***Marketing Management, 3e* (Marshall)**

**Chapter 1 Marketing in Today's Business Milieu**

1) A commonly held misconception about marketing is that it is all about advertising and selling.

Answer: TRUE

Explanation: A commonly held misconception about marketing is that it is all about advertising and selling. Several important factors have contributed to the development of these misconceptions: marketing's inherent visibility and its tendency toward buzzwords and "spin."

Difficulty: 1 Easy

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-01 Identify typical misconceptions about marketing, why they persist, and the resulting challenges for marketing management.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

2) Marketing is relevant only to people in the organization who work directly in the marketing department.

Answer: FALSE

Explanation: Marketing's stakeholders include any person or entity inside or outside a firm with whom marketing interacts, impacts, and is impacted by.

Difficulty: 2 Medium

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-01 Identify typical misconceptions about marketing, why they persist, and the resulting challenges for marketing management.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

3) The American Marketing Association defines marketing as "the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large."

Answer: TRUE

Explanation: The American Marketing Association offers the following as its official definition of marketing: 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: 1 Easy

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-02 Define what marketing and marketing management really are and how they contribute to a firm's success.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

4) Peter Drucker stated that since it is the customer who defines value, the business enterprise has only two business functions: marketing and innovation.

Answer: TRUE

Explanation: According to Peter Drucker, what the business thinks it produces is not of first importance—especially not to the future of the business and its success. What the customer thinks he is buying, what he considers "value" is decisive. Because it is the purpose of a business to create a customer, the business enterprise has two—and only two—business functions: marketing and innovation.

Difficulty: 1 Easy

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-02 Define what marketing and marketing management really are and how they contribute to a firm's success.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

5) Sustainability refers to business practices that meet humanity's needs without harming future generations.

Answer: TRUE

Explanation: The concept of environmentally friendly marketing, or green marketing, has been a growing trend in socially responsible companies. Today the movement has evolved into a part of the philosophical and strategic core of many firms under the label sustainability, which refers to business practices that meet humanity's needs without harming future generations.

Difficulty: 2 Medium

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-02 Define what marketing and marketing management really are and how they contribute to a firm's success.

Bloom's: Understand

AACSB: Ethics

Accessibility: Keyboard Navigation

6) Firms that are stuck in a production orientation mentality likely will have great difficulty competing successfully for customers.

Answer: TRUE

Explanation: A production orientation assumes that customers will beat a path to your door just because you have a great product that functions nicely; build a better mousetrap and they will come. You will learn throughout your study of marketing management that great products alone do not ensure success. Unfortunately, firms that are stuck in a production orientation mentality likely will have great difficulty competing successfully for customers.

Difficulty: 2 Medium

Topic: The Evolution of Marketing

Learning Objective: 01-03 Appreciate how marketing has evolved from its early roots to be practiced as it is today.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

7) When Henry Ford said, "People can have the Model T in any color—so long that it's black," he was reflecting a sales orientation.

Answer: FALSE

Explanation: For the early part of the 20th century, the focus was on production orientation of improving products and production efficiency without much regard for what was going on in the marketplace. In fact, consumers snapped up this new pipeline of reasonably priced goods, even if the products didn't give much choice in style or function. Having a Ford Model T was great, but as Henry Ford himself said, "People can have the Model T in any color—so long that it's black."

Difficulty: 2 Medium

Topic: The Evolution of Marketing

Learning Objective: 01-03 Appreciate how marketing has evolved from its early roots to be practiced as it is today.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

8) Don Peppers and Martha Rogers popularized the term one-to-one marketing. Some firms come close to one-to-one marketing by combining flexible manufacturing with flexible marketing to enhance customer choices.

Answer: TRUE

Explanation: Don Peppers and Martha Rogers popularized the term one-to-one marketing, which advocates that firms should direct energy and resources into establishing a learning relationship with each customer and then connect that knowledge with the firm's production and service capabilities to fulfill that customer's needs in as custom a manner as possible. Some firms come close to one-to-one marketing by employing mass customization, in which they combine flexible manufacturing with flexible marketing to greatly enhance customer choices.

Difficulty: 2 Medium

Topic: The Evolution of Marketing

Learning Objective: 01-03 Appreciate how marketing has evolved from its early roots to be practiced as it is today.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

9) Fred Wiersema's book *The New Market Leaders* states that marketers will continue to have more power than customers in both B2B and B2C markets.

Answer: FALSE

Explanation: Fred Wiersema, in his book *The New Market Leaders*, builds a powerful case that the balance of power is shifting between marketers and their customers, both in business-to-consumer (B2C/end user) markets and business-to-business (B2B) markets. Wiersema's central point is that not only is a customer orientation desirable, but also in today's market it is a necessity for survival.

Difficulty: 1 Easy

Topic: Marketing Trends

Learning Objective: 01-04 Recognize the impact of key change drivers on the future of marketing.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

10) In the current business environment, firms have learned to be open about products and services with consumers who have endless sources of information, including blogs, chat rooms, and independent websites.

Answer: TRUE

Explanation: For competitive reasons, firms have no choice but to be more open about their businesses and products. Even if they wanted to, firms can't stop chat rooms, independent websites, web logs or blogs, and other customer-generated modes of communication from filling web page after web page with information, disinformation, and opinions about a company's products, services, and even company dirty laundry.

Difficulty: 2 Medium

Topic: Marketing Trends

Learning Objective: 01-04 Recognize the impact of key change drivers on the future of marketing.

Bloom's: Understand

AACSB: Technology

Accessibility: Keyboard Navigation

11) Customer orientation, a component of market orientation, places the customer at the core of all aspects of the enterprise.

Answer: TRUE

Explanation: Think of market orientation as the implementation of the marketing concept. The notion of market orientation, one component of which is customer orientation—placing the customer at the core of all aspects of the enterprise—takes the guiding business philosophy of the marketing concept and works to more usefully define just how to implement it within a firm.

Difficulty: 2 Medium

Topic: Marketing Trends

Learning Objective: 01-03 Appreciate how marketing has evolved from its early roots to be practiced as it is today.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

12) Direct-to-consumer marketing by pharmaceutical companies and the vast amount of health information available to patients on websites has consumers ready to self-diagnose and self-prescribe.

Answer: TRUE

Explanation: Between open direct-to-consumer advertising by pharmaceutical companies and innumerable websites devoted to every medical malady, more and more patients arrive at the doctor's office self-diagnosed and ready to self-prescribe. The trend toward more information in the hands of the customer is not going to diminish. Marketing approaches must be altered to reflect and respond to this important change.

Difficulty: 2 Medium

Topic: Marketing Trends

Learning Objective: 01-04 Recognize the impact of key change drivers on the future of marketing.

Bloom's: Understand

AACSB: Communication

Accessibility: Keyboard Navigation

13) GenY consumers tend to value relationships with marketers like State Farm Insurance in exactly the same way as the prior generations.

Answer: FALSE

Explanation: GenY consumers tend to be much more receptive to electronic commerce as a primary mode of receiving marketing communication and ultimately purchasing than are prior generations. For many, gone are the days of strictly relying on face-to-face selling. This preference has clear implications for how marketing carries out its management of customer relationships across generations and also calls into question how much value younger customers derive from the different approaches to relationships.

