

Chapter 02 - Putting the Customer First

1. About half of every dollar that consumers spend on products pays for marketing costs.

- a. True
- b. False

ANSWER: True

POINTS: 1

LEARNING OBJECTIVES: SEM.KO.4.LO: 2.1-1 - LO: 2.1-1

2. The marketing concept requires maintenance of important relationships with customers.

- a. True
- b. False

ANSWER: True

POINTS: 1

LEARNING OBJECTIVES: SEM.KO.4.LO: 2.1-1 - LO: 2.1-1

3. The increased standard of living in the United States has resulted in less discretionary income for consumers.

- a. True
- b. False

ANSWER: False

POINTS: 1

LEARNING OBJECTIVES: SEM.KO.4.LO: 2.1-2 - LO: 2.1-2

4. Producers are the driving force behind the marketing concept.

- a. True
- b. False

ANSWER: False

POINTS: 1

LEARNING OBJECTIVES: SEM.KO.4.LO: 2.1-2 - LO: 2.1-2

5. Young families often spend entertainment dollars to attend sporting events for their children.

- a. True
- b. False

ANSWER: True

POINTS: 1

LEARNING OBJECTIVES: SEM.KO.4.LO: 2.1-2 - LO: 2.1-2

6. Two major goals of marketing are to determine what consumers want and how much they are willing to pay.

- a. True
- b. False

ANSWER: True

POINTS: 1

LEARNING OBJECTIVES: SEM.KO.4.LO: 2.2-1 - LO: 2.2-1

7. Companies that have a comparative advantage are able to pass savings to their customers in the form of lower prices.

- a. True

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b. False

ANSWER: True

POINTS: 1

LEARNING OBJECTIVES: SEM.KO.4.LO: 2.2-1 - LO: 2.2-1

8. Physiological needs include recognition and respect from others.

a. True

b. False

ANSWER: False

POINTS: 1

LEARNING OBJECTIVES: SEM.KO.4.LO: 2.2-1 - LO: 2.2-1

9. Economic uncertainty has a direct impact on consumer purchases.

a. True

b. False

ANSWER: True

POINTS: 1

LEARNING OBJECTIVES: SEM.KO.4.LO: 2.2-2 - LO: 2.2-2

10. The best strategy for a business to rise above the competition is to provide uncompromising, outstanding customer service.

a. True

b. False

ANSWER: True

POINTS: 1

LEARNING OBJECTIVES: SEM.KO.4.LO: 2.4-1 - LO: 2.4-1

11. Teenagers in the United States spend billions of dollars annually, making them a desirable target market.

a. True

b. False

ANSWER: True

POINTS: 1

LEARNING OBJECTIVES: SEM.KO.4.LO: 2.3-2 - LO: 2.3-2

12. Mystery guests are sometimes hired to determine how well companies are performing customer service.

a. True

b. False

ANSWER: True

POINTS: 1

LEARNING OBJECTIVES: SEM.KO.4.LO: 2.4-2 - LO: 2.4-2

13. Today's consumers

a. are more mobile than ever before

b. have more choices for their discretionary income

c. consider benefits derived when making purchases

d. all of the above

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ANSWER: d

POINTS: 1

LEARNING OBJECTIVES: SEM.KO.4.LO: 2.2-1 - LO: 2.2-1

14. _____ is not part of Maslow's Hierarchy of Needs.

- a. Financial stability
- b. Self-actualization
- c. Security
- d. Physiological needs

ANSWER: a

POINTS: 1

LEARNING OBJECTIVES: SEM.KO.4.LO: 2.2-1 - LO: 2.2-1

15. Each of the following is an example of a market segment except

- a. freshmen at a four-year high school
- b. students at a university who purchase season football tickets
- c. all teenagers in the United States
- d. female NASCAR fans

ANSWER: c

POINTS: 1

LEARNING OBJECTIVES: SEM.KO.4.LO: 2.3-1 - LO: 2.3-1

16. _____ segmentation divides markets into physical locations, such as Eastern, Northern, Southern, and Western regions of the United States.

