

Marketing: Real People, Real Choices, 10e (Solomon)

Chapter 1 Welcome to the World of Marketing: Create and Deliver Value

1) A _____ is the ultimate user of a good or service.

- A) stakeholder
- B) market
- C) target market
- D) marketer
- E) consumer

Answer: E

Difficulty: Easy

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

2) _____ is 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.

- A) Demand satisfaction
- B) Competitive advantage building
- C) Marketing
- D) Total quality management
- E) Value chain management

Answer: C

Difficulty: Easy

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

AACSB: Written and oral communication

3) The _____ consists of the tools an organization uses to create a desired response among a set of predefined consumers.

- A) sharing economy
- B) market position
- C) value proposition
- D) marketplace
- E) marketing mix

Answer: E

Difficulty: Easy

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

4) The four Ps are _____.

- A) price, product, place, and promotion
- B) price, profit, production, and possession
- C) product, production, possession, and promotion
- D) product, promotion, price, and profit
- E) place, production, process, and profit

Answer: A

Difficulty: Easy

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

AACSB: Written and oral communication

5) Which of the following is a true statement about the four Ps of the marketing mix?

- A) A decision about one of the Ps affects every other marketing-mix decision.
- B) Price is always the most important of the four Ps.
- C) Place is typically the least important of the four Ps.
- D) The four Ps have little effect on a product's market position.
- E) The four Ps are used to determine a product's target market.

Answer: A

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

AACSB: Written and oral communication

6) Which of the following is part of the product element of the marketing mix?

- A) a quality discount
- B) a store coupon
- C) a newspaper advertisement
- D) the packaging
- E) publicity releases

Answer: D

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

7) A _____ is a good, service, idea, place, or person—whatever is offered for sale in the exchange.

- A) product
- B) place
- C) utility
- D) benefit
- E) demand

Answer: A

Difficulty: Easy

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

8) _____ is the assignment of a product's value, or the amount the consumer must exchange to receive the offering.

- A) Promotion
- B) Price
- C) Benefit
- D) Need
- E) Utility

Answer: B

Difficulty: Easy

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

9) The _____ element of the marketing mix informs consumers about products and encourages them to buy these products using forms such as personal selling, advertising, coupons, and publicity.

- A) production
- B) place
- C) price
- D) distribution
- E) promotion

Answer: E

Difficulty: Easy

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

AACSB: Written and oral communication

10) Marketing communication is also referred to as _____.

- A) production
- B) selling orientation
- C) societal marketing
- D) exchange
- E) promotion

Answer: E

Difficulty: Easy

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

AACSB: Written and oral communication

11) For an exchange to occur, _____.

- A) at least two people or organizations must be willing to make a trade, and each must have something the other wants
- B) there must be one winner and one loser
- C) someone must make a financial profit
- D) the item that is exchanged must be a tangible product
- E) time utility must be created for the purchaser

Answer: A

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

12) Which element of the marketing mix is most closely associated with a company's channel of distribution?

- A) production
- B) place
- C) price
- D) profit
- E) promotion

Answer: B

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

13) _____ are intangible products that we pay for and use but never own.

- A) Consumer goods
- B) Services
- C) Industrial goods
- D) E-commerce products
- E) Value products

Answer: B

Difficulty: Easy

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

14) _____ are the tangible products that individuals purchase for personal or family use.

- A) Consumer services
- B) Consumer goods
- C) Value propositions
- D) Utilities
- E) Industrial goods

Answer: B

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

15) _____ marketing is the marketing of goods and services from one organization to another.

- A) Distributive
- B) Consumer
- C) E-commerce
- D) Business-to-business
- E) Target

Answer: D

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

16) Nongovernmental organizations are also known as _____.

- A) consumer organizations
- B) public organizations
- C) private organizations
- D) not-for-profit organizations
- E) for-profit organizations

Answer: D

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

17) Marketers first identify consumer needs and then provide products that satisfy those needs. This practice is referred to as _____.

- A) the stakeholder orientation
- B) the marketing concept
- C) total quality management
- D) collaborative consumption
- E) the marketing mix

Answer: B

Difficulty: Easy

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

18) When a gap exists between a consumer's actual state and some ideal or desired state, the consumer has a _____.

- A) benefit
- B) demand
- C) need
- D) value
- E) utility

Answer: C

Difficulty: Easy

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

19) A _____ is a desire for a particular product a consumer uses to satisfy a need in a specific way that is culturally and socially influenced.

- A) benefit
- B) demand
- C) value
- D) utility
- E) want

Answer: E

Difficulty: Easy

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

20) A _____ delivered by a product is the outcome that motivates a customer's buying behavior.

- A) benefit
- B) demand
- C) value
- D) need
- E) want

Answer: A

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

21) A customer's desire for a product coupled with the buying power or resources to obtain that product is called _____.

- A) benefit
- B) demand
- C) need
- D) utility
- E) service

Answer: B

Difficulty: Easy

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

22) To be part of the _____ for a product, consumers must share a common need that can be satisfied by the product and have the resources, willingness, and authority to purchase the product.

- A) shared economy
- B) audience
- C) value proposition
- D) marketplace
- E) market

Answer: E

Difficulty: Easy

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

23) A glitzy shopping mall, a mail-order catalog, a television shopping network, and an e-commerce website are all examples of _____.

- A) marketing concepts
- B) value chains
- C) monopolies
- D) marketplaces
- E) strategic business units

Answer: D

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

AACSB: Information technology

24) The trend of consumers renting out their belongings when they are not in use to other consumers who need them for a limited time is called _____.

- A) e-commerce
- B) virtual exchange of goods
- C) the attention economy
- D) collaborative consumption
- E) user-generated content

Answer: D

Difficulty: Easy

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

25) All of the following are forms of utility created by marketing processes EXCEPT _____.