Difficulty: 1 Easy

Topic: Marketing Trends

Learning Objective: 01-04 Recognize the impact of key change drivers on the future of marketing.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

14) In contrast to Marketing (Big M), marketing (little m) serves the firm and its stakeholders at a functional or operational level.

Answer: TRUE

Explanation: In contrast to Marketing (Big M), marketing (little m) serves the firm and its stakeholders at a functional or operational level; hence, marketing (little m) is often thought of as tactical marketing.

Difficulty: 1 Easy

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-04 Recognize the impact of key change drivers on the future of marketing.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

15) Marketing (Big M) refers to the strategic, long-term, firm-level commitment to investing in marketing.

Answer: TRUE

Explanation: Marketing (Big M) serves as a core driver of business strategy. This approach is often referred to as strategic marketing, which means a long-term, firm-level commitment to investing in marketing—supported at the highest organization level—for the purpose of enhancing organizational performance.

Difficulty: 1 Easy

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-04 Recognize the impact of key change drivers on the future of marketing.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

16) For successful Marketing (Big M), firms need to align all internal organizational processes and systems around the customer.

Answer: TRUE

Explanation: For successful Marketing (Big M), firms today need to align all internal organizational processes and systems around the customer. They cannot let the IT system, telecommunications system, billing system, or any other internal process or system become an impediment to a customer orientation. If the people inside a firm understand the power of a customer-centric business approach, but the internal systems don't support it, Marketing (Big M) won't be successful.

Difficulty: 1 Easy

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-04 Recognize the impact of key change drivers on the future of marketing.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

17) Strategic marketing refers to the idea that firms should direct energy and resources into establishing a learning relationship with each customer and connect the learned knowledge with the firm's production and service capabilities.

Answer: FALSE

Explanation: Marketing (Big M) serves as a core driver of business strategy. That is, an understanding of markets, competitors, and other external forces, coupled with attention to internal capabilities, allows a firm to successfully develop strategies for the future. This approach is often referred to as strategic marketing, which means a long-term, firm-level commitment to investing in marketing—supported at the highest organization level—for the purpose of enhancing organizational performance.

Difficulty: 2 Medium

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-04 Recognize the impact of key change drivers on the future of marketing.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

18) Practicing marketers tend to pitch marketing internally as an investment, not an expense, in the future success of the organization.

Answer: TRUE

Explanation: Practicing marketers tend to pitch marketing internally as an investment in the future success of the organization. As an investment, it is not unreasonable that expected returns be identified and measured.

Difficulty: 2 Medium

Topic: Marketing Return on Investment

Learning Objective: 01-04 Recognize the impact of key change drivers on the future of marketing.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

19) If aspects of marketing can't be measured, they can still be managed.

Answer: FALSE

Explanation: As with all aspects of business, effective management of the various aspects of marketing requires quantification of objectives and results.

Difficulty: 2 Medium

Topic: Marketing Metrics

Learning Objective: 01-04 Recognize the impact of key change drivers on the future of marketing.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

20) Of all the business fields, \_\_\_\_\_\_\_\_ is generally the most visible to people outside the organization.

A) financial management

B) accounting

C) marketing

D) information technology

E) operations management

Answer: C

Explanation: Unlike most other key areas of business, marketing as a field is highly public and readily visible outside the confines of the internal business operation. Of all the business fields, marketing is almost certainly the most visible to people outside the organization.

Difficulty: 1 Easy

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-01 Identify typical misconceptions about marketing, why they persist, and the resulting challenges for marketing management.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

21) Marketing often doesn't get the "respect" it deserves as a professional field of study, primarily because

A) compared to other business functions, it has had few useful metrics to measure its performance impact.

B) people generally don't understand what marketing is or what it does.

C) marketing is all about the emotion and less about facts.

D) marketing positions tend to pay less than other business functions.

E) it fails to impact the bottom line of the company and isn't factored into executive decisions.

Answer: A

Explanation: Despite the fact that much of marketing is easily observable to just about anyone, marketing as a professional field worthy of serious study doesn't always get the respect it deserves, maybe in part because of its overexposure, but also because in the past, marketing has had few useful metrics or measures to gauge the performance impact of a firm's marketing investment, while other areas of the firm have historically been much more driven by measurement of results.

Difficulty: 2 Medium

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-01 Identify typical misconceptions about marketing, why they persist, and the resulting challenges for marketing management.

Bloom's: Understand

AACSB: Communication

Accessibility: Keyboard Navigation

22) Which of the following statements is TRUE of marketing?

A) Unlike most other key areas of business, marketing as a field is not visible by nature.

B) Marketing departments "own" an organization's marketing initiative.

C) Most aspects of marketing take place behind the curtain of an organization, out of the public's sight.

D) Marketing is all about advertising and selling.

E) Marketing is no more inherently unethical than other business areas.

Answer: E

Explanation: Marketing is no more inherently unethical than other business areas. The accounting scandals at Enron, WorldCom, and other firms in the early 2000s show that to be true. However, when some element of marketing proves to be unethical (or even illegal), it tends to be visible to the general public.

Difficulty: 2 Medium

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-01 Identify typical misconceptions about marketing, why they persist, and the resulting challenges for marketing management.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

23) Which of the following areas of business is highly public and readily visible outside the confines of the internal business operation?

A) marketing

B) finance

C) manufacturing

D) operations management

E) human resource management

Answer: A

Explanation: Unlike most other key areas of business, marketing as a field is highly public and readily visible outside the confines of the internal business operation. Most aspects of financial management, accounting, information technology, production, operations management, and human resource management take place behind the curtain of an organization, out of the general public's sight. But marketing is very different. A good portion of marketing is very public.

Difficulty: 1 Easy

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-01 Identify typical misconceptions about marketing, why they persist, and the resulting challenges for marketing management.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

24) A misconception about marketing is that it is \_\_\_\_\_\_\_\_.

A) relevant to everyone

B) no more inherently unethical than other business areas

C) all about selling

D) highly visible by nature

E) highly public

Answer: C

Explanation: A misconception about marketing is that it is all about selling. The general public also experiences a lot of selling. Much of this day-to-day selling is in retail store environments. Selling, or more correctly "personal selling," is simply another method of marketing communication.

Difficulty: 2 Medium

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-01 Identify typical misconceptions about marketing, why they persist, and the resulting challenges for marketing management.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

25) Which of the following is NOT a facet of marketing?

A) research

B) advertising

C) brand development

D) public relations

E) recruiting

Answer: E

Explanation: Managers are not sure how marketing works, or even if marketing really does work, but for competitive reasons—or maybe just because it's always been done—they continue to invest large sums of money in its many facets including market research, brand development, advertising, salespeople, public relations, and so forth.

Difficulty: 2 Medium

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-01 Identify typical misconceptions about marketing, why they persist, and the resulting challenges for marketing management.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

26) Peter Drucker, the father of modern management, stated that the only purpose of an organization is to \_\_\_\_\_\_\_\_.

A) create products

B) make products affordable and accessible to the majority of the public

C) improve the quality of life for all people

D) create a customer

E) respect the environment

Answer: D

Explanation: Consider this quote from Drucker, circa 1954: If we want to know what a business is we have to start with its purpose. There is only one valid definition of business purpose: to create a customer.

Difficulty: 1 Easy

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-02 Define what marketing and marketing management really are and how they contribute to a firm's success.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

27) Peter Drucker, the father of modern management, believed that marketing \_\_\_\_\_\_\_\_.

