

Marketing Management, 15e, Global Edition (Kotler)
Chapter 1 Defining Marketing for the New Realities

1) Which of the following statements about marketing is true?

- A) It is of little importance when products are standardized.
- B) It can help create jobs in the economy by increasing demand for goods and services.
- C) It helps to build a loyal customer base but has no impact on a firm's intangible assets.
- D) It is more important for bigger organizations than smaller ones.
- E) It is seldom used by nonprofit organizations.

Answer: B

Diff: 1

LO: 1.1: Why is marketing important?

AACSB: Reflective thinking

2) A marketer's only concern is how best to create demand for a new product produced by his/her company. Improving product design is not his/her responsibility.

Answer: FALSE

Diff: 1

LO: 1.1: Why is marketing important?

AACSB: Reflective thinking

3) _____ management is the art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering, and communicating superior customer value.

- A) Marketing
- B) Knowledge
- C) Operations
- D) Strategic
- E) Distribution

Answer: A

Diff: 1

LO: 1.2: What is the scope of marketing?

AACSB: Reflective thinking

4) Identify the correct statement about marketing management.

- A) It is primarily concerned with the systematic gathering, recording, and analysis of data about issues related to marketing products and services.
- B) It focuses mostly on monitoring the profitability of a company's products and services.
- C) It focuses solely on attaining an organization's sales goals in an efficient manner.
- D) It is defined as the field that deals with planning and managing a business at the highest level of corporate hierarchy.
- E) It occurs when at least one party to a potential exchange thinks about the means of achieving desired responses from other parties.

Answer: E

Diff: 2

LO: 1.2: What is the scope of marketing?

AACSB: Reflective thinking

5) A social definition of marketing says _____.

- A) effective marketing requires companies to remove intermediaries to achieve a closer connection with direct consumers
- B) a company should focus exclusively on achieving high production efficiency, low costs, and mass distribution to facilitate the broadest possible access to the company's products
- C) marketing is the process by which individuals and groups obtain what they need and want through creating, offering, and freely exchanging products and services of value with others
- D) marketing is the process of extracting the maximum value from consumers to facilitate corporate growth
- E) marketing is the process of aggressive selling and promotion to encourage the purchase of products that might otherwise be unsought by the consumer

Answer: C

Diff: 1

LO: 1.2: What is the scope of marketing?

AACSB: Reflective thinking

6) _____ goods constitute the bulk of most countries' production and marketing efforts.

- A) Durable
- B) Impulse
- C) Physical
- D) Luxury
- E) Intangible

Answer: C

Diff: 1

LO: 1.2: What is the scope of marketing?

AACSB: Reflective thinking

7) As economies advance, a growing proportion of the economy's activities focuses on the production of _____.

- A) products
- B) events
- C) experiences
- D) luxury goods
- E) services

Answer: E

Diff: 2

LO: 1.2: What is the scope of marketing?

AACSB: Reflective thinking

8) Car rental firms, hair dressers, and management consultants provide _____.

- A) goods
- B) experiences
- C) events
- D) services
- E) information

Answer: D

Diff: 1

LO: 1.2: What is the scope of marketing?

AACSB: Analytical thinking; Application of knowledge

9) Soccer's World Cup is promoted aggressively to both companies and fans. This is an example of marketing a(n) _____.

- A) idea
- B) place
- C) luxury item
- D) event
- E) service

Answer: D

Diff: 2

LO: 1.2: What is the scope of marketing?

AACSB: Application of knowledge

10) The "Malaysia, Truly Asia" ad campaign that showcased Malaysia's beautiful landscape and its multicultural society in order to attract tourists is an example of _____ marketing.

- A) event
- B) property
- C) service
- D) place
- E) idea

Answer: D

Diff: 2

LO: 1.2: What is the scope of marketing?

AACSB: Analytical thinking; Application of knowledge

11) In Walt Disney's Magic Kingdom, customers can visit a fairy kingdom, a pirate ship, or even a haunted house. Disney is marketing a(n) _____.

- A) experience
- B) service
- C) event
- D) organization
- E) good

Answer: A

Diff: 1

LO: 1.2: What is the scope of marketing?

AACSB: Analytical thinking; Application of knowledge

12) Janet is very upset that she can't get tickets to the Rolling Stones concert because they are sold out. Which of the following demand states applies to Janet's situation?

- A) nonexistent demand
- B) latent demand
- C) full demand
- D) unwholesome demand
- E) overfull demand

Answer: E

Diff: 2

LO: 1.2: What is the scope of marketing?

AACSB: Analytical thinking; Application of knowledge

13) Sales of woolen clothing usually increase during the winter season and decline thereafter. This is an example of _____ demand.

- A) irregular
- B) declining
- C) impulse
- D) latent
- E) negative

Answer: A

Diff: 2

LO: 1.2: What is the scope of marketing?

AACSB: Analytical thinking; Application of knowledge

14) Julia is worried about the rising pollution levels in her city. She doesn't mind paying extra for goods and services that use sustainable processes to help control pollution. This is an example of _____ for pollution.

- A) declining demand
- B) nonexistent demand
- C) latent demand
- D) negative demand
- E) unwholesome demand

Answer: D

Diff: 2

LO: 1.2: What is the scope of marketing?

AACSB: Analytical thinking; Application of knowledge

15) People in emerging countries today are becoming increasingly health conscious and are seeking healthy food choices. As a result, demand for health foods is rising steadily, creating an opportunity for marketers to exploit this _____ market.

- A) demographic
- B) business
- C) need
- D) geographic
- E) service

Answer: C

Diff: 3

LO: 1.2: What is the scope of marketing?

AACSB: Analytical thinking

16) When consumers share a strong need that cannot be satisfied by an existing product, it is called _____ demand.

- A) negative
- B) latent
- C) declining
- D) irregular
- E) nonexistent

Answer: B

Diff: 2

LO: 1.2: What is the scope of marketing?

AACSB: Reflective thinking

17) When demand is _____, it implies that more customers would like to buy the product than can be satisfied.

- A) latent
- B) irregular
- C) overfull
- D) full
- E) negative

Answer: C

Diff: 1

LO: 1.2: What is the scope of marketing?

AACSB: Reflective thinking

18) In the case of _____ demand, consumers dislike the product and may even pay a price to avoid it.

- A) nonexistent
- B) overfull
- C) irregular
- D) negative
- E) declining

Answer: D

Diff: 1

LO: 1.2: What is the scope of marketing?

AACSB: Reflective thinking

19) Organizations catering to the _____ market need to price their offerings carefully because these markets usually have limited purchasing power.

- A) business
- B) global
- C) nonprofit
- D) consumer
- E) exclusive

Answer: C

Diff: 1

LO: 1.2: What is the scope of marketing?

AACSB: Reflective thinking

20) Which of the following is true of business markets?

