***Marketing, 14e* (Kerin)**

**Chapter 1: Creating Customer Relationships and Value through Marketing**

1) In response to a growing interest in healthful, simple products among consumers, Chobani introduced

A) an Italian-style ragù sauce.

B) a Turkish-style cottage cheese.

C) a French-style butter.

D) a Greek-style yogurt.

E) an Asian-style teriyaki sauce.

Answer: D

Explanation: Chobani introduced a Greek yogurt, a product that is higher in protein, lower in sugar, and thicker and creamier than typical American yogurt. The timing fit perfectly with the changing tastes of American consumers.

Difficulty: 1 Easy

Topic: Environmental Influences on Marketing

Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

2) From its inception, Chobani wanted to place its yogurt where?

A) in organic foods section of major grocery store chains

B) in warehouse club stores like Sam's Club or Costco

C) in the dairy case of major grocery store chains

D) in mass merchandise stores like Target

E) in independent organic cooperatives, farmer's markets, and major organic grocery stores like Whole Foods or Sprouts

Answer: C

Explanation: Chobani pushed for distribution in major grocery chains rather than smaller niche stores, and encouraged placement of the product in the main dairy cases of the stores, not in the specialty or health food sections. The thinking was that Americans would really like Greek yogurt if they tried it, and that they would try it if they had heard about it and could find it easily in their grocery store.

Difficulty: 2 Medium

Topic: The Four Ps

Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

3) All of the following are marketing mix strategies that Chobani has used to sell its yogurt *except* which?

A) sponsor U.S. Olympic and Paralympic teams

B) price the Chobani yogurt line below its major competitors (Yoplait and Dannon) to increase sales and market share

C) use Facebook, YouTube, and other social media to promote Chobani yogurt

D) rely on word of mouth to reach new customers

E) air a Super Bowl commercial featuring a large bear searching for a snack

Answer: B

Explanation: Marketers at Chobani did not price the Chobani yogurt line below its major competitors (Yoplait and Dannon) to increase sales and market share. There is no mention of Chobani's pricing strategy or tactics in the chapter opener example of the textbook.

Difficulty: 2 Medium

Topic: The Four Ps

Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

4) Which of the following statements about marketing is most accurate?

A) Unless you take a marketing class, you will never truly know anything about marketing.

B) Marketing is nothing more than common sense.

C) Marketing requires an innate sense of creativity; you either have it or you don't.

D) You can call yourself a marketing expert only if you have sold something.

E) You have significant marketing expertise since you make marketing-related decisions every day.

Answer: E

Explanation: You perform many marketing activities and make marketing-related decisions every day. Your experience in shopping gives you some expertise in marketing. As a consumer, you've been involved in thousands of marketing decisions, but mostly on the buying and not the selling side.

Difficulty: 2 Medium

Topic: Define Marketing

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

5) Elon Musk was involved in the inception of all of the following companies *except* which?

A) SpaceX

B) PayPal

C) Tesla

D) Facebook

E) SolarCity

Answer: D

Explanation: Elon Musk has been involved in a variety of innovative business ventures, including PayPal, SpaceX, Tesla, and Solar City. He was not a part of Facebook's inception.

Difficulty: 1 Easy

Topic: Define Marketing

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

6) Marketing refers to

A) the production of products or services that will generate the highest return on investment.

B) the strategies used in the advertising and promotion of products and services to customers around the globe.

C) the process of identifying target market segments for a product or service and using selling tactics to reach them.

D) the activity involved in getting a product or service from the manufacturer to ultimate consumers and organizational buyers.

E) the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

Answer: E

Explanation: Key term definition—marketing.

Difficulty: 1 Easy

Topic: Define Marketing

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

7) The activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large is referred to as

A) manufacturing.

B) advertising.

C) marketing.

D) selling.

E) promotion.

Answer: C

Explanation: Key term definition—marketing.

Difficulty: 1 Easy

Topic: Define Marketing

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

8) All of the following are true about marketing *except* which?

A) Marketing is a broader activity than advertising.

B) Marketing stresses the importance of delivering genuine benefits in the offerings of goods, services, and ideas sold to customers.

C) Successful marketing usually results in one "winner" and one or more "losers."

D) When an organization engages in marketing, it should also create value for its partners and society.

E) Marketing is a broader activity than personal selling.

Answer: C

Explanation: Marketing is defined as the activity for creating, communicating, delivering, and exchanging offerings that benefit its customers, the organization, its stakeholders, and society at large. Marketing is a far broader activity than simply advertising or personal selling. It stresses the importance of delivering genuine benefits in the offerings of goods, services, and ideas marketed to customers. Also, notice that an organization's marketing activities should create value for its partners and for society.

Difficulty: 2 Medium

Topic: Define Marketing

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

9) An organization's stockholders, its suppliers, its employees, its customers, and society at large all share what in common with regard to an organization?

A) All should benefit from the marketing of an organization's offering.

B) Everyone has a say in the ultimate design of a product.

C) Everyone is legally culpable if something goes wrong with a product.

D) All have to make some type of direct financial investment in the organization so it can profitably sell its products.

E) All use the products and/or services marketed by the organization.

Answer: A

Explanation: Marketing is defined as the activity for creating, communicating, delivering, and exchanging offerings that benefit its customers, the organization, its stakeholders, and society at large. It stresses the importance of delivering genuine benefits in the offerings of goods, services, and ideas marketed to customers. Also, an organization's marketing activities should create value for its partners and for society.

Difficulty: 2 Medium

Topic: Define Marketing

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

10) Mizuno designs and sells high quality baseball gloves. Who benefits from the firm's marketing activities for its gloves?

A) a baseball or softball player who purchases a new Mizuno glove

B) the Dick's Sporting Goods salesperson who sells a customer a Mizuno glove

C) the supplier who provided the leather to Mizuno

D) the shareholder of Mizuno that designs and manufactures the gloves

E) All stakeholders should benefit from Mizuno's marketing efforts, even society at large.

Answer: E

Explanation: Marketing is defined as the activity for creating, communicating, delivering, and exchanging offerings that benefit its customers, the organization, its stakeholders, and society at large. It stresses the importance of delivering genuine benefits in the offerings of goods, services, and ideas marketed to customers. Also, notice that an organization's marketing activities should create value for its partners and for society.

Difficulty: 3 Hard

Topic: Define Marketing

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

11) To serve both buyers and sellers, marketing seeks to \_\_\_\_\_\_\_\_ and satisfy the needs and wants of prospective customers.

A) change

B) create

C) manipulate

D) discover

E) measure

Answer: D

Explanation: To serve both buyers and sellers, marketing seeks (1) to discover the needs and wants of prospective customers and (2) to satisfy them.

Difficulty: 2 Medium

Topic: Define Marketing

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

12) To serve both buyers and sellers, marketing seeks to discover and \_\_\_\_\_\_\_\_ the needs and wants of prospective customers.

A) change

B) satisfy

C) create

D) manipulate

E) preserve

Answer: B

Explanation: To serve both buyers and sellers, marketing seeks (1) to discover the needs and wants of prospective customers and (2) to satisfy them.

Difficulty: 2 Medium

Topic: Define Marketing

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

13) Whether an individual is considering a purchase for personal or household use, or an organization is buying for its own use or for resale, the individual or organization would be considered

A) a prospective customer.

B) a dual-purpose marketing decision maker.

C) a potential distributor.

D) an informed buyer.

E) an end user.

Answer: A

Explanation: Prospective customers include both individuals, buying for themselves and their households, and organizations that buy for their own use (such as manufacturers) or for resale (such as wholesalers and retailers).

Difficulty: 2 Medium

Topic: Consumer Needs and Wants

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

14) A student wants to buy a smartphone so she can share pictures with her friends. An insurance claims adjuster wants to buy a smartphone to document accidents (take pictures, write a report, etc.). If they both purchase the same model smartphone, such as an Apple iPhone, which statement is most accurate?

A) The adjuster is a prospective customer because the smartphone will be used for work; the student is only a secondary user since the purpose of the smartphone is just for entertainment.

B) Both the adjuster and the student are potential customers because in their own way, they both benefit from the smartphone.

C) Neither the adjuster nor the student is a prospective customer since the company will pay for the adjuster's smartphone and the student's parents will pay for hers.

D) The student is the prospective customer since there are more students buying smartphones for personal use than there are insurance adjusters buying smartphones for business use.

E) Only a person who has bought a smartphone previously is a prospective customer because only previous owners of smartphones benefit from buying new ones.

Answer: B

Explanation: Prospective customers include both individuals, buying for themselves and their households, and organizations that buy for their own use (such as manufacturers) or for resale (such as wholesalers and retailers). A prospective customer includes anyone who could benefit from owning a product, whether previously owning one or not.

Difficulty: 3 Hard

Topic: Consumer Needs and Wants

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

15) The Terrafugia Transition is a 19-foot, two-seater, road-drivable, light-sport aircraft with an anticipated price of $279,000. The most likely prospective customers for this flying car would include

A) students who attend college at least 500 miles away from home.

B) retired seniors receiving Social Security.

C) executives for whom time is extremely important.

D) teens who like to try new things.

E) families in need of a second vehicle.

Answer: C

Explanation: A prospective customer includes anyone who would benefit from owning a product. However, the most likely prospective customer in this case would be an executive for whom time is extremely important. Both the benefits of the Terrafugia Transition and the willingness and ability to pay for it are needed for prospective customers to become actual customers.

Difficulty: 3 Hard

Topic: Consumer Needs and Wants

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

16) In marketing, the idea of exchange refers to

A) the negotiation phase between the manufacturer and the seller.

B) the financial remuneration (monetary payment) for a product or service.

C) the trade of things of value between buyer and seller so that each is better off after the trade.

D) the bartering of products and services between nongovernmental organizations or individuals.

E) the practice of swapping products and services for other products and services rather than for money.

Answer: C

Explanation: Key term definition—exchange.

Difficulty: 1 Easy

Topic: Product Value Creation

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

17) The trade of things of value between buyer and seller so that each is better off after the trade is referred to as

A) financial remuneration.

B) exchange.

C) countertrade.

D) barter.

E) marketing.

Answer: B

Explanation: Key term definition—exchange.

Difficulty: 1 Easy

Topic: Product Value Creation

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

18) The American Red Cross creates advertisements to encourage people to donate blood. After viewing one, Amanda decided to donate a pint of blood. After she did, Amanda felt happy that she had performed a good deed. Did an exchange occur in a marketing sense?

A) Yes, because the blood was donated to the Red Cross based on an advertisement, a marketing activity.

B) Yes, because the donated blood was exchanged for a feeling of satisfaction.

C) No, because the Red Cross is a nonprofit organization.

D) No, because no money changed hands.

E) No, because the Red Cross, a service organization, did not provide Amanda with a product.

Answer: B

Explanation: Exchange is the trade of things of value between buyer and seller so that each benefits. An exchange occurred when Amanda exchanged her donated blood for a feeling of satisfaction, which she valued. The Red Cross received the donated blood to serve the needs of society in times of accident or disaster.

Difficulty: 3 Hard

Topic: Product Value Creation

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

19) A church put advertisements in its weekly bulletins to encourage its members to participate in the services by telling a brief, positive story about how fellow members have helped them during times of need. Jack volunteered and shared his story during a service. Afterward, he felt joyous. Was this an exchange in a marketing sense?

A) Yes, because the church ran an advertisement, a marketing activity.

B) No, because the church is a nonprofit organization and these actions are expected without any expectation of "exchange."

C) No, because no money was exchanged.

D) Yes, because sharing his story at a service was exchanged for a feeling of joy.

E) No, because the church did not provide Jack with a tangible product or service.

Answer: D

Explanation: Exchange is the trade of things of value between buyer and seller so that each benefits. In this instance, Jack is a member or "customer" and the church is the "marketer." An exchange occurred when Jack "exchanged" his story at the service for a feeling of joy. The rest of the church membership likely benefited from Jack's story as well.

Difficulty: 3 Hard

Topic: Product Value Creation

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

20) A local college of business offers an outstanding graduate business school education program. Marissa pays the tuition to attend and earns her MBA with a concentration in marketing management. Upon graduating, she is offered a high-paying, fulfilling position. Was this a marketing exchange?

A) No, because the university earned a profit from Marissa's tuition.

B) No, because money was exchanged in the form of tuition and Marissa's income will come from her employer, not the graduate school.

C) No, because the school did not provide Marissa with a tangible product, only the potential of an education.

D) Yes, because the university promised Marissa she would graduate on time, and she did.

E) Yes, because paying tuition was exchanged for knowledge that directly led to Marissa's high-paying, fulfilling new job.

Answer: E

Explanation: Exchange is the trade of things of value between buyer and seller so that each benefits. In this instance, Marissa is the customer and the college is the marketer. An exchange occurred when Marissa paid her tuition to the college and received the education required to earn a degree that resulted in the job offer.

Difficulty: 3 Hard

Topic: Product Value Creation

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

21) A typical marketing department both shapes and \_\_\_\_\_\_\_\_ its relationship with internal and external groups.

A) is shaped by

B) organizes

C) motivates

D) determines

E) dominates

Answer: A

Explanation: Figure 1-2 shows the key people, groups, and forces inside and outside the organization that influence its marketing activities. The marketing department is engaged in facilitating relationships, partnerships, and alliances with the organization's customers, shareholders/owners (or often representatives of groups served by a nonprofit organization), suppliers, and other organizations. The marketing department interacts with these internal and external groups in a dynamic relationship (note the two-way arrows).

Difficulty: 2 Medium

Topic: Environmental Influences on Marketing

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

22) \_\_\_\_\_\_\_\_ is/are responsible for establishing the organization's mission and objectives.

A) Marketers

B) Suppliers

C) Customers

D) Senior management

E) Shareholders

Answer: D

Explanation: An organization's mission and objectives determine what business it is in and what goals it seeks. Within the organization, management is responsible for establishing these goals. The marketing department works closely with a network of other departments and employees to help provide the customer-satisfying products required for the organization to survive and prosper.

Difficulty: 2 Medium

Topic: Environmental Influences on Marketing

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

23) One challenge faced by organizations is the need to focus on consumer needs while also \_\_\_\_\_\_\_\_ the interests of countless other people, groups, and forces that interact to shape the nature of its actions.

A) resisting

B) striking a balance among

C) developing

D) being responsible for

E) minimizing

Answer: B

Explanation: Refer to Figure 1-2. The organization must strike a balance among the sometimes differing interests of stakeholder groups. For example, it is not possible to simultaneously provide the lowest-priced and highest-quality products to customers and pay the highest prices to suppliers, the highest wages to employees, and the maximum dividends to shareholders.

Difficulty: 2 Medium

Topic: Environmental Influences on Marketing

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

24) Which of the following statements about marketing activities is most accurate?

A) Marketing is affected by society but rarely, if ever, affects society as a whole.

B) The marketing department both shapes and is shaped by its relationship with internal and external groups.

C) Marketing activities are the sole responsibility of the marketing department; other departments are involved only if there is an emergency (such as a product recall).

D) Environmental forces do not affect marketing activities as long as a firm closely monitors its environment through rigorous market research.

E) Marketing is essentially developing the right product and convincing potential customers that they "need" it, not just "want" it.

Answer: B

Explanation: A marketing department relates to many people, organizations, and forces. Note that the marketing department both shapes and is shaped by its relationship with these internal and external groups (see Figure 1-2). The marketing department works closely with a network of other departments and employees to help provide the customer-satisfying products required for the organization to survive and prosper.

Difficulty: 2 Medium

Topic: Environmental Influences on Marketing

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

25) All of the following are departments within a typical organization *except* which?

A) finance

B) manufacturing

C) information systems

D) human resources

E) suppliers

Answer: E

Explanation: Figure 1-2 shows the key people, groups, and forces outside the organization that influence its marketing activities. The marketing department is one of several departments in a typical organization. Other departments include human resources, information systems, finance, manufacturing, and research and development (R&D). Suppliers exist outside the organization.

Difficulty: 2 Medium

Topic: Environmental Influences on Marketing

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

26) The \_\_\_\_\_\_\_\_ department of an organization is responsible for facilitating relationships, partnerships, and alliances with the organization's customers, shareholders, suppliers, and other organizations.

A) purchasing

B) marketing

C) human resources

D) accounting

E) information systems

Answer: B

Explanation: The marketing department is responsible for facilitating relationships, partnerships, and alliances with the organization's customers, shareholders, suppliers, and other organizations. See Figure 1-2.

Difficulty: 1 Easy

Topic: Environmental Influences on Marketing

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

27) The marketing department of an organization is responsible for facilitating

A) relationships, partnerships, and alliances with the organization's customers, shareholders, suppliers, and other organizations.

B) healthy competition with other product manufacturers.

C) financial contracts with banks and other lending institutions.

D) alliances with firms with noncompetitive products that target similar markets.

E) the coordination between the various departments within the entire firm.

Answer: A

Explanation: The marketing department is responsible for facilitating relationships, partnerships, and alliances with the organization's customers, shareholders, suppliers, and other organizations. See Figure 1-2.

Difficulty: 2 Medium

Topic: Environmental Influences on Marketing

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

28) Which of the following statements about marketing departments is most accurate?

A) The marketing department typically works as an independent unit, mostly interacting with other parts of the business only to direct product promotion.

