

## 1

Student: \_\_\_\_\_

1. How much time does 3M allow their inventors for the purpose of doing initially unfunded research?
  - A. 5%
  - B. 10%
  - C. 15%
  - D. 25%
  - E. 35%
  
2. While working at 3M, Windorski and his team observed and questioned students about how they studied, took notes, wrote term papers, etc., to
  - A. convince them of 3M's superiority over other competitors.
  - B. determine how much the average college student traditionally spends on bookstore supplies.
  - C. find possible correlations between students' study styles and their final grades.
  - D. discover a potentially new way to satisfy student needs by creating a new product.
  - E. relate more effectively with a younger student population.
  
3. An inventor for 3M, David Windorski questioned dozens of students about how they study. They told him
  - A. to make new products that were more expensive.
  - B. that the average backpack was already too heavy.
  - C. that it would be reasonable to put Post-it® Flags together with a highlighter.
  - D. to determine the ratio of 3M products to study aid products of other competitors.
  - E. highlighters and Post-it® Notes should not be combined.
  
4. If other companies applied the same strategy used by David Windorski at 3M, they would most likely
  - A. find a winning strategy and stick with it.
  - B. search continuously to discover customers' needs.
  - C. change strategies every ten years to avoid becoming complacent.
  - D. avoid excessive attention to customers' demands because they cannot always differentiate between their needs and their wants.
  - E. focus on the shareholders of the company and know the strategy will follow.
  
5. Which of the following statements about the study of marketing is most accurate?
  - A. Unless you take a marketing class, you will never truly know anything about marketing.
  - B. Marketing is nothing more than common sense.
  - C. Marketing requires an innate sense of creativity; you either have it or you don't.
  - D. You are already a marketing expert because as a consumer, you have already been involved in marketing decisions.
  - E. You can call yourself a marketing expert only if you have sold something.
  
6. YouTube.com was named *Time* magazine's Invention of the Year for 2006. They attributed its success to the fact that it
  - A. was both "edgy and easy" for users.
  - B. was targeted exclusively to the new "web-savvy" generation.
  - C. placed no restrictions on the type of material could be uploaded.
  - D. charged only a nominal user's fee so almost everyone could have access.
  - E. had built-in spyware to protect its users.
  
7. Jawed Karim believed that college students have many innovative ideas but don't have the money and know how to get started. As a result, he and two friends
  - A. sponsored an annual contest offering \$50,000 for the best new Web site idea.
  - B. established Youniversity Ventures to provide venture financing for those who qualified.
  - C. offered to match funds up to \$100,000 for first time entrepreneurs.
  - D. provided financing in exchange for 10% of the company's initial public stock offering.
  - E. established an entrepreneur's fund with contribution from the top 100 software designers.
  
8. Marketing refers to
  - A. the production of products or services that will generate the highest return on investment.
  - B. the strategies used in the advertising and promotion of products and services.
  - C. the process of identifying target market segments for a product or service.
  - D. the activity for creating, communicating, delivering, and exchanging offerings that benefit the organization, its stakeholders, and society at large.
  - E. the activity involved in actually getting a product or service to the ultimate user.
  
9. The activity for creating, communicating, delivering, and exchanging offerings that benefit the organization, its stakeholders, and society at large is referred to as \_\_\_\_\_.
  - A. manufacturing
  - B. advertising
  - C. marketing
  - D. selling
  - E. promotion
  
10. The American Association of Marketing combined 2004/2007 definition of marketing refers to

- A. the activity for creating, communicating, delivering and exchanging offerings solely for the benefit of the organization's stockholders.
  - B. the activity for creating, communicating, delivering and exchanging solely for the benefit of the organization's customers.
  - C. the activity for creating, communicating, delivering a product or service at the highest possible price.
  - D. the activity for creating, communicating, delivering, and exchanging offerings that benefit the organization, its stakeholders, and society at large.
  - E. the activities of advertising, promoting, and selling products to the greatest number of profitable customers.
11. The activity for creating, communicating, delivering, and exchanging offerings that benefit the organization, its stakeholders and society at large is referred to as
- A. selling
  - B. advertising
  - C. marketing
  - D. commerce
  - E. trade
12. All of the following are true about marketing **EXCEPT**:
- A. Marketing is a broader activity than advertising.
  - B. Marketing stresses the importance of delivering genuine benefits in the offerings of products, services, and ideas.
  - C. Marketing persuade people to buy the "wrong" things.
  - D. When an organization engages in marketing, all stakeholders should benefit.
  - E. Marketing is a broader activity than personal selling.
13. The common factor among an organization's chairman of the board, stockholders, suppliers, laborers, customers, and society at large is that
- A. everyone has a say in the ultimate design of the product.
  - B. everyone is legally culpable if something goes wrong with the product.
  - C. all are stakeholders and should benefit by the marketing of the product.
  - D. all had to make some type of direct financial investment in the organization.
  - E. all use the product or service marketed by the organization.
14. To serve both buyers and sellers, marketing seeks to \_\_\_\_\_ and satisfy the needs and wants of prospective customers.
- A. change
  - B. create
  - C. discover
  - D. manipulate
  - E. weigh
15. Which of the following statements about stakeholders is most accurate?
- A. Ultimately, the only relevant stakeholder is the customer.
  - B. The organization, suppliers, shareholders, employees, and consumers are all stakeholders of an organization that engages in marketing activities. Ultimately all, of society should benefit.
  - C. Employees can be stakeholders only if they own shares in their company.
  - D. Suppliers are the most important stakeholders because without them, products could never be produced.
  - E. The only way to be a stakeholder is to have a financial investment in a product, idea, or service.
16. Mizuno designs and sells high quality baseball gloves. Who benefits the **LEAST** from the firm's marketing activities for its gloves?
- A. a baseball or softball player who purchases a new Mizuno glove
  - B. the Sports Authority salesperson who sells a player a Mizuno glove
  - C. the supplier who provided the leather to Mizuno
  - D. the shareholders of Mizuno that designs and manufactures the gloves
  - E. No one should benefit the "least." All should be benefit from Mizuno's marketing efforts, even society at large.
17. Whether an individual is buying for personal or household use, or an organization is buying for its own use or for resale, the individual or organization would be considered
- A. a prospective customer.
  - B. the primary marketing decision maker.
  - C. a potential distributor.
  - D. an informed buyer.
  - E. an unqualified prospect.
18. A student wants to buy a cell phone so she can share pictures with her friends. An insurance claims adjuster wants to buy a cell phone to document accident reports. If they both purchase the same model phone, which statement is most accurate?
- A. The adjuster is a prospective customer because the phone will be used for work; the student is only a secondary user since the purpose of the phone is just for entertainment.
  - B. Both the adjuster and students are potential customers because in their own way, they both benefit from the product.
  - C. Neither the adjuster nor the student is a prospective customer since most likely the company will pay for the adjuster's phone and the student's parents will pay for hers.
  - D. The student is the prospective customer since there are more students buying phones for personal use than there are insurance adjusters buying phones for business use.
  - E. Every person who uses a cell phone is prospective customer they receive benefit whether they purchase the phone or not.
19. The Transition is a 19-foot, two-seater road-driveable, light-sport aircraft with an anticipated price of US \$148,000. The most likely prospective customers for this flying car include
- A. students interested in science fiction.

- B. retired seniors receiving social security.  
 C. executives for whom time is extremely important.  
 D. teens who like to try new things.  
 E. all of the people above are likely prospective customers of the Transition.
20. Marketing seeks to discover the needs and wants of prospective customers and satisfy them. Essential to this process is the idea of exchange, which refers to
- A. the negotiation phase between the manufacturer and the seller.  
 B. the financial remuneration (monetary payment) for an item or service.  
 C. the trade of things of value between buyer and seller so that each is better off after the trade.  
 D. the bartering of products and services for other products and services.  
 E. the practice of swapping products and services for other products and services rather than for money.
21. Exchange refers to
- A. the trade of things of value between buyer and seller so that each is better off after the trade.  
 B. the replacement of one product for another product of equal or greater value as compensation for a product that failed to meet expectations.  
 C. the proffering of money in the form of cash, check, credit card, or gold for a product or service at the time of purchase.  
 D. a market where stocks, bonds, commodities or other financial assets are bartered.  
 E. practice of exchanging products and services for other products and services rather than for money.
22. The trade of things of value between buyer and seller so that each is better off after the trade is referred to as \_\_\_\_\_.
- A. exchange  
 B. barter  
 C. countertrade  
 D. utility  
 E. market
23. The American Red Cross created a series of advertisements encouraging viewers to donate blood. After viewing an ad, Amanda went to the local Red Cross office and donated a pint of blood. Amanda returned home feeling happy that she had performed a good deed. Was this an exchange in a marketing sense?
- A. Yes, because the blood was donated to the Red Cross based on an advertisement, a marketing activity.  
 B. Yes, because the donated blood was exchanged for a feeling of satisfaction.  
 C. No, because the Red Cross is nonprofit organization.  
 D. No, because no money changed hands.  
 E. No, because the Red Cross, a service organization, did not provide Amanda with a product.
24. A church put advertisements in its weekly bulletins to encourage its members to participate in the services by telling a brief, positive story about how fellow members have helped them during times of need. Jack volunteered and shared his story during a service. Afterwards, he felt joyous. Was this an exchange in a marketing sense?
- A. Yes, because the church ran an advertisement, a marketing activity.  
 B. Yes, because sharing his story at a service was exchanged for a feeling of joy.  
 C. No, because the church is nonprofit organization and these actions are expected without any expectation of "exchange."  
 D. No, because no money was exchanged.  
 E. No, because the church did not provide Jack with a tangible product or service.
25. A local college of business offers an outstanding business school education. Cali pays the tuition to attend and earns her MBA with a concentration in marketing management. Upon graduating, she is offered a high paying, fulfilling position. Was this a marketing exchange?
- A. No, because the university earned a profit from Cali's tuition and will most likely receive additional funds from Cali as an alumnus.  
 B. No, because money was exchanged in the form of tuition and Cali's income will come from her employer, not her graduate school.  
 C. No, because the school did not provide Cali with a tangible product, only the potential of an education.  
 D. Yes, because the university promised Cali she would graduate on time, and she did.  
 E. Yes, because paying tuition was exchanged for knowledge that directly led to Cali's high paying, fulfilling new job.



