

**Test Bank for Marketing 2014 17th Edition Pride and Ferrell 1133939252  
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**Chapter 2—Planning, Implementing, and Evaluating Marketing Strategies**

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**ESSAY**

1. Describe the process of strategic planning. How does this process help marketing managers?

ANS:

Answer not provided.

PTS: 1                      DIF: Difficulty: Easy                      OBJ: LO: 02-01  
NAT: BUSPROG: Analytic                      STA: DISC: Strategy  
KEY: Bloom's: Knowledge

2. How does a firm use a market opportunity to reach a particular target market?

ANS:

Answer not provided.

PTS: 1                      DIF: Difficulty: Easy                      OBJ: LO: 02-01  
NAT: BUSPROG: Reflective Thinking                      STA: DISC: Marketing Plan  
KEY: Bloom's: Knowledge

3. In what ways does having a mission statement help an organization achieve its goals?

ANS:

Answer not provided.

PTS: 1                      DIF: Difficulty: Easy                      OBJ: LO: 02-01  
NAT: BUSPROG: Communication                      STA: DISC: Strategy  
KEY: Bloom's: Knowledge

4. Compare and contrast corporate strategy and marketing strategy.

ANS:

Answer not provided.

PTS: 1                      DIF: Difficulty: Moderate                      OBJ: LO: 02-01  
NAT: BUSPROG: Reflective Thinking                      STA: DISC: Strategy  
KEY: Bloom's: Comprehension

5. Define the four product categories used in the Boston Consulting Group (BCG) product-portfolio analysis.

ANS:

Answer not provided.

PTS: 1                    DIF: Difficulty: Easy                    OBJ: LO: 02-01  
NAT: BUSPROG: Communication                    STA: DISC: Product  
KEY: Bloom's: Knowledge

6. Explain the different types of growth strategies that can be used by a strategic business unit.

ANS:

Answer not provided.

PTS: 1                    DIF: Difficulty: Easy                    OBJ: LO: 02-01  
NAT: BUSPROG: Communication                    STA: DISC: Strategy  
KEY: Bloom's: Knowledge

7. Describe the two major components of marketing strategy. What should marketing managers consider when developing marketing strategy?

ANS:

Answer not provided.

PTS: 1                    DIF: Difficulty: Moderate                    OBJ: LO: 02-01  
NAT: BUSPROG: Reflective Thinking                    STA: DISC: Marketing Plan  
KEY: Bloom's: Knowledge

8. Discuss the creation of a marketing plan. What are the major components of a marketing plan?

ANS:

Answer not provided.

PTS: 1                    DIF: Difficulty: Moderate                    OBJ: LO: 02-01  
NAT: BUSPROG: Reflective Thinking                    STA: DISC: Marketing Plan  
KEY: Bloom's: Knowledge

9. Discuss the different ways of organizing the marketing unit.

ANS:

Answer not provided.

PTS: 1                    DIF: Difficulty: Moderate                    OBJ: LO: 02-02  
NAT: BUSPROG: Communication                    STA: DISC: Marketing Plan  
KEY: Bloom's: Knowledge

10. Discuss how a firm's orientation is related to the development of its strategic plan.

ANS:

Answer not provided.

PTS: 1                    DIF: Difficulty: Moderate                    OBJ: LO: 02-01  
NAT: BUSPROG: Reflective Thinking                    STA: DISC: Strategy

KEY: Bloom's: Knowledge

## SHORT ANSWER

11. Strategic planning is the process of \_\_\_\_\_.

ANS:

establishing an organizational mission and formulating goals, corporate strategy, marketing objectives, marketing strategy, and a marketing plan.

PTS: 1                      DIF: Difficulty: Easy                      OBJ: LO: 02-01  
NAT: BUSPROG: Communication                      STA: DISC: Strategy  
KEY: Bloom's: Knowledge

## MULTIPLE CHOICE

12. When managers at Logistics Pro are developing their strategic plan, they use a market orientation as a guide to ensure that \_\_\_\_\_ is an integral part of the process.
- customer satisfaction
  - employee satisfaction
  - the best use of their marketing resources
  - the marketing mix
  - the marketing function

ANS: A                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-01                      NAT: BUSPROG: Reflective Thinking                      STA: DISC: Customer  
KEY: Bloom's: Application

13. Managers at the Longshore Corporation are engaged in a complex process of revising their organization's mission and goals and developing corporate strategy, marketing objectives, marketing strategy, and, eventually, a marketing plan. This process is called
- marketing planning.
  - strategic planning.
  - marketing strategy.
  - corporate strategy.
  - strategic business planning.

ANS: B                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-01                      NAT: BUSPROG: Analytic                      STA: DISC: Marketing Plan  
KEY: Bloom's: Application

14. Identifying and analyzing a target market and developing a marketing mix to satisfy individuals in that market are essential elements of which of the following parts of strategic planning?
- Establishing marketing objectives
  - Coordinating marketing activities
  - Organizing marketing functions
  - Developing a marketing strategy
  - Planning marketing activities

ANS: D                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-01                      NAT: BUSPROG: Reflective Thinking  
STA: DISC: International Perspective                      KEY: Bloom's: Knowledge

15. Safeway Foods Corporation is involved in identifying and analyzing a target market. The firm then develops a marketing mix to satisfy individuals in that market to gain long-term competitive advantages. Based on this example, Safeway is creating a
- corporate strategy.
  - target design.
  - mix strategy.
  - marketing strategy.
  - marketing tactic.

ANS: D                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-01      NAT: BUSPROG: Analytic                      STA: DISC: Marketing Plan  
KEY: Bloom's: Application

16. To formulate a marketing strategy, one must
- identify and analyze a target market and develop a marketing mix to satisfy individuals in that market.
  - develop a statement of what is to be accomplished through marketing activities.
  - develop plans for implementation and control.
  - develop an adequate marketing control process.
  - determine marketing objectives.

ANS: A                      PTS: 1                      DIF: Difficulty: Challenging  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Comprehension

17. The marketing plan is
- a plan of all aspects of an organization's business strategy.
  - written differently for each SBU.
  - a written document detailing activities to be performed to implement and control marketing actions.
  - designed to specify not only marketing, but all other functional areas of business activities as well.
  - updated only periodically.

ANS: C                      PTS: 1                      DIF: Difficulty: Challenging  
OBJ: LO: 02-02      NAT: BUSPROG: Reflective Thinking      STA: DISC: Marketing Plan  
KEY: Bloom's: Knowledge

18. CyberCycle Inc., is preparing a written document specifying the activities to be performed to implement and control its marketing activities. This document is called the
- profit plan.
  - marketing program.
  - strategic market program.
  - strategic business plan.
  - marketing plan.