B) The marketing department should suggest where a firm should invest its money based on its knowledge of the market and environmental forces.

C) The marketing department is only responsible for two of the four Ps.

D) The marketing department is only responsible for market research, supervision of product development, and product promotion.

E) The marketing department must work closely with other departments and employees to help provide the customer-satisfying products required for the organization to survive and prosper.

Answer: E

Explanation: The marketing department works closely with a network of other departments, like R&d and manufacturing, to help provide the customer-satisfying products required for the organization to survive and prosper. See Figure 1-2.

Difficulty: 2 Medium

Topic: Environmental Influences on Marketing

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

29) All of the following are environmental forces that affect an organization *except* which?

A) economic

B) geographic

C) social

D) regulatory

E) technological

Answer: B

Explanation: Environmental forces involving social, economic, technological, competitive, and regulatory considerations also shape an organization's marketing actions. See Figure 1-2.

Difficulty: 2 Medium

Topic: Environmental Influences on Marketing

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

30) Which of the following is *not* an environmental force?

A) economic

B) regulatory

C) social

D) commercial

E) technological

Answer: D

Explanation: Environmental forces involving social, economic, technological, competitive, and regulatory considerations also shape an organization's marketing activities. See Figure 1-2.

Difficulty: 2 Medium

Topic: Environmental Influences on Marketing

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

31) Which of the following statements about marketing activities is most accurate?

A) Marketing is affected by society but rarely, if ever, affects society as a whole.

B) The marketing department works closely with other departments and employees to implement marketing activities.

C) Marketing activities are the sole responsibility of the marketing department; other departments are involved only if there is an emergency (such as a product recall).

D) Environmental forces do not affect marketing activities as long as a firm closely monitors its environment through rigorous market research.

E) Marketing directs the activities of all other departments in a business.

Answer: B

Explanation: Although an organization's marketing activity focuses on assessing and satisfying consumer needs, countless other people, groups, and forces interact to shape the nature of its activities. The marketing department works closely with a network of other departments and employees to help provide the customer-satisfying products required for the organization to survive and prosper. See Figure 1-2.

Difficulty: 2 Medium

Topic: Elements of the Marketing Plan

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

32) All of the following are factors required for marketing to occur *except* which?

A) a desire and ability on the part of two or more parties (individuals or organizations) to be satisfied

B) something to exchange between two or more parties (individuals or organizations)

C) two or more parties (individuals or organizations) with the same wants

D) two or more parties (individuals or organizations) with unsatisfied needs

E) a way for the parties (individuals or organizations) to communicate

Answer: C

Explanation: Four factors are required for marketing to occur: (1) two or more parties (individuals or organizations) with unsatisfied needs; (2) a desire and ability on their part to be satisfied; (3) a way for the parties to communicate; and (4) something to exchange.

Difficulty: 2 Medium

Topic: Strategic Marketing Planning

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

33) Which of the following is a factor required for marketing to occur?

A) a healthy competitive environment

B) an affordable and actionable advertising campaign

C) a sense of social responsibility

D) an ability to see hidden potential within an environmental force

E) a way for interested parties to communicate

Answer: E

Explanation: Four factors are required for marketing to occur: (1) two or more parties (individuals or organizations) with unsatisfied needs; (2) a desire and ability on their part to be satisfied; (3) a way for the parties to communicate; and (4) something to exchange.

Difficulty: 2 Medium

Topic: Strategic Marketing Planning

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

34) Which of the following conditions are necessary for marketing to occur?

A) a changing environment, a method of assessing needs, a way to communicate, and an exchange location

B) parties with cash or credit, a product, a reasonable price, and a place to make an exchange

C) a quality product, a fair price, a clever method of promotion, and a place where a customer can buy the product

D) two or more parties with unsatisfied needs, a desire and an ability to satisfy them, a way to communicate, and something to exchange

E) an ability to see a trend within an environmental force, a product, and an affordable and actionable advertising campaign

Answer: D

Explanation: Four factors are required for marketing to occur: (1) two or more parties (individuals or organizations) with unsatisfied needs; (2) a desire and ability on their part to be satisfied; (3) a way for the parties to communicate; and (4) something to exchange.

Difficulty: 2 Medium

Topic: Strategic Marketing Planning

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

35) For marketing to occur, there must be two or more parties involved. Dr. Pepper Snapple Group distributes Country Time lemonade in cans through supermarkets at a price comparable to that of soft drinks. The most likely "second" party needed for marketing to occur would be

A) people who are nostalgic about childhood lemonade stands they had during hot summers.

B) people with a desire for a cool beverage other than soda or water.

C) product demonstrators who offer samples of Country Time lemonade to shoppers at local supermarkets.

D) a local distributor of alcoholic beverages.

E) a nutritionist promoting the health benefits of adequate hydration.

Answer: B

Explanation: Four factors are required for marketing to occur: (1) two or more parties (individuals or organizations) with unsatisfied needs; (2) a desire and ability on their part to be satisfied; (3) a way for the parties to communicate; and (4) something to exchange. In this example, consumers may want/need a new beverage alternative and Dr. Pepper Snapple Group wishes to sell them one—Country Time lemonade.

Difficulty: 3 Hard

Topic: Strategic Marketing Planning

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

36) A business student is preparing for the Graduate Management Admission Test (GMAT) so he can get into a good graduate business school. He knows that any money he spends on a tutor will be worthwhile if he can improve his scores. He's heard that there is a great tutor in his local community but has no idea who she is. Marketing does not occur in this situation because

A) two or more parties have unsatisfied needs.

B) there is no desire on the part of either party to satisfy its needs.

C) neither of the involved parties has the ability to satisfy its needs.

D) there is no way for each party to communicate with one another.

E) there has been no assessment of consumer wants and needs.

Answer: D

Explanation: Four factors are required for marketing to occur: (1) two or more parties (individuals or organizations) with unsatisfied needs; (2) a desire and ability on their part to be satisfied; (3) a way for the parties to communicate; and (4) something to exchange. In this example, the student has been unable to communicate with the tutor he'd like to use.

Difficulty: 3 Hard

Topic: Strategic Marketing Planning

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

37) A student would like to buy a cross-over SUV from a local dealer, but she thinks the payments will be too high. Marketing does not occur in this situation because

A) two or more parties have unsatisfied needs.

B) there is no desire on the part of either party to satisfy its needs.

C) one of the involved parties does not have the ability to satisfy its needs.

D) there is no way for each party to communicate with one another.

E) there has been no assessment of consumer wants and needs.

Answer: C

Explanation: Four factors are required for marketing to occur: (1) two or more parties (individuals or organizations) with unsatisfied needs; (2) a desire and ability on their part to be satisfied; (3) a way for the parties to communicate; and (4) something to exchange. In this example, the student has the desire but not the ability—she lacks the funds—to buy the cross-over SUV.

Difficulty: 3 Hard

Topic: Strategic Marketing Planning

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

38) A college student is taking a full course load, working 20 hours per week, and still has to take out a student loan to cover tuition. One day, he sees a classmate driving a new Lexus LFA sports coupe (price: $375,000) and feels he just has to have one for himself. What factor is most likely to prevent a successful marketing exchange between the student and the local Lexus dealer located in an affluent suburb about 20 miles from his university?

A) The local Lexus dealer only has one Lexus LFA sports coupe in stock—red, which is the color he wants.

B) The student does not have the resources to qualify for a $375,000 auto loan.

C) Although the Lexus LFA sports coupe is a great car, there may be other cars with better gas mileage and resale value.

D) He's afraid that if someone at school sees him with the car, he might lose his student loan.

E) His girlfriend wants him to drive a Kia Soul.

Answer: B

Explanation: Four factors are required for marketing to occur: (1) two or more parties (individuals or organizations) with unsatisfied needs; (2) a desire and ability on their part to be satisfied; (3) a way for the parties to communicate; and (4) something to exchange. In this example, the most likely factor preventing the student from engaging in a marketing transaction is that he does not have the resources to qualify for a loan to purchase the car.

Difficulty: 3 Hard

Topic: Strategic Marketing Planning

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

39) A local candidate running for office would very much like to have your vote. She promises that she will "make the country better." Because all candidates for public office say this, you doubt you'll see real results and decide not to vote for her. Marketing will not occur in this situation because

A) marketing doesn't apply to the voting process.

B) the desire and ability to satisfy needs is missing.

C) there is no direct way for the parties to communicate.

D) something to exchange is missing.

E) there is only one party involved in this situation.

Answer: D

Explanation: Four factors are required for marketing to occur: (1) two or more parties (individuals or organizations) with unsatisfied needs; (2) a desire and ability on their part to be satisfied; (3) a way for the parties to communicate; and (4) something to exchange. In this example, your vote is the "something of value" that is exchanged. Here, you will not engage in the "exchange" process with this candidate because you doubt you will receive something of value in return.

Difficulty: 3 Hard

Topic: Strategic Marketing Planning

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

40) The Arizona Biltmore in Phoenix is a resort hotel located less than a mile from the Biltmore Fashion Park, a large upscale shopping mall. The hotel wants to promote its proximity to the shopping center as well as its many other amenities to convention-goers from other states. Which of the following marketing actions would most likely help The Arizona Biltmore communicate with potential convention attendees?

A) Place an ad in the in-flight magazines of all the major airlines targeting business/first-class fliers.

B) Send a mass mailing to all local businesses.

C) Set up information kiosks at several locations within the Biltmore Fashion Park.

D) Offer free made-to-order breakfasts for guests staying at the hotel on business.

E) Offer special discount rates to guests coming from the East Coast.

Answer: A

Explanation: Four factors are required for marketing to occur: (1) two or more parties (individuals or organizations) with unsatisfied needs; (2) a desire and ability on their part to be satisfied; (3) a way for the parties to communicate; and (4) something to exchange. The Arizona Biltmore needs to concentrate on "communication."

Difficulty: 3 Hard

Topic: Target Markets

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

41) A farmhand would like to buy a moped scooter to commute to his job at a nearby ranch. He doesn't know how to find a dealer though, and he doesn't have Internet access. Which of the following reasons explain why marketing fails to occur here?

A) There are not two or more parties with unsatisfied needs.

B) A desire to satisfy a need is missing.

C) No assessments of consumer wants and needs have been made.

D) There is no way for the parties involved to communicate.

E) The ability to satisfy a need is missing.

Answer: D

Explanation: Four factors are required for marketing to occur: (1) two or more parties (individuals or organizations) with unsatisfied needs; (2) a desire and ability on their part to be satisfied; (3) a way for the parties to communicate; and (4) something to exchange. The farmhand is unable to communicate with those that would be willing to sell him a scooter, particularly those who use Internet-based "want ads" such as Craigslist.

Difficulty: 3 Hard

Topic: Strategic Marketing Planning

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

42) Suppose you want a snack after taking this exam. Domino's is located across the street from your College of Business classroom. Unfortunately, you forgot your wallet in the haste of getting to class on time to take the test. Therefore, you have no means to pay for the pizza. Which of the following reasons explain why marketing fails to occur here between you and Domino's?

A) There is only one party with unsatisfied needs.

B) The ability to satisfy a need is missing.

C) A desire to satisfy a need is missing.

D) No assessments of consumer wants and needs have been made.

E) There is no way for the parties involved to communicate.

Answer: B

Explanation: Four factors are required for marketing to occur: (1) two or more parties (individuals or organizations) with unsatisfied needs; (2) a desire and ability on their part to be satisfied; (3) a way for the parties to communicate; and (4) something to exchange. Because you have forgotten your wallet, there is no ability on your part to satisfy your need because you have no money (currency or credit card) to fulfill your part of the exchange process.

Difficulty: 3 Hard

Topic: Define Marketing

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

43) Ryan receives a coupon on his iPhone advising him about the location of a Taco Bell store. This is an example of which requirement for marketing to occur?

A) demonstrating an unmet need

B) discovering a consumer need

C) a foundation for brand loyalty

D) a way for parties to communicate

E) practicing ethics and sustainability

Answer: D

Explanation: Four factors are required for marketing to occur: (1) two or more parties (individuals or organizations) with unsatisfied needs; (2) a desire and ability on their part to be satisfied; (3) a way for the parties to communicate; and (4) something to exchange. When Ryan receives a coupon on his phone or drives by the Taco Bell store location, the communication barrier is overcome.

Difficulty: 3 Hard

Topic: Strategic Marketing Planning

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

44) Conducting marketing research is an excellent way to address the first objective in marketing, which is to discover consumers'

A) diversity of opinion to create persuasive advertising messages.

B) income to determine the most lucrative price point for a product.

C) lifetime value of an offering to the organization.

D) characteristics that would be useful to segment markets.

E) needs to create products that could satisfy them.

Answer: E

Explanation: The importance of discovering and satisfying consumer needs in order to develop and offer successful products is critical to understanding marketing.

Difficulty: 2 Medium

Topic: Consumer Needs and Wants

Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

45) Marketers often discover consumer needs by

A) implementing a marketing program.

B) conducting effective marketing research.

C) balancing the marketing mix elements—the four Ps of the marketing program.

D) advertising to diverse groups of prospective buyers.

E) copying the products and services of competitors.

Answer: B

Explanation: The first objective in marketing is discovering the needs of prospective customers. Marketers often use customer surveys, concept tests, and other forms of marketing research to better understand customer ideas.

Difficulty: 2 Medium

Topic: Consumer Needs and Wants

Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

46) A factor that might doom a product in the marketplace is referred to as

A) an albatross.

B) a land mine.

C) a pitfall.

D) a showstopper.

E) a wild card.

Answer: D

Explanation: Showstoppers are factors that might doom a product in the marketplace.

Difficulty: 1 Easy

Topic: New-Product Development

Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

47) Showstoppers refer to

A) creative or innovative members of a marketing team.

B) unexpected alternative uses for a product that result in a sudden increase in sales.

C) factors that might doom a product in the marketplace.

D) a sudden loss of financial backing even though the item is in production.

E) a situation when a competitor's product suddenly beats a firm's new product to the marketplace.

Answer: C

Explanation: Showstoppers are factors that might doom a product in the marketplace.

Difficulty: 1 Easy

Topic: New-Product Development

Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

48) Crowdsourcing has been an important method of identifying consumer needs for which of these products?

A) Amazon Echo

B) Pepsi True

C) LEGO Mars Curiosity Rover

D) Google Glass

E) ZipCar

Answer: C

Explanation: Many firms use "crowdsourcing" websites to solicit and evaluate ideas from customers. At LEGO Group, for example, ideas that receive 10,000 votes from site visitors are considered for possible addition to the product line. LEGO Group products that were discovered through the website include its Ghostbusters Ectomobile ambulance, its Mars Curiosity Rover, and a set based on the Minecraft video game.

Difficulty: 2 Medium

Topic: New-Product Development

Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

49) Concerns about privacy might have been a reason for lackluster sales of which of these products?

A) Amazon Prime

B) Google Glass

C) Apple Newton MessagePad

D) YoYo car subscriptions

E) AirBnB rentals

Answer: B

Explanation: Google Glass was introduced in 2014 as a wearable computer. While the product was popular among technology enthusiasts it did not attract a mass market. Show stoppers included its $1500 price tag, a general perception that it looked "nerdy," and concerns that wearing the device might violate privacy rights.

Difficulty: 2 Medium

Topic: New-Product Development

Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

50) Pepsi True is a new cola from Pepsi-Cola that is sweetened with a combination of sugar and stevia leaf extract, resulting in a soft drink with the same flavor of Pepsi but only 60 calories. A potential showstopper for this product is likely to be

A) a lack of advertising on television.

B) that mid-calorie soft drinks such as Pepsi Next (2012) have not been successful in the past.

C) a lower profit margin due to the added costs of expensive ingredients.

D) cannibalization of the company's existing sodas.

E) the use of a combination of sugar and stevia leaf extract.

Answer: B

Explanation: Pepsi True is offered in the United States through Amazon.com and in grocery stores, and will be introduced in Great Britain where it will compete with Coca-Cola's Coca-Cola Life. A potential showstopper: In the past, mid-calorie soft drinks such as Pepsi Next (2012), Pepsi Edge (2004), and Pepsi XL (1995) have not been successful as "transition" sodas from regular to diet.

Difficulty: 2 Medium

Topic: New-Product Development

Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.

Bloom's: Understand

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

51) A \_\_\_\_\_\_\_\_ occurs when a person feels deprived of basic necessities such as food, clothing, and shelter.

A) desire

B) need

C) utility

D) want

E) craving

Answer: B

Explanation: Key term definition—need.

Difficulty: 1 Easy

Topic: Consumer Needs and Wants

Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

52) A want is \_\_\_\_\_\_\_\_ that is shaped by a person's knowledge, culture, and personality.

A) a desire

B) a need

C) a utility

D) a demand

E) an option

Answer: B

Explanation: Key term definition—want.

Difficulty: 1 Easy

Topic: Consumer Needs and Wants

Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

53) A need that has been shaped by a person's knowledge, culture, and personality results in a

A) standard

B) want

C) utility

D) demand

E) preference

Answer: B

Explanation: Key term definition—want.

Difficulty: 1 Easy

Topic: Consumer Needs and Wants

Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

54) Steve wants to eat a Cool Mint Chocolate Clif Bar because, based on his past experience, he knows it will satisfy his hunger

A) preference.

B) need.