- A) form utility
- B) place utility
- C) time utility
- D) possession utility
- E) price utility

Answer: E

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

26) _____ utility is the benefit marketing provides by transforming raw materials into finished products, as when a dress manufacturer combines silk, thread, and a zipper to create a bridesmaid's gown.

- A) Form
- B) Place
- C) Time
- D) Possession
- E) Price

Answer: A

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

27) Women who rent their wedding gowns instead of buying them and wearing them only once are taking advantage of _____ utility.

- A) form
- B) place
- C) time
- D) possession
- E) price

Answer: C

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

28) _____ utility is the benefit marketing provides by allowing the consumer to own, use, and enjoy a product.

- A) Form
- B) Place
- C) Time
- D) Possession
- E) Price

Answer: D

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

29) Buyers, sellers, investors, and community residents are all considered _____ in a company.

- A) stakeholders
- B) shareholders
- C) consumers
- D) channel of distribution members
- E) collaborative consumers

Answer: A

Difficulty: Easy

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

30) When Tony rented a loft apartment where he would live for the summer, he acted as a _____.

- A) consumer
- B) shareholder
- C) producer
- D) marketer
- E) retailer

Answer: A

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

AACSB: Analytical thinking

31) Chris just landed her dream job but realizes that her college wardrobe is not going to work for her new professional position. In this situation, Chris has a(n) _____.

- A) benefit
- B) exchange
- C) value
- D) need
- E) utility

Answer: D

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

AACSB: Analytical thinking

32) After saving a portion of several paychecks, Greg Williams now has the buying power to purchase the computer system he has wanted for the last six months. Greg's want has become a(n) _____.

- A) need
- B) necessity
- C) demand
- D) exchange
- E) transaction

Answer: C

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

AACSB: Analytical thinking

33) Ruth Terry is a realtor. In her ads, Terry offers the free use of a moving truck to every customer she helps either buy or sell a house. This free use of a moving truck is an example of _____.

- A) a benefit
- B) a demand
- C) business-to-business marketing
- D) a need
- E) the rentpreneur trend

Answer: A

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

AACSB: Analytical thinking

34) Which of the following is the best example of a consumer good?

- A) the riding lawn mower purchased by the landscaping company
- B) the disposable diapers purchased by the new mother for her baby
- C) the paint purchased by the contractor
- D) the cookies purchased for the daycare center
- E) the art supplies purchased for the elementary school art center

Answer: B

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

AACSB: Analytical thinking

35) Which of the following is the best example of a service?

- A) the medical examination Jonathon had yesterday
- B) the sheet music purchased by the piano teacher
- C) the software Monica purchased from the website
- D) the cleaning supplies purchased for the veterinarian's office
- E) the t-shirt you got for running in a 5K race

Answer: A

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

AACSB: Analytical thinking

36) Alex paid for a(n) _____ when he took his car to the carwash to be washed and waxed.

- A) service
- B) industrial product
- C) consumer good
- D) commercial good
- E) business product

Answer: A

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

AACSB: Analytical thinking

37) Which of the following is an example of a transaction that might occur in business-to-business marketing?

- A) Maurice buys a new razor on his way home from work.
- B) The amateur gardener buys a new wheelbarrow.
- C) The retail outlet buys athletic shoes to sell in its store.
- D) The professional chef bakes a birthday cake for her son.
- E) Robyn's mother hires a math tutor to help Robyn pass algebra.

Answer: C

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

AACSB: Analytical thinking

38) Faruk provides heating and air conditioning equipment for office buildings. He sells _____.

- A) distributive goods
- B) consumer services
- C) consumer goods
- D) industrial goods
- E) intangible goods

Answer: D

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

AACSB: Analytical thinking

39) Which of the following is an example of a not-for-profit organization that would use marketing principles?

- A) a fast-food restaurant
- B) a manufacturer of bicycles
- C) a software developer
- D) a theme amusement park
- E) the local city zoo

Answer: E

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

AACSB: Analytical thinking

40) A sign manufacturer who uses plastic, metal, and neon tubing to create a motel sign has performed the marketing benefit of creating _____ utility.

- A) form
- B) place
- C) possession
- D) time
- E) creation

Answer: A

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

AACSB: Analytical thinking

41) Shane pulled her car into the gas station just as the fuel gauge dropped below empty. In this example, Shane benefited from the _____ utility offered by the gas station.

- A) creation
- B) place
- C) value
- D) marketing
- E) quality

Answer: B

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

AACSB: Analytical thinking

42) Seth's mother didn't want to build a climbing wall as a permanent feature in her backyard, but it was certainly convenient to rent one from the company that catered Seth's 12th birthday party. The catering company created both _____ utility when it rented her the climbing wall.

- A) form and place
- B) place and creation
- C) possession and price
- D) time and place
- E) creation and possession

Answer: D

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

AACSB: Analytical thinking

43) A(n) _____ occurs when Kirin Albers trades Max Lynch three hours of babysitting Max's three-year-old daughter in exchange for Max fixing the hole in Kirin's porch roof.

- A) differential benefit
- B) promotion
- C) exchange
- D) collaborative consumption
- E) virtual trade

Answer: C

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

AACSB: Analytical thinking

44) Two teachers purchased art supplies for their classes. One paid \$103.45 for eight large boxes of crayons. The other teacher purchased ten identical boxes for \$105.55. The second teacher got more for her money because she took advantage of a quantity discount, a reduced price for buying ten or more boxes. Which element of the marketing mix most directly relates to these purchases?

