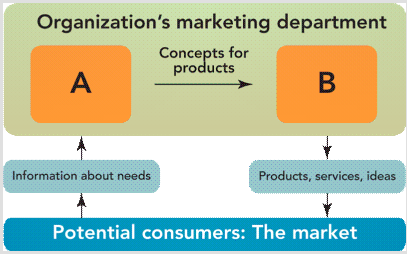
**Chapter 01**

**Test Bank**

1. In response to a growing interest in healthful, simple products among consumers, Chobani introducedA. an Italian-style ragù sauce.B. a Turkish-style cottage cheese.C. a French-style butter.**D.** a Greek-style yogurt.E. an Asian-style teriyaki sauce.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 1 EasyTopic: Environmental Influences on Marketing*Feedback: Chobani introduced a Greek yogurt, a product that is higher in protein, lower in sugar, and thicker and creamier than typical American yogurt. The timing fit perfectly with the shift in demand for healthier and simpler products.2. From its inception, Chobani wanted to place its yogurt where?A. in organic food section of major grocery store chainsB. in warehouse club stores like Sam's Club or Costco**C.** in the dairy cases of major grocery store chainsD. in mass merchandise stores like TargetE. in independent organic cooperatives, farmers' markets, and major organic grocery stores like Whole Foods or Sprouts*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.Level of Difficulty: 2 MediumTopic: The 4Ps*Feedback: Chobani pushed for distribution in major grocery chains rather than smaller niche stores, and encouraged placement of the product in the main dairy cases of the stores, not in the specialty or health food sections. The thinking was that Americans would really like Greek yogurt if they tried it, and that they would try it if they had heard about it and could find it easily in their grocery store.3. All of the following are marketing mix strategies that Chobani has used to sell its yogurt *except* which?A. sponsor U.S. Olympic and Paralympic teams**B.** price the Chobani yogurt line below its major competitors (Yoplait and Dannon) to increase sales and market shareC. use Facebook, YouTube, and other social media to promote Chobani yogurtD. rely on word of mouth to reach new customersE. air a Super Bowl commercial featuring a large bear searching for a snack*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.Level of Difficulty: 2 MediumTopic: The 4Ps*Feedback: Marketers at Chobani did not price the Chobani yogurt line below its major competitors (Yoplait and Dannon) to increase sales and market share. There is no mention of Chobani's pricing strategy or tactics in the chapter opener example of the textbook.4. Which of the following statements about marketing is most accurate?A. Unless you take a marketing class, you will never truly know anything about marketing.B. Marketing is nothing more than common sense.C. Marketing requires an innate sense of creativity; you either have it or you don't.D. You can call yourself a marketing expert only if you have sold something.**E.** You have significant marketing expertise since you make marketing-related decisions every day.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 2 MediumTopic: Define Marketing*Feedback: You perform many marketing activities and make marketing-related decisions every day. Your experience in shopping gives you some expertise in marketing. As a consumer, you've been involved in thousands of marketing decisions, but mostly on the buying and not on the selling side.5. Mark Zuckerberg is a cofounder of the social networking website calledA. Pinterest.B. Groupon.C. LinkedIn.**D.** Facebook.E. Twitter.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 1 EasyTopic: The Role of the Marketing Manager*Feedback: In February 2004, a 19-year-old college sophomore from Harvard University started his own small web service business from his dorm room. He billed it as "an online directory that connects people through social networks at colleges." That student was Mark Zuckerberg.6. Initially, Facebook targeted which consumer market segment?A. grade school children ages 6 to 12 years oldB. high school students**C.** college studentsD. adults with professional occupationsE. senior adults 55 years and older*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 2 MediumTopic: Target Markets*Feedback: Facebook was billed as "an online directory that connects people through social networks at colleges."7. Mark Zuckerberg encountered unimaginable success with his launch of "TheFacebook.com" website from his college dorm room. By the second week, it had almost \_\_\_\_\_\_\_\_\_\_ members.A. 100B. 300C. 500D. 1,000**E.** 5,000*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 1 EasyTopic: Role of the Marketing Manager*Feedback: Zuckerberg's TheFacebook.com website signed up 900 Harvard students in the four days after it appeared in early 2004. By the second week there were almost 5,000 members, and today there are more than 1.6 billion members throughout the world.8. Marketing refers toA. the production of products or services that will generate the highest return on investment.B. the strategies used in the advertising and promotion of products and services to customers around the globe.C. the process of identifying target market segments for a product or service and using selling tactics to reach them.D. the activity involved in getting a product or service from the manufacturer to ultimate consumers and organizational buyers.**E.** 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.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 1 EasyTopic: Define Marketing*Feedback: Key term definition—marketing.9. The activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large is referred to asA. manufacturing.B. advertising.**C.** marketing.D. selling.E. promotion.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 1 EasyTopic: Define Marketing*Feedback: Key term definition—marketing.10. All of the following are true about marketing *except* which?A. Marketing is a broader activity than advertising.B. Marketing stresses the importance of delivering genuine benefits in the offerings of goods, services, and ideas sold to customers.**C.** Successful marketing usually results in one "winner" and one or more "losers."D. When an organization engages in marketing, it should also create value for its partners and society.E. Marketing is a broader activity than personal selling.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 2 MediumTopic: Define Marketing*Feedback: Marketing is defined as the activity for creating, communicating, delivering, and exchanging offerings that benefit its customers, the organization, its stakeholders, and society at large. Marketing is a far broader activity than simply advertising or personal selling. It stresses the importance of delivering genuine benefits in the offerings of goods, services, and ideas marketed to customers. Also, notice that an organization's marketing activities should also create value for its partners and for society.11. An organization's stockholders, its suppliers, its employees, its customers, and society at large all share what in common with regard to an organization?**A.** All are stakeholders and should benefit from the marketing of an organization's offering.B. Everyone has a say in the ultimate design of a product.C. Everyone is legally culpable if something goes wrong with a product.D. All have to make some type of direct financial investment in the organization so it can profitably sell its products.E. All use the products and/or services marketed by the organization.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 2 MediumTopic: Define Marketing*Feedback: Marketing is defined as the activity for creating, communicating, delivering, and exchanging offerings that benefit its customers, the organization, its stakeholders, and society at large. It stresses the importance of delivering genuine benefits in the offerings of goods, services, and ideas marketed to customers. Also, an organization's marketing activities should also create value for its partners and for society.12. Mizuno designs and sells high quality baseball gloves. Who does benefit from the firm's marketing activities for its gloves?A. a baseball or softball player who purchases a new Mizuno gloveB. the Dick's Sporting Goods salesperson who sells a customer a Mizuno gloveC. the supplier who provided the leather to MizunoD. the shareholder of Mizuno that designs and manufactures the gloves**E.** Actually, all stakeholders should be benefit from Mizuno's marketing efforts, even society at large.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 3 HardTopic: Define Marketing*Feedback: Marketing is defined as the activity for creating, communicating, delivering, and exchanging offerings that benefit its customers, the organization, its stakeholders, and society at large. It stresses the importance of delivering genuine benefits in the offerings of goods, services, and ideas marketed to customers. Also, notice that an organization's marketing activities should also create value for its partners and for society.13. To serve both buyers and sellers, marketing seeks to \_\_\_\_\_\_\_\_\_\_ and satisfy the needs and wants of prospective customers.A. changeB. createC. manipulate**D.** discoverE. measure*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 2 MediumTopic: Consumer Needs and Wants*Feedback: To serve both buyers and sellers, marketing seeks (1) to discover the needs and wants of prospective customers and (2) to satisfy them.14. To serve both buyers and sellers, marketing seeks to discover and \_\_\_\_\_\_\_\_\_\_ the needs and wants of prospective customers.A. change**B.** satisfyC. createD. manipulateE. preserve*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 2 MediumTopic: Consumer Needs and Wants*Feedback: To serve both buyers and sellers, marketing seeks (1) to discover the needs and wants of prospective customers and (2) to satisfy them.15. Whether an individual is buying for personal or household use, or an organization is buying for its own use or for resale, the individual or organization would be considered**A.** a prospective customer.B. a dual-purpose marketing decision maker.C. a potential distributor.D. an informed buyer.E. an end user.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 2 MediumTopic: Consumer Needs and Wants*Feedback: Prospective customers include both individuals, buying for themselves and their households, and organizations that buy for their own use (such as manufacturers) or for resale (such as wholesalers and retailers).16. A student wants to buy a smartphone so she can share pictures with her friends. An insurance claims adjuster wants to buy a smartphone to document accidents (take pictures, write a report, etc.). If they both purchase the same model smartphone, such as an Apple iPhone, which statement is most accurate?A. The adjuster is a prospective customer because the smartphone will be used for work; the student is only a secondary user since the purpose of the smartphone is just for entertainment.**B.** Both the adjuster and the student are potential customers because in their own way, they both benefit from the smartphone.C. Neither the adjuster nor the student is a prospective customer since the company will pay for the adjuster's smartphone and the student's parents will pay for hers.D. The student is the prospective customer since there are more students buying smartphones for personal use than there are insurance adjusters buying smartphones for business use.E. Only a person who has bought a smartphone previously is a prospective customer because only previous owners of smartphones benefit from buying new ones.*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 3 HardTopic: Consumer Needs and Wants*Feedback: Prospective customers include both individuals, buying for themselves and their households, and organizations that buy for their own use (such as manufacturers) or for resale (such as wholesalers and retailers). A prospective customer includes anyone who could benefit from owning a product, whether previously owning one or not.17. The Terrafugia Transition is a 19-foot, two-seater, road-drivable, light-sport aircraft with an anticipated price of $279,000. The most likely prospective customers for this flying car would includeA. students who attend college at least 500 miles away from home.B. retired seniors receiving Social Security.**C.** executives for whom time is extremely important.D. teens who like to try new things.E. families in need of a second vehicle.*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 3 HardTopic: Consumer Needs and Wants*Feedback: A prospective customer includes anyone who would benefit from owning a product. However, the most likely prospective customer in this case would be an executive for whom time is extremely important. Both the benefits of the Terrafugia Transition and the willingness and ability to pay for it are needed for prospective customers to become actual customers.18. In marketing, the idea of exchange refers toA. the negotiation phase between the manufacturer and the seller.B. the financial remuneration (monetary payment) for a product or service.**C.** the trade of things of value between buyer and seller so that each is better off after the trade.D. the bartering of products and services between nongovernmental organizations or individuals.E. the practice of swapping products and services for other products and services rather than for money.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 1 EasyTopic: Product Value Creation*Feedback: Key term definition—exchange.19. Marketing seeks to discover the needs and wants of prospective customers and satisfy them. Essential to this process is the idea of exchange, which refers to**A.** the trade of things of value between buyer and seller so that each is better off after the trade.B. the negotiation phase between the manufacturer and the seller.C. the financial remuneration (monetary payment) for a product or service.D. the transport of tangible goods to new owners.E. the practice of swapping products and services for other products and services rather than for money.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 1 EasyTopic: Product Value Creation*Feedback: Key term definition—exchange.20. The trade of things of value between buyer and seller so that each is better off after the trade is referred to asA. financial remuneration.**B.** exchange.C. countertrade.D. barter.E. marketing.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 1 EasyTopic: Product Value Creation*Feedback: Key term definition—exchange.21. The American Red Cross creates advertisements to encourage people to donate blood. After viewing one, Amanda decided to donate a pint of blood. After she did, Amanda felt happy that she had performed a good deed. Did an exchange occur in a marketing sense?A. Yes, because the blood was donated to the Red Cross based on an advertisement, a marketing activity.**B.** Yes, because the donated blood was exchanged for a feeling of satisfaction.C. No, because the Red Cross is nonprofit organization.D. No, because no money changed hands.E. No, because the Red Cross, a service organization, did not provide Amanda with a product.*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 3 HardTopic: Product Value Creation*Feedback: Exchange is the trade of things of value between buyer and seller so that each benefits. An exchange occurred when Amanda exchanged her donated blood for a feeling of satisfaction, which she valued. The Red Cross received the donated blood to serve the needs of society in times of accident or disaster.22. A local college of business offers an outstanding graduate business school education program. Marissa pays the tuition to attend and earns her MBA with a concentration in marketing management. Upon graduating, she is offered a high-paying, fulfilling position. Was this a marketing exchange?A. No, because the university earned a profit from Marissa's tuition.B. No, because money was exchanged in the form of tuition and Marissa's income will come from her employer, not the graduate school.C. No, because the school did not provide Marissa with a tangible product, only the potential of an education.D. Yes, because the university promised Marissa she would graduate on time, and she did.**E.** Yes, because paying tuition was exchanged for knowledge that directly led to Marissa's high-paying, fulfilling new job.*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 3 HardTopic: Product Value Creation*Feedback: Exchange is the trade of things of value between buyer and seller so that each benefits. In this instance, Marissa is the customer and the college is the marketer. An exchange occurred when Marissa paid her tuition to the college and received the education required to earn a degree that resulted in the job offer.23. A typical marketing department both shapes and \_\_\_\_\_\_\_\_\_\_\_\_ its relationship with internal and external groups.**A.** is shaped byB. organizesC. motivatesD. determinesE. dominates*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 2 MediumTopic: Environmental Influences on Marketing*Feedback: Figure 1-1 shows the key people, groups, and forces inside and outside the organization that influence its marketing activities. The marketing department is engaged in facilitating relationships, partnerships, and alliances with the organization's customers, shareholders/owners (or often representatives of groups served by a nonprofit organization), suppliers, and other organizations. The marketing department interacts with these internal and external groups in a dynamic relationship (note the two-way arrows).24. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is/are responsible for establishing the organization's mission and objectives.A. MarketersB. SuppliersC. Customers**D.** Senior managementE. Shareholders*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 2 MediumTopic: Environmental Influences on Marketing*Feedback: An organization's mission and objectives determine what business it is in and what goals it seeks. Within the organization, management is responsible for establishing these goals. The marketing department works closely with a network of other departments and employees to help provide the customer-satisfying products required for the organization to survive and prosper.25. One challenge faced by organizations is that each must \_\_\_\_\_\_ the interests of countless other people, groups, and forces that interact to shape the nature of its actions.A. resist**B.** strike a balance amongC. developD. be responsible forE. minimize*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 2 MediumTopic: Environmental Influences on Marketing*Feedback: Refer to Figure 1-1. The organization must strike a balance among the sometimes differing interests of stakeholder groups. For example, it is not possible to simultaneously provide the lowest-priced and highest-quality products to customers and pay the highest prices to suppliers, the highest wages to employees, and the maximum dividends to shareholders.26. Which of the following statements about marketing activities is most accurate?A. Marketing is affected by society but rarely, if ever, affects society as a whole.**B.** The marketing department both shapes and is shaped by its relationship with internal and external groups.C. Marketing activities are the sole responsibility of the marketing department; other departments are involved only if there is an emergency (such as a product recall).D. Environmental forces do not affect marketing activities as long as a firm closely monitors its environment through rigorous market research.E. Marketing is essentially developing the right product and convincing potential customers that they "need" it, not just "want" it.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 2 MediumTopic: Environmental Influences on Marketing*Feedback: A marketing department relates to many people, organizations, and forces. Note that the marketing department both shapes and is shaped by its relationship with these internal and external groups (see Figure 1-1). The marketing department works closely with a network of other departments and employees to help provide the customer-satisfying products required for the organization to survive and prosper.27. All of the following are departments within a typical organization *except* which?A. financeB. manufacturingC. information systemsD. human resources**E.** suppliers*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 2 MediumTopic: Environmental Influences on Marketing*Feedback: Figure 1-1 shows the key people, groups, and forces outside the organization that influence its marketing activities. The marketing department is one of several departments in a typical organization. Other departments include human resources, information systems, finance, manufacturing, and research and development (R&D). Suppliers exist outside the organization.28. The \_\_\_\_\_\_\_\_\_\_ department of an organization is responsible for facilitating relationships, partnerships, and alliances with the organization's customers, shareholders, suppliers, and other organizations.A. purchasing**B.** marketingC. human resourcesD. accountingE. information systems*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 1 EasyTopic: Environmental Influences on Marketing*Feedback: The marketing department is responsible for facilitating relationships, partnerships, and alliances with the organization's customers, shareholders, suppliers, and other organizations. See Figure 1-1.29. The marketing department of an organization is responsible for facilitating**A.** relationships, partnerships, and alliances with the organization's customers, shareholders, suppliers, and other organizations.B. healthy competition with other product manufacturers.C. financial contracts with banks and other lending institutions.D. alliances with firms with noncompetitive products that target similar markets.E. the coordination between the various departments within the entire firm.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 2 MediumTopic: Environmental Influences on Marketing*Feedback: The marketing department is responsible for facilitating relationships, partnerships, and alliances with the organization's customers, shareholders, suppliers, and other organizations. See Figure 1-1.30. Which of the following statements about marketing departments is most accurate?A. The marketing department typically works as an independent unit, mostly interacting with other parts of the business only to direct product promotion.B. The marketing department should set the firm's objectives, based on its knowledge of the market and environmental forces.C. The marketing department is only responsible for two of the four Ps.D. The marketing department is only responsible for market research, supervision of product development, and product promotion.**E.** The marketing department must work closely with other departments and employees to help provide the customer-satisfying products required for the organization to survive and prosper.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 2 MediumTopic: Environmental Influences on Marketing*Feedback: The marketing department works closely with a network of other departments, like R&D and manufacturing, to help provide the customer-satisfying products required for the organization to survive and prosper. See Figure 1-1.31. All of the following are environmental forces that affect an organization *except* which?A. economic**B.** geographicalC. socialD. regulatoryE. technological*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 2 MediumTopic: Environmental Influences on Marketing*Feedback: Environmental forces involving social, economic, technological, competitive, and regulatory considerations also shape an organization's marketing actions. See Figure 1-1.32. Which of the following is *not* an environmental force?A. economicB. regulatoryC. social**D.** commercialE. technological*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 2 MediumTopic: Environmental Influences on Marketing*Feedback: Environmental forces involving social, economic, technological, competitive, and regulatory considerations also shape an organization's marketing activities. See Figure 1-1.33. All of the following are factors required for marketing to occur *except* which?A. a desire and ability on the part of two or more parties (individuals or organizations) to be satisfiedB. something to exchange between two or more parties (individuals or organizations)**C.** two or more parties (individuals or organizations) with the same wantsD. two or more parties (individuals or organizations) with unsatisfied needsE. a way for the parties (individuals or organizations) to communicate*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 2 MediumTopic: Strategic Marketing Planning*Feedback: Four factors are required for marketing to occur: (1) two or more parties (individuals or organizations) with unsatisfied needs; (2) a desire and ability on their part to be satisfied; (3) a way for the parties to communicate; and (4) something to exchange.34. Which of the following is a factor required for marketing to occur?A. a healthy competitive environmentB. an affordable and actionable advertising campaignC. a sense of social responsibilityD. an ability to see hidden potential within an environmental force**E.** a way for interested parties to communicate*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 2 MediumTopic: Strategic Marketing Planning*Feedback: Four factors are required for marketing to occur: (1) two or more parties (individuals or organizations) with unsatisfied needs; (2) a desire and ability on their part to be satisfied; (3) a way for the parties to communicate; and (4) something to exchange.35. Which of the following conditions are necessary for marketing to occur?A. a changing environment, a method of assessing needs, a way to communicate, and an exchange locationB. parties with cash or credit, a product, a reasonable price, and a place to make an exchangeC. a quality product, a fair price, a clever method of promotion, and a place where a customer can buy the product**D.