Chapter 01

Overview of Marketing

**True / False Questions**

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| 1. | Marketing is an activity that only large firms with specialized departments can execute.  True    False |

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| 2. | Good marketing is *not* a random activity.  True    False |

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| 3. | Understanding a customer's needs and wants is fundamental to marketing success.  True    False |

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| 4. | Marketers might wish to sell their products to everyone, but it is not practical to do so.  True    False |

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| 5. | The four Ps include product, promotion, planning, and place.  True    False |

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| 6. | The group of firms that makes and delivers a given set of goods and/or services is called a supply chain.  True    False |

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| 7. | Value is what you get for what you give.  True    False |

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| 8. | In value co-creation, the customer participates in the creation of a good or service, which provides additional value to the customer.  True    False |

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| 9. | Over the past decade or so, marketers have begun to realize that it is best to structure a firm's customer orientation in terms of transactions rather than relationships.  True    False |

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| 10. | When a good or service is promoted, the purpose of the promotion is to inform, persuade, or remind customers.  True    False |

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| 11. | When a manufacturer sells truck and car parts to Toyota, this is an example of B2C marketing.  True    False |

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| 12. | The power adapters Dell sells with its computers are built by small companies that specialize in power-related accessories. Dell and the power adapter manufacturers are engaging in B2B marketing.  True    False |

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| 13. | Garage sales and online classified ads are examples of C2C marketing.  True    False |

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| 14. | Entrepreneurial companies are unable to control their marketing mixes.  True    False |

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| 15. | Foursquare is an example of a location-based social media application.  True    False |

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| 16. | The trade of things of value between the buyer and the seller so that each is better off as a result is known as an exchange.  True    False |

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| 17. | Marketing's fundamental purpose is to create value by developing a variety of offerings that will earn income for the company.  True    False |

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| 18. | Margo likes her morning coffee, and she always stops at Starbucks because it is on her way to work. Margo is being influenced by the *place* element of the marketing mix.  True    False |

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| 19. | The text highlights one entrepreneur who was a billionaire by the age of 50. This person is Warren Buffet.  True    False |

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| 20. | Firms have come to realize that good corporate citizenship through socially responsible actions should be a priority because it will help their bottom line in the long run.  True    False |

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| 21. | Effectively managing supply chains has a minimal effect on profitability.  True    False |

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| 22. | A group of firms that makes and delivers a given set of goods and services is known as a distribution channel.  True    False |

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| 23. | Buffalo Wild Wings suggests that its diners check in to its locations using their phones. This demonstrates the use of social media to market a product.  True    False |

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| 24. | Approximately half of U.S. companies now use social media tools for marketing purposes.  True    False |

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| 25. | Firms become value-driven, in part by focusing on the competition.  True    False |

**Multiple Choice Questions**

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| 26. | When a T-shirt manufacturer states, "We only sell it in black because that way we can buy plenty of black fabric and run our plant efficiently," its statement reflects the views that were popular in which era of the evolution of marketing?

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| A.  | production-oriented |

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| --- | --- |
| B.  | sales-oriented |

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| --- | --- |
| C.  | market-oriented |

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| --- | --- |
| D.  | value-based marketing |

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| --- | --- |
| E.  | economics-oriented |

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| 27. | Marketing involves all of the following EXCEPT

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| A.  | conducting exchanges. |

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| B.  | satisfying customer needs and wants. |

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| --- | --- |
| C.  | creating value. |

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| D.  | efforts by individuals and organizations. |

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| E.  | production scheduling. |

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| 28. | Jami sells construction equipment. Whenever she calls on her building contractor customers, she asks whether they are having any problems. In doing so, Jami is addressing which of the following core aspects of marketing?

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| A.  | Satisfying customer needs and wants |

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| B.  | The exchange function of marketing |

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| C.  | Product, place, promotion, and price decisions |

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| D.  | Decisions about the setting in which marketing takes place |

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| E.  | Creating value |

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| 29. | Julia is considering a career in marketing. She is concerned about the image of marketers as fast-talking, high-pressure people who only care about making a sale. When reading about the core aspects of marketing, Julia is relieved to see that in marketing

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| A.  | all parties to an exchange should be satisfied. |

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| B.  | promotion is the most important consideration, followed by pricing decisions. |

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| C.  | decisions are made regarding how a product is designed. |

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| D.  | customers are not considered until the product is ready for sale. |

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| E.  | distribution is controlled by customers. |

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| 30. | Xavier is analyzing potential market segments. He should carefully seek potential customers who have both an interest in his products and

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| A.  | a thorough knowledge of his brand messages. |

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| B.  | the ability to buy them. |

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| --- | --- |
| C.  | knowledge of competing products. |

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| D.  | the ability to negotiate discounts. |

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| E.  | are removed from traditional marketing alternatives. |

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| 31. | When referring to exchange, marketers are focusing on

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| A.  | the location where products and services are traded. |

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| B.  | the price charged, adjusted for currency exchange rates. |

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| C.  | location-based tactics for creating value. |

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| D.  | promotional offers designed to stimulate barter. |

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| E.  | the trading of things of value. |

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| 32. | Whenever Valerie has a new massage therapy customer, she invites the person to be on her e-mail distribution list. In the process, in addition to exchanging her massage therapy service for payment, Valerie is gathering

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| A.  | information. |

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| --- | --- |
| B.  | promotional capital. |

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| --- | --- |
| C.  | pricing data. |

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| D.  | value cocreation. |

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| E.  | feedback. |

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| 33. | Which of the following is a core aspect of marketing?

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| A.  | satisfying as many needs as possible |

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| B.  | creating a product that everyone will want to buy |

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| C.  | setting prices lower than all competitors |

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| D.  | making product, place, promotion, and price decisions |

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| E.  | increasing the company's profit |

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| 34. | Marketing has traditionally been divided into a set of four interrelated decisions known as the marketing mix, or four Ps, including all of the following EXCEPT

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| A.  | product |

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| B.  | place |

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| --- | --- |
| C.  | performance |

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| --- | --- |
| D.  | promotion |

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| E.  | price |

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| 35. | The four Ps make up the marketing mix, which is the \_\_\_\_\_\_\_\_\_\_ set of activities that the firm uses to respond to the wants and needs of its target markets.

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| A.  | unpredictable |

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| B.  | external |

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| C.  | internal |

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| --- | --- |
| D.  | controllable |

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| --- | --- |
| E.  | global |

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| 36. | The fundamental goal of marketers when creating goods, services, or combinations of both, is to

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| A.  | defeat the competition. |

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| B.  | serve all consumers. |

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| C.  | operate according to government regulations. |

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| D.  | stimulate short-term sales. |

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| E.  | create value. |

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| 37. | Brian is struggling with the choice of publishing his new book, *How to Cook Polish Barbeque,* as an e-book or a paperback. Brian is addressing which core marketing aspect?

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| A.  | developing a promotional plan |

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| B.  | managing the exchange function of marketing |

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| C.  | making product decisions |

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| D.  | deciding where and how to sell the product |

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| E.  | pricing the product |

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| 38. | The basic difference between a good and a service is that a good

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| A.  | provides intangible benefits. |

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| B.  | can be physically touched. |

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| C.  | is always less expensive than a corresponding service. |

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| D.  | generates greater interest among consumers. |

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| E.  | is more quickly forgotten by consumers. |

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| 39. | Four Winds Art Gallery recently began offering appraisals of customers' art collections, in addition to continuing to sell paintings. Four Winds is

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| A.  | expanding from offering just services to also offering goods. |

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| B.  | implementing a market segmentation strategy. |

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| C.  | capturing value through multiple pricing strategies. |

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| D.  | expanding from offering just goods to also offering services. |

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| E.  | increasing customer value through inflated appraisal evaluations. |

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| 40. | Marketers must determine the price of a product carefully, based on potential buyers' beliefs about

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| A.  | its value. |

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| B.  | the environment. |

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| C.  | the cost to manufacture the product. |

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| D.  | the economic outlook. |

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| E.  | the product's new advertising campaign. |

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| 41. | Some discount stores put products in large bins and let consumers hunt and find bargains. The price these consumers pay includes

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| A.  | only the actual price they pay at the register. |

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| B.  | the value of their time and energy. |

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| C.  | the excitement they experience in finding an item they desire. |

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| D.  | the savings to the store of not having to display the products neatly on shelves. |

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| E.  | the time the product was full price and didn't sell. |

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| 42. | Henriette offers financial counseling and management on a fee-only basis. She has found that different customers are willing to pay different rates for her services. This shows that her pricing decisions should depend primarily on

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| A.  | choosing an average price that she will charge all her clients. |

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| B.  | changes in technology allowing consumers to manage their own affairs. |

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| C.  | how different customers perceive the value of her services. |

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| D.  | changes in the economy. |

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| E.  | how much her competitors charge for similar services. |

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| 43. | Marketing channel management is also known as

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| A.  | endless chain marketing. |

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| B.  | a transactional orientation. |

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| --- | --- |
| C.  | wholesaling. |

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| D.  | product design. |

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| E.  | supply chain management. |

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| 44. | Marketing efforts designed to get the product or service to the right customer, when that customer wants it, are called

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| A.  | supply chain management. |

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| B.  | a transactional orientation. |

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| --- | --- |
| C.  | wholesaling. |

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| D.  | value cocreation. |

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| E.  | endless chain marketing. |

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| 45. | Yesenia, the new university course scheduling manager, is struggling with adjustments to the fall schedule. She is trying to determine how to offer the classes students need at the times when students need them. Yesenia is struggling with the marketing function of

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| A.  | communicating the value proposition. |

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| --- | --- |
| B.  | supply chain management. |

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| --- | --- |
| C.  | creating value. |

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| --- | --- |
| D.  | capturing value. |

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| E.  | value co-creation. |

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| 46. | The marketing goal of getting the right quantities to the right locations at the right time relates to

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| A.  | communicating the value proposition. |

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| --- | --- |
| B.  | supply chain management. |

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| C.  | service marketing. |

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| D.  | capturing value. |

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| E.  | price and performance management. |

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| 47. | Marketers involved in value-oriented marketing are constantly balancing

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| A.  | promotional effectiveness with ethical advertising standards. |

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| B.  | the problem of price maximization with cost efficiency. |

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| C.  | customer benefits with costs of their offerings. |

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| D.  | the desire to achieve with the need for a stable source of supply. |

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| E.  | the goal of efficiency with the price charged by competitors. |

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| 48. | The importance of supply chain management is often overlooked in the study of marketing because

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| A.  | marketing has no responsibility for supply chain management. |

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| B.  | supply chain management doesn't add much value for customers. |

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| C.  | companies do not want customers to know anything about the supply chain. |

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| D.  | many of the activities take place behind the scenes. |

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| E.  | supply chain management is already transparent. |

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| 49. | When considering career choices in marketing, many students overlook supply chain management because

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| A.  | it is considered too quantitative. |

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| B.  | marketing has no responsibility for supply chain management. |

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| C.  | companies generally outsource these activities, so there are rarely supply chain jobs available. |

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| D.  | it only takes place in large, urban areas. |

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| E.  | many of the activities take place behind the scenes. |

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| 50. | UPS, FedEx, DHL, and other shipping companies support other firms' \_\_\_\_\_\_\_\_\_\_ marketing goals.

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| A.  | supply chain management |

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| --- | --- |
| B.  | value communication |

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| --- | --- |
| C.  | value capture |

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| --- | --- |
| D.  | retail management |

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| --- | --- |
| E.  | promotion |

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| 51. | \_\_\_\_\_\_\_\_\_\_ is communication by a marketer that informs, persuades, or reminds potential customers about a product.

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| --- | --- |
| A.  | Pricing |

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| --- | --- |
| B.  | Promotion |

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| --- | --- |
| C.  | Placement |

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| --- | --- |
| D.  | A relational orientation |

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| --- | --- |
| E.  | Value co-creation |

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| 52. | Effective promotion enhances a product or service's

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| A.  | supply chain management system. |

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| --- | --- |
| B.  | wholesaling capabilities. |

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| --- | --- |
| C.  | perceived value. |

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| --- | --- |
| D.  | design features. |

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| E.  | trialability. |

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| 53. | By promoting perfume based on youth, style, and sex appeal, Calvin Klein is attempting to

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| A.  | influence social norms regarding sexuality. |

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| B.  | encourage consumers to participate in product redesign. |

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| C.  | stimulate supply chain management cooperation. |

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| D.  | increase the perceived value of its products. |

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| E.  | demonstrate social responsibility. |

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| 54. | Retailers accumulate merchandise from producers in large amounts and sell to consumers in smaller amounts. Retailers function as

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| A.  | market intermediaries. |

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| B.  | monopolists. |

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| --- | --- |
| C.  | regulators of consumer demand. |

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| --- | --- |
| D.  | wholesale specialists. |

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| --- | --- |
| E.  | intermediate promoters. |

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| 55. | Auction sites like eBay have increased opportunities for \_\_\_\_\_\_\_\_\_\_ marketing.

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| --- | --- |
| A.  | B2B |

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| --- | --- |
| B.  | C2C |

|  |  |
| --- | --- |
| C.  | D2C |

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| --- | --- |
| D.  | C2D |

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| --- | --- |
| E.  | B2G |

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| 56. | As use of the Internet took off, car manufacturers were tempted to sell directly to consumers, but decided instead to continue to sell through their existing dealer networks. The car manufacturers considered switching from \_\_\_\_\_\_\_\_\_\_ to \_\_\_\_\_\_\_\_\_\_ marketing.

