

Chapter 01 Creating Customer Relationships & Value through Marketing

Multiple Choice

1. Which airline was the first to fly the Airbus A380?

- a) Japan Airlines
- b) Singapore Airlines
- c) Cathay Pacific Airways
- d) Emirates
- e) China Eastern Airlines

Ans: b

Feedback: Singapore Airlines' first in flying the Airbus A380 allows it to be perceived as a trendsetter.

Page: 3

Learning Objective: 2

2. What is KrisWorld?

- a) It is a religious weapon used for prayer ceremony.
- b) It is a dance club offering trance music.
- c) It is a courier service offering delivery within 24 hours worldwide.
- d) It is the individualized in-flight entertainment system of Singapore Airlines.
- e) It is a series of travel guide books produced by a company in Singapore.

Ans: d

Feedback: Singapore Airlines found customization and choice in in-flight entertainment to be important to airline customers.

Page: 3

Learning Objective: 2

3. What is the basic concern of airline customers?

- a) Moving in good time from point A to point B.
- b) Having more leg room in the plane.
- c) More products for in-flight shopping.
- d) Nice food and drinks.
- e) Beautiful air stewardess.

Ans: a

Feedback: Moving in good time from point A to point B is the basic concern of airline customers and that is why Singapore Airlines emphasizes the reliability and punctuality of its flight operations.

Page: 4

Learning Objective: 1

4. What is one method used by Singapore Airlines to find out about customers' views of the company's performance?

- a) Passenger opinion surveys
- b) Observation
- c) Bookings for their flights
- d) Usage and consumption level of the in-flight entertainment system and beverages offered.
- e) All of the above

Ans: a

Feedback: Passenger opinion surveys are conducted in all its flights by Singapore Airlines to monitor the quality of its services.

Page: 4

Learning Objective: 2

5. You are already a marketing expert because _____.

- a) as a consumer, you have already been involved in marketing decisions
- b) marketing is really only common sense
- c) as a college student, you study marketing
- d) there is really nothing to learn about marketing
- e) marketing is innate knowledge that all are born with

Ans: a

Feedback: In many respects you are a marketing expert already because you do many marketing activities every day. As a consumer, you have already been involved in thousands of marketing decisions—but mainly on the buying, not the marketing side.

Page: 5

Learning Objective: 1

6. A study of marketing can _____.

- a) enable you to be a more informed citizen
- b) help you in your career
- c) demonstrate how marketing affects your life
- d) make you a better consumer
- e) do all of the above

Ans: e

Feedback: Marketing affects all individuals, all organizations, all industries and all countries. The knowledge of marketing concepts should make you a better consumer, help you in your career and enable you to be a more informed citizen.

Page: 6

Learning Objective: 1

7. Why does Singapore Airlines continually invest in research and development and in new technology?

- a) Its competitors are doing it.
- b) To win more awards.
- c) It is a young airline and needs to catch up.
- d) Budget airlines are becoming a threat.
- e) Service innovation has a short life span.

Ans: e

Feedback: Whatever service innovation introduced by Singapore Airlines can be copied by competitors and so it has short lifespan. Singapore Airlines have to continually search for new ways to differentiate itself from its competitors.

Page: 5

Learning Objective: 2

8. Marketing affects _____.

- a) all individuals
- b) all organizations
- c) all industries
- d) all countries

e) all of the above

Ans: e

Feedback: Marketing affects all individuals, all organizations, all industries and all countries.

Page: 6

Learning Objective: 1

9. _____ is the activity for creating, communicating, delivering and exchanging offerings that benefit the organization, its stakeholders and society at large.

a) Creative planning

b) Advertising

c) Selling

d) Marketing

e) Consumerism

Ans: d

Page: 6

Learning Objective: 1

10. Which of the following statements about small business is most true?

a) It is impossible to pursue a marketing career in a small business

b) Small businesses are the source of the majority of new jobs in Asia.

c) Less than half of small businesses fail within the first five years of their launch

d) Small business offers the owner a steady and stable source of income with little risk

e) All of the above are true

Ans: b

Feedback: Small businesses also offer marketing careers. Small businesses are the source of the majority of new jobs in Asia. So you might become your own boss by being an entrepreneur and starting your own business. Asian entrepreneurship take risks but convert innovative ideas into thriving, successful businesses that provide thousands of jobs. More than half of new businesses fail within five years of their launch.

Page: 6

Learning Objective: 1

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

a) change

b) take advantage of

c) discover

d) manipulate

e) create

Ans: c

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

Page: 8

Learning Objective: 1

12. Stakeholders affected by marketing include _____.

a) customers

b) employees

c) suppliers

d) shareholders

e) all of the above are stakeholders

Ans: e

Feedback: The organization doing the marketing and the stakeholders affected—such as customers, employees, suppliers and shareholders—and society should all benefit.

Page: 7

Learning Objective: 1

13. Prospective customers include _____.

- a) individuals buying for themselves
- b) individuals buying for their households
- c) organizations that buy for their own use (such as manufacturers)
- d) organizations that buy for resale (such as wholesalers and retailers)
- e) all of the above

Ans: e

Feedback: 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).

Page: 7

Learning Objective: 1

14. Prospective customers for a waterproof marker that can be erased as simply as if it were a pencil include _____.

- a) supermarkets that create and post hand-lettered signs weekly
- b) students who are making signs for a bake sale
- c) children who like to draw
- d) delivery company employees who mark location zones on packages
- e) all of the above

Ans: e

Feedback: Prospective customers include anyone who could benefit from owning a product.

Page: 7

Learning Objective: 1

15. Prospective customers for a cell phone that takes pictures include _____.

- a) claims adjustors for insurance companies
- b) students who want to share pictures with their friends
- c) teens who want to show their parents where they are
- d) designers who wish to exchange ideas with clients
- e) all of the above

Ans: e

Feedback: Prospective customers include anyone who could benefit from owning a product.

Page: 7

Learning Objective: 1

16. The Transition is a 19-foot, two-seater roadable light-sport aircraft with an anticipated price of US\$148,000. The most likely prospective customers for this flying car include _____.

- a) students
- b) seniors
- c) business people to whom time is extremely important
- d) teens who like to try new things

e) all of the above

Ans: c

Feedback: Prospective customers include anyone who could benefit from owning a product.

Page: 7

Learning Objective: 1

17. Marketing seeks to discover the needs and wants of prospective customers and satisfy them. Essential to this process is the idea of exchange. To marketing people exchange refers to the _____.

- a) place where people go to do business
- b) place where people return unwanted goods
- c) trade of things of value between buyer and seller so that each is better off after the trade
- d) process of locating buyers and sellers
- e) acquisition of something of value

Ans: c

Page: 8

Learning Objective: 1

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

- a) Exchange
- b) Acquisition
- c) Consumerism
- d) Utility
- e) Swap

Ans: a

Page: 8

Learning Objective: 1

19. The Malaysian Red Cross created a series of advertisements encouraging viewers to donate blood. After viewing the advertisement, Amanda went to the local Red Cross office and donated a pint of blood. Afterwards, Amanda returned home feeling satisfied that she had performed a good deed. Was this a marketing exchange?

- a) No, because the Red Cross is non-profit organization
- b) Yes, because the Red Cross ran an advertisement
- c) Yes, because the donated blood was exchanged for a feeling of satisfaction
- d) No, because no money was exchanged
- e) No, because the Red Cross did not provide Amanda with a product

Ans: c

Feedback: Marketers seek to discover and satisfy the needs and wants of customers. The key to achieving these objectives is exchange—the trade of things of value between buyer and seller so that each benefits from the exchange. In this instance, Amanda is the customer and the Red Cross is the marketer. An exchange occurs: Amanda exchanges her donated blood for a feeling of satisfaction; the Red Cross receives the donated blood and continues its readiness to serve the needs of society in times of disaster.

Page: 8

Learning Objective: 1

20. A church has put advertisements in its weekly bulletins to encourage members of the church to participate in the services by reading. Jack volunteered and read during a service. He felt satisfied and felt he was contributing to his church. Was this a marketing exchange?

- a) No, because the church is non-profit organization
- b) Yes, because the church ran an advertisement
- c) Yes, because reading at the service was exchanged for a feeling of satisfaction
- d) No, because no money was exchanged
- e) No, because the church did not provide Jack with a product

Ans: c

Feedback: Marketers seek to discover and satisfy the needs and wants of customers. The key to achieving these objectives is exchange—the trade of things of value between buyer and seller so that each benefits from the exchange. In this instance, Jack is the customer and the church is the marketer. An exchange occurs: Jack exchanges his reading at the service for a feeling of satisfaction; the church receives a person to read at the service and continues its weekly services.

Page: 8

Learning Objective: 1

21. The IPMI Business School in Jakarta, Indonesia offers an outstanding business school education. Cali pays the tuition to attend IPMI and earns her MBA with a concentration in Supply Chain Management. Upon graduating, she is offered a high paying, fulfilling position. Was this a marketing exchange?

- a) No, because the university is a private one
- b) Yes, because the university is profitable
- c) Yes, because paying tuition was exchanged for knowledge that directly led to Cali's fulfilling, new job
- d) No, because money was exchanged
- e) No, because the school did not provide Cali with a product

Ans: c

Feedback: Marketers seek to discover and satisfy the needs and wants of customers. The key to achieving these objectives is exchange—the trade of things of value between buyer and seller so that each benefits from the exchange. In this instance, Cali is the customer and Daniels is the marketer. An exchange occurs: Cali pays tuition and earns her degree, leading to a fulfilling career and the school receives tuition used to pay operating expenses so that it may continue to operate.

Page: 8

Learning Objective: 1

22. Cole works for a company that requested all of its staff to purchase new toys and bring them into the office during the month of December for holiday distribution to families in need. Cole was excited about choosing some toys for this event, purchased several and brought them to work. After Cole dropped the toys off, he felt very happy and satisfied that he had helped others with his donation. Was this a marketing exchange?

- a) No, because this request was tax-deductable
- b) Yes, because the toys were going to families in need
- c) No, because Cole bought the toys
- d) Yes, because Cole's donation of the toys was accompanied by his satisfaction and happiness
- e) No, because Cole spent money for toys but then gave them away.

Ans: d

Feedback: Marketers seek to discover and satisfy the needs and wants of customers. The key to achieving these objectives is exchange—the trade of things of value between buyer and seller so that each benefits from the exchange. In this instance, Cole is the customer and the company for which he works is the marketer. An exchange occurs: Cole brings the toys to work for families in need and he received a feeling of happiness and satisfaction.