** two or more parties with unsatisfied needs, a desire and an ability to satisfy them, a way to communicate, and something to exchangeE. an ability to see a trend within an environmental force, a product, and an affordable and actionable advertising campaign*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 2 MediumTopic: Strategic Marketing Planning*Feedback: Four factors are required for marketing to occur: (1) two or more parties (individuals or organizations) with unsatisfied needs; (2) a desire and ability on their part to be satisfied; (3) a way for the parties to communicate; and (4) something to exchange.36. For marketing to occur, there must be two or more parties involved. Dr. Pepper Snapple Group distributes Country Time lemonade in cans through supermarkets at a price comparable to that of soft drinks. The most likely "second" party needed for marketing to occur would beA. people who are nostalgic about childhood lemonade stands they had during hot summers.**B.** people with a desire for a cool beverage other than soda or water.C. product demonstrators who offer samples of Country Time lemonade to shoppers at local supermarkets.D. a local distributor of alcoholic beverages.E. a nutritionist promoting the health benefits of adequate hydration.*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 3 HardTopic: Strategic Marketing Planning*Feedback: Four factors are required for marketing to occur: (1) two or more parties (individuals or organizations) with unsatisfied needs; (2) a desire and ability on their part to be satisfied; (3) a way for the parties to communicate; and (4) something to exchange. In this example, consumers may want/need a new beverage alternative and Dr. Pepper Snapple Group wishes to sell them one—Country Time lemonade.37. A business student is preparing for the Graduate Management Admission Test (GMAT) so he can get into a good graduate business school. He knows that any money he spends on a tutor will be worthwhile if he can improve his scores. He's heard that there is a great tutor in his local community but has no idea who she is. Marketing does not occur in this situation becauseA. two or more parties have unsatisfied needs.B. there is no desire on the part of either party to satisfy its needs.C. neither of the involved parties have the ability to satisfy its needs.**D.** there is no way for the parties to communicate with one another.E. there has been no assessment of consumer wants and needs.*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 3 HardTopic: Strategic Marketing Planning*Feedback: Four factors are required for marketing to occur: (1) two or more parties (individuals or organizations) with unsatisfied needs; (2) a desire and ability on their part to be satisfied; (3) a way for the parties to communicate; and (4) something to exchange. In this example, the student has been unable to communicate with the tutor he'd like to use.38. A student would like to buy a cross-over SUV from a local dealer, but she thinks the payments will be too high. Marketing does not occur in this situation becauseA. two or more parties have unsatisfied needs.B. there is no desire on the part of either party to satisfy its needs.**C.** one of the involved parties does not have the ability to satisfy its needs.D. there is no way for each party to communicate with one another.E. there has been no assessment of consumer wants and needs.*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 3 HardTopic: Strategic Marketing Planning*Feedback: Four factors are required for marketing to occur: (1) two or more parties (individuals or organizations) with unsatisfied needs; (2) a desire and ability on their part to be satisfied; (3) a way for the parties to communicate; and (4) something to exchange. In this example, the student has the desire but not the ability—a lack of funds—to buy the cross-over SUV.39. A college student is taking a full course load, working 20 hours per week, and still has to take out a student loan to cover tuition. One day, he sees a classmate driving a new Lexus LFA sports coupe (price: $375,000) and feels he just has to have one for himself. What factor is most likely to prevent a successful marketing exchange between the student and the local Lexus dealer located in an affluent suburb about 20 miles from his university?A. The local Lexus dealer only has one Lexus LFA sports coupe in stock—red, which is the color he wants.**B.** The student does not have the resources to qualify for a $375,000 auto loan.C. Although the Lexus LFA sports coupe is a great car, there may be other cars with better gas mileage and resale value.D. He's afraid that if someone at school sees him with the car, he might lose his student loan.E. His girlfriend wants him to drive a Kia Soul.*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 3 HardTopic: Strategic Marketing Planning*Feedback: Four factors are required for marketing to occur: (1) two or more parties (individuals or organizations) with unsatisfied needs; (2) a desire and ability on their part to be satisfied; (3) a way for the parties to communicate; and (4) something to exchange. In this example, the most likely factor preventing the student from engaging in a marketing transaction is that he does not have the resources to qualify for a loan to purchase the car.40. A local candidate running for office would very much like to have your vote. She promises that she will "make the country better." Because all candidates for public office say this, you doubt you'll see real results and decide not to vote for her. Marketing will not occur in this situation becauseA. marketing doesn't apply to the voting process.B. the desire and ability to satisfy needs is missing.C. there is no direct way for the parties to communicate.**D.** something to exchange is missing.E. there is only one party involved in this situation.*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 3 HardTopic: Strategic Marketing Planning*Feedback: Four factors are required for marketing to occur: (1) two or more parties (individuals or organizations) with unsatisfied needs; (2) a desire and ability on their part to be satisfied; (3) a way for the parties to communicate; and (4) something to exchange. In this example, your vote is the "something of value" that is exchanged. Here, you will not engage in the "exchange" process with this candidate because you doubt you will receive something of value in return.41. The Arizona Biltmore in Phoenix is a resort hotel located less than a mile from the Biltmore Fashion Park, a large upscale shopping mall. The hotel wants to promote its proximity to the shopping center as well as its many other amenities to convention-goers from other states. Which of the following marketing actions would most likely help The Arizona Biltmore communicate with potential convention attendees?**A.** place an ad in the in-flight magazines of all the major airlines targeting business/first-class fliersB. send a mass mailing to all local businessesC. set up information kiosks at several locations within the Biltmore Fashion ParkD. offer free made-to-order breakfasts for guests staying at the hotel on businessE. offer special discount rates to guests coming from the East Coast*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 3 HardTopic: Target Markets*Feedback: Four factors are required for marketing to occur: (1) two or more parties (individuals or organizations) with unsatisfied needs; (2) a desire and ability on their part to be satisfied; (3) a way for the parties to communicate; and (4) something to exchange. The Arizona Biltmore needs to concentrate on "communication."42. A farmhand would like to buy a moped scooter to commute to his job at a nearby ranch. He doesn't know how to find a dealer and doesn't have Internet access. Which of the following reasons explain why marketing fails to occur here?A. There are not two or more parties with unsatisfied needs.B. A desire to satisfy a need is missing.C. No assessments of consumer wants and needs have been made.**D.** There is no way for the parties involved to communicate.E. The ability to satisfy a need is missing.*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 3 HardTopic: Strategic Marketing Planning*Feedback: Four factors are required for marketing to occur: (1) two or more parties (individuals or organizations) with unsatisfied needs; (2) a desire and ability on their part to be satisfied; (3) a way for the parties to communicate; and (4) something to exchange. The farmhand is unable to communicate with those that would be willing to sell him a scooter, particularly those who use Internet-based "want ads" such as Craigslist.43. Suppose you want a snack after taking this exam. Dominos is located across the street from your College of Business classroom. Unfortunately, you forgot your wallet in the haste of getting to class on time to take the test. Therefore, you have no means to pay for the pizza. Which of the following reasons explain why marketing fails to occur here between you and Dominos?A. There is only one party with unsatisfied needs.**B.** The ability to satisfy a need is missing.C. A desire to satisfy a need is missing.D. No assessments of consumer wants and needs have been made.E. There is no way for the parties involved to communicate.*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 3 HardTopic: Define Marketing*Feedback: Four factors are required for marketing to occur: (1) two or more parties (individuals or organizations) with unsatisfied needs; (2) a desire and ability on their part to be satisfied; (3) a way for the parties to communicate; and (4) something to exchange. Because you have forgotten your wallet, there is no ability on your part to satisfy your need because you have no money (currency or credit card) to fulfill your part of the exchange process.44. John receives a coupon on his iPhone advising him about the location of a Domino's Pizza store. This is an example of which?A. demonstrating an unmet needB. discovering a consumer needC. the foundation of brand loyalty**D.** a way for parties to communicateE. practicing ethics and sustainability*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 2 MediumTopic: Strategic Marketing Planning*Feedback: Four factors are required for marketing to occur: (1) two or more parties (individuals or organizations) with unsatisfied needs; (2) a desire and ability on their part to be satisfied; (3) a way for the parties to communicate; and (4) something to exchange. When John receives a coupon on his phone or drives by the Domino's store location, this communication barrier between John (the buyer) and the Domino's Pizza owner (the seller) is overcome.45. Conducting marketing research is an excellent way to address the first objective in marketing, which is to discover consumers'A. diversity of opinion, to create persuasive advertising messages.B. income, to determine the most lucrative price point for a product.C. lifetime value of an offering to the organization.D. characteristics, that would be useful to segment markets.**E.** needs, to create products that could satisfy them.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 2 MediumTopic: Consumer Needs and Wants*Feedback: The importance of discovering and satisfying consumer needs in order to develop and offer successful products is critical to understanding marketing.46. Marketers often discover consumer needs byA. implementing a marketing program.**B.** conducting effective marketing research.C. balancing the marketing mix elements—the four Ps of the marketing program.D. advertising to diverse groups of prospective buyers.E. copying the products and services of competitors.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 2 MediumTopic: Consumer Needs and Wants*Feedback: The first objective in marketing is discovering the needs of prospective customers. Marketers often use customer surveys, concept tests, and other forms of marketing research to better understand customer ideas.47. Studies of new product launches indicate that about \_\_\_\_\_\_\_\_\_\_ percent of the products fail.A. 33**B.** 40C. 67D. 75E. 90*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 1 EasyTopic: New-Product Development*Feedback: While marketers are improving the ways they can generate new-product ideas, experts estimate that it takes 3,000 raw ideas to generate one commercial success. Market intelligence agency Mintel estimates that 33,000 new products are introduced worldwide each month. In addition, studies of new-product launches indicate that about 40 percent of the products fail.48. To avoid new-product failure, new-product expert Robert M. McMath suggestsA. implementing a regional rather than a nationwide rollout of a new product.B. building a hierarchical organizational structure so that more people have a chance to spot product problems.**C.** focusing on customer benefits and learning from the past.D. increasing the marketing budget, since "success comes to those who can outspend the competition."E. releasing several different versions of a new product at the same time to see which one is most successful.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 2 MediumTopic: New-Product Development*Feedback: Robert M. McMath, who has studied more than 110,000 new-product launches, has two key suggestions for marketers: (1) focus on what the customer benefit is, and (2) learn from the past.49. If you followed the suggestions of Robert M. McMath, which of the following provides the best advice for a marketer for Colgate, when launching a new version of the toothpaste?A. Anticipate the future five years out in terms of product form, ingredients, and packaging—to invent the "toothpaste of tomorrow!"B. Give the product a mysterious name that is unrelated to the product's benefits but instead provokes consumer curiosity.C. Initiate a Facebook campaign against beverages sweetened with high fructose corn syrup, which can contribute to tooth decay.D. Create unusual packaging that has special shelving requirements.**E.** Study past toothpaste product failures and learn from them.*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 3 HardTopic: New-Product Development*Feedback: Robert M. McMath, who has studied more than 110,000 new-product launches, including for toothpaste, has two key suggestions for marketers: (1) focus on what the customer benefit is and (2) learn from the past.50. A factor that might doom a product in the marketplace is referred to asA. an albatross.B. a land mine.C. a pitfall.**D.** a showstopper.E. a wild card.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 1 EasyTopic: New-Product Development*Feedback: Showstoppers are factors that might doom a product in the marketplace.51. Showstoppers refer toA. creative or innovative members of a marketing team.B. unexpected alternative uses for a product that result in a sudden increase in sales.**C.** factors that might doom a product in the marketplace.D. a sudden loss of financial backing even though the item is in production.E. a situation when a competitor's product suddenly beats a firm's new product to the marketplace.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 1 EasyTopic: New-Product Development*Feedback: Showstoppers are factors that might doom a product in the marketplace.52. Which of the following products might have failed in the marketplace because it was perceived to have limited usefulness?A. Pepsi True soft drinkB. Hot PocketsC. Bell bicycle helmetsD. 3M Post-it® Flag+ Highlighter**E.** Apple Newton MessagePad*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 1 EasyTopic: New-Product Development*Feedback: In the 1990s Apple launched its Newton MessagePad, the first handheld device in a category that came to be known as personal digital assistants. Apple invested more than $1.5 billion in today's dollars but sold just a few hundred thousand units before Steve Jobs took the product off the market. In many ways the showstopper for this product was that it was before its time. It launched before the World Wide Web, before cellphones, and before the broad use of email. As a result, while the product was revolutionary, the uses for consumers were limited.53. The founders of StuffDOT, a social e-commerce site that seeks to reward consumers for their online shopping and sharing activity, believe that consumers deserve to share in payments from e-retailers that are generated by referring shoppers to their products. This requires consumers to understand the benefits well enough so that theyA. carefully evaluate their needs rather than their wants.B. have a chance to spot product problems.**C.** change their shopping habits to take advantage of the opportunity.D. are prepared to share credit card and other details with StuffDOT.E. evaluate several different products at the same time.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 2 MediumTopic: New-Product Development*Feedback: This recent start-up is a social e-commerce site that seeks to reward consumers for their online shopping and sharing activity. This is possible because Internet retailers such as Amazon and Target.com make small payments to the owners of websites that refer shoppers to their products. StuffDOT's founders believe that consumers deserve to share in those payments, so they have developed a platform that enables users to earn a portion of the revenue that they generate by sharing links and shopping online. A potential showstopper: Will consumers understand the benefits of StuffDOT well enough to change their shopping habits to take advantage of the opportunity?54. Pepsi True is new cola from Pepsi-Cola is sweetened with a combination of sugar and stevia leaf extract, resulting in a soft drink with the same flavor of Pepsi but only 60 calories. A potential showstopper for this product is likely to beA. a lack of advertising on television.**B.** mid-calorie soft drinks such as Pepsi Next (2012) have not been successful in the past.C. a lower profit margin due to the added costs of expensive ingredients.D. cannibalization of the company's existing sodas.E. the use of a combination of sugar and stevia leaf extract.*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 2 MediumTopic: New-Product Development*Feedback: Pepsi True is offered in the United States through Amazon.com and in grocery stores, and will be introduced in Great Britain where it will compete with Coca-Cola's Coca-Cola Life. A potential showstopper: In the past, mid-calorie soft drinks such as Pepsi Next (2012), Pepsi Edge (2004), and Pepsi XL (1995) have not been successful as "transition" sodas from regular to diet.55. A \_\_\_\_\_\_\_\_\_\_ occurs when a person feels deprived of basic necessities such as food, clothing, and shelter.A. desire**B.** needC. utilityD. wantE. craving*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 1 EasyTopic: Consumer Needs and Wants*Feedback: Text term definition—need.56. A want is a(n) \_\_\_\_ that is shaped by a person's knowledge, culture, and personality.A. desire**B.** needC. utilityD. demandE. option*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 1 EasyTopic: Consumer Needs and Wants*Feedback: Text term definition—want.57. A need that has been shaped by a person's knowledge, culture, and personality results in aA. desire.**B.** want.C. utility.D. demand.E. requirement.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 1 EasyTopic: Consumer Needs and Wants*Feedback: Text term definition—want.58. Steve wants to eat a Cool Mint Chocolate Clif Bar because, based on his past experience, he knows it will satisfy his hungerA. preference.**B.** need.C. utility.D. want.E. expression.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 2 MediumTopic: Consumer Needs and Wants*Feedback: A need occurs when a person feels deprived of basic necessities such as food, clothing, and shelter. A want is a need that is shaped by a person's knowledge, culture, and personality. So if Steve feels hungry, he has developed a basic need and desire to eat something. Let's say he then wants to eat a Cool Mint Chocolate Clif Bar because, based on his past experience, he knows it will satisfy his hunger need.59. A need refers toA. a sense of personal inadequacy based upon observations by others around you.B. a sense of urgency, which causes a person to take action.C. a feeling that is shaped by a person's knowledge, culture, or personality.D. a feeling of vague lacking, but not fully understanding what may be required.**E.** a feeling of deprivation of basic necessities such as food, clothing, and shelter.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 1 EasyTopic: Consumer Needs and Wants*Feedback: Text term definition—need.60. All of the following are examples of products or services that satisfy a consumer need *except* which?A. a pair of jeansB. an appleC. a student dormitory**D.** a sales taxE. a jacket*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 2 MediumTopic: Consumer Needs and Wants*Feedback: Needs occur when a person feels deprived of basic necessities such as clothes, food, or shelter. Only a sales tax offers no satisfaction of a basic need.61. Which of the following statements best distinguishes between consumer needs and wants?A. Needs are far more influential than wants with respect to marketing decision making.B. Wants affect marketing decisions primarily for planned purchases while needs affect marketing decisions primarily for impulse purchases.C. Wants occur when a person feels deprived of luxury items while needs are solely possessions required to maintain relationships.D. Needs and wants are psychologically the same, but needs are those that a consumer can be guaranteed to satisfy.**E.** Needs occur when a person feels deprived of basic necessities such as food, clothing, and shelter while wants are determined by a person's knowledge, culture, or personality.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 2 MediumTopic: Consumer Needs and Wants*Feedback: Needs occur when a person feels deprived of basic necessities such as food, clothing, and shelter. A want is a felt need that is shaped by a person's knowledge, culture, or personality.62. A want refers toA. a sense of personal inadequacy based upon observations by others around you.B. a powerful desire that causes a person to take action.**C.** a need that is shaped by a person's knowledge, culture, or personality.D. a feeling of being deprived of something, but not fully understanding what it may be.E. a feeling of deprivation of basic necessities such as food, clothing, and shelter.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 1 EasyTopic: Consumer Needs and Wants*Feedback: Text term definition—want.63. A television advertisement shows several teenagers searching through the pantry for something to satisfy their hunger. The pantry offers the teenagers many alternatives—cereal, chips, cookies, and some Cool Mint Chocolate Clif Bars. The ad, which shows the teens happily selecting the Clif Bars, appeals to the consumers' \_\_\_\_\_\_\_\_\_\_ for sustenance to satisfy their hunger and attempts to shape their \_\_\_\_\_\_\_\_\_\_ for the advertised product.**A.** needs; wantsB. requirements; needsC. wants; preferencesD. demands; needsE. needs; preferences*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 3 HardTopic: Consumer Needs and Wants*Feedback: A need occurs when a person feels deprived of basic necessities (i.e., food, water, clothing, and shelter). A want is a need that is shaped by a person's knowledge, culture, or personality. Hunger represents the consumer's need, while consuming Cool Mint Chocolate Clif Bars is a way to satisfy one's hunger based on wants.64. In a marketing context, a market refers toA. people with a similar want for a particular product or service.**B.** people with both the desire and ability to buy a specific offering.C. the central location for all buying and selling of products and services.D. an open space or covered building where vendors convene to sell their offerings.E. the free operation of supply and demand.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 1 EasyTopic: Consumer Needs and Wants*Feedback: Key term definition—market.65. People with both the desire and ability to buy a specific offering are referred to asA. shoppers.B. a customer base.**C.** a market.D. qualified prospects.E. candidates.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 1 EasyTopic: Consumer Needs and Wants*Feedback: Key term definition—market.66. All markets ultimately are composed of**A.** people.B. brands.C. products.D. organizations.E. governments.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 1 EasyTopic: Target Markets*Feedback: Key term definition—market.67. The best description of the market for cosmetic dentistry, where costs can be as much as $15,000 for teeth straightening and whitening, isA. toddlers with crooked baby teeth, when crooked teeth run in the family.B. all former smokers who have been smoke-free for at least one year.**C.** anyone who has the time, the money, and the desire to undergo the procedures.D. anyone who has dental insurance.E. adults who want to make a good first impression for a job interview.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 3 HardTopic: Target Markets*Feedback: Potential customers make up a market, which consists of people with both the desire and the ability to buy a specific product. In this case, it is anyone who has the time, the money, and the desire to undergo cosmetic dentistry procedures.

