

**Test Bank for Essentials of Marketing A Marketing Strategy Planning
Approach 15th edition by Perreault Cannon McCarthy ISBN 1259573532
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Chapter 02 Marketing Strategy Planning **Answer Key**

True / False Questions

Planning, implementation, and control are basic jobs of all managers.

Answer: **TRUE**

Feedback: In the marketing management process, planning, implementation, and control are basic jobs of all marketing managers.

AACSB: Analytical Thinking

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-1

Level of Difficulty: 1 Easy

Topic: The Management Job in Marketing

Controlling the marketing plan is the first step of the marketing management process.

Answer: **FALSE**

Feedback: Controlling marketing plans is the final step of the marketing management process. It involves measuring results and evaluating progress of plans after they have been devised and implemented.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-1

Level of Difficulty: 1 Easy

Topic: The Management Job in Marketing

2-1

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The three basic jobs in the marketing management process are planning, implementation, and control.

Answer: **TRUE**

Feedback: The marketing management process is the process of (1) planning marketing activities, (2) directing the implementation of the plans, and (3) controlling these plans.

AACSB: Analytical Thinking

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-1

Level of Difficulty: 1 Easy

Topic: The Management Job in Marketing

The marketing management process consists of (1) planning marketing activities, (2) directing the implementation of the plans, and (3) controlling these plans.

Answer: **TRUE**

Feedback: The marketing management process is the process of (1) planning marketing activities, (2) directing the implementation of the plans, and (3) controlling these plans.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-1

Level of Difficulty: 1 Easy

Topic: The Management Job in Marketing

Strategic planning is a top management job that includes planning only for marketing.

Answer: **FALSE**

Feedback: Strategic planning includes planning not only for marketing but also for production, finance, human resources, and other areas.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-1

Level of Difficulty: 1 Easy

Topic: The Management Job in Marketing

Strategic planning is the managerial process of developing and maintaining a match between an organization's resources and its market opportunities.

Answer: TRUE

Feedback: Strategic planning is the managerial process of developing and maintaining a match between an organization's resources and its market opportunities. It includes planning not only for marketing but also for production, finance, human resources, and other areas.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-1

Level of Difficulty: 1 Easy

Topic: The Management Job in Marketing

Strategic (management) planning is a managerial process of developing and maintaining a match between the resources of the production department and its product opportunities.

Answer: FALSE

Feedback: Strategic planning is the managerial process of developing and maintaining a match between an organization's resources and its market opportunities.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-1

Level of Difficulty: 1 Easy

Topic: The Management Job in Marketing

Finding attractive opportunities and developing profitable marketing strategies are the tasks included in the marketing manager's marketing strategy planning job.

Answer: **TRUE**

Feedback: The marketing manager's marketing strategy planning job involves finding attractive opportunities and developing profitable marketing strategies.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-2

Level of Difficulty: 1 Easy

Topic: What is a Marketing Strategy?

Marketing strategy planning is the process of deciding how best to sell the products the firm produces.

Answer: **FALSE**

Feedback: Marketing strategy planning means finding attractive opportunities and developing profitable marketing strategies.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-2

Level of Difficulty: 1 Easy

Topic: What is a Marketing Strategy?

A marketing strategy specifies a target market and a related marketing mix.

Answer: **TRUE**

Feedback: A marketing strategy specifies a target market and a related marketing mix. It is a broad view of what a firm will do in some market.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-2

Level of Difficulty: 1 Easy

Topic: What is a Marketing Strategy?

A marketing strategy is composed of two interrelated parts—a target market and a marketing mix.

Answer: TRUE

Feedback: The two interrelated parts that make up a marketing mix are (1) target market, and (2) marketing mix.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-2

Level of Difficulty: 1 Easy

Topic: What is a Marketing Strategy?

A marketing strategy is composed of two interrelated parts—planning and implementation.

Answer: FALSE

Feedback: A marketing strategy is composed of two interrelated parts—a target market and a marketing mix.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-2

Level of Difficulty: 1 Easy

Topic: What is a Marketing Strategy?

The two parts of a marketing strategy are an attractive opportunity and a target market.

Answer: FALSE

Feedback: A marketing strategy is composed of two interrelated parts—a target market and a marketing mix.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-2

Level of Difficulty: 1 Easy

Topic: What is a Marketing Strategy?

A target market consists of a group of consumers who are usually quite different.

Answer: **FALSE**

Feedback: A target market consists of a fairly homogeneous group of customers.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-2

Level of Difficulty: 1 Easy

Topic: What is a Marketing Strategy?

A marketing mix consists of the uncontrollable variables which a company puts together to satisfy a target market.

Answer: **FALSE**

Feedback: A marketing mix is the set of controllable variables that a company puts together to satisfy a target group.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-2

Level of Difficulty: 1 Easy

Topic: What is a Marketing Strategy?

Target marketing aims a marketing mix at some specific target customers.

Answer: **TRUE**

Feedback: Target marketing aims a marketing mix at some specific target customers.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-3

Level of Difficulty: 1 Easy

Topic: Selecting a Market-Oriented Strategy is Target Marketing

Mass marketing means focusing on some specific customers, as opposed to assuming that everyone is the same and will want whatever the firm offers.

Answer: **FALSE**

Feedback: Mass marketing vaguely aims at everyone with the same marketing mix. It assumes that everyone is the same—and it considers everyone a potential customer.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-3

Level of Difficulty: 1 Easy

Topic: Selecting a Market-Oriented Strategy is Target Marketing

The mass marketing approach is more production-oriented than marketing-oriented.

Answer: **TRUE**

Feedback: Mass marketing is the typical production-oriented approach that vaguely aims at everyone with the same marketing mix.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-3

Level of Difficulty: 1 Easy

Topic: Selecting a Market-Oriented Strategy is Target Marketing

The terms mass marketing and mass marketers mean the same thing.

Answer: **FALSE**

Feedback: Mass marketing means trying to sell to everyone, whereas mass marketers aim at clearly defined target markets.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-3

Level of Difficulty: 2 Medium

Topic: Selecting a Market-Oriented Strategy is Target Marketing

"Mass marketers" like Target usually try to aim at clearly defined target markets.

Answer: **TRUE**

Feedback: Unlike mass marketing, which aims at trying to sell to everyone, mass marketers aim at clearly defined target markets.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-3

Level of Difficulty: 1 Easy

Topic: Selecting a Market-Oriented Strategy is Target Marketing

The problem with target marketing is that it limits the firm to small market segments.

Answer: **FALSE**

Feedback: Target marketing is not limited to small market segments, only to fairly homogeneous ones.

AACSB: Analytical Thinking

Blooms: Understand

Learning Objective: 2-3

Level of Difficulty: 1 Easy

Topic: Selecting a Market-Oriented Strategy is Target Marketing

Potential customers are all alike.

*Answer: **FALSE***

Feedback: Mass marketing assumes that everyone is the same and considers everyone a potential customer.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-3

Learning Objective: 2-7

Level of Difficulty: 1 Easy

Topic: Marketing Strategy Planning Highlights Opportunities

Topic: Selecting a Market-Oriented Strategy is Target Marketing

The basic reason to focus on some specific target customers instead of all possible customers is so that managers can develop a marketing mix that satisfies those customers' specific needs better than they are satisfied by some other firm.

*Answer: **TRUE***

Feedback: Since everyone is different, marketers need to focus efforts on some specific target customers instead of all customers. Target marketing allows marketers to develop a marketing mix that satisfies the needs of select consumers.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-3

Level of Difficulty: 1 Easy

Topic: Selecting a Market-Oriented Strategy is Target Marketing

The four "Ps" are: Product, Promotion, Price, and Personnel.

Answer: **FALSE**

Feedback: The four "Ps" in a firm's marketing mix are: Product, Price, Place, and Promotion.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

The "four Ps" of the marketing mix are: Product, Position, Promotion, and Price.

Answer: **FALSE**

Feedback: The four "Ps" in a firm's marketing mix are: Product, Price, Place, and Promotion.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

The "four Ps" of the marketing mix are: People, Products, Price, and Promotion.

Answer: **FALSE**

Feedback: The four "Ps" in a firm's marketing mix are: Product, Price, Place, and Promotion.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Product, Place, Promotion, and Price are the four major variables (decision areas) in a firm's marketing mix.

Answer: **TRUE**

Feedback: Product, Place, Promotion, and Price are the four important variables in a firm's marketing mix.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

The customer is a part of the marketing mix and should be the target of all marketing efforts.

Answer: **FALSE**

Feedback: The customer is the target of all marketing efforts, and is not part of the marketing mix.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 2 Medium

Topic: Developing Marketing Mixes for Target Markets

Although the customer should be the target of all marketing efforts, customers are not part of a marketing mix.

Answer: **TRUE**

Feedback: The customer is not part of the marketing mix, but instead the focus of all marketing efforts.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

The customer should not be considered part of a "marketing mix." *Answer: **TRUE***

Feedback: The customer is not part of the marketing mix, but instead the focus of all marketing efforts.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

The Product area is concerned with developing the right physical good, service, or blend of both for the target market.

*Answer: **TRUE***

Feedback: The Product area is concerned with developing the right product for the target market. This offering may involve a physical good, a service, or a blend of both.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

According to the text, a firm that sells a service rather than a physical good does not have a product.

Answer: **FALSE**

Feedback: The Product area is concerned with developing the right product, which may involve a physical good, a service, or both.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

The Product area of the marketing mix may involve a service and/or a physical good, which satisfies some customers' needs.

Answer: **TRUE**

Feedback: The Product area is concerned with developing the right product, which may involve a physical good, a service, or both.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

The Place decisions are concerned with getting the right product to the target market at the right time.

Answer: **TRUE**

Feedback: Place is concerned with all the decisions involved in getting the right product to the target market at the right time. A product isn't much good to a customer if it isn't available when and where it's wanted.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Any series of firms (or individuals) from producer to final user or consumer is a channel of distribution.

Answer: TRUE

Feedback: A channel of distribution is any series of firms (or individuals) that participate in the flow of products from producer to final user or consumer.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

A channel of distribution is any series of firms or individuals that participate in the flow of products from producer to final user or consumer.

Answer: TRUE

Feedback: A channel of distribution is any series of firms (or individuals) that participate in the flow of products from producer to final user or consumer.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

A channel of distribution must include an intermediary.

Answer: **FALSE**

Feedback: A channel of distribution is any series of firms (or individuals) that participate in the flow of products from producer to final user or consumer. It may or may not include an intermediary depending on the industry and type of products offered.

AACSB: Analytical Thinking

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

A channel of distribution must include several kinds of intermediaries and collaborators.

Answer: **FALSE**

Feedback: A channel of distribution is any series of firms (or individuals) that participate in the flow of products from producer to final user or consumer. It may or may not include an intermediary depending on the industry and type of products offered.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Personal selling, mass selling, and sales promotion are all included in the Promotion area of the marketing mix.

Answer: **TRUE**

Feedback: Promotion includes personal selling, mass selling, and sales promotion. It is the marketing manager's job to blend these methods of communication.

AACSB: Analytical Thinking

AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

Promotion is composed of personal selling, advertising, publicity, and sales promotion.

Answer: **TRUE**

Feedback: Promotion includes personal selling, mass selling (advertising, and publicity), and sales promotion. It is the marketing manager's job to blend these methods of communication.

AACSB: Analytical Thinking
AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

Personal selling involves direct personal communication to get the sale, but personal attention is seldom required after the sale.

Answer: **FALSE**

Feedback: Personal selling involves direct spoken communication between sellers and potential customers. Such sales often require personal attention even after the sale is made.

AACSB: Analytical Thinking
AACSB: Reflective Thinking
Blooms: Remember
Learning Objective: 2-4
Level of Difficulty: 1 Easy
Topic: Developing Marketing Mixes for Target Markets

Customer service is needed when a customer wants the seller to resolve a problem with a purchase.

Answer: **TRUE**

Feedback: Customer service is personal communication between a seller and a customer who wants the seller to resolve a problem with a purchase.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Advertising is any paid form of nonpersonal presentation of ideas, goods, or services by an identified sponsor.

Answer: **TRUE**

Feedback: Advertising refers to any paid form of nonpersonal presentation of ideas, goods, or services by an identified sponsor.

AACSB: Reflective Thinking Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Sales promotion can involve point-of-purchase materials, store signs, contests, catalogs, and circulars.

Answer: **TRUE**

Feedback: Sales promotion refers to those promotion activities that stimulate interest, trial, or purchase by final customers or others in the channel. This includes use of coupons, point-of-purchase materials, samples, signs, contests, events, catalogs, novelties, and circulars.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Sales promotion refers to those promotion activities-other than advertising, publicity, and personal selling-that stimulate interest, trial, or purchase by final customers or others in the channel.

*Answer: **TRUE***

Feedback: Sales promotion refers to those promotion activities other than advertising, publicity, and personal selling that stimulate interest, trial, or purchase by final customers or others in the channel.

AACSB: Analytical Thinking

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 2 Medium

Topic: Developing Marketing Mixes for Target Markets

Personal selling and advertising are both forms of sales promotion.

*Answer: **FALSE***

Feedback: Sales promotion refers to those promotion activities other than advertising, publicity, and personal selling those stimulate interest, trial, or purchase. Therefore, neither personal selling nor advertising is a form of sales promotion.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

According to the text, Promotion is the most important of the "four

Ps." Answer: **FALSE**

Feedback: No single element of the marketing mix is more important another. All four are equally important.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Price is the most important of the four Ps.

Answer: **FALSE**

Feedback: No single element of the marketing mix is more important than another. All four are equally important.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

In general, no single element of the "four Ps" is more important than the others.

Answer: **TRUE**

Feedback: No single element of the marketing mix is more important than the other. All four are equally important.

AACSB: Analytical Thinking

Blooms: Create

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

The marketing mix should be set before the best target market is selected.

Answer: **FALSE**

Feedback: Selecting a target market and developing a marketing mix are interrelated. Both parts of a marketing strategy must be decided together.

AACSB: Analytical Thinking

Blooms: Understand

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

As in the Toddler University case, the needs of a target market virtually determine the nature of an appropriate marketing mix.

Answer: **TRUE**

Feedback: The Toddler University case shows how the needs of a target market, in this case the attentive parents target market, determine the nature of an appropriate marketing mix.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

A marketing plan and a marketing strategy mean the same thing.

Answer: **FALSE**

Feedback: A marketing strategy is a big picture of what a firm will do in some market. A marketing plan is a written statement of a marketing strategy.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-5

Level of Difficulty: 1 Easy

Topic: The Marketing Plan is a Guide to Implementation and Control

A marketing strategy and all the time-related details for carrying out the strategy is a "marketing plan."

Answer: TRUE

Feedback: A marketing plan is a written statement of a marketing strategy and the time-related details for carrying out the strategy.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-5

Level of Difficulty: 1 Easy

Topic: The Marketing Plan is a Guide to Implementation and Control

A marketing plan is a written statement of a marketing strategy and the time-related details for carrying out the strategy.

Answer: TRUE

Feedback: A marketing plan is a written statement of a marketing strategy and the time-related details for carrying out the strategy.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-5

Level of Difficulty: 1 Easy

Topic: The Marketing Plan is a Guide to Implementation and Control

Implementation means putting the marketing plan into operation.

Answer: TRUE

Feedback: Implementation refers to putting marketing plans into operation.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-5

Level of Difficulty: 1 Easy

Topic: The Marketing Plan is a Guide to Implementation and Control

Short-run decisions that stay within the overall guidelines set during strategy planning are called implementation decisions.

Answer: FALSE

Feedback: Operational decisions refer to short-run decisions that stay within the guidelines set down during strategy planning made to help implement strategies.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-5

Level of Difficulty: 1 Easy

Topic: The Marketing Plan is a Guide to Implementation and Control

Marketing strategy planning should specify all of the operational decisions to implement the plan.

