Foundations of Marketing 10th edition Pride Test Bank

SKU: 9798214040950-TEST-BANK

Name:_____ Class:_____ Date:_____

Chapter 1: An Overview of Strategic Marketing

True / False

1. Marketing consists primarily of selling and advertising.
   a. True
   b. False

ANSWER: False

2. In marketing, a product can be a good or a service but not an idea.
   a. True
   b. False

ANSWER: False

3. Services are provided by applying human and mechanical efforts to people or objects to provide intangible benefits to customers.
   a. True
   b. False

ANSWER: True

4. For an exchange to occur, each party involved has something of value that the other party finds desirable.
   a. True
   b. False

ANSWER: True

5. Changes in the marketing environment always hurt marketing efforts.
   a. True
   b. False

ANSWER: False

6. The marketing concept stresses that a business organization can best achieve its goals by providing customer satisfaction through coordinated activities.
   a. True
   b. False

ANSWER: True

7. The marketing concept is a philanthropic philosophy aimed at helping customers at the expense of the business organization.
   a. True
   b. False

ANSWER: False

8. 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: True

Copyright Cengage Learning. Powered by Cognero.

Foundations of Marketing 10th edition Pride Test Bank

Chapter 1: An Overview of Strategic Marketing

9. Basic and extended warranties can reduce risk, a major customer cost.
   a. True
   b. False

ANSWER: True

10. Marketing costs consume about one-quarter of a buyer's dollar.
   a. True
   b. False

ANSWER: False

11. Knowing about marketing can help you evaluate the types of corrective measures needed to stop questionable marketing practices.
   a. True
   b. False

ANSWER: True

12. It is a good idea to consider parents as part of the target market when marketing new children's lunchboxes that stay colder longer.
   a. True
   b. False

ANSWER: True

13. Relationship marketing focuses on satisfying customers to generate the most profit.
   a. True
   b. False

ANSWER: False

14. The impact of environmental forces on value can be extensive as market changes can easily influence how stakeholders perceive certain products.
   a. True
   b. False

ANSWER: True

Multiple Choice

15. As part of your small-group project, you are asked to provide the broadest and simplest definition of marketing. Which of the following would you choose for that purpose?
   a. Marketing is the development and efficient distribution of products for consumer segments.
   b. Marketing consists of advertising and selling.
   c. Marketing is the process of exploring, developing, and delivering value to satisfy the needs of a target market.
   d. Marketing is the set of institutions and individuals who offer value to customers.

ANSWER: c

16. What is the focal point of all marketing activities?
   a. Value

Copyright Cengage Learning. Powered by Cognero.

Foundations of Marketing 10th edition Pride Test Bank

b. Customers
c. Research
d. Products

ANSWER: b

17. An organization focuses its marketing efforts on a specific group of customers. Another term for this group is which of the following?
a. Distributional variable
b. Customer component
c. Economic force
d. Target market

ANSWER: d

18. Mercedes-Benz as a company must focus its marketing efforts in a number of directions. Choose the answer that provides an example of a product, service, and idea that Mercedes's marketing efforts should address.
a. Product: Sprinter vehicle; Service: loan financing; Idea: auto detailing
b. Product: mechanical repair; Service: loan financing; Idea: luxury
c. Product: S-class sedan; Service: mechanical repair; Idea: luxury
d. Product: luxury; Service: EQS model sedan; Idea: carbon-neutral transportation

ANSWER: c

19. Marketing creates value through the marketing mix. Which variable could arguably be the foundation of the marketing mix?
a. Product
b. Price
c. Distribution
d. Promotion

ANSWER: a

20. Marketing efforts do *not* include which of the following?
a. Design of products
b. Repair of products
c. Development of products
d. Promotion of products

ANSWER: b

21. The product variable of the marketing mix can include which of the following categories?
a. Promotion, distribution, and pricing
b. Costs, benefits, and advertising
c. Delivery, advertising, and servicing
d. Goods, services, and ideas

ANSWER: d

22. Marketing activities almost always include which of the following?

Copyright Cengage Learning. Powered by Cognero.

Foundations of Marketing 10th edition Pride Test Bank

a. Supply chain management
b. Employee benefits
c. Actual production of goods
d. Human resources mediation

ANSWER: a

23. Which of the variables in the marketing mix is used to sustain interest in established products that have long been available?
a. Product
b. Pricing
c. Distribution
d. Promotion

ANSWER: d

24. Which of the variables in the marketing mix is used to keep the total inventory, transportation, and storage costs as low as possible?
a. Product
b. Pricing
c. Distribution
d. Promotion

ANSWER: c

25. Which of the following best explains why customers are interested in a product's price?
a. They are concerned about the value obtained in an exchange.
b. They believe they are the target market.
c. They want to make sure it is the lowest price charged for the product.
d. They understand that a higher price means the highest quality.

ANSWER: a

26. Which of the following statements about pricing is most accurate?
a. Pricing levels are most affected by transportation and storage costs.
b. Pricing is the least important of the marketing mix variables.
c. Pricing is the best indicator of a product's quality.
d. Price is often used as a competitive tool.

ANSWER: d

27. Which of the following statements about changes in the marketing environment is most accurate?
a. Changes within the marketing force seldom influence buyers' reactions to a firm's marketing mix.
b. Marketers have a great deal of control over changes in the environment.
c. Changes in the marketing environment produces both uncertainty and opportunity for marketers.
d. Marketing activities take place in a vacuum.

ANSWER: c

28. Which of the following best describes the marketing environment within which marketers must make decisions?

Copyright Cengage Learning. Powered by Cognero.

Foundations of Marketing 10th edition Pride Test Bank

a. Dynamic and influential
b. Static and unchanging
c. Dynamic and regulatory
d. Static and turbulent

ANSWER: a

29. As part of the ongoing education that Reggie, a small business owner, offers to her employees, a session on the marketing concept is scheduled. Reggie is most likely to include which of the following ideas in that session?
a. The marketing concept rests on making a product.
b. The marketing concept is their customers' philosophy that the company must adhere to in order to be successful.
c. Current buyer needs are the sum total of the marketing concept.
d. Achievement of the firm's overall goals is part of the marketing concept.

ANSWER: d

30. When should a business organization employ the marketing concept?
a. To meet the sole goal of producing goods most efficiently
b. To satisfy customers' needs while achieving the overall goals of the organization
c. To ensure that the company's primary goal is to make large profits
d. To satisfy stockholders and regulators as its central stakeholders

ANSWER: b

31. Which of the following statements most accurately defines "marketing concept"?
a. Implementing the marketing concept benefits the organization rather than its customers.
b. Stakeholder satisfaction is the major focus of the marketing concept.
c. The marketing concept is a second definition of marketing.
d. The marketing concept is a strategic concept aimed at achieving objectives.

ANSWER: d

32. At its essence, what is the point of the marketing concept?
a. Customer satisfaction
b. Profit
c. The long-term needs of society
d. Product creation

ANSWER: a

33. If the management team at Body Wisdom, a massage therapy school, would like to make sure its marketing concept is central to all employees' efforts, which of the following should it emphasize with those employees?
a. Profit, even at the expense of customers' satisfaction, is the major thrust of the marketing concept.
b. Striving to satisfy customers' desires by sacrificing society's long-term welfare is acceptable.
c. Achievement of the firm's overall goals is part of the marketing concept.
d. The marketing concept directly affects marketing activities but should have a negligible impact on other organizational activities.

ANSWER: c

Copyright Cengage Learning. Powered by Cognero.

Foundations of Marketing 10th edition Pride Test Bank

34. The market concept stresses that an organization can best achieve its objectives in which of the following ways?
    a. By being customer-oriented
    b. By being price-conscious
    c. By adhering to all relevant regulations
    d. By being environmentally progressive

ANSWER: a

35. The market concept developed out of a sequence of three eras. In what order did those three eras occur?
    a. The production orientation, the industrial orientation, and the marketing orientation
    b. The marketing orientation, the production orientation, and the industrial orientation
    c. The production orientation, the regulatory orientation, and the marketing orientation
    d. The regulatory orientation, the marketing orientation, and the industrial orientation

ANSWER: a

36. What did businesspeople realize during the period in which the market orientation framework was prevalent?
    a. If they could produce products efficiently, customers would buy them.
    b. Competition meant they would have to focus more on selling products to many buyers.
    c. Creating specific types of value-creating capabilities that enhance organizational performance is an important goal.
    d. To achieve success, the most important marketing activities were personal selling, advertising, and distribution.

ANSWER: c

37. To take an organization from the period of sales orientation to a framework of market orientation, which of the following is needed?
    a. Products, which by this time could be made relatively efficiently, would have to be promoted through much personal selling and advertising.
    b. Marketers would first need to determine what customers want and then produce those products, rather than making the products first and then trying to persuade customers that they need them.
    c. Firms must develop the ability to produce more products in order to match the increasingly intense competition.
    d. A sales orientation and a marketing orientation are essentially the same thing.

ANSWER: b

38. Which of the following is *not* a critical aspect of organization's market orientation?
    a. Organization-wide commitment to increased production, sales and profits
    b. Organization-wide generation of market intelligence pertaining to current and future customer needs
    c. Dissemination of market intelligence across departments
    d. Organization-wide responsiveness to market intelligence

ANSWER: a

39. To implement the marketing concept, what must an organization do first?
    a. Focus on the most efficient and effective ways to market and distribute its products and services
    b. Implement new technologies to produce goods more efficiently

Copyright Cengage Learning. Powered by Cognero.

Foundations of Marketing 10th edition Pride Test Bank

c. Establish an information system to discover customers' real needs

d. Use its information system to create products to satisfy customer needs

ANSWER: c

40. What must a company do to satisfy customers' objectives as well as its own?

a. A company must cater to customers who are willing to pay premium prices for its products.

b. A company must explore the latest technologies to reduce its production costs.

c. A company must spare no costs in producing the products customers most want.

d. A company must coordinate all its activities.

ANSWER: d

41. What is customer relationship management?

a. It is a managerial philosophy that an organization should try to satisfy customers' needs through a coordinated set of activities that also allows the organization to achieve its goals.

b. It requires controlling the marketing variables—product, price, distribution, and promotion—to meet the needs of customers within its target market.

c. It involves using information about customers to create marketing strategies that develop and sustain rewarding customer relationships.

d. It is managing the competitive, economic, political/legal/regulatory, technological, and sociocultural forces that surround the customer and affect the marketing mix.

ANSWER: c

42. What is happening when a customer does the calculations for this equation: Value = customer costs − customer benefits?

a. A customer is subjectively assessing the worth of a product.

b. A customer uses a calculator to find the least-expensive option for a given product.

c. A customer is prioritizing the nonmonetary costs expended to find and purchase desired products.

d. A customer is showing an insensitivity to actual price.

ANSWER: a

43. Customer benefits include which of the following?

a. Time and effort

b. Monetary price and convenience

c. Effort and monetary price

d. Service and convenience

ANSWER: d

44. The process people use to determine the value of a product can best be described as which of the following?

a. Consciously calculated benefits and costs

b. Specific algorithms

c. Aesthetic perceptions

d. A combination of expectations and experience

ANSWER: d

45. Which of the following statements about marketing costs is most accurate?

Copyright Cengage Learning. Powered by Cognero.

Foundations of Marketing 10th edition Pride Test Bank

a. Marketing costs have an impact on the economy and the standard of living for consumers.
b. Nonprofit organizations, although much more dependent on marketing, pay much less for it.
c. More than half of a product's price tag goes toward marketing expenses, excluding promotion and distribution.
d. Marketing costs consume more than one-half of every consumer dollar.

ANSWER: a

46. Which of the following statements about the marketing that nonprofit organizations do is most accurate?
a. Unlike the private sector, nonprofit organizations do not employ marketing activities to create, price, distribute, and promote their programs.
b. Because nonprofits do not need to create revenue to meet their needs, marketing efforts are less important than in the private sector.
c. Nonprofit organizations need to understand marketing and use its tools to survive and provide services to their target market.
d. Because for-profit companies support social causes through their donations and promotional activities, nonprofits can rely on their donors for marketing efforts.

ANSWER: c

47. Gloria is a pianist who wants to become a professional. If, whenever she has a performance, she places a flyer in the local community center and encourages her friends to tell others about the performance, Gloria is engaging in which of the following activities?
a. Global marketing
b. Social media advertising
c. Technological promotion
d. Marketing

ANSWER: d

48. Which of the following statements about the conditions that must be met in order for an exchange to take place is most accurate?
a. The exchange should provide a benefit or satisfaction to both parties involved in the transaction.
b. Once these conditions are met, an exchange will always take place.
c. Two conditions must be met before an exchange can take place.
d. Marketing activities do not occur if an actual transaction or sale does not take place.

ANSWER: a

49. "Marketing activities can occur even when an exchange doesn't take place." Which of the following is true about the preceding statement?
a. The statement is not relevant to understanding the relationship between exchanges and marketing.
b. You may see an advertisement for a product and never buy the product.
c. Only individual consumers expect a reward that exceeds the costs incurred.
d. The relationship between an organization and a customer is not meant to endure over an extended time period.

ANSWER: b

50. Mika needs a reliable car and would like to get the greatest value from this purchase. Which of the following nonmonetary costs is Mika including in the calculation of value?
a. Taxes on the purchase price

Copyright Cengage Learning. Powered by Cognero.