**Section Break**



**Figure** **1-2**

68. In Figure 1-2, "A" represents \_\_\_\_\_\_\_\_\_\_ and "B" represents \_\_\_\_\_\_\_\_\_\_.A. decisions by management; purchases by customersB. employees efforts; stakeholder rewardsC. sales department; manufacturing departmentD. suppliers; distributors**E.** discovering consumer needs; satisfying consumer needs*AACSB: Analytical ThinkingBlooms: UnderstandLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 2 MediumTopic: Consumer Needs and Wants*Feedback: A principal activity of a firm's marketing department is to scrutinize its consumers through effective research to understand what they need and want and the forces that shape those needs and wants. It then seeks to satisfy those needs by successfully implementing a marketing program possessing the right combination of the marketing mix—the 4 Ps. See Figure 1-2.69. Discovering consumer needs leads directly toA. purchases by customers.B. stakeholder rewards.C. sales and manufacturing department outcomes.D. supplier and distributor outcomes.**E.** concepts for new products.*AACSB: Analytical ThinkingBlooms: UnderstandLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 2 MediumTopic: Consumer Needs and Wants*Feedback: A principal activity of a firm's marketing department is to scrutinize its consumers through effective research to understand what they need and want and the forces that shape those needs and wants. It then seeks to satisfy those needs by successfully implementing a marketing program possessing the right combination of the marketing mix—the four Ps. See Figure 1-2.70. Satisfying consumer needs is accomplished by**A.** designing a marketing program.B. conducting marketing research.C. discovering consumer needs.D. developing a distribution strategy.E. identifying target markets.*AACSB: Analytical ThinkingBlooms: UnderstandLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 2 MediumTopic: Consumer Needs and Wants*Feedback: A principal activity of a firm's marketing department is to scrutinize its consumers through effective research to understand what they need and want and the forces that shape those needs and wants. It then seeks to satisfy those needs by successfully implementing a marketing program possessing the right combination of the marketing mix—the four Ps. See Figure 1-2.71. A target market refers toA. people who could purchase a product regardless of who ultimately uses it.**B.** one or more specific groups of potential consumers toward which an organization directs its marketing program.C. former customers who now use competitors' products.D. the cluster of benefits that an organization develops to satisfy consumers' needs.E. people with both the desire and the ability to buy a specific offering.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 1 EasyTopic: Target Markets*Feedback: Key term definition—target market.72. A target market refers toA. customers who have already purchased a firm's product at least once, have been satisfied, and are likely to be repeat purchasers.B. both existing and potential customers who have used a competitor's product, are dissatisfied, and who now seek a different product or service to satisfy their needs.C. a specific group of current consumers toward which an organization directs its advertising.D. existing or potential consumers who are seeking a product for which there are no current substitutes.**E.** one or more specific groups of potential consumers toward which an organization directs its marketing program.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 1 EasyTopic: Target Markets*Feedback: Key term definition—target market.73. One or more specific groups of potential consumers toward which an organization directs its marketing program is referred to as aA. mass market.B. base market.C. potential market.**D.** target market.E. promotional market.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 1 EasyTopic: Target Markets*Feedback: Key term definition—target market.74. Kraft produces Lunchables, a prepackaged meal usually consisting of several crackers, small slices of meat, and small slices of cheese. Other items in the product line contain small bottles of Chiquita Strawberry Banana Fruit smoothie, Capri-Sun juice, or Kool-Aid. The box is bright yellow and the quantity of food contained within it is small. The target market for Kraft Lunchables is most likely**A.** moms with school-age children who pack a simple, healthy lunch for them.B. business people looking for a fulfilling breakfast at the office.C. business travelers on the run.D. teenagers who are hungry for an after-school snack.E. baby boomers who are trying to lose weight.*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 3 HardTopic: Target Markets*Feedback: Although anyone can enjoy Lunchables, a target market is a specific group of potential consumers toward which an organization directs its marketing program. In this case, Lunchables' smaller portions and bright packaging are targeted toward moms with school-age children.75. Which of the following people would most likely be the best target market for tickets to the home games of the Indianapolis Colts professional football team?A. all people with an interest in professional footballB. all people in the Midwest who have an interest in sportsC. all men who played on a varsity football team in high school**D.** all people in the Indianapolis and surrounding areas interested in footballE. all people in Indiana who watch football on TV*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 3 HardTopic: Target Markets*Feedback: Football fans nearby are the Indianapolis Colts' target market—people with both the desire and ability to easily attend home games in Indianapolis.76. Which of the following groups would be the *least* likely target market for a company producing canned food in single-serving sizes?A. single adults**B.** school kitchensC. campersD. senior citizensE. vending machine owners*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 3 HardTopic: Target Markets*Feedback: Of the possible markets listed, single-serving cans meet a special need for singles, campers, senior citizens, and vending machines. School kitchens traditionally serve large quantities of food; the time it would take to open single-serving cans for hundreds of children makes the product impractical and therefore would not satisfy a specific need.77. TUMI brand briefcases are very expensive, high-end briefcases that are generally sold in specialty luggage shops. Which of the following groups of people would be the most likely target market for TUMI briefcases?A. police officers**B.** executivesC. construction workersD. postal workersE. students*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 3 HardTopic: Target Markets*Feedback: Any of these people could use a briefcase. However, as a group, executives would include the greatest number with the greatest need for and ability to purchase a TUMI briefcase.78. The United States Army was both praised and criticized for its use of a popular video game, America's Army, which was designed to reach potential recruits. The game's creator, Colonel Casey Wardynski, wanted to provide a sense of the training and teamwork one could find in the Army's military environment. The game was designed for "boys 14 years or older," which represent the Army'sA. mass market.B. actual recruits.C. restricted market.**D.** target market.E. untapped market.*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 3 HardTopic: Target Markets*Feedback: A target market consists of one or more specific groups of potential consumers toward which an organization directs its marketing program. In this case, although 14-year-old boys cannot serve in the military, a positive attitude or association with the game and its content now can lead to potential recruits in the future—the Army's target market.79. A local university offers business courses for a target market of people who currently work and want to take refresher courses for certification in their business field (marketing, accounting, etc.). Which of the following would be the most effective way to communicate with the target market, bearing in mind that communication must be both effective and economical?A. put announcements on campus bulletin boardsB. distribute promotional materials during classesC. advertise on national televisionD. advertise on local hip-hop radio shows**E.** advertise in the local newspaper*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 3 HardTopic: Target Markets*Feedback: The local newspaper is the most effective and economical of the alternatives to communicate with this target market.80. The marketing manager's controllable factors—product, price, promotion, and place—that can be used to solve a marketing problem are referred to asA. the marketing concept.**B.** the marketing mix.C. the marketing program.D. environmental forces.E. the marketing toolbox.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.Level of Difficulty: 1 EasyTopic: The Four Ps*Feedback: Key term definition—marketing mix.81. The marketing mix refers toA. the selection of product benefits and attributes that are to be added to or subtracted from a given product to create variations within a product line.B. the specific ratio within a budget that divides resources between advertising, sales promotion, and personal selling.**C.** the marketing manager's controllable factors—product, price, promotion, and place—that can be used to solve a marketing problem.D. the allocation of resources within a firm toward individual marketing programs.E. the environmental forces—social, economic, technological, competitive, and regulatory—that impact the marketing decisions for a particular product at any given time.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.Level of Difficulty: 1 EasyTopic: The Four Ps*Feedback: Key term definition—marketing mix.82. The marketing mix refers toA. the multiple sales and advertising strategies that can be used to promote a product.B. the dynamic forces—social, economic, technological, competitive, and regulatory—to which a marketing manager must constantly adapt.C. the blending of different communication and delivery channels that are mutually reinforcing in attracting, retaining, and building relationships with consumers who shop and buy in traditional intermediaries and online.**D.** the marketing manager's controllable factors that can be used to solve marketing problems.E. a set of complementary products that when sold together generate more sales than when sold separately.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.Level of Difficulty: 1 EasyTopic: The Four Ps*Feedback: Key term definition—marketing mix.83. Which of the following would a marketer use as a synonym for the marketing mix?**A.** the four Ps of marketingB. environmental forcesC. macromarketing forcesD. marketing management factorsE. micromarketing factors*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.Level of Difficulty: 1 EasyTopic: The Four Ps*Feedback: Key term definition—marketing mix.84. The four Ps of the marketing mix areA. priorities, personnel, placement, and profits.B. predict, produce, price, and promotion.C. product, price, production, and place.**D.** product, price, promotion, and place.E. predict, produce, package, and persuade.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.Level of Difficulty: 1 EasyTopic: The Four Ps*Feedback: The four Ps are the marketing manager's controllable factors—product, price, promotion, and place—that can be used to solve a marketing problem.85. All of the following constitute the four Ps of the marketing mix *except* which?A. promotion**B.** profitabilityC. priceD. placeE. product*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.Level of Difficulty: 1 EasyTopic: The Four Ps*Feedback: The four Ps are the marketing manager's controllable factors—product, price, promotion, and place—that can be used to solve a marketing problem.86. The four Ps are commonly known asA. the environmental or uncontrollable forces.B. the environmental or controllable factors.**C.** the marketing mix or controllable factors.D. the marketing mix or uncontrollable forces.E. environmental factors, both controllable and uncontrollable.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.Level of Difficulty: 1 EasyTopic: The Four Ps*Feedback: The four Ps are the marketing manager's controllable factors—product, price, promotion, and place—that can be used to solve a marketing problem.87. The marketing mix elements are called \_\_\_\_\_\_\_\_\_\_ because they are the responsibility of the marketing department in an organization.A. administrative forcesB. profitability factorsC. stakeholder value generatorsD. target market segments**E.** controllable factors*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.Level of Difficulty: 2 MediumTopic: The Four Ps*Feedback: Text term definition—controllable factors.88. Jakubowski Farms Gourmet Bread Base is the brand name for a mix designed for use in bread making machines. The mixes are sold in 2-pound canisters for $14.99 plus shipping. People learn about the product through word-of-mouth and bread machine demonstrations the company's founder gives to groups in Wisconsin, where she lives. The products are only available through the mail. This is a description of the company'sA. action plan.B. market segmentation strategy.C. mission statement.**D.** marketing mix.E. target market.*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 3 HardTopic: Target Markets*Feedback: The bread mix is the product. The price is $14.99 plus shipping. The promotion is word-of-mouth and public demonstrations. The place is through the mail. These four elements are the marketing mix—product, price, promotion, and place.89. The element of the marketing mix that describes a good, service, or idea to satisfy consumers' needs is known as**A.** a product.B. the price.C. promotion.D. the place or distribution.E. a market segment.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.Level of Difficulty: 1 EasyTopic: The Four Ps*Feedback: Text term definition—product.90. The owners of Old School Brand Authentic Antique Foods researched Civil War records to come up with recipes used for the old-fashioned cookies the company produces and markets. The cookies are which part of the company's marketing mix?A. processB. price**C.** productD. placeE. people*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.Level of Difficulty: 3 HardTopic: The Four Ps*Feedback: A product is a good, service, or idea to satisfy consumers' needs, so a cookie is an example of a product.91. The element of the marketing mix that describes what is exchanged for a product is known asA. a product.**B.** the price.C. promotion.D. the place or distribution.E. productivity.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.Level of Difficulty: 1 EasyTopic: The Four Ps*Feedback: Text term definition—price.92. Which element of the marketing mix is affected when the Mandarin Oriental hotel in New York increases its weekend rates to $795 per night?A. product**B.** priceC. promotionD. placeE. production*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.Level of Difficulty: 3 HardTopic: The Four Ps*Feedback: The price is what is exchanged for the product; in this case, rate change increases the price of the product.93. The element of the marketing mix demonstrated when an art gallery suggests a $2 donation at the door isA. philanthropy.B. place.C. product.D. promotion.**E.** price.*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.Level of Difficulty: 3 HardTopic: The Four Ps*Feedback: Price is what is exchanged for the product; in this case, access to an art gallery.94. To attend a winter concert presented by the community chorus, every person had to donate one unwrapped toy at the concert hall door. The donation is most closely related to the \_\_\_\_\_\_\_\_\_\_ element of the marketing mix.A. productB. philanthropy**C.** priceD. placeE. promotion*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.Level of Difficulty: 3 HardTopic: The Four Ps*Feedback: Price is what is exchanged for the product; in this case, access to the concert. The toy donation was exchanged for the privilege of listening to the music.95. The element of the marketing mix that describes a means of communication between the seller and buyer is known asA. a product.**B.** promotion.C. the price.D. the place or distribution.E. advertising.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.Level of Difficulty: 1 EasyTopic: The Four Ps*Feedback: Text term definition—promotion.96. The owners of Old School Brand Authentic Antique Foods researched Civil War records to come up with recipes for the old-fashioned products they market. An offer to be featured in an upcoming edition of *Taste* *of* *Home* magazine would be considered as part of the \_\_\_\_\_\_\_\_\_\_ element of the marketing mix.A. productB. priceC. production**D.** promotionE. place*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.Level of Difficulty: 3 HardTopic: The Four Ps*Feedback: Promotion is a means of communication between the seller and buyer. *Taste* *of* *Home* magazine would be likely to communicate to the target market for old-fashioned food products.97. The \_\_\_\_\_\_\_\_\_\_ element of the marketing mix is demonstrated when a company places an ad on a highway billboard.A. productB. price**C.** promotionD. placeE. process*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.Level of Difficulty: 3 HardTopic: The Four Ps*Feedback: Promotion is a means of communication between the seller and buyer, such as billboard advertising.98. When a company places an ad on Google, the action is a tactic of the \_\_\_\_\_\_\_\_\_\_ element of the marketing mix.A. productB. price**C.** promotionD. placeE. process*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.Level of Difficulty: 3 HardTopic: The Four Ps*Feedback: Promotion is a means of communication between the seller and buyer, such as Google advertising.99. The element of the marketing mix that describes a means of getting the product to the consumer is known asA. a product.B. the price.C. promotion.**D.** the place.E. the process.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.Level of Difficulty: 1 EasyTopic: The Four Ps*Feedback: Text term definition—place.100. The \_\_\_\_\_\_\_\_\_\_ element of the marketing mix is demonstrated when Amazon delivers packages to a customer's front porch via the U.S. Postal Service.**A.** placeB. productC. priceD. promotionE. procurement*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.Level of Difficulty: 3 HardTopic: The Four Ps*Feedback: Place refers to the means of getting the product to the consumer. Here, carriers distribute the packages by "placing" them on the customer's front porch.101. The ability to buy a soda from a vending machine demonstrates which element of the marketing mix?A. productB. priceC. promotion**D.** placeE. process*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.Level of Difficulty: 3 HardTopic: The Four Ps*Feedback: Place refers to the means of getting the product to the consumer.102. The cluster of benefits that an organization promises customers to satisfy their needs is referred to as aA. core benefit proposal.B. product protocol.C. marketing program.D. marketing mix.**E.** customer value proposition.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.Level of Difficulty: 1 EasyTopic: Product Value Creation*Feedback: Key term definition—customer value proposition.103. A customer value proposition isA. the unique combination of benefits received by targeted buyers that includes quality, convenience, on-time delivery, and both before-sale and after-sale service at a specific price.B. a statement that, before product development begins, identifies (1) a well-defined target market; (2) specific customers' needs, wants, and preferences; and (3) what the product will be and do to satisfy consumers.C. a unique strength relative to competitors that provides superior returns, often based on quality, time, cost, or innovation.D. the characteristics of a product that make it superior to competitive substitutes.**E.** the cluster of benefits that an organization promises customers to satisfy their needs.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.Level of Difficulty: 1 EasyTopic: Product Value Creation*Feedback: Key term definition—customer value proposition.104. Michelin's \_\_\_\_\_\_\_\_\_\_ can be summed up as "providing safety-conscious parents greater security in tires at a premium price."**A.** customer value propositionB. protocolC. mission statementD. core valuesE. marketing program*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.Level of Difficulty: 2 MediumTopic: Product Value Creation*Feedback: A customer value proposition is the cluster of benefits that an organization promises customers to satisfy their needs. Usually, these include aspects of an offering's marketing mix. Michelin's customer value proposition can be summed up as "providing safety-conscious parents greater security in tires at a premium price."105. The uncontrollable forces in a marketing decision involving social, economic, technological, competitive, and regulatory forces are referred to asA. the 5 Fs of marketing.**B.** environmental forces.C. business conditions.D. a marketing ecosystem.E. a business sphere.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.Level of Difficulty: 1 EasyTopic: Environmental Influences on Marketing*Feedback: Key term definition—environmental forces.106. Which of the following is *not* an environmental force?A. technologicalB. regulatory**C.** ecologicalD. competitiveE. economic*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.Level of Difficulty: 1 EasyTopic: Environmental Influences on Marketing*Feedback: Key term definition—environmental forces.107. Environmental forces refer toA. the internal strengths of a company that enable the firm to remain competitive.B. the marketing manager's uncontrollable factors—product, price, promotion, and place—that can be used to solve marketing problems.C. the unpredictable or uncontrollable availability of natural resources that can enhance or restrain a company's growth.**D.** the marketing manager's uncontrollable forces in a marketing decision involving social, economic, technological, competitive, and regulatory forces.E. the marketing manager's controllable forces in a marketing decision involving social, economic, technological, competitive, and regulatory forces.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.Level of Difficulty: 1 EasyTopic: Environmental Influences on Marketing*Feedback: Key term definition—environmental forces.108. The five major environmental forces in a marketing decision areA. climate change, natural resources, pollution, natural disasters, and global conflict.**B.** social, technological, economic, competitive, and regulatory.C. corporate ownership, internal management, supplier partnerships, strategic alliances, and customer relationships.D. product, price, promotion, place, and people.E. ethics, sustainability, cultural awareness, diversity, and values.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.Level of Difficulty: 1 EasyTopic: Environmental Influences on Marketing*Feedback: Key term definition—environmental forces.109. Which of the following statements about environmental forces is most accurate?A. Environmental forces are almost always controllable if the marketing department correctly scans them.B. An organization that incorporates the marketing concept can exert just as much influence on environmental forces as they can exert on that organization.C. Environmental forces consistently result in negative outcomes for an organization.**D.** Some environmental forces can actually enhance a firm's marketing opportunities.E. Environmental forces can almost always be predicted.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.Level of Difficulty: 2 MediumTopic: Environmental Influences on Marketing*Feedback: The five environmental forces may serve as accelerators or brakes on marketing, sometimes expanding an organization's marketing opportunities and at other times restricting them.110. Which of the following statements describes an environmental force?**A.** Several states have legislation that requires people transporting children to use age- and height-appropriate car seats.B. Tupperware has more than 200,000 independent dealers who market its entire product line.C. A car battery comes with a lifetime guarantee.D. An automobile dealer offers a $500 rebate during the month of July.E. A major bottler offers a 10-cent refund on returnable bottles.*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.Level of Difficulty: 3 HardTopic: Environmental Influences on Marketing*Feedback: Legislation for car seats describes a regulatory environmental force. The other alternatives are marketing program decisions.111. The unique combination of benefits received by targeted buyers that includes quality, convenience, on-time delivery, and before- and after-sale service at a specific price is called**A.** customer value.B. target marketing.C. benefit proposition.D. value-based marketing.E. a customer value proposition.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.Level of Difficulty: 1 EasyTopic: Product Value Creation*Feedback: Key term definition—customer value.112. Customer value refers toA. the need of a customer to receive the highest quality product at the lowest possible price.B. the least expensive product that will provide most of the basic benefits.C. a statement that, before product development begins, identifies (1) a well-defined target market; (2) specific customers' needs, wants, and preferences; and (3) what the product will be and do to satisfy consumers.**D.** the unique combination of benefits received by targeted buyers that includes quality, convenience, on-time delivery, and both before-sale and after-sale service at a specific price.E. the cluster of benefits that an organization promises customers to satisfy their needs.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.Level of Difficulty: 1 EasyTopic: Product Value Creation*Feedback: Key term definition—customer value.113. Which of the following statements about customer value is most accurate?A. Target customers assess customer value in terms of the combination of benefits (quality, convenience, etc.), regardless of the price.B. Loyal customers are less profitable to firms in the long run since they expect lower prices over time in order to remain loyal.C. Research suggests that firms can be most successful by being all things to all consumers.D. It is impossible to place a dollar value on a loyal, satisfied customer.**E.** By providing unique value for targeted buyers, firms can build long-term relationships with them.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.Level of Difficulty: 2 MediumTopic: Product Value Creation*Feedback: Customer value is the unique combination of benefits received by targeted buyers that includes quality, price, convenience, on-time delivery, and both before-sale and after-sale service at a specified price. Firms gain loyal customers by providing unique value, the essence of successful marketing.114. According to the textbook, Target has been successful by offering consumers the bestA. experience.B. products/services.C. customer service.D. availability.**E.** price.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.Level of Difficulty: 2 MediumTopic: Product Value Creation*Feedback: Outstanding customer value is delivered through the implementation of one of three value strategies—best price, best product, or best service. Target has been successful by offering consumers the best price.115. According to the textbook, Starbucks provides its customers with the bestA. branding.**B.** products/services.C. price.D. customer service.E. availability.*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.Level of Difficulty: 3 HardTopic: Product Value Creation*Feedback: Outstanding customer value is delivered through the implementation of one of three value strategies—best price, best product, or best service. Starbucks provides its customers with the best products (or services).116. If a bank is known for delivering customer value through its focus on taking great care of customers, it is most likely focusing on providing its customers with the bestA. assortment.B. products/services.C. price.**D.** customer service.E. availability.*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.Level of Difficulty: 3 HardTopic: Customer value*Feedback: Outstanding customer value is delivered through the implementation of one of three value strategies—best price, best product, or best service. The bank delivers customer value by providing its customers with the best customer service.117. Those who have flown on Singapore Air have experienced firsthand the great food that is served during the flight, the friendliness of the flight attendants, and the comfortable seating. Singapore Air creates customer value by providing its customers withA. the best airport experience.B. the most convenient flight schedules.C. the best price for the distance traveled.**D.** the best in-flight service.E. the greatest sense of personal safety.