ANS: E                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-02      NAT: BUSPROG: Reflective Thinking      STA: DISC: Marketing Plan  
KEY: Bloom's: Application

19. The strategic planning process begins with
- development of an organizational mission statement.
  - development of marketing strategy.
  - analysis of the marketing environment.
  - analysis of target markets.

e. development of a marketing plan.

ANS: C                      PTS: 1                      DIF: Difficulty: Challenging  
OBJ: LO: 02-01           NAT: BUSPROG: Analytic                      STA: DISC: Marketing Plan  
KEY: Bloom's: Knowledge

20. Apple™ has made a success from anticipating what consumers would want in new technological advances, convenience, and ease of use. The introduction of the iPad was an example of a \_\_\_\_\_ for Apple™, something that an organization does extremely well and may give a company an advantage over its competition.
- benchmark
  - sustainable competitive advantage
  - core competency
  - strategic vision
  - marketing opportunity

ANS: C                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-01           NAT: BUSPROG: Analytic                      STA: DISC: Strategy  
KEY: Bloom's: Knowledge

21. A market opportunity results from
- the right combination of circumstances and timing that permit an organization to take action to reach a particular target market.
  - monitoring the firm's capabilities.
  - an increase in market share and profits.
  - an assessment of environmental forces.
  - technological determinism.

ANS: A                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-01           NAT: BUSPROG: Reflective Thinking           STA: DISC: Strategy  
KEY: Bloom's: Knowledge

22. When the right combination of circumstances occurs at the right time to allow an organization to take action toward a target market, the firm is faced with a
- market objective.
  - market requirement.
  - strategic market plan.
  - market opportunity.
  - corporate objective.

ANS: D                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-01           NAT: BUSPROG: Reflective Thinking           STA: DISC: Strategy  
KEY: Bloom's: Knowledge

23. In response to the increase in demand for organic foods, Wegmans, Inc., a regional supermarket, recently created organic food departments within their large stores. The creation of these departments was a result of
- a core competency
  - a market opportunity
  - its sales orientation
  - its distribution plan
  - a competitive advantage

ANS: B                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-01           NAT: BUSPROG: Reflective Thinking           STA: DISC: Strategy

KEY: Bloom's: Application

24. Realizing an increase in both the number of consumers who are environmentally-conscious and the number of consumers who are seeking vehicles that use less gasoline, several car manufacturers have developed hybrid automobiles. This is an example of identifying and capitalizing on a \_\_\_\_\_ while the strategic window is open.
- marketing mix
  - market opportunity
  - objective
  - requirement
  - goal

ANS: B                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Application

25. After determining that consumers had concerns about fat and carbohydrates, Sardino's Pizza began offering a low-fat, low-carb pizza product. The creation of this new product was the result of
- a competitive advantage.
  - a well-defined mission statement.
  - good strategic planning.
  - a market opportunity.
  - opportunistic behavior.

ANS: D                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Application

26. A strategic window is
- the right combination of circumstances and timing that permit an organization to take action to reach a particular target market.
  - what determines the factors that are most important in making a market attractive or strong.
  - customers' requirements or desired benefits.
  - a temporary period of optimum fit between the key requirements of a market and the particular capabilities of a firm competing in that market.
  - the process that seeks information about events and relationships in a company's outside environment.

ANS: D                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Knowledge

27. A competitive advantage exists when a
- firm matches a core competency to opportunities it has discovered in the marketplace.
  - firm does marketing better than its competitors.
  - combination of circumstances and timing allow a firm to reach an attractive target market.
  - firm observes a fit between the key requirements of a market and its own capabilities.
  - firm has a strong marketing plan.

ANS: A                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-01      NAT: BUSPROG: Communication      STA: DISC: Strategy  
KEY: Bloom's: Knowledge

28. A \_\_\_\_\_ is created when a company matches its core competency to opportunities it has discovered in the marketplace.
- market opportunity
  - market requirement
  - competitive advantage
  - strategic window
  - competitive opportunity

ANS: C                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-01      NAT: BUSPROG: Analytic                      STA: DISC: Strategy  
KEY: Bloom's: Knowledge

29. Amazon's pricing, service, and continuing investment in improving its website with additional product offerings give it a(n) \_\_\_\_\_ over many other retailers.
- organizational opportunity advantage
  - strategic window
  - market requirement
  - market opportunity
  - competitive advantage

ANS: E                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Application

30. An analysis of \_\_\_\_\_ examines internal factors that give the organization certain advantages and disadvantages in meeting the needs of its target markets.
- opportunities and threats
  - market opportunities
  - strengths and weaknesses
  - activities and responsibilities
  - organizational resources

ANS: C                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Knowledge

31. John Deere's strong name recognition and solid customer demand for its farm and garden equipment are two elements of the firm's \_\_\_\_\_.
- strengths.
  - opportunities.
  - weaknesses.
  - threats.
  - strategies.

ANS: A                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-01      NAT: BUSPROG: Analytic                      STA: DISC: Strategy  
KEY: Bloom's: Application

32. Favorable conditions in the marketplace environment that could produce business rewards for the organization if acted upon properly are called \_\_\_\_\_.
- strengths.
  - market strategies.
  - market niches.
  - threats.
  - opportunities.

ANS: E                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Knowledge

33. Successful business organizations should take actions to convert internal weaknesses into\_\_\_\_\_and external threats into\_\_\_\_\_.
- opportunities; core competencies
  - core competencies; strengths
  - opportunities; strengths
  - strengths; core competencies
  - strengths; opportunities

ANS: E                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Comprehension

34. When Disney World wants to have at least 90 percent of its customers indicating they had a memorable and satisfying experience at the park hotels, this is an example of
- implementing the marketing mix
  - maintaining their corporate identity
  - a marketing objective
  - a strategic plan
  - a mission statement

ANS: C                      PTS: 1                      DIF: Difficulty: Challenging  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Marketing Plan  
KEY: Bloom's: Application

35. An organization's business goals should be derived from its
- mission statement.
  - strategic plan.
  - strategic business plan.
  - marketing plan.
  - marketing strategy.

ANS: A                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Marketing Plan  
KEY: Bloom's: Knowledge

36. The reputation and well-known brand name of Rolex watches represents a\_\_\_\_\_for Rolex.
- competitive advantage
  - core competency
  - market opportunity
  - strategic window
  - pricing strategy

ANS: B                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Product  
KEY: Bloom's: Knowledge

37. A firm's unique symbols, personalities, and philosophies comprise its
- corporate persona.
  - corporate identity.
  - corporate character.



- d. CEO's identity.
- e. ethics.

