

Student: _____

1. Marketing is an activity that only large firms with specialized departments can execute.
True False
2. Good marketing is not a random activity.
True False
3. Understanding a customer's needs and wants is fundamental to marketing success.
True False
4. Marketers might wish to sell their products to everyone, but it is not practical to do so.
True False
5. The four Ps include product, promotion, planning, and place.
True False
6. Because thoughts, opinions, and philosophies are neither goods nor services, they cannot really be marketed.
True False
7. The group of firms that makes and delivers a given set of goods and services is known as a supply chain.
True False
8. Value is what you get for what you give.
True False
9. In value cocreation, the customer is involved as a collaborator in the creation of a product or service, which provides additional value to the customer.
True False
10. Value-based marketing helps to build long-term customer loyalty.
True False
11. Over the past decade or so, marketers have begun to realize that it is best to structure a firm's customer orientation in terms of transactions rather than relationships.
True False
12. The latest introduction from Apple™, the iPad, has been successful because it provides value to customers.
True False
13. When a value proposition is advertised, its purpose is to inform, persuade or remind customers about the product or service.
True False
14. By publishing a Code of Ethics, a firm ensures that all employees will behave ethically.
True False
15. When a car manufacturer sells trucks, cars, and car parts to the government or military, this is an example of B2C marketing.
True False

16. The power adapters Dell sells with its computers are by small companies specializing in power-related accessories. Dell and the power adapter manufacturers are engaging in B2B marketing.
True False
17. Garage sales and online classified ads are examples of C2C marketing.
True False
18. Small start-up companies are unable to control their marketing mixes.
True False
19. When a tee shirt manufacturer states, "We only sell it in black because that way we can buy plenty of black fabric and run our plant efficiently," their statement reflects the views that were popular in which era of the evolution of marketing?
A. Production-oriented
B. Sales-oriented
C. Market-oriented
D. Value-based marketing
E. Economic-oriented
20. Marketing involves all of the following EXCEPT:
A. conducting exchanges
B. satisfying customer needs and wants
C. creating value
D. efforts by individuals and organizations
E. production scheduling
21. Jami sells construction equipment. Whenever she calls on her building contractor customers, she asks if they are having any problems. In doing so, Jami is addressing which of the following core aspects of marketing?
A. Satisfying customer needs and wants
B. The exchange function of marketing
C. Product, place, promotion, and price decisions
D. Decisions regarding in which setting marketing takes place
E. Creating value
22. Julia is considering a career in marketing. She is concerned about the image of marketers as fast-talking, high-pressure people. When reading about the core aspects of marketing, Julia is relieved to see that in marketing:
A. all parties to an exchange should be satisfied.
B. promotion is the most important consideration, followed by pricing decisions.
C. decisions are made regarding how a product is designed.
D. customers are not considered until the product is ready for sale.
E. distribution is controlled by customers.
23. Xavier is analyzing potential market segments. He should carefully seek potential customers who have both an interest in his products and:
A. a thorough knowledge of his brand messages.
B. the ability to buy them.
C. knowledge of competing products.
D. the ability to negotiate discounts.
E. are removed from traditional marketing alternatives.
24. Of primary interest to marketers are _____ buyers.
A. centrally controlled
B. unqualified and underserved
C. qualified potential
D. first-time
E. C2C

25. When referring to "exchange," marketers are focusing on:
- A. the location where products and services are traded.
 - B. the price charged, adjusted for currency exchange rates.
 - C. location-based tactics for creating value.
 - D. promotional offers designed to stimulate barter.
 - E. the trading of things of value.
26. Whenever Valerie has a new massage therapy customer, she invites the person to be on her e-mail distribution list. In the process, in addition to exchanging her massage therapy service for payment, Valerie is gathering:
- A. information.
 - B. promotional capital.
 - C. pricing data.
 - D. value cocreation.
 - E. all of these.
27. Which of the following is a core aspect of marketing?
- A. Satisfying as many needs as possible.
 - B. Creating a product that everyone will want to buy.
 - C. Setting prices lower than all competitors.
 - D. Making product, place, promotion, and price decisions.
 - E. All of these.
28. Which of the following questions must be addressed when making marketing decisions?
- A. How is the product to be designed?
 - B. How much should the product cost?
 - C. Where should the product be promoted?
 - D. How will the product be delivered to the customer?
 - E. All of these
29. Fiona has developed a new software application that automatically recalculates and reformats accounting information based on the standards used in each country. Her product is superior to anything that exists on the market. Which of the following questions will she have to address when making marketing decisions?
- A. How the software will be promoted?
 - B. What price should she charge?
 - C. Should she sell her software on the Internet?
 - D. In what country should she offer the software for sale first?
 - E. All of these
30. Marketing traditionally has been divided into a set of four interrelated decisions known as the marketing mix, or four Ps, including all of the following EXCEPT:
- A. product
 - B. place
 - C. performance
 - D. promotion
 - E. price
31. The four Ps comprise the marketing mix, which is the _____ set of activities that the firm uses to respond to the wants of its target markets.
- A. unpredictable
 - B. external
 - C. internal
 - D. controllable
 - E. global

32. The fundamental goal of marketers when creating goods, services, or combinations of both, is to:
- A. defeat the competition.
 - B. serve all consumers.
 - C. operate according to government regulations.
 - D. stimulate short-term sales.
 - E. create value.
33. Marketing includes offering:
- A. goods.
 - B. services.
 - C. ideas.
 - D. goods, services, and ideas.
 - E. goods and services only.
34. Brian is struggling with the choice of publishing his new book, "How to cook Polish Barbeque" as an e-book or a paperback. Brian is addressing which core marketing aspect?
- A. Developing a promotional plan.
 - B. Managing the Exchange function of marketing.
 - C. Making product decisions.
 - D. Deciding where and how to sell the product.
 - E. Pricing the product.
35. The basic difference between a good and a service is that a good:
- A. provides intangible benefits.
 - B. can be physically touched.
 - C. is always less expensive than a corresponding service.
 - D. generates greater interest among consumers.
 - E. is more quickly forgotten by consumers.
36. UPS washes its trucks nightly so they are always clean, and requires its delivery people to wear clean, unwrinkled uniforms. UPS probably established these rules because they know that:
- A. consumers want friendly delivery people.
 - B. most delivery services do not require uniforms.
 - C. consumers' judgment of the benefits they receive from services are tied to the image of the producer.
 - D. the goods UPS sells are easily replicated.
 - E. all of these
37. Four Winds Art Gallery recently began offering appraisals of customers' art collections, in addition to continuing to sell paintings. Four Winds is:
- A. expanding from offering just services to also offering goods.
 - B. implementing a market segmentation strategy.
 - C. capturing value through multiple pricing strategies.
 - D. expanding from offering just goods to also offering services.
 - E. increasing customer value through inflated appraisal evaluations.
38. The owner of The Pipe Doctor, a plumbing service, often orders the sinks, faucets, and toilets he installs for his customers. Since he is paid for these items and also for the labor to install them, the Pipe Doctor:
- A. is a provider of goods.
 - B. is a service provider.
 - C. provides both goods and services.
 - D. is primarily a marketer of ideas.
 - E. offers neither goods nor services.

39. The price of a product:
- A. is usually expressed in terms of money.
 - B. includes the time involved in the purchase decision.
 - C. includes the effort and energy involved in researching the product.
 - D. is everything the buyer gives up to obtain the product.
 - E. all of these
40. Marketers must determine the price of a product carefully on the basis of the potential buyers' beliefs about:
- A. its value.
 - B. the environment.
 - C. the cost to manufacture the product.
 - D. the economic outlook.
 - E. the product's new advertising campaign.
41. Some discount stores put products in large bins and let consumers hunt and find bargains. The price these consumers pay includes:
- A. only the actual price they pay at the register.
 - B. the value of their time and energy.
 - C. the excitement they experience in finding an item they desire.
 - D. the savings to the store of not having to display the products neatly on shelves.
 - E. all of these
42. Henriette offers financial counseling and management on a fee-only basis. She has found that different customers are willing to pay different rates for her services. This shows that her pricing decisions should depend primarily on:
- A. regulations determining the maximum fees financial advisors can charge.
 - B. changes in technology allowing consumers to manage their own affairs.
 - C. how different customers perceive the value of her services.
 - D. changes in the economy.
 - E. how much effort it takes to serve different types of clients.
43. Delivering the value proposition is also known as:
- A. endless chain marketing.
 - B. a transactional orientation.
 - C. wholesaling.
 - D. product design.
 - E. supply chain management.
44. Marketing efforts designed to get the product or service to the right customer, when that customer wants it, are called:
- A. supply chain management.
 - B. a transactional orientation.
 - C. wholesaling.
 - D. value cocreation.
 - E. endless chain marketing.
45. Yesenia, the new university course scheduling manager, is struggling with adjustments to the fall schedule. She is trying to determine how to offer the classes students need at the times when students need them. Yesenia is struggling with the marketing function of:
- A. communicating the value proposition.
 - B. supply chain management.
 - C. creating value.
 - D. capturing value.
 - E. value cocreation.

46. Supply chain management involves integrating the efforts of:
- A. suppliers.
 - B. manufacturers.
 - C. warehouses.
 - D. stores.
 - E. All of these.
47. The marketing goal of getting the "right quantities to the right locations, at the right time" is:
- A. communicating the value proposition.
 - B. supply chain management.
 - C. creating value.
 - D. capturing value.
 - E. price and performance management.
48. Marketers involved in supply chain management are constantly balancing the:
- A. goal of promotional effectiveness against ethical advertising standards.
 - B. problem of price maximization against cost efficiency.
 - C. goal of minimizing costs against satisfying the service levels customers expect.
 - D. desire to achieve against the need for a stable source of supply.
 - E. goal of efficiency against the price charged by competitors.
49. The importance of supply chain management is often overlooked in the study of marketing because:
- A. marketing has no responsibility for supply chain management.
 - B. supply chain management doesn't add much value for customers.
 - C. companies do not want customers to know anything about the supply chain.
 - D. many of the activities take place behind the scenes.
 - E. all of these.
50. When considering career choices in marketing, many students overlook supply chain management because:
- A. it is considered too quantitative.
 - B. marketing has no responsibility for supply chain management.
 - C. companies generally outsource these activities, and so there are rarely supply chain jobs available.
 - D. it only takes place in large, urban areas.
 - E. many of the activities take place behind the scenes.
51. UPS, FedEx, DHL, and other shipping companies support other firms' _____ marketing goals.
- A. supply chain management
 - B. value communication
 - C. value capture
 - D. retail management
 - E. none of these
52. _____ is communication by a marketer that informs, persuades, and reminds potential customers about a product to influence their opinions and elicit a response.
- A. Pricing
 - B. Promotion
 - C. Placement
 - D. A relational orientation
 - E. Value cocreation
53. The goal of promotion is to _____ potential buyers about a product or service.
- A. inform
 - B. persuade
 - C. remind
 - D. all of these
 - E. none of these

54. Every Christmas season, Anheuser-Busch runs television ads featuring Clydesdale horses in a winter scene. These ads focus on the promotional goal of _____ consumers about Budweiser, the company's brand of beer.
- A. informing
 - B. persuading
 - C. reminding
 - D. all of these
 - E. none of these
55. Local television advertising often includes ads for automobiles dealerships using actors trying to create a sense of excitement and urgency among consumers. These ads are attempting to achieve the promotional goal of _____ potential buyers.
- A. informing
 - B. persuading
 - C. reminding
 - D. all of these
 - E. none of these
56. Effective promotion enhances a product or service's:
- A. supply chain management system.
 - B. wholesaling capabilities.
 - C. perceived value.
 - D. design features.
 - E. all of these.
57. By promoting perfume based on youth, style, and sex appeal, Calvin Klein is attempting to:
- A. influence social norms regarding sexuality.
 - B. encourage consumers to participate in product redesign.
 - C. stimulate supply chain management cooperation.
 - D. increase the perceived value of their products.
 - E. none of these.
58. The traditional marketing channel through which consumers most often find and purchase goods and services is known as:
- A. B2B
 - B. C2C
 - C. D2C
 - D. C2D
 - E. B2C
59. Retailers accumulate merchandise from producers in large amounts and sell to consumers in smaller amounts. Retailers function as:
- A. market intermediaries.
 - B. monopolists.
 - C. regulators of consumer demand.
 - D. wholesale specialists.
 - E. intermediate promoters.
60. Auction sites like eBay have increased opportunities for _____ marketing.
- A. B2B
 - B. C2C
 - C. D2C
 - D. C2D
 - E. B2C

61. As use of the Internet took off, car manufacturers were tempted to sell directly to consumers, but decided to maintain their existing dealer networks. The car manufacturers considered switching from _____ to _____ marketing.
- A. B2C; B2B
 - B. B2C; C2C
 - C. B2B; B2C
 - D. B2B; C2C
 - E. C2C; B2C
62. Many universities provide physical or electronic bulletin boards to facilitate ride-sharing and exchange of used books among students. These bulletin boards increase _____ marketing.
- A. B2C
 - B. C2B
 - C. B2B
 - D. C2C
 - E. underground
63. Which of the following is NOT true about marketing ideas?
- A. Opinions, philosophies, intellectual concepts and even thoughts can be effectively marketed.
 - B. The marketing of ideas does not involve true exchange of value.
 - C. Ideas can be "purchased" by convincing someone to change his or her behavior.
 - D. Marketing can be directed toward primary and secondary targets to increase knowledge and change behavior.
 - E. Value can be created through changing behaviors.
64. Valerie's firm researched what its employees wanted from their jobs. It then communicated a brand image for the firm and worked to ensure that the employees' experiences matched what was advertised. The firm is using:
- A. human resources marketing.
 - B. employee relations mediation.
 - C. human factors analysis.
 - D. employment marketing.
 - E. human asset branding.
65. Joseph is about to graduate near the top of his class and has been looking at some forward-thinking firms. He had expected the job market to be tight, but found that some firms were using employment marketing to attract the candidates they want and need. He noticed these firms used all of the following approaches EXCEPT:
- A. using marketing research to understand what future employees want from a position.
 - B. using advertising agencies to focus creatively on the targeted job seekers.
 - C. developing an employee-oriented brand image.
 - D. assuming that the right candidates will learn about the firm and apply for jobs without any encouragement.
 - E. working to ensure the employment experiences match the candidates' expectations.
66. The "Got Milk" advertising campaign, designed to increase consumption of milk, was intended to help market a(n):
- A. individual.
 - B. firm.
 - C. industry.
 - D. organization.
 - E. all of these.