*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.Level of Difficulty: 3 HardTopic: Product Value Creation*Feedback: Outstanding customer value is delivered through the implementation of one of three value strategies—best price, best product, or best service. Price and flight schedule are not considered here.118. Relationship marketing refers toA. the selection and the assignment of a firm's personnel for a specific product or product line to a group of current or prospective customers.B. the belief that it is easier and less expensive to find new customers than to retain old ones.**C.** the linking of the organization to its individual customers, employees, suppliers, and other partners for their mutual long-term benefits.D. the process of identifying prospective buyers, understanding them intimately, and developing favorable long-term perceptions of the organization and its offerings so that buyers will choose them in the marketplace.E. exclusive legally binding contractual agreements between retailers and customers in order to create enhanced value for each party.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.Level of Difficulty: 1 EasyTopic: CRM*Feedback: Key term definition—relationship marketing.119. The linking of the organization to its individual customers, employees, suppliers, and other partners for their mutual long-term benefit is referred to as**A.** relationship marketing.B. exclusive dealing.C. loyalty marketing.D. customer relationship management.E. symbiotic marketing.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.Level of Difficulty: 1 EasyTopic: CRM*Feedback: Key term definition—relationship marketing.120. Which of the following statements about relationship marketing is most accurate?A. Relationship marketing has a short-term focus: increasing profits for the firm.B. Relationship marketing prevents the need to offer unique value to customers.**C.** Relationship marketing provides benefits for both customers and the organization.D. Very few companies today are engaged in relationship marketing.E. The Internet almost always has a negative impact on a firm's personal relationships with customers.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.Level of Difficulty: 2 MediumTopic: CRM*Feedback: Relationship marketing involves a personal, ongoing relationship between the organization and its individual customers that begins before and continues after the sale. It links the organization to its individual customers, employees, suppliers, and other partners for their mutual long-term benefit. Many companies use it, and the Internet can be used to gain customer insights that nurture better relationships.121. In the performing arts world, box office technology has remained virtually unchanged since the 1980s. Tessitura is trying to change that by tracking every patron transaction, including ticket purchases, fund-raising, volunteering, and gift shop purchases, in one database. The information can help symphonies, operas, and theaters develop customer profiles to tailor sales messages to specific individuals. Tessitura will allow arts groups to engage inA. market aggregation.**B.** relationship marketing.C. societal marketing.D. market mining.E. mainstream marketing.*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.Level of Difficulty: 3 HardTopic: CRM*Feedback: Relationship marketing links the organization to its individual customers, employees, suppliers, and other partners for their mutual long-term benefits.122. Publix Supermarkets and The Little Clinic signed an exclusive agreement, placing small walk-in health clinics inside selected stores. Publix customers can have simple medical needs addressed in a convenient and familiar environment seven days a week and pick up their prescriptions from the pharmacy without leaving the store. This is an example ofA. supplier management.B. customer valuation.C. societal marketing.D. market aggregation.**E.** relationship marketing.*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.Level of Difficulty: 3 HardTopic: CRM*Feedback: Relationship marketing links the organization to its individual customers, employees, suppliers, and other partners for their mutual long-term benefits.123. A business traveler joined the Starwood Preferred Guest Program in order to earn points each time he stayed overnight in a Westin or Sheraton hotel. Once he has accumulated enough points, he can trade his points in for a free night's stay. As a member of this program, the traveler receives periodic updates on new hotels and learns of ways to earn additional points. The marketing term that best describes this scenario is**A.** relationship marketing.B. customer satisfaction promotion.C. customer relationship management.D. customer valuation.E. supplier-consumer partnership.*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.Level of Difficulty: 3 HardTopic: CRM*Feedback: Relationship marketing links the organization to its individual customers, employees, suppliers, and other partners for their mutual long-term benefits.124. A marketing program refers to**A.** a plan that integrates the marketing mix to provide a good, service, or idea to prospective buyers.B. the selection of product benefits and attributes that are added to or subtracted from a given product to create variations within a product line.C. the marketing manager's controllable factors—product, price, promotion, and place—that can be used to solve a marketing problem.D. the specific ratio within a marketing budget that divides resources between advertising, promotions, and personal selling.E. the allocation of resources within a firm toward individual marketing mix elements.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.Level of Difficulty: 1 EasyTopic: Elements of the Marketing Plan*Feedback: Key term definition—marketing program.125. A \_\_\_\_\_\_\_\_\_\_ is a plan that integrates the marketing mix to provide a good, service, or idea to prospective buyers.A. marketing strategy**B.** marketing programC. macromarketing tacticD. micromarketing tacticE. customer relationship management*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.Level of Difficulty: 1 EasyTopic: Elements of the Marketing Plan*Feedback: Key term definition—marketing program.126. After an assessment of needs, a marketing manager must translate ideas from consumers into concepts for products that a firm may develop. The concepts must then be converted into a meaningfulA. marketing strategy.B. macromarketing agenda.C. micromarketing agenda.**D.** marketing program.E. marketing concept.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.Level of Difficulty: 2 MediumTopic: Elements of the Marketing Plan*Feedback: Effective relationship marketing strategies help marketing managers discover what prospective customers need. They must translate this information into some concepts for products the firm might develop. These concepts must then be converted into a tangible marketing program.127. Market segments refer toA. the relatively heterogeneous groups of prospective buyers that result from the market segmentation process.B. all buyers of a product or service who have previously purchased a particular firm's products or services and who intend to repeat that purchase sometime in the future.C. the smallest number of buyers that have similar needs but do not react similarly in a buying situation.**D.** the relatively homogenous groups of prospective buyers that have common needs and will respond similarly to a marketing action.E. all potential buyers of a product or service who intend to purchase a firm's products or services but who have not yet done so.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.Level of Difficulty: 1 EasyTopic: Target Markets*Feedback: Key term definition—market segments.128. The relatively homogenous groups of prospective buyers that have common needs and will respond similarly to a marketing action is referred to as**A.** a market segment.B. a target market.C. a customer base.D. an ultimate consumer.E. a preferred customer.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.Level of Difficulty: 1 EasyTopic: Target Markets*Feedback: Key term definition—market segments.129. The phrase "relatively homogeneous collections of prospective buyers" is most descriptive ofA. demographic clusters.B. organizational buyers.C. ultimate consumers.**D.** market segments.E. qualified prospects.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.Level of Difficulty: 2 MediumTopic: Target Markets*Feedback: Market segments are the relatively homogenous groups of prospective buyers that (1) have common needs and (2) will respond similarly to a marketing action.130. In marketing, each \_\_\_\_\_\_\_\_\_\_ consists of people who are relatively similar to each other in terms of their consumption behavior.**A.** market segmentB. demographic clusterC. organizational buyer groupD. ultimate consumer groupE. qualified prospect group*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.Level of Difficulty: 2 MediumTopic: Target Markets*Feedback: Market segments are the relatively homogenous groups of prospective buyers that (1) have common needs and (2) will respond similarly to a marketing action. Each market segment consists of people who are relatively similar to each other in terms of their consumption behavior.131. An inventor for 3M, David Windorski, and a team of four college students, questioned dozens of students about how they study. They told the research teamA. that Scotch tape had outgrown its usefulness to students.B. to make new products that were more environmentally friendly.C. that the average backpack was already too heavy.**D.** that it would be reasonable to put Post-it® Flags together with a highlighter.E. to determine the ratio of sales for 3M products to the study aid products of other competitors.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.Level of Difficulty: 2 MediumTopic: Consumer Needs and Wants*Feedback: Windorski had to first discover students' studying needs. To answer this question, Windorski worked with a team of four college students. Their task was to observe and question dozens of students about their study behavior, such as how they used their textbooks, took notes, wrote term papers, and reviewed for exams. Often, they watched students highlight a passage and then mark the page with a Post-it® Note or the smaller Post-it® Flag. Windorski realized there was an opportunity to merge the functions of two products into one to help students study!132. The purpose of the introduction of 3M Post-it® Flag Highlighters was toA. stay ahead of trends and focus its marketing program on only one segment.B. stay ahead of trends and focus its marketing program expanding distribution.C. increase production economies of scale by reducing manufacturing and marketing costs for Post-it® Flags and Post-it® Notes.D. preempt a competitive move by Sanford's Sharpie to introduce a similar product.**E.** help college students with their studying.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.Level of Difficulty: 2 MediumTopic: Consumer Needs and Wants*Feedback: The purpose of the introduction of the Post-it® Flag Highlighter was to help college students with their studying.133. Which of the following statements about 3M's marketing program for Post-it® Flag Highlighters is most accurate?A. In his first attempt, David Windorski, a 3M inventor, designed the Post-it® Flag Highlighter in exactly the right way to appeal to its target market.B. Paralegals were initially the intended target market for the Post-it® Flag Highlighter.**C.** David Windorski, a 3M inventor, also developed the Post-it® Flag Pen for the office worker segment.D. The Post-it® Flag Highlighter was not successful and was deleted from the Post-it® Flag product line.E. In development of the Post-it® Flag Highlighter, David Windorski examined similar products of 3M's major competitors and simply made changes that would provide the "wow" factor.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.Level of Difficulty: 2 MediumTopic: Consumer Needs and Wants*Feedback: David Windorski developed the Post-it® Flag Pen for the office worker segment.134. The pricing strategy for 3M's Post-it® Flag Highlighters was toA. match its principal competitors' highlighters' prices.**B.** charge a price that would provide genuine value to the target customer segment.C. set an initially low price with the intent of bringing down the price even further later if sales were less than anticipated.D. place the product in discount office supply retailers to make it easier to purchase.E. use the same pricing strategy as its 3M's Post-it® Flag and Post-it® Note offerings.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.Level of Difficulty: 2 MediumTopic: The Four Ps*Feedback: The company charged a price to distributors that it hoped would provide value to students and an acceptable profit to distributors and 3M. In this case, the price of $3.99 to $4.99 for a single Post-it® Flag Highlighter or $5.99 to $7.99 for a three-pack are the specified prices at which targeted buyers and distributors receive their respective value and profits. See Figure 1-3.135. The 3M Post-it® Flag Highlighter and Pen marketing programs described in the text were designed for what primary objective?**A.** the initial launch of two new 3M productsB. specific promotions to be used for long-range strategiesC. segmenting the market into 12 specific target market segmentsD. marketing 3M products to foreign marketsE. positioning the products relative to major competitors*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.Level of Difficulty: 2 MediumTopic: Target Markets*Feedback: The marketing programs for the initial introduction of two new 3M Post-it® brand products (Post-it® Flag Highlighters and Post-it® Flag Pens) targeted two distinctly different customer segments: college students and office workers. See Figure 1-3.136. The place strategy in 3M's marketing program made it convenient for \_\_\_\_\_\_\_\_\_\_ to buy Post-it® Flag Highlighters and Post-it® Flag Pens.A. external salespeople onlyB. college students onlyC. office workers only**D.** college students and office workersE. teachers only*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.Level of Difficulty: 2 MediumTopic: Target Markets*Feedback: The Post-it® Flag Highlighter and the Post-it® Flag Pens were distributed in locations to make it easy for the target markets (college students and office workers) to buy, such as college bookstores and office retailers, respectively. See Figure 1-3.137. Based on the marketing program 3M developed for its Post-it® Flag Highlighters and Post-it® Flag Pens, one can conclude thatA. the market segments for Post-it® Flag Highlighters and Post-it® Flag Pens are identical.B. the market segments for Post-it® Flag Highlighters and Post-it® Flag Pens are not realistic.C. the Post-it® Flag Highlighters and Post-it® Flag Pens are priced unreasonably for the target markets.D. the prices for 3M's Post-it® Flag Highlighters and Post-it® Flag Pens are set to maximize 3M's profits, not its distributors' profits.**E.** the promotion strategy is designed to increase awareness among potential users.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.Level of Difficulty: 2 MediumTopic: Target Markets*Feedback: 3M's promotional strategy is to increase awareness among potential users. See Figure 1-3.138. All of the following statements about the overall marketing program for 3M's Post-it® Flag Highlighters are true *except* which?A. David Windorski, a 3M inventor, designed the second generation of Post-it® Flag Highlighters and Pens *without* the rotating cover to make it easier to insert replacement flags.B. Students were initially the intended target market for the Post-it® Flag Highlighter.**C.** In his first attempt, David Windorski, a 3M inventor, designed the Post-it® Flag Highlighter in exactly the right way to appeal to its target market.D. David Windorski, the designer of the Post-it® Flag Highlighter, appeared on "The Oprah Winfrey Show" so Winfrey could thank him in person for "his most incredible invention."E. 3M recently introduced additions to the Post-it® Flag+ line: a Post-it® Flag Gel Pen and a Post-it® Flag Permanent Marker.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.Level of Difficulty: 2 MediumTopic: New-Product Development*Feedback: David Windorski developed 15 or 20 models and hundreds of prototypes that were given to students to develop the initial Post-it® Flag Highlighter. Further refinements were made to the second and third generations of the product.139. In U.S. business history, the marketing concept became a motivating force duringA. the early years of the Civil War.B. the 1920s.**C.** the 1950s.D. the mid-1980s.E. the first few years of the 21st century.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 1 EasyTopic: Marketing Eras*Feedback: Marketing became the motivating force among many American firms in the 1950s, which led to the marketing concept—the idea that an organization should (1) strive to satisfy the needs of consumers while also (2) trying to achieve the organization's goals.140. The \_\_\_\_\_\_\_\_\_\_ concept means that an organization strives to satisfy consumer needs while achieving its goals.**A.** marketingB. salesC. productionD. societal benefitE. customer relationship*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 1 EasyTopic: Marketing Eras*Feedback: Starting in the late 1950s, marketing became the motivating force among many American firms. The marketing concept is the idea that an organization should strive to satisfy the needs of consumers while also trying to achieve the organization's goals.141. Which of the following statements about the marketing concept is most accurate?A. The marketing concept can trace its roots to early Greek culture.**B.** In using the marketing concept, both companies and consumers are able to satisfy needs simultaneously.C. In using the marketing concept, companies focus on sales and advertising.D. The marketing concept is most effective when production is limited and the product will sell itself.E. All U.S. firms are now operating with a marketing concept philosophy.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 2 MediumTopic: Marketing Eras*Feedback: Starting in the late 1950s, marketing became the motivating force among many American firms. The marketing concept is the idea that an organization should strive to satisfy the needs of consumers while also trying to achieve the organization's goals.142. The idea that an organization should (1) strive to satisfy the needs of consumers (2) while also trying to achieve the organization's goals reflects theA. concept of synergy.**B.** marketing concept.C. principle of customer relationship management.D. societal marketing concept.E. consumerism concept.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 1 EasyTopic: Marketing Eras*Feedback: Key term definition—marketing concept.143. The marketing concept refers toA. the activity for creating, communicating, delivering, and exchanging offerings that benefit its customers, the organization, its stakeholders, and society at large.B. the belief that an organization should continuously collect information about customers' needs, share this information across departments, and use it to create customer value.C. the view that organizations should satisfy the needs of consumers in a way that provides for society's well-being.D. the process of identifying prospective buyers, understanding them intimately, and developing favorable long-term perceptions of the organization and its offerings so that buyers will choose them in the marketplace.**E.** the idea that an organization should (1) strive to satisfy the needs of consumers (2) while also trying to achieve the organization's goals.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 1 EasyTopic: Marketing Eras*Feedback: Key term definition—marketing concept.144. Which of the following terms best describes the marketing concept?**A.** consumer-orientedB. production-orientedC. sales-orientedD. society-orientedE. competition-oriented*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 2 MediumTopic: Marketing Eras*Feedback: The marketing concept is the idea that an organization should strive to satisfy the needs of consumers while also trying to achieve the organization's goals.145. In 1952, General Electric's annual report stated, "The concept introduces … marketing … at the beginning rather than the end of the production cycle and integrates marketing into each phase of the business." This is a brief statement of what has come to be known as theA. sustainability perspective.B. age of consumerism.C. sales concept.**D.** marketing concept.E. customer relationship management concept.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 2 MediumTopic: Marketing Eras*Feedback: The statement of a firm's commitment to satisfying consumer wants and needs that probably launched the marketing concept appeared in General Electric's 1952 annual report.146. Firms such as General Electric, Marriott, and Facebook have achieved great success by putting a huge effort into implementing the marketing concept, giving their firms aA. production orientation.B. sales orientation.C. customer relationship orientation.D. service orientation.**E.** market orientation.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 2 MediumTopic: Marketing Eras*Feedback: Firms such as General Electric, Marriott, and Facebook have achieved great success by putting huge effort into implementing the marketing concept, resulting in a market orientation that results in delivering customer value based upon current customer needs.147. Many companies subscribe to being "green" because they feel that consumers value this. Yet, in many of these same firms, office computers are left on 24 hours a day and office paper is not recycled. This example indicates it is not always easy for firms to act in accordance with the**A.** marketing concept.B. customer relationship management concept.C. consumerism.D. social entrepreneurship.E. cause marketing.*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 3 HardTopic: Marketing Eras*Feedback: The marketing concept is the idea that an organization should (1) strive to satisfy the wants of consumers (2) while also trying to achieve the organization's goals. In this example, the organization would like consumers to view it as green, yet it is unable to carry out policies that will help it achieve that organizational goal.148. A market orientation refers toA. the orientation of an organization that focuses its efforts on continuously collecting information about the environment, keeping abreast of the actions of its competitors, and using this information to create product innovation.B. the belief that the buying environment for any given industry is volatile and therefore all marketing decisions should be short-term and easily adaptable to change.**C.** the orientation of an organization that focuses its efforts on continuously collecting information about customers' needs, sharing this information across departments, and using it to create customer value.D. the belief that the buying environment for any given industry is relatively stable and therefore all marketing decisions should be long-term to prevent loss of focus.E. the point of view that holds that there is always someone who needs or can benefit from your product, and if one segment fails, there is an even better one somewhere in the "market."*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 1 EasyTopic: Marketing Eras*Feedback: Key term definition—market orientation.149. An organization with a market orientationA. focuses its efforts on continuously collecting information about the environment, keeping abreast of competitors' actions, and using this information to create product innovation.B. identifies prospective buyers, understands them intimately, and develops favorable long-term perceptions of the organization and its offerings so that they will choose it in the marketplace.C. strives to satisfy the needs of consumers while also trying to achieve its goals.D. satisfies the needs of consumers in a way that provides for society's well-being.**E.** focuses its efforts on continuously collecting information about customers' needs, sharing this information across departments, and using it to create customer value.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 1 EasyTopic: Marketing Eras*Feedback: Key term definition—market orientation.150. An organization that focuses its efforts on continuously collecting information about customers' needs, sharing this information across departments, and using it to create customer value is said to have aA. product orientation.B. macroeconomic orientation.**C.** market orientation.D. industry orientation.E. societal marketing orientation.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 1 EasyTopic: Marketing Eras*Feedback: Key term definition—market orientation.151. Customer relationship management refers toA. the view that organizations should satisfy the needs of consumers in a way that provides for society's well-being.**B.** the process of identifying prospective buyers, understanding them intimately, and developing favorable long-term perceptions of the organization and its offerings so buyers will choose them in the marketplace.C. the idea that an organization should (1) strive to satisfy the needs of consumers (2) while also trying to achieve the organization's goals.D. the links an organization has to its individual customers, employees, suppliers, and other partners for their mutual long-term benefit.E. the cluster of benefits that an organization promises customers to satisfy their needs.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 1 EasyTopic: CRM*Feedback: Text term definition—customer relationship management (CRM).152. The United Way of Greater Toronto (UWGT), like many charities, was sitting on a gold mine of donor data. Unfortunately, UWGT was not certain how to use that information to its greatest advantage. UWGT could blanket past donors with generic mailings, but it could not offer donors information that would convince them to donate to UWGT over other charities. Which of the following tools would be most useful for the nonprofit organization to use?A. a flexible marketing systemB. a database warehouse**C.** customer relationship managementD. competitive intelligenceE. a profit-oriented marketing program*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 3 HardTopic: CRM*Feedback: Customer relationship management (CRM) is the process of identifying prospective buyers, understanding them intimately, and developing favorable long-term perceptions of the organization (UWGT) and its offerings so that buyers (donors) will choose them in the marketplace.153. The internal response that customers have to all aspects of an organization and its offerings is referred to as**A.** customer experience.B. relationship marketing.C. internal customer audit.D. internal marketing.E. customer relationship management.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 1 EasyTopic: CRM*Feedback: Key term definition—customer experience.154. Customer experience refers toA. the practice of building ties to customers based on a salesperson's attention and commitment to customer needs over time.B. the links an organization has to its customers for their mutual long-term benefits.C. the process of identifying prospective buyers, understanding them intimately, and developing favorable long-term perceptions of the organization and its offerings so that buyers will choose them in the marketplace.**D.** the internal response that customers have to all aspects of an organization and its offerings.E. the activities in which a firm participates to create a positive buying experience for customers.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 1 EasyTopic: CRM*Feedback: Key term definition—customer experience.155. Recently, *Fortune* magazine named Trader Joe's "America's hottest retailer" for its outstanding \_\_\_\_\_\_\_\_\_\_, including personal attention from employees in the store.A. customer value propositionB. relationship marketing**C.** customer experienceD. internal marketingE. customer relationship management*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 2 MediumTopic: CRM*Feedback: Recently, *Fortune* magazine named Trader Joe's "America's hottest retailer" for its outstanding customer experience.156. All of the following are aspects of Trader Joe's customer experience *except* which?**A.** It has a large and expensive research and development facility.B. It offers unusual food products not available from other retailers.C. Its commitment to customer experience has resulted in its rank as a favorite supermarket.D. It sets low prices by offering its own brands, not national ones.E. It provides rare employee "engagement" to help customers.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 2 MediumTopic: CRM*Feedback: Though it does have its own private label in-store, the text does not cover R&D for Trader Joe's, and this would not directly impact a customer's experience with the company.157. Today, the standards of marketing practice have shifted from the interests of producers to the interests ofA. nonprofit organizations.B. government.C. retailers.D. stockholders.**E.** consumers.