A) should be a separate function within the business

B) is the business as seen from an internal point of view

C) is the whole business as seen from the customer's point of view

D) is not the central dimension of the entire business

E) should be considered just as a "department" in an organization

Answer: C

Explanation: According to Peter Drucker, marketing is so basic that it cannot be considered a separate function within the business. It is a central dimension of the entire business. It is the whole business seen from the customer's point of view. Concern and responsibility for marketing must permeate all areas of the enterprise.

Difficulty: 1 Easy

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-02 Define what marketing and marketing management really are and how they contribute to a firm's success.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

28) \_\_\_\_\_\_\_\_ 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) Accounting

B) Marketing

C) Manufacturing

D) Finance

E) Economics

Answer: B

Explanation: The American Marketing Association's definition of 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: 1 Easy

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-02 Define what marketing and marketing management really are and how they contribute to a firm's success.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

29) Purpose marketing, or pro-social marketing, as practiced by the well-known Tom's shoe company, \_\_\_\_\_\_\_\_.

A) is a least preferred marketing strategy

B) is a for-profit part of the business

C) focuses primarily on increasing productivity

D) engages consumers in a meaningful way

E) has no impact on consumers who care about social issues

Answer: D

Explanation: Purpose marketing, or pro-social marketing, is growing as a marketing strategy. This growing popularity can be attributed to an increasing number of consumers who say what a company stands for influences their purchasing decisions. Toms shoe company is renowned for its social entrepreneurism and socially conscious purpose marketing. Toms' "One for One" mission assures customers that with every purchase, "Toms will help a person in need."

Difficulty: 2 Medium

Topic: Socially Responsible Marketing

Learning Objective: 01-02 Define what marketing and marketing management really are and how they contribute to a firm's success.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

30) From a customer's perspective, what is defined as a ratio of the bundle of benefits a customer receives from an offering, compared to the costs incurred by the customer in acquiring that bundle of benefits?

A) Exchange

B) Strategy

C) Sustainability

D) Value

E) Power

Answer: D

Explanation: From a customer's perspective, we define value as a ratio of the bundle of benefits a customer receives from an offering compared to the costs incurred by the customer in acquiring that bundle of benefits.

Difficulty: 1 Easy

Topic: The Concept of Customer Value

Learning Objective: 01-02 Define what marketing and marketing management really are and how they contribute to a firm's success.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

31) \_\_\_\_\_\_\_\_ is a central tenet of marketing in which a person gives up something of value to them for something else they desire to have.

A) Power

B) Sustainability

C) Sales orientation

D) Customization

E) Exchange

Answer: E

Explanation: A central tenet of marketing is the concept of exchange, in which people give up something of value to them for something else they desire to have. Usually an exchange is facilitated by money, but not always.

Difficulty: 2 Medium

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-02 Define what marketing and marketing management really are and how they contribute to a firm's success.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

32) A medieval knight could not go to the armor maker and pick out a size 44 long suit of armor to protect him in battle. Nor could a person living in the middle ages go to the cobbler and get a pair of shoes in a few minutes. This period before the advent of marketing is known as the \_\_\_\_\_\_\_\_.

A) Industrial Revolution

B) mass production era

C) Dark Ages

D) pre–industrial revolution

E) sales orientation era

Answer: D

Explanation: When a person needed a new pair of shoes in the pre–industrial revolution, one would likely go visit the village cobbler, who would take precise measurements and then send the customer away with instructions to return in a week or so to.

Difficulty: 2 Medium

Topic: The Evolution of Marketing

Learning Objective: 01-03 Appreciate how marketing has evolved from its early roots to be practiced as it is today.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

33) The AMA's definition of marketing reflects the view toward marketing activities as focused on \_\_\_\_\_\_\_\_.

A) producing innovative products

B) increasing productivity

C) maintaining relationships with suppliers

D) creating and delivering offerings that have value

E) advertising and selling

Answer: D

Explanation: The AMA defines marketing as the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

Difficulty: 1 Easy

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-02 Define what marketing and marketing management really are and how they contribute to a firm's success.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

34) After a recent 140-day strike, the union members in California went back to work at area grocery stores. The union negotiated raises, better health care benefits, and a one-tier pay scale. The union may best be described as a(n) \_\_\_\_\_\_\_\_.

A) governmental body

B) stakeholder

C) vendor

D) internal customer

E) management group

Answer: B

Explanation: The range of external stakeholders—those outside a firm—includes customers, vendors, governmental bodies, labor unions, and many others.

Difficulty: 2 Medium

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-02 Define what marketing and marketing management really are and how they contribute to a firm's success.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

35) Companies that promote sustainability practices like Starbucks, which has a stringent recycling program, or General Electric, which makes environmentally sensitive products, are practicing \_\_\_\_\_\_\_\_ marketing.

A) green

B) predictive

C) affiliate

D) shotgun

E) one-to-one

Answer: A

Explanation: The concept of environmentally friendly marketing, or green marketing, has been a growing trend in socially responsible companies. Environmental awareness coupled with a sense of social responsibility is leading many companies to assess their environmental policies and business practices.

Difficulty: 2 Medium

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-02 Define what marketing and marketing management really are and how they contribute to a firm's success.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

36) Bryan gets reduced fees for his daughter's piano lessons by maintaining her teacher's website. Bryan is practicing the central tenet of marketing called \_\_\_\_\_\_\_\_.

A) value

B) exchange

C) growth

D) sustainability

E) power

Answer: B

Explanation: A central tenet of marketing is the concept of exchange, in which people give up something of value to them for something else they desire to have. Usually an exchange is facilitated by money, but not always. Sometimes people trade or barter nonmonetary resources such as time, skill, expertise, intellectual capital, and other things of value for something else they want.

Difficulty: 2 Medium

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-02 Define what marketing and marketing management really are and how they contribute to a firm's success.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

37) Which of the following are two core marketing concepts?

A) supply and demand

B) money and time

C) skill and expertise

D) quality and quantity

E) value and exchange

Answer: E

Explanation: Value and exchange are two core marketing concepts. From a customer's perspective, we define value as a ratio of the bundle of benefits a customer receives from an offering compared to the costs incurred by the customer in acquiring that bundle of benefits. Another central tenet of marketing is the concept of exchange, in which a person gives up something of value to them for something else they desire to have.

Difficulty: 2 Medium

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-02 Define what marketing and marketing management really are and how they contribute to a firm's success.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

38) Henry Ford is well known to business students for creating the assembly line that enabled mass production of the Model T. This is an example of the \_\_\_\_\_\_\_\_ orientation.

A) production

B) selling

C) marketing

D) customer

E) relationship

Answer: A

Explanation: Maximizing production capacity utilization became a predominant concern. For the early part of the 20th century, the focus was on this production orientation of improving products and production efficiency without much regard for what was going on in the marketplace.

Difficulty: 1 Easy

Topic: The Evolution of Marketing

Learning Objective: 01-03 Appreciate how marketing has evolved from its early roots to be practiced as it is today.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

39) The stereotypical automobile dealership uses tactics like high pressure and bargaining to get customers to buy. This is an example of the \_\_\_\_\_\_\_\_ orientation.

A) production

B) sales

C) marketing

D) customer

E) relationship

Answer: B

Explanation: A sales orientation suggests that, to increase sales and consequently production capacity utilization, professional salespeople need to "push" product into the hands of customers, both businesses and end users.