Page: 8

Learning Objective: 1

23. Daisuke Inoue, in introducing his early version of the karaoke machine in early 1970s, showed that _____.

- a) consumers are fully aware of their needs and wants and are often waiting for suitable products to appear in the market.
- b) consumers are fully aware of their needs and wants and may ask producers for suitable products to serve their needs and wants.
- c) consumers do not always know or be able to describe what they need or want, so they need to be educated regarding the needs and wants met by specific products.
- d) consumers do not need or want some products but buy them after they are influenced by marketing activities.
- e) consumers do not need or want some products and will not buy them readily.

Ans: c

Feedback: Consumers often do not know and are not able to describe their needs and wants. Marketers have to educate them regarding their needs and wants in the process of marketing certain innovative products or services.

Page: 8

Learning Objective: 2

24. The _____ department of an organization is responsible for facilitating relationships, partnerships and alliances with the organization's customers, its shareholders, its suppliers and other organizations.

- a) purchasing
- b) marketing
- c) human resources
- d) accounting
- e) information systems

Ans: b

Feedback: Figure 1-1 shows the key people, groups and forces outside the organization that influence marketing activities. The marketing department is responsible for facilitating relationships, partnerships and alliances with the organization's customers, its shareholders, its suppliers and other organizations.

Page: 7, figure 1-1

Learning Objective: 1

25. Which of the following statements about marketing departments is true?

- a) It is the responsibility of the marketing department to facilitate relationships with the organization's customers
- b) It is the responsibility of the marketing department to create partnerships with the organization's suppliers
- c) The marketing department must work closely with a network of other departments and employees to help provide the customer-satisfying products required for the organization to survive and prosper

- d) The marketing department is responsible for establishing alliances with the organization's shareholders and other organizations
- e) All of the above statements about marketing departments are true

Ans: e

Feedback: The marketing department of an organization is responsible for facilitating relationships, partnerships and alliances with the organization's customers, its shareholders, its suppliers and other organizations.

Page: 7, figure 1-1

Learning Objective: 1

26. Which of the following statements about marketing activities is true?

- a) Marketing is affected by society and in return affects society as a whole
- b) The marketing department works closely with other departments and employees to implement marketing activities
- c) Marketing activities provide the customer-satisfying products required for the organization to survive and prosper
- d) Environmental factors affect marketing activities
- e) All of the above statements about marketing activities are true

Ans: e

Feedback: 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 (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. Environmental 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.

Page: 7, 8

Learning Objective: 1

27. The four outside groups that exert important direct influences on an organization consist of _____.

- a) politicians, regulators, minority groups and consumer monitoring groups
- b) competitors, industry trade associations, non-profit organizations and governmental agencies, such as the EPA and FTC
- c) senior management, the legal department, the marketing department and other employees of the organization
- d) other organizations, suppliers, shareholders (owners) and customers
- e) owners, employees, regulatory groups and competitors

Ans: d

Feedback: The marketing department of an organization is responsible for facilitating relationships, partnerships and alliances with the organization's customers, its shareholders, its suppliers and other organizations.

Page: 7

Learning Objective: 1

28. Which of the following conditions is necessary for marketing to occur?

- a) A physical location for an exchange to occur
- b) A tangible exchange
- c) Advertising to express unrealized needs
- d) Two or more parties with unsatisfied needs

e) All of the above

Ans: d

Feedback: For marketing to occur, at least four factors are required: (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.

Page: 7, 8

Learning Objective: 1

29. Which of the following conditions must exist in order for marketing to occur?

- a) Two or more people, a method of assessing needs, a way to communicate and an exchange
- b) Two or more people, a product, a reasonable price and a place to make an exchange
- c) Two or more parties with unsatisfied needs, a desire and ability to satisfy them, a way to communicate and something to exchange
- d) Two or more parties with unsatisfied needs, a desire to satisfy them, a satisfactory product and something to exchange
- e) A product, a price, a method of promotion, and a way to place the product with the customer

Ans: c

Feedback: For marketing to occur, at least four factors are required: (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.

Page: 7, 8

Learning Objective: 1

30. Your neighbor is tired of conventional soft drinks and wants something different.

Coincidentally, Cadbury Beverages, Inc. has begun distributing Country Time lemonade through the supermarket at a price comparable to that of soft drinks. Which of the conditions needed for marketing to occur is described in this situation?

- a) The creation of unrealized needs
- b) Two parties with unsatisfied needs
- c) One-way communication
- d) A physical location for an exchange to take place
- e) Time and place utility

Ans: b

Feedback: For marketing to occur there must be (1) two or more parties (organizations or individuals) with unsatisfied needs, (2) a desire and an ability to satisfy them, (3) a way for the parties to communicate and (4) something to exchange. In this example, the needs are: the consumer desires a new beverage and Cadbury wishes to sell one.

Page: 7, 8

Learning Objective: 1

31. You have developed a desire for information about how computer and telecommunications are interacting to reshape the workplace and you don't know that Asia Computer Weekly magazine exists. Several copies of Asia Computer Weekly magazine are on the shelf at your nearest bookstore, waiting to be purchased. Which of the conditions needed for marketing to occur is described in this situation?

- a) Two or more parties have unsatisfied needs
- b) A desire to satisfy your need for information does not exist
- c) There is nothing to exchange
- d) There is no way for the parties involved to communicate

e) There has been no assessment of consumers' wants and needs

Ans: a

Feedback: For marketing to occur there must be (1) two or more parties (organizations or individuals) with unsatisfied needs, (2) a desire and an ability to satisfy them, (3) a way for the parties to communicate and (4) something to exchange. This is an example of two parties with unmet needs: you, with a need for technology-related information and your bookstore owner, needing someone to buy a copy of ComputerWorld.

Page: 8, 9

Learning Objective: 1

32. A student would like to buy a sports car from the local dealer, but she cannot afford one.

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 to communicate
- e) there has been no assessment of consumer wants and needs

Ans: c

Feedback: For marketing to occur there must be (1) two or more parties (organizations or individuals) with unsatisfied needs, (2) a desire and an ability to satisfy them, (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 to participate in the marketing activity, which is to buy the sports car.

Page: 7, 8

Learning Objective: 1

33. Suppose you are a college student taking a full course load, working 20 hours per week and finding it necessary to fund a portion of your tuition and living expenses with a student loan. However, you see a Lexus sports coupe and desperately would like to own one. What factor(s) are most likely to prevent you from engaging in a marketing transaction?

- a) The local Lexus dealer does not have any sports coupes in stock
- b) You do not have the resources to qualify for a \$50,000 auto loan to purchase the car
- c) You do not have the time to get to the Lexus dealer because of your class, work and study schedule
- d) You can't get to the Lexus dealer easily since it is not on a bus route
- e) All of the above are likely to prevent you from engaging in a marketing transaction

Ans: b

Feedback: For marketing to occur there must be (1) two or more parties (organizations or individuals) with unsatisfied needs, (2) a desire and an ability to satisfy them, (3) a way for the parties to communicate and (4) something to exchange. In this example the most likely factor preventing you from engaging in a marketing transaction is that you do not have the resources to qualify for a loan to purchase the car.

Page: 7, 8

Learning Objective: 1

34. Candidates are running for office and would very much like to have your vote. They all promise that they will "make the country better". You don't trust any politicians and decide not to vote at all. 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) a way for the parties to communicate is missing
- d) something to exchange is missing
- e) all of the above are true

Ans: b

Feedback: For marketing to occur there must be (1) two or more parties (organizations or individuals) with unsatisfied needs, (2) a desire and an ability to satisfy them, (3) a way for the parties to communicate and (4) something to exchange. In this example, you don't have the desire to vote, though the politicians would like your vote in exchange for their promise to "make the country better".

Page: 8

Learning Objective: 1

35. The Hotel Westin in Singapore is next to Raffles City, a vast shopping mall. The hotel wants to market its location and many other amenities to convention-goers from other states. What requirements will be needed for marketing to occur?

- a) A way to communicate with convention attendees
- b) Something to exchange
- c) Two or more parties with unsatisfied needs
- d) Desire and ability to satisfy unmet needs
- e) All of the above

Ans: e

Feedback: For marketing to occur there must be (1) two or more parties (organizations or individuals) with unsatisfied needs, (2) a desire and an ability to satisfy the needs, (3) a way for the parties to communicate and (4) something to exchange. Hotel Westcourt will need to show the convention-goers that they have unsatisfied needs that the Hotel can fulfill and the attendees have the ability to purchase. The hotel will likely communicate this via advertising to these people within the mall. If the hotel is successful, the attendees will purchase products and/or services from the hotel using cash, check, credit or, other forms of payment.

Page: 7, 8

Learning Objective: 1

36. An economics student would like to buy a mini-scooter, but she cannot afford one. Which of the following reasons explain why marketing fails to occur here?

- a) Two or more parties with unsatisfied needs are missing
- b) A desire to satisfy needs is missing
- c) No assessments of consumer wants and needs have been made
- d) A way to communicate is missing
- e) The ability to satisfy needs is missing

Ans: e

Feedback: The student has the desire but not the ability (because she doesn't have the money) to participate in the marketing activity, which is to buy the mini-scooter.

Page: 7, 8

Learning Objective: 1

37. The text explains that the two central concerns of marketing are _____.

- a) market share and customer satisfaction
- b) discovering and satisfying needs
- c) promotion and sales
- d) maximizing an organization's sales and products
- e) needs and wants

Ans: b

Feedback: Marketing seeks to (1) discover the needs of prospective customers and (2) satisfy those needs.

Page: 8, 9

Learning Objective: 2

38. The first objective in marketing is to _____.

- a) discover the needs of prospective consumers
- b) discover the needs of competitors
- c) discover the needs of sellers
- d) satisfy the needs of regulators
- e) satisfy the desires of various segments

Ans: a

Feedback: Marketing seeks to (1) discover the needs of prospective customers and, (2) satisfy those needs.

Page: 8, 9

Learning Objective: 2

39. The first objective in marketing is to discover consumer _____.

- a) diversity
- b) ability to pay
- c) objectives
- d) needs
- e) synergy

Ans: d

Feedback: Marketing seeks to (1) discover the needs of prospective customers and, (2) satisfy those needs.

Page: 8, 9

Learning Objective: 2

40. Which of the following would be good advice for a marketer who was preparing to launch a new consumer health beverage?

- a) Give the product a lengthy name that explains all of its benefits
- b) Give the product a mysterious name that is unrelated to its benefits to provoke curiosity
- c) Study past product failures
- d) Create unusual packaging that has special shelving requirements
- e) Do all of the above

Ans: c

Feedback: Robert M. McMath, who has studied more than 70,000 new-product launches, has two key suggestions for marketers: (1) focus on what the customer benefit is and, (2) learn from the past.