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| A.  | B2C; B2B |

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| --- | --- |
| B.  | B2C; C2C |

|  |  |
| --- | --- |
| C.  | B2B; B2C |

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| --- | --- |
| D.  | B2B; C2C |

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| --- | --- |
| E.  | C2C; B2C |

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| 57. | Many universities provide physical or electronic bulletin boards to facilitate ride-sharing and exchange of used books among students. These bulletin boards increase \_\_\_\_\_\_\_\_\_\_ marketing.

|  |  |
| --- | --- |
| A.  | B2C |

|  |  |
| --- | --- |
| B.  | C2B |

|  |  |
| --- | --- |
| C.  | B2B |

|  |  |
| --- | --- |
| D.  | C2C |

|  |  |
| --- | --- |
| E.  | underground |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 58. | The Got Milk advertising campaign, designed to increase consumption of milk, was intended to help market a(n)

|  |  |
| --- | --- |
| A.  | individual. |

|  |  |
| --- | --- |
| B.  | firm. |

|  |  |
| --- | --- |
| C.  | industry. |

|  |  |
| --- | --- |
| D.  | organization. |

|  |  |
| --- | --- |
| E.  | specific product. |

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| 59. | The evolution of marketing progressed along the following continuum:

|  |  |
| --- | --- |
| A.  | sales, marketing, value-based marketing, production. |

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| --- | --- |
| B.  | marketing, value-based marketing, production, sales. |

|  |  |
| --- | --- |
| C.  | value-based marketing, production, sales, marketing. |

|  |  |
| --- | --- |
| D.  | production, sales, marketing, value-based marketing. |

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| --- | --- |
| E.  | sales, value-based marketing, marketing, production. |

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| 60. | The idea that a good product will sell itself is associated with the \_\_\_\_\_\_\_\_\_\_ era of marketing.

|  |  |
| --- | --- |
| A.  | production-oriented |

|  |  |
| --- | --- |
| B.  | sales-oriented |

|  |  |
| --- | --- |
| C.  | market-oriented |

|  |  |
| --- | --- |
| D.  | value-based marketing |

|  |  |
| --- | --- |
| E.  | retailing-oriented |

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| 61. | Henry Ford's statement, "Customers can have any color they want so long as it's black," typified the \_\_\_\_\_\_\_\_\_\_ era of marketing.

|  |  |
| --- | --- |
| A.  | production-oriented |

|  |  |
| --- | --- |
| B.  | sales-oriented |

|  |  |
| --- | --- |
| C.  | market-oriented |

|  |  |
| --- | --- |
| D.  | value-based marketing |

|  |  |
| --- | --- |
| E.  | retailing-oriented |

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| 62. | Melanie works for a small computer software company. Her boss is constantly improving its products but neglecting customers, billing, and promoting the company. Her boss is probably stuck in the \_\_\_\_\_\_\_\_\_\_ era of marketing.

|  |  |
| --- | --- |
| A.  | production-oriented |

|  |  |
| --- | --- |
| B.  | sales-oriented |

|  |  |
| --- | --- |
| C.  | market-oriented |

|  |  |
| --- | --- |
| D.  | value-based marketing |

|  |  |
| --- | --- |
| E.  | retailing-oriented |

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| 63. | During the \_\_\_\_\_\_\_\_\_\_ era, firms had excess capacity and used personal selling and advertising to generate customers.

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| --- | --- |
| A.  | production-oriented |

|  |  |
| --- | --- |
| B.  | sales-oriented |

|  |  |
| --- | --- |
| C.  | market-oriented |

|  |  |
| --- | --- |
| D.  | value-based marketing |

|  |  |
| --- | --- |
| E.  | retailing-oriented |

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| 64. | The prevailing marketing strategy of the \_\_\_\_\_\_\_\_\_\_ era was to find customers for inventories that went unsold.

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| --- | --- |
| A.  | production-oriented |

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| --- | --- |
| B.  | sales-oriented |

|  |  |
| --- | --- |
| C.  | market-oriented |

|  |  |
| --- | --- |
| D.  | value-based marketing |

|  |  |
| --- | --- |
| E.  | retailing-oriented |

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| 65. | Near the end of the model year, Move-Them-Out automobile dealership had an unusually high inventory level. The manager increased her advertising spending and gave extra incentives to its salespeople. Move-Them-Out operates as if it were in the \_\_\_\_\_\_\_\_\_\_ era.

|  |  |
| --- | --- |
| A.  | production-oriented |

|  |  |
| --- | --- |
| B.  | sales-oriented |

|  |  |
| --- | --- |
| C.  | market-oriented |

|  |  |
| --- | --- |
| D.  | value-based marketing |

|  |  |
| --- | --- |
| E.  | retailing-oriented |

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| 66. | Many U.S. companies first discovered marketing during the \_\_\_\_\_\_\_\_\_\_ era.

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| --- | --- |
| A.  | production-oriented |

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| --- | --- |
| B.  | sales-oriented |

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| --- | --- |
| C.  | market-oriented |

|  |  |
| --- | --- |
| D.  | value-based marketing |

|  |  |
| --- | --- |
| E.  | retailing-oriented |

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| 67. | During the market-oriented era,

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| --- | --- |
| A.  | a good product would sell itself. |

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| --- | --- |
| B.  | the customer was king. |

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| --- | --- |
| C.  | marketing was more important than production. |

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| D.  | advertising and personal selling were emphasized to make the sale. |

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| E.  | firms focused on value. |

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| 68. | During the \_\_\_\_\_\_\_\_\_\_ era, manufacturers and retailers began to focus on what consumers wanted and needed before they designed, made, or attempted to sell their products.

|  |  |
| --- | --- |
| A.  | production-oriented |

|  |  |
| --- | --- |
| B.  | sales-oriented |

|  |  |
| --- | --- |
| C.  | market-oriented |

|  |  |
| --- | --- |
| D.  | value-based marketing |

|  |  |
| --- | --- |
| E.  | retailing-oriented |

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| 69. | During the \_\_\_\_\_\_\_\_\_\_ era, manufacturers and retailers recognized they needed to give their customers greater value than their competitors did.

|  |  |
| --- | --- |
| A.  | production-oriented |

|  |  |
| --- | --- |
| B.  | sales-oriented |

|  |  |
| --- | --- |
| C.  | market-oriented |

|  |  |
| --- | --- |
| D.  | value-based marketing |

|  |  |
| --- | --- |
| E.  | retailing-oriented |

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| 70. | Value is

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| --- | --- |
| A.  | the lowest cost option. |

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| --- | --- |
| B.  | represented by brand names. |

|  |  |
| --- | --- |
| C.  | the highest priced alternative. |

|  |  |
| --- | --- |
| D.  | everyday low prices. |

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| --- | --- |
| E.  | what you get for what you give. |

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| 71. | Trey sells consumer electronics. He knows his customers weigh the costs versus the benefits associated with the different options available. He decides which products to offer and what prices to charge based on the way his customers think. Trey operates as if he were in the \_\_\_\_\_\_\_\_\_\_ era.

|  |  |
| --- | --- |
| A.  | production-oriented |

|  |  |
| --- | --- |
| B.  | sales-oriented |

|  |  |
| --- | --- |
| C.  | market-oriented |

|  |  |
| --- | --- |
| D.  | value-based marketing |

|  |  |
| --- | --- |
| E.  | retailing-oriented |

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| 72. | Serena studies her customer profiles, market research data, complaints, and other information, attempting to better understand what her customers want. Serena operates in the \_\_\_\_\_\_\_\_\_\_ era of marketing.

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| --- | --- |
| A.  | production-oriented |

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| --- | --- |
| B.  | sales-oriented |

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| --- | --- |
| C.  | market-oriented |

|  |  |
| --- | --- |
| D.  | value-based |

|  |  |
| --- | --- |
| E.  | retailing-oriented |

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| 73. | In delivering value, marketing firms attempt to find the most desirable balance between

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| --- | --- |
| A.  | the need for value and the perception of value. |

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| --- | --- |
| B.  | explicit versus implicit value. |

|  |  |
| --- | --- |
| C.  | providing benefits to customers and keeping costs down. |

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| --- | --- |
| D.  | the desire to satisfy customers and the need to keep customers from running the company. |

|  |  |
| --- | --- |
| E.  | the need for product improvement and the need for advertising. |

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| 74. | Yolanda is the new restaurant manager in a major hotel. When considering changes in the restaurant that will increase value to customers, Yolanda will likely attempt to either provide the same quality at a lower cost or

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| --- | --- |
| A.  | improve products and services at the same cost. |

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| --- | --- |
| B.  | increase prices to increase revenue. |

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| --- | --- |
| C.  | offset higher hotel rates with lower restaurant prices. |

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| --- | --- |
| D.  | reduce customer expectations through reduced service. |

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| --- | --- |
| E.  | lower the quality and the price. |

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| 75. | Christie has just started with a travel agency, and she has been offering clients and prospective clients a range of packaged tours. She is concerned, because the commissions she is earning on her sales are lower than she had hoped. Her colleague Peter, who has been with the agency for several years, is having a great deal of success by working closely with the clients, seeking their ideas, and building customized tour packages for each one based on their suggestions. Peter's approach is based on

|  |  |
| --- | --- |
| A.  | transaction-oriented marketing. |

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| --- | --- |
| B.  | premium pricing. |

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| --- | --- |
| C.  | his seniority at the firm. |

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| --- | --- |
| D.  | special incentives from tour operators. |

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| --- | --- |
| E.  | value co-creation. |

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| 76. | To become a more value-driven organization, Pokrah University is holding regular coffee-hour discussions with its students and surveying its graduates regarding students' educational needs and desires. Pokrah University is becoming more value driven through

|  |  |
| --- | --- |
| A.  | sharing information across the organization. |

|  |  |
| --- | --- |
| B.  | balancing its customers' benefits and costs. |

|  |  |
| --- | --- |
| C.  | evaluating strategic competitive partnerships. |

|  |  |
| --- | --- |
| D.  | building relationships with customers. |

|  |  |
| --- | --- |
| E.  | keeping the faculty members happy. |

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| 77. | As owner of a retail franchise food store, Mary Gray purchases supplies based on specials advertised nationally throughout the franchise system. One Monday, she was surprised to find customers asking for specials she hadn't been informed of in advance. The franchise company failed to live up to the value-driven activity of

|  |  |
| --- | --- |
| A.  | sharing information across the organization. |

|  |  |
| --- | --- |
| B.  | balancing customers' benefits and costs. |

|  |  |
| --- | --- |
| C.  | evaluating strategic competitive partnerships. |

|  |  |
| --- | --- |
| D.  | building relationships with customers. |

|  |  |
| --- | --- |
| E.  | keeping prices below those charged by competitors. |

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| 78. | In the past, manufacturers' representatives did not have up-to-minute data about the products they were selling. Today, manufacturers' representatives are often provided online access to inventory data for the companies they represent. These online inventory systems allow companies to become more value-driven by

|  |  |
| --- | --- |
| A.  | sharing information across the organization. |

|  |  |
| --- | --- |
| B.  | balancing customers' benefits and costs. |

|  |  |
| --- | --- |
| C.  | evaluating strategic competitive partnerships. |

|  |  |
| --- | --- |
| D.  | building relationships with government regulators of marketing institutions. |

|  |  |
| --- | --- |
| E.  | keeping prices below those charged by competitors. |

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| 79. | Value-driven firms constantly measure the \_\_\_\_\_\_\_\_\_\_ that customers perceive, compared to the prices of their offerings.

|  |  |
| --- | --- |
| A.  | information |

|  |  |
| --- | --- |
| B.  | benefits |

|  |  |
| --- | --- |
| C.  | relationships |

|  |  |
| --- | --- |
| D.  | rebates |

|  |  |
| --- | --- |
| E.  | merchandise |

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| 80. | One of the benefits of value-driven marketing is that attention to customer needs and wants will likely result in

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| --- | --- |
| A.  | higher prices than the market leader charges. |

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| --- | --- |
| B.  | increased competition. |

|  |  |
| --- | --- |
| C.  | long-term relationships. |

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| --- | --- |
| D.  | strong connections among competing firms in the marketplace. |

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| --- | --- |
| E.  | lower prices. |

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| 81. | Even though they operate from out-of-the-way airports and offer few extra services, discount, no-frill airlines like Ryanair and EasyJet have been successful. Consumers obviously consider

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| --- | --- |
| A.  | the schedules these airlines offer to be the most convenient in the industry. |

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| --- | --- |
| B.  | the long-term relationships established by these airlines to be a critical benefit. |

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| --- | --- |
| C.  | the prices to be slightly lower, but not low enough to have much influence. |

|  |  |
| --- | --- |
| D.  | the benefit of lower prices to be greater than the cost of reduced services and less convenience. |

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| --- | --- |
| E.  | the major airlines to be worthless. |

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| 82. | A relational orientation is based on the philosophy that buyers and sellers develop

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| A.  | a complete understanding of each other's needs. |

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| --- | --- |
| B.  | a long-term relationship. |

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| --- | --- |
| C.  | a price-value comparison matrix. |

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| --- | --- |
| D.  | supply chain synergy. |

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| --- | --- |
| E.  | a marketing value transaction focus. |

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| 83. | Many firms with complex products have missionary salespeople who assist customers with problems and implementation programs. These salespeople rarely sell products but often become involved in and knowledgeable about specific customers' needs and wants. These salespeople focus on a(n) \_\_\_\_\_\_\_\_\_\_ orientation with their customers.

|  |  |
| --- | --- |
| A.  | transactional |

|  |  |
| --- | --- |
| B.  | external |

|  |  |
| --- | --- |
| C.  | relational |

|  |  |
| --- | --- |
| D.  | internal |

|  |  |
| --- | --- |
| E.  | divisional |

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| 84. | After major hurricanes like Katrina, many ethical home repair and building supply businesses continue to charge pre-hurricane prices to their customers, even though due to the huge increase in demand they could charge much more. These firms probably recognize that

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| --- | --- |
| A.  | they can make more money from government contracts than from sales to customers. |

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| --- | --- |
| B.  | a transactional orientation is the key to long-term profitability. |

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| --- | --- |
| C.  | none of their competitors would be raising prices. |

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| --- | --- |
| D.  | lifetime profitability of relationships matters more than profits from a particular transaction. |

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| E.  | if they raised prices they would be in violation of Commerce Department regulations. |

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| 85. | After hurricanes like Katrina, many small building contractors will flock to the damaged area, charging whatever customers will pay for temporary repairs to roofs and other parts of damaged homes. These contractors are engaged in a(n) \_\_\_\_\_\_\_\_\_\_ marketing orientation.

|  |  |
| --- | --- |
| A.  | transactional |

|  |  |
| --- | --- |
| B.  | external |

|  |  |
| --- | --- |
| C.  | relational |

|  |  |
| --- | --- |
| D.  | internal |

|  |  |
| --- | --- |
| E.  | value driven |

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| 86. | The goal of customer relationship management is to

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| A.  | manage every customer relationship differently. |

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| B.  | manage every customer relationship to maximum short-term profitability. |

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| --- | --- |
| C.  | eliminate customers who are profitable, but not highly profitable. |

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| D.  | identify and build loyalty among a firm's customers. |

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| E.  | generate relationships with all of a firm's customers. |

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| 87. | Franco uses a database software system to remind him when his customers should be ready to reorder his industrial cleaning products. With this reminder system, Franco contacts his customers when they are most likely to be in the buying mode. Franco's system is part of

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| --- | --- |
| A.  | C2C marketing. |

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| --- | --- |
| B.  | customer relationship management. |