- A) production
- B) profit
- C) price
- D) place
- E) possession

Answer: C

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

AACSB: Application of knowledge

45) Conveniently located vending machines around your college or university campus make it easy for you to buy a soda and a snack between classes. This is an example of the _____ element of the marketing mix.

- A) production
- B) place
- C) price
- D) profit
- E) promotion

Answer: B

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

AACSB: Analytical thinking

46) Susannah owns a one-bedroom apartment in Manhattan that she posts for short-term weekend and summer rentals on airBnB when she plans to be out of town. This is an example of _____.

- A) not-for-profit marketing
- B) institutional marketing
- C) collaborative consumption
- D) people marketing
- E) consumer-generated marketing

Answer: C

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

AACSB: Analytical thinking

47) The principles of marketing can apply to people, just as they apply to goods and services.

Answer: TRUE

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

48) The term "marketing" is synonymous with the term "advertising."

Answer: FALSE

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

AACSB: Written and oral communication

49) Marketers define a need as the difference between a consumer's actual state and some ideal or desired state.

Answer: TRUE

Difficulty: Easy

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

50) Although having something to eat or drink may be a want, the desire for a specific brand name is referred to as a need.

Answer: FALSE

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

51) Rentpreneurs are a new trend in business-to-business marketing.

Answer: FALSE

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

52) Many not-for-profit organizations use marketing principles.

Answer: TRUE

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

53) The marketing mix is the marketer's strategic toolbox.

Answer: TRUE

Difficulty: Easy

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

54) Business-to-business marketing represents greater total sales than business-to-consumer marketing.

Answer: TRUE

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

55) The elements of the marketing mix are the four Ps.

Answer: TRUE

Difficulty: Easy

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

56) The pricing element of the marketing mix always involves monetary exchanges.

Answer: FALSE

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

57) The promotion element of the marketing mix includes the design of the product.

Answer: FALSE

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

AACSB: Written and oral communication

58) Within the context of the marketing mix, place refers to the availability of the product to the customer at the desired time and location.

Answer: TRUE

Difficulty: Easy

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

59) Automobiles, haircuts, tutoring, and lighting fixtures are all examples of consumer goods.

Answer: FALSE

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

AACSB: Analytical thinking

60) Ria, a college sophomore, has a YouTube channel and posts short videos that typically have over 50,000 viewers each week. Ria could be described as a microcelebrity.

Answer: TRUE

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

AACSB: Analytical thinking

61) An entertainer such as Kenny Chesney, a television show, and a magazine subscription are all examples of products.

Answer: TRUE

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

AACSB: Analytical thinking

62) Discuss how the principles of marketing can be applied to people.

Answer: The principles of marketing apply to people in the same way that they apply to products and services. People market, or "sell," themselves all of the time, whether they are applying for a job, hoping to gain a promotion, or participating in online dating. People package and promote themselves through the clothes and accessories they choose, the cars they drive, the music they listen to, the books they read, and much more.

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

AACSB: Analytical thinking

63) How would an ice cream vendor create the four types of utility?

Answer: The ice cream vendor would create form utility by combining ingredients to make a milkshake or a sundae. Place utility would mean the ice cream is available where the customer wants it. Time utility would mean the ice cream is available when the customer wants it.

Possession utility refers to the enjoyment consumers have eating the ice cream.

Difficulty: Difficult

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

AACSB: Application of knowledge

64) What does the phrase "exchange relationship" mean in relation to marketing?

Answer: An exchange occurs when something is obtained for something else in return. The buyer receives an object, service, or idea that satisfies a need, and the seller receives something she feels is of equivalent value. For an exchange to occur, at least two people or organizations must be willing to make a trade, and each must have something the other wants. Both parties must agree on the value of the exchange and how it will be carried out. Each party also must be free to accept or reject the other's terms for the exchange. An exchange is at the heart of every marketing act.

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

AACSB: Application of knowledge

65) What is the difference between consumer goods and consumer services? Give an example of each.

Answer: Consumer goods are the tangible products that individual consumers purchase for personal or family use. Consumer services are intangible products that consumers pay for and use but never own. Examples will vary, but should reflect these definitions.

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

AACSB: Application of knowledge

66) Identify the four Ps in the following description: Rosa Alvarez markets 23 different varieties of salsa in 8-ounce and 12-ounce bottles at supermarkets in the southwestern United States. The 8-ounce bottle sells for \$5.95, and the larger size sells for \$7.95. Periodically, she sets up a table in one of the marketplaces that carries her salsa brand and offers customers a sample. She recently received considerable publicity for being the "Hispanic Entrepreneur of the Year."

Answer: The four Ps are product, price, place, and promotion.

Product: 23 different varieties of salsa in 8-ounce and 12-ounce bottles

Price: \$5.95 for smaller size and \$7.95 for larger size

Place: supermarkets in southwestern United States

Promotion: sampling and publicity

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

AACSB: Application of knowledge

67) Provide a brief explanation of what marketing is.

Answer: Marketing is 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.

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

AACSB: Analytical thinking

68) Select one actual company located in your community. Identify at least four different types of stakeholders in this company.

Answer: Each student will present different information in responding to this question.

Stakeholders should include the company's customers, the company's employees, investors in the company, and residents of the community.

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

AACSB: Application of knowledge

69) Can a consumer of a product be a stakeholder in the company that markets the product? Briefly explain your answer.

Answer: Yes. A consumer is one type of stakeholder. A stakeholder can be a buyer, seller, or investor in a company; a community resident; or a citizen of the nation where the company's goods or services are made or sold. A consumer is the ultimate user of a good or service. Therefore, a consumer could be a stakeholder who is also the ultimate consumer using the product.

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

AACSB: Application of knowledge

70) Briefly describe the collaborative consumption trend.