Answer: FALSE

Feedback: Operational decisions should stay within the guidelines set down during strategy planning but operational decisions are made regularly, sometimes daily, and should not be confused with planning strategy.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-5

Level of Difficulty: 1 Easy

Topic: The Marketing Plan is a Guide to Implementation and Control

Companies such as Campbell's can only implement one marketing strategy at a time.

Answer: **FALSE**

Feedback: Campbell's has developed different soups that are targeted to the specific needs of different target markets. The marketing plan for each type of soup is different, and fits into its overall marketing program.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-5

Level of Difficulty: 1 Easy

Topic: The Marketing Plan is a Guide to Implementation and Control

Most companies implement only one marketing strategy at a time.

Answer: **FALSE**

Feedback: Most companies implement more than one marketing strategy, and related marketing plan, at the same time. One such company is Procter and Gamble.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-5

Level of Difficulty: 2 Medium

Topic: The Marketing Plan is a Guide to Implementation and Control

A marketing program blends all of the firm's marketing plans into one "big" plan and is the responsibility of the whole company.

Answer: **TRUE**

Feedback: A marketing program blends all of the firm's marketing plans into one "big" plan. Its success is based on the care that goes into planning individual strategies.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-5

Level of Difficulty: 1 Easy

Topic: The Marketing Plan is a Guide to Implementation and Control

A "marketing program" blends all of a firm's marketing plans into one "big" plan.

Answer: TRUE

Feedback: A marketing program blends all of the firm's marketing plans into one "big" plan. Its success is based on the care that goes into planning individual strategies.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-5

Level of Difficulty: 1 Easy

Topic: The Marketing Plan is a Guide to Implementation and Control

A marketing program may consist of several marketing plans.

Answer: TRUE

Feedback: A marketing program blends a firm's various marketing plans into one combined plan.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-5

Level of Difficulty: 1 Easy

Topic: The Marketing Plan is a Guide to Implementation and Control

A successful marketing program benefits the firm by increasing customer equity.

Answer: TRUE

Feedback: Customer equity is the expected earnings stream of a firm's current and prospective customers over a period of time. A successful marketing program is expected to identify opportunities that will lead to an increase in a firm's customer equity.

AACSB: Analytical Thinking

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-5

Level of Difficulty: 1 Easy

Topic: The Marketing Plan is a Guide to Implementation and Control

Customer lifetime value represents the total stream of purchase a customer could contribute to the company over the life of the relationship.

*Answer: **TRUE***

Feedback: Customer lifetime value represents the total stream of purchase a customer could contribute to the company over the life of the relationship.

AACSB: Analytical Thinking

Blooms: Understand

Learning Objective: 2-6

Level of Difficulty: 1 Easy

Topic: Recognizing Customer Lifetime Value and Customer Equity

One way to increase customer equity is to find cost-effective ways to serve current customers so they buy more.

*Answer: **TRUE***

Feedback: Increasing customer equity requires marketing managers to place an emphasis on long-term profits. This includes finding cost-effective ways to serve current customers so they buy more in the future.

AACSB: Analytical Thinking

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-6

Level of Difficulty: 1 Easy

Topic: Recognizing Customer Lifetime Value and Customer Equity

One way to increase customer equity is to find cost-effective ways to add new customers for the firm's products.

Answer: **TRUE**

Feedback: Increasing customer equity requires marketing managers to place an emphasis on long-term profits. This means that marketing strategies can focus on attracting new customers using cost-effective methods.

AACSB: Analytical Thinking

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-6

Level of Difficulty: 1 Easy

Topic: Recognizing Customer Lifetime Value and Customer Equity

The best way to increase customer equity is to find cost-effective ways to increase earnings from current customers while bringing profitable new customers into the fold.

Answer: **TRUE**

Feedback: Increasing customer equity requires marketing managers to place an emphasis on long-term profits. To achieve this, marketing strategies can focus on attracting new customers as well as retaining and growing current customers.

AACSB: Analytical Thinking

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-6

Level of Difficulty: 1 Easy

Topic: Recognizing Customer Lifetime Value and Customer Equity

The customer equity approach guides the marketing manager to make marketing decisions that enhance the firm's short-term profits—just for the next quarter or year.

Answer: **FALSE**

Feedback: The customer equity approach guides the marketing manager to make marketing decisions that enhance the firm's long-term profits—not just for the next quarter or year. By estimating the impacts that different marketing strategies and marketing programs have on customer equity, a firm can make marketing decisions with long-run financial implications in mind.

AACSB: Analytical Thinking

Blooms: Understand

Learning Objective: 2-6

Level of Difficulty: 2 Medium

Topic: Recognizing Customer Lifetime Value and Customer Equity

Enhancing customer value by increasing their purchases is a potential source of new revenue.

Answer: **TRUE**

Feedback: Acquiring new customers, retaining current customers, and enhancing the customer value by increasing their purchases are potential sources of new revenue.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-6

Level of Difficulty: 2 Medium

Topic: Recognizing Customer Lifetime Value and Customer Equity

An extremely good plan might be carried out badly and still produce profits, while a poor but well implemented plan can lose money.

Answer: **TRUE**

Feedback: Marketing strategy planning is an important concept. An extremely good plan might be carried out badly and still be profitable, while a poor but well implemented plan can lose money.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-6

Level of Difficulty: 2 Medium

Topic: The Importance of Marketing Strategy Planning

The U.S. auto industry has become much more marketing-oriented since Henry Ford introduced the Model T.

Answer: **TRUE**

Feedback: Henry Ford revolutionized the auto industry when he built an assembly line to produce the Model T. The line helped him make cars for much less than his competitors, and the pricing appealed to a large section of the market.

AACSB: Analytical Thinking

Blooms: Understand

Learning Objective: 2-6

Level of Difficulty: 1 Easy

Topic: The Importance of Marketing Strategy Planning

Many U.S. automakers have failed because they were not marketing oriented.

Answer: **TRUE**

Feedback: Ford and other U.S. automakers struggled due to the lack of a competitive marketing strategy that could appeal to customers.

AACSB: Analytical Thinking

Blooms: Understand

Learning Objective: 2-6

Level of Difficulty: 1 Easy

Topic: The Importance of Marketing Strategy Planning

Managers who embrace the marketing concept realize that they cannot just define their line of business in terms of the products they currently produce or sell.

Answer: TRUE

Feedback: An industry must learn to be more marketing oriented and cannot just define its business in terms of the products they buy or sell.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-6

Level of Difficulty: 1 Easy

Topic: The Importance of Marketing Strategy Planning

The single most important factor in screening possible marketing opportunities is the long-run trends facing the company.

Answer: FALSE

Feedback: Attractive opportunities for a given firm are those that the firm has some chance of exploiting given its resources and objectives. An opportunity that is attractive for one firm may not be attractive for another.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-7

Level of Difficulty: 1 Easy

Topic: What are Attractive Opportunities?

Attractive opportunities for a particular firm are those that the firm has some chance of doing something about-given its resources and objectives.

Answer: **TRUE**

Feedback: Attractive opportunities for a given firm are those that the firm has some chance of exploiting given its resources and objectives.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-7

Level of Difficulty: 1 Easy

Topic: What are Attractive Opportunities?

A "breakthrough opportunity" is an opportunity that helps innovators develop long-term, hard-to-copy marketing strategies that will be very profitable.

Answer: **TRUE**

Feedback: Breakthrough opportunities are opportunities that help innovators develop hard-to-copy marketing strategies that will be very profitable for a long time.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-7

Level of Difficulty: 1 Easy

Topic: What are Attractive Opportunities?

"Breakthrough opportunities" are ones that help innovators develop hard-to-copy marketing strategies that will be profitable for a long time.

Answer: **TRUE**

Feedback: Breakthrough opportunities are opportunities that help innovators develop hard-to-copy marketing strategies that will be very profitable for a long time.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-7

Level of Difficulty: 1 Easy

Topic: What are Attractive Opportunities?

A firm with a "competitive advantage" has a marketing mix that the target market sees as better than a competitor's mix.

*Answer: **TRUE***

Feedback: Competitive advantage means that a firm has a marketing mix that the target market sees as better than a competitor's mix.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-7

Level of Difficulty: 1 Easy

Topic: What are Attractive Opportunities?

Finding "competitive advantages" is important because they are needed for survival in increasingly competitive markets.

*Answer: **TRUE***

Feedback: Even if a firm can't find a breakthrough opportunity, it should try to obtain a competitive advantage to increase its chances for profit or survival.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-7

Level of Difficulty: 1 Easy

Topic: What are Attractive Opportunities?

It is useful to think of the marketing strategy planning process as a narrowing-down process.

Answer: **TRUE**

Feedback: The marketing strategy planning process narrows down from broad opportunities to specific strategy.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-7

Level of Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

The marketing strategy planning process starts with a narrow look at a market, and becomes broader the closer the firm comes to developing a marketing mix.

Answer: **FALSE**

Feedback: The marketing strategy planning process starts with a broad look at a market and narrows down towards specific strategy such as marketing mixes.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-7

Level of Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

There are usually more different strategy possibilities than a firm can pursue.

Answer: **TRUE**

Feedback: There are usually more different opportunities and strategy possibilities than a firm can pursue-each with its own advantages and disadvantages.

AACSB: Analytical Thinking

Blooms: Understand

Learning Objective: 2-7

Level of Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

Developing a set of specific qualitative and quantitative screening criteria can help a manager define in which business and markets the firm wants to compete.

Answer: **TRUE**

Feedback: Developing a set of specific qualitative and quantitative screening criteria can help a manager define in which business and markets the firm wants to compete. This can be derived from an analysis of the company's objectives and resources.

AACSB: Analytical Thinking

Blooms: Understand

Learning Objective: 2-7

Level of Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

A S.W.O.T. analysis is one way to zero in on a marketing strategy that is well-suited to the firm.

Answer: **TRUE**

Feedback: With a S.W.O.T. analysis, a marketing manager can begin to identify strategies that take advantage of the firm's strengths and opportunities while avoiding weaknesses and threats.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-7

Level of Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

A S.W.O.T. analysis identifies the "special weapons or tactics" used by the competitor in a product-market that has the most profitable marketing mix.

Answer: **FALSE**

Feedback: S.W.O.T. analysis is one that identifies and lists the firm's strengths, weaknesses, opportunities, and threats.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-7

Level of Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

S.W.O.T. analysis is based on the idea that one of the best ways to develop a strategy is to identify and copy the marketing "strategies, weapons, outlook, and tactics" of the firm's most effective competitor.

Answer: **FALSE**

Feedback: S.W.O.T. analysis is one that identifies and lists the firm's strengths, weaknesses, opportunities, and threats. A marketing manager can begin to identify strategies that take advantage of the firm's strengths and opportunities while avoiding weaknesses and threats.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-7

Level of Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

A good S.W.O.T. analysis helps a manager focus on a strategy that takes advantages of the firm's opportunities and strengths while avoiding its weaknesses and threats to its success.

Answer: **TRUE**

Feedback: S.W.O.T. analysis helps a marketing manager identify strategies that take advantage of the firm's strengths and opportunities while avoiding weaknesses and threats.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-7

Level of Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

The letters in "S.W.O.T. analysis" are an abbreviation for the first letters of the words "strengths, weaknesses, opportunities, and threats."

Answer: **TRUE**

Feedback: The name S.W.O.T. is simply an abbreviation for the first letters in the words strengths, weaknesses, opportunities, and threats.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-7

Level of Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

The letters in "S.W.O.T. analysis" are an abbreviation for the first letters of the words "special weapons or tactics."

Answer: **FALSE**

Feedback: The name S.W.O.T. is simply an abbreviation for the first letters in the words strengths, weaknesses, opportunities, and threats.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-7

Level of Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

Segmentation is the process a manager goes through to decide which subgroups of customers to select.

Answer: TRUE

Feedback: Segmentation is the reason why manager may decide to serve some subgroups of customers and not others.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-7

Level of Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

Differentiation means that the marketing mix is distinct from and better than what is available from a competitor.

Answer: TRUE

Feedback: Differentiation means that the marketing mix of a firm is distinct from what is available with a competitor.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-7

Level of Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

Differentiation means that the firm's marketing mix is similar to its competitors' mixes.

Answer: **FALSE**

Feedback: Differentiation means that the marketing mix of a firm is distinct from what is available with a competitor.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-7

Level of Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

Differentiation often requires a firm to fine-tune its marketing mix to meet the specific needs of its target market(s).

Answer: **TRUE**

Feedback: Differentiation often requires that the firm fine-tune all of the elements of its marketing mix to the specific needs of a distinctive target market.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-7

Level of Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

Differentiation emphasizes uniqueness rather than similarity.

Answer: **TRUE**

Feedback: Differentiation should emphasize the differences so target customers will think of the firm as being in a unique position to meet their needs.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-7

Level of Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

Differentiation emphasizes similarity rather than uniqueness.

*Answer: **FALSE***

Feedback: Differentiation should emphasize the differences so target customers will think of the firm as being in a unique position to meet their needs.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-7

Level of Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

The external market environment doesn't play a role in the marketing strategy planning process because it exists outside of the company.

*Answer: **FALSE***

Feedback: While the external market environment is outside of the company, it is comprised of trends and forces that can make a potential marketing opportunity more or less attractive or likely to succeed.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-7

Level of Difficulty: 2 Medium

Topic: Marketing Strategy Planning Process Highlights Opportunities

It is useful to think of the marketing strategy planning process as a process that begins with a narrow focus but then broadens to embrace unlimited opportunities and options.

Answer: **FALSE**

Feedback: It is useful to think of the marketing strategy planning process as a narrowing-down process. The process begins with a broad look at a market but then narrows as marketers evaluate specific qualitative and quantitative screening criteria that help zero in on the best target market and marketing mix.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-7

Level of Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

The first two letters in the S.W.O.T. analysis help managers examine customers, competition, and the external marketing environment.

Answer: **FALSE**

Feedback: The first two letters of the S.W.O.T. analysis stand for "strengths and weaknesses" and guide managers to look inward to assess a company's internal capabilities and resources.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-7

Level of Difficulty: 2 Medium

Topic: Marketing Strategy Planning Process Highlights Opportunities

The last two letters in the S.W.O.T. refer to "opportunities" and "threats" related to factors outside the company, including customers, competition, and the external marketing environment.

Answer: **TRUE**

Feedback: Whereas the first two letters of the S.W.O.T. analysis focus on strengths and weaknesses related to a company's internal resources and capabilities, the last two letters examine "opportunities and threats" outside the firm related to customers, competition, and the external marketing environment.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-7

Level of Difficulty: 2 Medium

Topic: Marketing Strategy Planning Process Highlights Opportunities

Marketing opportunities involving present products and present markets are called "market penetration" opportunities.

Answer: **TRUE**

Feedback: Market penetration means trying to increase sales of a firm's present products in its present markets.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-8

Level of Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Market penetration means trying to increase sales of a firm's present products in its present markets-probably through a more aggressive marketing mix.

Answer: **TRUE**

Feedback: Market penetration means trying to increase sales of a firm's present products in its present markets through a more aggressive marketing mix.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-8

Level of Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

A firm that tries to increase sales by selling new products in new markets is pursuing "market development" opportunities.

Answer: **FALSE**

Feedback: Market development means trying to increase sales by selling present products in new markets.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-8

Level of Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

A "market development" opportunity would involve a firm offering new or improved products to its present markets.

Answer: **FALSE**

Feedback: Market development means trying to increase sales by selling present products in new markets.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-8

Level of Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

When a firm tries to increase sales by offering new or improved products to its present markets, this is called "product development."

Answer: TRUE

Feedback: Product development means offering new or improved products for present markets.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-8

Level of Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Nike moved beyond shoes and sportswear to offer its athletic target market a running watch, digital audio player, and even a portable heart-rate monitor. This is an example of a market development strategy.

Answer: FALSE

Feedback: This is an example of product development, which means offering new or improved products for present markets. By knowing the present market's needs, a firm may see new ways to satisfy customers.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-8

Level of Difficulty: 3 Hard

Topic: Types of Opportunities to Pursue

The ArrowPoint Company has just modified and enlarged its product line to meet the changing needs of its current customers. This is an example of "market development."