67. The evolution of marketing progressed along the following continuum:
- A. sales, marketing, value-based marketing, production
 - B. marketing, value-based marketing, production, sales
 - C. value-based marketing, production, sales, marketing
 - D. production, sales, marketing, value-based marketing
 - E. sales, value-based marketing, marketing, production
68. The idea that a good product will sell itself is associated with the _____ era of marketing.
- A. production
 - B. sales
 - C. marketing
 - D. value-based marketing
 - E. retailing
69. Henry Ford's statement, "Customers can have any color they want so long as it's black," typified the _____ era of marketing.
- A. production
 - B. sales
 - C. marketing
 - D. value-based marketing
 - E. retailing
70. Melanie works for a small computer software company. Her boss is constantly improving their products but neglecting customers, billing, and promoting the company. Her boss is probably stuck in the _____ era of marketing.
- A. production
 - B. sales
 - C. marketing
 - D. value-based marketing
 - E. retailing
71. During the _____ era, firms had excess capacity and used personal selling and advertising to generate customers.
- A. production
 - B. sales
 - C. marketing
 - D. value-based marketing
 - E. retailing
72. The prevailing marketing strategy of the _____ era was to find customers for inventories that went unsold.
- A. production
 - B. sales
 - C. marketing
 - D. value-based marketing
 - E. retailing
73. Near the end of the model year, Move-Them-Out automobile dealership had an unusually high inventory level. The manager increased her advertising spending and gave extra incentives to its salespeople. Move-Them-Out operates as if it were in the _____ era.
- A. production
 - B. sales
 - C. marketing-oriented
 - D. value-based
 - E. retailing

74. Many U.S. companies first discovered marketing during the _____ era.
- A. production
 - B. sales
 - C. marketing
 - D. value-based marketing
 - E. retailing
75. During the marketing era:
- A. a good product would sell itself.
 - B. the customer was king.
 - C. marketing was more important than production.
 - D. advertising and personal selling were emphasized to make the sale.
 - E. firms focused on value.
76. During the _____ era manufacturers and retailers began to focus on what consumers wanted and needed before they designed, made, or attempted to sell their products.
- A. production
 - B. sales
 - C. marketing
 - D. value-based marketing
 - E. all of these
77. During the _____ era manufacturers and retailers recognized they needed to give their customers greater value than their competitors did.
- A. production
 - B. sales
 - C. marketing
 - D. value-based marketing
 - E. all of these
78. Value is:
- A. the lowest cost option.
 - B. represented by brand names.
 - C. the highest priced alternative.
 - D. everyday low prices.
 - E. what you get for what you give.
79. Trey sells consumer electronics. He knows his customers weigh the costs versus the benefits associated with the different options available. He decides which products to offer and what prices to charge based on the way his customers think. Trey operates in the _____ marketing era.
- A. production
 - B. sales
 - C. marketing
 - D. value-based
 - E. retailing
80. Serena studies her customer profiles, market research data, complaints, and other information attempting to better understand what her customers want. Serena operates in the _____ era of marketing.
- A. production
 - B. sales
 - C. marketing
 - D. value-based marketing
 - E. retailing

81. In delivering value, marketing firms attempt to find the most desirable balance between:
- A. the need for value and the perception of value.
 - B. explicit versus implicit value.
 - C. providing benefits to customers and keeping costs down.
 - D. the desire to satisfy customers and the need to keep customers from running the company.
 - E. the need for product improvement and the need for advertising.
82. Yolanda is the new restaurant manager in a major hotel. When considering changes in the restaurant to improve benefits to customers, Yolanda will likely attempt to either provide the same quality at a lower cost or:
- A. improve products and services at the same cost.
 - B. increase prices to increase revenue.
 - C. offset higher hotel rates with lower restaurant prices.
 - D. reduce customer expectations through reduced service.
 - E. any of the above.
83. Some consumers will try to get a lot of merchandise for a small amount of money. In marketing, this is known as:
- A. the marketing paradox.
 - B. the outer limits of pricing
 - C. customers seeking value.
 - D. excess valuation.
 - E. marketing myopia.
84. Christie has just started with a travel agency, and she has been offering clients and prospective clients a range of packaged tours. She is concerned, because the commissions she is earning on her sales are lower than she had hoped. Her colleague Peter, who has been with the agency for several years, is having a great deal of success by working closely with the clients, taking their suggestions and building customized tour packages for each one. Peter's approach is based on:
- A. transaction-oriented marketing.
 - B. premium pricing.
 - C. his seniority at the firm.
 - D. special incentives from tour operators.
 - E. value cocreation.
85. Value-based marketing depends on:
- A. knowing what the customer perceives as the key benefits of a product or service.
 - B. balancing customer benefits with reasonable costs.
 - C. knowing what benefits customers would do without to keep prices down.
 - D. looking at quality from the customer's perspective.
 - E. All of these.
86. Ann Marie has been working on pricing for the hotel where she works. She knows business travelers stay at the hotel because it has easy access to the airport, and others stay there because it is convenient to the shopping and entertainment districts. She is unsure whether she should raise rates for the business travelers, the leisure travelers, both, or neither. As she works to find the best pricing mix, she'll have to look at the ways these travelers will evaluate the benefits of staying at the hotel. In doing so, Ann Marie will be using:
- A. value-based marketing.
 - B. convenience pricing.
 - C. destination planning.
 - D. All of these.
 - E. None of these.

87. Janine has a new clothing design she would like to market, but she knows that creating and delivering value to consumers is a challenge. She has seen other designers' successful products copied by other firms soon after they were introduced. For Janine, the major problem she faces in creating and delivering value is probably that:
- A. consumer perceptions change quickly.
 - B. competitors constantly enter markets.
 - C. global pressures continually reshape market opportunities.
 - D. marketers' understanding of consumers is complete.
 - E. consumers do not know what they want.
88. In 2006, the film "Supersize Me" provided a critical view of McDonald's and its products that caused some consumers to stop eating at McDonald's. The company was caught off guard and had to move quickly to develop a response. In terms of value-based marketing, McDonald's faced what potential problem?
- A. Consumer perceptions change quickly.
 - B. Competitors constantly enter markets.
 - C. Global pressures continually reshape market opportunities.
 - D. Marketers' understanding of consumers is complete.
 - E. Consumers do not know what they want.
89. To become a more value driven organization, Pokrah University is holding regular coffee-hour discussions with its students and is surveying its graduates regarding students' educational needs and desires. Pokrah University is becoming more value driven through:
- A. sharing information across the organization.
 - B. balancing their customers' benefits and costs.
 - C. evaluating strategic competitive partnerships.
 - D. building relationships with customers.
 - E. keeping the faculty members happy.
90. As owner of a retail franchise food store, Mary Gray purchases supplies based on specials advertised nationally throughout the franchise system. One Monday, she was surprised to find customers asking for specials she hadn't been informed of in advance. The franchise company failed to live up to the value-driven principle of:
- A. sharing information across the organization.
 - B. balancing customers' benefits and costs.
 - C. evaluating strategic competitive partnerships.
 - D. building relationships with customers.
 - E. keeping prices below those charged by competitors.
91. BestBulk clothing store is striving to become a more value-driven organization. Its managers should ensure that the staff shares information about:
- A. customers
 - B. competitors
 - C. complaints
 - D. inventories
 - E. all of these
92. In the past, manufacturer's representatives did not have up-to-minute data about the products they were selling. Today, manufacturer's representatives are often provided online access to inventory data for the companies they represent. These online inventory systems allow companies to become more value driven through:
- A. sharing information across the organization.
 - B. balancing customers' benefits and costs.
 - C. evaluating strategic competitive partnerships.
 - D. building relationships with government regulators of marketing institutions.
 - E. keeping prices below those charged by competitors.

93. Value-driven firms constantly measure the _____ that customers perceive, compared to the prices of their offerings.
- A. information
 - B. benefits
 - C. relationships
 - D. rebates
 - E. merchandise
94. One of the benefits of value-driven marketing is that attention to customer needs and wants will likely result in:
- A. higher prices than the market leader charges.
 - B. increased competition.
 - C. long-term loyalties.
 - D. strong connections among competing firms in the marketplace.
 - E. all of these.
95. Even though they operate from out-of-the-way airports and offer few extra services, discount airlines like Ryanair and EasyJet have been successful. Consumers obviously consider:
- A. the schedules these airlines offer to be the most convenient in the industry.
 - B. the long-term relationships established by these airlines to be a critical benefit.
 - C. the prices to be slightly lower, but not low enough to have much influence.
 - D. the benefit of lower prices to be greater than the cost of reduced services and less convenience.
 - E. the major airlines to be worthless.
96. To become value-driven, firms should:
- A. share information across the entire organization about customers and competitors.
 - B. prioritize relationships with customers above individual transactions.
 - C. balance benefits with costs to create value for customers.
 - D. All of these.
 - E. None of these
97. A buyer's representative in a real estate purchase was asked by her customer "Is this a fair offer?" She responded. "You are only trying to buy one house. Do you want to offer more money than you have to?" The buyer's representative recognized that in most situations, home buyers are engaged in:
- A. relationships.
 - B. subterfuge.
 - C. collective bargaining.
 - D. prestige purchases.
 - E. transactions.
98. If you are involved in a buying or selling situation in which you do not expect to do business with the other party again, you are engaged in a(n):
- A. transaction.
 - B. negotiation.
 - C. relationship.
 - D. C2C channel.
 - E. marketing mix.
99. A relational orientation is based on the philosophy that buyers and sellers develop:
- A. a complete understanding of each other's needs.
 - B. a long-term relationship.
 - C. a price-value comparison matrix.
 - D. supply chain synergy.
 - E. a marketing value transaction focus.

100. Many firms with complex products have "missionary" salespeople who assist customers with problems and implementation programs. These salespeople rarely sell products but often become involved in and knowledgeable about specific customers' needs and wants. These salespeople focus on a(n) _____ orientation with their customers.
- A. transactional
 - B. external
 - C. relational
 - D. internal
 - E. divisional
101. After major hurricanes like Katrina, many ethical home repair and building supply businesses continue to charge pre-hurricane prices to their customers, even though due to the huge increase in demand they could charge much more. These firms probably recognize that:
- A. they can make more money from government contracts than from sales to customers.
 - B. a transactional orientation is the key to long-term profitability.
 - C. none of their competitors would be raising prices.
 - D. lifetime profitability of relationships matters more than profits from each transaction.
 - E. if they raised prices they would be in violation of Commerce Department regulations.
102. After hurricanes like Katrina, many small building contractors will flock to the damaged area charging whatever customers will pay for temporary repairs to roofs and other parts of damaged homes. These contractors are engaged in a _____ marketing orientation.
- A. transactional
 - B. external
 - C. relational
 - D. internal
 - E. value driven
103. Melinda, a marketing executive, is trying to explain customer relationship management (CRM) to her parents. She explains that CRM is a way of thinking that translates into _____ to identify and build long-term relationships with her customers.
- A. a set of strategies
 - B. programs
 - C. efforts
 - D. systems
 - E. all of these
104. The goal of customer relationship management is to:
- A. manage every customer relationship differently.
 - B. manage every customer relationship to maximum short-term profitability.
 - C. eliminate customers who are profitable, but not highly profitable.
 - D. identify and build loyalty among a firm's customers.
 - E. generate relationships with all of a firm's customers.
105. Firms and organizations use customer relationship management to:
- A. provide their best customers with the products they need.
 - B. systematically collect information about customers.
 - C. offer special promotions that appeal to different groups of customers.
 - D. target their best customers for special attention.
 - E. all of these.

106. Franco uses a database software system to remind him when his customers should be ready to re-order his industrial cleaning products. With this reminder system, Franco contacts his customers when they are most likely to be "in the buying mode." Franco's system is part of:
- A. C2C marketing.
 - B. customer relationship management.
 - C. a transactional marketing orientation.
 - D. supply chain management.
 - E. typical production era marketing practices.
107. Many catalog companies create special-run issues based on what customers have purchased in the past. For example, customers who frequently order bedding items like sheets and pillows receive a catalog with a larger section of bedding items than do customers who mostly order kitchen tools. This is an example of:
- A. C2C marketing.
 - B. customer relationship management.
 - C. a transactional marketing orientation.
 - D. supply chain management.
 - E. typical production era marketing practices.
108. Marketing was once an afterthought to:
- A. accounting.
 - B. economics.
 - C. production.
 - D. finance.
 - E. marketing was never an afterthought.
109. Many inventors struggle with the question, "I made it; now how do I get rid of it?" They have made the error of considering marketing as:
- A. an afterthought.
 - B. an integral part of a business plan.
 - C. an accounting function.
 - D. a profit center.
 - E. important only for new products.
110. Your roommate, a non-business major, sees you reading your marketing text. He or she asks, "Why is Marketing Important?" You respond by saying all of the following EXCEPT:
- A. Marketers advise production on how much product to make.
 - B. Marketers tell the logistics department when to ship products.
 - C. Marketers engage customers and develop long-term relationships.
 - D. Marketers identify opportunities to expand.
 - E. Marketers are the most important profit center in any organization.
111. Georgia, the outside sales rep for a major building supply company, reads a report stating that building permits are down dramatically in her sales territory. She knew things were slowing down but now she has data confirming her impression. Based on this information, one important function Georgia should provide is:
- A. pushing her customers to buy products whether they need them or not.
 - B. advising the production and purchasing departments to produce or order smaller quantities of products.
 - C. assisting customers in product recall confirmations.
 - D. avoiding contact with competing firms in order to maximize value driven marketing.
 - E. estimating profit per sale to determine whether or not the firm can survive the slowdown.

112. Jenny, the delivery and sales representative for a beer distributor, is calling on a retailer and sees the shelves are almost empty. An unexpected sporting event held nearby resulted in a huge increase in sales. She calls her company's distribution manager and requests a special delivery for her customer. Jenny is providing the important marketing function of:
- A. advising production on how much product to make.
 - B. alerting the logistics department when to ship products.
 - C. engaging customers and developing long-term relationships.
 - D. identifying opportunities to expand.
 - E. synthesizing and interpreting sales, accounting, and customer-profile data.
113. After the previous sales representative in his territory infuriated an important customer, Benjamin visited the customer once a month, never asking for business but hoping to rebuild trust through listening and expressing concern. Finally, after more than two years, the customer gave Benjamin an order. Benjamin was providing the important marketing function of:
- A. advising production on how much product to make.
 - B. alerting the logistics department when to ship products.
 - C. engaging customers and developing long-term relationships.
 - D. identifying opportunities to expand.
 - E. synthesizing and interpreting sales, accounting, and customer-profile data.
114. Marketing provides the critical function of _____ when companies expand globally.
- A. managing production efficiency
 - B. understanding customers
 - C. personnel management
 - D. forecasting economic growth
 - E. evaluating government stability
115. Leah is the marketing manager for an electronics company. While on vacation in Ecuador, she visited electronics stores in the major malls in Quito, the capital city. Most of her company's products were available, except for smart phones. When she returned to work, she mentioned this observation to her international sales manager. Leah was providing the important marketing function of:
- A. advising production on how much product to make.
 - B. alerting the logistics department when to ship products.
 - C. engaging customers, developing long-term relationships.
 - D. identifying opportunities to expand.
 - E. synthesizing and interpreting sales, accounting, and customer-profile data.
116. One of the most important challenges in marketing globally is to:
- A. ensure that the firm's products or services stay the same as the offerings in the home country.
 - B. avoid competing with local firms.
 - C. adapt to the local situation but maintain strategy and identity.
 - D. seek out other home-country firms as suppliers so as to ensure product quality.
 - E. operate without publicity so as not to attract attention.
117. Imagine a country where an anti-marketing dictator orders all marketing efforts to be stopped. Producers are still allowed to produce, and consumers are allowed to consume but no marketing is allowed. In such a situation:
- A. there will be no advertising, making it difficult to learn about producers' offerings.
 - B. producers will probably over- or underestimate the amount of product customers will buy.
 - C. consumers will have difficulty comparing the value of different producers' offerings.
 - D. producers will have difficulty determining where to ship their products and when.
 - E. all of these.

