

# Test Bank for Marketing Canadian 10th Edition Crane Kerin Hartley Rudelius

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**MULTIPLE CHOICE.** Choose the one alternative that best completes the statement or answers the question.

1) Ben and Jerry's purchasing practices, ingredient sourcing, manufacturing, and involvement in the community decisions were guided by their:

- A) situational analysis.
- B) marketing program.
- C) SWOT analysis.
- D) mission statement.

Answer: D

2) Which of the following is NOT one of Ben and Jerry's successful organizational and marketing strategies?

- A) PartnerShop Program.
- B) FairFranchise.
- C) FairTrade.
- D) B-Corp Certification.

Answer: B

3) Ben & Jerry's is a success story due to its "linked prosperity" strategy based on its three part mission statement that includes all:

- A) Product Mission, Economic Mission, Social Mission.
- B) Supplier Mission, Economic Mission, and Social Mission.
- C) Supplier Mission, Economic Mission, and Customer Mission.
- D) Customer Mission, Product Mission, and Economic Mission.

Answer: A

4) In today's global competition, it is important to recognize the kinds of organizations that exist. Organizations can basically be divided into two categories:

- A) privately owned and publically owned.
- B) business and non-profit.
- C) regulated and unregulated.
- D) domestic and multi-national.

Answer: B

5) Plan Canada, a nongovernmental organization that serves its customers but does not have profit as an organizational goal is considered a

A) nonprofit organization

B) public university

C) government agency

D) business firm

Answer: A

6) Ford, GM, and Toyota, all develop automobiles. This group create a(n):

A) conglomerate.

B) product market.

C) cartel.

D) industry.

Answer: D

7) John's Auto Wreckers is a privately owned organization that serves its customers in order to earn a profit is called a:

A) nonprofit organization.

B) business firm.

C) community action program.

D) manufacturing agent.

Answer: B

- 8) **George's Computer Repairs is focused on earning money for its owners, while Plan Canada is focused on solving community issues overseas and is not concerned about earning a profit. The contrast between these two is:**
- A) **George's Computer Repairs is considered a business, while Plan Canada is considered a nonprofit organization**
  - B) **Both serve customers, so there is no contrast between the two**
  - C) **George's Computer Repairs is a nonprofit, while Plan Canada is a for profit company.**
  - D) **George's Computer Repairs is a shareholder company, while Plan Canada is a for profit company**

Answer: A

- 9) **While undertaking risk to offer the iPhone, Apple Computers is rewarded by receiving the following reward:**
- A) **Shareholders' equity**
  - B) **Profit**
  - C) **Contribution margin**
  - D) **Inventory turnover**

Answer: B

- 10) **At Apple Computers, the financial department considers the profit earned at the end of the day as:**
- A) **the goodwill earned from implementing the societal marketing concept.**
  - B) **the money left over after a firm's total expenses are subtracted from its total revenues.**
  - C) **the money earned as long as the economic order quantity is maintained.**
  - D) **the point at which company assets equal company liabilities.**

Answer: B

- 11) **A legal entity of people who share a common mission is referred to as a(n):**
- A) **organization.**
  - B) **lobby group.**
  - C) **industry.**
  - D) **special interest group.**

Answer: A

- 12) **Telus offers several mobile phone plans, which of the following best describes what constitutes their potential offerings?**
- A) **products only.**
  - B) **products, services, ideas and experiences.**
  - C) **physical goods and services.**
  - D) **products and services.**

Answer: B

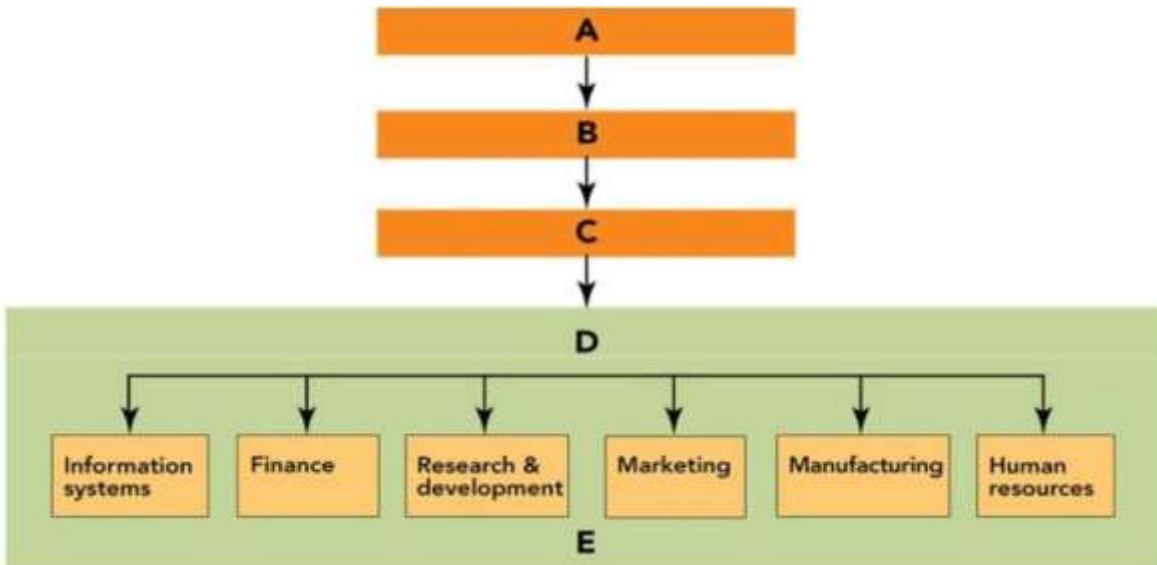
- 13) **Telus' goal in offering a specific phone that is not offered by any of the other mobile phone carriers in Canada is focused on achieving a long term advantage to deliver a unique customer experience. This is known as:**
- A) **customer relationship management.**
  - B) **corporate planning.**
  - C) **strategy.**
  - D) **market development.**

Answer: C

- 14) Large organizations can be extremely complex. They usually consist of \_\_\_\_\_ organizational level(s) whose strategy is linked to marketing:
- A) three.                      B) four.                      C) five.                      D) two.

Answer: A

Reference: 02-01  
Figure 2-1



- 15) In Figure 2-1, "A" represents the:
- A) CEO.                      B) Board of Directors.  
C) corporate-level strategy level.                      D) functional-level strategy level.
- Answer: B
- 16) In Figure 2-1, "B" represents the
- A) Board of Directors.                      B) functional-level strategy level.  
C) corporate-level strategy level.                      D) departments.
- Answer: C
- 17) In Figure 2-1, "C" represents the
- A) corporate-level strategy level.                      B) Board of Directors.  
C) business-unit strategy level.                      D) functional-level strategy level.
- Answer: C
- 18) In Figure 2-1, "D" represents the
- A) Board of Directors.                      B) functional-level strategy level.  
C) business-unit strategy level.                      D) corporate-level strategy level.
- Answer: B

- 19) In Figure 2-1, "E" represents
- A) functional-level strategy level.
  - B) departments.
  - C) Board of Directors.
  - D) corporate-level strategy level.

Answer: B

- 20) The 'Alternative Energy Group' of GE likely has which focus:
- A) has marketing and other specialized activities.
  - B) markets a set of related products to a clearly defined group of customers.
  - C) directs overall strategy for the organization.
  - D) also has a comparable non-business unit.

Answer: B

- 21) In a new marketing role, your manager says: "You will be responsible for five SBUs." You give a puzzled look before remembering that SBU stands for:
- A) service business unit.
  - B) strategic business unit.
  - C) standard business unit.
  - D) strategic benefit of usage.

Answer: B

- 22) The overall strategy for the entire organization is decided at which level in a complex organization.
- A) functional
  - B) tactical
  - C) corporate
  - D) board

Answer: C

- 23) Research Development Manager, Marketing Manager, and Audit Manager are specialist roles likely found at which business unit level?
- A) business unit
  - B) functional
  - C) corporate
  - D) top management

Answer: B

- 24) The fundamental objective for the Marketing Manager and HR Manager is to:
- A) market products and hire people
  - B) manage their direct reports
  - C) sell products and fire people
  - D) create value for the organization

Answer: C

- 25) Business unit managers at Bell Canada decide on the direction for their residential products and markets every six months. This decision making occurs at which unit level in the organization.
- A) corporate level
  - B) board of directors
  - C) strategic business unit
  - D) functional unit level

Answer: C

- 26) For less complex firms with a single business focus, which two organizational levels may merge?
- A) marketing and research and development.
  - B) strategic business-unit level and functional-level.
  - C) corporate-level and business unit-level.
  - D) corporate-level and strategic business unit-level.

Answer: D

- 27) Craig Conway is CEO of a software design company named PeopleSoft, a company that has automated many human resource functions such as tracking vacation time. Conway operates at the \_\_\_\_\_ level of his organization.

A) corporate                      B) strategic                      C) business unit                      D) functional

Answer: A

- 28) The marketing leadership group at Rogers Wireless that identifies value-creating opportunities is known as the:

A) strategic business unit level.                      B) functional unit level.  
C) board level.                      D) corporate unit level.

Answer: A

- 29) In a large corporation with multiple business units, the marketing department may be called upon to:

A) set the overall mission of the company.  
B) allocate shareholder dividends through a large financial institution.  
C) allocate financial resources across business units.  
D) assist managers at higher levels to assess environmental trends or aid in their strategic planning efforts.