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| --- | --- |
| C.  | a transactional marketing orientation. |

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| --- | --- |
| D.  | supply chain management. |

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| --- | --- |
| E.  | typical production era marketing practices. |

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| 88. | Many catalog companies create special-run issues based on what customers have purchased in the past. For example, customers who frequently order bedding items like sheets and pillows receive a catalog with a larger section of bedding items than do customers who mostly order kitchen tools. This is an example of

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| --- | --- |
| A.  | C2C marketing. |

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| --- | --- |
| B.  | customer relationship management. |

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| --- | --- |
| C.  | a transactional marketing orientation. |

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| --- | --- |
| D.  | supply chain management. |

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| --- | --- |
| E.  | typical production-oriented era marketing practices. |

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| 89. | Marketing was once an afterthought to

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| A.  | accounting. |

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| --- | --- |
| B.  | economics. |

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| --- | --- |
| C.  | production. |

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| --- | --- |
| D.  | finance. |

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| --- | --- |
| E.  | none of these—marketing was never an afterthought. |

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| 90. | Many inventors struggle with the question, "I made it; now how do I get rid of it?" They have made the error of considering marketing as

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| A.  | an afterthought. |

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| --- | --- |
| B.  | an integral part of a business plan. |

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| --- | --- |
| C.  | an accounting function. |

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| --- | --- |
| D.  | a profit center. |

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| --- | --- |
| E.  | important only for new products. |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 91. | Georgia, the outside sales rep for a major building supply company, reads a report stating that building permits are down dramatically in her sales territory. She had noticed that things were slowing down, but now she has data confirming her impression. Based on this information, one important function Georgia should provide is

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| --- | --- |
| A.  | pushing her customers to buy products whether they need them or not. |

|  |  |
| --- | --- |
| B.  | advising the production and purchasing departments to produce or order smaller quantities of products. |

|  |  |
| --- | --- |
| C.  | assisting customers in product recall confirmations. |

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| --- | --- |
| D.  | avoiding contact with competing firms to maximize value-driven marketing. |

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| --- | --- |
| E.  | estimating profit per sale to determine whether the firm can survive the slowdown. |

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| 92. | Jenny, the delivery and sales representative for a beer distributor, is calling on a retailer and sees the shelves are almost empty. An unexpected sporting event held nearby resulted in a huge increase in sales. She calls her company's distribution manager and requests a special delivery for her customer. Jenny is providing the important marketing function of

|  |  |
| --- | --- |
| A.  | advising production on how much product to make. |

|  |  |
| --- | --- |
| B.  | alerting the logistics department when to ship products. |

|  |  |
| --- | --- |
| C.  | advising the customer about new products and markets. |

|  |  |
| --- | --- |
| D.  | identifying opportunities to expand. |

|  |  |
| --- | --- |
| E.  | synthesizing and interpreting sales, accounting, and customer-profile data. |

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| 93. | After the previous sales representative in his territory infuriated an important customer, Benjamin visited the customer once a month, never asking for business but hoping to rebuild trust through listening and expressing concern. Finally, after more than two years, the customer gave Benjamin an order. Benjamin was providing the important marketing function of

|  |  |
| --- | --- |
| A.  | advising production on how much product to make. |

|  |  |
| --- | --- |
| B.  | alerting the logistics department when to ship products. |

|  |  |
| --- | --- |
| C.  | engaging customers and developing long-term relationships. |

|  |  |
| --- | --- |
| D.  | identifying opportunities to expand. |

|  |  |
| --- | --- |
| E.  | synthesizing and interpreting sales, accounting, and customer-profile data. |

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| 94. | Marketing provides the critical function of \_\_\_\_\_\_\_\_\_\_ when companies expand globally.

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| --- | --- |
| A.  | managing production efficiency |

|  |  |
| --- | --- |
| B.  | understanding customers |

|  |  |
| --- | --- |
| C.  | managing personnel |

|  |  |
| --- | --- |
| D.  | forecasting economic growth |

|  |  |
| --- | --- |
| E.  | evaluating government stability |

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| 95. | Leah is the marketing manager for an electronics company. While on vacation in Ecuador, she visited electronics stores in the major malls in Quito, the capital city. Most of her company's products were available, except for smart phones. When she returned to work, she mentioned this observation to her international sales manager. Leah was providing the important marketing function of

|  |  |
| --- | --- |
| A.  | advising production on how much product to make. |

|  |  |
| --- | --- |
| B.  | alerting the logistics department when to ship products. |

|  |  |
| --- | --- |
| C.  | engaging customers, developing long-term relationships. |

|  |  |
| --- | --- |
| D.  | identifying opportunities to expand. |

|  |  |
| --- | --- |
| E.  | synthesizing and interpreting sales, accounting, and customer-profile data. |

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| 96. | Greenbelt Construction has been a successful small home-building firm for years. The owner pays subcontractors slightly more than the usual rate for different tasks, reducing the company's gross margin. Greenbelt rarely changes subcontractors, has relatively few complaints from home buyers, and is able to get quick responses from subcontractors when buyers do have problems. Greenbelt is engaged in

|  |  |
| --- | --- |
| A.  | a traditional transactional orientation. |

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| --- | --- |
| B.  | C2C value-driven marketing. |

|  |  |
| --- | --- |
| C.  | effective supply chain management. |

|  |  |
| --- | --- |
| D.  | value cocreation. |

|  |  |
| --- | --- |
| E.  | a virtual monopoly. |

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| 97. | Marketing enriches society by

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| --- | --- |
| A.  | focusing solely on maximizing profits. |

|  |  |
| --- | --- |
| B.  | sponsoring charitable events. |

|  |  |
| --- | --- |
| C.  | recognizing that the firm can do very little by itself, so it should stay focused on its own core competencies. |

|  |  |
| --- | --- |
| D.  | facilitating the smooth flow of goods through the supply chain. |

|  |  |
| --- | --- |
| E.  | coordinating marketing functions with other functional areas in the company. |

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| 98. | A friend of yours comments, "I'm starting my own business. I have a perfect product that no one else can touch, but I have no use for marketing. That's just for the mega-corporations." Which of the following arguments would you NOT use in talking about marketing?

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| --- | --- |
| A.  | Marketing helps new ventures organize, operate, and assess risk. |

|  |  |
| --- | --- |
| B.  | Marketers help address unmet customer needs, regardless of the size of the firm. |

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| --- | --- |
| C.  | Marketing focuses on the product, but only as one element. Three other areas are Promotion, Price, and Place. |

|  |  |
| --- | --- |
| D.  | Marketers are skilled at communicating the value of the product to potential customers. |

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| --- | --- |
| E.  | Marketing isn't essential now, but it will be in a year or two when the product takes off. |

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| 99. | Many entrepreneurs are successful through marketing efforts designed to

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| --- | --- |
| A.  | mimic existing products on the market. |

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| --- | --- |
| B.  | satisfy unfilled needs. |

|  |  |
| --- | --- |
| C.  | raise social consciousness. |

|  |  |
| --- | --- |
| D.  | gain monopoly power. |

|  |  |
| --- | --- |
| E.  | push a new technology even if people aren't ready for it. |

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| 100. | People who initiate, organize, operate, and assume the risk of a business venture are called

|  |  |
| --- | --- |
| A.  | entrepreneurs. |

|  |  |
| --- | --- |
| B.  | leaders. |

|  |  |
| --- | --- |
| C.  | managers. |

|  |  |
| --- | --- |
| D.  | professionals. |

|  |  |
| --- | --- |
| E.  | consultants. |

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| 101. | If a radio station holds an online contest in which you must log in to its website and submit personal details such as name, phone number, and email to participate, the radio station is

|  |  |
| --- | --- |
| A.  | offering an exchange. |

|  |  |
| --- | --- |
| B.  | behaving unethically. |

|  |  |
| --- | --- |
| C.  | hoping to receive feedback. |

|  |  |
| --- | --- |
| D.  | implementing a CRM program. |

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| --- | --- |
| E.  | overstepping its role. |

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| 102. | A(n)\_\_\_\_\_\_\_\_\_\_ is the trade of things of value between the buyer and the seller so that each is better off as a result.

|  |  |
| --- | --- |
| A.  | exchange |

|  |  |
| --- | --- |
| B.  | market segment |

|  |  |
| --- | --- |
| C.  | promotional plan |

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| --- | --- |
| D.  | transactional orientation |

|  |  |
| --- | --- |
| E.  | relational orientation |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 103. | Traditionally, marketing activities have been divided into product, price, place, and promotion. Select the term that best describes the four Ps.

|  |  |
| --- | --- |
| A.  | marketing mix |

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| --- | --- |
| B.  | marketing channel |

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| --- | --- |
| C.  | marketing plan |

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| --- | --- |
| D.  | marketing era |

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| --- | --- |
| E.  | marketing implementation |

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| 104. | Internet sites, physical stores, and kiosks are most closely associated with which element of the marketing mix?

|  |  |
| --- | --- |
| A.  | place |

|  |  |
| --- | --- |
| B.  | price |

|  |  |
| --- | --- |
| C.  | product |

|  |  |
| --- | --- |
| D.  | promotion |

|  |  |
| --- | --- |
| E.  | proximity |

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| 105. | The primary purpose of the \_\_\_\_\_\_\_\_\_\_ plan is to specify the marketing activities for a specific time.

|  |  |
| --- | --- |
| A.  | marketing |

|  |  |
| --- | --- |
| B.  | business |

|  |  |
| --- | --- |
| C.  | strategic |

|  |  |
| --- | --- |
| D.  | organizational |

|  |  |
| --- | --- |
| E.  | resource |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 106. | The process of value \_\_\_\_\_\_\_\_\_\_, in which customers collaborate in product design, often provides additional value to the firm's customers.

|  |  |
| --- | --- |
| A.  | co-creation |

|  |  |
| --- | --- |
| B.  | positioning |

|  |  |
| --- | --- |
| C.  | delivery |

|  |  |
| --- | --- |
| D.  | chain management |

|  |  |
| --- | --- |
| E.  | based marketing |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 107. | When an accounting firm provides an online training module showcasing real-life decision lapses and their negative effect on the company, it is trying to encourage what type of behavior from its employees?

|  |  |
| --- | --- |
| A.  | ethical |

|  |  |
| --- | --- |
| B.  | strategic |

|  |  |
| --- | --- |
| C.  | formal |

|  |  |
| --- | --- |
| D.  | casual |

|  |  |
| --- | --- |
| E.  | secretive |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 108. | The activity, set of institutions, and process for creating, capturing, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large is called

|  |  |
| --- | --- |
| A.  | marketing. |

|  |  |
| --- | --- |
| B.  | marketing research. |

|  |  |
| --- | --- |
| C.  | market share analysis. |

|  |  |
| --- | --- |
| D.  | market segmentation. |

|  |  |
| --- | --- |
| E.  | market positioning. |

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| 109. | Jeff is going to sell sporting apparel, which he has already purchased from manufacturers, and has signed a deal agreeing to the volume he will sell monthly. He has researched his competition, talked to some customers, and decided on prices he will charge. Jeff has also developed a plan for promoting his business. Based on this description, which element of the marketing mix does Jeff still need to work on?

|  |  |
| --- | --- |
| A.  | place |

|  |  |
| --- | --- |
| B.  | product |

|  |  |
| --- | --- |
| C.  | price |

|  |  |
| --- | --- |
| D.  | promotion |

|  |  |
| --- | --- |
| E.  | planning |

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| 110. | Jeff opened a sporting apparel store and signed a lease on the property. He also signed an agreement with the manufacturer on the amount of merchandise he will sell and the promotions he will conduct. Based on this description, which aspect of the marketing mix does he still need to work on?

|  |  |
| --- | --- |
| A.  | price |

|  |  |
| --- | --- |
| B.  | place |

|  |  |
| --- | --- |
| C.  | promotion |

|  |  |
| --- | --- |
| D.  | product |

|  |  |
| --- | --- |
| E.  | prototype |

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| 111. | At one point in the evolution of marketing, the United States entered a buyer's market and the customer became king. Which era is being described?

|  |  |
| --- | --- |
| A.  | market-oriented |

|  |  |
| --- | --- |
| B.  | sales-oriented |

|  |  |
| --- | --- |
| C.  | production-oriented |

|  |  |
| --- | --- |
| D.  | value-based marketing |

|  |  |
| --- | --- |
| E.  | economics-oriented |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 112. | Supply chain management is also referred to as

|  |  |
| --- | --- |
| A.  | delivery management. |

|  |  |
| --- | --- |
| B.  | marketing channel management. |

|  |  |
| --- | --- |
| C.  | production management. |

|  |  |
| --- | --- |
| D.  | retail management. |

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| --- | --- |
| E.  | value proposition management. |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 113. | Marketing channel management is related to which of the four Ps?

|  |  |
| --- | --- |
| A.  | product |

|  |  |
| --- | --- |
| B.  | price |

|  |  |
| --- | --- |
| C.  | place |

|  |  |
| --- | --- |
| D.  | promotion |

|  |  |
| --- | --- |
| E.  | production |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 114. | Marney bought a dress from a retail store. Which core aspect of marketing was Marney most directly participating in?

|  |  |
| --- | --- |
| A.  | Marketing helps create value. |

|  |  |
| --- | --- |
| B.  | Marketing is about satisfying customer wants and needs. |

|  |  |
| --- | --- |
| C.  | Marketing involves an exchange. |

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| --- | --- |
| D.  | Marketing can be performed by both individuals and organizations. |

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| --- | --- |
| E.  | Marketing occurs in many settings. |

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| 115. | In the broadest terms, the marketplace refers to

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| --- | --- |
| A.  | wholesale and retail environments. |

|  |  |
| --- | --- |
| B.  | brick-and-mortar stores and the Internet. |

|  |  |
| --- | --- |
| C.  | the four Ps. |

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| --- | --- |
| D.  | channels that are accessible to a given customer. |

|  |  |
| --- | --- |
| E.  | the world of trade. |

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| 116. | Which element of the marketing mix is most relevant to the activity "capturing value"?

|  |  |
| --- | --- |
| A.  | promotion |

|  |  |
| --- | --- |
| B.  | purchasing |

|  |  |
| --- | --- |
| C.  | product |

|  |  |
| --- | --- |
| D.  | price |

|  |  |
| --- | --- |
| E.  | place |

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| 117. | Which element of the marketing mix is most relevant to the activity "delivering value"?

|  |  |
| --- | --- |
| A.  | promotion |

|  |  |
| --- | --- |
| B.  | purchasing |

|  |  |
| --- | --- |
| C.  | product |

|  |  |
| --- | --- |
| D.  | price |

|  |  |
| --- | --- |
| E.  | place |

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| 118. | Which element of the marketing mix is most relevant to the activity "creating value"?