Answer: **FALSE**

Feedback: Product development means offering new or improved products for present markets. By knowing the present market's needs, a firm may see new ways to satisfy customers.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-8

Level of Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

When Cadillac added a new sports utility vehicle called Escalade to the "luxury-oriented" selection at its existing dealers, it was seeking "market development" opportunities.

Answer: **FALSE**

Feedback: Product development means offering new or improved products for present markets. By knowing the present market's needs, a firm may see new ways to satisfy customers.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-8

Level of Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

If Burger King added tacos to the "burger-oriented" menu in its existing restaurants, it would be seeking "market development" opportunities.

Answer: **FALSE**

Feedback: Product development means offering new or improved products for present markets. By knowing the present market's needs, a firm may see new ways to satisfy customers.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-8

Level of Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Marketing opportunities that involve moving into totally different lines of business are "diversification" opportunities.

Answer: **TRUE**

Feedback: Diversification means moving into totally different lines of business. It could be entirely unfamiliar products, markets, or even levels in the production-marketing system.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-8

Level of Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

The least risky-but most challenging-marketing opportunities are diversification opportunities.

Answer: **FALSE**

Feedback: Products and customers that are very different from a firm's current base may look attractive, but these opportunities are usually hard to evaluate. That's why diversification usually involves the biggest risk.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-8

Level of Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Often, attractive opportunities are fairly close to markets the firm already knows.

*Answer: **TRUE***

Feedback: Most firms think first of greater market penetration and usually find the most attractive opportunities in markets they already know.

AACSB: Analytical Thinking

Blooms: Understand

Learning Objective: 2-8

Level of Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

When it comes to choosing among different types of opportunities, most firms tend to be production-oriented and usually think first of diversification.

*Answer: **FALSE***

Feedback: Most firms tend to think first of greater market penetration when they think of diversification.

AACSB: Analytical Thinking

Blooms: Understand

Learning Objective: 2-8

Level of Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Of the four types of opportunities firms can pursue, diversification is the easiest to evaluate and involves the least risk.

Answer: **FALSE**

Feedback: Since diversification opportunities require moving into totally different lines of business-perhaps entirely unfamiliar products, markets, or even levels in the production-marketing system-such opportunities are hard to evaluate and involve the greatest risk.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-8

Level of Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

A significant emerging middle class consumer segment in a country is a strong opportunity for brands to shift focus toward it.

Answer: **TRUE**

Feedback: A significant emerging middle class consumer segment in a country is a strong opportunity for brands to shift focus toward it.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-9

Level of Difficulty: 1 Easy

Topic: International Opportunities should be Considered

Advances in e-commerce, transportation, and communications have had little impact on creating international opportunities.

Answer: **FALSE**

Feedback: Advances in e-commerce, transportation, and communications are making it easier and cheaper to reach international customers. With a website and e-mail, even the smallest firm can provide international customers with a great deal of information—and easy ways to order—at very little expense.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-9

Level of Difficulty: 1 Easy

Topic: International Opportunities should be Considered

If customers in other countries are interested in the products a firm offers, or could offer, serving them may improve economies of scale.

Answer: **TRUE**

Feedback: If customers in other countries are interested in the products a firm offers, or could offer, serving them may improve economies of scale. Lower costs and prices may give a firm a competitive advantage both in its home markets and abroad.

AACSB: Analytical Thinking

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-9

Level of Difficulty: 1 Easy

Topic: International Opportunities should be Considered

Unfavorable trends in the domestic market environment may make the international marketing environment very attractive.

Answer: **TRUE**

Feedback: Unfavorable trends in the market environment at home or favorable trends in other countries may make international marketing particularly attractive.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-9

Level of Difficulty: 1 Easy

Topic: International Opportunities should be Considered

International opportunities should be considered in the strategy planning process, but they don't always survive as the most attractive ones that are turned into strategies.

Answer: **TRUE**

Feedback: Marketing managers should consider international opportunities, but risks are often higher in foreign markets. Many firms fail because they don't know the foreign country's culture.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-9

Level of Difficulty: 1 Easy

Topic: International Opportunities should be Considered

Marketing managers usually find that opportunities in international markets are less profitable than in domestic markets.

Answer: **FALSE**

Feedback: Unfavorable trends in the market environment at home—or favorable trends in other countries—may make international marketing particularly attractive. However, managers must assess both the risks and opportunities.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-9

Level of Difficulty: 1 Easy

Topic: International Opportunities should be Considered

When a firm's domestic market is prosperous, marketing managers are less likely to pursue opportunities in international markets.

Answer: **TRUE**

Feedback: Marketers who are attaining success in domestic markets often fall into the trap of ignoring opportunities in international markets.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-9

Level of Difficulty: 1 Easy

Topic: International Opportunities should be Considered

Multiple Choice Questions

The three basic tasks of ALL managers, according to the text, are:

- planning, staffing, and evaluating.
- marketing, production, and finance.
- execution, feedback, and control.
- hiring, training, and compensating.
- planning, implementation, and control.

Feedback: Planning, implementation, and control are basic jobs of all managers.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-1

Level of Difficulty: 1 Easy

Topic: The Management Job in Marketing

Controlling is vital to the marketing management process because:

- marketing managers need to control their subordinates.
- controlling examines a firm's strengths, weaknesses, opportunities, and threats.
- gathering feedback on a plan's results may lead to beneficial adjustments or entirely new plans.
- controlling involves identifying a target market.
- controlling is part of the marketing mix.

Feedback: In the controlling step of the marketing management process, managers measure the results of a plan to see if everything is working out as expected. The control function is especially important since feedback gathered during the controlling stage often leads to beneficial plan adjustments or entirely new plans.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-1

Level of Difficulty: 1 Easy

Topic: The Management Job in Marketing

Which of the following duties would not be performed by a firm's marketing managers?

Planning activities

Directing the implementation of plans

Controlling plans

Overseeing the firm's financial statements

Developing marketing mixes for target markets

Feedback: Marketing managers oversee all aspects of the marketing management process, including planning marketing, directing the implementation of the plans, and controlling these plans. Overseeing a firm's financial statements is a duty for financial officers and accountants.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-1

Level of Difficulty: 1 Easy

Topic: The Management Job in Marketing

Which of the following is one of three basic marketing management jobs?

To direct the implementation of plans

To control the plans in actual operation

To plan marketing activities

All of these are basic marketing management jobs

Feedback: The marketing management process is (1) planning marketing activities, (2) directing the implementation of the plans, and (3) controlling these plans.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-1

Level of Difficulty: 1 Easy

Topic: The Management Job in Marketing

The marketing management process is the process of:

- Planning marketing activities.
- Implementing marketing plans.
- Controlling marketing plans.
- All of these.

Feedback: The marketing management process refers to (1) planning marketing activities, (2) directing the implementation of the plans, and (3) controlling these plans.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-1

Level of Difficulty: 1 Easy

Topic: The Management Job in Marketing

Which of the following refers to the managerial process of developing and maintaining match between an organization's resources and its market opportunities?

- marketing mix decisions
- strategic management planning
- advertising and promotional activities
- marketing management process
- Effective marketing strategy

Feedback: The job of planning strategies to guide a whole company is called strategic (management) planning—the managerial process of developing and maintaining match between an organization's resources and its market opportunities. This is atop-management job.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-1

Level of Difficulty: 1 Easy

Topic: The Management Job in Marketing

What sets the tone and direction for the whole company?

- expansion plan
- manager's qualification
- marketing plan
- management process
- sales and promotion

Feedback: Although marketing strategies are not whole-company plans, company plans should be market-oriented. And the marketing plan often sets the tone and direction for the whole company.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-1

Level of Difficulty: 1 Easy

Topic: The Management Job in Marketing

Marketing strategies _____.

- are not whole-company plans
- ensure that every opportunity is good for every company
- do not specify target markets and related marketing mixes
- ensure sales and profit for the company
- provide a limited picture of what a firm will do in some market

Feedback: Marketing strategies are not whole-company plans, but company plans should be market-oriented.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-1

Level of Difficulty: 1 Easy

Topic: The Management Job in Marketing

Why can't marketing managers be satisfied just planning present activities?

Markets are dynamic.

Consumers' needs keep changing.

The environment keeps changing.

Competitors often change.

All of these are reasons why marketing managers can't be satisfied just planning present activities.

Feedback: Marketing managers are not satisfied just planning present activities since markets are usually dynamic and consumers' needs, competition, and the environment keep changing.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-1

Level of Difficulty: 1 Easy

Topic: The Management Job in Marketing

The managerial process of developing and maintaining a match between the resources of an organization and its market opportunities is called _____.

management by objective

marketing programming

marketing strategy planning

strategic (management) planning

market planning

Feedback: Strategic (management) planning is the managerial process of developing and maintaining a match between an organization's resources and its market opportunities.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-1

Level of Difficulty: 1 Easy

Topic: The Management Job in Marketing

_____ is the managerial process of developing and maintaining a match between an organization's resources and its market opportunities.

Strategic (management) planning

Target marketing

Mass marketing

Resource allocation

Marketing control

Feedback: Strategic (management) planning is the managerial process of developing and maintaining a match between an organization's resources and its market opportunities.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-2

Level of Difficulty: 1 Easy

Topic: The Management Job in Marketing

"Marketing strategy planning" means _____.

finding attractive opportunities and developing profitable marketing strategies

finding attractive opportunities and selecting a target market

selecting an attractive target market

selecting an attractive marketing mix

selecting a target market and developing a marketing strategy

Feedback: Marketing strategy planning means finding attractive opportunities and developing profitable marketing strategies.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-2

Level of Difficulty: 1 Easy

Topic: What is a Marketing Strategy?

Marketing strategies

- enable marketing managers to be satisfied just planning present activities.
- ensure that every opportunity is good for every company.
- do not specify target markets and related marketing mixes.
- provide a limited picture of what a firm will do in some market.
- are not whole-company plans.

Feedback: Marketing strategies are not whole-company plans, but company plans should be market-oriented.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-2

Level of Difficulty: 2 Medium

Topic: What is a Marketing Strategy?

A marketing strategy _____.

- specifies a target market and a related marketing mix
- provides a focused but narrow picture of what a firm will do in some market
- is a market-oriented, whole-company plan
- includes two interrelated parts-product mix and product development
- includes the marketing mix, but does not specify customers

Feedback: A marketing strategy has two interrelated parts (1) a target market, (2) a marketing mix.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-2

Level of Difficulty: 2 Medium

Topic: What is a Marketing Strategy?

A marketing strategy specifies:

- a target market and a related marketing mix.
- all the company's resources.
- a target market.
- a target market and the company's objectives.
- a marketing mix.

Feedback: A marketing strategy specifies a target market and a related marketing mix. It is a big picture of what a firm will do in some market.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-2

Level of Difficulty: 1 Easy

Topic: What is a Marketing Strategy?

A marketing strategy specifies:

- a marketing mix.
- a target market and a related marketing mix.
- a target market.
- the resources needed to implement a marketing mix.

Feedback: A marketing strategy specifies a target market and a related marketing mix. It is a big picture of what a firm will do in some market.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-2

Level of Difficulty: 1 Easy

Topic: What is a Marketing Strategy?

A target market and a related marketing mix make up a _____.

- Marketing plan
- Marketing strategy
- Marketing program
- Marketing analysis
- Marketing proposal

Feedback: A marketing strategy specifies a target market and a related marketing mix. It is a big picture of what a firm will do in some market.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-2

Level of Difficulty: 1 Easy

Topic: What is a Marketing Strategy?

Which of the following refers to a fairly homogeneous (similar) group of customers to whom a company wishes to appeal?

- Related market
- Target market
- Typical market
- Mix market
- Trial market

Feedback: A target market is a fairly homogeneous (similar) group of customers to whom a company wishes to appeal.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-2

Level of Difficulty: 1 Easy

Topic: What is a Marketing Strategy?

Herbal Essences tries to sell its hair shampoos and conditioners to adult women, ages 18-24. These women represent Herbal Essences' primary _____.

- marketing strategy
- 4 Ps.
- target market
- marketing mix
- channel of distribution

Feedback: A target market is a fairly homogeneous group of customers to whom a company wishes to appeal.

AACSB: Analytical Thinking

Blooms: Apply

Learning Objective: 2-2

Level of Difficulty: 1 Easy

Topic: What is a Marketing Strategy?

What are the controllable variables the company puts together to satisfy this target group referred as?

- Target marketing
- Marketing strategy
- Direct marketing
- Mass marketing
- Marketing mix

Feedback: A marketing mix—the controllable variables the company puts together to satisfy this target group.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-2

Level of Difficulty: 1 Easy

Topic: What is a Marketing Strategy?

Target marketing, in contrast to mass marketing _____.

Assumes all customers have the same needs.

Assumes everyone is a potential customer.

Focuses only on small market segments.

Tailors a marketing mix to fit some specific group of customers.

Makes it more likely that a firm will face direct competition.

Feedback: Target marketing says that a marketing mix is tailored to fit some specific target customers.

AACSB: Reflective Thinking

Blooms: Create

Learning Objective: 2-3

Level of Difficulty: 1 Easy

Topic: Selecting a Market-Oriented Strategy is Target Marketing

Which of the following statements about target marketing is incorrect?

Target marketing is not mass marketing.

Mass marketers like Kraft and Walmart may conduct target marketing.

Target marketing is not limited to small market segments.

Target marketing assumes that everyone is different and specifies some particular target customers.

Target marketing is associated with the typical production-oriented approach that aims at everyone with the same marketing mix.

Feedback: Mass marketing is a typical production-oriented approach that aims generally at everyone using the same marketing mix. In contrast, target marketing sees everyone as different and says that a marketing mix is tailored to fit some specific target customers.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-3

Level of Difficulty: 2 Medium

Topic: Selecting a Market-Oriented Strategy is Target Marketing

The difference between target marketing and mass marketing is that target marketing

_____.

means focusing on a small market

focuses on short-run objectives, while mass marketing focuses on long-run objectives

focuses on specific customers, while mass marketing aims at an entire market

does not rely on e-commerce but mass marketing does

aims at increased sales, while mass marketing focuses on increased profits

Feedback: Target marketing says that a marketing mix is tailored to fit some specific target customers. In contrast, mass marketing vaguely aims at "everyone" with the same marketing mix.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-3

Level of Difficulty: 1 Easy

Topic: Selecting a Market-Oriented Strategy is Target Marketing

"Target marketing," in contrast to "mass marketing,"

ignores the need for the firm to obtain a competitive advantage.

ignores markets that are large and spread out.

is limited to small market segments.

assumes that all customers are basically the same.

None of these answers is correct.

Feedback: Target marketing says that a marketing mix is tailored to fit some specific target customers. In contrast, mass marketing vaguely aims at "everyone" with the same marketing mix. Mass marketing assumes that everyone is the same and considers everyone a potential customer.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-3

Level of Difficulty: 2 Medium

Topic: Selecting a Market-Oriented Strategy is Target Marketing

Target marketing

is a production-oriented approach to marketing.

is essentially the same as mass marketing.

considers everyone a potential customer.

assumes that everyone is the same.

specifies some particular group of customers.

Feedback: Target marketing says that a marketing mix is tailored to fit some specific target customers.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-3

Level of Difficulty: 2 Medium

Topic: Selecting a Market-Oriented Strategy is Target Marketing

_____ assume(s) that everyone is the same-and consider(s) everyone to be a potential customer.

Mass marketers

Target marketing

Mass marketing

Target marketers

Objective marketing

Feedback: Mass marketing, with its typical production-oriented approach, assumes that everyone is the same and considers everyone a potential customer.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-3

Level of Difficulty: 1 Easy

Topic: Selecting a Market-Oriented Strategy is Target Marketing

Which type of marketing aims to sell to everyone?

Controlled marketing

Target marketing

Oriented marketing

Direct marketing

Mass marketing

Feedback: Mass marketing is the typical production-oriented approach which vaguely aims at “everyone” with the same marketing mix. Mass marketing assumes that everyone is the same—and it considers everyone to be a potential customer.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-3

Level of Difficulty: 2 Medium

Topic: Selecting a Market-Oriented Strategy is Target Marketing

Marketing managers should view potential customers as

- all alike.
- all having the same needs.
- always wanting to meet needs in the same way.
- grouped into segments of similar consumers.
- different types, but all having the same characteristics.