Answer: In a trend called collaborative consumption, consumers become "rentpreneurs" by renting out their belongings—tools, cars, homes, etc.—when they are not using them. This appeals to many consumers, particularly younger consumers, who would prefer to rent products rather than purchase and own them.

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

AACSB: Analytical thinking

71) Give three examples of marketplaces.

Answer: Answers will vary, but should reflect the broad range of marketplaces, from face-to-face retailers to mail-order catalogs and websites.

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

AACSB: Application of knowledge

72) Explain the concept of business-to-business marketing and give an example of a business-to-business transaction.

Answer: Business-to-business marketing is the marketing of goods and services from one organization to another. Examples will vary, but should reflect this definition.

Difficulty: Moderate

LO: 1.1: Explain what marketing is, the marketing mix, what can be marketed and the value of marketing

AACSB: Application of knowledge

73) In which kind of market would a production orientation be most successful?

- A) a buyer's market in which supply exceeds demand
- B) a market in which there are more sellers than buyers
- C) a seller's market in which demand is greater than supply
- D) a market that sells only intangible products
- E) an e-commerce market

Answer: C

Difficulty: Moderate

LO: 1.2: Explain the evolution of the marketing concept

74) Companies that have a _____ orientation tend to be more successful at making one-time sales than at building repeat businesses.

- A) consumer
- B) marketing
- C) selling
- D) societal
- E) relationship

Answer: C

Difficulty: Moderate

LO: 1.2: Explain the evolution of the marketing concept

75) A _____ orientation is a management philosophy that focuses on ways to satisfy customers' needs and wants.

- A) customer
- B) promotion
- C) selling
- D) production
- E) quality

Answer: A

Difficulty: Easy

LO: 1.2: Explain the evolution of the marketing concept

76) The total quality management (TQM) philosophy involves all employees in _____.

- A) customer relationship management
- B) continuous product quality improvement
- C) market positioning
- D) creating sustainability
- E) increasing the lifetime value of customers

Answer: B

Difficulty: Easy

LO: 1.2: Explain the evolution of the marketing concept

77) In general, companies with a triple-bottom-line orientation are most likely to place a priority on which of the following?

- A) sustainability
- B) the production orientation
- C) the selling orientation
- D) not-for-profit marketing
- E) collaborative consumption

Answer: A

Difficulty: Difficult

LO: 1.2: Explain the evolution of the marketing concept

AACSB: Ethical understanding and reasoning

78) Which of the following lists the three components of the triple-bottom-line orientation?

- A) the financial bottom line, the social bottom line, and the environmental bottom line
- B) the financial bottom line, the social bottom line, and the political bottom line
- C) the financial bottom line, the cultural bottom line, and the business bottom line
- D) the value bottom line, the service bottom line, and the business bottom line
- E) the product bottom line, the service bottom line, and the relationship bottom line

Answer: A

Difficulty: Moderate

LO: 1.2: Explain the evolution of the marketing concept

AACSB: Ethical understanding and reasoning

79) _____ maintains that marketers must satisfy customers' needs in ways that also benefit society and are profitable to the firm.

- A) Value propositioning
- B) Collaborative consumption
- C) The societal marketing concept
- D) A sales orientation
- E) Green marketing

Answer: C

Difficulty: Easy

LO: 1.2: Explain the evolution of the marketing concept

AACSB: Ethical understanding and reasoning

80) A company that focuses on _____ is concerned with meeting present consumer needs without compromising the ability of future generations to meet their needs.

- A) the selling orientation
- B) the production orientation
- C) total quality management
- D) sustainability
- E) return on investment

Answer: D

Difficulty: Moderate

LO: 1.2: Explain the evolution of the marketing concept

AACSB: Ethical understanding and reasoning

81) Which of the following refers to marketing strategies that support environmental stewardship by establishing an environmentally founded differential benefit in the minds of consumers?

- A) collaborative consumption
- B) green marketing
- C) triple-bottom-line orientation
- D) societal marketing
- E) corporate citizenship

Answer: B

Difficulty: Easy

LO: 1.2: Explain the evolution of the marketing concept

AACSB: Ethical understanding and reasoning

82) The direct financial impact of a firm's expenditure on marketing activities is called the _____.

- A) value chain
- B) value proposition
- C) differential benefit
- D) return on marketing investment (ROMI)
- E) utility function

Answer: D

Difficulty: Easy

LO: 1.2: Explain the evolution of the marketing concept

83) Which of the following is LEAST likely to be of growing importance in marketing in the near future?

- A) mobile marketing
- B) corporate citizenship
- C) big data
- D) a selling orientation
- E) user-generated content

Answer: D

Difficulty: Moderate

LO: 1.2: Explain the evolution of the marketing concept

AACSB: Information technology

84) Interacting with consumers via portable technology such as smart phones, tablets, and wearable screens is referred to as _____.

- A) mobile marketing
- B) social marketing
- C) societal marketing
- D) user-generated marketing
- E) branded marketing

Answer: D

Difficulty: Easy

LO: 1.2: Explain the evolution of the marketing concept

AACSB: Information technology

85) A flour producer that identifies its mission as "the milling of fine flour in the most efficient manner possible" most likely has a _____ orientation.

- A) customer
- B) marketing
- C) selling
- D) production
- E) new era

Answer: D

Difficulty: Moderate

LO: 1.2: Explain the evolution of the marketing concept

AACSB: Analytical thinking

86) Jolene's firm markets preplanning services for a mortician. She finds that most of her target market wants to avoid discussing future funeral needs, so she must somehow first get their attention. Jolene's firm most likely uses the _____.