ANS: B                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Marketing Plan  
KEY: Bloom's: Knowledge

38. Which of the following is a characteristic of a marketing objective?
- a. It is consistent with both business-unit and corporate strategy.
  - b. It is a verbal agreement, not in writing.
  - c. It is not written in measurable terms.
  - d. It does not specify a time frame for its accomplishment.
  - e. It clearly identifies how marketing strategy will be implemented.

ANS: A                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Knowledge

39. Which of the following statements is *incorrect*?
- a. Of the three levels of planning, corporate strategy is the broadest.
  - b. Business-unit strategy should be consistent with the corporate strategy.
  - c. Marketing strategy should be consistent with both the business-unit and corporate strategies.
  - d. Strategic planning begins at the marketing level and proceeds through business-unit and corporate levels.
  - e. Strategic planning begins at the corporate level and proceeds through business-unit and marketing levels.

ANS: D                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Knowledge

40. Resource deployment and coordination of functional areas of business are determined by
- a. the mission statement.
  - b. corporate strategy.
  - c. business-unit strategy.
  - d. marketing strategy.
  - e. the marketing mix.

ANS: B                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Knowledge

41. \_\_\_\_ strategy determines the means for utilizing resources in the functional areas of marketing, production, finance, research and development, and human resources to achieve the organization's goals.
- a. Corporate
  - b. Business-unit
  - c. Marketing
  - d. Mission statement
  - e. Marketing mix

ANS: A                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Knowledge

42. Within a business organization, a profit center that is self-supporting in terms of sales, markets, production, and other resources is known as a
- profit entity.
  - strategic business unit.
  - marketing program.
  - small business.
  - diversified corporation.

ANS: B                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Marketing Plan  
KEY: Bloom's: Knowledge

43. Kraft purchased the Duracell Battery Company and now operates this division as a separate profit center within the firm. In this example, Duracell is a(n)\_\_\_\_\_unit of Kraft.
- strategic business
  - marketing
  - dependent
  - independent
  - corporate

ANS: A                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Application

44. A group that has the willingness, ability, and authority to buy a product is a
- market.
  - consumer.
  - strategic business unit.
  - business customer.
  - strategic window.

ANS: A                      PTS: 1                      DIF: Difficulty: Challenging  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Marketing Plan  
KEY: Bloom's: Knowledge

45. According to the text, a market is defined as
- a place to buy products.
  - the buyers of the products that a company develops, promotes, prices, and distributes.
  - the specific group of customers on whom an organization focuses its marketing efforts.
  - a group of individuals and/or organizations that have needs for products in a product class and have the ability, willingness, and authority to purchase these products.
  - the percentage of a group of customers that actually buys a specific product from a specific company.

ANS: D                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Marketing Plan  
KEY: Bloom's: Knowledge

46. Jason, a 17-year old high school student, wants to buy a pack of Marlboro Lights. He has the money to purchase them, but he is still not considered to be a market for the product due to his lack of \_\_\_\_\_to buy.
- ability
  - willingness
  - authority

- d. need
- e. location

ANS: C                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Application

47. The Boston Consulting Group's matrix is based on the
- a. idea that a firm's market share and market attractiveness are the important factors for a marketing strategy.
  - b. assumption that a firm's actions have a profitable impact on marketing strategy.
  - c. business position and market attractiveness of the firm.
  - d. philosophy that a product's market growth rate and its market share are important determinants of its marketing strategy.
  - e. idea that a product's market growth rate and market attractiveness determine the marketing strategy.

ANS: D                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Marketing Plan  
KEY: Bloom's: Knowledge

48. According to the Boston Consulting Group, marketers may classify their products as all of the following *except*
- a. dogs.
  - b. cash contributors.
  - c. question marks.
  - d. stars.
  - e. cash cows.

ANS: B                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Product  
KEY: Bloom's: Knowledge

49. Based on the work by the Boston Consulting Group, products with a dominant share of the market and good prospects for growth are
- a. dogs.
  - b. cash cows.
  - c. stars.
  - d. question marks.
  - e. pigs.

ANS: C                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-01      NAT: BUSPROG: Analytic                      STA: DISC: Strategy  
KEY: Bloom's: Knowledge

50. Rollins Steel Corporation, a leader in industrial supplies, has identified its auto battery unit as having a dominant market share; however, it has low prospects for growth. The unit currently generates more cash for Rollins Steel than is required to maintain its market share. According to the Boston Consulting Group, the auto battery unit would be classified as a \_\_\_\_\_
- a. dog.
  - b. cash cow.
  - c. star.
  - d. cash contributor.
  - e. question mark.

ANS: B                    PTS: 1                    DIF: Difficulty: Moderate  
OBJ: LO: 02-01       NAT: BUSPROG: Analytic                    STA: DISC: Strategy  
KEY: Bloom's: Application

51. The director of marketing for 3M tapes tells the rest of the management team, "When it comes to our transparent packaging tape unit, our strategy will be to use funds generated here to support our venture in the industrial bonding market." This strategy indicates that the packaging tape unit falls into which one of the following classifications?
- Problem child
  - Star
  - Cash cow
  - Dog
  - Question mark

ANS: C                    PTS: 1                    DIF: Difficulty: Moderate  
OBJ: LO: 02-01       NAT: BUSPROG: Reflective Thinking       STA: DISC: Strategy  
KEY: Bloom's: Application

52. The percentage of a market which actually buys a specific product from a specific company is referred to as that product's
- strategic segment
  - target market
  - market share
  - market cut
  - market position

ANS: C                    PTS: 1                    DIF: Difficulty: Moderate  
OBJ: LO: 02-01       NAT: BUSPROG: Reflective Thinking       STA: DISC: Marketing Plan  
KEY: Bloom's: Knowledge

53. According to the Boston Consulting Group, question marks are characterized as products
- having a small share of a growing market and requiring large amounts of cash to build market share.
  - generating more cash than is required to maintain share.
  - encompassing the greatest number of products.
  - existing at a cost disadvantage and revealing few opportunities for growth at a reasonable cost.
  - having substantial reported profits but needing a lot of cash to finance the rate of growth.

