**CHAPTER ONE**

**PAST, PRESENT, AND FUTURE**

**Multiple Choice**

1. E-marketing affects traditional marketing in which of the following ways?
2. increases efficiency of traditional marketing functions
3. technologically transforms marketing strategies
4. decreases the reach of marketing campaigns
5. both A and B

(d; Moderate; p. 6; LO1; Use of Information Technology)

1. \_\_\_\_\_\_\_\_ is the subset of e-business focused on transactions.
2. E-commerce
3. E-marketing
4. Digital technology
5. ESP

(a; Easy; p. 6; LO2; Use of Information Technology)

1. Convenient access to digital information has the ability to transform all of the following except **\_\_\_\_\_\_\_\_.**
2. ecosystems
3. governments
4. societies
5. businesses

(a; Easy; p. 5; LO5; Use of Information Technology)

1. The internet consists of all of the following except \_\_\_\_\_\_\_\_.
2. computers with data
3. users who send and receive data files
4. a technology infrastructure to move, create, and view or listen to the content
5. a central mainframe

(d; Moderate; p. 6-7; LO1; Use of Information Technology)

1. A network that runs internally in an organization but uses internet standards and browsers is known as \_\_\_\_\_\_\_\_.
2. an intranet
3. an extranet
4. an internet
5. a Web

(a; Moderate; p. 6; LO1; Use of Information Technology)

1. All of the following e-marketing technologies exist without the World Wide Web, except \_\_\_\_\_\_\_\_.
2. electronic data interchange
3. e-mail
4. text messaging
5. hypertext navigation

(a; Difficult; p. 7; LO1; Use of Information Technology)

1. All of the following are technical roles of the internet except **\_\_\_\_\_\_\_\_.** 
   1. users who access content and send e-mail
   2. technology infrastructure
   3. the World Wide Web
   4. content providers

(d; Moderate; p. 6; LO4; Use of Information Technology)

1. The internet can deliver content to all the following except **\_\_\_\_\_\_\_\_\_.**
   1. TVs
   2. refrigerators
   3. VCRs
   4. autos

(c; Easy; p. 18; LO5; Use of Information Technology)

1. According to the book, \_\_\_\_\_\_\_\_ is the country with highest percentage of internet users.
   1. the United States
   2. Norway
   3. China
   4. France

(b; Moderate; p. 9; LO5; Multicultural and Diversity)

1. All of the following are considered by some authorities to be negatives of the growth of the internet except\_\_\_\_\_\_\_\_.
   1. class divisions
   2. removing cultural differences
   3. efficient markets
   4. unsolicited communications

(b; Difficult; p. 8-9; LO1; Analytic Skills)

1. The “first wave of internet disruption” saw firms offer \_\_\_\_\_\_\_\_\_.
2. products at premium pricing
3. tangible products that can be compared and are low priced
4. commodities available in large quantities
5. real estate

(b; Moderate; p. 10-11; LO5; Analytic Skills)

1. In the era of the *Plateau of Profitability,* marketers have focused on \_\_\_\_\_\_\_\_\_.
   1. traditional roots and well-grounded strategies
   2. unique product mixes
   3. disintermediation in the marketing channel
   4. product benefits

(a; Difficult; p. 11; LO5; Analytic Skills)

1. Charles Schwab pitted their online business vs. their established brick-and-mortar business. Which of the following is not a result of this competition?
2. faster growing accounts and assets
3. lower prices
4. more sales of bonds and less sales of stocks
5. incorporation of successful e-marketing strategy

(c; Difficult; p. 12; LO1; Analytic Skills)

1. Internet properties, or characteristics, that impact marketing include\_\_\_\_\_\_\_\_.
   1. global reach
   2. market deconstruction
   3. task automation
   4. all of the above

(d; Easy; p. 12; LO1; Use of Information Technology)

1. As consumers become more demanding, the internet is a good way to deliver customer value because \_\_\_\_\_\_\_\_.
   1. most products on the internet are cheaper than on other marketing channels
   2. broadband allows marketers to put more cookies on computers
   3. marketers can send e-mail messages to millions of customers in an instant
   4. customers gain access to information and entertainment on demand

(d; Moderate; p. 13-14; LO3; Reflective Thinking Skills)

1. A problem marketers have in integrating the internet and traditional marketing strategies is \_\_\_\_\_\_\_\_.
   1. Web sites are not always consistent with offline brand information
   2. the high cost of Web site development
   3. reluctance by traditional marketers to use the internet
   4. marketers’ lack of technological expertise

(a; Moderate; p. 11-13; LO1; Use of Information Technology)

1. \_\_\_\_\_\_\_\_ is leading to a large increase in wireless networks.
   1. Integration of information technology and personal digital assistants (PDAs)
   2. Growth and acceptance of cell phones throughout the world
   3. The World Wide Web
   4. Increasing adoption of high bandwidth

(b; Moderate; p. 19; LO3; Use of Information Technology)

1. The internet has the power to do all of the following except \_\_\_\_\_\_\_\_.
2. create global communities based on interests
3. decrease cultural and language differences
4. prevent the upward mobility of people and countries at lower socioeconomic levels
5. discourage workaholism