Figure 1-1

26. In Figure 1-1 above, "A" represents a firm's relationships with
- A. suppliers  
 B. customers

- C. shareholders
- D. other departments
- E. other organizations

27. In Figure 1-1 above, "B" represents a firm's partnerships with

- A. other organizations
- B. suppliers
- C. shareholders
- D. customers
- E. other departments

28. In Figure 1-1 above, "C" represents a firm's ownership with

- A. other organizations
- B. suppliers
- C. shareholders
- D. customers
- E. other departments

29. In Figure 1-1 above, "D" represents a firm's relationship with

- A. other organizations
- B. suppliers
- C. shareholders
- D. customers
- E. other departments

30. In Figure 1-1 above, the \_\_\_\_\_ department of an organization is responsible for facilitating relationships, partnerships, and alliances with the organization's customers, shareholders, suppliers, and other organizations.

- A. purchasing
- B. marketing
- C. human resources
- D. accounting
- E. information systems

31. In Figure 1-1 above, the marketing department of an organization is responsible for facilitating \_\_\_\_\_.

- A. healthy competition with other product manufacturers
- B. financial contracts with banks and other lending institutions
- C. relationships, partnerships, and alliances with the organization's customers, shareholders, suppliers, and other organizations
- D. alliances with firms with non-competitive products but similar target markets
- E. relationships with governmental regulatory agencies

32. Which of the following statements about marketing departments is most accurate?

- A. The marketing department should work with people solely within its own department.
- B. The marketing department should suggest where a firm should invest its money based on their knowledge of the market and environmental forces.
- C. The marketing department must work closely with a network of other departments and employees to help provide the customer-satisfying products required for the organization to survive and prosper.
- D. The marketing department is only responsible for the 4Ps.
- E. The marketing department is responsible for market research, supervision of product development, and product promotion.

33. Which of the following statements about marketing activities is most accurate?

- A. Marketing is affected by society but rarely, if ever, affects society as a whole.
- B. The marketing department works closely with other departments and employees to implement marketing activities.
- C. Marketing activities are the sole responsibility of the marketing department; other departments are only involved if there is an emergency (such as a product recall).
- D. Environmental factors do not affect marketing activities as long as a firm closely monitors the environment through rigorous market research.
- E. Marketing, after all is said and done, is essentially developing the right product and convincing potential customers that they "need" it, not just "want it."

34. Four factors are required for marketing to occur: (1) \_\_\_\_\_; (2) a desire and ability on their part to be satisfied; (3) a way for the parties to communicate; and (4) something to exchange.

- A. a healthy competitive environment
- B. government approval
- C. a sense of social responsibility
- D. an ability to see hidden potential within an environmental force
- E. two or more parties (individuals or organizations) with unsatisfied needs

35. Four factors are required for marketing to occur: (1) two or more parties (individuals or organizations) with unsatisfied needs; (2) \_\_\_\_\_; (3) a way for the parties to communicate; and (4) something to exchange.

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- a way for the parties to communicate
  - a healthy competitive environment
  - government approval
  - a sense of social responsibility
  - an ability to see hidden potential within an environmental force
37. Four factors are required for marketing to occur: (1) two or more parties (individuals or organizations) with unsatisfied needs; (2) a desire and ability on their part to be satisfied; (3) a way for the parties to communicate; and (4) \_\_\_\_\_.
- a sense of social responsibility
  - something to exchange
  - a healthy competitive environment
  - government approval
  - an ability to see hidden potential within an environmental force
38. Which of the following conditions is necessary for marketing to occur?
- two or more people, a method of assessing needs, a way to communicate, and an exchange
  - two or more people, a product, a reasonable price, and a place to make an exchange
  - a quality product, a fair price, a clever method of promotion, and a place where a customer can buy the product
  - two or more parties with unsatisfied needs, a desire and an ability to satisfy them, a way to communicate, and something to exchange
  - two or more parties with unsatisfied needs, a desire to satisfy them, an interesting idea, and something to exchange
39. A business student is preparing for the GMAT exam so he can get into a good graduate business school. He knows that any money he spends on a tutor will be well worth it if he can improve his scores. He's heard that there is a great tutor in his local community but has no idea who she is. What is the next logical step in order for marketing to occur?
- He should buy a GMAT study guide at the bookstore.
  - He should find out what the score he needs to get into the school of his choice.
  - He should check for ads in the college and local papers, ask his friends, look for ads by her on a bulletin board in the business college student lounge, and perhaps even check Craig's List.
  - He should consider alternatives to graduate school in case the scores he gets on his own are not sufficient.
  - He should apply for delayed admission.
40. For marketing to occur, there must be two or more parties with unsatisfied needs. Cadbury Beverages, Inc. has begun distributing Country Time lemonade through the supermarket at a price comparable to that of soft drinks. The most likely "second" party needed for marketing to occur would be
- people who are nostalgic about childhood summers.
  - people with a desire for a beverage other than soda or water.
  - a product demonstrator who offers drink samples to shoppers at the supermarket.
  - a local distributor of alcoholic beverages.
  - a nutritionist promoting the benefits of fresh fruit in people's diets.
41. A student would like to buy a sports car from the local dealer, but she cannot afford one. Marketing does not occur in this situation because
- two or more parties have unsatisfied needs.
  - there is no desire on the part of either party to satisfy its needs.
  - one of the involved parties does not have the ability to satisfy its needs.
  - there is no way for each to communicate with one another.
  - there has been no assessment of consumer wants and needs.
42. A college student is taking a full course load, working 20 hours per week, and still has to take out a student loan to cover tuition. One day, the student sees a classmate driving a Lexus sports coupe and feels he just has to have one of his own. What factor is most likely to prevent a successful marketing transaction between the student and a Lexus dealer?
- The local Lexus dealer does not have any sports coupes in stock.
  - The student does not have the resources to qualify for a \$50,000 auto loan.
  - Although the Lexus is a great car, there may be other cars with better gas mileage and resale value.
  - He's afraid that if someone at school sees him with the car, he might lose his student loans.
  - His girlfriend wants him to drive a Kia Rondo.
43. A local candidates running for office would very much like to have your vote. She promises that she will "make the country better." Because all candidates for public office say this, you decide not to vote for her. Marketing will not occur in this situation because \_\_\_\_\_.
- marketing doesn't apply to the voting process
  - the desire and ability to satisfy needs is missing
  - there is no direct way for the parties to communicate
  - something to exchange is missing
  - the candidate's messages are vague and ambiguous
44. The Arizona Biltmore in Phoenix is next to the Biltmore Fashion Park, a vast shopping mall located less than a mile away. The hotel wants to market its proximity to the shopping center as well as its many other amenities to convention-goers from other states. Which of the following would most likely help The Arizona Biltmore communicate with potential convention attendees?
- Send a mass mailing to all the local businesses.
  - Set up information kiosks at several locations within the Biltmore Fashion Park.
  - Place an ad in in-flight magazines of all the major airlines targeting business/first class flyers.

- D. Offer free made-to-order breakfasts for guests staying at the hotel on business.
- E. Offer special discount rates to guests coming from the East Coast.

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

- A. There are not two or more parties with unsatisfied needs.
- B. A desire to satisfy a need is missing.
- C. No assessments of consumer wants and needs have been made.
- D. There is no way for the parties involved to communicate.
- E. The ability to satisfy a need is missing.