Feedback: Not all potential customers have the same needs nor do they always want their needs met in the same way. In spite of the many possible differences, there often are segments of consumers who are similar and could be satisfied with the same marketing mix.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-3

Learning Objective: 2-6

Level of Difficulty: 2 Medium

Topic: Marketing Strategy Planning Highlights Opportunities

Topic: Selecting a Market-Oriented Strategy is Target Marketing

Good marketing strategy planners know that _____.

- _____ firms like Nabisco and Walmart are too large to aim at clearly defined target markets
- _____ target marketing does not limit one to small market segments
- _____ mass marketing is often very desirable and effective
- _____ the terms "mass marketing" and "mass marketer" mean basically the same thing
- _____ target markets cannot be large and spread out

Feedback: Target marketing is not limited to small market segments, only to fairly homogeneous ones. A very large market, sometimes called the "mass market", may be fairly homogeneous, and a target marketer will deliberately aim at it.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-3

Level of Difficulty: 2 Medium

Topic: Selecting a Market-Oriented Strategy is Target Marketing

"Target marketing," in contrast to "mass marketing," _____.

is limited to small market segments

assumes that all customers are basically the same

ignores markets that are large and spread out

assumes that what they give is what customers want

focuses on fairly homogeneous market segments

Feedback: Target marketing is not limited to small market segments, only to fairly homogeneous ones. A very large market, sometimes called the "mass market", may be fairly homogeneous, and a target marketer will deliberately aim at it.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-3

Level of Difficulty: 2 Medium

Topic: Selecting a Market-Oriented Strategy is Target Marketing

Identify the incorrect statement regarding target marketing.

Target marketing is not mass marketing.

Mass marketers cannot do target marketing.

Target marketing can mean big markets and profits.

Marketing-oriented managers practice "target marketing."

It aims at a marketing mix that is tailored to fit specific target customers.

Feedback: Target marketing says that a marketing mix is tailored to fit some specific target customers. However, mass marketers like Kraft Foods and Walmart aim clearly at defined target markets. The confusion with mass marketing occurs because their target markets usually are large and spread out.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-3

Level of Difficulty: 2 Medium

Topic: Selecting a Market-Oriented Strategy is Target Marketing

The marketing mix

includes four variables-People, Place, Promotion, and Price.

includes the target market.

helps to organize the marketing strategy decision areas.

includes four variables-advertising, personal selling, customer service, and sales promotion.

does not focus on target customers.

Feedback: The variables of the marketing mix help organize marketing related decisions, and simplify the selection of marketing mixes.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 2 Medium

Topic: Developing Marketing Mixes for Target Markets

The "four Ps" of a marketing mix are _____.

Production, Personnel, Price, and Physical Distribution

Promotion, Production, Price, and People

Potential Customers, Product, Price, and Personal Selling

Product, Price, Promotion, and Profit

Product, Place, Promotion, and Price

Feedback: The different variables of the marketing mix are product, place, promotion, and price.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 2 Medium

Topic: Developing Marketing Mixes for Target Markets

A marketing mix consists of:

policies, procedures, plans, and personnel.

the customer and the "four Ps."

all variables, controllable and uncontrollable.

product, price, promotion, and place.

Feedback: The different variables of the marketing mix are product, place, promotion, and price.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

A firm's "marketing mix" decision areas would NOT include:

Promotion.

People.

Price.

Product.

Place.

Feedback: The different variables of the marketing mix are product, place, promotion, and price.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

A firm's "marketing mix" decision areas would NOT include:

Price.

Promotion.

Product.

Place.

Profit.

Feedback: The different variables of the marketing mix are product, place, promotion, and price.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Which of the following is NOT one of the four variables in a marketing mix?

Price

Product

Promotion

Payment

Place

Feedback: The different variables of the marketing mix are product, place, promotion, and price.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Which of the following is true?

- The product "P" in the marketing mix stands for only physical goods.
- The product "P" in the marketing mix stands for both physical goods and services.
- The product "P" in the marketing mix stands for only tangible merchandise.
- The product "P" in the marketing mix stands for only physical merchandise.
- The product "P" in the marketing mix stands for both physical goods and tangible merchandise.

Feedback: The Product area is concerned with developing the right product for the target market. This offering may involve a physical good, a service, or a blend of both.

AACSB: Analytical Thinking

Blooms: Understand

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

What is important to remember when developing the "right" product?

- The product must be competitive in the market.
- The product must bring in good profit.
- The product must be unique to the market.
- The product must be easily available in the market.
- The product must satisfy the customer's needs.

Feedback: The important thing to remember is that your good or service should satisfy some customers' needs.

AACSB: Analytical Thinking

Blooms: Understand

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

"Product" is concerned with:

- branding.
- packaging and warranty.
- physical goods.
- services.
- all of these might be involved with Product.

Feedback: Products include physical goods and/or services and product related decisions include branding, packaging, and warranties.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

"Product" is concerned with:

- branding and warranties.
- physical goods and/or services.
- packaging.
- developing the right new product for a market.
- all of these might be involved with Product.

Feedback: Products include physical goods and/or services and product related decisions include branding, warranties, and packaging. Developing the right new product is also included in "Product."

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 2 Medium

Topic: Developing Marketing Mixes for Target Markets

"Product" is concerned with:

services.

developing products that will satisfy some customers' needs.

designing, packaging, and branding new products.

physical goods.

All of these might be involved with Product.

Feedback: Apart from the physical product, a service, or a blend of both, product related decisions include developing, designing, packaging, and branding.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 2 Medium

Topic: Developing Marketing Mixes for Target Markets

"Product" is NOT concerned with:

quality level.

branding.

wholesale price.

packaging.

warranty.

Feedback: Price, whether a wholesale price or a consumer price, is not part of Product.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Which of the following is NOT a Product-area decision?

- Quality level.
- Market exposure.
- Instructions.
- Packaging.
- Branding.

Feedback: "Market exposure" is part of Place, not Product.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Which of the following is NOT considered a product?

- Tax advice from a financial consultant.
- A computer.
- A haircut.
- A chair.
- All of these are considered products.

Feedback: The Product area is concerned with developing the right product for the target market. This offering may involve a physical good, a service, or a blend of both.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Henry Ford told prospective customers of his Model T car, "You can have any color as long as it is black." Which aspect of the marketing mix was he stressing?

- Promotion
- Product
- Place
- Price
- People

Feedback: The Product area is concerned with developing the right product for the target market. This offering may involve a physical good, a service, or a blend of both.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-4

Learning Objective: 2-6

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Topic: The Importance of Marketing Strategy Planning

The packaging design for a new flavor of Ben and Jerry's ice cream is an aspect of which component of the marketing mix?

- Place
- Price
- Product
- Promotion
- People

Feedback: "Packaging design" is part of Product.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Suzuki's 3 year/36,000 mile new car warranty is part of which marketing mix decision area?

- Price
- Target market
- Place
- Product
- Promotion

Feedback: "Warranty" is part of Product.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Dell, Inc. wants to offer customers televisions in addition to computers. This is a change in its _____ strategy.

- Pricing
- promotional
- Personnel
- Product
- Placement

Feedback: The Product area is concerned with developing the right product for the target market. Dell offers its customers various products.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Big Fizz Co., a manufacturer of cola-flavored drinks, wants to add packaged fruit juices to its existing product line. Big Fizz needs to make some decisions regarding packaging and branding of the fruit juices. These decisions would fall under which variable of the marketing mix?

- Product
- Place
- Promotion
- Price
- Personal selling

Feedback: Packaging and branding are part of Product.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-4

Level of Difficulty: 2 Medium

Topic: Developing Marketing Mixes for Target Markets

When one considers the strategy decisions organized by the four Ps, branding is related to packaging as _____.

- branding is to pricing
- production is to marketing
- store location is to sales force selection
- personal selling is to mass selling
- pricing is to promotion

Feedback: Branding and packaging are important elements of Product-area decisions, while personal selling and mass selling are important elements of Promotion-area decisions.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-4

Level of Difficulty: 3 Hard

Topic: Developing Marketing Mixes for Target Markets

A firm's decisions regarding channel type, market exposure and kinds of intermediaries would fall under the marketing mix variable of _____.

Product

Place

Promotion

Price

People

Feedback: Place is concerned with all the decisions involved in getting the right product to the target market's place. A product reaches customers through a channel of distribution. Other important decisions include channel type, market exposure, kinds of intermediaries, etc.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 2 Medium

Topic: Developing Marketing Mixes for Target Markets

The _____ area of the marketing mix is concerned with decisions about getting the "right" product to the target market when and where it's wanted.

Product

People

Promotion

price

place

Feedback: Place is concerned with all the decisions involved in getting the right product to the target market's place.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

"Place" is concerned with:

intermediaries.

transporting.

channel members.

storing.

all of these might be involved with Place.

Feedback: Place is concerned with decisions involving channel type, market exposure, kinds of intermediaries, kinds and locations of stores, how to handle transporting and storing, service levels, etc.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

"Place" is concerned with:

getting the product to its intended market.

intermediaries located between producers and consumers.

where, when, and by whom goods are offered for sale.

when and where products are wanted.

all of these might be involved with Place.

Feedback: Place is concerned with decisions involving channel type, market exposure, kinds of intermediaries, kinds and locations of stores, how to handle transporting and storing, service levels, etc.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

"Place" is NOT concerned with:

storing.

intermediaries.

transporting.

channels of distribution.

sales reps.

Feedback: "Sales reps" are a part of the Promotion variable of the marketing mix.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 2 Medium

Topic: Developing Marketing Mixes for Target Markets

"Place" is NOT concerned with:

who handles storing and transporting.

when and where products are wanted.

kinds of intermediaries needed to reach customers.

telling the target market what products are available-and where.

channels of distribution.

Feedback: "Telling the target market what products are available and where" is part of Promotion.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Hewlett-Packard sells personal computers through specialty computer stores, electronics superstores, and its own Internet site. The marketing mix variable that is being considered here is:

Price.

Promotion.

Personnel.

Product.

Place.

Feedback: Place is concerned with decisions involving channel type, market exposure, kinds of intermediaries, kinds and locations of stores, how to handle transporting and storing, service levels, etc.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Scott Paper uses many intermediaries to reach its target markets; Citibank uses none. Which of the marketing mix variables is being considered here?

Penetration

Product

Promotion

Place

Price

Feedback: Place is concerned with decisions involving channel type, market exposure, kinds of intermediaries, kinds and locations of stores, how to handle transporting and storing, service levels, etc.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-4

Level of Difficulty: 2 Medium

Topic: Developing Marketing Mixes for Target Markets

Any series of firms or individuals that participate in the flow of products from producer to final user or consumer is known as _____.

customer service

a packaging line

a production line

a channel of distribution

mass marketing

Feedback: A channel of distribution is any series of firms or individuals that participate in the flow of products from producer to final user or consumer.

AACSB: Analytical Thinking

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

A "channel of distribution":

usually has three members—a manufacturer, a distributor, and a retailer.

is any series of firms (or individuals) from producer to final user or consumer.

should be as short as possible.

is not involved if a firm sells directly from its own website to final customers.

Feedback: A channel of distribution is any series of firms or individuals that participate in the flow of products from producer to final user or consumer.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 2 Medium

Topic: Developing Marketing Mixes for Target Markets

When Herbal Essences tries to get shelf space in Target and Walmart because young women frequently shop there for hair care products, this is an example of which of the 4Ps?

Price

Product

Promotion

Place

People

Feedback: Place is concerned with decisions involving channel type, market exposure, kinds of intermediaries, kinds and locations of stores, how to handle transporting and storing, service levels, etc.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

A detailed plan for handling transportation and storage of a new product that is now being distributed to wholesalers nationwide is an aspect of which part of the 4Ps?

Place

Product

Promotion

Price

Feedback: Place is concerned with decisions involving channel type, market exposure, kinds of intermediaries, kinds and locations of stores, how to handle transporting and storing, service levels, etc.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

An office supplies producer sells a variety of office supplies to final consumers and businesses using its own mail order catalog. Here,

there is no channel of distribution.

there is no opportunity to apply target marketing.

no promotion is involved.

a production orientation is just as effective as a marketing orientation.

None of these is true.

Feedback: There is a channel of distribution, albeit short; there is target marketing; there is promotion; and a marketing orientation if always more effective.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-4

Level of Difficulty: 2 Medium

Topic: Developing Marketing Mixes for Target Markets

The _____ area of the marketing mix includes decisions related to telling the target market or others in the channel of distribution about the "right" product.

Product

place

promotion

price

communication

Feedback: Promotion is that element of the marketing mix that is concerned with telling the target market or others in the channel of distribution about the "right" product.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

"Promotion" may include:

personal selling to channel members.

point-of-purchase materials.

mail-order selling.

advertising on the Internet.

All of these may be included in Promotion.

Feedback: Promotion is concerned with telling the target market or others in the channel of distribution about the "right" product. Promotion includes personal selling, mass selling, and sales promotion.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

"Promotion" includes:

advertising.

personal selling.

sales promotion.

publicity.

All of these may be included in Promotion.

Feedback: Promotion includes personal selling, mass selling (advertising and publicity), and sales promotion.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Marketing strategy decisions concerning Promotion include decisions about _____.

- packaging and branding
- the kinds of intermediaries to use
- training for salespeople
- transporting and storing
- discounts and allowances

Feedback: Promotion includes "training for salespeople." "Packaging and branding" are part of Product. "Kinds of intermediaries" is part of Place. "Discounts and allowances" are part of Price.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-4

Level of Difficulty: 2 Medium

Topic: Developing Marketing Mixes for Target Markets

"Promotion" is NOT concerned with:

creating billboard ads.

designing new products.

publicity.

television commercials.

personal selling.

Feedback: Designing new products is a function of the Product variable of the marketing mix. Promotion deals with mass selling, personal selling, advertising, publicity, and sales promotion.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Personal selling lets the salesperson adapt the firm's marketing mix to a specific customer. This is an aspect of which marketing mix variable?

Price

Place

Promotion

Product

Feedback: Personal selling is part of Promotion.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

_____ is direct spoken communication between sellers and potential customers.

- Personal selling
- Sales promotion
- Advertising
- Publicity
- Mass selling

Feedback: Personal selling involves direct spoken communication between sellers and potential customers. It may happen face-to-face, over the telephone or even via a videoconference over the Internet.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

From the perspective of the four Ps, personal selling is to advertising as

- mass selling is to branding.
- Place is to Product.
- sales promotion is to pricing.
- warranties are to channel type.
- geographic terms are to price allowances.

Feedback: Personal selling and advertising are important components of Promotion, while geographic terms and price allowances are important components of Price.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-4

Level of Difficulty: 3 Hard

Topic: Developing Marketing Mixes for Target Markets

_____ refers to personal communication between a seller and a customer who wants the seller to resolve a problem with a purchase.

- Advertising
- Sales promotion
- Publicity
- Personal selling
- Customer service

Feedback: Customer service refers to personal communication between a seller and a customer who wants the seller to resolve a problem with a purchase. This is often a key to building repeat business.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 2 Medium

Topic: Developing Marketing Mixes for Target Markets

Advertising is:

the designing and distribution of novelties, point-of-purchase materials, store signs, contests, catalogs, and circulars.

direct communication between sellers and potential customers.

any paid form of nonpersonal presentation of ideas, goods, or services by an identified sponsor.

the main form of publicity.

All of these are included in Advertising.

Feedback: Advertising refers to any paid form of nonpersonal presentation of ideas, goods, or services by an identified sponsor.