(d; Moderate; p. 9; LO5; Use of Information Technology)

1. Of the stages of internet development, industrialized countries are moving towards the \_\_\_\_\_\_\_\_.
   1. boom
   2. bust
   3. trough of disillusion
   4. plateau of profitability

(d; Difficult; p. 11; LO5; Analytic Skills)

1. \_\_\_\_\_\_\_\_ are specific measures designed to determine web site success in terms of various factors, such as number of site visitors, length of time spent browsing a site, number of comments posted, and time spent watching a video.
   1. Segmentation variables
   2. Metrics
   3. ESP model
   4. Site stickiness

(b; Easy; p. 15; LO1; Analytic Skills)

**True/False**

1. Individuals can be both users and content providers on the internet.
   1. True
   2. False

(a; Moderate; p. 6; LO1; Use of Information Technology)

1. According to the text, nowadays the internet should be regarded more as a channel than a place.
2. True
3. False

(b; Moderate; p. 6; LO5; Analytic Skills)

1. E-marketing refers to the result of information technology applied to traditional marketing.
2. True
3. False

(a; Moderate; p. 6; LO1; Use of Information Technology)

1. The internet provides individual users abilities to access information, entertainment, and communication.
2. True
3. False

(a; Easy ; p. 7; LO3; Use of Information Technology)

1. The term *blog* refers to online diaries, or journals, that are updated and shared on Web pages.
2. True
3. False

(a; Moderate; p. 8; LO3; Use of Information Technology)

1. More than one-third of global internet users are based in Asia.
   1. True
   2. False

(a; Difficult; p. 9; LO5; Multicultural and Diversity)

1. Unsolicited communications, such as *spam*, have slowed the positive impact of e-marketing practices.
   1. True
   2. False

(a; Moderate; p. 9; LO5; Use of Information Technology)

1. Electronic marketing relies solely upon Web-based technology.
2. True
3. False

(b; Difficult; p. 7; LO1; Use of Information Technology)

1. The internet has shifted power from sellers to buyers.
2. True
3. False

(a; Easy; p. 13; LO3; Reflective Thinking Skills)

1. It is expected that the “e” in e-business and e-marketing will eventually be dropped, as electronic practices become more standard.
   1. True
   2. False

(a; Moderate; p. 10; LO5; Analytic Skills)

1. The internet is largely the product of ARPANET, a project commissioned by the U.S. Department of Defense.
   1. True
   2. False

(a; Difficult; p. 10; LO1)

1. Co-creation occurs when users help marketers develop products or advertising.
   1. True
   2. False

(a; Easy; p. 15; LO3)

**Essay Questions**

1. What is the difference between the internet, an extranet, and an intranet?

* The internet is a global network of interconnected computers. Access to the internet is very broad and open.
* An extranet is two or more proprietary or company owned networks that are joined to share information. Access to this network is limited.
* An intranet is an internal network for a company that uses internet standards. Access is limited to internal company use only.

(Easy; p. 6; LO1; Use of Information Technology)

1. What is a content provider on the internet?

Content providers are individuals and organizations that create digital text, video, audio, and graphics to be sent over the internet to users who receive it as information, entertainment, or communications.

(Moderate; p. 5; LO1; Analytic Skills)

1. Define what community means for the internet and give examples.

Communities for the internet are groups of users who come together to share information, hold discussions, and exchange data. Examples include blogs or web logs, auctions, and peer-to-peer networking.

(Easy; p. 7-8; LO1; Analytic Skills)

1. Concerning internet usage, what is the digital divide?

Internet adoption is affected by money, literacy, and education. This creates a divide between those who have access to the internet and those who don’t. It impairs the upward mobility of those on the lower socioeconomic level, who don’t have access to the internet and the information that comes with it. This impacts individuals on the lower socioeconomic levels and those living in less developed countries.

(Moderate; p. 9; LO5; Reflective Thinking Skills)

1. Why did some manufacturers such as Levis stop selling on the internet?

* Channel conflict with retail accounts
* Cannibalization
* Inefficiency

(Moderate; p. 11; LO2; Analytic Skills)

1. The strength of the internet has affected traditional marketing in several ways. List five of them and how they affected marketing.

* Power shift from sellers to buyers (focus on customer relationship management)
* Market fragmentation (more focus on small target markets and 1-to-1 marketing)
* Death of distance or geographic location affect (less focus on place for marketing)
* Time compression (24/7 availability)
* Knowledge management is key (track results in real time and focus on database analysis)
* Interdisciplinary focus (marketers must understand technology and use it wisely)
* Intellectual capital rules (focus on creativity and imagination)

(Difficult; p. 12-15; LO5; Reflective Thinking Skills)

1. Marketers face new challenges with the advent of TIVO and other digital video recorders. What is the main challenge and what has TIVO done to alleviate some of the concerns of marketers?

* The main challenge is the ability of consumers to speed through and skip commercials that advertisers have paid for based on their ability to communicate with consumers.
* TIVO has setup content with advertising included that viewers can watch at their leisure and TIVO can provide specific metrics to the advertisers on these programs.

(Difficult; p. 17; LO4; Reflective Thinking Skills)