46. The two central concerns of marketing are \_\_\_\_\_.

- A. increasing market share and making profits
- B. holding down costs while increasing profits
- C. developing products and finding customers to buy them
- D. discovering and satisfying needs
- E. ethics and sustainability

47. The first objective in marketing is to discover consumer \_\_\_\_\_.

- A. diversity of opinion to create advertising messages
- B. income to determine the ability to pay
- C. objectives to be accomplished
- D. needs to identify reasons for buying
- E. characteristics to segment markets

48. According to Robert M. McMath, when should a marketer make a careful study of product failures?

- A. after a new product has failed to meet sales predictions
- B. when preparing to launch a new product
- C. when repositioning a well-known brand
- D. when looking for a new market for an existing product
- E. when considering new channels of distribution

49. To avoid new-product failure, new-product expert Robert M. McMath suggests

- A. implementing a regional rather than a nationwide rollout of the product.
- B. a thorough examination of similar products that have had a higher than anticipated success.
- C. a focus on customer benefits and to learn from the past.
- D. spending as much of the budget possible on new product production.
- E. releasing several different prototypes at the same time to see which is most successful.

50. If you followed the suggestions of Robert M. McMath, which answer provides the best advice for a marketer preparing to launch a new consumer health beverage?

- A. Give the product a scientific sounding name that explains its chief benefit.
- B. Give the product a mysterious name that is unrelated to the product's benefits but provokes consumer curiosity.
- C. Initiate a campaign against beverage sweetened with high fructose corn syrup.
- D. Create unusual packaging that has special shelving requirements.
- E. Study past product failures and learn from them.

51. A factor that might kill a product in the marketplace is referred to as a(n) \_\_\_\_\_.

- A. albatross
- B. land mine
- C. showstopper
- D. loose cannon
- E. wild card

52. Showstoppers refer to

- A. creative or innovative members of a marketing team.
- B. unexpected alternative uses for a product that result in a sudden increase in sales.
- C. factors that might kill a product in the marketplace.
- D. a sudden loss of financial backing even though the item is in production.
- E. a situation when a competitor's product suddenly beats a firm's new product to the marketplace.

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

- A. Needs are far more influential than wants in marketing decision making.
- B. Wants affect marketing decisions primarily on planned purchases, while needs affect marketing decisions primarily on impulse purchases.
- C. Wants occur when a person feels deprived of basic necessities such as food, clothing, and shelter while needs are determined by a person's knowledge, culture, or personality.
- D. Needs occur when a person feels deprived of basic necessities such as food, clothing, and shelter while wants are determined by a person's knowledge, culture, or personality.
- E. Needs and wants are exactly the same and are both easily manipulated.

54. A need refers to

- A. a sense of personal inadequacy based upon observations by others around you.

- B. a sense of urgency, which causes a person to take action even though it may put him in peril.
- C. a feeling that is shaped by a person's knowledge, culture, or personality.
- D. a feeling of being deprived of something, but not fully understanding what it may be.
- E. a situation when a person feels deprived of basic necessities such as food, clothing, and shelter.

55. A want refers to

- A. a sense of personal inadequacy based upon observations by others around you.
- B. a sense of urgency that causes a person to take action.
- C. a need that is shaped by a person's knowledge, culture, or personality.
- D. a feeling of being deprived of something, but not fully understanding what it may be.
- E. a situation when a person feels deprived of basic necessities such as food, clothing, and shelter.

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

- A. wants; needs
- B. wants; desire
- C. desire; needs
- D. needs; wants
- E. needs; preferences



Figure 1-2

57. In Figure 1-2 above, "A" represents \_\_\_\_\_ and "B" represents \_\_\_\_\_.

- A. management; shareholders
- B. manufacturers; stakeholders
- C. marketing department; retailers
- D. manufacturers; customers
- E. discovering consumer needs; satisfying consumer needs

58. People with both the desire and ability to buy a specific offering are referred to as a \_\_\_\_\_.

- A. shoppers
- B. customer base
- C. market
- D. bazaar
- E. emporium

59. In a marketing context, a market refers to

- A. people united by a similar need or desire for a particular product or service.
- B. people with both the desire and ability to buy a specific offering.
- C. the central location for all buying and selling of products and services.
- D. an open space or covered building where vendors convene to sell their offerings.
- E. the free the operation of supply and demand.

60. A market refers to \_\_\_\_\_.

- A. people with a need and a want for a product
- B. organizations with the need and desire for an offering
- C. organizations with products that satisfy people's needs and wants
- D. people with the desire and ability to buy a specific offering
- E. an open space or covered building where vendors convene to sell their offerings

61. People with the desire and ability to buy a specific offering are referred to as a(n) \_\_\_\_\_.

- A. market
- B. bazaar
- C. customer pool
- D. customer cluster
- E. buying group

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



- A. children with crooked teeth, when crooked teeth run in the family.
- B. all former smokers who have been smoke free for at least one year.
- C. anyone who has the time, the money, and the desire to undergo the procedures.
- D. anyone that has dental surgery.
- E. adults who rely on making a good first impression for job success.

63. All markets ultimately are composed of \_\_\_\_\_.

- A. people
- B. brands
- C. products
- D. organizations
- E. reference groups

64. Marketing discovers consumer needs by

- A. implementing a marketing program.
- B. balancing the elements of the 4 Ps.
- C. using extensive preliminary research.
- D. advertising to diverse groups of potential buyers.
- E. analyzing the marketing strategies of its primary competitors.

65. A target market refers to

- A. people who could purchase a product regardless who ultimately uses it.
- B. one or more specific groups of potential consumers toward which an organization directs its marketing program.
- C. former customers who now use competitors' products.
- D. customers who shop at Target stores.
- E. people with both the desire and the ability to buy a specific offering.

66. A target market refers to

- A. customers who have already purchased a firm's product at least once, have been satisfied, and are likely to be repeat purchasers.
- B. customers and potential consumers who have used a competitor's product, are dissatisfied, and who now seek another product or service to satisfy their needs.
- C. a specific group of former consumers toward which an organization directs its marketing program to the exclusion of other potential customers.
- D. one or more specific groups of potential consumers who are seeking a product for which there are no current substitutes.
- E. one or more specific groups of potential consumers toward which an organization directs its marketing program.

67. One or more specific groups of potential consumers toward which an organization directs its marketing program is referred to as a

- A. mass market.
- B. tangential market.
- C. market aggregation.
- D. target market.
- E. promotional market.

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

- A. moms of school-age children packing a simple healthy lunch.
- B. business people looking for a quick snack.
- C. business travelers on the run.
- D. teenagers who are hungry right after school.
- E. baby boomers who are trying to lose weight.

69. Which of the following people would most likely be the best target market for tickets to the home games of the Indianapolis Colts professional football team?

- A. all people with an interest in professional football
- B. all people in the Midwest who have an interest in sports
- C. all men who played on varsity football in high school
- D. all people in the Indianapolis and surrounding areas interested in football
- E. all people in Indiana who watch professional football on TV

70. Which of the following groups would be the *least likely* target market for a company producing canned foods in single serving sizes?

- A. single adults
- B. school kitchens
- C. campers
- D. senior citizens
- E. vending machine owners

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

- A. police officers
- B. executives
- C. construction workers
- D. postal workers
- E. students



72. The United States Army has recently been both praised and criticized for its use of a popular video game—America's Army, which is designed to reach potential recruits. The game's creator, Colonel Casey Wardynski wanted to provide a sense of the training and teamwork one could find in the military environment. The game is designed for "boys 14 years or older," which represent the Army's \_\_\_\_\_.
- mass market
  - actual recruits
  - restricted market
  - target market
  - untapped market
73. A local university offers business courses for a specific target market composed of people who currently work and want to take refresher courses to obtain a higher degree. Which of the following would be the most effective way to communicate with the target market, bearing in mind that communication must be both effective and economical?
- Put announcements on campus bulletin boards.
  - Distribute promotional materials during classes.
  - Advertise on national television.
  - Advertise on local hip-hop radio shows.
  - Advertise in the local newspaper.
74. The marketing manager's controllable factors—product, price, promotion, and place—that can be used to solve a marketing problem are referred to as the \_\_\_\_\_.
- marketing concept
  - marketing mix
  - marketing program
  - environmental forces
  - marketing tool box
75. The four Ps are commonly known as
- the environmental or uncontrollable forces.
  - the environmental or controllable factors.
  - the marketing mix or controllable factors.
  - the marketing mix or uncontrollable forces.
  - predict, produce, package, and persuade.
76. The marketing mix refers to
- the selection of product benefits and attributes that are to be added to or subtracted from a given product to create variations within a product line.
  - the specific ratio within a budget that divides resources between advertising, promotions, and personal selling.
  - the marketing manager's controllable factors—product, price, promotion, and place—that can be used to solve a marketing problem.
  - the allocation of resources within a firm towards individual marketing programs.
  - the environmental forces that impact the marketing decisions for a particular product at any given time.
77. The marketing mix refers to
- the multiple strategies that can be used to promote a product.
  - the uncontrollable forces—social, economic, technological, competitive, and regulatory forces to which the marketing manager must constantly adapt.
  - the marketing manager's controllable factors—product, price, promotion, and place—that can be used to solve marketing problems.
  - the multiple channels of distribution by which a product will ultimately reach the consumer.
  - a set of complementary products that when sold together generate more sales than when sold separately.
78. Which of the following would a marketer use as a synonym for controllable marketing mix factors?
- environmental forces
  - macromarketing forces
  - marketing management factors
  - the four Ps of marketing
  - micromarketing factors
79. The four Ps of the marketing mix are
- priorities, personnel, placement, and profits.
  - prediction, production, pricing, and promotion.
  - product, price, production, and place.
  - product, price, promotion, and place.
  - predict, produce, package, and persuade.
80. Jakubowski Farms Gourmet Bread Base is the brand name for a mix designed for use in bread machines. The mixes are sold in 2-pound canisters for \$14.99 plus postage. The products are only available through the mail. People learn about the product through word-of-mouth and bread machine demonstrations the company's founder gives to groups in Wisconsin where she lives. This is a description of the company's
- action plan.
  - market segmentation strategy.
  - mission statement.
  - marketing mix.
  - target market.