AACSB: Analytical Thinking

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 2 Medium

Topic: Developing Marketing Mixes for Target Markets

A popular television show, *The Unexpected*, achieved skyrocketing ratings after moralist Tom Bowman attempted to have it removed from the air. This is an example of mass selling through _____.

advertising

publicity

unethical means

personal selling

media hype

Feedback: Publicity is any unpaid form of nonpersonal presentation of ideas, goods, or services which includes getting favorable coverage in newspaper stories or on television as well as creating and placing content on the web for customers to find or pass along to others.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-4

Level of Difficulty: 3 Hard

Topic: Developing Marketing Mixes for Target Markets

Sales promotion:

lets the salesperson adapt the firm's marketing mix to each potential customer.

is the main form of advertising.

tries to help the personal selling and mass selling people.

is free.

consists of both advertising and personal selling.

Feedback: Sales promotion refers to those promotional activities that stimulate interest, trial, or purchase by final customers or others in the channel. It aids the efforts of personal selling and mass selling.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-4

Level of Difficulty: 2 Medium

Topic: Developing Marketing Mixes for Target Markets

Catalogs, point-of-purchase materials, and free samples are all examples of _____.

publicity

personal selling

sales promotion

advertising

marketing

Feedback: Sales promotion refers to those promotion activities that stimulate interest, trial, or purchase by final customers or others in the channel. This can involve use of coupons, point-of-purchase materials, samples, signs, contests, events, catalogs, novelties, and circulars.

AACSB: Analytical Thinking

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Coupons, samples, and point-of-purchase materials are examples of

- advertising.
- publicity.
- specialty service.
- personal selling.
- sales promotion.

Feedback: Sales promotion refers to those promotion activities that stimulate interest, trial, or purchase by final customers or others in the channel. This can involve use of coupons, point-of-purchase materials, samples, signs, contests, events, catalogs, novelties, and circulars.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

When Herbal Essences offers "dollar-off coupons" to adult women to try to get them to try its shampoos and conditioners, this is an example of:

- publicity.
- sales promotion.
- product development.
- market penetration.
- distribution.

Feedback: Sales promotion refers to those promotion activities that stimulate interest, trial, or purchase by final customers or others in the channel. This can involve use of coupons, point-of-purchase materials, samples, signs, contests, events, catalogs, novelties, and circulars.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Ford Motor Co. "loaned" new Fiestas to social trendsetters who drove the cars as part of their Meals on Wheels responsibilities. When Ford asked them to write about their driving experiences on Facebook and Twitter, it was emphasizing which aspect of the 4Ps?

Product

Place

Price

Promotion

People

Feedback: Promotion tells the target customers and others in the channel about the product that has been designed for them.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

The owner of the new Sharp Scissors hair salon gave coupons to potential customers walking by her store to stimulate interest and trial of her new hair salon. The coupons are an example of

advertising.

publicity.

sales promotion.

a channel of distribution.

media.

Feedback: Sales promotion refers to those promotional activities that stimulate interest, trial, or purchase by final customers or others in the channel. This can involve use of coupons, point-of-purchase materials, samples, signs, contests, events, catalogs, novelties, and circulars.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-4

Level of Difficulty: 3 Hard

Topic: Developing Marketing Mixes for Target Markets

To help cosmetic company, RedRain Inc., launch a new line of lipstick, tickets that can be redeemed for prizes are enclosed in some of the lipstick packages. This activity can be best classified as

advertising.

publicity.

sales promotion.

personal selling.

mass marketing.

Feedback: Sales promotion refers to those promotional activities that stimulate interest, trial, or purchase by final customers or others in the channel. This can involve use of coupons, point-of-purchase materials, samples, signs, contests, events, catalogs, novelties, and circulars.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-4

Level of Difficulty: 3 Hard

Topic: Developing Marketing Mixes for Target Markets

When 3M sent samples of Breathe Right Nasal Strips to the NFL trainers, this was an example of a _____ strategy.

price

promotion

personnel

Product

place

Feedback: Sales promotion refers to those promotional activities that stimulate interest, trial, or purchase by final customers or others in the channel. This can involve use of coupons, point-of-purchase materials, samples, signs, contests, events, catalogs, novelties, and circulars.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

"Price":

is affected by the kind of competition in the target market.

includes markups and discounts, but not allowances and freight charges.

is not affected by customer reactions.

is the most important part of a marketing mix.

Feedback: Price setting must consider the kind of competition in the target market and the cost of the whole marketing mix. A manager must also try to estimate customer reaction to possible prices.

AACSB: Analytical Thinking

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 2 Medium

Topic: Developing Marketing Mixes for Target Markets

While setting the price of a product, what must managers consider?

cost of the whole marketing mix
buying capacity of the customers
profit it should bring the company
transportation cost
personnel cost to company

Feedback: Price setting must consider the kind of competition in the target market and the cost of the whole marketing mix. A manager must also try to estimate customer reaction to possible prices.

AACSB: Analytical Thinking

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 2 Medium

Topic: Developing Marketing Mixes for Target Markets

The Price area of the marketing mix:

requires consideration of the cost of the marketing mix and the competition facing the firm when setting prices.

does not involve estimating consumer reaction to possible prices.

refers to any paid form of nonpersonal presentation of ideas, goods, or services by an identified sponsor.

does not include the consideration of geographic terms in price setting.

None of these is correct.

Feedback: Price setting must consider the kind of competition in the target market and the cost of the whole marketing mix. A manager must also try to estimate customer reaction to possible prices.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

When developing a marketing mix, a marketing manager should remember that _____.

"Promotion" includes only personal selling and publicity.

A channel of distribution includes at least one intermediary.

"Price" includes markups, discounts, allowances, and geographic terms.

"Product" includes physical goods but not services.

Customers' needs are all the same.

Feedback: A manager must know current practices as to markups, allowances, discounts, and other terms of sale while developing a marketing mix. These practices are part of Price.

AACSB: Reflective Thinking

Blooms: Create

Learning Objective: 2-4

Level of Difficulty: 2 Medium

Topic: Developing Marketing Mixes for Target Markets

When Ford Motor Co. introduced its Escape hybrid SUV, it offered a \$1,000 rebate as an incentive to attract new buyers. This was an example of which aspect of the marketing mix?

Price

Promotion

Place

Product

People

Feedback: Current practices such as markups, discounts (including rebates), and other terms of sale are part of Price.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

The most important variable in a firm's marketing mix is:

Product.

Price.

Promotion.

Place.

None of these since all contribute to one whole.

Feedback: All four Ps are needed in a marketing mix. No single variable of the marketing mix is more important than another; they all contribute to one whole. When a marketing mix is being developed, final decisions about the Ps should be made at the same time.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

An appropriate marketing mix should be determined primarily by _____.

- what has worked for the company in the past
- the needs of a target market
- the budget available to spend
- the past experiences of the marketing manager
- what product the firm can produce with economies of scale

Feedback: The needs of a target market often virtually determine the nature of an appropriate marketing mix. Therefore, marketers must analyze their potential target markets with great care.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-4

Level of Difficulty: 2 Medium

Topic: Developing Marketing Mixes for Target Markets

Ideally, a good marketing mix should _____.

- be very similar to the marketing mix typically used by key competitors
- be determined by which marketing mix costs the least
- not include much advertising because it's expensive and usually isn't very effective
- flow logically from all the relevant dimensions of a target market
- bring big profit to the company

Feedback: A good marketing mix should ideally flow logically from all the relevant dimensions of a target market.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

The text's "Toddler University" example shows that:

parents are not price sensitive when it comes to assuring that their kids will get a good college education.

the needs of a target market determine the nature of the appropriate marketing mix.

a small producer can't compete effectively against large competitors.

in the long run, a firm cannot make a profit without its own production facilities.

All of these are true.

Feedback: In order to serve the 'the Attentive Parents' target market, the owner of Toddler University came up with an appropriate marketing mix that met this target market's needs. It did so by combining "fit and function with fun and fashion."

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-4

Level of Difficulty: 3 Hard

Topic: Developing Marketing Mixes for Target Markets

The text's "Toddler University" example shows that:

no mass market exists for general-purpose baby shoes.

the needs of a target market determine the nature of the appropriate marketing mix.

a small producer can't compete effectively against large competitors.

no target market exists for high-quality baby shoes.

All of these are true.

Feedback: In order to serve the 'the Attentive Parents' target market, the owner of Toddler University came up with an appropriate marketing mix that met this target market's needs. It did so by combining "fit and function with fun and fashion."

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-4

Level of Difficulty: 3 Hard

Topic: Developing Marketing Mixes for Target Markets

The text's Toddler University example shows that TU's marketing plan included:

- A detailed description of the marketing mix to be offered.
- A description of the resources required to carry out the plan.
- Expected results of the plan.
- Control procedures.
- All of these.

Feedback: TU's marketing plan spelled out the following details: (1) what marketing mix will be offered, to whom and for how long; (2) what company resources will be needed at what rate; and (3) what results are expected.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-4

Level of Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Topic: The Marketing Plan is a Guide to Implementation and Control

The main difference between a "marketing strategy" and a "marketing plan" is that _____.

- time-related details are included in a marketing plan
- a marketing plan includes several marketing strategies
- a marketing strategy provides more detail
- a marketing strategy omits pricing plans
- a marketing plan does not include a target market

Feedback: A marketing plan is a written statement of a marketing strategy and the time-related details for carrying out the strategy.

AACSB: Analytical Thinking

Blooms: Understand

Learning Objective: 2-5

Level of Difficulty: 2 Medium

Topic: The Marketing Plan is a Guide to Implementation and Control

Which of the following refers to written statement of a marketing strategy and the time-related details for carrying out the strategy?

- Marketing mix
- Marketing program
- Marketing plan
- Marketing design
- Marketing direction

Feedback: A marketing plan is a written statement of a marketing strategy and the time-related details for carrying out the strategy. It should spell out the following in detail: (1) what marketing mix will be offered, to whom (that is, the target market), and for how long; (2) what company resources (shown as costs) will be needed at what rate (month by month perhaps); and (3) what results are expected (sales and profits perhaps monthly or quarterly, customer satisfaction levels, and the like).

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-5

Level of Difficulty: 2 Medium

Topic: The Marketing Plan is a Guide to Implementation and Control

A "marketing plan" is:

- a marketing program.
- a marketing strategy.
- a marketing strategy-plus the time-related details for carrying it out.
- a target market and a related marketing mix.
- a plan that contains the necessary operational decisions.

Feedback: A marketing plan is a written statement of a marketing strategy and the time-related details for carrying out the strategy.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-5

Level of Difficulty: 2 Medium

Topic: The Marketing Plan is a Guide to Implementation and Control

A "marketing plan":

- is just another term for "marketing strategy."
- consists of several "marketing programs."
- includes the time-related details for carrying out a marketing strategy.
- is a strategy without all the operational decisions.
- ignores implementation and control details.

Feedback: A marketing plan is a written statement of a marketing strategy and the time-related details for carrying out the strategy.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-5

Level of Difficulty: 1 Easy

Topic: The Marketing Plan is a Guide to Implementation and Control

A "marketing plan" should include:

- some control procedures.
- what company resources will be needed-and at what rate.
- what marketing mix is to be offered to whom-and for how long.
- what sales and profit results are expected.
- All of these are included in a marketing plan.

Feedback: An ideal marketing plan should answer the following questions: (1) what marketing mix will be offered, to whom and for how long; (2) what company resources will be needed at what rate; and (3) what results are expected.

AACSB: Analytical Thinking

Blooms: Understand

Learning Objective: 2-5

Level of Difficulty: 1 Easy

Topic: The Marketing Plan is a Guide to Implementation and Control

Which of the following is part of a complete marketing plan?

- Competitors' marketing strategies.
- What company resources (costs) are required and at what rate.
- How different marketing mixes (for different target markets) relate to each other.
- All of these are parts of a complete marketing plan.

Feedback: An ideal marketing plan should answer the following questions: (1) what marketing mix will be offered, to whom and for how long; (2) what company resources will be needed at what rate; and (3) what results are expected.

AACSB: Analytical Thinking

Blooms: Understand

Learning Objective: 2-5

Level of Difficulty: 2 Medium

Topic: The Marketing Plan is a Guide to Implementation and Control

Which of the following would probably NOT be in a proposed marketing plan?

- A list of what company resources (costs) would be required.
- A statement of how frequently the design of the website will be changed.
- Expected sales and profit results.
- A description of the target market and marketing mix.
- All of these would normally be part of a marketing plan.

Feedback: An ideal marketing plan should answer the following questions: (1) what marketing mix will be offered, to whom and for how long; (2) what company resources will be needed at what rate; and (3) what results are expected. "How frequently the design of the website is changed" does not fall under one of these 3 questions.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-5

Level of Difficulty: 2 Medium

Topic: The Marketing Plan is a Guide to Implementation and Control

Which of the following is NOT included in a marketing plan?

- The control procedures to be used
- The costs involved
- The results expected
- What marketing mix is to be offered
- All of these should be included in a marketing plan.

Feedback: An ideal marketing plan should answer the following questions: (1) what marketing mix will be offered, to whom and for how long; (2) what company resources will be needed at what rate; and (3) what results are expected.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-5

Level of Difficulty: 2 Medium

Topic: The Marketing Plan is a Guide to Implementation and Control

_____ refers to putting marketing plans into operation.

- Delivery
- Implementation
- Operational planning
- Strategy planning
- Control

Feedback: Implementation refers to the manager's job of putting marketing plans into operation.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-5

Level of Difficulty: 1 Easy

Topic: The Marketing Plan is a Guide to Implementation and Control

Short-run decisions to help implement strategies are best known as _____.

- actionable items
- strategic decisions
- marketing plans
- operational decisions
- dependencies

Feedback: Short-run decisions that help implement strategies are known as operational decisions.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-5

Level of Difficulty: 1 Easy

Topic: The Marketing Plan is a Guide to Implementation and Control

Managers should make operational decisions _____.

- within the guidelines set down during strategy planning
- with great care as these decisions are the same as strategic decisions
- for the long-run to help formulate strategic plans
- keeping in mind that these decisions should always lead to changes in the basic strategy
- on a month-to-month basis and never daily or weekly

Feedback: Managers should make operational decisions within the guidelines set down during strategy planning. But operational decisions are short-run decisions to help implement strategies. They do not change the basic strategy. They are made regularly, even daily or weekly.

AACSB: Analytical Thinking

Blooms: Understand

Learning Objective: 2-5

Level of Difficulty: 2 Medium

Topic: The Marketing Plan is a Guide to Implementation and Control

Which of the following statements about operational decisions is FALSE?

- They help to carry out a marketing strategy.
- They are short-run decisions.
- They are part of the implementation process.
- They usually require ongoing changes in the basic strategy to be effective.

Feedback: Operational decisions are short-run decisions that help implement strategies. They are part of the implementation process, but they do not require changes in the basic strategy.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-5

Level of Difficulty: 2 Medium

Topic: The Marketing Plan is a Guide to Implementation and Control

Which of the following statements is a strategy decision, rather than an operational decision?

"We will change the colors of our selection of shirts at the end of the season."

"We will cut prices as needed to in order to protect our market share."

"We will increase the number of training sessions for new sales associates from two to three."

"We will hire a merchandising specialist this month to help remodel our older stores."

"We will place a special ad in the Sunday newspaper promoting our upcoming sale."

Feedback: Operational decisions are short-run decisions that help implement strategies. Strategy decisions are long-term decisions that could contain one or more of the four Ps.

AACSB: Analytical Thinking

Blooms: Create

Learning Objective: 2-5

Level of Difficulty: 1 Easy

Topic: The Marketing Plan is a Guide to Implementation and Control

Which of the following statements by a marketing manager refers to operational decisions, rather than strategy decisions?

"Our target customers view most existing luxury sedans as dull, and they want performance as well as luxury."

"Newspaper ads will be more cost effective than 30 second radio ads-given the price increase for radio this month."

"We hope to earn a 15 percent return on investment with our plan."

All of these statements refer to operational decisions.

Feedback: Operational decisions are short-run decisions that help implement strategies. Strategy decisions are long-term decisions that could contain one or more of the four Ps.

AACSB: Analytical Thinking

Blooms: Apply

Learning Objective: 2-5

Level of Difficulty: 2 Medium

Topic: The Marketing Plan is a Guide to Implementation and Control

Which of the following is an operational decision-rather than a strategy decision?