Foundations of Marketing 10th edition Pride Test Bank

b. Actual dollar amount of the purchase price
c. Time researching the options in Mika's price range
d. The fact that one vehicle is on sale and the other choice is not on sale

ANSWER: c

51. What can companies do to reduce customer costs and thereby increase their sense of value?
a. Decrease product availability
b. Eliminate marketing costs
c. Increase product component quality
d. Offer warranties

ANSWER: d

52. What does the ability to identify individual customers allow a marketer to do?
a. Shift their focus from increasing their share of an individual customer's purchases to targeting groups of similar customers
b. Minimize the need for building databases and the expense of associated technology
c. Focus on creating a product image and impression for consumers outside the target market
d. Increase the firm's understanding of customer's needs

ANSWER: d

53. In the exchange between buyer and seller, what "something of value" does the seller provide?
a. Goods, services, or ideas
b. Money, credit, or labor
c. A price the consumer is willing to pay
d. Advertising for a product the buyer notices but does not purchase

ANSWER: a

54. In the exchange between buyer and seller, what "something of value" does the buyer provide?
a. Goods, services, or ideas
b. Money, credit, or labor
c. A price the producer is willing to charge
d. Advertising for a product the buyer notices but does not purchase

ANSWER: b

55. Which of the following would *not* be included as an aspect of the product variable of the marketing mix?
a. Keeping total inventory costs low
b. Establishing warranty and repair services policies
c. Creating or modifying brand names and packaging
d. Researching customers' needs and wants and designing a product that satisfies them

ANSWER: a

56. Which of the following would *not* be included as an aspect of the distribution variable of the marketing mix?
a. Making products available in the quantities desired to as many target-market customers as possible
b. Keeping total inventory costs low

Copyright Cengage Learning. Powered by Cognero.

Foundations of Marketing 10th edition Pride Test Bank

c. Creating or modifying brand names and packaging
d. Keeping total transportation costs low

ANSWER: c

57. Which of the following would *not* be included as an aspect of the promotion variable of the marketing mix?
a. Establishing warranty and repair services policies
b. Informing individuals or groups about the organization and its products
c. Increasing public awareness of the organization
d. Advertising the organization's new or existing products

ANSWER: a

58. Which of the following would *not* be included as an aspect of the pricing variable of the marketing mix?
a. Using price as a competitive tool
b. Advertising the organization's new or existing products
c. Establishing pricing objectives and policies
d. Determining prices to reflect the value of products

ANSWER: b

59. For what reason are innovations in operations and products important to an organization's marketing efforts?
a. To minimize unfair or unethical marketing practices
b. To influence consumers' lifestyles
c. To help produce profits that are essential for the business's survival
d. To determine how a marketing manager can perform certain marketing activities

ANSWER: c

60. Which of the following does *not* help explain why a knowledge of marketing is beneficial to students?
a. Knowledge of marketing contributes to the understanding of the importance of marketing to customers, organizations, and the economy.
b. Knowledge of marketing facilitates the ability to analyze marketing efforts that need improvement and how to attain that goal.
c. Knowledge of marketing makes improved purchasing decisions more likely.
d. Knowledge of marketing makes corrective measures (such as laws, regulations, and industry guidelines) unnecessary.

ANSWER: d

61. Because it realizes the importance of the exchange relationship between the company and its customers, what characteristics does the marketing team at Saint Bread need to look for to make sure it is maintaining a positive exchange relationship?
a. Buyer dissatisfaction with Saint Bread's products
b. Inconsistent value of Saint Bread's products
c. Exchanges in which Saint Bread is dissatisfied with the financial compensation it receives
d. Repeat purchases from buyers

ANSWER: d

62. Which of the following represents a way in which the marketing environment improves the exchange relationship

Copyright Cengage Learning. Powered by Cognero.

Foundations of Marketing 10th edition Pride Test Bank

between buyer and seller?

a. The seller has no products that the buyer is interested in.
b. The seller has no need for the products the buyer is offering.
c. The buyer wishes to purchase environmentally friendly products offered by the seller.
d. Rising interest rates limit the number of buyers of luxury vehicles.

ANSWER: c

63. What are marketing research and data analytics?

a. A risky way to increase long-term customer relationships
b. The fastest way to acquire new customers
c. The output of artificial intelligence
d. The collection and interpretation of information about consumers

ANSWER: d

64. Which of the following statements best reflects how technology is affecting the marketing process?

a. Technology, especially information technology, helps marketers understand and satisfy more customers than ever before.
b. The global spread of mobile devices prevented marketers and consumers from forging new relationships.
c. AI cannot be used for improving marketing services.
d. Most businesses are finding that disruptive technology leads to more detrimental changes than to opportunities.

ANSWER: a

65. Marketing is the process of which of the following?

a. Focusing on customers' needs
b. Exploring, developing, and delivering value to satisfy the needs of the target market
c. Delivering a standard of living to society
d. Creating, distributing, promoting, and pricing goods, services, and ideas to facilitate the achievement of the firm's objectives

ANSWER: b

66. Which of the following is the focal point of all marketing activities?

a. Products
b. The marketing mix
c. Customers
d. Sales

ANSWER: c

67. Rather than defining themselves by the products they produce, organizations should define themselves by which of the following?

a. Profitability
b. Their stock price
c. The abundance of their product selection
d. Customer satisfaction

Copyright Cengage Learning. Powered by Cognero.

Foundations of Marketing 10th edition Pride Test Bank

ANSWER: d

68. The definition of marketing implies that which of the following should receive benefits from exchange relationships?
    a. Only customers
    b. Only businesses
    c. Company management
    d. Both customers and businesses

ANSWER: d

69. Which of the following is the primary value that a marketer expects to receive from a customer in an exchange relationship?
    a. A financial reward or something else of value
    b. Customer satisfaction
    c. References to other potential customers
    d. Quality merchandise that meets expectations

ANSWER: a

70. Which of the following best characterizes a target market?
    a. A large number of customers
    b. A specific group of customers on whom an organization focuses its marketing efforts
    c. Several competitors vying for customers' business
    d. A customer group classified as people with similar demographic characteristics

ANSWER: b

71. Caulipower is a cauliflower-based food company aimed at people trying to eat healthier. These people represent what to Caulipower?
    a. Marketing mix
    b. Marketing strategy
    c. Target market
    d. Consumer advocates

ANSWER: c

72. Which of the following is the primary value that a customer expects to receive from a marketer in an exchange relationship?
    a. A reward or benefit greater than the costs incurred in the transaction
    b. A discounted price
    c. Customer satisfaction
    d. Quality merchandise that meets expectations

ANSWER: a

73. Distribution, price, promotion, and product are all elements of which of the following?
    a. Marketing strategy
    b. The marketing mix
    c. A target market

Copyright Cengage Learning. Powered by Cognero.

Foundations of Marketing 10th edition Pride Test Bank

d. A consumer good

ANSWER: b

74. A marketing manager decides what combination of variables is needed to satisfy customers' needs for a general type of product. What are the essential variables that the marketing manager combines?

a. Product, price, distribution, and promotion variables

b. Marketing environment variables

c. Product, price, and customer variables

d. Product, price, customer, and promotion variables

ANSWER: a

75. The marketing mix is built around which of the following?

a. The product

b. The company

c. Customers

d. Employees

ANSWER: c

76. Which of the following is *not* part of the product variable of the marketing mix?

a. Creation of brand names

b. Consumer perception of the product price

c. Development of product packaging

d. Warranty issues

ANSWER: b

77. What are the three basic forms that a product can take?

a. Markets, products, and images

b. Goods, ideas, and intangibles

c. Brands, services, and tangibles

d. Services, ideas, and goods

ANSWER: d

78. Which of the following represents a physical product that can be touched?

a. Service

b. Good

c. Idea

d. Concept

ANSWER: b

79. Which of the following is the application of mechanical and human efforts to either people or objects to provide intangible benefits to customers?

a. Service

b. Experience

c. Idea

Copyright Cengage Learning. Powered by Cognero.

Foundations of Marketing 10th edition Pride Test Bank

d. Good

ANSWER: a

80. Which of the following companies is the *best* example of a service marketer?

a. American Airlines

b. Samsung

c. J. Crew

d. The Humane Society

ANSWER: a

81. MADD (Mothers Against Drunk Driving) is a group that works to educate people about the dangers of driving under the influence of alcohol. MADD primarily markets which of the following?

a. Goods

b. Ideas

c. Services

d. Applications

ANSWER: b

82. The ASPCA has used advertising for many years, airing TV commercials that show animals in need of care. The organization is using marketing to promote which of the following?

a. Goods

b. Services

c. Experiences

d. Ideas

ANSWER: d

83. Which of the following is most likely to be an idea marketer?

a. Realtor

b. Bus driver

c. Personal trainer

d. Environmental advocacy group

ANSWER: d

84. By adding a built-in grip and MagSafe capabilities to its phone cases, OtterBox is making a change to which element of its marketing mix?

a. Price

b. Distribution

c. Product

d. Promotion

ANSWER: c

85. Making modifications to packaging or brand names involves which component of the marketing mix?

a. Price

b. Promotion

Copyright Cengage Learning. Powered by Cognero.

Foundations of Marketing 10th edition Pride Test Bank

c. Product
d. Distribution

ANSWER: c

86. Issues of inventory levels and storage costs are both concerns that relate to which area of the marketing mix?
a. Distribution
b. Product
c. Exchange
d. Price

ANSWER: a

87. Maile Moana runs a successful wholesale business that sells equipment to restaurants throughout the Southwest. She is considering purchasing her own fleet of trucks to deliver the equipment instead of relying on a shipper, as she is currently doing. This most closely represents a decision about which of the following?
a. The market she should target
b. The best way to distribute her products
c. How to effectively promote her business
d. Which supplier she should use

ANSWER: b

88. Consumers buying products online have dramatically affected which variable of the marketing mix?
a. Promotion
b. Price
c. Distribution
d. Research

ANSWER: c

89. Changing the hours of operation of a service business involves which component of the marketing mix?
a. Product
b. Price
c. Distribution
d. Promotion

ANSWER: c

90. Which of the following scenarios involves the distribution element of the marketing mix?
a. Deciding whether a certain product should continue to be sold
b. Determining whether an advertising message would be more effective on television or in magazines
c. Choosing between a company jet or the airlines for executive travel
d. Deciding whether to have retail outlets in addition to a website

ANSWER: d

91. Which of the following is an element of the marketing mix used to increase awareness of a product or company?
a. Promotion
b. Product

Copyright Cengage Learning. Powered by Cognero.

Foundations of Marketing 10th edition Pride Test Bank

c. Price
d. Distribution

ANSWER: a

92. When Carpella develops new carpet fibers that are highly stain-resistant and durable, it must educate consumers about the product's benefits. This calls for activity in which of the following marketing mix variables?
a. Price
b. Promotion
c. Distribution
d. Packaging

ANSWER: b

93. American Airlines introduced a "basic economy" seat category to better compete with discount airlines such as Allegiant and Breeze. Which of the following aspects of the marketing mix is American Airlines likely altering?
a. Price
b. Promotion
c. Distribution
d. Target market

ANSWER: a

94. When CyberMinds, a producer of software, delayed the introduction of its new app to modify the package, its scheduled TV commercials announcing the new product needed to be revised. What variables were changed in the marketing mix?
a. Distribution and promotion
b. Promotion and price
c. Product and price
d. Product and promotion

ANSWER: d

95. Marketing facilitates exchange relationships between buyers and sellers. What is marketing's intended outcome for this relationship?
a. Profits for the seller
b. A good bargain on the product for the buyer
c. Reducing the seller's inventory
d. Satisfaction for both the buyer and seller

ANSWER: d

96. Which of the following statements about marketing environment forces is *false*?
a. They do not influence customers' reactions to a firm's marketing mix.
b. They influence customers by affecting their lifestyles, standards of living, and preferences and needs for products.
c. They fluctuate quickly and thereby create threats to a firm's marketing mix.
d. They may create opportunities as well as threats.

ANSWER: a

Copyright Cengage Learning. Powered by Cognero.

Foundations of Marketing 10th edition Pride Test Bank

Chapter 1: An Overview of Strategic Marketing

97. The forces of the marketing environment include which of the following?
   a. Political/legal/regulatory, sociocultural, technological, economic, and competitive
   b. Sociocultural, legal, regulatory, economic, pricing strategies, and competitive
   c. Political/legal/regulatory, sociocultural, pricing strategies, and technological
   d. Political/legal/regulatory, competitive, and non-competitive forces that affect most lifestyles

ANSWER: a

98. A marketing manager for a wireless headset manufacturer is analyzing the potential effects of political/legal/regulatory, sociocultural, and economic forces on the firm's operations. Which of the following influences on the firm's strategy is the marketing manager examining?
   a. Trends
   b. Marketing environment
   c. Surroundings
   d. Economic conditions

ANSWER: b

99. Which of the following is the least controllable factor in developing a marketing mix?
   a. Product adaptations
   b. Pricing strategies
   c. Government regulations
   d. Advertising campaigns

ANSWER: c

100. PepsiCo has acquired new brands in recent years to appeal more to local and regional preferences. Which of the following is likely the factor driving this strategy?
   a. Sociocultural forces of the marketing environment
   b. Economic forces of the marketing environment
   c. Technological forces of the marketing environment
   d. The marketing concept

ANSWER: a

101. Which of the following best describes the marketing environment?
   a. Being composed of controllable variables
   b. Having variables that are independent of one another
   c. Indirectly influencing the performance of marketing activities
   d. Being dynamic and changing

ANSWER: d

102. Which of the following best defines the marketing concept?
   a. A second definition of marketing
   b. A philosophy stating that an organization should try to satisfy customers' needs through a coordinated set of activities
   c. The performance of business activities that direct the flow of goods and services from producer to customer or user

Copyright Cengage Learning. Powered by Cognero.