81. The owners of Old School Brand Authentic Antique Foods researched Civil War records to come up with recipes used in the old-fashioned cookies the company produces and markets. This statement deals with which part of the marketing mix?
- A. product
  - B. process
  - C. price
  - D. place
  - E. people
82. Which element of the marketing mix is demonstrated when the Mars Company has a sale on M&Ms® brand candies?
- A. product
  - B. price
  - C. promotion
  - D. place
  - E. production
83. The element of the marketing mix demonstrated when an art gallery suggests a \$2.00 donation at the door is \_\_\_\_\_.
- A. product
  - B. price
  - C. promotion
  - D. place
  - E. philanthropy
84. To attend a winter concert presented by the community chorus, every person had to donate one unwrapped toy at the concert hall door. This statement is most closely related to the \_\_\_\_\_ element of the marketing mix.
- A. product
  - B. philanthropy
  - C. price
  - D. place
  - E. promotion
85. The owners of Old School Brand Authentic Antique Foods researched Civil War records to come up with recipes for the old-fashioned products they market. Concern about the \_\_\_\_\_ element of the marketing mix would make them eager to be featured in an upcoming edition of *Taste of Home* magazine.
- A. product
  - B. price
  - C. promotion
  - D. place
  - E. production
86. The element of the marketing mix demonstrated when a company places an ad in the Yellow Pages is \_\_\_\_\_.
- A. product
  - B. price
  - C. promotion
  - D. place
  - E. process
87. The element of the marketing mix demonstrated when a newspaper carrier throws a paper on the front porch is \_\_\_\_\_.
- A. product
  - B. price
  - C. promotion
  - D. place
  - E. procurement
88. The ability to buy a soda from a vending machine demonstrates which element of the marketing mix?
- A. product
  - B. price
  - C. promotion
  - D. place
  - E. process
89. The uncontrollable forces in a marketing decision involving social, economic, technological, competitive, and regulatory forces are referred to as \_\_\_\_\_.
- A. the 5 Fs of marketing
  - B. environmental forces
  - C. business conditions
  - D. marketing ecosystem
  - E. business sphere
90. Environmental forces refer to
- A. the internal strengths of a company that enable the firm to remain competitive.
  - B. the marketing manager's uncontrollable factors—product, price, promotion, and place—that can be used to solve marketing problems.
  - C. the unpredictable or uncontrollable availability of natural resources that can enhance or restrain a company's growth.

- D. the marketing manager's uncontrollable forces in a marketing decision involving social, economic, technological, competitive, and regulatory forces.
- E. the marketing manager's controllable forces in a marketing decision involving social, economic, technological, competitive, and regulatory forces.
91. The five major environmental forces in a marketing decision are
- A. climate change, natural resources, pollution, natural disasters, and global conflict (war).
- B. corporate ownership, internal management, supplier relations, manufacturing capabilities, and consumer demand.
- C. product, price, promotion, place, and people.
- D. social, technological, economic, competitive, and regulatory.
- E. ethics, sustainability, cultural awareness, diversity, and regulation.
92. Which of the following statements about environmental forces is most accurate?
- A. Environmental forces are almost always controllable if the marketing department properly scans them correctly.
- B. Organizations that use the marketing concept can exert just as much influence on environmental forces as environmental forces can exert on an organization.
- C. Environmental forces consistently result in negative outcomes for an organization.
- D. Although many consider environmental forces a negative impact on a firm's marketing plans, some environmental forces can actually enhance a firm's marketing opportunities.
- E. Environmental forces can almost always be predicted.
93. Which of the following statements describes an environmental force?
- A. Tupperware has more than 200,000 independent dealers who market its entire product line.
- B. A car battery comes with a lifetime guarantee.
- C. An automobile offers a \$500 rebate during the month of July.
- D. Several states have legislation requiring children under the age of four to use car seats.
- E. A major bottler offers a 10-cent refund on returnable bottles.
94. Newspaper readership has significantly declined in recent years. Not only are traditional newspapers losing subscribers, they are also losing advertisers. To combat this, many newspaper publishers now offer online versions of their printed newspapers. This is most an example of
- A. a reaction to an unstable economy.
- B. a temporary trend that will soon reverse itself.
- C. a technological environmental force.
- D. a social environmental force.
- E. a response to an increase in government regulation.
95. A growing trend to "Buy American" increased pressure from U.S. auto makers on Washington to pass legislation for more restrictive quotas on Japanese car imports. In addition, a decline in the value of the U.S. dollar would be instrumental in Toyota's decision to build a manufacturing plant in the United States instead of continuing to export cars from Japan. If Toyota builds the plant, the decision would reflect
- A. a reactive strategy that would impact the competitive environmental force.
- B. a proactive maneuver to manipulate and impact the social environmental force.
- C. a positive result from regulatory and economic environmental forces.
- D. a positive response to technological environmental forces, such as new lithium ion batteries for all electric cars.
- E. a negative impact as a result of adverse competitive, regulatory, and technological environmental forces.
96. Many large consulting firms are beginning to sponsor "women-only" networking events. The purpose of these events is to offer an opportunity for women in management to network with other women, either clients or mentors or protégés. This is an example of what type of environmental force?
- A. social
- B. economic
- C. technological
- D. competitive
- E. regulatory
97. With today's cell phones, you can watch the news, shoot videos, browse the Internet, take pictures, and listen to music. Because of these new features, consumers may want to replace their existing phone with a new model or brand. This increase in demand is in part due to changes in \_\_\_\_\_, an environmental force.
- A. competition
- B. social culture
- C. technology
- D. regulations
- E. the economy
98. Congressional legislation requiring online retailers to collect state sales taxes from customers in all 50 states would affect online sellers such as Virtual Vineyards, which now only collects state sales taxes from customers who reside in California. This would be an example of which environmental force?
- A. social
- B. economic
- C. technological
- D. competitive
- E. regulatory
99. The unique combination of benefits received by targeted buyers that includes quality, convenience, on-time delivery, and both before-sale

and after-sale service at a specific price is called

- A. target marketing.
- B. benefit segmentation.
- C. customer value.
- D. value-based marketing.
- E. customer-focused marketing.

100. Customer value refers to

- A. the need of a customer to receive the highest quality product at the lowest possible price.
- B. the degree to which a customer is willing to sacrifice quality for price.
- C. the range of price (from lowest to highest) a customer will ultimately be willing to pay for a specific set of features.
- D. the potential long-term profits that can be generated by a single customer over time if a firm is able to keep him or her as a loyal customer.
- E. the unique combination of benefits received by targeted buyers that includes quality, convenience, on-time delivery, and both before-sale and after-sale service at a specific price.

101. Which of the following statements about customer value is most accurate?

- A. Firms gain loyal, repeat customers by providing quality even though the location where their offerings are sold may be inconvenient.
- B. Loyal customers are less profitable in the long-run since they expect the lower initial price offering.
- C. Research suggests that all firms can provide value to all potential customers.
- D. It is impossible to place a dollar value on a loyal, satisfied customer.
- E. Quality, price, convenience, on-time delivery, and both before-sale and after-sale service are all elements used to create value for targeted buyers.

102. If you ever talk to anyone who has flown on Singapore Air, you will no doubt hear about the great food that is served during the flight, the friendliness of the flight attendants, and the comfortable seating. From this description, you can surmise that Singapore Air creates customer value by providing its customers with

- A. the best airport experience.
- B. the most convenient flight schedules.
- C. the best price for the distance traveled.
- D. the best in-flight service.
- E. the greatest sense of personal safety.