Difficulty: 2 Medium

Topic: The Evolution of Marketing

Learning Objective: 01-03 Appreciate how marketing has evolved from its early roots to be practiced as it is today.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

40) Which of the following is a reason why production capacity utilization began to decline around the end of World War I?

A) Firms that had dominated their respective industries before the war maintained their positions due to lack of competition.

B) High entry barriers prevented new companies from entering into the market place.

C) Financial markets placed more pressure on firms to continually increase sales volume and profits.

D) Financial markets were becoming less sophisticated.

E) Capacity had been decreased greatly for the war.

Answer: C

Explanation: Around the end of World War I, production capacity utilization began to decline for several reasons. First, capacity had been increased greatly for the war. Second, a number of firms that had dominated their respective industries before the war now found themselves with stiff competition for sales because many new competitors had flooded into the marketplace. And third, financial markets were becoming more sophisticated and were placing more pressure on firms to continually increase sales volume and profits.

Difficulty: 2 Medium

Topic: The Evolution of Marketing

Learning Objective: 01-03 Appreciate how marketing has evolved from its early roots to be practiced as it is today.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

41) Companies that conduct a great deal of research to learn how they can successfully put the marketing concept into practice most likely have a \_\_\_\_\_\_\_\_ orientation.

A) production

B) selling

C) marketing

D) research

E) differentiation

Answer: C

Explanation: A great deal of research has been devoted to learning how a firm can successfully put the marketing concept into practice. Think of market orientation as the implementation of the marketing concept.

Difficulty: 2 Medium

Topic: The Evolution of Marketing

Learning Objective: 01-03 Appreciate how marketing has evolved from its early roots to be practiced as it is today.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

42) The marketing concept was introduced \_\_\_\_\_\_\_\_.

A) after the Civil War

B) after World War I

C) during the Great Depression

D) in the 1980s

E) in the 1950s

Answer: E

Explanation: In the 1950s, increased demand for consumer goods and services, a new focus on family and the need for normalcy, increased production capacity, and the advent of mainframe computers—combined with growing frustration with high-pressure selling—sparked a shift in the focus of American business. The resulting business philosophy has been labeled the marketing concept, which is an organization-wide customer orientation with the objective of achieving long-run profits.

Difficulty: 1 Easy

Topic: The Evolution of Marketing

Learning Objective: 01-03 Appreciate how marketing has evolved from its early roots to be practiced as it is today.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

43) The marketing concept was first articulated in the *Annual Report* of \_\_\_\_\_\_\_\_.

A) Ford Motor Company

B) AT&T

C) RCA

D) General Motors

E) General Electric

Answer: E

Explanation: General Electric's 1952 *Annual Report* is often cited as the first time the marketing concept was articulated in writing by a major corporation.

Difficulty: 1 Easy

Topic: The Evolution of Marketing

Learning Objective: 01-03 Appreciate how marketing has evolved from its early roots to be practiced as it is today.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

44) Making a change in any one of the marketing mix elements will \_\_\_\_\_\_\_\_.

A) leave the other elements unchanged

B) have a negative effect on a similar element

C) have a domino effect on the other elements

D) require the firm to introduce new products

E) require an increase in promotion

Answer: C

Explanation: An important rubric in marketing is the following: making a change in any one of the marketing mix elements tends to result in a domino effect on the others.

Difficulty: 2 Medium

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-03 Appreciate how marketing has evolved from its early roots to be practiced as it is today.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

45) After World War II, business began to change in many long-lasting ways. Which of the following is least likely to have caused this shift?

A) Advent of readily available mainframe computing capability

B) Opening up of production capacity dominated for years by war production

C) Pent-up demand for consumer goods and services after the war

D) Desperate need to regain a normalcy of day-to-day life after years of war

E) Focus on sales orientation with the objective of achieving short-term profits

Answer: E

Explanation: After World War II, business began to change in many long-lasting ways. Business historians point to a number of reasons for this shift, including: pent-up demand for consumer goods and services after the war, euphoric focus on family and a desperate need to regain a normalcy of day-to-day life after years of war, opening up of production capacity dominated for years by war production, and advent of readily available mainframe computing capability, and especially the associated statistical analytic techniques that allowed for more sophisticated market research.

Difficulty: 2 Medium

Topic: The Evolution of Marketing

Learning Objective: 01-03 Appreciate how marketing has evolved from its early roots to be practiced as it is today.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

46) The Clean-O company makes a cleanser for the hospital and nursing home market that is guaranteed to kill 99 percent of Staphylococcus germs, a major concern for medical facilities. Unlike other companies, Clean-O is not interested in pursuing the consumer market. In this case, Clean-O has adopted a \_\_\_\_\_\_\_\_ orientation.

A) market

B) mass customization

C) differentiation

D) relationship

E) product

Answer: C

Explanation: More sophisticated research and analytical approaches have made it possible to do increasingly precise refinement of market segmentation, target marketing, and positioning of products to serve very specific customer groups. Differentiation is what clearly distinguishes your products from those of competitors in the minds of customers.

Difficulty: 3 Hard

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-03 Appreciate how marketing has evolved from its early roots to be practiced as it is today.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

47) Satern Brothers provides accounting services to small businesses. Before and after tax season, the partners meet with each client company. They send a monthly newsletter to update clients with tax changes. The firm's business practices mainly focus on keeping profitable current customers rather than gaining new customers. Satern Brothers has adopted a \_\_\_\_\_\_\_\_ orientation approach.

A) market

B) mass customization

C) differentiation

D) relationship

E) product

Answer: D

Explanation: The move toward a relationship orientation by firms has been driven by the realization that it is far more efficient and effective to invest in keeping and cultivating profitable current customers instead of constantly having to invest in gaining new customers that come with unknown return on investment.

Difficulty: 3 Hard

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-03 Appreciate how marketing has evolved from its early roots to be practiced as it is today.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

48) To significantly enhance customer choices, Levi combines flexible manufacturing with flexible marketing. Customers may visit the Levi's clothing website or some company-owned stores and order a pair of jeans that will be made especially for them. Levi's has adopted a \_\_\_\_\_\_\_\_ orientation approach.

A) market

B) mass customization

C) differentiation

D) product

E) relationship

Answer: B

Explanation: Some firms come close to one-to-one marketing by employing mass customization, in which they combine flexible manufacturing with flexible marketing to greatly enhance customer choices. Retailers have even entered into mass customization.

Difficulty: 3 Hard

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-03 Appreciate how marketing has evolved from its early roots to be practiced as it is today.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

49) The concept of engaging in a learning relationship with customers and directing the firm's resources to making each product or service as customized as possible is known as \_\_\_\_\_\_\_\_.

A) market orientation

B) pro-social marketing

C) differentiation orientation

D) one-to-one marketing

E) relationship orientation

Answer: D

Explanation: In their books and articles, Don Peppers and Martha Rogers popularized the term one-to-one marketing, which advocates that firms should direct energy and resources into establishing a learning relationship with each customer and then connect that knowledge with the firm's production and service capabilities to fulfill that customer's needs in as custom a manner as possible.

Difficulty: 1 Easy

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-03 Appreciate how marketing has evolved from its early roots to be practiced as it is today.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

50) Which of the following is NOT part of the marketing mix?

A) product

B) place

C) promotion

D) price

E) policy

Answer: E

Explanation: In the mid-1960s, a convenient way of teaching the key components was developed with the advent of the marketing mix, or 4Ps of marketing, originally for product, price, place, and promotion.