Answer: D

- 30) Bill McDermott is President and CEO of SAP Americas and Asia Pacific Japan. SAP is a company that sells extremely expensive enterprise resource planning software to large and mid-sized companies. McDermott operates at the \_\_\_\_\_ level of his organization.

A) corporate                      B) functional                      C) strategic                      D) business unit

Answer: A

- 31) In the marketing department of Pepsi, the entry-level staff, such as Business Analysts, are responsible for doing most of the organization's work. Their level in the organization is known as?

A) strategic                      B) product                      C) business unit                      D) functional

Answer: D

- 32) In recent years, many large firms have changed the title of the head of marketing from vice president of marketing to

A) corporate marketing officer.                      B) chief marketing officer.  
C) commercial executive officer.                      D) corporate marketing official.

Answer: B

- 33) Specialists from all the functional units who analyze, implement, and control programs to accomplish the corporate and business strategic directions usually serve as members to a:
- A) department                      B) team                      C) system                      D) organization

Answer: B

- 34) John is from the marketing department, Stephen is from the finance department, Jo is from the product department, and Janelle is from the customer service department. Together they are responsible for developing a new product to reach a company performance goal. These individuals are referred to as a(n):

- A) cross-functional team                      B) inter-disciplinary group  
C) multi-disciplinary team                      D) matrix group

Answer: A

- 35) In terms of an organization's vision, Kodak Eastman may have lost business because they:
- A) are too slow and cumbersome.                      B) defined their business too broadly.  
C) priced their services too high.                      D) defined their business too narrowly.

Answer: D

- 36) Sometimes cross-functional teams will have representatives from outside the organization such as:

- A) competitors.                      B) consultants and retired CEOs.  
C) suppliers and customers.                      D) opinion leaders.

Answer: C

- 37) Which of the following statements regarding the strategic business unit level is most accurate?
- A) The overall strategy for the organization is directed at the strategic business unit level.  
B) The strategic direction is more specific at the strategic business unit level than at the corporate level.  
C) The strategic business unit level is the level that works most directly with the targeted customers.  
D) In more complex organizations the corporate level and the strategic business unit level may merge.

Answer: B

- 38) Determining the target market and designing marketing programs to reach this target market is a specialized marketing function. This is accomplished by the marketing:
- A) partnership.                      B) department.                      C) group.                      D) team.

Answer: B

39) On the northern tip of Goose Island in the Chicago River sits the William Wrigley Jr. Company's Global Innovation Center. Here Wrigley can create new products—a joint effort by some 250 full-time food scientists, researchers, and marketers. The people who work in this center are most likely members of

- A) a business consortium.
- B) cross-functional teams.
- C) multiple strategic directional teams.
- D) strategic implementation teams.

Answer: B

40) Which of the following statements would most likely be heard at the functional level of an organization?

- A) "We need to be aware of what our competitors are doing."
- B) "Make sure we buy 15 seconds of air time for this coming Super Bowl."
- C) "We should hire the most culturally diverse team possible in order to get the best new ideas."
- D) "How much money can we allot to the marketing department?"

Answer: B

41) In terms of an organization's vision, railroads may have lost business because they:

- A) are too slow and cumbersome.
- B) priced their services too high.
- C) defined their business too narrowly.
- D) defined their business too broadly.

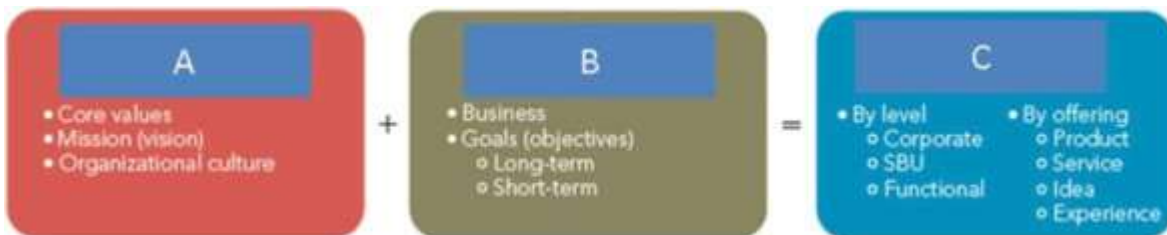
Answer: C

42) Railroads may have let other forms of transportation take business away from them because their definition included only the railroad business, rather than the broader definition of:

- A) retailing.
- B) entertainment.
- C) transportation.
- D) aerospace.

Answer: C

Reference: 02-02  
Figure 2-2



43) In Figure 2-2, section "A" represents the "why" element of visionary organization. This is referred to as

- A) organizational direction.
- B) organizational foundation.
- C) organizational tactics.
- D) organizational mission.

Answer: B



- 44) In Figure 2-2, section "B" represents the "what" element of visionary organization. This is referred to as
- |                               |                              |
|-------------------------------|------------------------------|
| A) organizational mission.    | B) organizational tactics.   |
| C) organizational foundation. | D) organizational direction. |
- Answer: D
- 45) In Figure 2-2, section "C" represents the "how" element of visionary organization. This is referred to as
- |                               |                              |
|-------------------------------|------------------------------|
| A) organizational foundation. | B) organizational tactics.   |
| C) organizational mission.    | D) organizational direction. |
- Answer: B
- 46) Today's visionary organization uses key elements to (1) \_\_\_\_\_ and (2) set a direction using (3) its strategies that enable it to develop and market its offerings successfully.
- |   |                           |
|---|---------------------------|
| A) assign job responsibilities          | B) establish a foundation |
| C) establish detailed marketing tactics | D) set financial goals    |
- Answer: B
- 47) One of the key differences between a vision statement and a mission statement is that the mission statement:
- |   |
|---|
| A) describes the profit goals                         |
| B) has an inspirational theme                         |
| C) describes the company's societal marketing concept |
| D) has a long-term focus                              |
- Answer: B
- 48) "To refresh the world/ To Inspire moments of optimism and happiness/ To create value and make a difference." This is an example of a(n):
- |                          |                       |
|--------------------------|-----------------------|
| A) functional philosophy | B) business portfolio |
| C) mission               | D) benefit statement  |
- Answer: C
- 49) "Holiday Inn Burlington is dedicated to providing quality hospitality product and service. Although we try to anticipate guest concerns before they arise, we understand that every customer is an individual who requires special attention." This is a part of their \_\_\_\_\_ statement.
- |                       |                          |
|-----------------------|--------------------------|
| A) mission            | B) benefit statement     |
| C) business portfolio | D) functional philosophy |
- Answer: A
- 50) All of the following are often contained in a company's mission statement except:
- |              |            |            |               |
|--------------|------------|------------|---------------|
| A) customers | B) beliefs | C) markets | D) technology |
|--------------|------------|------------|---------------|
- Answer: B

51) All of the following are considered an organization's internal stakeholders except:

- A) Advisors to the CEO
- B) Board Directors
- C) Employees.
- D) Regulatory agencies

Answer: D

52) Which of the following statements about stakeholders is true?

- A) There are only three types of external stakeholders - customers, suppliers, and distributors.
- B) Stakeholders have a stake in how well a company performs.
- C) All stakeholders are external to the organization.
- D) Employees are typically not classified as a stakeholder group.

Answer: B

53) Which of the following would NOT be an example of stakeholders for a television production company like John Wells Productions?

- A) the television critics that review the shows it produces
- B) the actors that star in the television shows it produces
- C) the electronics firms that make hi-definition televisions
- D) the people that provide the sets and the props used in the television shows it produces

Answer: C

54) Lululemon is known for having a youthful, energetic, health-focused, and sustainable system of shared attitudes and behaviours held by the employees that distinguish it from other organizations. This is known as their

- A) working environment
- B) benefits statement
- C) corporate philosophy
- D) culture

Answer: D

55) PeopleSoft designs, produces, and markets software that enables companies to automate basic human-resources functions such as payroll. At its inception, the company's leaders encouraged employees to get in touch with their feelings. The work environment was laid back, employees' dogs roamed the halls, and sunny days found employees playing Frisbee on the corporate lawns. This is known as:

- A) corporate philosophy
- B) organizational culture
- C) environment
- D) corporate profile

Answer: B

56) Which of the following statements about organizational goals is NOT true?

- A) The terms goal and objective can be used interchangeably.
- B) All lower-level goals should contribute to the achievement of higher-level goals.
- C) Goals are clear, broad descriptions of an organization's offering(s).
- D) In an organization, goals exist at the corporate, business, and functional levels.

Answer: C

- 57) Pepsi-Co set out a task to earn \$10 million (CDN) in sales on their new Odwalla beverage, which was accomplished by the date they set. This is an example of a(n):
- A) procedures.
  - B) plans.
  - C) bureaucracies.
  - D) goals or objectives.

Answer: D

- 58) Kodak wanting to be the top seller of digital cameras by 2013 is an example of an organizational:
- A) procedure.
  - B) plan.
  - C) bureaucracy.
  - D) goal or objective.