ANS: A                    PTS: 1                    DIF: Difficulty: Moderate  
OBJ: LO: 02-01       NAT: BUSPROG: Reflective Thinking       STA: DISC: Strategy  
KEY: Bloom's: Knowledge

54. Which of the following is the *most* specific and detailed type of business strategy?
- business-unit
  - marketing
  - corporate
  - customer service
  - tactical

ANS: B                    PTS: 1                    DIF: Difficulty: Moderate  
OBJ: LO: 02-01       NAT: BUSPROG: Reflective Thinking       STA: DISC: Strategy  
KEY: Bloom's: Knowledge

55. High Gliding Air Academy is developing its marketing mix for the coming year. Its managers know that they must first select\_which may be the most important decision they make in the planning process.
- the promotional strategy
  - a distribution method
  - the pricing strategy
  - a target market
  - the desired profit margin

ANS: D                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-01      NAT: BUSPROG: Analytic                      STA: DISC: Marketing Plan  
KEY: Bloom's: Application

56. Which of the following statements about the marketing mix is *incorrect*?
- The selection of the target market serves as the basis for the creation of the marketing mix.
  - The elements of the marketing mix are sometimes referred to as *marketing mix variables*.
  - Each element of the marketing mix must be precisely matched with the needs of the target market.
  - Once a marketing mix has been created for a particular target market, it cannot be changed until a new strategic window opens.
  - Each element of the marketing mix must be precisely matched with the other elements of the marketing mix.

ANS: D                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-01      NAT: BUSPROG: Analytic                      STA: DISC: Strategy  
KEY: Bloom's: Comprehension

57. Business decisions made in creating a marketing mix
- are made before a target market is identified.
  - are unchangeable once they are agreed upon by management.
  - are only as good as the organization's understanding of the needs of the target market.
  - usually take place when a strategic window is open.
  - must always be consistent with the firm's opportunities.

ANS: C                      PTS: 1                      DIF: Difficulty: Challenging  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Marketing Plan  
KEY: Bloom's: Comprehension

58. All marketing mix decisions must have two characteristics:\_\_\_\_\_and\_\_\_\_\_.
- consistency; flexibility
  - consistency; rigidity
  - formality; flexibility
  - variability; flexibility
  - formality; rigidity

ANS: A                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-01      NAT: BUSPROG: Communication                      STA: DISC: Marketing Plan  
KEY: Bloom's: Knowledge

59. Gucci Group, a marketer of high-fashion products, achieved a company turnaround by ensuring that its brand had the same image and proper display around the world. It also lowered prices on some items, like handbags, to be more competitive. This illustrates a company working to develop a marketing mix that is both\_\_\_\_\_and\_\_\_\_\_.
- consistent; flexible
  - formal; flexible

- c. variable; flexible
- d. consistent; rigid
- e. consistent; formal

ANS: A                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-01      NAT: BUSPROG: Analytic                      STA: DISC: Strategy  
KEY: Bloom's: Application

60. Kinko's partnership with FedEx has given it a \_\_\_\_\_ in the printing, faxing, and delivery market. Since this partnership can't be easily copied by the competition, it also represents a(an) \_\_\_\_\_ advantage.
- a. sustainable advantage; controllable
  - b. competitive advantage; sustainable
  - c. noncopyable advantage; sustainable
  - d. effective advantage; controllable
  - e. implementable advantage; sustainable

ANS: B                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-02      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Application

61. Harley-Davidson's Harley Owner's Group (HOG) helps to foster strong relationships between riders and their motorcycles, giving it a(n) \_\_\_\_\_ over other motorcycle manufacturers.
- a. controllable advantage
  - b. uncontrollable competitive advantage
  - c. sustainable marketing advantage
  - d. effective competitive advantage
  - e. sustainable competitive advantage

ANS: E                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Application

62. Because of its highly efficient and low-cost distribution system, Walmart has a \_\_\_\_\_ advantage over Kmart.
- a. nonsustainable competitive
  - b. sustainable marketing
  - c. sustainable control
  - d. sustainable implementation
  - e. sustainable competitive

ANS: E                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-01      NAT: BUSPROG: Analytic                      STA: DISC: Strategy  
KEY: Bloom's: Application

63. A marketing plan
- a. is characteristic of production-oriented firms and other mass producers.
  - b. provides a framework for implementing and controlling marketing activities.
  - c. always increases the marketing manager's operating costs.
  - d. produces plans that are short term in orientation.
  - e. restricts the marketing manager's future options.

ANS: B                      PTS: 1                      DIF: Difficulty: Challenging  
OBJ: LO: 02-02      NAT: BUSPROG: Reflective Thinking      STA: DISC: Marketing Plan  
KEY: Bloom's: Knowledge

64. J.C. Penney is presently involved in a process of assessing marketing opportunities and resources, determining marketing objectives, re-defining marketing strategies, and developing guidelines for implementation and control. Thus, J.C. Penney is involved in
- strategic analysis.
  - marketing planning.
  - marketing management.
  - marketing.
  - market organization.

ANS: B                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-02      NAT: BUSPROG: Reflective Thinking      STA: DISC: Marketing Plan  
KEY: Bloom's: Application

65. Which of the following is *not* a purpose of the marketing plan?
- Communicate internally with employees
  - Assign tasks and responsibilities for implementation
  - Specify the allocation of resources
  - Monitor the performance of a marketing strategy
  - Serve as a contract with the customer

ANS: E                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-02      NAT: BUSPROG: Reflective Thinking      STA: DISC: Marketing Plan  
KEY: Bloom's: Comprehension

66. Hallaway's Corp.'s new shampoo, VS2, is faltering badly in the market. Hallaway's marketing personnel are unsure who is responsible for various marketing tasks, when these tasks are to be completed, or what resources have been allocated. Hallaway Marketing Director Carolyn Willis said that the problem is that VS2 has the most poorly written \_\_\_\_\_ she has ever seen.
- marketing plan
  - competitive plan
  - implementation plan
  - media schedule
  - product specification sheet

ANS: A                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-02      NAT: BUSPROG: Reflective Thinking      STA: DISC: Marketing Plan  
KEY: Bloom's: Application

67. The Texas Pitt Barbecue Corporation has conducted a SWOT analysis of its competition, and sees a marketing opportunity for its new Texas Pit Barbecue restaurant. It has developed its marketing plan to include the type of products it will sell, the location for the restaurant, and the pricing it will use. Their plan includes a marketing objective to make a profit of 5% the first year of operation. So far, the owners of the restaurant have eliminated a key piece of the marketing plan, which is \_\_\_\_\_.
- specifying how they will achieve their marketing objective
  - how they will address the competition's prices
  - coming up with a quantitative measure for their objective
  - developing a qualitative measure for their objective
  - assessing their weaknesses

ANS: A                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-02      NAT: BUSPROG: Reflective Thinking      STA: DISC: Marketing Plan  
KEY: Bloom's: Application

68. Which of the following is *not* a component of a marketing plan?

- a. Environmental analysis
- b. Marketing strategies
- c. Product
- d. Executive summary
- e. Marketing implementation

ANS: C                      PTS: 1                      DIF: Difficulty: Easy  
 OBJ: LO: 02-02      NAT: BUSPROG: Reflective Thinking      STA: DISC: Marketing Plan  
 KEY: Bloom's: Knowledge

69. A marketing plan document usually begins with a(n)
- a. executive summary.
  - b. introduction to the company's marketing objectives.
  - c. summary of current performance as compared with past performance.
  - d. situation analysis.
  - e. opportunity and threat analysis.