Page: 9, 10

Learning Objective: 2

41. When should a marketer make a careful study of product failures?

- a) When preparing to launch a new product
- b) After a new product has failed to meet sales predictions
- c) When repositioning a well-known brand
- d) When looking for a new market for an existing product
- e) In any or all of the above conditions

Ans: a

Feedback: Robert M. McMath, who has studied more than 70,000 new-product launches, has two key suggestions for marketers: (1) focus on what the customer benefit is and, (2) learn from the past.

Page: 9, 10

Learning Objective: 2

42. To avoid new-product failure, Robert McMath, a new-product expert, suggests

- a) a nationwide rollout of the product
- b) a thorough study of non-competitors
- c) a focus on customer benefits and an examination of the past
- d) an in-depth discussion with a futurist
- e) all of the above

Ans: c

Feedback: Robert M. McMath, who has studied more than 70,000 new-product launches, has two key suggestions for marketers: (1) focus on what the customer benefit is and, (2) learn from the past.

Page: 9, 10

Learning Objective: 2

43. Which of the following statements best defines needs and wants?

- a) Needs occur when a person feels physiologically deprived of something and, wants are determined by a person's knowledge, culture or, personality
- b) Wants are a subset of needs
- c) Wants occur when a person feels physiologically deprived of something and needs are determined by a person's knowledge, culture or, personality
- d) Needs affect marketing, but wants do not
- e) By definition, wants are more socially responsible than needs

Ans: a

Feedback: Even though not everyone's needs are the same, needs occur when a person feels physiologically deprived of something such as clothes, food or, shelter. A want is a felt need that is shaped by a person's knowledge, culture or, individual personality.

Page: 10, 11

Learning Objective: 2

44. A television advertisement shows several teenagers searching through the refrigerator for something to quench their thirst. The refrigerator offers the youngsters many alternatives—soft drinks, fruit drinks, sport drinks and, bottles of Sunny Delight drink. The ad, which shows the teens happily selecting Sunny Delight over all the other product offerings, appeals to the consumers' _____ for liquid and attempts to shape consumers' _____ for the advertised product.

- a) wants; needs
- b) wants; preferences
- c) preferences; needs
- d) needs; wants
- e) needs; preferences

Ans: d

Feedback: A need occurs when a person feels physiologically deprived of a basic necessity (i.e., food, water, clothing and, shelter). A want is a felt need that is shaped by a person's

knowledge, experience, culture or, personality. A need is necessary; a want is a learned preference for a specific item that satisfies the consumer's need.

Page: 10, 11

Learning Objective: 2

45. Cara has had her current cell phone for 1 year. She saw the iPhone and decided it was perfect for her. The ads she read in magazines and saw on TV pointed out the terrific advantages of the iPhone over her current phone. Based on this information Cara most likely has a(n) _____ for the iPhone.

- a) requirement
- b) value
- c) idea
- d) use
- e) want

Ans: e

Feedback: A need occurs when a person feels physiologically deprived of a basic necessity (i.e., food, water, clothing and, shelter). A want is a need that is shaped by a person's knowledge, experience, culture or, personality. A need is necessary; a want is a learned preference for a specific item that satisfies the consumer's need.

Page: 10, 11

Learning Objective: 2

46. If you feel hungry, marketers would say you most likely have developed a _____ to eat something.

- a) requirement
- b) need
- c) idea
- d) craving
- e) possibility

Ans: b

Feedback: If you feel hungry, you have developed a basic need and desire to eat something. You then want to eat an apple or a candy bar because, based on your past experience and personality, you know these will satisfy your hunger need.

Page: 10, 11

Learning Objective: 2

47. According to a recent study, more than ____% of drivers who have a mobile phone admitted to using it while driving.

- a) 10%
- b) 20%
- c) 30%
- d) 40%
- e) 50%

Ans: e

Feedback: This high rate of mobile phone usage while driving is a social concern which should be addressed by mobile phone manufacturers and marketers.

Page: 12

Learning Objective: 2

48. A Swiss study using a mobile phone while driving increases the risk of an accident by _____ times.

- a) 100
- b) 200
- c) 300
- d) 400
- e) 500

Ans: c

Feedback: This is a serious problem which mobile phone marketers should address in the process of marketing their products.

Page: 11

Learning Objective: 2

49. The term market is best defined as _____.

- a) people with a need and a want for a product
- b) organizations with the need and desire for a product
- c) organizations with products which satisfy people's needs and wants
- d) people with the desire and ability to buy a specific product
- e) people with the desire and the need for a product

Ans: d

Page: 11, 12

50. The market for cosmetic dentistry (which can cost \$15,000 for straightening and whitening) is _____.

- a) children with crooked teeth
- b) all former smokers
- c) any adult who has the time, the money and, the desire to undergo the procedures
- d) anyone that has ever had any plastic surgery
- e) adults who rely on making a good first impression for job success

Ans: c

Feedback: Potential customers make up a market, which is people with both the desire and the ability to buy a specific product, in this case any adult who has the time, the money and, the desire to undergo the procedures.

Page: 11, 12

Learning Objective: 2

51. In marketing, the most common meaning of market is _____.

- a) a store that sells groceries
- b) any place consumers can buy things
- c) a particular line of products or specific line of merchandise for sale
- d) a group of companies that have goods for sale
- e) people with the desire and with the ability to buy a specific product

Ans: e

Page: 11, 12

Learning Objective: 2

52. All markets ultimately are composed of _____.

- a) people
- b) brands
- c) products

- d) organizations
- e) reference groups

Ans: a

Page: 11, 12

Learning Objective: 2

53. Marketing discovers consumer needs by _____.

- a) using the marketing program
- b) using the 4 Ps
- c) using extensive research
- d) advertising
- e) promotion

Ans: c

Feedback: According to Figure 1-2 marketing seeks first to discover consumer needs through extensive research on them. It then seeks to satisfy those needs by successfully implementing a marketing program possessing the right combination of the marketing mix—the four Ps.

Page: 12, 13

Learning Objective: 2

54. Sound and Cinema is a company that will turn an ordinary basement into a home theater. It advertises in publications that are mailed to homeowners in subdivisions in which the least expensive home costs \$550,000. These homeowners are the _____ for Sound and Cinema.

- a) mass market
- b) tangent market
- c) market aggregation
- d) target market
- e) promotional market

Ans: d

Feedback: A target market is a specific group of potential consumers toward which an organization directs its marketing program, in this case the homeowners.

Page: 12

Learning Objective: 2

55. Kraft produces Lunchables, a prepackaged meal usually consisting of several crackers, small slices of meat and, small slices of cheese. Some versions contain Capri Sun drinks. Others are called "Cracker Stackers" and "Fun Fuel". The box is bright yellow and the quantity of food contained within is small. The target market for Kraft Lunchables is most likely _____.

- a) moms of school-age children
- b) business people looking for a quick snack
- c) business travelers
- d) teenagers
- e) seniors

Ans: a

Feedback: A target market is a specific group of potential consumers toward which an organization directs its marketing program. In this case Lunchables is targeted toward moms of school-age children to be used for the children's lunch.

Page: 13

Learning Objective: 2

56. One or more specific groups of potential consumers toward which an organization directs its marketing program is a _____.

- a) mass market
- b) tangent market
- c) market aggregation
- d) target market
- e) promotional market

Ans: d

Page: 12

Learning Objective: 2

57. Which of the following would be the BEST the target market for tickets to the home games of FC Tokyo professional football team?

- a) All people in the Tokyo area
- b) All people in Japan
- c) All men in Japan
- d) People in the Tokyo area with an interest in professional football
- e) All people in Japan with an interest in professional football

Ans: d

Feedback: Only alternative d describes people with both the desire and ability to easily attend games in Tokyo, FC Tokyo's target market for home games.

Page: 12, 13

Learning Objective: 2

58. Which of the following is the BEST description of the target market for the latest Disney animated movie?

- a) Everyone who can afford to buy a movie ticket
- b) Everyone who likes movies
- c) Professionals who are parents of children between the ages of 6 and 12
- d) People who collect movie memorabilia
- e) People who live near a movie theater

Ans: c

Feedback: Alternative c best describes people with the ability and the desire to attend the Disney movie.

Page: 12, 13

Learning Objective: 2

59. Which of the following groups should be the LEAST likely target market for a company producing canned foods in single serving sizes?

- a) Single adults
- b) School kitchens
- c) Campers
- d) Senior citizens
- e) Vending machine owners

Ans: b

Feedback: Of the possible markets listed above single serving cans meet a special need for singles, campers, senior citizens and, vending machines, the need being small, compact servings. School kitchens traditionally serve large quantities of food so the small size, though it could be used, would not satisfy a specific need.

Page: 12, 13

Learning Objective: 2

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

- a) Police officers
- b) Executives
- c) Construction workers
- d) Postal workers
- e) Students

Ans: b

Feedback: Any of the people in the alternatives could use a briefcase. However, as a group, executives would include the greatest number of people with the greatest regular need for a briefcase. Executives would also likely have the ability to purchase one of these briefcases.

Page: 12, 13

Learning Objective: 2

61. Which of the following groups would be the most likely target market for the Toyota Highlander fuel hybrid SUV?

- a) Young single people
- b) People concerned with fuel efficiency
- c) People who want to drive SUVs
- d) People who want to drive fuel-efficient SUVs
- e) Retirees

Ans: d

Feedback: Any of the people in the alternatives could drive a fuel-hybrid SUV. However, as a group, people who want to drive fuel-efficient SUVs are the most likely target market.

Page: 12, 13

Learning Objective: 2

62. A local university offers business courses for a specific target market composed of people who are currently working who want to take refresher courses or work toward further degrees. 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 in the local newspaper

Ans: e

Feedback: Alternatives a, b and, d would miss the target market. Alternative c would reach many people not in the target market and is thus too costly per exposure. Alternative e is the most effective and economical of the alternatives.

Page: 12, 13

Learning Objective: 2

63. The factors under a marketing manager's control—price, product, promotion and, place—are called _____.

- a) environmental factors

- b) the marketing program
- c) the marketing mix
- d) the marketing concept
- e) the four utilities

Ans: c

Page: 12, 13

Learning Objective: 3

64. The four Ps are commonly known as _____.

- a) the environmental or uncontrollable factors
- b) the environmental or controllable factors
- c) the marketing mix or controllable factors
- d) the marketing mix or uncontrollable factors
- e) product, price, promotion and, process

Ans: c

Page: 12, 13

Learning Objective: 3

65. Which of the following would a marketer use as a synonym for controllable marketing mix factors?

- a) The five external environmental forces
- b) Macromarketing forces
- c) The five Cs
- d) The four Ps
- e) Price, product, production and, promotion

Ans: d

Page: 12, 13

Learning Objective: 3

66. The four Ps of the marketing mix are _____.

- a) personnel, priorities, placement and, profits
- b) promotion, product, personnel and, place
- c) product, place, production and, promotion
- d) product, promotion, price and, place
- e) profitability, productivity, personnel and, packaging

Ans: d

Feedback: The four Ps are the marketing manager's controllable factors that can be used to solve a marketing problem.