Foundations of Marketing 10th edition Pride Test Bank

d. The inclusion of marketing activities in the activities of an organization

ANSWER: b

103. According to the marketing concept, an organization should try to do which of the following?
a. Consider short-run objectives and cash flow needs before developing new products
b. Define its business as "making a product"
c. Provide products that satisfy customers' needs and allow the organization to achieve its goals
d. View selling activities as the major means of increasing profits

ANSWER: c

104. The marketing concept is a management philosophy that affects which of the following?
a. Only marketing activities
b. All efforts of the organization
c. Mainly the efforts of sales personnel
d. Mainly customer relations

ANSWER: b

105. The marketing concept focuses on which of the following?
a. Achieving the goals of top executives
b. Satisfying customers' needs in a way that helps to achieve organizational objectives
c. Maximizing sales in a way that helps to achieve organizational objectives
d. Maximizing market share in a way that helps to achieve organizational objectives

ANSWER: b

106. The marketing concept is a philosophy that states that an organization should try to satisfy customers' needs and also do which of the following?
a. Increase market share
b. Increase sales
c. Achieve the organization's goals
d. Produce high-quality products

ANSWER: c

107. Which one of the following statements by a company president best reflects the marketing concept?
a. We have organized our business to make certain that customers get what they want.
b. We believe that the marketing department must organize to sell what we produce.
c. We have organized an aggressive sales force in our company to promote our products.
d. We try to produce only high-quality, technically efficient products.

ANSWER: a

108. Volumighty is not attracting a sufficient number of customers. It has long defined itself as being a maker of food storage products. To improve its sales and long-term viability, it should consider redefining itself as which of the following?
a. Employing food storage product makers
b. Helping potential customers satisfy their needs with Volumighty food storage products

Copyright Cengage Learning. Powered by Cognero.

Foundations of Marketing 10th edition Pride Test Bank

c. Helping the environment with food storage products
d. Helping people experiencing food insecurity by providing food storage products

ANSWER: b

109. Which of the following best characterizes what 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

ANSWER: a

110. During the Industrial Revolution, most firms operated using which orientation?
a. Market
b. Production
c. Sales
d. Evolutionary

ANSWER: b

111. During the Industrial Revolution, demand for manufactured goods could be described as which of the following?
a. Weak
b. Nonexistent
c. Declining
d. Strong

ANSWER: d

112. During the 1920s, competition increased, and businesspeople realized they had to do more than just focus on manufacturing, which led to which orientation?
a. Production
b. Market
c. Revolutionary
d. Sales

ANSWER: d

113. Boxilla implemented a program of texting its current customers to find out what changes they would like to see in the services provided. The firm is exhibiting characteristics associated with which of the following orientations?
a. Development
b. Sales
c. Market
d. Social

ANSWER: c

114. Which of the following is *not* an activity that reflects an organization-wide market orientation?
a. Researching customers' needs
b. Focusing on just the marketing department

Copyright Cengage Learning. Powered by Cognero.

Foundations of Marketing 10th edition Pride Test Bank

c. Generating marketing intelligence for use in the organization
d. Being responsive to customers' ever-changing wants and needs

ANSWER: b

115. Which of the following statements best describes the acceptance of the marketing concept by all organizations?
a. The marketing concept has yet to be fully accepted by all organizations.
b. All organizations fully utilize the marketing concept to run their businesses.
c. Nearly half of all organizations are still in the sales orientation and have not implemented the marketing concept.
d. Although American organizations fully accept the marketing concept, many foreign companies do not.

ANSWER: a

116. Which of the following is *not* an example of the implementation of the marketing concept?
a. Volkswagen introduces pop-up rollover bars in its convertibles to protect its consumers in the event of a serious collision.
b. Oreo asks customers to vote online for a new cookie flavor.
c. Chik-fil-A reduces the labor costs to produce its grilled chicken sandwich.
d. Salesforce offers rewards for users who can find flaws in its app update.

ANSWER: c

117. Caresco rolls out an innovative nurse-on-call information system available online. The product is not widely accepted because patients don't see the need for such a service. This situation represents a failure in which aspect of implementing the marketing concept?
a. An information system to determine customer needs
b. The organizational structure
c. Top-management commitment
d. Technological advancement

ANSWER: a

118. Flowers Foods introduced a new bread made with light whole wheat and packaged in smaller loaves as a response to the number of health-conscious customers who live alone. In this case, Flowers Foods was most likely adopting which of the following?
a. Selling concept
b. Production concept
c. Marketing concept
d. Customer concept

ANSWER: c

119. 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 which of the following?
a. Marketing synthesis
b. Relationship marketing
c. Strategic marketing
d. The marketing concept

ANSWER: b

Copyright Cengage Learning. Powered by Cognero.

Foundations of Marketing 10th edition Pride Test Bank

120. A junior marketing executive at Cerealicious Cereals suggests increasing the package size and price of its best-selling brand without increasing the amount of cereal inside the box. Her supervisor warns that this might be a bad idea because Cerealicious's long-term survival, like most companies, depends on which of the following?

a. Cost-cutting measures
b. Continually selling to new customers and markets
c. Creating and maintaining satisfying exchange relationships
d. Increasing shelf space for their brands

ANSWER: c

121. To build long-term customer relationships, marketers are turning to which of the following?

a. Stakeholder analytics
b. Marketing research
c. The marketing environment and a sales orientation
d. Marketing research and data analytics

ANSWER: d

122. Long-term relationships with profitable customers are the key objective of which of the following?

a. Personal selling
b. Customer relationship management
c. Production oriented firms
d. Digital marketing

ANSWER: b

123. IBM has worked, as an organization, to improve its positive impact on society and the natural environment. These efforts are also known as which of the following?

a. Environmental marketing
b. Green marketing
c. Socially-responsible marketing
d. Energy-conscious marketing

ANSWER: b

124. If a family spends $5,000 a month on goods and services, how much of that $5,000 is used to cover the expenses associated with marketing those goods and services?

a. $2,500
b. $1,500
c. 1,000
d. $500

ANSWER: a

125. For most products, the costs of marketing activities consume approximately what portion of the consumer's dollar?

a. One-half
b. One-third
c. One-fourth

Copyright Cengage Learning. Powered by Cognero.

Foundations of Marketing 10th edition Pride Test Bank

d. One-fifth

ANSWER: a

126. In today's market environment, you might pay $35 for a vinyl LP record by your favorite musical artist. Approximately how much of that price goes to activities related to marketing (promotion, distribution)?

a. $5.10
b. $14.25
c. $17.50
d. $20.75

ANSWER: c

127. Which of the following best characterizes marketing activities?

a. They are used by organizations of all sizes, including for-profit, nonprofit, and government agencies.
b. They are limited to larger for-profit and nonprofit organizations.
c. They are implemented only to increase profits for the organization and to expand the scope of its customer base.
d. They are used by small businesses and small nonprofit organizations the most frequently.

ANSWER: a

128. Many companies, such as Netflix and Instagram, use the latest methods to store, communicate, and share information through advanced platforms to enhance their customer relationship management. What do these platforms rely on?

a. A market orientation
b. Value exchange
c. Green marketing
d. Big data

ANSWER: d

129. Which of the following is true about marketing knowledge and skills?

a. They are not necessary for a nonprofit organization.
b. They are valuable personal and professional assets.
c. They constitute the marketing mix.
d. They are most valuable for advertising executives but less important for wholesalers and distributors.

ANSWER: b

130. The public is becoming more aware of how marketers' activities affect the welfare of consumers and society. As a result, more firms are working to do which of the following?

a. Raise prices in order to increase their profits so that they can contribute to philanthropic causes
b. Reduce the quality of their products in order to save money and provide less expensive products to their consumers
c. Reduce their profits by donating more time and money to improve social welfare and environmental conditions
d. Create a responsible approach to developing long-term relationships with customers and society

ANSWER: d

131. Businesses would find it difficult, if not impossible, to buy more raw materials, hire more employees, attract more

Copyright Cengage Learning. Powered by Cognero.

Foundations of Marketing 10th edition Pride Test Bank

capital, and create additional products that, in turn, make more profits without which of the following?

a. Marketing
b. Distribution
c. Promotion
d. Profits

ANSWER: d

Scenario 1.1.
Use the following scenario to answer the questions.
Shady Pines Cemetery in Chattanooga offers a full-service funeral and burial that is nontoxic to the environment. All materials used in the burial are natural and will decompose with no negative impact. Shady Pines' service is relatively new in the United States, but services of this type are common in Great Britain. A typical burial in Shady Pines Cemetery includes a casket made from bamboo, wicker, paper, or other natural material. There are no headstones of stone or concrete that will detract from the landscape, but trees and plants as "markers" are allowed. The cost for a burial at Shady Pines is approximately $3,000, compared to about $6,000 at most traditional cemeteries. Although business was slow at first, Shady Pines is now experiencing an increase in the number of burials due to referrals and a newly developed website. The owners of Shady Pines were previously in the cemetery business and are active conservationists who wanted to make their business more sustainable. After conducting research and finding that there were natural burial sites in Great Britain, they wanted to provide an alternative to other environmentally conscious Americans like themselves.

132. Refer to Scenario 1.1. A new website has helped Shady Pines' pre-planned funeral business grow. This would come under which of the following marketing mix variables?

a. Product
b. Price
c. Distribution
d. Promotion

ANSWER: d

133. Refer to Scenario 1.1. Shady Pines' main competitive advantage over traditional cemeteries comes from its attention to which element in the marketing mix?

a. Product
b. Packaging
c. Promotion
d. Distribution

ANSWER: a

134. Refer to Scenario 1.1. The customers of Shady Pines Cemetery are most likely choosing Shady Pines because of what concept? This is evidence of what?

a. Customers are choosing Shady Pines because of pricing, and this is evidence of a sales orientation.
b. Customers are choosing Shady Pines because of environmental consciousness, and this is evidence of a market orientation.
c. Customers are choosing Shady Pines because of novelty, and this is evidence of a production orientation.
d. Customers are choosing Shady Pines because of environmental consciousness, and this is evidence of a business orientation.

ANSWER: b

135. Refer to Scenario 1.1. Shady Pines' competitors, traditional cemeteries, focus on advertising and personal selling of

Copyright Cengage Learning. Powered by Cognero.

Foundations of Marketing 10th edition Pride Test Bank

their services. This indicates what type of orientation?

a. Environmental
b. Marketing
c. Production
d. Sales

ANSWER: d

Scenario 1.2.
Use the following scenario to answer the questions.
FurStay is a full-service pet salon and boarding kennel. FurStay has an interactive website where customers can directly book a grooming appointment, obedience class, or overnight accommodations for their dog or cat. FurStay has several unique services, such as a 600-square-foot swimming pool, complete with a slide and dog-friendly graduated steps to help dogs exit the pool. Customers can also drop their dog or cat off each morning for pet day care. FurStay has a pickup and delivery service, webcams in every kennel so that pet families can view their pets while away, and pet "furniture" so that cats and dogs can lie on sofas just like at home. FurStay is also open 24 hours a day, 365 days each year, so that customers can pick up their pet at any time.
The cost for an overnight stay at FurStay averages $75, compared to competing kennels at about $50. The day care costs are $40 for either a dog or a cat. The majority of FurStay's competitors don't offer day care services and require a two-day minimum for overnight stays.
Informal discussions with customers led to the addition of pet day care and 24-hour operations. Previously, FurStay was more interested in competing based on its prices.

136. Refer to Scenario 1.2. The fact that FurStay is open 24 hours each day is part of what type of marketing mix variable? What type of marketing mix variable is the swimming pool?

a. The fact that FurStay is open 24 hours a day is part of the product marketing mix variable, and the swimming pool is part of the distribution variable.
b. The fact that FurStay is open 24 hours a day is part of the price marketing mix variable, and the swimming pool is part of the product variable.
c. The fact that FurStay is open 24 hours a day is part of the distribution marketing mix variable, and the swimming pool is part of the promotion variable.
d. The fact that FurStay is open 24 hours a day is part of the distribution marketing mix variable, and the swimming pool is part of the product variable.

ANSWER: d

137. Refer to Scenario 1.2. Previously, FurStay was most likely using what type of orientation? Now it is in the process of employing what other type of orientation?

a. FurStay was using the sales orientation, and now it is in the process of employing the marketing concept orientation.
b. FurStay was using the sales orientation, and now it is in the process of employing the marketing mix orientation.
c. FurStay was using the promotion orientation, and now it is in the process of employing the marketing concept orientation.
d. FurStay was using the promotion orientation, and now it is in the process of employing the marketing orientation.

ANSWER: a

138. Refer to Scenario 1.2. If FurStay employs the philosophy of building relationships with its dog and cat customers and their owners, it will be implementing which of the following?

Copyright Cengage Learning. Powered by Cognero.