|  |  |
| --- | --- |
| A.  | promotion |

|  |  |
| --- | --- |
| B.  | purchasing |

|  |  |
| --- | --- |
| C.  | product |

|  |  |
| --- | --- |
| D.  | price |

|  |  |
| --- | --- |
| E.  | place |

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| 119. | Which marketing activity is most directly served by the promotion element of the marketing mix?

|  |  |
| --- | --- |
| A.  | communicating value |

|  |  |
| --- | --- |
| B.  | creating value |

|  |  |
| --- | --- |
| C.  | capturing value |

|  |  |
| --- | --- |
| D.  | delivering value |

|  |  |
| --- | --- |
| E.  | producing value |

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| 120. | Janine was tired of her winter coat, so she sold it to her friend, Marissa. This is an example of \_\_\_\_\_\_\_\_ marketing.

|  |  |
| --- | --- |
| A.  | B2B |

|  |  |
| --- | --- |
| B.  | B2C |

|  |  |
| --- | --- |
| C.  | C2B |

|  |  |
| --- | --- |
| D.  | C2C |

|  |  |
| --- | --- |
| E.  | BBC |

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**Essay Questions**

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| 121. | Deonna has been asked to write a marketing plan for a new restaurant. What questions will Deonna likely address in her marketing plan? Be specific and offer questions related to a restaurant.      |

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| 122. | Jean-Pierre is a wine distributor in the United States representing primarily European vintners (wine producers). He knows his potential market is every wine drinker in the United States, but he has limited resources to market his products. Using the ideas presented in the text, what should Jean-Pierre do as a first step when developing his marketing plan?      |

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| 123. | The text states, "Good marketing is not a random activity." Create an example to respond to this statement.      |

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| 124. | Your friend is writing a how-to book and asks you for marketing advice. You start by exploring the four Ps. What questions will you ask? Be specific.      |

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| --- | --- |
| 125. | The manager of a restaurant supply company determined prices by adding a standard markup to her costs. What might the manager be missing when it comes to effective pricing decisions?      |

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| --- | --- |
| 126. | As the customer service manager for a heating and air conditioning firm, you are constantly bombarded with complaints about service people not showing up, not having the parts needed to make repairs, and being unable to quickly get the materials needed to fix things. You decide to bring in a marketing consultant to assist you with these problems. What area of marketing specialization would you look for in a marketing consultant and what recommendations would you expect to receive? Be specific; this is a heating and air conditioning firm.      |

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| --- | --- |
| 127. | As your first assignment in an advertising agency, your manager asks you to come up with messages for three billboards promoting the university you attended. The manager wants one ad for each of the three types of promotion objectives. Create an example of a one-sentence billboard advertising message for each objective: inform, persuade, and remind.      |

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| --- | --- |
| 128. | Which type of orientation would you expect among ethically challenged marketers: a relational or transactional orientation? Explain.      |

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| 129. | Over the four marketing eras, how did the emphasis on the four Ps change? List the four eras and describe which of the four Ps were emphasized during each era.      |

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| 130. | How does value co-creation provide additional value to customers?      |

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| 131. | Suppose that your university creates a position of vice president for marketing and promotes your professor to the position. What activities will the new vice president of marketing probably be involved in? Be specific.      |

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| 132. | How can marketing be effectively used by entrepreneurs?      |

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| --- | --- |
| 133. | Suppose your college roommate sees you reading your marketing textbook and says, "Marketing is just advertising and selling." How do you respond?      |

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| 134. | Imagine you graduate with a marketing degree and are hired by the marketing department of a large consumer products company. You are initially given a two-week training program, an overview of what the marketing department does. What will your training program cover?      |

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| --- | --- |
| 135. | How could you use marketing ideas to market yourself to potential employers after you graduate?      |

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| 136. | What are the four Ps of marketing? Give an example of each.      |

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| 137. | What is the fundamental purpose of marketing?      |

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| 138. | "Everything has a price, though it doesn't always have to be monetary." What else is included in a price?      |

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| --- | --- |
| 139. | How should marketers determine prices?      |

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| --- | --- |
| 140. | If you were hired as a supply chain manager, who would you interact with?      |

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| --- | --- |
| 141. | When the U.S. Army advertises, "Be All You Can Be, Join the Army," which of the three primary promotional objectives is it pursuing?      |

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| --- | --- |
| 142. | During the period 1920-1950, what changes in the United States contributed to the shift from a production orientation to a sales orientation?      |

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| 143. | When assessing customer value, what must a marketer always remember?      |

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| 144. | Suppose you worked at a restaurant near campus, one that was popular with students, and the manager asked you to explain how the restaurant might benefit from using location-based social media tools. How would you answer?      |

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| 145. | Rodney bought a suit at Men's Wearhouse. Men's Warehouse bought the suit from a distributor, who bought it from a designer. The designer bought the materials to make the suit from a factory in China, and the suits were made at that same factory. The employees in the factory bought their suits directly from the factory and sold them to their friends. Explain which of these transactions were B2B, B2C, and/or C2C.      |

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| 146. | Describe a hypothetical supply chain from manufacturer to customer.      |

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| 147. | Three-quarters of U.S. companies now use social media tools for marketing purposes. Demonstrate your knowledge of social media by describing a small company and the ways you would use social media to produce, promote, place, and price your goods or services.      |

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| 148. | Explain the process of customer relationship management (CRM) in terms of how it affects marketing activities.      |

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| 149. | How does sharing information help a firm be more value-driven?      |

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| 150. | Name the various stakeholders who are affected by marketing and give one example of how each one might be affected in a fictitious situation.      |

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| 151. | How does the exchange of ideas provide value, and what is the role of marketing in this process? Explain this using the example in the text of groups marketing bicycle helmets, or choose your own scenario.      |

Chapter 01 Overview of Marketing Answer Key

**True / False Questions**

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| 1. | Marketing is an activity that only large firms with specialized departments can execute.  **FALSE**Marketing activities can be performed by organizations of all sizes and by individuals. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Define the role of marketing in organizations.Topic: What Is Marketing?* |

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| 2. | Good marketing is *not* a random activity.  **TRUE**Good marketing requires thoughtful planning. |

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| 3. | Understanding a customer's needs and wants is fundamental to marketing success.  **TRUE**The needs and wants of the customer must be an integral part of marketing planning. |

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| 4. | Marketers might wish to sell their products to everyone, but it is not practical to do so.  **TRUE**A good marketer will seek out potential customers who have an interest in the product and the ability to buy it. |

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| 5. | The four Ps include product, promotion, planning, and place.  **FALSE**The four Ps are product, price, promotion, and place. |

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| 6. | The group of firms that makes and delivers a given set of goods and/or services is called a supply chain.  **TRUE**Supply chain (or marketing channel) partners include all firms involved in manufacturing and delivering goods and services, from raw material suppliers to retailers and shipping companies. |

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| 7. | Value is what you get for what you give.  **TRUE**Value is the relationship between the benefits received and the costs. |

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| 8. | In value co-creation, the customer participates in the creation of a good or service, which provides additional value to the customer.  **TRUE**In value co-creation, the firm and the customer work together to create the product or service. This process adds value because the product or service can be tailored to the customer's needs. |

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| 9. | Over the past decade or so, marketers have begun to realize that it is best to structure a firm's customer orientation in terms of transactions rather than relationships.  **FALSE**A transactional orientation focuses only on the current exchange, whereas a relational orientation attempts to build a long-term relationship with the customer, resulting in a stream of transactions and (usually) higher profits. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-02 Describe how marketers create value for a product or service.Topic: What Is Marketing?* |

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| 10. | When a good or service is promoted, the purpose of the promotion is to inform, persuade, or remind customers.  **TRUE**Promotions are generally designed to inform, persuade, or remind potential buyers about a product or service. |

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| 11. | When a manufacturer sells truck and car parts to Toyota, this is an example of B2C marketing.  **FALSE**This is an example of B2B (business to business) marketing. B2C marketing would involve selling cars or trucks to individual consumers. |

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| 12. | The power adapters Dell sells with its computers are built by small companies that specialize in power-related accessories. Dell and the power adapter manufacturers are engaging in B2B marketing.  **TRUE**Dell, a business, is purchasing supplies from another business, so this is an example of business-to-business (B2B) marketing. |

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| 13. | Garage sales and online classified ads are examples of C2C marketing.  **TRUE**These are C2C marketing scenarios, where consumers market to each other. |

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| 14. | Entrepreneurial companies are unable to control their marketing mixes.  **FALSE**Even start-up companies have control over their marketing mixes (the four Ps). By definition, these are the controllable set of activities that the firm undertakes to respond to the wants of its target markets. |

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| 15. | Foursquare is an example of a location-based social media application.  **TRUE**Foursquare, Scvngr, Google Maps, and Loopt are all examples of social media applications that allow users to check in to different locations. |

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| *AACSB: TechnologyAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-02 Describe how marketers create value for a product or service.Topic: What Is Marketing?* |

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| 16. | The trade of things of value between the buyer and the seller so that each is better off as a result is known as an exchange.  **TRUE**This is correct. Buyers complete the exchange by giving money and information to the seller. |

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| 17. | Marketing's fundamental purpose is to create value by developing a variety of offerings that will earn income for the company.  **FALSE**This is not correct. Marketing's fundamental purpose is to create value by developing a variety of offerings, including goods, services, and ideas, to satisfy customer needs. |

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| 18. | Margo likes her morning coffee, and she always stops at Starbucks because it is on her way to work. Margo is being influenced by the *place* element of the marketing mix.  **TRUE**Place represents all the activities necessary to get the product to the right customer when that customer wants it. For instance, marketing channel considerations have pushed a growing number of businesses to adopt multiple convenient locations. |

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| 19. | The text highlights one entrepreneur who was a billionaire by the age of 50. This person is Warren Buffet.  **FALSE**The text was describing Oprah Winfrey. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-03 Understand why marketing is important; both within and outside the firm.Topic: Why is Marketing Important?* |

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| 20. | Firms have come to realize that good corporate citizenship through socially responsible actions should be a priority because it will help their bottom line in the long run.  **TRUE**Socially responsible firms recognize that including a strong social orientation in business is a sound strategy that is in both its own and its customers' best interest. It shows the consumer marketplace that the firm will be around for the long run and can be trusted with their business. |

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| 21. | Effectively managing supply chains has a minimal effect on profitability.  **FALSE**Effectively managing supply chain relationships often has a marked impact on a firm's ability to satisfy the consumer, which results in increased profitability for all parties. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-03 Understand why marketing is important; both within and outside the firm.Topic: Why is Marketing Important?* |

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| 22. | A group of firms that makes and delivers a given set of goods and services is known as a distribution channel.  **FALSE**A group of firms that makes and delivers a given set of goods and services is known as a supply chain or a marketing channel. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-03 Understand why marketing is important; both within and outside the firm.Topic: Why is Marketing Important?* |

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| 23. | Buffalo Wild Wings suggests that its diners check in to its locations using their phones. This demonstrates the use of social media to market a product.  **TRUE**Social media enables Buffalo Wild Wings to reach young, tech savvy customers, its target market. |

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| *AACSB: TechnologyAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-02 Describe how marketers create value for a product or service.Topic: What Is Marketing?* |

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| 24. | Approximately half of U.S. companies now use social media tools for marketing purposes.  **FALSE**Approximately three-quarters of U.S. companies now use social media tools for marketing purposes. |

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| *AACSB: TechnologyAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-02 Describe how marketers create value for a product or service.Topic: What Is Marketing?* |

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| 25. | Firms become value-driven, in part by focusing on the competition.  **TRUE**Firms become value-driven by focusing on their customers and competitors. |

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| *AACSB: TechnologyAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-02 Describe how marketers create value for a product or service.Topic: What Is Marketing?* |

**Multiple Choice Questions**

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| 26. | When a T-shirt manufacturer states, "We only sell it in black because that way we can buy plenty of black fabric and run our plant efficiently," its statement reflects the views that were popular in which era of the evolution of marketing?

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| **A.**  | production-oriented |

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| B.  | sales-oriented |

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| C.  | market-oriented |

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| D.  | value-based marketing |

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| E.  | economics-oriented |

This question refers to the production-oriented era, when companies would just manufacture items without taking individuals' needs or wants into consideration. |

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| 27. | Marketing involves all of the following EXCEPT

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| A.  | conducting exchanges. |

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| B.  | satisfying customer needs and wants. |

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| C.  | creating value. |

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| D.  | efforts by individuals and organizations. |

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| **E.**  | production scheduling. |

Production scheduling is the responsibility of manufacturing; all other activities are part of marketing. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Define the role of marketing in organizations.Topic: What Is Marketing?* |

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| 28. | Jami sells construction equipment. Whenever she calls on her building contractor customers, she asks whether they are having any problems. In doing so, Jami is addressing which of the following core aspects of marketing?

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| **A.**  | Satisfying customer needs and wants |

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| B.  | The exchange function of marketing |

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| C.  | Product, place, promotion, and price decisions |

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| D.  | Decisions about the setting in which marketing takes place |

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| E.  | Creating value |

By asking about problems, Jami is asking what unmet needs the contractor might have. She hopes that her company may have products that will help to meet these needs. |

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| 29. | Julia is considering a career in marketing. She is concerned about the image of marketers as fast-talking, high-pressure people who only care about making a sale. When reading about the core aspects of marketing, Julia is relieved to see that in marketing

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| **A.**  | all parties to an exchange should be satisfied. |

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| B.  | promotion is the most important consideration, followed by pricing decisions. |

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| C.  | decisions are made regarding how a product is designed. |

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| D.  | customers are not considered until the product is ready for sale. |

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| E.  | distribution is controlled by customers. |

If all parties to the exchange are satisfied, that indicates that marketers are considering customers' needs as well as the company's welfare. None of the other alternatives ensure that customers' needs are being satisfied. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-01 Define the role of marketing in organizations.Topic: What Is Marketing?* |

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| 30. | Xavier is analyzing potential market segments. He should carefully seek potential customers who have both an interest in his products and

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| A.  | a thorough knowledge of his brand messages. |

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| **B.**  | the ability to buy them. |

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| C.  | knowledge of competing products. |

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| D.  | the ability to negotiate discounts. |

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| E.  | are removed from traditional marketing alternatives. |

If Xavier selects customers with an interest in the kinds of products he offers and the ability to purchase, he can communicate the value his offerings provide and offer competitive comparisons as part of his marketing mix. |

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| 31. | When referring to exchange, marketers are focusing on

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| A.  | the location where products and services are traded. |

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| B.  | the price charged, adjusted for currency exchange rates. |

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| C.  | location-based tactics for creating value. |

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| D.  | promotional offers designed to stimulate barter. |

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| **E.**  | the trading of things of value. |

Exchange refers to each of the parties involved giving something and getting something in return. |

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| 32. | Whenever Valerie has a new massage therapy customer, she invites the person to be on her e-mail distribution list. In the process, in addition to exchanging her massage therapy service for payment, Valerie is gathering

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| **A.**  | information. |

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| B.  | promotional capital. |

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| --- | --- |
| C.  | pricing data. |

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| D.  | value cocreation. |

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| E.  | feedback. |

In this case, Valerie's customer receives a massage, and she receives both payment and information (in the form of the customer's email address) as part of the exchange process. |

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| *AACSB: CommunicationAccessibility: Keyboard NavigationBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-01 Define the role of marketing in organizations.Topic: What Is Marketing?* |

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| 33. | Which of the following is a core aspect of marketing?

