

Chapter 2 Strategic Marketing

TRUE/FALSE

1. Marketing management is opportunistic.

ANS: F PTS: DIF: TOP: Concept of strategic marketing RAT: It is strategic marketing that is opportunistic.

2. One way of countering pitfalls is to develop attainable goals and objectives.

ANS: T PTS: DIF: TOP: Challenges in strategic marketing implementation

3. Marketing strategy is developed at the business unit level.

ANS: T PTS: DIF: TOP: Concept of strategic marketing

4. Marketing strategy deals with the interplay of the '3 Ps.'

ANS: F PTS: DIF: TOP: Concept of strategic marketing

5. Marketing strategy is always developed at the brand level.

ANS: F PTS: DIF: TOP: Concept of strategic marketing

6. Marketing strategy focuses on ways in which a company can differentiate itself effectively from its competitors, capitalising on its distinctive strengths to deliver better value to its customers.

ANS: T PTS: DIF: TOP: Concept of strategic marketing

7. Marketing strategy is an endeavor by a corporation to differentiate itself positively from its competitors, using its relative corporate strengths to better satisfy customer needs in a given environmental setting.

ANS: T PTS: DIF: TOP: Concept of strategic marketing

8. Strategic planning deals with the relationship of the organisation to its environment and thus relates to all areas of the business, particularly to the finance function.

ANS: F PTS: DIF: TOP: Concept of strategic marketing RAT: Marketing is the most pivotal area.

9. Strategic marketing is an act not a commitment.

ANS: F PTS: DIF: TOP: Concept of strategic marketing

10. Strategic marketing requires a *reactive* leadership style.

ANS: F PTS: DIF: TOP: strategic marketing and marketing management

11. Corporate marketing involves formulating and implementing marketing programs.

ANS: F PTS: DIF: TOP: Concept of strategic marketing

12. Strategic thinking represents a new perspective in the area of marketing.

ANS: F PTS: DIF: TOP: Aspects of strategic marketing

13. In the contemporary business environment, strategic marketers should be able to link increasing brand awareness and changing attitudes to financial performance, including profit growth.

ANS: T PTS: DIF: TOP: Concept of strategic marketing

14. Each position in the life cycle requires a different strategy and affords different expectations.

ANS: T PTS: DIF: TOP: Varying roles for different products/markets

15. The BCG matrix provides a tool to balance a company's cash flow by showing which businesses are likely to be resource providers and which resource users.

ANS: T PTS: DIF: TOP: Varying roles for different products/markets

16. Strategic planning systems have always viewed marketing as being important to the long-term perspectives of the corporation.

ANS: F PTS: DIF: TOP: Organisational level

17. Many packaged goods companies are acquiring companies in hitherto non-marketing oriented industries and are attempting to gain market share through strategic marketing.

ANS: T PTS: DIF: TOP: Organisational level

18. It is only through marketing inputs that perspectives of changing social, economic, political, and technological environments can be brought into the strategic planning process.

ANS: T PTS: DIF: TOP: Organisational level

19. Proper monitoring of the environment requires strategic intelligence inputs.

ANS: T PTS: DIF: TOP: Emphasis on long term implications

20. Market segments are formed to identify the group(s) that would provide the company with a sustainable economic advantage over competition.

ANS: T PTS: DIF: TOP: Strategic marketing and marketing management

21. A strategic market plan is a plan of all aspects of an organisation's strategy in the marketplace.

ANS: T PTS: DIF: TOP: Strategic marketing and marketing management

22. In an environment of expansion, even marginal operations can not exist.

ANS: F PTS: DIF: TOP: Strategic marketing and marketing management

23. All businesses recognise that a key element in strategy is choosing the competitor whom you wish to challenge.

ANS: F PTS: DIF: TOP: Strategic marketing and marketing management

24. Results of strategy implementation become an input for strategy development in the future.

ANS: T PTS: DIF: TOP: Strategic marketing and marketing management

25. Marketing does not play a vital role in the strategic management process of a firm.

ANS: F PTS: DIF: TOP: Aspects of strategic marketing

26. Nintendo's operation capability and technology has allowed Nintendo to produce low-cost hardware and software with an accessible interface.

