Marketing Concepts and Strategies 9th edition Dibb Test Bank

SKU: 9781473778580-TEST-BANK

Name:_____ Class:_____ Date:_____

Chapter 1_The_marketing_concept

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

ANSWER: In this first chapter, the concept of relationship marketing is introduced as part of the evolution of the marketing concept. Relationship marketing is a focus away from expediting a single sales transaction onto developing meaningful and trusting relationships with customers. The benefit of relationship marketing is that it has "a lifetime of values" and it infers individualized service delivery over a long period of time. Answers should emphasize the importance of having trust in a company and the ability of a firm to continually adapt and respond to customers changing needs overtime. The best answers will address the challenges of adaption to customer needs and expectations.

2. By looking at different marketing definitions, evaluate what is meant by the marketing concept, and how it affects business performance.

ANSWER: This question challenges students to think critically about the role of marketing in business and its link with business performance. Should marketing be seen as a business process that is solely dedicated to creating profit and to producing goods and services at the least cost? Students may be directed towards Table 1.1 which discusses "popular marketing myths" and be encouraged to look at the link between marketing and selling, marketing and advertising and the role of marketing in strategy formulation and planning. This is a reflective question and students are to be encouraged to consider whether marketing is a basic departmental function or whether it is an activity that is engaged in by everyone in an organization. This perspective will depend upon the definition being used and students are encouraged to look at a variety of different definitions and how days' impact upon business performance.

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

ANSWER: Market orientation is a central marketing concept that implies a link between the needs and expectations of customers and sustainable competitive advantage. The formal definition of market orientation is that an organization devotes resources to understanding the behaviour of customers and competitors and uses this understanding to adapt and respond to emerging market trends. This is distinct from being sales lead and concentrating on short term targets. However, while market orientation is highly desirable it is difficult to achieve and this is a theme that is developed throughout the first and subsequent chapters. What this question is asking is that students think about how firms might be market orientated and what the different approaches are. It is likely that students will gravitate towards household names, companies like Apple, and these can be used as a way of getting students to think about the different factors that different firms use to understand market trends, customer needs and competitive positioning.

4. Explore the role of marketing management and describe its major components.

ANSWER: The formal definition of marketing management is the process of planning, organizing, implementing and controlling marketing activities. Marketing management is explicitly linked to the marketing mix sometimes known as the four or five "P"s or even the seven

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"P"s. This concept is discussed in Figure 1.3 and students are asked to look at the implication of these different layers and levels of marketing. In particular students are asked to understand the difference between marketing management, marketing strategy and the wider marketing environment. There is a link between these different levels and the way in which the marketing mix can be adjusted to suit the needs of different customers. It is important that this question is not simply a listing of the different components but that it examines the relationship between the components – in this case product, price, promotion and place. Depending on context, the marketing mix and the management of this mix will differ according to company environment and the adoption of the marketing strategy. This means that there will be different answers to the question. The most important element to be discussed is the way in which the marketing mix changes in response to customer needs – rather than remaining static.

5. Why in marketing is it important that marketers are able to analyze and recognize business opportunities?

ANSWER: This question relates to the summary of Chapter 1 and looks at the marketing process. This centres on the ability to analyze market conditions and to respond to those market conditions with associated programmes that meet customer needs. Market opportunity analysis involves looking outside the company at the external opportunities and threats and it also involves an understanding of how to match internal resources to facilitate and expedite exchange relationships to the creation, distribution, promotion and pricing of goods and services and ideas. This question relates to the central marketing concept and its philosophy not just as a departmental function that has an overall management philosophy.

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

ANSWER: One of the basic definitions of marketing strategy is segmentation, targeting and positioning (STP). This concept is explored in more detail in Part Two of the book. However, this question asks students to use one or more case examples to show how different groups of customers might be targeted and the challenges that this presents to marketers. It is likely that answers will focus on consumer marketing (C2C) and students are encouraged to think about different products and how these are used by consumers and how targeting and brand positioning is used to create attention.