C) utility.

D) want.

E) expression.

Answer: B

Explanation: A need occurs when a person feels deprived of basic necessities such as food, clothing, and shelter. A want is a need that is shaped by a person's knowledge, culture, and personality. So if Steve feels hungry, he has developed a basic need and desire to eat something. Let's say he then wants to eat a Cool Mint Chocolate Clif Bar because, based on his past experience, he knows it will satisfy his hunger need.

Difficulty: 2 Medium

Topic: Consumer Needs and Wants

Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

55) A need refers to

A) a sense of personal inadequacy based upon observations by others around you.

B) a sense of urgency, which causes a person to take action.

C) a feeling that is shaped by a person's knowledge, culture, or personality.

D) a feeling of vague lacking, but not fully understanding what may be required.

E) a feeling of deprivation of basic necessities such as food, clothing, and shelter.

Answer: E

Explanation: Key term definition—need.

Difficulty: 1 Easy

Topic: Consumer Needs and Wants

Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

56) All of the following are examples of products or services that satisfy a consumer need *except* which?

A) a pair of jeans

B) an apple

C) a student dormitory

D) a sales tax

E) a jacket

Answer: D

Explanation: Needs occur when a person feels deprived of basic necessities such as clothes, food, or shelter. Only a sales tax offers no satisfaction of a basic need.

Difficulty: 2 Medium

Topic: Consumer Needs and Wants

Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

57) Which of the following statements best distinguishes between consumer needs and wants?

A) Needs are far more influential than wants with respect to marketing decision making.

B) Wants affect marketing decisions primarily for planned purchases while needs affect marketing decisions primarily for impulse purchases.

C) Wants occur when a person feels deprived of luxury items while needs are solely possessions required to maintain relationships.

D) Needs and wants are psychologically the same, but needs are those that a consumer can be guaranteed to satisfy.

E) Needs occur when a person feels deprived of basic necessities such as food, clothing, and shelter while wants are determined by a person's knowledge, culture, or personality.

Answer: E

Explanation: Needs occur when a person feels deprived of basic necessities such as food, clothing, and shelter. A want is a felt need that is shaped by a person's knowledge, culture, or personality.

Difficulty: 2 Medium

Topic: Consumer Needs and Wants

Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

58) A want refers to

A) a sense of personal inadequacy based upon observations by others around you.

B) a powerful desire that causes a person to take action.

C) a need that is shaped by a person's knowledge, culture, or personality.

D) a feeling of being deprived of something, but not fully understanding what it may be.

E) a feeling of deprivation of basic necessities such as food, clothing, and shelter.

Answer: C

Explanation: Key term definition—want.

Difficulty: 1 Easy

Topic: Consumer Needs and Wants

Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

59) A television advertisement shows several teenagers searching through the pantry for something to satisfy their hunger. The pantry offers the teenagers many alternatives—cereal, chips, cookies, and some Cool Mint Chocolate Clif Bars. The ad, which shows the teens happily selecting the Clif Bars, appeals to the consumers' \_\_\_\_\_\_\_\_ for sustenance to satisfy their hunger and attempts to shape their \_\_\_\_\_\_\_\_ for the advertised product.

A) needs; wants

B) requirements; needs

C) wants; preferences

D) demands; needs

E) needs; preferences

Answer: A

Explanation: A need occurs when a person feels deprived of basic necessities (i.e., food, water, clothing, and shelter). A want is a need that is shaped by a person's knowledge, culture, or personality. Hunger represents the consumer's need, while consuming Cool Mint Chocolate Clif Bars is a way to satisfy one's hunger based on wants.

Difficulty: 3 Hard

Topic: Consumer Needs and Wants

Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

60) In a marketing context, a market refers to

A) people with a similar want for a particular product or service.

B) people with both the desire and ability to buy a specific offering.

C) the central location for all buying and selling of products and services.

D) an open space or covered building where vendors convene to sell their offerings.

E) the free operation of supply and demand.

Answer: B

Explanation: Key term definition—market.

Difficulty: 1 Easy

Topic: Consumer Needs and Wants

Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

61) People with both the desire and ability to buy a specific offering are referred to as

A) shoppers.

B) a customer base.

C) a market.

D) qualified prospects.

E) candidates.

Answer: C

Explanation: Key term definition—market.

Difficulty: 1 Easy

Topic: Consumer Needs and Wants

Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

62) All markets ultimately are composed of

A) people.

B) brands.

C) products.

D) organizations.

E) locations.

Answer: A

Explanation: Key term definition—market.

Difficulty: 1 Easy

Topic: Target Markets

Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

63) The best description of the market for cosmetic dentistry, where costs can be as much as $15,000 for teeth straightening and whitening, is

A) toddlers with crooked baby teeth, when crooked teeth run in the family.

B) all former smokers who have been smoke-free for at least one year.

C) anyone who has the time, the money, and the desire to undergo the procedures.

D) anyone who has dental insurance.

E) adults who want to make a good first impression for an event.

Answer: C

Explanation: Potential customers make up a market, which consists of people with both the desire and the ability to buy a specific product. In this case, it is anyone who has the time, the money, and the desire to undergo cosmetic dentistry procedures.

Difficulty: 3 Hard

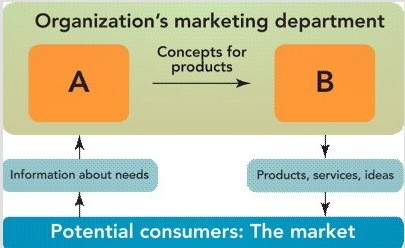
Topic: Target Markets

Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation



**Figure 1-3**

64) In Figure 1-3, "A" represents \_\_\_\_\_\_\_\_ and "B" represents \_\_\_\_\_\_\_\_.

A) decisions by management; purchases by customers

B) employees efforts; stakeholder rewards

C) sales department; manufacturing department

D) suppliers; distributors

E) discovering consumer needs; satisfying consumer needs

Answer: E

Explanation: A principal activity of a firm's marketing department is to scrutinize its consumers through effective research to understand what they need and want and the forces that shape those needs and wants. It then seeks to satisfy those needs by successfully implementing a marketing program possessing the right combination of the marketing mix—the four Ps. See Figure 1-3.

Difficulty: 2 Medium

Topic: Needs and Wants

Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.

Bloom's: Understand

AACSB: Knowledge Application

65) Discovering consumer needs leads directly to

A) purchases by customers.

B) stakeholder rewards.

C) sales and manufacturing department outcomes.

D) supplier and distributor outcomes.

E) concepts for new products.

Answer: E

Explanation: A principal activity of a firm's marketing department is to scrutinize its consumers through effective research to understand what they need and want and the forces that shape those needs and wants. It then seeks to satisfy those needs by successfully implementing a marketing program possessing the right combination of the marketing mix—the four Ps. See Figure 1-3.

Difficulty: 2 Medium

Topic: Consumer Needs and Wants

Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.

Bloom's: Understand

AACSB: Analytical Thinking

66) Satisfying consumer needs is accomplished by

A) designing a marketing program.

B) conducting marketing research.

C) discovering consumer needs.

D) developing a distribution strategy.

E) identifying target markets.

Answer: A

Explanation: A principal activity of a firm's marketing department is to scrutinize its consumers through effective research to understand what they need and want and the forces that shape those needs and wants. It then seeks to satisfy those needs by successfully implementing a marketing program possessing the right combination of the marketing mix—the four Ps. See Figure 1-3.

Difficulty: 2 Medium

Topic: Consumer Needs and Wants

Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.

Bloom's: Understand

AACSB: Analytical Thinking

67) Product, price, promotion, and place are all components of

A) the firm's required ongoing activities.

B) the marketing mix.

C) factors used to examine competitors' products.

D) the cluster of benefits that an organization develops to satisfy consumers' needs.

E) people with both the desire and the ability to buy a specific offering.

Answer: B

Explanation: Key term definition—marketing mix.

Difficulty: 1 Easy

Topic: Target Markets

Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

68) A target market refers to

A) customers who have already purchased a firm's product at least once, have been satisfied, and are likely to be repeat purchasers.

B) both existing and potential customers who have used a competitor's product, are dissatisfied, and who now seek a different product or service to satisfy their needs.

C) a specific group of current consumers toward which an organization directs its advertising.

D) existing or potential consumers who are seeking a product for which there are no current substitutes.

E) one or more specific groups of potential consumers toward which an organization directs its marketing program.

Answer: E

Explanation: Key term definition—target market.

Difficulty: 1 Easy

Topic: Target Markets

Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

69) One or more specific groups of potential consumers toward which an organization directs its marketing program is referred to as a

A) mass market.

B) base market.

C) potential market.

D) target market.

E) promotional market.

Answer: D

Explanation: Key term definition—target market.

Difficulty: 1 Easy

Topic: Target Markets

Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

70) Kraft produces Lunchables, a prepackaged meal usually consisting of several crackers, small slices of meat, and small slices of cheese. Other items in the product line contain small bottles of Chiquita Strawberry Banana Fruit smoothie, Capri-Sun juice, or Kool-Aid. The box is bright yellow and the quantity of food contained within it is small. The target market for Kraft Lunchables is most likely

A) moms with school-age children who pack a simple healthy lunch for them.

B) businesspeople looking for a fulfilling breakfast at the office.

C) business travelers on the run.

D) teenagers who are hungry for an after-school snack.

E) baby boomers who are trying to lose weight.

Answer: A

Explanation: Although anyone can enjoy Lunchables, a target market is a specific group of potential consumers toward which an organization directs its marketing program. In this case, Lunchables' smaller portions and bright packaging are targeted toward moms with school-age children.

Difficulty: 3 Hard

Topic: Target Markets

Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

71) Which of the following people would most likely be the best target market for tickets to the home games of the Indianapolis Colts professional football team?

A) all people with an interest in professional football

B) all people in the Midwest who have an interest in sports

C) all men who played on a varsity football team in high school

D) all people in the Indianapolis and surrounding areas interested in football

E) all people in Indiana who watch football on TV

Answer: D

Explanation: Football fans nearby are the Indianapolis Colts' target market—people with both the desire and ability to easily attend home games in Indianapolis.

Difficulty: 3 Hard

Topic: Target Markets

Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

72) Which of the following groups would be the *least* likely target market for a company producing canned food in single-serving sizes?

A) single adults

B) school kitchens

C) campers

D) senior citizens

E) vending machine owners

Answer: B

Explanation: Of the possible markets listed above, single-serving cans meet a special need for singles, campers, senior citizens, and vending machines. School kitchens traditionally serve large quantities of food; the time it would take to open single-serving cans for hundreds of children makes the product impractical and therefore would not satisfy a specific need.

Difficulty: 3 Hard

Topic: Target Markets

Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

73) TUMI brand briefcases are very expensive, high-end briefcases that are generally sold in specialty luggage shops. Which of the following groups of people would be the most likely target market for TUMI briefcases?

A) police officers

B) executives

C) construction workers

D) postal workers

E) students

Answer: B

Explanation: Any of these people could use a briefcase. However, as a group, executives would include the greatest number with the greatest need for and ability to purchase a TUMI briefcase.

Difficulty: 3 Hard

Topic: Target Markets

Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

74) The United States Army was both praised and criticized for its use of a popular video game, America's Army, which was designed to reach potential recruits. The game's creator, Colonel Casey Wardynski, wanted to provide a sense of the training and teamwork one could find in the Army's military environment. The game was designed for "boys 14 years or older," which represent the Army's

A) mass market.

B) actual recruits.

C) restricted market.

D) target market.

E) untapped market.

Answer: D

Explanation: A target market consists of one or more specific groups of potential consumers toward which an organization directs its marketing program. In this case, although 14-year-old boys cannot serve in the military, a positive attitude or association with the game and its content now can lead to potential recruits in the future—the Army's target market.

Difficulty: 3 Hard

Topic: Target Markets

Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

75) A local university offers business courses for a target market of people who currently work and want to take refresher courses for certification in their business field (marketing, accounting, etc.). Which of the following would be the most effective way to communicate with the target market, bearing in mind that communication must be both effective and economical?

A) Put announcements on campus bulletin boards.

B) Distribute promotional materials during classes.

C) Advertise on national television.

D) Advertise on local hip-hop radio shows.

E) Advertise on LinkedIn, a social media network for professionals.

Answer: E

Explanation: LinkedIn is the most effective and economical of the alternatives to communicate with this target market.

Difficulty: 3 Hard

Topic: Target Markets

Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

76) The marketing manager's controllable factors—product, price, promotion, and place—that can be used to solve a marketing problem are referred to as

A) the marketing concept.

B) the marketing mix.

C) the marketing program.

D) environmental forces.

E) the marketing toolbox.

Answer: B

Explanation: Key term definition—marketing mix.

Difficulty: 1 Easy

Topic: The Four Ps

Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

77) The marketing mix refers to

A) the selection of product benefits and attributes that are to be added to or subtracted from a given product to create variations within a product line.

B) the specific ratio within a budget that divides resources between advertising, sales promotion, and personal selling.

C) the marketing manager's controllable factors—product, price, promotion, and place—that can be used to solve a marketing problem.

D) the allocation of resources within a firm toward individual marketing programs.

E) the environmental forces—social, economic, technological, competitive, and regulatory—that impact the marketing decisions for a particular product at any given time.

Answer: C

Explanation: Key term definition—marketing mix.

Difficulty: 1 Easy

Topic: The Four Ps

Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

78) Which of the following would a marketer use as a synonym for the marketing mix?

A) the four Ps of marketing

B) environmental forces

C) macromarketing forces

D) marketing management factors

E) micromarketing factors

Answer: A

Explanation: Key term definition—marketing mix.

Difficulty: 1 Easy

Topic: The Four Ps

Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

79) The four Ps of the marketing mix are

A) priorities, personnel, placement, and profits.

B) prediction, production, price, and promotion.

C) product, price, production, and place.

D) product, price, promotion, and place.

E) prediction, production, packaging, and persuasion.

Answer: D

Explanation: The four Ps are the marketing manager's controllable factors—product, price, promotion, and place—that can be used to solve a marketing problem.

Difficulty: 1 Easy

Topic: The Four Ps

Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

80) All of the following constitute the four Ps of the marketing mix *except* which?

A) promotion

B) profitability

C) price

D) place

E) product

Answer: B

Explanation: The four Ps are the marketing manager's controllable factors—product, price, promotion, and place—that can be used to solve a marketing problem.

Difficulty: 1 Easy

Topic: The Four Ps

Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

81) The four Ps are commonly known as

A) the environmental or uncontrollable forces.

B) the environmental or controllable factors.

C) the marketing mix or controllable factors.

D) the marketing mix or uncontrollable forces.

E) environmental factors, both controllable and uncontrollable.

Answer: C

Explanation: The four Ps are the marketing manager's controllable factors—product, price, promotion, and place—that can be used to solve a marketing problem.

Difficulty: 1 Easy

Topic: The Four Ps

Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

82) The marketing mix elements are called \_\_\_\_\_\_\_\_ because they are the responsibility of the marketing department in an organization.

A) administrative forces

B) profitability factors

C) stakeholder value generators

D) target market segments

E) controllable factors

Answer: E

Explanation: Key term definition—controllable factors.

Difficulty: 2 Medium

Topic: The Four Ps

Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

83) Jakubowski Farms Gourmet Bread Base is the brand name for a mix designed for use in bread making machines. The mixes are sold in 2-pound canisters for $14.99 plus shipping. People learn about the product through word-of-mouth and bread machine demonstrations the company's founder gives to groups in Wisconsin, where she lives. The products are only available through the mail. This is a description of the company's

A) action plan.

B) market segmentation strategy.

C) mission statement.

D) marketing mix.

E) target market.

Answer: D

Explanation: The bread mix is the product. The price is $14.99 plus shipping. The promotion is word-of-mouth and public demonstrations. The place is through the mail. These four elements are the marketing mix—product, price, promotion, and place.

Difficulty: 3 Hard

Topic: The Four Ps

Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

84) The element of the marketing mix that describes a good, service, or idea to satisfy consumers' needs is known as

A) a product.

B) the price.

C) promotion.

D) the place or distribution.

E) a market segment.

Answer: A

Explanation: Key term definition—product.

Difficulty: 1 Easy

Topic: The Four Ps

Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

85) The owners of Old School Brand Authentic Antique Foods researched Civil War records to come up with recipes used for the old-fashioned cookies the company produces and markets. The cookies are which part of the company's marketing mix?

A) process

B) price

C) product

D) place

E) people

Answer: C

Explanation: A product is a good, service, or idea to satisfy consumers' needs, so a cookie is an example of a product.

Difficulty: 3 Hard

Topic: The Four Ps

Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

86) The element of the marketing mix that describes what is exchanged for a product is known as

A) a product.

B) the price.

C) promotion.

D) the place or distribution.

E) productivity.

Answer: B

Explanation: Key term definition—price.

Difficulty: 1 Easy

Topic: The Four Ps

Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

87) Which element of the marketing mix is affected when the Mandarin Oriental hotel in New York increases its weekend rates to $795 per night?

A) product

B) price

C) promotion

D) place

E) production

Answer: B

Explanation: The price is what is exchanged for the product; in this case, rate change increases the price of the product.

Difficulty: 3 Hard

Topic: The Four Ps

Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

88) The element of the marketing mix demonstrated when an art gallery suggests a $2 donation at the door is

A) philanthropy.