103. Relationship marketing refers to

- A. the selection and the assignment of a firm's personnel for a specific product or product line to a group of current or prospective customers.
- B. the belief that it is easier and less expensive to find new customers than to retain old ones.
- C. the linking of the organization to its individual customers, employees, suppliers, and other partners for their mutual long-term benefits.
- D. the process of identifying prospective buyers, understanding them intimately, and developing favorable long-term perceptions of the organization and its offerings so that buyers will choose them in the marketplace.
- E. exclusive legally binding contract agreements between retailers and customers in order to create enhanced value for each.

104. The linking of the organization to its individual customers, employees, suppliers, and other partners for their mutual long-term benefits is referred to as

- A. exclusive dealing.
- B. loyalty programs.
- C. relationship marketing.
- D. customer relationship management.
- E. symbiotic marketing.

105. Which of the following statements about relationship marketing is most accurate?

- A. Relationship marketing has a short-term focus on increasing profits.
- B. Relationship marketing is easy to implement so there is no reason for firms not to make this a goal.
- C. Relationship marketing is more effective when there is a personal, ongoing relationship between individuals in the selling and buying organizations.
- D. Very few companies today are engaged in relationship marketing.
- E. The Internet is an ideal forum for relationship marketing since you are going directly into your customer's home or office.

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

- A. the changing regulatory environment
- B. the large number of competitive products on the market
- C. the increasing number of retail stores that are closing due to the economy
- D. the large number of one-to-one relationships customers are asked to maintain
- E. a dilution of cultural diversity

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

- A. an increasingly mobile society
- B. the ever increasing usage of the Internet for consumer purchases
- C. the onset of new buying behaviors through cultural diversity
- D. a large aging baby boomer population with the median age of fifty
- E. the concern about identity theft

108. In the nonprofit world of the performing arts, box office technology has essentially remained the same since the 1980s. A company called Tessitura is trying to change that. Tessitura is able to track every transaction with patrons on one database. This information includes everything: ticket purchases, fund-raising, volunteering, and gift shop purchases. This technology will allow arts groups to develop detailed customer profiles, which will help symphonies, operas, and theaters tailor their sales message to individuals. In other

words, Tessitura is going to allow arts groups to engage in

- A. market aggregation.
- B. relationship marketing.
- C. customer relationship management.
- D. customer-supplier collaboration.
- E. mainstream marketing.

109. Publix Supermarkets and The Little Clinic signed an exclusive agreement in 2006, placing small walk-in health clinics inside selected stores. Now Publix customers can have simple medical needs addressed in a convenient and familiar environment seven days a week and pick up their prescription from the pharmacy without even leaving the store. This is a prime example of

- A. customer relationship management.
- B. customer valuation.
- C. relationship marketing.
- D. societal marketing.
- E. mutually beneficial marketing management.

110. A business traveler joined the Starwood Preferred Guest Program in order to earn points each time he stayed overnight in a Westin or Sheraton hotel. Once he has accumulated enough points, he can trade his points in for a free night's stay. As a member of this program, the traveler receives periodic updates on new hotels and learns of ways to earn additional points. The marketing term that best describes this scenario is

- A. relationship marketing.
- B. customer satisfaction promotion.
- C. customer relationship management.
- D. customer valuation.
- E. supplier-consumer partnership.

111. A marketing program refers to

- A. a plan that integrates the marketing mix to provide a good, service, or idea to prospective buyers.
- B. the selection of product benefits and attributes that are to be added to or subtracted from a given product to create variations within a product line.
- C. the marketing manager's controllable factors—product, price, promotion, and place—that can be used to solve a marketing problem.
- D. the specific ratio within a budget that divides resources between advertising, promotions, and personal selling.
- E. the allocation of resources within a firm towards individual marketing programs.

112. A \_\_\_\_\_ is a plan that integrates the marketing mix to provide a good, service, or idea to prospective buyers.

- A. marketing strategy
- B. marketing program
- C. macromarketing program
- D. micromarketing program
- E. customer relationship management

113. After an assessment of needs, a marketing manager must translate ideas from consumers into concepts for products that a firm may develop. The concepts must then be converted into a tangible

- A. marketing strategy.
- B. marketing program.
- C. macromarketing program.
- D. micromarketing program.
- E. marketing concept.

114. The purpose of the introduction of a 3M inventor's Post-it® Flag Highlighter was to

- A. stay ahead of trends and focus its marketing program on only one segment.
- B. stay ahead of trends and focus its marketing program on two mutually exclusive segments.
- C. increase segmentation to correspond to the number of new product variations.
- D. capitalize on previous success and extend the 3M Post-it® product line.
- E. preempt competitive moves by Sanford's Sharpie and Staple's store brand.

115. 3M selected the packaging options for the Post-it® Flag Highlighter by

- A. asking people on the street what type of packaging they preferred.
- B. offering alternate product choices on its Post-it® Web site.
- C. conferring with inventors from other divisions of 3M.
- D. listening to students' comments, questions, and concerns.
- E. using information provided by a professional consulting firm.

116. Which of the following statements about 3M's marketing program for Post-it® Flag Highlighters is most accurate?

- A. In his first attempt, Windorski, a 3M inventor, designed the Post-it® Flag Highlighter in exactly the right way to appeal to the target market.
- B. 3M designed the packaging for the Post-it® Flag Highlighter based on its designer's suggestions.
- C. The purpose of the Post-it® Flag Highlighter is different in different countries.
- D. Windorski, a 3M inventor, developed the Post-it® Flag Highlighter to help college students with their studying.
- E. Windorski examined similar products of 3M's major competitors and simply made changes that would provide the "WOW" factor.

MARKETING PROGRAM ACTIVITY TO REACH:			
MARKETING MIX ELEMENT	COLLEGE STUDENT SEGMENT	OFFICE WORKER SEGMENT	RATIONALE FOR MARKETING PROGRAM ACTIVITY
Product strategy	Offer Post-it® Flag Highlighter to help college students in their studying	Offer Post-it® Flag Pen to help office workers in their day-to-day work activities	Listen carefully to the needs and wants of potential customer segments to use 3M technology to introduce a useful, innovative product
Price strategy	Seek retail price of about \$3.99 to \$4.99 for single Post-it® Flag Highlighter or \$5.99 to \$7.99 for a three-pack	Seek retail price of about \$3.99 to \$4.99 for a single Post-it® Flag Pen; wholesale prices are less	Set prices that provide genuine value to the customer segment that is targeted
Promotion strategy	Run limited promotion with a TV ad and some ads in college newspapers and then rely on student word-of-mouth messages	Run limited promotion among distributors to get them to stock the product	Increase awareness of potential users in both customer segments who have never heard of this new, innovative 3M product
Place strategy	Distribute Post-it® Flag Highlighters through college bookstores, office supply stores, and mass merchandisers	Distribute Post-it® Flag Pens through office wholesalers and retailers and mass merchandisers	Make it easy for prospective buyers to buy at convenient retail outlets (both products) or to get at work (Post-it® Flag Pens only)

Figure 1-3

117. In Figure 1-3 above, the value suggested by 3M's pricing strategy comes from
- A. providing at least two new benefits that competitors' products do not have.
  - B. charging a price to distributors that 3M hoped would give a reasonable bookstore price to students and an acceptable profit to distributors and 3M.
  - C. setting an initially high price with the intent of bringing down the price later if sales are not as anticipated.
  - D. making the product easier to purchase by placing the Post-it® Flag Highlighter in discount office supply retailers.
  - E. using 3M's Post-it® brand name from previous office supply products.
118. In Figure 1-3 above, the marketing program is designed for
- A. the initial introduction of two new 3M products.
  - B. specific promotions to be used for long range strategies.
  - C. targeting the market into twelve specific segments.
  - D. marketing 3M products to foreign markets.
  - E. positioning the products relative to major competitors.
119. In Figure 1-3 above, the place strategy makes it convenient for \_\_\_\_\_ to buy Post-it® Flag Highlighters.
- A. everyone
  - B. college students only
  - C. office workers only
  - D. college students and office workers
  - E. teachers
120. In Figure 1-3 above, one can conclude that
- A. the market segments for Post-it® Flag Highlighters and Post-it® Flag Pens are quite distinct.
  - B. the market segments for Post-it® Flag Highlighters and Post-it® Flag Pens are not realistic.
  - C. the Post-it® Flag Highlighters and Post-it® Flag Pens are priced unfairly.
  - D. the prices for 3M's Post-it® Flag Highlighters and Post-it® Flag Pens are set to maximize 3M's profits, not its distributors'.
  - E. the promotion strategy is designed to increase awareness amongst potential users.
121. If you wanted a new pair of shoes during the Civil War, you traced the outline of your foot on a piece of paper and gave it to a shoemaker. There was no distinction between right and left foot because you wanted your shoes as quickly as possible, and the shoemaker knew that you would buy them even if they just "sort of" fit. This is an example of a transaction that would have occurred during the \_\_\_\_\_ era in U.S. business history.
- A. marketing concept
  - B. sales
  - C. production
  - D. societal marketing concept
  - E. market orientation
122. The period of American business history when firms could produce more goods than they could sell and the focus was on hiring more salespeople to seek out new markets and customers is referred to as the \_\_\_\_\_ era.
- A. marketing concept
  - B. production
  - C. sales
  - D. societal marketing concept
  - E. market orientation
123. In the 19<sup>th</sup> century, the belief was that production creates its own demand. By the early 20<sup>th</sup> century, American companies began to produce more goods than their regular buyers could consume. At the same time, competition became more significant. The usual solution was to hire more salespeople to find new buyers. This describes the \_\_\_\_\_ era.
- A. societal marketing concept
  - B. production
  - C. sales
  - D. marketing concept
  - E. market orientation