ANS: A                      PTS: 1                      DIF: Difficulty: Easy  
 OBJ: LO: 02-04      NAT: BUSPROG: Reflective Thinking      STA: DISC: Marketing Plan  
 KEY: Bloom's: Knowledge

70. The process of putting marketing strategies into action is called
- a. marketing implementation.
  - b. marketing control.
  - c. marketing action.
  - d. marketing auditing.
  - e. the marketing action plan.

ANS: A                      PTS: 1                      DIF: Difficulty: Easy  
 OBJ: LO: 02-02      NAT: BUSPROG: Reflective Thinking      STA: DISC: Marketing Plan  
 KEY: Bloom's: Knowledge

71. Sayed's employer is currently developing a new marketing strategy. The top managers have developed the marketing strategy and have given it to Sayed so that he can now develop an implementation plan. Sayed's company will *most likely* end up with which type of strategy?
- a. Decentralized
  - b. Centralized
  - c. Rigid
  - d. Intended
  - e. Realized

ANS: E                      PTS: 1                      DIF: Difficulty: Moderate  
 OBJ: LO: 02-02      NAT: BUSPROG: Analytic                      STA: DISC: Marketing Plan  
 KEY: Bloom's: Application

72. Emma is responsible for developing and implementing the marketing plan for a new type of walking shoe targeted toward older women. Her responsibility includes making sure that the production and deliveries to the retail stores are coordinated for this new product. In order for the marketing implementation to be successful, Emma should be sure the needs of \_\_\_\_\_ customers are met.
- a. the external
  - b. the internal
  - c. both the internal and external
  - d. the planned
  - e. both the planned and realized



ANS: C                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-02      NAT: BUSPROG: Reflective Thinking      STA: DISC: Marketing Plan  
KEY: Bloom's: Application

73. Starbucks provides training and support to its employees, including health care benefits. Through these \_\_\_\_\_ efforts Starbucks is better able to deliver quality products and service to its customers.
- internal management
  - extended marketing
  - intended marketing
  - external marketing
  - internal marketing

ANS: E                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-02      NAT: BUSPROG: Reflective Thinking      STA: DISC: Marketing Plan  
KEY: Bloom's: Knowledge

74. Alex has been analyzing information from his company's database about customer purchasing habits, since he is responsible for the managing the growth of the industrial supply division of his company. Alex plans to use the information from his analysis to create new marketing strategies that will develop and sustain relationships with those customers who are more profitable for the company. What type of concept is Alex using?
- Customer relationship management
  - Electronic data interchange
  - Business-to-consumer marketing
  - Strategic partnerships
  - The marketing concept

ANS: A                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-04      NAT: BUSPROG: Reflective Thinking      STA: DISC: Marketing Plan  
KEY: Bloom's: Application

75. Electronic marketing has greatly improved the ability of marketers to target individual customers. As a result, many feel that marketing's emphasis is shifting from share of market to share of \_\_\_\_\_
- budget.
  - consumer online time.
  - customer.
  - awareness.
  - commitment.

ANS: C                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-04      NAT: BUSPROG: Analytic                      STA: DISC: Customer  
KEY: Bloom's: Knowledge

76. L.L. Bean uses technology to help them identify specific customers, establish interactive dialogues with them to learn about their needs, and combine this information with their purchase histories to customize products to meet those needs. L.L. Bean is using the \_\_\_\_\_ approach.
- target market positioning
  - SWOT analysis
  - customer relationship management
  - total quality management
  - internal marketing

ANS: C                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-04      NAT: BUSPROG: Analytic | BUSPROG: Technology  
STA: DISC: Customer                      KEY: Bloom's: Application

77. Megan knows that whether she decides to interact with her customers in person, by phone, online, Facebook, Twitter, or by fax, that \_\_\_\_\_ should ultimately drive the marketing strategy.
- marketing research
  - polite responsiveness
  - her customers
  - product availability
  - company goals

ANS: C                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-02      NAT: BUSPROG: Reflective Thinking      STA: DISC: Customer  
KEY: Bloom's: Application

78. Zingerman's Deli operates seven retail stores throughout the city. It plans to develop a new marketing plan to extend its number of stores and operating hours. In developing this marketing plan, it has asked its employees for feedback on the changes it plan to makes. In this case, the employees are Zingerman's \_\_\_\_\_ customers.
- external
  - extended
  - intended
  - internal
  - domestic

ANS: D                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-03      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Application

79. If Ford Motor Company measured and evaluated the quality of its goods, services, and processes as compared with those of the best-performing companies in the automobile industry, it would be employing
- uniform commitment to quality marketing.
  - internal marketing.
  - external marketing.
  - quality marketing.
  - benchmarking.

ANS: E                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-03      NAT: BUSPROG: Analytic                      STA: DISC: Strategy  
KEY: Bloom's: Application

80. In a traditional organization, marketing decisions are likely to be
- very decentralized.
  - centralized at the top levels of the organization.
  - made by frontline employees.
  - made by frontline managers.
  - made only by the CEO.

ANS: B                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-02      NAT: BUSPROG: Reflective Thinking      STA: DISC: Marketing Plan  
KEY: Bloom's: Comprehension

81. Mama Vertalli's Bakery is a family-owned business with over \$1 million in annual revenues and six locations. At Mama Vertalli's, decisions are sometimes slow in coming and top-level managers delegate very little authority to lower-level employees. Mama Vertalli's is a(n) \_\_\_\_\_ organization.
- centralized

- b. decentralized
- c. empowered
- d. marketing-oriented
- e. total quality management

ANS: A                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-02      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Application

82. The Kingtel Corporation is expanding operations into countries outside the United States. To improve local managers' responsiveness to local conditions, Kingtel's senior management has decided to delegate decision-making authority further down the chain of command. Acme is
- a. building a marketing-oriented organization.
  - b. empowering employees.
  - c. centralizing.
  - d. decentralizing.
  - e. making a serious error.

ANS: D                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-02      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Application

83. A marketing unit can be organized according to functions, products, regions, and
- a. sales.
  - b. target markets.
  - c. competitive units.
  - d. types of customers.
  - e. product features.

ANS: D                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-03      NAT: BUSPROG: Reflective Thinking      STA: DISC: Marketing Plan  
KEY: Bloom's: Knowledge

84. A disadvantage of organizing a firm's marketing unit by products is that
- a. product managers do not have adequate control over marketing activities.
  - b. large firms might experience coordination problems.
  - c. it can be rather expensive.
  - d. specialized marketing assistance is less readily available.
  - e. marketing flexibility is limited.