Answer: D

- 59) Medtronic, a world leader in heart pacemakers, is not in the medical device business but is in the business of: alleviating pain, restoring health, and extending life. This conscious effort of Medtronic defining their business shows they are paying attention to:
- A) corporate culture
  - B) marketing strategy
  - C) how narrow or broad their business is
  - D) the marketing mix

Answer: C

- 60) Some corporations choose unit sales rather than sales revenue as an organizational goal. Sales revenues can be deceiving because of:
- A) poor sales databases.
  - B) inflation.
  - C) fluctuations in inventory.
  - D) unpredictable sales expenses.

Answer: B

- 61) Which aspect of a firm, assuming classic economic theory, are shareholders most concerned about?
- A) quality
  - B) sales revenue
  - C) profit
  - D) market share

Answer: C

- 62) Brittany read on the second page of the stockholder's report for a manufacturer of automobile parts, "Our goal for the next five year period is to double our return on investment." She now knows the company has \_\_\_\_\_ goals.
- A) unit sales
  - B) market share
  - C) profit
  - D) sales revenue

Answer: C

- 63) Telus accepts their current profit level and focuses on increasing their market share, even though profitability may not be maximized. They are attempting to do what:
- A) decrease social responsibility
  - B) decrease employee loyalty
  - C) maintain or increase sales
  - D) abandon green marketing

Answer: C

64) Terence, a small business owner was explaining how he was planning for the upcoming holiday season, "We've got to maximize our dollars of sales because profits are adequate at the moment." From this statement, he is most concerned with \_\_\_\_\_ goals.

- A) profit
- B) market share
- C) social responsibility
- D) sales revenue

Answer: D

65) Bell Canada issued a statement to their shareholders that said: "sales revenue is our focus over the next five years." Shareholders created a petition because they felt their concerns were not being met. The main reason why shareholders were concerned was because Bell Canada implicitly said: "we will \_\_\_\_\_"

- A) maintains sales levels and strives for maximum profitability.
- B) increases sales levels and strives for a constant level of profits.
- C) maintains or increases sales levels even though profitability may not be at the maximum.
- D) decreases sales levels but increases profit margins.

Answer: C

66) When the Federal Government places Carbon Tax Caps on oil sand producers in Alberta, they are trying to balance the profit goals of businesses with their \_\_\_\_\_ goals.

- A) return on investment
- B) unit sales
- C) social responsibility
- D) market share

Answer: C

67) Facebook has a stated goal that they provide free, onsite day care for employee's children, and free, healthy lunches for employees. Facebook is concerned with:

- A) sales revenue
- B) return on investment
- C) employee welfare
- D) market share

Answer: C

68) Pfizer Canada offering day-care facilities to its employees; and BC Biomedical offering flex-work opportunities illustrates what type of goals?

- A) employee welfare
- B) sales revenue
- C) return on investment
- D) market share

Answer: A

69) Corporate executives and world leaders of each country need to find an ideal balance between protecting its environment and providing its citizens with the additional goods and services necessary to maintain and improve their standard of living. This demonstrates a concern for:

- A) corporate culture
- B) strategic direction
- C) profit margin
- D) sustainable development

Answer: D

70) The "Big Three" wireless carriers in Canada are constantly battling each other for customers, as a result, they frequently determine the ratio of the sales revenue of their firm to the total sales revenue of all firms in the industry, including the firm itself. The ratio they are calculating is known as:

- A) market share.
- B) industry potential.
- C) sales quality.
- D) contribution margin.

Answer: A

71) Market share is:

- A) the ratio of the profit of the firm to the total profits of all firms in the industry, not including the firm itself.
- B) the ratio of the sales revenue of the firm to the total sales revenue of all firms in the industry, including the firm itself.
- C) the ratio of the profit of the firm to the total profits of all firms in the industry, including the firm itself.
- D) the ratio of the sales revenue of the firm to the total sales revenue of all firms in the industry, not including the firm itself.

Answer: B

72) When Telus calculates their market share, they calculate the ratio of their sales revenue to the total sales revenue of all:

- A) firms they indirectly compete against
- B) firms in the industry, including themselves
- C) firms they directly compete against
- D) firms in the industry

Answer: B

73) In a country like Zimbabwe, where inflation is a serious issue, such that, in the past, the country has experienced hyperinflation, a western company who opens an office in the country is likely to focus on which goal?

- A) unit sales
- B) profits
- C) market share
- D) sales revenue

Answer: A

74) Assuming all ethical and legal principles are followed, what might be the cause of a company having decreased sales revenue next year, even though they sell the same number of products as last year?

- A) inaccurate accounting practices.
- B) inadequate sales forecasting.
- C) inflation.
- D) incomplete cost projections.

Answer: C



81) An example of a private organization that does not seek profit is:

- A) FedEx.
- B) Industry Canada.
- C) the Montreal Museum for Fine Arts.
- D) the Toronto Blue Jays.

Answer: C

82) All organizational strategies are influenced by each of the following EXCEPT:

- A) organizational direction.
- B) organizational foundation.
- C) profit
- D) offering.

Answer: C

83) Apple Inc. has a number of patents around their operating system iOS technology. These patents are an example of their \_\_\_\_\_.

- A) competencies
- B) accomplishments
- C) capacities
- D) acquisitions

Answer: A

84) Rhone-Poulenc is an international French company that produces and markets a variety of chemicals and pharmaceuticals. Due to the resources it makes available to its scientists and researchers, the company has a number of Nobel Prize winners working in its laboratories. This ability to attract some of the finest minds in the world to its workforce is an example of a(n):

- A) competency.
- B) market accomplishment.
- C) synergistic capacity.
- D) unsought benefit.

Answer: A

85) Nokia has an exclusive relationship with Microsoft for their Windows operating system for their mobile phones, where no other mobile phone companies can use the Windows OS. This is an example of:

- A) Competitive advantage
- B) Market penetration
- C) Product differentiation
- D) Business divergence

Answer: A

86) 92 percent of the Canadian population lives within 15 minutes of a Canadian Tire Store; this ability to stay close to the customer is an example of Canadian Tire's \_\_\_\_\_:

- A) mission statement.
- B) benchmarking.
- C) competitive advantage.
- D) customer management.

Answer: C

87) Subway restaurants have the most locations globally to serve their customers; this ability to stay close to the customer is an example of Subway's \_\_\_\_\_.

- A) competitive advantage
- B) benchmarking
- C) customer management
- D) mission statement

Answer: A

88) A good product or service has features and characteristics that satisfy stated or implied needs. This is an example of a(n):

A) Prototype

B) Quality product or service

C) Product concept

D) Core benefit proposition

Answer: B

89) Which of the following statements about quality as a competitive advantage is true?

A) The only way to create a competitive advantage is by improving quality.

B) An innovation can be a source of a competitive advantage.

C) To be successful, a competitive advantage does not have to be unique.

D) A company must ignore costs when establishing a competitive advantage.

Answer: B

90) Designing a car is expensive and time-consuming even with the use of computers because until recently there was no way for all the varied departments that are involved in new car development to work together. DaimlerChrysler has created a central, Web-based system that cuts the design and production process by at least two years. This is an example of a(n):

A) competency.

B) innovation-oriented mission.

C) operational goal implementation.

D) benchmarking project.

Answer: A

91) Evergreen Air Center is the world's biggest parking lot for unwanted aircraft. Airlines pay a monthly fee from \$750 to \$5,000 to mothball airplanes at this site. Its location is on 1,600 acres of Arizona desert. The Southwest climate serves as a cheap and effective airplane preservative. Its location is its:

A) operational goal.

B) tactical mission.

C) benchmarked differentiator.

D) competency.

Answer: D

92) Netflix uses the internet to allow its customers to view movies and exclusive television shows. It jumped into an industry where there were no firm leaders but lots of competitors and established a loyal clientele by seizing the opportunity to provide a service that was simple to use and effective at delivering high-quality products to customers. The internet-delivery mechanism is an example of a(n) \_\_\_\_\_ for Netflix:

A) benchmarking-focus.

B) viable mission.

C) tactical innovation.

D) competitive advantage.

Answer: D

93) Toyota aggressively pushes their suppliers to follow strict delivery and production deadlines, corresponding to their Lean Manufacturing principles, allowing Toyota to have an efficient production line and offer high-value automobiles at cost-effective prices. This competence can give Toyota:

A) leapfrogging capabilities.

B) benchmarking expertise.

C) a competitive advantage.

D) a tactical innovation.

Answer: C





101) As a new employee with medium-sized business in Toronto focusing on home outfitting, you analyze each of the different business areas: flooring, lighting, and furniture separately to understand the profit margins in each area. Which tool did you likely use?

- A) business portfolio analysis
- B) marketing strategic planning
- C) target marketing
- D) market segmentation

Answer: A

102) Which measure below is used when conducting a business portfolio analysis?

- A) market growth rate.
- B) relative market growth.
- C) market segment size.
- D) return on investment desired.

Answer: A

103) In the Boston Consulting Group (BCG) model for analysis of a firm's strategic business units, or SBUs, the horizontal axis reflects the:

- A) market segment size.
- B) business portfolio in dollars.
- C) relative market share.
- D) national forecast.

Answer: C

104) All of the following are strategies to pursue after an SBU has been identified, except:

- A) expand.
- B) harvest.
- C) build.
- D) divest.

Answer: A

105) Gillette continues to manufacture Liquid Paper correction fluid for use with typewriters even though most of the world uses word processors. It is a small market that has little growth, but Liquid Paper has the largest market share, and Gillette invests no promotional monies in maintaining the declining product. Liquid Paper is an example of a:

- A) exclamation mark.
- B) question mark.
- C) cash cow.
- D) star.

