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Correct answers located at the end of the chapter.

MULTIPLE CHOICE - Choose the one alternative that best completes the statement or answers the question.

1) In response to needs at homeless shelters, Bombas introduced a “One Purchased = One Donated” program for
   A) feminine products.
   B) 100-calorie snack packs.
   C) winter coats.
   D) clothing.
   E) shoes.

2) In addition to the “One Purchased = One Donated” program, Bombas socks are attractive to consumers because they
   A) are made entirely of natural and vegan ingredients.
   B) are among the least expensive products available.
   C) have been engineered for superior comfort.
   D) are conveniently sold in mass merchandise stores like Walmart and Target.
   E) are considered the most fashion-forward in the category.

3) Bombas has a social mission to help homeless shelters with its “One Purchased = One Donated” program. The company name comes from the Latin for
   A) "comfort," the primary point of difference for its products.
   B) "bumblebee," because of the creature's association with working together.
   C) "cotton," the main ingredient in its products.
   D) "service," the central focus of the business.
   E) "antelope," because of its speed and agility.

4) Which statement about marketing is most accurate?
   A) Unless you take a marketing class, you will never truly know anything about marketing.
   B) Marketing is nothing more than common sense.
   C) Marketing requires an innate sense of creativity; you either have it or you don't.
   D) You can call yourself a marketing expert only if you have sold something for a profit.
   E) You have significant marketing expertise, since you make marketing-related decisions every day.

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5) Elon Musk was involved in the inception of all these companies except
   A) SpaceX.
   B) PayPal.
   C) Tesla.
   D) Meta.
   E) Zip2.

6) Marketing refers to the
   A) research and development of new products that existing customers want to purchase.
   B) expansion of companies into other countries.
   C) process of identifying the best local plants to serve particular geographic markets.
   D) activity involved in getting a product or service from the manufacturer to the ultimate consumers and organizational buyers.
   E) activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

7) The activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large is referred to as
   A) manufacturing.
   B) advertising.
   C) marketing.
   D) selling.
   E) promotion.

8) Which statement about marketing is inaccurate?
   A) Marketing is a narrower activity than advertising.
   B) Marketing stresses the importance of delivering genuine benefits in the offerings of goods, services, and ideas sold to customers.
   C) Successful marketing usually results in one "winner" and one or more "losers."
   D) When an organization engages in marketing, it should also create value for its partners and society.
   E) Marketing is a broader activity than personal selling.

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9) What do an organization's stockholders, its suppliers, its employees, its customers, and society at large all have in common with regard to an organization?
   A) All should benefit from the marketing of an organization's offering.
   B) All have a say in the ultimate design of a product.
   C) All are legally culpable if something goes wrong with a product.
   D) All have to make some type of direct financial investment in the organization so it can profitably sell its products.
   E) All use the products and/or services marketed by the organization.

10) Wilson Sporting Goods produces and sells high-quality basketballs. Which of these best describes the group of people that benefit from the firm's marketing activities for its basketballs?
   A) the basketball players who purchase new Wilson basketballs
   B) the sporting goods salespeople who sell Wilson basketballs to their customers
   C) the suppliers who provided the leather to Wilson Sporting Goods
   D) the shareholders of Wilson Sporting Goods, the company that designs and manufactures the basketballs
   E) all stakeholders benefit from Wilson Sporting Goods' marketing efforts, even society at large

11) To serve both buyers and sellers, marketing seeks to_____ and satisfy the needs and wants of prospective customers.
   A) change
   B) create
   C) align
   D) discover
   E) compare

12) To serve both buyers and sellers, marketing seeks to discover and_____ the needs and wants of prospective customers.
   A) change
   B) satisfy
   C) rank
   D) align
   E) preserve

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13) Whether an individual is considering a purchase for personal or household use, or an organization is buying for its own use or for resale, the individual or organization would be considered a(n)
A) prospective customer.
B) dual-purpose marketing decision maker.
C) potential distributor.
D) informed buyer.
E) secondary user.

14) A student wants to buy a smartphone so she can share pictures with her friends. An insurance claims adjuster wants to buy a smartphone to document accidents (take pictures, write reports, etc.). If they both purchase the same model smartphone, such as an Apple iPhone, which statement is most accurate?
A) The adjuster is a prospective customer because the smartphone will be used for work; the student is only a secondary user since the purpose of the smartphone is just for entertainment.
B) Both the adjuster and the student are prospective customers because, in their own ways, they both benefit from the smartphone.
C) Neither the adjuster nor the student is a prospective customer since the company will pay for the adjuster's smartphone and the student's parents will pay for hers.
D) The student is the prospective customer since there are more students buying smartphones for personal use than there are insurance adjusters buying smartphones for business use.
E) Only a person who has bought a smartphone previously is a prospective customer because only previous owners of smartphones benefit from buying new ones.

15) The PAL-V Liberty is a two-seat, gas-powered gyrocopter with a flying range of about 250 miles at maximum weight. In car mode, the three-wheeled vehicle can hit 100 mph. Its maker is seeking safety certification in Europe, and 90 initial production models are now for sale starting at $399,000. The most likely prospective customers for this flying car would include
A) students who attend college at least 500 miles away from home.
B) retired seniors receiving Social Security.
C) executives for whom time is extremely important.
D) teens who like to try new things.
E) families in need of a second vehicle.

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16) The marketing concept of exchange refers to the
    A) negotiation phase between the manufacturer and the seller.
    B) financial remuneration (monetary payment) for a product or service.
    C) trade of things of value between a buyer and a seller so that each is better off after the trade.
    D) bartering of products and services between nongovernmental organizations or individuals.
    E) practice of swapping products and services for other products and services rather than for money.

17) The trade of things of value between a buyer and a seller so that each is better off after the trade is referred to as
    A) financial remuneration.
    B) exchange.
    C) countertrade.
    D) barter.
    E) marketing.

18) The American Red Cross creates advertisements to encourage people to donate blood. After viewing one, Ji-yeon decided to donate a pint of blood. After she did, Ji-yeon felt happy that she had done something nice for her community. Did an exchange occur in a marketing sense?
    A) Yes, because the blood was donated to the Red Cross based on an advertisement, a marketing activity.
    B) Yes, because the donated blood was exchanged for a feeling of satisfaction.
    C) No, because the Red Cross is a nonprofit organization.
    D) No, because no money changed hands.
    E) No, because the Red Cross, a service organization, did not provide Ji-yeon with a product.

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19) A local college of business offers a graduate business school education program. Rosaria paid the tuition to attend and earned her MBA with a concentration in marketing management. Upon graduating, she was offered a high-paying, fulfilling position. Was this a marketing exchange?

A) No, because the university earned a profit from Rosaria's tuition.
B) No, because money was exchanged in the form of tuition and Rosaria's income will come from her employer, not the graduate school.
C) No, because the school did not provide Rosaria with a tangible product, only the potential of an education.
D) Yes, because the university promised Rosaria she would graduate on time, and she did.
E) Yes, because paying tuition was exchanged for knowledge that directly led to Rosaria's high-paying, fulfilling new job.

20) A typical marketing department both shapes and_____ its relationship with internal and external groups.

A) is shaped by
B) organizes
C) directs
D) determines
E) dominates

21) _____responsible for establishing the organization's mission and objectives.

A) Marketers are
B) Suppliers are
C) Customers are
D) Senior management is
E) Shareholders are

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22) One challenge faced by organizations is the need to focus on consumer needs while also_____ the interests of countless other people, groups, and forces that interact to shape the nature of its actions.

A) resisting
B) balancing
C) developing
D) guaranteeing
E) minimizing

23) Which statement about marketing activities is most accurate?

A) Marketing is affected by society but rarely, if ever, affects society as a whole.
B) The marketing department both shapes and is shaped by its relationship with internal and external groups.
C) Marketing activities are the sole responsibility of the marketing department; other departments are involved only if there is an emergency (such as a product recall).
D) Environmental forces do not affect marketing activities as long as a firm closely monitors its environment through rigorous market research.
E) Marketing is essentially developing the right product and convincing potential customers that they "need" it, not just "want" it.

24) All of these are departments within a typical organization except

A) finance.
B) manufacturing.
C) information technology.
D) human resources.
E) shareholders.

25) The_____ department of an organization is responsible for facilitating relationships, partnerships, and alliances with the organization's customers, shareholders, suppliers, and other organizations.

A) purchasing
B) marketing
C) human resources
D) accounting
E) information systems

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26) The marketing department of an organization is responsible for facilitating
A) relationships, partnerships, and alliances with the organization's customers, shareholders, suppliers, and other organizations.
B) healthy competition with other product manufacturers.
C) financial contracts with banks and other lending institutions.
D) alliances with firms with noncompetitive products that target similar markets.
E) the coordination between the various departments within the entire firm.

27) Which statement about marketing departments is most accurate?
A) The marketing department typically works as an independent unit, mostly interacting with other parts of the business only to direct product promotion.
B) The marketing department should suggest where a firm should invest its money based on its knowledge of the market and environmental forces.
C) The marketing department is only responsible for two of the four Ps.
D) The marketing department is only responsible for market research, supervision of product development, and product promotion.
E) The marketing department must work closely with other departments and employees to help provide products that satisfy customers.

28) All of these are environmental forces that affect an organization except
A) competitive.
B) structural.
C) social.
D) regulatory.
E) technological.

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29) Which statement most accurately describes the elements that influence an organization's marketing activities?

A) Only the people and groups inside an organization influence its marketing activities.
B) Countless people, groups, and forces within and outside the organization influence its marketing activities.
C) Only the organization's marketing department and management influence its marketing activities.
D) Environmental forces and people outside the organization have the greatest influence over its marketing activities.
E) Only customers and the marketing department influence the organization's marketing activities.

30) All of these are factors required for marketing to occur except

A) a desire and ability on the part of two or more parties (individuals or organizations) to have their needs satisfied.
B) something to exchange between two or more parties (individuals or organizations).
C) two or more parties (individuals or organizations) with the same wants.
D) two or more parties (individuals or organizations) with unsatisfied needs.
E) a way for two or more parties (individuals or organizations) to communicate.

31) Which factor is required for marketing to occur?

A) a healthy competitive environment
B) an affordable and actionable advertising campaign
C) a sense of social responsibility
D) an ability to see hidden potential within an environmental force
E) something to exchange

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32) Which conditions are necessary for marketing to occur?
A) a changing environment, a method of assessing needs, a way to communicate, and an exchange location
B) parties with cash or credit, a product, a reasonable price, and a place to make an exchange
C) a quality product, a fair price, a clever method of promotion, and a place where a customer can buy the product
D) two or more parties with unsatisfied needs, a desire and an ability to satisfy them, a way to communicate, and something to exchange
E) an ability to see a trend within an environmental force, a product, and an affordable and actionable advertising campaign

33) For marketing to occur, there must be two or more parties involved. Bai distributes a new antioxidant drink through supermarkets at a price comparable to other specialty bottled or canned drinks. The most likely "second" party needed for marketing to occur would be
A) people who are nostalgic about childhood drinks they had during hot summers.
B) people with a desire for a cool beverage other than soda or water.
C) product demonstrators who offer samples of Bai products to shoppers at local supermarkets.
D) a local distributor of alcoholic beverages.
E) a nutritionist promoting the health benefits of adequate hydration.

34) A business student is preparing for the Graduate Management Admission Test (GMAT) so he can get into a good graduate business school. He believes that any money he spends on a tutor will be worthwhile if he can improve his scores. He's heard that there are great tutors in his local community but has no idea who they are. Marketing does not occur in this situation because
A) two or more parties have satisfied needs.
B) there is no desire on the part of either party to satisfy its needs.
C) neither party is aware that a need for tutoring exists.
D) there is no way for the two parties to communicate with one another.
E) there has been no assessment of consumer wants and needs.

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35) A student would like to buy a new car from a local dealer, but thinks the payments will be too high. Marketing does not occur in this situation because
A) two or more parties have unsatisfied needs.
B) there is no desire on the part of either party to satisfy its needs.
C) one of the involved parties does not have the ability to satisfy its needs.
D) there is no way for the parties to communicate with one another.
E) there has been no assessment of consumer wants and needs.

36) Laurie has a medical condition that causes painful headaches. Though she has been to the doctor frequently about the issue, no treatments or medications are available that would help her. Here, no marketing occurs because
A) the doctor does not have unsatisfied needs.
B) the doctor cannot offer a viable product for exchange.
C) marketing is illegal in the pharmaceutical industry.
D) the doctor and patient are unable to communicate.
E) Laurie is unable to afford her medications.

37) A local candidate running for office would very much like to have your vote. She promises that she will "make the country better." Because all candidates for public office say this, you doubt you'll see real results and decide not to vote for her. Marketing will not occur in this situation because
A) marketing doesn't apply to the voting process.
B) the desire and ability to satisfy needs is missing.
C) there is no direct way for the parties to communicate.
D) something to exchange is missing.
E) there is only one party involved in this situation.

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38) A convention center is located less than a mile from a large upscale shopping mall. The nearby Hilton Hotel wants to promote its proximity to the shopping center as well as its many other amenities to convention-goers from other states. Which marketing action would most likely help the hotel communicate with potential convention attendees?

A) Place an ad in the in-flight magazines of all the major airlines targeting business/first-class fliers.
B) Send a mass mailing to all local businesses.
C) Set up information kiosks at several locations within the shopping area.
D) Offer free made-to-order breakfasts for guests staying at the hotel on business.
E) Offer special discount rates to guests coming from the East Coast.

39) A farmhand would like to buy a moped scooter to commute to his job at a nearby ranch. However, he discovers that the local moped dealer has gone out of business. Which reason explains why marketing fails to occur here?

A) There is only one party with an unsatisfied need.
B) A desire to satisfy a need is missing.
C) No assessments of consumer wants and needs have been made.
D) There is no way for the parties involved to communicate.
E) The ability to satisfy a need is missing.

40) Suppose you want a snack after taking this exam. Burger King is located across the street from your College of Business classroom. Unfortunately, you forgot your wallet in the haste of getting to class on time to take the test. Therefore, you have no means to pay for the food. What reason explains why marketing fails to occur between you and Burger King?

A) There is only one party with unsatisfied needs.
B) The ability to satisfy a need is missing.
C) A desire to satisfy a need is missing.
D) No assessments of consumer wants and needs have been made.
E) There is no way for the parties involved to communicate.

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41) Pranav receives a coupon on his smartphone advising him about the location of a Walgreens store in his area. This is an example of which requirement for marketing to occur?
A) demonstrating an unmet need
B) discovering a consumer need
C) a foundation for brand loyalty
D) a way for parties to communicate
E) practicing ethics and sustainability

42) Conducting marketing research is an excellent way to address the first objective in marketing, which is to discover consumers'
A) diversity of opinion to create persuasive advertising messages.
B) income to determine the most lucrative price point for a product.
C) lifetime value of an offering to the organization.
D) characteristics that would be useful to identify market segments.
E) needs to create products that could satisfy them.

43) Marketers often discover consumer needs by
A) implementing a marketing program.
B) conducting effective marketing research.
C) balancing the marketing mix elements—the four Ps of the marketing program.
D) advertising to diverse groups of prospective buyers.
E) copying the products and services of competitors.

44) Crowdsourcing has been an important method of identifying consumer needs for which of these products?
A) Amazon Echo
B) Pepsi True
C) LEGO
D) Google Glass
E) Zipcar

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45) Studies of new product launches indicate that about_____ percent of the products fail.
A) 33
B) 40
C) 67
D) 75
E) 90

46) To avoid new-product failure, new-product experts Robert M. McMath and Thom Forbes suggest
A) implementing a regional rather than a nationwide rollout of a new product.
B) building a hierarchical organizational structure so that more people have a chance to spot product problems.
C) focusing on customer benefits and learning from past mistakes.
D) increasing the marketing budget, since "success comes to those who can outspend the competition."
E) releasing several different versions of a new product at the same time to see which one is most successful.

47) If you followed the suggestions of Robert M. McMath and Thom Forbes, which of these provides the best advice for a marketer for Colgate, when launching a new version of the toothpaste?
A) Anticipate the future five years out in terms of product form, ingredients, and packaging—to invent the "toothpaste of tomorrow!"
B) Give the product a mysterious name that is unrelated to the product's benefits but instead provokes consumer curiosity.
C) Initiate a Facebook campaign against beverages sweetened with high fructose corn syrup, which can contribute to tooth decay.
D) Create unusual packaging that has special shelving requirements.
E) Study past toothpaste product failures and learn from them.

48) A factor that might doom a product in the marketplace is referred to as
A) an albatross.
B) a land mine.
C) a pitfall.
D) a showstopper.
E) a wild card.

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49) In product development, showstoppers refer to
A) creative or innovative members of a marketing team.
B) unexpected alternative uses for a product that result in a sudden increase in sales.
C) factors that might doom a product in the marketplace.
D) sudden losses of financial backing even though the item is in production.
E) situations when a competitor's product suddenly beats a firm's new product to the marketplace.