124. Shortly after World War II, Sam Jackson developed an idea for a biodegradable lubricant that was superior to anything currently on the market. He was excited about his new idea and persuaded a number of his friends to help produce samples. While demand kept up with production at first, he soon found he had to hire a salesforce to sell excess product to manufacturing companies in the area. He decided this was primarily because his company had several strong competitors that had recently come into the industry. This is a good example of behavior one would expect during the \_\_\_\_\_ era of U.S. business history.
- marketing concept
  - production
  - market orientation
  - sales
  - societal marketing concept
125. In the movie *Tin Men*, two rival salesmen engaged in a variety of dishonest and unethical practices in order to sell aluminum siding to homeowners in 1963. Their job was difficult, in part, because the supply of aluminum siding surpassed the demand for the product and competition was intense. This situation is indicative of the \_\_\_\_\_ era of U.S. business history.
- production
  - sales
  - marketing concept
  - market orientation
  - societal marketing
126. Imagine a confectionary company has introduced a new nutty candy bar during the 1930s (the sales era in U.S. business history). Which of the following statements would you most likely expect management to make if sales of this new candy bar were much lower than expected?
- "We'd better do some market testing to determine why people are dissatisfied."
  - "Perhaps we should make candy bars with raisins."
  - "Let's put more aggressive salespeople in the field."
  - "Let's lower the price and change the name."
  - "Don't worry about it; we're the largest candy manufacturer in the area. Sooner or later they'll get hungry enough that they'll come to us."
127. The American business period that strives to satisfy consumer needs while achieving the organization's goals is called the \_\_\_\_\_ era.
- sales
  - production
  - marketing concept
  - societal marketing concept
  - customer relationship
128. Which era of U.S. business history does the following statement best describe? "We are in the business of satisfying needs and wants of consumers while achieving our own goals."
- the production era
  - the sales era
  - the marketing concept era
  - the marketing orientation era
  - the societal marketing era
129. Which of the following statements about the marketing concept era is most accurate?
- The marketing concept era can actually trace its roots to early Greek culture.
  - During the marketing concept era, companies tried to satisfy the needs of consumers while also achieving the organization's goals.
  - During the marketing concept era, companies tried to satisfy the wants of the consumer no matter what.
  - During the marketing concept era, companies believed if you produced as much as you could, at the highest quality level, for the lowest price, the product would sell itself.
  - All U.S. firms are now operating with a marketing concept era philosophy.
130. Which of the following terms best describes the marketing concept era?
- production-oriented
  - sales-oriented
  - society-oriented
  - consumer-oriented
  - competition-oriented
131. The idea that an organization should (1) strive to satisfy the needs of consumers (2) while also trying to achieve the organization's goals reflects the
- concept of synergy
  - marketing concept
  - principle of customer relationship management
  - societal marketing concept
  - consumerism concept
132. The marketing concept era occurred from \_\_\_\_\_.
- the early years of the U.S. to the 1920s
  - the 1920s to the 1960s
  - the late 1950s to the late 1990s
  - the mid 1960s to the present
  - the mid-1980s to the present



133. The marketing concept refers to

- A. the activity for creating, communicating, delivering, and exchanging offerings that benefit the organization, its stakeholders, and society at large.
- B. the belief that an organization should focus its efforts on (1) continuously collecting information about customers' needs, (2) sharing this information across departments, and (3) using it to create customer value.
- C. the view that organizations should satisfy the needs of consumers in a way that provides for society's well-being.
- D. the process of identifying prospective buyers, understanding them intimately, and developing favorable long-term perceptions of the organization and its offerings so that buyers will choose them in the marketplace.
- E. the idea that an organization should (1) strive to satisfy the needs of consumers (2) while also trying to achieve the organization's goals.

134. In 1952, General Electric's annual report stated, "The concept introduces...marketing...at the beginning rather than the end of the production cycle and integrates marketing into each phase of the business." This is a brief statement of what has come to be known as the

- A. sustainability perspective.
- B. age of consumerism.
- C. sales concept.
- D. marketing concept.
- E. customer relationship management concept.

135. Firms such as General Electric and Marriott have achieved great success by putting huge effort into implementing the marketing concept, giving their firms what has been called a

- A. production orientation.
- B. sales orientation.
- C. market orientation.
- D. customer relationship orientation.
- E. service orientation.

136. Many companies subscribe to being "green" because they feel that consumers value this. Yet, often in these same firms, office computers are left on 24 hours a day and office paper is not recycled. This example indicates it is not always easy for firms to act in accordance with the

- A. marketing concept.
- B. customer relationship management concept.
- C. consumerism.
- D. sustainability.
- E. green marketing.

137. An organization with a market orientation

- A. focuses its efforts on (1) continuously collecting information about the environment, (2) keeping abreast of the actions of its competitors, and (3) using this information to create customer value.
- B. focuses its efforts on (1) continuously collecting information about customers' needs, (2) sharing this information across departments, and (3) using it to create customer value.
- C. identifies prospective buyers, understands them intimately, and develops favorable long-term perceptions of the organization and its offerings so that they will choose it in the marketplace.
- D. strives to satisfy the needs of consumers while also trying to achieve its goals.
- E. satisfies the needs of consumers in a way that provides for society's well-being.

138. An organization that focuses its efforts on (1) continuously collecting information about customers' needs, (2) sharing this information across departments, and (3) using it to create customer value is said to have a

- A. product orientation
- B. customer orientation
- C. market orientation
- D. industry orientation
- E. societal orientation

139. An organization that focuses its efforts on (1) continuously collecting information about customers' needs, (2) sharing this information across departments, and (3) using it to create customer value is said to

- A. stress the societal marketing concept.
- B. have a focus on macromarketing.
- C. have a nonprofit orientation.
- D. have a market orientation.
- E. have a profit maximization orientation.

140. Today's \_\_\_\_\_ era is one in which firms seek continuously to satisfy the high expectations of customers.

- A. production
- B. sales
- C. marketing concept
- D. customer relationship
- E. societal marketing

141. Customer relationship management refers to

- A. the creation of personal relationships with customers through one-on-one personal encounters after each sale is concluded in order to maintain customer loyalty.
- B. the process of identifying prospective buyers, understanding them intimately, and developing favorable long-term perceptions of the organization and its offerings so that buyers will choose them in the marketplace.

- C. a management system of sending product information and literature only to those customers who have previously responded by making purchases.
- D. the division or department within a firm responsible for handling customer complaints in terms of product performance or customer service.
- E. a group of selected customers invited to serve on a special board that handles disputes between other customers and the firm, in order to provide a more balanced judgment.

142. Customer relationship management (CRM) is most closely related to the \_\_\_\_\_ era in U.S. business history.

- A. production
- B. sales
- C. marketing concept
- D. customer relationship
- E. societal marketing

143. The United Way of Greater Toronto (UWGT), like many charities, was sitting on a gold mine of donor data. Unfortunately, UWGT was not certain how to use that information to its greatest advantage. UWGT could blanket past donors with generic mailings, but it could not offer donors information that would convince them to donate to UWGT over other charities. Which of the following tools would be most useful for the nonprofit organization to use?