Foundations of Marketing 10th edition Pride Test Bank

a. Marketing concept
b. Marketing mix
c. Sales concept
d. Production concept

ANSWER: a

139. You will give the keynote address at the annual meeting of the American Bankers Association. You realize most of the attendees think marketing is just advertising. So, you decide to start your keynote address by defining what marketing is in order to set the proper context for your speech. You define marketing as which of the following?

a. The process of creating, distributing, promoting, and pricing goods, services, and ideas to facilitate satisfying exchange relationships with customers
b. The process of persuading or seeking to persuade a customer or organization to take a preferred course of action
c. The process of proving that a product or service offered by an organization meets or exceeds customers' expectations
d. The process or practice of calling public attention to a firm's goods and services through communications in print media, social media, or other forms of information distribution

ANSWER: a

140. The majority of the heads of marketing for most multinational corporations would likely describe marketing as a highly complex discipline. They will give a long list of variables and factors that influence a company's marketing success. Most of these variables and factors are part of what is called the marketing environment. Inflation, a general increase in prices and a decrease in the purchasing power of money would fall under which set of forces in the marketing environment?

a. Sociocultural forces
b. Political/legal/regulatory forces
c. Economic forces
d. Competitive forces

ANSWER: c

141. Your competition is beating you on price in your most important product market. In response, you decided to launch a new ad campaign focusing your customers on the price attribute of your marketing mix. You need a catchy slogan that conveys the attractiveness of your product's pricing.
Which of the following slogans should you use to convey this message most effectively?

a. "Travel Better Together"
b. "Move The Way You Want"
c. "Save Money. Live Better"
d. "There Is No Substitute"

ANSWER: c

142. You believe one of the most effective ways to remind your staff about key marketing concepts and objectives is to give them desk plaques with simple phrases. You want to create a phrase that reminds them that their primary focus should be creating customer value. Which of the following phrases best tells the story of what customer value is?

a. "Customer Benefits = Customer Value – Customer Costs"
b. "Customer Value = Customer Benefits + Customer Costs"
c. "Customer Costs > Customer Benefits = Customer Value"

Copyright Cengage Learning. Powered by Cognero.

Foundations of Marketing 10th edition Pride Test Bank

d. "Customer Value = Customer Benefits – Customer Costs"

ANSWER: d

143. Your company manufactures health supplements. The FDA sets specific rules and guidelines regarding ingredients that can be used, manufacturing processes, labeling requirements, and health claims. Failure to comply with these guidelines can lead to severe consequences, including fines, product recalls, and damage to the company's reputation. These regulations showcase why which of the following is important to marketers?

a. Segmentation
b. Stakeholders
c. The marketing environment
d. Relationship marketing

ANSWER: c

144. To fully appreciate what an effective marketing concept means to the firm, the marketing team at The Farmer's Dog must first understand which of the following is the major focus of the marketing concept? This, in turn, should enable the firm to earn what? And to what does this all ultimately lead?

a. Customer satisfaction is the major focus of the marketing concept. This, in turn, should enable the firm to earn customer satisfaction, which will ultimately lead to increased shareholder value.
b. Securing management is the major focus of the marketing concept. This, in turn, should enable the firm to earn long-term profits, which will ultimately lead to management continuity.
c. Regulatory compliance is the major focus of the marketing concept. This, in turn, should enable the firm to earn long-term profits, which will ultimately lead to reduced regulatory costs.
d. Selling products is the major focus of the marketing concept. This, in turn, should enable the firm to earn long-term profits, which will ultimately lead to organizational stability.

ANSWER: a

145. To be successful, the marketing team at Yeti Cycles understands that the key to its success is the relationships it is able to develop with current customers and potential customers. Moreover, its goal is to achieve the full potential of each of these relationships for the benefit of the firm. This marketing team clearly understands which of the following?

a. The only way for the firm to increase profits is to constantly acquire new customers.
b. Customers' needs, desires and habits are homogeneous.
c. Customer loyalty leads to increasing long-term profitability for the firm.
d. Customer lifetime value includes only the value of what customers purchase from the firm.

ANSWER: c

146. Toyota's extensive customer research revealed that Latinos are 15 percent more likely than other demographic groups to purchase Japanese automobile brands. Toyota, in particular, has consistently maintained its position as the preferred brand for this market for over a decade due it its effective marketing strategies. Toyota developed its Total Toyota strategy, abbreviated as T2, with a specific focus on enhancing engagement with underrepresented communities and driving sales. This initiative was led by a team of underrepresented business leaders to bolster outreach and relevance within these communities. Based on this information, which orientation best applies to Toyota?

a. Market orientation
b. Target market orientation
c. Sales orientation
d. Production orientation

ANSWER: a

Copyright Cengage Learning. Powered by Cognero.

Foundations of Marketing 10th edition Pride Test Bank

147. Zara conducted marketing research to identify explanations for the sales declines its retail stores are experiencing across the United States. The research focused on understanding the shopping habits and desires of a key target market—the millennial generation. The results indicate that millennials are more interested in supporting organizations that stand for something—or support a cause or contribute to providing social justice. The information can assist Zara in reorganizing the company, developing new products, and communicating with its target audiences more effectively. Based on this information, which orientation best applies to Zara?

a. Sales orientation
b. Target market orientation
c. Market orientation
d. Production orientation

ANSWER: c

Scenario 1.3.
Use the following scenario to answer the questions.
A meeting of the Council of Supply Chain Management Professionals featured a presentation from an executive from Dell, which is known for its ability to customize computers to customers' needs and provide quality products through its retail channel. The executive discussed the firm's capabilities regarding the ability to produce products that are "built-to-order" and noted that recent customer insight showed customers were less willing to wait 7 to 10 days to receive their computer even though it was built to their specifications. As a result of this customer trend, Dell began forging relationships with retailers such as Target to provide a limited number of computer models in the retailers' stores. In order to fulfill the orders to Target, Dell was required to make changes in its production and manufacturing, such as holding more products in inventory and utilizing different modes of transportation. For example, Dell was able to shift from a focus on air transportation to over-the-road trucking, which enabled it to cut costs in some areas. As Dell shifted from a "build-to-order" manufacturer to a "make-to-stock" manufacturer, it also had to make investments in customer analytics to identify customer needs as well as collect insight regarding pricing. This customer insight was especially important to retail partners like Target, which requires its vendors to justify product stock decisions and provide proof that retail inventory will sell at the projected price points. Dell's ability to modify its business model by forging relationships with retailers such as Target, as well as customer insights, has helped the company achieve its revenue and profitability goals.

148. Refer to Scenario 1.3. Which variable of the marketing mix is most affected by Dell's decision to become a "make-to-stock" manufacturer?

a. Product variable
b. Pricing variable
c. Distribution variable
d. Promotion variable

ANSWER: a

149. Refer to Scenario 1.3. Which environmental factor is exemplified by the customer trend that consumers were no longer willing to wait 7 to 10 days for a build-to-order computer and led Dell to modify its business model to become a make-to-stock manufacturer?

a. Economic
b. Competitive
c. Technological
d. Sociocultural

ANSWER: d

150. Refer to Scenario 1.3. Based on the information provided regarding Dell, which orientation would best describe its

Copyright Cengage Learning. Powered by Cognero.

Foundations of Marketing 10th edition Pride Test Bank

approach to marketing?

a. Market orientation
b. Sales orientation
c. Competitive orientation
d. Production orientation

ANSWER: a

151. A New York–based brand and customer loyalty and engagement research consulting firm called UpBrand conducts research annually to identify the top 100 brands with the highest levels of customer loyalty. Amazon, Google, Apple, and Costco regularly lead the pack and demonstrate that consumers are enjoying long-term engagement with these companies. The top companies' ability to generate high levels of customer loyalty demonstrates these firms are engaging in which of the following?

a. Relationship marketing
b. Competitive marketing
c. Strategic marketing
d. Sales-oriented marketing

ANSWER: a

152. StreamPlus has one of the highest customer loyalty ratings in the entertainment industry, with a significant percentage of current streaming subscribers continuing to renew their subscriptions on a yearly or month-to-month basis. In addition, many customers have canceled their cable or satellite subscriptions and rely almost exclusively on streaming services such as StreamPlus and Hulu for their entertainment. StreamPlus is available for $139/year, or customers can also choose to pay by the month for $14.99/month. If a significant percentage of subscribers continue their service on an annual basis, StreamPlus can build a stable revenue stream based on repeat purchasers. A quick snapshot of one customer revealed that the customer had subscribed to StreamPlus for five years and generated more than $1,000 in revenue for the company. Which of the following marketing terms best captures the importance of customer loyalty and its impact on StreamPlus?

a. Customer impact score
b. Customer lifetime value
c. Customer patronage value
d. Customer profitability value

ANSWER: b

153. In many cities, the phenomenal growth of Airbnb and Vrbo has undercut the traditional hotel market. Airbnb and Vrbo are best described as which of the following?

a. Environmental marketing model
b. Sustainable marketing model
c. Marketing concept
d. Sharing economy economic model

ANSWER: d

154. Creating long-term relationships with customers is a key component to surviving and thriving in today's competitive business landscape. One tactic many companies are deploying is the use of membership or loyalty programs where customers can accumulate points and receive discounts or free merchandise. For example, Hilton encourages customers to join its membership program and provide key contact information such as their email, address, and phone number. Hilton offers these loyal members benefits such as upgrades and free room nights based on the number of stays or points a customer has accumulated. This example demonstrates how Hilton is utilizing which of the following?

Copyright Cengage Learning. Powered by Cognero.

Foundations of Marketing 10th edition Pride Test Bank

a. Marketing mix deployment
b. Customer relationship management
c. Marketing technology
d. Competitive insight

ANSWER: b

155. Akira Tanaka is in the process of creating, pricing, distributing, and promoting a new app to facilitate satisfying exchange relationships with customers and to develop and maintain favorable relationships with stakeholders in a dynamic environment. Akira is engaging in which of the following?

a. Advertising
b. Selling
c. Marketing
d. Target marketing

ANSWER: c

156. Higher prices can be used competitively to do which of the following?

a. Achieve higher market share
b. Achieve greater profits
c. Start a price war
d. Establish a product's premium image

ANSWER: d

157. Which of the following can help sustain interest in a product that has been around for a long time?

a. Product
b. Price
c. Promotion
d. Distribution

ANSWER: c

158. Which of the following comprise a company's customers, employees, shareholders, suppliers, governments, communities, and competitors?

a. Stakeholders
b. Stockholders
c. Target market
d. Marketing mix

ANSWER: a

159. Which of the following is *not* a condition for an exchange to occur?

a. Two or more parties must participate, and each must possess something of value.
b. The exchange must meet expectations.
c. Each party must have confidence in the something of value held by the other.
d. The exchange should provide greater benefit or satisfaction to the buyer than to the seller.

ANSWER: d

Copyright Cengage Learning. Powered by Cognero.

Foundations of Marketing 10th edition Pride Test Bank

Chapter 1: An Overview of Strategic Marketing

160. Which of the following is a customer's subjective assessment of benefits relative to costs in determining the worth of a product?

a. Marketing orientation
b. Monetary price
c. Value
d. Price assessment

ANSWER: c

161. Which of the following represents the equation a buyer applies to assess a product's value?

a. Value = monetary price − customer benefits
b. Value = customer costs − customer benefits
c. Value = customer benefits − customer costs
d. Value = customer benefits − monetary price

ANSWER: c

162. Customer costs include anything the buyer must give up in order to obtain the benefits the product provides. Which of the following is the most obvious customer cost?

a. Risk
b. Time
c. Monetary price
d. Effort

ANSWER: c

163. Which of the following would *not* be a customer cost considered in the determination of product value?

a. The product's purchase price
b. Time spent purchasing the product
c. Effort spent purchasing the product
d. Benefits received in the exchange for the products

ANSWER: d

164. Malcolm, a buyer for a medium-sized company, is assessing the value of competing software products for use in his firm. Which of the following would not be a customer benefit considered in his determination of this product's value?

a. Speed of delivery
b. Ease of installation
c. Availability of technical support
d. Monetary price

ANSWER: d

165. Starbucks introduced several of its products into supermarkets, vending machines, college campuses, and other locations to increase its product availability and convenience. Why has Starbucks done this?

a. Decrease promotion expenses
b. Increase customer costs
c. Increase customer value
d. Increase distribution expenses

Copyright Cengage Learning. Powered by Cognero.

Foundations of Marketing 10th edition Pride Test Bank

ANSWER: c

166. Businesses that view sales as the major means of increasing profits are operating with which orientation?
a. Production
b. Market
c. Disruptive
d. Sales

ANSWER: d

167. Coca-Cola strives to determine what customers need or want and then develop products to satisfy those needs and wants. Coca-Cola operates under which orientation?
a. Production
b. Disruptive
c. Sales
d. Market

ANSWER: d

168. As an organization, Apple is always trying to retain and increase long-term profitability through customer loyalty. In order to do so, they focus most on which of the following?
a. Production
b. Customer value
c. Sales
d. Market value

ANSWER: b

169. Which of the following has resulted from advances in technology, along with falling political and economic barriers and the universal desire for a higher standard of living?
a. A more competitive landscape
b. More frequent marketing across national borders
c. More challenging online marketing
d. Less marketing across national borders

ANSWER: b

170. Which of the following sums up the essence of marketing?
a. To select a target market big enough to make marketing efforts worthwhile
b. To collect market information and use it to develop long-lasting customer relationships
c. To develop satisfying exchanges from which both customers and marketers benefit
d. To provide customers with the greatest amount of value

ANSWER: c

171. BMW's tagline, "The Ultimate Driving Machine," emphasizes which marketing mix variable?
a. Promotion
b. Pricing
c. Exchange

Copyright Cengage Learning. Powered by Cognero.