7. Discuss the concept of social marketing and why it is an important challenge to marketers.

ANSWER: This question focuses on the different roles of marketing in different business environments. Social marketing "borrows" tools and techniques from commercial marketing to encourage positive behavioural changes. This question asks students to look critically at social marketing approaches and answers may wish to use the Topical Insight on social marketing from the chapter and discuss how social marketing seeks to influence consumer behaviour.

8. Using the example of Ikea discuss the marketing concept through the various types of orientation.

ANSWER: This question is based on the case study at the end of the chapter: 'Sweden's IKEA marches on'.

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9. Marketing is the management process:
   a. Of promoting products through personal selling and advertising to develop and maintain favourable relationships with customers and stakeholders.
   b. Responsible for identifying, anticipating and satisfying customer requirements profitably.
   c. For delivering a standard of living to a society.
   d. Of creating, distributing, promoting and pricing goods, services and ideas to facilitate the achievement of the firm's objectives.
   e. Focusing on customers' needs.

ANSWER: b

10. The focal point of all marketing activities is _____:
   a. Products.
   b. The marketing mix.
   c. Profits.
   d. Sales.
   e. Customers.

ANSWER: e

11. The definition of marketing implies that _____ should receive benefits from exchange relationships:
   a. only customers
   b. only businesses
   c. company management
   d. both customers and businesses
   e. only the most important customers

ANSWER: d

12. A target market:
   a. Involves a large number of customers.
   b. Is a specific group of customers on whom a company focuses its marketing efforts.
   c. Already has several competitors vying for customers' business.
   d. Is the same as a salesperson's prospective client list.
   e. Is a customer group classified as people with similar demographic characteristics.

ANSWER: b

13. Distribution, price, promotion and product are all elements of _____
   a. Marketing strategy.
   b. The marketing mix.
   c. A target market.

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d. A consumer good.
e. A business strategy.

ANSWER: b

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

ANSWER: d

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

ANSWER: d

16. Marketers often speak of the "controllable" variables in the practice of marketing. Which of the following is *not* considered one of the controlled variables?
a. Product.
b. Price.
c. Distribution.
d. Competition.
e. Promotion.

ANSWER: d

17. Which of the following statements about marketing environment forces is correct?
a. They influence customers by affecting their lifestyles, standards of living and preferences and needs for products.
b. They do not influence customers' reactions to a firm's marketing mix.
c. They fluctuate slowly and thereby create threats to a firms marketing mix.
d. They never fluctuate quickly.
e. They do not influence the way a marketing manager performs certain marketing activities.

ANSWER: a

18. The forces of the marketing environment include:

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a. Political, legal and regulatory, societal, technological, economic and competitive.
b. Sociocultural, legal, regulatory, economic and competitive.
c. Legal, regulatory, political and sociocultural.
d. Competitive and non-competitive forces that affect most lifestyles.
e. Fairly static components.

ANSWER: a

19. The forces of the marketing environment primarily affect marketers in four ways: they influence customers by affecting their lifestyles and preferences for products; they determine whether or how a marketing manager can perform certain marketing activities; they provide organizations with a window of opportunity over rivals which fail to notice market developments; and they

a. Affect a marketing manager's decision and actions by influencing buyers' reactions to the firm's marketing mix.
b. Dictate that changes be made to the existing marketing mix despite any negative reactions from customers.
c. Make most new products obsolete very quickly so that research and development must continually develop new products.
d. Cause most advertising to be ineffective at communicating product benefits due to rapidly changing environmental forces.
e. Change a customer's decisions about the appropriate marketing mix for the company and its various products.

ANSWER: a

20. The marketing concept is a management philosophy that affects:

a. Only marketing activities.
b. All efforts of the organization
c. Mainly the efforts of sales personnel.
d. Mainly customer relations.
e. Only business organizations.