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 2 MediumTopic: Corporate Social Responsibility*Feedback: Today, the standards of marketing practice have shifted from the interests of producers to the interests of consumers.158. Social responsibility isA. the view that organizations should satisfy the needs of consumers in a way that provides for society's well-being.B. the fundamental, passionate, and enduring principles of an organization that guide its conduct over time.C. the idea that an organization should strive to satisfy the needs of consumers while also trying to achieve the organization's goals.**D.** the idea that individuals and organizations are accountable to a larger society.E. the recognition of the need for organizations to improve the state of people, the planet, and profit simultaneously if they are to achieve sustainable, long-term growth.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 1 EasyTopic: Corporate Social Responsibility*Feedback: Social responsibility is the idea that individuals and organizations are accountable to a larger society for their actions.159. The idea that individuals and organizations are accountable to a larger society is known asA. the societal marketing concept.**B.** social responsibility.C. consumerism.D. sustainable development.E. capitalism.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 1 EasyTopic: Corporate Social Responsibility*Feedback: Social responsibility is the idea that individuals and organizations are accountable to a larger society for their actions.160. You change the oil in your car yourself and dump the used oil down the sewer drain that ultimately flows into the local river. Oil manufacturers know this is not an isolated occurrence, so should they be concerned?A. No, you paid for the oil and you can dispose of it as you like.B. No, the oil company will someday add a premium to the price to pay for oil cleanup in the environment.C. Yes, this is the type of situation that can get "big oil" a lot of bad press.**D.** Yes, this is an issue of social responsibility because the polluted water affects others in the society at large.E. No, this is an issue solely between you and your neighbors.*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 3 HardTopic: Corporate Social Responsibility*Feedback: The used oil will contaminate the river, so society will bear a portion of the cost of your behavior and the oil company's inaction to prevent it. This example illustrates the issue of social responsibility, the idea that organizations and individuals are accountable to a larger society.161. Which of the following most directly explains why pharmaceutical giant Pfizer offered low-income senior citizens many of its most widely used prescriptions for $15 each per month?A. the profit motive since aging baby boomers are a large, profitable market**B.** the social responsibility conceptC. the necessity of matching competitors' actionsD. new regulatory Medicare mandates as a result of the Affordable Care ActE. the mandate by its industry's code of ethics*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 3 HardTopic: Corporate Social Responsibility*Feedback: Social responsibility is the idea that individuals and organizations are accountable to a larger society for their actions.162. The societal marketing conceptA. is the moral principles and values that govern the actions and decisions of an organization.B. is the idea that organizations are part of a larger society and are accountable to that society for their actions.C. actively tries to understand customer needs and satisfy them while satisfying the firm's goals.D. involves conducting business in a way that protects the natural environment while making economic progress.**E.** is the view that an organization should satisfy the needs of consumers in a way that provides for society's well-being.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 1 EasyTopic: Corporate Social Responsibility*Feedback: Key term definition—societal marketing concept.163. The view that holds an organization should satisfy the needs of consumers in a way that also provides for society's well-being is known as**A.** the societal marketing concept.B. the marketing concept.C. consumerism.D. social responsibility.E. capitalism.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 1 EasyTopic: Corporate Social Responsibility*Feedback: Key term definition—societal marketing concept.164. Innovators at 3M developed Scotchbrite Greener Clean scrub sponges from agave leaves. Customers appreciate this superior product (they don't rust or scratch) and like the fact that their purchase is environmentally responsible, making this an example of**A.** the societal marketing concept.B. the marketing concept.C. consumerism.D. target markets.E. capitalism.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 2 MediumTopic: Corporate Social Responsibility*Feedback: With its innovative product, 3M offers a product that exemplifies the societal marketing concept.165. What kinds of organizations should engage in marketing?A. only those that can afford to advertiseB. only very large and established for-profit organizationsC. only Fortune 5,000 companies**D.** every organization regardless of the kindE. only if the organization has a profit motivation*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 2 MediumTopic: Strategic Marketing Planning*Feedback: Every organization markets. Business firms involved in manufacturing, retailing, providing services, and nonprofit organizations engage in marketing. Places, special events or causes, and political candidates also use marketing.166. Which of the following organizations engage in marketing?A. the Chicago CubsB. the San Francisco OperaC. the city of DenverD. the president of the United States**E.** Every organization or individual can engage in marketing to some extent.*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 3 HardTopic: Strategic Marketing Planning*Feedback: Every organization and individual markets. Business firms involved in manufacturing, retailing, providing services, and nonprofit organizations engage in marketing. Places, special events or causes, and political candidates also use marketing.167. Which of the following statements best describes a good?**A.** Goods are physical objects.B. Goods are the only currency that can be used in an exchange.C. Goods are intangible concepts and thoughts about ideas or causes.D. Goods are the benefits organizations receive for selling products and services.E. Goods can be either tangible or intangible.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 2 MediumTopic: Components and Classifications of Products and Services*Feedback: Text term definition—goods.168. Which of the following statements best describes a service?A. Services are physical objects.**B.** Services are intangible items.C. Services are thoughts about concepts, actions, or causes.D. Services are the benefits organizations receive in exchange for selling products.E. Services comprise the subset of tangible features of products.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 2 MediumTopic: Components and Classifications of Products and Services*Feedback: Text term definition—services.169. Organizations such as American Airlines, U.S. Bank, and the Red Cross each provide customers with a product that is typically calledA. a utility.B. a performance.**C.** a service.D. a value.E. an idea.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 2 MediumTopic: Components and Classifications of Products and Services*Feedback: Organizations such as American Airlines, U.S. Bank, and the Red Cross provide customers with products that are typically called a service.170. A live theater performance cannot be touched like a physical object, but is still considered a product. To a marketer, this is an example ofA. a utility.B. a production.C. a value.**D.** a service.E. an idea.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 2 MediumTopic: Components and Classifications of Products and Services*Feedback: Live theater performances are intangible items called "entertainment" and are classified as services.171. In marketing, thoughts about concepts, actions, or causes are referred to asA. utilities.B. experiences.C. values.**D.** ideas.E. services.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 1 EasyTopic: Components and Classifications of Products and Services*Feedback: Text term definition—ideas.172. A productA. consists of the benefits or customer value received by its sellers.B. is the cluster of benefits that an organization promises customers to satisfy their needs.**C.** is a good, service, or idea consisting of a bundle of tangible and intangible attributes that satisfy consumers' needs and is received in exchange for money or something else of value.D. consists of items that the consumer purchases frequently, conveniently, and with a minimum of shopping effort.E. is the set of intangible activities or benefits that an organization provides to satisfy consumers' needs in exchange for money or something else of value.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 1 EasyTopic: Define Marketing*Feedback: Key term definition—product.173. A good, service, or idea consisting of a bundle of tangible and intangible attributes that satisfies consumers' needs and is received in exchange for money or something else of value is known asA. a utility.B. an item.C. a service.D. a marketing program.**E.** a product.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 1 EasyTopic: Define Marketing*Feedback: Key term definition—product.174. Which answer reflects (in this order) a good, a service, and an idea that can be marketed?A. a candy bar, a wastepaper basket, and a vending machineB. a CD, a concert, and a souvenir T-shirtC. a political candidate, democracy, and freedomD. an iPod, an iPhone, and an iPad**E.** a toothbrush, laser teeth whitening, and dental hygiene*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 3 HardTopic: Strategic Marketing Planning*Feedback: Goods, services, and ideas are marketed. Goods are physical objects, such as a toothbrush, that satisfy consumer needs. Services are intangible items, such as laser teeth whitening. Ideas are intangibles, such as the idea of dental hygiene, involving thoughts about actions or causes.175. The Hermitage, a famous Russian art museum, was experiencing a decrease in visitors that was blamed on low awareness of the museum's treasures. The Hermitage partnered with IBM to create an online virtual tour of a sampling of paintings, sculptures, artifacts, etc., hopefully encouraging visitors to make a trip to experience it all. The Hermitage is a(n) \_\_\_\_\_\_\_\_\_\_ that uses online virtual tours to market itself worldwide.A. goodB. idea**C.** serviceD. assemblyE. charity*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 3 HardTopic: CRM*Feedback: A service is an intangible item, consisting of airline trips, financial advice, or art museums like the Hermitage.176. All of the following are examples of ideas that can be marketed *except* which?A. state governments in Arizona and Florida marketing the notion of taking a warm, sunny winter vacation in their states**B.** Apple using a TV ad to explain the features of an iPad mini (camera, screen resolution, user interface, etc.)C. the Nature Conservancy marketing the cause of protecting the environmentD. conservative politicians attempting to persuade voters of the need to slash government spending to reduce a large national deficitE. charities like the Red Cross marketing the idea that it's worthwhile for you to donate your time or money to their causes to benefit society*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 2 MediumTopic: Components and Classifications of Products and Services*Feedback: Ideas are most often marketed by nonprofit organizations, governments, or individuals, such as politicians. Apple's TV ad focuses on a tangible good—the iPad mini—and its features, not abstract ideas such as tourism, protecting the environment, government spending, or causes that may benefit society.177. Ultimate consumers are**A.** the people who use the products and services purchased for a household.B. people who have already purchased a firm's product at least once, have been satisfied, and are likely to make repeat purchases.C. people or organizations that have used a competitor's product and who have been dissatisfied, and who are still seeking a product or service to satisfy their needs.D. those manufacturers, wholesalers, retailers, and government agencies that buy goods and services for their own use or for resale.E. one or more specific groups of potential customers toward whom an organization directs its marketing program.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 1 EasyTopic: Target Markets*Feedback: Key term definition—ultimate consumers.178. The people who use the products and services purchased for a household are calledA. organizational buyers.B. household prospects.**C.** ultimate consumers.D. a target market.E. sellers.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 1 EasyTopic: Target Markets*Feedback: Key term definition—ultimate consumers.179. What is the marketing term for people, whether they are 80 years or 8 months old, who use products and services purchased for a household?**A.** ultimate consumersB. situational buyersC. primary buyersD. a target marketE. household prospects*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 1 EasyTopic: Target Markets*Feedback: Key term definition—ultimate consumers.180. Hudson News Distribution owners Lisa and James Cohen recently launched a quarterly art and interior design magazine, *Galerie,* to be distributed exclusively in their retail stores. Who is the ultimate consumer for this magazine?**A.** the person who buys the magazine to read at homeB. the person who stocks the magazine rack at Hudson NewsC. any person who owns Hudson News stockD. the salesperson at Hudson NewsE. All those who benefit from the magazine, from the owners and writers, to the seller, to the reader at home, are the ultimate consumers.*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 3 HardTopic: Target Markets*Feedback: An ultimate consumer is the person who uses the product or services purchased for the household.181. Which of the following is an example of an ultimate consumer?A. a newspaper reporter who receives a plane ticket to Washington, D.C., to cover the presidential inauguration**B.** a schoolteacher who bought a ticket to the Summer Olympics opening ceremoniesC. an office receptionist who renews the magazines that are found in the office waiting roomD. a retailer who buys banners for an upcoming store saleE. a landscaping firm employee who buys a new wheelbarrow to use to haul mulch*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 3 HardTopic: Target Markets*Feedback: An ultimate consumer is the person who uses the goods or services purchased by himself or herself.182. Entities such as manufacturers, retailers, and government agencies that buy goods and services for their own use or for resale are referred to asA. intermediate buyers.B. selling agents.**C.** organizational buyers.D. manufacturing agents.E. brokers.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 1 EasyTopic: Target Markets*Feedback: Key term definition—organizational buyers.183. Organizational buyers are described asA. only companies that purchase raw materials and natural resources for manufacturing.B. employees who purchase household items for their personal use.C. any individual or group making a purchase worth over $100,000.**D.** manufacturers, retailers, or government agencies that buy products for their own use or for resale.E. any organization that uses products purchased or meant for a household.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 1 EasyTopic: Target Markets*Feedback: Key term definition—organizational buyers.184. Which of the following is the best example of an organizational buyer?A. a college student buying paper towels in bulk for herself and her roommates**B.** a store owner buying hand-woven tablecloths to sell in her storeC. a computer programmer buying the latest game for her XboxD. a botanist buying a rose bush for her home gardenE. a parent buying a softball glove for a daughter*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 2 MediumTopic: Target Markets*Feedback: Organizational buyers are manufacturers, retailers, or government agencies buying for their own use or for resale.185. Effective marketing benefits society because itA. reduces competition, making the playing field more even.B. improves the quality of products and services regardless of the cost.C. allows companies to charge whatever price they want, regardless of product quality.D. makes countries more competitive in world markets while simultaneously reducing competition in their home markets.**E.** enhances competition, which improves the quality of products and services and lowers prices.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 2 MediumTopic: Product Value Creation*Feedback: Effective marketing benefits society. It enhances competition, which improves both the quality of products and services and lowers their prices. This makes countries more competitive in world markets and provides jobs and a higher standard of living for their citizens.186. Utility refers toA. the number of alternative uses or benefits that can be provided by a single product or service.B. the adaptability of a marketing program to adjust to changes in the marketing environment.**C.** the benefits or customer value received by users of the product.D. the fixed costs associated with the production of a single unit of a product within a product line.E. the variable costs associated with the production of a single unit of a product within a product line.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 1 EasyTopic: Product Value Creation*Feedback: Key term definition—utility.187. The benefits or customer value received by users of a product is called**A.** utility.B. synergy.C. consumerism.D. cost-benefit ratio.E. customer lifetime value.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 1 EasyTopic: Product Value Creation*Feedback: Key term definition—utility.188. The four utilities marketing creates areA. product, price, promotion, and place.B. form, function, value, and image.C. monopoly, monopolistic competition, pure competition, and oligopoly.**D.** form, place, time, and possession.E. natural gas, fossil fuel, electricity, and water.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 1 EasyTopic: Product Value Creation*Feedback: Four different utilities include form, place, time, and possession.189. The value to consumers that comes from the production or alteration of a product or service constitutes \_\_\_\_\_\_\_\_\_\_ utility.A. timeB. placeC. possessionD. market**E.** form*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 1 EasyTopic: Product Value Creation*Feedback: Text term definition—form utility.190. Which of the following is an example of form utility?**A.** an iPhone with a "multi-touch" user interface for easy navigationB. stamp vending machines that are located in drugstoresC. a service station that has a 24-hour ice machine available for use when the station is closedD. a mobile phone company that offers six-month financing, same as cashE. a gourmet candy store that offers a home delivery service*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 3 HardTopic: Product Value Creation*Feedback: The value to consumers that comes from the production or alteration of a good or service constitutes form utility. The "multi-touch" user interface adds an extra benefit to the iPhone, making the product more valuable to the consumer.191. FreshCase packaging is the first-ever vacuum package for red meat that maintains the meat's appetizing color, reducing both food and plastic waste. This is an example of creating \_\_\_\_\_\_\_\_\_\_ utility in the case-ready meat category.A. timeB. place**C.** formD. possessionE. market*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 3 HardTopic: Product Value Creation*Feedback: The value to consumers that comes from the production or alteration of a product or service constitutes form utility. The production of the vacuum package constitutes form utility.192. Innovations in the textile industry have led to fabrics that help regulate body temperature, reduce wind resistance, and control muscle vibration, all of which help improve athletic performance. This shows how manufacturing can create \_\_\_\_\_\_\_\_\_\_ utility.A. time**B.** formC. placeD. possessionE. market*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 3 HardTopic: Product Value Creation*Feedback: The value to consumers that comes from the production or alteration of a product or service constitutes form utility. The production of the fabrics for athletic performance constitutes form utility.193. The process of turning corn into ethanol shows how BioFuel Energy, a Minnesota ethanol producer, can create \_\_\_\_\_\_\_\_\_\_ utility.A. timeB. placeC. possessionD. market**E.** form*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 3 HardTopic: Product Value Creation*Feedback: The value to consumers that comes from the production or alteration of a product or service constitutes form utility. The production of the ethanol constitutes form utility.194. The value to consumers that comes from having the offering available where consumers need it constitutes \_\_\_\_\_\_\_\_\_\_ utility.A. time**B.** placeC. possessionD. marketE. form*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 1 EasyTopic: Product Value Creation*Feedback: Text term definition—place utility.195. Which of the following statements is an example of place utility?**A.** airlines that allow you to print your own boarding pass at homeB. a service station that adds a diesel fuel pump to its three unleaded gasoline pumpsC. a mobile phone company that offers six-month financing, same as cashD. cold cut packages that can be zipped close for reuseE. an iPhone with a "multi-touch" user interface for easy navigation*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 3 HardTopic: Product Value Creation*Feedback: Place utility is the value to consumers of having a product or service available where needed. Printing the boarding pass at home simplifies a traveler's life by making the pass available where needed.196. The value to consumers that comes from having the offering available when they need it constitutes \_\_\_\_\_\_\_\_\_\_ utility.A. placeB. possessionC. market**D.** timeE. form*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 1 EasyTopic: Product Value Creation*Feedback: Text term definition—time utility.197. American Express cardholders have access to early presales for Rihanna concert tickets in many cities. What utility does American Express offer in this instance?**A.** time utilityB. place utilityC. possession utilityD. market utilityE. form utility*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 3 HardTopic: Product Value Creation*Feedback: Time utility is the value to consumers of having a product or service available when needed. American Express is giving cardholders access to early presales for Rihanna concert tickets, thus providing value to consumers by making tickets available before they go on sale to the general public.198. Dick's Sporting Goods carries baseballs year-round. The same is true for footballs and tennis equipment. With this strategy, Dick's Sporting Goods offers \_\_\_\_\_\_\_\_\_\_ utility for these products.**A.** timeB. placeC. possessionD. marketE. form*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 3 HardTopic: Product Value Creation*Feedback: Time utility is the value to consumers of having a product or service available when needed. Dick's Sporting Goods offers time utility because you can purchase sporting equipment even when the sport is out of season.199. Which of the following is an example of time utility?A. an iPhone with a "multi-touch" user interface for easy navigation**B.** Goodwill's 24-hour drop-off box for clothing donationsC. a dry cleaner located inside a supermarketD. a mobile phone company that offers six-month financing, same as cashE. a new herbal supplement that offers a 30-day free trial*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 3 HardTopic: Product Value Creation*Feedback: Time utility is the value to consumers of having a product or service available when needed. The Goodwill drop-off box allows consumers to drop off clothing regardless of the time of day.200. Redbox places vending machines at local convenience and grocery stores that allow customers to rent and return popular DVDs 24 hours a day. This creates both \_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_ utilities.A. form; placeB. form; time**C.** place; timeD. time; possessionE. form; possession*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 3 HardTopic: Product Value Creation*Feedback: Place utility is the value to consumers of having a product or service available where needed, whereas time utility is the value to consumers of having a product or service available when needed. Redbox vending machines create both time and place utilities.201. The value to consumers that comes from making an item easy to purchase through the provision of credit cards and financial arrangements constitutes \_\_\_\_\_\_\_\_\_\_ utility.A. timeB. placeC. market**D.** possessionE. form*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 1 EasyTopic: Product Value Creation*Feedback: Text term definition—possession utility.202. Which of the following is an example of possession utility?A. an iPhone with a large selection of new appsB. the local dairy that offers to deliver bottles of milk to a customer's doorstepC. disposable diapers that come equipped with resealable tabsD. a gourmet food store that carries a line of ready-made salads**E.** a mobile phone company that offers six-month financing, same as cash*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 3 HardTopic: Product Value Creation*Feedback: Possession utility is the value to the consumer of making an item easy to purchase so consumers can use it. The mobile phone company offers six-month financing, same as cash terms to consumers, thus increasing ease of purchase.203. Robert was running low on cash when he went to buy his marketing textbook on the first day of class. Luckily, the bookstore accepted his VISA card, so the bookstore created \_\_\_\_\_\_\_\_\_\_ utility for Robert.A. formB. timeC. price**D.** possessionE. place*AACSB: Knowledge ApplicationAccessibility: Keyboard NavigationBlooms: ApplyLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 3 HardTopic: Product Value Creation*Feedback: Possession utility is the value to the consumer of making an item easy to purchase so consumers can use it. The bookstore accepts major credit cards, thus increasing ease of purchase.204. The founder of Chobani, who won the 2013 Ernst & Young World Entrepreneur of the Year award, isA. Mark Zuckerberg.B. Joe Demapolis.**C.** Hamdi Ulukaya.D. Robert M. McMath.E. David Windorski.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 1 EasyTopic: Strategic Marketing Planning*Feedback: Hamdi Ulukaya is founder and chief executive officer of Chobani, Inc.205. The difference between "Greek" yogurt and "American" yogurt is that the latterA. has a gritty texture.**B.** has a thin consistency.C. is not sweet enough for health-conscience palettes.D. is only sold in health or natural food stores.E. has high protein content.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 1 EasyTopic: The Four Ps*Feedback: In the opinion of Hamdi Ulukaya, the founder of Chobani, "American" yogurt is "too thin, too sweet, too fake."206. All of the following are points of difference for Chobani yogurt *except* which?A. It uses a shorter, wider cup that is more visible on retailers' shelves.B. It is preservative-free.C. It is higher in protein than regular yogurt.**D.** It uses a proprietary animal-based thickener.E. It uses a straining process that removes excess liquid whey.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 1 EasyTopic: The Four Ps*Feedback: Chobani is free of ingredients such as milk protein concentrate and animal-based thickeners, which some manufacturers add to make Greek-style yogurt.207. All of the following are current or prospective distribution channels for Chobani yogurt *except* which?A. convenience storesB. drugstoresC. mass merchandisersD. schools**E.** vending machines*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 2 MediumTopic: The Four Ps*Feedback: Chobani sees its Greek yogurt widely distributed in both conventional and mass supermarkets, warehouse club stores, and natural food stores. On the horizon is growing distribution in convenience and drug stores, as well as schools.208. Chobani used all of the following tactics to promote its Greek yogurt *except* which? **A.** sponsored the Food Network's "Rachael vs. Guy: Kids Kick-Off" TV show with its Chobani Champions Tubes.B. created a website to provide consumers with recipes that use Chobani yogurt.C. sponsored the U.S. Olympic and Paralympic Teams.D. used social networks Facebook, Twitter, Pinterest, and Instagram.E. relied on word of mouth in its early years.*AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandLearning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.Level of Difficulty: 2 MediumTopic: The Four Ps*Feedback: While it may be a good tactic, Chobani did not sponsor the Food Network's "Rachael vs. Guy: Kids Kick-Off" TV show with its Chobani Champions® Tubes, which is targeted at kids.209. Describe the marketing mix actions mentioned in the textbook that Chobani has taken since its founding in 2005.