- A) Buyers are usually not skilled at comparing competitive product offerings.
- B) Buyers have limited purchasing power.
- C) Property rights, language, culture, and local laws are the most important concerns.
- D) Products sold in such markets are usually highly standardized.
- E) Business buyers purchase goods to make or resell a product to others at a profit.

Answer: E

Diff: 2

LO: 1.2: What is the scope of marketing?

AACSB: Analytical thinking

21) The responses marketers seek from prospects include all of the following EXCEPT _____.

- A) decampment
- B) attention
- C) a purchase
- D) a vote
- E) a donation

Answer: A

Diff: 2

LO: 1.2: What is the scope of marketing?

AACSB: Reflective thinking

22) Jorge drinks two liters of soda each day. He is aware of the negative impacts of sugary drinks on his health and the potential for the empty bottles to add to pollution. His demand state is best characterized as _____ demand.

- A) overfull
- B) latent
- C) irregular
- D) unwholesome
- E) nonexistent

Answer: D

Diff: 2

LO: 1.2: What is the scope of marketing?

AACSB: Application of knowledge

23) P&G sells cosmetics, laundry detergent, and products like Pringles to the _____ market by establishing strong brand images, developing superior products, ensuring their availability, and backing them with engaging communications and reliable performance.

- A) business
- B) governmental
- C) global
- D) nonprofit
- E) consumer

Answer: E

Diff: 2

LO: 1.2: What is the scope of marketing?

AACSB: Application of knowledge

24) A short definition of marketing is "meeting needs profitably."

Answer: TRUE

Diff: 1

LO: 1.2: What is the scope of marketing?

AACSB: Analytical thinking

25) Services constitute the bulk of most countries' production and marketing efforts.

Answer: FALSE

Diff: 2

LO: 1.2: What is the scope of marketing?

AACSB: Analytical thinking

26) Place marketers include economic development specialists, real estate agents, commercial banks, local business associations, and advertising and public relations agencies.

Answer: TRUE

Diff: 1

LO: 1.2: What is the scope of marketing?

27) Properties are tangible rights of ownership to either real property (real estate) or financial property (stocks and bonds).

Answer: FALSE

Diff: 1

LO: 1.2: What is the scope of marketing?

28) "Friends Don't Let Friends Drive Drunk," is an example of marketing information to an interested audience.

Answer: FALSE

Diff: 2

LO: 1.2: What is the scope of marketing?

AACSB: Reflective thinking

29) Unwholesome demand occurs when consumers' purchases vary on a seasonal, monthly, weekly, daily, or even hourly basis.

Answer: FALSE

Diff: 2

LO: 1.2: What is the scope of marketing?

AACSB: Analytical thinking

30) When consumers share a strong need that cannot be satisfied by an existing product, they are exhibiting latent demand.

Answer: TRUE

Diff: 2

LO: 1.2: What is the scope of marketing?

31) Advertising is the most important element in business marketing.

Answer: FALSE

Diff: 2

LO: 1.2: What is the scope of marketing?

AACSB: Diverse and multicultural work environments

32) Companies selling their goods to nonprofit organizations often charge a premium over their normal prices because these organizations are largely indifferent to price.

Answer: FALSE

Diff: 1

LO: 1.2: What is the scope of marketing?

AACSB: Reflective thinking

33) Marketing has been described as being both an "art" and a "science." Discuss the differences and similarities between these two marketing thrusts. Provide your theoretical response and a "real-life" example where you have seen both processes work effectively at creating customer value and loyalty.

Answer: The student should demonstrate his or her understanding that the marketer must use data to understand customer needs and translate this understanding into properly designed products and services. This requires application of state-of-the art tools and techniques. It is also an art as marketers try to find creative solutions to consumer needs.

Diff: 2

LO: 1.2: What is the scope of marketing?

AACSB: Reflective thinking

34) Marketers are involved in marketing 10 types of entities. List and briefly characterize these entities.

Answer: The types of entities that are marketed are:

- goods — physical goods
- services — hotels and car rental services
- events — time-based events such as trade shows
- experiences — Walt Disney's Magic Kingdom
- persons — celebrity marketing
- places — cities, states, regions, and even whole nations
- properties — intangible rights of ownership of either real property or financial property
- organizations — corporate identity
- information — information produced and marketed as a product
- ideas — marketing the basic idea of a market offering.

Diff: 3

LO: 1.2: What is the scope of marketing?

AACSB: Analytical thinking; Application of knowledge

35) Marketers should be skilled in stimulating demand for a company's products. Just as production and logistics professionals are responsible for supply management, marketers are responsible for demand management. Marketing managers seek to influence the level, timing, and composition of demand to meet the organization's objectives. List and briefly describe the eight different demand states.

Answer: The eight different demand states are:

1. negative demand — consumers dislike the product and may even pay a price to avoid it
2. nonexistent demand — consumers may be unaware or uninterested in the product
3. latent demand — consumers may share a strong need that cannot be satisfied by an existing product
4. declining demand — consumers begin to buy the product less frequently or not at all
5. irregular demand — consumer purchases vary on a seasonal, monthly, weekly, daily, or even hourly basis
6. full demand — consumers are adequately buying all products in the market
7. overfull demand — more consumers would like to buy the product than can be satisfied
8. unwholesome demand — consumers may be attracted to products that have undesirable social consequences.

Diff: 3

LO: 1.2: What is the scope of marketing?

AACSB: Analytical thinking

36) Discuss the eight demand states with respect to bifocal lenses for glasses.

Answer: Student answers will vary, but a possible answer includes the following:

- negative demand — many people don't want to admit they need bifocals
- nonexistent demand — when bifocal lenses were first introduced, people didn't know they existed
- latent demand — before they were introduced, many people thought such a product would be nice, but didn't think it would ever exist
- declining demand — this will occur when something better and more convenient is invented
- irregular demand — the consumer perceives a need for eye care devices only periodically, possibly when they begin to have trouble with their vision
- full demand — the manufacturers of the lenses are making all they possibly can
- overfull demand — the manufacturers of the lenses can't make enough and inventories are low
- unwholesome demand — seeking alternatives that can lead to undesirable consequences.

Diff: 2

LO: 1.2: What is the scope of marketing?

AACSB: Analytical thinking

37) Provide an example of a company that is adapting and thriving in these changing times. Be specific about how it has adapted its marketing strategy to adjust to the times.

Answer: Student responses will vary, but may include the American Express, BMW, Corning, or P&G examples from the text. Look for information about the marketing strategy (4 Ps, 4 As) in the response.

Diff: 3

LO: 1.2: What is the scope of marketing?

AACSB: Application of knowledge

38) Selling is not the most important part of marketing. Explain why not.

Answer: According to Peter Drucker, "There will always, one can assume, be need for some selling. But the aim of marketing is to make selling superfluous. The aim of marketing is to know and understand the customer so well that the product or service fits him and sells itself. Ideally, marketing should result in a customer who is ready to buy. All that should be needed then is to make the product or service available."