- a. Geographic
- b. Demographic
- c. Psychographic
- d. Behavioral-based

ANSWER: a

POINTS: 1

LEARNING OBJECTIVES: SEM.KO.4.LO 2.3-2 - LO 2.3-2

17. Realization of one's self potential is referred to as the _____ need in Maslow's Hierarchy of Needs.

- a. self-esteem
- b. self-actualization
- c. physiological
- d. security

ANSWER: b

POINTS: 1

LEARNING OBJECTIVES: SEM.KO.4.LO 2.2-1 - LO 2.2-1

18. Emotional purchases are more likely not to occur when

- a. individuals are shopping for groceries on a tight budget
- b. individuals are attending their favorite concert
- c. individuals are watching a college football rivalry and their team is winning
- d. fans are given the opportunity to attend the Super Bowl

ANSWER: a

POINTS: 1

LEARNING OBJECTIVES: SEM.KO.4.LO 2.2-1 - LO 2.2-1

19. Most consumers

- a. have limited financial resources
- b. conduct research before making everyday

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25. The _____ is focused on satisfying customer needs.

ANSWER: marketing concept

POINTS: 1

LEARNING OBJECTIVES: SEM.KO.4.LO 2.1-1 - LO 2.1-1

26. The _____ is the difference between what customers expect and the service they receive from a business.

ANSWER: customer service gap

POINTS: 1

LEARNING OBJECTIVES: SEM.KO.4.LO 2.4-1 - LO 2.4-1

27. _____ is the capability to produce products or services more efficiently and economically than the competition.

ANSWER: Comparative advantage

POINTS: 1

LEARNING OBJECTIVES: SEM.KO.4.LO 2.2-1 - LO 2.2-1

28. The _____ represents the minimum sales required to cover all of the expenses.

ANSWER: breakeven point

POINTS: 1

LEARNING OBJECTIVES: SEM.KO.4.LO 2.1-2 - LO 2.1-2

29. _____ includes the five major human areas of need.

ANSWER: Maslow's Hierarchy of Needs Pyramid

POINTS: 1

LEARNING OBJECTIVES: SEM.KO.4.LO 2.2-1 - LO 2.2-1

30. _____ purchases are based upon loyalty to a particular brand or product.

ANSWER: Patronage

POINTS: 1

LEARNING OBJECTIVES: SEM.KO.4.LO 2.2-1 - LO 2.2-1

31. _____ segmentation is based upon age, income, education, and other distinguishing characteristics of a particular market segment.

ANSWER: Demographic

POINTS: 1

LEARNING OBJECTIVES: SEM.KO.4.LO 2.3-2 - LO 2.3-2

32. _____ is the percentage of total sales of a product or service that a company expects to capture in relation to its competitors.

ANSWER: Market share

POINTS: 1

LEARNING OBJECTIVES: SEM.KO.4.LO 2.3-2 - LO 2.3-2

33. _____ is the rate at which companies produce goods or services in relation to the amount of materials and number of employees utilized.

ANSWER: Productivity

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POINTS: 1

LEARNING OBJECTIVES: SEM.KO.4.LO 2.1-2 - LO 2.1-2

34. _____ purchases are made with little thought during emotional highs or lows.

ANSWER: Emotional

POINTS: 1

LEARNING OBJECTIVES: SEM.KO.4.LO 2.2-1 - LO 2.2-1

35. The _____ is a specific group of consumers that a company wants to reach.

ANSWER: target market

POINTS: 1

LEARNING OBJECTIVES: SEM.KO.4.LO 2.3-1 - LO 2.3-1

36. _____ is the value that people believe they receive from a product or service.

ANSWER: Benefits derived

POINTS: 1

LEARNING OBJECTIVES: SEM.KO.4.LO 2.2-1 - LO 2.2-1

37. Why are marketers interested in capturing a larger share of the teenage market?

ANSWER: Teenagers spend billions of dollars each year on clothing, food, and numerous entertainment goods and services.