Difficulty: 1 Easy

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-03 Appreciate how marketing has evolved from its early roots to be practiced as it is today.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

51) In the context of the 4Ps of the marketing mix, high-tech media options like cell phones and the Internet have had a huge impact on \_\_\_\_\_\_\_\_.

A) product

B) promotion

C) people

D) position

E) policy

Answer: B

Explanation: To grasp the magnitude of changes in promotion since the 1960s one need only consider the proliferation of high-tech media options available to marketers today, from the Internet to cell phones and beyond.

Difficulty: 2 Medium

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-03 Appreciate how marketing has evolved from its early roots to be practiced as it is today.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

52) A local landscaping company works hard to keep and cultivate profitable current customers instead of constantly investing in gaining new customers that come with unknown return on investment. This company has a \_\_\_\_\_\_\_\_ orientation.

A) sales

B) differentiation

C) market

D) production

E) relationship

Answer: E

Explanation: The move toward a relationship orientation by firms has been driven by the realization that it is far more efficient and effective to invest in keeping and cultivating profitable current customers instead of constantly having to invest in gaining new customers that come with unknown return on investment.

Difficulty: 2 Medium

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-03 Appreciate how marketing has evolved from its early roots to be practiced as it is today.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

53) Relationship-oriented firms tend to \_\_\_\_\_\_\_\_.

A) be driven by meeting a quarter's financial projections

B) keep and cultivate their profitable current customers who are highly satisfied with the firm's offering

C) constantly invest in new customers that come with unknown return on investment

D) often lose great customers and scramble to replace the associated lost revenue

E) focus primarily on increasing sales through catchy and entertaining advertisements

Answer: B

Explanation: The move toward a relationship orientation by firms has been driven by the realization that it is far more efficient and effective to invest in keeping and cultivating profitable current customers instead of constantly having to invest in gaining new customers that come with unknown return on investment.

Difficulty: 2 Medium

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-03 Appreciate how marketing has evolved from its early roots to be practiced as it is today.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

54) Customer relationship management (CRM) is designed primarily to \_\_\_\_\_\_\_\_.

A) assess the personality characteristics of target customers

B) identify profitable customers in new markets

C) position products to serve very specific customer groups

D) clearly distinguish a firm's products from those of competitors in the minds of customers

E) facilitate higher levels of customer satisfaction

Answer: E

Explanation: Much of customer relationship management (CRM) is designed to facilitate higher levels of customer satisfaction and loyalty, as well as to provide a means for identifying the most profitable customers—those worthy of the most marketing investment.

Difficulty: 2 Medium

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-03 Appreciate how marketing has evolved from its early roots to be practiced as it is today.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

55) Today customers have limitless access to facts about companies, products, competitors, other customers, and even detailed elements of marketing plans and strategies. In the context of change drivers impacting the future of marketing, this reflects the \_\_\_\_\_\_\_\_.

A) shift in information power from marketer to customer

B) shift to demanding return on marketing investment

C) shift in generational values and preferences

D) shift to distinguishing Marketing (Big M) from marketing (little m)

E) shift to product glut and customer shortage

Answer: A

Explanation: Nowadays, customers of all kinds have nearly limitless access to information about companies, products, competitors, other customers, and even detailed elements of marketing plans and strategies. Customers are empowered to access boundless information about all kinds of products and services on the Internet.

Difficulty: 2 Medium

Topic: Marketing Trends

Learning Objective: 01-04 Recognize the impact of key change drivers on the future of marketing.

Bloom's: Understand

AACSB: Analytical Thinking; Reflective Thinking

Accessibility: Keyboard Navigation

56) The Girl Scouts introduced a cookie finder app in 2013. In the context of change drivers impacting the future of marketing, this reflects the \_\_\_\_\_\_\_\_.

A) shift to product glut and customer shortage

B) shift in power from marketer to customer

C) shift in generational values and preferences

D) shift to distinguishing Marketing (Big M) from marketing (little m)

E) shift to justifying the relevance and payback of the marketing investment

Answer: C

Explanation: In 2013 Girl Scouts of the USA introduced the Girl Scout Cookie Finder App. The app provides users with GPS coordinates for the nearest cookie sales location. For many, gone are the days of strictly relying on face-to-face selling. This preference has clear implications for how marketing carries out its management of customer relationships across generations and also calls into question how much value younger customers derive from the different approaches to relationships.

Difficulty: 2 Medium

Topic: Marketing Trends

Learning Objective: 01-04 Recognize the impact of key change drivers on the future of marketing.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

57) The Bazooka brand of candy revamped its package inserts by changing from comic strips to quizzes and brainteasers that direct kids to digital content. In the context of change drivers impacting the future of marketing, this reflects the \_\_\_\_\_\_\_\_.

A) shift to product glut and customer shortage

B) shift in information power from marketer to customer

C) shift in generational values and preferences

D) shift to distinguishing Marketing (Big M) from marketing (little m)

E) shift to justifying the relevance and payback of the marketing investment

Answer: C

Explanation: Generational changes have been noticed in the competitive candy industry. Bazooka brand candy rebranded its product line to remain relevant and to better position itself with younger, tech-savvy generations. The company began replacing the traditional miniature comic strips on its candy with quizzes and brainteasers that direct kids to digital content.

Difficulty: 2 Medium

Topic: Marketing Trends

Learning Objective: 01-04 Recognize the impact of key change drivers on the future of marketing.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

58) In the context of change drivers impacting the future of marketing, the way a firm looks at strategy and tactics is reflected in the \_\_\_\_\_\_\_\_.

A) shift to product glut and customer shortage

B) shift in power from marketer to customer

C) shift in generational values and preferences

D) shift to distinguishing Marketing (Big M) from marketing (little m)

E) shift to justifying the relevance and payback of the marketing investment

Answer: D

Explanation: Marketing is thought of as occurring on two dimensions within an organization. These dimensions exist in tandem, and even intersect on occasion, but harbor fundamental differences in goals and properties. For convenience, we can distinguish these dimensions by capitalizing the word for one ("Marketing"—"Big M") and leaving the word in lowercase for the other ("marketing"—"little m"). Marketing (Big M) refers to strategic marketing, and marketing (little m) is often thought of as tactical marketing.

Difficulty: 2 Medium

Topic: Marketing Trends

Learning Objective: 01-04 Recognize the impact of key change drivers on the future of marketing.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

59) In the context of change drivers impacting the future of marketing, marketing tactics such as designing the elements of the marketing mix are reflected in the \_\_\_\_\_\_\_\_.

A) shift to product glut and customer shortage

B) shift in power from marketer to customer

C) shift in generational values and preferences

D) shift to distinguishing Marketing (Big M) from marketing (little m)

E) shift to justifying the relevance and payback of the marketing investment

Answer: D

Explanation: Marketing (Big M) and marketing (little m) should be quite naturally connected within a firm, as the latter tends to represent the day-to-day operationalization and implementation of the former. Everything from brand image, to the message sales people and advertisements deliver, to customer service, to packaging and product features, to the chosen distribution channel-in fact, all elements of the marketing mix and beyond-exemplify marketing (little m).

Difficulty: 2 Medium

Topic: Marketing Trends

Learning Objective: 01-04 Recognize the impact of key change drivers on the future of marketing.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

60) The 4Ps of marketing refer to \_\_\_\_\_\_\_\_.