B) place.

C) product.

D) promotion.

E) price.

Answer: E

Explanation: Price is what is exchanged for the product; in this case, access to an art gallery.

Difficulty: 3 Hard

Topic: The Four Ps

Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

89) To attend a winter concert presented by the community chorus, every person had to donate one unwrapped toy at the concert hall door. The donation is most closely related to the \_\_\_\_\_\_\_\_ element of the marketing mix.

A) product

B) philanthropy

C) price

D) place

E) promotion

Answer: C

Explanation: Price is what is exchanged for the product; in this case, access to the concert. The toy donation was exchanged for the privilege of listening to the music.

Difficulty: 3 Hard

Topic: The Four Ps

Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

90) The element of the marketing mix that describes a means of communication between the seller and buyer is known as

A) a product.

B) promotion.

C) the price.

D) the place or distribution.

E) advertising.

Answer: B

Explanation: Key term definition—promotion.

Difficulty: 1 Easy

Topic: The Four Ps

Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

91) The owners of Old School Brand Authentic Antique Foods researched Civil War records to come up with recipes for the heritage products they market. An offer to be featured in an upcoming edition of *Taste of Home* magazine would be considered part of the \_\_\_\_\_\_\_\_ element of the marketing mix.

A) product

B) price

C) production

D) promotion

E) place

Answer: D

Explanation: Promotion is a means of communication between the seller and buyer. *Taste of Home* magazine would be likely to communicate to the target market for old-fashioned food products.

Difficulty: 3 Hard

Topic: The Four Ps

Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

92) The \_\_\_\_\_\_\_\_ element of the marketing mix is demonstrated when a company places an ad on a highway billboard.

A) product

B) price

C) promotion

D) place

E) process

Answer: C

Explanation: Promotion is a means of communication between the seller and buyer, such as billboard advertising.

Difficulty: 3 Hard

Topic: The Four Ps

Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

93) When a company uses advertising on Instagram, the action is a tactic of the \_\_\_\_\_\_\_\_ element of the marketing mix.

A) product

B) price

C) promotion

D) place

E) process

Answer: C

Explanation: Promotion is a means of communication between the seller and buyer, such as Instagram advertising.

Difficulty: 3 Hard

Topic: The Four Ps

Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

94) The element of the marketing mix that describes a means of getting the product to the consumer is known as

A) a product.

B) the price.

C) promotion.

D) the place.

E) the process.

Answer: D

Explanation: Key term definition—place.

Difficulty: 1 Easy

Topic: The Four Ps

Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

95) The \_\_\_\_\_\_\_\_ element of the marketing mix is demonstrated when Amazon delivers packages to a customer's front porch via the U.S. Postal Service.

A) place

B) product

C) price

D) promotion

E) procurement

Answer: A

Explanation: Place refers to the means of getting the product to the consumer. Here, carriers distribute the packages by "placing" them on the customer's front porch.

Difficulty: 3 Hard

Topic: The Four Ps

Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

96) The ability to buy a soda from a vending machine demonstrates which element of the marketing mix?

A) product

B) price

C) promotion

D) place

E) process

Answer: D

Explanation: Place refers to the means of getting the product to the consumer.

Difficulty: 3 Hard

Topic: The Four Ps

Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

97) The cluster of benefits that an organization promises customers to satisfy their needs is referred to as a

A) core benefit proposal.

B) product protocol.

C) marketing program.

D) marketing mix.

E) customer value proposition.

Answer: E

Explanation: Key term definition—customer value proposition.

Difficulty: 1 Easy

Topic: Product Value Creation

Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

98) A customer value proposition is

A) the unique combination of benefits received by targeted buyers that includes quality, convenience, on-time delivery, and both before-sale and after-sale service at a specific price.

B) a statement that, before product development begins, identifies (1) a well-defined target market; (2) specific customers' needs, wants, and preferences; and (3) what the product will be and do to satisfy consumers.

C) a unique strength relative to competitors that provides superior returns, often based on quality, time, cost, or innovation.

D) the characteristics of a product that make it superior to competitive substitutes.

E) the cluster of benefits that an organization promises customers to satisfy their needs.

Answer: E

Explanation: Key term definition—customer value proposition.

Difficulty: 1 Easy

Topic: Product Value Creation

Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

99) Michelin's \_\_\_\_\_\_\_\_ can be summed up as "providing safety-conscious parents greater security in tires at a premium price."

A) customer value proposition

B) protocol

C) mission statement

D) core values

E) marketing program

Answer: A

Explanation: A customer value proposition is the cluster of benefits that an organization promises customers to satisfy their needs. Usually, these include aspects of an offering's marketing mix. Michelin's customer value proposition can be summed up as "providing safety-conscious parents greater security in tires at a premium price."

Difficulty: 2 Medium

Topic: Product Value Creation

Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

100) The uncontrollable forces in a marketing decision involving social, economic, technological, competitive, and regulatory forces are referred to as

A) the 5 Fs of marketing.

B) environmental forces.

C) business conditions.

D) a marketing ecosystem.

E) a business sphere.

Answer: B

Explanation: Key term definition—environmental forces.

Difficulty: 1 Easy

Topic: Environmental Influences on Marketing

Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

101) Which of the following is *not* an environmental force?

A) technological

B) regulatory

C) administrative

D) competitive

E) economic

Answer: C

Explanation: Key term definition—environmental forces.

Difficulty: 1 Easy

Topic: Environmental Influences on Marketing

Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

102) Environmental forces refer to

A) the internal strengths of a company that enable the firm to remain competitive.

B) the marketing manager's uncontrollable factors—product, price, promotion, and place—that can be used to solve marketing problems.

C) the unpredictable or uncontrollable availability of natural resources that can enhance or restrain a company's growth.

D) the marketing manager's uncontrollable forces in a marketing decision involving social, economic, technological, competitive, and regulatory forces.

E) the marketing manager's controllable forces in a marketing decision involving social, economic, technological, competitive, and regulatory forces.

Answer: D

Explanation: Key term definition—environmental forces.

Difficulty: 1 Easy

Topic: Environmental Influences on Marketing

Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

103) The five major environmental forces in a marketing decision are

A) climate change, natural resources, pollution, natural disasters, and global conflict.

B) social, technological, economic, competitive, and regulatory.

C) corporate ownership, internal management, supplier partnerships, strategic alliances, and customer relationships.

D) product, price, promotion, place, and people.

E) ethics, sustainability, cultural awareness, diversity, and values.

Answer: B

Explanation: Key term definition—environmental forces.

Difficulty: 1 Easy

Topic: Environmental Influences on Marketing

Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

104) Which of the following statements about environmental forces is most accurate?

A) Environmental forces are almost always controllable if the marketing department correctly scans them.

B) An organization that incorporates the marketing concept can exert just as much influence on environmental forces as they can exert on that organization.

C) Environmental forces consistently result in negative outcomes for an organization.

D) Some environmental forces can actually enhance a firm's marketing opportunities.

E) Environmental forces can almost always be predicted.

Answer: D

Explanation: The five environmental forces may serve as accelerators or brakes on marketing, sometimes expanding an organization's marketing opportunities and at other times restricting them.

Difficulty: 2 Medium

Topic: Environmental Influences on Marketing

Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

105) Which of the following statements describes an environmental force?

A) Several states have legislation that requires people transporting children to use age- and height-appropriate car seats.

B) Tupperware has more than 200,000 independent dealers who market its entire product line.

C) A car battery comes with a lifetime guarantee.

D) An automobile dealer offers a $500 rebate during the month of July.

E) A major bottler offers a 10-cent refund on returnable bottles.

Answer: A

Explanation: Legislation for car seats describes a regulatory environmental force. The other alternatives are marketing program decisions.

Difficulty: 3 Hard

Topic: Environmental Influences on Marketing

Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

106) The unique combination of benefits received by targeted buyers that includes quality, convenience, on-time delivery, and before- and after-sale service at a specific price is called

A) customer value.

B) target marketing.

C) benefit proposition.

D) value-based marketing.

E) a customer value proposition.

Answer: A

Explanation: Key term definition—customer value.

Difficulty: 1 Easy

Topic: Product Value Creation

Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

107) Customer value refers to

A) the need of a customer to receive the highest quality product at the lowest possible price.

B) the least expensive product that will provide customers with most of the basic benefits.

C) a statement that, before product development begins, identifies (1) a well-defined target market; (2) specific customers' needs, wants, and preferences; and (3) what the product will be and do to satisfy consumers.

D) the unique combination of benefits received by targeted buyers that includes quality, convenience, on-time delivery, and both before-sale and after-sale service at a specific price.

E) the cluster of benefits that an organization promises customers to satisfy their needs.

Answer: D

Explanation: Key term definition—customer value.

Difficulty: 1 Easy

Topic: Product Value Creation

Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

108) Which of the following statements about customer value is most accurate?

A) Target customers assess customer value in terms of the combination of benefits (quality, convenience, etc.), regardless of the price.

B) Loyal customers are less profitable to firms in the long run since they expect lower prices over time in order to remain loyal.

C) Research suggests that firms can be most successful by being all things to all consumers.

D) It is impossible to place a dollar value on a loyal, satisfied customer.

E) By providing unique value for targeted buyers, firms can build long-term relationships with them.

Answer: E

Explanation: Customer value is the unique combination of benefits received by targeted buyers that includes quality, price, convenience, on-time delivery, and both before-sale and after-sale service at a specified price. Firms gain loyal customers by providing unique value, the essence of successful marketing.

Difficulty: 2 Medium

Topic: Product Value Creation

Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

109) According to the text, Target has been successful by offering consumers the best

A) experience.

B) products/services.

C) customer service.

D) availability.

E) price.

Answer: E

Explanation: Outstanding customer value is delivered through the implementation of one of three value strategies—best price, best product, or best service. Target has been successful by offering consumers the best price.

Difficulty: 2 Medium

Topic: Product Value Creation

Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

110) According to the tex, Starbucks provides its customers with the best

A) branding.

B) products/services.

C) price.

D) customer service.

E) availability.

Answer: B

Explanation: Outstanding customer value is delivered through the implementation of one of three value strategies—best price, best product, or best service. Starbucks provides its customers with the best products (or services).

Difficulty: 3 Hard

Topic: Product Value Creation

Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

111) If a bank is known for delivering customer value through its focus on taking great care of customers, it is most likely focusing on providing its customers with the best

A) assortment.

B) products/services.

C) price.

D) customer service.

E) availability.

Answer: D

Explanation: Outstanding customer value is delivered through the implementation of one of three value strategies—best price, best product, or best service. The bank delivers customer value by providing its customers with the best customer service.

Difficulty: 3 Hard

Topic: Customer value

Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

112) Those who have flown on Singapore Air have experienced firsthand the great food that is served during the flight, the friendliness of the flight attendants, and the comfortable seating. Singapore Air creates customer value by providing its customers with

A) the best airport experience.

B) the most convenient flight schedules.

C) the best price for the distance traveled.

D) the best in-flight service.

E) the greatest sense of personal safety.

Answer: D

Explanation: Outstanding customer value is delivered through the implementation of one of three value strategies—best price, best product, or best service. Price and flight schedule are not considered here.

Difficulty: 3 Hard

Topic: Product Value Creation

Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

113) Relationship marketing refers to

A) the selection and the assignment of a firm's personnel for a specific product or product line to a group of current or prospective customers.

B) the belief that it is easier and less expensive to find new customers than to retain old ones.

C) the linking of the organization to its individual customers, employees, suppliers, and other partners for their mutual long-term benefits.

D) the process of identifying prospective buyers, understanding them intimately, and developing favorable long-term perceptions of the organization and its offerings so that buyers will choose them in the marketplace.

E) exclusive legally binding contractual agreements between retailers and customers in order to create enhanced value for each party.

Answer: C

Explanation: Key term definition—relationship marketing.

Difficulty: 1 Easy

Topic: CRM

Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

114) The linking of the organization to its individual customers, employees, suppliers, and other partners for their mutual long-term benefit is referred to as

A) relationship marketing.

B) exclusive dealing.

C) loyalty marketing.

D) customer relationship management.

E) symbiotic marketing.

Answer: A

Explanation: Key term definition—relationship marketing.

Difficulty: 1 Easy

Topic: CRM

Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

115) Which of the following statements about relationship marketing is most accurate?

A) Relationship marketing has a short-term focus: increasing profits for the firm.

B) Relationship marketing prevents the need to offer unique value to customers.

C) Relationship marketing provides benefits for both customers and the organization.

D) Very few companies today are engaged in relationship marketing.

E) The Internet almost always has a negative impact on a firm's personal relationships with customers.

Answer: C

Explanation: Relationship marketing involves a personal, ongoing relationship between the organization and its individual customers that begins before and continues after the sale. It links the organization to its individual customers, employees, suppliers, and other partners for their mutual long-term benefit. Many companies use it, and the Internet can be used to gain customer insights that nurture better relationships.

Difficulty: 2 Medium

Topic: CRM

Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

116) In the performing arts world, Tessitura uses box office technology to track every patron transaction, including ticket purchases, fund-raising, volunteering, and gift shop purchases, in one database. The information can help symphonies, operas, and theaters develop customer profiles to tailor sales messages to specific individuals. Tessitura will allow arts groups to engage in

A) market aggregation.

B) relationship marketing.

C) societal marketing.

D) market mining.

E) mainstream marketing.

Answer: B

Explanation: Relationship marketing links the organization to its individual customers, employees, suppliers, and other partners for their mutual long-term benefits.

Difficulty: 3 Hard

Topic: CRM

Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

117) Publix Supermarkets and The Little Clinic signed an exclusive agreement, placing small walk-in health clinics inside selected stores. Publix customers can have simple medical needs addressed in a convenient and familiar environment seven days a week and pick up their prescriptions from the pharmacy without leaving the store. This is an example of

A) supplier management.

B) customer valuation.

C) societal marketing.

D) market aggregation.

E) relationship marketing.

Answer: E

Explanation: Relationship marketing links the organization to its individual customers, employees, suppliers, and other partners for their mutual long-term benefits.

Difficulty: 3 Hard

Topic: CRM

Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

118) A business traveler joined the Starwood Preferred Guest Program in order to earn points each time he stayed overnight in a Westin or Sheraton hotel. Once he has accumulated enough points, he can trade his points in for a free night's stay. As a member of this program, the traveler receives periodic updates on new hotels and learns of ways to earn additional points. The marketing term that best describes this scenario is

A) relationship marketing.

B) customer satisfaction promotion.

C) customer relationship management.

D) customer valuation.

E) supplier-consumer partnership.

Answer: A

Explanation: Relationship marketing links the organization to its individual customers, employees, suppliers, and other partners for their mutual long-term benefits.

Difficulty: 3 Hard

Topic: CRM

Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

119) A marketing program refers to

A) a plan that integrates the marketing mix to provide a good, service, or idea to prospective buyers.

B) the selection of product benefits and attributes that are added to or subtracted from a given product to create variations within a product line.

C) the marketing manager's controllable factors—product, price, promotion, and place—that can be used to solve a marketing problem.

D) the specific ratio within a marketing budget that divides resources between advertising, promotions, and personal selling.

E) the allocation of resources within a firm toward individual marketing mix elements.

Answer: A

Explanation: Key term definition-marketing program.

Difficulty: 1 Easy

Topic: Elements of the Marketing Plan

Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

120) A \_\_\_\_\_\_\_\_ is a plan that integrates the marketing mix to provide a good, service, or idea to prospective buyers.

A) marketing strategy

B) marketing program

C) macromarketing tactic

D) micromarketing tactic

E) customer relationship management

Answer: B

Explanation: Key term definition—marketing program.

Difficulty: 1 Easy

Topic: Elements of the Marketing Plan

Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

121) After an assessment of needs, a marketing manager must translate ideas from consumers into concepts for products that a firm may develop. The concepts must then be converted into a tangible

A) marketing strategy.

B) macromarketing agenda.

C) micromarketing agenda.

D) marketing program.

E) marketing concept.

Answer: D

Explanation: Effective relationship marketing strategies help marketing managers discover what prospective customers need. They must translate this information into some concepts for products the firm might develop. These concepts must then be converted into a tangible marketing program.

Difficulty: 2 Medium

Topic: Elements of the Marketing Plan

Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

122) Market segments refer to

A) the relatively heterogeneous groups of prospective buyers that result from the market segmentation process.

B) all buyers of a product or service who have previously purchased a particular firm's products or services and who intend to repeat that purchase sometime in the future.

C) the smallest number of buyers that have similar needs but do not react similarly in a buying situation.

D) the relatively homogenous groups of prospective buyers that have common needs and will respond similarly to a marketing action.

E) all potential buyers of a product or service who intend to purchase a firm's products or services but who have not yet done so.

Answer: D

Explanation: Key term definition—market segments.

Difficulty: 1 Easy

Topic: Target Markets

Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

123) In marketing, each \_\_\_\_\_\_\_\_ consists of people who are relatively similar to each other in terms of their consumption behavior.

A) market segment

B) demographic cluster

C) organizational buyer group

D) ultimate consumer group

E) qualified prospect group

Answer: A

Explanation: Market segments are the relatively homogenous groups of prospective buyers that (1) have common needs and (2) will respond similarly to a marketing action. Thus members of the segment are relatively similar to each other in terms of their consumption behavior.