Diff: 2

LO: 1.2: What is the scope of marketing?

AACSB: Reflective thinking

39) _____ are basic human requirements, while _____ are the ways in which those requirements are satisfied.

- A) Wants; needs
- B) Demands; wants
- C) Needs; wants
- D) Needs; demands
- E) Demands; needs

Answer: C

Diff: 1

LO: 1.3: What are some core marketing concepts?

AACSB: Reflective thinking

40) When Frank buys his own house, he would like to have a home theater system and a jacuzzi. He plans to save enough money in the next three years so that he can fulfill his wish. Frank's desire for the home theater and the jacuzzi is an example of a(n) _____.

- A) need
- B) want
- C) demand
- D) unstated need
- E) latent demand

Answer: B

Diff: 2

LO: 1.3: What are some core marketing concepts?

AACSB: Analytical thinking; Application of knowledge

41) When companies measure the number of people who are willing and able to buy their products, they are measuring _____.

- A) demand
- B) price elasticity
- C) real needs
- D) standard of living
- E) disposable income

Answer: A

Diff: 2

LO: 1.3: What are some core marketing concepts?

AACSB: Reflective thinking

42) A(n) _____ need is one that the consumer is reluctant or unwilling to explicitly verbalize.

- A) secondary
- B) unstated
- C) delight
- D) secret
- E) stated

Answer: D

Diff: 2

LO: 1.3: What are some core marketing concepts?

AACSB: Reflective thinking

43) A(n) _____ need is a need that the consumer explicitly verbalizes.

- A) stated
- B) affirmative
- C) unsought
- D) delight
- E) secret

Answer: A

Diff: 2

LO: 1.3: What are some core marketing concepts?

AACSB: Reflective thinking

44) The identification and profiling of distinct groups of buyers who might prefer or require varying product and service mixes is known as _____.

- A) segmentation
- B) integration
- C) disintermediation
- D) cross-selling
- E) customization

Answer: A

Diff: 2

LO: 1.3: What are some core marketing concepts?

AACSB: Reflective thinking

45) Companies address needs by putting forth a _____, a set of benefits that they offer to customers to satisfy their needs.

- A) brand
- B) value proposition
- C) deal
- D) marketing plan
- E) demand

Answer: B

Diff: 2

LO: 1.3: What are some core marketing concepts?

AACSB: Reflective thinking

46) During market segmentation analysis, the marketer identifies which segments present the greatest opportunity. These segments are called _____ markets.

- A) target
- B) capital
- C) tertiary
- D) demographic
- E) developing

Answer: A

Diff: 2

LO: 1.3: What are some core marketing concepts?

AACSB: Reflective thinking

47) _____ reflects a customer's judgment of a product's performance in relation to his or her expectations.

- A) Brand equity
- B) Satisfaction
- C) Value
- D) Perception
- E) Brand image

Answer: B

Diff: 1

LO: 1.3: What are some core marketing concepts?

48) The value of an offering is described as the _____.

- A) price consumers are charged for a product
- B) cost of manufacturing a product
- C) degree to which consumer demand for a product is positive
- D) sum of the tangible and intangible benefits and costs to customers
- E) intangible benefits gained from a product

Answer: D

Diff: 2

LO: 1.3: What are some core marketing concepts?

AACSB: Reflective thinking

49) When Volvo runs ads suggesting that its cars are the safest that money can buy, it is trying to _____.

- A) segment the market
- B) provide a service
- C) enter a new market
- D) develop brand loyalty
- E) position its product

Answer: E

Diff: 2

LO: 1.3: What are some core marketing concepts?

AACSB: Analytical thinking; Application of knowledge

50) If a marketer uses warehouses, transportation companies, banks, and insurance companies to facilitate transactions with potential buyers, the marketer is using a _____ channel.

- A) service
- B) distribution
- C) communication
- D) relationship
- E) standardized

Answer: A

Diff: 3

LO: 1.3: What are some core marketing concepts?

AACSB: Application of knowledge

51) The _____ is the channel from raw materials to components to final products that are carried to final buyers.

- A) communication channel
- B) distribution channel
- C) supply chain
- D) service chain
- E) marketing chain

Answer: C

Diff: 1

LO: 1.3: What are some core marketing concepts?

AACSB: Reflective thinking

52) The actual and potential rival offerings and substitutes that a buyer might consider are referred to as the _____.

- A) supply chain
- B) global market
- C) value proposition
- D) competition
- E) marketing environment

Answer: D

Diff: 1

LO: 1.3: What are some core marketing concepts?

AACSB: Reflective thinking

53) The _____ environment includes the actors involved in producing, distributing, and promoting an offering. The main actors are the company, suppliers, distributors, dealers, and the target customers.

- A) economic
- B) management
- C) strategic
- D) task
- E) tactical

Answer: D

Diff: 2

LO: 1.3: What are some core marketing concepts?

AACSB: Analytical thinking

54) Chipotle engages customers through Facebook, Twitter, and other social media via its grassroots "Food with Integrity" digital strategy, which puts the focus on what it sells and where it comes from. These are examples of _____ media.

- A) owned
- B) earned
- C) paid
- D) service
- E) marketing

Answer: A

Diff: 3

LO: 1.3: What are some core marketing concepts?

AACSB: Application of knowledge

55) Which of the following is NOT true regarding impressions?

- A) They are useful for tracking the scope of a communication.
- B) They are useful for tracking the breadth of a communication's reach.
- C) They can be compared across all communication types.
- D) They represent a less active response than engagement.
- E) They provide insight into the results of viewing the communication.

Answer: E

Diff: 3

LO: 1.3: What are some core marketing concepts?

AACSB: Reflective thinking

56) Wants are basic human requirements, such as food and shelter.

Answer: FALSE

Diff: 1

LO: 1.3: What are some core marketing concepts?

AACSB: Reflective thinking

57) Demands are wants for specific products backed by an ability to pay.

Answer: TRUE

Diff: 1

LO: 1.3: What are some core marketing concepts?

AACSB: Analytical thinking

58) Contrary to popular belief, marketers do not create needs.

Answer: TRUE

Diff: 1

LO: 1.3: What are some core marketing concepts?

59) The customer value triad consists of a combination of quality, durability, and price.

Answer: FALSE

Diff: 2

LO: 1.3: What are some core marketing concepts?

AACSB: Analytical thinking

60) A distribution channel includes distributors, wholesalers, retailers, and agents that display, sell, or deliver a physical product or service to a buyer or user.

Answer: TRUE

Diff: 1

LO: 1.3: What are some core marketing concepts?

AACSB: Reflective thinking

61) The task environment of a firm consists of demographic, economic, natural, and technological environments, as well as the political-legal system and the social-cultural arena.