- A decision to seek distribution only through the best retailers
- Selection of a specific target market
- A decision to maintain a "one price" policy
- Selection of a specific cable TV channel on which to advertise
- Selection of a niche market

Feedback: Operational decisions are short-run decisions that help implement strategies.
Strategy decisions are long-term decisions that could contain one or more of the four Ps.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-5

Level of Difficulty: 2 Medium

Topic: The Marketing Plan is a Guide to Implementation and Control

Which of the following is an example of an operational decision?

- Focus promotion on the economy of the product.
- Make the product available in every possible retail outlet.
- Have a salesperson visit the manager of a new hardware store that will open next week.
- Set a price that is no higher than competitors' prices.
- None of these is an example of an operational decision.

Feedback: Operational decisions are short-run decisions that help implement strategies.
Strategy decisions are long-term decisions that could contain one or more of the four Ps.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-5

Level of Difficulty: 2 Medium

Topic: The Marketing Plan is a Guide to Implementation and Control

Which of the following would NOT require an operational decision for a leading hair color manufacturer?

Solicit orders from any new, financially attractive, salons.

Drop colors that are losing appeal.

Create a fresh ad for each Sunday newspaper.

Set a competitive price if a primary competitor offers a special discount.

Promote the fair price and satisfactory quality of the product.

Feedback: Operational decisions are short-run decisions that help implement strategies.

Strategy decisions are long-term decisions that could contain one or more of the four Ps.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-5

Level of Difficulty: 2 Medium

Topic: The Marketing Plan is a Guide to Implementation and Control

Happy Feet shoe company's strategic policy states "Carry as limited a line of colors, styles, and sizes as will satisfy the target market." This policy best relates to which decision area of the marketing mix?

People

Place

Promotion

Price

Product

Feedback: "Carry as limited a line of colors, styles, and sizes as will satisfy the target market" is a strategic decision that pertains to the Product variable of the marketing mix.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-5

Level of Difficulty: 3 Hard

Topic: The Marketing Plan is a Guide to Implementation and Control

One of the strategic policies of camera maker, Zoom Cameras, states: "We will communicate the key benefits and value of our camera's unique zoom lenses and demonstrate how they meet customer needs." This policy best fits which marketing mix decision area?

Product

Place

Promotion

Price

People

Feedback: Promoting the benefits and value of the special design and how it meets customer needs is a strategic decision that pertains to the Promotion variable of the marketing mix.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-5

Level of Difficulty: 3 Hard

Topic: The Marketing Plan is a Guide to Implementation and Control

A retailer's operational decision to hire new salespeople would best relate to the marketing mix decision area of

product.

place.

promotion.

price.

people.

Feedback: Hiring new salespeople is an operational decision that pertains to the Promotion variable of the marketing mix.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-5

Level of Difficulty: 2 Medium

Topic: The Marketing Plan is a Guide to Implementation and Control

When fast food restaurant, Tommy's Tacos, had poor sales in Central City, marketing managers closed one outlet on the east side of town and opened two new locations on the south side of town. These moves represent _____.

operational decisions in the product decision area

strategy policies in the place area

strategy policies in the product area

operational decisions in the place area

strategy policies in the promotion area

Feedback: In market areas where sales potential is not achieved, adding new retail outlets and/or dropping retailers whose performance is poor are operational decisions that pertain to the Place variable of the marketing mix.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-5

Level of Difficulty: 3 Hard

Topic: The Marketing Plan is a Guide to Implementation and Control

A "marketing program":

blends all of a firm's marketing plans into one big plan.

is a description of a firm's marketing mix.

is a detailed plan of how to implement a strategy.

is a marketing strategy plus the time-related details.

None of these apply to a marketing program.

Feedback: A marketing program blends all of the firm's marketing plans into one big plan.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-5

Level of Difficulty: 1 Easy

Topic: The Marketing Plan is a Guide to Implementation and Control

Which of the following blends all of the firm's marketing plans into one big plan?

Marketing program

Marketing mix.

Marketing statement

Marketing overview

Marketing flow

Feedback: A marketing program blends all of the firm's marketing plans into one big plan.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-5

Level of Difficulty: 1 Easy

Topic: The Marketing Plan is a Guide to Implementation and Control

_____ is the total stream of purchases that a customer could contribute to the company over the life of the relationship.

Customer equity

Profit

Net worth

Customer lifetime value

A premium price

Feedback: Many firms recognize this and measure the customer lifetime value or total stream of purchases that a customer could contribute to the company over the length of the relationship.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-6

Level of Difficulty: 1 Easy

Topic: Recognizing Customer Lifetime Value and Customer Equity

The total stream of purchases that a single customer could contribute to a company over the length of the relationship is called customer ____.

equity

lifetime value

service

satisfaction

feedback

Feedback: Over a period of years, a single customer is likely to purchase multiple products from a company. The total stream of purchases that a customer could contribute to the company over the length of the relationship is called customer lifetime value.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-6

Level of Difficulty: 1 Easy

Topic: Recognizing Customer Lifetime Value and Customer Equity

Estimating a customer's lifetime purchasing potential is important because it helps marketers to _____.

- make a quick sale on a product
- decide whether to place ads online or in magazines
- recognize that mass marketing is the best way to reach customers
- select the right channel of distribution
- devise long-range plans and strategies for building customer relationships

Feedback: Calculating a customer's long-range purchasing potential can help marketers recognize the importance of devising plans that build and maintain customer relationships over a lifetime.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-6

Level of Difficulty: 2 Medium

Topic: Recognizing Customer Lifetime Value and Customer Equity

When a customer who buys two Apple iPhones, an Apple iMac computer, and Apple TV over a period of several years, Apple's marketing managers should be thinking about:

- diversification.
- mass marketing.
- differentiation.
- customer lifetime value.
- customer feedback loops.

Feedback: Over a period of years, a single customer is likely to purchase multiple products from a company. The total stream of purchases that a customer could contribute to the company over the length of the relationship is called customer lifetime value.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-6

Level of Difficulty: 1 Easy

Topic: Recognizing Customer Lifetime Value and Customer Equity

Customer lifetime value _____.

emphasizes a short-run approach to marketing management

is basically a historical measure of how profitable a firm has been in the past

applies to firms that target final consumers but not to firms that target business customers

will increase if a firm increases its market share with a particular strategy

considers what a customer purchases from a company over the lifetime of the relationship

Feedback: Many firms recognize this and measure the customer lifetime value or total stream of purchases that a customer could contribute to the company over the length of the relationship.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-6

Level of Difficulty: 2 Medium

Topic: Recognizing Customer Lifetime Value and Customer Equity

When the manager of a Denny's Restaurant offers a customer a coupon for a free meal as compensation for slow service, the manager is focusing on _____.

- differentiation
- product development
- short-term profits
- a diversification strategy
- customer lifetime value

Feedback: Many firms recognize this and measure the customer lifetime value or total stream of purchases that a customer could contribute to the company over the length of the relationship. In this situation, the restaurant manager is willing to lose money on a future meal to encourage return visits.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-6

Level of Difficulty: 2 Medium

Topic: Recognizing Customer Lifetime Value and Customer Equity

_____ is the expected earnings stream of a firm's current and prospective customers over some period of time.

- Profit
- Earnings
- Operating profit
- Customer equity
- Net value

Feedback: Customer equity is the expected earnings stream (profitability) of a firm's current and prospective customers over some period of time.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-6

Level of Difficulty: 1 Easy

Topic: Recognizing Customer Lifetime Value and Customer Equity

The difference between customer lifetime value and customer equity is _____.

customer equity takes a financial approach where customer lifetime value does not
customer lifetime value looks at specific target markets

customer equity takes into account a firm's current and future customers and the costs
associated with each

customer equity reflects the total stream of purchases that a customer could contribute to a
company over the length of the relationship

customer lifetime value focuses on purchases over the next year, while customer equity
takes into account a longer time horizon

Feedback: We can take the idea of customer lifetime value a step further by taking into
account all of a firm's current and future customers and the costs associated with each.
Customer equity is the expected earnings stream (profitability) of a firm's current and
prospective customers over some period of time.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-6

Level of Difficulty: 3 Hard

Topic: Recognizing Customer Lifetime Value and Customer Equity

Which of the following is NOT a reason the marketing program should build customer equity?

Marketing strategies do not contribute to customer equity.

Expected profits depend on customer equity.

Firms expect financial returns.

Profit growth comes from customers.

Customers are the source of revenue.

Feedback: Customer equity is the expected earnings stream of a firm's current and prospective customers over some period of time. Top management expects marketing strategy planners to help identify opportunities that will lead to an increase in a firm's customer equity.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-6

Level of Difficulty: 2 Medium

Topic: Recognizing Customer Lifetime Value and Customer Equity

Which of the following is *most* likely to increase a firm's customer equity?

The firm offers a more costly marketing mix that attracts more customers.

The firm offers customer value that is at least as good as what competitors offer.

The lifetime value of the firm's individual customers increases.

The competition in the firm's market increases.

The firm cuts costs by reducing promotion efforts.

Feedback: A focus on customer equity allows a firm's marketing strategies for each of its products to work together to increase the lifetime value of that customer to the firm.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-6

Level of Difficulty: 3 Hard

Topic: Recognizing Customer Lifetime Value and Customer Equity

The customer equity concept

encourages a manager to consider both the costs and the revenue from a marketing strategy.

recognizes that customers are satisfied at a cost-and it is basically an estimate of a firm's future earnings.

applies even to firms that pursue several different strategies.

focuses on earnings as well as sales.

All of these are part of the customer equity concept.

Feedback: Customer equity is the expected earnings stream of a firm's current and prospective customers over some period of time. Top management expects marketing strategy planners to help identify opportunities that will lead to an increase in a firm's customer equity.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-6

Level of Difficulty: 1 Easy

Topic: Recognizing Customer Lifetime Value and Customer Equity

Which of the following statements about customer equity is FALSE?

Expected losses depend on customer equity.

If the parts of a firm's marketing program work well together, it should increase the firm's customer equity.

Expected profits depend on customer equity.

Customer equity benefits customers but not the company.

None of these statements about customer equity is FALSE.

Feedback: Customer equity does benefit the company because it increases the lifetime value of the customer to the firm.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-6

Level of Difficulty: 2 Medium

Topic: Recognizing Customer Lifetime Value and Customer Equity

Marketing strategies that focus on quick short-term sales _____.

miss an opportunity to ensure repeat purchases in the future

do not generate revenue or profits

never involve personal selling

are known as breakthrough opportunities

are never used by reputable companies

Feedback: While short-term sales approaches are common and can boost revenue immediately, marketing strategies that seek only a quick sale squander the opportunity to ensure repeat purchases in the future.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-6

Level of Difficulty: 2 Medium

Topic: Recognizing Customer Lifetime Value and Customer Equity

The text's discussion of Ford's marketing strategy highlights the fact that:

it's not wise for managers just to define a business in terms of the products they currently produce or sell.

there is little alternative but to stick with the traditional promotion channels for a product.

most consumers see basic products-like cars-as close substitutes for each other.

once a firm establishes a position as the market leader, competitors are not likely to be a big problem.

Feedback: Henry Ford revolutionized the automobile industry by building the assembly line. His approach highlighted the fact that defining a business in terms of the products they produce or sell is unwise. More recently, Ford is in a continuous process of innovation and redesign.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-6

Level of Difficulty: 3 Hard

Topic: The Importance of Marketing Strategy Planning

The text's discussion of Ford's marketing strategy highlights the fact that:

creative strategy planning is needed for survival.

there is little alternative but to stick with the traditional promotion channels for a product.

most consumers want only established products.

once a firm reaches a position as the market leader, competitors are not likely to be a big problem.

Feedback: Ford implemented a creative marketing strategy by building the first assembly line production facility. It continues to reinvent itself and its products today.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-6

Level of Difficulty: 1 Easy

Topic: The Importance of Marketing Strategy Planning

It's best to think of "breakthrough opportunities" as opportunities which _____.

appeal to the mass market

will quickly create a whole new industry of firms competing with similar marketing mixes

help innovators develop hard-to-copy marketing mixes

increase sales

will take profit to the highest level

Feedback: Breakthrough opportunities help innovators develop hard-to-copy marketing strategies that will be very profitable for a long time.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-7

Level of Difficulty: 1 Easy

Topic: What are Attractive Opportunities?

_____ help(s) innovators develop hard-to-copy marketing strategies that will be very profitable for a long time.

Opportunity segments

Competitive decisions

Breakthrough opportunities

Competitive marketing

Operational decisions

Feedback: Breakthrough opportunities help innovators develop hard-to-copy marketing strategies that will be very profitable for a long time.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-7

Level of Difficulty: 1 Easy

Topic: What are Attractive Opportunities?

Which of the following best illustrates a "breakthrough opportunity?"

A recording company's new CD gets unexpected national publicity on MTV and almost every teenager wants a copy for Christmas.

A drug company develops a patented pill that people can take once a year and safely avoid catching a cold.

A bank puts its credit card machines in convenient drive-up locations-so they will be more convenient for customers.

A nurse realizes that the growing number of older people will increase the demand for nursing home services, so she quits her job and opens a quality nursing center for the elderly.

A wireless phone company introduces a new service that offers more free weekend minutes than any other service in its market area.

Feedback: Breakthrough opportunities help innovators develop hard-to-copy marketing strategies that will be very profitable for a long time.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-7

Level of Difficulty: 2 Medium

Topic: What are Attractive Opportunities?

Which of the following would be likely to help you develop a "breakthrough opportunity?"

A two-month advantage over competitors in introducing a new product.

An idea for a new website animation that will attract consumer attention.

Accurate marketing research information about how much of a planned product the target market is likely to buy.

None of these would help you develop a breakthrough opportunity.

Feedback: Breakthrough opportunities help innovators develop hard-to-copy marketing strategies that will be very profitable for a long time. None of these alternatives is significant enough to qualify as a breakthrough opportunity.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-7

Level of Difficulty: 2 Medium

Topic: What are Attractive Opportunities?

Which of the following could be a "breakthrough opportunity?"

A unique technical invention that competitors could not legally copy.

A contract with the best intermediaries to reach your market-ensuring that they will handle your product and no competitors' offerings.

A head start in a market so you can win target customers who will be loyal to your firm and its offering.

All of these could be breakthrough opportunities.

Feedback: Breakthrough opportunities help innovators develop hard-to-copy marketing strategies that will be very profitable for a long time. All of the alternatives above are significant enough to qualify as breakthrough opportunities.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-7

Level of Difficulty: 2 Medium

Topic: What are Attractive Opportunities?

A pharmaceutical company spent a significant amount of money developing a new drug to combat high blood pressure. The drug did not cause any of the typical side effects usually associated with blood pressure medications. It was forecasted to be a "blockbuster" medication that would achieve over \$1 billion in sales. It would also be difficult for other firms to duplicate, at least in the short-run, because of patent protection and the substantial research and development costs required. The introduction of this new drug would best be described as _____.

Diversification

Market development

A breakthrough opportunity

"Hit-or-miss" marketing

Market penetration

Feedback: Breakthrough opportunities help innovators develop hard-to-copy marketing strategies that will be very profitable for a long time.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-7

Level of Difficulty: 1 Easy

Topic: What are Attractive Opportunities?

_____ means that a firm has a marketing mix that the target market sees as better than a competitor's mix.

- Competitive advantage
- Strategic policy
- Customer equity
- Comparative opportunity
- Market development

Feedback: Competitive advantage means that a firm has a marketing mix that the target market sees as better than a competitor's mix. It may result from efforts in different areas of the firm, such as cost cutting in production, innovative research and development, etc.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-7

Level of Difficulty: 1 Easy

Topic: What are Attractive Opportunities?

"Breakthrough opportunities" are opportunities that:

- help innovators develop hard-to-copy marketing strategies.
- may be turned into marketing strategies that will be profitable for a long time.
- help the firm develop a "competitive advantage."
- help a firm satisfy customers better than some competitor.
- All of these apply to breakthrough opportunities.