Difficulty: 2 Medium

Topic: Target Markets

Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

124) An inventor for 3M, David Windorski, and a team of four college students, questioned dozens of students about how they study. They told the research team

A) that Scotch tape had outgrown its usefulness to students.

B) to make new products that were more environmentally friendly.

C) that the average backpack was already too heavy.

D) that it would be reasonable to put Post-it Flags together with a highlighter.

E) to determine the ratio of sales of 3M products to those of competitors' study aid products.

Answer: D

Explanation: Windorski had to first discover students' studying needs. To answer this question, Windorski worked with a team of four college students. Their task was to observe and question dozens of students about their study behavior, such as how they used their textbooks, took notes, wrote term papers, and reviewed for exams. Often, they watched students highlight a passage and then mark the page with a Post-it Note or the smaller Post-it Flag. Windorski realized there was an opportunity to merge the functions of two products into one to help students study.

Difficulty: 2 Medium

Topic: Consumer Needs and Wants

Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

125) The purpose of the introduction of 3M Post-it Flag Highlighters was to

A) stay ahead of trends and focus its marketing program on only one segment.

B) stay ahead of trends and focus its marketing program on expanding distribution.

C) increase production economies of scale by reducing manufacturing and marketing costs for Post-it Flags and Post-it Notes.

D) preempt a competitive move by Sanford's Sharpie to introduce a similar product.

E) help college students with their studying.

Answer: E

Explanation: The purpose of the introduction of the Post-it Flag Highlighter was to help college students with their studying.

Difficulty: 2 Medium

Topic: Consumer Needs and Wants

Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

126) Which of the following statements about 3M's marketing program for Post-it Flag Highlighters and Post-it Flag Pens is most accurate?

A) In his first attempt, David Windorski, a 3M inventor, designed the Post-it Flag Highlighter in exactly the right way to appeal to its target market.

B) Paralegals were initially the intended target market for the Post-it Flag Highlighter.

C) David Windorski, a 3M inventor, developed the Post-it Flag Pen for the office worker segment.

D) The Post-it Flag Highlighter was not successful and was deleted from the Post-it Flag product line.

E) In development of the Post-it Flag Highlighter, David Windorski examined similar products of 3M's major competitors and simply made changes that would provide the "wow" factor.

Answer: C

Explanation: David Windorski developed the Post-it Flag Pen for the office worker segment.

Difficulty: 2 Medium

Topic: Consumer Needs and Wants

Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

127) The pricing strategy for 3M's Post-it Flag Highlighters was to

A) match its principal competitors' highlighters' prices.

B) charge a price that would provide genuine value to the target customer segment.

C) set an initially low price with the intent of bringing down the price even further later if sales were less than anticipated.

D) place the product in discount office supply retailers to make it easier to purchase.

E) use the same pricing strategy as its 3M's Post-it Flag and Post-it Note offerings.

Answer: B

Explanation: The company charged a price to distributors that it hoped would provide value to students and an acceptable profit to distributors and 3M. In this case, the price of $3.99 to $4.99 for a single Post-it Flag Highlighter or $5.99 to $7.99 for a three-pack are the specified prices at which targeted buyers and distributors receive their respective value and profits. See Figure 1-4.

Difficulty: 2 Medium

Topic: The Four Ps

Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

128) The 3M Post-it Flag Highlighter and Pen marketing programs were designed for what primary objective?

A) the initial launch of two new 3M products

B) specific promotions to be used for long-range strategies

C) segmenting the market into 12 specific target market segments

D) marketing 3M products to foreign markets

E) positioning the products relative to major competitors

Answer: A

Explanation: The marketing programs for the initial introduction of two new 3M Post-it brand products (Post-it Flag Highlighters and Post-it Flag Pens) targeted two distinctly different customer segments: college students and office workers. See Figure 1-4.

Difficulty: 2 Medium

Topic: Target Markets

Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

129) The place strategy in 3M's marketing program made it convenient for \_\_\_\_\_\_\_\_ to buy Post-it Flag Highlighters and Post-it Flag Pens.

A) external salespeople only

B) college students only

C) office workers only

D) college students and office workers

E) teachers only

Answer: D

Explanation: The Post-it Flag Highlighter and the Post-it Flag Pens were distributed in locations to make it easy for the target markets (college students and office workers) to buy, such as college bookstores and office retailers, respectively. See Figure 1-4.

Difficulty: 2 Medium

Topic: Target Markets

Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

130) Based on the marketing program 3M developed for its Post-it Flag Highlighters and Post-it Flag Pens, one can conclude that

A) the market segments for Post-it Flag Highlighters and Post-it Flag Pens are identical.

B) the market segments for Post-it Flag Highlighters and Post-it Flag Pens are not realistic.

C) the Post-it Flag Highlighters and Post-it Flag Pens are priced unreasonably for the target markets.

D) the prices for 3M's Post-it Flag Highlighters and Post-it Flag Pens are set to maximize 3M's profits, not its distributors' profits.

E) the promotion strategy is designed to increase awareness among potential users.

Answer: E

Explanation: 3M's promotional strategy is to increase awareness among potential users. See Figure 1-4.

Difficulty: 2 Medium

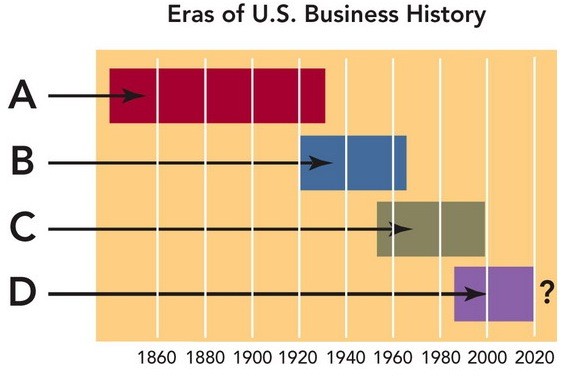
Topic: Target Markets

Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation



**Figure 1-5**

131) With respect to the history of American business, the \_\_\_\_\_\_\_\_ era covered the early years of the United States up until the 1920s.

A) sales

B) marketing concept

C) customer relationship

D) market orientation

E) production

Answer: E

Explanation: Key term definition—production era. See Figure 1-5.

Difficulty: 1 Easy

Topic: Marketing Eras

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Remember

AACSB: Analytical Thinking

132) If you wanted a new pair of shoes during the Civil War, you traced the outline of your foot on a piece of paper and gave it to a shoemaker. There was no distinction between the right and left foot because you wanted your shoes as quickly as possible, and the shoemaker knew that you would buy them even if they just "sort of" fit. This is an example of a transaction that would have occurred during the \_\_\_\_\_\_\_\_ era in U.S. business history.

A) marketing concept

B) sales

C) production

D) social entrepreneurship

E) market orientation

Answer: C

Explanation: In the production era, goods were scarce and buyers were willing to accept virtually any goods that were available and make do with them.

Difficulty: 3 Hard

Topic: Marketing Eras

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Apply

AACSB: Knowledge Application

133) With respect to the history of American business, the \_\_\_\_\_\_\_\_ era covered the years from the 1920s to the 1960s.

A) production

B) sales

C) marketing concept

D) customer relationship

E) market orientation

Answer: B

Explanation: Key term definition—sales era. See Figure 1-5.

Difficulty: 1 Easy

Topic: Marketing Eras

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Remember

AACSB: Analytical Thinking

134) The period of American business history when firms could produce more goods than they could sell and the focus was on hiring more salespeople to seek out new customers is referred to as the \_\_\_\_\_\_\_\_ era.

A) sales

B) marketing concept

C) production

D) goods

E) market orientation

Answer: A

Explanation: In the sales era from the 1920s to the 1960s, manufacturers found they could produce more goods than buyers could consume. Competition grew. The usual solution was to hire more salespeople to find new buyers. See Figure 1-5.

Difficulty: 2 Medium

Topic: Marketing Eras

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Understand

AACSB: Analytical Thinking

135) Shortly after World War II, John Jackson developed an idea for a machine lubricant that was superior to anything currently on the market. He persuaded friends to help him begin producing it for sale. While demand kept up with production at first, he soon found that he had to hire a sales force to sell excess product to manufacturing companies in the area. He decided this was primarily because of several strong competitors that had recently come into the industry. This is an example of marketing behavior that would occur during the \_\_\_\_\_\_\_\_ era of U.S. business history.

A) marketing concept

B) production

C) goods

D) sales

E) social entrepreneurship

Answer: D

Explanation: In the sales era from the 1920s to the 1960s, manufacturers found they could produce more goods than buyers could consume. Competition grew. The usual solution was to hire more salespeople to find new buyers. See Figure 1-5.

Difficulty: 3 Hard

Topic: Marketing Eras

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Apply

AACSB: Knowledge Application

136) In the movie *Tin Men*, two rival salesmen engaged in a variety of dishonest and unethical practices in order to sell aluminum siding to homeowners in 1963. Their job was difficult, in part, because the supply of aluminum siding surpassed the demand for the product and competition was intense. This situation is indicative of the \_\_\_\_\_\_\_\_ era of U.S. business history.

A) goods

B) sales

C) production

D) market orientation

E) societal marketing

Answer: B

Explanation: In the sales era from the 1920s to the 1960s, manufacturers found they could produce more goods than buyers could consume. Competition grew. The usual solution was to hire more salespeople to find new buyers. See Figure 1-5.

Difficulty: 3 Hard

Topic: Marketing Eras

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Apply

AACSB: Knowledge Application

137) Imagine a confectionary company has introduced a new nutty candy bar during the 1930s (the sales era in U.S. business history). Which of the following statements would you *most likely* expect management to make if sales of this new candy bar were much lower than expected?

A) "We'd better do some market testing to determine why people are dissatisfied."

B) "Perhaps we should make candy bars with raisins."

C) "Let's put more aggressive salespeople in the field."

D) "Let's lower the price and change the name."

E) "Don't worry about it; we're the largest candy manufacturer in the area. Sooner or later they'll get hungry enough that they'll come to us."

Answer: C

Explanation: In the sales era from the 1920s to the 1960s, manufacturers found they could produce more goods than buyers could consume. Competition grew. The usual solution was to hire more salespeople to find new buyers. See Figure 1-5.

Difficulty: 3 Hard

Topic: Marketing Eras

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Apply

AACSB: Knowledge Application

138) In U.S. business history, the marketing concept era began in

A) the early years of the Civil War.

B) the 1920s.

C) the 1950s.

D) the mid-1980s.

E) the first few years of the 21st century.

Answer: C

Explanation: Marketing became the motivating force among many American firms in the 1950s, which led to the marketing concept—the idea that an organization should (1) strive to satisfy the needs of consumers while also (2) trying to achieve the organization's goals.

Difficulty: 1 Easy

Topic: Marketing Eras

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

139) The \_\_\_\_\_\_\_\_ concept means that an organization strives to satisfy consumer needs while achieving its goals.

A) marketing

B) sales

C) production

D) societal benefit

E) customer relationship

Answer: A

Explanation: Starting in the late 1950s, marketing became the motivating force among many American firms. The marketing concept is the idea that an organization should strive to satisfy the needs of consumers while also trying to achieve the organization's goals.

Difficulty: 1 Easy

Topic: Marketing Eras

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

140) Which of the following statements about the marketing concept is most accurate?

A) The marketing concept can trace its roots to early Greek culture.

B) In using the marketing concept, both companies and consumers are able to satisfy needs simultaneously.

C) In using the marketing concept, companies focus on sales and advertising.

D) The marketing concept is most effective when production is limited and the product will sell itself.

E) All U.S. firms are now operating with a marketing concept philosophy.

Answer: B

Explanation: Starting in the late 1950s, marketing became the motivating force among many American firms. The marketing concept is the idea that an organization should strive to satisfy the needs of consumers while also trying to achieve the organization's goals.

Difficulty: 2 Medium

Topic: Marketing Eras

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

141) The idea that an organization should strive to satisfy the needs of consumers while also trying to achieve the organization's goals reflects the

A) concept of synergy.

B) marketing concept.

C) principle of customer relationship management.

D) societal marketing concept.

E) consumerism concept.

Answer: B

Explanation: Key term definition—marketing concept.

Difficulty: 1 Easy

Topic: Marketing Eras

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

142) The marketing concept refers to

A) the activity for creating, communicating, delivering, and exchanging offerings that benefit its customers, the organization, its stakeholders, and society at large.

B) the belief that an organization should continuously collect information about customers' needs, share this information across departments, and use it to create customer value.

C) the view that organizations should satisfy the needs of consumers in a way that provides for society's well-being.

D) the process of identifying prospective buyers, understanding them intimately, and developing favorable long-term perceptions of the organization and its offerings so that buyers will choose them in the marketplace.

E) the idea that an organization should strive to satisfy the needs of consumers while also trying to achieve the organization's goals.

Answer: E

Explanation: Key term definition—marketing concept.

Difficulty: 1 Easy

Topic: Marketing Eras

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

143) Which of the following terms best describes the marketing concept?

A) consumer-oriented

B) production-oriented

C) sales-oriented

D) society-oriented

E) competition-oriented

Answer: A

Explanation: The marketing concept is the idea that an organization should strive to satisfy the needs of consumers while also trying to achieve the organization's goals.

Difficulty: 2 Medium

Topic: Marketing Eras

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

144) In 1952, General Electric's annual report stated, "The concept introduces...marketing...at the beginning rather than the end of the production cycle and integrates marketing into each phase of the business." This is a brief statement of what has come to be known as the

A) sustainability perspective.

B) age of consumerism.

C) sales concept.

D) marketing concept.

E) customer relationship management concept.

Answer: D

Explanation: The statement of a firm's commitment to satisfying consumer wants and needs that probably launched the marketing concept appeared in General Electric's 1952 annual report.

Difficulty: 2 Medium

Topic: Marketing Eras

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

145) Firms such as General Electric, Marriott, and Facebook have achieved great success by putting a huge effort into implementing the marketing concept, giving their firms a

A) production orientation.

B) sales orientation.

C) customer relationship orientation.

D) service orientation.

E) market orientation.

Answer: E

Explanation: Firms such as General Electric, Marriott, and Facebook have achieved great success by putting huge effort into implementing the marketing concept, resulting in a market orientation that results in delivering customer value based upon current customer needs.

Difficulty: 2 Medium

Topic: Marketing Eras

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

146) Many companies subscribe to being "green" because they feel that consumers value this. Yet, in many of these same firms, office computers are left on 24 hours a day and office paper is not recycled. This example indicates it is not always easy for firms to act in accordance with the

A) marketing concept.

B) customer relationship management concept.

C) consumerism.

D) social entrepreneurship.

E) cause marketing.

Answer: A

Explanation: The marketing concept is the idea that an organization should (1) strive to satisfy the wants of consumers (2) while also trying to achieve the organization's goals. In this example, the organization would like consumers to view it as green, yet it is unable to carryout policies that will help it achieve that organizational goal.

Difficulty: 3 Hard

Topic: Marketing Eras

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

147) An organization with a market orientation

A) focuses its efforts on continuously collecting information about the environment, keeping abreast of competitors' actions, and using this information to create product innovation.

B) identifies prospective buyers, understands them intimately, and develops favorable long-term perceptions of the organization and its offerings so that they will choose it in the marketplace.

C) strives to satisfy the needs of consumers while also trying to achieve its goals.

D) satisfies the needs of consumers in a way that provides for society's well-being.

E) focuses its efforts on continuously collecting information about customers' needs, sharing this information across departments, and using it to create customer value.

Answer: E

Explanation: Key term definition—market orientation.

Difficulty: 1 Easy

Topic: Marketing Eras

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

148) An organization that focuses its efforts on continuously collecting information about customers' needs, sharing this information across departments, and using it to create customer value is said to have a(n)

A) product orientation.

B) macroeconomic orientation.

C) market orientation.

D) industry orientation.

E) societal marketing orientation.

Answer: C

Explanation: Key term definition—market orientation.

Difficulty: 1 Easy

Topic: Marketing Eras

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

149) With respect to the history of American business, today's firms operate in the \_\_\_\_\_\_\_\_ era as they must continuously seek to satisfy the high expectations of customers.

A) production

B) sales

C) marketing concept

D) customer relationship

E) societal marketing

Answer: D

Explanation: Key term definition—customer relationship era. See Figure 1-5.

Difficulty: 1 Easy

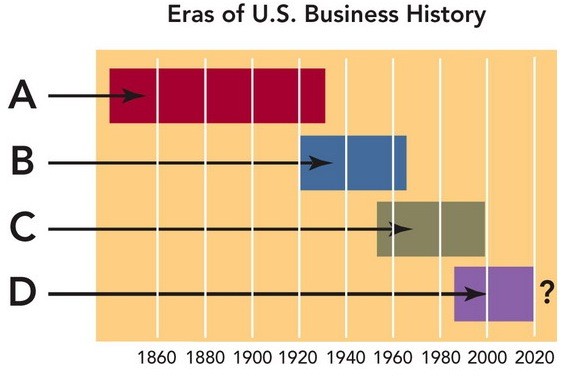
Topic: Marketing Eras

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation



**Figure 1-5**

150) In Figure 1-5 above, "A" represents which era in U.S. business history?

A) sales era

B) consumerism era

C) marketing concept era

D) customer relationship era

E) production era

Answer: E

Explanation: The production era covers the early years of the United States from the 1860s until the 1920s. See Figure 1-5.