- A) production orientation
- B) sustainability concept
- C) selling orientation
- D) customer orientation
- E) societal marketing concept

Answer: C

Difficulty: Moderate

LO: 1.2: Explain the evolution of the marketing concept

AACSB: Analytical thinking

87) IBM manager Celia Moore coordinates IBM's long-standing "Reinventing Education" program that involves intensive research into how educational institutions can use the fruits of new technologies to transform what they do. In the process, the program is actually helping to shape a market of significant interest to IBM. "We see the program very much as an investment, rather than handing out money," says Moore. The existence of this program indicates that IBM has a(n) _____ orientation.

- A) environmental
- B) financial bottom line
- C) selling
- D) production
- E) triple-bottom-line

Answer: E

Difficulty: Moderate

LO: 1.2: Explain the evolution of the marketing concept

AACSB: Analytical thinking

88) Today, it's most likely that companies selling unsought goods will use a selling orientation.

Answer: TRUE

Difficulty: Moderate

LO: 1.2: Explain the evolution of the marketing concept

89) Green marketing and sustainability are interchangeable terms describing the same concept.

Answer: FALSE

Difficulty: Moderate

LO: 1.2: Explain the evolution of the marketing concept

AACSB: Ethical understanding and reasoning

90) The customer orientation maintains that marketers must satisfy customers' needs in ways that also benefit society.

Answer: FALSE

Difficulty: Moderate

LO: 1.2: Explain the evolution of the marketing concept

AACSB: Ethical understanding and reasoning

91) The acronym ROI stands for return on internet.

Answer: FALSE

Difficulty: Easy

LO: 1.2: Explain the evolution of the marketing concept

92) Explain why and how a company would adopt a customer orientation.

Answer: A company might adopt a customer orientation to better identify and satisfy the needs and wants of customers. In the competitive marketplace of today, a company has to go beyond the selling and production orientations and consider the customer's desires. Following a customer orientation, marketers would conduct research to understand the needs of different customers and tailor products to the needs of these various groups.

Difficulty: Difficult

LO: 1.2: Explain the evolution of the marketing concept

AACSB: Application of knowledge

93) Explain the concept of corporate citizenship and why it is important for companies today.

Answer: Corporate citizenship, also called corporate social responsibility, refers to a company's responsibility to the community in which it operates and to society in general. This concept of doing well by doing good is of growing importance, and is likely to continue to grow in importance, as more and more consumers reward companies who do "good" and punishing those who are found to be irresponsible.

Difficulty: Moderate

LO: 1.2: Explain the evolution of the marketing concept

AACSB: Ethical understanding and reasoning

94) Explain why it is often difficult to measure the value of marketing activities.

Answer: Marketing objectives are sometimes stated in vague terms, such as "increase product awareness." This lack of specificity in objectives makes it difficult to measure the impact of marketing.

Difficulty: Difficult

LO: 1.2: Explain the evolution of the marketing concept

AACSB: Application of knowledge

95) Explain why branding is increasingly becoming a two-way communication between the brand and consumers.

Answer: With the rise of user-generated content, such as online reviews and use of social media to discuss brands, it will be critical for brands to create more personalized and far-reaching brand communications.

Difficulty: Moderate

LO: 1.2: Explain the evolution of the marketing concept

AACSB: Information technology

96) A _____ is a marketplace offering that fairly and accurately sums up the value that will be realized if the good or service is purchased.

A) product position

B) market segment

C) mass market

D) value proposition

E) target market

Answer: D

Difficulty: Easy

LO: 1.3: Understand value from the perspectives of customers, producers, and society

97) The ratio of benefits to costs is one way to think of _____.

A) sustainability

B) profits

C) value

D) competitive advantage

E) distinctive competency

Answer: C

Difficulty: Moderate

LO: 1.3: Understand value from the perspectives of customers, producers, and society

98) When companies calculate the lifetime value of a customer they look at _____.

A) how much profit they expect to make from a particular customer, including each and every purchase she will make from them now and in the future

B) the positive word of mouth about the product that the customer can spread among her family, friends, and acquaintances

C) the lifetime expectancy of the product the customer purchased

D) the age of the customer to see whether she is likely to live long enough to utilize the product being sold

E) the career path of the customer to see if she may move to a different geographic area and no longer purchase from the company

Answer: A

Difficulty: Moderate

LO: 1.3: Understand value from the perspectives of customers, producers, and society

99) A firm's capability that is superior to that of its competition is referred to as a(n) _____.

- A) distinctive competency
- B) added value
- C) value proposition
- D) value chain
- E) social benefit

Answer: A

Difficulty: Easy

LO: 1.3: Understand value from the perspectives of customers, producers, and society

100) The second step in developing a competitive advantage is to turn a distinctive competency into a _____ that is important to customers.

- A) target market
- B) service
- C) marketing mix
- D) market position
- E) differential benefit

Answer: E

Difficulty: Moderate

LO: 1.3: Understand value from the perspectives of customers, producers, and society

101) A(n) _____ provides reasons for customers to pay a premium for a firm's products and exhibit a strong brand preference.

- A) exchange
- B) differential benefit
- C) industrial good
- D) value chain
- E) customer lifetime value

Answer: B

Difficulty: Moderate

LO: 1.3: Understand value from the perspectives of customers, producers, and society

102) In general, competitive advantage comes from which of the following?

- A) lifetime value of a customer
- B) cost advantage or a differential advantage
- C) consumer-generated content
- D) crowdsourcing
- E) social networking and the wisdom of crowds

Answer: B

Difficulty: Moderate

LO: 1.3: Understand value from the perspectives of customers, producers, and society

103) A _____ is a series of activities involved in designing, producing, marketing, delivering, and supporting any product.

