers while bringing profitable new customers into the fold.

Answer: TRUE

Feedback: Increasing customer equity requires marketing managers to place an emphasis on long-term profits. To achieve this, marketing strategies can focus on attracting new customers as well as retaining and growing current customers.

AACSB: Analytical Thinking
AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-6
Level of Difficulty: 1 Easy
Topic: Recognizing Customer Lifetime Value and Customer Equity

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68. The customer equity approach guides the marketing manager to make marketing decisions that enhance the firm's short-term profits—just for the next quarter or year.

Answer: FALSE

Feedback: The customer equity approach guides the marketing manager to make marketing decisions that enhance the firm's long-term profits—not just for the next quarter or year. By estimating the impacts that different marketing strategies and marketing programs have on customer equity, a firm can make marketing decisions with long-run financial implications in mind.

AACSB: Analytical Thinking
Blooms: Understand
Learning Objective: 2-6
Level of Difficulty: 2 Medium
Topic: Recognizing Customer Lifetime Value and Customer Equity

69. Enhancing customer value by increasing their purchases is a potential source of new revenue.

Answer: TRUE

Feedback: Acquiring new customers, retaining current customers, and enhancing the customer value by increasing their purchases are potential sources of new revenue.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-6
Level of Difficulty: 2 Medium
Topic: Recognizing Customer Lifetime Value and Customer Equity

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70. An extremely good plan might be carried out badly and still produce profits, while a poor but well implemented plan can lose money.

Answer: TRUE

Feedback: Marketing strategy planning is an important concept. An extremely good plan might be carried out badly and still be profitable, while a poor but well implemented plan can lose money.

AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 2-6
Level of Difficulty: 2 Medium
Topic: The Importance of Marketing Strategy Planning

71. The U.S. auto industry has become much more marketing-oriented since Henry Ford introduced the Model T.

Answer: TRUE

Feedback: Henry Ford revolutionized the auto industry when he built an assembly line to produce the Model T. The line helped him make cars for much less than his competitors, and the pricing appealed to a large section of the market.

AACSB: Analytical Thinking
Blooms: Understand
Learning Objective: 2-6
Level of Difficulty: 1 Easy
Topic: The Importance of Marketing Strategy Planning

72. Many U.S. automakers have failed because they were not marketing oriented.

Answer: TRUE

Feedback: Ford and other U.S. automakers struggled due to the lack of a competitive marketing strategy that could appeal to customers.

AACSB: Analytical Thinking

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Blooms: Understand
Learning Objective: 2-6
Level of Difficulty: 1 Easy
Topic: The Importance of Marketing Strategy Planning

73. Managers who embrace the marketing concept realize that they cannot just define their line of business in terms of the products they currently produce or sell.

Answer: TRUE

Feedback: An industry must learn to be more marketing oriented and cannot just define its business in terms of the products they buy or sell.

AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 2-6
Level of Difficulty: 1 Easy
Topic: The Importance of Marketing Strategy Planning

74. The single most important factor in screening possible marketing opportunities is the long-run trends facing the company.

Answer: FALSE

Feedback: Attractive opportunities for a given firm are those that the firm has some chance of exploiting given its resources and objectives. An opportunity that is attractive for one firm may not be attractive for another.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-7
Level of Difficulty: 1 Easy
Topic: What are Attractive Opportunities?

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75. Attractive opportunities for a particular firm are those that the firm has some chance of doing something about-given its resources and objectives.

Answer: TRUE

Feedback: Attractive opportunities for a given firm are those that the firm has some chance of exploiting given its resources and objectives.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-7
Level of Difficulty: 1 Easy
Topic: What are Attractive Opportunities?

76. A "breakthrough opportunity" is an opportunity that helps innovators develop long-term, hard-to-copy marketing strategies that will be very profitable.

Answer: TRUE

Feedback: Breakthrough opportunities are opportunities that help innovators develop hard-to-copy marketing strategies that will be very profitable for a long time.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-7
Level of Difficulty: 1 Easy
Topic: What are Attractive Opportunities?

77. "Breakthrough opportunities" are ones that help innovators develop hard-to-copy marketing strategies that will be profitable for a long time.

Answer: TRUE

Feedback: Breakthrough opportunities are opportunities that help innovators develop hard-to-copy marketing strategies that will be very profitable for a long time.

AACSB: Analytical Thinking
Blooms: Remember

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Learning Objective: 2-7
Level of Difficulty: 1 Easy
Topic: What are Attractive Opportunities?

78. A firm with a "competitive advantage" has a marketing mix that the target market sees as better than a competitor's mix.

Answer: TRUE

Feedback: Competitive advantage means that a firm has a marketing mix that the target market sees as better than a competitor's mix.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-7
Level of Difficulty: 1 Easy
Topic: What are Attractive Opportunities?

79. Finding "competitive advantages" is important because they are needed for survival in increasingly competitive markets.

Answer: TRUE

Feedback: Even if a firm can't find a breakthrough opportunity, it should try to obtain a competitive advantage to increase its chances for profit or survival.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-7
Level of Difficulty: 1 Easy
Topic: What are Attractive Opportunities?

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80. It is useful to think of the marketing strategy planning process as a narrowing-down process.

Answer: TRUE

Feedback: The marketing strategy planning process narrows down from broad opportunities to specific strategy.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-7
Level of Difficulty: 1 Easy
Topic: Marketing Strategy Planning Process Highlights Opportunities

81. The marketing strategy planning process starts with a narrow look at a market, and becomes broader the closer the firm comes to developing a marketing mix.

Answer: FALSE

Feedback: The marketing strategy planning process starts with a broad look at a market and narrows down towards specific strategy such as marketing mixes.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-7
Level of Difficulty: 1 Easy
Topic: Marketing Strategy Planning Process Highlights Opportunities

82. There are usually more different strategy possibilities than a firm can pursue.

Answer: TRUE

Feedback: There are usually more different opportunities and strategy possibilities than a firm can pursue-each with its own advantages and disadvantages.

AACSB: Analytical Thinking
Blooms: Understand
Learning Objective: 2-7
Level of Difficulty: 1 Easy
Topic: Marketing Strategy Planning Process Highlights Opportunities

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83. Developing a set of specific qualitative and quantitative screening criteria can help a manager define in which business and markets the firm wants to compete.

Answer: TRUE

Feedback: Developing a set of specific qualitative and quantitative screening criteria can help a manager define in which business and markets the firm wants to compete. This can be derived from an analysis of the company's objectives and resources.

AACSB: Analytical Thinking
Blooms: Understand
Learning Objective: 2-7
Level of Difficulty: 1 Easy
Topic: Marketing Strategy Planning Process Highlights Opportunities

84. A S.W.O.T. analysis is one way to zero in on a marketing strategy that is well-suited to the firm.

Answer: TRUE

Feedback: With a S.W.O.T. analysis, a marketing manager can begin to identify strategies that take advantage of the firm's strengths and opportunities while avoiding weaknesses and threats.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-7
Level of Difficulty: 1 Easy
Topic: Marketing Strategy Planning Process Highlights Opportunities

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85. A S.W.O.T. analysis identifies the "special weapons or tactics" used by the competitor in a product-market that has the most profitable marketing mix.

Answer: FALSE

Feedback: S.W.O.T. analysis is one that identifies and lists the firm's strengths, weaknesses, opportunities, and threats.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-7
Level of Difficulty: 1 Easy
Topic: Marketing Strategy Planning Process Highlights Opportunities

86. S.W.O.T. analysis is based on the idea that one of the best ways to develop a strategy is to identify and copy the marketing "strategies, weapons, outlook, and tactics" of the firm's most effective competitor.

Answer: FALSE

Feedback: S.W.O.T. analysis is one that identifies and lists the firm's strengths, weaknesses, opportunities, and threats. A marketing manager can begin to identify strategies that take advantage of the firm's strengths and opportunities while avoiding weaknesses and threats.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-7
Level of Difficulty: 1 Easy
Topic: Marketing Strategy Planning Process Highlights Opportunities

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87. A good S.W.O.T. analysis helps a manager focus on a strategy that takes advantages of the firm's opportunities and strengths while avoiding its weaknesses and threats to its success.

Answer: TRUE

Feedback: S.W.O.T. analysis helps a marketing manager identify strategies that take advantage of the firm's strengths and opportunities while avoiding weaknesses and threats.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-7
Level of Difficulty: 1 Easy
Topic: Marketing Strategy Planning Process Highlights Opportunities

88. The letters in "S.W.O.T. analysis" are an abbreviation for the first letters of the words "strengths, weaknesses, opportunities, and threats."

Answer: TRUE

Feedback: The name S.W.O.T. is simply an abbreviation for the first letters in the words strengths, weaknesses, opportunities, and threats.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-7
Level of Difficulty: 1 Easy
Topic: Marketing Strategy Planning Process Highlights Opportunities

89. The letters in "S.W.O.T. analysis" are an abbreviation for the first letters of the words "special weapons or tactics."

Answer: FALSE

Feedback: The name S.W.O.T. is simply an abbreviation for the first letters in the words strengths, weaknesses, opportunities, and threats.

AACSB: Analytical Thinking

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Blooms: Remember
Learning Objective: 2-7
Level of Difficulty: 1 Easy
Topic: Marketing Strategy Planning Process Highlights Opportunities

90. Segmentation is the process a manager goes through to decide which subgroups of customers to select.

Answer: TRUE

Feedback: Segmentation is the reason why manager may decide to serve some subgroups of customers and not others.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-7
Level of Difficulty: 1 Easy
Topic: Marketing Strategy Planning Process Highlights Opportunities

91. Differentiation means that the marketing mix is distinct from and better than what is available from a competitor.

Answer: TRUE

Feedback: Differentiation means that the marketing mix of a firm is distinct from what is available with a competitor.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-7
Level of Difficulty: 1 Easy
Topic: Marketing Strategy Planning Process Highlights Opportunities

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92. Differentiation means that the firm's marketing mix is similar to its competitors' mixes.

Answer: FALSE

Feedback: Differentiation means that the marketing mix of a firm is distinct from what is available with a competitor.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-7
Level of Difficulty: 1 Easy
Topic: Marketing Strategy Planning Process Highlights Opportunities

93. Differentiation often requires a firm to fine-tune its marketing mix to meet the specific needs of its target market(s).

Answer: TRUE

Feedback: Differentiation often requires that the firm fine-tune all of the elements of its marketing mix to the specific needs of a distinctive target market.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-7
Level of Difficulty: 1 Easy
Topic: Marketing Strategy Planning Process Highlights Opportunities

94. Differentiation emphasizes uniqueness rather than similarity.

Answer: TRUE

Feedback: Differentiation should emphasize the differences so target customers will think of the firm as being in a unique position to meet their needs.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-7
Level of Difficulty: 1 Easy

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Topic: Marketing Strategy Planning Process Highlights Opportunities

95. Differentiation emphasizes similarity rather than uniqueness.

Answer: FALSE

Feedback: Differentiation should emphasize the differences so target customers will think of the firm as being in a unique position to meet their needs.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-7
Level of Difficulty: 1 Easy
Topic: Marketing Strategy Planning Process Highlights Opportunities

96. The external market environment doesn't play a role in the marketing strategy planning process because it exists outside of the company.

Answer: FALSE

Feedback: While the external market environment is outside of the company, it is comprised of trends and forces that can make a potential marketing opportunity more or less attractive or likely to succeed.

AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 2-7
Level of Difficulty: 2 Medium
Topic: Marketing Strategy Planning Process Highlights Opportunities

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97. It is useful to think of the marketing strategy planning process as a process that begins with a narrow focus but then broadens to embrace unlimited opportunities and options.

Answer: FALSE

Feedback: It is useful to think of the marketing strategy planning process as a narrowing-down process. The process begins with a broad look at a market but then narrows as marketers evaluate specific qualitative and quantitative screening criteria that help zero in on the best target market and marketing mix.

AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 2-7
Level of Difficulty: 1 Easy
Topic: Marketing Strategy Planning Process Highlights Opportunities

98. The first two letters in the S.W.O.T. analysis help managers examine customers, competition, and the external marketing environment.

Answer: FALSE

Feedback: The first two letters of the S.W.O.T. analysis stand for "strengths and weaknesses" and guide managers to look inward to assess a company's internal capabilities and resources.

AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-7
Level of Difficulty: 2 Medium
Topic: Marketing Strategy Planning Process Highlights Opportunities

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99. The last two letters in the S.W.O.T. refer to "opportunities" and "threats" related to factors outside the company, including customers, competition, and the external marketing environment.

Answer: TRUE

Feedback: Whereas the first two letters of the S.W.O.T. analysis focus on strengths and weaknesses related to a company's internal resources and capabilities, the last two letters examine "opportunities and threats" outside the firm related to customers, competition, and the external marketing environment.

AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-7
Level of Difficulty: 2 Medium
Topic: Marketing Strategy Planning Process Highlights Opportunities

100. Marketing opportunities involving present products and present markets are called "market penetration" opportunities.

Answer: TRUE

Feedback: Market penetration means trying to increase sales of a firm's present products in its present markets.

AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-8
Level of Difficulty: 1 Easy
Topic: Types of Opportunities to Pursue

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101. Market penetration means trying to increase sales of a firm's present products in its present markets-probably through a more aggressive marketing mix.

Answer: TRUE

Feedback: Market penetration means trying to increase sales of a firm's present products in its present markets through a more aggressive marketing mix.

AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-8
Level of Difficulty: 1 Easy
Topic: Types of Opportunities to Pursue

102. A firm that tries to increase sales by selling new products in new markets is pursuing "market development" opportunities.

Answer: FALSE

Feedback: Market development means trying to increase sales by selling present products in new markets.

AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-8
Level of Difficulty: 1 Easy
Topic: Types of Opportunities to Pursue

103. A "market development" opportunity would involve a firm offering new or improved products to its present markets.

Answer: FALSE

Feedback: Market development means trying to increase sales by selling present products in new markets.

AACSB: Analytical Thinking
Blooms: Remember

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Learning Objective: 2-8
Level of Difficulty: 1 Easy
Topic: Types of Opportunities to Pursue

104. When a firm tries to increase sales by offering new or improved products to its present markets, this is called "product development."

Answer: TRUE

Feedback: Product development means offering new or improved products for present markets.

AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-8
Level of Difficulty: 1 Easy
Topic: Types of Opportunities to Pursue

105. Nike moved beyond shoes and sportswear to offer its athletic target market a running watch, digital audio player, and even a portable heart-rate monitor. This is an example of a market development strategy.

Answer: FALSE

Feedback: This is an example of product development, which means offering new or improved products for present markets. By knowing the present market's needs, a firm may see new ways to satisfy customers.

AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 2-8
Level of Difficulty: 3 Hard
Topic: Types of Opportunities to Pursue

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106. The ArrowPoint Company has just modified and enlarged its product line to meet the changing needs of its current customers. This is an example of "market development."

Answer: FALSE

Feedback: Product development means offering new or improved products for present markets. By knowing the present market's needs, a firm may see new ways to satisfy customers.

AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-8
Level of Difficulty: 1 Easy
Topic: Types of Opportunities to Pursue

107. When Cadillac added a new sports utility vehicle called Escalade to the "luxury-oriented" selection at its existing dealers, it was seeking "market development" opportunities.