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| A.  | satisfying as many needs as possible |

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| B.  | creating a product that everyone will want to buy |

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| C.  | setting prices lower than all competitors |

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| **D.**  | making product, place, promotion, and price decisions |

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| E.  | increasing the company's profit |

Most of these answers are too broad. Marketers don't generally try to sell to everyone, and they don't necessarily strive to have the lowest price. Instead, they select customers they can successfully serve and design a marketing mix (product, place, promotion, and price) to meet those needs. |

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| 34. | Marketing has traditionally been divided into a set of four interrelated decisions known as the marketing mix, or four Ps, including all of the following EXCEPT

|  |  |
| --- | --- |
| A.  | product |

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| --- | --- |
| B.  | place |

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| --- | --- |
| **C.**  | performance |

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| --- | --- |
| D.  | promotion |

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| --- | --- |
| E.  | price |

The four Ps are product, place, promotion, and price. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Define the role of marketing in organizations.Topic: What Is Marketing?* |

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| 35. | The four Ps make up the marketing mix, which is the \_\_\_\_\_\_\_\_\_\_ set of activities that the firm uses to respond to the wants and needs of its target markets.

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| A.  | unpredictable |

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| --- | --- |
| B.  | external |

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| --- | --- |
| C.  | internal |

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| --- | --- |
| **D.**  | controllable |

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| E.  | global |

The four Ps represent controllable activities—in other words, the things the firm controls and manages. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: What Is Marketing?* |

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| 36. | The fundamental goal of marketers when creating goods, services, or combinations of both, is to

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| A.  | defeat the competition. |

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| B.  | serve all consumers. |

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| C.  | operate according to government regulations. |

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| D.  | stimulate short-term sales. |

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| **E.**  | create value. |

While some of the other answers are things that marketers and their firms have to consider, the fundamental purpose of marketing activities is to create value for consumers. |

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| 37. | Brian is struggling with the choice of publishing his new book, *How to Cook Polish Barbeque,* as an e-book or a paperback. Brian is addressing which core marketing aspect?

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| --- | --- |
| A.  | developing a promotional plan |

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| --- | --- |
| B.  | managing the exchange function of marketing |

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| --- | --- |
| **C.**  | making product decisions |

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| --- | --- |
| D.  | deciding where and how to sell the product |

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| --- | --- |
| E.  | pricing the product |

Since Brian is making decisions about the form his book will take, he is making product decisions. If he were deciding whether to sell it online, in bookstores, or both, it would be a "where and how" (place) decision. |

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| 38. | The basic difference between a good and a service is that a good

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| A.  | provides intangible benefits. |

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| **B.**  | can be physically touched. |

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| C.  | is always less expensive than a corresponding service. |

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| D.  | generates greater interest among consumers. |

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| E.  | is more quickly forgotten by consumers. |

Goods are tangible things that can be touched; services are intangible. The remaining answers could be true in some cases, but untrue in others. |

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| 39. | Four Winds Art Gallery recently began offering appraisals of customers' art collections, in addition to continuing to sell paintings. Four Winds is

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| A.  | expanding from offering just services to also offering goods. |

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| B.  | implementing a market segmentation strategy. |

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| C.  | capturing value through multiple pricing strategies. |

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| **D.**  | expanding from offering just goods to also offering services. |

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| E.  | increasing customer value through inflated appraisal evaluations. |

The paintings are goods; appraisals are services. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: What Is Marketing?* |

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| 40. | Marketers must determine the price of a product carefully, based on potential buyers' beliefs about

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| **A.**  | its value. |

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| B.  | the environment. |

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| C.  | the cost to manufacture the product. |

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| D.  | the economic outlook. |

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| E.  | the product's new advertising campaign. |

Pricing based on buyers' perceptions of value ensures that buyers believe the product is worth its price. Some of the other answers include things that buyers might consider in arriving at a value perception, but they are incomplete answers. |

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| 41. | Some discount stores put products in large bins and let consumers hunt and find bargains. The price these consumers pay includes

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| A.  | only the actual price they pay at the register. |

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| **B.**  | the value of their time and energy. |

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| C.  | the excitement they experience in finding an item they desire. |

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| D.  | the savings to the store of not having to display the products neatly on shelves. |

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| E.  | the time the product was full price and didn't sell. |

Price includes everything the customer gives up to get the product. |

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| 42. | Henriette offers financial counseling and management on a fee-only basis. She has found that different customers are willing to pay different rates for her services. This shows that her pricing decisions should depend primarily on

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| A.  | choosing an average price that she will charge all her clients. |

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| B.  | changes in technology allowing consumers to manage their own affairs. |

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| **C.**  | how different customers perceive the value of her services. |

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| D.  | changes in the economy. |

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| E.  | how much her competitors charge for similar services. |

Although the other factors might need to be considered in pricing, the primary consideration should be perceived value—and the reason different customers are willing to pay different rates is because they perceive the value differently. |

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| 43. | Marketing channel management is also known as

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| A.  | endless chain marketing. |

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| B.  | a transactional orientation. |

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| --- | --- |
| C.  | wholesaling. |

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| --- | --- |
| D.  | product design. |

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| **E.**  | supply chain management. |

*Marketing channel management,* also known as *supply chain management,* is the set of approaches and techniques that firms employ to efficiently and effectively integrate their suppliers, manufacturers, warehouses, stores, and other firms involved in the transaction into a seamless value chain in which merchandise is produced and distributed in the right quantities, to the right locations, and at the right time, while minimizing system-wide costs and satisfying the service levels required by the customers. |

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| 44. | Marketing efforts designed to get the product or service to the right customer, when that customer wants it, are called

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| **A.**  | supply chain management. |

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| B.  | a transactional orientation. |

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| C.  | wholesaling. |

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| D.  | value cocreation. |

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| E.  | endless chain marketing. |

The question describes the *place* component of the marketing mix, which involves managing the supply chain. |

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| 45. | Yesenia, the new university course scheduling manager, is struggling with adjustments to the fall schedule. She is trying to determine how to offer the classes students need at the times when students need them. Yesenia is struggling with the marketing function of

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| A.  | communicating the value proposition. |

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| **B.**  | supply chain management. |

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| C.  | creating value. |

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| --- | --- |
| D.  | capturing value. |

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| E.  | value co-creation. |

Getting a product (in this case, a class) to customers when and where they want it describes the *place* component of the marketing mix, which involves managing the supply chain. |

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| 46. | The marketing goal of getting the right quantities to the right locations at the right time relates to

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| A.  | communicating the value proposition. |

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| **B.**  | supply chain management. |

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| C.  | service marketing. |

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| D.  | capturing value. |

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| E.  | price and performance management. |

The question describes the *place* component of the marketing mix, which involves managing the supply chain. |

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| 47. | Marketers involved in value-oriented marketing are constantly balancing

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| A.  | promotional effectiveness with ethical advertising standards. |

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| B.  | the problem of price maximization with cost efficiency. |

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| **C.**  | customer benefits with costs of their offerings. |

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| D.  | the desire to achieve with the need for a stable source of supply. |

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| E.  | the goal of efficiency with the price charged by competitors. |

Value-oriented marketers constantly measure the benefits that customers perceive against the cost of their offerings. They use available customer data to find opportunities to better satisfy their customers' needs, keep costs down, and develop long-term loyalties. |

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| 48. | The importance of supply chain management is often overlooked in the study of marketing because

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| A.  | marketing has no responsibility for supply chain management. |

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| B.  | supply chain management doesn't add much value for customers. |

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| C.  | companies do not want customers to know anything about the supply chain. |

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| **D.**  | many of the activities take place behind the scenes. |

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| E.  | supply chain management is already transparent. |

Supply chain management is extremely important—without it, customers would not be able to obtain products—but most of the activities take place in the background. |

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| 49. | When considering career choices in marketing, many students overlook supply chain management because

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| A.  | it is considered too quantitative. |

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| B.  | marketing has no responsibility for supply chain management. |

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| C.  | companies generally outsource these activities, so there are rarely supply chain jobs available. |

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| D.  | it only takes place in large, urban areas. |

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| **E.**  | many of the activities take place behind the scenes. |

Supply chain management is extremely important—without it, customers would not be able to obtain products—but most of the activities take place in the background. |

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| 50. | UPS, FedEx, DHL, and other shipping companies support other firms' \_\_\_\_\_\_\_\_\_\_ marketing goals.

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| **A.**  | supply chain management |

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| B.  | value communication |

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| C.  | value capture |

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| D.  | retail management |

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| E.  | promotion |

Supply chain management includes the shipment/delivery of products, so these companies can be an important part of the supply chain. |

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| 51. | \_\_\_\_\_\_\_\_\_\_ is communication by a marketer that informs, persuades, or reminds potential customers about a product.

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| A.  | Pricing |

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| **B.**  | Promotion |

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| C.  | Placement |

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| D.  | A relational orientation |

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| E.  | Value co-creation |

This is the definition of promotion. |

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| 52. | Effective promotion enhances a product or service's

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| A.  | supply chain management system. |

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| B.  | wholesaling capabilities. |

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| **C.**  | perceived value. |

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| D.  | design features. |

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| E.  | trialability. |

Effective promotion communicates value by attempting to ensure that customers understand the value being offered. |

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| 53. | By promoting perfume based on youth, style, and sex appeal, Calvin Klein is attempting to

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| A.  | influence social norms regarding sexuality. |

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| B.  | encourage consumers to participate in product redesign. |

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| C.  | stimulate supply chain management cooperation. |

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| **D.**  | increase the perceived value of its products. |

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| E.  | demonstrate social responsibility. |

Promotion communicates value to consumers so that they will more easily see the value offered by the product. |

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| 54. | Retailers accumulate merchandise from producers in large amounts and sell to consumers in smaller amounts. Retailers function as

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| **A.**  | market intermediaries. |

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| B.  | monopolists. |

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| C.  | regulators of consumer demand. |

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| D.  | wholesale specialists. |

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| E.  | intermediate promoters. |

Retailers make up one category of market intermediary, which refers to firms that assist in getting products from the manufacturer to the consumer. |

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| 55. | Auction sites like eBay have increased opportunities for \_\_\_\_\_\_\_\_\_\_ marketing.

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| A.  | B2B |

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| **B.**  | C2C |

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| --- | --- |
| C.  | D2C |

|  |  |
| --- | --- |
| D.  | C2D |

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| E.  | B2G |

Consumers can buy and sell from each other on sites like eBay, increasing the amount of consumer-to-consumer (C2C) marketing that takes place. |

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| 56. | As use of the Internet took off, car manufacturers were tempted to sell directly to consumers, but decided instead to continue to sell through their existing dealer networks. The car manufacturers considered switching from \_\_\_\_\_\_\_\_\_\_ to \_\_\_\_\_\_\_\_\_\_ marketing.

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| --- | --- |
| A.  | B2C; B2B |

|  |  |
| --- | --- |
| B.  | B2C; C2C |

|  |  |
| --- | --- |
| **C.**  | B2B; B2C |

|  |  |
| --- | --- |
| D.  | B2B; C2C |

|  |  |
| --- | --- |
| E.  | C2C; B2C |

The car manufacturers considered switching from B2B marketing (where they sell cars to dealers, who then sell them to consumers) to B2C marketing (where the car manufacturers would sell directly to consumers). |

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| 57. | Many universities provide physical or electronic bulletin boards to facilitate ride-sharing and exchange of used books among students. These bulletin boards increase \_\_\_\_\_\_\_\_\_\_ marketing.

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| --- | --- |
| A.  | B2C |

|  |  |
| --- | --- |
| B.  | C2B |

|  |  |
| --- | --- |
| C.  | B2B |

|  |  |
| --- | --- |
| **D.**  | C2C |

|  |  |
| --- | --- |
| E.  | underground |

These bulletin boards are designed to encourage consumer-to-consumer (C2C) marketing since they make it easier for consumers (students, in this case) to connect with each other. |

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| 58. | The Got Milk advertising campaign, designed to increase consumption of milk, was intended to help market a(n)

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| --- | --- |
| A.  | individual. |

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| --- | --- |
| B.  | firm. |

|  |  |
| --- | --- |
| **C.**  | industry. |

|  |  |
| --- | --- |
| D.  | organization. |

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| --- | --- |
| E.  | specific product. |

The Got Milk campaign advertised the dairy industry as a whole, not any particular brand of milk. |

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| 59. | The evolution of marketing progressed along the following continuum:

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| A.  | sales, marketing, value-based marketing, production. |

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| --- | --- |
| B.  | marketing, value-based marketing, production, sales. |

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| --- | --- |
| C.  | value-based marketing, production, sales, marketing. |

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| --- | --- |
| **D.**  | production, sales, marketing, value-based marketing. |

|  |  |
| --- | --- |
| E.  | sales, value-based marketing, marketing, production. |

The production-oriented era was followed by the sales-oriented era, then the marketing-oriented era, and finally the value-based marketing era. |

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| 60. | The idea that a good product will sell itself is associated with the \_\_\_\_\_\_\_\_\_\_ era of marketing.

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| **A.**  | production-oriented |

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| --- | --- |
| B.  | sales-oriented |

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| --- | --- |
| C.  | market-oriented |

|  |  |
| --- | --- |
| D.  | value-based marketing |

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| --- | --- |
| E.  | retailing-oriented |

In the production-oriented era, the assumption was that if companies built good products, they would sell without any particular effort. |

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| 61. | Henry Ford's statement, "Customers can have any color they want so long as it's black," typified the \_\_\_\_\_\_\_\_\_\_ era of marketing.