50) Concerns about privacy might have been a reason for lackluster sales of which of these products?
A) Amazon Prime
B) Google Glass
C) Apple Newton Message Pad
D) YoYo car subscriptions
E) Airbnb rentals

51) In response to shifts in consumer preferences and changes to U.S. FDA Nutrition Facts label requirements, Zevia, a soda sweetened only with the natural ingredient stevia, was developed. However, a potential showstopper for this product is likely to be
A) a lack of advertising on television.
B) previous products with stevia sweetener had a bitter aftertaste.
C) a lower profit margin due to the added costs of expensive ingredients.
D) cannibalization of the company's existing sodas.
E) pressure from the cane sugar and corn industries.

52) A_____ occurs when a person feels deprived of basic necessities such as food, clothing, and shelter.
A) desire
B) need
C) utility
D) want
E) craving

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53) A want is_____ that is shaped by a person's knowledge, culture, and personality.
A) a desire
B) a need
C) a utility
D) a demand
E) an option

54) A need that has been shaped by a person's knowledge, culture, and personality results in a
A) standard.
B) want.
C) utility.
D) demand.
E) preference.

55) Paul wants to eat a turkey and cheese sandwich because, based on his past experience, he knows it will satisfy his hunger
A) preference.
B) need.
C) utility.
D) perception.
E) expression.

56) A need refers to a
A) sense of personal inadequacy based upon observations by others around you.
B) sense of urgency, which causes a person to take action.
C) feeling that is shaped by a person's knowledge, culture, or personality.
D) feeling of vague lacking, but not fully understanding what may be required.
E) feeling of deprivation of basic necessities such as food, clothing, and shelter.

57) All of these are examples of products or services that satisfy a consumer need except
A) a pair of socks.
B) an apple.
C) a student dormitory.
D) a sales tax.
E) a jacket.

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58) Which statement best distinguishes between consumer needs and wants?
A) Needs are far more influential than wants with respect to marketing decision making.
B) Wants affect marketing decisions primarily for planned purchases while needs affect marketing decisions primarily for impulse purchases.
C) Wants occur when a person feels deprived of luxury items while needs are solely possessions required to maintain relationships.
D) Needs and wants are psychologically the same, but needs are those that a consumer can be guaranteed to satisfy.
E) Needs occur when a person feels deprived of basic necessities such as food, clothing, and shelter while wants are determined by a person's knowledge, culture, or personality.

59) A want refers to a
A) sense of personal inadequacy based upon observations by others around you.
B) powerful desire that causes a person to take action.
C) need that is shaped by a person's knowledge, culture, or personality.
D) feeling of being deprived of something, but not fully understanding what it may be.
E) feeling of deprivation of basic necessities such as food, clothing, and shelter.

60) A television advertisement shows several teenagers searching through the pantry for something to satisfy their hunger. The pantry offers the teenagers many alternatives—cereal, chips, cookies, and some KIND Energy Bars. The ad, which shows the teens happily selecting the KIND Bars, appeals to the consumers'_____ for sustenance to satisfy their hunger and attempts to shape their_____ for the advertised product.
A) needs; wants
B) requirements; needs
C) wants; preferences
D) demands; needs
E) preferences; enthusiasm

61) In a marketing context, a market refers to
A) people with a similar want for a particular product or service.
B) people with both the desire and ability to buy a specific offering.
C) the central location for all buying and selling of products and services.
D) an open space or covered building where vendors convene to sell their offerings.
E) the free operation of supply and demand.

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62) People with both the desire and ability to buy a specific offering are referred to as
A) shoppers.
B) a customer base.
C) a market.
D) qualified prospects.
E) candidates.

63) All markets ultimately are composed of
A) people.
B) brands.
C) products.
D) organizations.
E) locations.

64) The best description of the market for cosmetic dentistry, where costs can be as much as $15,000 for teeth straightening and whitening, is
A) toddlers with crooked baby teeth, when crooked teeth run in the family.
B) all former smokers who have been smoke-free for at least one year.
C) anyone who has the time, the money, and the desire to undergo the procedures.
D) anyone who has dental insurance.
E) adults who want to make a good first impression for an event.

65) Before a firm can satisfy customers' needs, it needs to
A) determine the target market.
B) determine how to reward employees.
C) develop a sales department and a manufacturing department.
D) come up with concepts for products.
E) discover consumer needs through research.

66) Discovering consumer needs leads directly to
A) purchases by customers.
B) stakeholder rewards.
C) sales and manufacturing department outcomes.
D) supplier and distributor outcomes.
E) concepts for new products.

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67) Satisfying consumer needs is accomplished by
A) implementing a marketing program.
B) conducting marketing research.
C) discovering consumer needs.
D) developing a distribution strategy.
E) identifying target markets.

68) Product, price, promotion, and place are all components of
A) the firm's required ongoing activities.
B) the marketing mix.
C) factors used to examine competitors' products.
D) the cluster of benefits that an organization develops to satisfy consumers' needs.
E) people with both the desire and the ability to buy a specific offering.

69) A target market is defined as
A) customers who have already purchased a firm's product at least once, have been satisfied, and are likely to be repeat purchasers.
B) both existing and potential customers who have used a competitor's product, are dissatisfied, and who now seek a different product or service to satisfy their needs.
C) a specific group of current consumers toward which an organization directs its advertising.
D) existing or potential consumers who are seeking a product for which there are no current substitutes.
E) one or more specific groups of potential consumers toward which an organization directs its marketing program.

70) One or more specific groups of potential consumers toward which an organization directs its marketing program is referred to as a_____ market.
A) mass
B) base
C) potential
D) target
E) promotional

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71) Kraft produces Lunchables, a prepackaged meal usually consisting of several crackers, small slices of meat, and small slices of cheese. Other items in the product line contain small bottles of Chiquita Strawberry Banana Fruit smoothie, Capri-Sun juice, or Kool-Aid. The box is bright yellow and the quantity of food contained within it is small. The target market for Kraft Lunchables is most likely

A) parents with school-age children who pack a simple, easy lunch for them.
B) business people looking for a satisfying breakfast at the office.
C) business travelers on the run.
D) teenagers who have missed a meal for after-school activities.
E) baby boomers who are trying to lose weight.

72) Which people would most likely be the best target market for tickets to the home games of the Boston Bruins professional hockey team?

A) all people with an interest in professional hockey
B) all people on the East Coast who have an interest in sports
C) all men who played on a varsity hockey team in high school
D) all people in Boston and the surrounding areas interested in hockey
E) all people in Massachusetts who watch hockey on TV

73) Which group would be the least likely target market for a company producing canned food in single-serving sizes?

A) single adults
B) school kitchens
C) campers
D) senior citizens
E) vending machine owners

74) Coach brand luggage is very expensive and generally sold in Coach stores, department stores, and online. Which group of people would be the most likely target market for Coach luggage?

A) police officers
B) executives
C) construction workers
D) massage therapists
E) students

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75) The United States Army was both praised and criticized for its use of a popular video game, America's Army, which was designed to reach potential recruits. The game's creator, Colonel Casey Wardynski, wanted to provide a sense of the training and teamwork one could find in the Army's military environment. The game was designed for "boys 14 years or older," which represent the Army's

A) mass market.
B) actual recruits.
C) restricted market.
D) target market.
E) untapped market.

76) A local university offers business courses for a target market of people who currently work and want to take refresher courses for certification in their business field (marketing, accounting, etc.). What would be the most effective way to communicate with the target market, bearing in mind that communication must be both effective and economical?

A) Put announcements on campus bulletin boards.
B) Distribute promotional materials during classes.
C) Advertise on national television.
D) Advertise on local hip-hop radio shows.
E) Advertise on LinkedIn, a social media network for professionals.

77) The marketing manager's controllable factors—product, price, promotion, and place—that can be used to solve a marketing problem are elements of

A) the marketing concept.
B) the marketing mix.
C) the marketing program.
D) environmental forces.
E) the marketing toolbox.

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78) The marketing mix refers to the
A) selection of product benefits and attributes that are to be added to or subtracted from a given product to create variations within a product line.
B) specific ratio within a budget that divides resources between advertising, sales promotion, and personal selling.
C) marketing manager's controllable factors—product, price, promotion, and place—that can be used to solve a marketing problem.
D) allocation of resources within a firm toward individual marketing programs.
E) environmental forces—social, economic, technological, competitive, and regulatory—that impact the marketing decisions for a particular product at any given time.

79) What is a synonym for the marketing mix?
A) the four Ps of marketing
B) environmental forces
C) macromarketing forces
D) marketing management factors
E) micromarketing factors

80) The four Ps of the marketing mix are
A) priorities, personnel, placement, and profits.
B) prediction, production, price, and promotion.
C) product, price, production, and place.
D) product, price, promotion, and place.
E) prediction, production, packaging, and persuasion.

81) All of these constitute the four Ps of the marketing mix except
A) promotion.
B) profitability.
C) price.
D) place.
E) product.

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82) The four Ps are commonly known as
A) the environmental or uncontrollable forces.
B) the environmental or controllable factors.
C) the marketing mix or controllable factors.
D) the marketing mix or uncontrollable forces.
E) environmental factors, both controllable and uncontrollable.

83) The marketing mix elements are called_____ because they are the responsibility of the marketing department in an organization.
A) administrative forces
B) profitability drivers
C) stakeholder value generators
D) target market segments
E) controllable factors

84) Jakubowski Farms Gourmet Bread Base is the brand name for a mix designed for use in bread making machines. The mixes are sold in 2-pound canisters for $14.99 plus shipping. People learn about the product through word of mouth and bread machine demonstrations the company's founder gives to groups in Wisconsin, where she lives. The products are only available online at the company's website. This is a description of the company's
A) action plan.
B) market segmentation strategy.
C) mission statement.
D) marketing mix.
E) target market.

85) The element of the marketing mix that describes a good, service, or idea to satisfy the consumer’s needs is known as
A) the product.
B) the industry.
C) promotion.
D) the place or distribution.
E) a market segment.

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86) Pillsbury makes several flavors of cookie dough that consumers can buy and bake at home for fresh, warm cookies anytime. The cookie dough represents which part of the company's marketing mix?
A) process
B) price
C) product
D) place
E) people

87) The element of the marketing mix that describes what is exchanged for a product is known as
A) a product.
B) the price.
C) promotion.
D) the place or distribution.
E) profit.

88) Which element of the marketing mix is most affected when the Ritz Carlton hotel in Boston increases its weekend rates to $995 per night?
A) product
B) price
C) promotion
D) place
E) production

89) The element of the marketing mix demonstrated when a dog rescue suggests a $20 donation to attend a dog training event is
A) philanthropy.
B) place.
C) product.
D) promotion.
E) price.

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90) To attend a play presented by the community theater group, every attendee was asked to donate one unwrapped toy at the theater door. The donation is most closely related to the_____ element of the marketing mix.
A) product
B) philanthropy
C) price
D) place
E) promotion

91) The element of the marketing mix that describes a means of communication between the seller and buyer is known as
A) a product.
B) promotion.
C) the price.
D) the place or distribution.
E) advertising.

92) The owners of Old School Brand researched Civil War records to come up with recipes for the heritage products they market. An offer to be featured in an upcoming edition of Taste of Home magazine would be considered part of the_____ element of the marketing mix.
A) product
B) price
C) persuasion
D) promotion
E) place

93) The_____ element of the marketing mix is demonstrated when a company runs a commercial on Hulu.
A) product
B) price
C) promotion
D) place
E) process

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94) Lucca sees messages for products that have been targeted to him based on the interests he displays on Instagram. The messages are part of the_____ element of the marketing mix.
A) product
B) price
C) promotion
D) place
E) process

95) The element of the marketing mix that describes a means of getting the product to the consumer is known as
A) a product.
B) the price.
C) promotion.
D) the place.
E) the process.

96) The_____ element of the marketing mix is demonstrated when FedEx delivers packages to a customer's front porch via its own drivers and fleet vehicles.
A) place
B) product
C) price
D) promotion
E) procurement

97) The ability to buy a bag of chips from a vending machine demonstrates which element of the marketing mix?
A) product
B) price
C) promotion
D) place
E) process

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98) The uncontrollable forces in a marketing decision involving social, economic, technological, competitive, and regulatory forces are referred to as
A) the Five Fs of marketing.
B) environmental forces.
C) business conditions.
D) a marketing ecosystem.
E) business forces.

99) Which of these is not an environmental force?
A) technological
B) regulatory
C) administrative
D) competitive
E) economic

100) In marketing, environmental forces refer to the
A) internal strengths of a company that enable the firm to remain competitive.
B) marketing manager's uncontrollable factors—product, price, promotion, and place—that can be used to solve marketing problems.
C) unpredictable or uncontrollable availability of natural resources that can enhance or restrain a company's growth.
D) marketing manager's uncontrollable forces in a marketing decision involving social, economic, technological, competitive, and regulatory forces.
E) marketing manager's controllable forces in a marketing decision involving social, economic, technological, competitive, and regulatory forces.

101) The five major environmental forces affecting marketing decisions are
A) climate change, natural resources, pollution, natural disasters, and global conflict.
B) social, technological, economic, competitive, and regulatory.
C) corporate ownership, internal management, supplier partnerships, strategic alliances, and customer relationships.
D) product, price, promotion, place, and people.
E) ethics, sustainability, cultural awareness, diversity, and values.

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102) Which statement about environmental forces is most accurate?
A) Environmental forces are almost always controllable if the marketing department correctly scans them.
B) An organization that incorporates the marketing concept can exert just as much influence on environmental forces as they can exert on that organization.
C) Environmental forces consistently result in negative outcomes for an organization.
D) Some environmental forces can actually enhance a firm's marketing opportunities.
E) Environmental forces can almost always be predicted.

103) Which statement describes an environmental force?
A) Several states have legislation that requires people transporting children to use age- and height-appropriate car seats.
B) A direct sales cosmetic company has more than 200,000 independent dealers who market its entire product line.
C) A car battery comes with a lifetime guarantee.
D) An automobile dealer offers a $500 rebate during the month of July.
E) A major bottler offers a 10-cent refund on returnable bottles.

104) The unique combination of benefits received by targeted buyers that includes quality, convenience, on-time delivery, and before-sale and after-sale service at a specific price is called
A) customer value.
B) target marketing.
C) benefit proposition.
D) value-based marketing.
E) a customer value proposition.

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105) Customer value refers to
A) the need of a customer to receive the highest-quality product at the lowest possible price.
B) the least expensive product that will provide customers with most of the basic benefits.
C) a statement that, before product development begins, identifies a well-defined target market; specific customers' needs, wants, and preferences; and what the product will be and do to satisfy consumers.
D) the unique combination of benefits received by targeted buyers that includes quality, convenience, on-time delivery, and both before-sale and after-sale service at a specific price.
E) the cluster of benefits that an organization promises customers to satisfy their needs.

106) Which statement about customer value is most accurate?
A) Target customers assess customer value in terms of the combination of benefits (quality, convenience, etc.), regardless of the price.
B) Loyal customers are less profitable to firms in the long run, since they expect lower prices over time in order to remain loyal.
C) Research suggests that firms can be most successful by being all things to all consumers.
D) It is impossible to place a dollar value on a loyal, satisfied customer.
E) By providing unique value for targeted buyers, firms can build long-term relationships with them.

107) According to the text, Target has been successful by offering consumers the best
A) experience.
B) products.
C) customer service.
D) availability.
E) price.

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108) According to the text, Starbucks provides its customers with the best
A) branding.
B) products.
C) price.
D) customer service.
E) availability.

109) If a bank is known for delivering customer value through its focus on taking great care of customers, it is most likely focusing on providing its customers with the best
A) assortment.
B) products.
C) price.
D) customer service.
E) availability.

110) Those who have flown on JetBlue have experienced firsthand the free snacks that are served during the flight, the free Wi-Fi, and the many free entertainment options. JetBlue creates customer value by providing its customers with the
A) best airport experience.
B) most convenient flight schedules.
C) best price for the distance traveled.
D) best in-flight service.
E) greatest sense of personal safety.

111) Relationship marketing refers to
A) the selection and the assignment of a firm's personnel for a specific product or product line to a group of current or prospective customers.
B) the belief that it is easier and less expensive to find new customers than to retain old ones.
C) the linking of the organization to its individual customers, employees, suppliers, and other partners for their mutual long-term benefit.
D) the process of identifying prospective buyers, understanding them intimately, and developing favorable long-term perceptions of the organization and its offerings so that buyers will choose them in the marketplace.
E) exclusive legally binding contractual agreements between retailers and customers in order to create enhanced value for each party.

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112) The linking of the organization to its individual customers, employees, suppliers, and other partners for their mutual long-term benefit is referred to as
A) relationship marketing.
B) exclusive dealing.
C) loyalty marketing.
D) customer relationship management.
E) symbiotic marketing.

113) Which statement about relationship marketing is most accurate?
A) Relationship marketing has a short-term focus: increasing profits for the firm.
B) Relationship marketing prevents the need to offer unique value to customers.
C) Relationship marketing provides benefits for both customers and the organization.
D) Very few companies today are engaged in relationship marketing.
E) The Internet almost always has a negative impact on a firm's personal relationships with customers.