118. Greenbelt Construction has been a successful small home-building firm for years. The owner pays subcontractors slightly more than the usual rate for different tasks, reducing the company's gross margin. Greenbelt rarely changes subcontractors, has relatively few complaints from home buyers, and is able to get quick responses from subcontractors when buyers do have problems. Greenbelt is engaged in:
- A. a traditional transactional orientation.
 - B. C2C value driven marketing.
 - C. effective supply chain management.
 - D. value cocreation.
 - E. all of these.
119. Tanya has created a distinctive line of jams, fruit butters and preserves using local, organically grown fruits. She sells these to specialty stores, whose upscale customers appreciate the products and can afford to pay the premium price needed to cover costs. Tanya is concerned about creating value across the entire supply chain, which means that:
- A. she is concerned that her suppliers provide her with the high-quality ingredients she needs at a price she can afford.
 - B. she is concerned that the specialty stores will be able to pay the premium price she needs to charge, but at a price that still allows the stores to sell the products at prices their customers are willing to pay.
 - C. she would like to create effective relationships with her suppliers and her customers to support the effective marketing of the product to the ultimate customer.
 - D. she wants to ensure that her suppliers adhere carefully to organic farming practices so that she can offer this benefit to her customers.
 - E. All of these.
120. Marketing enriches society by:
- A. focusing solely on maximizing profits.
 - B. encouraging employees to participate and invest in socially responsible activities and charities.
 - C. recognizing that the firm can do very little by itself, and so it should stay focused on - and develop - its own core competencies.
 - D. All of these.
 - E. None of these.
121. A friend of yours comments, "I'm starting my own business. I have a perfect product that no one else can touch, but I have no use for marketing. That's just for the mega-corporations." Which of the following arguments would you NOT use in talking about marketing?
- A. Marketing helps new ventures organize, operate and assess risk.
 - B. Marketers help address unfilled needs, regardless of the size of the firm.
 - C. Marketing focuses on the product, but only as one element. Three other areas are Promotion, Price and Place.
 - D. No one is better than marketers at communicating the value of the product to potential customers.
 - E. Marketing isn't essential now, but it will be in a year or two when the product takes off.
122. Many entrepreneurs are successful through marketing efforts designed to:
- A. mimic existing products on the market.
 - B. satisfy unfilled needs.
 - C. raise social consciousness.
 - D. gain monopoly power.
 - E. push a new technology even if people aren't ready for it.
123. Which of the following describes a situation in which a company conducts research to understand what potential employees are seeking, as well as what they think of the company?
- A. employment marketing
 - B. empowerment marketing
 - C. extended marketing
 - D. exchange marketing
 - E. business-to-employee marketing

124. People who initiate, organize, operate and assume the risk of a business venture are called:
- A. entrepreneurs
 - B. leaders
 - C. managers
 - D. professionals
 - E. consultants
125. When a radio station holds an online contest in which you must log on to their website and submit your personal details such as name, phone number and email in order to participate, the radio station:
- A. has offered an exchange.
 - B. is behaving unethically.
 - C. is hoping to receive feedback.
 - D. is implementing a CRM program.
 - E. none of these.
126. A(n) _____ is the trade of things of value between the buyer and the seller so that each is better off as a result.
- A. exchange
 - B. market segment
 - C. promotional plan
 - D. transactional orientation
 - E. relational orientation
127. Traditionally, marketing activities have been divided into product, price, place and promotion. Select the term that best describes the four Ps.
- A. Marketing mix
 - B. Marketing channel
 - C. Marketing plan
 - D. Marketing era
 - E. Marketing implementation
128. Internet sites, physical stores, and kiosks are most closely associated with which element of the marketing mix?
- A. place
 - B. price
 - C. product
 - D. promotion
 - E. proximity
129. The primary purpose of the _____ plan is to specify the marketing activities for a specific time.
- A. marketing
 - B. business
 - C. strategic
 - D. organizational
 - E. resource
130. The process of value _____, in which customers collaborate in product design, often provides additional value to the firm's customers.
- A. cocreation
 - B. positioning
 - C. delivery
 - D. chain management
 - E. based marketing

131. When an accounting firm provides an online training module showcasing real-life decision lapses and their negative effect on the company, they are trying to ensure what type of behavior from their employees?
- A. ethical
 - B. strategic
 - C. formal
 - D. casual
 - E. secretive
132. Which of the following is a core aspect of marketing?
- A. It creates value for the customer.
 - B. It involves exchanges.
 - C. It includes development of a marketing mix.
 - D. It occurs in many settings.
 - E. All of these are core aspects of marketing.
133. The activity, set of institutions, and process for creating, capturing, communicating, delivering and exchanging offerings that have value for customers, clients, partners and society at large is called _____.
- A. marketing
 - B. marketing research
 - C. market share analysis
 - D. market segmentation
 - E. market positioning
134. Jeff is going to sell sporting apparel, which he has already purchased from manufacturers, and has signed a deal agreeing to the volume he would sell monthly. He has researched his competition and talked to some customers and has decided on prices he will charge. Jeff has also developed a plan for promoting his business. Based on this description, which element of the marketing mix does Jeff still need to work on?
- A. Place
 - B. Product
 - C. Price
 - D. Promotion
 - E. Planning
135. Jeff opened a sporting apparel store and has signed a lease on the property. He has also signed an agreement with the manufacturer on the amount of merchandise he will sell and the promotions he will conduct. Based on this description, which aspect of the marketing mix does he still need to work on?
- A. Price
 - B. Place
 - C. Promotion
 - D. Product
 - E. Prototype
136. At one point in the evolution of marketing, the United States entered a buyer's market and the customer became king. Which era is being described?
- A. Market-oriented
 - B. Sales-oriented
 - C. Production-oriented
 - D. Value-based marketing
 - E. Economic-oriented

137. Deonna has been asked to write a marketing plan for a new restaurant. What questions will Deonna likely address in her marketing plan? Be specific and offer questions related to a restaurant.
138. Jean-Pierre is a wine distributor in the United States representing primarily European vintners. He knows his potential market is every wine drinker in the US, but he has limited resources to market his products. Using the ideas presented in an Overview of Marketing, what should Jean-Pierre do as a first step when developing his marketing plan?
139. The text states, "Good marketing is not a random activity." Create an example to respond to this statement.
140. Your friend is writing a "how to" book and asks you for marketing advice. You start by exploring the 4Ps. What questions will you ask? Be specific; your friend is creating a book.
141. The manager of a restaurant supply company determined prices by adding a standard markup to her costs. Based on an Overview of Marketing, what might the manager be missing?

142. As the customer service manager for a heating and air conditioning firm, you are constantly bombarded with complaints about service people not showing up, not having the parts needed to make repairs, and being unable to quickly get the materials needed to fix things. You decide to bring in a marketing consultant to assist you with these problems. What area of marketing specialization would you look for in a marketing consultant and what recommendations would you expect to receive? Be specific; this is a heating and air conditioning firm.
143. As your first assignment in an advertising agency, your manager asks you to come up with messages for three billboards promoting the university you attended. The manager wants one ad for each of the three types of promotion objectives. Create an example of one sentence billboard advertising message for each objective.
144. Which type of orientation would you expect among ethically-challenged marketers; a relational or transactional orientation?
145. Some firms practice employment marketing to attract the "best and brightest" employees. If you were to be recruited by a firm practicing employment marketing, what would that firm do differently from a firm that did not? How would you react?
146. Over the four marketing eras, how did the emphasis on the 4 Ps change? List the four eras and describe which of the 4 Ps were emphasized during each era.

147.How does value cocreation provide additional value to customers?

148.Suppose that your university creates a position of vice president for marketing and promotes your professor to the position. What activities will the new vice president of marketing probably be involved in? Be specific; this is a university.

149.How can marketing be effectively used by entrepreneurs?

150.Suppose your college roommate sees you reading your marketing textbook and says, "Marketing is just advertising and selling." How do you respond?

151.Imagine you graduate with a marketing degree and are hired into the marketing department of a large consumer products company. You are initially given a two-week training program, an overview of what the marketing department does. What will your training program cover?

152.How could you use marketing ideas to market yourself to potential employers after you graduate?

153. What are the four Ps of marketing?

154. What is the fundamental purpose of marketing?

155. "Everything has a price, though it doesn't always have to be monetary." What else is included in a price?

156. How should marketers determine prices?

157. If you were hired as a supply chain manager, who would you interact with?

158. When the U.S. Army advertises, "Be All You Can Be, Join the Army," which of the three primary advertising objectives are they primarily pursuing?

159. During the period 1920-1950, what changes in the United States contributed to the shift from a production orientation to a sales orientation?

160. When assessing customer value, what must a marketer always remember?

161. Basically, there are two ways to improve value. What are they?

162. Why do marketers have to constantly re-evaluate their value propositions?

1 Key

1. Marketing is an activity that only large firms with specialized departments can execute.
(p. 12) **FALSE**

Marketing activities can be performed by organizations of all sizes and by individuals as well.

AACSB: Analytic
Blooms: Understand
Grewal - Chapter 01 #1
Learning Objective: 01-01 Define the role of marketing in organizations.
Level: Easy
Topic: What is Marketing

2. Good marketing is not a random activity.
(p. 06) **TRUE**

Good marketing requires thoughtful planning.

AACSB: Analytic
Blooms: Understand
Grewal - Chapter 01 #2
Learning Objective: 01-01 Define the role of marketing in organizations.
Level: Easy
Topic: What is Marketing

3. Understanding a customer's needs and wants is fundamental to marketing success.
(p. 06) **TRUE**

The needs and wants of the customer must be an integral part of marketing planning.

AACSB: Analytic
Blooms: Understand
Grewal - Chapter 01 #3
Learning Objective: 01-01 Define the role of marketing in organizations.
Level: Easy
Topic: What is Marketing

4. Marketers might wish to sell their products to everyone, but it is not practical to do so.
(p. 07) **TRUE**

Marketers seek out potential customers who have an interest in the product and the ability to buy it.
Not everyone will fall into this category for a given product.

AACSB: Analytic
Blooms: Understand
Grewal - Chapter 01 #4
Learning Objective: 01-01 Define the role of marketing in organizations.
Level: Easy
Topic: What is Marketing

5. The four Ps include product, promotion, planning, and place.
(p. 08) **FALSE**

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

AACSB: Analytic
Blooms: Remember
Grewal - Chapter 01 #5
Learning Objective: 01-02 List the elements of the marketing mix.
Level: Easy
Topic: What is Marketing

6. Because thoughts, opinions, and philosophies are neither goods nor services, they cannot really be marketed.

(p. 09-10)

FALSE

Thoughts, opinions, and philosophies fall into the category of ideas, which can be marketed. In fact, this is the essence of a political campaign.

AACSB: Analytic

Blooms: Apply

Grewal - Chapter 01 #6

Learning Objective: 01-02 List the elements of the marketing mix.

Level: Easy

Topic: What is Marketing

7. The group of firms that makes and delivers a given set of goods and services is known as a supply chain.

(p. 22)

TRUE

Supply chain partners include all firms involved in manufacturing and delivering goods and services, from raw material suppliers to retailers and shipping companies.

AACSB: Analytic

Blooms: Apply

Grewal - Chapter 01 #7

Learning Objective: 01-04 Understand why marketing is important both inside and outside the firm.

Level: Easy

Topic: What is Marketing

8. Value is what you get for what you give.

(p. 15)

TRUE

Value is the relationship of the benefits received to the costs expended.

AACSB: Analytic

Blooms: Remember

Grewal - Chapter 01 #8

Learning Objective: 01-03 Describe how marketers create value for a product or service.

Level: Easy

Topic: Value-Based Marketing

9. In value cocreation, the customer is involved as a collaborator in the creation of a product or service, which provides additional value to the customer.

(p. 17)

TRUE

In value cocreation, the firm and the customer work together to create the product or service. This process adds value because the product or service can be tailored to the customer's needs.

AACSB: Analytic

Blooms: Apply

Grewal - Chapter 01 #9

Learning Objective: 01-03 Describe how marketers create value for a product or service.

Level: Medium

Topic: Value-Based Marketing

10. Value-based marketing helps to build long-term customer loyalty.

(p. 20)

TRUE

The greater value a firm can deliver to its customers, the more likely they are to be loyal in the long run.

AACSB: Analytic

Blooms: Understand

Grewal - Chapter 01 #10

Learning Objective: 01-03 Describe how marketers create value for a product or service.

Level: Medium

Topic: Value-Based Marketing

11. Over the past decade or so, marketers have begun to realize that it is best to structure a firm's customer orientation in terms of transactions rather than relationships.

FALSE

A transactional orientation focuses only on the current exchange, whereas a relational orientation attempts to build a long-term relationship with the customer, resulting in a stream of transactions and (usually) higher profits.

AACSB: Analytic

Blooms: Apply

Grewal - Chapter 01 #11

Learning Objective: 01-03 Describe how marketers create value for a product or service.

Level: Medium

Topic: Value-Based Marketing

12. The latest introduction from Apple™, the iPad, has been successful because it provides value to customers.

*(p. 06,
Opening
vignette)*

TRUE

Apple succeeds because the revolutionary products it releases to the market provide value to customers.

AACSB: Analytic

Blooms: Apply

Grewal - Chapter 01 #12

Learning Objective: 01-01 Define the role of marketing in organizations.

Level: Easy

Topic: What is Marketing

13. When a value proposition is advertised, its purpose is to inform, persuade or remind customers about the product or service.

(p. 11-12)

TRUE

Promotions are generally designed to inform, persuade or remind potential buyers about a product or service.

AACSB: Analytic

Blooms: Understand

Grewal - Chapter 01 #13

Learning Objective: 01-02 List the elements of the marketing mix.

Level: Easy

Topic: What is Marketing

14. By publishing a Code of Ethics, a firm ensures that all employees will behave ethically.

(p. 25-26)

FALSE

The fact that a document has been written does not ensure that employees will follow the rules.

AACSB: Ethics

Blooms: Apply

Grewal - Chapter 01 #14

Learning Objective: 01-04 Understand why marketing is important both inside and outside the firm.

Level: Easy

Topic: Why is Marketing Important

15. When a car manufacturer sells trucks, cars, and car parts to the government or military, this is an example of B2C marketing.

FALSE

This is an example of B2B (business to business) marketing. B2C marketing would involve selling cars or trucks to individual consumers.

AACSB: Analytic

Blooms: Understand

Grewal - Chapter 01 #15

Learning Objective: 01-01 Define the role of marketing in organizations.

Level: Easy

Topic: What is Marketing

16. The power adapters Dell sells with its computers are by small companies specializing in power-related accessories. Dell and the power adapter manufacturers are engaging in B2B marketing.

TRUE

Dell, a business, is purchasing supplies from another business, so this is an example of business-to-business (B2B) marketing.

AACSB: Analytic

Blooms: Understand

Grewal - Chapter 01 #16

Learning Objective: 01-01 Define the role of marketing in organizations.

Level: Medium

Topic: What is Marketing

17. Garage sales and online classified ads are examples of C2C marketing.

TRUE

This is a C2C marketing scenario where consumers market to each other.

AACSB: Analytic

Blooms: Understand

Grewal - Chapter 01 #17

Learning Objective: 01-01 Define the role of marketing in organizations.

Level: Easy

Topic: What is Marketing

18. Small start-up companies are unable to control their marketing mixes.

FALSE

Even start-up companies have control over their marketing mix (the four Ps). By definition, these are the controllable set of activities that the firm undertakes to respond to the wants of its target markets.

AACSB: Analytic

Blooms: Apply

Grewal - Chapter 01 #18

Learning Objective: 01-02 List the elements of the marketing mix.

Level: Easy

Topic: What is Marketing

19. (p. 14) When a tee shirt manufacturer states, "We only sell it in black because that way we can buy plenty of black fabric and run our plant efficiently," their statement reflects the views that were popular in which era of the evolution of marketing?
- A. Production-oriented
 - B. Sales-oriented
 - C. Market-oriented
 - D. Value-based marketing
 - E. Economic-oriented

This question refers to the Production Era which is when companies would just manufacture items without taking individuals' needs or wants into consideration.

AACSB: Analytic
Blooms: Understand
Grewal - Chapter 01 #19
Learning Objective: 01-01 Define the role of marketing in organizations.
Level: Easy
Topic: What is Marketing

20. (p. 07) Marketing involves all of the following EXCEPT:
- A. conducting exchanges
 - B. satisfying customer needs and wants
 - C. creating value
 - D. efforts by individuals and organizations
 - E. production scheduling

Production scheduling is the responsibility of manufacturing; all other activities are part of marketing.

AACSB: Analytic
Blooms: Remember
Grewal - Chapter 01 #20
Learning Objective: 01-01 Define the role of marketing in organizations.
Level: Easy
Topic: What is Marketing

21. (p. 06) Jami sells construction equipment. Whenever she calls on her building contractor customers, she asks if they are having any problems. In doing so, Jami is addressing which of the following core aspects of marketing?
- A. Satisfying customer needs and wants
 - B. The exchange function of marketing
 - C. Product, place, promotion, and price decisions
 - D. Decisions regarding in which setting marketing takes place
 - E. Creating value

By asking about problems, Jami is asking what unmet needs the contractor might have. She hopes that her company may have products that will help to meet these needs.

AACSB: Analytic
Blooms: Apply
Grewal - Chapter 01 #21
Learning Objective: 01-01 Define the role of marketing in organizations.
Level: Hard
Topic: What is Marketing

22. (p. 07) Julia is considering a career in marketing. She is concerned about the image of marketers as fast-talking, high-pressure people. When reading about the core aspects of marketing, Julia is relieved to see that in marketing:
- A.** all parties to an exchange should be satisfied.
 - B. promotion is the most important consideration, followed by pricing decisions.
 - C. decisions are made regarding how a product is designed.
 - D. customers are not considered until the product is ready for sale.
 - E. distribution is controlled by customers.