Answer: FALSE

Diff: 2

LO: 1.3: What are some core marketing concepts?

AACSB: Analytical thinking

62) The desire to eat a Philly cheesesteak, whether or not you are in the position to buy one, is an example of a demand.

Answer: FALSE

Diff: 3

LO: 1.3: What are some core marketing concepts?

AACSB: Application of knowledge

63) In the statement, "Volvo develops its cars for buyers to whom safety is a major concern, positioning the vehicles as the safest a customer can buy," buyers to whom safety is a major concern is the target market.

Answer: TRUE

Diff: 2

LO: 1.3: What are some core marketing concepts?

AACSB: Application of knowledge

64) Consumers often have many needs that are not readily obvious. Just observing their behavior inside a retail store is not enough to get a true understanding of their "needs." List and briefly describe the five types of needs that most consumers have.

Answer: Suppose a customer wants to buy a car. The five types of customer needs with respect to this example are:

1. stated needs — the customer wants an inexpensive car
2. real needs — the customer wants a car whose operating cost, not its initial price, is low
3. unstated needs — the customer expects good service from the dealer
4. delight needs — the customer would like the dealer to include an onboard navigation system
5. secret needs — the customer wants to be seen by friends as a savvy consumer.

Diff: 3

LO: 1.3: What are some core marketing concepts?

AACSB: Analytical thinking

65) Distinguish between the concepts of value and satisfaction.

Answer: The offering will be successful if it delivers value and satisfaction to the target buyer. The buyer chooses between different offerings on the basis of his or her perception about which product will deliver the most value. *Value* reflects the perceived tangible and intangible benefits and costs to customers. Value can be seen as primarily a combination of quality, service, and price (called the *customer-value triad*). *Satisfaction* reflects a person's comparative judgments resulting from a product's perceived performance (or outcome) in relation to his or her expectations.

Diff: 1

LO: 1.3: What are some core marketing concepts?

AACSB: Reflective thinking

66) Ford Motor Company knows that to reach its target markets three kinds of marketing channels may be used. What are these three marketing channels and how might Ford use each of them?

Answer: The three marketing channels are communication, distribution, and service channels. Ford uses advertising to position its products and convey a certain message to consumers (communication channel). The delivery of cars to end consumers would require a distribution channel, such as a car dealership, and the company can have tie-ups with insurance companies to provide car insurance (service channel).

Diff: 3

LO: 1.3: What are some core marketing concepts?

AACSB: Analytical thinking; Application of knowledge

67) In an attempt to create greater competition and growth opportunities, countries often _____.

- A) increase trade barriers
- B) protect industries
- C) deregulate industries
- D) encourage intermediation
- E) reduce privatization

Answer: C

Diff: 2

LO: 1.4: What forces are defining the new marketing realities?

AACSB: Diverse and multicultural work environments

68) Which of the three transformative forces mentioned in the chapter is associated with the number of mobile phones in India recently exceeding 500 million and Boston Consulting Group believing brand marketers must enhance their "digital balance sheets"?

- A) demographics
- B) accountability
- C) social responsibility
- D) globalization
- E) technology

Answer: E

Diff: 2

LO: 1.4: What forces are defining the new marketing realities?

AACSB: Reflective thinking

69) By 2025, annual consumption in emerging markets will total \$30 trillion and contribute more than _____ percent of global GDP growth.

- A) 65
- B) 70
- C) 78
- D) 81
- E) 85

Answer: B

Diff: 3

LO: 1.4: What forces are defining the new marketing realities?

AACSB: Reflective thinking

70) The three central trends in Marketing 3.0 are collaborative marketing, globalization, and _____.

- A) cultural relevance
- B) horizontal marketing
- C) consumer well-being
- D) the rise of a creative society
- E) sustained technological development

Answer: D

Diff: 3

LO: 1.4: What forces are defining the new marketing realities?

AACSB: Reflective thinking

71) The Body Shop, Timberland, and Patagonia incorporate _____ as a way to differentiate themselves from competitors, build consumer preference, and achieve notable sales and profit gains.

- A) social responsibility
- B) technology
- C) globalization
- D) collaboration
- E) goodwill

Answer: A

Diff: 1

LO: 1.4: What forces are defining the new marketing realities?

AACSB: Application of knowledge

72) Tracy's is a chain of hair dressing salons for women. They use television, magazines, radio, and newspapers to advertise their services. The owners ensure that all communication channels deliver a common message to prospective customers. Tracy's believes in _____ marketing.

- A) internal
- B) integrated
- C) socially responsible
- D) global
- E) relationship

Answer: B

Diff: 2

LO: 1.4: What forces are defining the new marketing realities?

AACSB: Analytical thinking; Application of knowledge

73) The ultimate outcome of relationship marketing is a unique company asset called the _____, consisting of the company and its supporting stakeholders.

- A) brand
- B) supply chain
- C) marketing network
- D) value proposition
- E) service channel

Answer: C

Diff: 2

LO: 1.4: What forces are defining the new marketing realities?

AACSB: Reflective thinking

74) Which of the following is NOT one of the 4 As customers most value?

- A) acceptability
- B) affordability
- C) affability
- D) accessibility
- E) awareness

Answer: C

Diff: 1

LO: 1.4: What forces are defining the new marketing realities?

AACSB: Analytical thinking

75) Which of the following reflects the "people" component of the marketing mix?

- A) the creativity, discipline, and structure brought to marketing management
- B) the development of new products by the marketers
- C) the firm's consumer-directed activities
- D) the right set of processes to guide activities and programs within the firm
- E) the internal marketing of the firm

Answer: E

Diff: 2

LO: 1.4: What forces are defining the new marketing realities?

AACSB: Reflective thinking

76) Which of the new four Ps encompasses the old four Ps as well as a range of other marketing activities that might not fit well into the old view of marketing?

- A) programs
- B) processes
- C) promotion
- D) people
- E) performance

Answer: A

Diff: 2

LO: 1.4: What forces are defining the new marketing realities?

77) Regulation of industries has created greater competition and growth opportunities because the playing field has been leveled.

Answer: FALSE

Diff: 1

LO: 1.4: What forces are defining the new marketing realities?

AACSB: Reflective thinking

78) Industry boundaries are blurring at an incredible rate as companies are recognizing that new opportunities lie at the intersection of two or more industries.

Answer: TRUE

Diff: 1

LO: 1.4: What forces are defining the new marketing realities?

AACSB: Reflective thinking

79) The overabundance of information available on the Internet has made it more difficult for consumers to compare product features and prices.

Answer: FALSE

Diff: 1

LO: 1.4: What forces are defining the new marketing realities?

AACSB: Reflective thinking

80) The proliferation of targeted media and communication channels has allowed marketers to become much more aware of their target consumers' preferences and to customize both products and messages for individual consumers.