Page: 12, 13

Learning Objective: 3

67. Jakubowski Farms Gourmet Bread Base is the brand name for a mix designed for use in bread machines. The mixes are sold in 2-pound canisters for \$14. 99 plus postage. The products are only available through the mail. People learn about the product through word-of-mouth and through bread machine demonstrations the company's founder gives to groups in the area of Wisconsin where she lives. This is a description of the company's _____.

- a) action plan
- b) market segmentation strategy
- c) mission statement
- d) marketing mix

e) target market

Ans: d

Feedback: The bread mix is the product. The place is through the mail. The price is \$14. 99 plus postage. The promotion is word-of-mouth and public demonstrations. These four factors are the marketing mix—product, place, price and, promotion.

Page: 121, 13

Learning Objective: 3

68. The owners of Old School Brand Authentic Antique Foods researched Civil War records to come up with recipes used in the old-fashioned cookies the company produces and markets. This statement deals with which part of the marketing mix?

- a) Product
- b) Process
- c) Price
- d) Place
- e) Promotion

Ans: a

Feedback: A product is a good, service or, idea to satisfy consumer needs, so a cookie is an example of a product.

Page: 12, 13

Learning Objective: 3

69. Which element of the marketing mix is demonstrated when the Mars Company has a sale on M&Ms® brand candies?

- a) Product
- b) Price
- c) Promotion
- d) Place
- e) Production

Ans: b

Feedback: The price is what is exchanged for the product, in this case the sale lowers the price of the product.

Page: 12, 13

Learning Objective: 3

70. The owners of Old School Brand Authentic Antique Foods researched Civil War records to come up with recipes for the old-fashioned products they market. Concern about the _____ element of the marketing mix would make them eager to be featured in an upcoming edition of Taste of Home magazine.

- a) product
- b) price
- c) promotion
- d) place
- e) production

Ans: c

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

Page: 12, 13

Learning Objective: 3

71. The element of the marketing mix demonstrated when a company places an ad in the Yellow Pages is _____.

- a) product
- b) price
- c) promotion
- d) place
- e) process

Ans: c

Feedback: Promotion is a means of communication between the seller and buyer, such as Yellow Pages advertising.

Page: 12, 13

Learning Objective: 3

72. The element of the marketing mix demonstrated when an art gallery suggests a \$2. 00 donation at the door is _____.

- a) product
- b) price
- c) promotion
- d) place
- e) production

Ans: b

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

Page: 12, 13

Learning Objective: 3

73. To attend the winter concert presented by the community chorus, every person had to donate one unwrapped toy at the concert hall door. This statement is most closely related to the _____ element of the marketing mix.

- a) product
- b) process
- c) price
- d) place
- e) promotion

Ans: c

Feedback: 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.

Page: 12, 13

Learning Objective: 3

74. The element of the marketing mix demonstrated when a newspaper carrier throws a paper on the front porch is _____.

- a) product
- b) price
- c) promotion
- d) place
- e) process

Ans: d

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

Page: 2, 13

Learning Objective: 3

75. 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

Ans: d

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

Page: 12, 13

Learning Objective: 3

76. With today's cell phones, you can watch the news, shoot videos, check the internet, take pictures and, listen to music. Because of these new features, consumers may want to replace their existing phone with a new model or brand. This increase in demand is in part due to changes in _____, an environmental force.

- a) the competitive landscape
- b) social forces
- c) technology
- d) regulations
- e) the economy

Ans: c

Feedback: The environmental forces in a marketing decision are the uncontrollable factors involving social, economic, technological, competitive and, regulatory forces.

Page: 12, 13

Learning Objective: 3

77. Forces that are largely beyond the control of the marketing department and its organization are called _____.

- a) the four Ps
- b) the marketing mix
- c) controllable factors
- d) environmental factors
- e) utilities

Ans: d

Feedback: The environmental forces in a marketing decision are the uncontrollable factors involving social, economic, technological, competitive and, regulatory forces.

Page: 12, 13

Learning Objective: 3

78. The five major environmental forces considered in marketing are _____.

- a) air, water, soil, mineral and, gas
- b) consumer, retailer, manufacturer organization and, society as a whole
- c) product, price, promotion, place and, process
- d) social, technological, economic, competitive and, regulatory
- e) natural resources, weather, social awareness, economic factors and, regulation

Ans: d

Page: 12, 13

Learning Objective: 3

79. Which of the following statements about environmental forces is true?

- a) Environmental forces may restrict an organization's opportunities
- b) Environmental forces may expand an organization's opportunities
- c) Environmental forces are also called uncontrollable factors
- d) Environmental forces include social, economic, technological, competitive and, regulatory forces
- e) All of the above statements about environmental forces are true

Ans: e

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

Page: 12, 13

Learning Objective: 3

80. Which of the following statements describes an environmental force?

- a) Tupperware has more than 200,000 independent contractor dealers who market its entire product line
- b) A car battery comes with a lifetime guarantee
- c) An automobile offers a \$500. 00 rebate
- d) Several Asian countries have legislation requiring children under four to use car seats
- e) A major bottler offers a 10-cent refund on returnable bottles

Ans: d

Feedback: Alternative d describes a regulatory environmental force. It would have a positive effect for manufacturers of car seats. It might have negative (costly) effect for day care centers providing transportation since they would have to purchase car seats for all children in their care under the age of four.

Page: 13

Learning Objective: 3

81. Which of the following environmental force(s) could have caused Honda to decide to build a manufacturing plant in Thailand instead of continuing to export their cars from Japan?

- a) A growing trend in the Thailand to "Buy Thai"
- b) The success of Toyota in manufacturing Camry in Bangkok
- c) A decline in the value of the Thai Baht relative to the Japanese yen
- d) Increased pressure from Thai politicians for more restrictive quotas on Japanese car imports
- e) All of the above

Ans: e

Feedback: The identified examples represent in order social, competitive, economic and, regulatory uncontrollable or environmental forces that are not controllable by Honda but could influence its decision to build a plant in Thailand.

Page: 12, 13

Learning Objective: 3

82. Government legislation restricting Internet alcohol sales would affect on-line sellers such as Virtual Vineyards. For Virtual Vineyards, this legislation would be an example of a(n) _____ force.

- a) environmental
- b) promotional

- c) process
- d) price
- e) technological

Ans: a

Feedback: Government regulation is generally considered to be one of the uncontrollable or environmental forces that include social, technological, economic, competitive and, regulatory forces.

Page: 12, 13

Learning Objective: 3

83. After years of resistance, the People's Republic of China finally allowed Coca-Cola to import soft drinks into the country. The import restriction was an example of what is called in marketing an uncontrollable or, _____ force because it relates to forces outside the marketing company.

- a) environmental
- b) technological
- c) epistemological
- d) heuristic
- e) synergistic

Ans: a

Feedback: Government regulation is generally considered to be one of the uncontrollable or environmental forces that include social, technological, economic, competitive and, regulatory forces.

Page: 12, 13

Learning Objective: 3

84. Many large consulting firms are beginning to sponsor "women-only" networking events. The purpose of these events is to offer an opportunity for women in management to network with other women, either clients or mentors/protégés. This is an example of how _____, an environmental force is impacting the work environment.

- a) economics
- b) social trends
- c) technology
- d) competitive forces
- e) legal forces

Ans: b

Feedback: There are increasing numbers of women in the workforce, a social trend. These networking events help women who are advancing up the corporate ladder to become connected to other women in business.

Page: 12, 13

Learning Objective: 3

85. 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 called _____.

- a) target marketing
- b) benefit segmentation
- c) customer value
- d) customer satisfaction
- e) product dissonance

Ans: c

Page: 13, 14

Learning Objective: 4

86. If you ever talk to anyone who has flown on Singapore Air, you will no doubt hear that individual praise the food that was served during the flight, the friendliness of the air stewards and, the comfortable surroundings. From this description, you can surmise Singapore Air creates customer value by providing its customers with _____.

- a) the best service
- b) the most convenient flight schedules
- c) the best price
- d) the best airport experience
- e) all of the above

Ans: a

Feedback: Outstanding customer value is delivered through the implementation of one of three value strategies—best price, best value or, best service. Note that this question does not consider price or flight schedules.

Page: 13-15

Learning Objective: 4

87. Customer value emphasizes which of the following?

- a) Convenience
- b) Price
- c) Quality
- d) Service (before-sale and after-sale)
- e) All of the above

Ans: e

Feedback: 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.

Page: 13-15

Learning Objective: 4

88. Which of the following statements about customer value is most true?

- a) Firms gain loyal customers by providing unique value
- b) Loyal customers are less profitable
- c) Research suggests that all firms can provide value to everyone
- d) It is impossible to place a dollar value on a loyal, satisfied customer
- e) One of the three major value strategies is best delivery

Ans: a

Feedback: That firms gain loyal customers by providing unique value is the essence of successful marketing.

Page: 13-15

Learning Objective: 4

89. _____ links the organization to its individual customers, employees, suppliers and other partners for their mutual long-term benefits.

- a) A marketing chain
- b) Holistic marketing
- c) Synergistic marketing

- d) Relationship marketing
- e) Responsive marketing

Ans: d

Page: 14

Learning Objective: 4

90. In the nonprofit world of the performing arts, box office technology has essentially remained the same since the 1980s. A company named Tessitura is trying to change that. Tessitura is able to track every transaction with patrons on one database—from tickets and fund-raising to volunteering and gift shop purchases. This technology will allow arts groups to develop detailed customer profiles, which helps symphonies, operas and, theaters tailor their sales pitches to individuals. In other words, Tessitura is going to allow arts groups to engage in _____.

- a) market aggregation
- b) relationship marketing
- c) industry reciprocity
- d) customer aesthetics
- e) none of the above

Ans: b

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

Page: 14

Learning Objective: 4

91. Accenture LLP is a global partner-services of SAP, a leading vendor of ERP (enterprise resource planning) business software. These two organizations hope to benefit from _____.

- a) relationship marketing
- b) competition
- c) the 80/20 principle
- d) customer valuation
- e) a marketing chain

Ans: a

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

Page: 14

Learning Objective: 4

92. 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. This is an example of _____.