Difficulty: 2 Medium

Topic: Marketing Eras

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

151) In Figure 1-5 above, "B" represents which era in U.S. business history?

A) sales era

B) production era

C) consumerism era

D) marketing concept era

E) customer relationship era

Answer: A

Explanation: The sales era covers the period from the 1920s to the 1960s. See Figure 1-5.

Difficulty: 2 Medium

Topic: Marketing Eras

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

152) In Figure 1-5 above, "C" represents which era in U.S. business history?

A) sales era

B) production era

C) consumerism era

D) marketing concept era

E) customer relationship era

Answer: D

Explanation: The marketing concept era covers the period from the late 1950s to the late 1990s. See Figure 1-5.

Difficulty: 2 Medium

Topic: Marketing Eras

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

153) In Figure 1-5 above, "D" represents which era in U.S. business history?

A) sales era

B) production era

C) consumerism era

D) marketing concept era

E) customer relationship era

Answer: E

Explanation: The customer relationship era started in the 1980s and continues to the present day. See Figure 1-5.

Difficulty: 2 Medium

Topic: Marketing Eras

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

154) Customer relationship management refers to

A) the view that organizations should satisfy the needs of consumers in a way that provides for society's well-being.

B) the process of identifying prospective buyers, understanding them intimately, and developing favorable long-term perceptions of the organization and its offerings so buyers will choose them in the marketplace.

C) the idea that an organization should (1) strive to satisfy the needs of consumers (2) while also trying to achieve the organization's goals.

D) the links an organization has to its individual customers, employees, suppliers, and other partners for their mutual long-term benefit.

E) the cluster of benefits that an organization promises customers to satisfy their needs.

Answer: B

Explanation: Key term definition—customer relationship management (CRM).

Difficulty: 1 Easy

Topic: CRM

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

155) The United Way of Greater Toronto (UWGT), like many charities, was sitting on a gold mine of donor data. Unfortunately, UWGT was not certain how to use that information to its greatest advantage. UWGT could blanket past donors with generic mailings, but it could not offer donors information that would convince them to donate to UWGT over other charities. Which of the following tools would be most useful for the nonprofit organization to use?

A) a flexible marketing system

B) a database warehouse

C) customer relationship management

D) competitive intelligence

E) a profit-oriented marketing program

Answer: C

Explanation: Customer relationship management (CRM) is the process of identifying prospective buyers, understanding them intimately, and developing favorable long-term perceptions of the organization (UWGT) and its offerings so that buyers (donors) will choose them in the marketplace.

Difficulty: 3 Hard

Topic: CRM

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

156) The internal response that customers have to all aspects of an organization and its offerings is referred to as

A) customer experience.

B) relationship marketing.

C) internal customer audit.

D) internal marketing.

E) customer relationship management.

Answer: A

Explanation: Key term definition—customer experience.

Difficulty: 1 Easy

Topic: CRM

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

157) Customer experience refers to

A) the practice of building ties to customers based on a salesperson's attention and commitment to customer needs over time.

B) the links an organization has to its customers for their mutual long-term benefits.

C) the process of identifying prospective buyers, understanding them intimately, and developing favorable long-term perceptions of the organization and its offerings so that buyers will choose them in the marketplace.

D) the internal response that customers have to all aspects of an organization and its offerings.

E) the activities in which a firm participates to create a positive buying experience for customers.

Answer: D

Explanation: Key term definition—customer experience.

Difficulty: 1 Easy

Topic: CRM

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

158) Recently, *Fortune* magazine named Trader Joe's "America's hottest retailer" for its outstanding \_\_\_\_\_\_\_\_, including personal attention from employees in the store.

A) customer value proposition

B) relationship marketing

C) customer experience

D) internal marketing

E) customer relationship management

Answer: C

Explanation: Recently, *Fortune* magazine named Trader Joe's "America's hottest retailer" for its outstanding customer experience.

Difficulty: 2 Medium

Topic: CRM

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

159) All of the following are aspects of Trader Joe's customer experience *except* which?

A) It has a large and expensive research and development facility.

B) It offers unusual food products not available from other retailers.

C) Its commitment to customer experience has resulted in its rank as a favorite supermarket.

D) It sets low prices by offering its own brands, not national ones.

E) It provides employee "engagement" to help customers.

Answer: A

Explanation: Though it does have its own private label in-store, the text does not cover R&d for Trader Joe's, and this would not directly impact a customer's experience with the company.

Difficulty: 2 Medium

Topic: CRM

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

160) Today, the standards of marketing practice have shifted from the interests of producers to the interests of

A) nonprofit organizations.

B) government.

C) retailers.

D) stockholders.

E) consumers.

Answer: E

Explanation: Today, the standards of marketing practice have shifted from the interests of producers to the interests of consumers.

Difficulty: 2 Medium

Topic: Corporate Social Responsibility

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

161) Social responsibility is

A) the view that organizations should satisfy the needs of consumers in a way that provides for society's well-being.

B) the fundamental, passionate, and enduring principles of an organization that guide its conduct over time.

C) the idea that an organization should strive to satisfy the needs of consumers while also trying to achieve the organization's goals.

D) the idea that individuals and organizations are accountable to a larger society.

E) the recognition of the need for organizations to improve the state of people, the planet, and profit simultaneously if they are to achieve sustainable, long-term growth.

Answer: D

Explanation: Social responsibility is the idea that individuals and organizations are accountable to a larger society for their actions.

Difficulty: 1 Easy

Topic: Corporate Social Responsibility

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

162) The idea that individuals and organizations are accountable to a larger society is known as

A) the societal marketing concept.

B) social responsibility.

C) consumerism.

D) sustainable development.

E) capitalism.

Answer: B

Explanation: Social responsibility is the idea that individuals and organizations are accountable to a larger society for their actions.

Difficulty: 1 Easy

Topic: Corporate Social Responsibility

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

163) You change the oil in your car yourself and dump the used oil down the sewer drain that ultimately flows into the local river. Oil manufacturers know this is not an isolated occurrence, so should they be concerned?

A) No, you paid for the oil and you can dispose of it as you like.

B) No, the oil company will someday add a premium to the price to pay for oil cleanup in the environment.

C) Yes, this is the type of situation that can get "big oil" a lot of bad press.

D) Yes, this is an issue of social responsibility because the polluted water affects others in the society at large.

E) No, this is an issue solely between you and your neighbors.

Answer: D

Explanation: The used oil will contaminate the river, so society will bear a portion of the cost of your behavior and the oil company's inaction to prevent it. This example illustrates the issue of social responsibility, the idea that organizations and individuals are accountable to a larger society.

Difficulty: 3 Hard

Topic: Corporate Social Responsibility

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

164) Which of the following most directly explains why pharmaceutical giant Pfizer offered low-income senior citizens many of its most widely used prescriptions for $15 each per month?

A) the profit motive since aging baby boomers are a large, profitable market

B) the social responsibility concept

C) the necessity of matching competitors' actions

D) new regulatory Medicare mandates as a result of the Affordable Care Act

E) the mandate by its industry's code of ethics

Answer: B

Explanation: Social responsibility is the idea that individuals and organizations are accountable to a larger society for their actions.

Difficulty: 3 Hard

Topic: Corporate Social Responsibility

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

165) The societal marketing concept

A) is the moral principles and values that govern the actions and decisions of an organization.

B) is the idea that organizations are part of a larger society and are accountable to that society for their actions.

C) actively tries to understand customer needs and satisfy them while satisfying the firm's goals.

D) involves conducting business in a way that protects the natural environment while making economic progress.

E) is the view that an organization should satisfy the needs of consumers in a way that provides for society's well-being.

Answer: E

Explanation: Key term definition—societal marketing concept.

Difficulty: 1 Easy

Topic: Corporate Social Responsibility

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

166) The view that holds an organization should satisfy the needs of consumers in a way that also provides for society's well-being is known as

A) the societal marketing concept.

B) the marketing concept.

C) consumerism.

D) social responsibility.

E) capitalism.

Answer: A

Explanation: Key term definition—societal marketing concept.

Difficulty: 1 Easy

Topic: Corporate Social Responsibility

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

167) Innovators at 3M developed Scotchbrite Greener Clean scrub sponges from agave leaves. Customers appreciate this superior product (they don't rust or scratch) and like the fact that their purchase is environmentally responsible, making this an example of

A) the societal marketing concept.

B) the marketing concept.

C) consumerism.

D) target markets.

E) capitalism.

Answer: A

Explanation: With its innovative product, 3M offers a product that exemplifies the societal marketing concept.

Difficulty: 3 Hard

Topic: Corporate Social Responsibility

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

168) What kinds of organizations should engage in marketing?

A) only those that can afford to advertise

B) only very large and established for-profit organizations

C) only Fortune 5,000 companies

D) every organization regardless of the kind

E) only if the organization has a profit motivation

Answer: D

Explanation: Every organization markets. Business firms involved in manufacturing, retailing, providing services, and nonprofit organizations engage in marketing. Places, special events or causes, and political candidates also use marketing.

Difficulty: 2 Medium

Topic: Strategic Marketing Planning

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

169) Which of the following organizations engage in marketing?

A) the Chicago Cubs

B) the San Francisco Opera

C) the City of Denver

D) the President of the United States

E) Every organization or individual can engage in marketing to some extent.

Answer: E

Explanation: Every organization and individual markets. Business firms involved in manufacturing, retailing, providing services, and nonprofit organizations engage in marketing. Places, special events or causes, and political candidates also use marketing.

Difficulty: 3 Hard

Topic: Strategic Marketing Planning

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

170) Which of the following statements best describes a good?

A) Goods are physical objects.

B) Goods are the only currency that can be used in an exchange.

C) Goods are intangible concepts and thoughts about ideas or causes.

D) Goods are the benefits organizations receive for selling products and services.

E) Goods can be either tangible or intangible.

Answer: A

Explanation: Key term definition—goods.

Difficulty: 2 Medium

Topic: Components and Classifications of Products and Services

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

171) Which of the following statements best describes a service?

A) Services are physical objects.

B) Services are intangible items.

C) Services are thoughts about concepts, actions, or causes.

D) Services are the benefits organizations receive in exchange for selling products.

E) Services comprise the subset of tangible features of products.

Answer: B

Explanation: Key term definition—services.

Difficulty: 2 Medium

Topic: Components and Classifications of Products and Services

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

172) Organizations such as American Airlines, U.S. Bank, and the Red Cross each provide customers with a product that is typically called

A) a utility.

B) a performance.

C) a service.

D) a value.

E) an idea.

Answer: C

Explanation: Organizations such as American Airlines, U.S. Bank, and the Red Cross provide customers with products that are typically called a service.

Difficulty: 2 Medium

Topic: Components and Classifications of Products and Services

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

173) A live theater performance cannot be touched like a physical object, but is still considered a product. To a marketer, this is an example of

A) a utility.

B) a production.

C) a value.

D) a service.

E) an idea.

Answer: D

Explanation: Live theater performances are intangible items called "entertainment" and are classified as services.

Difficulty: 2 Medium

Topic: Components and Classifications of Products and Services

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

174) In marketing, thoughts about concepts, actions, or causes are referred to as

A) utilities.

B) experiences.

C) values.

D) ideas.

E) services.

Answer: D

Explanation: Key term definition—ideas.

Difficulty: 1 Easy

Topic: Components and Classifications of Products and Services

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

175) A product

A) consists of the benefits or customer value received by its sellers.

B) is the cluster of benefits that an organization promises customers to satisfy their needs.

C) is a good, service, or idea consisting of a bundle of tangible and intangible attributes that satisfy consumers' needs and is received in exchange for money or something else of value.

D) consists of items that the consumer purchases frequently, conveniently, and with a minimum of shopping effort.

E) is the set of intangible activities or benefits that an organization provides to satisfy consumers' needs in exchange for money or something else of value.

Answer: C

Explanation: Key term definition—product.

Difficulty: 1 Easy

Topic: Components and Classifications of Products and Services

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

176) A good, service, or idea consisting of a bundle of tangible and intangible attributes that satisfies consumers' needs and is received in exchange for money or something else of value is known as

A) a utility.

B) an item.

C) a service.

D) a marketing program.

E) a product.

Answer: E

Explanation: Key term definition—product.

Difficulty: 1 Easy

Topic: Components and Classifications of Products and Services

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

177) Which answer reflects (in this order) a good, a service, and an idea that can be marketed?

A) a candy bar, a wastepaper basket, and a vending machine

B) a CD, a concert, and a souvenir T-shirt

C) a political candidate, democracy, and freedom

D) an iPhone, an iPad, and an Apple Watch

E) a toothbrush, laser teeth whitening, and dental hygiene

Answer: E

Explanation: Goods, services, and ideas are marketed. Goods are physical objects, such as a toothbrush, that satisfy consumer needs. Services are intangible items, such as laser teeth whitening. Ideas are intangibles, such as the idea of dental hygiene, involving thoughts about actions or causes.

Difficulty: 3 Hard

Topic: Components and Classifications of Products and Services

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

178) The Hermitage, a famous Russian art museum, was experiencing a decrease in visitors that was blamed on low awareness of the museum's treasures. The Hermitage partnered with IBM to create an online virtual tour of a sampling of paintings, sculptures, artifacts, etc., hopefully encouraging visitors to make a trip to experience it all. The Hermitage is a(n) \_\_\_\_\_\_\_\_ that uses online virtual tours to market itself worldwide.

A) good

B) idea

C) service

D) assembly

E) charity

Answer: C

Explanation: A service is an intangible item, consisting of airline trips, financial advice, or art museums like the Hermitage.

Difficulty: 3 Hard

Topic: Components and Classifications of Products and Services

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

179) All of the following are examples of ideas that can be marketed *except* which?

A) State governments in Arizona and Florida marketing the notion of taking a warm, sunny winter vacation in their states

B) Apple using a TV ad to explain the features of an iPad mini (camera, screen resolution, user interface, etc.)

C) The Nature Conservancy marketing the cause of protecting the environment

D) Conservative politicians who attempt to persuade voters of the need to slash government spending to reduce a large national deficit

E) Charities like the Red Cross marketing the idea that it's worthwhile for you to donate your time or money to their causes to benefit society

Answer: B

Explanation: Ideas are most often marketed by nonprofit organizations, governments, or individuals, such as politicians. Apple's TV ad focuses on a tangible good—the iPad mini—and its features, not abstract ideas such as tourism, protecting the environment, government spending, or causes that may benefit society.

Difficulty: 2 Medium

Topic: Components and Classifications of Products and Services

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

180) Ultimate consumers are

A) the people who use the products and services purchased for a household.

B) people who have already purchased a firm's product at least once, have been satisfied, and are likely to make repeat purchases.

C) people or organizations that have used a competitor's product and who have been dissatisfied, and who are still seeking a product or service to satisfy their needs.

D) those manufacturers, wholesalers, retailers, and government agencies that buy goods and services for their own use or for resale.

E) one or more specific groups of potential customers toward whom an organization directs its marketing program.

Answer: A

Explanation: Key term definition—ultimate consumers.

Difficulty: 1 Easy

Topic: Target Markets

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

181) The people who use the products and services purchased for a household are called

A) organizational buyers.

B) household prospects.

C) ultimate consumers.

D) a target market.

E) sellers.

Answer: C

Explanation: Key term definition—ultimate consumers.

Difficulty: 1 Easy

Topic: Target Markets

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

182) Hudson News Distribution owners Lisa and James Cohen recently launched a quarterly art and interior design magazine, *Galerie,* to be distributed exclusively in their retail stores. Who is the ultimate consumer for this magazine?

A) the person who buys the magazine to read at home

B) the person who stocks the magazine rack at Hudson News

C) any person who owns Hudson News stock

D) the salesperson at Hudson News

E) All those who benefit from the magazine, from the owners and writers, to the seller, to the reader at home, are the ultimate consumers.

Answer: A

Explanation: An ultimate consumer is the person who uses the product or services purchased for the household.

Difficulty: 3 Hard

Topic: Target Markets

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

183) Which of the following is an example of an ultimate consumer?

A) a newspaper reporter who books a plane ticket to Washington, D.C., to cover the presidential inauguration

B) a schoolteacher who bought a ticket to the Summer Olympics opening ceremonies

C) an office receptionist who renews the magazines that are found in the office waiting room

D) a retailer who buys banners for an upcoming store sale

E) a landscaping firm employee who buys a new wheelbarrow to use to haul mulch

Answer: B

Explanation: An ultimate consumer is the person who uses the goods or services purchased by himself or herself.

Difficulty: 3 Hard

Topic: Target Markets

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

184) Entities such as manufacturers, retailers, and government agencies that buy goods and services for their own use or for resale are referred to as

A) intermediate buyers.

B) selling agents.

C) organizational buyers.

D) manufacturing agents.

E) brokers.

Answer: C

Explanation: Key term definition—organizational buyers.

Difficulty: 1 Easy

Topic: Target Markets

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

185) Organizational buyers are described as

A) only companies that purchase raw materials and natural resources for manufacturing.

B) employees who purchase household items for their personal use.

C) any individual or group making a purchase worth over $100,000.

D) manufacturers, retailers, or government agencies that buy products for their own use or for resale.

E) any organization that uses products purchased or meant for a household.