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| --- | --- |
| **A.**  | production-oriented |

|  |  |
| --- | --- |
| B.  | sales-oriented |

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| --- | --- |
| C.  | market-oriented |

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| --- | --- |
| D.  | value-based marketing |

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| --- | --- |
| E.  | retailing-oriented |

The production-oriented era of marketing dealt primarily with manufacturing processes and the design of a good product, but without concern for meeting specific customer needs. |

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| 62. | Melanie works for a small computer software company. Her boss is constantly improving its products but neglecting customers, billing, and promoting the company. Her boss is probably stuck in the \_\_\_\_\_\_\_\_\_\_ era of marketing.

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| **A.**  | production-oriented |

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| --- | --- |
| B.  | sales-oriented |

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| --- | --- |
| C.  | market-oriented |

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| --- | --- |
| D.  | value-based marketing |

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| E.  | retailing-oriented |

The production-oriented era of marketing dealt primarily with manufacturing processes and the design of a good product, but without concern for meeting specific customer needs. |

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| 63. | During the \_\_\_\_\_\_\_\_\_\_ era, firms had excess capacity and used personal selling and advertising to generate customers.

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| A.  | production-oriented |

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| --- | --- |
| **B.**  | sales-oriented |

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| --- | --- |
| C.  | market-oriented |

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| --- | --- |
| D.  | value-based marketing |

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| --- | --- |
| E.  | retailing-oriented |

In the sales-oriented era, manufacturers had the capacity to produce more than customers really wanted or were able to buy. Firms found an answer to their overproduction in becoming sales oriented; they depended on heavy doses of personal selling and advertising. |

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| 64. | The prevailing marketing strategy of the \_\_\_\_\_\_\_\_\_\_ era was to find customers for inventories that went unsold.

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| --- | --- |
| A.  | production-oriented |

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| --- | --- |
| **B.**  | sales-oriented |

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| --- | --- |
| C.  | market-oriented |

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| --- | --- |
| D.  | value-based marketing |

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| --- | --- |
| E.  | retailing-oriented |

In the sales-oriented era, manufacturers had the capacity to produce more than customers really wanted or were able to buy. Firms found an answer to their overproduction in becoming sales oriented; they depended on heavy doses of personal selling and advertising. |

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| 65. | Near the end of the model year, Move-Them-Out automobile dealership had an unusually high inventory level. The manager increased her advertising spending and gave extra incentives to its salespeople. Move-Them-Out operates as if it were in the \_\_\_\_\_\_\_\_\_\_ era.

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| A.  | production-oriented |

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| --- | --- |
| **B.**  | sales-oriented |

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| --- | --- |
| C.  | market-oriented |

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| --- | --- |
| D.  | value-based marketing |

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| E.  | retailing-oriented |

In the sales-oriented era, manufacturers had the capacity to produce more than customers really wanted or were able to buy. Firms found an answer to their overproduction in becoming sales oriented; they depended on heavy doses of personal selling and advertising. |

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| 66. | Many U.S. companies first discovered marketing during the \_\_\_\_\_\_\_\_\_\_ era.

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| A.  | production-oriented |

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| B.  | sales-oriented |

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| --- | --- |
| **C.**  | market-oriented |

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| --- | --- |
| D.  | value-based marketing |

|  |  |
| --- | --- |
| E.  | retailing-oriented |

The market-oriented era was when most companies first started thinking in terms of meeting customer wants and needs. |

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| 67. | During the market-oriented era,

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| A.  | a good product would sell itself. |

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| **B.**  | the customer was king. |

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| C.  | marketing was more important than production. |

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| D.  | advertising and personal selling were emphasized to make the sale. |

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| E.  | firms focused on value. |

The market-oriented era was when most companies first started thinking in terms of meeting customer needs. It was a buyer's market and the customer was king. |

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| 68. | During the \_\_\_\_\_\_\_\_\_\_ era, manufacturers and retailers began to focus on what consumers wanted and needed before they designed, made, or attempted to sell their products.

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| --- | --- |
| A.  | production-oriented |

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| --- | --- |
| B.  | sales-oriented |

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| --- | --- |
| **C.**  | market-oriented |

|  |  |
| --- | --- |
| D.  | value-based marketing |

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| --- | --- |
| E.  | retailing-oriented |

The market-oriented era was when most companies first started thinking in terms of meeting customer needs. |

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| 69. | During the \_\_\_\_\_\_\_\_\_\_ era, manufacturers and retailers recognized they needed to give their customers greater value than their competitors did.

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| --- | --- |
| A.  | production-oriented |

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| --- | --- |
| B.  | sales-oriented |

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| --- | --- |
| C.  | market-oriented |

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| --- | --- |
| **D.**  | value-based marketing |

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| --- | --- |
| E.  | retailing-oriented |

In the value-based marketing era, firms began to recognize that value creation was the key to success for most firms. |

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| 70. | Value is

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| A.  | the lowest cost option. |

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| B.  | represented by brand names. |

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| C.  | the highest priced alternative. |

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| --- | --- |
| D.  | everyday low prices. |

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| **E.**  | what you get for what you give. |

Value is the benefits received minus the costs of acquiring a product, or what you get in return for what you give. |

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| 71. | Trey sells consumer electronics. He knows his customers weigh the costs versus the benefits associated with the different options available. He decides which products to offer and what prices to charge based on the way his customers think. Trey operates as if he were in the \_\_\_\_\_\_\_\_\_\_ era.

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| --- | --- |
| A.  | production-oriented |

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| --- | --- |
| B.  | sales-oriented |

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| --- | --- |
| C.  | market-oriented |

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| --- | --- |
| **D.**  | value-based marketing |

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| E.  | retailing-oriented |

Trey is thinking in terms of the value his customers perceive (benefits minus costs), and thus is thinking about value-based marketing. |

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| 72. | Serena studies her customer profiles, market research data, complaints, and other information, attempting to better understand what her customers want. Serena operates in the \_\_\_\_\_\_\_\_\_\_ era of marketing.

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| A.  | production-oriented |

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| B.  | sales-oriented |

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| --- | --- |
| C.  | market-oriented |

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| --- | --- |
| **D.**  | value-based |

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| E.  | retailing-oriented |

Serena is attempting to understand her customers' perceptions of value. |

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| 73. | In delivering value, marketing firms attempt to find the most desirable balance between

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| A.  | the need for value and the perception of value. |

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| B.  | explicit versus implicit value. |

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| **C.**  | providing benefits to customers and keeping costs down. |

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| D.  | the desire to satisfy customers and the need to keep customers from running the company. |

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| E.  | the need for product improvement and the need for advertising. |

The challenge for all firms is to provide the value customers expect while keeping costs low enough to allow the firm to be profitable. |

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| 74. | Yolanda is the new restaurant manager in a major hotel. When considering changes in the restaurant that will increase value to customers, Yolanda will likely attempt to either provide the same quality at a lower cost or

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| **A.**  | improve products and services at the same cost. |

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| B.  | increase prices to increase revenue. |

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| C.  | offset higher hotel rates with lower restaurant prices. |

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| D.  | reduce customer expectations through reduced service. |

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| E.  | lower the quality and the price. |

By improving products at the same cost, Yolanda would create additional value for her customers. |

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| 75. | Christie has just started with a travel agency, and she has been offering clients and prospective clients a range of packaged tours. She is concerned, because the commissions she is earning on her sales are lower than she had hoped. Her colleague Peter, who has been with the agency for several years, is having a great deal of success by working closely with the clients, seeking their ideas, and building customized tour packages for each one based on their suggestions. Peter's approach is based on

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| --- | --- |
| A.  | transaction-oriented marketing. |

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| B.  | premium pricing. |

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| C.  | his seniority at the firm. |

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| D.  | special incentives from tour operators. |

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| **E.**  | value co-creation. |

Peter is collaborating with his clients to build custom packages, which is an example of value co-creation. |

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| 76. | To become a more value-driven organization, Pokrah University is holding regular coffee-hour discussions with its students and surveying its graduates regarding students' educational needs and desires. Pokrah University is becoming more value driven through

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| A.  | sharing information across the organization. |

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| B.  | balancing its customers' benefits and costs. |

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| --- | --- |
| C.  | evaluating strategic competitive partnerships. |

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| **D.**  | building relationships with customers. |

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| E.  | keeping the faculty members happy. |

By communicating regularly with students and alumni, Pokrah University is working to build closer relationships with these groups. |

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| 77. | As owner of a retail franchise food store, Mary Gray purchases supplies based on specials advertised nationally throughout the franchise system. One Monday, she was surprised to find customers asking for specials she hadn't been informed of in advance. The franchise company failed to live up to the value-driven activity of

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| --- | --- |
| **A.**  | sharing information across the organization. |

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| --- | --- |
| B.  | balancing customers' benefits and costs. |

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| --- | --- |
| C.  | evaluating strategic competitive partnerships. |

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| --- | --- |
| D.  | building relationships with customers. |

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| E.  | keeping prices below those charged by competitors. |

Apparently the national headquarters forgot to inform franchisees of the special, suggesting a failure of information sharing. |

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| 78. | In the past, manufacturers' representatives did not have up-to-minute data about the products they were selling. Today, manufacturers' representatives are often provided online access to inventory data for the companies they represent. These online inventory systems allow companies to become more value-driven by

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| **A.**  | sharing information across the organization. |

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| --- | --- |
| B.  | balancing customers' benefits and costs. |

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| --- | --- |
| C.  | evaluating strategic competitive partnerships. |

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| --- | --- |
| D.  | building relationships with government regulators of marketing institutions. |

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| E.  | keeping prices below those charged by competitors. |

The online systems discussed help members of the supply chain share information about inventory levels. |

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| 79. | Value-driven firms constantly measure the \_\_\_\_\_\_\_\_\_\_ that customers perceive, compared to the prices of their offerings.

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| A.  | information |

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| --- | --- |
| **B.**  | benefits |

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| --- | --- |
| C.  | relationships |

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| --- | --- |
| D.  | rebates |

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| --- | --- |
| E.  | merchandise |

Value is the relationship between the benefits received and the cost (price) paid. |

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| 80. | One of the benefits of value-driven marketing is that attention to customer needs and wants will likely result in

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| A.  | higher prices than the market leader charges. |

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| B.  | increased competition. |

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| **C.**  | long-term relationships. |

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| D.  | strong connections among competing firms in the marketplace. |

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| E.  | lower prices. |

Value-driven marketing is likely to lead to loyal customers through the relationships that are formed. |

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| 81. | Even though they operate from out-of-the-way airports and offer few extra services, discount, no-frill airlines like Ryanair and EasyJet have been successful. Consumers obviously consider

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| A.  | the schedules these airlines offer to be the most convenient in the industry. |

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| B.  | the long-term relationships established by these airlines to be a critical benefit. |

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| --- | --- |
| C.  | the prices to be slightly lower, but not low enough to have much influence. |

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| **D.**  | the benefit of lower prices to be greater than the cost of reduced services and less convenience. |

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| E.  | the major airlines to be worthless. |

People flying discount airlines have decided to bear some inconvenience in return for lower prices. The benefits are lower, but so is the cost, so the offering can have value despite the inconvenience. |

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| 82. | A relational orientation is based on the philosophy that buyers and sellers develop

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| A.  | a complete understanding of each other's needs. |

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| **B.**  | a long-term relationship. |

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| C.  | a price-value comparison matrix. |

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| D.  | supply chain synergy. |

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| E.  | a marketing value transaction focus. |

A relational orientation expects a relationship to develop over the long term. |

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| 83. | Many firms with complex products have missionary salespeople who assist customers with problems and implementation programs. These salespeople rarely sell products but often become involved in and knowledgeable about specific customers' needs and wants. These salespeople focus on a(n) \_\_\_\_\_\_\_\_\_\_ orientation with their customers.

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| --- | --- |
| A.  | transactional |

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| --- | --- |
| B.  | external |

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| --- | --- |
| **C.**  | relational |

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| --- | --- |
| D.  | internal |

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| --- | --- |
| E.  | divisional |

A relational orientation refers to the building of relationships and the development of a better understanding of customers' needs and wants. |

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| 84. | After major hurricanes like Katrina, many ethical home repair and building supply businesses continue to charge pre-hurricane prices to their customers, even though due to the huge increase in demand they could charge much more. These firms probably recognize that

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| A.  | they can make more money from government contracts than from sales to customers. |

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| B.  | a transactional orientation is the key to long-term profitability. |

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| C.  | none of their competitors would be raising prices. |

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| **D.**  | lifetime profitability of relationships matters more than profits from a particular transaction. |

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| E.  | if they raised prices they would be in violation of Commerce Department regulations. |

By not raising prices when they could, the firms were resisting the temptation to make a quick profit and were instead demonstrating the value they placed on long-term relationships with their customers. |

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| 85. | After hurricanes like Katrina, many small building contractors will flock to the damaged area, charging whatever customers will pay for temporary repairs to roofs and other parts of damaged homes. These contractors are engaged in a(n) \_\_\_\_\_\_\_\_\_\_ marketing orientation.