- a) relationship marketing
- b) marketing entropy
- c) the 80/20 principle
- d) customer valuation
- e) a marketing chain

Ans: a

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

Page: 14

Learning Objective: 4

93. Which of the following statements about relationship marketing is most true?

- a) Relationship marketing has a short-term focus on increasing profits
- b) Relationship marketing is easy to implement
- c) Relationship marketing is more effective when there is a personal, ongoing relationship between individuals in the selling and buying organizations
- d) Very few companies today are engaged in relationship marketing
- e) The Internet is an ideal forum for relationship marketing

Ans: c

Feedback: Relationship marketing is more effective when there is a personal, ongoing relationship between individuals in the selling and buying organizations. One of the characteristics of relationship marketing is its long-term focus. Relationship marketing is difficult to implement. Many companies use relationship marketing. It is difficult to engage in relationship marketing on the Internet because it lacks the personal touch.

Page: 14

Learning Objective: 4

94. Which of the following businesses is LEAST likely to be able to engage in relationship marketing?

- a) A beach shop that sells tourist mementos
- b) A local restaurant that specializes in home cooking
- c) A convenience store
- d) A movie theater
- e) A veterinarian

Ans: a

Feedback: Alternatives b, c, d and, e describe businesses that can count on multiple visits from its customers. It is unlikely that a tourist would make more than one or two visits to a shop selling items for the tourist market, thus it would be nearly impossible to engage in relationship marketing between the shop and the tourist.

Page: 14

Learning Objective: 4

95. Which of the following acts as a barrier to the development of relationship marketing?

- a) The large number of one-to-one relationships customers are asked to sustain
- b) The large number of products on the market
- c) The increasing number of retail stores that are closing
- d) The changing regulatory environment
- e) Diluted cultural diversity

Ans: a

Feedback: Researchers observe that the number of one-on-one relationships that companies ask consumers to maintain is untenable.

Page: 14-15

Learning Objective: 4

96. Which of the following acts as a barrier to the development of relationship marketing?

- a) Changes in the demographic nature of society

- b) The ever-increasing usage of the Internet for consumer purchases
- c) The onset of new cultural traditions
- d) A population with a median age of 50
- e) Recent terrorists' activities

Ans: b

Feedback: With today's Internet purchases, you will probably have difficulty achieving the same personal, tender-loving-care connection that you once had with your own special book or music store.

Page: 14-15

Learning Objective: 4

97. 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 program
- d) micromarketing program
- e) sales promotion

Ans: b

Page: 14-16

Learning Objective: 4

98. 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) marketing program
- c) macromarketing program
- d) micromarketing program
- e) marketing concept

Ans: b

Feedback: 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.

Page: 14-16

Learning Objective: 4

99. After discovering consumers' needs, marketing's next task is to _____.

- a) create a target market mission statement
- b) determine consumer demographics
- c) translate information about consumer needs into products that stimulate further discovery of consumer needs
- d) design product prototypes
- e) develop a value strategy

Ans: c

Feedback: A marketing program is defined as a plan that integrates the marketing mix to provide a good, service or, idea to prospective buyers. Consumer needs trigger product concepts that are translated into actual products that stimulate further discovery of consumer needs.

Page: 15-17

Learning Objective: 4

100. Singapore Airlines get to know their customers and understand their needs and wants by _____.

- a) get feedback from a random sample of passengers in its flights
- b) carefully study benchmarking studies carried out by International Air Transport A Association
- c) send out researchers to check on competitors' airlines and their flights
- d) track and analyzes all the feedback it receives
- e) all of the above

Ans: e

Feedback: Singapore Airlines uses diverse methods to get to know their customers and their needs and wants.

Page: 15

Learning Objective: 2

101. Singapore Airlines get ahead of competitors by _____.

- a) focusing on the basic functionality of air travel
- b) negotiating aggressively for landing rights in major cities and countries
- c) buying new planes and selling older planes
- d) examining the current lifestyles of customers and trying to anticipate their future lifestyles
- e) focusing on branding and utilizing the concept of the Singapore Girl

Ans: d

Feedback: Understanding customer needs and wants and anticipating their future requirements is key to achieving competitive advantages.

Page: 16

Learning Objective: 2

102. To better understand its customers, what main action is carried out by Singapore Airlines?

- a) Treat all its customers as one group and do extensive research on them.
- b) Divide its customers into three groups and examine the different needs and wants of each group
- c) Purchase surveys undertaken by International Air Transport Association on passenger behaviors of all groups
- d) Focus on business customers and do regular focus groups on them
- e) Focus on frequent travelers and examine its database of these travellers

Ans: b

Feedback: This is the practice of differentiated marketing and involves examining different customer groups separately to understand their different needs and wants better and then assembling different marketing mixes for each group.

Page: 16

Learning Objective: 4

103. Singapore Airlines adopt which core strategy?

- a) Differentiation
- b) Mass
- c) Niche
- d) Cost Leadership

e) Focus

Ans: a

Feedback: Singapore Airlines adopt the differentiation strategy under the generic strategy framework developed by Michael Porter.

Page: 16

Learning Objective: 4

104. Which of the following with regard to Singapore Airlines' air stewardesses is true?

- a) They have to get their supervisors' approval before attending to customers' special requests
- b) They have to follow strict standard operating procedures
- c) They are given the authority to make decisions and take actions in relation to customers' requests or complaints
- d) They are trained to gently tell customers 'no' for difficult requests
- e) They are young and so more easily trained to follow orders

Ans: c

Feedback: Singapore Airlines stewardesses are given discretion and empowerment to do their job. This is one reason for their service excellence.

Page: 16

Learning Objective: 4

105. Singapore Airlines believe non-stop direct flights appeal more to which group of travelers?

- a) Business travelers
- b) Individual leisure travelers
- c) Group tour travelers
- d) Students
- e) Retired

Ans: a

Feedback: Business travellers will benefit most from non-stop direct flights and they will be most willing to pay more for such flights (since they can get their company to pay for business trips).

Page: 17

Learning Objective: 4

106. For group tours, Singapore Airlines should focus their marketing and selling efforts on _____.

- a) students
- b) young people
- c) retired people
- d) travel agents
- e) government departments

Ans: d

Feedback: End consumers usually book group tours through travel agents, so airlines should focus their marketing efforts on travel agents.

Page: 17-18

Learning Objective: 4

107. 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 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 business history.

- a) production
- b) sales
- c) marketing concept
- d) societal marketing concept
- e) market orientation

Ans: a

Feedback: In the production era in business history goods were scarce and buyers were willing to accept virtually any goods that were produced and make do with them as best they could. The central notion was that products would sell themselves, so the major concern of business firms was production, not marketing.

Page: 19

Learning Objective: 5

108. During the _____ era in U.S. business history, the primary function of the Pillsbury Company was to mill quality flour.

- a) production
- b) sales
- c) marketing concept
- d) societal marketing concept
- e) market orientation

Ans: a

Feedback: Robert Keith, a Pillsbury president, described his company at this stage: "We are professional flour millers. ...Our basic function is to mill quality flour. "This sort of thinking typified the production era.

Page: 19

Learning Objective: 5

109. Although it was thought in the 19th century that production creates its own demand, by the early 20th century American, European and Japanese companies began to produce more goods than their regular buyers could consume. At the same time, competition became more significant; the usual solution was to hire more salespeople to find new buyers. This describes the _____ era.

- a) product
- b) production
- c) sales
- d) marketing concept
- e) market orientation

Ans: c

Feedback: During the sales era many firms discovered that they could produce more goods than their regular buyers could consume. Competition grew. The usual solution was to hire more salespeople to find new buyers.

Page: 19

Learning Objective: 5

110. During and after World War II, Matsushita had to compete with Sanyo and foreign producers for orders of products such as electrical components and appliances. While demand kept up with production at first, sales force was needed to sell excess product to

manufacturing companies in the area. This is a good example of behavior one would expect in the _____ era of Japan's business history.

- a) marketing concept
- b) market orientation
- c) production
- d) sales
- e) societal marketing concept

Ans: d

Feedback: During the sales era many firms discovered that they could produce more goods than their regular buyers could consume. Competition grew. The usual solution was to hire more salespeople to find new buyers.

Page: 19

Learning Objective: 5

111. Which of the following statements is the primary reason that explains why Japanese and Asian businesses moved from the production era to the sales era?

- a) The population was moving away from urban areas
- b) There were too many customers to serve
- c) Competition grew and the production of goods increased
- d) Advertising was becoming a major marketing force
- e) Technology was in a dormant stage

Ans: c

Feedback: During the production era firms could sell as many products as they could manufacture. However, during the sales era many firms discovered that they could produce more goods than their regular buyers could consume. Competition grew. The usual solution was to hire more salespeople to find new buyers.

Page: 19

Learning Objective: 5

112. Imagine a confectionary company has introduced a new nutty candy bar during the 1930s. 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 forget the whole thing
- 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

Ans: c

Feedback: During the sales era many firms discovered that they could produce more goods than their regular buyers could consume. Competition grew. The usual solution was to hire more salespeople to find new buyers.

Page: 18

Learning Objective: 5

113. The period of Japanese business history when firms could produce more than they could sell and the focus was on hiring more salespeople to seek out new markets and customers was the _____ era.

- a) marketing concept
- b) production

- c) sales
- d) societal marketing concept
- e) consumerism

Ans: c

Feedback: During the sales era, many firms discovered that they could produce more goods than their regular buyers could consume. Competition grew. The usual solution was to hire more salespeople to find new buyers.

Page: 19

Learning Objective: 5

114. The _____ 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.

- a) concept of synergy
- b) marketing concept
- c) principle of consumerism
- d) societal marketing concept
- e) consumer-organizational concept

Ans: b

Page: 19

Learning Objective: 5

115. "We are in the business of satisfying needs and wants of consumers" is a statement that exemplifies what has come to be known as the _____.

- a) hard-sell strategy
- b) soft-sell strategy
- c) sales concept
- d) marketing concept
- e) marketing mix

Ans: D

Feedback: In the 1960s, marketing became the motivating force among many American firms. Then the policy became, "we are in the business of satisfying needs and wants of consumers". This is really a brief statement of what has come to be known as the marketing concept, the idea that an organization should (1) strive to satisfy the needs of consumers (2) while also trying to achieve the organization's goals.

Page: 19

Learning Objective: 5

116. In 1952, General Electric's annual report contained this statement: "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) hard-sell strategy
- b) soft-sell strategy
- c) sales concept
- d) marketing concept
- e) marketing mix

Ans: d

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

Electric: "The concept introduces...Marketing...At the beginning rather than the end of the production cycle and integrates marketing into each phase of the business".

Page: 19

Learning Objective: 5

117. Many companies subscribe to being "green" because they feel that this is valued by the consumer. Yet often in these same firms office computers are left on 24 hours a day, office paper is not recycled and, employees are not encouraged to take public transportation to work. This example indicates it is not always easy for firms to act in accordance with the

- a) marketing concept
- b) marketing mix
- c) organizational strategy
- d) environmental strategy
- e) green strategy

Ans: a

Feedback: 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 carry out policies that will help achieve that goal.