Answer: D

Explanation: Key term definition—organizational buyers.

Difficulty: 1 Easy

Topic: Target Markets

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

186) Which of the following is the best example of an organizational buyer?

A) a college student buying paper towels in bulk for herself and her roommates

B) a store owner buying hand-woven tablecloths to sell in her store

C) a computer programmer buying the latest game for her Xbox

D) a botanist buying a rose bush for his home garden

E) a parent buying a softball glove for a daughter

Answer: B

Explanation: Organizational buyers are manufacturers, retailers, or government agencies buying for their own use or for resale.

Difficulty: 2 Medium

Topic: Target Markets

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

187) Effective marketing benefits society because it

A) reduces competition, making the playing field more even.

B) improves the quality of products and services regardless of the cost.

C) allows companies to charge whatever price they want, regardless of product quality.

D) makes countries more competitive in world markets while simultaneously reducing competition in their home markets.

E) enhances competition, which improves the quality of products and services and lowers prices.

Answer: E

Explanation: Effective marketing benefits society. It enhances competition, which improves both the quality of products and services and lowers their prices. This makes countries more competitive in world markets and provides jobs and a higher standard of living for their citizens.

Difficulty: 2 Medium

Topic: Product Value Creation

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

188) Utility refers to

A) the number of alternative uses or benefits that can be provided by a single product or service.

B) the adaptability of a marketing program to adjust to changes in the marketing environment.

C) the benefits or customer value received by users of the product.

D) the fixed costs associated with the production of a single unit of a product within a product line.

E) the variable costs associated with the production of a single unit of a product within a product line.

Answer: C

Explanation: Key term definition—utility.

Difficulty: 1 Easy

Topic: Product Value Creation

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

189) The benefits or customer value received by users of a product is called

A) utility.

B) synergy.

C) consumerism.

D) cost-benefit ratio.

E) customer lifetime value.

Answer: A

Explanation: Key term definition—utility.

Difficulty: 1 Easy

Topic: Product Value Creation

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

190) The four utilities marketing creates are

A) product, price, promotion, and place.

B) form, function, value, and image.

C) monopoly, monopolistic competition, pure competition, and oligopoly.

D) form, place, time, and possession.

E) natural gas, fossil fuel, electricity, and water.

Answer: D

Explanation: Four different utilities include form, place, time, and possession.

Difficulty: 1 Easy

Topic: Product Value Creation

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

191) The value to consumers that comes from the production or alteration of a product or service constitutes \_\_\_\_\_\_\_\_ utility.

A) time

B) place

C) possession

D) market

E) form

Answer: E

Explanation: Key term definition—form utility.

Difficulty: 1 Easy

Topic: Product Value Creation

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

192) Which of the following is an example of form utility?

A) an iPhone with a "multitouch" user interface for easy navigation

B) stamp vending machines that are located in drugstores

C) a service station that has a 24-hour ice machine available for use when the station is closed

D) a mobile phone company that offers six-month financing, same as cash

E) a gourmet candy store that offers a home delivery service

Answer: A

Explanation: The value to consumers that comes from the production or alteration of a good or service constitutes form utility. The "multitouch" user interface adds an extra benefit to the iPhone, making the product more valuable to the consumer.

Difficulty: 3 Hard

Topic: Product Value Creation

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

193) FreshCase packaging is the first-ever vacuum package for red meat that maintains the meat's appetizing color, reducing both food and plastic waste. This is an example of creating \_\_\_\_\_\_\_\_ utility in the case-ready meat category.

A) time

B) place

C) form

D) possession

E) market

Answer: C

Explanation: The value to consumers that comes from the production or alteration of a product or service constitutes form utility. The production of the vacuum package constitutes form utility.

Difficulty: 3 Hard

Topic: Product Value Creation

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

194) Innovations in the textile industry have led to fabrics that help regulate body temperature, reduce wind resistance, and control muscle vibration, all of which help improve athletic performance. This shows how manufacturing can create \_\_\_\_\_\_\_\_ utility.

A) time

B) form

C) place

D) possession

E) market

Answer: B

Explanation: The value to consumers that comes from the production or alteration of a product or service constitutes form utility. The production of the fabrics for athletic performance constitutes form utility.

Difficulty: 3 Hard

Topic: Product Value Creation

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

195) The process of turning corn into ethanol shows how BioFuel Energy, a Minnesota ethanol producer, can create \_\_\_\_\_\_\_\_ utility.

A) time

B) place

C) possession

D) market

E) form

Answer: E

Explanation: The value to consumers that comes from the production or alteration of a product or service constitutes form utility. The production of the ethanol constitutes form utility.

Difficulty: 3 Hard

Topic: Product Value Creation

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

196) The value to consumers that comes from having the offering available where consumers need it constitutes \_\_\_\_\_\_\_\_ utility.

A) time

B) place

C) possession

D) market

E) form

Answer: B

Explanation: Key term definition—place utility.

Difficulty: 1 Easy

Topic: Product Value Creation

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

197) Which of the following statements is an example of place utility?

A) airlines that allow you to print your own boarding pass at home

B) a service station that adds a diesel fuel pump to its three unleaded gasoline pumps

C) a mobile phone company that offers six-month financing, same as cash

D) cold cut packages that can be zipped close for reuse

E) an iPhone with a "multitouch" user interface for easy navigation

Answer: A

Explanation: Place utility is the value to consumers of having a product or service available where needed. Printing the boarding pass at home simplifies a traveler's life by making the pass available where needed.

Difficulty: 3 Hard

Topic: Product Value Creation

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

198) The value to consumers that comes from having the offering available when they need it constitutes \_\_\_\_\_\_\_\_ utility.

A) place

B) possession

C) market

D) time

E) form

Answer: D

Explanation: Key term definition—time utility.

Difficulty: 1 Easy

Topic: Product Value Creation

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

199) American Express cardholders have access to early presales for Rihanna concert tickets in many cities. What utility does American Express offer in this instance?

A) time utility

B) place utility

C) possession utility

D) market utility

E) form utility

Answer: A

Explanation: Time utility is the value to consumers of having a product or service available when needed. American Express is giving cardholders access to early presales for Rihanna concert tickets, thus providing value to consumers by making tickets available before they go on sale to the general public.

Difficulty: 3 Hard

Topic: Product Value Creation

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

200) Dick's Sporting Goods carries baseballs year-round. The same is true for footballs and tennis equipment. With this strategy, Dick's Sporting Goods offers \_\_\_\_\_\_\_\_ utility for these products.

A) time

B) place

C) possession

D) market

E) form

Answer: A

Explanation: Time utility is the value to consumers of having a product or service available when needed. Dick's Sporting Goods offers time utility because you can purchase sporting equipment even when the sport is out of season.

Difficulty: 3 Hard

Topic: Product Value Creation

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

201) Which of the following is an example of time utility?

A) an iPhone with a "multitouch" user interface for easy navigation

B) Goodwill's 24-hour drop-off box for clothing donations

C) a dry cleaner located inside a supermarket

D) a mobile phone company that offers six-month financing, same as cash

E) a new herbal supplement that offers a 30-day free trial

Answer: B

Explanation: Time utility is the value to consumers of having a product or service available when needed. The Goodwill drop-off box allows consumers to drop off clothing regardless of the time of day.

Difficulty: 3 Hard

Topic: Product Value Creation

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

202) Redbox places vending machines at local convenience and grocery stores that allow customers to rent and return popular DVDs 24 hours a day. This creates both \_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_ utilities.

A) form; place

B) form; time

C) place; time

D) time; possession

E) form; possession

Answer: C

Explanation: Place utility is the value to consumers of having a product or service available where needed, whereas time utility is the value to consumers of having a product or service available when needed. Redbox vending machines create both time and place utilities.

Difficulty: 3 Hard

Topic: Product Value Creation

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

203) The value to consumers that comes from making an item easy to purchase through the provision of credit cards and financial arrangements constitutes \_\_\_\_\_\_\_\_ utility.

A) time

B) place

C) market

D) possession

E) form

Answer: D

Explanation: Key term definition—possession utility.

Difficulty: 1 Easy

Topic: Product Value Creation

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

204) Which of the following is an example of possession utility?

A) an iPhone with a large selection of new apps

B) the local dairy that offers to deliver bottles of milk to a customer's doorstep

C) disposable diapers that come equipped with resealable tabs

D) a gourmet food store that carries a line of ready-made salads

E) a mobile phone company that offers six-month financing, same as cash

Answer: E

Explanation: Possession utility is the value to the consumer of making an item easy to purchase so consumers can use it. The mobile phone company offers six-month financing, same as cash terms to consumers, thus increasing ease of purchase.

Difficulty: 3 Hard

Topic: Product Value Creation

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

205) Robert was running low on cash when he went to buy his marketing textbook on the first day of class. Luckily, the bookstore accepted his VISA card, so the bookstore created \_\_\_\_\_\_\_\_ utility for Robert.

A) form

B) time

C) price

D) possession

E) place

Answer: D

Explanation: Possession utility is the value to the consumer of making an item easy to purchase so consumers can use it. The bookstore accepts major credit cards, thus increasing ease of purchase.

Difficulty: 3 Hard

Topic: Product Value Creation

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

206) The founder of Chobani, who won the 2013 Ernst & Young World Entrepreneur of the Year award, is

A) Mark Zuckerberg.

B) "Trader" Joe Demapolis.

C) Hamdi Ulukaya.

D) Robert M. McMath.

E) David Windorski.

Answer: C

Explanation: Hamdi Ulukaya is founder and chief executive officer of Chobani, Inc.

Difficulty: 1 Easy

Topic: Strategic Marketing Planning

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

207) One difference between "Greek" yogurt and "American" yogurt is that the latter

A) has a gritty texture.

B) has a thin consistency.

C) is not sweet enough for health-conscience palettes.

D) is only sold in health or natural food stores.

E) has high protein content.

Answer: B

Explanation: In the opinion of Hamdi Ulukaya, the founder of Chobani, "American" yogurt is "too thin, too sweet, too fake."

Difficulty: 1 Easy

Topic: The Four Ps

Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

208) All of the following are points of difference for Chobani yogurt *except* which?

A) It uses a shorter, wider cup that is more visible on retailers' shelves

B) It is preservative-free

C) It is higher in protein than regular yogurt

D) It uses a proprietary animal-based thickener

E) It uses a straining process that removes excess liquid whey

Answer: D

Explanation: Chobani is free of ingredients such as milk protein concentrate and animal-based thickeners, which some manufacturers add to make Greek-style yogurt.

Difficulty: 1 Easy

Topic: The Four Ps

Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

209) All of the following are current or prospective distribution channels for Chobani yogurt *except* which?

A) convenience stores

B) drugstores

C) mass merchandisers

D) schools

E) vending machines

Answer: E

Explanation: Chobani sees its Greek yogurt widely distributed in both conventional and mass supermarkets, warehouse club stores, and natural food stores. On the horizon is growing distribution in convenience and drug stores, as well as schools.

Difficulty: 2 Medium

Topic: The Four Ps

Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

210) Chobani used all of the following tactics to promote its Greek yogurt *except* which?

A) sponsored the Food Network's "Rachael vs. Guy: Kids Kick-Off" TV show with its Chobani Kids Pouches

B) created a website to provide consumers with recipes that use Chobani yogurt

C) sponsored U.S. Olympic and Paralympic Teams

D) used social networks Facebook, Twitter, Pinterest, and Instagram

E) relied on word of mouth in its early years

Answer: A

Explanation: While it may be a good tactic, Chobani did not sponsor the Food Network's "Rachael vs. Guy: Kids Kick-Off" TV show with its Chobani Kids Pouches, which is targeted at kids.

Difficulty: 2 Medium

Topic: The Four Ps

Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

211) Describe the marketing mix actions mentioned in the textbook that Chobani has taken since its founding in 2005.

Answer: Product actions: (1) In 2005, Turkish immigrant Hamdi Ulukaya developed Chobani yogurt, a strained yogurt that is a little bit sour, like sour cream, has much more protein, fewer calories, and more calcium than the traditional American yogurts. (2) In 2011, Chobani introduced its Champion Tubes Greek yogurt line for kids. (3) In 2013, Chobani expanded its main product line by adding more flavors, including Coconut, Banana, and Key Lime that were suggested by customers. Price actions: Prices were set high enough to recover Chobani's costs and give reasonable margins to retailers but not so high that future rivals could undercut its price. Today, prices remain at about $1.29 for a single-serve cup. Promotion actions: (1) Initially, Chobani had little money for traditional advertising, so it relied on positive word of mouth—one happy customer telling another about this new Chobani yogurt. (2) In 2010, Chobani used its "CHOmobile" to hand out free samples to encourage consumers to try Greek yogurt for the first time. (3) In 2012, Chobani sponsored the London Olympics and Paralympic Games. (4) Chobani also aired a TV ad called "Proudly with You" during these Olympics. (5) Chobani uses Facebook, YouTube (which feature "Just as Good" recipes to show customers how to use its tasty products in meals and desserts), Pinterest, Instagram, Twitter, and other social media sites. (6) In 2011, Chobani hired former two-time Olympian women's softball pitcher Jennie Finch as spokesperson to promote the Champions brand. Place (distribution) actions: (1) Initially, Chobani wanted to distribute its Greek yogurt in the main dairy cases of major grocery chains, not in the niche or organic sections of these chains nor in natural foods or specialty stores. (2) By 2009, Chobani could be found in the main dairy cases of chains such as Stop & Shop, BJ's, and Costco. (3) In 2010, Chobani used its "CHOmobile." (4) In 2013, Chobani yogurt was sold in the United States, Canada, and Australia. (5) In 2012, Chobani opened its first "yogurt bar," called Chobani SoHo, in New York City, a store that features "a collection of non-frozen, yogurt-based creations."

Difficulty: 2 Medium

Topic: The Four Ps

Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

212) Why are you, as a student, already somewhat of a marketing expert before taking this course? Provide a specific example from your own personal experience and relate it to something you just "formally" learned about marketing.

Answer: Students are, in a sense, marketing experts because they engage in many marketing activities every day. Experience in shopping for products gives students great insights into the world of marketing. As consumers, students have been involved in thousands of marketing decisions, but mostly on the buying and not the selling side. For example, right before class a student may have bought lunch in the school cafeteria as a buyer in a marketing activity.

Difficulty: 3 Hard

Topic: Role of the Marketing Manager

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

213) What is the definition of marketing according to the text? How does this differ from your previous notion of marketing before beginning this course?

Answer: The American Marketing Association defines marketing as the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. This definition shows marketing to be a far broader activity than simply advertising or personal selling. It stresses the importance of delivering genuine benefits in the offerings of products, services, and ideas marketed to customers. Also, note that the organization doing the marketing, the stakeholders affected (such as customers, employees, suppliers, and shareholders), and society should all benefit.

Difficulty: 1 Easy

Topic: Define Marketing

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

214) What are the two key objectives of marketing? Define "exchange" and explain how it supports these objectives.

Answer: To serve both buyers and sellers, marketing seeks (1) to discover the needs and wants of prospective customers and (2) to satisfy them. The key to achieving these two objectives is the idea of exchange, which is the trade of things of value between buyer and seller so that each is better off after the trade. If an exchange takes place, then marketers will have been successful in achieving these two objectives, since each party must be better off after the trade.

Difficulty: 2 Medium

Topic: Define Marketing

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

215) Some people may assume that for a marketer, the only thing of value for which he or she would "exchange" would be monetary (check, credit/debit, currency, and/or coin transactions). But what else can be exchanged? Provide an example of a nonmonetary transaction that still fits the criteria of exchange.

Answer: Exchange is the trade of things of value between buyer and seller so that each is better off after the trade. This could include exchange of votes for political leadership, donations of time in exchange for feelings of generosity, etc. It would also include barter, the practice of exchanging products and services for other products and services rather than for money in both domestic and global markets.

Difficulty: 3 Hard

Topic: Define Marketing

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

216) In addition to consumers, what other people, groups, and environmental forces interact to influence an organization's marketing activities?

Answer: Foremost is the organization itself, whose mission and objectives determine what business it is in and what goals it seeks. Within the organization, management is responsible for establishing these goals. The marketing department works closely with a network of other departments and employees to help provide the customer-satisfying products required for the organization to survive and prosper. The marketing department is responsible for facilitating relationships, partnerships, and alliances with the organization's customers, its shareholders (or often representatives of groups served by a nonprofit organization), its suppliers, and other organizations. Environmental forces such as social, economic, technological, competitive, and regulatory forces also shape an organization's marketing activities. Finally, an organization's marketing decisions are affected by and, in turn, often have an important impact on society as a whole. The organization must strike an acceptable balance among all these influences. See Figure 1-2.

Difficulty: 2 Medium

Topic: Environmental Influences on Marketing

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

217) What four factors are required for marketing to occur?

Answer: For marketing to occur, four factors are required: (1) two or more parties (individuals or organizations) with unsatisfied needs; (2) a desire and ability on their parts to satisfy these needs; (3) a way for the parties to communicate; and (4) something to exchange.

Difficulty: 2 Medium

Topic: Elements of a Marketing Strategy

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

218) In China, many people are removing their money from the state banks and lending it out themselves. The interest rate earned in a state bank account is about one-half the rate of inflation. On the other hand, lending money to friends, relatives, and even unrelated entrepreneurs can often earn the investor a rate at least double the inflation rate. The gray market, an underground network of investors and private businesses, moves the cash from lenders to businesses. Did marketing occur here? Explain your answer.