Answer: FALSE

Feedback: Product development means offering new or improved products for present markets. By knowing the present market's needs, a firm may see new ways to satisfy customers.

AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-8
Level of Difficulty: 1 Easy
Topic: Types of Opportunities to Pursue

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108. If Burger King added tacos to the "burger-oriented" menu in its existing restaurants, it would be seeking "market development" opportunities.

Answer: FALSE

Feedback: Product development means offering new or improved products for present markets. By knowing the present market's needs, a firm may see new ways to satisfy customers.

AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-8
Level of Difficulty: 1 Easy
Topic: Types of Opportunities to Pursue

109. Marketing opportunities that involve moving into totally different lines of business are "diversification" opportunities.

Answer: TRUE

Feedback: Diversification means moving into totally different lines of business. It could be entirely unfamiliar products, markets, or even levels in the production-marketing system.

AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-8
Level of Difficulty: 1 Easy
Topic: Types of Opportunities to Pursue

110. The least risky-but most challenging-marketing opportunities are diversification opportunities.

Answer: FALSE

Feedback: Products and customers that are very different from a firm's current base may look attractive, but these opportunities are usually hard to evaluate. That's why diversification usually involves the biggest risk.

AACSB: Reflective Thinking

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Blooms: Remember
Learning Objective: 2-8
Level of Difficulty: 1 Easy
Topic: Types of Opportunities to Pursue

111. Often, attractive opportunities are fairly close to markets the firm already knows.

Answer: TRUE

Feedback: Most firms think first of greater market penetration and usually find the most attractive opportunities in markets they already know.

AACSB: Analytical Thinking
Blooms: Understand
Learning Objective: 2-8
Level of Difficulty: 1 Easy
Topic: Types of Opportunities to Pursue

112. When it comes to choosing among different types of opportunities, most firms tend to be production-oriented and usually think first of diversification.

Answer: FALSE

Feedback: Most firms tend to think first of greater market penetration when they think of diversification.

AACSB: Analytical Thinking
Blooms: Understand
Learning Objective: 2-8
Level of Difficulty: 1 Easy
Topic: Types of Opportunities to Pursue

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113. Of the four types of opportunities firms can pursue, diversification is the easiest to evaluate and involves the least risk.

Answer: FALSE

Feedback: Since diversification opportunities require moving into totally different lines of business-perhaps entirely unfamiliar products, markets, or even levels in the production-marketing system-such opportunities are hard to evaluate and involve the greatest risk.

AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 2-8
Level of Difficulty: 1 Easy
Topic: Types of Opportunities to Pursue

114. A significant emerging middle class consumer segment in a country is a strong opportunity for brands to shift focus toward it.

Answer: TRUE

Feedback: A significant emerging middle class consumer segment in a country is a strong opportunity for brands to shift focus toward it.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-9
Level of Difficulty: 1 Easy
Topic: International Opportunities should be Considered

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115. Advances in e-commerce, transportation, and communications have had little impact on creating international opportunities.

Answer: FALSE

Feedback: Advances in e-commerce, transportation, and communications are making it easier and cheaper to reach international customers. With a website and e-mail, even the smallest firm can provide international customers with a great deal of information—and easy ways to order—at very little expense.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-9
Level of Difficulty: 1 Easy
Topic: International Opportunities should be Considered

116. If customers in other countries are interested in the products a firm offers, or could offer, serving them may improve economies of scale.

Answer: TRUE

Feedback: If customers in other countries are interested in the products a firm offers, or could offer, serving them may improve economies of scale. Lower costs and prices may give a firm a competitive advantage both in its home markets and abroad.

AACSB: Analytical Thinking
AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 2-9
Level of Difficulty: 1 Easy
Topic: International Opportunities should be Considered

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117. Unfavorable trends in the domestic market environment may make the international marketing environment very attractive.

Answer: TRUE

Feedback: Unfavorable trends in the market environment at home or favorable trends in other countries may make international marketing particularly attractive.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-9
Level of Difficulty: 1 Easy
Topic: International Opportunities should be Considered

118. International opportunities should be considered in the strategy planning process, but they don't always survive as the most attractive ones that are turned into strategies.

Answer: TRUE

Feedback: Marketing managers should consider international opportunities, but risks are often higher in foreign markets. Many firms fail because they don't know the foreign country's culture.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-9
Level of Difficulty: 1 Easy
Topic: International Opportunities should be Considered

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119. Marketing managers usually find that opportunities in international markets are less profitable than in domestic markets.

Answer: FALSE

Feedback: Unfavorable trends in the market environment at home—or favorable trends in other countries—may make international marketing particularly attractive. However, managers must assess both the risks and opportunities.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-9
Level of Difficulty: 1 Easy
Topic: International Opportunities should be Considered

120. When a firm's domestic market is prosperous, marketing managers are less likely to pursue opportunities in international markets.

Answer: TRUE

Feedback: Marketers who are attaining success in domestic markets often fall into the trap of ignoring opportunities in international markets.

AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-9
Level of Difficulty: 1 Easy
Topic: International Opportunities should be Considered

Multiple Choice Questions

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121. The three basic tasks of ALL managers, according to the text, are:

A. planning, staffing, and evaluating.
B. marketing, production, and finance.
C. execution, feedback, and control.
D. hiring, training, and compensating.
E. planning, implementation, and control.

Feedback: Planning, implementation, and control are basic jobs of all managers.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-1
Level of Difficulty: 1 Easy
Topic: The Management Job in Marketing

122. Controlling is vital to the marketing management process because:

A. marketing managers need to control their subordinates.
B. controlling examines a firm's strengths, weaknesses, opportunities, and threats.
C. gathering feedback on a plan's results may lead to beneficial adjustments or entirely new plans.
D. controlling involves identifying a target market.
E. controlling is part of the marketing mix.

Feedback: In the controlling step of the marketing management process, managers measure the results of a plan to see if everything is working out as expected. The control function is especially important since feedback gathered during the controlling stage often leads to beneficial plan adjustments or entirely new plans.

AACSB: Reflective Thinking
Blooms: Understand

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Learning Objective: 2-1
Level of Difficulty: 1 Easy
Topic: The Management Job in Marketing

123. Which of the following duties would not be performed by a firm's marketing managers?

A. Planning activities
B. Directing the implementation of plans
C. Controlling plans
D. Overseeing the firm's financial statements
E. Developing marketing mixes for target markets

Feedback: Marketing managers oversee all aspects of the marketing management process, including planning marketing, directing the implementation of the plans, and controlling these plans. Overseeing a firm's financial statements is a duty for financial officers and accountants.

AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 2-1
Level of Difficulty: 1 Easy
Topic: The Management Job in Marketing

124. Which of the following is one of three basic marketing management jobs?

A. To direct the implementation of plans
B. To control the plans in actual operation
C. To plan marketing activities
D. All of these are basic marketing management jobs

Feedback: The marketing management process is (1) planning marketing activities, (2) directing the implementation of the plans, and (3) controlling these plans.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-1
Level of Difficulty: 1 Easy
Topic: The Management Job in Marketing

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125. The marketing management process is the process of:

A. Planning marketing activities.
B. Implementing marketing plans.
C. Controlling marketing plans.
D. All of these.

Feedback: The marketing management process refers to (1) planning marketing activities, (2) directing the implementation of the plans, and (3) controlling these plans.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-1
Level of Difficulty: 1 Easy
Topic: The Management Job in Marketing

126. Which of the following refers to the managerial process of developing and maintaining match between an organization's resources and its market opportunities?

A. marketing mix decisions
B. strategic management planning
C. advertising and promotional activities
D. marketing management process
E. Effective marketing strategy

Feedback: The job of planning strategies to guide a whole company is called strategic (management) planning—the managerial process of developing and maintaining match between an organization's resources and its market opportunities. This is atop-management job.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-1
Level of Difficulty: 1 Easy
Topic: The Management Job in Marketing

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127. What sets the tone and direction for the whole company?

A. expansion plan
B. manager's qualification
C. marketing plan
D. management process
E. sales and promotion

Feedback: Although marketing strategies are not whole-company plans, company plans should be market-oriented. And the marketing plan often sets the tone and direction for the whole company.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-1
Level of Difficulty: 1 Easy
Topic: The Management Job in Marketing

128. Marketing strategies _____.

A. are not whole-company plans
B. ensure that every opportunity is good for every company
C. do not specify target markets and related marketing mixes
D. ensure sales and profit for the company
E. provide a limited picture of what a firm will do in some market

Feedback: Marketing strategies are not whole-company plans, but company plans should be market-oriented.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-1
Level of Difficulty: 1 Easy
Topic: The Management Job in Marketing

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129. Why can't marketing managers be satisfied just planning present activities?

A. Markets are dynamic.
B. Consumers' needs keep changing.
C. The environment keeps changing.
D. Competitors often change.
E. All of these are reasons why marketing managers can't be satisfied just planning present activities.

Feedback: Marketing managers are not satisfied just planning present activities since markets are usually dynamic and consumers' needs, competition, and the environment keep changing.

AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 2-1
Level of Difficulty: 1 Easy
Topic: The Management Job in Marketing

130. The managerial process of developing and maintaining a match between the resources of an organization and its market opportunities is called _____.

A. management by objective
B. marketing programming
C. marketing strategy planning
D. strategic (management) planning
E. market planning

Feedback: Strategic (management) planning is the managerial process of developing and maintaining a match between an organization's resources and its market opportunities.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-1
Level of Difficulty: 1 Easy
Topic: The Management Job in Marketing

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131. _____ is the managerial process of developing and maintaining a match between an organization's resources and its market opportunities.

A. Strategic (management) planning
B. Target marketing
C. Mass marketing
D. Resource allocation
E. Marketing control

Feedback: Strategic (management) planning is the managerial process of developing and maintaining a match between an organization's resources and its market opportunities.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-2
Level of Difficulty: 1 Easy
Topic: The Management Job in Marketing

132. "Marketing strategy planning" means _____.

A. finding attractive opportunities and developing profitable marketing strategies
B. finding attractive opportunities and selecting a target market
C. selecting an attractive target market
D. selecting an attractive marketing mix
E. selecting a target market and developing a marketing strategy

Feedback: Marketing strategy planning means finding attractive opportunities and developing profitable marketing strategies.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-2
Level of Difficulty: 1 Easy
Topic: What is a Marketing Strategy?

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133. Marketing strategies

A. enable marketing managers to be satisfied just planning present activities.
B. ensure that every opportunity is good for every company.
C. do not specify target markets and related marketing mixes.
D. provide a limited picture of what a firm will do in some market.
E. are not whole-company plans.

Feedback: Marketing strategies are not whole-company plans, but company plans should be market-oriented.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-2
Level of Difficulty: 2 Medium
Topic: What is a Marketing Strategy?

134. A marketing strategy _____.

A. specifies a target market and a related marketing mix
B. provides a focused but narrow picture of what a firm will do in some market
C. is a market-oriented, whole-company plan
D. includes two interrelated parts-product mix and product development
E. includes the marketing mix, but does not specify customers

Feedback: A marketing strategy has two interrelated parts (1) a target market, (2) a marketing mix.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-2
Level of Difficulty: 2 Medium
Topic: What is a Marketing Strategy?

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135. A marketing strategy specifies:

A. a target market and a related marketing mix.
B. all the company's resources.
C. a target market.
D. a target market and the company's objectives.
E. a marketing mix.

Feedback: A marketing strategy specifies a target market and a related marketing mix. It is a big picture of what a firm will do in some market.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-2
Level of Difficulty: 1 Easy
Topic: What is a Marketing Strategy?

136. A marketing strategy specifies:

A. a marketing mix.
B. a target market and a related marketing mix.
C. a target market.
D. the resources needed to implement a marketing mix.

Feedback: A marketing strategy specifies a target market and a related marketing mix. It is a big picture of what a firm will do in some market.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-2
Level of Difficulty: 1 Easy
Topic: What is a Marketing Strategy?

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137. A target market and a related marketing mix make up a _____.

A. Marketing plan
B. Marketing strategy
C. Marketing program
D. Marketing analysis
E. Marketing proposal

Feedback: A marketing strategy specifies a target market and a related marketing mix. It is a big picture of what a firm will do in some market.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-2
Level of Difficulty: 1 Easy
Topic: What is a Marketing Strategy?

138. Which of the following refers to a fairly homogeneous (similar) group of customers to whom a company wishes to appeal?

A. Related market
B. Target market
C. Typical market
D. Mix market
E. Trial market

Feedback: A target market is a fairly homogeneous (similar) group of customers to whom a company wishes to appeal.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-2
Level of Difficulty: 1 Easy
Topic: What is a Marketing Strategy?

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139. Herbal Essences tries to sell its hair shampoos and conditioners to adult women, ages 18-24. These women represent Herbal Essences' primary _____.

A. marketing strategy
B. 4 Ps.
C. target market
D. marketing mix
E. channel of distribution

Feedback: A target market is a fairly homogeneous group of customers to whom a company wishes to appeal.

AACSB: Analytical Thinking
Blooms: Apply
Learning Objective: 2-2
Level of Difficulty: 1 Easy
Topic: What is a Marketing Strategy?

140. What are the controllable variables the company puts together to satisfy this target group referred as?

A. Target marketing
B. Marketing strategy
C. Direct marketing
D. Mass marketing
E. Marketing mix

Feedback: A marketing mix—the controllable variables the company puts together to satisfy this target group.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-2
Level of Difficulty: 1 Easy

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Topic: What is a Marketing Strategy?

141. Target marketing, in contrast to mass marketing _____.

A. Assumes all customers have the same needs.
B. Assumes everyone is a potential customer.
C. Focuses only on small market segments.
D. Tailors a marketing mix to fit some specific group of customers.
E. Makes it more likely that a firm will face direct competition.

Feedback: Target marketing says that a marketing mix is tailored to fit some specific target customers.

AACSB: Reflective Thinking
Blooms: Create
Learning Objective: 2-3
Level of Difficulty: 1 Easy
Topic: Selecting a Market-Oriented Strategy is Target Marketing

142. Which of the following statements about target marketing is incorrect?

A. Target marketing is not mass marketing.
B. Mass marketers like Kraft and Walmart may conduct target marketing.
C. Target marketing is not limited to small market segments.
D. Target marketing assumes that everyone is different and specifies some particular target customers.
E. Target marketing is associated with the typical production-oriented approach that aims at everyone with the same marketing mix.

Feedback: Mass marketing is a typical production-oriented approach that aims generally at everyone using the same marketing mix. In contrast, target marketing sees everyone as different and says that a marketing mix is tailored to fit some specific target customers.

AACSB: Reflective Thinking

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Blooms: Understand
Learning Objective: 2-3
Level of Difficulty: 2 Medium
Topic: Selecting a Market-Oriented Strategy is Target Marketing

143. The difference between target marketing and mass marketing is that target marketing _____.

A. means focusing on a small market
B. focuses on short-run objectives, while mass marketing focuses on long-run objectives
C. focuses on specific customers, while mass marketing aims at an entire market
D. does not rely on e-commerce but mass marketing does
E. aims at increased sales, while mass marketing focuses on increased profits

Feedback: Target marketing says that a marketing mix is tailored to fit some specific target customers. In contrast, mass marketing vaguely aims at "everyone" with the same marketing mix.

AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-3
Level of Difficulty: 1 Easy
Topic: Selecting a Market-Oriented Strategy is Target Marketing

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144. "Target marketing," in contrast to "mass marketing,"

A. ignores the need for the firm to obtain a competitive advantage.
B. ignores markets that are large and spread out.
C. is limited to small market segments.
D. assumes that all customers are basically the same.
E. None of these answers is correct.

Feedback: Target marketing says that a marketing mix is tailored to fit some specific target customers. In contrast, mass marketing vaguely aims at "everyone" with the same marketing mix. Mass marketing assumes that everyone is the same and considers everyone a potential customer.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-3
Level of Difficulty: 2 Medium
Topic: Selecting a Market-Oriented Strategy is Target Marketing

145. Target marketing

A. is a production-oriented approach to marketing.
B. is essentially the same as mass marketing.
C. considers everyone a potential customer.
D. assumes that everyone is the same.
E. specifies some particular group of customers.

Feedback: Target marketing says that a marketing mix is tailored to fit some specific target customers.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-3
Level of Difficulty: 2 Medium
Topic: Selecting a Market-Oriented Strategy is Target Marketing

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146. _____ assume(s) that everyone is the same-and consider(s) everyone to be a potential customer.

A. Mass marketers
B. Target marketing
C. Mass marketing
D. Target marketers
E Objective marketing

Feedback: Mass marketing, with its typical production-oriented approach, assumes that everyone is the same and considers everyone a potential customer.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-3
Level of Difficulty: 1 Easy
Topic: Selecting a Market-Oriented Strategy is Target Marketing

147. Which type of marketing aims to sell to everyone?

A. Controlled marketing
B. Target marketing
C. Oriented marketing
D. Direct marketing
E. Mass marketing

Feedback: Mass marketing is the typical production-oriented approach which vaguely aims at "everyone" with the same marketing mix. Mass marketing assumes that everyone is the same—and it considers everyone to be a potential customer.

AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-3
Level of Difficulty: 2 Medium
Topic: Selecting a Market-Oriented Strategy is Target Marketing

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148. Marketing managers should view potential customers as

A. all alike.
B. all having the same needs.
C. always wanting to meet needs in the same way.
D. grouped into segments of similar consumers.
E. different types, but all having the same characteristics.

Feedback: Not all potential customers have the same needs nor do they always want their needs met in the same way. In spite of the many possible differences, there often are segments of consumers who are similar and could be satisfied with the same marketing mix.

AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 2-3
Learning Objective: 2-6
Level of Difficulty: 2 Medium
Topic: Marketing Strategy Planning Highlights Opportunities
Topic: Selecting a Market-Oriented Strategy is Target Marketing

149. Good marketing strategy planners know that _____.

A. firms like Nabisco and Walmart are too large to aim at clearly defined target markets
B. target marketing does not limit one to small market segments
C. mass marketing is often very desirable and effective
D. the terms "mass marketing" and "mass marketer" mean basically the same thing
E. target markets cannot be large and spread out

Feedback: Target marketing is not limited to small market segments, only to fairly homogeneous ones. A very large market, sometimes called the "mass market", may be fairly homogeneous, and a target marketer will deliberately aim at it.

AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 2-3

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Level of Difficulty: 2 Medium
Topic: Selecting a Market-Oriented Strategy is Target Marketing

150. "Target marketing," in contrast to "mass marketing," _____.

A. is limited to small market segments
B. assumes that all customers are basically the same
C. ignores markets that are large and spread out
D. assumes that what they give is what customers want
E. focuses on fairly homogeneous market segments

Feedback: Target marketing is not limited to small market segments, only to fairly homogeneous ones. A very large market, sometimes called the "mass market", may be fairly homogeneous, and a target marketer will deliberately aim at it.

AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-3
Level of Difficulty: 2 Medium
Topic: Selecting a Market-Oriented Strategy is Target Marketing

151. Identify the incorrect statement regarding target marketing.

A. Target marketing is not mass marketing.
B. Mass marketers cannot do target marketing.
C. Target marketing can mean big markets and profits.
D. Marketing-oriented managers practice "target marketing."
E. It aims at a marketing mix that is tailored to fit specific target customers.

Feedback: Target marketing says that a marketing mix is tailored to fit some specific target customers. However, mass marketers like Kraft Foods and Walmart aim clearly at defined target markets. The confusion with mass marketing occurs because their target markets usually are large and spread out.

AACSB: Reflective Thinking

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Blooms: Understand
Learning Objective: 2-3
Level of Difficulty: 2 Medium
Topic: Selecting a Market-Oriented Strategy is Target Marketing

152. The marketing mix

A. includes four variables-People, Place, Promotion, and Price.
B. includes the target market.
C. helps to organize the marketing strategy decision areas.
D. includes four variables-advertising, personal selling, customer service, and sales promotion.
E. does not focus on target customers.

Feedback: The variables of the marketing mix help organize marketing related decisions, and simplify the selection of marketing mixes.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 2 Medium
Topic: Developing Marketing Mixes for Target Markets

153. The "four Ps" of a marketing mix are _____.

A. Production, Personnel, Price, and Physical Distribution
B. Promotion, Production, Price, and People
C. Potential Customers, Product, Price, and Personal Selling
D. Product, Price, Promotion, and Profit
E. Product, Place, Promotion, and Price

Feedback: The different variables of the marketing mix are product, place, promotion, and price.

AACSB: Analytical Thinking
Blooms: Remember

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Learning Objective: 2-4
Level of Difficulty: 2 Medium
Topic: Developing Marketing Mixes for Target Markets

154. A marketing mix consists of:

A. policies, procedures, plans, and personnel.
B. the customer and the "four Ps."
C. all variables, controllable and uncontrollable.
D. product, price, promotion, and place.

Feedback: The different variables of the marketing mix are product, place, promotion, and price.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

155. A firm's "marketing mix" decision areas would NOT include:

A. Promotion.
B. People.
C. Price.
D. Product.
E. Place.

Feedback: The different variables of the marketing mix are product, place, promotion, and price.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

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156. A firm's "marketing mix" decision areas would NOT include:

A. Price.
B. Promotion.
C. Product.
D. Place.
E. Profit.

Feedback: The different variables of the marketing mix are product, place, promotion, and price.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

157. Which of the following is NOT one of the four variables in a marketing mix?

A. Price
B. Product
C. Promotion
D. Payment
E. Place

Feedback: The different variables of the marketing mix are product, place, promotion, and price.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

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158. Which of the following is true?

A. The product "P" in the marketing mix stands for only physical goods.
B. The product "P" in the marketing mix stands for both physical goods and services.
C. The product "P" in the marketing mix stands for only tangible merchandise.
D. The product "P" in the marketing mix stands for only physical merchandise.
E. The product "P" in the marketing mix stands for both physical goods and tangible merchandise.

Feedback: The Product area is concerned with developing the right product for the target market. This offering may involve a physical good, a service, or a blend of both.

AACSB: Analytical Thinking
Blooms: Understand
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

159. What is important to remember when developing the “right” product?

A. The product must be competitive in the market.
B. The product must bring in good profit.
C. The product must be unique to the market.
D. The product must be easily available in the market.
E. The product must satisfy the customer’s needs.

Feedback: The important thing to remember is that your good or service should satisfy some customers’ needs.

AACSB: Analytical Thinking
Blooms: Understand
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

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160. "Product" is concerned with:

A. branding.
B. packaging and warranty.
C. physical goods.
D. services.
E. all of these might be involved with Product.

Feedback: Products include physical goods and/or services and product related decisions include branding, packaging, and warranties.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

161. "Product" is concerned with:

A. branding and warranties.
B. physical goods and/or services.
C. packaging.
D. developing the right new product for a market.
E. all of these might be involved with Product.

Feedback: Products include physical goods and/or services and product related decisions include branding, warranties, and packaging. Developing the right new product is also included in "Product."

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 2 Medium
Topic: Developing Marketing Mixes for Target Markets

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162. "Product" is concerned with:

A. services.
B. developing products that will satisfy some customers' needs.
C. designing, packaging, and branding new products.
D. physical goods.
E. All of these might be involved with Product.

Feedback: Apart from the physical product, a service, or a blend of both, product related decisions include developing, designing, packaging, and branding.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 2 Medium
Topic: Developing Marketing Mixes for Target Markets

163. "Product" is NOT concerned with:

A. quality level.
B. branding.
C. wholesale price.
D. packaging.
E. warranty.

Feedback: Price, whether a wholesale price or a consumer price, is not part of Product.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

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164. Which of the following is NOT a Product-area decision?

A. Quality level.
B. Market exposure.
C. Instructions.
D. Packaging.
E. Branding.

Feedback: "Market exposure" is part of Place, not Product.

AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

165. Which of the following is NOT considered a product?

A. Tax advice from a financial consultant.
B. A computer.
C. A haircut.
D. A chair.
E. All of these are considered products.

Feedback: The Product area is concerned with developing the right product for the target market. This offering may involve a physical good, a service, or a blend of both.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

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166. Henry Ford told prospective customers of his Model T car, "You can have any color as long as it is black." Which aspect of the marketing mix was he stressing?

A. Promotion
B. Product
C. Place
D. Price
E. People

Feedback: The Product area is concerned with developing the right product for the target market. This offering may involve a physical good, a service, or a blend of both.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-4
Learning Objective: 2-6
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets
Topic: The Importance of Marketing Strategy Planning

167. The packaging design for a new flavor of Ben and Jerry's ice cream is an aspect of which component of the marketing mix?

A. Place
B. Price
C. Product
D. Promotion
E. People

Feedback: "Packaging design" is part of Product.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

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168. Suzuki's 3 year/36,000 mile new car warranty is part of which marketing mix decision area?

A. Price
B. Target market
C. Place
D. Product
E. Promotion

Feedback: "Warranty" is part of Product.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

169. Dell, Inc. wants to offer customers televisions in addition to computers. This is a change in its _____ strategy.

A. Pricing
B. promotional
C. Personnel
D. Product
E. Placement

Feedback: The Product area is concerned with developing the right product for the target market. Dell offers its customers various products.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

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170. Big Fizz Co., a manufacturer of cola-flavored drinks, wants to add packaged fruit juices to its existing product line. Big Fizz needs to make some decisions regarding packaging and branding of the fruit juices. These decisions would fall under which variable of the marketing mix?

A. Product
B. Place
C. Promotion
D. Price
E. Personal selling

Feedback: Packaging and branding are part of Product.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-4
Level of Difficulty: 2 Medium
Topic: Developing Marketing Mixes for Target Markets

171. When one considers the strategy decisions organized by the four Ps, branding is related to packaging as _____.

A. branding is to pricing
B. production is to marketing
C. store location is to sales force selection
D. personal selling is to mass selling
E. pricing is to promotion

Feedback: Branding and packaging are important elements of Product-area decisions, while personal selling and mass selling are important elements of Promotion-area decisions.

AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 2-4
Level of Difficulty: 3 Hard
Topic: Developing Marketing Mixes for Target Markets

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172. A firm's decisions regarding channel type, market exposure and kinds of intermediaries would fall under the marketing mix variable of _____.

A. Product
B. Place
C. Promotion
D. Price
E. People

Feedback: Place is concerned with all the decisions involved in getting the right product to the target market's place. A product reaches customers through a channel of distribution. Other important decisions include channel type, market exposure, kinds of intermediaries, etc.

AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 2 Medium
Topic: Developing Marketing Mixes for Target Markets

173. The _____ area of the marketing mix is concerned with decisions about getting the "right" product to the target market when and where it's wanted.

A. Product
B. People
C. Promotion
D. price
E. place

Feedback: Place is concerned with all the decisions involved in getting the right product to the target market's place.

AACSB: Reflective Thinking
Blooms: Remember

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Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

174. "Place" is concerned with:

A. intermediaries.
B. transporting.
C. channel members.
D. storing.
E. all of these might be involved with Place.

Feedback: Place is concerned with decisions involving channel type, market exposure, kinds of intermediaries, kinds and locations of stores, how to handle transporting and storing, service levels, etc.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

175. "Place" is concerned with:

A. getting the product to its intended market.
B. intermediaries located between producers and consumers.
C. where, when, and by whom goods are offered for sale.
D. when and where products are wanted.
E. all of these might be involved with Place.

Feedback: Place is concerned with decisions involving channel type, market exposure, kinds of intermediaries, kinds and locations of stores, how to handle transporting and storing, service levels, etc.

AACSB: Analytical Thinking
Blooms: Remember

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Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

176. "Place" is NOT concerned with:

A. storing.
B. intermediaries.
C. transporting.
D. channels of distribution.
E. sales reps.

Feedback: "Sales reps" are a part of the Promotion variable of the marketing mix.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 2 Medium
Topic: Developing Marketing Mixes for Target Markets

177. "Place" is NOT concerned with:

A. who handles storing and transporting.
B. when and where products are wanted.
C. kinds of intermediaries needed to reach customers.
D. telling the target market what products are available-and where.
E. channels of distribution.

Feedback: "Telling the target market what products are available and where" is part of Promotion.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

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178. Hewlett-Packard sells personal computers through specialty computer stores, electronics superstores, and its own Internet site. The marketing mix variable that is being considered here is:

A. Price.
B. Promotion.
C. Personnel.
D. Product.
E. Place.

Feedback: Place is concerned with decisions involving channel type, market exposure, kinds of intermediaries, kinds and locations of stores, how to handle transporting and storing, service levels, etc.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

179. Scott Paper uses many intermediaries to reach its target markets; Citibank uses none. Which of the marketing mix variables is being considered here?

A. Penetration
B. Product
C. Promotion
D. Place
E. Price

Feedback: Place is concerned with decisions involving channel type, market exposure, kinds of intermediaries, kinds and locations of stores, how to handle transporting and storing, service levels, etc.

AACSB: Reflective Thinking
Blooms: Apply

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Learning Objective: 2-4
Level of Difficulty: 2 Medium
Topic: Developing Marketing Mixes for Target Markets

180. Any series of firms or individuals that participate in the flow of products from producer to final user or consumer is known as _____.

A. customer service
B. a packaging line
C. a production line
D. a channel of distribution
E. mass marketing

Feedback: A channel of distribution is any series of firms or individuals that participate in the flow of products from producer to final user or consumer.

AACSB: Analytical Thinking
AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

181. A "channel of distribution":

A. usually has three members-a manufacturer, a distributor, and a retailer.
B. is any series of firms (or individuals) from producer to final user or consumer.
C. should be as short as possible.
D. is not involved if a firm sells directly from its own website to final customers.

Feedback: A channel of distribution is any series of firms or individuals that participate in the flow of products from producer to final user or consumer.

AACSB: Reflective Thinking
Blooms: Remember

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Learning Objective: 2-4
Level of Difficulty: 2 Medium
Topic: Developing Marketing Mixes for Target Markets

182. When Herbal Essences tries to get shelf space in Target and Walmart because young women frequently shop there for hair care products, this is an example of which of the 4Ps?

A. Price
B. Product
C. Promotion
D. Place
E. People

Feedback: Place is concerned with decisions involving channel type, market exposure, kinds of intermediaries, kinds and locations of stores, how to handle transporting and storing, service levels, etc.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

183. A detailed plan for handling transportation and storage of a new product that is now being distributed to wholesalers nationwide is an aspect of which part of the 4Ps?

