**Chapter 2**

Multiple Choice Questions

1. In what ways is becoming sustainable a source of competitive advantage?

a. By reducing or controlling costs of energy and other resources

b. By fostering innovation in products and/or processes

c. By attracting, cultivating and retaining better employees

d. All of the above

Correct answer: d

2. In the coming years, worldwide environmental regulations are expected to . . .

a. get tougher.

b. become more relaxed.

c. remain about as strict as they are now.

d. get tougher in emerging economies (e.g., China) while relaxing in the developed world (e.g., Northern Europe.

Correct answer: a

3. In 1992, the U.S. legislation that restricted showerhead flow to 2.5 gallons per minute was called . . .

a. the Clean Water Act.

b. the Clean Air Act.

c. the Energy Policy Act.

d. the Water Conservation Act.

Correct answer: c

4. Which of the following is NOT a common source of short-term cost savings from sustainability efforts?

a. Energy savings

b. Product innovation

c. Waste reduction

d. Transportation efficiencies

Correct answer: b

5. “Development that meets the needs of the present without compromising the ability of future generations to meet their own needs” is the definition of \_\_\_\_\_\_\_\_\_\_ created by \_\_\_\_\_\_\_\_\_.

a. sustainability; Greenpeace

b. sustainability; the Warren Commission

c. sustainable development; the UN’s Brundtland Commission

d. sustainable marketing; the American Marketing Association

Correct answer: c

6. TBL stands for . . .

a. Triple Bottom Line.

b. Today’s Biggest Loser.

c. Threats, Benefits and Losses.

d. none of the above.

Correct answer: a.

7. Which is NOT a social measure in TBL accounting?

a. Worker safety

b. Human rights

c. Community impacts

d. Energy consumption

Correct answer: d

8. The TBL approach accounts for all of the below except . . .

a. environmental impact.

b. social impact.

c. profitability.

d. cultural impact.

Correct answer: d

9. Manufactured capital includes all of the following except . . .

a. plant and equipment.

b. product inventories.

c. venture capital.

d. new technologies.

Correct answer: c

10. Which of the following types of capital is in significant decline?

a. Financial capital.

b. Natural capital.

c. Human capital.

d. All of the above.

Correct answer: b

11. Recapturing all industrial waste and byproduct for reuse, remanufacture or recycling is a principle of which of the following?

a. Natural Capitalism

b. Cradle-to-Cradle design and manufacture

c. Biomimicry

d. All of the above

Correct answer: d

12. The Natural Step Framework builds upon the science-based idea that there are four . . .

a. basic reasons for becoming sustainable.

b. system conditions for a sustainable society.

c. fundamental systems that must be balanced.

d. paths to sustainability.

Correct answer: b

13. A whole-system approach to sustainability . . .

a. helps keep positive actions in one area from having negative consequences elsewhere.

b. works best with cross-functional teams.

c. requires multiple viewpoints and areas of expertise.

d. All of the above are correct.

Correct answer: d

14. The Natural Step Framework uses a technique called . . .

a. backcasting.

b. forecasting.

c. side casting.

d. flip casting

Correct answer: a

15. The Natural Step Framework emphasizes that each decision should . . .

a. move the organization closer to sustainability.

b. leave the organization with strategic flexibility.

c. provide the organization with an acceptable return on its investment (ROI).

d. do all of the above.

Correct answer: d

True or False Questions

1. True or False? Waste can be converted from a cost to a source of revenue for a firm.

Correct answer: True

2. True or False? A sustainable marketing strategy deals exclusively with the environmental and social impacts of an organization.

Correct answer: False

3. True or False? A strong market position is a potential source of competitive advantage.

Correct answer: True

4. True or False? Service economies emphasize meeting customer needs with services as opposed to product ownership.

Correct answer: True

5. True or False? The Earth is constantly coming up with new ways to break down man-made substances into harmless components.

Correct answer: False

6. True or False? Quick wins are an important early step in an effort to become sustainable.

Correct answer: True

7. True or False? Strategic alliances can help an organization achieve a whole-system perspective.

Correct answer: True

8. True or False? The Natural Step Framework has no connection to the process of identifying marketing opportunities.

Correct answer: False

9. True or False? The target market in a sustainable marketing strategy must be a segment that is interested in sustainability.

Correct answer: False

10. True or False? The four system conditions of TNSF are a good guide to sustainability in the marketing mix.

Correct answer: True

11. True or False? Any marketing decision should leave the organization with enough flexibility to take advantage of future opportunities.

Correct answer: True

12. True or False? Marketing organizations and environmental organizations can’t work together, because they have conflicting goals and values.

Correct answer: False

13. True or False? Stakeholders are defined as people a financial with direct financial investment in a firm.

Correct answer: False

14. True or False? According to Natural Capitalism, reinvestment of the savings from quick wins is an important principle for a company seeking to become sustainable.

Correct answer: True

15. True or False? Worldwide food security is a concern for ecologically sustainable development (ESD).

Correct answer: True