If all parties to the exchange are satisfied, that indicates that marketers are considering customers' needs as well as the company's welfare. None of the other alternatives ensure that customers' needs are being satisfied.

AACSB: Analytic
Blooms: Analyze
Grewal - Chapter 01 #22
Learning Objective: 01-01 Define the role of marketing in organizations.
Level: Hard
Topic: What is Marketing

23. (p. 07) Xavier is analyzing potential market segments. He should carefully seek potential customers who have both an interest in his products and:
- A. a thorough knowledge of his brand messages.
 - B.** the ability to buy them.
 - C. knowledge of competing products.
 - D. the ability to negotiate discounts.
 - E. are removed from traditional marketing alternatives.

If Xavier selects customers with an interest in the kinds of products he offers, and the ability to purchase, he can communicate the value his offerings provide and offer competitive comparisons as part of his marketing mix.

AACSB: Analytic
Blooms: Apply
Grewal - Chapter 01 #23
Learning Objective: 01-01 Define the role of marketing in organizations.
Level: Medium
Topic: What is Marketing

24. (p. 07) Of primary interest to marketers are _____ buyers.
- A. centrally controlled
 - B. unqualified and underserved
 - C.** qualified potential
 - D. first-time
 - E. C2C

Potential buyers who are qualified in terms of interest and ability to buy are the primary interest of marketers. C2C (consumer-to-consumer) buyers would be of interest to consumers who are marketing products, but not to businesses who participate in B2C and B2B markets. While first-time buyers are interesting to marketers, loyal customers are even more important to the firm.

AACSB: Analytic
Blooms: Understand
Grewal - Chapter 01 #24
Learning Objective: 01-01 Define the role of marketing in organizations.
Level: Medium
Topic: What is Marketing

25. When referring to "exchange," marketers are focusing on:
- (p. 07) A. the location where products and services are traded.
 - B. the price charged, adjusted for currency exchange rates.
 - C. location-based tactics for creating value.
 - D. promotional offers designed to stimulate barter.
 - E. the trading of things of value.**

Exchange refers to each of the parties involved giving something and getting something in return.

AACSB: Analytic
Blooms: Remember
Grewal - Chapter 01 #25
Learning Objective: 01-01 Define the role of marketing in organizations.
Level: Easy
Topic: What is Marketing

26. Whenever Valerie has a new massage therapy customer, she invites the person to be on her e-mail distribution list. In the process, in addition to exchanging her massage therapy service for payment, Valerie is gathering:
- (p. 07-08) **A. information.**
 - B. promotional capital.
 - C. pricing data.
 - D. value cocreation.
 - E. all of these.

In this case, Valerie's customer receives a massage, and she receives both payment and information (in the form of the customer's email address) as part of the exchange process.

AACSB: Analytic
Blooms: Apply
Grewal - Chapter 01 #26
Learning Objective: 01-01 Define the role of marketing in organizations.
Level: Hard
Topic: What is Marketing

27. Which of the following is a core aspect of marketing?
- (p. 08) A. Satisfying as many needs as possible.
 - B. Creating a product that everyone will want to buy.
 - C. Setting prices lower than all competitors.
 - D. Making product, place, promotion, and price decisions.**
 - E. All of these.

Most of these answers are too broad. Marketers don't generally try to sell to everyone, and they don't necessarily strive to have the lowest price. Instead, they select customers they can successfully serve and design a marketing mix (product, place, promotion, and price) to meet those needs.

AACSB: Analytic
Blooms: Remember
Grewal - Chapter 01 #27
Learning Objective: 01-02 List the elements of the marketing mix.
Level: Easy
Topic: What is Marketing

28. Which of the following questions must be addressed when making marketing decisions?

(p. 08)

- A. How is the product to be designed?
- B. How much should the product cost?
- C. Where should the product be promoted?
- D. How will the product be delivered to the customer?
- E.** All of these

The four questions represent the four Ps: product (design), price (cost), promotion, and place (delivery).

AACSB: Analytic

Blooms: Understand

Grewal - Chapter 01 #28

Learning Objective: 01-02 List the elements of the marketing mix.

Level: Easy

Topic: What is Marketing

29. Fiona has developed a new software application that automatically recalculates and reformats

(p. 08-11)

accounting information based on the standards used in each country. Her product is superior to anything that exists on the market. Which of the following questions will she have to address when making marketing decisions?

- A. How the software will be promoted?
- B. What price should she charge?
- C. Should she sell her software on the Internet?
- D. In what country should she offer the software for sale first?
- E.** All of these

Fiona's product is the software. The other four questions address the remaining elements of the four Ps: promotion, price, and place (Internet sales and choice of first country).

AACSB: Analytic

Blooms: Apply

Grewal - Chapter 01 #29

Learning Objective: 01-02 List the elements of the marketing mix.

Level: Easy

Topic: What is Marketing

30. Marketing traditionally has been divided into a set of four interrelated decisions known as the marketing mix, or four Ps, including all of the following EXCEPT:

(p. 08)

- A. product
- B. place
- C.** performance
- D. promotion
- E. price

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

AACSB: Analytic

Blooms: Remember

Grewal - Chapter 01 #30

Learning Objective: 01-02 List the elements of the marketing mix.

Level: Easy

Topic: What is Marketing

31. The four Ps comprise the marketing mix, which is the _____ set of activities that the firm uses to respond to the wants of its target markets.
- (p. 08)
- A. unpredictable
 - B. external
 - C. internal
 - D. controllable**
 - E. global

The four Ps represent controllable activities--in other words, the things the firm controls and manages.

AACSB: Analytic
Blooms: Understand
Grewal - Chapter 01 #31
Learning Objective: 01-02 List the elements of the marketing mix.
Level: Medium
Topic: What is Marketing

32. The fundamental goal of marketers when creating goods, services, or combinations of both, is to:
- (p. 08)
- A. defeat the competition.
 - B. serve all consumers.
 - C. operate according to government regulations.
 - D. stimulate short-term sales.
 - E. create value.**

While some of the other answers are things that marketers and their firms have to consider, the fundamental purpose of marketing activities is to create value for consumers.

AACSB: Analytic
Blooms: Remember
Grewal - Chapter 01 #32
Learning Objective: 01-02 List the elements of the marketing mix.
Level: Easy
Topic: What is Marketing

33. Marketing includes offering:
- (p. 08-09)
- A. goods.
 - B. services.
 - C. ideas.
 - D. goods, services, and ideas.**
 - E. goods and services only.

Goods, services, and ideas can be marketed. Political campaigns are good examples of the marketing of ideas.

AACSB: Analytic
Blooms: Remember
Grewal - Chapter 01 #33
Learning Objective: 01-02 List the elements of the marketing mix.
Level: Easy
Topic: What is Marketing

34. (p. 08) Brian is struggling with the choice of publishing his new book, "How to cook Polish Barbeque" as an e-book or a paperback. Brian is addressing which core marketing aspect?
- A. Developing a promotional plan.
 - B. Managing the Exchange function of marketing.
 - C. Making product decisions.**
 - D. Deciding where and how to sell the product.
 - E. Pricing the product.

Since Brian is making decisions about the form his book will take, he is making product decisions.

AACSB: Analytic
Blooms: Analyze
Grewal - Chapter 01 #34
Learning Objective: 01-02 List the elements of the marketing mix.
Level: Hard
Topic: What is Marketing

35. (p. 09) The basic difference between a good and a service is that a good:
- A. provides intangible benefits.
 - B. can be physically touched.**
 - C. is always less expensive than a corresponding service.
 - D. generates greater interest among consumers.
 - E. is more quickly forgotten by consumers.

Goods are tangible things that can be touched; services are intangible. The remaining answers could be true in some cases, but untrue in others.

AACSB: Analytic
Blooms: Remember
Grewal - Chapter 01 #35
Learning Objective: 01-02 List the elements of the marketing mix.
Level: Easy
Topic: What is Marketing

36. (p. 09) UPS washes its trucks nightly so they are always clean, and requires its delivery people to wear clean, unwrinkled uniforms. UPS probably established these rules because they know that:
- A. consumers want friendly delivery people.
 - B. most delivery services do not require uniforms.
 - C. consumers' judgment of the benefits they receive from services are tied to the image of the producer.**
 - D. the goods UPS sells are easily replicated.
 - E. all of these

Because services are intangible, factors such as appearance and image can become important factors in judging the benefits received. Consumers find it difficult to separate the service from the producer.

AACSB: Analytic
Blooms: Apply
Grewal - Chapter 01 #36
Learning Objective: 01-02 List the elements of the marketing mix.
Level: Medium
Topic: What is Marketing

37. (p. 09) Four Winds Art Gallery recently began offering appraisals of customers' art collections, in addition to continuing to sell paintings. Four Winds is:
- A. expanding from offering just services to also offering goods.
 - B. implementing a market segmentation strategy.
 - C. capturing value through multiple pricing strategies.
 - D.** expanding from offering just goods to also offering services.
 - E. increasing customer value through inflated appraisal evaluations.

The paintings are goods; appraisals are services.

AACSB: Analytic
Blooms: Understand
Grewal - Chapter 01 #37
Learning Objective: 01-02 List the elements of the marketing mix.
Level: Medium
Topic: What is Marketing

38. (p. 09) The owner of The Pipe Doctor, a plumbing service, often orders the sinks, faucets, and toilets he installs for his customers. Since he is paid for these items and also for the labor to install them, the Pipe Doctor:
- A. is a provider of goods.
 - B. is a service provider.
 - C.** provides both goods and services.
 - D. is primarily a marketer of ideas.
 - E. offers neither goods nor services.

The sinks, faucets, and toilets are goods; installation labor is a service.

AACSB: Analytic
Blooms: Analyze
Grewal - Chapter 01 #38
Learning Objective: 01-02 List the elements of the marketing mix.
Level: Medium
Topic: What is Marketing

39. (p. 10) The price of a product:
- A. is usually expressed in terms of money.
 - B. includes the time involved in the purchase decision.
 - C. includes the effort and energy involved in researching the product.
 - D. is everything the buyer gives up to obtain the product.
 - E.** all of these

The price includes everything the buyer gives up--money, time, energy--to obtain the product.

AACSB: Analytic
Blooms: Remember
Grewal - Chapter 01 #39
Learning Objective: 01-02 List the elements of the marketing mix.
Level: Easy
Topic: What is Marketing

40. Marketers must determine the price of a product carefully on the basis of the potential buyers' beliefs about:
- (p. 10-11)
- A. its value.
 - B. the environment.
 - C. the cost to manufacture the product.
 - D. the economic outlook.
 - E. the product's new advertising campaign.

Pricing based on buyers' perceptions of value ensures that buyers believe the product is worth its price.

AACSB: Analytic
Blooms: Remember
Grewal - Chapter 01 #40
Learning Objective: 01-02 List the elements of the marketing mix.
Level: Easy
Topic: What is Marketing

41. Some discount stores put products in large bins and let consumers hunt and find bargains. The price these consumers pay includes:
- (p. 10)
- A. only the actual price they pay at the register.
 - B. the value of their time and energy.
 - C. the excitement they experience in finding an item they desire.
 - D. the savings to the store of not having to display the products neatly on shelves.
 - E. all of these

Price includes everything the customer gives up to get the product.

AACSB: Analytic
Blooms: Understand
Grewal - Chapter 01 #41
Learning Objective: 01-02 List the elements of the marketing mix.
Level: Medium
Topic: What is Marketing

42. Henriette offers financial counseling and management on a fee-only basis. She has found that different customers are willing to pay different rates for her services. This shows that her pricing decisions should depend primarily on:
- (p. 10-11)
- A. regulations determining the maximum fees financial advisors can charge.
 - B. changes in technology allowing consumers to manage their own affairs.
 - C. how different customers perceive the value of her services.
 - D. changes in the economy.
 - E. how much effort it takes to serve different types of clients.

Although the other factors might need to be considered in pricing, the primary consideration should be perceived value--and the reason different customers are willing to pay different rates is because they perceive the value differently.

AACSB: Analytic
Blooms: Analyze
Grewal - Chapter 01 #42
Learning Objective: 01-02 List the elements of the marketing mix.
Level: Hard
Topic: What is Marketing

43. Delivering the value proposition is also known as:
(p. 11)
A. endless chain marketing.
B. a transactional orientation.
C. wholesaling.
D. product design.
E. supply chain management.

Delivering the value proposition is the Place component of the four Ps, which involves managing the supply chain.

AACSB: Analytic
Blooms: Understand
Grewal - Chapter 01 #43
Learning Objective: 01-02 List the elements of the marketing mix.
Level: Medium
Topic: What is Marketing

44. Marketing efforts designed to get the product or service to the right customer, when that customer wants it, are called:
(p. 11)
A. supply chain management.
B. a transactional orientation.
C. wholesaling.
D. value cocreation.
E. endless chain marketing.

The question describes the Place component of the marketing mix, which involves managing the supply chain.

AACSB: Analytic
Blooms: Understand
Grewal - Chapter 01 #44
Learning Objective: 01-02 List the elements of the marketing mix.
Level: Medium
Topic: What is Marketing

45. Yesenia, the new university course scheduling manager, is struggling with adjustments to the fall schedule. She is trying to determine how to offer the classes students need at the times when students need them. Yesenia is struggling with the marketing function of:
(p. 11)
A. communicating the value proposition.
B. supply chain management.
C. creating value.
D. capturing value.
E. value cocreation.

Getting a product (in this case, a class) to customers when and where they want them describes the Place component of the marketing mix, which involves managing the supply chain.

AACSB: Analytic
Blooms: Apply
Grewal - Chapter 01 #45
Learning Objective: 01-02 List the elements of the marketing mix.
Level: Medium
Topic: What is Marketing

46. Supply chain management involves integrating the efforts of:

(p. 11)

- A. suppliers.
- B. manufacturers.
- C. warehouses.
- D. stores.
- E. All of these.**

Supply chain management involves integrating the efforts of all firms involved in getting the product to the customer, from suppliers of raw materials to stores in which customers purchase the finished product.

AACSB: Analytic

Blooms: Remember

Grewal - Chapter 01 #46

Learning Objective: 01-02 List the elements of the marketing mix.

Level: Easy

Topic: What is Marketing

47. The marketing goal of getting the "right quantities to the right locations, at the right time" is:

(p. 11)

- A. communicating the value proposition.
- B. supply chain management.**
- C. creating value.
- D. capturing value.
- E. price and performance management.

The question describes the Place component of the marketing mix, which involves managing the supply chain.

AACSB: Analytic

Blooms: Remember

Grewal - Chapter 01 #47

Learning Objective: 01-02 List the elements of the marketing mix.

Level: Easy

Topic: What is Marketing

48. Marketers involved in supply chain management are constantly balancing the:

(p. 11)

- A. goal of promotional effectiveness against ethical advertising standards.
- B. problem of price maximization against cost efficiency.
- C. goal of minimizing costs against satisfying the service levels customers expect.**
- D. desire to achieve against the need for a stable source of supply.
- E. goal of efficiency against the price charged by competitors.

In the supply chain, the primary concerns are keeping costs low enough to make a profit, and yet ensuring that customers can get products when and where they want them.

AACSB: Analytic

Blooms: Understand

Grewal - Chapter 01 #48

Learning Objective: 01-02 List the elements of the marketing mix.

Level: Medium

Topic: What is Marketing

49. (p. 11) The importance of supply chain management is often overlooked in the study of marketing because:
- A. marketing has no responsibility for supply chain management.
 - B. supply chain management doesn't add much value for customers.
 - C. companies do not want customers to know anything about the supply chain.
 - D.** many of the activities take place behind the scenes.
 - E. all of these.

Supply chain management is extremely important--without it, customers would not be able to obtain products--but most of the activities take place in the background.

AACSB: Analytic
Blooms: Understand
Grewal - Chapter 01 #49
Learning Objective: 01-02 List the elements of the marketing mix.
Level: Medium
Topic: What is Marketing

50. (p. 11) When considering career choices in marketing, many students overlook supply chain management because:
- A. it is considered too quantitative.
 - B. marketing has no responsibility for supply chain management.
 - C. companies generally outsource these activities, and so there are rarely supply chain jobs available.
 - D. it only takes place in large, urban areas.
 - E.** many of the activities take place behind the scenes.