Answer: TRUE

Diff: 1

LO: 1.4: What forces are defining the new marketing realities?

AACSB: Reflective thinking

81) The selling concept holds that consumers will favor those products that offer the most quality, performance, or innovative features.

Answer: FALSE

Diff: 2

LO: 1.4: What forces are defining the new marketing realities?

AACSB: Analytical thinking

82) The marketplace isn't what it used to be. List and briefly discuss the new behaviors, opportunities, and challenges that await the marketer in the 21st century.

Answer: Responses to this question should include:

- changing technology
- globalization
- deregulation
- privatization
- customer resistance
- heightened competition
- industry convergence
- retail transformation
- disintermediation
- network information technology
- consumer buying power
- consumer information
- consumer participation
- consumer resistance

Diff: 2

LO: 1.4: What forces are defining the new marketing realities?

AACSB: Reflective thinking

83) Identify three specific ways globalization has affected the marketing environment.

Answer: New transportation, shipping, and communication technologies have made it easier for us to know the rest of the world, to travel, to buy and sell anywhere. Globalization has made countries increasingly multicultural. US minorities have much economic clout, and their buying power is growing faster than that of the general population. Globalization changes innovation and product development as companies take ideas and lessons from one country and apply them to another.

Diff: 3

LO: 1.4: What forces are defining the new marketing realities?

AACSB: Reflective thinking

84) Showrooming is associated with which of the following new consumer capabilities?

- A) Consumers can tap into social media to share opinions and express loyalty.
- B) Consumers can actively interact with companies.
- C) Consumers can use the Internet as a powerful information and purchasing aid.
- D) Consumers can reject marketing they find inappropriate.
- E) Consumers can communicate on the move.

Answer: C

Diff: 3

LO: 1.5: What new capabilities have these forces given consumers and companies?

AACSB: Reflective thinking

85) The drugstore chain CVS uses loyalty-card data to better understand what consumers purchase, the frequency of store visits, and other buying preferences, which is associated with which technology-enhanced company capability?

- A) Companies can reach consumers quickly and efficiently via social media and mobile marketing, sending targeted ads, coupons, and information.
- B) Companies can improve purchasing, recruiting, and internal and external communications.
- C) Companies can improve cost efficiency.
- D) Companies can collect fuller and richer information about markets, customers, prospects, and competitors.
- E) Companies can use the Internet as a powerful sales channel.

Answer: D

Diff: 2

LO: 1.5: What new capabilities have these forces given consumers and companies?

AACSB: Application of knowledge

86) The success of online purchasing resulted in _____ in the delivery of products and services by intervening in the traditional flow of goods through distribution channels.

- A) disintermediation
- B) diversification
- C) reduced competition
- D) deregulation
- E) privatization

Answer: A

Diff: 2

LO: 1.5: What new capabilities have these forces given consumers and companies?

AACSB: Reflective thinking

87) In response to threats from such companies as Amazon.com, E*TRADE, and dozens of others, established manufacturers and retailers became "brick-and-click" oriented by adding online services to their existing offerings. This is known as _____.

- A) reintermediation
- B) disintermediation
- C) retail transformation
- D) e-collaboration
- E) new-market synchronization

Answer: A

Diff: 2

LO: 1.5: What new capabilities have these forces given consumers and companies?

AACSB: Application of knowledge

88) When eBay and Amazon.com cut out the majority of middlemen that normally would participate in the exchange process, it is an example of _____.

- A) deregulation
- B) reverse auctioning
- C) reintermediation
- D) disintermediation
- E) diversification

Answer: D

Diff: 2

LO: 1.5: What new capabilities have these forces given consumers and companies?

AACSB: Application of knowledge; Information technology

89) Each of the following is true about the Internet's impact on the way business is conducted today, EXCEPT one. Identify the exception.

- A) It has facilitated high-speed communication among employees.
- B) It has empowered consumers with easy access to information.
- C) It can be used as a powerful sales channel.
- D) It has facilitated mass marketing but not the sale of customized products.
- E) It enables marketers to use social media to advertise their products.

Answer: D

Diff: 1

LO: 1.5: What new capabilities have these forces given consumers and companies?

AACSB: Information technology

90) Which of the following is NOT a consumer touch point?

- A) store layouts
- B) package designs
- C) product functions
- D) shipping and logistics
- E) All of these are touch points.

Answer: E

Diff: 2

LO: 1.5: What new capabilities have these forces given consumers and companies?

AACSB: Analytical thinking

91) Digital technology is fueling massive reintermediation, like when Apple, Sony, and Samsung released a stream of entertainment devices from smart phones to LED TVs and tablets.

Answer: FALSE

Diff: 2

LO: 1.5: What new capabilities have these forces given consumers and companies?

AACSB: Application of knowledge

92) Discuss the concept of disintermediation and provide an example.

Answer: Disintermediation grew out of the rush to embrace the dot-coms and e-commerce. Essentially, the dot-coms removed many of the traditional intermediaries by encouraging consumers to deal directly with the company via the Internet. "Brick-and-click" businesses eventually brought some of the intermediaries back through a process called *reintermediation*.

Diff: 1

LO: 1.5: What new capabilities have these forces given consumers and companies?

AACSB: Information technology

93) The digital revolution has placed a whole new set of capabilities in the hands of consumers and businesses. Describe the advantages that you as a consumer have today that your parents or grandparents didn't have.

Answer: Responses to this question should include:

- a substantial increase in buying power
- a greater variety of available goods and services
- a great amount of information about practically anything
- greater ease in interacting and placing and receiving orders
- an increased ability to compare products and services.

Diff: 1

LO: 1.5: What new capabilities have these forces given consumers and companies?

AACSB: Analytical thinking

94) The Internet has given today's companies a new set of capabilities. Among those capabilities is the ability to operate a new information channel. Describe how information can be used by the marketer in this new channel.

Answer: Companies can operate a powerful new information and sales channel, the Internet, with augmented geographical reach to inform and promote their businesses and products worldwide. By establishing one or more Web sites, a company can list its products and services, its history, its business philosophy, its job opportunities, and other information of interest to visitors. This provides consumers with a direct access to the company. Almost all Web sites include a "contact us" section that enables consumers to put forth their queries and interact with the company directly. This in turn allows marketers to be aware of people's opinions and preferences.

Diff: 1

LO: 1.5: What new capabilities have these forces given consumers and companies?

AACSB: Analytical thinking

95) Discuss how companies can use the Internet to build their brands. Give an example of a company that has done so.

Answer: Online marketing activities can be used to build brands by increasing consumer exposure to the brand and creating an interactive experience between the customer and the brand, giving consumers access not only to company-created information but also consumer-generated content. For example, Carnival Connections, an online cruise-booking site, made it easy for cruise fans to compare notes on cruise destinations and onboard entertainment.

Diff: 2

LO: 1.5: What new capabilities have these forces given consumers and companies?