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| --- | --- |
| **A.**  | transactional |

|  |  |
| --- | --- |
| B.  | external |

|  |  |
| --- | --- |
| C.  | relational |

|  |  |
| --- | --- |
| D.  | internal |

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| --- | --- |
| E.  | value driven |

This behavior demonstrates a transactional orientation, where the seller seeks to make a quick profit and is not concerned about long-term relationships. |

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| 86. | The goal of customer relationship management is to

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| A.  | manage every customer relationship differently. |

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| B.  | manage every customer relationship to maximum short-term profitability. |

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| C.  | eliminate customers who are profitable, but not highly profitable. |

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| **D.**  | identify and build loyalty among a firm's customers. |

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| E.  | generate relationships with all of a firm's customers. |

Some of the answers include CRM themes but are carried to an extreme—for example, although CRM seeks to customize the relationship to meet the customer's primary needs, it doesn't mean that every customer must be managed differently from every other. And not every customer wants a relationship (nor does the firm want a relationship with every customer). But CRM does concern itself with building loyalty in the customer base. |

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| 87. | Franco uses a database software system to remind him when his customers should be ready to reorder his industrial cleaning products. With this reminder system, Franco contacts his customers when they are most likely to be in the buying mode. Franco's system is part of

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| --- | --- |
| A.  | C2C marketing. |

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| --- | --- |
| **B.**  | customer relationship management. |

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| --- | --- |
| C.  | a transactional marketing orientation. |

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| --- | --- |
| D.  | supply chain management. |

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| E.  | typical production era marketing practices. |

Franco's system is one element of a customer relationship management system, in that it tracks customers and seeks to meet their specific needs to build loyalty. |

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| 88. | Many catalog companies create special-run issues based on what customers have purchased in the past. For example, customers who frequently order bedding items like sheets and pillows receive a catalog with a larger section of bedding items than do customers who mostly order kitchen tools. This is an example of

|  |  |
| --- | --- |
| A.  | C2C marketing. |

|  |  |
| --- | --- |
| **B.**  | customer relationship management. |

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| --- | --- |
| C.  | a transactional marketing orientation. |

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| --- | --- |
| D.  | supply chain management. |

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| E.  | typical production-oriented era marketing practices. |

The catalog is customized based on what is known about the customer's needs and habits. This is a typical element of a customer relationship management program. |

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| 89. | Marketing was once an afterthought to

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| A.  | accounting. |

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| --- | --- |
| B.  | economics. |

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| --- | --- |
| **C.**  | production. |

|  |  |
| --- | --- |
| D.  | finance. |

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| E.  | none of these—marketing was never an afterthought. |

In the production-oriented era, marketing was considered unnecessary; all that mattered was producing good products. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-03 Understand why marketing is important; both within and outside the firm.Topic: Why is Marketing Important?* |

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| 90. | Many inventors struggle with the question, "I made it; now how do I get rid of it?" They have made the error of considering marketing as

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| **A.**  | an afterthought. |

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| B.  | an integral part of a business plan. |

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| C.  | an accounting function. |

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| D.  | a profit center. |

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| E.  | important only for new products. |

Marketing should be considered at every step of the conception, design, and manufacturing of a new product, and not treated as an afterthought once the product exists. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-03 Understand why marketing is important; both within and outside the firm.Topic: Why is Marketing Important?* |

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| 91. | Georgia, the outside sales rep for a major building supply company, reads a report stating that building permits are down dramatically in her sales territory. She had noticed that things were slowing down, but now she has data confirming her impression. Based on this information, one important function Georgia should provide is

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| A.  | pushing her customers to buy products whether they need them or not. |

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| **B.**  | advising the production and purchasing departments to produce or order smaller quantities of products. |

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| C.  | assisting customers in product recall confirmations. |

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| D.  | avoiding contact with competing firms to maximize value-driven marketing. |

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| E.  | estimating profit per sale to determine whether the firm can survive the slowdown. |

Georgia should share what she has learned with the production and purchasing departments so that they can plan accordingly. She should not push her customers to buy things they don't need—this will damage her firm's reputation and will come back to haunt her when the downturn ends. Estimating profit isn't Georgia's responsibility, but someone in the firm should look at the impact of the slowdown if enough sales territories are affected. |

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| 92. | Jenny, the delivery and sales representative for a beer distributor, is calling on a retailer and sees the shelves are almost empty. An unexpected sporting event held nearby resulted in a huge increase in sales. She calls her company's distribution manager and requests a special delivery for her customer. Jenny is providing the important marketing function of

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| A.  | advising production on how much product to make. |

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| **B.**  | alerting the logistics department when to ship products. |

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| C.  | advising the customer about new products and markets. |

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| D.  | identifying opportunities to expand. |

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| E.  | synthesizing and interpreting sales, accounting, and customer-profile data. |

Jenny is arranging for a shipment through the distribution manager, who handles the logistics function. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-03 Understand why marketing is important; both within and outside the firm.Topic: Why is Marketing Important?* |

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| 93. | After the previous sales representative in his territory infuriated an important customer, Benjamin visited the customer once a month, never asking for business but hoping to rebuild trust through listening and expressing concern. Finally, after more than two years, the customer gave Benjamin an order. Benjamin was providing the important marketing function of

|  |  |
| --- | --- |
| A.  | advising production on how much product to make. |

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| --- | --- |
| B.  | alerting the logistics department when to ship products. |

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| **C.**  | engaging customers and developing long-term relationships. |

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| D.  | identifying opportunities to expand. |

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| E.  | synthesizing and interpreting sales, accounting, and customer-profile data. |

Benjamin was involved in a relational orientation, hoping to rebuild the long-term relationship with this customer. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: AnalyzeDifficulty: 3 HardLearning Objective: 01-03 Understand why marketing is important; both within and outside the firm.Topic: Why is Marketing Important?* |

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| 94. | Marketing provides the critical function of \_\_\_\_\_\_\_\_\_\_ when companies expand globally.

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| A.  | managing production efficiency |

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| **B.**  | understanding customers |

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| --- | --- |
| C.  | managing personnel |

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| D.  | forecasting economic growth |

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| E.  | evaluating government stability |

Marketing is the part of the organization in the best position to understand customers in all situations. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-03 Understand why marketing is important; both within and outside the firm.Topic: Why is Marketing Important?* |

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| 95. | Leah is the marketing manager for an electronics company. While on vacation in Ecuador, she visited electronics stores in the major malls in Quito, the capital city. Most of her company's products were available, except for smart phones. When she returned to work, she mentioned this observation to her international sales manager. Leah was providing the important marketing function of

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| --- | --- |
| A.  | advising production on how much product to make. |

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| --- | --- |
| B.  | alerting the logistics department when to ship products. |

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| --- | --- |
| C.  | engaging customers, developing long-term relationships. |

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| **D.**  | identifying opportunities to expand. |

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| E.  | synthesizing and interpreting sales, accounting, and customer-profile data. |

Leah was identifying a potential opportunity—the absence of the firm's smartphones from stores in Ecuador. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-03 Understand why marketing is important; both within and outside the firm.Topic: Why is Marketing Important?* |

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| 96. | Greenbelt Construction has been a successful small home-building firm for years. The owner pays subcontractors slightly more than the usual rate for different tasks, reducing the company's gross margin. Greenbelt rarely changes subcontractors, has relatively few complaints from home buyers, and is able to get quick responses from subcontractors when buyers do have problems. Greenbelt is engaged in

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| A.  | a traditional transactional orientation. |

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| B.  | C2C value-driven marketing. |

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| **C.**  | effective supply chain management. |

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| D.  | value cocreation. |

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| E.  | a virtual monopoly. |

By maintaining good relationships with subcontractors, Greenbelt Construction gains the benefit of receiving good service from these subcontractors for itself and for its home buyers. This is a key benefit of effective supply chain management. |

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| 97. | Marketing enriches society by

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| A.  | focusing solely on maximizing profits. |

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| **B.**  | sponsoring charitable events. |

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| C.  | recognizing that the firm can do very little by itself, so it should stay focused on its own core competencies. |

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| D.  | facilitating the smooth flow of goods through the supply chain. |

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| E.  | coordinating marketing functions with other functional areas in the company. |

Marketing techniques can be applied to social causes as well as to profit-making enterprises, and the firm's employees can support these causes as well. |

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| *AACSB: EthicsAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-03 Understand why marketing is important; both within and outside the firm.Topic: Marketing Enriches Society* |

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| 98. | A friend of yours comments, "I'm starting my own business. I have a perfect product that no one else can touch, but I have no use for marketing. That's just for the mega-corporations." Which of the following arguments would you NOT use in talking about marketing?

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| A.  | Marketing helps new ventures organize, operate, and assess risk. |

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| B.  | Marketers help address unmet customer needs, regardless of the size of the firm. |

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| C.  | Marketing focuses on the product, but only as one element. Three other areas are Promotion, Price, and Place. |

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| D.  | Marketers are skilled at communicating the value of the product to potential customers. |

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| **E.**  | Marketing isn't essential now, but it will be in a year or two when the product takes off. |

Marketing is necessary at all stages of a firm's life. |

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| 99. | Many entrepreneurs are successful through marketing efforts designed to

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| A.  | mimic existing products on the market. |

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| **B.**  | satisfy unfilled needs. |

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| C.  | raise social consciousness. |

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| D.  | gain monopoly power. |

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| E.  | push a new technology even if people aren't ready for it. |

Successful products address unsatisfied needs. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-03 Understand why marketing is important; both within and outside the firm.Topic: Why is Marketing Important?* |

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| 100. | People who initiate, organize, operate, and assume the risk of a business venture are called

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| **A.**  | entrepreneurs. |

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| B.  | leaders. |

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| C.  | managers. |

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| --- | --- |
| D.  | professionals. |

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| E.  | consultants. |

Entrepreneurs are people who start new businesses and take major risks. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-03 Understand why marketing is important; both within and outside the firm.Topic: Why is Marketing Important?* |

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| 101. | If a radio station holds an online contest in which you must log in to its website and submit personal details such as name, phone number, and email to participate, the radio station is

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| **A.**  | offering an exchange. |

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| B.  | behaving unethically. |

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| C.  | hoping to receive feedback. |

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| D.  | implementing a CRM program. |

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| E.  | overstepping its role. |

Marketing is about an exchange of things of value between buyer and seller so that each is better off. In this instance, the exchange is email/personal information for a chance to win a contest. CRM would imply closer tracking of customers than this simple exchange suggests. |

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| 102. | A(n)\_\_\_\_\_\_\_\_\_\_ is the trade of things of value between the buyer and the seller so that each is better off as a result.

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| **A.**  | exchange |

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| --- | --- |
| B.  | market segment |

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| --- | --- |
| C.  | promotional plan |

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| --- | --- |
| D.  | transactional orientation |

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| E.  | relational orientation |

This is the definition of the term "exchange." |

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| 103. | Traditionally, marketing activities have been divided into product, price, place, and promotion. Select the term that best describes the four Ps.

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| **A.**  | marketing mix |

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| B.  | marketing channel |

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| C.  | marketing plan |

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| D.  | marketing era |

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| E.  | marketing implementation |

The marketing mix—or the four Ps—consists of product, price, place, and promotion. |

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| 104. | Internet sites, physical stores, and kiosks are most closely associated with which element of the marketing mix?

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| **A.**  | place |

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| --- | --- |
| B.  | price |

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| --- | --- |
| C.  | product |

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| --- | --- |
| D.  | promotion |

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| --- | --- |
| E.  | proximity |

Place represents all the activities necessary to get the product to the right customer when the customer wants it. |

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| 105. | The primary purpose of the \_\_\_\_\_\_\_\_\_\_ plan is to specify the marketing activities for a specific time.

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| **A.**  | marketing |

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| B.  | business |

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| --- | --- |
| C.  | strategic |

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| --- | --- |
| D.  | organizational |

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| E.  | resource |

The marketing plan specifies the marketing activities for a specific period of time. A business plan is a formal statement of a set of business goals that are believed to be attainable. |

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| 106. | The process of value \_\_\_\_\_\_\_\_\_\_, in which customers collaborate in product design, often provides additional value to the firm's customers.

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| **A.**  | co-creation |

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| --- | --- |
| B.  | positioning |

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| --- | --- |
| C.  | delivery |

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| --- | --- |
| D.  | chain management |

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| E.  | based marketing |

Value co-creation is a process in which customers and the firm work together to customize products. Since the products typically meet more of the customer's needs, this can provide additional value. |

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| 107. | When an accounting firm provides an online training module showcasing real-life decision lapses and their negative effect on the company, it is trying to encourage what type of behavior from its employees?

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| **A.**  | ethical |

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| --- | --- |
| B.  | strategic |

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| --- | --- |
| C.  | formal |

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| --- | --- |
| D.  | casual |

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| E.  | secretive |

The question leads us to understand that the company has created an online training to ensure that the employees act ethically. |

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| 108. | The activity, set of institutions, and process for creating, capturing, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large is called

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| --- | --- |
| **A.**  | marketing. |

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| --- | --- |
| B.  | marketing research. |

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| --- | --- |
| C.  | market share analysis. |

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| --- | --- |
| D.  | market segmentation. |

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| E.  | market positioning. |

This is the formal definition of marketing from the AMA. |

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| 109. | Jeff is going to sell sporting apparel, which he has already purchased from manufacturers, and has signed a deal agreeing to the volume he will sell monthly. He has researched his competition, talked to some customers, and decided on prices he will charge. Jeff has also developed a plan for promoting his business. Based on this description, which element of the marketing mix does Jeff still need to work on?

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| --- | --- |
| **A.**  | place |

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| --- | --- |
| B.  | product |

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| --- | --- |
| C.  | price |

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| --- | --- |
| D.  | promotion |

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| --- | --- |
| E.  | planning |

This question outlines each item of the marketing mix except for *place*, which represents all the activities necessary to get the product to the right customer when the customer wants it. Jeff needs to decide whether he will have a physical store (and if so, where), a website, and so on. |

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| 110. | Jeff opened a sporting apparel store and signed a lease on the property. He also signed an agreement with the manufacturer on the amount of merchandise he will sell and the promotions he will conduct. Based on this description, which aspect of the marketing mix does he still need to work on?

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| --- | --- |
| **A.**  | price |

|  |  |
| --- | --- |
| B.  | place |

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| --- | --- |
| C.  | promotion |

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| --- | --- |
| D.  | product |

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| --- | --- |
| E.  | prototype |

The answer is price, because this is the only part of the marketing mix missing from the question description. |

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| 111. | At one point in the evolution of marketing, the United States entered a buyer's market and the customer became king. Which era is being described?

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| **A.**  | market-oriented |

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| --- | --- |
| B.  | sales-oriented |

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| --- | --- |
| C.  | production-oriented |

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| --- | --- |
| D.  | value-based marketing |

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| E.  | economics-oriented |

This question is describing the market-oriented era, when customers became king. |

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| 112. | Supply chain management is also referred to as

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| A.  | delivery management. |

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| **B.**  | marketing channel management. |

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| --- | --- |
| C.  | production management. |

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| D.  | retail management. |

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| E.  | value proposition management. |

Marketing channel management is also known as supply chain management. |

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| 113. | Marketing channel management is related to which of the four Ps?

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| --- | --- |
| A.  | product |

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| --- | --- |
| B.  | price |

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| --- | --- |
| **C.**  | place |

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| --- | --- |
| D.  | promotion |

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| --- | --- |
| E.  | production |

Marketing channel management, also known as supply chain management, is a process that manages the value chain to get products to the right customer when that customer wants it, which is related to the *place* component of the four Ps. |

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| 114. | Marney bought a dress from a retail store. Which core aspect of marketing was Marney most directly participating in?