Product actions. (1) In 2005, Turkish immigrant Hamdi Ulukaya developed Chobani yogurt, a strained yogurt that is a little bit sour, like sour cream, has much more protein, fewer calories, and more calcium than the traditional American yogurts. (2) In 2011, Chobani introduced its Champion Tubes Greek yogurt line for kids. (3) In 2013, Chobani expanded its main product line by adding more flavors, including Coconut, Banana, and Key Lime that were suggested by customers. Price actions. Prices were set high enough to recover Chobani's costs and give reasonable margins to retailers but not so high that future rivals could undercut its price. Today, prices remain at about $1.29 for a single-serve cup. Promotion actions. (1) Initially, Chobani had little money for traditional advertising, so it relied on positive word of mouth—one happy customer telling another about this new Chobani yogurt. (2) In 2010, Chobani used its "CHOmobile" to hand out free samples to encourage consumers to try Greek yogurt for the first time. (3) In 2012, Chobani sponsored the London Olympics and Paralympic Games. (4) Chobani also aired a TV ad called "Proudly with You" during these Olympics. (5) Chobani uses Facebook, YouTube (which feature "Just as Good" recipes to show customers how to use its tasty products in meals and desserts), Pinterest, Instagram, Twitter, and other social media sites. (6) In 2011, Chobani hired former two-time Olympian women's softball pitcher Jennie Finch as spokesperson to promote the Champions brand. Place (distribution) actions. (1) Initially, Chobani wanted to distribute its Greek yogurt in the main dairy cases of major grocery chains, not in the niche or organic sections of these chains nor in natural foods or specialty stores. (2) By 2009, Chobani could be found in the main dairy cases of chains such as Stop & Shop, BJ's, and Costco. (3) In 2010, Chobani used its "CHOmobile." (4) In 2013, Chobani yogurt was sold in the United States, Canada, and Australia. (5) In 2012, Chobani opened its first "yogurt bar," called Chobani SoHo, in New York City, a store that features "a collection of non-frozen, yogurt-based creations."*AACSB: Analytical ThinkingBlooms: UnderstandLearning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.Level of Difficulty: 2 MediumTopic: The Four Ps*210. Why are you, as a student, already somewhat of a marketing expert before taking this course? Provide a specific example from your own personal experience and relate it to something you just "formally" learned about marketing.