AACSB: Analytical thinking; Application of knowledge

96) Which of the following holds that consumers prefer products that are widely available and inexpensive?

- A) the product concept
- B) the production concept
- C) the selling concept
- D) the performance concept
- E) the marketing concept

Answer: B

Diff: 2

LO: 1.6: What does a holistic marketing philosophy include?

AACSB: Reflective thinking

97) Managers of _____ businesses concentrate on achieving high manufacturing efficiency, low costs, and mass distribution.

- A) selling-oriented
- B) product-oriented
- C) production-oriented
- D) marketing-oriented
- E) consumer-oriented

Answer: C

Diff: 2

LO: 1.6: What does a holistic marketing philosophy include?

AACSB: Reflective thinking

98) The _____ concept holds that consumers will favor offerings with the best quality, performance, or innovative features.

- A) product
- B) marketing
- C) production
- D) selling
- E) holistic marketing

Answer: A

Diff: 1

LO: 1.6: What does a holistic marketing philosophy include?

AACSB: Reflective thinking

99) Which of the following categories of goods and services is most likely to require an aggressive use of the selling concept?

- A) shopping goods
- B) unsought goods
- C) necessary goods
- D) luxury goods
- E) complementary goods

Answer: B

Diff: 2

LO: 1.6: What does a holistic marketing philosophy include?

AACSB: Analytical thinking

100) As a major steel manufacturer, SteelMakers Inc. focuses on having the most efficient manufacturing processes in place. The company believes that its competitive edge lies in its ability to offer the best prices. They also maintain an excellent distribution network that ensures wide availability of their products. SteelMakers has a _____ orientation.

- A) selling
- B) production
- C) product
- D) marketing
- E) social

Answer: B

Diff: 2

LO: 1.6: What does a holistic marketing philosophy include?

AACSB: Analytical thinking; Application of knowledge

101) Webmax Inc. produced and marketed cameras. After considerable research and development, they developed a new digital camera that had an array of new features. Webmax was so sure about the new offering that they even reduced their marketing budget. What sort of orientation does Webmax have toward the marketplace?

- A) production orientation
- B) product orientation
- C) selling orientation
- D) marketing orientation
- E) holistic marketing orientation

Answer: B

Diff: 2

LO: 1.6: What does a holistic marketing philosophy include?

AACSB: Analytical thinking; Application of knowledge

102) Rick Johnson trains his company's sales force to target the consumer. He repeatedly asks his team to bear in mind the fact that it is the sales team's responsibility to rouse the consumer's interest and make the consumer feel that he or she needs the product. A true salesman is one who can convert an indifferent consumer walking into the store into a new customer. Johnson believes in the _____ concept.

- A) product
- B) production
- C) selling
- D) marketing
- E) social responsibility

Answer: C

Diff: 2

LO: 1.6: What does a holistic marketing philosophy include?

AACSB: Analytical thinking; Application of knowledge

103) Marketers at Johnny Inc. believe in putting their customers ahead of everything else. Their products are carefully designed to meet customer requirements and the entire focus is on achieving customer satisfaction. Johnny Inc. follows the _____ concept in doing business.

- A) production
- B) product
- C) selling
- D) marketing
- E) social responsibility

Answer: D

Diff: 2

LO: 1.6: What does a holistic marketing philosophy include?

AACSB: Analytical thinking; Application of knowledge

104) The _____ concept holds that consumers and businesses, if left alone, will ordinarily not buy enough of the organization's products.

- A) production
- B) selling
- C) marketing
- D) product
- E) holistic marketing

Answer: B

Diff: 1

LO: 1.6: What does a holistic marketing philosophy include?

105) Identify the concept that emerged in the mid-1950s as a customer-centered, sense-and-respond philosophy.

- A) the product concept
- B) the production concept
- C) the selling concept
- D) the marketing concept
- E) the holistic marketing concept

Answer: D

Diff: 2

LO: 1.6: What does a holistic marketing philosophy include?

AACSB: Reflective thinking

106) The marketing concept holds that _____.

- A) a firm should find the right products for its customers, and not the right customers for its products
- B) customers who are coaxed into buying a product will most likely buy it again
- C) a new product will not be successful unless it is priced, distributed, and sold properly
- D) consumers and businesses, if left alone, won't buy enough of the organization's products
- E) a better product will by itself lead people to buy it without much effort from the sellers

Answer: A

Diff: 2

LO: 1.6: What does a holistic marketing philosophy include?

AACSB: Reflective thinking

107) _____ marketing is based on the development, design, and implementation of marketing programs, processes, and activities that recognize their breadth and interdependencies.

- A) Niche
- B) Holistic
- C) Relationship
- D) Supply chain
- E) Demand-centered

Answer: B

Diff: 2

LO: 1.6: What does a holistic marketing philosophy include?

AACSB: Reflective thinking

108) What are the four broad components of holistic marketing?

- A) relationship, internal, position, and performance marketing
- B) integrated, internal, position, and performance marketing
- C) relationship, integrated, internal, and performance marketing
- D) integrated, relationship, social responsibility, and position marketing
- E) relationship, social responsibility, internal, and performance marketing

Answer: C

Diff: 2

LO: 1.6: What does a holistic marketing philosophy include?

AACSB: Reflective thinking

109) _____ marketing aims to build mutually satisfying long-term collaboration with key constituents, such as customers, employees, suppliers, distributors, and other marketing partners, in order to earn and retain their business.

- A) Integrated
- B) Demand-based
- C) Direct
- D) Relationship
- E) Internal

Answer: D

Diff: 1

LO: 1.6: What does a holistic marketing philosophy include?

AACSB: Reflective thinking

110) Which of the following is most consistent with the integrated marketing approach?

- A) A good product will sell itself.
- B) If left alone, consumers are inclined to purchase only inexpensive products.
- C) All communication to consumers must deliver a consistent message irrespective of the medium.
- D) In order to succeed, the main focus should be on having an efficient production process in place.
- E) Online marketing is less important than traditional marketing efforts.

Answer: C

Diff: 2

LO: 1.6: What does a holistic marketing philosophy include?

AACSB: Application of knowledge

111) Which aspect of holistic marketing motivates employees and ensures that everyone in the organization embraces appropriate marketing principles, especially senior management?

- A) relationship marketing
- B) integrated marketing
- C) internal marketing
- D) network marketing
- E) performance marketing

Answer: C

Diff: 2

LO: 1.6: What does a holistic marketing philosophy include?

AACSB: Analytical thinking

112) Financial accountability and social responsibility marketing are elements of _____ marketing.

- A) performance
- B) relationship
- C) internal
- D) social
- E) mass

Answer: A

Diff: 2

LO: 1.6: What does a holistic marketing philosophy include?

AACSB: Analytical thinking

113) Companies are recognizing that much of their market value comes from _____, particularly their brands, customer base, employees, distributor and supplier relations, and intellectual capital.