Foundations of Marketing 10th edition Pride Test Bank

d. Product

ANSWER: d

172. To fulfill customer expectations about future behavior, marketers at American Express must do which of the following?

a. Deliver on promises made
b. Advertise and sell products
c. Tell the truth on social media
d. Maintain favorable relationships with stakeholders

ANSWER: a

173. Nestlé made the announcement that it was eliminating artificial food additives. Which of the following most likely influenced Nestlé's decision?

a. Marketing costs
b. Regulatory variables
c. Marketing environment
d. Marketing mix

ANSWER: c

174. Air New Zealand's CEO regularly works as an in-flight crew member, serving snacks and beverages and assisting customers in flight. They believe the best way to understand customer needs is to be beside them in the air. Air New Zealand seems to embrace which orientation?

a. Value
b. Sales
c. Production
d. Market

ANSWER: d

175. Mynda owns a company that sells snowboards. During the winter, she sells so many snowboards that she constantly has to restock. However, Mynda always seems to have dozens of snowboards left in inventory once spring hits and demand falls rapidly. To try and sell these excess snowboards, Mynda offers steep discounts on her products, invests heavily in advertising to make consumers aware of the discounts, and instructs her in-store salespeople to use strong persuasion tactics to convince them to purchase the remaining snowboards. During this period of time, what type of orientation is Mynda embracing?

a. Production
b. Sales
c. Market
d. Promotion

ANSWER: b

176. Which of the following is *not* one of the ways in which farm equipment manufacturers, such as John Deere, Kubota, and New Holland, can obtain profit through customer relationships?

a. Shortening the duration of customer relationships
b. Acquiring new customers
c. Enhancing the profitability of existing customers

Copyright Cengage Learning. Powered by Cognero.

Foundations of Marketing 10th edition Pride Test Bank

d. Regaining and managing relationships with customers who have stopped doing business with the firm

ANSWER: a

177. You work in the marketing department of a company that sells skincare products directly to customers. Recently, your CEO decided they want to expand and begin selling through popular retailers. You have been given the task of identifying retailers that reach a significant portion of the target market, but that also fit with the quality of your company's brand. Once these retailers are selected, you are to work with these retailers to negotiate shelf placement. Your job deals mainly with which marketing mix element?

a. Promotion
b. Distribution
c. Packaging
d. Pricing

ANSWER: b

178. Your professor asks you for a one-sentence description of the marketing concept. Which of the following would you choose?

a. It is a definition of marketing to attract customers.
b. It focuses on selling and advertising to achieve organizational goals.
c. It focuses on production and selling to achieve organizational goals.
d. It is a management philosophy that affects all organizational activities.

ANSWER: d

179. Which of the following statements about marketing is true?

a. Marketing knowledge enhances consumer awareness.
b. The marketing profession is the highest-paying profession.
c. Marketing is more likely to lead to a more just government.
d. Marketing activities are declining due to new technology.

ANSWER: a

180. Which of the following statements about the marketing environment is most accurate?

a. Competitive marketing environment forces are the hardest to understand.
b. Marketers are able to anticipate marketing environment forces before they arise.
c. The effects of marketing environment forces can be difficult to predict.
d. Marketing environment forces usually do not impact one another.

ANSWER: c

181. When companies offer basic or extended warranties, they are doing what for consumers?

a. Reducing benefits
b. Reducing costs
c. Increasing risk
d. Increasing effort

ANSWER: b

182. Before marketers can develop an appropriate marketing mix, they must do which of the following?

a. Adopt a sales orientation

Copyright Cengage Learning. Powered by Cognero.

Foundations of Marketing 10th edition Pride Test Bank

b. Determine the customer lifetime value
c. Build relationships with stakeholders
d. Collect in-depth, up-to-date information about customer needs

ANSWER: d

183. As a marketer, you frequently engage in activities used to inform and persuade or create a desired response. Under what category do these activities fall?

a. Promotion
b. Pricing
c. Distribution
d. Research and development

ANSWER: a

Essay

184. Suppose you are a marketing manager at Grove Collective for a new, all-purpose cleaning product. List four marketing mix variables and describe the decisions and activities associated with each.

ANSWER: Marketers consider activities such as product, pricing, distribution, and promotion as the marketing mix because they decide what type of each element to use and in what amounts.
The product variable of the marketing mix deals with researching customers' needs and wants and designing a product that satisfies them. A product can be a good, a service, or an idea. The product variable also involves creating or modifying brand names and packaging and may include decisions regarding warranty and repair services.
In dealing with the distribution variable, a marketing manager makes products available in the quantities desired to as many target-market customers as possible, keeping total inventory, transportation, and storage costs as low as possible.
The promotion variable relates to activities used to inform individuals or groups about the organization and its products. Promotion can aim to increase public awareness of the organization and of new or existing products.
The price variable relates to decisions and actions associated with establishing pricing objectives and policies and determining product prices. Price is a critical component of the marketing mix because customers are concerned about the value obtained in an exchange. Price is often used as a competitive tool, and intense price competition sometimes leads to price wars.

185. Describe several activities encompassed by the distribution variable.

ANSWER: When considering the distribution variable, a marketing manager makes products available in the quantities desired to as many target-market customers as possible, keeping total inventory, transportation, and storage costs as low as possible. A marketing manager may also select and motivate intermediaries (wholesalers and retailers), establish and maintain inventory control procedures, and develop and manage transportation and storage systems. The advent of the internet and e-commerce has also dramatically influenced the distribution variable. Companies now can make their products available throughout the world without maintaining facilities in each country.

186. Explain why marketing efforts should be oriented toward creating and sustaining satisfying exchange relationships.

ANSWER: The essence of marketing is to develop satisfying exchanges from which both customers and marketers benefit. The customer expects to gain a reward or benefit greater than the costs incurred in a marketing transaction. The marketer expects to gain something of value in return, generally the price charged for the product. To fulfill these expectations, the marketer must deliver on promises made. Over time, this interaction results in relationships between the two parties.

Copyright Cengage Learning. Powered by Cognero.

Foundations of Marketing 10th edition Pride Test Bank

Chapter 1: An Overview of Strategic Marketing

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

ANSWER: Relationship marketing refers to "long-term, mutually beneficial arrangements in which both the buyer and seller focus on value enhancement through the creation of more satisfying exchanges." Relationship marketing continually deepens the buyer's trust in the company, and as the customer's confidence grows, this, in turn, increases the firm's understanding of the customer's needs. Buyers and marketers can thus enter into a close relationship in which both participate in the creation of value.

188. In what three ways do marketing environment forces affect a marketer's ability to create satisfying exchange relationships?

ANSWER: The marketing environment forces affect a marketer's ability to facilitate value driven marketing exchanges in three general ways. First, they influence customers by affecting their lifestyles, standards of living, and preferences and needs for products. Second, marketing environment forces help to determine whether and how a marketing manager can perform certain marketing activities. Third, environmental forces may affect a marketing manager's decisions and actions by influencing buyers' reactions to the firm's marketing mix.

189. What is meant by the term *marketing concept*, and what departments of a company does it affect?

ANSWER: The marketing concept refers to a management philosophy that an organization should try to provide products that satisfy customers' needs through a coordinated set of activities that also allows the organization to achieve its goals. It requires that departments such as production, finance, accounting, human resources, and marketing must work together. The overall objectives of a business might relate to increasing profits, market share, sales, or a combination of all three. The marketing concept stresses that an organization can best achieve these objectives by being customer oriented.

190. What does it mean for a company to be market-oriented? Describe the most important factors involved in being market-oriented.

ANSWER: A market orientation requires the "organization-wide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across departments, and organization-wide responsiveness to it." Market orientation is linked to new product innovation by developing a strategic focus to explore and develop new products to serve target markets. Top management, marketing managers, nonmarketing managers (those in production, finance, human resources, and so on), and customers are all important in developing and carrying out a market orientation. Trust, openness, honoring promises, respect, collaboration, and listening are six values required by organizations striving to become more market oriented. Unless marketing managers provide continuous customer-focused leadership with minimal interdepartmental conflict, achieving a market orientation will be difficult. Nonmarketing managers must communicate with marketing managers to share information important to understanding the customer. Finally, a market orientation involves being responsive to ever-changing customer needs and wants.

191. Define the term *value*, and explain how people determine a product's value.

ANSWER: Value is defined as a customer's subjective assessment of benefits relative to costs in determining the worth of a product (customer value = customer benefits – customer costs). Consumers develop a concept of value through the integration of their perceptions of product quality and financial sacrifice.

192. Why is marketing important to businesses and to the economy?

ANSWER: Businesses must engage in marketing to survive and grow, and marketing activities are needed to reach customers and provide products. Financial resources generated from sales are necessary for the operations of a firm and to provide financial returns to investors. Innovation in operations and products drive business success and customer loyalty. Marketing activities help to produce the profits that are essential to the survival of individual businesses. Without profits, businesses would find it difficult, if not impossible, to buy more raw materials, hire more employees, attract more capital, and create additional products that, in turn, make more

Copyright Cengage Learning. Powered by Cognero.

Foundations of Marketing 10th edition Pride Test Bank

profits. Therefore, marketing helps create a successful economy and contributes to the well-being of society.

193. Explain why a knowledge of *marketing* is beneficial for all students.

ANSWER: Studying marketing allows us to understand the importance of marketing to customers, organizations, and our economy. Thus, we can analyze marketing efforts that need improvement and how to attain that goal. As a consumer becomes more aware it is possible to improve purchasing decisions. Understanding marketing enables people to evaluate corrective measures (such as laws, regulations, and industry guidelines) that could stop unfair, damaging, or unethical marketing practices.

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

ANSWER: Student responses will vary depending on the product chosen. Organizations generally focus their marketing efforts on a specific group of customers called a target market. A target market is the group of customers toward which a company directs a set of marketing efforts.

195. You believe strongly in the concept of green marketing. Prepare a brief memo that your team can share with the company's executives to support efforts toward green marketing within the corporation's activities and marketing.

ANSWER: Student responses will vary but should contain a brief explanation of what green marketing is and how it could benefit the company. Green marketing refers to a strategic process involving stakeholder assessment to create meaningful long-term relationships with customers while maintaining, supporting, and enhancing the natural environment. Such initiatives not only reduce the negative impact that businesses have on the environment but also serve to enhance their reputations as sustainability concerns continue to grow. By addressing concerns about the impact of marketing on society, a firm can contribute to society through socially responsible activities as well as increase its financial performance.

196. Describe the three different types of products and provide examples of each.

ANSWER: A product can be a good, a service, or an idea. A good is a physical entity you can touch. A branded pair of spectacles or a branded pair of jeans is an example of a good. A service is the application of human and mechanical efforts to people or objects to provide intangible benefits to customers. Air travel, education, and child day care are examples of services. Ideas include concepts, philosophies, images, and issues. For instance, a marriage counselor, for a fee, gives spouses ideas to help improve their relationship.

197. Discuss the evolution of the marketing concept through the various types of orientations.

ANSWER: The marketing concept may seem like an obvious approach to running a business. However, businesspeople have not always believed that the best way to make sales and profits is to satisfy customers. The first type of orientation is known as production orientation. In production orientation, with new technology and new ways of using labor, products poured into the marketplace, where demand for manufactured goods was strong. According to the sales orientation, businesses viewed sales as the major means of increasing profits, and this period came to have a sales orientation. Businesspeople believed that the most important marketing activities were personal selling, advertising, and distribution. Market orientation requires the "organization-wide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across departments, and organization-wide responsiveness to it." Market orientation is linked to new product innovation by developing a strategic focus to explore and develop new products to serve target markets.

Copyright Cengage Learning. Powered by Cognero.

Foundations of Marketing 10th edition Pride Test Bank

Instructor Manual

Pride/Ferrell, Foundations of Marketing, 10e 2026, 9798214040950; Chapter 1: Customer-Driven Strategic Marketing

TABLE OF CONTENTS

Purpose and Perspective of the Chapter **2**
Learning Objectives **2**
Complete List of Chapter Activities and Assessments **3**
Key Terms **4**
What's New in This Chapter **5**
Chapter Outline **5**
Discussion Questions **16**
Additional Activities and Assignments **18**
Discussion Starters 18
Class Activities 20

© 2026 Cengage. All Rights Reserved. May not be scanned, copied or duplicated, or posted to a publicly accessible website, in whole or in part.

Foundations of Marketing 10th edition Pride Test Bank

Purpose and Perspective of the Chapter

The purpose of this chapter is to give students an overview of strategic marketing and provide a general framework for studying the field of marketing. First, we develop a definition of marketing and explore each element of the definition in detail. Next, we explore the importance of value-driven marketing. We also introduce the marketing concept and consider several issues associated with its implementation. Then we examine the management of customer relationships and relationship marketing. Finally, we discuss the importance of marketing in a global context.

Learning Objectives

The following objectives are addressed in this chapter:

1-1 Define marketing.

1-2 Explain the four different variables of the marketing mix.

1-3 Describe how marketing creates value.

1-4 Describe the marketing environment.

1-5 Discuss the marketing concept.

1-6 Identify the importance of building customer relationships.

1-7 Explain why marketing is important to our global economy.

© 2026 Cengage. All Rights Reserved. May not be scanned, copied or duplicated, or posted to a publicly accessible website, in whole or in part.

Foundations of Marketing 10th edition Pride Test Bank

Complete List of Chapter Activities and Assessments

The following table organizes activities and assessments by objective so that you can see how all this content relates to objectives and make decisions about which content you would like to emphasize in your class based on your objectives. For additional guidance, refer to the Teaching Online Guide.