A) product, price, place, and promotion

B) policy, production, plan, and preference

C) promotion, plan, place, and procedure

D) price, policy, program, and position

E) place, production, provision, and plan

Answer: A

Explanation: In the mid-1960s, a convenient way of teaching the key components was developed with the advent of the marketing mix, or 4Ps of marketing, originally for product, price, place, and promotion.

Difficulty: 1 Easy

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-03 Appreciate how marketing has evolved from its early roots to be practiced as it is today.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

61) An offering today is considered to be the \_\_\_\_\_\_\_\_ in the marketing mix.

A) product

B) price

C) promotion

D) place

E) policy

Answer: A

Explanation: The product is now regarded broadly in the context of an overall offering, which could include a bundle of goods, services, ideas (for example, intellectual property), and other components, often represented by strong overarching branding.

Difficulty: 1 Easy

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-03 Appreciate how marketing has evolved from its early roots to be practiced as it is today.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

62) The concept of supply chain management is considered to be part of the \_\_\_\_\_\_\_\_ of the marketing mix.

A) product

B) price

C) promotion

D) place

E) plan

Answer: D

Explanation: Place has undergone tremendous change. Rather than just connoting the process of getting goods from Point A to Point B, firms now understand that sophisticated, integrated supply chain approaches are a crucial component of business success.

Difficulty: 1 Easy

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-03 Appreciate how marketing has evolved from its early roots to be practiced as it is today.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

63) In the context of the marketing mix, \_\_\_\_\_\_\_\_ today is largely regarded in relationship to the concept of value.

A) product

B) price

C) promotion

D) place

E) policy

Answer: B

Explanation: Price today is largely regarded in relationship to the concept of value within the marketing mix.

Difficulty: 1 Easy

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-03 Appreciate how marketing has evolved from its early roots to be practiced as it is today.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

64) Hannah's alterations business works around the needs of the customer by providing hours of operation that vary throughout the week, including some evening and weekend hours. It could be said that Hannah's business is \_\_\_\_\_\_\_\_.

A) differentiated

B) customer-centric

C) market oriented

D) product oriented

E) socially responsible

Answer: B

Explanation: The decisions to place the customer at the core of the enterprise (often referred to as a customer-centric approach to business), focus on investment in customers over the long term, and focus on marketing as an organization-wide issue.

Difficulty: 2 Medium

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-03 Appreciate how marketing has evolved from its early roots to be practiced as it is today.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

65) What clearly distinguishes your product from those of the competition is \_\_\_\_\_\_\_\_.

A) orientation

B) differentiation

C) organization

D) relationships

E) development

Answer: B

Explanation: Differentiation is what clearly distinguishes your products from those of competitors in the minds of customers.

Difficulty: 1 Easy

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-03 Appreciate how marketing has evolved from its early roots to be practiced as it is today.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

66) In Wiersema's book, *The New Market Leaders*, he identifies six new market realities. Which of the following is included in the list?

A) competitors fade away

B) few secrets are open secrets

C) innovation is universal

D) information appreciates

E) hard times make easy growth

Answer: C

Explanation: He identifies "six new market realities": Competitors proliferate, all secrets are open secrets, innovation is universal, information overwhelms and depreciates, easy growth makes hard times, and customers have less time than ever.

Difficulty: 2 Medium

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-04 Recognize the impact of key change drivers on the future of marketing.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

67) Which of these characteristics about millennials is NOT true?

A) They favor content over authenticity.

B) They are brand loyal.

C) They are highly connected through technology.

D) They wish to be part of a company's development process.

E) They seek ethical companies to work for.

Answer: A

Explanation: Millennials favor authenticity over content, are brand loyal (especially if those brands are active on social media), are highly connected through technology, and wish to be part of a company's product development process. They also seek to join companies that are tuned in to ethical business practices and social responsibility.

Difficulty: 2 Medium

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-04 Recognize the impact of key change drivers on the future of marketing.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

68) Millennials represent roughly \_\_\_\_\_\_\_\_ of the population, and \_\_\_\_\_\_\_\_ in annual buying power.

A) 10 percent; $100 billion

B) 25 percent; $200 billion

C) 35 percent; $1 trillion

D) 60 percent; $1 trillion

E) 75 percent; $1 trillion

Answer: B

Explanation: The millennial generation represents roughly 25 percent of the population and $200 billion in annual buying power.

Difficulty: 2 Medium

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-04 Recognize the impact of key change drivers on the future of marketing.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

69) Claire and her mother are both in marketing positions. Claire's job is satisfying to her primarily because it gives her a flexible schedule and pays well so she can take vacations with her friends. Her mother chose a job that provides health benefits and structured work with regular hours. This demonstrates shifts in \_\_\_\_\_\_\_\_ that can influence work life versus family life.

A) generational values and preferences

B) information power from marketer to customer

C) product glut and customer shortage

D) buying power from customer to marketer

E) competitive influences

Answer: A

Explanation: Generational differences in attitudes toward work life versus family life, expectations about job satisfaction and rewards, and preferred modes of learning and working (e.g., electronic versus face-to-face) affect the ability of firms to hire people into various marketing-related positions.

Difficulty: 2 Medium

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-04 Recognize the impact of key change drivers on the future of marketing.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

70) Which of the following action elements is NOT desired for successful Marketing (Big M)?

A) Ensuring that everyone in an organization, regardless of their position or title, understands the concept of customer orientation

B) Aligning all internal organizational processes and systems around the customer

C) Finding somebody at the top of the firm to consistently champion this Marketing (Big M) business philosophy

D) Remembering the fact that the marketing department is where Marketing (Big M) takes place

E) Creating market-driving, not just market-driven, strategies

Answer: D

Explanation: The concept of Marketing (Big M) necessitates several important actions on the part of the organization to maximize marketing's impact. Forgetting the concept that the marketing department is where Marketing (Big M) takes place is one of the action elements required for successful Marketing (Big M).

Difficulty: 2 Medium

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-04 Recognize the impact of key change drivers on the future of marketing.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

71) Marketing (Big M) is also known as \_\_\_\_\_\_\_\_ marketing.

A) pro-social

B) tactical

C) strategic

D) green

E) operational

Answer: C

Explanation: Marketing (Big M) serves as a core driver of business strategy. That is, an understanding of markets, competitors, and other external forces, coupled with attention to internal capabilities, allows a firm to successfully develop strategies for the future. This approach is often referred to as strategic marketing, which means a long-term, firm-level commitment to investing in marketing—supported at the highest organization level—for the purpose of enhancing organizational performance.

Difficulty: 1 Easy

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-04 Recognize the impact of key change drivers on the future of marketing.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

72) In the context of change drivers impacting the future of marketing, marketing (little m) is also known as \_\_\_\_\_\_\_\_ marketing.

A) pro-social

B) tactical

C) strategic

D) predatory

E) green marketing

Answer: B

Explanation: Marketing (little m) serves the firm and its stakeholders at a functional or operational level; hence, marketing (little m) is often thought of as tactical marketing.

Difficulty: 1 Easy

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-04 Recognize the impact of key change drivers on the future of marketing.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

73) Which of the following action elements is required for successful Marketing (Big M)?