- A. a flexible marketing system
- B. a database warehouse
- C. a customer relationship management
- D. a competitive intelligence framework
- E. a customer-oriented marketing mix

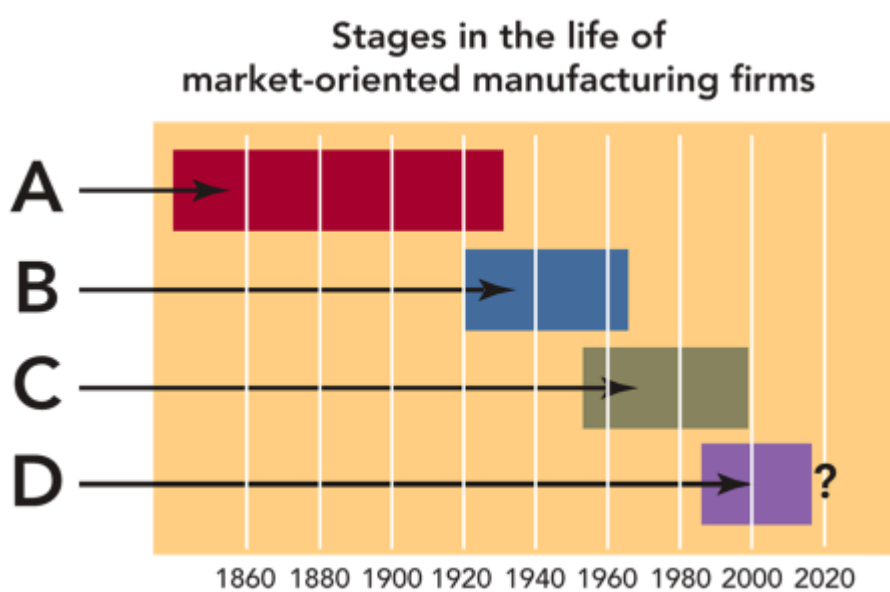


Figure 1-4

144. In Figure 1-4 above, "A" represents which era in U.S. business history?

- A. sales era
- B. production era
- C. age of consumerism
- D. marketing concept era
- E. customer relationship era

145. In Figure 1-4 above, letter "B" represents which era in U.S. business history?

- A. sales era
- B. production era
- C. age of consumerism
- D. marketing concept era
- E. customer relationship era

146. In Figure 1-4 above, letter "C" represents which era in U.S. business history?

- A. sales era
- B. production era
- C. age of consumerism
- D. marketing concept era
- E. customer relationship era

147. In Figure 1-4 above, letter "D" represents which era in U.S. business history?

- A. sales era
- B. production era
- C. age of consumerism
- D. marketing concept era
- E. customer relationship era

148. Customer experience refers to

- A. the practice of building ties to customers based on a salesperson's attention and commitment to customer needs over time.
- B. the links an organization has to its customers for their mutual long-term benefits.
- C. the process of identifying prospective buyers, understanding them intimately, and developing favorable long-term perceptions of the organization and its offerings so that buyers will choose them in the marketplace.
- D. the internal response that customers have to all aspects of an organization and its offerings.
- E. the activities in which a firm will participate in order to create a positive buying experience for the customer.

149. The internal response that customers have to all aspects of an organization and its offerings is referred to as \_\_\_\_\_.

- A. customer experience
- B. relationship marketing
- C. internal customer audit
- D. internal marketing
- E. customer relationship management

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

- A. society at large
- B. government
- C. suppliers
- D. resellers
- E. producers

151. Innovators at 3M developed Scotchbrite® Never Rust Wool Soap Pads from recycled plastic bottles. Even though these soap pads are more expensive than competitive brands (Brillo and SOS), customers are willing to pay the premium price. Customers appreciate the value of a superior product (they don't rust or scratch) and appreciate the fact that their purchase is environmentally responsible. This demonstrates that

- A. an organization can be environmentally conscious while still satisfying its customers and remaining competitive in the market.
- B. an organization can use a customer's sense of social responsibility to its own advantage even though the effects are minimal.
- C. if a company uses recycled materials, they can always charge more than what a product is actually worth.
- D. it is more important to act in a socially responsible manner than to consider the profits and goals of the organization.
- E. the first brand that creates a new product gets to charge the highest price and make the greatest profits.

152. You change the oil in your car yourself and dump the used oil down the sewer drain that ultimately flows into the local river. Based on this information, is this a transaction between you and the oil manufacturer?

- A. Yes, you paid for the oil and you can do with it as you like.
- B. Yes, the oil company adds a premium to the price to pay for oil cleanup in the environment.
- C. Yes, the oil will stay in the sewer and not hurt anything.
- D. No, this is an issue of personal social responsibility because the polluted water affects others in the society at large.
- E. No, this is an issue solely between you and your neighbors.

153. Which of the following most directly explains why pharmaceutical giant Pfizer offered low-income senior citizens many of its most widely used prescriptions for \$15 each a month?

- A. the profit motive since aging baby boomers are a large, profitable market.
- B. the social responsibility concept.
- C. the necessity of matching competitors' actions.
- D. new regulatory Medicare mandates.
- E. increased influence of religious leaders in political affairs.

154. The societal marketing concept is

- A. the moral principles and values that govern the actions and decisions of an organization.
- B. the idea that organizations are part of a larger society and are accountable to that society for their actions.
- C. actively trying to understand customer needs and satisfying them while satisfying the firm's goals.
- D. the conducting of business in a way that protects the natural environment while making economic progress.
- E. the view that an organization should satisfy the needs of consumers in a way that provides for society's well-being.

155. The view that holds an organization should satisfy the needs of consumers in a way that also provides for society's well being is known as

- A. the societal marketing concept.
- B. the marketing concept.
- C. consumerism.
- D. social responsibility.
- E. capitalism.

156. Social entrepreneurship

- A. is the idea that organizations are part of a larger society and are accountable to that society for their actions.
- B. is the conducting of business in a way that protects the natural environment while making economic progress.
- C. applies innovative approaches to solve the practical needs of society, particularly of those members who lack the financial or political means to solve their own problems.
- D. is the view that an organization should satisfy the needs of consumers in a way that provides for society's well-being.
- E. is the process of identifying prospective buyers, understanding them intimately, and developing favorable long-term perceptions of the organization and its offerings so that buyers will choose them in the marketplace.

157. The study of the aggregate flow of a nation's goods and services to benefit society is referred to as \_\_\_\_\_.

- A. micromarketing
- B. macromarketing
- C. societal marketing
- D. macro economics marketing
- E. balance of trade

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

- 
- A. micromarketing
  - B. micro economics marketing
  - C. cultural marketing
  - D. macromarketing
  - E. megamarketing

159. Which of the following statements best distinguishes macromarketing from micromarketing?

- A. Macromarketing uses a marketing program and micromarketing does not.
- B. Macromarketing is affected by environmental forces but micromarketing is not.
- C. Micromarketing is affected by environmental forces but macromarketing is not.
- D. Macromarketing looks at the flow of an entire nation's goods and services and micromarketing concerns itself with the marketing activities of an organization.
- E. Micromarketing looks at the flow of an entire nation's goods and services and macromarketing concerns the marketing activities of an organization.

160. What kinds of organizations engage in marketing?

- A. only those that can afford to advertise
- B. only very large and established nonprofit organizations
- C. only *Fortune* 500 companies
- D. every organization regardless of the kind
- E. only the organization that wants to make a profit

161. Which of the following organizations engage in marketing?

- A. Chicago Cubs
- B. San Francisco Opera
- C. the city of Denver
- D. the United States
- E. All the examples listed above.

162. Which answer reflects (in order) a good, an idea, and a service that can be marketed?

- A. a candy bar, a wastepaper basket, and a vending machine
- B. a CD, a concert, and a souvenir T-shirt
- C. a political candidate, democracy, and freedom
- D. a toothbrush, laser teeth whitening, and dental hygiene
- E. an iPod, an iPhone, and the Internet

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

- A. good
- B. idea
- C. service
- D. product
- E. charity

164. Ultimate consumers refer to

- A. the people who use the goods and services purchased for a household.
- B. people who have already purchased a firm's product at least once, have been satisfied, and are likely to make repeat purchases.
- C. people or organizations that have used a competitor's product and who have been dissatisfied, and who are still seeking a product or service to satisfy their needs.
- D. those manufacturers, wholesalers, retailers, and government agencies that buy goods and services for their own use or for resale.
- E. one or more specific groups of potential customers toward whom an organization directs its marketing program.

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

- A. organizational buyers.
- B. household prospects.
- C. ultimate consumers.
- D. a target market.
- E. collateral consumers.

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

- A. situational buyers
- B. primary buyers
- C. ultimate consumers
- D. a target market
- E. household prospects

167. Time Inc. has published a new magazine, *All You*, which is distributed only in Walmart stores. Who is the ultimate consumer for this magazine?

- A. the person who buys the magazine to read at home
- B. the person who works at Walmart and reads the magazine while stocking the magazine rack
- C. the person who browses the magazine in the store without buying it
- D. the salesperson for Time Inc. that sold the magazine to Walmart
- E. All people, from the writer, to the seller, to the reader at home are the ultimate consumers

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

- A. a newspaper reporter who buys a plane ticket to Washington, D.C. to cover the presidential inauguration
- B. a school teacher who bought a ticket to the Summer Olympics opening ceremonies
- C. an office receptionist who renews the magazines that are found in the office waiting room
- D. a retailer who buys poster board to make signs for an upcoming store sale
- E. a landscaping firm employee who buys a new wheelbarrow to use to haul mulch

169. Organizational buyers are most accurately described as

- A. only purchasers of raw materials and natural resources.
- B. employees who purchase household items for their personal use.
- C. manufacturers, retailers, or government agencies buying for their own use or for resale.
- D. any individual or group making a purchase worth over \$100,000.
- E. any man, woman, or child who uses goods purchased for a household.