Answer: C

106) Solarcom is a 25-year-old information technology company that owns several subsidiaries. One of its subsidiaries is Atlantix Global Systems, which is one of the leading wholesalers for refurbished computer equipment, an industry that is growing worldwide. According to the BCG portfolio matrix, Atlantix Global would most likely be classified as a:

- A) dog.
- B) cash cow.
- C) star.
- D) question mark.

Answer: C

107) Several years ago, Black & Decker purchased General Electric's small appliances product line. General Electric did not know what to do with the line. Black & Decker purchased the line because it needed the cash infusion from a product line that had a dominant market share. Since people replace small appliances infrequently and because many are handed down from parent to child, the industry is a slow-growth one. From this information and your knowledge about the BCG portfolio analysis, you should know this small appliance line would be classified as a:

- A) star.
- B) question mark.
- C) dog.
- D) cash cow.

Answer: D

- 108) Apple's new watch is the most recent addition to their personal technology line, and requires an iPhone to fully function. According to the BCG portfolio analysis, Apple Watches are \_\_\_\_\_ and iPhones are \_\_\_\_\_.
- A) question marks; stars  
B) stars; cash cows  
C) question marks; cash cows  
D) stars; dogs

Answer: A

- 109) In late 1993, the Honda Motor Company unveiled the Honda Passport, announcing their entrance into the sport-utility vehicle market. Competing automakers—General Motors, Ford, and Jeep had vehicles firmly entrenched in this highly competitive market. For years Honda experienced tremendous success with their Accords, Preludes, Civics, and other passenger automobiles—in fact, Honda cars were repeatedly the top selling automobiles in the U.S. Where would the Honda Passport and the Honda Accords, Preludes, and Civics fall in the BCG product portfolio matrix?
- A) The Passport would be considered a cash cow, and the Accords, Preludes, and Civics would be classified as stars.  
B) The Passport would be classified as a star, and the Accords, Preludes, and Civics would be classified as cash cows.  
C) Due to the overwhelming success of Honda cars, the Passport, Accords, Preludes, and Civics would all be classified as cash cows.  
D) The Passport would be a problem child or question mark, and the other Honda offerings would be cash cows.

Answer: D

- 110) At an executive-level meeting, the Chief Marketing Officer (CMO) tells the Production Manager: "even if we double our marketing budget, there is no way it will sell! If we continue this way we will go bankrupt!" The CMO is likely referring to an SBU classified as a(n):
- A) Dogs  
B) Question marks  
C) Stars  
D) Cash cows

Answer: A

- 111) The market for the fast car with so much horsepower that handling becomes an issue is decreasing. People are more interested in buying SUVs and pickups. As a result, General Motors is stopping production of its Camaro, a car that has had limited sales recently. Since the Camaro can no longer generate enough cash to sustain its manufacture, the BCG portfolio would classify it as a:
- A) cash cow.  
B) dog.  
C) star.  
D) question mark.

Answer: B

- 112) The market for energy efficient cars is increasing, despite the price-tag often associated with these newer models. The GM Volt, an electric car, falls in this category. The car is considered to GM a:
- A) dog  
B) star  
C) cash cow  
D) question mark

Answer: D

- 113) In some cases Walmart can sell Blu-Ray movies to consumers for less than it costs a consumer to rent Blu-Rays from RedBox, a vending machine-based rental unit in many grocery stores. In response, RedBox now allows consumers to keep their Blu-Rays longer and is pushing the sales of Blu-Rays instead of just rentals. RedBox is looking at their:
- A) competencies
  - B) competition
  - C) innovation
  - D) benchmark

Answer: B

- 114) One of the strengths inherent in the use of the BCG portfolio analysis is the fact that it:
- A) considers all factors that might impact an SBU's value to an organization.
  - B) forces firms to assess their SBUs in terms of relative market share and industry growth rate.
  - C) acts as a strong motivational tool for employees in SBUs that have been labeled dogs or problem children.
  - D) is remarkably easy to locate an SBU on the BCG matrix.

Answer: B

- 115) One of the weaknesses inherent in the use of the BCG portfolio analysis is that it:
- A) considers so many SBU factors beyond market growth rate and relative market share.
  - B) does not require forecasts in order to be implemented.
  - C) it is often difficult to get needed information on market growth and market share.
  - D) acts as a strong motivational tool for employees in SBUs that have been labeled dogs or problem children.

Answer: C

- 116) The market for mobile phones can change very rapidly. If Apple uses a BCG portfolio analysis for their new iPhone, one downfall of using this tool may be that:
- A) by the time decisions are made, market conditions may have changed.
  - B) it considers so many SBU factors beyond market growth rate and relative market share.
  - C) it does not require forecasts in order to be implemented.
  - D) it acts as a strong motivational tool for employees in SBUs that have been labelled dogs or problem children.

Answer: A

- 117) When a firm decides to double their marketing budget for a product that sells consistently, they are using which strategy:
- A) market development and diversification
  - B) market penetration and product development
  - C) market development and market penetration
  - D) diversification and market penetration

Answer: C

- 118) Kraft Foods decides to sell their Mac 'N Cheese product to India, without changing the product formulation or design. Kraft is following which strategy?
- A) product development
  - B) diversification
  - C) market penetration
  - D) market development

Answer: D

- 119) Massachusetts-based BJ's Wholesale (third in sales among members-only retail chains) recently opened its first stores in Georgia in 2012. This is an example of:
- A) product development.
  - B) market development.
  - C) market penetration.
  - D) diversification.

Answer: B

- 120) When Gulfstream Aerospace Corp. (GAC) sold 3 Gulfstream V business jet aircraft to the Israeli Ministry of Defense for use as Special Electronic Mission Aircraft, the first sale to a Middle Eastern country, GAC followed which strategy?
- A) market penetration
  - B) product development
  - C) market development
  - D) diversification

Answer: C

- 121) Assume McDonald's is engaging in a market development strategy. Which of the following actions best illustrates a market development strategy?
- A) opening the first McDonald's in China
  - B) running a promotion based on the Monopoly game, whereby customers have a chance to win prizes with each purchase
  - C) developing a line of McDonald's toys to be sold through Toys R Us stores
  - D) adding a line of new deli sandwiches to the menu of existing McDonald's stores

Answer: A

- 122) Yorkdale Mall hopes to increase traffic in the shopping center by offering free lunches to children in mall restaurants on Tuesdays. This promotion is directed to families who currently do not shop at the mall. This is an example of the implementation of a \_\_\_\_\_ strategy.
- A) market development
  - B) market penetration
  - C) product development
  - D) diversification

Answer: A

- 123) The World Wrestling Federation (WWF) manages professional wrestling matches. In addition, the WWF owns and operates a successful club in NYC; it is partnered with Microsoft to manufacture Xbox video game consoles; it produced its own reality-based television show; and it has licensed and marketed a number of WWF-related toys and collectibles. All of these efforts have been targeted to fans of professional wrestling. From this description, you could say that the WWF has adopted a \_\_\_\_\_ strategy.
- A) product development
  - B) diversification
  - C) market development
  - D) market penetration

Answer: A

- 124) Which of the following actions would best illustrate a diversification strategy for McDonald's (the fast food restaurant)?
- A) adding a line of new deli sandwiches to the menu of existing McDonald's stores
  - B) opening the first McDonald's in China
  - C) developing a line of McDonald's toys to be sold through Toys R Us stores
  - D) running a promotion based on the Monopoly game, whereby customers have a chance to win prizes with each purchase

Answer: C

- 125) Nike offers a new version of a running shoe to an established shoe market; this product strategy is known as:

- A) product development
- B) market penetration
- C) diversification
- D) market development

Answer: A

- 126) Matsura Industries distributes candy and coffee through its vending machines in Tokyo. The addition of sandwich vending machines to the same market is an example of a \_\_\_\_\_ strategy.

- A) market development
- B) product development
- C) market penetration
- D) diversification

Answer: B

- 127) In its inception, Transportation Safety Technologies, Inc. produced and sold safety devices to make the trucking industry safer especially on long hauls across North America. It soon realized that transporting goods across U.S. borders by truck was expensive and time-consuming for the truckers. Dozens of government agency approvals and costly downtime hamper the process. Transportation Safety Technologies, Inc., has recently begun providing its trucking companies with International Trade Data Systems (ITDS). This system stores information about each shipment in a centralized database, which can be accessed at border checkpoints and eliminate the need for costly manual inspections. This is an example of the implementation of a \_\_\_\_\_ strategy.

- A) diversification
- B) market penetration
- C) product development
- D) market development

Answer: C

- 128) Which of the following actions best illustrates a product development strategy for McDonald's?

- A) adding a line of new deli sandwiches to the menu of existing McDonald's stores
- B) running a promotion based on the Monopoly game, whereby customers have a chance to win prizes with each purchase
- C) opening the first McDonald's in China
- D) developing a line of McDonald's toys to be sold through Toys R Us stores

Answer: A

129) Starbucks created a corporate strategy that said: For every town in North America that has a population of 50,000, we will have at least two Starbucks stores. This is an example of which strategy?

- A) product development
- B) market penetration
- C) market development
- D) diversification

Answer: B

130) Assume McDonald's is engaging in a market penetration strategy. Which of the following actions best illustrates a market penetration strategy?