A) Aligning all internal organizational processes and systems around the product

B) Ensuring that everyone in an organization understands the concept of customer orientation

C) Find somebody at the lower level of the firm to consistently champion this Marketing (Big M) business philosophy

D) Remembering the fact that the marketing department is where Marketing (Big M) takes place

E) Creating market-driven, not market-driving, strategies

Answer: B

Explanation: The concept of Marketing (Big M) necessitates several important actions on the part of the organization to maximize marketing's impact. Ensuring that everyone in an organization understands the concept of customer orientation is an action element required for successful Marketing (Big M).

Difficulty: 2 Medium

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-04 Recognize the impact of key change drivers on the future of marketing.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

74) Strategic marketing refers, in part, to \_\_\_\_\_\_\_\_.

A) a firm's internal focus on production and customer satisfaction

B) working with competitors, when appropriate, and with suppliers

C) a long-term, firm-level commitment to investing in marketing

D) making an unwavering commitment on which customers to serve

E) studying promotion, distribution, delivery, and production

Answer: C

Explanation: Marketing (Big M) serves as a core driver of business strategy. That is, an understanding of markets, competitors, and other external forces, coupled with attention to internal capabilities, allows a firm to successfully develop strategies for the future. This approach is often referred to as strategic marketing, which means a long-term, firm-level commitment to investing in marketing—supported at the highest organization level—for the purpose of enhancing organizational performance.

Difficulty: 1 Easy

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-04 Recognize the impact of key change drivers on the future of marketing.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

75) The core marketing concept characteristics of an organization-wide customer orientation and long-run profits are \_\_\_\_\_\_\_\_ in nature.

A) objective

B) strategic

C) ethical

D) operational

E) subjective

Answer: B

Explanation: The core concepts of customer value, exchange, customer relationships, and benefit to the organization and its stakeholders are all very strategic in nature and help form the core business philosophy of a firm. The marketing concept includes a strong Marketing (Big M) thrust: "an organization-wide customer orientation with the objective of achieving long-run profits." Certainly the core marketing concept characteristics of an organization-wide customer orientation and long-run profits are very strategic.

Difficulty: 1 Easy

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-04 Recognize the impact of key change drivers on the future of marketing.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

76) \_\_\_\_\_\_\_\_ refers to approaches that drive the market toward fulfilling a whole new set of needs that customers did not realize was possible or feasible before.

A) Green marketing

B) Tactical marketing

C) Market creation

D) Market orientation

E) Marketing mix

Answer: C

Explanation: Market creation refers to approaches that drive the market toward fulfilling a whole new set of needs that customers did not realize was possible or feasible before. A classic example of market creation include Microsoft's revolution of the information field.

Difficulty: 1 Easy

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-04 Recognize the impact of key change drivers on the future of marketing.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

77) For successful Marketing (Big M), customer orientation must be understood by \_\_\_\_\_\_\_\_.

A) an organization's competitors

B) the top management only

C) an organization's suppliers

D) the existing customers

E) everyone in the organization

Answer: E

Explanation: An action element required for successful Marketing (Big M) is making sure everyone in an organization, regardless of their position or title, understands the concept of customer orientation, which places the customer at the core of all aspects of the enterprise.

Difficulty: 1 Easy

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-04 Recognize the impact of key change drivers on the future of marketing.

Bloom's: Remember

AACSB: Communication

Accessibility: Keyboard Navigation

78) For successful Marketing (Big M), all internal organizational practices should be aligned around \_\_\_\_\_\_\_\_.

A) profits

B) management

C) manufacturing

D) the customer

E) information technology

Answer: D

Explanation: An action element required for successful Marketing (Big M) is aligning all internal organizational processes and systems around the customer. The concept of Marketing (Big M) necessitates several important actions on the part of the organization to maximize marketing's impact.

Difficulty: 1 Easy

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-04 Recognize the impact of key change drivers on the future of marketing.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

79) In order for Marketing (Big M) to succeed, it must be championed by \_\_\_\_\_\_\_\_.

A) the sales force

B) top management

C) middle management

D) frontline personnel

E) everyone in the organization

Answer: B

Explanation: Finding somebody at the top of the firm to consistently champion this Marketing (Big M) business philosophy is crucial for its success. The CEO is the most appropriate person for this role, perhaps manifest through the CMO (chief marketing officer).

Difficulty: 1 Easy

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-04 Recognize the impact of key change drivers on the future of marketing.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

80) DeWanda's business spent a large amount of time determining its brand image and how it would deliver its message to its customers. These are elements of \_\_\_\_\_\_\_\_.

A) Marketing (Big M)

B) marketing (little m)

C) strategic marketing

D) the supply chain

E) stakeholder relations

Answer: B

Explanation: Everything from brand image, to the message salespeople and advertisements deliver, to customer service, to packaging and product features, to the chosen distribution channel—in fact, all elements of the marketing mix and beyond—exemplify marketing (little m).

Difficulty: 2 Medium

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-04 Recognize the impact of key change drivers on the future of marketing.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

81) In order for Marketing (Big M) to succeed, firms should create \_\_\_\_\_\_\_\_ strategies.

A) predatory pricing

B) market-driving

C) diversification

D) vertical integration

E) market-driven

Answer: B

Explanation: In order for Marketing (Big M) to succeed, firms should create market-driving, not just market-driven, strategies. It is imperative to study the market and competition as part of the marketing planning process.

Difficulty: 2 Medium

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-04 Recognize the impact of key change drivers on the future of marketing.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

82) In the context of change drivers impacting the future of marketing, marketing (little m) \_\_\_\_\_\_\_\_.

A) is often thought of as strategic marketing

B) almost always takes place at the top level of a firm

C) serves as a core driver of business strategy

D) need not be couched within the philosophy of a firm's Marketing (Big M)

E) serves the firm and its stakeholders at a functional level

Answer: E

Explanation: In contrast to Marketing (Big M), marketing (little m) serves the firm and its stakeholders at a functional or operational level; hence, marketing (little m) is often thought of as tactical marketing. In fact, marketing (little m) almost always takes place at the functional or operational level of a firm.

Difficulty: 2 Medium

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-04 Recognize the impact of key change drivers on the future of marketing.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

83) Microsoft's revolution of the information field and Disney's creation of the modern theme park industry are classic examples of \_\_\_\_\_\_\_\_.

A) marketing mix

B) marketing (little m)

C) pro-social marketing

D) green marketing

E) market creation

Answer: E

Explanation: Classic examples of market creation include Microsoft's revolution of the information field, Disney's creation of the modern theme park industry, and Apple's innovations in integrated communications with the iPhone and iPad. These were all market-driving strategies that created new markets.

Difficulty: 2 Medium

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-04 Recognize the impact of key change drivers on the future of marketing.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

84) Everything from brand image, to the message sales people and advertisements deliver, to customer service, to packaging and product features, to the chosen distribution channel exemplify \_\_\_\_\_\_\_\_.

A) strategic marketing

B) relationship orientation

C) Marketing (Big M)

D) sales orientation

E) marketing (little m)

Answer: E

Explanation: Everything from brand image, to the message salespeople and advertisements deliver, to customer service, to packaging and product features, to the chosen distribution channel—in fact, all elements of the marketing mix and beyond—exemplify marketing (little m).

Difficulty: 2 Medium

Topic: Change Drivers Impacting the Future of Marketing

Learning Objective: 01-04 Recognize the impact of key change drivers on the future of marketing.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

85) Appropriate and effective marketing metrics must be designed to identify, track, evaluate, and provide key benchmarks for improvement. In the context of change drivers affecting the future of marketing, this reflects the \_\_\_\_\_\_\_\_.