Chapter Objective	PPT slide	Activity/Assessment	Duration
N/A	3	Icebreaker	< 10 min
1-2	14–15	Group Activity	< 60 min
1-3	21–22	Discussion Activity	< 30 min
1-5	32–33	Discussion Activity	< 30 min
1-6	37–38	Group Activity	< 60 min
1-7	45	Knowledge Check Activity	< 5 min
N/A	N/A	Why Does Marketing Matter to Me? (Chapter 01 Customer-Driven Strategic Marketing)	< 5 min
1-1	N/A	Learn It 1-1: Defining Marketing	< 5 min
1-2	N/A	Learn It 1-2: Marketing Deals with Products, Price, Distribution, and Promotion	< 5 min
1-3	N/A	Learn It 1-3: Marketing Creates Value	< 5 min
1-4	N/A	Learn It 1-4: Marketing Occurs in a Dynamic Environment	< 5 min
1-5	N/A	Learn It 1-5: Understanding the Marketing Concept	< 5 min
1-6	N/A	Learn It 1-6: Customer Relationship Management	< 5 min
1-7	N/A	Learn It 1-7: The Importance of Marketing in Our Global Economy	< 5 min
1-1–1-7	N/A	Assignment: Chapter 01 Customer-Driven Strategic Marketing	< 25 min
1-1–1-7	N/A	Case Activity: Chapter 01 Customer-Driven Strategic Marketing	< 15 min
1-1–1-7	N/A	Practice Quiz: Chapter 01 Customer Driven Strategic Marketing	N/A

[return to top]

© 2026 Cengage. All Rights Reserved. May not be scanned, copied or duplicated, or posted to a publicly accessible website, in whole or in part.

Foundations of Marketing 10th edition Pride Test Bank

KEY TERMS

big data: Massive data files that can be obtained from both structured and unstructured databases.

Certified B Corporations: A designation given to for-profit companies that have achieved private certifications regarding their social and environmental performance and that also contribute to environmental causes.

customer relationship management (CRM): Using information about customers to create marketing strategies that develop and sustain rewarding customer relationships.

customers: The purchasers of organizations' products and the focal point of all marketing activities.

exchanges: The provision or transfer of goods, services, or ideas in return for something of value.

green marketing: A strategic process involving stakeholder assessment to create meaningful long-term relationships with customers while maintaining, supporting, and enhancing the natural environment.

market orientation: An organization-wide commitment to researching and responding to customer needs.

marketing: The process of exploring, developing, and delivering value to satisfy the needs of a target market.

marketing concept: A managerial philosophy that an organization should try to satisfy customers' needs through a coordinated set of activities that also allows the organization to achieve its goals.

marketing environment: The competitive, economic, political/legal/regulatory, technological, and sociocultural forces that surround the customer and affect the marketing mix.

marketing mix: Four marketing variables—product, price, distribution, and promotion—that a firm can control to meet the needs of customers within its target market.

product: A good, a service, or an idea.

relationship marketing: Establishing long-term, mutually satisfying buyer–seller relationships.

stakeholders: Constituents who have a "stake," or claim, in some aspect of a company's products, operations, markets, industry, and outcomes.

target market: A specific group of customers on whom an organization focuses its marketing efforts.

© 2026 Cengage. All Rights Reserved. May not be scanned, copied or duplicated, or posted to a publicly accessible website, in whole or in part.

Foundations of Marketing 10th edition Pride Test Bank

value: A customer's subjective assessment of benefits relative to costs in determining the worth of a product.

[return to top]

WHAT'S NEW IN THIS CHAPTER

The following elements are improvements in this chapter from the previous edition:

- Updated Learning Objectives (LO)
- Updated Figures and Tables
- Updated content and examples
- Updated definition of *marketing*
- Added definitions of *Certified B Corporations* and *big data*

[return to top]

CHAPTER OUTLINE

In the outline below, each element includes references (in parentheses) to related content. "CH.##" refers to the chapter objective; "PPT Slide #" refers to the slide number in the PowerPoint deck for this chapter (provided in the PowerPoints section of the Instructor Resource Center). Review learning objectives for Chapter 1. (PPT Slide 2).

Icebreaker Activity: 10 minutes total. (PPT Slide 3)

- This Icebreaker activity helps the instructor and students get to know each other and lays the groundwork for an interactive and collaborative learning experience. Before discussing any content from the chapter, pose the question to students to see how many different answers you get.
    - The term "marketing" means different things to different people. What is the first definition that comes to mind when you hear the term "marketing"?

I. Defining Marketing (1-1, PPT Slides 4–6)
    a. Marketing is the process of exploring, developing, and delivering value to satisfy the needs of a target market.
    b. This definition is consistent with the American Marketing Association's definition of marketing, which 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."
        i. Organizations must define their products not as what the companies make or produce but as what they do to satisfy customers.
    c. Marketing-mix variables are often viewed as controllable because they can be managed. However, economic conditions, competitive influences,

© 2026 Cengage. All Rights Reserved. May not be scanned, copied or duplicated, or posted to a publicly accessible website, in whole or in part.

Foundations of Marketing 10th edition Pride Test Bank

and government regulations may shape the decision-making environment for controllable variables.

d. Marketing focuses on customers:
    i. As the purchasers of the products that organizations develop, price, promote, and distribute customers are the focal point of all marketing activities. (**Figure 1.1** shows that customers are the focal point of all marketing activities.)
    ii. The essence of marketing is to develop satisfying exchanges from which both customers and marketers benefit. Both customer and marketer expect to gain something of value from the exchange.
    iii. Organizations generally focus their marketing efforts on a specific group of customers, or target market.
        a) Marketing managers may define a target market as a vast number of people or a relatively small group.

II. Marketing Deals with Products, Price, Distribution, and Promotion (1-2, PPT Slides 7–15)

a. Marketing is more than simply advertising or selling a product; it involves developing and managing a product, making the product available in the right place and at a price acceptable to buyers, and communicating information to help customers determine if the product will satisfy their needs.
    i. These variables—product, pricing, distribution, and promotion—are known as the marketing mix because marketers decide what type of each element to use and in what amounts.
    ii. Marketers must aim to create and maintain the right mix of elements to satisfy customers in the target market.
    iii. Marketers must collect detailed and up-to-date information on their target market, consumer preferences, and competitors in order to develop the marketing mix.
        a) Such information might include data about the age, income, race/ethnicity, gender, and educational level of people in the target market, their preferences for product features, their attitudes toward competitors' products, and the frequency with which they use the product.

b. The product variable:
    i. The product variable of the marketing mix deals with researching customers' needs and wants and designing a product that satisfies them.
    ii. A product can be a good, a service, or an idea.
        a) Good—a physical entity that you can touch
        b) Service—the application of human and mechanical efforts to people or objects to provide intangible benefits to customers
        c) Idea—concept, philosophy, image, or issue
    iii. The product variable includes the creation or modification of brand names and packaging. It may also include decisions regarding warranty and repair services.

© 2026 Cengage. All Rights Reserved. May not be scanned, copied or duplicated, or posted to a publicly accessible website, in whole or in part.

Foundations of Marketing 10th edition Pride Test Bank

iv. Product variable decisions and activities directly impact the creation of products that meet customers' needs and wants.

c. The price variable:
   i. A company's established pricing objectives and policies determine its products' prices.
   ii. Price is a critical component of the marketing mix because customers are concerned about the value obtained in an exchange.
   iii. Price is a competitive tool but can lead to intense price competition.

d. The distribution variable:
   i. Distribution helps a marketing manager make products available in the quantities desired to as many target market customers as possible.
   ii. Must keep total inventory, transportation, and storage costs as low as possible while minimizing these three costs: inventory, transportation, and storage.
   iii. Supply chain management (SCM) involves maintaining a flow of products through physical distribution activities and includes acquiring resources, inventory, and the interlinked networks that make products available to customers through purchasing, logistics, and operations.
   iv. Electronic commerce has dramatically influenced the distribution variable.

e. The promotion variable:
   i. The promotion variable relates to activities used to inform individuals or groups about an organization and its products. It can be aimed at increasing public awareness of an organization and new or existing products.
   ii. Promotion is more than just advertising. It includes personal selling, sales promotions, and publicity.
   iii. Promotional activities can:
      a) Increase public awareness of the organization and of new or existing products
      b) Educate customers about product features
      c) Urge people to take a stance on a political or social issue
      d) Sustain interest in established products

© 2026 Cengage. All Rights Reserved. May not be scanned, copied or duplicated, or posted to a publicly accessible website, in whole or in part.

Foundations of Marketing 10th edition Pride Test Bank

f. **Small Group Activity: 60 minutes total.** (PPT Slides 14–15) This small-group exercise examines the vast array of products for which college students represent the primary target market. Break students into groups of three to five and have them complete the activity found in the slides. After completing the activity, conduct a debrief with the class using the debrief questions as a guide.
   - The Target Market Is You: This group exercise examines the vast array of products for which college students represent the primary target market. Work with a group to complete the following steps:
   - Brainstorm a list of products that specifically target college students.
   - Next to each product list any other applicable target markets.
   - Evaluate each product and discuss whether college students will continue to use this good/service after college.
   - Choose one good/service and define its marketing mix.
     (1) What are some of the products your group identified for which college students represent the primary target market?
     (2) Did the members of your group identify any additional target markets?
     (3) Which goods or services does your group think students will continue to use after college? Why? Are there any goods or services you think college students will discontinue using? Why?
   - What is the marketing mix your group defined for your selected product?
     (1) Students' answers will vary. They should identify target markets as the group of consumers companies and their products are trying to appeal to. When considering the marketing mix, students should look at things such as the product, price, distribution, and promotions.

III. Marketing Creates Value (1-3, PPT Slides 16–22)

a. Value is a customer's subjective assessment of benefits relative to costs in determining the worth of a product (customer value = customer benefits – customer costs).
   i. Customer benefits include anything a buyer receives in an exchange.
   ii. Customer costs include anything a buyer must give up obtaining the benefits the product provides, including cost, time, effort, and risk.
   iii. A product that demonstrates value usually has a feature or an enhancement that provides benefits, including lowest price, convenience, or availability.
   iv. The processes people use to determine value may vary widely.
   v. The marketing mix, especially promotional activities and extra services or features, can be used to enhance perceptions of value.
   vi. In developing marketing activities, it is important to recognize that customers receive benefits based on their experiences.

© 2026 Cengage. All Rights Reserved. May not be scanned, copied or duplicated, or posted to a publicly accessible website, in whole or in part.

Foundations of Marketing 10th edition Pride Test Bank

b. Marketing builds relationships with customers and other stakeholders:
    i. Individuals and organizations engage in marketing to facilitate exchanges—the provision or transfer of goods, services, or ideas in return for something of value.
    ii. Four conditions must exist for an exchange to occur:
        a) Two or more individuals, groups, or organizations must participate, and each must possess something of value desired by the other party.
        b) The exchange should provide a benefit or satisfaction to both parties involved in the transaction.
        c) Each party must have confidence in the promise of the "something of value" held by the other.
        d) To build trust, the parties to the exchange must meet expectations.
    iii. An exchange will not necessarily take place just because these conditions exist; marketing activities can occur even without an actual transaction or sale. (**Figure 1.2** depicts the exchange process.)
    iv. Marketing activities should attempt to create and maintain satisfying exchange relationships.
        a) To maintain an exchange relationship, buyers must be satisfied with the good, service, or idea obtained, and sellers must be satisfied with the financial reward or something else of value received.
    v. Marketers are also concerned with building relationships with relevant stakeholders who have a "stake," or claim, in some aspect of a company's products, operations, markets, industry, and outcomes; these may include customers, employees, investors and shareholders, suppliers, governments, communities, competitors, and many others.

c. **Discussion Activity: 30 minutes total.** (PPT Slides 21–22) This small-group discussion activity explores how marketing creates value for a society. Break students into groups of three to five and have each group discuss the questions. Students should be prepared to share their answers with the larger group during an instructor-led debrief.
    - Marketing is more than simply advertising or selling a product. In what ways do you feel marketing benefits society? Why is socially responsible marketing important in our society?
        (1) Marketing is important in our society because it provides employment for many people and helps sell products that address stakeholder needs. This, in turn, generates profits essential to the survival of individual businesses as well as to the health and ultimate survival of the global economy. Many organizations—including nonbusiness organizations like governments and NGOs—use marketing activities.
    - What is the relationship between the value of marketing and the benefits it provides?

© 2026 Cengage. All Rights Reserved. May not be scanned, copied or duplicated, or posted to a publicly accessible website, in whole or in part.

Foundations of Marketing 10th edition Pride Test Bank

(1) By constantly seeking to provide consumers with the best possible product alternatives, marketers drive continuous product innovation.

- Why is it important for marketing to create value for stakeholders?
  (1) Remind students that marketing is a social process. Marketers must create value for all stakeholders. Items and issues of importance to consumers and society are also significant to marketers. For example, environmental concerns are playing an increasingly important role in consumer choices. Marketers may take the opportunity to provide consumers with environmentally friendly product alternatives as well as to educate consumers about the environmental impacts.

IV. Marketing Occurs in a Dynamic Environment (1-4, PPT Slides 23–25)
   a. The marketing environment includes competitive, economic, political/legal/regulatory, technological, and sociocultural forces that surround the customer and affect the marketing mix. The effects of these forces can be difficult to predict.
   b. The forces of the marketing environment affect marketers' abilities to facilitate exchanges in three ways:
      i. They affect customers' lifestyles, standards of living, and preferences and needs for products.
      ii. They help determine whether and how a marketing manager can perform certain marketing activities.
      iii. They affect a marketing manager's decisions and actions by influencing buyers' reactions to the organization's marketing mix.
   c. Marketing environment forces can fluctuate quickly and dramatically.
      i. Changes in the marketing environment produce uncertainty for marketers and, at times, hurt marketing efforts, but they also create opportunities. Alert marketers can adjust and capitalize on opportunities provided by change.
      ii. Marketing mix elements—product, price, distribution, and promotion—are factors over which an organization has control; the forces of the environment, however, are subject to far less control.