Supply chain management is extremely important--without it, customers would not be able to obtain products--but most of the activities take place in the background.

AACSB: Analytic
Blooms: Understand
Grewal - Chapter 01 #50
Learning Objective: 01-02 List the elements of the marketing mix.
Level: Medium
Topic: What is Marketing

51. (p. 11) UPS, FedEx, DHL, and other shipping companies support other firms' _____ marketing goals.
- A.** supply chain management
 - B. value communication
 - C. value capture
 - D. retail management
 - E. none of these

Supply chain management includes the shipment/delivery of products, so these companies can be an important part of the supply chain.

AACSB: Analytic
Blooms: Understand
Grewal - Chapter 01 #51
Learning Objective: 01-02 List the elements of the marketing mix.
Level: Medium
Topic: What is Marketing

52. _____ is communication by a marketer that informs, persuades, and reminds potential customers about a product to influence their opinions and elicit a response.
- (p. 11-12)
- A. Pricing
 - B. Promotion**
 - C. Placement
 - D. A relational orientation
 - E. Value cocreation

This is the definition of promotion.

AACSB: Analytic
Blooms: Remember
Grewal - Chapter 01 #52
Learning Objective: 01-02 List the elements of the marketing mix.
Level: Easy
Topic: What is Marketing

53. The goal of promotion is to _____ potential buyers about a product or service.
- (p. 12)
- A. inform
 - B. persuade
 - C. remind
 - D. all of these**
 - E. none of these

Informing, persuading, and reminding are the three key goals of promotional campaigns.

AACSB: Analytic
Blooms: Remember
Grewal - Chapter 01 #53
Learning Objective: 01-02 List the elements of the marketing mix.
Level: Easy
Topic: What is Marketing

54. Every Christmas season, Anheuser-Busch runs television ads featuring Clydesdale horses in a winter scene. These ads focus on the promotional goal of _____ consumers about Budweiser, the company's brand of beer.
- (p. 12)
- A. informing
 - B. persuading
 - C. reminding**
 - D. all of these
 - E. none of these

Most consumers are already aware of Anheuser-Busch and Budweiser; the Clydesdale ads serve as a reminder.

AACSB: Analytic
Blooms: Understand
Grewal - Chapter 01 #54
Learning Objective: 01-02 List the elements of the marketing mix.
Level: Medium
Topic: What is Marketing

55. (p. 12) Local television advertising often includes ads for automobiles dealerships using actors trying to create a sense of excitement and urgency among consumers. These ads are attempting to achieve the promotional goal of _____ potential buyers.
- A. informing
 - B. persuading**
 - C. reminding
 - D. all of these
 - E. none of these

These ads are trying to persuade consumers to take an action quickly.

AACSB: Analytic
Blooms: Apply
Grewal - Chapter 01 #55
Learning Objective: 01-02 List the elements of the marketing mix.
Level: Medium
Topic: What is Marketing

56. (p. 12) Effective promotion enhances a product or service's:
- A. supply chain management system.
 - B. wholesaling capabilities.
 - C. perceived value.**
 - D. design features.
 - E. all of these.

Effective promotion communicates value, attempting to ensure that customers understand the value being offered.

AACSB: Analytic
Blooms: Remember
Grewal - Chapter 01 #56
Learning Objective: 01-02 List the elements of the marketing mix.
Level: Easy
Topic: What is Marketing

57. (p. 12) By promoting perfume based on youth, style, and sex appeal, Calvin Klein is attempting to:
- A. influence social norms regarding sexuality.
 - B. encourage consumers to participate in product redesign.
 - C. stimulate supply chain management cooperation.
 - D. increase the perceived value of their products.**
 - E. none of these.

Promotion communicates value to consumers so that they will more easily see the value offered by the product.

AACSB: Analytic
Blooms: Understand
Grewal - Chapter 01 #57
Learning Objective: 01-02 List the elements of the marketing mix.
Level: Medium
Topic: What is Marketing

58. The traditional marketing channel through which consumers most often find and purchase goods and services is known as:
- (p. 12)
- A. B2B
 - B. C2C
 - C. D2C
 - D. C2D
 - E. B2C**

B2C, or business-to-consumer marketing, is the channel through which most consumers' purchases happen.

AACSB: Analytic
Blooms: Remember
Grewal - Chapter 01 #58
Learning Objective: 01-01 Define the role of marketing in organizations.
Level: Easy
Topic: What is Marketing

59. Retailers accumulate merchandise from producers in large amounts and sell to consumers in smaller amounts. Retailers function as:
- (p. 13)
- A. market intermediaries.**
 - B. monopolists.
 - C. regulators of consumer demand.
 - D. wholesale specialists.
 - E. intermediate promoters.

Retailers make up one category of market intermediary, which refers to firms that assist in getting products from the manufacturer to the consumer.

AACSB: Analytic
Blooms: Remember
Grewal - Chapter 01 #59
Learning Objective: 01-01 Define the role of marketing in organizations.
Level: Medium
Topic: What is Marketing

60. Auction sites like eBay have increased opportunities for _____ marketing.
- (p. 12)
- A. B2B
 - B. C2C**
 - C. D2C
 - D. C2D
 - E. B2C

Consumers can buy and sell from each other on sites like eBay, increasing the amount of consumer-to-consumer (C2C) marketing that takes place.

AACSB: Analytic
Blooms: Apply
Grewal - Chapter 01 #60
Learning Objective: 01-01 Define the role of marketing in organizations.
Level: Hard
Topic: What is Marketing

61. (p. 12) As use of the Internet took off, car manufacturers were tempted to sell directly to consumers, but decided to maintain their existing dealer networks. The car manufacturers considered switching from _____ to _____ marketing.
- A. B2C; B2B
 - B. B2C; C2C
 - C. B2B; B2C**
 - D. B2B; C2C
 - E. C2C; B2C

The car manufacturers considered switching from B2B marketing (where they sell cars to dealers, who then sell them to consumers) to B2C marketing (where the car manufacturers would sell directly to consumers).

AACSB: Analytic
Blooms: Apply
Grewal - Chapter 01 #61
Learning Objective: 01-01 Define the role of marketing in organizations.
Level: Hard
Topic: What is Marketing

62. (p. 12) Many universities provide physical or electronic bulletin boards to facilitate ride-sharing and exchange of used books among students. These bulletin boards increase _____ marketing.
- A. B2C
 - B. C2B
 - C. B2B
 - D. C2C**
 - E. underground

These bulletin boards are designed to encourage consumer-to-consumer (C2C) marketing.

AACSB: Analytic
Blooms: Remember
Grewal - Chapter 01 #62
Learning Objective: 01-01 Define the role of marketing in organizations.
Level: Medium
Topic: What is Marketing

63. (p. 8-9) Which of the following is NOT true about marketing ideas?
- A. Opinions, philosophies, intellectual concepts and even thoughts can be effectively marketed.
 - B. The marketing of ideas does not involve true exchange of value.**
 - C. Ideas can be "purchased" by convincing someone to change his or her behavior.
 - D. Marketing can be directed toward primary and secondary targets to increase knowledge and change behavior.
 - E. Value can be created through changing behaviors.

The marketing of ideas does, in fact, involve exchange of value. One party benefits from exposure to a new idea, while the other generally asks for a particular behavior.

AACSB: Analytic
Blooms: Apply
Grewal - Chapter 01 #63
Learning Objective: 01-02 List the elements of the marketing mix.
Level: Medium
Topic: What is Marketing

64. Valerie's firm researched what its employees wanted from their jobs. It then communicated a brand image for the firm and worked to ensure that the employees' experiences matched what was advertised. The firm is using:
- A. human resources marketing.
 - B. employee relations mediation.
 - C. human factors analysis.
 - D. employment marketing.**
 - E. human asset branding.

Employment marketing is the application of marketing techniques to improve employee recruitment and retention.

AACSB: Analytic
Blooms: Understand
Grewal - Chapter 01 #64
Learning Objective: 01-01 Define the role of marketing in organizations.
Level: Medium
Topic: What is Marketing

65. Joseph is about to graduate near the top of his class and has been looking at some forward-thinking firms. He had expected the job market to be tight, but found that some firms were using employment marketing to attract the candidates they want and need. He noticed these firms used all of the following approaches EXCEPT:
- A. using marketing research to understand what future employees want from a position.
 - B. using advertising agencies to focus creatively on the targeted job seekers.
 - C. developing an employee-oriented brand image.
 - D. assuming that the right candidates will learn about the firm and apply for jobs without any encouragement.**
 - E. working to ensure the employment experiences match the candidates' expectations.

Employment marketing means being proactive in the recruitment process, not sitting back and waiting for people to apply.

AACSB: Analytic
Blooms: Analyze
Grewal - Chapter 01 #65
Learning Objective: 01-01 Define the role of marketing in organizations.
Level: Hard
Topic: What is Marketing

66. The "Got Milk" advertising campaign, designed to increase consumption of milk, was intended to help market a(n):
- A. individual.
 - B. firm.
 - C. industry.**
 - D. organization.
 - E. all of these.

The "Got Milk" campaign advertised the dairy industry as a whole, not any particular brand of milk.

AACSB: Analytic
Blooms: Understand
Grewal - Chapter 01 #66
Learning Objective: 01-01 Define the role of marketing in organizations.
Level: Medium
Topic: What is Marketing

67. The evolution of marketing progressed along the following continuum:

(p. 15)

- A. sales, marketing, value-based marketing, production
- B. marketing, value-based marketing, production, sales
- C. value-based marketing, production, sales, marketing
- D. production, sales, marketing, value-based marketing**
- E. sales, value-based marketing, marketing, production

The production era was followed by the sales era, then the marketing era, and finally the value-based marketing era.

AACSB: Analytic

Blooms: Understand

Grewal - Chapter 01 #67

Learning Objective: 01-01 Define the role of marketing in organizations.

Level: Medium

Topic: What is Marketing

68. The idea that a good product will sell itself is associated with the _____ era of marketing.

(p. 14)

- A. production**
- B. sales
- C. marketing
- D. value-based marketing
- E. retailing

In the production era, the assumption was that if companies built good products, they would sell without any particular effort.

AACSB: Analytic

Blooms: Understand

Grewal - Chapter 01 #68

Learning Objective: 01-01 Define the role of marketing in organizations.

Level: Medium

Topic: What is Marketing

69. Henry Ford's statement, "Customers can have any color they want so long as it's black," typified the _____ era of marketing.

(p. 14)

- A. production**
- B. sales
- C. marketing
- D. value-based marketing
- E. retailing

The production era of marketing dealt primarily with manufacturing processes and the design of a good product, but without concern for meeting specific customer needs.

AACSB: Analytic

Blooms: Apply

Grewal - Chapter 01 #69

Learning Objective: 01-01 Define the role of marketing in organizations.

Level: Medium

Topic: What is Marketing

70. (p. 15) Melanie works for a small computer software company. Her boss is constantly improving their products but neglecting customers, billing, and promoting the company. Her boss is probably stuck in the _____ era of marketing.
- A.** production
 - B. sales
 - C. marketing
 - D. value-based marketing
 - E. retailing

The production era of marketing dealt primarily with manufacturing processes and the design of a good product, but without concern for meeting specific customer needs.

AACSB: Analytic
Blooms: Apply
Grewal - Chapter 01 #70
Learning Objective: 01-01 Define the role of marketing in organizations.
Level: Hard
Topic: What is Marketing

71. (p. 15) During the _____ era, firms had excess capacity and used personal selling and advertising to generate customers.
- A. production
 - B.** sales
 - C. marketing
 - D. value-based marketing
 - E. retailing

In the sales era, firms believed that a hard-sell approach was the answer to building sales.

AACSB: Analytic
Blooms: Understand
Grewal - Chapter 01 #71
Learning Objective: 01-01 Define the role of marketing in organizations.
Level: Medium
Topic: What is Marketing

72. (p. 15) The prevailing marketing strategy of the _____ era was to find customers for inventories that went unsold.
- A. production
 - B.** sales
 - C. marketing
 - D. value-based marketing
 - E. retailing

In the sales era, firms believed that a hard-sell approach was the answer to building sales.

AACSB: Analytic
Blooms: Understand
Grewal - Chapter 01 #72
Learning Objective: 01-01 Define the role of marketing in organizations.
Level: Medium
Topic: What is Marketing

73. (p. 15) Near the end of the model year, Move-Them-Out automobile dealership had an unusually high inventory level. The manager increased her advertising spending and gave extra incentives to its salespeople. Move-Them-Out operates as if it were in the _____ era.
- A. production
 - B. sales**
 - C. marketing-oriented
 - D. value-based
 - E. retailing

In the sales era, firms believed that a hard-sell approach was the answer to building sales.

AACSB: Analytic
Blooms: Apply
Grewal - Chapter 01 #73
Learning Objective: 01-01 Define the role of marketing in organizations.
Level: Medium
Topic: What is Marketing

74. (p. 15) Many U.S. companies first discovered marketing during the _____ era.
- A. production
 - B. sales
 - C. marketing**
 - D. value-based marketing
 - E. retailing

The marketing era was when most companies first started thinking in terms of meeting customer needs.

AACSB: Analytic
Blooms: Understand
Grewal - Chapter 01 #74
Learning Objective: 01-01 Define the role of marketing in organizations.
Level: Medium
Topic: What is Marketing

75. (p. 15) During the marketing era:
- A. a good product would sell itself.
 - B. the customer was king.**
 - C. marketing was more important than production.
 - D. advertising and personal selling were emphasized to make the sale.
 - E. firms focused on value.

The marketing era was when most companies first started thinking in terms of meeting customer needs.

AACSB: Analytic
Blooms: Understand
Grewal - Chapter 01 #75
Learning Objective: 01-01 Define the role of marketing in organizations.
Level: Medium
Topic: What is Marketing

76. During the _____ era manufacturers and retailers began to focus on what consumers wanted and needed before they designed, made, or attempted to sell their products.
(p. 15)
- A. production
 - B. sales
 - C. marketing**
 - D. value-based marketing
 - E. all of these

The marketing era was when most companies first started thinking in terms of meeting customer needs.

AACSB: Analytic
Blooms: Understand
Grewal - Chapter 01 #76
Learning Objective: 01-01 Define the role of marketing in organizations.
Level: Medium
Topic: What is Marketing

77. During the _____ era manufacturers and retailers recognized they needed to give their customers greater value than their competitors did.
(p. 15)
- A. production
 - B. sales
 - C. marketing
 - D. value-based marketing**
 - E. all of these

In the value-based marketing era, firms began to recognize that value creation was the key to success for most firms.

AACSB: Analytic
Blooms: Understand
Grewal - Chapter 01 #77
Learning Objective: 01-01 Define the role of marketing in organizations.
Level: Medium
Topic: What is Marketing

78. Value is:
(p. 15)
- A. the lowest cost option.
 - B. represented by brand names.
 - C. the highest priced alternative.
 - D. everyday low prices.
 - E. what you get for what you give.**

Value is the benefits received minus the costs of acquiring a product, or what you get in return for what you give.

AACSB: Analytic
Blooms: Remember
Grewal - Chapter 01 #78
Learning Objective: 01-03 Describe how marketers create value for a product or service.
Level: Easy
Topic: What is Marketing

79. (p. 15) Trey sells consumer electronics. He knows his customers weigh the costs versus the benefits associated with the different options available. He decides which products to offer and what prices to charge based on the way his customers think. Trey operates in the _____ marketing era.
- A. production
 - B. sales
 - C. marketing
 - D. value-based**
 - E. retailing

Trey is thinking in terms of the value his customers perceive (benefits minus costs), and thus is thinking about value-based marketing.

AACSB: Analytic
Blooms: Apply

Grewal - Chapter 01 #79

Learning Objective: 01-03 Describe how marketers create value for a product or service.

Level: Medium

Topic: What is Marketing

80. (p. 15) Serena studies her customer profiles, market research data, complaints, and other information attempting to better understand what her customers want. Serena operates in the _____ era of marketing.
- A. production
 - B. sales
 - C. marketing
 - D. value-based marketing**
 - E. retailing

Serena is attempting to understand her customers' perceptions of value.