ANS: C                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Customer  
KEY: Bloom's: Knowledge

85. A firm that markets diverse products would *most likely* base the organization of its marketing department on
- a. products.
  - b. regions.
  - c. functions.
  - d. types of customers.
  - e. marketing objectives.

ANS: A                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-02      NAT: BUSPROG: Reflective Thinking      STA: DISC: Product  
KEY: Bloom's: Knowledge

86. Procter & Gamble, like many firms in the consumer packaged-goods industry, is organized by
- function.
  - product.
  - region.
  - types of customers.
  - subregion.

ANS: B                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Product  
KEY: Bloom's: Knowledge

87. Nike has centralized marketing operations with personnel who direct marketing research, distribution, sales, advertising, and so forth reporting directly to the top-level marketing executive. Nike's marketing department is organized by
- product.
  - region.
  - types of customers.
  - subregion.
  - function.

ANS: E                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-02      NAT: BUSPROG: Reflective Thinking      STA: DISC: Marketing Plan  
KEY: Bloom's: Application

88. Organizing a marketing unit by regions works well for a company that
- produces and markets diverse products.
  - is small and has a centralized marketing operation.
  - markets products throughout the nation.
  - has several groups of customers whose needs and problems are different.
  - offers specialized marketing mixes for different products.

ANS: C                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-02      NAT: BUSPROG: Reflective Thinking      STA: DISC: Product  
KEY: Bloom's: Knowledge

89. Alicia, a product representative at Frito-Lay in Atlanta has received a call from a customer asking about a new product. The customer has a friend in Seattle who was just telling him about a new snack Frito-Lay has introduced that is selling rapidly. Alicia's office does not market this product, and at the present knows very little about it. She asks the customer if she can get back with him with more information. Alicia then calls product management in Texas. Based on this information, this firm is *most likely* organized according to which of the following?
- Function
  - Product
  - Region
  - Customer
  - Market

ANS: C                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-02      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Application

90. A firm that wants to put more senior management personnel into the field, to get closer to customers, and to enable the company to respond more quickly and efficiently to competitors would probably organize its marketing unit on the basis of

- a. functions.
- b. regions.
- c. customer types.
- d. markets.
- e. products.

ANS: B                    PTS: 1                    DIF: Difficulty: Moderate  
OBJ: LO: 02-02       NAT: BUSPROG: Reflective Thinking       STA: DISC: Marketing Plan  
KEY: Bloom's: Knowledge

91. An appliance manufacturer that sells to large retail stores, wholesalers, and institutions would probably organize its marketing unit on the basis of
- a. subregions.
  - b. national divisions.
  - c. types of customers.
  - d. functions.
  - e. products.

ANS: C                    PTS: 1                    DIF: Difficulty: Moderate  
OBJ: LO: 02-02       NAT: BUSPROG: Reflective Thinking       STA: DISC: Customer  
KEY: Bloom's: Comprehension

92. Marketing managers at Consolidated Equipment Corporation are involved in establishing marketing performance standards, evaluating performance, and reducing the differences between actual and desired performance. These marketing managers are engaged in
- a. the systems design process.
  - b. the marketing control process.
  - c. marketing systems design.
  - d. the marketing audit.
  - e. marketing evaluation.

ANS: B                    PTS: 1                    DIF: Difficulty: Moderate  
OBJ: LO: 02-03       NAT: BUSPROG: Reflective Thinking       STA: DISC: Marketing Plan  
KEY: Bloom's: Application

93. The first step in the marketing control process is to
- a. take corrective action.
  - b. reduce the difference between actual and desired standards.
  - c. evaluate actual performance.
  - d. compare actual performance and standards.
  - e. establish performance standards.

ANS: E                    PTS: 1                    DIF: Difficulty: Easy  
OBJ: LO: 02-03       NAT: BUSPROG: Reflective Thinking       STA: DISC: Marketing Plan  
KEY: Bloom's: Knowledge

94. An expected level of performance against which actual performance can be compared is a
- a. standard performance.
  - b. standard of excellence.
  - c. step in sales analysis.
  - d. performance standard.
  - e. corrective standard.

ANS: D                    PTS: 1                    DIF: Difficulty: Easy  
OBJ: LO: 02-03       NAT: BUSPROG: Reflective Thinking       STA: DISC: Strategy

KEY: Bloom's: Knowledge

95. Morris Business Products Co. distributes its business supply products through direct sales personnel. Recently, the company has established a monthly sales quota of \$150,000 for each sales representative. This is a(n)
- marketing control process.
  - evaluation of actual performance.
  - evaluation standard.
  - sales analysis.
  - performance standard.

ANS: E                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-03      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Application

96. One way that Honda evaluates its product and service level is by how well it ranks on the J. D. Power & Associates Sales Satisfaction Survey. In doing so, Honda is
- controlling marketing activities.
  - taking corrective action.
  - empowering its employees.
  - evaluating actual performance.
  - setting performance standards.

ANS: D                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-03      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Application

97. Marketing managers can take each of the following corrective actions for reducing a discrepancy between established performance standards and actual performance *except*
- improving actual performance.
  - reducing the performance standard.
  - totally changing the performance standard.
  - changing the marketing strategy.
  - coordinating a new step in performance analysis.

ANS: E                      PTS: 1                      DIF: Difficulty: Challenging  
OBJ: LO: 02-03      NAT: BUSPROG: Analytic                      STA: DISC: Strategy  
KEY: Bloom's: Knowledge

98. When an organization attempts to control its marketing activities, it may find it difficult to
- determine their effect on sales volume.
  - use the information it collects.
  - obtain the necessary information.
  - get the accounting department to cooperate.
  - develop a marketing plan.

ANS: C                      PTS: 1                      DIF: Difficulty: Challenging  
OBJ: LO: 02-03      NAT: BUSPROG: Reflective Thinking      STA: DISC: Marketing Plan  
KEY: Bloom's: Knowledge

99. The time lag between the performance of marketing activities and their results
- limits the marketing manager's ability to measure the effectiveness of marketing activities.
  - facilitates the ability to measure performance.
  - increases the chance of accurate measurement.
  - limits the amount of money to be spent on measurement.

e. increases the likelihood of having a successful marketing mix.

ANS: A                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-03           NAT: BUSPROG: Analytic                      STA: DISC: Marketing Plan  
KEY: Bloom's: Comprehension

**Scenario 2.1**

Use the following to answer the questions.