Feedback: Breakthrough opportunities help innovators develop hard-to-copy marketing strategies that will be very profitable for a long time. Even if a manager can't find a breakthrough opportunity, the firm should try to obtain a competitive advantage to increase its chances for profit or survival.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-7

Level of Difficulty: 1 Easy

Topic: What are Attractive Opportunities?

Breakthrough opportunities:

are so rare that they should be pursued even when they do not match the firm's resources and objectives.

seldom occur within or close to a firm's present markets.

are especially important in our increasingly competitive markets.

are those that a firm's competitors can copy quickly.

are best achieved by trying to hold onto a firm's current market share.

Feedback: Breakthrough opportunities help innovators develop hard-to-copy marketing strategies that will be very profitable for a long time. Even if a manager can't find a breakthrough opportunity, the firm should try to obtain a competitive advantage to increase its chances for profit or survival.

AACSB: Analytical Thinking

Blooms: Understand

Learning Objective: 2-7

Level of Difficulty: 2 Medium

Topic: What are Attractive Opportunities?

Which of the following statements regarding marketing strategies is FALSE?

It is useful to think of the marketing strategy planning process as a narrowing-down process.

These strategies must meet the needs of target customers, and a firm is likely to get a competitive advantage if it just meets needs in the same way as some other firm.

Developing successful marketing strategies doesn't need to be a hit-or-miss proposition.

These strategies require decisions about the specific customers the firm will target and the marketing mix the firm will develop to appeal to that target market.

Most companies implement more than one marketing strategy and related marketing plan at the same time.

Feedback: An advantage only succeeds if it allows the firm to provide superior value and satisfy customers better than some competitor.

AACSB: Analytical Thinking

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-7

Level of Difficulty: 2 Medium

Topic: Marketing Strategy Planning Process Highlights Opportunities

Developing a set of specific qualitative and quantitative screening criteria _____.

increases the different opportunities-and strategy possibilities-in the market

can make it difficult to zero in on the best target market and marketing mix

cannot help eliminate potential strategies that are not well suited for the firm

can help a manager define in which business and markets the firm wants to compete

highlights advantages of a strategy but does not make it clear why you should select that strategy

Feedback: Developing a set of specific qualitative and quantitative screening criteria can help a manager define in which business and markets the firm wants to compete.

AACSB: Analytical Thinking

Blooms: Understand

Learning Objective: 2-7

Level of Difficulty: 2 Medium

Topic: Marketing Strategy Planning Process Highlights Opportunities

A S.W.O.T. analysis includes:

strengths.

weaknesses.

opportunities.

threats.

All of these are included in a S.W.O.T analysis.

Feedback: A S.W.O.T. analysis identifies and lists the firm's strengths, weaknesses, opportunities, and threats.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-7

Level of Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

Which of the following statements about S.W.O.T. analysis is true?

It is a useful aid for identifying relevant screening criteria and for zeroing in on a feasible strategy.

S.W.O.T. is simply an abbreviation for the first letters of the words: strengths, weaknesses, opportunities, and threats.

It identifies and lists the firm's strengths and weaknesses and its opportunities and threats.

It helps managers focus on a strategy that takes advantage of the firm's strengths and opportunities while avoiding its weaknesses and threats to its success.

All of these statements about S.W.O.T. analysis are true.

Feedback: A S.W.O.T. analysis identifies and lists the firm's strengths, weaknesses, opportunities, and threats. All these statements about S.W.O.T analysis are true.

AACSB: Analytical Thinking

Blooms: Understand

Learning Objective: 2-7

Level of Difficulty: 2 Medium

Topic: Marketing Strategy Planning Process Highlights Opportunities

A S.W.O.T. analysis _____.

seeks to improve strategy planning by "Scanning for Warnings, Omens, and Tips" about competitors' plans

is not necessary if competitors have already entered the market

defends against potential competitive threats by planning specific "safeguards, weapons, or tactics"

should help a manager develop a strategy that leads to a competitive advantage

limits the competitive edge of the company

Feedback: With S.W.O.T. analysis, a marketing manager can begin to identify strategies that take advantage of the firm's strengths and opportunities while avoiding weaknesses and threats. This should provide a competitive advantage.

AACSB: Analytical Thinking

Blooms: Understand

Learning Objective: 2-7

Level of Difficulty: 2 Medium

Topic: Marketing Strategy Planning Process Highlights Opportunities

A S.W.O.T. analysis can help a marketing manager:

define in which business and markets the firm wants to compete.

narrow down to a specific target market and marketing mix from the many alternatives available.

see the pros and cons of different possible strategies.

develop a competitive advantage.

All of these can help a marketing manager who is using a S.W.O.T. analysis.

Feedback: With a S.W.O.T. analysis, a marketing manager can begin to identify strategies that take advantage of the firm's strengths and opportunities while avoiding weaknesses and threats.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-7

Level of Difficulty: 2 Medium

Topic: Marketing Strategy Planning Process Highlights Opportunities

A S.W.O.T. analysis

focuses on what a firm plans to do to "Satisfy Wishes of a Target" customer.

summarizes a firm's "strategy, wishes (of its customers), outlook, and tactics."

helps defend against potential competitors by developing a set of competitive "safeguards, weapons, offensives, and tactics."

identifies a firm's "strengths, weaknesses, opportunities, and threats."

seeks to reduce the risk of competitive surprises by scanning the market for "signals, warnings, omens, and tips."

Feedback: A S.W.O.T. analysis identifies and lists the firm's strengths, weaknesses, opportunities, and threats.

AACSB: Analytical Thinking

Blooms: Understand

Learning Objective: 2-7

Level of Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

In which quadrant of the S.W.O.T analysis tool does the following fit? A firm has adequate resources.

Strengths

Weaknesses

Opportunities

Threats

Limitation

Feedback: A S.W.O.T. analysis identifies and lists the firm's strengths, weaknesses, opportunities, and threats. Having adequate resources is a strength any firm would like to have.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-7

Level of Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

In which quadrant of the S.W.O.T. analysis tool does the following fit? A firm is in a fast-growing industry.

Strengths

Weaknesses

Opportunities

Threats

Feedback: A S.W.O.T. analysis identifies and lists the firm's strengths, weaknesses, opportunities, and threats. Being in a fast-growing industry is an opportunity on which a firm should try to capitalize.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-7

Level of Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

In which quadrant of the S.W.O.T. analysis tool does the following fit? A firm is vulnerable to recession.

Strengths

Weaknesses

Opportunities

Threats

Limitation

Feedback: A S.W.O.T. analysis identifies and lists the firm's strengths, weaknesses, opportunities, and threats. Recessionary conditions pose a threat to nearly every firm.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-7

Level of Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

In which element of the S.W.O.T. analysis tool does the following fit? A firm is falling behind in research and development.

Strengths

Weaknesses

Opportunities

Threats

Feedback: A S.W.O.T. analysis identifies and lists the firm's strengths, weaknesses, opportunities, and threats. Firms must quickly remedy the situation of lagging behind in one or more departments, which is a potential weakness.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-7

Level of Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

_____ means that the marketing mix is distinct from what is available from a competitor.

Operational

Visible

Differentiation

Competitive

Diversification

Feedback: Differentiation means that the marketing mix is distinct from and better than what is available from a competitor.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-7

Level of Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

Differentiation of a firm's marketing mix:

Means the firm's marketing mix is hard to distinguish from a competitor.

May provide the firm with a competitive advantage in the marketplace.

Makes it harder for consumers to notice if there is a consistent theme across all elements of the marketing mix.

Is usually not necessary in order for the firm to succeed.

Feedback: A marketing mix won't get a competitive advantage if it just meets needs in the same way as some other firm. Combining analyses of customers, competitors, and company help the marketing manager identify possible strategies that differentiate a marketing mix from the competition.

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

Blooms: Understand

Learning Objective: 2-7

Level of Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

Differentiation refers to the _____ of the firm's marketing mix to meet the needs of the target market.

Similarity

uniqueness

unsuitability

willingness

Adaptability

Feedback: Differentiation means that the marketing mix is distinct from and better than what is available from a competitor. This means its marketing mix is unique.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 2-7

Level of Difficulty: 2 Medium

Topic: Marketing Strategy Planning Process Highlights Opportunities

Differentiation

helps a firm get a competitive advantage if it just meets needs in the same way as other firms.

means that the marketing mix is similar to what is available from a competitor.

often requires that the firm fine-tune all of the elements of its marketing mix to the specific needs of a distinctive target market.

is less obvious to target customers when there is a consistent theme integrated across the four Ps decision areas.

can only be based on one important element of the marketing mix.

Feedback: Differentiation often requires that the firm fine-tune all of the elements of its marketing mix to the specific needs of a distinctive target market.

AACSB: Analytical Thinking

Blooms: Understand

Learning Objective: 2-7

Level of Difficulty: 2 Medium

Topic: Marketing Strategy Planning Process Highlights Opportunities

277. iRobot got Market penetration
its start by
developing
high-tech
robots for
military
uses, but the
company
later started
making
futuristic
robots that
clean and
wax floors in
homes
everywhere.
Which of the
four types of
opportunity
does this
illustrate? A.

Market development

Diversification

Opportunity cost

Golden opportunity

Feedback: Since iRobot has started manufacturing new products for non-military uses and markets, the company is pursuing a product diversification opportunity-the type of opportunity in which businesses create new products for new markets different from the firm's current base.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-8

Level of Difficulty: 3 Hard

Topic: Types of Opportunities to Pursue

Of the four types of opportunities firms can pursue, market penetration often appeals to marketers because _____.

- it requires the creation of new products
- it involves selling current products in familiar markets
- it involves selling current products in unfamiliar markets
- it doesn't require a more effective use of the marketing mix
- it is guaranteed to succeed

Feedback: Since firms prefer opportunities close to markets they already know, most managers pursue greater market penetration, which involves selling current products in familiar markets. Market penetration is appealing because firms want to increase profits and grow customer equity where they already have experience and strengths.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-8

Level of Difficulty: 2 Medium

Topic: Types of Opportunities to Pursue

Which of the following firms is exploring a market development opportunity?

The Coleman camping gear company boosts sales of popular lanterns by setting up promotional displays at well-attended outdoor events.

Campbell's targets health-conscious consumers with a new line of low-sodium soups.

McDonald's opens two upscale hotels in Switzerland to serve families and business travelers.

The E-Z-Go golf cart company begins selling golf carts for use in malls, factories, and airports.

Mammoth Mountain Ski Resort offers horseback riding and a mountain bike park for summer visitors.

Feedback: A market development opportunity involves trying to increase sales by selling present products in new markets. The E-Z-Go golf cart company's push to sell golf carts for new non-golf settings is an example of market development.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-8

Level of Difficulty: 2 Medium

Topic: Types of Opportunities to Pursue

_____ means trying to increase sales of a firm's present products in its present markets.

Differentiation

Product development

Market development

Diversification

Market penetration

Feedback: Market penetration means trying to increase sales of a firm's present products in its present markets; usually through an aggressive marketing mix.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-8

Level of Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

When Colgate encourages its current customers to brush more often by taking their toothbrush and toothpaste to work with them, which market opportunity is Colgate pursuing?

Market development

Product development

Diversification

Market penetration

Feedback: Market penetration means trying to increase sales of a firm's present products in its present markets; usually through an aggressive marketing mix.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-8

Level of Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Lipton has increased sales by developing ads that encourage its current customers to drink Lipton tea instead of coffee at morning "coffee breaks." This effort focuses on

diversification.

market penetration.

product development.

mass marketing.

market development.

Feedback: Market penetration means trying to increase sales of a firm's present products in its present markets; usually through an aggressive marketing mix.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-8

Level of Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Tropicana is trying to get its customers to drink orange juice more often with ads that say, "It's not just for breakfast anymore." What type of opportunity is the company pursuing?

- Market penetration
- Diversification
- Market development
- Product development
- Mass marketing

Feedback: Market penetration means trying to increase sales of a firm's present products in its present markets; usually through an aggressive marketing mix.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-8

Level of Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Kraft Foods recently increased its advertising and couponing to its present cheese customers. It appears that Kraft is pursuing what kind of opportunity?

- Market penetration
- Product development
- Market development
- Mass marketing
- Diversification

Feedback: Market penetration means trying to increase sales of a firm's present products in its present markets; usually through an aggressive marketing mix.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-8

Level of Difficulty: 2 Medium

Topic: Types of Opportunities to Pursue

If Frito-Lay (which has products in almost all the submarkets for snack foods) were to try to increase its share of one of these markets, it would be pursuing a _____ opportunity.

- Diversification
- market penetration
- product development
- mass marketing
- market development

Feedback: Market penetration means trying to increase sales of a firm's present products in its present markets; usually through an aggressive marketing mix.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-8

Level of Difficulty: 2 Medium

Topic: Types of Opportunities to Pursue

Coca-Cola runs an advertising campaign on morning radio shows encouraging current customers to "have a Coke in the morning" instead of their morning coffee. This is an example of:

- market development.
- product development.
- diversification.
- market penetration.
- mass marketing.

Feedback: Market penetration means trying to increase sales of a firm's present products in its present markets; usually through an aggressive marketing mix.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-8

Level of Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Pop Soda Co. wants to increase sales of its existing carbonated drinks by making them more convenient, so it's making the drinks available at more stores in its present areas. This is an example of:

market penetration.

differentiation.

product development.

diversification.

market development.

Feedback: Market penetration means trying to increase sales of a firm's present products in its present markets; usually through an aggressive marketing mix.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-8

Level of Difficulty: 3 Hard

Topic: Types of Opportunities to Pursue

When a customer goes online to register Adobe's Acrobat Reader, the Web page promotes other related products, including its popular Photoshop software. This is an example of:

- product development.
- screening opportunities.
- mass marketing.
- differentiation.
- market penetration.

Feedback: Market penetration means trying to increase sales of a firm's present products in its present markets; usually through an aggressive marketing mix.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-8

Level of Difficulty: 2 Medium

Topic: Types of Opportunities to Pursue

_____ means trying to increase sales by selling present products in new markets.

- Differentiation
- Market development
- Product development
- Diversification
- Market penetration

Feedback: Market development means trying to increase sales by selling present products in new markets. This may involve searching for new uses for a product, advertising in different media to reach new target customers, or adding channels of distribution or new stores in new areas, including overseas.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-8

Level of Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

When a firm tries to increase sales by selling its present products in new markets, this is called:

product development.

diversification.

market penetration.

mass marketing.

market development.

Feedback: Market development means trying to increase sales by selling present products in new markets. This may involve searching for new uses for a product, advertising in different media to reach new target customers, or adding channels of distribution or new stores in new areas, including overseas.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-8

Level of Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

When a company expands globally, this is an example of _____.

market development

product development

diversification

market penetration

mass marketing

Feedback: Market development means trying to increase sales by selling present products in new markets. This may involve searching for new uses for a product, advertising in different media to reach new target customers, or adding channels of distribution or new stores in new areas, including overseas.

AACSB: Analytical Thinking

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-8

Level of Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

When AT&T advertises in THE WALL STREET JOURNAL that smartphones using its technology can make calls from more than 200 countries in the world, which market opportunity is AT&T pursuing?

- Market penetration
- Product development
- Diversification
- Market development

Feedback: Market development means trying to increase sales by selling present products in new markets. This may involve searching for new uses for a product, advertising in different media to reach new target customers, or adding channels of distribution or new stores in new areas, including overseas.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-8

Level of Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

The Wall Street Journal has been trying to attract new customers by promoting its newspaper for student use in business courses. This is an example of

- product development.
- diversification.
- market penetration.
- market development.

Feedback: Market development means trying to increase sales by selling present products in new markets. This may involve searching for new uses for a product, advertising in different media to reach new target customers, or adding channels of distribution or new stores in new areas, including overseas.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-8

Level of Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

An Embassy Suites hotel offers an inexpensive "Family Luncheon Buffet" on Sundays to get customers for its restaurant that is filled by business travelers during weekdays. This effort to get new customers for the available facility is an example of

- a production orientation.
- product development.
- market development.
- diversification.
- market penetration.