AACSB: Analytic
Blooms: Apply

Grewal - Chapter 01 #80

Learning Objective: 01-03 Describe how marketers create value for a product or service.

Level: Medium

Topic: What is Marketing

81. (p. 19) In delivering value, marketing firms attempt to find the most desirable balance between:
- A. the need for value and the perception of value.
 - B. explicit versus implicit value.
 - C. providing benefits to customers and keeping costs down.**
 - D. the desire to satisfy customers and the need to keep customers from running the company.
 - E. the need for product improvement and the need for advertising.

The challenge for all firms is to provide the value customers expect while keeping costs low enough to allow the firm to be profitable.

AACSB: Analytic
Blooms: Analyze

Grewal - Chapter 01 #81

Learning Objective: 01-03 Describe how marketers create value for a product or service.

Level: Medium

Topic: Value-Based Marketing

82. Yolanda is the new restaurant manager in a major hotel. When considering changes in the restaurant to improve benefits to customers, Yolanda will likely attempt to either provide the same quality at a lower cost or:
- A. improve products and services at the same cost.
 - B. increase prices to increase revenue.
 - C. offset higher hotel rates with lower restaurant prices.
 - D. reduce customer expectations through reduced service.
 - E. any of the above.

By improving products at the same cost, Yolanda would create additional value for her customers.

AACSB: Analytic

Blooms: Apply

Grewal - Chapter 01 #82

Learning Objective: 01-03 Describe how marketers create value for a product or service.

Level: Medium

Topic: Value-Based Marketing

83. Some consumers will try to get a lot of merchandise for a small amount of money. In marketing, this is known as:
- A. the marketing paradox.
 - B. the outer limits of pricing
 - C. customers seeking value.
 - D. excess valuation.
 - E. marketing myopia.

These customers are simply seeking to maximize the value they receive.

AACSB: Analytic

Blooms: Understand

Grewal - Chapter 01 #83

Learning Objective: 01-03 Describe how marketers create value for a product or service.

Level: Medium

Topic: What is Marketing

84. Christie has just started with a travel agency, and she has been offering clients and prospective clients a range of packaged tours. She is concerned, because the commissions she is earning on her sales are lower than she had hoped. Her colleague Peter, who has been with the agency for several years, is having a great deal of success by working closely with the clients, taking their suggestions and building customized tour packages for each one. Peter's approach is based on:
- A. transaction-oriented marketing.
 - B. premium pricing.
 - C. his seniority at the firm.
 - D. special incentives from tour operators.
 - E. value cocreation.

Peter is collaborating with his clients to build custom packages, which is an example of value cocreation.

AACSB: Analytic

Blooms: Synthesize

Grewal - Chapter 01 #84

Learning Objective: 01-03 Describe how marketers create value for a product or service.

Level: Hard

Topic: What is Marketing

85. Value-based marketing depends on:
(p. 17-20) A. knowing what the customer perceives as the key benefits of a product or service.
B. balancing customer benefits with reasonable costs.
C. knowing what benefits customers would do without to keep prices down.
D. looking at quality from the customer's perspective.
E. All of these.

Value-based marketing requires a sophisticated understanding of consumers' perceptions of value.

AACSB: Analytic
Blooms: Analyze
Grewal - Chapter 01 #85
Learning Objective: 01-03 Describe how marketers create value for a product or service.
Level: Medium
Topic: Value-Based Marketing

86. Ann Marie has been working on pricing for the hotel where she works. She knows business travelers stay at the hotel because it has easy access to the airport, and others stay there because it is convenient to the shopping and entertainment districts. She is unsure whether she should raise rates for the business travelers, the leisure travelers, both, or neither. As she works to find the best pricing mix, she'll have to look at the ways these travelers will evaluate the benefits of staying at the hotel. In doing so, Ann Marie will be using:
(p. 17) **A. value-based marketing.**
B. convenience pricing.
C. destination planning.
D. All of these.
E. None of these.

Ann Marie is thinking about value--comparing benefits to price from the customer's perspective.

AACSB: Analytic
Blooms: Synthesize
Grewal - Chapter 01 #86
Learning Objective: 01-03 Describe how marketers create value for a product or service.
Level: Hard
Topic: Value-Based Marketing

87. Janine has a new clothing design she would like to market, but she knows that creating and delivering value to consumers is a challenge. She has seen other designers' successful products copied by other firms soon after they were introduced. For Janine, the major problem she faces in creating and delivering value is probably that:
(p. 18) **B. competitors constantly enter markets.**
A. consumer perceptions change quickly.
C. global pressures continually reshape market opportunities.
D. marketers' understanding of consumers is complete.
E. consumers do not know what they want.

The question mentions copycat competitors, which suggests that her major problem is pressure from competitors.

AACSB: Analytic
Blooms: Analyze
Grewal - Chapter 01 #87
Learning Objective: 01-03 Describe how marketers create value for a product or service.
Level: Hard
Topic: Value-Based Marketing

88. In 2006, the film "Supersize Me" provided a critical view of McDonald's and its products that caused some consumers to stop eating at McDonald's. The company was caught off guard and had to move quickly to develop a response. In terms of value-based marketing, McDonald's faced what potential problem?
- (p. 18)
- A. Consumer perceptions change quickly.
 - B. Competitors constantly enter markets.
 - C. Global pressures continually reshape market opportunities.
 - D. Marketers' understanding of consumers is complete.
 - E. Consumers do not know what they want.

This is an example of a change in consumer perceptions due to the film.

AACSB: Analytic
Blooms: Analyze
Grewal - Chapter 01 #88
Learning Objective: 01-03 Describe how marketers create value for a product or service.
Level: Hard
Topic: Value-Based Marketing

89. To become a more value driven organization, Pokrah University is holding regular coffee-hour discussions with its students and is surveying its graduates regarding students' educational needs and desires. Pokrah University is becoming more value driven through:
- (p. 20)
- A. sharing information across the organization.
 - B. balancing their customers' benefits and costs.
 - C. evaluating strategic competitive partnerships.
 - D. building relationships with customers.
 - E. keeping the faculty members happy.

By communicating regularly with students and alumni, Pokrah University is working to build closer relationships with these groups.

AACSB: Analytic
Blooms: Apply
Grewal - Chapter 01 #89
Learning Objective: 01-03 Describe how marketers create value for a product or service.
Level: Medium
Topic: Value-Based Marketing

90. As owner of a retail franchise food store, Mary Gray purchases supplies based on specials advertised nationally throughout the franchise system. One Monday, she was surprised to find customers asking for specials she hadn't been informed of in advance. The franchise company failed to live up to the value-driven principle of:
- (p. 19)
- A. sharing information across the organization.
 - B. balancing customers' benefits and costs.
 - C. evaluating strategic competitive partnerships.
 - D. building relationships with customers.
 - E. keeping prices below those charged by competitors.

Apparently the national headquarters has forgotten to inform franchisees of the special, suggesting a failure of information sharing.

AACSB: Analytic
Blooms: Understand
Grewal - Chapter 01 #90
Learning Objective: 01-03 Describe how marketers create value for a product or service.
Level: Hard
Topic: Value-Based Marketing

91. BestBulk clothing store is striving to become a more value-driven organization. Its managers should ensure that the staff shares information about:
- A. customers
 - B. competitors
 - C. complaints
 - D. inventories
 - E. all of these**

Information must be shared across a broad range of topics for value-based marketing to be successful.

*AACSB: Analytic
Blooms: Understand
Grewal - Chapter 01 #91
Learning Objective: 01-03 Describe how marketers create value for a product or service.
Level: Medium
Topic: Value-Based Marketing*

92. In the past, manufacturer's representatives did not have up-to-minute data about the products they were selling. Today, manufacturer's representatives are often provided online access to inventory data for the companies they represent. These online inventory systems allow companies to become more value driven through:
- A. sharing information across the organization.**
 - B. balancing customers' benefits and costs.
 - C. evaluating strategic competitive partnerships.
 - D. building relationships with government regulators of marketing institutions.
 - E. keeping prices below those charged by competitors.

The online systems discussed help members of the supply chain share information about inventory levels.

*AACSB: Analytic
Blooms: Apply
Grewal - Chapter 01 #92
Learning Objective: 01-03 Describe how marketers create value for a product or service.
Level: Medium
Topic: Value-Based Marketing*

93. Value-driven firms constantly measure the _____ that customers perceive, compared to the prices of their offerings.
- A. information
 - B. benefits**
 - C. relationships
 - D. rebates
 - E. merchandise

Value is equal to the benefits received minus the cost (price) paid.

*AACSB: Analytic
Blooms: Understand
Grewal - Chapter 01 #93
Learning Objective: 01-03 Describe how marketers create value for a product or service.
Level: Medium
Topic: Value-Based Marketing*

94. One of the benefits of value-driven marketing is that attention to customer needs and wants will likely result in:
- A. higher prices than the market leader charges.
 - B. increased competition.
 - C. long-term loyalties.**
 - D. strong connections among competing firms in the marketplace.
 - E. all of these.

Value-driven marketing is likely to lead to loyal customers through the relationships that are formed.

AACSB: Analytic
Blooms: Understand
Grewal - Chapter 01 #94
Learning Objective: 01-03 Describe how marketers create value for a product or service.
Level: Medium
Topic: Value-Based Marketing

95. Even though they operate from out-of-the-way airports and offer few extra services, discount airlines like Ryanair and EasyJet have been successful. Consumers obviously consider:
- A. the schedules these airlines offer to be the most convenient in the industry.
 - B. the long-term relationships established by these airlines to be a critical benefit.
 - C. the prices to be slightly lower, but not low enough to have much influence.
 - D. the benefit of lower prices to be greater than the cost of reduced services and less convenience.**
 - E. the major airlines to be worthless.

People flying discount airlines have decided to bear some inconvenience in return for lower prices. The benefits are lower, but so is the cost, so the offering can have value despite the inconvenience.

AACSB: Analytic
Blooms: Apply
Grewal - Chapter 01 #95
Learning Objective: 01-03 Describe how marketers create value for a product or service.
Level: Hard
Topic: Value-Based Marketing

96. To become value-driven, firms should:
- A. share information across the entire organization about customers and competitors.
 - B. prioritize relationships with customers above individual transactions.
 - C. balance benefits with costs to create value for customers.
 - D. All of these.**
 - E. None of these

Information sharing, a relational orientation, and balancing benefits and costs are three essential characteristics of a value-driven firm.

AACSB: Analytic
Blooms: Understand
Grewal - Chapter 01 #96
Learning Objective: 01-03 Describe how marketers create value for a product or service.
Level: Medium
Topic: Value-Based Marketing

97. (p. 20) A buyer's representative in a real estate purchase was asked by her customer "Is this a fair offer?" She responded. "You are only trying to buy one house. Do you want to offer more money than you have to?" The buyer's representative recognized that in most situations, home buyers are engaged in:
- A. relationships.
 - B. subterfuge.
 - C. collective bargaining.
 - D. prestige purchases.
 - E. transactions.**

If the buyer were establishing a relationship with the seller, s/he might be concerned about ensuring that both sides felt the offer was fair; however, the buyer is unlikely to ever do business with this seller again. And in that case, the buyer's primary interest is likely to be getting the best result possible in this single transaction.

AACSB: Analytic
Blooms: Analyze
Grewal - Chapter 01 #97
Learning Objective: 01-03 Describe how marketers create value for a product or service.
Level: Hard
Topic: Value-Based Marketing

98. (p. 20) If you are involved in a buying or selling situation in which you do not expect to do business with the other party again, you are engaged in a(n):
- A. transaction.**
 - B. negotiation.
 - C. relationship.
 - D. C2C channel.
 - E. marketing mix.

A one-time purchase between buyer and seller is a transaction, as opposed to a relationship in which a continual stream of transactions is expected.

AACSB: Analytic
Blooms: Understand
Grewal - Chapter 01 #98
Learning Objective: 01-03 Describe how marketers create value for a product or service.
Level: Medium
Topic: Value-Based Marketing

99. (p. 20) A relational orientation is based on the philosophy that buyers and sellers develop:
- A. a complete understanding of each other's needs.
 - B. a long-term relationship.**
 - C. a price-value comparison matrix.
 - D. supply chain synergy.
 - E. a marketing value transaction focus.

A relational orientation expects a relationship to develop over the long term.

AACSB: Analytic
Blooms: Remember
Grewal - Chapter 01 #99
Learning Objective: 01-03 Describe how marketers create value for a product or service.
Level: Easy
Topic: Value-Based Marketing

100. (p. 20) Many firms with complex products have "missionary" salespeople who assist customers with problems and implementation programs. These salespeople rarely sell products but often become involved in and knowledgeable about specific customers' needs and wants. These salespeople focus on a(n) _____ orientation with their customers.
- A. transactional
 - B. external
 - C. relational**
 - D. internal
 - E. divisional

A relational orientation refers to the building of relationships and the development of a better understanding of customers' needs and wants.

AACSB: Analytic
Blooms: Understand
Grewal - Chapter 01 #100
Learning Objective: 01-03 Describe how marketers create value for a product or service.
Level: Medium
Topic: Value-Based Marketing

101. (p. 20) After major hurricanes like Katrina, many ethical home repair and building supply businesses continue to charge pre-hurricane prices to their customers, even though due to the huge increase in demand they could charge much more. These firms probably recognize that:
- A. they can make more money from government contracts than from sales to customers.
 - B. a transactional orientation is the key to long-term profitability.
 - C. none of their competitors would be raising prices.
 - D. lifetime profitability of relationships matters more than profits from each transaction.**
 - E. if they raised prices they would be in violation of Commerce Department regulations.

By not raising prices when they could, the firms were resisting the temptation to make a quick profit and were instead demonstrating the value they placed on long-term relationships with their customers.

AACSB: Analytic
Blooms: Apply
Grewal - Chapter 01 #101
Learning Objective: 01-03 Describe how marketers create value for a product or service.
Level: Hard
Topic: Value-Based Marketing

102. (p. 20) After hurricanes like Katrina, many small building contractors will flock to the damaged area charging whatever customers will pay for temporary repairs to roofs and other parts of damaged homes. These contractors are engaged in a _____ marketing orientation.
- A. transactional**
 - B. external
 - C. relational
 - D. internal
 - E. value driven

This behavior demonstrates a transactional orientation, where the seller seeks to make a quick profit and is not concerned about long-term relationships.

AACSB: Analytic
Blooms: Understand
Grewal - Chapter 01 #102
Learning Objective: 01-03 Describe how marketers create value for a product or service.
Level: Hard
Topic: Value-Based Marketing

103. Melinda, a marketing executive, is trying to explain customer relationship management (CRM) to her parents. She explains that CRM is a way of thinking that translates into _____ to identify and build long-term relationships with her customers.
- (p. 20)
- A. a set of strategies
 - B. programs
 - C. efforts
 - D. systems
 - E.** all of these

CRM is not just a software application or a set of tasks--it is a complete approach to managing customer relationships that encompasses strategies, programs, software, and effort invested.

*AACSB: Analytic
Blooms: Remember
Grewal - Chapter 01 #103
Level: Easy
Topic: Value-Based Marketing*

104. The goal of customer relationship management is to:
- (p. 20)
- A. manage every customer relationship differently.
 - B. manage every customer relationship to maximum short-term profitability.
 - C. eliminate customers who are profitable, but not highly profitable.
 - D.** identify and build loyalty among a firm's customers.
 - E. generate relationships with all of a firm's customers.

Some of the answers include CRM themes but are carried to an extreme--for example, although CRM seeks to customize the relationship to meet the customer's primary needs, it doesn't mean that every customer must be managed differently from every other. And not every customer wants a relationship (nor does the firm want a relationship with every customer). But CRM does concern itself with building loyalty in the customer base.

*AACSB: Analytic
Blooms: Understand
Grewal - Chapter 01 #104
Level: Medium
Topic: Value-Based Marketing*

105. Firms and organizations use customer relationship management to:
- (p. 20)
- A. provide their best customers with the products they need.
 - B. systematically collect information about customers.
 - C. offer special promotions that appeal to different groups of customers.
 - D. target their best customers for special attention.
 - E.** all of these.

CRM includes all of the listed activities, combining together in an effort to build customer loyalty.