Answer: To answer this question, students will need to know the four factors that are required for marketing to occur. (1) There must be two or more parties with unsatisfied needs. The lenders want to receive a higher interest rate on their funds and the businesses need short-term loans. (2) There must be a desire and an ability to satisfy those needs. The lenders want to receive a higher interest rate on their funds and the businesses need short-term loans. The money is available since the lenders removed it from the state banks. (3) There must be a way for the parties to communicate. Word of mouth from the gray market, an underground network, allows communication between the lenders and businesses. (4) There must be something to exchange. Cash was exchanged in the form of loans, repaid with interest. Students should be able to see that marketing did indeed occur.

Difficulty: 3 Hard

Topic: Elements of a Marketing Strategy

Learning Objective: 01-01 Define marketing and identify the diverse factors that influence marketing actions.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

219) Add your own personal experience and creativity to what you have learned about marketing. Formulate a plan to assess the needs of either (1) students who have too many textbooks to carry to and from class or (2) executives who are too busy to keep up with the latest information in their field.

Answer: A quality answer will include multiple techniques. Even though this is not the "market research" chapter, there are textbook examples of observation, questioning, involvement of stakeholders in the research process, discussions, etc., used to discover needs. The emphasis should be placed on gathering as much information as possible prior to development of the product itself.

Difficulty: 3 Hard

Topic: Consumer Needs and Wants

Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

220) Define needs and wants. Can marketing shape a person's wants? Explain your answer.

Answer: A need occurs when a person feels deprived of basic necessities such as food, clothing, and shelter. A want is a need that is shaped by a person's knowledge, culture, and personality. However, psychologists and economists still debate the exact meanings of *need* and *want*. Effective marketing, in the form of creating an awareness of good products at convenient locations, can clearly shape a person's wants. Certainly, marketing tries to influence what we buy. A principal activity of a firm's marketing department is to scrutinize its consumers to understand what they need and want and the trends and factors that shape them. However, a key issue is the amount of freedom given to prospective customers to make their own buying decisions.

Difficulty: 2 Medium

Topic: Consumer Needs and Wants

Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

221) What are the three components of a person's ability to buy an offering?

Answer: The three components of a person's ability to buy an offering are authority, time, and money.

Difficulty: 2 Medium

Topic: Target Markets

Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

222) Explain the difference between a market and a target market. Provide a specific example of each.

Answer: Potential consumers make up a market, which consists of people with both the desire and the ability to buy a specific product. All markets ultimately are people. A target market is one or more specific groups of potential consumers toward which an organization directs its marketing program. An example of a market is the tablet device market, of which the iPad is a market leader. An example of a target market for tablet devices would be college students who want their textbooks in digital, not printed format, for the convenience (no more heavy books) and lower cost (due to the digital delivery of the content).

Difficulty: 3 Hard

Topic: Target Markets

Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

223) Describe two different target markets for two different products or services you, your friends, or your family have recently purchased or used.

Answer: A target market is a specific group of potential consumers toward which an organization directs its marketing program. In response to this question, students might define the target market for a local baseball team as people who live in the area, perhaps skewed toward males, and 25 to 84 years of age. Another interesting answer is to examine how one product, such as a Toyota 4-Runner, can have two different target markets. One target market might be the adventurous outdoor mountain biker who uses the vehicle to transport his or her equipment to the mountains to bike. The other target market might be a "soccer mom" with children and equipment to transport to the local soccer field for practice.

Difficulty: 3 Hard

Topic: Target Markets

Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

224) An inventor designs a scissors that has interchangeable blades that allow the user to switch from straight cuts to decorative cuts. Identify two possible target markets and explain your answer.

Answer: A target market is a specific group of potential consumers toward whom an organization directs its marketing program. While anyone might benefit from using the product, a quality answer should link the benefits of the product (interchangeable straight and decorative blades) to the specific needs of a specific group. For example, scrapbook makers could use the straight blade when trimming pictures and use decorative blades when cutting background pages for their albums. The same scissors might be targeted for schoolteachers to create decorative flyers to post on bulletin boards regarding upcoming events for their students.

Difficulty: 3 Hard

Topic: Target Markets

Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

225) Marketing managers use a combination of four tools in order to develop a complete marketing program to reach consumers. Briefly define these four tools.

Answer: To reach consumers, marketing managers use four tools, often called, "the four Ps." These include: (1) product—a good, service, or idea to satisfy the consumers' needs; (2) price—what is exchanged for the product; (3) promotion—a means of communication between the seller and buyer; and (4) place (or distribution)—a means of getting the product to the consumer.

Difficulty: 1 Easy

Topic: The Four Ps

Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

226) Imagine you have the sole marketing rights to a new herbal shampoo that stops hair loss and actually causes new hair growth. You plan to sell your product on an Internet website, which you will advertise on late-night television. You are also hoping to obtain free publicity to place stories in men's fashion magazines. You are planning to sell online a 15-ounce bottle for $24.99 plus $7.99 shipping and handling. Using the information provided, identify each element of your marketing mix.

Answer: The shampoo is the product element. The Internet website is the place element. The ads on late-night television and the publicity are the promotion element. The price element is the $24.99 price plus the $7.99 for shipping and handling.

Difficulty: 3 Hard

Topic: The Four Ps

Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

227) List the five environmental forces in a marketing decision that generally are outside the control of marketing managers.

Answer: The five environmental forces mainly beyond most executives' control include social, economic, technological, competitive, and regulatory forces. These five forces may serve as accelerators or brakes on marketing, sometimes expanding an organization's marketing opportunities while at other times restricting them.

Difficulty: 1 Easy

Topic: Environmental Influences on Marketing

Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

228) Why do some marketers feel that environmental forces are *not* entirely outside their influence?

Answer: Traditionally, many marketing executives have treated these environmental factors as rigid, absolute constraints that are entirely outside their influence. However, recent studies and marketing successes have shown that a forward-looking, action-oriented firm can often affect some environmental factors, for example, by achieving technological or competitive breakthroughs.

Difficulty: 2 Medium

Topic: Environmental Influences on Marketing

Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

229) Do college students have a choice in which classes they take to earn a degree? Use what you have learned about the controllable and uncontrollable aspects of marketing in terms of how they might relate to course selection decision making. Incorporate marketing terms in your response.

Answer: Most colleges and universities offer some courses that are required—the core courses in the major as well as social sciences—while others are elective. These are the product, or service, element of the educational offering. The price element would be the tuition paid, less any scholarships. The promotion element would consist of the communication between the educational institution and students, such as e-mails, ads in high school career counseling offices, course catalogs, etc. The place element would consist of the on-campus location, off-campus location, and/or the online website that delivers courses that fulfill the core and elective requirements for the majors students select. A quality answer for this question should be based on how well the student is able to give specific examples.

Difficulty: 3 Hard

Topic: Environmental Influences on Marketing

Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

230) The Apple iPhone is rated by *Consumer Reports* as being one of the best smartphones in the industry. Define customer value. In what ways do you think the Apple iPhone provides value for its customers?

Answer: Customer value is the unique combination of benefits received by targeted buyers that includes quality, convenience, on-time delivery, and both before-sale and after-sale service at a specific price. Many successful firms have chosen to deliver outstanding customer value with one of three value strategies: best price, best product, or best service. Apple uses the best product and best service strategies for its iPhone, which *Consumer Reports* rates as one of the best smartphones on the market. Smartphone users may cite the iPhone's display, ease of use of its multi-touch user interface, voice quality, messaging, camera, video game capability, durability, battery life, etc., as key product-related benefits that contribute to its customer value.

Difficulty: 3 Hard

Topic: CRM

Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

231) Assume you are a salesperson for a direct marketing firm that does in-home jewelry parties. If most of your hosts or hostesses hold only one party a year, what strategies could you use to build strong customer relationships? If you are creating your own business for this example, make sure to describe your product(s) in your introductory sentence.

Answer: A quality answer should have a strong emphasis on regular, sustained communication with customers and jewelry representatives, whether it is through personal contact by phone, notes, e-mails, etc. Answers that are creative and supply product-specific examples should be encouraged.

Difficulty: 3 Hard

Topic: CRM

Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

232) During October, kiosk or "pop-up" stores appear in many malls for the holiday season. Typically, these kiosks sell gift boxes of cheese, jewelry, and other items people think are appropriate seasonal gifts. In January, these retailers vanish. Is it possible for such a retailer to use relationship marketing? Explain your answer.

Answer: Generally, students will say "no" based on the definition of relationship marketing. The text defines relationship marketing as linking the organization to its individual customers, employees, suppliers, and other partners for their mutual long-term benefits. In an ideal setting, relationship marketing involves a personal, ongoing relationship between the organization and an individual customer. However, this is based on the idea that the kiosks are not there long enough to establish a long-term relationship. Very insightful students may see an opportunity for these retailers (who return year after year) to develop long-term multiyear relationships. Databases would allow direct mail notifications each fall that the prized gifts are again available. Also, kiosk marketers could send customers e-mails throughout the winter, spring, and summer about specials, new products, and other offers to stimulate year-round purchases via a dedicated website.

Difficulty: 3 Hard

Topic: CRM

Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

233) Twitter is a website that offers a social networking service, enabling its users to send and read other users' messages or conversations called tweets, which are text-based posts, or tweets, of up to 140 characters displayed on the user's profile page. Connected to each tweet is a rich details pane that provides additional information, deeper context, and embedded media. Companies are using Twitter as a tool in their relationship marketing programs. In what ways can Twitter be used to benefit both the customer and the organization?

Answer: One aspect of Twitter is that it allows organizations to get customer feedback in real time. It provides the organization with information about followers in a larger and more open forum. It also provides access to ideas that might result in new or improved products that would benefit the customer. It could also allow companies to communicate with its customers in a frequent, informal, and friendly way to support the relationship.

Difficulty: 3 Hard

Topic: CRM

Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

234) Explain the marketing program that 3M used to reach the student target market for the Post-it Flag Highlighter and the rationale used for each element of the marketing mix.

Answer: Answers should address all four Ps. (1) The product strategy included offering the Post-it Flag Highlighter to help college students with their studying. 3M listened carefully to the needs and wants of potential customer segments to use 3M technology to introduce a useful, innovative product. (2) The price strategy sought a retail price of about $3.99–$4.99 for a single Post-it Flag Highlighter or $5.99–$7.99 for a three-pack. The idea was to set prices that provide genuine value to the customer segment that was targeted. (3) The promotion strategy was to run limited promotion with a TV ad and some ads in college newspapers and then rely on student word-of-mouth messages to inform other students of the product. This would increase awareness of potential users in the student segment who had never heard of this new, innovative 3M product. (4) The place strategy was to distribute the Post-it Flag Highlighter through college and university bookstores, office supply stores, and mass merchandisers. This made it easy for prospective buyers to buy at convenient retail outlets. See Figure 1-4.

Difficulty: 2 Medium

Topic: The Four Ps

Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

235) Explain the marketing program 3M used to reach the office worker segment with its Post-it Flag Pen.

Answer: A marketing program integrates the marketing mix elements to provide a good, service, or idea to prospective buyers. (1) 3M's product strategy to reach the office worker segment is to offer the Post-it Flag Pen to help office workers in their day-to-day work activities. The company listened carefully to the needs and wants of potential customer segments to use 3M technology to introduce a useful, innovative product. (2) 3M's price strategy is to seek a retail price of about $3.99–$4.99 for a single Post-it Flag Pen; wholesale prices are less. This price provides genuine value to the office worker segment. (3) The promotion strategy is to run limited promotion among distributors to get them to stock the product. (4) The place strategy is to distribute Post-it Flag Pens through office wholesalers and retailers as well as mass merchandisers. See Figure 1-4.

Difficulty: 2 Medium

Topic: The Four Ps

Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

236) Define the marketing concept.

Answer: The marketing concept is the idea that an organization should (1) strive to satisfy the needs of consumers (2) while also trying to achieve the organization's goals.

Difficulty: 1 Easy

Topic: Marketing Eras

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

237) Goods, services, and ideas all can be marketed. Define goods, services, and ideas and give at least one example of each.

Answer: Goods are physical objects, such as toothpaste, cameras, or computers, that satisfy consumer needs. Services are intangible items, such as airline trips, financial advice, or art museums. Ideas are intangibles involving thoughts about actions or causes, such as donating to a charity or voting for a political candidate.

Difficulty: 3 Hard

Topic: Marketing Eras

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

238) What are the primary differences between an ultimate consumer and an organizational buyer? Select one product and explain the differences in either its use or purchase, depending on whether it was purchased by an ultimate consumer or an organizational buyer.

Answer: Students' examples will differ, but each example should be descriptive of the definition. Ultimate consumers are the people who use the products and services purchased for a household. For example, a high-definition television could be purchased by any member of a family and used by all for personal enjoyment. Organizational buyers are those manufacturers, wholesalers, retailers, and government agencies that buy products and services for their own use or for resale. A hospital might buy the same television model (most likely in larger quantities) for use in patients' rooms to add value by enhancing their hospital stays.

Difficulty: 3 Hard

Topic: Strategic Marketing Planning

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

239) In our free enterprise society, which three specific groups benefit from effective marketing?

Answer: The three specific groups that benefit from effective marketing are: (1) consumers who buy (they can obtain the best product at the lowest price, leading to consumer satisfaction); (2) organizations that sell (receive profits, etc., if they provide need-satisfying products with effective marketing programs); and (3) society as a whole (providing jobs and a higher standard of living for its citizens).

Difficulty: 2 Medium

Topic: Strategic Marketing Planning

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

240) Explain what is meant by the concept of marketing utility. Identify and describe the four utilities created by marketing.

Answer: Marketing creates utility, the benefits or customer value received by users of the product. This utility is the result of the marketing exchange process and the way society benefits from marketing. The four utilities include form, place, time, and possession. The production or alteration of goods or services constitutes form utility. Place utility means having a good or service available where needed, whereas time utility is the value to consumers of having a good or service available when needed. Possession utility is the value to consumers of making an item easy to purchase, such as with a convenient credit card, so consumers can use it.

Difficulty: 1 Easy

Topic: Strategic Marketing Planning

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

241) At the BMW website, BMW.com, you can design your own BMW with the exact features you desire. If you choose to use this method to purchase a car, what type of utility(ies) has(have) been created?

Answer: Form utility comes from the production or alteration of a product or service that provides value to consumers. Form utility is created when you can design and build your own personal BMW at the BMW's website, BMW.com. In addition, BMW provides possession utility, which is the value of making an item easy to purchase through the provision of credit cards or financial arrangements for payment. Here, BMW also provides possession utility by allowing customers to buy a car online. Eventually, they will have to go to a local dealer to pick up their cars, an example of place utility. Finally, BMW provides time utility because building a BMW car online saves consumers from taking time to visit dealerships to see if their preferred car is on the lot. The BMW website also provides information to make the external information search process more efficient.

Difficulty: 3 Hard

Topic: Strategic Marketing Planning

Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation

242) Explain Chobani's product strategy that makes Chobani yogurt different from its principal competitors.

Answer: The Chobani product strategy stresses its authentic straining process that removes excess liquid whey. This results in a thicker, creamier yogurt that yields 13 to 18 grams of protein per single-serve cup, depending on the flavor. Chobani yogurt is free of milk protein concentrate and animal-based thickeners, which some manufacturers add to make Greek-style yogurts. Chobani uses three pounds of milk to make one pound of Chobani yogurt. Some other features that make its yogurt "nothing but good," to quote its tagline: (1) higher in protein than regular yogurt; (2) made with real fruit and only natural ingredients; (3) preservative-free; (4) no artificial flavors or artificial sweeteners; and (5) contains five live and active cultures, including three probiotics. Chobani also uses European-style cups with a circular opening exactly 95 millimeters across. This made for a shorter, wider cup that was more visible on retailers' shelves. Moreover, instead of painted-on labels, Chobani uses shrink-on plastic sleeves that adhere to the cup and offer eye-popping colors. Today, Chobani offers its hallmark Chobani yogurt in single-serve and multiserve sizes, while expanding its authentic strained Greek yogurt to new occasions and forms (Chobani Simply 100, to reach the calorie-conscious; Chobani Kids Pouches, targeted at kids; and Chobani Flip, a two-compartment package that lets consumers "flip" mix-ins like granola into the yogurt compartment).

Difficulty: 2 Medium

Topic: The Four Ps

Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

243) Describe Chobani's distribution (place) strategy.

Answer: From the beginning, Chobani pushed for distribution in major grocery chains/supermarkets in the conventional yogurt aisle located within their main dairy cases and not on specialty shelves, in health food stores, health food sections of these chains or in smaller, niche stores. By 2009, Chobani could be found in the main dairy cases of chains including Stop & Shop, BJ's, and Costco. Today, Chobani yogurt is widely distributed in both conventional and mass supermarkets, club stores, and natural food stores. On the horizon: growing distribution in convenience and drugstores. Chobani is also focused on educating food service directors at schools across the United States about Greek yogurt's health benefits for kids.

Difficulty: 3 Hard

Topic: The Four Ps

Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.

Bloom's: Apply

AACSB: Knowledge Application

Accessibility: Keyboard Navigation