ANS: T PTS: DIF: TOP: Concept of strategic marketing

27. Goodyear Tyres made a strategic decision to continue its focus on the tyre business. Goodyear's strategy worked, presently, it continues to be a globally dominant force in the tyre industry.

ANS: T PTS: DIF: TOP: Emphasis on long term implications

28. One of the problems with marketing strategy formulation and implementation is too little emphasis on 'where' to compete.

ANS: F PTS: DIF: TOP: Challenges in strategic marketing implementation

29. Having the ability to do all the right things is a guarantee that planned objectives will always be met.

ANS: F PTS: DIF: TOP: Challenges in strategic marketing implementation

30. The development of marketing strategy requires choosing activities that are different from those of rivals.

ANS: T PTS: DIF: TOP: Concept of strategic marketing

31. Marketing strategy is the creation of a unique and valuable position involving a different set of activities.

ANS: T PTS: DIF: TOP: Concept of strategic marketing

32. Key elements of marketing strategy formulation involve CEO, corporation and competition.

ANS: F PTS: DIF: TOP: Concept of strategic marketing RAT: Key elements of marketing strategy formulation involve customers, corporation and competition.

33. 36 percent of people in Sydney and 32 percent of people in Melbourne are born overseas.

ANS: T PTS: DIF: TOP: Organisational level

MULTIPLE CHOICE

1. The question "What are my options for upsetting the equilibrium of the marketplace and re-establishing it in my favour?" is characteristic of someone involved in:

- marketing management
- strategic marketing
- product management
- all of the options given
- none of the options given

ANS: B PTS: DIF: TOP: Strategic marketing and marketing management

2. Strategic marketing is:

- deterministic
- deductive
- analytical
- all of the options given
- none of the options given

ANS: E PTS: DIF: TOP: Concept of strategic marketing

3. Competitive analysis and examination of market dynamics and environmental shifts are essential to formulate a:

- corporate strategic plan
- production plan
- capital budget
- none of the options given

ANS: A PTS: DIF: TOP: Concept of strategic marketing

4. The '3 strategic Cs' include all of the following, except:
- a. customer
 - b. capital
 - c. competition
 - d. corporation

ANS: B PTS: DIF: TOP: Concept of strategic marketing

5. A good marketing strategy should be characterised by:
- a. a clear market definition
 - b. a good match between corporate strengths and the needs of the market
 - c. superior performance relative to competitors
 - d. all of the options given
 - e. none of the options given

ANS: D PTS: DIF: TOP: Concept of strategic marketing

6. Based on the interplay of the '3 strategic Cs', formation of marketing strategy requires all of the following decisions, except:
- a. Where to compete?
 - b. What to compete?
 - c. How to compete?
 - d. When to compete?
 - e. none of the options given

ANS: B PTS: DIF: TOP: Concept of strategic marketing

7. Which of the following is *not* a characteristic of good marketing strategy?
- a. a clear market definition
 - b. a good match between corporate strengths and market needs
 - c. a good brand image
 - d. superior performance relative to competition

ANS: C PTS: DIF: TOP: Concept of marketing

8. A good marketing strategy should:
- a. have a clear market definition
 - b. be based on sound marketing research
 - c. emerge from a group decision
 - d. always be dictated by financial considerations

ANS: A PTS: DIF: TOP: Concept of marketing

9. Environment changes are _____ in the short run than in the long run.
- a. more probable
 - b. less probable
 - c. equally probable
 - d. none of the options given

ANS: B PTS: DIF: TOP: Emphasis on long term implications

10. The objective of operating decisions is?

- a. profit maximisation.
- b. product differentiation
- c. segmentation
- d. none of the options given

ANS: A PTS: DIF: TOP: Plan of the book

11. Employees are considered corporate:

- a. stakeholders
- b. perspectives
- c. resources
- d. stakeholders and perspectives only
- e. stakeholders and resources only

ANS: E PTS: DIF: TOP: Corporate inputs

12. Boston Consulting Group developed a portfolio matrix in which products are positioned on a two-dimensional matrix of market share and growth rate, both measured on a continuous scale from ____ to ____.