Page: 19-20

Learning Objective: 5

118. Which of the following statements about the marketing concept era is true?

- a) During the marketing concept era, companies tried to satisfy the needs of consumers while also achieving the organization's goals
- b) During the marketing concept era, companies tried to satisfy the wants of the consumer no matter what
- c) During the marketing concept era, companies believed if you produced as much as you can, at the highest quality level, for the lowest price, the product will sell itself
- d) All Asian firms are now operating with a marketing concept era philosophy
- e) The marketing concept era can actually trace its roots to early Greek culture

Ans: a

Feedback: 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.

Page: 19-20

Learning Objective: 5

119. Which of the following terms best describes the marketing concept era?

- a) Production oriented
- b) Sales oriented
- c) Society oriented
- d) Consumer oriented
- e) Competition oriented

Ans: d

Feedback: 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.

Page: 19-20

Learning Objective: 5

120. The Asian business period that attempts to satisfy consumer needs while achieving organizational goals is called the _____ era.

- a) sales
- b) production
- c) marketing concept
- d) societal marketing concept
- e) consumerism

Ans: c

Feedback: In the 1960s, marketing became the motivating force among many Asian firms. The policy of those seeking to satisfy the needs and wants of consumers while achieving organizational goals has come to be known as the marketing concept.

Page: 19-20

Learning Objective: 5

121. Which era of Asian business history does the following statement best describe? "We are in the business of satisfying needs and wants of consumers".

- a) The production era
- b) The sales era
- c) The marketing concept era
- d) The marketing orientation era
- e) The societal marketing era

Ans: c

Feedback: In the 1960s, marketing became the motivating force among many Asian firms. The policy of those seeking to satisfy the needs and wants of consumers while achieving organizational goals has come to be known as the marketing concept.

Page: 19-20

Learning Objective: 5

122. In the period known as the _____ era, General Electric emphasized that marketing ideas are fed into the production cycle before an item is designed, rather than after it is produced.

- a) production
- b) sales
- c) marketing concept
- d) industrial revolution
- e) micromarketing

Ans: c

Feedback: The statement of a firm's commitment to satisfying consumer wants and needs that probably launched the marketing concept appeared in a 1952 annual report of General Electric: "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 statement emphasizes that marketing ideas are fed into the production cycle before an item is designed, rather than after it is produced.

Page: 19-20

Learning Objective: 5

123. Beginning in the 1960s, many companies endorsed the marketing concept and defined the purpose of their business as the creation and retention of satisfied customers.

Implementation of the concept _____.

- a) occurred as a natural outgrowth of that definition of purpose

- b) followed quickly as employees adjusted rapidly to the new orientation
- c) took roughly 3 to 5 years to complete
- d) proved to be very difficult
- e) has not yet been achieved

Ans: d

Feedback: Clearly the marketing concept is a focus on the consumer. Unfortunately, many companies found that actually implementing the concept was very difficult.

Page: 19-20

Learning Objective: 5

124. In the movie, The Tin Men, two rival salesmen engaged in a variety of dishonest and unethical practices in order to sell aluminum siding to homeowners. 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) production
- b) sales
- c) marketing concept
- d) market orientation
- e) societal marketing

Ans: b

Feedback: During the sales era many firms discovered that they could produce more goods than their regular buyers could consume. Competition grew. The usual solution was to hire more salespeople to find new buyers.

Page: 19

Learning Objective: 5

125. An organization that focuses its efforts on continuously collecting information about customers' needs and competitors' capabilities, sharing this information across departments and, using the information to create customer values is said to _____.

- a) stress the societal marketing concept
- b) have a focus on macromarketing
- c) have a nonprofit orientation
- d) have a market orientation
- e) be utilizing consumerism

Ans: d

Feedback: An organization that has a market orientation focuses its efforts on (1) continuously collecting information about customers' needs, (2) sharing this information across departments and, (3) using it to create customer value.

Page: 20

Learning Objective: 5

126. Today's _____ era is one in which firms seek continuously to satisfy the high expectations of customers.

- a) production
- b) sales
- c) marketing concept
- d) customer relationship
- e) green marketing

Ans: d

Feedback: An organization that has a market orientation focuses its efforts on (1) continuously collecting information about customers' needs, (2) sharing this information across departments and, (3) using it to create customer value. The result is today's "customer relationship era", in which firms seek continuously to satisfy the high expectations of customers.

Page: 20

Learning Objective: 5

127. _____ is 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.

- a) Flexible marketing
- b) Database warehouse management
- c) Customer relationship management
- d) Competitive intelligence gathering
- e) Customer orientation

Ans: c

Page: 20

Learning Objective: 5

128. Singapore National Kidney Foundation (SNKF), like many charities is, sitting on a gold mine of donor data. Locked up in its computer and paper files are records of millions of companies, groups and, individuals that have donated in past years. Also like most philanthropic organizations, SNKF was having a rough time using that information efficiently. It could blanket past donors with generic mailings, but it could not offer its donors anything that would make a person donate to it instead of 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 customer-oriented marketing mix

Ans: c

Feedback: 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.

Page: 20

Learning Objective: 5

129. Customer relationship management (CRM) is most closely related to the _____ era in Asian business history.

- a) production
- b) sales
- c) marketing concept
- d) customer relationship
- e) societal marketing

Ans: d

Feedback: Customer relationship management is most closely related to the customer relationship era in U.S. business history because it aids businesses in practicing a market orientation.

Page: 20

Learning Objective: 5

130. As organizations have changed their orientation, society's expectations of marketers have also changed. Today, the emphasis of marketing practice has shifted from _____ to consumers' interests.

- a) social responsibility
- b) government regulation
- c) producers' interests
- d) suppliers' interests
- e) competitive activity

Ans: c

Feedback: As organizations have changed their orientation, society's expectations of marketers have also changed. Today, the standards of marketing practice have shifted from an emphasis on producers' interests to consumers' interests.

Page: 19-20

Learning Objective: 5

131. Social responsibility is _____.

- a) the moral principles and values that govern the actions and decisions of an entire group
- b) the idea that organizations are accountable to a larger society for their actions
- c) actively trying to understand customer needs and satisfying them as well as the firm's goals
- d) seeking greater influence about the quality of products and the amount of information received from sellers
- e) the view that an organization should discover and satisfy the needs of its consumers in a way that also provides for society's well-being

Ans: b

Feedback: While many ethical issues involve only the buyer and seller, others involve society as a whole. Social responsibility is the idea that organizations are accountable to a larger society.

Page: 20-21

Learning Objective: 5

132. 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 a month?

- a) The profit motive
- b) The social responsibility concept
- c) All of the competition does it
- d) Regulations require this
- e) Corporate downsizing

Ans: b

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

Page: 20-21

Learning Objective: 5

133. When Eastman Kodak Company concerns itself with disposal of its film packages in national parks by promoting the slogan "Take only pictures, leave only footprints", it is acting in accordance with _____.

- a) the profit motive
- b) the societal marketing concept
- c) its internal environment
- d) its regulatory environment
- e) corporate downsizing

Ans: b

Feedback: Societal marketing is the view that organizations should satisfy the needs of consumers in a way that provides for society's well-being. Kodak is encouraging national park visitors to dispose of film packages properly, thus protecting the parks and society's greater well-being.

Page: 20-21

Learning Objective: 5

134. 3M innovators developed Scotchbrite® Never Rust Wool Soap Pads from recycled plastic bottles. These soap pads are more expensive than competitors (S.O.S. And Brillo) but also superior to them because Scotchbrite Never Rust Wool Soap Pads don't rust or scratch. This solution _____.

- a) is environmentally friendly, socially responsible and, competitive
- b) provides for society's well-being
- c) increases consumer value
- d) is ethical and socially responsible
- e) is accurately described by all of the above

Ans: e

Feedback: With its innovative product 3M both offsets the costs of recycling and increases consumer value. Thus, consumers have been willing to pay a premium.

Page: 20-21

Learning Objective: 5

135. When you change the oil in your car yourself and dump the used oil down the sewer drain (which flows into the local river) based on this information is, this a transaction between you and the oil manufacturer?

- a) Yes, you paid for the oil and can do as you like with it
- b) Yes, the oil company adds a premium to the price to pay for oil cleanup in the environment
- c) Yes, the oil will stay in the sewer and not hurt anything
- d) No, this is an issue of social responsibility
- e) No, this is an issue between you and your neighbors

Ans: d

Feedback: The used oil will contaminate the river, so society will bear a portion of the cost of your behavior. This example illustrates the issue of social responsibility, the idea that organizations are accountable to a larger society.

Page: D

Learning Objective: 5

136. The societal marketing concept is _____.

- a) the moral principles and values that govern the actions and decisions of an entire group
- b) the idea that organizations are a part of a larger society and are accountable to society for their actions

- c) actively trying to understand customer needs and satisfying them as well as the firm's goals
- d) seeking greater influence about the quality of products and the amount of information received from sellers
- e) the view that an organization should satisfy the needs of consumers in a way that provides for society's well-being

Ans: e

Feedback: Marketing experts stress the societal marketing concept, the view that organizations should satisfy the needs of consumers in a way that provides for society's well-being.

Page: 20-21

Learning Objective: 5

137. The view, which holds that 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) environmental responsibility
- e) capitalism

Ans: a

Feedback: Marketing experts stress the societal marketing concept, the view that organizations should satisfy the needs of consumers in a way that provides for society's well-being.

Page: 20-21

Learning Objective: 5

138. _____ is the study of the aggregate flow of a nation's goods and services to benefit society.

- a) Micromarketing
- b) Macromarketing
- c) Societal marketing
- d) Financial marketing
- e) Economics

Ans: b

Page: 21

Learning Objective: 6

139. The discipline that addresses broad issues such as whether marketing costs too much, whether advertising is wasteful and, what resource scarcities and pollution side effects result from the marketing system is called _____.

- a) micromarketing
- b) macromarketing
- c) societal marketing
- d) financial marketing
- e) the marketing concept

Ans: b

Page: 21

Learning Objective: 6

140. Which of the following statements best distinguishes between macromarketing and micromarketing?

- a) Macromarketing uses a marketing program and, micromarketing does not
- b) Macromarketing is affected by environmental factors, but micromarketing is not
- c) Micromarketing is affected by environmental factors, but macromarketing is not
- d) Macromarketing looks at the flow of an entire nation's goods and services and, micromarketing concerns itself with the marketing activities of an individual organization
- e) Micromarketing looks at the flow of an entire nation's goods and services and, macromarketing concerns the marketing activities of an individual organization

Ans: d

Feedback: Macromarketing addresses broad issues such as whether marketing costs too much, while micromarketing addresses how an individual organization allocates its resources to benefit its customers.