A) shift to justifying the relevance and payback of the marketing investment

B) shift to product glut and customer shortage

C) shift to distinguishing Marketing ("Big M") from marketing ("little m")

D) shift in generational values and preferences

E) shift in information power from marketer to customer

Answer: A

Explanation: The final change driver affecting the future of marketing is a topic on the minds of many CEOs and CMOs today. The issue is how management can effectively measure and assess the level of success a firm's investment in various aspects of marketing has had. Appropriate and effective marketing metrics must be designed to identify, track, evaluate, and provide key benchmarks for improvement.

Difficulty: 2 Medium

Topic: Marketing Metrics

Learning Objective: 01-04 Recognize the impact of key change drivers on the future of marketing.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

86) Which of the following is LEAST likely to be true regarding marketing metrics?

A) The topic of marketing metrics has been one of the highest priorities for most MSI member companies.

B) Appropriate and effective marketing metrics help identify, track, evaluate, and provide key benchmarks for improvement.

C) Although marketing carries a stigma as a cost center, metrics such as ROI cannot indicate marketing success.

D) Effective management of the various aspects of marketing requires quantification of objectives and results.

E) The marketing plan is one of the most important elements of a business plan and effective planning requires metrics.

Answer: C

Explanation: Appropriate and effective marketing metrics must be designed to identify, track, evaluate, and provide key benchmarks for improvement just as various financial metrics guide the financial management of the firm. Although, marketing carries a stigma as a cost center, metrics such as ROI can indicate marketing success.

Difficulty: 2 Medium

Topic: Marketing Metrics

Learning Objective: 01-04 Recognize the impact of key change drivers on the future of marketing.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

87) Shari's manager asked her to identify, track, evaluate, and provide key benchmarks for improvement in her marketing department. To do this, Shari used \_\_\_\_\_\_\_\_.

A) marketing metrics

B) market research

C) the marketing mix

D) market creation

E) strategic marketing

Answer: A

Explanation: The issue is how management can effectively measure and assess the level of success a firm's investment in various aspects of marketing has had. Appropriate and effective marketing metrics must be designed to identify, track, evaluate, and provide key benchmarks for improvement just as various financial metrics guide the financial management of the firm.

Difficulty: 2 Medium

Topic: Marketing Metrics

Learning Objective: 01-04 Recognize the impact of key change drivers on the future of marketing.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

88) When the text states that marketers need to create tools for ongoing, meaningful measurement of marketing productivity, it is referring to the need for \_\_\_\_\_\_\_\_.

A) accountability

B) responsibility

C) subjectivity

D) visibility

E) identification

Answer: A

Explanation: CEOs and stockholders expect marketing accountability. Marketers need to create tools for ongoing, meaningful measurement of marketing productivity.

Difficulty: 2 Medium

Topic: Marketing Metrics

Learning Objective: 01-04 Recognize the impact of key change drivers on the future of marketing.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

89) Name three of the marketing misconceptions discussed in the text, and explain why these do not accurately describe the field of marketing.

Answer: The common misperceptions about marketing include:

• Catchy and entertaining advertisements—or perhaps the opposite, incessant and boring advertisements.

• Pushy salespeople trying to persuade someone to buy it right now.

• Incessant spam in your e-mail inbox and unwelcome solicitations on your smartphone.

• Obtrusive tracking and recording of your every click and browsing activity online.

• Famous brands and their celebrity spokespeople, such as Nike's athlete endorsers.

• Product claims that turn out to be overstated or just plain false, causing doubt about the trustworthiness of a company.

• Marketing departments "own" an organization's marketing initiative.

Students should be able to explain each of these in terms of why some people may believe them, but also why they do not accurately represent the field.

Difficulty: 3 Hard

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-01 Identify typical misconceptions about marketing, why they persist, and the resulting challenges for marketing management.

Bloom's: Analyze

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

90) Define the term marketing. How does the AMA definition compare with Drucker's definition?

Answer: The American Marketing Association defines marketing as "the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large." Peter Drucker defines it as "Marketing is so basic that it cannot be considered a separate function (i.e., a separate skill or work) within the business . . . it is, first, a central dimension of the entire business. It is the *whole business* . . . seen from the *customer's* point of view. Concern and responsibility for marketing must, therefore, permeate all areas of the enterprise."

Difficulty: 3 Hard

Topic: Marketing and Marketing Management Defined

Learning Objective: 01-02 Define what marketing and marketing management really are and how they contribute to a firm's success.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

91) Compare and contrast the production orientation, the sales orientation, the differentiation orientation, the market orientation, and the relationship orientation.

Answer: For the early part of the 20th century, the focus was on the **production orientation** of improving products and production efficiency without much regard for what was going on in the marketplace. In fact, consumers snapped up this new pipeline of reasonably priced goods, even if the products didn't give much choice in style or function. Around the end of World War I, production capacity utilization began to decline for several reasons. These factors resulted in the rise of many of the great sales organizations of today. A **sales orientation** suggests that, to increase sales and consequently production capacity utilization, professional salespeople need to "push" product into the hands of customers, both businesses and end users.

More sophisticated research and analytical approaches have made it possible to do increasingly precise refinement of market segmentation, target marketing, and positioning of products to serve very specific customer groups. The idea is to create and communicate **differentiation**, or what clearly distinguishes your products from those of competitors in the minds of customers. The ability for marketers to tailor and deliver different product messages to different groups also has been greatly enhanced by the proliferation of multiple types of media that can be used with great precision to communicate to very specifically defined customer groups.

A great deal of research has been devoted to learning how a firm can successfully put the marketing concept into practice. Think of **market orientation** as the implementation of the marketing concept. The notion of market orientation, one component of which is customer orientation—placing the customer at the core of all aspects of the enterprise—takes the guiding business philosophy of the marketing concept and works to more usefully define just how to implement it within a firm.

The move toward a **relationship orientation** by firms has been driven by the realization that it is far more efficient and effective to invest in keeping and cultivating profitable current customers instead of constantly having to invest in gaining new customers that come with unknown return on investment. Most firms simultaneously focus on both current and new customers, but no company wants to be in a position of losing great customers and having to scramble to replace the associated lost revenue. A relationship orientation draws its power from the firm's capability to effectively collect and use ongoing, real-time information on customers in marketing management decision making.

Difficulty: 3 Hard

Topic: The Evolution of Marketing

Learning Objective: 01-03 Appreciate how marketing has evolved from its early roots to be practiced as it is today.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

92) Describe how information power has shifted from the marketer to the customer.

Answer: For decades, marketers held a degree of information power over their customers because firms had access to detailed and sophisticated information about their products and services that customers couldn't get without the help of someone in the firm (usually a salesperson). Now, customers are empowered to access boundless information about all kinds of products and services on the Internet. For competitive reasons, firms have no choice but to be more open about their businesses and products. Even if they wanted to, firms can't stop chat rooms, independent websites, web logs or blogs, and other customer-generated modes of communication from filling web page after web page with information, disinformation, and opinions about a company's products, services.

Difficulty: 3 Hard

Topic: Marketing Trends

Learning Objective: 01-04 Recognize the impact of key change drivers on the future of marketing.

Bloom's: Understand

AACSB: Technology

Accessibility: Keyboard Navigation