- A) adding a line of new deli sandwiches to the menu of existing McDonald's stores
- B) developing a line of McDonald's toys to be sold through Toys R Us stores
- C) opening the first McDonald's in China
- D) running a promotion based on the Monopoly game, whereby customers have a chance to win prizes with each purchase

Answer: D

131) For several years, advertisements for Arm & Hammer baking soda have prompted consumers to place an opened box of the product in the refrigerator to lessen food odour and to replace that box monthly. The same ads advise customers to pour the used box down their kitchen sinks to freshen drains. Arm & Hammer employed a \_\_\_\_\_ strategy in its attempt to sell more baking soda.

- A) product development
- B) diversification
- C) market development
- D) market penetration

Answer: D

132) Loyal consumers have found numerous uses for WD-40 lubricating spray beyond what its manufacturer intended. A few years ago, its manufacturer ran a contest asking people to send in ways that they used the product. For example, some respondents said they were using the product as an insect killing spray (and some people really were. By capitalizing on the unforeseen ways its product gets used, the WD-40 manufacturer could implement a \_\_\_\_\_ strategy.

- A) market development
- B) market penetration
- C) diversification
- D) product development

Answer: B

133) NDCHealth Corp. is a U.S.-based company that provides pharmaceutical manufacturers with market research on prescription drug sales. It recently started distributing commonly-used prescription drugs in the United Kingdom. Since it was new to the wholesaling end of the pharmaceutical business, NDCHealth was implementing a \_\_\_\_\_ strategy.

- A) product development
- B) market penetration
- C) market development
- D) diversification

Answer: D

134) Zippo, which traditionally manufactures lighters, is considering offering motorcycle helmets. This is an example of which strategy"?

- A) market penetration
- C) product development

- B) diversification
- D) market development

Answer: B

135) Visiting Rollerblade's website shows that the company recently launched a new extendible children's skate. This is an example of which market-product strategy for Rollerblade?

- A) diversification.
- C) market penetration.

- B) market development.
- D) product development.

Answer: D

136) If McDonald's Canada decided to diversify its business offerings into a new area like financial services, their marketing strategy would be:

- A) market development.
- C) related diversification.

- B) market penetration.
- D) unrelated diversification.

Answer: D

137) If McDonald's Canada decided to diversify its business offerings by buying out and operating a company like Red Lobster, their marketing strategy would be.

- A) product development.
- C) related diversification.

- B) market penetration.
- D) market development.

Answer: C

138) Coca-Cola introducing a new line of chai tea is an example of which market-product strategy?

- A) market development.
- C) market penetration.

- B) product development.
- D) diversification.

Answer: B

139) Every morning, the Marketing Manager for Whirlpool looks at an Excel spreadsheet that visually shows the sales of the previous day, categorized by retail outlet and advertising spend. This Manager is likely using which tool:

- A) marketing metric.
- C) marketing plan.

- B) marketing analysis.
- D) marketing dashboard.

Answer: D

140) The Marketing Manager at Whirlpool assesses the difference in sales of two retail outlets based on the advertising spend by each outlet. This item the Manager is assessing is known as a(n):

- A) marketing dashboard.
- C) marketing plan.

- B) marketing analysis.
- D) marketing metric.

Answer: D



141) An approach whereby an organization allocates its marketing mix resources to reach its target markets is known as:

- A) the situational marketing process
- B) the strategic marketing process
- C) the developmental market analysis
- D) the calibrated marketing process

Answer: B

142) The key steps of planning, implementation, and control are part of what is called:

- A) the situational marketing process.
- B) gap analysis.
- C) the strategic marketing process.
- D) the developmental market analysis.

Answer: C

143) The Marketing Manager at Pepsi describes to a new employee that her first major task is to develop a road map for Pepsi One. The new employee is confused, until he realizes that the Manager is referring to a(n) \_\_\_\_\_ for Pepsi One.

- A) 4Ps assessment.
- B) SWOT analysis
- C) social media plan.
- D) marketing plan.

Answer: D

144) What are the three steps involved in the PLANNING phase of the strategic marketing process?

- A) planning; implementation; and control
- B) set market and product goals; select target markets; find points of difference; and position the product
- C) identify industry trends; analyze competitors; assess own company; and research customer
- D) situation (SWOT) analysis; market-product focus and goal setting; and marketing program development

Answer: D

145) When Samsung considers launching a new smartphone, the first step the marketing department engages in is:

- A) goal setting.
- B) situation analysis.
- C) developing advertising appeals.
- D) establishing the budget.

Answer: B

146) Taking stock of where an organization has been recently, where it is now, and where it is headed in light of the organization's plans and the external factors and trends affecting it is called the:

- A) systems analysis.
- B) goal setting.
- C) situation analysis.
- D) strategic market planning.

Answer: C

- 147) The components of strengths and weaknesses are often considered as which part of the situational analysis:
- A) internal to the organization
  - B) not part of the situational analysis
  - C) external to the organization
  - D) both internal and external to the organization

Answer: A

- 148) Myers Apple Farm discovers the trend that consumers are more focused about buying locally produced and heirloom varieties of apples. Which aspect of the situational analysis is this considered:

- A) market trend
- B) opportunity
- C) strength
- D) SWOT analysis.

Answer: B

- 149) In the 1980s, poor quality and Japanese imports drove the Harley-Davidson motorcycle company to brink of bankruptcy. The company's share of the U.S. super-heavy-weight market - motorcycles with engine capacity of 850 cubic centimeters or more - collapsed from more than 40 percent in the mid-1970s to 23 percent in 1983. However, by 1989, Harley-Davidson controlled some 65 percent of the U.S. market; and both in the U.S. and overseas markets, the company won't be able to meet demand for years. From a marketing perspective, what was the likely first step in Harley-Davidson's resurgence?

- A) seeking new markets for the motorcycles both in the U.S. and in foreign markets
- B) performing a SWOT analysis
- C) repositioning their product in the minds of motorcycle buyers
- D) development of a new mission statement and subsequent marketing strategy

Answer: B

- 150) A television production company was looking for an idea for a new show and approached Emeril Lagasse, a charismatic chef that frequently appears on the Food Channel. It was decided the production company would build a show based around Lagasse's life. While the casting of the popular Lagasse insured people would watch the first couple shows, poor scripts led to the cancellation of the show. In terms of the SWOT analysis, the casting of Lagasse was a \_\_\_\_\_, and the poor scripts were a \_\_\_\_\_.

- A) strength; weakness
- B) threat; opportunity
- C) weakness; threat
- D) opportunity; threat

Answer: A

- 151) In the early months of 2002, strikes throughout Nigeria almost led to the country's financial ruin. For a company trying to do business in Nigeria during those months, the strikes would be an example of a(n):

- A) threat.
- B) strength.
- C) weakness.
- D) opportunity.

Answer: A

- 152) The terrorists' attack on the World Trade Center and the Pentagon led to many changes in the way people conducted their everyday lives. One outgrowth of this attack was a need to reconnect with old friends through the sending of greeting cards. American Greetings announced a significant increase in sales that it directly relates to events on September 11. For American Greetings the terrorists' attacks was an example of a(n):
- A) strength.                      B) threat.                      C) opportunity.                      D) weakness.

Answer: C

- 153) Situation analysis requires a firm to consider both internal and external factors. Which of the following is NOT an example of an external factor?
- A) consumer demand                      B) technological  
C) departmental objectives                      D) competitive

Answer: C

- 154) The goal of a SWOT analysis is to:
- A) identify those critical factors that can have a major effect on the firm.  
B) discover areas for diversified investment outside the firm's marketing areas.  
C) keep top management placated.  
D) develop new products for new market segments.

Answer: A

- 155) A June 1998 Congressional initiative mandated that the U.S. Department of Transportation (USDOT) establish a national traffic information collection system. The marketing manager of a company that provided traffic reports for local radio stations would most likely incorporate which aspect of this knowledge into its SWOT analysis as:
- A) a threat if the company that provides local traffic information has no employees technologically capable of using the USDOT system.  
B) a strength if the company has an existing working relationship with the USDOT.  
C) a threat if the USDOT is creating a network of local traffic-information providers to address the mandate.  
D) a weakness if the USDOT will give this information directly to the radio stations.

Answer: B

- 156) When deciding how the products Pepsi One will differ from Diet Pepsi, Pepsi must develop an effective:
- A) marketing program.                      B) product demonstration.  
C) market dramatization.                      D) market divestiture.