Page: 21

Learning Objective: 6

141. How an individual organization directs its marketing activities and allocates its resources to benefit its customers is known as _____.

- a) micromarketing
- b) market restructuring
- c) cultural marketing
- d) macromarketing
- e) megamarketing

Ans: a

Page: 21

Learning Objective: 6

142. The text concentrates on what is called _____, which relates to how an individual organization directs its marketing activities and allocates its resources to benefit its customers.

- a) micromarketing
- b) macromarketing
- c) marketing infrastructure
- d) marketing functionality
- e) megamarketing

Ans: a

Page: 21

Learning Objective: 6

143. Which of the following groups would utilize marketing?

- a) Professionals such as doctors or lawyers
- b) Major corporations
- c) Nonprofit organizations
- d) Politicians
- e) All of the above groups would use marketing

Ans: e

Feedback: 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 use marketing as well.

Page: 21

Learning Objective: 6

144. What kinds of organizations engage in marketing?

- a) Only those that can afford national advertising
- b) Only very large and established nonprofit organizations
- c) Exclusively Fortune 1000 companies
- d) Every organization markets
- e) Virtually no organizations use marketing

Ans: d

Feedback: 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 use marketing as well.

Page: 21

Learning Objective: 6

145. Which of the following organizations engage in marketing?

- a) FC Tokyo (Tokyo Football Club)
- b) Singapore Symphonic Orchestra
- c) Korean Tourism Association
- d) Japan
- e) All of the above

Ans: e

Feedback: 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 use marketing as well.

Page: 21

Learning Objective: 6

146. Which of the following items are likely marketed?

- a) Toothpaste
- b) Financial advice
- c) Political candidates
- d) Telephone services
- e) All of the above are likely marketed

Ans: e

Feedback: Goods, services and, ideas are marketed. 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.

Page: 21

Learning Objective: 6

147. The Hermitage is a famous Russian art museum that is suffering financial difficulties as the result of lost funding and a decrease in tourists. The decrease in visitors is blamed on a lack of awareness of the treasures contained in the museum. As a result, the Hermitage's director has used strategic alliances to create a website where people can go and view some of the wonders of the Hermitage. It is hoped that this sampling will encourage visitors and ensure the Hermitage is able to maintain its collections. The museum is a(n) _____, which is marketed through the virtual tours it offers online.

- a) good

- b) idea
- c) service
- d) product
- e) event

Ans: c

Feedback: A service is an intangible item such as an airline trip, financial advice or, art museums like the Hermitage.

Page: 21

Learning Objective: 6

148. The people who use the goods and services purchased for a household are called _____.

- a) organizational buyers
- b) household buyers
- c) ultimate consumers
- d) nonprofessional buyers
- e) family members

Ans: c

Page: 22

Learning Objective: 6

149. What is the marketing term for people who use goods and services purchased for a household—whether they are 80 years or 8 months old?

- a) Situational buyers
- b) Primary buyers
- c) Ultimate consumers
- d) Purchasing agents
- e) Buying groups

Ans: c

Page: 21-22

Learning Objective: 6

150. Time Inc. has published a new magazine, All You, solely distributed in Wal-Mart stores. Who is the ultimate consumer for this magazine?

- a) The woman who buys the magazine to read at home
- b) The woman who works at Wal-Mart and reads the magazine at work
- c) The woman who is the Wal-Mart buyer and purchased the magazine to sell at Wal-Mart
- d) The woman who is the salesperson for Time Inc. that sold the magazine to Wal-Mart
- e) All of the above are ultimate consumers of All You

Ans: a

Feedback: An ultimate consumer is the person who uses the goods or services purchased for the household. Only the woman in choice "a" purchases the magazine to read at home.

Page: 21-22

Learning Objective: 6

151. Which of the following is an example of an ultimate consumer?

- a) A newspaper reporter who buys a plane ticket to Washington, DC, to cover the presidential inauguration
- b) A school teacher who bought a ticket to the 2002 Winter Olympics opening ceremonies in Salt Lake City

- c) An office receptionist who renews the magazines that are found in the office waiting room
- d) A retailer who buys poster board to make signs for an upcoming store sale
- e) A landscaping firm employee who buys a new wheelbarrow to use to haul mulch at a new job site

Ans: b

Feedback: An ultimate consumer is the person who uses the goods or services purchased themselves. Only Alternative b describes an individual who will not be using his or her purchase in a job-related task.

Page: 22

Learning Objective: 6

152. Units such as manufacturers, retailers or, government agencies that buy for their own use or for resale are called _____.

- a) intermediate buyers
- b) selling agents
- c) organizational buyers
- d) professional buyers' organizations
- e) manufacturing agents

Ans: c

Page: 22

Learning Objective: 6

153. Organizational buyers are most accurately described as _____.

- a) buyers of high cost items
- b) buyers of household items
- c) manufacturers, retailers or, government agencies buying for their own use or for resale
- d) any individual or group making a purchase worth over \$100,000
- e) any man, woman or, child who uses goods purchased for a household

Ans: c

Page: 22

Learning Objective: 6

154. Which of the following is the best example of an organizational buyer?

- a) A mother buying milk for her young son
- b) A computer programmer buying the latest game for his Playstation
- c) A store owner buying hand-painted slate signs to sell in her store
- d) A botanist buying a rose bush for his home garden
- e) A baseball player buying a t-ball set for his daughter

Ans: c

Feedback: Organizational buyers are manufacturers, retailers or, government agencies buying for their own use or for resale. Only Alternative c describes an individual who will not use his or her purchases for personal use.

Page: 22

Learning Objective: 6

155. Effective marketing benefits society because _____.

- a) it enhances competition
- b) it improves the quality of products and services
- c) it lowers the price of quality products and services
- d) it makes countries more competitive in world markets

e) it does all of the above

Ans: e

Feedback: 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.

Page: 22-23

Learning Objective: 6

156. The benefits or customer value received by users of a product is called _____.

- a) consumerism
- b) beneficial marketing
- c) utility
- d) utils
- e) synergy

Ans: c

Page: 22-23

Learning Objective: 6

157. The four utilities are _____.

- a) product, price, promotion and, place
- b) form, place, product and, quality
- c) monopoly, monopolistic competition, pure competition and, oligopoly
- d) form, place, time and, possession
- e) gas, oil, electricity and, water.

Ans: d

Page: 23

Learning Objective: 6

158. Which of the following statements is an example of form utility?

- a) A new motor oil container comes equipped with a disposable pouring spout
- b) Stamp vending machines are located in drug stores
- c) A service station has a 24-hour ice machine available for use even when the station is closed
- d) A waterbed company offers six-month financing, same as cash
- e) A gourmet shop offers a home delivery service

Ans: a

Feedback: The value to consumers that comes from the production or alteration of a good or service constitutes form utility. The disposable spout adds an extra benefit to the original product making it more valuable to the consumer.

Page: 23

Learning Objective: 6

159. The value to consumers that comes from the production or alteration of a good or service constitutes _____ utility.

- a) time
- b) place
- c) possession
- d) market
- e) form

Ans: e

Page: 23

Learning Objective: 6

160. The owners of Old School Brand Authentic Antique Foods researched Civil War-era documents to come up with recipes for the old-fashioned products the company produces and markets. Their concern with the authenticity of their recipes reflects a concern with _____ utility.

- a) time
- b) place
- c) possession
- d) market
- e) form

Ans: e

Feedback: The value to consumers that comes from the production or alteration of a good or service constitutes form utility. The authenticity of the recipes adds an extra benefit to the original product making it more valuable to the consumer.

Page: 23

Learning Objective: 6

161. The process of taking wool off sheep and using it to make soft sweaters shows how manufacturing can create _____ utility.

- a) time
- b) place
- c) possession
- d) market
- e) form

Ans: e

Feedback: The value to consumers that comes from the production or alteration of a good or service constitutes form utility. The production of the sweater constitutes form utility.

Page: 23

Learning Objective: 6

162. The process of turning corn into ethanol shows how manufacturing can create _____ utility.

- a) time
- b) place
- c) possession
- d) market
- e) form

Ans: e

Feedback: The value to consumers that comes from the production or alteration of a good or service constitutes form utility. The production of the ethanol constitutes form utility.

Page: 23

Learning Objective: 6

163. The value to consumers that comes from having a good or service available when needed constitutes _____ utility.

- a) time
- b) place

c) possession

d) market

e) form

Ans: a

Page: 23

Learning Objective: 6

164. The utility that a delivery firm provides by delivering new CD releases to music stores in time for the Tuesday release day is _____.

a) time utility

b) place utility

c) possession utility

d) market utility

e) form utility

Ans: e

Feedback: Time utility is the value to consumers of having a good or service available when needed. The delivery firm is delivering by the Tuesday release date, thus providing value to consumers that comes from having the CDs available when needed.

Page: 23

Learning Objective: 6

165. Dick's Sporting Goods carries baseballs all year around. The same is true for footballs and tennis equipment. Dick's Sporting Goods offers _____ utility for these products.

a) time

b) place

c) possession

d) market

e) form

Ans: a

Feedback: Time utility is the value to consumers of having a good 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".

Page: 23

Learning Objective: 6

166. Which of the following statements is an example of time utility?

a) A new motor oil container comes equipped with a disposable pouring spout

b) Supermarkets are adding restaurants

c) A service station has a 24-hour ice machine available for use even when the station is closed

d) A waterbed company offers six-month financing, same as cash

e) Disposable diapers come equipped with resealable tabs

Ans: c

Feedback: Time utility is the value to consumers of having a good or service available when needed. The ice machine allows consumers access to ice regardless of the time.

Page: 23

Learning Objective: 6

167. Vending machines in dormitories most directly create _____ utilities.

a) time and place

- b) form and place
- c) possession and time
- d) time and form
- e) form and possession

Ans: a

Feedback: Place utility is the value to consumers of 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. Vending machines most directly create both time and place utilities.

Page: 23

Learning Objective: 6

168. Which of the following statements is an example of place utility?

- a) A new motor oil container comes equipped with a disposable pouring spout
- b) Stamp vending machines are located in post office lobbies
- c) A service station sells both regular gasoline and diesel fuel
- d) A waterbed company offers six-month financing, same as cash
- e) Disposable diapers come equipped with resealable tabs

Ans: b

Feedback: Place utility is the value to consumers of having a good or service available where needed. The stamps are available in the post office lobby where the letters will be mailed.