A. Place
B. Product
C. Promotion
D. Price

Feedback: Place is concerned with decisions involving channel type, market exposure, kinds of intermediaries, kinds and locations of stores, how to handle transporting and storing, service levels, etc.

AACSB: Reflective Thinking

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Blooms: Apply
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

184. An office supplies producer sells a variety of office supplies to final consumers and businesses using its own mail order catalog. Here,

A. there is no channel of distribution.
B. there is no opportunity to apply target marketing.
C. no promotion is involved.
D. a production orientation is just as effective as a marketing orientation.
E. None of these is true.

Feedback: There is a channel of distribution, albeit short; there is target marketing; there is promotion; and a marketing orientation if always more effective.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-4
Level of Difficulty: 2 Medium
Topic: Developing Marketing Mixes for Target Markets

185. The _____ area of the marketing mix includes decisions related to telling the target market or others in the channel of distribution about the "right" product.

A. Product
B. place
C. promotion
D. price
E. communication

Feedback: Promotion is that element of the marketing mix that is concerned with telling the target market or others in the channel of distribution about the "right" product.

AACSB: Reflective Thinking

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Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

186. "Promotion" may include:

A. personal selling to channel members.
B. point-of-purchase materials.
C. mail-order selling.
D. advertising on the Internet.
E. All of these may be included in Promotion.

Feedback: Promotion is concerned with telling the target market or others in the channel of distribution about the "right" product. Promotion includes personal selling, mass selling, and sales promotion.

AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

187. "Promotion" includes:

A. advertising.
B. personal selling.
C. sales promotion.
D. publicity.
E. All of these may be included in Promotion.

Feedback: Promotion includes personal selling, mass selling (advertising and publicity), and sales promotion.

AACSB: Reflective Thinking

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Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

188. Marketing strategy decisions concerning Promotion include decisions about _____.

A. packaging and branding
B. the kinds of intermediaries to use
C. training for salespeople
D. transporting and storing
E. discounts and allowances

Feedback: Promotion includes "training for salespeople." "Packaging and branding" are part of Product. "Kinds of intermediaries" is part of Place. "Discounts and allowances" are part of Price.

AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 2-4
Level of Difficulty: 2 Medium
Topic: Developing Marketing Mixes for Target Markets

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189. "Promotion" is NOT concerned with:

A. creating billboard ads.
B. designing new products.
C. publicity.
D. television commercials.
E. personal selling.

Feedback: Designing new products is a function of the Product variable of the marketing mix. Promotion deals with mass selling, personal selling, advertising, publicity, and sales promotion.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

190. Personal selling lets the salesperson adapt the firm's marketing mix to a specific customer. This is an aspect of which marketing mix variable?

A. Price
B. Place
C. Promotion
D. Product

Feedback: Personal selling is part of Promotion.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

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191. _____ is direct spoken communication between sellers and potential customers.

A. Personal selling
B. Sales promotion
C. Advertising
D. Publicity
E. Mass selling

Feedback: Personal selling involves direct spoken communication between sellers and potential customers. It may happen face-to-face, over the telephone or even via a videoconference over the Internet.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

192. From the perspective of the four Ps, personal selling is to advertising as

A. mass selling is to branding.
B. Place is to Product.
C. sales promotion is to pricing.
D. warranties are to channel type.
E. geographic terms are to price allowances.

Feedback: Personal selling and advertising are important components of Promotion, while geographic terms and price allowances are important components of Price.

AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 2-4
Level of Difficulty: 3 Hard
Topic: Developing Marketing Mixes for Target Markets

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193. _____ refers to personal communication between a seller and a customer who wants the seller to resolve a problem with a purchase.

A. Advertising
B. Sales promotion
C. Publicity
D. Personal selling
E. Customer service

Feedback: Customer service refers to personal communication between a seller and a customer who wants the seller to resolve a problem with a purchase. This is often a key to building repeat business.

AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 2 Medium
Topic: Developing Marketing Mixes for Target Markets

194. Advertising is:

A. the designing and distribution of novelties, point-of-purchase materials, store signs, contests, catalogs, and circulars.
B. direct communication between sellers and potential customers.
C. any paid form of nonpersonal presentation of ideas, goods, or services by an identified sponsor.
D. the main form of publicity.
E. All of these are included in Advertising.

Feedback: Advertising refers to any paid form of nonpersonal presentation of ideas, goods, or services by an identified sponsor.

AACSB: Analytical Thinking
AACSB: Reflective Thinking
Blooms: Remember

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Learning Objective: 2-4
Level of Difficulty: 2 Medium
Topic: Developing Marketing Mixes for Target Markets

195. A popular television show, The Unexpected, achieved skyrocketing ratings after moralist Tom Bowman attempted to have it removed from the air. This is an example of mass selling through _____.

A. advertising
B. publicity
C. unethical means
D. personal selling
E. media hype

Feedback: Publicity is any unpaid form of nonpersonal presentation of ideas, goods, or services which includes getting favorable coverage in newspaper stories or on television as well as creating and placing content on the web for customers to find or pass along to others.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-4
Level of Difficulty: 3 Hard
Topic: Developing Marketing Mixes for Target Markets

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196. Sales promotion:

A. lets the salesperson adapt the firm's marketing mix to each potential customer.
B. is the main form of advertising.
C. tries to help the personal selling and mass selling people.
D. is free.
E. consists of both advertising and personal selling.

Feedback: Sales promotion refers to those promotional activities that stimulate interest, trial, or purchase by final customers or others in the channel. It aids the efforts of personal selling and mass selling.

AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 2-4
Level of Difficulty: 2 Medium
Topic: Developing Marketing Mixes for Target Markets

197. Catalogs, point-of-purchase materials, and free samples are all examples of _____.

A. publicity
B. personal selling
C. sales promotion
D. advertising
E. marketing

Feedback: Sales promotion refers to those promotion activities that stimulate interest, trial, or purchase by final customers or others in the channel. This can involve use of coupons, point-of-purchase materials, samples, signs, contests, events, catalogs, novelties, and circulars.

AACSB: Analytical Thinking
AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

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198. Coupons, samples, and point-of-purchase materials are examples of

A. advertising.
B. publicity.
C. specialty service.
D. personal selling.
E. sales promotion.

Feedback: Sales promotion refers to those promotion activities that stimulate interest, trial, or purchase by final customers or others in the channel. This can involve use of coupons, point-of-purchase materials, samples, signs, contests, events, catalogs, novelties, and circulars.

AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

199. When Herbal Essences offers "dollar-off coupons" to adult women to try to get them to try its shampoos and conditioners, this is an example of:

A. publicity.
B. sales promotion.
C. product development.
D. market penetration.
E. distribution.

Feedback: Sales promotion refers to those promotion activities that stimulate interest, trial, or purchase by final customers or others in the channel. This can involve use of coupons, point-of-purchase materials, samples, signs, contests, events, catalogs, novelties, and circulars.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-4
Level of Difficulty: 1 Easy

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Topic: Developing Marketing Mixes for Target Markets

200. Ford Motor Co. "loaned" new Fiestas to social trendsetters who drove the cars as part of their Meals on Wheels responsibilities. When Ford asked them to write about their driving experiences on Facebook and Twitter, it was emphasizing which aspect of the 4Ps?

A. Product
B. Place
C. Price
D. Promotion
E. People

Feedback: Promotion tells the target customers and others in the channel about the product that has been designed for them.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

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201. The owner of the new Sharp Scissors hair salon gave coupons to potential customers walking by her store to stimulate interest and trial of her new hair salon. The coupons are an example of

A. advertising.
B. publicity.
C. sales promotion.
D. a channel of distribution.
E. media.

Feedback: Sales promotion refers to those promotional activities that stimulate interest, trial, or purchase by final customers or others in the channel. This can involve use of coupons, point-of-purchase materials, samples, signs, contests, events, catalogs, novelties, and circulars.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-4
Level of Difficulty: 3 Hard
Topic: Developing Marketing Mixes for Target Markets

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202. To help cosmetic company, RedRain Inc., launch a new line of lipstick, tickets that can be redeemed for prizes are enclosed in some of the lipstick packages. This activity can be best classified as

A. advertising.
B. publicity.
C. sales promotion.
D. personal selling.
E. mass marketing.

Feedback: Sales promotion refers to those promotional activities that stimulate interest, trial, or purchase by final customers or others in the channel. This can involve use of coupons, point-of-purchase materials, samples, signs, contests, events, catalogs, novelties, and circulars.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-4
Level of Difficulty: 3 Hard
Topic: Developing Marketing Mixes for Target Markets

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203. When 3M sent samples of Breathe Right Nasal Strips to the NFL trainers, this was an example of a _____ strategy.

A. price
B. promotion
C. personnel
D. Product
E. place

Feedback: Sales promotion refers to those promotional activities that stimulate interest, trial, or purchase by final customers or others in the channel. This can involve use of coupons, point-of-purchase materials, samples, signs, contests, events, catalogs, novelties, and circulars.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

204. "Price":

A. is affected by the kind of competition in the target market.
B. includes markups and discounts, but not allowances and freight charges.
C. is not affected by customer reactions.
D. is the most important part of a marketing mix.

Feedback: Price setting must consider the kind of competition in the target market and the cost of the whole marketing mix. A manager must also try to estimate customer reaction to possible prices.

AACSB: Analytical Thinking
AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 2 Medium

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Topic: Developing Marketing Mixes for Target Markets

205. While setting the price of a product, what must managers consider?

A. cost of the whole marketing mix
B. buying capacity of the customers
C. profit it should bring the company
D. transportation cost
E. personnel cost to company

Feedback: Price setting must consider the kind of competition in the target market and the cost of the whole marketing mix. A manager must also try to estimate customer reaction to possible prices.

AACSB: Analytical Thinking
AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 2 Medium
Topic: Developing Marketing Mixes for Target Markets

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206. The Price area of the marketing mix:

A. requires consideration of the cost of the marketing mix and the competition facing the firm when setting prices.
B. does not involve estimating consumer reaction to possible prices.
C. refers to any paid form of nonpersonal presentation of ideas, goods, or services by an identified sponsor.
D. does not include the consideration of geographic terms in price setting.
E. None of these is correct.

Feedback: Price setting must consider the kind of competition in the target market and the cost of the whole marketing mix. A manager must also try to estimate customer reaction to possible prices.

AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

207. When developing a marketing mix, a marketing manager should remember that _____.

A. "Promotion" includes only personal selling and publicity.
B. A channel of distribution includes at least one intermediary.
C. "Price" includes markups, discounts, allowances, and geographic terms.
D. "Product" includes physical goods but not services.
E. Customers' needs are all the same.

Feedback: A manager must know current practices as to markups, allowances, discounts, and other terms of sale while developing a marketing mix. These practices are part of Price.

AACSB: Reflective Thinking
Blooms: Create
Learning Objective: 2-4
Level of Difficulty: 2 Medium

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Topic: Developing Marketing Mixes for Target Markets

208. When Ford Motor Co. introduced its Escape hybrid SUV, it offered a $1,000 rebate as an incentive to attract new buyers. This was an example of which aspect of the marketing mix?

A. Price
B. Promotion
C. Place
D. Product
E. People

Feedback: Current practices such as markups, discounts (including rebates), and other terms of sale are part of Price.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

209. The most important variable in a firm's marketing mix is:

A. Product.
B. Price.
C. Promotion.
D. Place.
E. None of these since all contribute to one whole.

Feedback: All four Ps are needed in a marketing mix. No single variable of the marketing mix is more important than another; they all contribute to one whole. When a marketing mix is being developed, final decisions about the Ps should be made at the same time.

AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-4

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Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

210. An appropriate marketing mix should be determined primarily by _____.

A. what has worked for the company in the past
B. the needs of a target market
C. the budget available to spend
D. the past experiences of the marketing manager
E. what product the firm can produce with economies of scale

Feedback: The needs of a target market often virtually determine the nature of an appropriate marketing mix. Therefore, marketers must analyze their potential target markets with great care.

AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 2-4
Level of Difficulty: 2 Medium
Topic: Developing Marketing Mixes for Target Markets

211. Ideally, a good marketing mix should _____.

A. be very similar to the marketing mix typically used by key competitors
B. be determined by which marketing mix costs the least
C. not include much advertising because it's expensive and usually isn't very effective
D. flow logically from all the relevant dimensions of a target market
E. bring big profit to the company

Feedback: A good marketing mix should ideally flow logically from all the relevant dimensions of a target market.

AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 2-4
Level of Difficulty: 1 Easy

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Topic: Developing Marketing Mixes for Target Markets

212. The text's "Toddler University" example shows that:

A. parents are not price sensitive when it comes to assuring that their kids will get a good college education.
B. the needs of a target market determine the nature of the appropriate marketing mix.
C. a small producer can't compete effectively against large competitors.
D. in the long run, a firm cannot make a profit without its own production facilities.
E. All of these are true.

Feedback: In order to serve the 'the Attentive Parents' target market, the owner of Toddler University came up with an appropriate marketing mix that met this target market's needs. It did so by combining "fit and function with fun and fashion."

AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 2-4
Level of Difficulty: 3 Hard
Topic: Developing Marketing Mixes for Target Markets

213. The text's "Toddler University" example shows that:

A. no mass market exists for general-purpose baby shoes.
B. the needs of a target market determine the nature of the appropriate marketing mix.
C. a small producer can't compete effectively against large competitors.
D. no target market exists for high-quality baby shoes.
E. All of these are true.

Feedback: In order to serve the 'the Attentive Parents' target market, the owner of Toddler University came up with an appropriate marketing mix that met this target market's needs. It did so by combining "fit and function with fun and fashion."

AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 2-4

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Level of Difficulty: 3 Hard
Topic: Developing Marketing Mixes for Target Markets

214. The text's Toddler University example shows that TU's marketing plan included:

A. A detailed description of the marketing mix to be offered.
B. A description of the resources required to carry out the plan.
C. Expected results of the plan.
D. Control procedures.
E. All of these.

Feedback: TU's marketing plan spelled out the following details: (1) what marketing mix will be offered, to whom and for how long; (2) what company resources will be needed at what rate; and (3) what results are expected.

AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets
Topic: The Marketing Plan is a Guide to Implementation and Control

215. The main difference between a "marketing strategy" and a "marketing plan" is that _____.

A. time-related details are included in a marketing plan
B. a marketing plan includes several marketing strategies
C. a marketing strategy provides more detail
D. a marketing strategy omits pricing plans
E. a marketing plan does not include a target market

Feedback: A marketing plan is a written statement of a marketing strategy and the time-related details for carrying out the strategy.

AACSB: Analytical Thinking
Blooms: Understand
Learning Objective: 2-5

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Level of Difficulty: 2 Medium
Topic: The Marketing Plan is a Guide to Implementation and Control

216. Which of the following refers to written statement of a marketing strategy and the time-related details for carrying out the strategy?

A. Marketing mix
B. Marketing program
C. Marketing plan
D. Marketing design
E. Marketing direction

Feedback: A marketing plan is a written statement of a marketing strategy and the time-related details for carrying out the strategy. It should spell out the following in detail: (1) what marketing mix will be offered, to whom (that is, the target market), and for how long; (2) what company resources (shown as costs) will be needed at what rate (month by month perhaps); and (3) what results are expected (sales and profits perhaps monthly or quarterly, customer satisfaction levels, and the like).