114) In the performing arts world, the nonprofit Tessitura uses box office technology to track every patron transaction, including ticket purchases, fund-raising, volunteering, and gift shop purchases, in one database. The information can help symphonies, operas, and theaters develop customer profiles to tailor sales messages to specific individuals. Tessitura will allow arts groups to engage in
A) market aggregation.
B) relationship marketing.
C) societal marketing.
D) market mining.
E) mainstream marketing.

115) NYX Cosmetics sent packages to YouTube influencers to unbox on their channels and created a contest to select its Beauty Vlogger of the Year. NYX's FACE Awards flew 6 finalists to Los Angeles to present one of their videos live at the award show. This is an example of
A) supplier management.
B) customer valuation.
C) societal marketing.
D) market aggregation.
E) relationship marketing.

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116) A business traveler joined the Marriott Bonvoy awards program in order to earn points each time she stayed overnight in a Westin, St. Regis, or Marriott hotel. Once she has accumulated enough points, she can trade in her points for a free night's stay. As a member of this program, the traveler receives periodic updates on new hotels and learns of ways to earn additional points. For Marriott, this scenario is best described as

A) relationship marketing.
B) customer satisfaction promotion.
C) customer segmentation.
D) customer valuation.
E) supplier-consumer partnership.

117) A marketing program refers to

A) a plan that integrates the marketing mix to provide a good, service, or idea to prospective buyers.
B) the selection of product benefits and attributes that are added to or subtracted from a given product to create variations within a product line.
C) the marketing manager's controllable factors—product, price, promotion, and place—that can be used to solve a marketing problem.
D) the specific ratio within a marketing budget that divides resources between advertising, promotions, and personal selling.
E) the allocation of resources within a firm toward individual marketing mix elements.

118) A_____ is a plan that integrates the marketing mix to provide a good, service, or idea to prospective buyers.

A) marketing strategy
B) marketing program
C) macromarketing tactic
D) micromarketing tactic
E) customer relationship profile

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119) After an assessment of needs, a marketing manager must translate ideas from consumers into concepts for products that a firm may develop. The concepts must then be converted into a tangible
A) mission statement.
B) macromarketing agenda.
C) micromarketing agenda.
D) marketing program.
E) marketing concept.

120) Market segments are
A) the relatively heterogeneous groups of prospective buyers that results from the market segmentation process.
B) all buyers of a product or service who have previously purchased a particular firm's products or services and who intend to repeat that purchase sometime in the future.
C) the smallest number of buyers who have similar needs but do not react similarly in a buying situation.
D) the relatively homogenous groups of prospective buyers who have common needs and will respond similarly to a marketing action.
E) all potential buyers of a product or service who intend to purchase a firm's products or services but who have not yet done so.

121) In marketing, each_____ consists of people who are relatively similar to each other in terms of their consumption behavior.
A) market segment
B) demographic cluster
C) organizational buyer group
D) ultimate consumer group
E) qualified prospect group

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122) An inventor for 3M, David Windorski, and a team of four college students, questioned students about how they study. The students told the research team
A) that Scotch tape had outgrown its usefulness to students.
B) to make new products that were more environmentally friendly.
C) that the average backpack was already too heavy.
D) that it would be reasonable to put Post-it Flags together with a highlighter.
E) to determine the ratio of sales of 3M products to those of competitors' study aid products.

123) The purpose of introducing 3M Post-it Flag Highlighters was to
A) stay ahead of trends and focus its marketing program on only one segment.
B) stay ahead of trends and focus its marketing program on expanding distribution.
C) increase production economies of scale by reducing manufacturing and marketing costs for Post-it Flags and Post-it Notes.
D) preempt a competitive move by Sanford's Sharpie to introduce a similar product.
E) help college students with their studying.

124) Which statement about 3M's marketing program for Post-it Flag Highlighters and Post-it Flag Pens is most accurate?
A) In his first attempt, David Windorski designed the Post-it Flag Highlighter in exactly the right way to appeal to its target market.
B) Paralegals were initially the intended target market for the Post-it Flag Highlighter.
C) David Windorski developed the Post-it Flag Pen for the office worker segment.
D) The Post-it Flag Highlighter was not successful and was deleted from the Post-it Flag product line.
E) In the development of the Post-it Flag Highlighter, David Windorski examined similar products of 3M's major competitors and simply made changes that would provide the "wow" factor.

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125) The pricing strategy for 3M's Post-it Flag Highlighters was to
A) match its principal competitors' highlighters' prices.
B) charge a price that would be reasonable for the target customer segment and provide a profit to distributors and 3M.
C) set an initially low price with the intent of bringing down the price even further later if sales were less than anticipated.
D) place the product in discount office supply retailers to make it easier to purchase.
E) use the same pricing strategy as its 3M's Post-it Flag and Post-it Note offerings.

126) The 3M Post-it Flag Highlighter and Post-it Flag Pen marketing programs discussed in the text were designed for what primary objective?
A) the initial launch of two new 3M products
B) specific promotions to be used for long-range strategies
C) segmenting the market into 12 specific target market segments
D) marketing 3M products to foreign markets
E) positioning the products relative to major competitors

127) The place strategy in 3M's marketing program was intended to make it convenient for_____ to buy Post-it Flag Highlighters and Post-it Flag Pens.
A) external salespeople only
B) college students only
C) office workers only
D) college students and office workers
E) teachers only

128) Based on the marketing program 3M developed for its Post-it Flag Highlighters and Post-it Flag Pens, one can conclude that the
A) market segments for Post-it Flag Highlighters and Post-it Flag Pens are identical.
B) market segments for Post-it Flag Highlighters and Post-it Flag Pens are not realistic.
C) Post-it Flag Highlighters and Post-it Flag Pens are priced unreasonably for the target markets.
D) prices for 3M's Post-it Flag Highlighters and Post-it Flag Pens are set to maximize 3M's profits, not its distributors' profits.
E) promotion strategy is designed to increase awareness among potential users.

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129) With respect to the history of American business, the_____ era covered the early years of the United States up until the 1920s.
A) ales
B) marketing concept
C) customer relationship
D) market orientation
E) production

130) If you wanted a new pair of shoes during the Civil War, you traced the outline of your foot on a piece of paper and gave it to a shoemaker. There was no distinction between the right and left foot because you wanted your shoes as quickly as possible, and the shoemaker knew that you would buy them even if they just "sort of" fit. This is an example of a transaction that would have occurred during the_____ era in U.S. business history.
A) marketing concept
B) sales
C) production
D) social entrepreneurship
E) market orientation

131) With respect to the history of American business, the_____ era covered the years from the 1920s to the 1960s.
A) production
B) sales
C) marketing concept
D) customer relationship
E) market orientation

132) The period of American business history when firms could produce more goods than they could sell and the focus was on hiring more salespeople to seek out new customers is referred to as the_____ era.
A) sales
B) marketing concept
C) production
D) goods
E) market orientation

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133) Shortly after World War II, John Jackson developed and began selling a machine lubricant that was superior to anything currently on the market. While demand kept up with production at first, several strong competitors added new products and he soon had to hire a sales force to sell excess product to manufacturing companies in the area. This is an example of marketing behavior that would occur during the_____ era of U.S. business history.

A) marketing concept
B) production
C) goods
D) sales
E) social entrepreneurship

134) In the movie *Tin Men*, two rival salesmen engaged in a variety of dishonest and unethical practices in order to sell aluminum siding to homeowners in 1963. Their job was difficult, in part, because the supply of aluminum siding surpassed the demand for the product and competition was intense. This situation is indicative of the_____ era of U.S. business history.

A) goods
B) sales
C) production
D) market orientation
E) societal marketing

135) Imagine a confectionary company has introduced a new nutty candy bar during the 1930s (the sales era in U.S. business history). Which statement would you most likely expect management to make if sales of this new candy bar were much lower than expected?

A) "We'd better do some market testing to determine why people are dissatisfied."
B) "Perhaps we should make candy bars with raisins."
C) "Let's put more aggressive salespeople in the field."
D) "Let's lower the price and change the name."
E) "Don't worry about it; we're the largest candy manufacturer in the area. Sooner or later, they'll get hungry enough that they'll come to us."

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136) In U.S. business history, the marketing concept era was introduced in
A) the mid-19th century.
B) the 1920s.
C) the late 1950s.
D) the mid-1980s.
E) the early 21st century.

137) The_____ concept means that an organization strives to satisfy consumer needs while achieving its goals.
A) marketing
B) sales
C) production
D) societal benefit
E) customer relationship

138) Which statement about the marketing concept is most accurate?
A) The marketing concept can trace its roots to early Greek culture.
B) The idea of the marketing concept is that both companies and consumers can satisfy their needs.
C) In using the marketing concept, companies focus on sales and advertising.
D) The marketing concept is most effective when production is limited and the product sells itself.
E) All U.S. firms are now operating with a marketing concept philosophy.

139) An organization should strive to satisfy the needs of consumers while also trying to achieve the organization's goals. This reflects the
A) concept of synergy.
B) marketing concept.
C) principle of customer relationship management.
D) societal marketing concept.
E) consumerism concept.

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140) The marketing concept refers to the
A) activity for creating, communicating, delivering, and exchanging offerings that benefit customers, the organization, stakeholders, and society at large.
B) belief that an organization should continuously collect information about customers' needs, share this information across departments, and use it to create customer value.
C) view that organizations should satisfy the needs of consumers in a way that provides for society's well-being.
D) process of identifying prospective buyers, understanding them intimately, and developing favorable long-term perceptions of the organization and its offerings so that buyers will choose them in the marketplace.
E) idea that an organization should strive to satisfy the needs of consumers while also trying to achieve the organization's goals.

141) Which term best describes the marketing concept?
A) consumer-oriented
B) production-oriented
C) sales-oriented
D) society-oriented
E) competition-oriented

142) The 1952 General Electric's annual report stated, "The concept introduces...marketing...at the beginning rather than the end of the production cycle and integrates marketing into each phase of the business." This is a brief statement of what has come to be known as the
A) sustainability perspective.
B) age of consumerism.
C) sales concept.
D) marketing concept.
E) customer relationship management concept.

143) Firms such as Amazon, Charles Schwab, Coca-Cola, and LG have achieved great success by putting a huge effort into implementing the marketing concept, giving their firms a
A) production orientation.
B) sales orientation.
C) customer relationship orientation.
D) service orientation.
E) market orientation.

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144) Amazon has received complaints for its return policy that allows returns within 30 days, but with a long list of exceptions. Though these policies have a positive effect on sales figures, some customers end up frustrated because they have legitimate reasons they wish to return merchandise. Very restrictive return policies are likely a violation of

A) the marketing concept.
B) the customer profile concept.
C) consumerism.
D) social entrepreneurship.
E) cause marketing.

145) Which statement best describes an organization with a market orientation?

A) It focuses its efforts on continuously collecting information about the environment, keeping abreast of competitors' actions, and using this information to create product innovation.
B) It identifies prospective buyers, understands them intimately, and develops favorable long-term perceptions of the organization and its offerings so that they will choose it in the marketplace.
C) It strives to satisfy the needs of consumers while also trying to achieve its goals.
D) It satisfies the needs of consumers in a way that provides for society's well-being.
E) It focuses its efforts on continuously collecting information about customers' needs, sharing this information across departments, and using it to create customer value.

146) An organization that focuses its efforts on continuously collecting information about customers' needs, sharing this information across departments, and using it to create customer value is said to have a

A) product orientation.
B) macroeconomic orientation.
C) market orientation.
D) flexible orientation.
E) societal marketing orientation.

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147) Today's firms operate in the_____ era as they must continuously seek to satisfy the high expectations of customers.
A) production
B) sales
C) marketing concept
D) customer relationship
E) societal marketing

148) What were the four eras in U.S. business history, from earliest to most recent?
A) sales era, production era, marketing concept era, and customer relationship era
B) marketing concept era, sales era, customer relationship era, and production era
C) marketing concept era, production era, customer relationship era, and sales era
D) customer relationship era, sales era, production era, and marketing concept era
E) production era, sales era, marketing concept era, and customer relationship era

149) Which statement accurately compares the production era and sales era?
A) During the production era, goods were scarce and buyers were willing to accept whatever was available; whereas during the sales era, goods were produced faster than buyers could consume them.
B) During the production era, goods were produced faster than buyers could consume them; whereas during the sales era, goods were scarce and buyers were willing to accept whatever was available.
C) During the production era, organizations strove to achieve their goals and meet customer needs; whereas during the sales era, organizations focused on hiring salespeople to find new customers.
D) During the production era, organizations focused on hiring salespeople to find new customers; whereas during the sales era, organizations strove to achieve their goals and meet customer needs.
E) During the production era, organizations strove to produce as many goods as possible; whereas during the sales era, organizations focused on goods that would meet high customer expectations.

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150) What does a market orientation do for an organization's sales and profit?
A) It has a negative influence on sales and profit in both the short and long run.
B) It has a negative influence on sales and profit in the short run, but a positive influence in the long run.
C) It has a positive influence on sales and profit in the short run, but a negative influence in the long run.
D) It has a positive influence on sales and profit in both the short and long run.
E) It doesn't appear to have a noticeable influence on sales and profit in either the short or long run.

151) When did the customer relationship era start?
A) in the early 1900s
B) in the 1920s
C) in the 1950s
D) in the 1970s
E) in the 1980s

152) Customer relationship management refers to the
A) view that organizations should satisfy the needs of consumers in a way that provides for society's well-being.
B) process of identifying prospective buyers, understanding them intimately, and developing favorable long-term perceptions of the organization and its offerings so buyers will choose them in the marketplace.
C) idea that an organization should strive to satisfy the needs of consumers while also trying to achieve the organization's goals.
D) links an organization has to its individual customers, employees, suppliers, and other partners for their mutual long-term benefit.
E) cluster of benefits that an organization promises customers to satisfy their needs.

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153) The United Way of Greater Toronto (UWGT), like many charities, was sitting on a gold mine of donor data. Unfortunately, UWGT was not certain how to use that information to its greatest advantage. UWGT could blanket past donors with generic mailings, but it could not offer donors information that would convince them to donate to UWGT over other charities. Which tool would be most useful for the nonprofit organization to use?

A) a flexible marketing system
B) a database warehouse
C) customer relationship management
D) competitive intelligence
E) a profit-oriented marketing program

154) What is the internal response that customers have to all aspects of an organization and its offerings?

A) customer experience
B) relationship marketing
C) internal customer audit
D) internal marketing
E) customer relationship management

155) Customer experience refers to the

A) practice of building ties to customers based on a salesperson's attention and commitment to customer needs over time.
B) links an organization has to its customers for their mutual long-term benefits.
C) process of identifying prospective buyers, understanding them intimately, and developing favorable long-term perceptions of the organization and its offerings so that buyers will choose them in the marketplace.
D) internal response that customers have to all aspects of an organization and its offerings.
E) activities in which a firm participates to create a positive buying experience for customers.

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156) Trader Joe's is consistently ranked as one of America's favorite supermarket chains for its outstanding_____, including personal attention from employees in the store.
A) customer value proposition
B) relationship marketing
C) customer experience
D) internal marketing
E) customer profiling

157) All of these are aspects of Trader Joe's customer experience except
A) it has a large and state-of-the-art research and development facility.
B) it offers unique food products not available from other retailers.
C) it sells all of its products within the store, not online.
D) it sets low prices by offering its own brands, not national ones.
E) it encourages employee "engagement" to help customers.

158) Today, the standards of marketing practice have shifted from the interests of producers to the interests of
A) nonprofit organizations.
B) government.
C) retailers.
D) stockholders.
E) consumers.

159) Social responsibility is the
A) view that organizations should satisfy the needs of consumers in a way that provides for society's well-being.
B) fundamental, passionate, and enduring principles of an organization that guide its conduct over time.
C) idea that an organization should strive to satisfy the needs of consumers while also trying to achieve the organization's goals.
D) idea that organizations are accountable to a larger society.
E) recognition of the need for organizations to improve the state of people, the planet, and profit simultaneously if they are to achieve sustainable, long-term growth.

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160) The idea that organizations are accountable to a larger society is known as
A) the societal marketing concept.
B) social responsibility.
C) consumerism.
D) sustainable development.
E) capitalism.

161) Oil manufacturers know that some consumers change the oil in their cars themselves and dump the used oil down sewer drains that ultimately flow into local rivers. Which is the most appropriate response, assuming the oil company is concerned with social responsibility?
A) Consumers pay for the oil and can dispose of it however they choose.
B) The oil company will add a premium to the price, so the costs of any oil cleanup are borne by the customers.
C) The oil company will develop a PR campaign to avoid bad press.
D) The polluted water affects society at large, so the oil company will take action to prevent such disposal.
E) This is an issue local communities should address with their residents.

162) Which concept most likely explains why pharmaceutical giant Pfizer offered low-income senior citizens many of its most widely used prescriptions for $15 each per month?
A) the profit motive since aging baby boomers are a large, profitable market
B) the social responsibility concept
C) the necessity of matching competitors' actions
D) new regulatory Medicare mandates as a result of the Affordable Care Act
E) the mandate by its industry's code of ethics

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163) What is the societal marketing concept?
A) The moral principles and values that govern the actions and decisions of an organization.
B) The idea that organizations are part of a larger society and are accountable to that society for their actions.
C) An active attempt to understand customer needs and satisfy them while satisfying the firm's goals.
D) An approach that involves conducting business in a way that protects the natural environment while making economic progress.
E) The view that an organization should satisfy the needs of consumers in a way that provides for society's well-being.