- A) variable assets
- B) value propositions
- C) intangible assets
- D) market offerings
- E) industry convergence

Answer: C

Diff: 1

LO: 1.6: What does a holistic marketing philosophy include?

AACSB: Reflective thinking

114) Holistic marketing incorporates _____ marketing, an understanding of broader concerns in the ethical, environmental, legal, and social context of marketing activities.

- A) internal
- B) cultural
- C) social responsibility
- D) relationship
- E) integrated

Answer: C

Diff: 1

LO: 1.6: What does a holistic marketing philosophy include?

AACSB: Reflective thinking

115) Design is at the root of _____.

- A) acceptability
- B) affordability
- C) affability
- D) accessibility
- E) awareness

Answer: A

Diff: 2

LO: 1.6: What does a holistic marketing philosophy include?

AACSB: Analytical thinking

116) McCarthy classified marketing activities into the four Ps of the marketing mix. These four Ps stand for _____.

- A) product, positioning, place, and price
- B) product, production, price, and place
- C) promotion, place, positioning, and price
- D) place, promotion, production, and positioning
- E) product, price, promotion, and place

Answer: E

Diff: 1

LO: 1.6: What does a holistic marketing philosophy include?

117) Incorporating the holistic view of marketing, the four Ps of the marketing mix can be updated to _____.

- A) product, positioning, people, and price
- B) people, processes, place, and promotion
- C) product, processes, price, and people
- D) people, processes, programs, and performance
- E) product, price, promotion, and people

Answer: D

Diff: 2

LO: 1.6: What does a holistic marketing philosophy include?

AACSB: Reflective thinking

118) _____ combined with affordability determines the product's value proposition.

- A) Acceptability
- B) Affluence
- C) Affability
- D) Accessibility
- E) Awareness

Answer: A

Diff: 3

LO: 1.6: What does a holistic marketing philosophy include?

AACSB: Analytical thinking

119) Sheth and Sisodia say _____ is ripest for improvement because most companies are either ineffectual or inefficient at developing it.

- A) acceptability
- B) affordability
- C) affability
- D) accessibility
- E) awareness

Answer: B

Diff: 3

LO: 1.6: What does a holistic marketing philosophy include?

AACSB: Reflective thinking

120) The production concept is one of the newest concepts in business.

Answer: FALSE

Diff: 1

LO: 1.6: What does a holistic marketing philosophy include?

AACSB: Reflective thinking

121) The selling concept holds that consumers will prefer products that are ethical, environmentally responsible, legal, and social in the context of marketing activities and programs.

Answer: FALSE

Diff: 2

LO: 1.6: What does a holistic marketing philosophy include?

AACSB: Reflective thinking

122) The marketing concept stresses finding the right customers for the company's products.

Answer: FALSE

Diff: 2

LO: 1.6: What does a holistic marketing philosophy include?

AACSB: Reflective thinking

123) The selling concept is based on the development, design, and implementation of marketing programs, processes, and activities that recognize their breadth and interdependencies.

Answer: FALSE

Diff: 2

LO: 1.6: What does a holistic marketing philosophy include?

AACSB: Reflective thinking

124) Relationship marketing aims to build mutually satisfying long-term relationships with key parties.

Answer: TRUE

Diff: 1

LO: 1.6: What does a holistic marketing philosophy include?

AACSB: Reflective thinking

125) Attracting a new customer costs far more than retaining an existing one.

Answer: TRUE

Diff: 1

LO: 1.6: What does a holistic marketing philosophy include?

AACSB: Reflective thinking

126) One of the key themes of integrated marketing is that there are very few marketing activities that can effectively communicate and deliver value.

Answer: FALSE

Diff: 2

LO: 1.6: What does a holistic marketing philosophy include?

AACSB: Reflective thinking

127) Proponents of holistic marketing consider internal marketing to be as important as marketing to consumers.

Answer: TRUE

Diff: 2

LO: 1.6: What does a holistic marketing philosophy include?

AACSB: Reflective thinking

128) Integrated marketing is the task of hiring, training, and motivating able employees who want to serve customers well.

Answer: FALSE

Diff: 1

LO: 1.6: What does a holistic marketing philosophy include?

AACSB: Reflective thinking

129) Performance marketing requires understanding the financial and non-financial returns to business and society from marketing activities and programs.

Answer: TRUE

Diff: 1

LO: 1.6: What does a holistic marketing philosophy include?

AACSB: Reflective thinking

130) Performance marketing involves reviewing metrics assessing market share, customer loss rate, customer satisfaction, and product quality in the evaluation of the effectiveness of marketing activities.

Answer: TRUE

Diff: 2

LO: 1.6: What does a holistic marketing philosophy include?

AACSB: Reflective thinking

131) The marketing mix component called "people" reflects all the creativity, discipline, and structure brought to marketing management.

Answer: FALSE

Diff: 1

LO: 1.6: What does a holistic marketing philosophy include?

132) The product concept is based on the development, design, and implementation of marketing programs, processes, and activities that recognize their breadth and interdependence.

Answer: FALSE

Diff: 1

LO: 1.6: What does a holistic marketing philosophy include?

AACSB: Reflective thinking

133) Before rolling out a new marketing communications campaign, employees went to a rally and received training on why the company was changing directions and what it would mean to their customers, which is an example of relationship marketing.

Answer: FALSE

Diff: 1

LO: 1.6: What does a holistic marketing philosophy include?

AACSB: Application of knowledge

134) The ultimate outcome of relationship marketing is a unique company asset called a marketing network, consisting of the company and its supporting stakeholders — customers, employees, suppliers, distributors, retailers, and others.

Answer: TRUE

Diff: 1

LO: 1.6: What does a holistic marketing philosophy include?

AACSB: Reflective thinking

135) Sheth and Sisodia say accessibility is ripest for improvement because most companies are either ineffectual or inefficient at developing it.

Answer: FALSE

Diff: 3

LO: 1.6: What does a holistic marketing philosophy include?

AACSB: Reflective thinking

136) The competing concepts under which organizations have conducted marketing activities include: the production concept, product concept, selling concept, marketing concept, and holistic marketing concept. Evaluate the advantages and disadvantages of each concept. Which concept do you believe is the most effective? Why?

Answer: Although students may be expected to research each concept, they should conclude the most effective concept is the holistic marketing concept, where companies need to have a more complete, cohesive approach that goes beyond traditional applications of the marketing concept.

Diff: 2

LO: 1.6: What does a holistic marketing philosophy include?

AACSB: Reflective thinking

137) Define internal marketing and its role in the company. Outline how various departments within the company can demonstrate a customer focus.

Answer: Internal marketing is the task of hiring, training, and motivating able employees who want to serve customers well. Internal marketing must take place on two levels. At one level, the various marketing functions must work together. At the second level, other departments must embrace marketing and a "think customer" attitude.