Students are, in a sense, marketing experts because they engage in many marketing activities every day. Experience in shopping for products gives students great insights into the world of marketing. As consumers, students have been involved in thousands of marketing decisions, but mostly on the buying and not the selling side. For example, right before class a student may have bought lunch in the school cafeteria as a buyer in a marketing activity.*AACSB: Knowledge ApplicationBlooms: ApplyLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 3 HardTopic: Role of the Marketing Manager*211. What is the definition of marketing according to the textbook? How does this differ from your previous notion of marketing before beginning this course?

The American Marketing Association 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. This definition shows marketing to be a far broader activity than simply advertising or personal selling. It stresses the importance of delivering genuine benefits in the offerings of products, services, and ideas marketed to customers. Also, note that the organization doing the marketing, the stakeholders affected (such as customers, employees, suppliers, and shareholders), and society should all benefit.*AACSB: Analytical ThinkingBlooms: RememberLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 1 EasyTopic: Define Marketing*212. What are the two key objectives of marketing? Define "exchange" and explain how it supports these objectives.

To serve both buyers and sellers, marketing seeks (1) to discover the needs and wants of prospective customers and (2) to satisfy them. The key to achieving these two objectives is the idea of exchange, which is the trade of things of value between buyer and seller so that each is better off after the trade. If an exchange takes place, then marketers will have been successful in achieving these two objectives, since each party must be better off after the trade.*AACSB: Analytical ThinkingBlooms: UnderstandLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 2 MediumTopic: Define Marketing*213. Some people may assume that for a marketer, the only thing of value for which he or she would "exchange" would be monetary (check, credit/debit, currency, and/or coin transactions). But what else can be exchanged? Provide an example of a nonmonetary transaction that still fits the criteria of exchange.

Exchange is the trade of things of value between buyer and seller so that each is better off after the trade. This could include exchange of votes for political leadership, donations of time in exchange for feelings of generosity, etc. It would also include barter, the practice of exchanging products and services for other products and services rather than for money in both domestic and global markets.*AACSB: Knowledge ApplicationBlooms: ApplyLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 3 HardTopic: Define Marketing*214. In addition to consumers, what other people, groups, and environmental forces interact to influence an organization's marketing activities?

Foremost is the organization itself, whose mission and objectives determine what business it is in and what goals it seeks. Within the organization, management is responsible for establishing these goals. The marketing department works closely with a network of other departments and employees to help provide the customer-satisfying products required for the organization to survive and prosper. The marketing department is responsible for facilitating relationships, partnerships, and alliances with the organization's customers, its shareholders (or often representatives of groups served by a nonprofit organization), its suppliers, and other organizations. Environmental forces such as social, economic, technological, competitive, and regulatory forces also shape an organization's marketing activities. Finally, an organization's marketing decisions are affected by and, in turn, often have an important impact on society as a whole. The organization must strike an acceptable balance among all these influences. See Figure 1-1.*AACSB: Analytical ThinkingBlooms: UnderstandLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 2 MediumTopic: Environmental Influences on Marketing*215. What four factors are required for marketing to occur?

For marketing to occur, four factors are required: (1) two or more parties (individuals or organizations) with unsatisfied needs; (2) a desire and ability on their parts to satisfy these needs; (3) a way for the parties to communicate; and (4) something to exchange.*AACSB: Analytical ThinkingBlooms: UnderstandLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 2 MediumTopic: Elements of a Marketing Strategy*216. In China, many people are removing their money from the state banks and lending it out themselves. The interest rate earned in a state bank account is about one-half the rate of inflation. On the other hand, lending money to friends, relatives, and even unrelated entrepreneurs can often earn the investor a rate at least double the inflation rate. The gray market, an underground network of investors and private businesses, moves the cash from lenders to businesses. Did marketing occur here? Explain your answer.

To answer this question, students will need to know the four factors that are required for marketing to occur. (1) There must be two or more parties with unsatisfied needs. The lenders want to receive a higher interest rate on their funds and the businesses need short-term loans. (2) There must be a desire and an ability to satisfy those needs. The lenders want to receive a higher interest rate on their funds and the businesses need short-term loans. The money is available since the lenders removed it from the state banks. (3) There must be a way for the parties to communicate. Word of mouth from the gray market, an underground network, allows communication between the lenders and businesses. (4) There must be something to exchange. Cash was exchanged in the form of loans, repaid with interest. Students should be able to see that marketing did indeed occur.*AACSB: Knowledge ApplicationBlooms: ApplyLearning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.Level of Difficulty: 3 HardTopic: Elements of a Marketing Strategy*217. Add your own personal experience and creativity to what you have learned about marketing. Formulate a plan to assess the needs of either (1) students who have too many textbooks to carry to and from class or (2) executives who are too busy to keep up with the latest information in their field.

A quality answer will include multiple techniques. Even though this is not the "market research" chapter, there are textbook examples of observation, questioning, involvement of stakeholders in the research process, discussions, etc., used to discover needs. The emphasis should be placed on gathering as much information as possible prior to development of the product itself.*AACSB: Knowledge ApplicationBlooms: ApplyLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 3 HardTopic: Consumer Needs and Wants*218. Define needs and wants. Can marketing shape a person's wants? Explain your answer.

A need occurs when a person feels deprived of basic necessities such as food, clothing, and shelter. A want is a need that is shaped by a person's knowledge, culture, and personality. However, psychologists and economists still debate the exact meanings of *need* and *want*. Effective marketing, in the form of creating an awareness of good products at convenient locations, can clearly shape a person's wants. Certainly, marketing tries to influence what we buy. A principal activity of a firm's marketing department is to scrutinize its consumers to understand what they need and want and the trends and factors that shape them. However, a key issue is the amount of freedom given to prospective customers to make their own buying decisions.*AACSB: Analytical ThinkingBlooms: UnderstandLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 2 MediumTopic: Consumer Needs and Wants*219. What are the three components of a person's ability to buy an offering?