Feedback: Market development means trying to increase sales by selling present products in new markets. This may involve searching for new uses for a product, advertising in different media to reach new target customers, or adding channels of distribution or new stores in new areas, including overseas.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-8

Level of Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Coca-Cola is taking advantage of the new willingness of Chinese leaders to engage in international trade by marketing its soft drinks in China. What type of opportunity is Coke pursuing?

Market development

Diversification

Product development

Market penetration

Product reorientation

Feedback: Market development means trying to increase sales by selling present products in new markets. This may involve searching for new uses for a product, advertising in different media to reach new target customers, or adding channels of distribution or new stores in new areas, including overseas.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-8

Level of Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Avon, which in the past relied on door-to-door personal selling, is trying to reach new customers by distributing mail-order catalogs, adding toll-free telephone ordering, and opening online retail sites. Avon is pursuing a _____ opportunity.

market development

market penetration

target marketing

product development

mass marketing

Feedback: Market development means trying to increase sales by selling present products in new markets. This may involve searching for new uses for a product, advertising in different media to reach new target customers, or adding channels of distribution or new stores in new areas, including overseas.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-8

Level of Difficulty: 2 Medium

Topic: Types of Opportunities to Pursue

A mail-order marketer of flower bulbs to gardening hobbyists decides to sell the bulbs in grocery stores-to reach nonhobbyists who might be interested in pretty flowers. This is an example of:

- market development.
- diversification.
- market penetration.
- product development.

Feedback: Market development means trying to increase sales by selling present products in new markets. This may involve searching for new uses for a product, advertising in different media to reach new target customers, or adding channels of distribution or new stores in new areas, including overseas.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-8

Level of Difficulty: 2 Medium

Topic: Types of Opportunities to Pursue

GreatGadgets, an Internet-based marketer of innovative gift items, decides to sell products in its own retail stores-to reach consumers who don't like to buy without first seeing the item in person. This is an example of:

- market development.
- diversification.
- market penetration.
- product development.

Feedback: Market development means trying to increase sales by selling present products in new markets. This may involve searching for new uses for a product, advertising in different media to reach new target customers, or adding channels of distribution or new stores in new areas, including overseas.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-8

Level of Difficulty: 2 Medium

Topic: Types of Opportunities to Pursue

An Australian wine producer, facing declining sales at home, set up a new channel of distribution to sell wine in the United States. This seems to be an effort at

market development.

diversification.

market penetration.

product development.

Feedback: Market development means trying to increase sales by selling present products in new markets. This may involve searching for new uses for a product, advertising in different media to reach new target customers, or adding channels of distribution or new stores in new areas, including overseas.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-8

Level of Difficulty: 2 Medium

Topic: Types of Opportunities to Pursue

E-Z-Go, a producer of golf carts, promotes its carts to other users by advertising them as an easy and quiet way for workers to get around malls, airports, and big factories. E-Z-Go is trying to increase its sales through

market penetration.

differentiation.

product development.

market development.

diversification.

Feedback: Market development means trying to increase sales by selling present products in new markets. This may involve searching for new uses for a product, advertising in different media to reach new target customers, or adding channels of distribution or new stores in new areas, including overseas.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-8

Level of Difficulty: 3 Hard

Topic: Types of Opportunities to Pursue

BeQuick, a fast-food restaurant, has always operated outlets in malls. With a new strategy that involves opening new outlets that sell the same menu but operate in airports, zoos, casinos, and military bases, BeQuick is pursuing what type of opportunity?

Product development

Market development

Differentiation

Market penetration

Diversification

Feedback: Market development means trying to increase sales by selling present products in new markets. This may involve searching for new uses for a product, advertising in different media to reach new target customers, or adding channels of distribution or new stores in new areas, including overseas.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-8

Level of Difficulty: 3 Hard

Topic: Types of Opportunities to Pursue

In an effort to increase its total sales, Champion has started exporting its spark plugs for use by several German auto producers. Champion is pursuing a _____ opportunity.

- diversification
- market penetration
- product development
- mass marketing
- market development

Feedback: Market development means trying to increase sales by selling present products in new markets. This may involve searching for new uses for a product, advertising in different media to reach new target customers, or adding channels of distribution or new stores in new areas, including overseas.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-8

Level of Difficulty: 2 Medium

Topic: Types of Opportunities to Pursue

_____ refers to offering new or improved products for present markets.

- Diversification
- Market development
- Differentiation
- Market penetration
- Product development

Feedback: Product development means offering new or improved products for present markets. Knowing the present market's needs, a firm may see new ways to satisfy customers.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-8

Level of Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

When a firm tries to increase sales by offering new or improved products to its present markets, this is called:

- mass marketing.
- product development.
- market penetration.
- diversification.
- market development.

Feedback: Product development means offering new or improved products for present markets. Knowing the present market's needs, a firm may see new ways to satisfy customers.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-8

Level of Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

If Wendy's decides to test market a hot dog in several stores to determine if it can make more profit from this menu item than from a "Wendy's single," which market opportunity is Wendy's pursuing?

- Diversification
- Market development
- Market penetration
- Product development

Feedback: Product development means offering new or improved products for present markets. Knowing the present market's needs, a firm may see new ways to satisfy customers.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-8

Level of Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

To compete more successfully with its many competitors offering packaged cookies, Famous Amos added its own line of "extra chunky" premium cookies. This seems to be an effort at

_____.

combination

market penetration

market development

product development

diversification

Feedback: Product development means offering new or improved products for present markets. Knowing the present market's needs, a firm may see new ways to satisfy customers.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-8

Level of Difficulty: 2 Medium

Topic: Types of Opportunities to Pursue

A producer of frozen pasta dinners finds that its current target customers select among its frozen pasta dinners, going to a pizza restaurant, or staying home and eating an Italian sub sandwich. So the company set up a chain of pizza restaurants that also serve Italian sub sandwiches. This seems to be an effort at:

market development.

diversification.

market penetration.

product development.

Feedback: Product development means offering new or improved products for present markets. Knowing the present market's needs, a firm may see new ways to satisfy customers.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-8

Level of Difficulty: 3 Hard

Topic: Types of Opportunities to Pursue

Wendy's continues to test possible new toppings for hamburgers, including grilled mushrooms and provolone cheese. This suggests that Wendy's is pursuing _____.

- marketing myopia
- mass marketing
- product development
- market development
- diversification

Feedback: Product development means offering new or improved products for present markets. Knowing the present market's needs, a firm may see new ways to satisfy customers.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-8

Level of Difficulty: 2 Medium

Topic: Types of Opportunities to Pursue

Wendy's continues to come out with new offerings like stuffed pitas. This suggests that Wendy's is pursuing _____.

- marketing myopia
- mass marketing
- product development
- market development
- diversification

Feedback: Product development means offering new or improved products for present markets. Knowing the present market's needs, a firm may see new ways to satisfy customers.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-8

Level of Difficulty: 2 Medium

Topic: Types of Opportunities to Pursue

Converse started selling its "high-top" canvas basketball shoes in colors such as hot pink, lime green, and purple, to accompany their traditional colors of black and white. Converse seems to be pursuing a _____ opportunity.

- market penetration
- market development
- product development
- diversification
- breakthrough

Feedback: Product development means offering new or improved products for present markets. Knowing the present market's needs, a firm may see new ways to satisfy customers.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-8

Level of Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Heinz, in order to boost its sales, came up with ketchup in gross green and funky purple colors. It packaged the ketchup in EZ Squirt dispensers molded to fit little hands. This is an example of:

- Product development
- Market development
- Diversification
- Market penetration

Feedback: Product development means offering new or improved products for present markets. Knowing the present market's needs, a firm may see new ways to satisfy customers.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-8

Level of Difficulty: 3 Hard

Topic: Types of Opportunities to Pursue

In developing trails for hiking and biking to bring its winter ski customers back in the summer, Mountain High Ski Resort is pursuing what type of opportunity?

Channel penetration

Diversification

Product development

Market development

Market penetration

Feedback: Product development means offering new or improved products for present markets. Knowing the present market's needs, a firm may see new ways to satisfy customers.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-8

Level of Difficulty: 3 Hard

Topic: Types of Opportunities to Pursue

Zippo is pursuing _____ opportunities with its Multi-Purpose Lighter that is designed to light candles, fireplaces, grills, and more.

market penetration

market development

product development

diversification

channeling

Feedback: Product development means offering new or improved products for present markets. Knowing the present market's needs, a firm may see new ways to satisfy customers.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-8

Level of Difficulty: 3 Hard

Topic: Types of Opportunities to Pursue

Hewlett-Packard decided that too many other companies were attracting its customers by advertising their computer printers as "having all of the features of Hewlett-Packard's LaserJet." So Hewlett-Packard designed a new color printer with a completely new set of features that no competitors' equipment offered. Hewlett-Packard then introduced it to the same market with the hope that it could develop a larger and more profitable share. This was an effort at:

market development.

diversification.

market penetration.

product development.

Feedback: Product development means offering new or improved products for present markets. Knowing the present market's needs, a firm may see new ways to satisfy customers.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-8

Level of Difficulty: 2 Medium

Topic: Types of Opportunities to Pursue

To improve its profits, Delta Tool Corp. has redesigned its entire line of rechargeable power drills-adding several new or improved features and three new models. Apparently, Delta Tool is pursuing a _____opportunity.

- combiner
- market development
- product development
- diversification
- market penetration

Feedback: Product development means offering new or improved products for present markets. Knowing the present market's needs, a firm may see new ways to satisfy customers.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-8

Level of Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Professional Dental Supply has been successfully selling dental instruments to dentists for the past twenty years, and has developed strong customer relations. When looking for new marketing opportunities, Professional Dental Supply will most likely look first at

- market penetration.
- diversification.
- market development.
- product development.
- Professional Dental Supply will look at all opportunities equally.

Feedback: Product development means offering new or improved products for present markets. Knowing the present market's needs, a firm may see new ways to satisfy customers.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-8

Level of Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

_____ means moving into totally different lines of business, perhaps entirely unfamiliar products, markets, or even levels in the production-marketing system.

Diversification

Market development

Product development

Differentiation

Market penetration

Feedback: Diversification means moving into totally different lines of business, perhaps entirely unfamiliar products, markets, or even levels in the production-marketing system.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-8

Level of Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

When a firm tries to increase its total sales by offering new products to new markets, it's pursuing:

diversification.

product development.

market development.

market penetration.

All of these.

Feedback: Diversification means moving into totally different lines of business, perhaps entirely unfamiliar products, markets, or even levels in the production-marketing system.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 2-8

Level of Difficulty: 2 Medium

Topic: Types of Opportunities to Pursue

When Sony Corp., an electronics producer, purchased the Pebble Beach golf course in California, it was pursuing what type of opportunity?

Diversification

Market development

Market penetration

Product development

Feedback: Diversification means moving into totally different lines of business, perhaps entirely unfamiliar products, markets, or even levels in the production-marketing system.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-8

Level of Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Cheese manufacturer, Ashe Mountain Corp., started a new chain of movie theaters called Ashe Mountain's Movie World. The theaters have been a major success and significantly increased the revenues of Ashe Mountain Corp. This is an example of _____.

Diversification

Market development

Product penetration

Differentiation

Market penetration

Feedback: Diversification means moving into totally different lines of business, perhaps entirely unfamiliar products, markets, or even levels in the production-marketing system.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-8

Level of Difficulty: 3 Hard

Topic: Types of Opportunities to Pursue

A beer distributor, concerned about increasing regulation of alcoholic beverages, decides to start a new business distributing children's toys. This company seems to be pursuing

market development.

diversification.

product development.

market penetration.

Feedback: Diversification means moving into totally different lines of business, perhaps entirely unfamiliar products, markets, or even levels in the production-marketing system.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-8

Level of Difficulty: 2 Medium

Topic: Types of Opportunities to Pursue

Industrial Plastics Corporation has decided to manufacture and sell electric motors for fishing boats. The firm appears to be pursuing a _____ opportunity.

combiner

product development

market development

market penetration

diversification

Feedback: Diversification means moving into totally different lines of business, perhaps entirely unfamiliar products, markets, or even levels in the production-marketing system.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-8

Level of Difficulty: 2 Medium

Topic: Types of Opportunities to Pursue

A producer of home burglar alarm devices decides to start manufacturing portable video cameras for use in industrial security situations. This is an example of

market development.

diversification.

product development.

market penetration.

Feedback: Diversification means moving into totally different lines of business, perhaps entirely unfamiliar products, markets, or even levels in the production-marketing system.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-8

Level of Difficulty: 2 Medium

Topic: Types of Opportunities to Pursue

If a cola producer bought out a Mango juice producer in an attempt to appeal to health-conscious consumers who do not drink soft drinks, it would be pursuing a _____ opportunity.

market development

diversification

market penetration

product development

Feedback: Diversification means moving into totally different lines of business, perhaps entirely unfamiliar products, markets, or even levels in the production-marketing system.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 2-8

Level of Difficulty: 2 Medium

Topic: Types of Opportunities to Pursue

The most risky and challenging opportunities usually involve _____.

market development

product development

diversification

market penetration

E. .market modification

Feedback: Diversification means moving into totally different lines of business, perhaps entirely unfamiliar products, markets, or even levels in the production-marketing system. Products and customers that are very different from a firm's current base may look attractive but are usually hard to evaluate. That's why diversification usually involves the biggest risk.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-8

Level of Difficulty: 2 Medium

Topic: Types of Opportunities to Pursue

The most risky types of marketing opportunity to pursue usually involve

market development.

market penetration.

diversification.

product development.

All of these are equally risky.

Feedback: Diversification means moving into totally different lines of business, perhaps entirely unfamiliar products, markets, or even levels in the production-marketing system. Products and customers that are very different from a firm's current base may look attractive but are usually hard to evaluate making diversification very risky.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-8

Level of Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Because companies are likely to be most familiar with their own operations, _____ opportunities are usually the easiest to pursue.

market penetration

product development

market development

diversification

All of these are equally easy.

Feedback: Usually firms find attractive opportunities fairly close to markets they already know making market penetration very attractive.

AACSB: Analytical Thinking

Blooms: Understand

Learning Objective: 2-8

Level of Difficulty: 2 Medium

Topic: Types of Opportunities to Pursue

Which of the following statements is TRUE regarding international opportunities in marketing?

There is no need to consider international opportunities when the domestic market is prosperous.

International trade is decreasing worldwide.

A product with slow sales growth in a domestic market may experience faster growth in another country.

Only large firms can engage in international marketing.

All of these statements about international opportunities in marketing are True.

Feedback: A company (of any size) facing tough competition, thin profit margins, and slow sales growth at home may get a fresh start in another country where demand for its product is just beginning to grow. International trade is increasing worldwide.

AACSB: Analytical Thinking

Blooms: Understand

Learning Objective: 2-9

Level of Difficulty: 1 Easy

Topic: International Opportunities should be Considered

All of the following are reasons why international opportunities should be considered by managers, EXCEPT

the world is getting smaller.

servicing international markets may improve economies of scale.

favorable trends at home and unfavorable trends in other countries make international marketing particularly attractive.

around the world, potential customers have needs and money to spend.

it helps to develop a competitive advantage at home and abroad.

Feedback: Unfavorable trends in the market environment at home or favorable trends in other countries may make international marketing particularly attractive.

AACSB: Analytical Thinking

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-9

Level of Difficulty: 2 Medium

Topic: International Opportunities should be Considered

Going global has become easier than ever for marketers due to _____.

- language differences between nations
- cultural differences among ethnic groups around the world
- advances in e-commerce, transportation, and communication
- political and social unrest in various parts of the world
- worldwide economic recession

Feedback: Advances in e-commerce, transportation, and communications are making it easier and cheaper to reach international customers. With a website and e-mail, even the smallest firm can provide international customers with a great deal of information-and easy ways to order-at very little expense.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 2-9

Level of Difficulty: 1 Easy

Topic: International Opportunities should be Considered