Southwest Airlines has a history of being able to retain its employees due to the atmosphere and culture of the company. Employees have been known to dress up in costume on an airplane, engage in "games" with the passengers, and generally provide a fun atmosphere for traveling. While other airlines have low rates of customer satisfaction, Southwest tends to maintain a high rating with its customers. Recent gas price hikes have caused most airlines to charge for checked luggage and to fill every flight to its maximum, adding to the negative experience of airline travel. Southwest keeps its costs low through several methods, one being that they do not serve meals on flights, or provide pre-boarding passes. The typical flight is two hours or less and occurs between several selected cities rather than flying to practically anywhere in the country. Southwest is known for its low fares, its dependability, and its on-time flights.

100. Refer to Scenario 2.1. Maintaining the current culture of "fun" for Southwest Airlines' employees is most likely a(n)
- a. marketing strategy.
  - b. marketing objective.
  - c. organization resource.
  - d. environmental force.
  - e. overall organizational objective.

ANS: E                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-01           NAT: BUSPROG: Reflective Thinking                      STA: DISC: Strategy  
KEY: Bloom's: Application

101. Refer to Scenario 2.1. The fact that Southwest Airlines has a history of being able to retain its employees is a(n)\_\_\_\_\_in its SWOT analysis. This low turnover creates more knowledgeable and satisfied employees, a potential\_\_\_\_\_.
- a. weakness; opportunity
  - b. strength; competitive advantage
  - c. threat; market opportunity
  - d. opportunity; competitive advantage
  - e. strength; market opportunity

ANS: B                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-01           NAT: BUSPROG: Reflective Thinking                      STA: DISC: Strategy  
KEY: Bloom's: Application

102. Refer to Scenario 2.1. In Southwest Airlines' SWOT analysis, the rising gas prices are a(n)\_\_\_\_\_, while the fact that other airlines are charging for all checked baggage may create a(n)\_\_\_\_\_.
- a. threat; strength
  - b. weakness; strength
  - c. threat; opportunity
  - d. weakness; opportunity
  - e. opportunity; strength

ANS: C                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-01           NAT: BUSPROG: Reflective Thinking                      STA: DISC: Strategy

KEY: Bloom's: Application

103. Refer to Scenario 2.1. Southwest's low fares, dependability, and its on-time flights represent its
- competitive advantage
  - marketing opportunity
  - marketing plan
  - marketing objectives
  - total quality management

ANS: A                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Application

### Scenario 2.2

Use the following to answer the questions.

EXperience Limited is a company which offers tours and vacations that include participation in an extreme sport, such as hang-gliding, bungee jumping, skydiving, and motocross. Adrian Moss, EXperience Limited's owner, has just finished developing the strategic plan, including marketing objective of growing his customer base by 15% during the coming year. He believes that the best way of reaching that objective is to promote to the college-aged student. In the past, the majority of his sales have been to males under the age of 29, participating in hang-gliding and bungee jumping at various tourist locations. He wants to expand his skydiving and motocross tours, but isn't sure whether or not the expansion will be profitable. He currently has a database containing all the customers who have gone on a hang-gliding or bungee jumping vacation with his company.

104. Refer to Scenario 2.2. According to the BCG matrix, the hang-gliding and bungee jumping tours have been a \_\_\_\_\_ for EXperience Limited, while the skydiving and motorcross tours represent a \_\_\_\_\_.
- star; dog
  - cash cow; question mark
  - cash cow; star
  - star; cash cow
  - star; question mark

ANS: B                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Application

105. Refer to Scenario 2.2. The fact that college enrollments have been increasing at a fast rate the past few years is an example of \_\_\_\_\_ and creates a \_\_\_\_\_ for EXperience Limited.
- an environmental factor; marketing opportunity
  - an environmental factor; strategic door
  - a company strength; marketing opportunity
  - a company strength; competitive advantage
  - a marketing opportunity; competitive advantage

ANS: A                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-04      NAT: BUSPROG: Reflective Thinking      STA: DISC: Research  
KEY: Bloom's: Application

106. Refer to Scenario 2.2. The information in EXperience Limited's database could be *best* used to develop
- a TQM program
  - SWOT analysis
  - a marketing plan
  - a CRM program



e. an internal marketing program

ANS: D                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-02      NAT: BUSPROG: Reflective Thinking      STA: DISC: Marketing Plan  
KEY: Bloom's: Application

107. Refer to Scenario 2.2. The college-aged student represents EXperience Limited's\_\_\_\_\_, and the tours its operates represent the\_\_\_\_\_element of the marketing mix.
- target market; distribution
  - customer relationships; distribution
  - cash cow; product
  - cash cow; distribution
  - target market; product

ANS: E                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Application

### TRUE/FALSE

108. Through the process of strategic planning, a firm establishes an organizational mission and goals, corporate strategy, marketing objectives, marketing strategy, and a marketing plan.

ANS: T                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Knowledge

109. The strategic planning process begins with a detailed analysis of the organization's strengths and weaknesses and the identification of opportunities and threats within the marketing environment.

ANS: T                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Knowledge

110. A marketing strategy is a written document that specifies the activities to be performed to implement and control a firm's marketing activities.

ANS: F                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Analysis

111. Marketing strategies should be established before marketing objectives are decided.

ANS: F                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Knowledge

112. A strategic window results from the right combination of circumstances and timing, allowing a firm to take action to reach a particular target market.

ANS: F                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Knowledge

113. A core competency is something a firm does extremely well—sometimes so well that it gives the company an advantage over its competition.

ANS: T                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Knowledge

114. A competitive advantage is created when a company matches its core competency to the opportunities it has discovered in the market.

ANS: T                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Knowledge

115. The analysis of strengths and weaknesses focuses on internal factors that give the organization certain advantages and disadvantages in meeting the needs of its target markets.

ANS: T                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-01      NAT: BUSPROG: Analytic                      STA: DISC: Strategy  
KEY: Bloom's: Knowledge

116. A long-term view, or vision, of what the organization wants to become is called a mission proclamation.

ANS: F                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Knowledge

117. A firm's organizational goals should be derived from its opportunities.

ANS: F                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Knowledge

118. A firm's organizational mission should be derived from its goals.

ANS: F                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Knowledge

119. An organization's goals focus on the ends or results that the firm seeks.

ANS: T                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Knowledge

120. Marketing objectives should be stated in such a way that the degree of accomplishment can be measured accurately.

ANS: T                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Knowledge

121. Marketing objectives state what is to be accomplished through marketing activities.

ANS: T                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Knowledge

122. A marketing objective need not be consistent with the firm's overall objectives.

ANS: F                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Knowledge

123. Corporate strategy determines the means for utilizing resources in the functional areas of business to reach the organization's goals.

ANS: T                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Knowledge

124. Corporate strategic planners focus on dimensions such as competition, diversification, differentiation, environmental focus, and interrelationships among SBUs.