- A) value proposition
- B) production orientation
- C) value chain
- D) marketing concept
- E) market position

Answer: C

Difficulty: Easy

LO: 1.3: Understand value from the perspectives of customers, producers, and society

104) In addition to marketing activities, the _____ includes business functions such as human resource management and technology development.

- A) value chain
- B) marketing mix
- C) utility function
- D) customer relationship management process
- E) market position

Answer: A

Difficulty: Moderate

LO: 1.3: Understand value from the perspectives of customers, producers, and society

105) The main activities of value chain members include all of the following EXCEPT _____.

- A) bringing in materials to make the product
- B) converting the materials into the final product
- C) providing customers with comparative information about competitors' products
- D) shipping out the final product
- E) servicing the product after purchase

Answer: C

Difficulty: Moderate

LO: 1.3: Understand value from the perspectives of customers, producers, and society

106) The value chain activity of _____ refers to converting materials into a final product for consumers.

- A) inbound logistics
- B) outbound logistics
- C) operations
- D) marketing
- E) service

Answer: C

Difficulty: Moderate

LO: 1.3: Understand value from the perspectives of customers, producers, and society

107) The phenomenon of _____ includes consumers creating their own ads and buying and selling products on eBay.

- A) the production orientation
- B) the triple-bottom-line orientation
- C) consumer-generated value
- D) socially responsible marketing
- E) the marketing concept

Answer: C

Difficulty: Moderate

LO: 1.3: Understand value from the perspectives of customers, producers, and society

AACSB: Information technology

108) Social networking is an integral part of which of the following?

- A) the triple-bottom-line orientation
- B) lifetime value of a customer
- C) the value chain
- D) Web 2.0
- E) Web 1.0

Answer: D

Difficulty: Moderate

LO: 1.3: Understand value from the perspectives of customers, producers, and society

AACSB: Information technology

109) Which of the following is true of Web 2.0?

- A) It categorized entries according to a strict taxonomy.
- B) It offered two-way communication between marketers and consumers.
- C) It was based on the open source model.
- D) It was based on the wisdom of crowds model.
- E) It improved as the number of users decreased.

Answer: B

Difficulty: Moderate

LO: 1.3: Understand value from the perspectives of customers, producers, and society

AACSB: Information technology

110) According to the theory of the wisdom of crowds, under the right circumstances _____.

- A) a mass market approach is favorable to a target market approach
- B) a target market approach is favorable to a mass market approach
- C) groups are smarter than the smartest people in them
- D) companies can make money by giving their products away for free
- E) consumers can generate value

Answer: C

Difficulty: Moderate

LO: 1.3: Understand value from the perspectives of customers, producers, and society

111) _____ is a network of servers, all having different functions, providing an almost infinite amount of storage space.

- A) A social networking platform
- B) The Cloud
- C) The value chain
- D) Folksonomy
- E) The virtual marketplace

Answer: B

Difficulty: Moderate

LO: 1.3: Understand value from the perspectives of customers, producers, and society

AACSB: Information technology

112) Alcoholism and cigarette smoking are both examples of _____.

- A) anticonsumption behaviors
- B) "bait-and-switch" behaviors
- C) consumer addictions
- D) shrinkage
- E) consumed consumer behaviors

Answer: C

Difficulty: Moderate

LO: 1.3: Understand value from the perspectives of customers, producers, and society

AACSB: Ethical understanding and reasoning

113) Which of the following is the industry term for inventory and cash losses from shoplifting and employee theft?

- A) bait-and-switch
- B) anticonsumption
- C) crowdsourcing
- D) shrinkage
- E) lifetime cost of a customer

Answer: D

Difficulty: Moderate

LO: 1.3: Understand value from the perspectives of customers, producers, and society

AACSB: Ethical understanding and reasoning

114) Product tampering and spray-painting graffiti on buildings are both examples of _____.

- A) folksonomy
- B) exploitative consumption
- C) addictive consumption
- D) shrinkage
- E) anticonsumption

Answer: E

Difficulty: Moderate

LO: 1.3: Understand value from the perspectives of customers, producers, and society

AACSB: Ethical understanding and reasoning

115) A new shampoo advertisement on television identifies all of the wonderful benefits the consumer will enjoy when using one company's shampoo as opposed to another company's shampoo. What is this company seeking to convey in this television commercial?

- A) the product's time utility
- B) the product's distinctive competency
- C) the company's production orientation
- D) the company's marketing segmentation process
- E) the product's differential benefits

Answer: E

Difficulty: Moderate

LO: 1.3: Understand value from the perspectives of customers, producers, and society

AACSB: Analytical thinking

116) Kao Corp., which makes Ban deodorant, invited teenage girls to create an ad that would encourage other girls to buy the product. This program is an example of _____.

- A) the wisdom of crowds
- B) the production concept
- C) the selling orientation
- D) folksonomy
- E) consumer-generated content

Answer: E

Difficulty: Moderate

LO: 1.3: Understand value from the perspectives of customers, producers, and society

AACSB: Analytical thinking

117) Terrible Tees is an online t-shirt company that invites consumers to enter their t-shirt designs in a monthly contest. All visitors to the site are invited to vote on their favorite design, and at the end of the month, the company produces and takes orders for the t-shirt design with the most votes. This is an example of _____.

- A) the wisdom of crowds
- B) the production concept
- C) the selling orientation
- D) a folksonomy
- E) a brandfest

Answer: A

Difficulty: Moderate

LO: 1.3: Understand value from the perspectives of customers, producers, and society

AACSB: Analytical thinking

118) To calculate lifetime value, a company would estimate the amount of money a person would spend with the company over a lifetime and then subtract what it will cost the company to maintain this relationship.