Answer: A

- 157) Ford Motor Company of Canada lumps together prospective buyers that share common needs for purchasing a new vehicle. What is Ford engaged in:
- A) market clustering                      B) profiling  
C) market segmentation                      D) aggregation marketing

Answer: C

158) Categorizing a group of consumers for soda on the basis of whether they wanted sugar-free and caffeine-free, caffeine-free but with sugar, or regular with sugar and caffeine is an example of:

- A) Market segmentation
- B) Aggregation marketing
- C) Market clustering
- D) Profiling

Answer: A

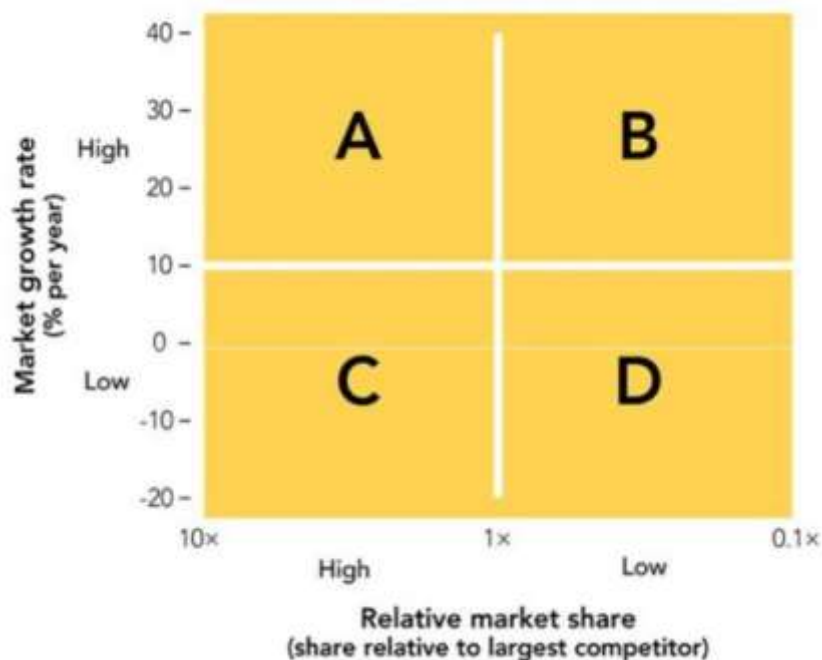
159) A toothbrush manufacturer sells several lines of toothbrushes. One line is for small children, one line is for people with gum problems, and one is for people who wear dentures. This product differentiation is the result of:

- A) distinctive competencies.
- B) market segmentation.
- C) organizational strengths.
- D) market programming.

Answer: B

Reference: 02-03

Figure 2-4



160) SBUs found in quadrant "A" (Figure 2-4) would be called

- A) cash cows.
- B) dogs.
- C) stars.
- D) question marks.

Answer: C

161) SBUs found in quadrant "B" (Figure 2-4) would be called

- A) cash cows.
- B) question marks.
- C) stars.
- D) dogs.

Answer: B

162) SBUs found in quadrant "C" (Figure 2-4) would be called  
A) dogs.                      B) cash cows.                      C) question marks.                      D) stars.

Answer: B

163) SBUs found in quadrant "D" (Figure 2-4) would be called  
A) stars.                      B) cash cows.                      C) dogs.                      D) question marks.

Answer: C

164) Goal setting as used in the text requires that the marketing manager set measurable \_\_\_\_\_ to be achieved.  
A) quality standards                      B) financial limits  
C) production quotas                      D) marketing objectives

Answer: D

165) There are many perfumes on the market, but only one that breaks down fragrances into elements so people can wear the particular scents with which they have emotional ties. The perfume's manufacturer is Demeter, and it makes over 150 different fragrances with names like Dirt, Lobster, Dandelion, Sugar Cookie, Brownie, Woodsmoke, Leather, and Turpentine. According to people who use Demeter perfume, its memorable scents would be what makes it superior to other perfumes. This is an example of:  
A) perceptual segments                      B) points of difference.  
C) consumer standards.                      D) marketing armaments.

Answer: B

166) Having a high-definition (HD) screen on a computer tablet, when all competitive substitutes do not, is considered a:  
A) consumer standards.                      B) marketing armaments.  
C) point of difference.                      D) perceptual segments

Answer: C

167) At which step of the planning stage of the strategic marketing process does a firm develop the program's marketing mix?  
A) goal setting                      B) marketing program  
C) situation analysis                      D) sales forecasting

Answer: B

168) All of the following are critical components of a cohesive marketing program, except:  
A) promotion.                      B) product                      C) advertising.                      D) price.

Answer: C

169) There are many perfumes on the market, but only one that breaks down fragrances into elements so people can wear the particular scents with which they have emotional ties. The perfume's name is Demeter, and it makes over 150 different fragrances with names like Dirt, Lobster, Dandelion, Sugar Cookie, Brownie, Woodsmoke, Leather, and Turpentine. According to people who use Demeter perfume, its memorable scents would be what makes it superior to other perfumes. What element of the marketing program is being considered when the company's owner decided initially to market the perfumes in a limited number of very exclusive specialty department stores?

- A) place                                      B) promotion                                      C) price                                      D) product

Answer: A

170) There are many perfumes on the market, but only one that breaks down fragrances into elements so people can wear the particular scents with which they have emotional ties. The perfume's name is Demeter, and it makes over 150 different fragrances with names like Dirt, Lobster, Dandelion, Sugar Cookie, Brownie, Woodsmoke, Leather, and Turpentine. According to people who use Demeter perfume, its memorable scents would be what makes it superior to other perfumes.

**Which element of the marketing program is being considered when the company's owner decides to add scents that evoke colors?**

- A) price                                      B) product                                      C) place                                      D) promotion

Answer: B

171) There are many perfumes on the market, but only one that breaks down fragrances into elements so people can wear the particular scents with which they have emotional ties. The perfume's name is Demeter, and it makes over 150 different fragrances with names like Dirt, Lobster, Dandelion, Sugar Cookie, Brownie, Woodsmoke, Leather, and Turpentine. According to people who use Demeter perfume, its memorable scents would be what makes it superior to other perfumes. Which elements of the marketing program were being considered when the company's owner decided initially to market the perfume in 1-ounce coloured glass bottles that would not always be sold at list price?

- A) price and product                                      B) promotion and price  
C) price and place                                      D) place and promotion

Answer: A

172) Sheila Murray, brand director at Starbucks, had to determine how much to spend and then obtain funding to run a new national radio and print ad campaign. When it comes to implementing her plan, what component is Sheila paying attention to?

- A) developing schedules.                                      B) obtaining resources.  
C) executing the marketing program.                                      D) designing the marketing organization.

Answer: B

173) Two major elements of the implementation phase of the strategic marketing process are:

- A) establishing a business mission and designing measurable goals and objectives.  
B) segmenting the market and selecting target markets.  
C) designing the marketing mix and setting the budget.  
D) executing the marketing program and designing the marketing organization.

Answer: D

- 174) When BellSouth made plans to increase its presence in the lucrative Latin American market, some of its employees decided BellSouth needed to acquire the rest of Telefonía Cellular de Nicaragua, one of its subsidiaries in Latin America. To do so, they paid a substantial sum to the wife of a Nicaraguan legislator who was responsible for legal changes that were needed to allow Telefonía to become completely owned by BellSouth. This payment was in direct violation of U.S. law, and BellSouth had to pay a hefty fine and divest itself of its illegal acquisition. In which phase of the strategic marketing process did the BellSouth strategy fail?
- A) the strategic development phase
  - B) the goal-setting phase
  - C) the implementation phase
  - D) the control phase

Answer: C

- 175) Xbox video game consoles were developed through a joint venture between Microsoft and the WWF (World Wrestling Federation). Plans were made to rush the product to market to counter new Playstation and Nintendo consoles that were also being released about the same time. Complaints about the video game began immediately after its introduction. These complaints ranged from missing parts to incorrect programming.

In which phase of the strategic marketing process did the Xbox strategy fail?

- A) the implementation phase
- B) the control phase
- C) the strategic development phase
- D) the goal-setting phase

Answer: A

- 176) A marketing strategy is the means by which a marketing goal is to be achieved. Two factors that usually characterizing a marketing strategy are:
- A) a detailed marketing plan and marketing budget.
  - B) a specified target market and a marketing program to reach it.
  - C) marketing strategies and marketing tactics.
  - D) specific goals and organizational objectives.

Answer: B

- 177) Which of the following statements reflects both of the key elements in developing a marketing strategy for L. M. Schofield, Inc., a company that produces specialized concrete surfaces for heavily trafficked areas such as retail outlets and amusement parks?
- A) Design a sample ad and test it using visitors to a trade show.
  - B) Hire six new sales representatives for the Midwest regional office and train them on all aspects of strategy.
  - C) Communicate using direct mail about the various walking surfaces Schofield can create for contractors who are building riding and walking paths.
  - D) Buy ads in all the major trade journals aimed at businesses in the entertainment and/or sports industry.

Answer: C

178) Apple's marketing department has specified a target market for the iPhone 5C, the subsequent actions undertaken to realize their goal of strong sales in this market is known as:

- A) strategy                      B) concept                      C) procedure                      D) plan

Answer: A

179) Pizza-Pizza updates their Twitter and Facebook daily, highlighting local specials and interesting tid-bits about their products, these daily actions are known as marketing:

- A) strategies                      B) social media marketing.  
C) social media presence                      D) tactics

Answer: D

180) David and Cecilia Stanford, owners of Prairie Herb vinegars, decided to offer the product in 5-ounce and 13-ounce sizes as well as in a 16-ounce European glass bottle. They decided to sell the vinegar only through the mail and to price the smaller bottles at \$4.45 and the largest bottles at \$13.25. They were determining its:

- A) missions.                      B) visions.                      C) strategies.                      D) tactics.