164) The view that an organization should satisfy the needs of consumers in a way that also provides for society's well-being is known as
A) the societal marketing concept.
B) the marketing concept.
C) consumerism.
D) social responsibility.
E) capitalism.

165) Grocery stores started producing their own reusable shopping bags that are durable, affordable, and often made with recycled materials. Customers appreciate this environmentally responsible alternative to plastic and paper bags. This is an example of
A) the societal marketing concept.
B) the marketing concept.
C) consumerism.
D) target markets.
E) capitalism.

166) What kinds of organizations should engage in marketing?
A) only those that can afford to advertise
B) only very large and established for-profit organizations
C) only Fortune 5,000 companies
D) every kind of organization
E) only organizations with a profit motive

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167) Which organization engages in marketing? Choose the best answer.
A) the Chicago Cubs
B) the San Francisco Opera
C) the City of Denver
D) the President of the United States
E) Every organization or individual can engage in marketing to some extent.

168) Which statement best describes a good?
A) Goods are physical objects.
B) Goods are the only currency that can be used in an exchange.
C) Goods are intangible concepts and thoughts about ideas or causes.
D) Goods are the benefits organizations receive for selling products and services.
E) Goods can be either tangible or intangible.

169) Which statement best describes a service?
A) Services are physical objects.
B) Services are intangible items.
C) Services are thoughts about concepts, actions, or causes.
D) Services are the benefits organizations receive in exchange for selling products.
E) Services comprise the subset of tangible features of products.

170) Organizations such as Uber, Citibank, and St. Jude Children's Research Hospital each provide customers with a product that is typically called
A) a utility.
B) a performance.
C) a service.
D) a value.
E) an idea.

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171) A helicopter ride experience cannot be touched like a physical object but is still considered a product. To a marketer, this is an example of
A) a utility.
B) a production.
C) a value.
D) a service.
E) an idea.

172) In marketing, thoughts about concepts, actions, or causes are referred to as
A) utilities.
B) experiences.
C) values.
D) ideas.
E) services.

173) A product is
A) an item that consists of the benefits or customer value received by its sellers.
B) the cluster of benefits that an organization promises customers to satisfy their needs.
C) a good, service, or idea consisting of a bundle of tangible and intangible attributes that satisfies consumers' needs and is received in exchange for money or something else of value.
D) an item that the consumer purchases frequently, conveniently, and with a minimum of shopping effort.
E) the set of intangible activities or benefits that an organization provides to satisfy consumers' needs in exchange for money or something else of value.

174) A good, service, or idea consisting of a bundle of tangible and intangible attributes that satisfies consumers' needs and is received in exchange for money or something else of value is known as
A) a utility.
B) an item.
C) a sale.
D) a marketing program.
E) a product.

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175) Which answer reflects (in this order) a good, a service, and an idea that can be marketed?
A) a candy bar, a wastepaper basket, and a vending machine
B) a CD, a concert, and a souvenir T-shirt
C) a political candidate, democracy, and freedom
D) an iPhone, an iPad, and an Apple Watch
E) a car, a haircut, and physical fitness

176) The Smithsonian's National Museum of African American History and Culture wanted to find a way to market itself to potential first-time visitors. It developed a free app to guide visitors through the museum and provide information about events and exhibits. This museum is a(n)_____ that uses an app to market itself worldwide.
A) good
B) idea
C) service
D) assembly
E) charity

177) All of these are examples of ideas that can be marketed except
A) state government in Hawaii marketing the notion of taking a warm, sunny winter vacation in its state.
B) Apple using a TV ad to explain the features of an iPad mini.
C) the Nature Conservancy marketing the cause of protecting the environment.
D) politicians who attempt to persuade voters of the need to slash government spending to reduce a large national deficit.
E) charities like the Red Cross marketing the idea that it's worthwhile for you to donate your time or money to its relief efforts.

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178) Ultimate consumers are
A) people who use the products and services purchased for a household.
B) people who have already purchased a firm's product at least once, have been satisfied, and are likely to make repeat purchases.
C) people or organizations that have used a competitor's product, who have been dissatisfied, and who are still seeking a product or service to satisfy their needs.
D) manufacturers, wholesalers, retailers, and government agencies that buy goods and services for their own use or for resale.
E) one or more specific groups of potential customers toward whom an organization directs its marketing program.

179) The people who use the products and services purchased for a household are called
A) organizational buyers.
B) household prospects.
C) ultimate consumers.
D) a target market.
E) sellers.

180) Hudson News Distribution owners Lisa and James Cohen recently launched a quarterly art and interior design magazine, *Galerie*, to be distributed exclusively in their retail stores. Who is the ultimate consumer for this magazine?
A) the person who buys the magazine to read at home
B) the person who stocks the magazine rack at Hudson News
C) any person who owns Hudson News stock
D) the salesperson at Hudson News
E) all people who benefit from the magazine, including the owners, writers, sellers, and readers at home

181) Which person is an example of an ultimate consumer?
A) a newspaper reporter who books a plane ticket to Washington, D.C., to cover the presidential inauguration
B) a schoolteacher who got her hair cut at a salon prior to classes starting in the fall
C) an office receptionist who renews the subscriptions for magazines that are found in the office waiting room
D) a retailer who buys banners for an upcoming store sale
E) a landscaping firm employee who buys a new wheelbarrow to haul mulch

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182) Manufacturers, wholesalers, retailers, service companies, nonprofit organizations, and government agencies that buy goods and services for their own use or for resale are called
A) intermediate buyers.
B) selling agents.
C) organizational buyers.
D) manufacturing agents.
E) brokers.

183) Organizational buyers are described as
A) only companies that purchase raw materials and natural resources for manufacturing.
B) employees who purchase household items for their personal use.
C) any individuals, groups, organizations, or government agencies that make a purchase worth over $100,000.
D) manufacturers, wholesalers, retailers, service companies, nonprofit organizations, or government agencies that buy products for their own use or for resale.
E) any service companies, organizations, or government agencies that use products purchased or meant for a household.

184) Which person is the best example of an organizational buyer?
A) a college student buying toilet paper for herself and her roommates
B) a store owner buying hand-woven tablecloths to sell in her store
C) a high school student buying the latest game for her Xbox
D) a new homeowner buying pots and pans for her kitchen
E) a parent buying a softball glove for a daughter

185) Effective marketing benefits society because it
A) reduces competition, making the playing field more even.
B) improves the quality of products and services, regardless of the cost.
C) allows companies to charge whatever price they want, regardless of product quality.
D) makes countries more competitive in world markets while simultaneously reducing competition in their home markets.
E) enhances competition, which encourages improvements in the quality of products and services and lowers prices.

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186) In marketing, utility refers to the
A) number of alternative uses or benefits that can be provided by a single product or service.
B) adaptability of a marketing program to adjust to changes in the marketing environment.
C) benefits or customer value received by users of the product.
D) fixed costs associated with the production of a single unit of a product within a product line.
E) variable costs associated with the production of a single unit of a product within a product line.

187) The benefits or customer value received by users of a product are known as
A) utility.
B) synergy.
C) consumerism.
D) cost-benefit ratio.
E) customer lifetime value.

188) The four utilities marketing creates are
A) product, price, promotion, and place.
B) form, function, value, and image.
C) monopoly, monopolistic competition, pure competition, and oligopoly.
D) form, place, time, and possession.
E) information, persuasion, affection, and recommendation.

189) The value to consumers that comes from the production of a product or service constitutes_____ utility.
A) time
B) place
C) possession
D) market
E) form

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190) Which example best demonstrates form utility?
A) a smartphone with a multi-touch user interface for easy navigation
B) stamp vending machines that are located in drugstores
C) a service station that has a 24-hour ice machine available for use when the station is closed
D) a mobile phone company that offers six-month financing, same as cash
E) a gourmet candy store that offers a home delivery service

191) FreshCase packaging is the first-ever vacuum package for red meat that maintains the meat's appetizing color, reducing both food and plastic waste. This is an example of creating_____ utility in the case-ready meat category.
A) time
B) place
C) form
D) possession
E) market

192) Innovations in the textile industry have led to fabrics that help regulate body temperature, reduce wind resistance, and control muscle vibration, all of which help improve athletic performance. This shows how manufacturing can create_____ utility.
A) time
B) form
C) place
D) possession
E) market

193) Aemetis Inc., a renewable fuels and biochemical company, develops agricultural waste into low-carbon biofuels, creating_____ utility.
A) time
B) place
C) possession
D) market
E) form

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194) The value to consumers that comes from having the offering available where consumers need it constitutes_____ utility.

A) time
B) place
C) possession
D) market
E) form

195) Which is the best example of place utility?

A) airlines that allow you to print your own boarding pass at home
B) a service station that adds a screen with advertisements to its gasoline pumps
C) a mobile phone company that offers six-month financing, same as cash
D) cold cut packages that can be zipped closed for reuse
E) a smartphone with a multi-touch user interface for easy navigation

196) The value to consumers that comes from having the offering available when they need it constitutes_____ utility.

A) place
B) possession
C) market
D) time
E) form

197) American Express cardholders have access to early presales for Taylor Swift concert tickets in many cities. What utility does American Express offer in this instance?

A) time utility
B) place utility
C) possession utility
D) market utility
E) form utility

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198) Cabela's carries camping gear year-round. The same is true for fishing and hunting equipment. With this strategy, Cabela's offers_____ utility for these products.

A) time
B) place
C) possession
D) market
E) form

199) Which is the best example of time utility?

A) a smartphone with a multi-touch user interface for easy navigation
B) a charity's 24-hour drop-off box for clothing donations
C) a dry cleaner located inside a supermarket
D) a mobile phone company that offers six-month financing, same as cash
E) a new herbal supplement that offers a 30-day free trial

200) Bank of America places ATM machines at local convenience and grocery stores that allow customers to make banking transactions 24 hours a day. This creates both_____ and_____ utilities.

A) form; place
B) form; time
C) place; time
D) time; possession
E) form; possession

201) The value to consumers that comes from making an item easy to purchase through the provision of credit cards and financial arrangements constitutes_____ utility.

A) time
B) place
C) market
D) possession
E) form

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202) Which is the best example of possession utility?
A) a smartphone with a large selection of new apps
B) the local dairy that offers to deliver bottles of milk to a customer's doorstep
C) disposable diapers that come equipped with resealable tabs
D) a gourmet food store that carries a line of ready-made salads
E) a car company that offers three-year financing, with no interest

203) The founders of Bombas created the company based on a need for its initial product in
A) industrial manufacturing.
B) higher education.
C) homeless shelters.
D) the visual arts.
E) recreational sports.

204) The founders of Bombas used the money they received from the crowdfunding platform Indiegogo to
A) create a documentary about the origins of the business.
B) build a website to sell its products online.
C) enhance production capabilities to include customization options.
D) hold a splashy launch event with professional athletes.
E) develop a superior product with sustainable materials.

205) Which of these is a product strategy for Bombas?
A) production from 100% recycled materials
B) quantity discounts for purchasing multi-packs
C) free returns if products don't fit
D) a Dog Proof Guarantee, replacing socks when they are eaten by your dog
E) free monogramming

206) What was the initial place strategy for Bombas?
A) convenience stores
B) its own specialty stores
C) vending machines
D) schools
E) online

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207) For promotion, Bombas uses_____ as a retention tool.
A) e-mail
B) television advertising
C) sponsorship of the U.S. Olympic Teams
D) social presence on Facebook, Pinterest, and Instagram
E) word of mouth

208) An energy drink company has a booth at a charity event, where they give out free samples. Hundreds of people take free samples and seem to really enjoy them, saying they'll consider buying them next time they go grocery shopping. Is this an example of a marketing exchange?
A) No, because the energy drink company didn't receive anything in exchange for the free samples.
B) No, because the free samples weren't full-sized products.
C) No, because the free samples were in cups, not their actual packaging.
D) Yes, because the people who took the free samples are planning to buy the product in the future.
E) Yes, because the people who took the free samples enjoyed them and could spread the word to their friends.

209) Chloe is moving out of her college apartment and has a couch she wants to give away. She posts the couch on Facebook Marketplace. Within an hour, Kendall responds and picks up the couch. Chloe is happy she didn't have to pay anyone to remove the couch from her apartment. Did a marketing exchange occur?
A) No, because the couch was free.
B) No, because the couch was used, not new.
C) No, because Kendall has to figure out how to get the couch to her house.
D) Yes, because Chloe and Kendall both benefit from the transaction.
E) Yes, because Facebook Marketplace guarantees customer satisfaction from all transactions.

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210) A pet store wants to create its own subscription box for dog lovers, featuring new treats and toys every month. A potential showstopper for this product is likely to be
A) a lack of advertising on television.
B) competition from other subscription box services that are already available.
C) finding a price point that is acceptable to all dog owners.
D) cannibalization of the company's existing products.
E) pressure from vendors for other types of pets.

211) The best description of the market for plastic surgery, where costs can be as much as $20,000 for a facelift or a nose job, is
A) people who have been in car accidents and don’t have insurance.
B) people with facial deformities, regardless of income level.
C) anyone who has the time, the money, and the desire to undergo the procedures.
D) anyone who has basic medical insurance.
E) adults who want to make a good first impression for an event.

212) Crayola produces crayons, markers, paints, and other art supplies. The packaging is bright and colorful, and many of the products are designed to be washable. The target market for Crayola’s art supplies is most likely
A) parents with school-age children who enjoy arts and crafts.
B) businesspeople looking to create artistic presentations.
C) teenagers who want to create art for a school art show.
D) college students who are working on a school project.
E) adult artists who are creating a mural on a building.

213) The marketing mix elements are called controllable factors because they are under the control of the
A) regulatory forces that monitor marketers.
B) economists who know what consumers need.
C) consumers who know what they need.
D) competitors of a particular product.
E) marketing department of an organization.

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214) According to the text, Nordstrom provides its customers with the best
A) branding.
B) products.
C) price.
D) customer service.
E) availability.

215) The relatively homogenous groups of prospective buyers who have common needs and will respond similarly to a marketing action is referred to as
A) a market segment.
B) a target market.
C) a customer base.
D) an ultimate consumer.
E) a prospective customer.

216) Starting in the late 1950s, marketing became the motivating force among many American firms and the_____ era dawned.
A) production
B) sales
C) marketing concept
D) customer relationship
E) market orientation

217) _____is the process of identifying prospective buyers, understanding them intimately, and developing favorable long-term perceptions of the organization and its offerings so buyers will choose them in the marketplace and become advocates after their purchase.
A) Customer experience
B) Customer relationship management
C) Market orientation
D) Marketing research
E) Target market analysis

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218) Walgreens offers several services besides shopping in its stories, including a FedEx kiosk, a pharmacy, and photo development. This creates_____ utility.

A) place
B) time
C) form
D) possession
E) service

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

219) Why are you, as a student, already somewhat of a marketing expert before taking this course? Provide a specific example from your own personal experience and relate it to something you just "formally" learned about marketing.

220) What is the definition of marketing? How does this differ from your previous notion of marketing before beginning this course?

221) What are the two key objectives of marketing? Define "exchange" and explain how it supports these objectives.

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222) Some people may assume that for a marketer, the only thing of value for which they would "exchange" would be monetary (check, credit/debit, currency, and/or coin transactions). But what else can be exchanged? Provide an example of a nonmonetary transaction that still fits the criteria of exchange.

223) In addition to consumers, what other people, groups, and environmental forces interact to influence an organization's marketing activities?

224) What four factors are required for marketing to occur?

225) In China, some people are removing their money from the state banks and lending it out themselves. The interest rate earned in a state bank account is about one-half the rate of inflation. On the other hand, lending money to friends, relatives, and even unrelated entrepreneurs can often earn the investor a rate at least double the inflation rate. The gray market, an underground network of investors and private businesses, moves the cash from lenders to businesses. Did marketing occur here? Explain your answer.

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226) Add your own personal experience and creativity to what you have learned about marketing. What are some ways you might assess the needs of either

1. students who have too many textbooks to carry to and from class or
2. executives who are too busy to keep up with the latest information in their field?

227) Define needs and wants. Can marketing shape a person's wants? Explain your answer.

228) What are the three components of a person's ability to buy an offering?

229) Explain the difference between a market and a target market. Provide a specific example of each.

230) Describe two different target markets for two different products or services you, your friends, or your family have recently purchased or used.

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231) An inventor designs a pair of glasses that has interchangeable lenses that allow the user to switch from reading glasses to sunglasses. Identify two possible target markets and explain your answer.

232) Marketing managers use a combination of four tools in order to develop a complete marketing program to reach consumers. Briefly define these four tools.