V. Understanding the Marketing Concept (1-5, PPT Slides 26–33)
   a. According to the marketing concept, an organization should try to provide products that satisfy customers' needs through a coordinated set of activities that also allows the organization to achieve its goals.
      i. Customer satisfaction is the major focus of the marketing concept.
         a) An organization should focus on customer analysis, competitor analysis, and integration of the organization's resources to provide customer value and satisfaction, as well as long-term profits.
         b) The organization must continue to alter, adapt, and develop products to keep pace with customers' changing desires and preferences.

© 2026 Cengage. All Rights Reserved. May not be scanned, copied or duplicated, or posted to a publicly accessible website, in whole or in part.

Foundations of Marketing 10th edition Pride Test Bank

ii. The marketing concept is not a second definition of marketing. It is a management philosophy guiding an organization's overall activities.
iii. Marketing is a strategic concept to achieve objectives.
a) A firm that adopts the marketing concept must satisfy not only its customers' objectives but also its own, or it will not stay in business long.
b) The marketing concept stresses that an organization can best achieve its objectives by being customer-oriented.
iv. It is important for marketers to consider the long-term needs of society.

b. Evolution of the marketing concept:
i. There have always been companies that embraced the marketing concept, but the evolution of marketing has gone through three major time periods.
ii. The production orientation:
a) The Industrial Revolution, which took place in the second half of the nineteenth century in the United States, enabled goods to be produced more efficiently.
b) As a result of new technology and new ways of using labor, products entered the marketplace, and consumer demand was strong.
iii. The sales orientation:
a) During the first half of the twentieth century, competition increased, and businesspeople viewed sales as the major means of increasing profits.
b) During this era, the major marketing activities were personal selling, advertising, and distribution.
iv. The market orientation:
a) By the early 1950s, some businesspeople recognized they must produce what consumers want rather than make products and try to persuade customers that they need what is produced.
b) A market orientation requires the "organization-wide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across departments, and organization-wide responsiveness to it."
c) A market orientation should recognize the need to create specific types of value-creating capabilities that enhance organizational performance.
d) A market orientation involves being responsive to ever-changing customer needs and wants.

c. Implementing the marketing concept:
i. To implement the marketing concept, a market-oriented organization must accept some general conditions and recognize and deal with several problems.

© 2026 Cengage. All Rights Reserved. May not be scanned, copied or duplicated, or posted to a publicly accessible website, in whole or in part.

Foundations of Marketing 10th edition Pride Test Bank

ii. Management must establish an information system to discover customers' real needs and then use the information to create satisfying products. Information systems can be expensive and time-consuming.
iii. A company must also coordinate all its activities. This may require restructuring internal operations, including production, marketing, and other business functions.
a) This requires the firm to adapt to a changing external environment and predict major changes.

d. **Discussion Activity: 30 minutes total.** (PPT Slides 32–33) This small-group discussion activity explores the marketing concept philosophy and its implementation. Break students into groups of three to five and have each group discuss the questions. Students should be prepared to share their answers with the larger group during an instructor-led debrief.
- The marketing concept is not a second definition of marketing but rather a management philosophy guiding an organization's overall activities. What are the basic elements of the marketing concept? Which businesses in your area use this philosophy? How can an organization implement the marketing concept?
(1) The marketing concept is an organizational philosophy that states that an organization should try to provide products that satisfy customers' needs through a coordinated set of activities that also allow the organization to achieve its goals. The major focus is customer satisfaction. To implement the marketing concept, a marketing organization must first establish an information system to discover customers' real needs and then use the information to create satisfying products. The organization must also coordinate all its activities.
- Was it easy to identify businesses in your area that use the marketing concept philosophy?
- What is required for successful implementation of the marketing concept?

VI. Customer Relationship Management (1-6, PPT Slides 34–38)
a. Customer relationship management (CRM) focuses on using information about customers to create marketing strategies that develop and sustain desirable customer relationships.
i. Achieving the full profit potential of each customer relationship should be the fundamental goal of every marketing strategy.
ii. At the most basic level, profits can be obtained through relationships in the following ways:
a) By acquiring new customers
b) By enhancing the profitability of existing customers
c) By extending the duration of customer relationships
iii. Implementing the marketing concept means optimizing the exchange relationship—the relationship between a company's financial investment in customer relationships and the return generated by customers responding to that investment.

© 2026 Cengage. All Rights Reserved. May not be scanned, copied or duplicated, or posted to a publicly accessible website, in whole or in part.

Foundations of Marketing 10th edition Pride Test Bank

b. Relationship marketing refers to “long-term, mutually beneficial arrangements in which both the buyer and seller focus on value enhancement through the creation of more satisfying exchanges.”
    i. Relationship marketing continually deepens the buyer’s trust in the company, and as the customer’s confidence grows, this increases the organization’s understanding of the customer’s needs.
    ii. Relationship marketing strives to build satisfying exchange relationships between buyers and sellers by gathering useful data at all customer-contact points and analyzing that data to better understand customers’ needs, desires, and habits.
    iii. Marketers are increasingly turning to marketing research and data analytics.
    iv. Organizations try to retain and increase long-term profitability through customer loyalty, which results from increasing customer value.
    v. Using digital strategies, companies can personalize customer relationships on a nearly one-on-one basis.
    vi. CRM provides a strategic bridge between information technology and data analytics aimed at fostering long-term relationships. This involves finding and retaining customers by using information to improve customer value and satisfaction.
        a) Customers contribute to the relationship with their purchase behaviors and their use of resources to maximize customer satisfaction

c. **Small Group Activity: 60 minutes total.** (PPT Slides 37-38) This small-group activity explores the relationship marketing efforts of StockX.com, a website and app that is marketed as the “stock market for things.” Break students into groups of three to five and have them complete the activity found in the slides. After completing the activity, conduct a debrief with the class using the debrief questions as a guide.
    - StockX.com is an app marketed as the “stock market for things.” StockX sells sneakers, watches, purses, and streetwear by having buyers place bids. Sellers place asks, and when bids and asks are matched, the transaction occurs automatically. The website shows the most popular items, new lowest asks, new highest bids, and has a scrolling ticker that shows price increases and decreases. StockX, as the intermediary, authenticates each product on the site for risk-free buying. StockX advertises items on Facebook, Twitter (now known as X), and Instagram.
    - Work with a group to complete the following steps:
    - Describe the elements of relationship marketing you observe in StockX’s unique business model.
    - Strategize how StockX might improve its relationship marketing efforts.
    - Was your group able to easily identify elements of StockX’s relationship marketing efforts?

© 2026 Cengage. All Rights Reserved. May not be scanned, copied or duplicated, or posted to a publicly accessible website, in whole or in part.

Foundations of Marketing 10th edition Pride Test Bank

- What are some of the strategies your group formulated to help StockX improve its relationship marketing?
  (1) Students' answers will vary. StockX's marketing mix plays a big role in its relationship marketing efforts. Its business model uses a unique marketing mix that matches the needs of its customers in the target market, which helps establish long-term, mutually satisfying buyer-seller relationships. The marketing mix includes:
    - Product: Shoes, watches, purses, and streetwear
    - Price: Each product is different. It matches buyers' bids with sellers' asks.
    - Promotion: Done through the company's website and on social media
    - Distribution: StockX authenticates each item and ships it to customers.

  (2) StockX will need to constantly monitor the competing sites and adapt its marketing mix to continue to foster long-term success. It can also gather useful data at all customer contact points and through other marketing research efforts to learn how it can improve customer value and satisfaction.

VII. The Importance of Marketing in Our Global Economy (1-7, PPT Slides 39–45)

a. Marketing costs consume a sizable portion of buyers' dollars.
   i. About one-half of a buyer's dollars goes to the costs of marketing.
   ii. It is important to know how this money is used.

b. Marketing is used in nonprofit organizations.
   i. Marketing is also important in organizations working to achieve goals other than ordinary business objectives such as profit.
   ii. Government agencies engage in marketing activities to fulfill missions and goals.
   iii. In the private sector, nonprofit organizations also employ marketing activities to create, distribute, promote, and even price programs that benefit particular segments of society.

c. Marketing is important to businesses and the economy.
   i. Businesses must engage in marketing to survive and grow, and marketing activities are needed to reach customers and provide products.
   ii. Marketing activities help produce profits that are essential to the survival of individual businesses, help create a successful economy, and contribute to the well-being of society.

d. Marketing fuels our global economy.
   i. Marketing is necessary to advance a global economy.
   ii. Advances in technology, falling political and economic barriers, and the universal desire for a higher standard of living have made international marketing commonplace while stimulating global economic growth.

e. Marketing knowledge enhances consumer awareness.
   i. Marketing improves the quality of life for customers.

© 2026 Cengage. All Rights Reserved. May not be scanned, copied or duplicated, or posted to a publicly accessible website, in whole or in part.

Foundations of Marketing 10th edition Pride Test Bank

ii. Understanding how marketing activities work helps us to be better consumers and increases our ability to maximize value from our purchases.

f. Marketing connects people through technology.
   i. Technology helps marketers understand and satisfy more customers than ever before.
   ii. The internet allows marketers to disseminate information about products and interact with target markets.
   iii. Enabled by big data, AI can use analytics to develop smart systems that have the potential to change the environment for marketing.

g. Socially responsible marketing can promote the welfare of customers and stakeholders.
   i. The success of our economic system depends on marketers whose values promote trust and cooperative relationships in which customers are treated with respect.
   ii. Social responsibility and ethical conduct are part of strategic planning and the implementation of marketing activities.
   iii. Green marketing is a strategic process involving stakeholder assessment to create meaningful long-term relationships with customers while maintaining, supporting, and enhancing the natural environment.
   iv. Certified B Corporations, or for-profit companies that have achieved private certifications regarding their social and environmental performance, also contribute to environmental causes.
   v. By addressing concerns about the impact of marketing on society, a firm can protect the interests of the general public and the natural environment.

h. Marketing offers many exciting career prospects.
   i. Marketing positions are among the most secure positions because of the need to manage customer relationships.
   ii. Marketing knowledge and skills are valuable assets no matter what the field.
   iii. Many individuals working for nonbusiness organizations also engage in marketing activities to promote political, educational, cultural, church, civic, and charitable activities.
   iv. Accelerating changes in technology will change the types of jobs that exist in marketing.

i. **Knowledge Check: 5 minutes total.** (PPT Slide 45) This activity asks students to review a scenario and determine whether the fictional company's efforts are related to *marketing mix*, *green marketing*, *market orientation*, or *relationship marketing*.
   - Acme Corporation recently launched a marketing campaign that incorporates natural imagery—like trees, birds, and water—to highlight its sustainability efforts. For every potential client who signs up for its online newsletter, Acme will plant a tree through the Arbor Day Foundation. Acme's latest new customer

© 2026 Cengage. All Rights Reserved. May not be scanned, copied or duplicated, or posted to a publicly accessible website, in whole or in part.

Foundations of Marketing 10th edition Pride Test Bank

giveaway is a set of stainless steel, reusable straws packaged in sustainable bags.

- What do Acme's marketing efforts represent?
  a. Marketing mix
  b. Green marketing
  c. Market orientation
  d. Relationship marketing
    - Answer: b; *Green marketing*—A strategic process involving stakeholder assessment to create meaningful long-term relationships with customers while maintaining, supporting, and enhancing the natural environment

[return to top]

Discussion Questions

1. What is *marketing*? How did you define the term before you read this chapter?
   - Marketing is exploring, developing, and delivering value to satisfy the needs of a target market. The second part of this question can be used to stimulate class discussion about how the average person views marketing.
2. What is the focus of all marketing activities? Why?
   - Customers are the focal point of all marketing activities because they are the purchasers of the products which organizations develop, promote, distribute, and price. Without customers for its products, a firm would quickly fail.
3. What are the four variables of the marketing mix? Why are these elements known as variables?
   - The marketing mix includes product, price, distribution, and promotion. They are called *variables* because marketing managers decide what type of each element to use and to what degree.
4. What is value? How can marketers use the marketing mix to enhance the perception of value?
   - Value is a customer's subjective assessment of benefits relative to costs in determining the worth of a product. Examples of ways marketers can modify their marketing mixes to enhance perceptions of value include offering product features or enhancements that provide desirable consumer benefits, using promotion to create positive images or prestigious characteristics that consumers consider in value assessment, pricing products according to how consumers use them, and offering convenient distribution outlets.
5. What conditions must exist before a marketing exchange can occur? Describe a recent exchange in which you participated.
   - For an exchange to take place, four conditions must exist. First, two or more individuals, groups, or organizations must participate, and each must possess something of value that the other party desires. Second, the exchange should provide a benefit or satisfaction to both parties involved in the transaction. Third, each party must have confidence in the promise of

© 2026 Cengage. All Rights Reserved. May not be scanned, copied or duplicated, or posted to a publicly accessible website, in whole or in part.

Foundations of Marketing 10th edition Pride Test Bank

the "something of value" held by the other. Finally, both parties to the exchange must meet expectations. The second part of this exercise can be used to stimulate class discussion about exchanges based on students' experiences.