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| A.  | Marketing helps create value. |

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| B.  | Marketing is about satisfying customer wants and needs. |

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| **C.**  | Marketing involves an exchange. |

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| D.  | Marketing can be performed by both individuals and organizations. |

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| E.  | Marketing occurs in many settings. |

All of these activities were taking place at some level, but Marney was most directly participating in making an exchange—her money for the dress. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-01 Define the role of marketing in organizations.Topic: What Is Marketing?* |

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| 115. | In the broadest terms, the marketplace refers to

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| A.  | wholesale and retail environments. |

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| B.  | brick-and-mortar stores and the Internet. |

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| C.  | the four Ps. |

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| D.  | channels that are accessible to a given customer. |

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| **E.**  | the world of trade. |

Using the broadest terms, the marketplace refers to the world of trade. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Define the role of marketing in organizations.Topic: What Is Marketing?* |

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| 116. | Which element of the marketing mix is most relevant to the activity "capturing value"?

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| --- | --- |
| A.  | promotion |

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| B.  | purchasing |

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| C.  | product |

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| --- | --- |
| **D.**  | price |

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| --- | --- |
| E.  | place |

The marketing mix activities are promotion (communicating value), product (creating value), price (capturing value), and place (delivering value). |

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| 117. | Which element of the marketing mix is most relevant to the activity "delivering value"?

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| A.  | promotion |

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| --- | --- |
| B.  | purchasing |

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| C.  | product |

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| --- | --- |
| D.  | price |

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| **E.**  | place |

The marketing mix activities are promotion (communicating value), product (creating value), price (capturing value), and place (delivering value). |

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| 118. | Which element of the marketing mix is most relevant to the activity "creating value"?

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| A.  | promotion |

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| B.  | purchasing |

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| **C.**  | product |

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| --- | --- |
| D.  | price |

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| --- | --- |
| E.  | place |

The marketing mix activities are promotion (communicating value), product (creating value), price (capturing value), and place (delivering value). |

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| 119. | Which marketing activity is most directly served by the promotion element of the marketing mix?

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| **A.**  | communicating value |

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| --- | --- |
| B.  | creating value |

|  |  |
| --- | --- |
| C.  | capturing value |

|  |  |
| --- | --- |
| D.  | delivering value |

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| --- | --- |
| E.  | producing value |

The marketing mix activities are promotion (communicating value), product (creating value), price (capturing value), and place (delivering value). |

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| 120. | Janine was tired of her winter coat, so she sold it to her friend, Marissa. This is an example of \_\_\_\_\_\_\_\_ marketing.

|  |  |
| --- | --- |
| A.  | B2B |

|  |  |
| --- | --- |
| B.  | B2C |

|  |  |
| --- | --- |
| C.  | C2B |

|  |  |
| --- | --- |
| **D.**  | C2C |

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| E.  | BBC |

Janine and Marissa are both consumers, so this is C2C marketing. |

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**Essay Questions**

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| 121. | Deonna has been asked to write a marketing plan for a new restaurant. What questions will Deonna likely address in her marketing plan? Be specific and offer questions related to a restaurant.  Responses will vary but might include:\* Where will the restaurant be located? (place)\* What items will be included on the menu? (products)\* Where will ingredients, supplies, equipment, and furnishings be purchased? (supply chain)\* What prices will the restaurant charge? (pricing)\* How will the restaurant be promoted? (promotion) |

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| 122. | Jean-Pierre is a wine distributor in the United States representing primarily European vintners (wine producers). He knows his potential market is every wine drinker in the United States, but he has limited resources to market his products. Using the ideas presented in the text, what should Jean-Pierre do as a first step when developing his marketing plan?  Marketing is about creating value for the customer. With limited resources, Jean-Pierre should attempt to identify the segments of the wine drinking market that are most likely to be interested in his products. This would probably include people who travel more, are of European heritage, and are members of upper income groups. |

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| 123. | The text states, "Good marketing is not a random activity." Create an example to respond to this statement.  Answers will vary but should include discussion of marketing as thoughtful planning addressing questions of what, where, how, when, and for whom. |

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| 124. | Your friend is writing a how-to book and asks you for marketing advice. You start by exploring the four Ps. What questions will you ask? Be specific.  Product-related questions should relate to format: printed book (bound or paperback, type of binding) or an e-book.Second set of questions will be about pricing: retail and wholesale prices, prices of competing books, costs.Third set of questions will be about place: how to distribute the book, access to major online booksellers, shipping costs.Fourth set of questions will be about promotion: how will the book be promoted, access to publicity outlets, websites, etc. |

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| 125. | The manager of a restaurant supply company determined prices by adding a standard markup to her costs. What might the manager be missing when it comes to effective pricing decisions?  Pricing should be based on the potential buyer's belief about product's value. Some of the items offered by the restaurant supply company may have greater perceived value than other items. |

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| 126. | As the customer service manager for a heating and air conditioning firm, you are constantly bombarded with complaints about service people not showing up, not having the parts needed to make repairs, and being unable to quickly get the materials needed to fix things. You decide to bring in a marketing consultant to assist you with these problems. What area of marketing specialization would you look for in a marketing consultant and what recommendations would you expect to receive? Be specific; this is a heating and air conditioning firm.  The problems span the organization from suppliers, to company employees, to customers. You would probably look for a supply chain management specialist and look for recommendations to coordinate parts inventories with vendors, train service personnel in inventory management, and improve communication among the service personnel, customers, and scheduling office. |

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| *AACSB: AnalyticBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-03 Understand why marketing is important; both within and outside the firm.Topic: Why is Marketing Important?* |

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| 127. | As your first assignment in an advertising agency, your manager asks you to come up with messages for three billboards promoting the university you attended. The manager wants one ad for each of the three types of promotion objectives. Create an example of a one-sentence billboard advertising message for each objective: inform, persuade, and remind.  Answers will vary but should include:Inform—Check out our new online course offerings today.Persuade—XYZ University is your best value in education.Remind—Sign up for the fall semester now. |

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| *AACSB: AnalyticBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-01 Define the role of marketing in organizations.Topic: What Is Marketing?* |

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| 128. | Which type of orientation would you expect among ethically challenged marketers: a relational or transactional orientation? Explain.  A transactional orientation, because they just want to get their money and leave; they are not interested in building relationships. |

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| *AACSB: AnalyticAACSB: EthicsBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-02 Describe how marketers create value for a product or service.Topic: What Is Marketing?* |

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| 129. | Over the four marketing eras, how did the emphasis on the four Ps change? List the four eras and describe which of the four Ps were emphasized during each era.  During the production-oriented era, obviously the focus was on the product. During the sales-oriented era, the emphasis was on promotion, particularly selling and advertising. During the market-oriented era, the emphasis was producing and providing (place) what customers wanted. In the value-based marketing era, all four Ps are equally important to delivering customer value. |

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| *AACSB: AnalyticBlooms: AnalyzeDifficulty: 3 HardLearning Objective: 01-01 Define the role of marketing in organizations.Topic: What Is Marketing?* |

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| 130. | How does value co-creation provide additional value to customers?  Value co-creation not only involves the customer; it also offers the opportunity to explain unmet needs the firm can address. Within the broader framework of value-based marketing, the customer will probably gain greater benefits from the product or service since it will meet more of the customer's needs. |

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| *AACSB: AnalyticBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: What Is Marketing?* |

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| 131. | Suppose that your university creates a position of vice president for marketing and promotes your professor to the position. What activities will the new vice president of marketing probably be involved in? Be specific.  Answers will vary depending on the institution but should include the four Ps. |

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| *AACSB: AnalyticBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-01 Define the role of marketing in organizations.Topic: What Is Marketing?* |

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| 132. | How can marketing be effectively used by entrepreneurs?  Successful entrepreneurs work to fulfill unmet needs, a key responsibility in marketing. Understanding customers and creating value are essential to both entrepreneurs and marketers. |

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| *AACSB: AnalyticBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-03 Understand why marketing is important; both within and outside the firm.Topic: Why is Marketing Important?* |

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| 133. | Suppose your college roommate sees you reading your marketing textbook and says, "Marketing is just advertising and selling." How do you respond?  Students' responses will vary but should contain discussion of anticipating and meeting the needs of customers and in the process creating value. They might cite the definition of marketing on page 4, "Marketing is the activity, set of institutions, and processes for creating, *capturing,* communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large." They could also state the core aspects of marketing: creation; value; satisfying customer wants and needs; making an exchange; product, price, place, and promotion decisions; marketing is performed by individuals and organizations; and marketing occurs in many settings. |

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| 134. | Imagine you graduate with a marketing degree and are hired by the marketing department of a large consumer products company. You are initially given a two-week training program, an overview of what the marketing department does. What will your training program cover?  Students' responses will vary but should include a discussion of the core aspects of marketing. |

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| *AACSB: AnalyticBlooms: AnalyzeDifficulty: 3 HardLearning Objective: 01-01 Define the role of marketing in organizations.Topic: What Is Marketing?* |

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| 135. | How could you use marketing ideas to market yourself to potential employers after you graduate?  If an individual seeking a job sees the potential employer as a customer, he or she can begin to adopt the idea of creating value, focusing the marketing mix that the individual brings, and bring a strategic approach to a job search. Research, of course, will help in separating fact and reality from suppositions and assumptions. |

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| *AACSB: AnalyticBlooms: CreateDifficulty: 3 HardLearning Objective: 01-01 Define the role of marketing in organizations.Topic: What Is Marketing?* |

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| 136. | What are the four Ps of marketing? Give an example of each.  Product, price, place, and promotion. Examples will vary. |

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| *AACSB: AnalyticBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Define the role of marketing in organizations.Topic: What Is Marketing?* |

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| 137. | What is the fundamental purpose of marketing?  To create value by developing a variety of offerings, including goods, services, and ideas, to satisfy customer needs. |

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| *AACSB: AnalyticBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Define the role of marketing in organizations.Topic: What Is Marketing?* |

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| 138. | "Everything has a price, though it doesn't always have to be monetary." What else is included in a price?  Price can also include time and energy, or anything else the customer gives up to get the product. |

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| *AACSB: AnalyticBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: What Is Marketing?* |

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| 139. | How should marketers determine prices?  Prices should be based on potential customers' perceptions of value. |

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| *AACSB: AnalyticBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Define the role of marketing in organizations.Topic: What Is Marketing?* |

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| 140. | If you were hired as a supply chain manager, who would you interact with?  You would likely interact with suppliers, production staff, warehousing and logistics people, transportation companies, and retailers. |

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| 141. | When the U.S. Army advertises, "Be All You Can Be, Join the Army," which of the three primary promotional objectives is it pursuing?  This is an example of an advertisement designed to persuade people to take action. |

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| 142. | During the period 1920-1950, what changes in the United States contributed to the shift from a production orientation to a sales orientation?  Improved production and distribution techniques increased output, while the Great Depression and World War II depressed demand, resulting in supply greater than demand and increased emphasis on selling and advertising. |

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| 143. | When assessing customer value, what must a marketer always remember?  Value is in the eye of the beholder, meaning consumers have many perceptions of what is of value and what is not. And the value perception that matters is the customer's perception, not the firm's. |

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| 144. | Suppose you worked at a restaurant near campus, one that was popular with students, and the manager asked you to explain how the restaurant might benefit from using location-based social media tools. How would you answer?  Answers will vary, but the student should explain that location-based tools such as Foursquare allow patrons to check in at the restaurant. Customers can connect with their friends through these check-ins, that may encourage the friends to come to the restaurant as well. Contests can be offered which could encourage more frequent visits—customers who use location-based tools tend to visit restaurants nearly twice as often as those who don't. |

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| *AACSB: AnalyticBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-02 Describe how marketers create value for a product or service.Topic: What Is Marketing?* |

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| 145. | Rodney bought a suit at Men's Wearhouse. Men's Warehouse bought the suit from a distributor, who bought it from a designer. The designer bought the materials to make the suit from a factory in China, and the suits were made at that same factory. The employees in the factory bought their suits directly from the factory and sold them to their friends. Explain which of these transactions were B2B, B2C, and/or C2C.  Rodney bought a suit at Men's Wearhouse - B2C.Men's Warehouse bought the suit from a distributor - B2B.The distributor bought it from a designer - B2B.The designer bought materials from a factory where the suits were made - B2B.The employees in the factory bought their suits directly from the factory - B2C.The employees sold the suits to their friends - C2C. |

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| *AACSB: AnalyticBlooms: AnalyzeDifficulty: 3 HardLearning Objective: 01-01 Define the role of marketing in organizations.Topic: What Is Marketing?* |

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| 146. | Describe a hypothetical supply chain from manufacturer to customer.  Answers will vary. Example: Manufacturer makes a product and sells it to a wholesaler. The product is shipped by truck to the wholesaler's warehouse. The wholesaler sells it to a retailer. The product goes by air to the retail company's storage facility, which then ships it by truck to individual retail stores. |

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| 147. | Three-quarters of U.S. companies now use social media tools for marketing purposes. Demonstrate your knowledge of social media by describing a small company and the ways you would use social media to produce, promote, place, and price your goods or services.  Answers will vary, but should include the four Ps and several examples of social media, such as Twitter, Facebook, and Foursquare. |

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| *AACSB: AnalyticBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-02 Describe how marketers create value for a product or service.Topic: What Is Marketing?* |

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| 148. | Explain the process of customer relationship management (CRM) in terms of how it affects marketing activities.  Customer relationship management (CRM) is a business philosophy and set of strategies, programs, and systems that focus on identifying and building loyalty among the firm's most valued customers. Firms that employ CRM systematically collect information about their customers' needs and then use that information to target their best customers with the products, services, and special promotions that appear most important to them. |

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| 149. | How does sharing information help a firm be more value-driven?  To be value-based, marketers need to share information about customers and competitors and integrate it across the firm's various departments. This is critical to the success of any firm. For instance, sales need to be accurately forecasted, which in turn determines product decisions and distribution strategies. The better these processes work, the more value they can offer to the customers. |

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| *AACSB: AnalyticBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-02 Describe how marketers create value for a product or service.Topic: What Is Marketing?* |

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| 150. | Name the various stakeholders who are affected by marketing and give one example of how each one might be affected in a fictitious situation.  Answers will vary, but the stakeholders mentioned should include customers, supply chain partners, stockholders, management, employees, society at large. |

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| 151. | How does the exchange of ideas provide value, and what is the role of marketing in this process? Explain this using the example in the text of groups marketing bicycle helmets, or choose your own scenario.  Groups promoting bicycle safety go to schools, give talks, and sponsor bike helmet poster contests for the members of their primary market: children. Then their secondary target market segment, parents and siblings, gets involved through their interactions with the young contest participants. The exchange of value occurs when the children listen to the sponsors' presentation and wear their helmets while bicycling, which means they have adopted, or become "purchasers," of the safety idea that the group marketed. |

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