233) Imagine you have the sole marketing rights to a new herbal shampoo that stops hair loss and causes new hair growth. You plan to sell your product on a website, which you will advertise on late-night television. You are also hoping to obtain free publicity to place stories in men's fashion magazines. You are planning to sell a 15-ounce bottle for $24.99 plus $7.99 shipping and handling. Using the information provided, identify each element of your marketing mix.

234) List the five environmental forces in a marketing decision that generally are outside the control of marketing managers. Explain how these factors impact an organization's marketing.

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235) Why do some marketers feel that environmental forces are not entirely outside their influence?

236) Do college students have a choice in which classes they take to earn a degree? Use what you have learned about the controllable and uncontrollable aspects of marketing in terms of how they might relate to course selection decision making. Incorporate marketing terms in your response.

237) The Apple iPhone is rated by *Consumer Reports* as being one of the best smartphones in the industry. Define customer value. In what ways do you think the Apple iPhone provides value for its customers?

238) Assume you are a salesperson for a direct marketing firm that does in-home makeup parties. If most of your hosts hold only one party a year, what strategies could you use to build strong customer relationships? If you are creating your own business for this example, make sure to describe your product(s) in your introductory sentence.

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239) During the holiday season, kiosk or "pop-up" stores appear in many malls. Typically, these kiosks sell gift boxes of cheese, jewelry, and other items people think are appropriate seasonal gifts. In January, these retailers vanish. Is it possible for such a retailer to use relationship marketing? Explain your answer.

240) X (Twitter) is a social networking service, enabling its users to send and read other users' tweets, which are short, text-based posts displayed on the user's profile page. Connected to each tweet is a details pane that provides additional information, deeper context, and embedded media. Companies use X (Twitter) as a tool in their relationship marketing programs. In what ways can X (Twitter) be used to benefit both the customer and the organization?

241) Explain the marketing program that 3M used to reach the student target market for the Post-it Flag Highlighter and the rationale used for each element of the marketing mix.

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242) You are creating a new office chair for office workers who work long hours. You've talked to several office workers and executives who have made it clear that comfort and the ability to easily adjust the chair's seat and armrest height are really important to them. Price is also important, so you want to offer your chairs for $59.99 each or $39.99 each if a company buys in bulk. To get the word out, you plan to run ads in business journals and run a limited promotion for office supply distributors. You plan to sell your chairs through office supply stores and on your website. How would you describe the marketing program for your office chairs?

243) Define the marketing concept.

244) Goods, services, and ideas all can be marketed. Define goods, services, and ideas and give at least one example of each.

245) What are the primary differences between an ultimate consumer and an organizational buyer? Select one product and explain the differences in either its use or purchase, depending on whether it was purchased by an ultimate consumer or an organizational buyer.

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246) In our free-enterprise society, which three specific groups benefit from effective marketing?

247) Explain what is meant by the concept of marketing utility. Identify and describe the four utilities created by marketing.

248) On Pandora's website, you can design your own jewelry with the exact charms and engraving you want. If you choose to use this method to purchase a bracelet or necklace, what type of utility(ies) has(have) been created?

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Answer Key

Test name: Chapter 01

1) D
2) C
3) B
4) E
5) D
6) E
7) C
8) A
9) A
10) E
11) D
12) B
13) A
14) B
15) C
16) C
17) B
18) B
19) E
20) A
21) D
22) B
23) B
24) E
25) B
26) A
27) E
28) B
29) B
30) C
31) E
32) D
33) B
34) D
35) C
36) B
37) D

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38) A
39) A
40) B
41) D
42) E
43) B
44) C
45) B
46) C
47) E
48) D
49) C
50) B
51) B
52) B
53) B
54) B
55) B
56) E
57) D
58) E
59) C
60) A
61) B
62) C
63) A
64) C
65) E
66) E
67) A
68) B
69) E
70) D
71) A
72) D
73) B
74) B
75) D
76) E
77) B

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78) C
79) A
80) D
81) B
82) C
83) E
84) D
85) A
86) C
87) B
88) B
89) E
90) C
91) B
92) D
93) C
94) C
95) D
96) A
97) D
98) B
99) C
100) D
101) B
102) D
103) A
104) A
105) D
106) E
107) E
108) B
109) D
110) D
111) C
112) A
113) C
114) B
115) E
116) A
117) A

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118) B
119) D
120) D
121) A
122) D
123) E
124) C
125) B
126) A
127) D
128) E
129) E
130) C
131) B
132) A
133) D
134) B
135) C
136) C
137) A
138) B
139) B
140) E
141) A
142) D
143) E
144) A
145) E
146) C
147) D
148) E
149) A
150) D
151) E
152) B
153) C
154) A
155) D
156) C
157) A

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158) E
159) D
160) B
161) D
162) B
163) E
164) A
165) A
166) D
167) E
168) A
169) B
170) C
171) D
172) D
173) C
174) E
175) E
176) C
177) B
178) A
179) C
180) A
181) B
182) C
183) D
184) B
185) E
186) C
187) A
188) D
189) E
190) A
191) C
192) B
193) E
194) B
195) A
196) D
197) A

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198) A
199) B
200) C
201) D
202) E
203) C
204) B
205) D
206) E
207) A
208) A
209) D
210) B
211) C
212) A
213) E
214) D
215) A
216) C
217) B
218) A
219) Short Answer
220) Short Answer
221) Short Answer
222) Short Answer
223) Short Answer
224) Short Answer
225) Short Answer
226) Short Answer
227) Short Answer
228) Short Answer
229) Short Answer
230) Short Answer
231) Short Answer
232) Short Answer
233) Short Answer
234) Short Answer
235) Short Answer
236) Short Answer
237) Short Answer

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238) Short Answer
239) Short Answer
240) Short Answer
241) Short Answer
242) Short Answer
243) Short Answer
244) Short Answer
245) Short Answer
246) Short Answer
247) Short Answer
248) Short Answer

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1 CREATING CUSTOMER RELATIONSHIPS AND VALUE THROUGH MARKETING

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LEARNING OBJECTIVES (LO)

After reading this chapter students should be able to:

LO 1-1: Define marketing and identify the diverse factors that influence marketing actions.

LO 1-2: Explain how marketing discovers and satisfies consumer needs.

LO 1-3: Distinguish between marketing mix factors and environmental forces.

LO 1-4: Explain how organizations build strong customer relationships and customer value through marketing.

LO 1-5: Describe the characteristics of market orientation.

KEY TERMS

customer experience

customer relationship management (CRM)

customer value

environmental forces

exchange

market

market orientation

market segments

marketing

marketing concept

marketing mix

marketing program

organizational buyers

product

relationship marketing

societal marketing concept

target market

ultimate consumers

utility

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LECTURE NOTES

BOMBAS: MARKETING WITH A MISSION!

- Bombas' website proclaims: "One purchased = One donated." For every clothing item you purchase, a clothing item of the same kind is donated.
- Company is known for comfortable socks, underwear, and T-shirts.
- Annual sales are more than $250 million and the company has donated more than 100 million clothing items.

A. Creating Better Socks

- Researching the sock market:

  a. Customers were in "replenishment mode"—buying socks to replace old ones. Conclusion: Better socks would attract more customers and therefore donate more socks.

  b. Years of research and testing prototypes of new socks to develop "the most comfortable socks in the history of feet."

  c. Result: Socks with a seamless toe, cushioned footbed, an arch support, elastic construction, and blister tabs. Plus the donated socks were designed for the homeless population and are dark-colored and antimicrobial-treated.

B. Building a Brand with a Purpose

- Combination of social mission and exceptional product was the company's platform.

  a. Bombas is Latin for bumblebee. Bees live and work together to make the world better.

  b. Logo includes bee—"Bee Better" as the motto for approaching every day.

  c. Company raised money in IndieGoGo, created a consumer website to sell products, and relied heavily on word of mouth.

  d. Shark Tank appearance fueled additional funding and reached a national audience.

  e. Advertised using podcasts, video ads, Facebook, Instagram, and YouTube.

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[*Video 1-1: Bombas Video*]

C. Bombas Today

- Recently published an Impact Report that explains "when our customers make a purchase, they spark a donation, helping to keep Giving Partners stocked with plenty of items to distribute to those who need them."
- Expanded distribution through retail partners such as Nordstrom, Dick's Sporting Goods, Scheels, Amazon, and Saks Fifth Avenue stores.
- In addition, Bombas recently expanded into the United Kingdom.
- An expanded product line that includes T-shirts, underwear, and slippers and is looking at potential new products.
- Bombas has B-Corp certification for meeting high standards of social and environmental performance, transparency, and accountability to balance profit and purpose.
- Expects to become a billion-dollar brand in the next 5 to 10 years.

D. Bombas Marketing, and You

- Will Bombas' success continue, particularly with competitors using similar models including altruism?

I. WHAT IS MARKETING? [LO 1-1]

- You're already a marketing expert because you do many marketing activities every day, such as shopping for products.
- However, you may not have much experience developing products to reach different groups of people or segments.
- Marketing isn't always easy to do—thousands of new offerings fail each year, though not always due to marketing.
- Test your marketing expertise by answering the questions in Figure 1–1. You'll find the answers within the next several pages.

[*ICA 1-1: Designing a Candy Bar*]

A. Marketing and Your Career

- Marketing affects all individuals, corporations, industries, and countries.
- You will learn and "do" marketing:
  - **a.** How it affects our lives through its many applications.
  - **b.** How it will make you a better consumer and a more informed citizen.

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- Hopefully, you will find marketing exciting and maybe find a career in the field!

  a. Doing sales and marketing can be satisfying and rewarding.

  b. Small businesses are the source of most new jobs, including marketing.

  c. Being an entrepreneur can be exciting and profitable!

- Elon Musk started and sold Zip2 software company, then started another business that became PayPal. When PayPal was purchased by eBay, Musk founded Space X, which develops and manufactures space launch vehicles.

  a. Today, Musk runs Tesla and SolarCity, a solar power company.

  b. Musk also started a high-speed transportation system called Hyperloop, a not-for-profit AI company called OpenAI, a neurotechnology company called Neuralink, and a tunnel construction firm called The Boring Company. And, Musk recently purchased Twitter, renaming it to "X."

B. Marketing: Delivering Value to Customers [LO 1-1]

- The American Marketing Association (AMA) represents those involved in the development and practice of marketing worldwide. It defines **marketing** as "the activity set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large."
- To serve both buyers and sellers, marketing seeks to:

  a. Discover the needs and wants of prospective customers.

  b. Satisfy these needs and wants.

- Prospective customers include:

  a. Individuals buying for themselves and their households.

  b. Organizations that buy for their own use or for resale.

- **Exchange**:

  a. Is the trade of things of value between a buyer and a seller so that each is better off after the trade.

  b. Is the key to discovering and satisfying consumer needs and wants.

C. The Diverse Elements Influencing Marketing Actions

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- **[Figure 1–2]** A variety of other people, groups, and forces interact with marketing to shape the nature of its actions. These include:

  a. *The organization itself*, whose mission and objectives determine:

  - What business it is in and . . .
  - What goals it seeks.

  b. *Management*, which is responsible for establishing these goals.

  c. *The marketing department*:

  - Works with a network of other departments.
  - Develops customer-satisfying products so the organization can survive and prosper.
  - Facilitates relationships, partnerships, and alliances with customers, shareholders, suppliers, and other organizations.
  - Environmental forces:

  a. Shape an organization's marketing actions.

  b. Include social, economic, technological, competitive, and regulatory forces.

- Marketing is affected by and impacts society.
- The organization must strike a balance among competing interests of:

  a. Customers (low price; high quality; value).

  b. Suppliers (high price).

  c. Employees (high salaries and wages; benefits).

  d. Shareholders (dividends).

D. What Is Needed for Marketing to Occur

Four factors are required for marketing to occur:

- *Two or more parties with unsatisfied needs*. A consumer who wants something, and a seller who wants to sell something.
- *A desire and ability to satisfy these needs*.

  a. A consumer who can afford the time and money to purchase an offering.

  b. A seller who has the offering available for purchase.

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- *A way for the parties to communicate*. The consumer learns about the product (that it exists) and where to get it.
- *Something to exchange*. For a transaction to occur between a buyer and a seller:

  a. Money or something else of value must be exchanged.

  b. Each has satisfied each other's unmet needs:

- The consumer—hunger.
- The seller—money, so it can remain in business.

LEARNING REVIEW

1-1. What is marketing?

Answer: Marketing is the activity for creating, communicating, delivering, and exchanging offerings that benefit its customers, the organization, its stakeholders, and society at large.

1-2. Marketing focuses on _____ and _____ consumer needs.

Answer: discovering; satisfying

1-3. What four factors are needed for marketing to occur?

Answer: The four factors are (1) two or more parties (individuals or organizations) with unsatisfied needs; (2) a desire and ability on their part to have their needs satisfied; (3) a way for the parties to communicate; and (4) something to exchange.

II. HOW MARKETING DISCOVERS AND SATISFIES CONSUMER NEEDS [LO 1-2]

Discovering and satisfying consumer needs is critical to marketing.

A. Discovering Consumer Needs

- Marketing's first objective: discover the needs of prospective consumers. Marketers use surveys, concept tests, crowdsourcing, and other tactics to better understand consumer ideas.
- Ex: Ideas submitted to LEGO that receive 10,000 votes from site visitors are considered for possible addition.
- Consumers may not always know or be able to describe what they need or want. Ex: Personal computers, smartphones, electric cars, and so on. Effective marketing research can help.

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B. The Challenge: Meeting Consumer Needs with New Products

- Experts estimate that it takes 3,000 raw ideas to generate one commercial success. Of the estimated 38,000 new products introduced worldwide each month, roughly 40 percent will fail.

- Key principles for new-product launches:

  a. Focus on the consumer benefit.

  b. Learn from past mistakes.

- Solutions to preventing product failures:

  a. Find out what consumers need and want.

  b. Produce what they need and want.

  c. Don't produce what they don't need or want.

- What are the potential benefits and "showstoppers" (factors that might doom the offering) for the following products:

  a. Smart Glasses: *Google Glass (wearable computer).*

  - Benefits: Glasses with Internet, camera, phone, speaker, microphone, touch pad, and heads-up display.

  - Showstopper: $1,500 price, "nerdy" looking, privacy right concerns. They were reintroduced as Enterprise Edition but have finally been canceled.

  - Other brands such as Ray-Ban, NuEyes, Lenovo, and Bose are offering new models to the marketplace.

[*Video 1-2: Ray-Ban Stores Smart Glasses Video*]

  b. *Zevia No-Sugar Soda.*

  - Benefits: Less sugar and new products which are made with artificial sweetener aspartame.

  - Showstoppers: A zero-calorie, sugar-free, gluten-free, vegan soft drink that is sweetened only with stevia, a potential showstopper.

[*Video 1-3: Zevia Ad*]

  c. *Stitch Fix Subscription (clothing and accessories from top brands).*

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- Benefits: Expert stylists and clothing fix technology to build a personalized wardrobe.
- Showstopper: Growing competition; 400 to 600 subscription box services in U.S.; consumers may tire of receiving new products each month.
- Firms spend billions of dollars on marketing and technical research to reduce new-product failures.

1. Consumer Needs and Consumer Wants.

a. Should marketers try to satisfy consumer needs or consumer wants? Both!

- Debates center around:
  - Definitions of needs and wants.
  - The amount of freedom of choice given to prospective customers to make their own buying decisions.
- A *need* occurs when a person feels physiologically deprived of basic necessities, such as food, clothing, and shelter.
- A *want* is a felt need that is shaped by a person's knowledge, culture, and personality.
- Marketing:
  - Does not create the need for a product but . . .
  - Does shape a person's wants by creating an awareness of good products at convenient locations.

b. Does marketing persuade consumers to buy the "wrong" products?

- Marketing does try to influence what consumers buy.
- When should the government and society step in to protect consumers?
  - There are no clear-cut answers, which is why legal and ethical issues are central to marketing.
  - Psychologists and economists debate the exact meanings of *need* and *want*.

c. **[Figure 1–3]** Marketers carefully study prospective customers to understand:

- What they need and want.
- The forces that shape these needs and wants.

2. What a Market Is.

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a. Potential consumers make up a **market**, which is people with both the desire and the ability to buy a specific offering.

b. All markets are ultimately people.

c. People who are aware of their unmet needs may have a desire for a product.

d. People must also have the ability—the authority, time, and money—to buy.

e. People can "buy" an idea that leads to an action.

C. Satisfying Consumer Needs [LO 1-3]

- An organization does not have the resources to satisfy the needs of all consumers.
- It focuses on the needs of its **target market**—one or more specific groups of potential consumers toward which an organization directs its marketing program.

[*ICA 1-2: What Makes a Better Mousetrap?*]

1. The Four Ps: Controllable Marketing Mix Factors.

After selecting its target market consumers, the firm must take steps to satisfy their needs.

a. A marketing department must develop a complete marketing program to reach its target market.

b. To do this, it uses "the four Ps"—a shorthand reference for:

- *Product*. A good, service, or idea (offering) to satisfy consumers' needs.
- *Price*. What is exchanged for the product.
- *Promotion*. A means of communication between the seller and the buyer.
- *Place*. A means of getting the product to the consumer.

c. These are the elements of the **marketing mix**, which are:

- The marketing manager's controllable factors—product, price, promotion, and place that . . .
- Can be used to solve a marketing problem.
- The marketing mix elements are called *controllable factors* because they are under the control of the marketing department in an organization.