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-5
Level of Difficulty: 2 Medium
Topic: The Marketing Plan is a Guide to Implementation and Control

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217. A "marketing plan" is:

A. a marketing program.
B. a marketing strategy.
C. a marketing strategy-plus the time-related details for carrying it out.
D. a target market and a related marketing mix.
E. a plan that contains the necessary operational decisions.

Feedback: A marketing plan is a written statement of a marketing strategy and the time-related details for carrying out the strategy.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-5
Level of Difficulty: 2 Medium
Topic: The Marketing Plan is a Guide to Implementation and Control

218. A "marketing plan":

A. is just another term for "marketing strategy."
B. consists of several "marketing programs."
C. includes the time-related details for carrying out a marketing strategy.
D. is a strategy without all the operational decisions.
E. ignores implementation and control details.

Feedback: A marketing plan is a written statement of a marketing strategy and the time-related details for carrying out the strategy.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-5
Level of Difficulty: 1 Easy
Topic: The Marketing Plan is a Guide to Implementation and Control

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219. A "marketing plan" should include:

A. some control procedures.
B. what company resources will be needed-and at what rate.
C. what marketing mix is to be offered to whom-and for how long.
D. what sales and profit results are expected.
E. All of these are included in a marketing plan.

Feedback: An ideal marketing plan should answer the following questions: (1) what marketing mix will be offered, to whom and for how long; (2) what company resources will be needed at what rate; and (3) what results are expected.

AACSB: Analytical Thinking
Blooms: Understand
Learning Objective: 2-5
Level of Difficulty: 1 Easy
Topic: The Marketing Plan is a Guide to Implementation and Control

220. Which of the following is part of a complete marketing plan?

A. Competitors' marketing strategies.
B. What company resources (costs) are required and at what rate.
C. How different marketing mixes (for different target markets) relate to each other.
D. All of these are parts of a complete marketing plan.

Feedback: An ideal marketing plan should answer the following questions: (1) what marketing mix will be offered, to whom and for how long; (2) what company resources will be needed at what rate; and (3) what results are expected.

AACSB: Analytical Thinking
Blooms: Understand
Learning Objective: 2-5
Level of Difficulty: 2 Medium
Topic: The Marketing Plan is a Guide to Implementation and Control

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221. Which of the following would probably NOT be in a proposed marketing plan?

A. A list of what company resources (costs) would be required.
B. A statement of how frequently the design of the website will be changed.
C. Expected sales and profit results.
D. A description of the target market and marketing mix.
E. All of these would normally be part of a marketing plan.

Feedback: An ideal marketing plan should answer the following questions: (1) what marketing mix will be offered, to whom and for how long; (2) what company resources will be needed at what rate; and (3) what results are expected. "How frequently the design of the website is changed" does not fall under one of these 3 questions.

AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 2-5
Level of Difficulty: 2 Medium
Topic: The Marketing Plan is a Guide to Implementation and Control

222. Which of the following is NOT included in a marketing plan?

A. The control procedures to be used
B. The costs involved
C. The results expected
D. What marketing mix is to be offered
E. All of these should be included in a marketing plan.

Feedback: An ideal marketing plan should answer the following questions: (1) what marketing mix will be offered, to whom and for how long; (2) what company resources will be needed at what rate; and (3) what results are expected.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-5
Level of Difficulty: 2 Medium
Topic: The Marketing Plan is a Guide to Implementation and Control

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223. _____ refers to putting marketing plans into operation.

A. Delivery
B. Implementation
C. Operational planning
D. Strategy planning
E. Control

Feedback: Implementation refers to the manager's job of putting marketing plans into operation.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-5
Level of Difficulty: 1 Easy
Topic: The Marketing Plan is a Guide to Implementation and Control

224. Short-run decisions to help implement strategies are best known as _____.

A. actionable items
B. strategic decisions
C. marketing plans
D. operational decisions
E. dependencies

Feedback: Short-run decisions that help implement strategies are known as operational decisions.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-5
Level of Difficulty: 1 Easy
Topic: The Marketing Plan is a Guide to Implementation and Control

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225. Managers should make operational decisions _____.

A. within the guidelines set down during strategy planning
B. with great care as these decisions are the same as strategic decisions
C. for the long-run to help formulate strategic plans
D. keeping in mind that these decisions should always lead to changes in the basic strategy
E. on a month-to-month basis and never daily or weekly

Feedback: Managers should make operational decisions within the guidelines set down during strategy planning. But operational decisions are short-run decisions to help implement strategies. They do not change the basic strategy. They are made regularly, even daily or weekly.

AACSB: Analytical Thinking
Blooms: Understand
Learning Objective: 2-5
Level of Difficulty: 2 Medium
Topic: The Marketing Plan is a Guide to Implementation and Control

226. Which of the following statements about operational decisions is FALSE?

A. They help to carry out a marketing strategy.
B. They are short-run decisions.
C. They are part of the implementation process.
D. They usually require ongoing changes in the basic strategy to be effective.

Feedback: Operational decisions are short-run decisions that help implement strategies. They are part of the implementation process, but they do not require changes in the basic strategy.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-5
Level of Difficulty: 2 Medium
Topic: The Marketing Plan is a Guide to Implementation and Control

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227. Which of the following statements is a strategy decision, rather than an operational decision?

A. "We will change the colors of our selection of shirts at the end of the season."
B. "We will cut prices as needed to in order to protect our market share."
C. "We will increase the number of training sessions for new sales associates from two to three."
D. "We will hire a merchandising specialist this month to help remodel our older stores."
E. "We will place a special ad in the Sunday newspaper promoting our upcoming sale."

Feedback: Operational decisions are short-run decisions that help implement strategies. Strategy decisions are long-term decisions that could contain one or more of the four Ps.

AACSB: Analytical Thinking
Blooms: Create
Learning Objective: 2-5
Level of Difficulty: 1 Easy
Topic: The Marketing Plan is a Guide to Implementation and Control

228. Which of the following statements by a marketing manager refers to operational decisions, rather than strategy decisions?

A. "Our target customers view most existing luxury sedans as dull, and they want performance as well as luxury."
B. "Newspaper ads will be more cost effective than 30 second radio ads-given the price increase for radio this month."
C. "We hope to earn a 15 percent return on investment with our plan."
D. All of these statements refer to operational decisions.

Feedback: Operational decisions are short-run decisions that help implement strategies. Strategy decisions are long-term decisions that could contain one or more of the four Ps.

AACSB: Analytical Thinking
Blooms: Apply
Learning Objective: 2-5
Level of Difficulty: 2 Medium

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Topic: The Marketing Plan is a Guide to Implementation and Control

229. Which of the following is an operational decision-rather than a strategy decision?

A. A decision to seek distribution only through the best retailers
B. Selection of a specific target market
C. A decision to maintain a "one price" policy
D. Selection of a specific cable TV channel on which to advertise
E. Selection of a niche market

Feedback: Operational decisions are short-run decisions that help implement strategies. Strategy decisions are long-term decisions that could contain one or more of the four Ps.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-5
Level of Difficulty: 2 Medium
Topic: The Marketing Plan is a Guide to Implementation and Control

230. Which of the following is an example of an operational decision?

A. Focus promotion on the economy of the product.
B. Make the product available in every possible retail outlet.
C. Have a salesperson visit the manager of a new hardware store that will open next week.
D. Set a price that is no higher than competitors' prices.
E. None of these is an example of an operational decision.

Feedback: Operational decisions are short-run decisions that help implement strategies. Strategy decisions are long-term decisions that could contain one or more of the four Ps.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-5
Level of Difficulty: 2 Medium
Topic: The Marketing Plan is a Guide to Implementation and Control

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231. Which of the following would NOT require an operational decision for a leading hair color manufacturer?

A. Solicit orders from any new, financially attractive, salons.
B. Drop colors that are losing appeal.
C. Create a fresh ad for each Sunday newspaper.
D. Set a competitive price if a primary competitor offers a special discount.
E. Promote the fair price and satisfactory quality of the product.

Feedback: Operational decisions are short-run decisions that help implement strategies. Strategy decisions are long-term decisions that could contain one or more of the four Ps.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-5
Level of Difficulty: 2 Medium
Topic: The Marketing Plan is a Guide to Implementation and Control

232. Happy Feet shoe company's strategic policy states "Carry as limited a line of colors, styles, and sizes as will satisfy the target market." This policy best relates to which decision area of the marketing mix?

A. People
B. Place
C. Promotion
D. Price
E. Product

Feedback: "Carry as limited a line of colors, styles, and sizes as will satisfy the target market" is a strategic decision that pertains to the Product variable of the marketing mix.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-5
Level of Difficulty: 3 Hard
Topic: The Marketing Plan is a Guide to Implementation and Control

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233. One of the strategic policies of camera maker, Zoom Cameras, states: "We will communicate the key benefits and value of our camera's unique zoom lenses and demonstrate how they meet customer needs." This policy best fits which marketing mix decision area?

A. Product
B. Place
C. Promotion
D. Price
E. People

Feedback: Promoting the benefits and value of the special design and how it meets customer needs is a strategic decision that pertains to the Promotion variable of the marketing mix.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-5
Level of Difficulty: 3 Hard
Topic: The Marketing Plan is a Guide to Implementation and Control

234. A retailer's operational decision to hire new salespeople would best relate to the marketing mix decision area of

A. product.
B. place.
C. promotion.
D. price.
E. people.

Feedback: Hiring new salespeople is an operational decision that pertains to the Promotion variable of the marketing mix.

AACSB: Reflective Thinking
Blooms: Understand

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Learning Objective: 2-5
Level of Difficulty: 2 Medium
Topic: The Marketing Plan is a Guide to Implementation and Control

235. When fast food restaurant, Tommy's Tacos, had poor sales in Central City, marketing managers closed one outlet on the east side of town and opened two new locations on the south side of town. These moves represent _____.

A. operational decisions in the product decision area
B. strategy policies in the place area
C. strategy policies in the product area
D. operational decisions in the place area
E. strategy policies in the promotion area

Feedback: In market areas where sales potential is not achieved, adding new retail outlets and/or dropping retailers whose performance is poor are operational decisions that pertain to the Place variable of the marketing mix.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-5
Level of Difficulty: 3 Hard
Topic: The Marketing Plan is a Guide to Implementation and Control

236. A "marketing program":

A. blends all of a firm's marketing plans into one big plan.
B. is a description of a firm's marketing mix.
C. is a detailed plan of how to implement a strategy.
D. is a marketing strategy plus the time-related details.
E. None of these apply to a marketing program.

Feedback: A marketing program blends all of the firm's marketing plans into one big plan.

AACSB: Analytical Thinking

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Blooms: Remember
Learning Objective: 2-5
Level of Difficulty: 1 Easy
Topic: The Marketing Plan is a Guide to Implementation and Control

237. Which of the following blends all of the firm's marketing plans into one big plan?

A. Marketing program
B. Marketing mix.
C. Marketing statement
D. Marketing overview
E. Marketing flow

Feedback: A marketing program blends all of the firm's marketing plans into one big plan.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-5
Level of Difficulty: 1 Easy
Topic: The Marketing Plan is a Guide to Implementation and Control

238. _____ is the total stream of purchases that a customer could contribute to the company over the life of the relationship.

A. Customer equity
B. Profit
C. Net worth
D. Customer lifetime value
E. A premium price

Feedback: Many firms recognize this and measure the customer lifetime value or total stream of purchases that a customer could contribute to the company over the length of the relationship.

AACSB: Reflective Thinking
Blooms: Remember

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Learning Objective: 2-6
Level of Difficulty: 1 Easy
Topic: Recognizing Customer Lifetime Value and Customer Equity

239. The total stream of purchases that a single customer could contribute to a company over the length of the relationship is called customer ____.

A. equity
B. lifetime value
C. service
D. satisfaction
E. feedback

Feedback: Over a period of years, a single customer is likely to purchase multiple products from a company. The total stream of purchases that a customer could contribute to the company over the length of the relationship is called customer lifetime value.

AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-6
Level of Difficulty: 1 Easy
Topic: Recognizing Customer Lifetime Value and Customer Equity

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240. Estimating a customer's lifetime purchasing potential is important because it helps marketers to _____.

A. make a quick sale on a product
B. decide whether to place ads online or in magazines
C. recognize that mass marketing is the best way to reach customers
D. select the right channel of distribution
E. devise long-range plans and strategies for building customer relationships

Feedback: Calculating a customer's long-range purchasing potential can help marketers recognize the importance of devising plans that build and maintain customer relationships over a lifetime.

AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 2-6
Level of Difficulty: 2 Medium
Topic: Recognizing Customer Lifetime Value and Customer Equity

241. When a customer who buys two Apple iPhones, an Apple iMac computer, and Apple TV over a period of several years, Apple's marketing managers should be thinking about:

A. diversification.
B. mass marketing.
C. differentiation.
D. customer lifetime value.
E. customer feedback loops.

Feedback: Over a period of years, a single customer is likely to purchase multiple products from a company. The total stream of purchases that a customer could contribute to the company over the length of the relationship is called customer lifetime value.

AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-6

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Level of Difficulty: 1 Easy
Topic: Recognizing Customer Lifetime Value and Customer Equity

242. Customer lifetime value _____.

A. emphasizes a short-run approach to marketing management
B. is basically a historical measure of how profitable a firm has been in the past
C. applies to firms that target final consumers but not to firms that target business customers
D. will increase if a firm increases its market share with a particular strategy
E. considers what a customer purchases from a company over the lifetime of the relationship

Feedback: Many firms recognize this and measure the customer lifetime value or total stream of purchases that a customer could contribute to the company over the length of the relationship.

AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 2-6
Level of Difficulty: 2 Medium
Topic: Recognizing Customer Lifetime Value and Customer Equity

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243. When the manager of a Denny's Restaurant offers a customer a coupon for a free meal as compensation for slow service, the manager is focusing on _____.

A. differentiation
B. product development
C. short-term profits
D. a diversification strategy
E. customer lifetime value

Feedback: Many firms recognize this and measure the customer lifetime value or total stream of purchases that a customer could contribute to the company over the length of the relationship. In this situation, the restaurant manager is willing to lose money on a future meal to encourage return visits.

AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 2-6
Level of Difficulty: 2 Medium
Topic: Recognizing Customer Lifetime Value and Customer Equity

244. _____ is the expected earnings stream of a firm's current and prospective customers over some period of time.

A. Profit
B. Earnings
C. Operating profit
D. Customer equity
E. Net value

Feedback: Customer equity is the expected earnings stream (profitability) of a firm's current and prospective customers over some period of time.

AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-6
Level of Difficulty: 1 Easy

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Topic: Recognizing Customer Lifetime Value and Customer Equity

245. The difference between customer lifetime value and customer equity is _____.

A. customer equity takes a financial approach where customer lifetime value does not
B. customer lifetime value looks at specific target markets
C. customer equity takes into account a firm's current and future customers and the costs associated with each
D. customer equity reflects the total stream of purchases that a customer could contribute to a company over the length of the relationship
E. customer lifetime value focuses on purchases over the next year, while customer equity takes into account a longer time horizon

Feedback: We can take the idea of customer lifetime value a step further by taking into account all of a firm's current and future customers and the costs associated with each. Customer equity is the expected earnings stream (profitability) of a firm's current and prospective customers over some period of time.

AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 2-6
Level of Difficulty: 3 Hard
Topic: Recognizing Customer Lifetime Value and Customer Equity

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246. Which of the following is NOT a reason the marketing program should build customer equity?

A. Marketing strategies do not contribute to customer equity.
B. Expected profits depend on customer equity.
C. Firms expect financial returns.
D. Profit growth comes from customers.
E. Customers are the source of revenue.

Feedback: Customer equity is the expected earnings stream of a firm's current and prospective customers over some period of time. Top management expects marketing strategy planners to help identify opportunities that will lead to an increase in a firm's customer equity.

AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 2-6
Level of Difficulty: 2 Medium
Topic: Recognizing Customer Lifetime Value and Customer Equity

247. Which of the following is *most* likely to increase a firm's customer equity?

A. The firm offers a more costly marketing mix that attracts more customers.
B. The firm offers customer value that is at least as good as what competitors offer.
C. The lifetime value of the firm's individual customers increases.
D. The competition in the firm's market increases.
E. The firm cuts costs by reducing promotion efforts.

Feedback: A focus on customer equity allows a firm's marketing strategies for each of its products to work together to increase the lifetime value of that customer to the firm.

AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 2-6
Level of Difficulty: 3 Hard
Topic: Recognizing Customer Lifetime Value and Customer Equity

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248. The customer equity concept

A. encourages a manager to consider both the costs and the revenue from a marketing strategy.
B. recognizes that customers are satisfied at a cost-and it is basically an estimate of a firm's future earnings.
C. applies even to firms that pursue several different strategies.
D. focuses on earnings as well as sales.
E. All of these are part of the customer equity concept.

Feedback: Customer equity is the expected earnings stream of a firm's current and prospective customers over some period of time. Top management expects marketing strategy planners to help identify opportunities that will lead to an increase in a firm's customer equity.

AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 2-6
Level of Difficulty: 1 Easy
Topic: Recognizing Customer Lifetime Value and Customer Equity

249. Which of the following statements about customer equity is FALSE?

A. Expected losses depend on customer equity.
B. If the parts of a firm's marketing program work well together, it should increase the firm's customer equity.
C. Expected profits depend on customer equity.
D. Customer equity benefits customers but not the company.
E. None of these statements about customer equity is FALSE.

Feedback: Customer equity does benefit the company because it increases the lifetime value of the customer to the firm.

AACSB: Reflective Thinking
Blooms: Understand

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Learning Objective: 2-6
Level of Difficulty: 2 Medium
Topic: Recognizing Customer Lifetime Value and Customer Equity

250. Marketing strategies that focus on quick short-term sales _____.

A. miss an opportunity to ensure repeat purchases in the future
B. do not generate revenue or profits
C. never involve personal selling
D. are known as breakthrough opportunities
E. are never used by reputable companies

Feedback: While short-term sales approaches are common and can boost revenue immediately, marketing strategies that seek only a quick sale squander the opportunity to ensure repeat purchases in the future.

AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 2-6
Level of Difficulty: 2 Medium
Topic: Recognizing Customer Lifetime Value and Customer Equity

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251. The text's discussion of Ford's marketing strategy highlights the fact that:

A. it's not wise for managers just to define a business in terms of the products they currently produce or sell.
B. there is little alternative but to stick with the traditional promotion channels for a product.
C. most consumers see basic products-like cars-as close substitutes for each other.
D. once a firm establishes a position as the market leader, competitors are not likely to be a big problem.

Feedback: Henry Ford revolutionized the automobile industry by building the assembly line. His approach highlighted the fact that defining a business in terms of the products they produce or sell is unwise. More recently, Ford is in a continuous process of innovation and redesign.

AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 2-6
Level of Difficulty: 3 Hard
Topic: The Importance of Marketing Strategy Planning

252. The text's discussion of Ford's marketing strategy highlights the fact that:

A. creative strategy planning is needed for survival.
B. there is little alternative but to stick with the traditional promotion channels for a product.
C. most consumers want only established products.
D. once a firm reaches a position as the market leader, competitors are not likely to be a big problem.

Feedback: Ford implemented a creative marketing strategy by building the first assembly line production facility. It continues to reinvent itself and its products today.

AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 2-6
Level of Difficulty: 1 Easy
Topic: The Importance of Marketing Strategy Planning

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253. It's best to think of "breakthrough opportunities" as opportunities which _____.

A. appeal to the mass market
B. will quickly create a whole new industry of firms competing with similar marketing mixes
C. help innovators develop hard-to-copy marketing mixes
D. increase sales
E. will take profit to the highest level

Feedback: Breakthrough opportunities help innovators develop hard-to-copy marketing strategies that will be very profitable for a long time.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-7
Level of Difficulty: 1 Easy
Topic: What are Attractive Opportunities?

254. _____ help(s) innovators develop hard-to-copy marketing strategies that will be very profitable for a long time.

A. Opportunity segments
B. Competitive decisions
C. Breakthrough opportunities
D. Competitive marketing
E. Operational decisions

Feedback: Breakthrough opportunities help innovators develop hard-to-copy marketing strategies that will be very profitable for a long time.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-7
Level of Difficulty: 1 Easy
Topic: What are Attractive Opportunities?

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255. Which of the following best illustrates a "breakthrough opportunity?"

A. A recording company's new CD gets unexpected national publicity on MTV and almost every teenager wants a copy for Christmas.

B. A drug company develops a patented pill that people can take once a year and safely avoid catching a cold.

C. A bank puts its credit card machines in convenient drive-up locations-so they will be more convenient for customers.

D. A nurse realizes that the growing number of older people will increase the demand for nursing home services, so she quits her job and opens a quality nursing center for the elderly.

E. A wireless phone company introduces a new service that offers more free weekend minutes than any other service in its market area.

Feedback: Breakthrough opportunities help innovators develop hard-to-copy marketing strategies that will be very profitable for a long time.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-7
Level of Difficulty: 2 Medium
Topic: What are Attractive Opportunities?

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256. Which of the following would be likely to help you develop a "breakthrough opportunity?"

A. A two-month advantage over competitors in introducing a new product.
B. An idea for a new website animation that will attract consumer attention.
C. Accurate marketing research information about how much of a planned product the target market is likely to buy.
D. None of these would help you develop a breakthrough opportunity.

Feedback: Breakthrough opportunities help innovators develop hard-to-copy marketing strategies that will be very profitable for a long time. None of these alternatives is significant enough to qualify as a breakthrough opportunity.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-7
Level of Difficulty: 2 Medium
Topic: What are Attractive Opportunities?

257. Which of the following could be a "breakthrough opportunity?"

A. A unique technical invention that competitors could not legally copy.
B. A contract with the best intermediaries to reach your market-ensuring that they will handle your product and no competitors' offerings.
C. A head start in a market so you can win target customers who will be loyal to your firm and its offering.
D. All of these could be breakthrough opportunities.

Feedback: Breakthrough opportunities help innovators develop hard-to-copy marketing strategies that will be very profitable for a long time. All of the alternatives above are significant enough to quality as breakthrough opportunities.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-7
Level of Difficulty: 2 Medium
Topic: What are Attractive Opportunities?

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258. A pharmaceutical company spent a significant amount of money developing a new drug to combat high blood pressure. The drug did not cause any of the typical side effects usually associated with blood pressure medications. It was forecasted to be a "blockbuster" medication that would achieve over $1 billion in sales. It would also be difficult for other firms to duplicate, at least in the short-run, because of patent protection and the substantial research and development costs required. The introduction of this new drug would best be described as _____.

A. Diversification
B. Market development
C. A breakthrough opportunity
D. "Hit-or-miss" marketing
E. Market penetration

Feedback: Breakthrough opportunities help innovators develop hard-to-copy marketing strategies that will be very profitable for a long time.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-7
Level of Difficulty: 1 Easy
Topic: What are Attractive Opportunities?

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259. _____ means that a firm has a marketing mix that the target market sees as better than a competitor's mix.

A. Competitive advantage
B. Strategic policy
C. Customer equity
D. Comparative opportunity
E. Market development

Feedback: Competitive advantage means that a firm has a marketing mix that the target market sees as better than a competitor's mix. It may result from efforts in different areas of the firm, such as cost cutting in production, innovative research and development, etc.

AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-7
Level of Difficulty: 1 Easy
Topic: What are Attractive Opportunities?

260. "Breakthrough opportunities" are opportunities that:

A. help innovators develop hard-to-copy marketing strategies.
B. may be turned into marketing strategies that will be profitable for a long time.
C. help the firm develop a "competitive advantage."
D. help a firm satisfy customers better than some competitor.
E. All of these apply to breakthrough opportunities.

Feedback: Breakthrough opportunities help innovators develop hard-to-copy marketing strategies that will be very profitable for a long time. Even if a manager can't find a breakthrough opportunity, the firm should try to obtain a competitive advantage to increase its chances for profit or survival.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-7

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Level of Difficulty: 1 Easy
Topic: What are Attractive Opportunities?

261. Breakthrough opportunities:

A. are so rare that they should be pursued even when they do not match the firm's resources and objectives.
B. seldom occur within or close to a firm's present markets.
C. are especially important in our increasingly competitive markets.
D. are those that a firm's competitors can copy quickly.
E. are best achieved by trying to hold onto a firm's current market share.

Feedback: Breakthrough opportunities help innovators develop hard-to-copy marketing strategies that will be very profitable for a long time. Even if a manager can't find a breakthrough opportunity, the firm should try to obtain a competitive advantage to increase its chances for profit or survival.

AACSB: Analytical Thinking
Blooms: Understand
Learning Objective: 2-7
Level of Difficulty: 2 Medium
Topic: What are Attractive Opportunities?

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262. Which of the following statements regarding marketing strategies is FALSE?

A. It is useful to think of the marketing strategy planning process as a narrowing-down process.
B. These strategies must meet the needs of target customers, and a firm is likely to get a competitive advantage if it just meets needs in the same way as some other firm.
C. Developing successful marketing strategies doesn't need to be a hit-or-miss proposition.
D. These strategies require decisions about the specific customers the firm will target and the marketing mix the firm will develop to appeal to that target market.
E. Most companies implement more than one marketing strategy and related marketing plan at the same time.

Feedback: An advantage only succeeds if it allows the firm to provide superior value and satisfy customers better than some competitor.

AACSB: Analytical Thinking
AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 2-7
Level of Difficulty: 2 Medium
Topic: Marketing Strategy Planning Process Highlights Opportunities

263. Developing a set of specific qualitative and quantitative screening criteria _____.

A. increases the different opportunities-and strategy possibilities-in the market
B. can make it difficult to zero in on the best target market and marketing mix
C. cannot help eliminate potential strategies that are not well suited for the firm
D. can help a manager define in which business and markets the firm wants to compete
E. highlights advantages of a strategy but does not make it clear why you should select that strategy

Feedback: Developing a set of specific qualitative and quantitative screening criteria can help a manager define in which business and markets the firm wants to compete.

AACSB: Analytical Thinking

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Blooms: Understand
Learning Objective: 2-7
Level of Difficulty: 2 Medium
Topic: Marketing Strategy Planning Process Highlights Opportunities

264. A S.W.O.T. analysis includes:

A. strengths.
B. weaknesses.
C. opportunities.
D. threats.
E. All of these are included in a S.W.O.T analysis.

Feedback: A S.W.O.T. analysis identifies and lists the firm's strengths, weaknesses, opportunities, and threats.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-7
Level of Difficulty: 1 Easy
Topic: Marketing Strategy Planning Process Highlights Opportunities

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265. Which of the following statements about S.W.O.T. analysis is true?

A. It is a useful aid for identifying relevant screening criteria and for zeroing in on a feasible strategy.
B. S.W.O.T. is simply an abbreviation for the first letters of the words: strengths, weaknesses, opportunities, and threats.
C. It identifies and lists the firm's strengths and weaknesses and its opportunities and threats.
D. It helps managers focus on a strategy that takes advantage of the firm's strengths and opportunities while avoiding its weaknesses and threats to its success.
E. All of these statements about S.W.O.T. analysis are true.

Feedback: A S.W.O.T. analysis identifies and lists the firm's strengths, weaknesses, opportunities, and threats. All these statements about S.W.O.T analysis are true.

AACSB: Analytical Thinking
Blooms: Understand
Learning Objective: 2-7
Level of Difficulty: 2 Medium
Topic: Marketing Strategy Planning Process Highlights Opportunities

266. A S.W.O.T. analysis _____.

A. seeks to improve strategy planning by "Scanning for Warnings, Omens, and Tips" about competitors' plans
B. is not necessary if competitors have already entered the market
C. defends against potential competitive threats by planning specific "safeguards, weapons, or tactics"
D. should help a manager develop a strategy that leads to a competitive advantage
E. limits the competitive edge of the company

Feedback: With S.W.O.T. analysis, a marketing manager can begin to identify strategies that take advantage of the firm's strengths and opportunities while avoiding weaknesses and threats. This should provide a competitive advantage.

AACSB: Analytical Thinking

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Blooms: Understand
Learning Objective: 2-7
Level of Difficulty: 2 Medium
Topic: Marketing Strategy Planning Process Highlights Opportunities

267. A S.W.O.T. analysis can help a marketing manager:

A. define in which business and markets the firm wants to compete.
B. narrow down to a specific target market and marketing mix from the many alternatives available.
C. see the pros and cons of different possible strategies.
D. develop a competitive advantage.
E. All of these can help a marketing manager who is using a S.W.O.T. analysis.

Feedback: With a S.W.O.T. analysis, a marketing manager can begin to identify strategies that take advantage of the firm's strengths and opportunities while avoiding weaknesses and threats.

AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 2-7
Level of Difficulty: 2 Medium
Topic: Marketing Strategy Planning Process Highlights Opportunities

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268. A S.W.O.T. analysis

A. focuses on what a firm plans to do to "Satisfy Wishes of a Target" customer.
B. summarizes a firm's "strategy, wishes (of its customers), outlook, and tactics."
C. helps defend against potential competitors by developing a set of competitive "safeguards, weapons, offensives, and tactics."
D. identifies a firm's "strengths, weaknesses, opportunities, and threats."
E. seeks to reduce the risk of competitive surprises by scanning the market for "signals, warnings, omens, and tips."

Feedback: A S.W.O.T. analysis identifies and lists the firm's strengths, weaknesses, opportunities, and threats.

AACSB: Analytical Thinking
Blooms: Understand
Learning Objective: 2-7
Level of Difficulty: 1 Easy
Topic: Marketing Strategy Planning Process Highlights Opportunities

269. In which quadrant of the S.W.O.T analysis tool does the following fit? A firm has adequate resources.

A. Strengths
B. Weaknesses
C. Opportunities
D. Threats
E. Limitation

Feedback: A S.W.O.T. analysis identifies and lists the firm's strengths, weaknesses, opportunities, and threats. Having adequate resources is a strength any firm would like to have.

AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 2-7
Level of Difficulty: 1 Easy

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Topic: Marketing Strategy Planning Process Highlights Opportunities

270. In which quadrant of the S.W.O.T. analysis tool does the following fit? A firm is in a fast-growing industry.

A. Strengths
B. Weaknesses
C. Opportunities
D. Threats

Feedback: A S.W.O.T. analysis identifies and lists the firm's strengths, weaknesses, opportunities, and threats. Being in a fast-growing industry is an opportunity on which a firm should try to capitalize.

AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 2-7
Level of Difficulty: 1 Easy
Topic: Marketing Strategy Planning Process Highlights Opportunities

271. In which quadrant of the S.W.O.T. analysis tool does the following fit? A firm is vulnerable to recession.

A. Strengths
B. Weaknesses
C. Opportunities
D. Threats
E. Limitation

Feedback: A S.W.O.T. analysis identifies and lists the firm's strengths, weaknesses, opportunities, and threats. Recessionary conditions pose a threat to nearly every firm.

AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 2-7
Level of Difficulty: 1 Easy

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Topic: Marketing Strategy Planning Process Highlights Opportunities

272. In which element of the S.W.O.T. analysis tool does the following fit? A firm is falling behind in research and development.

A. Strengths
B. Weaknesses
C. Opportunities
D. Threats

Feedback: A S.W.O.T. analysis identifies and lists the firm's strengths, weaknesses, opportunities, and threats. Firms must quickly remedy the situation of lagging behind in one or more departments, which is a potential weakness.

AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 2-7
Level of Difficulty: 1 Easy
Topic: Marketing Strategy Planning Process Highlights Opportunities

273. _____ means that the marketing mix is distinct from what is available from a competitor.

A. Operational
B. Visible
C. Differentiation
D. Competitive
E. Diversification

Feedback: Differentiation means that the marketing mix is distinct from and better than what is available from a competitor.

AACSB: Analytical Thinking
Blooms: Remember
Learning Objective: 2-7
Level of Difficulty: 1 Easy
Topic: Marketing Strategy Planning Process Highlights Opportunities

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274. Differentiation of a firm's marketing mix:

A. Means the firm's marketing mix is hard to distinguish from a competitor.
B. May provide the firm with a competitive advantage in the marketplace.
C. Makes it harder for consumers to notice if there is a consistent theme across all elements of the marketing mix.
D. Is usually not necessary in order for the firm to succeed.

Feedback: A marketing mix won't get a competitive advantage if it just meets needs in the same way as some other firm. Combining analyses of customers, competitors, and company help the marketing manager identify possible strategies that differentiate a marketing mix from the competition.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Learning Objective: 2-7
Level of Difficulty: 1 Easy
Topic: Marketing Strategy Planning Process Highlights Opportunities

275. Differentiation refers to the _____ of the firm's marketing mix to meet the needs of the target market.

A. Similarity
B. uniqueness
C. unsuitability
D. willingness
E. Adaptability

Feedback: Differentiation means that the marketing mix is distinct from and better than what is available from a competitor. This means its marketing mix is unique.

AACSB: Analytical Thinking
Blooms: Remember

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Learning Objective: 2-7
Level of Difficulty: 2 Medium
Topic: Marketing Strategy Planning Process Highlights Opportunities

276. Differentiation

A. helps a firm get a competitive advantage if it just meets needs in the same way as other firms.
B. means that the marketing mix is similar to what is available from a competitor.
C. often requires that the firm fine-tune all of the elements of its marketing mix to the specific needs of a distinctive target market.
D. is less obvious to target customers when there is a consistent theme integrated across the four Ps decision areas.
E. can only be based on one important element of the marketing mix.

Feedback: Differentiation often requires that the firm fine-tune all of the elements of its marketing mix to the specific needs of a distinctive target market.

AACSB: Analytical Thinking
Blooms: Understand
Learning Objective: 2-7
Level of Difficulty: 2 Medium
Topic: Marketing Strategy Planning Process Highlights Opportunities

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277. iRobot got its start by developing high-tech robots for military uses, but the company later started making futuristic robots that clean and wax floors in homes everywhere. Which of the four types of opportunity does this illustrate? Market penetration

A.
B. Market development
C. Diversification
D. Opportunity cost
E. Golden opportunity

Feedback: Since iRobot has started manufacturing new products for non-military uses and markets, the company is pursuing a product diversification opportunity-the type of opportunity in which businesses create new products for new markets different from the firm's current base.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-8
Level of Difficulty: 3 Hard
Topic: Types of Opportunities to Pursue

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278. Of the four types of opportunities firms can pursue, market penetration often appeals to marketers because _____.

A. it requires the creation of new products
B. it involves selling current products in familiar markets
C. it involves selling current products in unfamiliar markets
D. it doesn't require a more effective use of the marketing mix
E. it is guaranteed to succeed

Feedback: Since firms prefer opportunities close to markets they already know, most managers pursue greater market penetration, which involves selling current products in familiar markets. Market penetration is appealing because firms want to increase profits and grow customer equity where they already have experience and strengths.

AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 2-8
Level of Difficulty: 2 Medium
Topic: Types of Opportunities to Pursue

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279. Which of the following firms is exploring a market development opportunity?

A. The Coleman camping gear company boosts sales of popular lanterns by setting up promotional displays at well-attended outdoor events.
B. Campbell's targets health-conscious consumers with a new line of low-sodium soups.
C. McDonald's opens two upscale hotels in Switzerland to serve families and business travelers.
D. The E-Z-Go golf cart company begins selling golf carts for use in malls, factories, and airports.
E. Mammoth Mountain Ski Resort offers horseback riding and a mountain bike park for summer visitors.

Feedback: A market development opportunity involves trying to increase sales by selling present products in new markets. The E-Z-Go golf cart company's push to sell golf carts for new non-golf settings is an example of market development.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-8
Level of Difficulty: 2 Medium
Topic: Types of Opportunities to Pursue

280. _____ means trying to increase sales of a firm's present products in its present markets.

A. Differentiation
B. Product development
C. Market development
D. Diversification
E. Market penetration

Feedback: Market penetration means trying to increase sales of a firm's present products in its present markets; usually through an aggressive marketing mix.

AACSB: Reflective Thinking
Blooms: Remember

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Learning Objective: 2-8
Level of Difficulty: 1 Easy
Topic: Types of Opportunities to Pursue

281. When Colgate encourages its current customers to brush more often by taking their toothbrush and toothpaste to work with them, which market opportunity is Colgate pursuing?

A. Market development
B. Product development
C. Diversification
D. Market penetration

Feedback: Market penetration means trying to increase sales of a firm's present products in its present markets; usually through an aggressive marketing mix.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-8
Level of Difficulty: 1 Easy
Topic: Types of Opportunities to Pursue

282. Lipton has increased sales by developing ads that encourage its current customers to drink Lipton tea instead of coffee at morning "coffee breaks." This effort focuses on

A. diversification.
B. market penetration.
C. product development.
D. mass marketing.
E. market development.

Feedback: Market penetration means trying to increase sales of a firm's present products in its present markets; usually through an aggressive marketing mix.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-8

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Level of Difficulty: 1 Easy
Topic: Types of Opportunities to Pursue

283. Tropicana is trying to get its customers to drink orange juice more often with ads that say, "It's not just for breakfast anymore." What type of opportunity is the company pursuing?

A. Market penetration
B. Diversification
C. Market development
D. Product development
E. Mass marketing

Feedback: Market penetration means trying to increase sales of a firm's present products in its present markets; usually through an aggressive marketing mix.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-8
Level of Difficulty: 1 Easy
Topic: Types of Opportunities to Pursue

284. Kraft Foods recently increased its advertising and couponing to its present cheese customers. It appears that Kraft is pursuing what kind of opportunity?

A. Market penetration
B. Product development
C. Market development
D. Mass marketing
E. Diversification

Feedback: Market penetration means trying to increase sales of a firm's present products in its present markets; usually through an aggressive marketing mix.

AACSB: Reflective Thinking
Blooms: Apply

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Learning Objective: 2-8
Level of Difficulty: 2 Medium
Topic: Types of Opportunities to Pursue

285. If Frito-Lay (which has products in almost all the submarkets for snack foods) were to try to increase its share of one of these markets, it would be pursuing a _____ opportunity.

A. Diversification
B. market penetration
C. product development
D. mass marketing
E. market development

Feedback: Market penetration means trying to increase sales of a firm's present products in its present markets; usually through an aggressive marketing mix.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-8
Level of Difficulty: 2 Medium
Topic: Types of Opportunities to Pursue

286. Coca-Cola runs an advertising campaign on morning radio shows encouraging current customers to "have a Coke in the morning" instead of their morning coffee. This is an example of:

A. market development.
B. product development.
C. diversification.
D. market penetration.
E. mass marketing.

Feedback: Market penetration means trying to increase sales of a firm's present products in its present markets; usually through an aggressive marketing mix.

AACSB: Reflective Thinking

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Blooms: Apply
Learning Objective: 2-8
Level of Difficulty: 1 Easy
Topic: Types of Opportunities to Pursue

287. Pop Soda Co. wants to increase sales of its existing carbonated drinks by making them more convenient, so it's making the drinks available at more stores in its present areas. This is an example of:

A. market penetration.
B. differentiation.
C. product development.
D. diversification.
E. market development.

Feedback: Market penetration means trying to increase sales of a firm's present products in its present markets; usually through an aggressive marketing mix.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-8
Level of Difficulty: 3 Hard
Topic: Types of Opportunities to Pursue

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288. When a customer goes online to register Adobe's Acrobat Reader, the Web page promotes other related products, including its popular Photoshop software. This is an example of:

A. product development.
B. screening opportunities.
C. mass marketing.
D. differentiation.
E. market penetration.

Feedback: Market penetration means trying to increase sales of a firm's present products in its present markets; usually through an aggressive marketing mix.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-8
Level of Difficulty: 2 Medium
Topic: Types of Opportunities to Pursue

289. _____ means trying to increase sales by selling present products in new markets.

A. Differentiation
B. Market development
C. Product development
D. Diversification
E. Market penetration

Feedback: Market development means trying to increase sales by selling present products in new markets. This may involve searching for new uses for a product, advertising in different media to reach new target customers, or adding channels of distribution or new stores in new areas, including overseas.

AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-8
Level of Difficulty: 1 Easy
Topic: Types of Opportunities to Pursue

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290. When a firm tries to increase sales by selling its present products in new markets, this is called:

A. product development.
B. diversification.
C. market penetration.
D. mass marketing.
E. market development.

Feedback: Market development means trying to increase sales by selling present products in new markets. This may involve searching for new uses for a product, advertising in different media to reach new target customers, or adding channels of distribution or new stores in new areas, including overseas.

AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-8
Level of Difficulty: 1 Easy
Topic: Types of Opportunities to Pursue

291. When a company expands globally, this is an example of _____.

A. market development
B. product development
C. diversification
D. market penetration
E. mass marketing

Feedback: Market development means trying to increase sales by selling present products in new markets. This may involve searching for new uses for a product, advertising in different media to reach new target customers, or adding channels of distribution or new stores in new areas, including overseas.

AACSB: Analytical Thinking

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AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-8
Level of Difficulty: 1 Easy
Topic: Types of Opportunities to Pursue

292. When AT&T advertises in THE WALL STREET JOURNAL that smartphones using its technology can make calls from more than 200 countries in the world, which market opportunity is AT&T pursuing?

A. Market penetration
B. Product development
C. Diversification
D. Market development

Feedback: Market development means trying to increase sales by selling present products in new markets. This may involve searching for new uses for a product, advertising in different media to reach new target customers, or adding channels of distribution or new stores in new areas, including overseas.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-8
Level of Difficulty: 1 Easy
Topic: Types of Opportunities to Pursue

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293. The Wall Street Journal has been trying to attract new customers by promoting its newspaper for student use in business courses. This is an example of

A. product development.
B. diversification.
C. market penetration.
D. market development.

Feedback: Market development means trying to increase sales by selling present products in new markets. This may involve searching for new uses for a product, advertising in different media to reach new target customers, or adding channels of distribution or new stores in new areas, including overseas.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-8
Level of Difficulty: 1 Easy
Topic: Types of Opportunities to Pursue

294. An Embassy Suites hotel offers an inexpensive "Family Luncheon Buffet" on Sundays to get customers for its restaurant that is filled by business travelers during weekdays. This effort to get new customers for the available facility is an example of

A. a production orientation.
B. product development.
C. market development.
D. diversification.
E. market penetration.

Feedback: Market development means trying to increase sales by selling present products in new markets. This may involve searching for new uses for a product, advertising in different media to reach new target customers, or adding channels of distribution or new stores in new areas, including overseas.

AACSB: Reflective Thinking

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Blooms: Apply
Learning Objective: 2-8
Level of Difficulty: 1 Easy
Topic: Types of Opportunities to Pursue

295. Coca-Cola is taking advantage of the new willingness of Chinese leaders to engage in international trade by marketing its soft drinks in China. What type of opportunity is Coke pursuing?

A. Market development
B. Diversification
C. Product development
D. Market penetration
E. Product reorientation

Feedback: Market development means trying to increase sales by selling present products in new markets. This may involve searching for new uses for a product, advertising in different media to reach new target customers, or adding channels of distribution or new stores in new areas, including overseas.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-8
Level of Difficulty: 1 Easy
Topic: Types of Opportunities to Pursue

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296. Avon, which in the past relied on door-to-door personal selling, is trying to reach new customers by distributing mail-order catalogs, adding toll-free telephone ordering, and opening online retail sites. Avon is pursuing a _____ opportunity.

A. market development
B. market penetration
C. target marketing
D. product development
E. mass marketing

Feedback: Market development means trying to increase sales by selling present products in new markets. This may involve searching for new uses for a product, advertising in different media to reach new target customers, or adding channels of distribution or new stores in new areas, including overseas.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-8
Level of Difficulty: 2 Medium
Topic: Types of Opportunities to Pursue

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297. A mail-order marketer of flower bulbs to gardening hobbyists decides to sell the bulbs in grocery stores-to reach nonhobbyists who might be interested in pretty flowers. This is an example of:

A. market development.
B. diversification.
C. market penetration.
D. product development.

Feedback: Market development means trying to increase sales by selling present products in new markets. This may involve searching for new uses for a product, advertising in different media to reach new target customers, or adding channels of distribution or new stores in new areas, including overseas.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-8
Level of Difficulty: 2 Medium
Topic: Types of Opportunities to Pursue

298. GreatGadgets, an Internet-based marketer of innovative gift items, decides to sell products in its own retail stores-to reach consumers who don't like to buy without first seeing the item in person. This is an example of:

A. market development.
B. diversification.
C. market penetration.
D. product development.

Feedback: Market development means trying to increase sales by selling present products in new markets. This may involve searching for new uses for a product, advertising in different media to reach new target customers, or adding channels of distribution or new stores in new areas, including overseas.