- a. high/low
- b. low/high
- c. low/lowest
- d. high/highest

ANS: A PTS: DIF: TOP: Varying roles for different products/markets

13. Strategic marketing is closely related to the _____ function.

- a. production
- b. sales
- c. finance
- d. engineering

ANS: C PTS: DIF: TOP: Aspects of strategic marketing

14. In order to deal with declines in profits in 2010, Billabong moved from its original strategy which was dependent on wholesaling, to a strategy that involved

- a. online sales
- b. direct retailing
- c. reducing prices
- d. fast global expansion

ANS: B PTS: DIF: TOP:

15. Which of the following is not a characteristic of strategic marketing?

- a. emphasis on short-term implications

- b. require corporate inputs such as corporate culture, corporate publics, and corporate resources
- c. close alignment with finance function
- d. primarily conducted at the business unit level

ANS: A PTS: DIF: TOP: Strategic marketing and marketing management

16. _____ growth rates have resulted in a battle for market share.

- a. Climbing
- b. Declining
- c. Stable
- d. none of the options given

ANS: B PTS: DIF: TOP: Organisational level

17. Strategic marketing decisions require inputs from three corporate aspects:

- a. corporate culture, corporate innovation, corporate goals
- b. corporate community, corporate finances, corporate marketing
- c. corporate culture, corporate publics and corporate resources.
- d. none of the options given

ANS: C PTS: DIF: TOP: Corporate inputs

18. As we enter the new century, marketing strategy is likely to achieve greater significance because:

- a. global competition is intensifying
- b. Global financial crisis may intensify
- c. Mergers are becoming more frequent.
- d. regulation in many industries will put greater pressure on executive autonomy

ANS: A PTS: DIF: TOP: Organisational level

19. _____ focuses on choosing the right products for the right growth market at the right time.

- a. Strategic marketing
- b. Marketing management
- c. Product planning
- d. none of the options given

ANS: A PTS: DIF: TOP: Strategic marketing and marketing management

20. One of the major differences between strategic marketing and marketing management

- a. strategic marketing looks at the nature of the job and marketing management looks leadership style.
- b. strategic marketing is primarily top-down and marketing management is mainly bottom up.
- c. strategic marketing looks at long range decisions and marketing management looks at day to day operations.

- d. strategic marketing looks decentralised units and marketing management looks at centralised units.

ANS: C PTS: DIF: TOP: Concept of strategic marketing

21. In strategic marketing, the resources and objectives of the firm are:
- an uncontrollable variable
 - systematically defined
 - finite
 - all of the options given

ANS: B PTS: DIF: TOP: Strategic marketing and marketing management

22. Traditionally, corporate culture emphasised _____ orientation.
- long-term
 - short-term
 - both a and b
 - none of the options given

ANS: B PTS: DIF: TOP: Strategic marketing and marketing management

23. Strategic marketing differs from marketing management in the following ways, except that strategic marketing is:
- inductive and intuitive
 - deterministic
 - opportunistic
 - all of the options given

ANS: B PTS: DIF: TOP: Concept of strategic marketing

24. Corporate strategy is based on:
- the value system of top managers
 - corporate publics
 - corporate resources
 - all of the options given
 - none of the options given

ANS: D PTS: DIF: TOP: Concept of strategic marketing

25. Marketing strategy may be defined as an endeavor by a corporation to _____ itself positively from its competitors.
- satisfy
 - strengthen
 - differentiate
 - diversify

ANS: C PTS: DIF: TOP: Concept of strategic marketing

26. _____ marketing provides customer and competitive perspective for corporate strategic planning.