Answer: D

181) At a recent executive meeting, the marketing manager said: "starting tomorrow, we will Tweet five times a day!" This decision is an example of a(n):

- A) un-analyzed decision                      B) marketing tactic  
C) marketing strategy                      D) rash decision

Answer: B

182) Six months into a new marketing program, the Manager assesses the current metrics of the plan to the original forecasted results. When she realizes that sales are not on target and the plan must be adjusted, she is:

- A) designing the marketing mix and setting the budget.  
B) identifying deviations in the marketing plan and acting on them.  
C) segmenting the market and selecting target markets.  
D) establishing a business mission and designing measurable goals and objectives.

Answer: B

183) McCain is the largest French Fries provider to the food service and institutional market segment. When McCain decides to have a presence in over 100 countries, even if they are not profitable, their growth strategy is:

- A) market penetration                      B) diversification  
C) market development                      D) product development

Answer: C



- 184) McCain is the largest French Fries provider to the food service and institutional market segment. When McCain decides to branch out from the frozen foods category into the ready-to-serve beverage market, their growth strategy is:
- A) product development
  - B) market penetration
  - C) diversification
  - D) market development

Answer: C

- 185) Mars Incorporated targets health-conscious females by advertising its 3 MUSKETEERS Bar which has "45 percent less fat than average of the leading chocolate brands." It uses clever television ads to promote this product benefit and is achieving good sales results using this strategy. What phase of the Strategic Marketing Process is Mars at?
- A) the implementation phase
  - B) the control phase
  - C) the planning phase
  - D) the advertising phase

Answer: A

- 186) Mars Incorporated targets health-conscious females by advertising its 3 MUSKETEERS<sup>®</sup> Bar which has "45 percent less fat than average of the leading chocolate brands." It uses clever television ads to promote this product benefit and is achieving good sales results using this strategy. Mars is \_\_\_\_\_ in the implementation phase of the strategic marketing process.
- A) executing the marketing program
  - B) developing schedules
  - C) obtaining resources
  - D) designing the marketing organization

Answer: A

- 187) Mars Incorporated targets health-conscious females by advertising its 3 MUSKETEERS Bar which has "45 percent less fat than average of the leading chocolate brands." It uses clever television ads to promote this product benefit and is achieving good sales results using this strategy. Mars is \_\_\_\_\_ in the second stage of the strategic marketing process.
- A) executing the marketing program
  - B) planning the marketing program
  - C) determining the marketing strategy
  - D) designing the marketing organization

Answer: A

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

- 188) Describe the composition of the three levels within organizations. The three levels are:

Answer: Answers will vary

Feedback: (1) corporate level where the top management directs overall strategy for the entire organization

(2) business unit (business units refers to the subsets of the organization that market a set of pr to a clearly defined segment) level where business unit managers set the direction for their prod and markets to exploit value-creating opportunities

(3) functional level where groups of specialists actually create value for the organization. (The department is generally used to refer to those functional areas.)

189) There is a General Motors plant in Spring Hill, Tennessee, that is devoted solely to the production of Saturn cars. At which level is this plant operating? Explain your answer.

Answer: Answers will vary

Feedback: The Saturn plant operates as a business unit of General Motors. It is an organization markets a set of related products (in this case various Saturn models) to a clearly defined group customers (people who want to own Saturn cars).

190) What is the source of cross-functional conflict and how can it be overcome? Answer: Answers will vary

Feedback: Cross-functional conflict can arise because of marketing's drive to implement the marketing concept and increase customer value. Other departments may see this as making thei jobs more difficult. It is marketing's job to make these departments understand that without sati customers who buy the organization's products, there is no company.

191) What is a corporate mission? How can it be used as a motivational tool? Answer: Answers will vary

Feedback: A corporate mission is a statement of the organization's scope, often identifying its customers, markets, products, technology, and values. It is often used interchangeably with visi well-crafted mission statement can have an inspirational theme that ignites the loyalty of the employees and makes them willing to work harder to see that the company achieves its mission.

192) List potential stakeholders for the college or university that you attend. Answer: Answers will vary

Feedback: Students' answers will vary, but each answer should recognize that there are both ex and internal stakeholders for each organization. Their lists could include students, deans, instru the community in which the institution is located, boards or governments that regulate campus activities, guest speakers, and graduates.

193) Name and briefly describe the seven types of corporate goals set in advance of work? The seven types of corporate goals set in advance of work are:

Answer: Answers will vary

Feedback: (1) Profit. Economic theory assumes a firm seeks to maximize long-run profit.  
(2) Sales Revenue. A firm may elect to maintain or increase its sales level, even though profits may not be maximized.  
(3) Market Share. A firm may choose to maintain or increase its market share—sometimes at the expense of greater profits.  
(4) Unit Sales. The effects of inflation may cause a firm to focus on the number of units it sells.  
(5) Quality. A firm may emphasize the need to maintain or improve the quality of its products or services, especially if quality has been poor in the past.  
(6) Employee welfare. A firm may recognize the critical importance of its employees by having an explicit goal stating its commitment to good employment opportunities and working conditions.  
(7) Social responsibility. A firm may seek to balance conflicting goals of consumers, employee stockholders to promote overall welfare of all these groups.

194) What are the three levels of strategy in organizations?

Describe each. Answer: Answers will vary

Feedback: See Figure 2-1.

195) One of the most recognized approaches to business portfolio analysis is the Boston Consulting Group growth-share matrix. By dividing each dimension into high and low categories, the matrix contains four cells. Briefly describe the four quadrants of the matrix. BCG has given specific names and descriptions to the four quadrants in its growth-share matrix. The answers are as follows:

Answer: Answers will vary

Feedback: (1) Cash Cows - (lower left quadrant) have a dominant share of a slow growth market; they typically generate large amounts of cash to invest in other SBUs.  
(2) Stars - (upper left quadrant) have a high share of high-growth markets; they may not generate enough cash to support their own needs to support future growth.  
(3) Question Marks or Problem Children - (upper right quadrant) are SBUs with a low share of high-growth markets; they require large amounts of money just to maintain their market share.  
(4) Dogs - (lower right quadrant) have a low share of low-growth markets; although they may generate enough cash to sustain themselves, they hold little promise of becoming winners for the firm.

196) The Boston Consulting Group's business portfolio analysis model can be used to guide a firm as it tries to change its relative market share (the factor on the horizontal axis). What conscious decisions can management make on the role each SBU should have in the future and how money should be budgeted for its operations?

Answer: Answers will vary

Feedback: The firm can invest more in the SBU in order to build its share, it can invest just enough to hold the SBU's share at about its current level, it can harvest the SBU trying to milk its short-term cash flow, even though it may lose share and become a dog in the longer run, or the firm can divest the SBU by phasing it out or actually selling it to gain cash to invest in the remaining SBUs.

197) Identify and describe the four market-product strategies an organization uses to identify alternative market opportunities.

The four market-product strategies an organization uses to identify alternative market opportunities are: Answer: Answers will vary

Feedback: (1) market penetration, which involves selling more of an existing product to existing market segments

(2) product development, which involves developing a new product for existing market segments

(3) market development, which involves selling an existing product to new market segments

(4) diversification, which involves selling a new product to new market segments

198) Identify the three phases of the strategic marketing process and briefly describe what happens during phase.

The three phases of the strategic marketing process are the Planning Phase, the Implementation Phase, and the Control Phase.

Answer: Answers will vary

Feedback: (1) Planning Phase includes

(a) situation (SWOT) analysis to identify industry trends, analyze competitors, assess own company and research customer

(b) market-product focus and goal setting, which involves setting market and product goals, select target markets, finding points of difference, and positioning the product

(c) marketing program development, which involves developing the program's marketing mix, developing the budget by estimating revenues, expenses, and profits.

(2) Implementation Phase involves

(a) obtaining resources

(b) designing the marketing organization

(c) developing schedules

(d) executing the marketing program.

(3) Control Phase involves

(a) comparing the results of the marketing program plans to the results achieved to identify deviations

(b) acting to correct negative deviations, and exploit positive ones

199) Identify and describe the four critical factors in a SWOT analysis that help an organization identify the critical strategy-related factors that could have major effects on it.

**The four critical factors in a SWOT**

**analysis are: Answer: Answers will vary**

**Feedback: (1) internal strengths, such as the quality, brand name prominence, and technical leadership of its products  
(2) internal weaknesses, such as unfocused mission, poor responsiveness to customer needs, and revenues derived from slow-growth businesses  
(3) external opportunities, such as growing international markets, and cooperative joint venture  
(4) external threats, such as increasing local or foreign competition resulting in declining market share, lower production costs from foreign manufacturers, and adverse governmental regulation**

200) What are the marketing mix elements that compose a cohesive marketing program? **Answer: Answers will vary**

**Feedback: Figure 2-7 illustrates the principal components under each of the four Ps. Product features brand name, packaging, service, warranty. Price list price, discounts, allowances, credit terms, payment period. Promotion advertising, personal selling, sales promotion, publicity. Place outlets channels, coverage, transportation, and stock level. The instructor should probably not expect students to recall every item, but can set a reasonable number of items correctly identified, according to his or her expectations.**

201) A campus service organization annually raises money through the sale of t-shirts. What are the major components of the marketing program it should use? Give one example of each. **Answer: Answers will vary**

**Feedback: A marketing program should include product, price, promotion, and place strategies. Students' examples will vary. The product strategy would include packaging and design of shirt. Promotion strategy would encompass how the group plans to communicate information about it to other students. Price strategy would include list price and any quantity discounts. Place strategy would include how the shirts will arrive at the point of sale and selection of the point of sale.**