6. What are the forces in the marketing environment? How much control does a marketing manager have over these forces?
    - The marketing environment, which involves uncontrollable factors that exist outside of the marketing mix, includes competitive, economic, political/legal/regulatory, technological, and sociocultural forces. These forces can have a swift and strong effect on an organization, but marketers have little control over them. Marketers must be aware of environmental forces, adapt to them, and capitalize on the opportunities they provide.
7. Discuss the basic elements of the marketing concept. Which businesses in your area use this philosophy? Explain why.
    - The marketing concept is an organizational philosophy that states that an organization should try to provide products that satisfy customers' needs through a coordinated set of activities that also allow the organization to achieve its goals. The major focus is customer satisfaction. The answers to the other parts of this question are based on local examples.
8. How can an organization implement the marketing concept?
    - To implement the marketing concept, a marketing organization must first establish an information system to discover customers' real needs and then use the information to create satisfying products. The organization must also coordinate all its activities.
9. What is customer relationship management? Why is it so important to "manage" this relationship?
    - Customer relationship management focuses on using information about customers to create marketing strategies that develop and sustain desirable customer relationships. "Managing" customer relationships is important to marketers because it can foster customer loyalty and thereby increase long-term profitability. A loyal lifelong customer can be worth a considerable sum of money, so the loss of such customers can result in lower profits.
10. Why is marketing important in our society? Why should you study marketing?
    - Marketing is important in our society because it provides employment for many people and helps sell products that address stakeholder needs. This, in turn, generates profits essential to the survival of individual businesses as well as to the health and ultimate survival of the global economy. Many organizations—including nonbusiness organizations like governments and NGOs—use marketing activities.
    - The study of marketing is important because marketing costs consume a sizable portion of buyers' dollars, and knowledge about how this money is used helps consumers understand product costs. By becoming informed about marketing activities, students can one day become good marketers themselves, working effectively and efficiently to create products that satisfy needs and provide them to the stakeholders who need them. The study of marketing activities also enables consumers to weigh the costs and benefits of marketing activities and to evaluate laws, regulations, and

© 2026 Cengage. All Rights Reserved. May not be scanned, copied or duplicated, or posted to a publicly accessible website, in whole or in part.

Foundations of Marketing 10th edition Pride Test Bank

industry guidelines intended to stop unfair, misleading, and unethical marketing practices.

[return to top]

Additional Activities and Assignments

The following are activities and assignments developed by Cengage but not included in the PPTs or courseware (if courseware exists)—they are for you to use if you wish.

Discussion Starters

You can assign these questions several ways: in a discussion forum in your LMS, as whole-class discussions in person, or as a partner or group activity in class.

1. **The Marketing Mix.** Duration 25 minutes
   - Marketing managers strive to develop a marketing mix that matches the needs of customers in the target market. Before marketers can develop an appropriate marketing mix, they must collect in-depth, up-to-date information about customer needs.
   - Why is it important for marketers to consider their target market before changing parts of the marketing mix like price and product?
     - Answer: If a firm is market oriented, it will want to meet the needs of its target market. Although customers do not like price increases, they are more likely to accept gradual rate changes. Turing, a pharmaceutical firm, received major backlash from both consumers and regulators after its CEO raised the price of the drug Daraprim by over 5,000 percent. The pill's price increased from $13.50 to $750.00 a pill. Turing attempted to pacify critics by offering large-scale price reductions to hospitals and smaller bottles of the drug. The CEO of Turing was eventually arrested on an unrelated charge. Rising prices at other drug companies have sparked frustration with the industry.
     - Diet Pepsi also made the decision to change its product by replacing aspartame with sucralose. The move was in response to consumers' growing distrust of aspartame. Initial reaction to the reformulated Diet Pepsi was negative. Similar reactions occurred when Coca-Cola introduced New Coke, prompting it to pull the product. Most of the time, changes to beloved products initiate consumer backlash, at least in the beginning. This requires marketers to carefully consider changes to products, prices, and other elements of the marketing mix.
   - What can the pharmaceutical industry do differently to keep customers satisfied? Will customers ever approve of price increases?
     - Answer: Students should have a lot of ideas to answer this question. As consumers, they probably disapprove of price increases for drugs, especially drugs that are necessary for survival. However, it is important for students to think like businesspeople and decide how they would handle changing the marketing mix. Pharmaceutical firms

© 2026 Cengage. All Rights Reserved. May not be scanned, copied or duplicated, or posted to a publicly accessible website, in whole or in part.

Foundations of Marketing 10th edition Pride Test Bank

argue that research and development as well as innovation necessitate higher costs for certain drugs. Students may suggest that drug firms should raise prices more slowly. They may also argue that the pharmaceutical firms should reveal the reasoning behind decisions. For those drugs where the price must be increased dramatically, offering hospitals discounts and finding other methods to keep the costs affordable would help stem the tide of criticism. Transparency with consumers and regulators is key to maintaining trust.

2. **Customer Service**. Duration 25 minutes
   - The customer relationship often endures over an extended time period, and repeat purchases are critical for the firm. A dissatisfied customer who lacks trust in the relationship often searches for alternative organizations or products.
   - How many of you have ever experienced rejection or disappointment in a customer service experience?
     - Answer: This question can lead to a discussion on good and bad customer service.
   - How many of you have used social media to convey your dissatisfaction about a company's good or service? How did the company respond?
     - Answer: This can lead to a discussion on how companies are using social media sites such as X to better respond to customer's complaints and concerns. For example, you could discuss how airline delays are one of the most common causes of customer frustration and how JetBlue uses X to ensure it is responsive to its customers because it understands it is important for continued customer loyalty.
     - Also, you could discuss how Nike is a prime example of customer service done well. It constantly responds to followers on X, whether it is about apparel or other products. Every few minutes, you can watch Nike respond to someone new. What makes this remarkable? Nike is a huge company. It has many different types of sports equipment and lines of apparel that make up its brand. While Nike manages a number of X accounts to accommodate followers interested in specific sports or store locations, @NikeSupport is dedicated solely to responding to customers who need help.
     - Transition into a discussion about the marketing concept, a firm's market orientation, and/or customer relationship management following the chapter outline.
3. **The Exchange**. Duration 20 minutes
   - Marketing activities should attempt to create and maintain satisfying exchange relationships.
   - Why is the exchange at the core of all marketing transactions? Why is it crucial to think marketing is applicable to exchanges beyond buyers and sellers?
     - Answer: Students should understand that marketing is about the exchange of values between two parties to arrive at mutually beneficial outcomes. If students are simply focused on buyers and

© 2026 Cengage. All Rights Reserved. May not be scanned, copied or duplicated, or posted to a publicly accessible website, in whole or in part.

Foundations of Marketing 10th edition Pride Test Bank

sellers, they will not be able to conceive of marketing outside a sales transaction. The following examples may help students broaden their understanding:

- Volunteer organizations: Volunteers exchange the value associated with their time to gain the value of assisting their community or supporting a meaningful cause. The organization exchanges the opportunity to demonstrate support for a community or cause for volunteers' time.
- Nonmonetary transactions: During the holiday season, many organizations trade a discount coupon toward the purchase of new goods for used goods. Others may trade admission to an event for canned foods or other nonmonetary contributions.

- In these examples marketing extends beyond buyers and sellers to others who engage in a value exchange. As these examples illustrate, marketing applies to nonprofit entities as well as for-profit entities.
- Transition the discussion into the chapter sections about the marketing environment and the marketing concept.

Class Activities

1. **Class Exercise: Great and Poor Customer Service Experiences**: The marketing concept, a firm's market orientation, and customer relationship management all revolve around putting the customer at the center of strategic marketing. With the customer at the center, the heart of strategic marketing revolves around providing outstanding customer service. Every beginning student in marketing will have experience with both superior and inferior customer service.
   - Ask each student to take 5–10 minutes to write about two recent customer service experiences, one highlighting excellent customer service and one highlighting poor customer service.
   - To conclude this exercise, ask for volunteers to read their tales of customer service joy (positive) and tales of woe (negative). If there is no time, simply ask the students to hand them in. In this case, the instructor may want to tabulate the information before the next class in order to better discuss the results with students and then read a selection of particularly vivid experiences.
   - Addendum: To underscore the logic behind the power of negative customer testimonials, you can introduce the Rule of 66. When a customer has a particularly bad experience, they will tell, on average, 11 people, and those 11 people will tell an additional 5 people each. Thus, 11 × 5 = 55, and adding those 11 people who were originally told about the bad experience makes 66 people we know have been exposed to the poor customer service experience.
2. **Class Exercise: Crocs: Designed for Success:** Crocs, Inc. was founded in 2002 and achieved success by creating a unique type of shoe made out of foam and offered in a variety of colors. Although the shoe design was often perceived as ugly, it attracted customers because of its unique nature and comfortable qualities. However, after early success, Croc began experiencing dwindling sales because it offered only one type of shoe. Crocs began to expand into

© 2026 Cengage. All Rights Reserved. May not be scanned, copied or duplicated, or posted to a publicly accessible website, in whole or in part.

Foundations of Marketing 10th edition Pride Test Bank

other product lines, such as fashionable flats, wedges, sneakers, and other products that offered the same comfort level. Yet sales continued to dwindle. In 2015, the then-toddler son of Prince William and Kate Middleton was seen sporting Crocs, causing a large spike in sales. New leadership at the firm will attempt to increase the hype behind Crocs once more.

- Ask students to describe the target market for Crocs. How does Crocs create value for target market consumers?
- With regards to Crocs, have students examine its marketing mix elements. Discuss the product, distribution, price, and promotion for the shoe industry. How did each element contribute to the initial success of Croc shoes?

3. **Class Exercise: Old Spice: Brand Perception:** Old Spice has been an internationally recognized men's grooming brand for over 70 years, offering a variety of products, such as deodorant, body wash, and aftershave. Until recently, the brand tended to remind many people of their grandparents. The descriptor old-fashioned brings to mind the idea of tradition but also of stagnation and, in the case of a fragrance, something that's probably unflattering. After decades of the same message, Old Spice rebranded itself in 2010 in an effort to attract a wider and younger customer base. Old Spice brought in former NFL player Isaiah Mustafa, affectionately known as "The Old Spice Guy," releasing a series of humorous commercials and YouTube videos along with a new packaging design. In only one short year following the rebrand, sales increased by more than 100%.
   - Why do brands struggle to break into markets with a younger demographic?
     - Well-known brands often find it difficult to appeal to a younger demographic who may equate tradition with stagnation and view established brands as unfashionable and outdated.
   - Why are consumer perceptions of brands so hard to change?
     - The processes that people use to determine the value of a product may differ widely. All of us tend to get a feel for the worth of products based on our own expectations and previous experience. These subjective value assessments based on unique personal experiences can be difficult to change once established.
   - What might be some steps other brands could take to appeal to a younger customer base?
     - The marketing mix can be used to enhance perceptions of value. Brands wishing to appeal to a younger customer base may want to highlight a feature or an enhancement of their product that provides benefits to their target demographic. Promotional activities can also help to create image and prestige characteristics that customers consider in their assessment of a product's value. The development of an effective marketing strategy requires understanding the needs and desires of customers and designing a marketing mix to satisfy them and provide the value they want.
4. **Class Exercise: Stakeholders:** Starbucks is adept at using the marketing concept to offer a customized experience for its customers. Customers have even come in with their own coffee recipes, and if able, baristas will make them. Starbucks considers its other stakeholders as well.

© 2026 Cengage. All Rights Reserved. May not be scanned, copied or duplicated, or posted to a publicly accessible website, in whole or in part.

Foundations of Marketing 10th edition Pride Test Bank

- Name some ways that Starbucks meets the needs of *employees*, *suppliers*, the *environment*, and *investors*.
    - Employees: Healthcare for part-time employees
    - Suppliers: Establishment of farmer support centers
    - Environment: Small discount for customers who bring in their own cups
    - Investors: Strong return on investment

5. **Case 1—Glossier's Customer-Centricity Wins Over Customers**: This case illustrates how the beauty brand Glossier has emerged as a disruptor in its industry through its market orientation.
    - Students should read the case study text and then be asked to answer the associated discussion questions. Questions may be assigned in a discussion forum in your LMS, as whole-class discussions in person, or as a partner or group activity in class.
    - What are some of the things that Glossier does that make it a market-oriented company?
        - Glossier has invested heavily in learning about its customers' needs and wants through social listening and customer surveys. Additionally, its brand identity revolves around its customers' natural beauty and diverse skin tones. By using a D2C sales channel approach, the company can keep track of the customer experience along the way to ensure their satisfaction and happiness with the product.
    - What does Glossier do that creates value for its customers?
        - Glossier frequently reposts user-generated content (UGC). Consumers benefit by learning new ways to use Glossier's products. Consumers also feel a sense of community through their ability to interact with other customers and share beauty tips. Additionally, because the company frequently monitors feedback from customers, it can quickly respond to problems and minimize customer pain points. Glossier is focused on maintaining long-term marketing relationships rather than a quick transaction.
    - How does Glossier use the marketing concept to its advantage?
        - Glossier embodies the marketing concept because it can satisfy customers' needs through a coordinated set of activities. For one thing, it creates products that have a broad appeal because they are made in various shades for different skin tones. Next, it appeals to its target market's disposable income level by creating quality products for (relatively) inexpensive price points. Finally, Glossier's omnichannel sales distribution (online on Glossier store and through Sephora) allows for easy customer access.

[return to top]

© 2026 Cengage. All Rights Reserved. May not be scanned, copied or duplicated, or posted to a publicly accessible website, in whole or in part.

Foundations of Marketing 10th edition Pride Test Bank