Page: 23

Learning Objective: 6

169. The value to consumers of having a good or service available where needed constitutes _____ utility.

- a) time
- b) place
- c) possession
- d) market
- e) form

Ans: b

Page: 23

Learning Objective: 6

170. Which of the following statements is an example of place utility?

- a) A new motor oil container comes equipped with a disposable pouring spout
- b) Airlines allow you to print your own boarding passes at home
- c) A service station sells both regular gasoline and diesel fuel
- d) A waterbed company offers six-month financing, same as cash
- e) Disposable diapers come equipped with resealable tabs

Ans: b

Feedback: Place utility is the value to consumers of having a good or service available where needed. Printing the boarding pass at home simplifies a traveler's life by making the pass available where needed.

Page: 23

Learning Objective: 6

171. Which of the following statements is an example of possession utility?

- a) A new motor oil container comes equipped with a disposable pouring spout
- b) The local dairy offers delivery to the customer's doorstep

- c) Disposable diapers come equipped with resealable tabs
- d) A gourmet food store carries a line of ready-made salads
- e) A waterbed company offers six-month financing, same as cash

Ans: e

Feedback: Possession utility is the value to the consumer of making an item easy to purchase so consumers can use it. The waterbed company offers terms to consumers, thus increasing ease of purchase.

Page: 23

Learning Objective: 6

172. Robert could not buy his principles of marketing text this semester by the first day of class if the bookstore did not accept credit cards. With his credit card, he was able to have the book for his first marketing class. The credit card created _____ utility for Robert.

- a) form
- b) time
- c) price
- d) possession
- e) place

Ans: d

Feedback: Possession utility is the value to the consumer of making an item easy to purchase so consumers can use it. The bookstore accepts credit cards thus increasing ease of purchase.

Page: 23

Learning Objective: 6

Short Answer

173. Explain the general approach used by Singapore Airlines to compete in the airline industry as a relatively late entrant.

Ans: The general approach used by Singapore Airlines is to be an industry trendsetter. Singapore Airlines changed the way airlines catered to customer needs and wants. In the 1970s, it offered free drinks, choice of meals and complimentary headset in the economy class. Long haul customers were given a complimentary bag of toiletries. Singapore Airlines later introduced KrisWorld, an in-flight entertainment system with individualized screens for each customer. This was followed by satellite in-flight telephone services, gourmet cuisine and non-stop commercial flights.

Page: 3

Learning Objective: 2

174. Besides moving from point A to point B, what other critical aspect of air travel does Singapore Airlines consider important?

Ans: Singapore Airlines consider in-flight service to be a critical aspect of air travel. The company, thus, seek to deliver memorable experiences through its emphasis on service excellence. Cabin crew is well trained. Service quality is monitored through regular survey of passengers.

Page: 4

Learning Objective: 4

175. What is the key element of Singapore Airlines' emphasis on service excellence?

Ans: The key element of Singapore Airlines' emphasis on service excellence is people. Singapore Airlines created the icon of the Singapore Girl. Cabin crew was carefully selected

in the recruitment process and they go through stringent training. They were given strict codes of personal care such as abstinence from onion and alcoholic drinks before flights.

Page: 4

Learning Objective: 2

176. Why are you, as a student, already somewhat of an expert in marketing before taking this course?

Ans: Students are, in a sense, marketing experts because they do 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.

Page: 5

Learning Objective: 1

177. What is the definition of marketing according to the American Marketing Association?

Ans: "marketing is the activity for creating, communicating, delivering and exchanging offerings that benefit the organization, its stakeholders and society at large".

Page: 6

Learning Objective: 1

178. What are the two key objectives of marketing? Define exchange and explain how it supports these objectives.

Ans: 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.

Page: 6

Learning Objective: 1

179. In addition to consumers, what other people, groups and, forces interact to affect marketing activities?

Ans: 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 non-profit 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 also Figure 1-2.

Page: 1, figure 1-1

Learning Objective: 1

180. At least four factors are required for marketing to occur. What are they?

Ans: For marketing to occur, at least 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 those needs,
- (3) a way for the parties to communicate
- (4) something to exchange.

Page: 7-8

Learning Objective: 1

181. 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, loaning money to friends, relatives and, even unrelated entrepreneurs can often earn the investor double or more over 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.

Ans: 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.

Page: 7-8

Learning Objective: 1

182. Define needs and wants. Can marketing shape a person's wants? Explain your answer.

Ans: a need occurs when a person feels deprived of basic necessities like food, clothing and, shelter. A want is a need that is shaped by a person's knowledge, culture and, personality. 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.

Page: 10-11

Learning Objective: 2

183. Explain the difference between a market and a target market.

Ans: Potential consumers make up a market, which is 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.

Page: 11-12

Learning Objective: 2

184. Describe two different target markets, for two different products or services you, your friends or, your family have recently purchased or used.

Ans: 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, somewhat skewed toward males, perhaps and, 25 to 65 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 that uses the car to transport his or her equipment to the mountains to bike. The other target market might be a "soccer mom" with children, animals and, equipment to transport to the local soccer field for practice. This question offers a good opportunity for class discussion of the more interesting examples and observations of students.

Page: 12

Learning Objective: 2

185. 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 site, which you will advertise on late night television. You are also hoping to obtain free publicity in men's fashion magazines. You are planning to sell a 16-ounce bottle for \$24. 99 plus \$7. 99 shipping and handling.

Using the information provided, identify each element of your marketing mix.

Identify the target market for your shampoo.

How can you use relationship marketing to increase sales?

Ans: The shampoo is the product element. The Internet 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.

The target market is men and women with hair loss. Better students will note that not everyone will be able to afford the product and that the target market should also include some kind of an income base.

Since you are selling on the Internet, you could use relationship marketing by sending monthly e-mail newsletters providing information about issues of interest to your target market. You could also offer a free 11th bottle of shampoo after a consumer buys 10 bottles over a period of time. Students should acknowledge that it is difficult to use relationship marketing successfully over the Internet. Students, of course, may come up with other equally viable ideas.

Page: 12, 14-16

Learning Objective: 3

Learning Objective: 4

186. Why do some executives feel that environmental factors are NOT entirely outside their influence?

Ans: 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.

Page: 12-13

Learning Objective: 3

187. The Apple iPod is rated by Consumer Reports as being one of the best music players in the industry. The customer may buy and download music by the song from the Internet.

Define customer value. In what ways does the Apple iPod provide value for its customers?

Ans: 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 iPod. The iPod is rated by Consumer Reports as one of the best music players on the market. It provides quality of the player as well as convenience and great service by the available sites to download music.

Page: 13-14

Learning Objective: 4

188. About Halloween, kiosk stores appear in many malls. Typically the kiosks sell gift boxes of cheese, jewelry and, other items people think are appropriate seasonal gifts. In January these kiosk retailers vanish. Is it possible for such a kiosk retailer to use relationship marketing? Explain your answer.

Ans: 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 multi-year relationships. Databases would allow direct mail notifications each fall that the prized gifts are again available.

Page: 14

Learning Objective: 4

189. Explain the marketing program Singapore Airlines used to reach out to business travelers and contrast it to those it used to reach out to group travelers.

Ans: a marketing program integrates the marketing mix elements to provide a good, service or, idea to prospective buyers. From Figure 1-4, we can see that the product or service, price, promotion and place are quite different for business travelers and group travelers.

Page: 17, figure 1-4

Learning Objective: 4

190. Many market-oriented, older, manufacturing organizations have experienced four distinct stages in the life of their firms. Beginning with the early years of the United States, list and define each of the eras culminating with the customer relationship era.

Ans: during the production era, goods were scarce so buyers were willing to accept virtually any goods that were produced and made do with what was available. The central notion was that products would sell themselves, so the major concern of business firms was production, not marketing.

The next era was the sales era. During that time, firms discovered that they could produce more goods than their regular buyers could consume. Competition grew. The usual solution was to hire more salespeople to find new buyers.

The third era is the marketing concept era when marketing became the motivating force among many American firms. During the marketing era the marketing concept was developed, which is the idea that an organization should strive to satisfy the needs of consumers while also trying to achieve the organization's goals.

Finally, the last era is the customer relationship era, when firms practice a market orientation by focusing efforts on continuously collecting information about customers' needs, sharing the information across departments and, using it to create customer value.

Page: 19-20

Learning Objective: 5

191. Define the marketing concept.

Ans: 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.

Page: 19-20

Learning Objective: 5

192. What is the difference between micromarketing and macromarketing?

Ans: Micromarketing focuses on how an individual organization uses the strategic marketing process to direct its marketing activities and allocate its resources to benefit its customers.

Macromarketing looks at the aggregate flow of a nation's goods and services to benefit society. While micromarketing tends to be internal, macromarketing addresses broader societal issues such as whether marketing costs too much or whether advertising is wasteful.

Page: 21

Learning Objective: 6

193. It is said that goods, services and, ideas are marketed. Define goods, services and, ideas and give at least one example of each.

Ans: 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.

Page: 21

Learning Objective: 6

194. Define an ultimate consumer and an organizational buyer. Describe an example of a purchase from a caterer for each type of buyer.

Ans: Students' examples will differ, but each example should be descriptive of the definition. Ultimate consumers are the people who use the goods and services purchased for a household. One example of a purchase from a caterer for household use might be a wedding reception or a wedding rehearsal dinner.

Organizational buyers are those manufacturers, wholesalers, retailers and, government agencies that buy goods and services for their own use or for resale. An example of a purchase from a caterer would be purchased by an organizational buyer would be an awards banquet for a company's leading salesperson.

Page: 22

Learning Objective: 6

195. In our free-enterprise society, which three specific groups benefit from effective marketing?

Ans: The three specific groups that benefit from effective marketing are: consumers who buy (they can obtain the best product at the lowest price, leading to consumer satisfaction)

organizations that sell (receive rewards, profits, growth, etc. if they provide need-satisfying products with effective marketing programs)

society as a whole (through enhanced competition, providing jobs and a higher standard of living for its citizens).

Page: 22

Learning Objective: 6

196. Who benefits from marketing in Asian societies and, how?

Ans: Virtually everyone benefits from marketing in Asian societies: consumers who buy organizations that sell and, society as a whole. True competition between products and services in the marketplace ensures we consumers can find value from the best products, the lowest prices or, exceptional service. Providing choices leads to the consumer satisfaction and quality of life that we have come to expect from our economic system. (An extended answer could relate to utilities of form, place, time and, possession. This question can be used to prompt stimulating class discussion.)

Page: 22

Learning Objective: 6

197. Explain the four utilities created by marketing.

Ans: 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 so consumers can use it

Page: 22-23

Learning Objective: 6

198. At the BMW website, BMW.com, you can design your own personal BMW. If you choose to do this and purchase the car, what type of utility has been created?

Ans: Form utility comes from the production or alteration of a good or service that provides value to consumers. Form utility is created as you have designed the car that BMW will then build for you.

Page: 22-23

Learning Objective: 6