AACSB: Reflective Thinking

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Blooms: Apply
Learning Objective: 2-8
Level of Difficulty: 2 Medium
Topic: Types of Opportunities to Pursue

299. An Australian wine producer, facing declining sales at home, set up a new channel of distribution to sell wine in the United States. This seems to be an effort at

A. market development.
B. diversification.
C. market penetration.
D. product development.

Feedback: Market development means trying to increase sales by selling present products in new markets. This may involve searching for new uses for a product, advertising in different media to reach new target customers, or adding channels of distribution or new stores in new areas, including overseas.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-8
Level of Difficulty: 2 Medium
Topic: Types of Opportunities to Pursue

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300. E-Z-Go, a producer of golf carts, promotes its carts to other users by advertising them as an easy and quiet way for workers to get around malls, airports, and big factories. E-Z-Go is trying to increase its sales through

A. market penetration.
B. differentiation.
C. product development.
D. market development.
E. diversification.

Feedback: Market development means trying to increase sales by selling present products in new markets. This may involve searching for new uses for a product, advertising in different media to reach new target customers, or adding channels of distribution or new stores in new areas, including overseas.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-8
Level of Difficulty: 3 Hard
Topic: Types of Opportunities to Pursue

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301. BeQuick, a fast-food restaurant, has always operated outlets in malls. With a new strategy that involves opening new outlets that sell the same menu but operate in airports, zoos, casinos, and military bases, BeQuick is pursuing what type of opportunity?

A. Product development
B. Market development
C. Differentiation
D. Market penetration
E. Diversification

Feedback: Market development means trying to increase sales by selling present products in new markets. This may involve searching for new uses for a product, advertising in different media to reach new target customers, or adding channels of distribution or new stores in new areas, including overseas.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-8
Level of Difficulty: 3 Hard
Topic: Types of Opportunities to Pursue

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302. In an effort to increase its total sales, Champion has started exporting its spark plugs for use by several German auto producers. Champion is pursuing a _____ opportunity.

A. diversification
B. market penetration
C. product development
D. mass marketing
E. market development

Feedback: Market development means trying to increase sales by selling present products in new markets. This may involve searching for new uses for a product, advertising in different media to reach new target customers, or adding channels of distribution or new stores in new areas, including overseas.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-8
Level of Difficulty: 2 Medium
Topic: Types of Opportunities to Pursue

303. _____ refers to offering new or improved products for present markets.

A. Diversification
B. Market development
C. Differentiation
D. Market penetration
E. Product development

Feedback: Product development means offering new or improved products for present markets. Knowing the present market's needs, a firm may see new ways to satisfy customers.

AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-8
Level of Difficulty: 1 Easy
Topic: Types of Opportunities to Pursue

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304. When a firm tries to increase sales by offering new or improved products to its present markets, this is called:

A. mass marketing.
B. product development.
C. market penetration.
D. diversification.
E. market development.

Feedback: Product development means offering new or improved products for present markets. Knowing the present market's needs, a firm may see new ways to satisfy customers.

AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-8
Level of Difficulty: 1 Easy
Topic: Types of Opportunities to Pursue

305. If Wendy's decides to test market a hot dog in several stores to determine if it can make more profit from this menu item than from a "Wendy's single," which market opportunity is Wendy's pursuing?

A. Diversification
B. Market development
C. Market penetration
D. Product development

Feedback: Product development means offering new or improved products for present markets. Knowing the present market's needs, a firm may see new ways to satisfy customers.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-8
Level of Difficulty: 1 Easy
Topic: Types of Opportunities to Pursue

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306. To compete more successfully with its many competitors offering packaged cookies, Famous Amos added its own line of "extra chunky" premium cookies. This seems to be an effort at _____.

A. combination
B. market penetration
C. market development
D. product development
E. diversification

Feedback: Product development means offering new or improved products for present markets. Knowing the present market's needs, a firm may see new ways to satisfy customers.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-8
Level of Difficulty: 2 Medium
Topic: Types of Opportunities to Pursue

307. A producer of frozen pasta dinners finds that its current target customers select among its frozen pasta dinners, going to a pizza restaurant, or staying home and eating an Italian sub sandwich. So the company set up a chain of pizza restaurants that also serve Italian sub sandwiches. This seems to be an effort at:

A. market development.
B. diversification.
C. market penetration.
D. product development.

Feedback: Product development means offering new or improved products for present markets. Knowing the present market's needs, a firm may see new ways to satisfy customers.

AACSB: Reflective Thinking
Blooms: Apply

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Learning Objective: 2-8
Level of Difficulty: 3 Hard
Topic: Types of Opportunities to Pursue

308. Wendy's continues to test possible new toppings for hamburgers, including grilled mushrooms and provolone cheese. This suggests that Wendy's is pursuing _____.

A. marketing myopia
B. mass marketing
C. product development
D. market development
E. diversification

Feedback: Product development means offering new or improved products for present markets. Knowing the present market's needs, a firm may see new ways to satisfy customers.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-8
Level of Difficulty: 2 Medium
Topic: Types of Opportunities to Pursue

309. Wendy's continues to come out with new offerings like stuffed pitas. This suggests that Wendy's is pursuing _____.

A. marketing myopia
B. mass marketing
C. product development
D. market development
E. diversification

Feedback: Product development means offering new or improved products for present markets. Knowing the present market's needs, a firm may see new ways to satisfy customers.

AACSB: Reflective Thinking
Blooms: Apply

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Learning Objective: 2-8
Level of Difficulty: 2 Medium
Topic: Types of Opportunities to Pursue

310. Converse started selling its "high-top" canvas basketball shoes in colors such as hot pink, lime green, and purple, to accompany their traditional colors of black and white. Converse seems to be pursuing a _____ opportunity.

A. market penetration
B. market development
C. product development
D. diversification
E. breakthrough

Feedback: Product development means offering new or improved products for present markets. Knowing the present market's needs, a firm may see new ways to satisfy customers.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-8
Level of Difficulty: 1 Easy
Topic: Types of Opportunities to Pursue

311. Heinz, in order to boost its sales, came up with ketchup in gross green and funky purple colors. It packaged the ketchup in EZ Squirt dispensers molded to fit little hands. This is an example of:

A. Product development
B. Market development
C. Diversification
D. Market penetration

Feedback: Product development means offering new or improved products for present markets. Knowing the present market's needs, a firm may see new ways to satisfy customers.

AACSB: Reflective Thinking

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Blooms: Apply
Learning Objective: 2-8
Level of Difficulty: 3 Hard
Topic: Types of Opportunities to Pursue

312. In developing trails for hiking and biking to bring its winter ski customers back in the summer, Mountain High Ski Resort is pursuing what type of opportunity?

A. Channel penetration
B. Diversification
C. Product development
D. Market development
E. Market penetration

Feedback: Product development means offering new or improved products for present markets. Knowing the present market's needs, a firm may see new ways to satisfy customers.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-8
Level of Difficulty: 3 Hard
Topic: Types of Opportunities to Pursue

313. Zippo is pursuing _____ opportunities with its Multi-Purpose Lighter that is designed to light candles, fireplaces, grills, and more.

A. market penetration
B. market development
C. product development
D. diversification
E. channeling

Feedback: Product development means offering new or improved products for present markets. Knowing the present market's needs, a firm may see new ways to satisfy customers.

AACSB: Reflective Thinking

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Blooms: Apply
Learning Objective: 2-8
Level of Difficulty: 3 Hard
Topic: Types of Opportunities to Pursue

314. Hewlett-Packard decided that too many other companies were attracting its customers by advertising their computer printers as "having all of the features of Hewlett-Packard's LaserJet." So Hewlett-Packard designed a new color printer with a completely new set of features that no competitors' equipment offered. Hewlett-Packard then introduced it to the same market with the hope that it could develop a larger and more profitable share. This was an effort at:

A. market development.
B. diversification.
C. market penetration.
D. product development.

Feedback: Product development means offering new or improved products for present markets. Knowing the present market's needs, a firm may see new ways to satisfy customers.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-8
Level of Difficulty: 2 Medium
Topic: Types of Opportunities to Pursue

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315. To improve its profits, Delta Tool Corp. has redesigned its entire line of rechargeable power drills-adding several new or improved features and three new models. Apparently, Delta Tool is pursuing a _____ opportunity.

A. combiner
B. market development
C. product development
D. diversification
E. market penetration

Feedback: Product development means offering new or improved products for present markets. Knowing the present market's needs, a firm may see new ways to satisfy customers.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-8
Level of Difficulty: 1 Easy
Topic: Types of Opportunities to Pursue

316. Professional Dental Supply has been successfully selling dental instruments to dentists for the past twenty years, and has developed strong customer relations. When looking for new marketing opportunities, Professional Dental Supply will most likely look first at

A. market penetration.
B. diversification.
C. market development.
D. product development.
E. Professional Dental Supply will look at all opportunities equally.

Feedback: Product development means offering new or improved products for present markets. Knowing the present market's needs, a firm may see new ways to satisfy customers.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-8
Level of Difficulty: 1 Easy

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Topic: Types of Opportunities to Pursue

317. _____ means moving into totally different lines of business, perhaps entirely unfamiliar products, markets, or even levels in the production-marketing system.

A. Diversification
B. Market development
C. Product development
D. Differentiation
E. Market penetration

Feedback: Diversification means moving into totally different lines of business, perhaps entirely unfamiliar products, markets, or even levels in the production-marketing system.

AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-8
Level of Difficulty: 1 Easy
Topic: Types of Opportunities to Pursue

318. When a firm tries to increase its total sales by offering new products to new markets, it's pursuing:

A. diversification.
B. product development.
C. market development.
D. market penetration.
E. All of these.

Feedback: Diversification means moving into totally different lines of business, perhaps entirely unfamiliar products, markets, or even levels in the production-marketing system.

AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-8

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Level of Difficulty: 2 Medium
Topic: Types of Opportunities to Pursue

319. When Sony Corp., an electronics producer, purchased the Pebble Beach golf course in California, it was pursuing what type of opportunity?

A. Diversification
B. Market development
C. Market penetration
D. Product development

Feedback: Diversification means moving into totally different lines of business, perhaps entirely unfamiliar products, markets, or even levels in the production-marketing system.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-8
Level of Difficulty: 1 Easy
Topic: Types of Opportunities to Pursue

320. Cheese manufacturer, Ashe Mountain Corp., started a new chain of movie theaters called Ashe Mountain's Movie World. The theaters have been a major success and significantly increased the revenues of Ashe Mountain Corp. This is an example of _____.

A. Diversification
B. Market development
C. Product penetration
D. Differentiation
E. Market penetration

Feedback: Diversification means moving into totally different lines of business, perhaps entirely unfamiliar products, markets, or even levels in the production-marketing system.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-8

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Level of Difficulty: 3 Hard
Topic: Types of Opportunities to Pursue

321. A beer distributor, concerned about increasing regulation of alcoholic beverages, decides to start a new business distributing children's toys. This company seems to be pursuing

A. market development.
B. diversification.
C. product development.
D. market penetration.

Feedback: Diversification means moving into totally different lines of business, perhaps entirely unfamiliar products, markets, or even levels in the production-marketing system.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-8
Level of Difficulty: 2 Medium
Topic: Types of Opportunities to Pursue

322. Industrial Plastics Corporation has decided to manufacture and sell electric motors for fishing boats. The firm appears to be pursuing a _____ opportunity.

A. combiner
B. product development
C. market development
D. market penetration
E. diversification

Feedback: Diversification means moving into totally different lines of business, perhaps entirely unfamiliar products, markets, or even levels in the production-marketing system.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-8

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Level of Difficulty: 2 Medium
Topic: Types of Opportunities to Pursue

323. A producer of home burglar alarm devices decides to start manufacturing portable video cameras for use in industrial security situations. This is an example of

A. market development.
B. diversification.
C. product development.
D. market penetration.

Feedback: Diversification means moving into totally different lines of business, perhaps entirely unfamiliar products, markets, or even levels in the production-marketing system.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-8
Level of Difficulty: 2 Medium
Topic: Types of Opportunities to Pursue

324. If a cola producer bought out a Mango juice producer in an attempt to appeal to health-conscious consumers who do not drink soft drinks, it would be pursuing a _____ opportunity.

A. market development
B. diversification
C. market penetration
D. product development

Feedback: Diversification means moving into totally different lines of business, perhaps entirely unfamiliar products, markets, or even levels in the production-marketing system.

AACSB: Reflective Thinking
Blooms: Apply
Learning Objective: 2-8
Level of Difficulty: 2 Medium
Topic: Types of Opportunities to Pursue

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325. The most risky and challenging opportunities usually involve _____.

A. market development
B. product development
C. diversification
D. market penetration
E. .market modification

Feedback: Diversification means moving into totally different lines of business, perhaps entirely unfamiliar products, markets, or even levels in the production-marketing system. Products and customers that are very different from a firm's current base may look attractive but are usually hard to evaluate. That's why diversification usually involves the biggest risk.

AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 2-8
Level of Difficulty: 2 Medium
Topic: Types of Opportunities to Pursue

326. The most risky types of marketing opportunity to pursue usually involve

A. market development.
B. market penetration.
C. diversification.
D. product development.
E. All of these are equally risky.

Feedback: Diversification means moving into totally different lines of business, perhaps entirely unfamiliar products, markets, or even levels in the production-marketing system. Products and customers that are very different from a firm's current base may look attractive but are usually hard to evaluate making diversification very risky.

AACSB: Reflective Thinking
Blooms: Understand

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Learning Objective: 2-8
Level of Difficulty: 1 Easy
Topic: Types of Opportunities to Pursue

327. Because companies are likely to be most familiar with their own operations, _____ opportunities are usually the easiest to pursue.

A. market penetration
B. product development
C. market development
D. diversification
E. All of these are equally easy.

Feedback: Usually firms find attractive opportunities fairly close to markets they already know making market penetration very attractive.

AACSB: Analytical Thinking
Blooms: Understand
Learning Objective: 2-8
Level of Difficulty: 2 Medium
Topic: Types of Opportunities to Pursue

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328. Which of the following statements is TRUE regarding international opportunities in marketing?

A. There is no need to consider international opportunities when the domestic market is prosperous.
B. International trade is decreasing worldwide.
C. A product with slow sales growth in a domestic market may experience faster growth in another country.
D. Only large firms can engage in international marketing.
E. All of these statements about international opportunities in marketing are True.

Feedback: A company (of any size) facing tough competition, thin profit margins, and slow sales growth at home may get a fresh start in another country where demand for its product is just beginning to grow. International trade is increasing worldwide.

AACSB: Analytical Thinking
Blooms: Understand
Learning Objective: 2-9
Level of Difficulty: 1 Easy
Topic: International Opportunities should be Considered

329. All of the following are reasons why international opportunities should be considered by managers, EXCEPT

A. the world is getting smaller.
B. serving international markets may improve economies of scale.
C. favorable trends at home and unfavorable trends in other countries make international marketing particularly attractive.
D. around the world, potential customers have needs and money to spend.
E. it helps to develop a competitive advantage at home and abroad.

Feedback: Unfavorable trends in the market environment at home or favorable trends in other countries may make international marketing particularly attractive.

AACSB: Analytical Thinking
AACSB: Reflective Thinking

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Blooms: Understand
Learning Objective: 2-9
Level of Difficulty: 2 Medium
Topic: International Opportunities should be Considered

330. Going global has become easier than ever for marketers due to _____.

A. language differences between nations
B. cultural differences among ethnic groups around the world
C. advances in e-commerce, transportation, and communication
D. political and social unrest in various parts of the world
E. worldwide economic recession

Feedback: Advances in e-commerce, transportation, and communications are making it easier and cheaper to reach international customers. With a website and e-mail, even the smallest firm can provide international customers with a great deal of information-and easy ways to order-at very little expense.

AACSB: Reflective Thinking
Blooms: Understand
Learning Objective: 2-9
Level of Difficulty: 1 Easy
Topic: International Opportunities should be Considered

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