2. The Uncontrollable, Environmental Forces.

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a. **Environmental forces** are the uncontrollable forces that affect a marketing decision, which consist of:

- *Social forces*. What consumers themselves want and need.
- *Economic forces*. Whether the economy is expanding or contracting.
- *Technological forces*. Changing technology.
- *Competitive forces*. Actions competitors take.
- *Regulatory forces*. Government restrictions.

b. These five forces may expand or restrict an organization's marketing opportunities.

c. The recent COVID-19 pandemic challenged firms to modify marketing mix with new purchase and delivery options. It also restricted in-store traffic.

d. Marketers can affect some of these forces, such as technology or competition, and achieve breakthroughs.

III. THE MARKETING PROGRAM: HOW CUSTOMER RELATIONSHIPS ARE BUILT [LO 1-4]

A marketing program connects the organization with its customers.

A. Relationship Marketing: Easy to Understand, Hard to Do

- Intense competition in global markets has caused many U.S. firms to focus on customer value.
- The essence of successful marketing is to provide unique value to gain loyal customers.
  - **a.** What is new is a more careful attempt at understanding how a firm's customers perceive value.
  - **b.** The firm must then actually create and deliver that value to them.
- **Customer value**:
  - **a.** Is the unique combination of benefits received by targeted buyers.
  - **b.** Includes, at a specific price:
    - Quality
    - Convenience
    - On-time delivery

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- Before-sale and after-sale service

- Firms calculate the dollar value of a loyal, satisfied customer.

- Ex: Auto collision repair centers estimate loyal customers average $2,350/repair, return eight times, and provide 50 referrals over 65 years = value of $147,000!

- Firms cannot succeed by being all things to all people. Instead, they:

  a. Must build long-term relationships with customers to . . .

  b. Provide unique value to them.

- Three strategies used to deliver customer value include:

  a. *Best price*: Target—its brand promise is to "Expect More. Pay Less."
  b. *Best product*: Starbucks—stresses quality coffee that is ethically delivered.
  c. *Best service*: Nordstrom—works to "deliver the best possible shopping experience."

- **Relationship marketing**:

  a. Links the organization to its individual customers, employees, suppliers, and other partners for their mutual long-term benefits.

  b. Involves a personal, ongoing relationship between the organization and its individual customers that begins before and continues after the sale.

- Information technology, along with other cutting-edge processes, better enables companies to form relationships with customers.

  a. Done through:

  - "Internet of Everything" helps create detailed databases about product usage.

  - "Data analytics" offers insights into how products create value for customers.

B. The Marketing Program and Market Segments

- Product concepts are converted into a tangible **marketing program**—a plan that:

  a. Integrates the marketing mix to . . .

  b. Provide a good, service, or idea to prospective buyers.

- These products can then be targeted at **market segments**, which are the relatively homogeneous groups of prospective buyers that:

  a. Have common needs and . . .

  b. Will respond similarly to a marketing action.

- Figure 1–3 shows that organizations must continually and effectively develop new offerings that satisfy consumer needs, which can further stimulate this process.

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LEARNING REVIEW

1-4. An organization can't satisfy the needs of all consumers, so it must focus on one or more subgroups, which are its _____.

Answer: target market

1-5. What are the four marketing mix elements that make up the organization's marketing program?

Answer: product, price, promotion, place

1-6. What are environmental forces?

Answer: Environmental forces are the uncontrollable forces that affect a marketing decision, which consist of social, economic, technological, competitive, and regulatory forces.

C. **3M's Strategy and Marketing Program to Help Students Study**

- 3M's David Windorski:
  - **a.** Conducted research to understand how college students *really* study.
  - **b.** Invented several 3M Post-it® brand products and wanted to add a new item.
- Windorski worked with a team of college students to:
  - **a.** Observe and question college students about their studying, such as how they:
    - Used their textbooks.
    - Took notes.
    - Wrote term papers.
    - Reviewed for exams.
  - **b.** They often observed students highlight a passage and mark a page in their textbooks with a Post-it® Note or Post-it® Flag.
  - **c.** Windorski realized he could help students study by:
    - Marrying a Post-it® Note or Post-it® Flag with a colored highlighter to . . .
    - Merging the functions of both into one product.

1. Moving from Ideas to a Marketable Highlighter Product.

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a. After many models, Windorski concluded he had to:

- Build a highlighter that would dispense 3M Post-it® Flags because . . .
- The Post-it® Notes were too large to put inside the barrel of a highlighter.

b. The initial highlighter product with Post-it® Flags inside was produced and given to students—and also office workers—to get their reactions.

c. A suggestion from users quickly emerged:

- The product needed a convenient, reliable cover to protect the Post-it® Flags when it isn't being used.
- Windorski added a rotating cover for the Post-it® Flags in the highlighter.
- The result: The Post-it® Flag Highlighter was born!

[*Video 1-4: 3M Post-it® Flag Highlighter Ad*]

2. A Marketing Program for the Post-it® Flag Highlighter and Post-it® Flag Pen.

a. **[Figure 1–4]** shows the strategies for each marketing mix element in 3M's marketing program to college students and office workers for the Post-it® Flag Highlighter and the Post-it® Flag Pen.

b. Comparing the marketing program for each product:

- *Post-it® Flag Highlighter* (shown in the orange column).
  - The target market is mainly college students.
  - To build student awareness, 3M:
    * Used a mix of print ads in college newspapers and a TV ad.
    * Relied on student word-of-mouth advertising.
  - Gaining distribution in college bookstores was critical and would:
    * Result in a reasonable retail price to students.
    * Provide 3M and its distributors with an acceptable profit.
- *Post-it® Flag Pen* (shown in the green column).
  - The primary target market consists of office workers.
  - The secondary target market consists of students.
  - Post-it® Flag Pens:
    * Are mainly business products bought by an organization's purchasing department.
    * Are stocked as office supplies for employees to use.
- The marketing program for *Post-it® Flag Pens* emphasizes gaining distribution in outlets used by purchasing department managers.

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c. The Post-it® Flag Highlighters and Post-it® Flag Pens were so successful that Windorski and his team received a prestigious award from 3M.

3. The success of the second generation of products has led to a family of related products (i.e., product line extensions).

IV. HOW MARKETING BECAME SO IMPORTANT [LO 1-5]

Marketing has become a driving force in the modern global economy.

A. Evolution toward a Market Orientation

[Figure 1–5] Many manufacturing organizations have experienced four distinct stages in the life of their firms:

1. The production era: Covers the early years up to the 1920s. Goods were comparatively scarce and buyers would make do with what was available.

2. The sales era: From 1920s to 1960s, manufacturers produced more goods than buyers could consume. Competition grew and firms hired salespeople to find buyers.

3. The marketing concept era: Beginning in the late 1950s, marketing became the motivating force among many U.S. firms.

a. The **marketing concept** is the idea that an organization should:

- Strive to satisfy the needs of consumers while also trying to achieve the organization's goals.

b. General Electric:

- Probably launched the marketing concept in its 1952 annual report that . . .
- Advocated marketing "at the beginning rather than the end of the production cycle," integrating marketing into each phase of business.
- Firms such as Amazon, Charles Schwab, Kaiser Permanente, and LG put huge efforts into implementing the marketing concept, giving their firms a **market orientation**—focusing efforts on (1) continuously collecting information about customer needs, (2) sharing information across departments, and (3) using it to create customer value.

4. The customer relationship era: Started in 1980s and continues today. New technologies such as AI, natural language processing, robotics, augmented reality, and virtual reality often increase value for consumers.

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B. Focusing on Customer Relationship Management

- Digital marketing is a recent focus of the customer relationship era.
- Develop relationships through apps and social media websites.
- Ex: Facebook, X, and YouTube.
- This relationship strategy is still evolving.

a. The focus on customers has led to **customer relationship management (CRM)**, which is the process of:

- Identifying prospective buyers.
- Understanding them intimately.
- Developing favorable long-term perceptions of the organization and its offerings so that buyers will choose them in the marketplace.

b. This process requires:

- The commitment of managers and employees throughout the organization.
- A growing application of information, communication, and Internet technologies.

c. The foundation of CRM is **customer experience**, which is:

- The internal response that customers have to all aspects of an organization and its offering.
- This internal response includes:
  - Direct customer contacts (buying, obtaining, and using the offering).
  - Indirect contacts (word of mouth and news reports).

d. Trader Joe's is consistently ranked as one of America's favorite supermarket chains. What makes the customer experience unique?

- Setting low prices using its own brands.
- Offering unusual, affordable products not offered by other retailers.
- Providing employee "engagement" to actively help customers.

C. Ethics and Social Responsibility in Marketing: Balancing the Interests of Different Groups

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Today, the standards of marketing practice have shifted from an emphasis on producers' interests to consumers' interests.

1. **Ethics**.
   - **a.** Existing laws and regulations don't address many marketing issues.
   - **b.** Organizations have developed codes of ethics to guide marketers.
2. **Social Responsibility**.
   - **a.** Is the idea that organizations are accountable to a larger society.
   - **b.** The **societal marketing concept**:
     - Is the view that organizations should satisfy the needs of consumers in a way that provides for society's well-being.

D. The Breadth and Depth of Marketing

Marketing affects every person and organization.

1. **Who Markets?**
   - **a.** Every organization markets: for-profit business firms and nonprofits.
   - **b.** Places, special causes, and individuals also use marketing.
2. **What Is Marketed?**
   - **a.** *Goods*. Physical objects, such as toothpaste, smartphones, or automobiles.
   - **b.** *Services*. Intangible items, such as airline trips, financial advice, or art museums.
   - **c.** *Ideas*. Thoughts about concepts, actions, or causes.
   - **d.** All three of the above are considered **products**, which:
     - Consist of a bundle of tangible and intangible attributes that . . .
     - Satisfy consumers' needs and . . .
     - Are received in exchange for money or something else of value.

[*Video 1-5: The Hermitage Museum Video Tour*]

   - **e.** Services like art museums rely more on effective marketing.
   - **f.** Ideas are often marketed by nonprofit organizations or government agencies.

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3. Who Buys and Uses What Is Marketed?

Two groups do:

a. **Ultimate consumers** are the people who use the products and services purchased for a household.

b. **Organizational buyers** are those manufacturers, wholesalers, retailers, and government agencies that buy products and services for their own use or for resale.

c. Both ultimate consumers and organizational buyers may also be called *consumers*, *buyers*, and *customers*.

4. Who Benefits?

Three specific groups benefit:

a. *Consumers who buy*.

- Competition ensures that consumers can find value from the best products, the lowest prices, or exceptional service in the marketplace.
- Provides jobs to raise the standard of living for a country's citizens.

b. *Organizations that sell*. Effective marketing actions reward organizations that serve consumers. However, competition creates problems for ineffective competitors, including retailers (WeWork, Rite Aid, Revlon, Cineworld, Payless ShoeSource, Sears, and more) that have filed for bankruptcy.

c. *Society as a whole*. Marketing raises the standard of living for a country's citizens by:

- Enhancing competition.
- Lowering prices.
- Improving product quality.
- Providing jobs.

5. How Do Consumers Benefit?

Marketing creates **utility**, the benefits or customer value received by users of the product. Four different utilities are created:

a. *Form utility*. Producing the product or service.

b. *Place utility*. Having the offering available where needed.

c. *Time utility*. Having the product or service available when needed.

d. *Possession utility*. Making an item easy to purchase.

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LEARNING REVIEW

1-7. What are the two key characteristics of the marketing concept?

Answer: An organization should (1) strive to satisfy the needs of consumers (2) while also trying to achieve the organization's goals.

1-8. What is the difference between ultimate consumers and organizational buyers?

Answer: Ultimate consumers are the people who use the products and services purchased for a household. Organizational buyers are those manufacturers, wholesalers, retailers, and government agencies that buy products and services for their own use or for resale.

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APPLYING MARKETING KNOWLEDGE

1. **What consumer wants (or benefits) are met by the following products or services? (*a*) 3M Post-it® Flag Highlighter, (*b*) Nike running shoes, (*c*) Enterprise Rent-A-Car, and (*d*) Amazon online shopping.**

   Answers: Consumer wants or benefits met by each of four products or services include:

   a. **3M Post-it® Flag Highlighter**. Enabling college students to study more effectively.

   b. **Nike running shoes**. Safety enhanced by a running tread; cushioning for the foot; status.

   c. **Enterprise Rent-A-Car**. Time saved for business or vacation travelers who may fly to a destination and need local transportation without being able to use local buses or rail transit.

   d. **Amazon online shopping**. A variety of hard and soft goods; low prices; convenience of shopping from home; delivery to any location.

2. **Each of the four products, services, or programs in question 1 has substitutes. Respective examples are (*a*) a Bic® highlighter, (*b*) Adidas tennis shoes, (*c*) an Uber or Lyft ride, and (*d*) a department store. What consumer benefits might these substitutes have in each case that some consumers might value more highly than those mentioned in question 1?**

   Answers: Consumer wants or benefits that these four substitute products might provide include:

   a. **A Bic® highlighter**. Low cost; more colors; Seal Guard that prevents "dry out"; rubberized grip; more and brighter fluorescent ink.

   b. **Adidas tennis shoes**. Low cost; possibility of the shoes being used for another sport.

   c. **Uber or Lyft ride**. Low cost; avoiding the need to find parking for a car; avoiding inconvenience of picking up and returning the rental car and the accompanying paperwork.

   d. **A department store**. More help from salesclerks in making a purchase decision; greater likelihood of accepting returns of unacceptable merchandise; servicing of the product sold.

3. **What are the characteristics (EX: age, income, education) of the target market customers for the following products or services? (*a*) Apple Watch, (*b*) Chobani Greek Yogurt, (*c*) New York Giants football team, and (*d*) Facebook.**

   Answers: The demographic characteristics of the target market for each product or service are:

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a. **Apple Watch**. 20- to 45-year-old consumers; mid to high income; upper levels of education; and a fitness orientation.

b. **Chobani Greek Yogurt**. Health-conscious women under 40 years old—for themselves and their children; middle income; middle to upper levels of education.

c. **New York Giants football team**. New York City metropolitan area (includes northern New Jersey and southwestern Connecticut); most age, income, and education groups.

d. **Facebook**. Initially, college-aged students 18 to 24 years old; now, most age groups; mid- to upper-income groups (need a PC, smartphone, or tablet device to use); middle to upper levels of education.

4. A college in a metropolitan area wishes to increase its evening offerings of business-related courses such as marketing, accounting, finance, and management. Who are the target market customers (students) for these courses?

Answer: Target market customers or students for business-related courses offered by a metropolitan-area college at night include both those pursuing a degree and those not pursuing a formal degree.

a. Students pursuing a degree might seek degree-related courses that could aid them in acquiring or earning an associate's degree, a bachelor's degree, or an MBA degree.

b. By contrast, many prospective students in these courses may be more interested in particular subject areas that can assist them in their job rather than in degree credits. For example, engineering personnel might want introductory courses in marketing or finance or accounting to familiarize them with principles from these courses that might apply to their job. Owners of small businesses or fledgling entrepreneurs might seek work-related courses that enable them to develop a business plan, design an accounting/recordkeeping system, or write more effective advertising copy. Often students not pursuing a degree may be awarded a "certificate" for completing a specific sequence of courses.

5. What actions involving the four marketing mix elements might be used to reach the target market in question 4?

Answers: Marketing mix actions to reach these target market customers include:

a. **Product**. The content of each degree program, certificate program, or course offered to target market customers.

b. **Price**. The tuition or charge for taking the course.

c. **Promotion**. Course catalogs, direct-mail informational brochures, posters, and ads run in local newspapers or on local radio stations are examples of the kind of promotional activities a college often undertakes.

d. **Place**. Includes the place and time at which the course is offered. Increasingly, colleges and universities are taking their courses to the location of their students rather than asking

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students to come to the campus itself. Also, online delivery of courses is becoming more commonplace.

6. What environmental forces (uncontrollable variables) must the college in question 4 consider in designing its marketing program?

Answers: Environmental forces or uncontrollable variables for the college to consider are:

a. **Social forces**. Formal college degrees are required for an increasing number of jobs, so colleges must recognize this in designing their courses. In addition, some employers require a certain number of work-related course units every year to have their employees maintain skills. Colleges often try to design curricula to reflect this.

b. **Economic forces**. These include the price of the course and its potential benefits to the students, either in terms of leading to a degree or providing work-related benefits. Also, other considerations include economic trends, such as tuition inflation, student loan availability, and student employment prospects and compensation after graduation.

c. **Technological forces**. Many colleges are offering both credit and noncredit courses online or through television—either on cable channels available to the public or through programs transmitted directly to employees of specific companies. An increasing number of courses take the form of computer-related work, which affects curriculum design decisions. In addition, the use of tablet devices like the iPad to deliver educational courses and content may become more popular in the near future.

d. **Competitive forces**. The college must recognize a number of ways for students to get roughly equivalent courses: those offered by other colleges or universities in the area, courses offered internally by large employers, courses offered by professional associations, and courses offered by correspondence or online distance learning.

e. **Regulatory forces**. Degree courses must often meet standards imposed by outside groups, such as those standards established by the Association to Advance Collegiate Schools of Business for bachelor's and master's degree programs in business.