POINTS: 1

LEARNING OBJECTIVES: SEM.KO.4.LO 2.3-2 - LO 2.3-2

38. What is the value of outstanding customer service in a highly competitive marketplace?

ANSWER: Outstanding customer service may be the reason why consumers select one company over numerous similar competitors.

POINTS: 1

LEARNING OBJECTIVES: SEM.KO.4.LO 2.4-1 - LO 2.4-1

39. What are the five needs that make up Maslow's Hierarchy of Needs?

ANSWER: physiological, security, social, esteem, and self-actualization

POINTS: 1

LEARNING OBJECTIVES: SEM.KO.4.LO 2.2-1 - LO 2.2-1

40. What is geographic segmentation?

ANSWER: Geographic segmentation divides markets into physical locations, such as Eastern, Northern, Southern, and Western regions of the United States.

POINTS: 1

LEARNING OBJECTIVES: SEM.KO.4.LO 2.3-2 - LO 2.3-2

41. What is opportunity cost?

ANSWER: Opportunity cost is the value of the next best alternative that individuals pass up when making a purchase.

POINTS: 1

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LEARNING OBJECTIVES: SEM.KO.4.LO 2.1-2 - LO 2.1-2

42. What is a market segment?

ANSWER: A market segment is a group of consumers within a larger market who share one or more characteristics.

POINTS: 1

LEARNING OBJECTIVES: SEM.KO.4.LO 2.3-1 - LO 2.3-1

43. Give concrete examples of emotional, rational, and patronage purchases in the sports and entertainment industries.

ANSWER: Answers will vary.
emotional purchases: fans purchase team apparel after a big win; spend money on movies that have an emotional theme
rational purchases: consumers purchase running shoes that reduce the chance of injury; purchase a flat-screen television that takes up less space
patronage purchases: consumers purchase products based on loyalty to the Nike brand or loyalty to certain musicians; loyalty to ESPN sports coverage

POINTS: 1

LEARNING OBJECTIVES: SEM.KO.4.LO 2.2-1 - LO 2.2-1

44. What is the customer service gap? Give five solid examples of personal experiences that support this concept.

ANSWER: The customer service gap is the difference between what customers expect and what they actually get. Examples of personal experiences will vary.

POINTS: 1

LEARNING OBJECTIVES: SEM.KO.4.LO 2.4-1 - LO 2.4-1

45. Describe how the five levels of need in Maslow's Hierarchy of Needs could be met at a college football game.

ANSWER: Answers will vary.
physiological: food, water, and shelter provided by the stadium
security: safety at the game
social: desire to be with friends and other fans at the game
esteem: want respect for self and the team
self actualization: associate personal success with a winning team

POINTS: 1

LEARNING OBJECTIVES: SEM.KO.4.LO 2.2-1 - LO 2.2-1

46. Explain how emotional purchases are related to major sporting events.

ANSWER: Answers will vary. Fans make emotional purchases when their team wins the big game. They will pay high ticket prices to watch their team play. They will also purchase team-related merchandise.

POINTS: 1

LEARNING OBJECTIVES: SEM.KO.4.LO 2.2-1 - LO 2.2-1

47. Employees need to remember that customer service is everyone's responsibility.

- a. True
- b. False

ANSWER: True

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POINTS: 1

LEARNING OBJECTIVES: SEM.KO.4.LO: 2.4-1 - LO: 2.4-1

48. A values-based culture communicates values through high performance and excellent customer service.

- a. True
- b. False

ANSWER: True

POINTS: 1

LEARNING OBJECTIVES: SEM.KO.4.LO: 2.4-2 - LO: 2.4-2

49. Marketers should never group consumers based on the benefits derived from products or services.

- a. True
- b. False

ANSWER: False

POINTS: 1

LEARNING OBJECTIVES: SEM.KO.4.LO: 2.3-2 - LO: 2.3-2

50. Mass marketing is used by companies when they are trying to appeal to a diverse group of consumers with different needs.

- a. True
- b. False

ANSWER: False

POINTS: 1

LEARNING OBJECTIVES: SEM.KO.4.LO: 2.3-1 - LO: 2.3-1