- a. Product
- b. Business unit
- c. Global
- d. Corporate

ANS: D PTS: DIF: TOP: Concept of strategic marketing

27. Which of the following does not typically occur in strategic marketing?

- a. is primarily bottom-up
- b. requires a high degree of creativity and originality
- c. pursues interests of the decentralised units
- d. requires proactive perspective

ANS: C PTS: DIF: TOP: Strategic marketing and marketing management

28. _____ decisions deal with the current operations of the business.

- a. Business
- b. Operating
- c. Strategic
- d. none of the options given

ANS: B PTS: DIF: TOP: Plan of the book

29. Problems associated with marketing strategy formulation and implementation include:

- a. too much emphasis on 'where' to compete
- b. too little focus on uniqueness and adaptability in strategy
- c. inadequate emphasis on 'when' to compete
- d. all of the options given

ANS: D PTS: DIF: TOP: Challenges in strategic marketing implementation

30. Decision on timing of strategy implementation is guided by:

- a. company readiness
- b. market knowledge
- c. both company readiness and market knowledge
- d. none of the options given

ANS: C PTS: DIF: TOP: Challenges in strategic marketing implementation

31. According to the text, one of the problems with marketing strategy formulation and implementation is:

- a. the inadequate job of environmental scanning
- b. too little focus on uniqueness and adaptability in strategy
- c. too little emphasis on 'where' to compete
- d. the narrow definition of objectives

ANS: B PTS: DIF: TOP: Challenges in strategic marketing implementation

32. Problems of strategic marketing should be addressed by:
- a. developing attainable goals and objectives
 - b. keeping marketing strategy separate from the rest of the management process
 - c. creating a climate that is resistant to strategic planning
 - d. none of the options given

ANS: A PTS: DIF: TOP: Challenges in strategic marketing implementation

33. Ethics and its incorporation into strategic marketing is _____.
- a. irrelevant
 - b. of concern
 - c. necessary
 - d. critical

ANS: D PTS: DIF: TOP: Ethics and strategic marketing

34. Marketing strategy requires:
- a. creation of a unique and valuable position
 - b. choosing activities that are similar to those of rivals
 - c. undertaking proven programs and activities
 - d. none of the options given

ANS: A PTS: DIF: TOP: Concept of strategic marketing

35. 36 percent of people in Sydney are
- a. from another state
 - b. born in New South Wales
 - c. born overseas
 - d. none of the options given

ANS: C PTS: DIF: TOP: Organisational level

36. Factors that point to an increasingly important role for strategic marketing in future years include:
- a. fragmentation of markets
 - b. shifts in channel structure of many industries
 - c. competition from overseas
 - d. all of the options given

ANS: D PTS: DIF: TOP: Organisational level

FILL-INS

1. Customers, employees, owners, and society are _____ _____.

ANS: corporate publics

PTS: DIF: TOP: Corporate inputs

2. _____ marketing is inductive and intuitive.

ANS: Strategic

PTS: DIF: TOP: Strategic marketing and marketing management

3. Proper _____ and monitoring of the environment requires strategic intelligence inputs.

ANS: scanning

PTS: DIF: TOP: Emphasis on long term implication

4. The Boston Consulting Group matrix ranks businesses according to _____ criteria.

ANS: uniform

PTS: DIF: TOP: Varying roles for different products/markets

5. Strategic marketing is conducted at the _____ level in the organisation.

ANS: business unit

PTS: DIF: TOP: Organisational level

6. Strategic marketing holds different perspectives from those of _____

ANS: marketing management

PTS: DIF: TOP: Strategic marketing and marketing management

7. Today's business and marketing managers are faced with a continuous stream of decisions, each with its own degree of _____, _____ and _____.

ANS: risk, uncertainty and payoff

PTS: DIF: TOP: Plan of the book

8. The development of a marketing mix should be preceded by a _____ of the _____.

ANS: a definition of the market

PTS: DIF: TOP: Strategic marketing and marketing management

9. Perspectives of customer, competition, and company are needed to determine the business unit's _____

ANS: marketing strategy

PTS: DIF: TOP: Concept of strategic marketing