7. Does a firm have the right to "create" wants and try to persuade consumers to buy goods and services they didn't know about earlier? What are examples of "good" and "bad" want creation? Who should decide what is good and bad?

Answers:

a. **Does a firm have the right to "create" wants and try to persuade consumers to buy goods and services they didn't know about earlier?** Yes, a firm has the right to create wants in an attempt to persuade consumers to buy products they didn't know about in the past; new medicines to treat those having high blood pressure or heart attacks are good examples.

b. **What are examples of "good" and "bad" want creation?** The conflict is over "good" and "bad" want creation. In a free society where we value free choice by the individual, it

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is difficult to condemn "bad" candy bars and soft drinks over "good" apples and orange juice if the individual's choice only affects them.

c. **Who should decide what is good and bad?** Our society says that what is "good" and "bad" is up to the individual unless there are major costs to society as a whole in letting the individual have free choice. Thus, in the case of products like firearms and drugs, society determines what is "good" and "bad" and sets rules or laws controlling their use.

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BUILDING YOUR MARKETING PLAN

If your instructor assigns a marketing plan for your class, we hope you will be excited—for two special reasons. First, you will get insights into trying to actually "do marketing" that often go beyond what you can get by simply reading the textbook. Second, thousands of graduating students every year get their first job by showing prospective employers a "portfolio" of samples of their written work from college—often a marketing plan if they have one. This can work for you.

This "Building Your Marketing Plan" section at the end of each chapter suggests ways to improve and focus your marketing plan. You will use the sample marketing plan in Appendix A (following Chapter 2) as a guide, and this section after each chapter will help you apply those Appendix A ideas to your own marketing plan.

The first step in writing a good marketing plan is to have a business or product that enthuses you and for which you can get detailed information, so you can avoid glittering generalities. We offer these additional bits of advice in selecting a topic:

a. *Do* pick a topic that has personal interest for you—a family business; a business, product, or service you or a friend might want to launch; or a student organization that needs marketing help.

b. *Do not* pick a topic that is so large it can't be covered adequately or so abstract it will lack specifics.

1. Now to get you started on your marketing plan, list four or five possible topics and compare these with the criteria your instructor suggests and those shown earlier. Think hard, because your decision will be with you all term and may influence the quality of the resulting marketing plan you show to a prospective employer.

In question 1, a key factor students should consider in choosing a topic for their marketing plan is whether they can find enough useful information to provide the necessary detail in the completed plan. For example, a plan done for an existing family business builds on an immediate base of past revenues, marketing activities, and so on. In contrast, a plan for a potential business a student is considering launching has no such base of information. While instructors must be sensitive to the different data collection problems each of these two marketing plans face, both must avoid the "glittering generalities" problem when submitted.

Here are examples of successful marketing plans students have submitted for our classes:

- **Family business**. Sand and gravel business, small manufacturing shop, two-chair barber shop, summer resort.
- **Local small business**. Garage, flower shop, corner grocery, interior-design decorating shop.
- **Student organization or university activity**. Marketing club, campus blood drive, increasing attendance at college sporting events, student counseling center.

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- **Potential business**. Internet café, healthy-food restaurant, graphic design shop, motorcycle shop.
- **Product**. Candy bar, dresses, canned food from special family recipes.
- **Service**. Dog walking, house sitting, term paper/report typing.

  Some MBA programs offer field project courses where teams of MBA students write marketing plans for technologies emerging from university laboratories or for large organizations introducing new products. These kinds of projects are too complex for undergraduates taking their first course in marketing.

2. **When you have selected your marketing plan topic, whether the plan is for an actual business, a possible business, or a student organization, write the "company description" in your plan, as shown in Appendix A (following Chapter 2).**

   In question 2, if the company already exists, the company description highlights the recent history and recent successes of the organization. So, students should seek to find:

   a. **Recent history**.

      1. Provide a brief introduction about when the organization was founded (if relevant), identify who the founders or key management personnel are that will assist you, and define what product or service is to be marketed.

      2. Discuss what is unique about the company and its offering(s) that sets it apart from competitors.

   b. **Recent successes**. Where possible, identify and briefly describe what recent activities or results show how the organization has been successful in terms of sales (dollars or units), market share, quality, new-product introductions, and so on.

      If the organization does not actually exist, students should seek to describe what is unique about it and its offerings that are likely to lead to its eventual success.

Helping with Common Student Problems

Enthusiastic students often pick marketing plan topics that are simply too grandiose to be completed in the time available—a new brand of car or a new airline to serve small U.S. cities. A subtler problem—alluded to earlier—is in picking a marketing plan topic that requires an inordinate amount of effort to obtain useful data. For this latter problem, when having students select a marketing plan topic, ask them to first write down four or five topic ideas and then 10 or 12 words for each topic about what key sources of information they need to obtain and where are they likely to obtain it.

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TEACHING NOTE FOR VIDEO CASE [VC-1]

Bombas: Creating Socks with a Purpose!
[*Video 1-6: Bombas Video Case* (kerin.tv/mkt/v1-6)]

Synopsis

Randy Goldberg and David Heath were co-workers at a media start-up when they learned that socks are the most-requested items at homeless shelters. They decided to start a company to solve the problem based on the buy-one-give-one model developed by Toms Shoes and the direct-to-consumer model developed by Warby Parker.

The two entrepreneurs named the company Bombas after the Latin word for bumblebee because bees work together to build a better environment. They selected "Bee Better" as their motto to communicate their social mission—to give away a pair of socks for every pair purchased.

Randy and David spent several years designing a sock with innovative elements such as a seamless toe, honeycomb arch support, and stay-up functionality to create the "most comfortable socks in the history of feet." The company received its first funding in 2013 when it raised almost $150,000 on the crowdfunding website IndieGoGo. In 2014, Randy and David were invited to appear on *Shark Tank* where they received an offer from investor Daymond John.

Today, the company has more than $250 million and more than 100 million clothing items have been donated.

Teaching Suggestions

Before teaching the Bombas video case, consider asking a series of questions to determine students' familiarity with socks and their impression of the buy-one-give-one business model:

1. How many of you have purchased socks? What are common reasons to purchase socks? Do you typically buy them to replace lost or worn-out socks or do you buy them for other reasons?

2. Do you view socks as a commodity (EX: tube socks) or as a premium product (EX: specialty socks for events and holidays)?

3. How important is comfort? Are features such as a seamless toe, arch support, stay-up functionality, creative designs, and different fabrics important?

4. Do you order your socks online or purchase them in a store?

5. Have any of you purchased Bombas brand of socks? Among those of you who have purchased Bombas socks (or T-shirts) how important was (*a*) comfort and (*b*) the social mission of giving away a pair of socks to the homeless?

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6. How important is the one-for-one giving model to you as a consumer? Have you made purchases from other one-for-one companies such as Toms (shoes), Warby Parker (eyeglasses), Bixbee (backpacks), Smile Squared (toothbrushes), Soapbox (soap), and BetterWorldBooks (books)?

7. This discussion enables students to have a better perspective when they study and discuss the Bombas video case and answer end-of-case questions.

Answers to Video Case Questions

1. How did Bombas's founders Randy Goldberg and David Heath create customer value when they started their apparel company by selling socks?

Answer:

Bombas creates value for its customers in several ways. First, Randy and David spent several years designing a comfortable sock. They added features such as a y-stitched heel which stays in place, honeycomb arch support, a seamless toe, and a blister tab to create value for customers. They also used the buy-one-give-one offer to create value for consumers who want to know that their purchases are helping address a social issue and helping to make the world a better place. Finally, the direct-to-consumer sales model offered value through the convenience of online shopping and delivery.

2. How did Goldberg and Heath raise money to start the company?

Answers:

Goldberg and Heath utilized three sources of money as a start-up:

- *Crowdfunding Website*. Goldberg and Heath launched Bombas on the crowdfunding platform IndieGoGo with the hope of raising $15,000. Within a month they had raised $150,000.
- *Friends and Family*. The following year the co-founders raised $1 million from friends and family.
- *Shark Tank*. The entrepreneurs also made an appearance on ABC's Shark Tank and sold a 17.5 percent stake in the company for $200,000 to investor Daymond John.

3. What are the key elements of Bombas' "four Ps" marketing strategy?

Answers:

Bombas's four Ps marketing strategy consists of the following marketing actions:

- *Product strategy*. Bombas product strategy was to create the perfect sock. Each sock features key elements such as a y-stitched heel, a honeycomb arch support, a seamless toe, a blister tab, and stay-up technology. Bombas also offers a *100% Happiness Guarantee*, and customer support through its Customer Happiness Team.

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- *Price strategy*. Bombas uses premium pricing for its socks. First-time customers, however, can receive a 20 percent discount, and all customers typically receive a reduced price when they purchase a 4-, 6-, 8-, or 12-pack of socks.
- *Place strategy*. Goldberg and Heath modeled their distribution strategy on the direct-to-consumer approach used by Warby Parker with eyewear. Bombas also sells its socks through partners such as Nordstrom, Dick's Sporting Goods, Scheels, and Athleta. The company does not currently have its own retail stores.
- *Promotion strategy*. When Bombas first started it relied on word of mouth, exposure from the crowdfunding platform, and some social media ads. Today the company utilizes social media, traditional advertising, and special promotion partnerships. Campaigns include "The Most Comfortable Sock in the History of Feet," and "The Greatest Sock Never Sold." NOTE: The Bombas YouTube channel has many of the video ads.

4. How has the combination of the Bombas social mission, its "Bee Better" motto, the direct-to-consumer sales model, its Customer Happiness Team, and its promotional activities contributed to Bombas's success?

Answer:

Bombas is a company with a unique combination of many marketing activities. The starting point is the balance between the social mission of donating socks to homeless shelters and the offering of high-quality premium socks. According to the Bombas website "When we say Bee Better, we mean it as a mantra, a way of approaching every day. It's a reminder to push yourself harder to be better. A reminder that these socks are engineered and designed with thought to be better. A reminder that you helped someone in need with your purchase." In addition, Bombas's promotional activities emphasize the mission, product, and mantra, and the Customer Happiness Team ensures customer satisfaction, to contribute to the continued success of the company.

5. Describe possible future marketing actions Bombas should consider.

Answers:

Bombas could consider a variety of new actions in the future. In fact, the founders think Bombas "could easily be a billion-dollar brand in revenue in the next 5 to 10 years." Some possible actions include:

- *Expand the Product Line*. Bombas might consider expanding its sock line to include additional specialty offerings. In addition, Bombas recently added T-shirts to its product line and could consider additional types of shirts. What other products would fit the mission? Hats? Underwear? Hoodies?
- *Expand Distribution*. Bombas currently utilizes an online model and offers its products through wholesale partners (EX: Nordstrom and Dick's Sporting Goods). Bombas could consider new partners and possibly opening its own stores.

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- *International Markets*. Currently Bombas ships to Australia, Canada, and the United Kingdom for a flat rate. They could consider shipping to other countries or finding additional channels of distribution outside the United States.

Epilogue

Bombas continues to support activities that are a match with its mission-based origin. For example, the company recently partnered with the United Way to distribute socks through its giving program, and with Youth Services System to distribute socks to youth in YSS emergency shelters. In addition, Bombas teamed up with Taboola to promote its Pride collection, which was inspired by the LGBTQ community. The company and its founders have been featured on NBC Today, Bloomberg TV, and in INC Magazine. During the COVID-19 pandemic, Bombas adjusted to the new remote workforce with a "socks are the new shoes" perspective. They also donated 50,000 pairs of socks to frontline medical workers!

Sources: John Lynch, "Bombas Socks Donates to Youth Service System," June 23, 2020, wtrf.com; Nicole Walton, "Bombas Donates Socks to United Way of Marquette County," July 14, 2020, wnmufm.org; "How Bombas Is Amplifying Its 2020 Pride Collection," *Retail Info Systems*, June 24, 2020; Sarah Berger, "Daymond John-Backed Start-Up Bombas Is Reinventing the Sock—And It's Bringing in $100 Million a Year," *CNBC Make It*, April 24, 2019; Melody Hahm, "Bombas CEO: We Could Easily Be a Billion-Dollar Brand in the Next 5 Years," *Yahoo Finance*, April 26, 2019; and Anna Hensel, "How Bombas Is Growing Its Wholesale Business," *Modern Retail*, February 20, 2020.

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ICA 1-1: IN-CLASS ACTIVITY

Designing a Candy Bar[1]

Learning Objectives. To have students work in teams to: (1) define a target market for a candy bar and (2) develop a simple marketing program for it.

Nature of the Activity. To engage students actively in a realistic marketing task in their first class meeting and have them share their ideas with classmates.

Definitions. Because the class is not yet familiar with marketing terms, instructors may wish to define the following terms before starting the ICA:

- Target market*:* One or more specific groups of potential consumers toward which an organization directs its marketing program.
- Marketing mix: The marketing manager's controllable factors—product, price, promotion, and place—that can be used to solve a marketing problem.
- Points of difference: Those characteristics of a product that make it superior to competitive substitutes.

Estimated Class Time and Teaching Suggestions. About 20 minutes, taught in class in four-person teams.

Materials Needed.

- Samples of other candy bars that represent a variety of compositions (chocolate, caramel, peanuts, etc.) and forms (bar, drop, bundle, etc.), such as those marketed by Hershey's, Mars, Nestlé, and Ghirardelli in the United States. Purchase several of the following brands and items to distribute in class:
  - Hershey's: Milk Chocolate Bar, Kisses, Milk Duds.
  - Mars: M&M's, Snickers, Milky Way Bar, Dove.
  - Nestlé: Milk Chocolate Bar, Crunch Bar, Baby Ruth, Kit Kat.
  - Ghirardelli: Milk Chocolate Squares, Milk Chocolate Squares w/Caramel.
- Copies for each student, either in hard copy or electronically, of the "Designing a Candy Bar" Handout.

Steps to Teach This ICA.

1. OPTIONAL: Bookmark the following websites on your classroom computer:
   - Hershey's: hersheys.com.
   - Mars: mars.com.
   - Nestlé: nestleusa.com.
   - Ghirardelli: ghirardelli.com.
2. Form four-student teams.
3. Give the following mini lecture about marketers and their responsibilities:

[1] The author wishes to thank Dr. Richard Beltramini, who inspired this ICA when the author had him for a marketing principles course.

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All of you purchase products and services every day, ranging from necessities, such as food, clothing, and shelter, to discretionary items, such as candy, music, and education.

To offer these products and services, marketers must first understand your needs and wants. Then, they must:

- Develop the features and benefits for the products and services that you desire.
- Charge a price that you are able and willing to pay.
- Communicate to you that the product or service exists.
- Make it available at locations where you are likely to buy it.
- Ensure that it is superior to similar offerings available from competitors.
- Earn a profit for the organization.

4. Ask students the following questions about their candy purchasing behavior:

   - **Question 1: How many of you buy candy? Why?**

     Answer: Students buy candy for a variety of reasons (taste, energy, holiday, etc.).

   - **Question 2: What candy brands have you bought within the past week?**

     Answer: Students will have bought candy from Ghirardelli, Hershey's, Mars, and so on.

5. Pass out the "Designing a Candy Bar" Handout to students.

6. Pass around several candy bars as a reference to students.

7. Bring up Ghiradelli's website and give the following mini lecture to students.

   The Ghirardelli Chocolate Company has produced and marketed premium chocolate products for over 150 years. Recently, Ghirardelli introduced its Ghirardelli Milk Chocolate with Caramel Filling Squares and its companion Ghirardelli® Milk Chocolate with Caramel On-The-Go Bar.

8. Ask students the following questions about this candy bar:

   a. **Who is the target market?**

      Answer: Women.

   b. **What are the key features or benefits of the Ghirardelli Milk Chocolate with Caramel Squares?**

      Answer: Intense chocolate experience; aroma; luscious, creamy filling; silky smooth texture; a special reward; slow melting chocolate.

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c. **What would you charge for a bag of 12 of these "Squares"? Why do you think Ghirardelli charges this price?**

Answer: For the Ghirardelli Milk Chocolate with Caramel Squares, the retail price is about $4.25 for a bag of 12 "Squares." Ghirardelli charges this price because it wants to convey an image of quality, prestige, and so on, and the target market is willing and able to pay this price.

d. **What advertising medium might Ghirardelli use to promote this product?**

Answer: To reach women most effectively, Ghirardelli should probably use television rather than other media (radio, newspapers, magazines, Internet, social, etc.).

e. **Where do you think consumers would buy this product?**

Answer: Grocery stores, mass merchandisers (Walmart, Target, etc.), drug stores (Walgreens, etc.), and nontraditional outlets such as bookstores and coffee shops.

f. **How is the Ghirardelli candy bar different from those already on the market?**

Answer: Unique shape, rich taste, high-quality chocolate.