Answer: TRUE

Difficulty: Moderate

LO: 1.3: Understand value from the perspectives of customers, producers, and society

119) A firm has a competitive advantage when it is able to outperform the competition, providing customers with a desired benefit not provided by the competition.

Answer: TRUE

Difficulty: Moderate

LO: 1.3: Understand value from the perspectives of customers, producers, and society

120) A haul video is an example of consumer-generated content.

Answer: TRUE

Difficulty: Moderate

LO: 1.3: Understand value from the perspectives of customers, producers, and society

121) Service provided to the customer after a purchase is not an activity associated with the value chain.

Answer: FALSE

Difficulty: Moderate

LO: 1.3: Understand value from the perspectives of customers, producers, and society

122) According to the theory of the wisdom of crowds, consumers are more interested in content produced by other consumers than in content produced by brands.

Answer: FALSE

Difficulty: Moderate

LO: 1.3: Understand value from the perspectives of customers, producers, and society

AACSB: Information technology

123) A value proposition includes the whole bundle of benefits the firm promises to deliver, not just the benefits of the product itself.

Answer: TRUE

Difficulty: Moderate

LO: 1.3: Understand value from the perspectives of customers, producers, and society

AACSB: Analytical thinking

124) Why might a company try to determine the lifetime value of a customer? What must a company do to determine this information?

Answer: A company must look at how much profit it expects to make from a particular customer, including each and every purchase he will make from the company now and in the future. To calculate lifetime value, the company estimates the amount the person will spend and then subtracts what it will cost to maintain this relationship.

Difficulty: Moderate

LO: 1.3: Understand value from the perspectives of customers, producers, and society

AACSB: Application of knowledge

125) What is a marketing scorecard and what is its purpose?

Answer: Marketers must prove to management that they are generating measurable value by aligning marketing activities with the firm's overall business objectives. Scorecards, which are like the marketing department's report card, are used to report how the company or brand is actually progressing in achieving various goals. These scorecards typically contain charts and graphs to summarize information about how the brand is progressing toward achieving specific goals.

Difficulty: Difficult

LO: 1.3: Understand value from the perspectives of customers, producers, and society

AACSB: Application of knowledge

126) Why might a company invest in brandfests, and how is this related to the concept of lifetime value of a customer?

Answer: A brandfest is an event, such as the Jeep Jamboree, sponsored by a company to thank customers for their loyalty and to build lasting partnerships with customers. Activities such as brandfests are aimed at increasing the lifetime value of each customer, or the profit the company expects to gain from each customer. This is in line with the notion that retaining current customers is less expensive than attracting new customers.

Difficulty: Moderate

LO: 1.3: Understand value from the perspectives of customers, producers, and society

AACSB: Analytical thinking

127) Why should a firm be aware of its competitors' distinctive competencies?

Answer: A distinctive competence is a firm's capability that is superior to the competition. A company must be aware of its competitors' distinctive competencies in order to successfully compete in the marketplace, shaping its own distinctive competencies into differential benefits that customers desire more than they desire the benefits offered by competitors.

Difficulty: Moderate

LO: 1.3: Understand value from the perspectives of customers, producers, and society

AACSB: Application of knowledge

128) What are two competitive advantages a customer may benefit from when buying a bottle of soda from a local corner convenience store versus a chain supermarket?

Answer: Answers may vary, but include the following. The customer may be able to park his car close to the door of the convenience store and make the purchase in only a few minutes. The parking lot of the chain store may require the customer to walk a distance before entering the store. The volume of customers in the supermarket may cause the purchase to take longer than the purchase at the convenience store.

Difficulty: Difficult

LO: 1.3: Understand value from the perspectives of customers, producers, and society

AACSB: Application of knowledge

129) Explain how addictive consumption is a dimension of the "dark side" of marketing.
Answer: Consumer addiction is a physiological or psychological dependency on products or services. Many companies profit by providing addictive products or by selling solutions. Consumers can use any product or service to relieve some problem to the point that reliance on it becomes extreme.

Difficulty: Moderate

LO: 1.3: Understand value from the perspectives of customers, producers, and society

AACSB: Application of knowledge

130) Briefly explain how the value chain is related to competitive advantage.
Answer: Every link, or activity, in the value chain is an opportunity to either remove value from or add value to the product the consumer eventually buys. A successful company creates a competitive advantage by performing one or more of the value chain activities better than its competitors.

Difficulty: Moderate

LO: 1.3: Understand value from the perspectives of customers, producers, and society

AACSB: Application of knowledge

131) _____ is a decision process in which marketing managers determine the strategies that will help the firm meet its long-term objectives and then execute those strategies using the tools they have at their disposal.

A) Total quality management

B) Sustainability

C) Return on investment

D) Marketing

E) Crowdsourcing

Answer: D

Difficulty: Moderate

LO: 1.4: Explain the basics of market planning

132) The _____ is a document that describes the marketing environment, outlines the marketing objectives and strategy, and identifies who will be responsible for carrying out each part of the marketing strategy.

A) marketing mix

B) marketing plan

C) value proposition

D) value chain

E) channel of distribution

Answer: B

Difficulty: Easy

LO: 1.4: Explain the basics of market planning

133) The first phase of market planning is to _____.

- A) identify a target market
- B) calculate production costs
- C) develop a value chain
- D) determine a market position
- E) analyze the marketing environment

Answer: E

Difficulty: Moderate

LO: 1.4: Explain the basics of market planning

134) _____ is the process of thinking strategically about the big picture and where the firm and its products fit within it.

- A) Crowdsourcing
- B) Total quality management
- C) Marketing planning
- D) Customer relationship management
- E) Value proposition creation

Answer: C

Difficulty: Moderate

LO: 1.4: Explain the basics of market planning

135) A _____ consists of all possible customers in a market regardless of the differences in their specific needs and wants.