*AACSB: Analytic
Blooms: Understand
Grewal - Chapter 01 #105
Level: Medium
Topic: Value-Based Marketing*

106. Franco uses a database software system to remind him when his customers should be ready to re-order his industrial cleaning products. With this reminder system, Franco contacts his customers when they are most likely to be "in the buying mode." Franco's system is part of:
- A. C2C marketing.
 - B. customer relationship management.**
 - C. a transactional marketing orientation.
 - D. supply chain management.
 - E. typical production era marketing practices.

Franco's system is one element of a customer relationship management system, in that it tracks customers and seeks to meet their specific needs in order to build loyalty.

AACSB: Analytic
Blooms: Apply
Grewal - Chapter 01 #106
Learning Objective: 01-03 Describe how marketers create value for a product or service.
Level: Hard
Topic: Value-Based Marketing

107. Many catalog companies create special-run issues based on what customers have purchased in the past. For example, customers who frequently order bedding items like sheets and pillows receive a catalog with a larger section of bedding items than do customers who mostly order kitchen tools. This is an example of:
- A. C2C marketing.
 - B. customer relationship management.**
 - C. a transactional marketing orientation.
 - D. supply chain management.
 - E. typical production era marketing practices.

The catalog is customized based on what is known about the customer's needs and habits. This is a typical element of a customer relationship management program.

AACSB: Analytic
Blooms: Apply
Grewal - Chapter 01 #107
Learning Objective: 01-03 Describe how marketers create value for a product or service.
Level: Medium
Topic: Value-Based Marketing

108. Marketing was once an afterthought to:
- A. accounting.
 - B. economics.
 - C. production.**
 - D. finance.
 - E. marketing was never an afterthought.

In the production era, marketing was considered unnecessary--all that mattered was producing good products.

AACSB: Analytic
Blooms: Understand
Grewal - Chapter 01 #108
Learning Objective: 01-04 Understand why marketing is important both inside and outside the firm.
Level: Medium
Topic: Why is Marketing Important

109. Many inventors struggle with the question, "I made it; now how do I get rid of it?" They have made the error of considering marketing as:
- A. an afterthought.
 - B. an integral part of a business plan.
 - C. an accounting function.
 - D. a profit center.
 - E. important only for new products.

Marketing should be considered at every step of the conception, design, and manufacturing of a new product, and not treated as an afterthought once the product exists.

AACSB: Analytic
Blooms: Understand

Grewal - Chapter 01 #109

Learning Objective: 01-04 Understand why marketing is important both inside and outside the firm.

Level: Medium

Topic: Why is Marketing Important

110. Your roommate, a non-business major, sees you reading your marketing text. He or she asks, "Why is Marketing Important?" You respond by saying all of the following EXCEPT:
- A. Marketers advise production on how much product to make.
 - B. Marketers tell the logistics department when to ship products.
 - C. Marketers engage customers and develop long-term relationships.
 - D. Marketers identify opportunities to expand.
 - E. Marketers are the most important profit center in any organization.

Marketing is usually not a profit center (although sales, which is one marketing function, is often a profit center).

AACSB: Analytic
Blooms: Analyze

Grewal - Chapter 01 #110

Learning Objective: 01-04 Understand why marketing is important both inside and outside the firm.

Level: Hard

Topic: Why is Marketing Important

111. Georgia, the outside sales rep for a major building supply company, reads a report stating that building permits are down dramatically in her sales territory. She knew things were slowing down but now she has data confirming her impression. Based on this information, one important function Georgia should provide is:
- A. pushing her customers to buy products whether they need them or not.
 - B. advising the production and purchasing departments to produce or order smaller quantities of products.
 - C. assisting customers in product recall confirmations.
 - D. avoiding contact with competing firms in order to maximize value driven marketing.
 - E. estimating profit per sale to determine whether or not the firm can survive the slowdown.

Georgia should share what she has learned with the production and purchasing departments, so that they can plan accordingly. She should not push her customers to buy things they don't need- this will damage her firm's reputation and will come back to haunt her when the downturn ends. Estimating profit isn't Georgia's responsibility, but someone in the firm should look at the impact of the slowdown, if enough sales territories are affected.

AACSB: Analytic
Blooms: Apply

Grewal - Chapter 01 #111

Learning Objective: 01-04 Understand why marketing is important both inside and outside the firm.

Level: Hard

Topic: Why is Marketing Important

112. Jenny, the delivery and sales representative for a beer distributor, is calling on a retailer and sees the shelves are almost empty. An unexpected sporting event held nearby resulted in a huge increase in sales. She calls her company's distribution manager and requests a special delivery for her customer. Jenny is providing the important marketing function of:
- A. advising production on how much product to make.
 - B. alerting the logistics department when to ship products.**
 - C. engaging customers and developing long-term relationships.
 - D. identifying opportunities to expand.
 - E. synthesizing and interpreting sales, accounting, and customer-profile data.

Jenny is arranging for a shipment through the distribution manager, who handles the logistics function.

AACSB: Analytic

Blooms: Apply

Grewal - Chapter 01 #112

Learning Objective: 01-04 Understand why marketing is important both inside and outside the firm.

Level: Hard

Topic: Why is Marketing Important

113. After the previous sales representative in his territory infuriated an important customer, Benjamin visited the customer once a month, never asking for business but hoping to rebuild trust through listening and expressing concern. Finally, after more than two years, the customer gave Benjamin an order. Benjamin was providing the important marketing function of:
- A. advising production on how much product to make.
 - B. alerting the logistics department when to ship products.
 - C. engaging customers and developing long-term relationships.**
 - D. identifying opportunities to expand.
 - E. synthesizing and interpreting sales, accounting, and customer-profile data.

Benjamin was involved in a relational orientation, hoping to rebuild the long-term relationship with this customer.

AACSB: Analytic

Blooms: Analyze

Grewal - Chapter 01 #113

Learning Objective: 01-04 Understand why marketing is important both inside and outside the firm.

Level: Hard

Topic: Why is Marketing Important

114. Marketing provides the critical function of _____ when companies expand globally.
- (p. 21-22) A. managing production efficiency
 - B. understanding customers**
 - C. personnel management
 - D. forecasting economic growth
 - E. evaluating government stability

Marketing is the part of the organization in the best position to understand customers in all situations.

AACSB: Analytic

Blooms: Remember

Grewal - Chapter 01 #114

Learning Objective: 01-04 Understand why marketing is important both inside and outside the firm.

Level: Easy

Topic: Why is Marketing Important

115. Leah is the marketing manager for an electronics company. While on vacation in Ecuador, she visited electronics stores in the major malls in Quito, the capital city. Most of her company's products were available, except for smart phones. When she returned to work, she mentioned this observation to her international sales manager. Leah was providing the important marketing function of:
- A. advising production on how much product to make.
 - B. alerting the logistics department when to ship products.
 - C. engaging customers, developing long-term relationships.
 - D. identifying opportunities to expand.**
 - E. synthesizing and interpreting sales, accounting, and customer-profile data.

Leah was identifying a potential opportunity--the absence of the firm's smart phones from stores in Ecuador.

AACSB: Analytic

Blooms: Apply

Grewal - Chapter 01 #115

Learning Objective: 01-04 Understand why marketing is important both inside and outside the firm.

Level: Hard

Topic: Why is Marketing Important

116. One of the most important challenges in marketing globally is to:
- A. ensure that the firm's products or services stay the same as the offerings in the home country.
 - B. avoid competing with local firms.
 - C. adapt to the local situation but maintain strategy and identity.**
 - D. seek out other home-country firms as suppliers so as to ensure product quality.
 - E. operate without publicity so as not to attract attention.

Firms almost always make some adjustments for local conditions; however, the challenge is to do so while still maintaining the company's overall mission, strategy, and brand identity.

AACSB: Analytic

Blooms: Apply

Grewal - Chapter 01 #116

Learning Objective: 01-04 Understand why marketing is important both inside and outside the firm.

Level: Hard

Topic: Why is Marketing Important

117. Imagine a country where an anti-marketing dictator orders all marketing efforts to be stopped. Producers are still allowed to produce, and consumers are allowed to consume but no marketing is allowed. In such a situation:
- A. there will be no advertising, making it difficult to learn about producers' offerings.
 - B. producers will probably over- or underestimate the amount of product customers will buy.
 - C. consumers will have difficulty comparing the value of different producers' offerings.
 - D. producers will have difficulty determining where to ship their products and when.
 - E. all of these.**

All of these descriptions refer to functions performed by marketing that would no longer exist if marketing were outlawed.

AACSB: Analytic

Blooms: Analyze

Grewal - Chapter 01 #117

Learning Objective: 01-04 Understand why marketing is important both inside and outside the firm.

Level: Medium

Topic: Why is Marketing Important

118. Greenbelt Construction has been a successful small home-building firm for years. The owner pays subcontractors slightly more than the usual rate for different tasks, reducing the company's gross margin. Greenbelt rarely changes subcontractors, has relatively few complaints from home buyers, and is able to get quick responses from subcontractors when buyers do have problems. Greenbelt is engaged in:
- A. a traditional transactional orientation.
 - B. C2C value driven marketing.
 - C. effective supply chain management.
 - D. value cocreation.
 - E. all of these.

By maintaining good relationships with subcontractors, Greenbelt Construction gains the benefit of receiving good service from these subcontractors for itself and for its home buyers. This is a key benefit of effective supply chain management.

AACSB: Analytic

Blooms: Apply

Grewal - Chapter 01 #118

Learning Objective: 01-04 Understand why marketing is important both inside and outside the firm.

Level: Hard

Topic: Why is Marketing Important

119. Tanya has created a distinctive line of jams, fruit butters and preserves using local, organically grown fruits. She sells these to specialty stores, whose upscale customers appreciate the products and can afford to pay the premium price needed to cover costs. Tanya is concerned about creating value across the entire supply chain, which means that:
- A. she is concerned that her suppliers provide her with the high-quality ingredients she needs at a price she can afford.
 - B. she is concerned that the specialty stores will be able to pay the premium price she needs to charge, but at a price that still allows the stores to sell the products at prices their customers are willing to pay.
 - C. she would like to create effective relationships with her suppliers and her customers to support the effective marketing of the product to the ultimate customer.
 - D. she wants to ensure that her suppliers adhere carefully to organic farming practices so that she can offer this benefit to her customers.
 - E. All of these.

All of these factors contribute to effective management of the supply chain.

AACSB: Analytic

Blooms: Synthesize

Grewal - Chapter 01 #119

Learning Objective: 01-04 Understand why marketing is important both inside and outside the firm.

Level: Hard

Topic: Why is Marketing Important

120. Marketing enriches society by:

(p. 23-24) A. focusing solely on maximizing profits.

B. encouraging employees to participate and invest in socially responsible activities and charities.

C. recognizing that the firm can do very little by itself, and so it should stay focused on - and develop - its own core competencies.

D. All of these.

E. None of these.

Marketing techniques can be applied to social causes as well as to profit-making enterprises, and the firm's employees can support these causes as well.

AACSB: Analytic

Blooms: Understand

Grewal - Chapter 01 #120

Learning Objective: 01-04 Understand why marketing is important both inside and outside the firm.

Level: Medium

Topic: Why is Marketing Important

121. A friend of yours comments, "I'm starting my own business. I have a perfect product that no one

(p. 26-27) else can touch, but I have no use for marketing. That's just for the mega-corporations." Which of the following arguments would you NOT use in talking about marketing?

A. Marketing helps new ventures organize, operate and assess risk.

B. Marketers help address unfilled needs, regardless of the size of the firm.

C. Marketing focuses on the product, but only as one element. Three other areas are Promotion, Price and Place.

D. No one is better than marketers at communicating the value of the product to potential customers.

E. Marketing isn't essential now, but it will be in a year or two when the product takes off.

Marketing is necessary at all stages of a firm's life.

AACSB: Analytic

Blooms: Synthesize

Grewal - Chapter 01 #121

Learning Objective: 01-04 Understand why marketing is important both inside and outside the firm.

Level: Hard

Topic: Why is Marketing Important

122. Many entrepreneurs are successful through marketing efforts designed to:

(p. 26) A. mimic existing products on the market.

B. satisfy unfilled needs.

C. raise social consciousness.

D. gain monopoly power.

E. push a new technology even if people aren't ready for it.

Successful products address unsatisfied needs.

AACSB: Analytic

Blooms: Understand

Grewal - Chapter 01 #122

Learning Objective: 01-04 Understand why marketing is important both inside and outside the firm.

Level: Medium

Topic: Why is Marketing Important

123. Which of the following describes a situation in which a company conducts research to understand what potential employees are seeking, as well as what they think of the company?
(p. 14)
- A. employment marketing
 - B. empowerment marketing
 - C. extended marketing
 - D. exchange marketing
 - E. business-to-employee marketing

Employment marketing involves undertaking marketing research to understand what potential employees are seeking, as well as what they think about the firm; developing a value proposition and an employment brand image; and communicating the brand image to potential employees.

AACSB: Analytic
Blooms: Remember
Grewal - Chapter 01 #123
Learning Objective: 01-01 Define the role of marketing in organizations.
Level: Easy
Topic: What is Marketing

124. People who initiate, organize, operate and assume the risk of a business venture are called:
(p. 26)
- A. entrepreneurs
 - B. leaders
 - C. managers
 - D. professionals
 - E. consultants

Entrepreneurs are people who start new business and take major risks.

AACSB: Analytic
Blooms: Remember
Grewal - Chapter 01 #124
Learning Objective: 01-04 Understand why marketing is important both inside and outside the firm.
Level: Easy
Topic: Why is Marketing Important

125. When a radio station holds an online contest in which you must log on to their website and submit your personal details such as name, phone number and email in order to participate, the radio station:
(p. 7-8)
- A. has offered an exchange.
 - B. is behaving unethically.
 - C. is hoping to receive feedback.
 - D. is implementing a CRM program.
 - E. none of these.

Marketing is about an exchange, the trade of things of value between buyer and seller so that each is better off. In this instance, the exchange is email/personal information for a chance to win a contest. CRM would imply closer tracking of customers than this simple exchange suggests.

AACSB: Analytic
Blooms: Apply
Grewal - Chapter 01 #125
Learning Objective: 01-01 Define the role of marketing in organizations.
Level: Medium
Topic: What is Marketing

126. A(n) _____ is the trade of things of value between the buyer and the seller so that each is better off as a result.
(p. 7)
- A.** exchange
 - B. market segment
 - C. promotional plan
 - D. transactional orientation
 - E. relational orientation

This is the definition of the term "exchange."

AACSB: Analytic
Blooms: Remember
Grewal - Chapter 01 #126
Learning Objective: 01-01 Define the role of marketing in organizations.
Level: Easy
Topic: What is Marketing

127. Traditionally, marketing activities have been divided into product, price, place and promotion. Select the term that best describes the four Ps.
(p. 8)
- A.** Marketing mix
 - B. Marketing channel
 - C. Marketing plan
 - D. Marketing era
 - E. Marketing implementation

The marketing mix - or the 4 Ps - consists of product, price place and promotion.

AACSB: Analytic
Blooms: Remember
Grewal - Chapter 01 #127
Learning Objective: 01-02 List the elements of the marketing mix.
Level: Easy
Topic: What is Marketing

128. Internet sites, physical stores, and kiosks are most closely associated with which element of the marketing mix?
(p. 11)
- A.** place
 - B. price
 - C. product
 - D. promotion
 - E. proximity

Place represents all the activities necessary to get the product to the right customer when the customer wants it.

AACSB: Analytic
Blooms: Understand
Grewal - Chapter 01 #128
Learning Objective: 01-02 List the elements of the marketing mix.
Level: Easy
Topic: What is Marketing

129. The primary purpose of the _____ plan is to specify the marketing activities for a specific time.
(p. 6)
- A. marketing
 - B. business
 - C. strategic
 - D. organizational
 - E. resource

The Marketing Plan specifies the marketing activities for a specific period of time. A business plan is a formal statement of a set of business goals which are believed to be attainable.