ANS: T                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Knowledge

125. A strategic business unit is not self-supporting in terms of sales, markets, production, and other resources.

ANS: F                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Knowledge

126. A market is a group of individuals and/or organizations that have needs for products in a product class and have the ability, willingness, and authority to purchase these products.

ANS: T                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Marketing Plan  
KEY: Bloom's: Knowledge

127. The Boston Consulting Group approach is based on a philosophy that a product's market growth rate and its market share relative to competition should be helpful in determining its marketing strategy.

ANS: T                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Knowledge

128. The Boston Consulting Group's model serves as a diagnostic tool to spotlight strategic business units that have an opportunity to grow rather than as a guide for making strategy prescriptions.

ANS: T                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Knowledge

129. Marketing managers can classify a firm's products into four basic types: stars, cash cows, dogs, and question marks.

ANS: T                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Knowledge

130. Stars are profitable products that usually generate more cash than is required to maintain share.

ANS: F                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Product  
KEY: Bloom's: Knowledge

131. Cash cows are market leaders that are growing fast, with substantial reported profits.

ANS: F                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Distribution  
KEY: Bloom's: Knowledge

132. Question marks exist at a cost disadvantage and exhibit few opportunities for growth at a reasonable cost.

ANS: F                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Marketing Plan  
KEY: Bloom's: Knowledge

133. The long-term health of the firm depends solely on having products that generate cash and provide acceptable reported profits.

ANS: F                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Knowledge

134. When properly implemented, a good marketing strategy enables a company to achieve its business-unit and corporate objectives.

ANS: T                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Knowledge

135. The decisions made in creating a marketing mix are only as good as the organization's understanding of the target market.

ANS: T                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Marketing Plan  
KEY: Bloom's: Knowledge

136. Marketing mix decisions must have two characteristics: consistency and timeliness.

ANS: F                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Marketing Plan  
KEY: Bloom's: Knowledge

137. Each of the marketing mix elements must work together with the others.

ANS: T                   PTS: 1                   DIF: Difficulty: Easy  
OBJ: LO: 02-01    NAT: BUSPROG: Reflective Thinking    STA: DISC: Marketing Plan  
KEY: Bloom's: Knowledge

138. A sustainable competitive advantage is one that cannot be copied by a firm's competitors.

ANS: T                   PTS: 1                   DIF: Difficulty: Easy  
OBJ: LO: 02-01    NAT: BUSPROG: Reflective Thinking    STA: DISC: Strategy  
KEY: Bloom's: Knowledge

139. Marketing planning consists of two major components: marketing objectives and a control process.

ANS: F                   PTS: 1                   DIF: Difficulty: Moderate  
OBJ: LO: 02-04    NAT: BUSPROG: Reflective Thinking    STA: DISC: Marketing Plan  
KEY: Bloom's: Knowledge

140. Marketing planning establishes an organizational mission and goals, corporate strategy, marketing objectives, marketing strategy, and a marketing plan.

ANS: F                   PTS: 1                   DIF: Difficulty: Moderate  
OBJ: LO: 02-04    NAT: BUSPROG: Reflective Thinking    STA: DISC: Marketing Plan  
KEY: Bloom's: Knowledge

141. Marketing planning and implementation are inextricably linked in successful businesses.

ANS: T                   PTS: 1                   DIF: Difficulty: Moderate  
OBJ: LO: 02-04    NAT: BUSPROG: Reflective Thinking    STA: DISC: Marketing Plan  
KEY: Bloom's: Knowledge

142. Marketing plans may be developed for strategic business units, product lines, individual products or brands, or specific markets.

ANS: T                   PTS: 1                   DIF: Difficulty: Easy  
OBJ: LO: 02-04    NAT: BUSPROG: Reflective Thinking    STA: DISC: Marketing Plan  
KEY: Bloom's: Knowledge

143. Firms that truly adopt the marketing concept develop a distinct organizational culture based on a shared set of beliefs that makes customers' needs the pivotal point of the firm's decisions about strategy and operations.

ANS: T                   PTS: 1                   DIF: Difficulty: Moderate  
OBJ: LO: 02-02    NAT: BUSPROG: Reflective Thinking    STA: DISC: Marketing Plan  
KEY: Bloom's: Knowledge

144. In a traditional organization, marketing decisions are generally centralized at the top levels of the organization.

ANS: T                   PTS: 1                   DIF: Difficulty: Easy  
OBJ: LO: 02-02    NAT: BUSPROG: Reflective Thinking    STA: DISC: Marketing Plan  
KEY: Bloom's: Knowledge

145. A marketing unit can be organized according to functions, products, or regions, but not by customers.

ANS: F                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-02      NAT: BUSPROG: Reflective Thinking      STA: DISC: Marketing Plan  
KEY: Bloom's: Knowledge

146. A functional organization works effectively for large, decentralized companies.

ANS: F                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-02      NAT: BUSPROG: Reflective Thinking      STA: DISC: Marketing Plan  
KEY: Bloom's: Comprehension

147. A large company that markets products throughout the nation could use a regional type of organization.

ANS: T                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-01      NAT: BUSPROG: Reflective Thinking      STA: DISC: Distribution  
KEY: Bloom's: Knowledge

148. Organization by types of customers can work well for a firm that has several groups of customers with different needs and problems.

ANS: T                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-03      NAT: BUSPROG: Reflective Thinking      STA: DISC: Customer  
KEY: Bloom's: Knowledge

149. Performance standards are established as part of the marketing control process.

ANS: T                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-03      NAT: BUSPROG: Reflective Thinking      STA: DISC: Marketing Plan  
KEY: Bloom's: Knowledge

150. The marketing control process does not monitor the activities of external sources of marketing assistance.

ANS: F                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-03      NAT: BUSPROG: Reflective Thinking      STA: DISC: Marketing Plan  
KEY: Bloom's: Knowledge

151. The primary way to reduce the discrepancy between planned and actual performance is to rewrite the performance standard.

ANS: F                      PTS: 1                      DIF: Difficulty: Moderate  
OBJ: LO: 02-03      NAT: BUSPROG: Reflective Thinking      STA: DISC: Strategy  
KEY: Bloom's: Knowledge

152. Sometimes the information required to control marketing activities is available but too costly.

ANS: T                      PTS: 1                      DIF: Difficulty: Easy  
OBJ: LO: 02-03      NAT: BUSPROG: Reflective Thinking      STA: DISC: Research  
KEY: Bloom's: Knowledge

153. The time lag between the performance of marketing activities and the effects of such activities limits a marketing manager's ability to measure the effectiveness of marketing activities.

ANS: T                      PTS: 1                      DIF: Difficulty: Moderate

OBJ: LO: 02-03 NAT: BUSPROG: Reflective Thinking STA: DISC: Marketing Plan  
KEY: Bloom's: Comprehension