9. Give the following instructions to complete this ICA:

"For the next 10 minutes, your team will design a candy bar based on your personal experiences as candy bar consumers and your new role as potential marketers. When designing your candy bar, be as creative as you can. However, the candy bar you design must answer the following questions, as shown in the handout":

a. **To whom will your candy bar be sold?** The answer to this question will specify the characteristics (age, gender, income, health-consciousness, etc.) of your target market segments. Provide a rationale for the market segments you choose.

b. **What is the product?** The answer to this question will specify the features, such as the ingredients, form, size, and packaging, and benefits of the candy bar you think are important to consumers. Provide a rationale for the product you create.

c. **How much will consumers pay for it?** The answer to this question will specify the price paid for the quantity received by consumers. Provide a rationale for the price you want to charge.

d. **How will consumers find out about it?** The answer to this question will specify the advertising methods and message you will use to communicate to consumers about the candy bar and the kinds of inducements (coupons, samples, etc.) you will offer them to try it. Provide a rationale for the promotions you want to use.

e. **Where will consumers buy it?** The answer to this question will specify the types of retail outlets or "place" where consumers in your target market are likely to buy the candy bar. Provide a rationale for your distribution channels.

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f. **How is your candy bar different from those already on the market?** The answer to this question will specify the significant points of difference of your candy bar. Provide a rationale for its superiority.

10. Have one student from each of two teams go to the board and write down the team's answers to the six questions asked in the Designing a Candy Bar Handout.

11. Have the class comment on the marketing programs that the two teams developed for their candy bars. Ask the following questions of the entire class about each of the two candy bars proposed by the two teams:

    a. **Target market**. Is it attractive enough (large, growing, etc.) to warrant the expense of a marketing effort?

    b. **Product**. What features/benefits are important to prospective customers? Can they form the basis of a message that can be effectively communicated?

    c. **Price**. What is the price based on? Do you want to recover marketing costs quickly by charging a higher price or do you want to achieve larger sales earlier by charging a lower price?

    d. **Promotion**. What relatively inexpensive actions could you use to inform and induce prospective customers to try your product?

    e. **Place/Distribution**. What traditional outlets will you use? Will you sell your product over the Internet? Why?

    f. **Points of difference**. Does your product provide overall customer value?

Marketing Lessons. This ICA introduces students to the essential marketing concepts that marketing and product managers deal with on a daily basis. Students should conclude that when developing a marketing program for a product, marketers must: (1) select a market segment to target; (2) specify the marketing mix designed to reach it; and (3) identify the offering's significant points of difference.

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DESIGNING A CANDY BAR HANDOUT

MARKETING PROGRAM AND POINTS OF DIFFERENCE	YOUR MARKETING ACTIONS
What is it? (Product) **Specify features, benefits, form, size, and so on and why**	
How much will consumers pay for it? (Price) **Specify cost and why**	
How will consumers find out about it? (Promotion) **Specify methods to inform and generate trial and why**	
Where will consumers buy it? (Place) **Specify types of retailers and why**	
How is it different from others? (Points of Difference) **Specify why it is superior to competitors' offerings**	

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ICA 1-2: IN-CLASS ACTIVITY

What Makes a Better Mousetrap?[2]

Learning Objectives. To have students (1) discover the importance of "points of difference" in meeting consumer wants and needs and (2) see how they vary by market segment.

Nature of the Activity. To have students do in-class "marketing research" on what features consumers look for in a mousetrap to help discover why a "better mousetrap" failed more than three decades ago.

Definitions. Because the class is not yet familiar with marketing terms, instructors may wish to define the following terms before starting the ICA:

- Customer value: The unique combination of benefits received by targeted buyers that includes quality, convenience, on-time delivery, and both before-sale and after-sale service at a specific price.

- Points of difference: Those characteristics of a product that make it superior to competitive substitutes.

Estimated Class Time and Teaching Suggestions. About 20 minutes, taught in class in four-person teams.

Materials Needed. Copies for each student, either in hard copy or electronically, of the:

- "Why did the new plastic mousetrap fail to meet sales expectations?" Handout.

- "Which of the markets (A, B, C, or D) was the largest for mousetraps 25 years ago?" Handout.

Steps to Teach This ICA.

1. OPTIONAL: Bookmark the Victor® Pest (victorpest.com) web pages for the Victor Power-Kill mouse trap (victorpest.com/victor-power-kill-mouse-trap-cm142) and Live Catch (victorpest.com/victor-live-catch-mouse-trap-cm337) mousetraps on your classroom computer.

2. Form students into four-person teams.

3. Pass out copies of the following handouts to each student:

    - Why did the new plastic mousetrap fail to meet sales expectations? Handout.

    - Which of the markets (A, B, C, or D) was the largest for mousetraps 25 years ago? Handout.

[2] The authors wish to thank Karolyn Warfel and Betsy Boyer of the Woodstream Corp. who assisted in the development of this ICA.

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4. Ralph Waldo Emerson Quote and give the following mini lecture:

   "If a man . . . makes a better mousetrap, the world will beat a path to his door."—Ralph Waldo Emerson.

   Let's excuse Mr. Emerson for his "sexist" statement, which was written over a century ago! But let's see if he was right!

   Over 25 years ago, Dick Woolworth, president of the Woodstream Corp., decided to take Emerson's adage to heart. Woodstream's product was a 100-year-old wooden mousetrap that sold under the Victor® brand name in which peanut butter or cheese was placed on the metal bait pedal connected to the spring-loaded snap trap bar.

5. Click on the "Victor Pest Video" Internet icon to play a short YouTube video from Victor Pest about its mousetraps [TRT = 1:56]. OPTIONAL: Click on the "Metal Bait Pedal" and "Live Catch" Internet icons to go to the respective Victor Pest web pages for a brief description of these mousetraps.

6. Continue with the following mini lecture:

   Woolworth decided that what the company needed to do was to build "a better mousetrap and wait for the world to beat a path to its door." He asked his engineers and scientists to study the eating, sleeping, and crawling habits of mice. They did and came up with a better mousetrap—one made of plastic.

   [NOTE: The Live Catch mousetrap being shown was NOT this plastic trap but is used here FOR EDUCATIONAL PURPOSES ONLY.]

   If we compare the new versus the old, the original Victor® Metal Bait Pedal trap sold in a package of two for 15 cents and was moderately efficient. The plastic trap sold individually for 25 cents and was very efficient. Thus, if 100 mice stepped on the old wooden trap, assume that 50 got caught (50 percent efficiency) while with the new plastic trap, assume that 90 got caught (90 percent efficiency). Woodstream introduced the new plastic trap in stores across the country. Suppose that the following problem emerged: Sales of the new better, plastic mousetrap did not meet sales expectations! Why do you suppose this happened?"

7. Why did the new plastic mousetrap fail to meet sales expectations?

8. Ask students to answer the following questions:

   - **Question 1: What triggers the decision to buy a mousetrap?**

     Answer: Seeing nibbled boxes of cereal or mouse droppings on the floor triggers the "buy" decision.
   - **Question 2: Who in the family makes the decision to buy?**

     Answer: The decision maker is the person most bothered by the mouse, often the "Mom" of 25 years ago, when this case occurs.

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- **Question 3: Who actually buys the mousetrap?**

  Answer: The purchaser is the person asked to "get rid of the problem," often the "Dad" of 25 years ago, when the case occurred.

- **Question 4: Where does the person buy the mousetrap?**

  Answer: Mousetraps might be purchased in hardware stores (Ace), supermarkets (Safeway), mass-merchandisers (Walmart, Target), home improvement stores (The Home Depot), or the Internet (BE Atlas). This points out the need for different outlets for different buyers in the family, or different market segments.

- **Question 5: Who in the family uses the mousetrap and how do they use it?**

  Answer: This is the key question and should turn up two distinct market segments: (1) the "disposers," who dispose of the dead mouse and the trap by throwing both of them into the trash, and (2) the "reusers," who throw the dead mouse into the trash but reuse the trap.

- **Question 6: What features do users want in a mousetrap?**

  Answer: The "disposer" market segment wants a cheap and relatively efficient way to handle its mouse problem. So the important "points of difference" in its buying decision are low cost and disposability. The "reuser" segment wants greater efficiency in resolving its persistent mouse problem and may be willing to pay more for a trap as a result.

  The key message: What potential buyers see as "better" is more important than what the scientists and engineers designing the product see as "better."

- **Question 7: Why did sales of the "better" plastic mousetrap not meet sales expectations?** [The Live Catch mousetrap is used for educational purposes only.]

  Answer: Have students suggest their answers and write them down on the board.

9. Mousetrap Market Segments and state the following:

   Thirty years ago, "efficiency" (the key "point of difference" or benefit) of the plastic trap was not an important feature to most buyers. The "disposer" segment was especially reluctant to throw the dead mouse and the 25-cent plastic trap into the trash, but not at all hesitant to throw away the 7.5-cent wooden trap. If the wooden trap missed the mouse, these users just reset it. So the wooden trap provided greater *customer value* for most buyers. And because the largest market segments were "A" and "C" in the table below, the new "better" plastic traps gathered dust on retail shelves across the country. The plastic traps also had a very practical problem: disposing of a live mouse can be tricky (if the lid opened, the mouse may jump out) or time-consuming (need to find a place far away from home to release the mouse).

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[NOTE: Slides 1 to 34 are really a "market-product grid" that will be introduced in Chapter 9. However, this tool can help in this ICA since it allows students to answer the question: "What do we sell to whom?"]

Marketing Lessons. Customers define what a "better" product is and not the seller or its engineers! So, in a sense, Mr. Emerson was wrong! Key features or "points of difference" in the product provide "customer value" to users or market segments. These "points of difference" must be important to consumers and communicated to them in terms of (1) benefits to customers, (2) advantages relative to substitute products from competitors, and (3) features, which are given to the firm's R&D engineers.

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WHY DID THE NEW PLASTIC MOUSETRAP FAIL TO MEET SALES EXPECTATIONS?

OLD WOODEN TRAP	NEW PLASTIC TRAP
Wood	Plastic
2 for 15¢	25¢ each
50 percent efficiency	90 percent efficiency

Some Key Marketing Questions

1. What triggers the decision to buy a mousetrap?
2. Who in the family makes the decision to buy?
3. Who actually buys the mousetrap?
4. Where does the person buy the mousetrap?
5. Who in the family uses the mousetrap and how do they use it?
6. What features do users want in a mousetrap?
7. Why did the “better” plastic mousetrap not meet sales expectations?

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WHICH OF THE MARKETS (A, B, C, OR D) WAS THE LARGEST FOR MOUSETRAPS 25 YEARS AGO?

Market Segment	Product: Kind of Mousetrap	
	Wooden Trap	Plastic Trap
"Disposers"	A	B
"Reusers"	C	D

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CONNECT EXERCISES

Exercise 1: Customer Value and Relationship Strategies

Activity Summary: This grouping activity helps students identify how firms create customer value in a competitive marketplace. Three value-creation strategies are presented to the student: best service, best price, and best product. After reading a description of Spirit Airlines', 6PM's, Rolls-Royce's, Rolex', Chick-fil-A's, and Zappos' strategies, students match each strategy to best service, best price, or best product.

Tagging (Topic, Learning Objectives, AACSB, Bloom's, Difficulty)
Topic: Product Value Creation
Learning Objective: LO 01-04 Explain how organizations build strong customer relationships and customer value through marketing.
AACSB: Analytical Thinking
Bloom's: Analyze
Difficulty Level: 2 Medium

Follow-Up Activity: Instructors could build on the examples of value creation presented in the text by creating three master lists on the board: best service, best price, and best product. Students can take turns adding firms to the lists until there are examples across multiple industries. Instructors could enhance the discussion by asking the class to vote on which firm is the "best" example listed under the strategy, providing a rationale for their selection.

Exercise 2: Four Ps of Marketing

Activity Summary: This grouping activity provides students with an opportunity to classify marketing tactics as one of the four Ps. There are four examples of each marketing tactic which are described to the students as they mouse over the tactic's name. The product examples include a new app, a starter home, a college lecture, and a Republican candidate, price examples include tuition, interest, exchange, and rent, place examples include Walmart.com, home party, Coca-Cola vending machine, and Target, and promotion examples include word of mouth, flyer, Insta ads, and magazine advertisement.

Tagging (Topic, Learning Objectives, AACSB, Bloom's, Difficulty)
Topic: The Four Ps
Learning Objective: LO 01-03 Distinguish between marketing mix factors and environmental forces.
AACSB: Analytical Thinking
Bloom's: Analyze
Difficulty Level: 2 Medium

Follow-Up Activity: The instructor could describe an unmet need for a target market to the class and challenge the students to develop the controllable marketing mix factors (four Ps) that would satisfy the unmet need. This activity could be completed in a workgroup or individually. Alternatively, students could be challenged to identify their own unmet needs as part of the activity.

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Exercise 3: The Marketing Program: How Customer Relationships Are Built

Activity Summary: This labeling activity has the students identify the marketing mix factors that would be used in the rental car industry for two different target markets: the business traveler segment and the leisure traveler segment. Students create a marketing mix for each segment by dragging the element to the correct market. The activity demonstrates how firms can create value differently for different target markets.

Tagging (Topic, Learning Objectives, AACSB, Bloom's, Difficulty)
Topic: Target Markets
Learning Objectives: LO 01-02 Explain how marketing discovers and satisfies consumer needs.
LO 01-03 Distinguish between marketing mix factors and environmental forces.
LO 01-04 Explain how organizations build strong customer relationships and customer value through marketing.
AACSB: Knowledge Application
Bloom's: Analyze
Difficulty Level: 2 Medium

Follow-Up Activity: The instructor can challenge students to identify additional examples of products that have unique marketing mixes for their different segments. After these products are identified, instructors can have students describe the marketing tactics utilized for the various segments. To extend the discussion, the instructor can ask students to explain how each marketing mix element creates value for the target markets.

Exercise 4: iSeeit! Video Case: Value Creation through the Marketing Mix

Activity Summary: In this straightforward whiteboard animation video, the customer value concept is explained using a coffee shop example. After watching the 3-minute video, students are asked three questions related to the marketing mix, customer value proposition, and market segmentation.

Tagging (Topic, Learning Objectives, AACSB, Bloom's, Difficulty)
Topics: The Four Ps, Product Value Creation, Market Segmentation
Learning Objectives: LO 01-02 Explain how marketing discovers and satisfies consumer needs.
LO 01-03 Distinguish between marketing mix factors and environmental forces.
LO 01-04 Explain how organizations build strong customer relationships and customer value through marketing.
AACSB: Knowledge Application
Bloom's: Apply
Difficulty Level: 2 Medium

Follow-Up Activity: Instructors could ask students to develop and present a marketing mix for the coffee shop if baby boomers were the target audience. Begin the discussion by introducing the baby boomer market to the students by providing a brief audience profile or by utilizing a YouTube video on the Boomer market.

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Exercise 5: Video Case: Bombas: Creating Socks with a Purpose!

Activity Summary: In this 7-minute video, students learn the history of Bombas, a company that was able to create customer value while giving back to the community. To do so, the owner entrepreneurs combined the consumer's need for a great-fitting, high-quality sock with the societal need for sock donations at homeless shelters. This resulted in a marketing mix for Bombas which created both ultimate customer value and societal impact. After watching the video, students answer five multiple-choice questions related to the four Ps and customer value creation.

Tagging (Topic, Learning Objectives, AACSB, Bloom's, Difficulty)
Topics: The Four Ps, Product Value Creation
Learning Objectives: LO 01-03 Distinguish between marketing mix factors and environmental forces.
LO 01-04 Explain how organizations build strong customer relationships and customer value through marketing.
AACSB: Knowledge Application
Bloom's: Understand
Difficulty Level: 2 Medium

Follow-Up Activity: After students submit the assignment, divide the class into groups and have them visit the Bombas website, bombas.com. While on the website, have each group complete a table wherein they identify the elements of the marketing mix and come up with a new, creative idea for Bombas to extend its mix. After the groups have completed their table, share the ideas with the class and vote on which of the ideas was the best for each of the marketing mix elements.

Marketing Mix Element	Current Example	New Idea
Product		
Price		
Promotion		
Place		

Exercise 6: What Is Marketed?

Activity Summary: This grouping activity asks students to understand the differences between the three types of products; goods, services, and ideas. Students are provided with two examples of each which must be dropped on the correct drop zone. Wilson football and Greenies dog treats are examples of goods, Massage Envy and H&R Block are examples of services, and Buckle Up America and Save the Whales are examples of ideas.

Tagging (Topic, Learning Objectives, AACSB, Bloom's, Difficulty)
Topic: Product Value Creation
Learning Objective: LO 01-05 Describe the characteristics of market orientation.
AACSB: Knowledge Application
Bloom's: Understand
Difficulty Level: 1 Easy

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Follow-Up Activity: The instructor can challenge students to identify additional examples of products across the three categories; goods, services, and ideas. To gamify the activity, instructors can have students work in teams of three to four for 5 minutes to come up with as many ideas in each category. Next have students count and report the number of goods, services, and ideas, identifying a winner for each of the three categories. Instructors can also have student groups compare their lists to identify the most unique example for each category.

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