AACSB: Analytic
Blooms: Remember
Grewal - Chapter 01 #129
Learning Objective: 01-01 Define the role of marketing in organizations.
Level: Easy
Topic: What is Marketing

130. The process of value _____, in which customers collaborate in product design, often provides additional value to the firm's customers.
(p. 17)
- A. cocreation
 - B. positioning
 - C. delivery
 - D. chain management
 - E. based marketing

Value cocreation is a process in which customers and the firm work together to customize products. Since the products typically meet more of the customer's needs, this can provide additional value.

AACSB: Analytic
Blooms: Remember
Grewal - Chapter 01 #130
Learning Objective: 01-03 Describe how marketers create value for a product or service.
Level: Medium
Topic: What is Marketing

131. When an accounting firm provides an online training module showcasing real-life decision lapses and their negative effect on the company, they are trying to ensure what type of behavior from their employees?
(p. 25-26)
- A. ethical
 - B. strategic
 - C. formal
 - D. casual
 - E. secretive

The question leads us to understand that the company has created an online training to ensure that the employees act ethically.

AACSB: Ethics
Blooms: Apply
Grewal - Chapter 01 #131
Learning Objective: 01-04 Understand why marketing is important both inside and outside the firm.
Level: Easy
Topic: Why is Marketing Important

132. Which of the following is a core aspect of marketing?
(p. 7)
- A. It creates value for the customer.
 - B. It involves exchanges.
 - C. It includes development of a marketing mix.
 - D. It occurs in many settings.
 - E. All of these are core aspects of marketing.**

These are all core aspects of marketing.

AACSB: Analytic
Blooms: Remember
Grewal - Chapter 01 #132
Learning Objective: 01-01 Define the role of marketing in organizations.
Level: Easy
Topic: What is Marketing

133. The activity, set of institutions, and process for creating, capturing, communicating, delivering and exchanging offerings that have value for customers, clients, partners and society at large is called _____.
(p. 6)
- A. marketing**
 - B. marketing research
 - C. market share analysis
 - D. market segmentation
 - E. market positioning

This is the formal definition of marketing.

AACSB: Analytic
Blooms: Remember
Grewal - Chapter 01 #133
Learning Objective: 01-01 Define the role of marketing in organizations.
Level: Easy
Topic: What is Marketing

134. Jeff is going to sell sporting apparel, which he has already purchased from manufacturers, and has signed a deal agreeing to the volume he would sell monthly. He has researched his competition and talked to some customers and has decided on prices he will charge. Jeff has also developed a plan for promoting his business. Based on this description, which element of the marketing mix does Jeff still need to work on?
(p. 11)
- A. Place**
 - B. Product
 - C. Price
 - D. Promotion
 - E. Planning

This question outlines each item of the marketing mix except for Place, which represents all the activities necessary to get the product to the right customer when the customer wants it. Jeff needs to decide if he will have a physical store (and if so, where), a web site, and so on.

AACSB: Analytic
Blooms: Apply
Grewal - Chapter 01 #134
Learning Objective: 01-02 List the elements of the marketing mix.
Level: Medium
Topic: What is Marketing

135. Jeff opened a sporting apparel store and has signed a lease on the property. He has also signed an agreement with the manufacturer on the amount of merchandise he will sell and the promotions he will conduct. Based on this description, which aspect of the marketing mix does he still need to work on?
(p. 10-11)
- A. Price
 - B. Place
 - C. Promotion
 - D. Product
 - E. Prototype

The answer is Price, because this is the only part of the marketing mix missing from the question description.

AACSB: Analytic
Blooms: Apply
Grewal - Chapter 01 #135
Learning Objective: 01-02 List the elements of the marketing mix.
Level: Medium
Topic: What is Marketing

136. At one point in the evolution of marketing, the United States entered a buyer's market and the customer became king. Which era is being described?
(p. 15)
- A. Market-oriented
 - B. Sales-oriented
 - C. Production-oriented
 - D. Value-based marketing
 - E. Economic-oriented

This question is describing the Marketing Era where customers became king.

AACSB: Analytic
Blooms: Understand
Grewal - Chapter 01 #136
Learning Objective: 01-02 List the elements of the marketing mix.
Level: Easy
Topic: What is Marketing

137. Deonna has been asked to write a marketing plan for a new restaurant. What questions will Deonna likely address in her marketing plan? Be specific and offer questions related to a restaurant.
(p. 6)

Responses will vary but should include:

- * What items will be included on the menu? (products)
- * Where ingredients, supplies, equipment, and furnishings will be purchased? (supply chain)
- * How much will everything cost? (pricing)
- * What prices to charge? (pricing)
- * How the restaurant will be promoted? (promotion)

AACSB: Analytic
Blooms: Apply
Grewal - Chapter 01 #137
Learning Objective: 01-01 Define the role of marketing in organizations.
Level: Hard
Topic: What is Marketing

138. (p. 6) Jean-Pierre is a wine distributor in the United States representing primarily European vintners. He knows his potential market is every wine drinker in the US, but he has limited resources to market his products. Using the ideas presented in an Overview of Marketing, what should Jean-Pierre do as a first step when developing his marketing plan?

Marketing is about creating value for his customer. With limited resources, Jean-Pierre should attempt to identify the segments of the wine drinking market that are most likely to be interested in his products. This would probably include people who travel more, are of European heritage, and upper income groups.

AACSB: Analytic

Blooms: Apply

Grewal - Chapter 01 #138

Learning Objective: 01-01 Define the role of marketing in organizations.

Level: Hard

Topic: What is Marketing

139. (p. 6) The text states, "Good marketing is not a random activity." Create an example to respond to this statement.

Answers will vary but should include discussion of marketing as thoughtful planning addressing questions of what, where, how, when, and for whom.

AACSB: Analytic

Blooms: Apply

Grewal - Chapter 01 #139

Learning Objective: 01-01 Define the role of marketing in organizations.

Level: Hard

Topic: What is Marketing

140. (p. 8-12) Your friend is writing a "how to" book and asks you for marketing advice. You start by exploring the 4Ps. What questions will you ask? Be specific; your friend is creating a book.

Initial set of questions will be about the **product**: a book and include whether it will be a printed versus e-book, bound or paperback, and type of binding?

Second set of questions will be about **pricing**: retail and wholesale prices, prices of competing books, costs?

Third set of questions will be about **place**: how to distribute the book, access to major online booksellers, shipping costs?

Fourth set of questions will be about **promotion**: how will the book be promoted, access to publicity outlets, Web sites, etc?

AACSB: Analytic

Blooms: Apply

Grewal - Chapter 01 #140

Learning Objective: 01-02 List the elements of the marketing mix.

Level: Hard

Topic: What is Marketing

141. (p. 10-11) The manager of a restaurant supply company determined prices by adding a standard markup to her costs. Based on an Overview of Marketing, what might the manager be missing?

Pricing should be based on the potential buyer's belief about its value. Some of the items offered by the restaurant supply company may have greater perceived value than other items.

AACSB: Analytic

Blooms: Apply

Grewal - Chapter 01 #141

Learning Objective: 01-02 List the elements of the marketing mix.

Level: Medium

Topic: What is Marketing

142. (p. 11) As the customer service manager for a heating and air conditioning firm, you are constantly bombarded with complaints about service people not showing up, not having the parts needed to make repairs, and being unable to quickly get the materials needed to fix things. You decide to bring in a marketing consultant to assist you with these problems. What area of marketing specialization would you look for in a marketing consultant and what recommendations would you expect to receive? Be specific; this is a heating and air conditioning firm.

The problems span the organization from suppliers, to company employees, to customers. You would probably look for a supply chain management specialist and look for recommendations to coordinate parts inventories with vendors, train service personnel in inventory management, and improve communication among the service personnel, customers, and scheduling office.

AACSB: Analytic
Blooms: Apply
Grewal - Chapter 01 #142
Learning Objective: 01-02 List the elements of the marketing mix.
Level: Hard
Topic: What is Marketing

143. (p. 12) As your first assignment in an advertising agency, your manager asks you to come up with messages for three billboards promoting the university you attended. The manager wants one ad for each of the three types of promotion objectives. Create an example of one sentence billboard advertising message for each objective.

Answers will vary but should include:

Inform--Check out our new online course offerings today.

Persuade--XYZ University is your best ticket to a future.

Remind--Sign up for the fall semester now.

AACSB: Analytic
Blooms: Apply
Grewal - Chapter 01 #143
Learning Objective: 01-02 List the elements of the marketing mix.
Level: Hard
Topic: What is Marketing

144. (p. 20) Which type of orientation would you expect among ethically-challenged marketers; a relational or transactional orientation?

A transactional orientation, because they just want to get their money and leave; they are not interested in building relationships.

AACSB: Analytic
AACSB: Ethics
Blooms: Remember
Grewal - Chapter 01 #144
Learning Objective: 01-03 Describe how marketers create value for a product or service.
Level: Medium
Topic: Value-Based Marketing

145. (p. 14) Some firms practice employment marketing to attract the "best and brightest" employees. If you were to be recruited by a firm practicing employment marketing, what would that firm do differently from a firm that did not? How would you react?

The firm will undertake research to determine the needs of employees, develop a value proposition based on that research, communicate a brand image to potential employees then ensure the promise is being fulfilled. Students may draw a number of contrasts. The student reaction will provide insights into whether he or she has grasped the marketing concept and approach.

AACSB: Analytic
Blooms: Apply
Grewal - Chapter 01 #145
Learning Objective: 01-01 Define the role of marketing in organizations.
Level: Medium
Topic: What is Marketing

146. Over the four marketing eras, how did the emphasis on the 4 Ps change? List the four eras and describe which of the 4 Ps were emphasized during each era.
(p. 15)

During the production-oriented era, obviously the focus was on the product. During the sales era, the emphasis was on promotion, particularly selling and advertising. During the marketing era, the emphasis was producing and providing (place) what customers wanted. In the value-based era, all four Ps are equally important to delivering customers value.

AACSB: Analytic
Blooms: Synthesize
Grewal - Chapter 01 #146
Learning Objective: 01-01 Define the role of marketing in organizations.
Level: Hard
Topic: What is Marketing

147. How does value cocreation provide additional value to customers?
(p. 17)

Value cocreation not only involves the customer; it also offers the opportunity to explain unmet needs the firm can address. Within the broader framework of value-based marketing, the customer will probably gain greater benefits from the product or service since it will meet more of the customer's needs.

AACSB: Analytic
Blooms: Apply
Grewal - Chapter 01 #147
Learning Objective: 01-03 Describe how marketers create value for a product or service.
Level: Hard
Topic: What is Marketing

148. Suppose that your university creates a position of vice president for marketing and promotes your professor to the position. What activities will the new vice president of marketing probably be involved in? Be specific; this is a university.
(p. 8-12)

Answers will vary depending on the institution but should include the four Ps.

AACSB: Analytic
Blooms: Apply
Grewal - Chapter 01 #148
Learning Objective: 01-02 List the elements of the marketing mix.
Level: Hard
Topic: What is Marketing

149. How can marketing be effectively used by entrepreneurs?
(p. 26-27)

Successful entrepreneurs work to fulfill unmet needs, a key responsibility in marketing. Understanding customers and creating value are essential to both entrepreneurs and marketers.

AACSB: Analytic
Blooms: Apply
Grewal - Chapter 01 #149
Learning Objective: 01-04 Understand why marketing is important both inside and outside the firm.
Level: Hard
Topic: Why is Marketing Important

150. Suppose your college roommate sees you reading your marketing textbook and says, "Marketing is just advertising and selling." How do you respond?
(p. 6-28)

Students' responses will vary but should contain discussion of anticipating and meeting the needs of customers and in the process creating value. They might cite the definition of marketing on page 7, "Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders." They could also state the core aspects of marketing also listed on page 7.

AACSB: Analytic
Blooms: Apply

Grewal - Chapter 01 #150

Learning Objective: 01-01 Define the role of marketing in organizations.

Level: Hard

Topic: What is Marketing

151. Imagine you graduate with a marketing degree and are hired into the marketing department of a large consumer products company. You are initially given a two-week training program, an overview of what the marketing department does. What will your training program cover?
(p. 6-26)

Students' responses will vary but should include a discussion of the core aspects of marketing.

AACSB: Analytic
Blooms: Analyze

Grewal - Chapter 01 #151

Learning Objective: 01-01 Define the role of marketing in organizations.

Level: Hard

Topic: What is Marketing

152. How could you use marketing ideas to market yourself to potential employers after you graduate?
(p. 6-26)

If an individual seeking a job sees the potential employer as a customer, he or she can begin to adopt the idea of creating value, focusing the "marketing mix" that the individual brings and bring a strategic approach to a job search. Research - of course - will help in separating fact and reality from suppositions and assumptions.

AACSB: Analytic
Blooms: Synthesize

Grewal - Chapter 01 #152

Learning Objective: 01-03 Describe how marketers create value for a product or service.

Level: Hard

Topic: Value-Based Marketing

153. What are the four Ps of marketing?
(p. 8)

Product, price, place, and promotion.

AACSB: Analytic
Blooms: Remember

Grewal - Chapter 01 #153

Learning Objective: 01-02 List the elements of the marketing mix.

Level: Easy

Topic: What is Marketing

154. What is the fundamental purpose of marketing?
(p. 6)

To create value.

AACSB: Analytic
Blooms: Remember

Grewal - Chapter 01 #154

Learning Objective: 01-01 Define the role of marketing in organizations.

Level: Easy

Topic: What is Marketing

155. "Everything has a price, though it doesn't always have to be monetary." What else is included in a price?
(p. 10-11)

Price can also include time and energy, or anything else the customer gives up to get the product.

AACSB: Analytic
Blooms: Understand
Grewal - Chapter 01 #155
Learning Objective: 01-02 List the elements of the marketing mix.
Level: Medium
Topic: What is Marketing

156. How should marketers determine prices?
(p. 10-11)

Based on potential customers' perceptions of value.

AACSB: Analytic
Blooms: Understand
Grewal - Chapter 01 #156
Learning Objective: 01-02 List the elements of the marketing mix.
Level: Medium
Topic: What is Marketing

157. If you were hired as a supply chain manager, who would you interact with?
(p. 11)

You would likely interact with suppliers, production staff, warehousing and logistics people, transportation companies, and retailers.

AACSB: Analytic
Blooms: Apply
Grewal - Chapter 01 #157
Learning Objective: 01-02 List the elements of the marketing mix.
Level: Hard
Topic: What is Marketing

158. When the U.S. Army advertises, "Be All You Can Be, Join the Army," which of the three primary advertising objectives are they primarily pursuing?
(p. 12)

This is an example of an advertisement designed to persuade people to take action.

AACSB: Analytic
Blooms: Understand
Grewal - Chapter 01 #158
Learning Objective: 01-02 List the elements of the marketing mix.
Level: Medium
Topic: What is Marketing

159. During the period 1920-1950, what changes in the United States contributed to the shift from a production orientation to a sales orientation?
(p. 15)

Improved production and distribution techniques increased output, while the Great Depression and World War II depressed demand, resulting in supply greater than demand and increased emphasis on selling and advertising.

AACSB: Analytic
Blooms: Understand
Grewal - Chapter 01 #159
Learning Objective: 01-01 Define the role of marketing in organizations.
Level: Hard
Topic: What is Marketing

160. When assessing customer value, what must a marketer always remember?

(p. 15-17)

Value is in the eye of the beholder, meaning consumers have many different perceptions of what is of value and what is not. And the value perception that matters is the customer's perception, not the firm's.

AACSB: Analytic

Blooms: Understand

Grewal - Chapter 01 #160

Learning Objective: 01-03 Describe how marketers create value for a product or service.

Level: Medium

Topic: What is Marketing

161. Basically, there are two ways to improve value. What are they?

(p. 17)

Provide a better product or service at the same price or provide the same value at a lower price.

AACSB: Analytic

Blooms: Apply

Grewal - Chapter 01 #161

Learning Objective: 01-03 Describe how marketers create value for a product or service.

Level: Medium

Topic: Value-Based Marketing

162. Why do marketers have to constantly re-evaluate their value propositions?

(p. 18)

Consumer perceptions constantly change. Competitors constantly enter markets, and global pressures constantly reshape market opportunities.

AACSB: Analytic

Blooms: Understand

Grewal - Chapter 01 #162

Learning Objective: 01-03 Describe how marketers create value for a product or service.

Level: Medium

Topic: Value-Based Marketing

1 Summary

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