202) What are the four components of the implementation phase of the strategic marketing process? **The four components of the implementation phase of the strategic marketing process are: Answer: Answers will vary**

**Feedback:**

- (1) obtaining resources**
- (2) designing the marketing organization**
- (3) developing schedules**
- (4) actually executing the marketing program designed in the planning phase**

**203) What are the basic differences between marketing strategies and marketing tactics? Answer: Answers will vary**

**Feedback: A marketing strategy is the means by which a marketing goal is to be achieved, usually characterized by**

**(1) a specified target market**

**(2) a marketing program to reach it; it implies both the end sought (target market) and the means to achieve it (marketing program).**

**Marketing tactics, on the other hand, are detailed day-to-day operational decisions essential to the overall success of marketing strategies, such as writing advertising copy or selecting the amount for temporary price reductions. Compared with marketing strategies, marketing tactics generally involve actions that must be taken right away.**

**204) What is the purpose of the control phase of the strategic marketing process? How is control accomplished?**

**Answer: Answers will vary**

**Feedback: The control phase of the strategic marketing process seeks to keep the marketing program moving in the direction it is set for. Accomplishing this requires the marketing manager to compare the results of the marketing program with goals in the written plans to identify deviations and to correct these deviations - correcting negative deviations and exploiting positive ones.**

**205) A SWOT analysis can be useful in helping Ben & Jerry's identify new ice cream flavours and social responsibility programs that will contribute to its mission. What elements might their SWOT analysis contain?**

**Answer: Answers will vary**

**Feedback: See Figure 2-6. Student answers will likely vary.**

**206) Many traditional educational institutions are facing budgetary constraints. Using the four market-product strategies as a framework for your answer, how might these institutions profitably expand in the new economy?**

**Answer: Answers will vary**

**Feedback: See Figure 2-4. Student answers will likely vary.**

**207) Describe the advantages of integrating social media metrics, such as website traffic sources, click-through-rates, cost-per-click, page views, and page-view-flows, into a marketing dashboard? Answer: Answers will vary**

**Feedback: Two major reasons: (1) spot deviations from plans and (2) take corrective actions**

## Answer Key

Testname: UNTITLED106

- 1) D
- 2) B
- 3) A
- 4) B
- 5) A
- 6) D
- 7) B
- 8) A
- 9) B
- 10) B
- 11) A
- 12) B
- 13) C
- 14) A
- 15) B
- 16) C
- 17) C
- 18) B
- 19) B
- 20) B
- 21) B
- 22) C
- 23) B
- 24) C
- 25) C
- 26) D
- 27) A
- 28) A
- 29) D
- 30) A
- 31) D
- 32) B
- 33) B
- 34) A
- 35) D
- 36) C
- 37) B
- 38) B
- 39) B
- 40) B
- 41) C
- 42) C
- 43) B
- 44) D
- 45) B
- 46) B
- 47) B
- 48) C
- 49) A
- 50) B

## Answer Key

Testname: UNTITLED106

- 51) D
- 52) B
- 53) C
- 54) D
- 55) B
- 56) C
- 57) D
- 58) D
- 59) C
- 60) B
- 61) C
- 62) C
- 63) C
- 64) D
- 65) C
- 66) C
- 67) C
- 68) A
- 69) D
- 70) A
- 71) B
- 72) B
- 73) A
- 74) C
- 75) D
- 76) C
- 77) A
- 78) B
- 79) A
- 80) A
- 81) C
- 82) C
- 83) A
- 84) A
- 85) A
- 86) C
- 87) A
- 88) B
- 89) B
- 90) A
- 91) D
- 92) D
- 93) C
- 94) C
- 95) C
- 96) D
- 97) C
- 98) B
- 99) A
- 100) A



## Answer Key

Testname: UNTITLED106

- 101) A
- 102) A
- 103) C
- 104) A
- 105) C
- 106) C
- 107) D
- 108) A
- 109) D
- 110) A
- 111) B
- 112) D
- 113) B
- 114) B
- 115) C
- 116) A
- 117) C
- 118) D
- 119) B
- 120) C
- 121) A
- 122) A
- 123) A
- 124) C
- 125) A
- 126) B
- 127) C
- 128) A
- 129) B
- 130) D
- 131) D
- 132) B
- 133) D
- 134) B
- 135) D
- 136) D
- 137) C
- 138) B
- 139) D
- 140) D
- 141) B
- 142) C
- 143) D
- 144) D
- 145) B
- 146) C
- 147) A
- 148) B
- 149) B
- 150) A

## Answer Key

Testname: UNTITLED106

- 151) A
- 152) C
- 153) C
- 154) A
- 155) B
- 156) A
- 157) C
- 158) A
- 159) B
- 160) C
- 161) B
- 162) B
- 163) C
- 164) D
- 165) B
- 166) C
- 167) B
- 168) C
- 169) A
- 170) B
- 171) A
- 172) B
- 173) D
- 174) C
- 175) A
- 176) B
- 177) C
- 178) A
- 179) D
- 180) D
- 181) B
- 182) B
- 183) C
- 184) C
- 185) A
- 186) A
- 187) A
- 188) **Answers will vary**

Feedback: (1) corporate level where the top management directs overall strategy for the entire organization  
(2) business unit (business units refers to the subsets of the organization that market a set of products to a c defined segment) level where business unit managers set the direction for their products and markets to exp value-creating opportunities  
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(The term depart generally used to refer to those functional areas.)

## Answer Key

Testname: UNTITLED106

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(2) Sales Revenue. A firm may elect to maintain or increase its sales level, even though profitability may no maximized.  
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(4) Unit Sales. The effects of inflation may cause a firm to focus on the number of units it sells.  
(5) Quality. A firm may emphasize the need to maintain or improve the quality of its products and services, especially if quality has been poor in the past.  
(6) Employee welfare. A firm may recognize the critical importance of its employees by having an explicit stating its commitment to good employment opportunities and working conditions.  
(7) Social responsibility. A firm may seek to balance conflicting goals of consumers, employees, and stock to promote overall welfare of all these groups.

194) Answers will vary

**Feedback:** See Figure 2-1.

## Answer Key

Testname: UNTITLED106

195) Answers will vary

**Feedback: (1) Cash Cows - (lower left quadrant) have a dominant share of a slow growth market; they typically generate large amounts of cash to invest in other SBUs.**

**(2) Stars - (upper left quadrant) have a high share of high-growth markets; they may not generate enough cash to support their own needs to support future growth.**

**(3) Question Marks or Problem Children - (upper right quadrant) are SBUs with a low share of high growth markets; they require large amounts of money just to maintain their market share.**

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196) Answers will vary

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197) Answers will vary

**Feedback: (1) market penetration, which involves selling more of an existing product to existing market segments**

**(2) product development, which involves developing a new product for existing market segments**

**(3) market development, which involves selling an existing product to new market segments**

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198) Answers will vary

**Feedback: (1) Planning Phase includes**

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**(c) marketing program development, which involves developing the program's marketing mix, and develop budget by estimating revenues, expenses, and profits.**

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**(a) obtaining resources**

**(b) designing the marketing organization**

**(c) developing schedules**

**(d) executing the marketing program.**

**(3) Control Phase involves**

**(a) comparing the results of the marketing program plans to the results achieved to identify deviations**

**(b) acting to correct negative deviations, and exploit positive ones**

## Answer Key

Testname: UNTITLED106

199) Answers will vary

**Feedback: (1) internal strengths, such as the quality, brand name prominence, and technical leadership of its products**

**(2) internal weaknesses, such as unfocused mission, poor responsiveness to customer needs, and revenues derived from slow-growth businesses**

**(3) external opportunities, such as growing international markets, and cooperative joint ventures**

**(4) external threats, such as increasing local or foreign competition resulting in declining market share, low production costs from foreign manufacturers, and adverse governmental regulations**

200) Answers will vary

**Feedback: Figure 2-7 illustrates the principal components under each of the four Ps. Product features, brand packaging, service, warranty. Price list price, discounts, allowances, credit terms, payment period. Promotional advertising, personal selling, sales promotion, publicity. Place outlets, channels, coverage, transportation, a stock level. The instructor should probably not expect students to recall every item, but can set a reasonable number of items correctly identified, according to his or her expectations.**

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202) Answers will

**vary Feedback:**

**(1) obtaining resources**

**(2) designing the marketing organization**

**(3) developing schedules**

**(4) actually executing the marketing program designed in the planning phase**

203) Answers will vary

**Feedback: A marketing strategy is the means by which a marketing goal is to be achieved, usually character**

**(1) a specified target market**

**(2) a marketing program to reach it; it implies both the end sought (target market) and the means to achieve (marketing program).**

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**Answer Key**

**Testname: UNTITLED106**

**204) Answers will vary**

**Feedback: The control phase of the strategic marketing process seeks to keep the marketing program moving in the direction it is set for. Accomplishing this requires the marketing manager to compare the results of the marketing program with goals in the written plans to identify deviations and to act on these deviations - correcting negative deviations and exploiting positive ones.**

**205) Answers will vary**

**Feedback: See Figure 2-6. Student answers will likely vary.**

**206) Answers will vary**

**Feedback: See Figure 2-4. Student answers will likely vary.**

**207) Answers will vary**

**Feedback: Two major reasons: (1) spot deviations from plans and (2) take corrective actions**