ANSWER: b

21. The marketing concept is:

a. A management philosophy.
b. Synonymous with exchange.
c. A component of the marketing mix.
d. A function of the marketing environment.
e. Focused solely on satisfying customer objectives.

ANSWER: a

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22. The marketing orientation is an organization wide effort that includes all of the following activities *except*:

a. Researching customers' needs.
b. Focusing on the marketing department only.
c. Generating marketing intelligence for use in the organization.
d. Being responsive to customers' ever-changing wants and needs.
e. Disseminating marketing intelligence across departments within the organization.

ANSWER: b

23. Today, establishing long-term, mutually beneficial arrangements in which both the buyer and seller focus on value enhancement through the creation of more satisfying exchanges is known as_____

a. Marketing synthesis.
b. Relationship marketing.
c. A marketing orientation.
d. The marketing concept.
e. Strategic marketing.

ANSWER: b

24. Marketing management is defined as a process of:

a. Maintaining an appropriate and efficient marketing mix for a target market.
b. Establishing performance standards and evaluating actual performances against these standards.
c. Providing products that satisfy customers' needs through a coordinated set of activities.
d. Facilitating satisfying exchanges between an organization and its customers.
e. Planning, organizing, implementing, and controlling marketing activities.

ANSWER: e

25. _____ is the degree to which an exchange helps achieve an organization's objectives.

a. Controlling
b. Effectiveness
c. Success rate
d. Efficiency
e. Objectivity

ANSWER: b

26. _____ refers to minimizing the resources an organization must spend to achieve a specific level of desired exchanges.

a. Effectiveness
b. Productivity

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c. Efficiency
d. Objectivity
e. Cost cutting

ANSWER: c

27. _____ of marketing plans hinges on coordination of marketing activities, motivation of marketing personnel, and effective communication within the marketing unit.
a. Implementation
b. Planning
c. Organizing
d. Marketing control
e. Strategic planning

ANSWER: a

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

ANSWER: True

29. A target market is always defined by demographics.
a. True
b. False

ANSWER: False

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

ANSWER: False

31. The actual physical production of goods is a marketing activity.
a. True
b. False

ANSWER: False

32. Promotion can help sustain interest in established products that have long been available.
a. True
b. False

ANSWER: True

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

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b. False

ANSWER: True

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

a. True

b. False

ANSWER: True

35. Changes in the marketing environment always hurt marketing efforts.

a. True

b. False

ANSWER: False

36. The marketing environment is a set of static, unchanging surroundings.

a. True

b. False

ANSWER: False

37. The marketing concept stresses that a business organization can best achieve its goal by providing customer satisfaction through coordinated activities.

a. True

b. False

ANSWER: True

38. The marketing concept is a philanthropic philosophy aimed at helping customers at the expense of the business organization.

a. True

b. False

ANSWER: False

39. The marketing concept deals only with marketing activities.

a. True

b. False

ANSWER: False

40. Profit, even at the expense of customers' satisfaction, is the major thrust of the marketing concept.

a. True

b. False

ANSWER: False

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

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a. True
b. False

ANSWER: False

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

ANSWER: False

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

ANSWER: True

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

ANSWER: False

45. In general, when marketers focus on customers chosen for their lifetime value, they earn lower profits in future periods than when they focus on customers selected for other reasons.
a. True
b. False

ANSWER: False

46. The Marketing era was the period in which product and aggressive selling were no longer seen to suffice if customers either did not desire a product or preferred a rival brand, and in which customer needs were identified and satisfied
a. True
b. False

ANSWER: True

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

ANSWER: True

48. Marketing management is the process of planning, organizing, implementing, and controlling marketing activities to facilitate and expedite exchanges effectively and efficiently.
a. True

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b. False

ANSWER: True

49. In marketing management, planning is a systematic process of assessing opportunities and resources, determining marketing objectives, and developing a marketing strategy and plans for implementation and control.

a. True

b. False

ANSWER: True

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