The three components of a person's ability to buy an offering are authority, time, and money.*AACSB: Analytical ThinkingBlooms: UnderstandLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 2 MediumTopic: Target Markets*220. Explain the difference between a market and a target market. Provide a specific example of each.

Potential consumers make up a market, which consists of people with both the desire and the ability to buy a specific product. All markets ultimately are people. A target market is one or more specific groups of potential consumers toward which an organization directs its marketing program. An example of a market is the tablet device market, of which the iPad is a market leader. An example of a target market for tablet devices would be college students who want their textbooks in digital, not printed format, for the convenience (no more heavy books) and lower cost (due to the digital delivery of the content).*AACSB: Knowledge ApplicationBlooms: ApplyLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 3 HardTopic: Target Markets*221. Describe two different target markets for two different products or services you, your friends, or your family have recently purchased or used.

A target market is a specific group of potential consumers toward which an organization directs its marketing program. In response to this question, students might define the target market for a local baseball team as people who live in the area, perhaps skewed toward males, and 25 to 84 years of age. Another interesting answer is to examine how one product, such as a Toyota 4-Runner, can have two different target markets. One target market might be the adventurous outdoor mountain biker who uses the vehicle to transport his or her equipment to the mountains to bike. The other target market might be a "soccer mom" with children and equipment to transport to the local soccer field for practice.*AACSB: Knowledge ApplicationBlooms: ApplyLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 3 HardTopic: Target Markets*222. An inventor designs a scissors that has interchangeable blades that allow the user to switch from straight cuts to decorative cuts. Identify two possible target markets and explain your answer.

A target market is a specific group of potential consumers toward whom an organization directs its marketing program. While anyone might benefit from using the product, a quality answer should link the benefits of the product (interchangeable straight and decorative blades) to the specific needs of a specific group. For example, scrapbook makers could use the straight blade when trimming pictures and use decorative blades when cutting background pages for their albums. The same scissors might be targeted for schoolteachers to create decorative flyers to post on bulletin boards regarding upcoming events for their students.*AACSB: Knowledge ApplicationBlooms: ApplyLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 3 HardTopic: Target Markets*223. Marketing managers use a combination of four tools in order to develop a complete marketing program to reach consumers. Briefly define these four tools.

To reach consumers, marketing managers use four tools, often called, "the four Ps." These include: (1) product—a good, service, or idea to satisfy the consumers' needs; (2) price—what is exchanged for the product; (3) promotion—a means of communication between the seller and buyer; and (4) place (or distribution)—a means of getting the product to the consumer.*AACSB: Analytical ThinkingBlooms: RememberLearning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.Level of Difficulty: 1 EasyTopic: The Four Ps*224. Imagine you have the sole marketing rights to a new herbal shampoo that stops hair loss and actually causes new hair growth. You plan to sell your product on an Internet website, which you will advertise on late-night television. You are also hoping to obtain free publicity to place stories in men's fashion magazines. You are planning to sell online a 15-ounce bottle for $24.99 plus $7.99 shipping and handling. Using the information provided, identify each element of your marketing mix.

The shampoo is the product element. The Internet website is the place element. The ads on late-night television and the publicity are the promotion element. The price element is the $24.99 price plus the $7.99 for shipping and handling.*AACSB: Knowledge ApplicationBlooms: ApplyLearning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.Level of Difficulty: 3 HardTopic: The Four Ps*225. List the five environmental forces in a marketing decision that generally are outside the control of marketing managers.

The five environmental forces mainly beyond most executives' control include social, economic, technological, competitive, and regulatory forces. These five forces may serve as accelerators or brakes on marketing, sometimes expanding an organization's marketing opportunities while at other times restricting them.*AACSB: Analytical ThinkingBlooms: RememberLearning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.Level of Difficulty: 1 EasyTopic: Environmental Influences on Marketing*226. Why do some marketers feel that environmental forces are *not* entirely outside their influence?

Traditionally, many marketing executives have treated these environmental factors as rigid, absolute constraints that are entirely outside their influence. However, recent studies and marketing successes have shown that a forward-looking, action-oriented firm can often affect some environmental factors, for example, by achieving technological or competitive breakthroughs.*AACSB: Analytical ThinkingBlooms: UnderstandLearning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.Level of Difficulty: 2 MediumTopic: Environmental Influences on Marketing*227. Do college students have a choice in which classes they take to earn a degree? Use what you have learned about the controllable and uncontrollable aspects of marketing in terms of how they might relate to course selection decision making. Incorporate marketing terms in your response.

Most colleges and universities offer some courses that are required—the core courses in the major as well as social sciences—while others are elective. These are the product, or service, element of the educational offering. The price element would be the tuition paid, less any scholarships. The promotion element would consist of the communication between the educational institution and students, such as e-mails, ads in high school career counseling offices, course catalogs, etc. The place element would consist of the on-campus location, off-campus location, and/or the online website that delivers courses that fulfill the core and elective requirements for the majors students select. A quality answer for this question should be based on how well the student is able to give specific examples.*AACSB: Knowledge ApplicationBlooms: ApplyLearning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.Level of Difficulty: 3 HardTopic: Environmental Influences on Marketing*228. The Apple iPhone is rated by Consumer Reports as being one of the best smartphones in the industry. Define customer value. In what ways do you think the Apple iPhone provides value for its customers?

Customer value is the unique combination of benefits received by targeted buyers that includes quality, convenience, on-time delivery, and both before-sale and after-sale service at a specific price. Many successful firms have chosen to deliver outstanding customer value with one of three value strategies: best price, best product, or best service. Apple uses the best product and best service strategies for its iPhone 6S, which Consumer Reports rates as one of the best smartphones on the market. Smartphones users may cite the iPhone's display, ease of use of its multi-touch user interface, voice quality, messaging, camera, video game capability, durability, battery life, etc., as key product-related benefits that contribute to its customer value.*AACSB: Knowledge ApplicationBlooms: ApplyLearning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.Level of Difficulty: 3 HardTopic: CRM*229. Assume you are a salesperson for a direct marketing firm that does in-home jewelry parties. If most of your hosts or hostesses hold only one party a year, what strategies could you use to build strong customer relationships? If you are creating your own business for this example, make sure to describe your product(s) in your introductory sentence.

A quality answer should have a strong emphasis on regular, sustained communication with customers and jewelry representatives, whether it is through personal contact by phone, notes, emails, etc. Answers that are creative and supply product-specific examples should be encouraged.*AACSB: Knowledge ApplicationBlooms: ApplyLearning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.Level of Difficulty: 3 HardTopic: CRM*230. During October, kiosk or "pop-up" stores appear in many malls for the holiday season. Typically, these kiosks sell gift boxes of cheese, jewelry, and other items people think are appropriate seasonal gifts. In January, these retailers vanish. Is it possible for such a retailer to use relationship marketing? Explain your answer.

Generally, students will say "no" based on the definition of relationship marketing. The textbook defines relationship marketing as linking the organization to its individual customers, employees, suppliers, and other partners for their mutual long-term benefits. In an ideal setting, relationship marketing involves a personal, ongoing relationship between the organization and an individual customer. However, this is based on the idea that the kiosks are not there long enough to establish a long-term relationship. Very insightful students may see an opportunity for these retailers (who return year after year) to develop long-term multiyear relationships. Databases would allow direct mail notifications each fall that the prized gifts are again available. Also, kiosk marketers could send customers emails throughout the winter, spring, and summer about specials, new products, and other offers to stimulate year-round purchases via a dedicated website.*AACSB: Knowledge ApplicationBlooms: ApplyLearning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.Level of Difficulty: 3 HardTopic: CRM*231. Twitter is a website that offers a social networking service, enabling its users to send and read other users' messages or conversations called tweets, which are text-based posts of up to 140 characters displayed on the user's profile page. Connected to each "tweet" is a rich details pane that provides additional information, deeper context, and embedded media. Companies are beginning to use Twitter as a tool in their relationship marketing programs. In what ways can Twitter be used to benefit both the customer and the organization?

One aspect of Twitter is that it allows organizations to get customer feedback in real time. It provides the organization with information about "followers" in a larger and more open forum. It also provides access to ideas that might result in new or improved products that would benefit the customer. It could also allow companies to communicate with its customers in a frequent, informal, and friendly way to support the relationship.*AACSB: Knowledge ApplicationBlooms: ApplyLearning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.Level of Difficulty: 3 HardTopic: CRM*232. Explain the marketing program that 3M used to reach the student target market for the Post-it® Flag Highlighter and the rationale used for each element of the marketing mix.

Answers should address all four Ps. (1) The product strategy included offering the Post-it® Flag Highlighter to help college students with their studying. 3M listened carefully to the needs and wants of potential customer segments to use 3M technology to introduce a useful, innovative product. (2) The price strategy sought a retail price of about $3.99-$4.99 for a single Post-it® Flag Highlighter or $5.99-$7.99 for a three-pack. The idea was to set prices that provide genuine value to the customer segment that was targeted. (3) The promotion strategy was to run limited promotion with a TV ad and some ads in college newspapers and then rely on student word-of-mouth messages to inform other students of the product. This would increase awareness of potential users in the student segment who had never heard of this new, innovative 3M product. (4) The place strategy was to distribute the Post-it® Flag Highlighter through college and university bookstores, office supply stores, and mass merchandisers. This made it easy for prospective buyers to buy at convenient retail outlets. See Figure 1-3.*AACSB: Analytical ThinkingBlooms: UnderstandLearning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.Level of Difficulty: 2 MediumTopic: The Four Ps*233. Explain the marketing program 3M used to reach the office worker segment with its Post-it® Flag Pen.

A marketing program integrates the marketing mix elements to provide a good, service, or idea to prospective buyers. (1) 3M's product strategy to reach the office worker segment is to offer the Post-it® Flag Pen to help office workers in their day-to-day work activities. The company listened carefully to the needs and wants of potential customer segments to use 3M technology to introduce a useful, innovative product. (2) 3M's price strategy is to seek a retail price of about $3.99-$4.99 for a single Post-it® Flag Pen; wholesale prices are less. This price provides genuine value to the office worker segment. (3) The promotion strategy is to run limited promotion among distributors to get them to stock the product. (4) The place strategy is to distribute Post-it® Flag Pens through office wholesalers and retailers as well as mass merchandisers. See Figure 1-3.*AACSB: Analytical ThinkingBlooms: UnderstandLearning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.Level of Difficulty: 2 MediumTopic: The Four Ps*234. Define the marketing concept.

The marketing concept is the idea that an organization should (1) strive to satisfy the needs of consumers (2) while also trying to achieve the organization's goals.*AACSB: Analytical ThinkingBlooms: RememberLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 1 EasyTopic: Marketing Eras*235. Goods, services, and ideas all can be marketed. Define goods, services, and ideas and give at least one example of each.

Goods are physical objects, such as toothpaste, cameras, or computers that satisfy consumer needs. Services are intangible items such as airline trips, financial advice, or art museums. Ideas are intangibles involving thoughts about actions or causes such as donating to a charity or voting for a political candidate.*AACSB: Knowledge ApplicationBlooms: ApplyLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 3 HardTopic: Marketing Eras*236. What are the primary differences between an ultimate consumer and an organizational buyer? Select one product and explain the differences in either its use or purchase, depending on whether it was purchased by an ultimate consumer or an organizational buyer.

Students' examples will differ, but each example should be descriptive of the definition. Ultimate consumers are the people who use the products and services purchased for a household. For example, a high-definition television could be purchased by any member of a family and used by all for personal enjoyment. Organizational buyers are those manufacturers, wholesalers, retailers, and government agencies that buy products and services for their own use or for resale. A hospital might buy the same television model (most likely in larger quantities) for use in patients' rooms to add value by enhancing their hospital stays.*AACSB: Knowledge ApplicationBlooms: ApplyLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 3 HardTopic: Strategic Marketing Planning*237. In our free enterprise society, which three specific groups benefit from effective marketing?

The three specific groups that benefit from effective marketing are: (1) consumers who buy (they can obtain the best product at the lowest price, leading to consumer satisfaction); (2) organizations that sell (receive profits, etc., if they provide need-satisfying products with effective marketing programs); and (3) society as a whole (providing jobs and a higher standard of living for its citizens).*AACSB: Analytical ThinkingBlooms: UnderstandLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 2 MediumTopic: Strategic Marketing Planning*238. Explain what is meant by the concept of marketing utility. Identify and describe the four utilities created by marketing.

Marketing creates utility, the benefits or customer value received by users of the product. This utility is the result of the marketing exchange process and the way society benefits from marketing. The four utilities include form, place, time, and possession. The production or alteration of goods or services constitutes form utility. Place utility means having a good or service available where needed, whereas time utility is the value to consumers of having a good or service available when needed. Possession utility is the value to consumers of making an item easy to purchase, such as with a convenient credit card, so consumers can use it.*AACSB: Analytical ThinkingBlooms: RememberLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 1 EasyTopic: Strategic Marketing Planning*239. At the BMW website, BMW.com, you can design your own BMW with the exact features you desire. If you choose to use this method to purchase a car, what type of utility(ies) has(have) been created?

Form utility comes from the production or alteration of a product or service that provides value to consumers. Form utility is created when you can design and build your own personal BMW at the BMW's website, BMW.com. In addition, BMW provides possession utility, which is the value of making an item easy to purchase through the provision of credit cards or financial arrangements for payment. Here, BMW also provides possession utility by allowing customers to buy a car online. Eventually, they will have to go to a local dealer to pick up their cars, an example of place utility. Finally, BMW provides time utility because building a BMW car online saves consumers from taking time to visit dealerships to see if their preferred car is on the lot. The BMW website also provides information to make the external information search process more efficient.*AACSB: Knowledge ApplicationBlooms: ApplyLearning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.Level of Difficulty: 3 HardTopic: Strategic Marketing Planning*240. Explain Chobani's product strategy that makes Chobani yogurt different from its principal competitors.

The Chobani product strategy stresses its authentic straining process that removes excess liquid whey. This results in a thicker, creamier yogurt that yields 13 to 18 grams of protein per single-serve cup, depending on the flavor. Chobani yogurt is free of milk protein concentrate and animal-based thickeners, which some manufacturers add to make Greek-style yogurts. Chobani uses three pounds of milk to make one pound of Chobani yogurt. Some other features that make its yogurt "nothing but good," to quote its tagline: (1) higher in protein than regular yogurt; (2) made with real fruit and only natural ingredients; (3) preservative-free; (4) no artificial flavors or artificial sweeteners; and (5) contains five live and active cultures, including three probiotics. Chobani also uses European-style cups with a circular opening exactly 95 millimeters across. This made for a shorter, wider cup that was more visible on retailers' shelves. Moreover, instead of painted-on labels, Chobani uses shrink-on plastic sleeves that adhere to the cup and offer eye-popping colors. Today, Chobani offers its hallmark Chobani yogurt in single-serve and multi-serve sizes, while expanding its authentic strained Greek yogurt to new occasions and forms (Chobani Bite, to reach the "indulgent" segment wanting a healthy snack; Chobani Champions Tubes, targeted at kids; and Chobani Flip, a two-compartment package that lets consumers "flip" mix-ins like granola into the yogurt compartment).*AACSB: Analytical ThinkingBlooms: UnderstandLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 2 MediumTopic: The Four Ps*241. Describe Chobani's distribution (place) strategy.

From the beginning, Chobani pushed for distribution in major grocery chains/supermarkets in the conventional yogurt aisle located within their main dairy cases and not on specialty shelves, in health food stores, health food sections of these chains or in smaller, niche stores. By 2009, Chobani could be found in the main dairy cases of chains including Stop & Shop, BJ's, and Costco. Today, Chobani yogurt is widely distributed in both conventional and mass supermarkets, club stores, and natural food stores. On the horizon: growing distribution in convenience and drugstores. Chobani is also focused on educating food service directors at schools across the United States about Greek yogurt's health benefits for kids. By 2013, Chobani yogurt was sold nationwide in the United States, the United Kingdom, and Australia.*AACSB: Knowledge ApplicationBlooms: ApplyLearning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.Level of Difficulty: 3 HardTopic: The Four Ps*

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