Diff: 1

LO: 1.6: What does a holistic marketing philosophy include?

AACSB: Reflective thinking

138) Identify and define the traditional four Ps. Also identify the new four Ps and the reason for developing the new interpretation.

Answer: The traditional four Ps are:

1. Product (product variety, quality, design, features, brand name, packaging, sizes, services, warranties, returns)
2. Price (list price, discounts, allowances, payment period, credit terms)
3. Promotion (sales promotion, advertising, sales force, public relations, direct marketing)
4. Place (channels, coverage, assortments, locations, inventory, transportation).

However, given the breadth, complexity, and richness of marketing, as exemplified by holistic marketing, these 4 Ps are not the whole story anymore. Updating them to reflect the holistic marketing concept, researchers in this field arrived at a more representative set that encompasses modern marketing realities: people, processes, programs, and performance.

Diff: 2

LO: 1.6: What does a holistic marketing philosophy include?

AACSB: Analytical thinking

139) Arthur Jones has decided to start a business. He wants to manufacture lawn mowers and believes in the production concept. If this approach is taken, what will be Mr. Jones' primary areas of concentration as he builds his business?

Answer: This orientation holds that consumers will prefer products that are widely available and inexpensive. Managers of production-oriented businesses concentrate on high production efficiency, low costs, and mass distribution. Jones will also want an efficient production process in place. This approach is also used when a company wants to expand the market. Students may use these facts as they design their answer.

Diff: 1

LO: 1.6: What does a holistic marketing philosophy include?

AACSB: Analytical thinking

140) Increasingly, a key goal of marketing is to develop deep, enduring relationships with all entities that directly or indirectly affect the success of the firm. Discuss the merits of relationship marketing. From your experience as a consumer, describe the relationship marketing efforts undertaken by a company of your choice.

Answer: Students should understand that the relationship between any supplier and customer is not just in the mechanics of the transaction, but more importantly how the customer is treated during the transaction. The better the relationship, the more the likelihood of the customer remaining loyal. They should pick a company that has served them well and made them feel special each and every time.

Diff: 2

LO: 1.6: What does a holistic marketing philosophy include?

AACSB: Analytical thinking

141) What would be the marketing network elements for a motorcycle company such as Harley-Davidson?

Answer: A marketing network consists of the company and its supporting stakeholders. These stakeholders for Harley-Davidson are its customers, employees, suppliers, distributors, retailers, repair services, ad agencies, lobby groups, and motorcycle support clubs. The operating principle is simple: Build an effective network of relationships with key stakeholders, and profits will follow.

Diff: 2

LO: 1.6: What does a holistic marketing philosophy include?

AACSB: Analytical thinking

142) Linda Evans has been given the task of developing the product element of her company's marketing mix. List the components that will likely be included in this element of the marketing mix.

Answer: Product variety, quality, design, features, brand name, packaging, sizes, services, warranties, and returns are the key elements of the product portion of the marketing mix.

Diff: 2

LO: 1.6: What does a holistic marketing philosophy include?

AACSB: Analytical thinking

143) At the heart of any marketing program is the firm's _____, its tangible offering to the market.

- A) strategy
- B) product
- C) brand
- D) value
- E) people

Answer: B

Diff: 1

LO: 1.7: What tasks are necessary for successful marketing management?

AACSB: Reflective thinking

144) _____ activities include those the company undertakes to make the product accessible and available to target customers.

- A) Line extension
- B) Segmentation
- C) Marketing research
- D) Channel
- E) New-product development

Answer: D

Diff: 2

LO: 1.7: What tasks are necessary for successful marketing management?

AACSB: Reflective thinking

145) A firm's tangible offering to the market includes product quality, design, features, and packaging.

Answer: TRUE

Diff: 1

LO: 1.7: What tasks are necessary for successful marketing management?

AACSB: Reflective thinking

146) Building strong brands is the marketing task where the marketer is using a reliable marketing information system to monitor the marketing environment so s/he can assess market potential and demand focused on.

Answer: FALSE

Diff: 1

LO: 1.7: What tasks are necessary for successful marketing management?

AACSB: Application of knowledge

147) Atlas's marketing group is concerned about a macroenvironment that includes demographic, economic, physical, technological, political-legal, and social-cultural forces that affect sales and profits.

Answer: TRUE

Diff: 2

LO: 1.7: What tasks are necessary for successful marketing management?

AACSB: Application of knowledge

148) Atlas camera division produces a range of professional quality 35mm and consumer-friendly digital cameras. The 35mm market is rapidly declining and the faster-growing digital camera segment is saturated with competition, so Atlas is struggling with sales. Identify the marketing tasks the management team would need to address to make Atlas competitive in the digital camera space.

Answer: Student answer should include several of these:

- Capture marketing insights to monitor the marketing environment, assess market potential, and forecast demand
- Develop a dependable marketing research system that helps managers make basic decisions about expenditures, activities, and budget allocations
- Create value for chosen target markets and develop strong, profitable, long-term relationships with customers
- Gain an understanding of how organizational buyers buy, train the sales force in presenting product benefits, and take changing global opportunities and challenges into account
- Build strong brands by segmenting the market and targeting those it can best serve with a positioning that will resonate with them
- Consider growth strategies while paying close attention to competitors, anticipating their moves and knowing how to react quickly and decisively
- Create value through the firm's tangible offering to the market (product quality, design, features, and packaging)
- Initiate new-product development, testing, and launching as part of its long-term view
- Decide on a price that matches the offer's perceived value
- Decide how to deliver the value to the target market
- Decide how to communicate the value to the target market
- Create successful long-term growth by considering feedback and implementing controls to understand the efficiency and effectiveness of marketing activities.

Diff: 3

LO: 1.7: What tasks are necessary for successful marketing management?

AACSB: Analytical thinking

149) Identify and briefly describe each of the four As. What distinctive roles are they based on? Which role is missing? Why does it matter?

Answer:

- *Acceptability* is the extent to which a firm's total product offering exceeds customer expectations.
- *Affordability* is the extent to which customers in the target market are able and willing to pay the product's price. It has two dimensions: economic (ability to pay) and psychological (willingness to pay).
- *Accessibility*, the extent to which customers are able to readily acquire the product, has two dimensions: availability and convenience.
- *Awareness* is the extent to which customers are informed regarding the product's characteristics, persuaded to try it, and reminded to repurchase. It has two dimensions: brand awareness and product knowledge.

Sheth and Sisodia base the 4 As framework on the four distinctive roles a consumer plays in the marketplace — seeker, buyer, payer, and user. A fifth consumer role — evangelizer — captures the fact that consumers often recommend products to others and are increasingly critical with the advent of the Internet and social media platforms.

Diff: 3

LO: 1.7: What tasks are necessary for successful marketing management?

AACSB: Reflective thinking