- A) popular culture
- B) value chain
- C) marketing mix
- D) marketing concept
- E) mass market

Answer: E

Difficulty: Easy

LO: 1.4: Explain the basics of market planning

136) Which of these statements about mass marketing is true?

- A) A mass marketing strategy is always preferable to a target marketing strategy.
- B) The success of any organization's marketing efforts depends on its ability to engage in mass marketing.
- C) Mass marketing can be cost effective.
- D) Mass marketing allows marketers to develop products to satisfy the specific needs and wants of specific groups of customers.
- E) Automakers typically use a mass marketing strategy.

Answer: C

Difficulty: Moderate

LO: 1.4: Explain the basics of market planning

137) A _____ is a distinctive group of customers within a larger market who are similar to one another in some way and whose needs differ from other customers in the larger market.

- A) market segment
- B) popular culture
- C) mass market
- D) market mix
- E) market position

Answer: A

Difficulty: Moderate

LO: 1.4: Explain the basics of market planning

138) A _____ is defined as a market segment on which an organization focuses its marketing plan and toward which it directs its marketing efforts.

- A) social network
- B) mass market
- C) marketplace
- D) value chain
- E) target market

Answer: E

Difficulty: Moderate

LO: 1.4: Explain the basics of market planning

139) Marketers develop positioning strategies to _____.

- A) limit the number of elements of the marketing mix used for one product
- B) identify the location where the organization will sell its products
- C) determine the specific means the organization uses to distribute its products
- D) create a desired perception of the product in consumers' minds in comparison to competitors' brands
- E) select metrics to determine the effectiveness of marketing planning

Answer: D

Difficulty: Moderate

LO: 1.4: Explain the basics of market planning

140) When a firm analyzes the marketing environment, it is LEAST likely to look at which of the following?

- A) the firm's current strengths
- B) the firm's current weaknesses
- C) the actions of competitors
- D) the state of the economy
- E) the firm's ideas for developing a new product

Answer: E

Difficulty: Moderate

LO: 1.4: Explain the basics of market planning

141) Using a _____ approach, a company uses a single strategy to reach all customers.

- A) sustainability
- B) crowdsourcing
- C) mass market
- D) social networking
- E) societal marketing

Answer: C

Difficulty: Moderate

LO: 1.4: Explain the basics of market planning

142) A catalog retailer has identified African-American professionals between the ages of thirty-five and forty-five as the group of customers within the larger market that is a potential market for its products. The retailer plans to direct its marketing efforts toward this group of consumers. The retailer has identified a _____.

- A) target market
- B) marketing mix
- C) product mix
- D) mass market
- E) social network

Answer: A

Difficulty: Moderate

LO: 1.4: Explain the basics of market planning

AACSB: Analytical thinking

143) An organic farmer has identified three distinct groups who might be interested in his products: vegetarians, people who are concerned about chemicals in their foods, and people who consider themselves innovators and trendsetters. These three groups are examples of _____.

- A) marketing mixes
- B) market segments
- C) product mixes
- D) mass markets
- E) market positions

Answer: B

Difficulty: Moderate

LO: 1.4: Explain the basics of market planning

AACSB: Analytical thinking

144) There are several different sports watches for cyclists. When compared to its competitors, the Bike Nashbar watch is the least expensive. The Acumen Basic is the only one designed for older cyclists who prefer a larger display. Sports Instrument is the most comfortable of all the available watches. This describes the _____ of the three sports watches.

- A) marketing mixes
- B) mass marketing strategies
- C) positioning
- D) consumer orientations
- E) selling orientations

Answer: C

Difficulty: Difficult

LO: 1.4: Explain the basics of market planning

AACSB: Analytical thinking

145) The first phase of marketing planning is the development of a market position.

Answer: FALSE

Difficulty: Moderate

LO: 1.4: Explain the basics of market planning

146) A marketer who wants to achieve a competitive advantage over her rivals cannot use the marketing mix to achieve this goal.

Answer: FALSE

Difficulty: Moderate

LO: 1.4: Explain the basics of market planning

AACSB: Application of knowledge

147) The terms market segment and target market represent the same concept.

Answer: FALSE

Difficulty: Moderate

LO: 1.4: Explain the basics of market planning

148) By selecting a mass market, a firm risks losing potential customers to competitors who instead try to meet the needs of specific target markets.

Answer: TRUE

Difficulty: Moderate

LO: 1.4: Explain the basics of market planning

AACSB: Application of knowledge

149) Write two questions that a firm would be likely to consider during the market planning stage.

Answer: Answers will vary, but should reflect an understanding of the "big picture" nature of market planning. Examples: What product benefits will our customers want in the near future? What sets our firm apart from competitors? How will legal and regulatory issues affect our business?

Difficulty: Moderate

LO: 1.4: Explain the basics of market planning

AACSB: Application of knowledge

150) What is a market segment? Explain how an automaker might appeal to different market segments.

Answer: A market segment is a distinct group of customers within a larger market who are similar to one another in some way and whose needs differ from other customers in the larger market. An automaker offers different car models—sedans, sports cars, SUVs, station wagons, minivans, etc.—to appeal to different segments of the car-buying market.

Difficulty: Moderate

LO: 1.4: Explain the basics of market planning

AACSB: Application of knowledge

151) What is the difference between a mass market and a market segment?

Answer: A mass market consists of all possible customers in a market regardless of their differences, while a market segment is a smaller group of customers within the mass market who are similar to each other in one or some ways and different from the others in the mass market.

Difficulty: Moderate

LO: 1.4: Explain the basics of market planning

AACSB: Application of knowledge