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

- A. a mother buying milk for her young son
- B. a computer programmer buying the latest game for his PlayStation 3
- C. a store owner buying hand-painted slate signs to sell in her store
- D. a botanist buying a rose bush for his home garden
- E. a baseball player buying a t-ball set for his daughter

171. Effective marketing benefits society because

- A. it reduces competition, making the playing field more even, so everyone benefits.
- B. it improves the quality of products and services regardless of the cost.
- C. it allows companies to charge whatever price they want, regardless of product quality.
- D. it makes countries more competitive in world markets while simultaneously reducing competition in their home markets.
- E. it enhances competition, which improves the quality of products and services and lowers their prices.

172. Utility refers to

- A. the number of alternative uses or benefits that can be provided by a single product or service.
- B. the adaptability of a marketing program to adjust to changes from environmental forces.
- C. the benefits or customer value received by users of the product.
- D. the fixed costs associated with the production of a single unit of a product within a product line.
- E. the variable costs associated with the production of a single unit of a product within a product line.

173. The benefits or customer value received by users of a product is called \_\_\_\_\_.

- A. utility
- B. synergy
- C. consumerism
- D. cost-benefit ratio
- E. customer lifetime value

174. The four utilities include

- A. product, price, promotion, and place.
- B. form, function, value, and people.
- C. monopoly, monopolistic competition, pure competition, and oligopoly.
- D. form, place, time, and possession.
- E. natural gas, fossil fuel, electricity, and water.

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

- A. an iPhone with a large selection of new "apps"
- B. stamp vending machines that are located in drug stores
- C. a service station that has a 24-hour ice machine available for use when the station is closed
- D. a cell phone company that offers six-month financing, same as cash
- E. a gourmet shop that offers a home delivery service

176. The value to consumers that comes from the production or alteration of a good or service constitutes \_\_\_\_\_ utility.

- A. time
- B. place
- C. possession
- D. market
- E. form

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

- A. time
- B. place

- C. possession
- D. market
- E. form

178. The process of turning corn into ethanol shows how manufacturing can create \_\_\_\_\_ utility.

- A. time
- B. place
- C. possession
- D. market
- E. form

179. The value to consumers that comes from having a good or service available when needed constitutes \_\_\_\_\_ utility.

- A. time
- B. place
- C. possession
- D. market
- E. form

180. The utility that UPS provides by delivering new CD releases to music stores before the Tuesday release day is

- A. time utility.
- B. place utility.
- C. possession utility.
- D. market utility.
- E. form utility.

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

- A. time
- B. place
- C. possession
- D. market
- E. form

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

- A. an iPhone that offers a large selection of "apps"
- B. a dry cleaners that is located inside a supermarket
- C. Goodwill that has a 24-hour drop off box for donations
- D. a cell phone company that offers six-month financing, same as cash
- E. a new herbal supplement that offers a 30 day free trial

183. Redbox places vending machines at local convenience stores and grocery stores that allow customers to rent and return popular DVDs 24 hours a day. This creates both \_\_\_\_\_ and \_\_\_\_\_ utility.

- A. form and place
- B. form and time
- C. place and time
- D. time and possession
- E. form and possession

184. The value to consumers of having a good or service available where needed constitutes \_\_\_\_\_ utility.

- A. time
- B. place
- C. possession
- D. market
- E. form

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

- A. airlines that allow you to print your own boarding passes at home
- B. a service station that sells both regular gasoline and diesel fuel
- C. a cell phone company that offers six-month financing, same as cash
- D. cold cut packages that can be zipped close for reuse
- E. an iPhone with a large selection of new "apps"

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

- A. an iPhone with a large selection of new "apps"
- B. the local dairy that offers delivery to the customer's doorstep
- C. disposable diapers that come equipped with re-sealable tabs
- D. a gourmet food store that carries a line of ready-made salads
- E. a cell phone company that offers six-month financing, same as cash

187. Robert could not buy his *Principles of Marketing* text this semester by the first day of class if the bookstore did not accept one of the four major credit cards. With his VISA credit card, he was able to obtain the book for his first marketing class. The credit card created \_\_\_\_\_ utility for Robert.

- A. form
- B. time
- C. price
- D. possession
- E. place

188. The 3M inventor, David Windorski took this approach when he developed the Post-it® Flag Highlighter:

- A. He first asked students to identify their needs and wants.
- B. He asked students to bring him their five favorite bookstore items.
- C. He started with his idea and then investigated if there was a market for it.
- D. He patented his idea and sold it to 3M.
- E. He petitioned 3M executives for the right to do independent research that ultimately resulted in the 15% rule.

189. Which of the following statements about 3M's market research prior to introducing the Post-it® Flag Highlighter is most accurate?

- A. Windorski worked with clay and wood models to see how much additional weight students would be willing to carry in their backpacks.
- B. Windorski asked students to dump the contents of their backpacks to make sure no clay prototype was being stolen.
- C. Windorski used focus groups, observed students' studying behavior, and even gave out trial Post-it® Flag Highlighters to students to try for a month.
- D. Windorski hired students to handout promotional materials at their home universities and colleges.
- E. Windorski reassigned all personnel to over twenty-five to different projects so they could not inadvertently influence younger participants based on their own experiences.

190. In the future, 3M will make use of \_\_\_\_\_ to attract new customers.

- A. product extensions
- B. social responsibility
- C. social entrepreneurship
- D. graduate students to design new products
- E. macromarketing strategies focusing on "going green"

191. Explain the market research that David Windorski, 3M inventor, did to develop the Post-it® Flag Highlighter.

192. Why are you, as a student, already somewhat of an expert in marketing before taking this course? Provide a specific example from your own personal experience and relate it to something you just "formally" learned about marketing in this chapter.

193. What is the definition of marketing according to the American Marketing Association? How does this differ from your previous notion of marketing before reading this chapter?

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

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

196. Most people would assume that in marketing the only thing of value to "exchange" would be monetary (check, credit/debit, currency and/or coin transactions). What else can be exchanged? Provide an example of a nonmonetary transaction that still fits the criteria of exchange.

197. What are the four factors required for marketing to occur?



198. In China, many people are removing their money from the state banks and lending it out themselves. The interest rate earned in a state bank account is about one-half the rate of inflation. On the other hand, loaning money to friends, relatives, and even unrelated entrepreneurs can often earn the investor a rate double or more over the inflation rate. The gray market, an underground network of investors and private businesses, moves the cash from lenders to businesses. Did marketing occur here? Explain your answer.
199. Add your own personal experience and creativity to what you have just learned in Chapter 1. Formulate a plan to assess the needs of either (1) students who have too many books to carry to and from class or (2) executives who are too busy to keep up with the latest information in their field.
200. Define needs and wants. Can marketing shape a person's wants? Explain your answer.
201. Explain the difference between a market and a target market. Provide a specific example.
202. Describe two different target markets, for two different products or services you, your friends, or your family have recently purchased or used.
203. An inventor designs a scissors that has interchangeable blades that allow the user to switch from straight cuts to decorative cuts. Identify two possible target markets and justify your answer.
204. Imagine you have the sole marketing rights to a new herbal shampoo that stops hair loss and actually causes new hair growth. You plan to sell your product on an Internet site, which you will advertise on late night television. You are also hoping to obtain free publicity to place stories in men's fashion magazines. You are planning to sell online a 15-ounce bottle for \$24.99 plus \$7.99 shipping and handling. Using the information provided, identify each element of your marketing mix and the target market for your shampoo. How can you use relationship marketing to increase sales?
205. Why do some executives feel that environmental factors are NOT entirely outside their influence?
206. Do college students have a choice in which classes they take to earn a degree? Use what you have learned about the controllable and uncontrollable aspects of marketing in terms of how they might relate to course selection decision-making. Incorporate marketing terms in your response.

207. The Apple iPod is rated by *Consumer Reports* as being one of the best music players in the industry. The customer may buy and download music from the Internet. Define customer value. In what ways does the Apple iPod provide value for its customers?
208. Assume you are a salesperson for a direct marketing firm that does "in-home" parties (such as Tupperware). If most of your hosts or hostesses hold only one party a year, what strategies could you use to build strong customer relationships? If you are creating your own business for this example, make sure to describe your product(s) in your introductory sentence.
209. During October, kiosk stores often appear in many malls for the holiday season. Typically, the kiosks sell gift boxes of cheese, jewelry, and other items people think are appropriate seasonal gifts. In January, these kiosk retailers vanish. Is it possible for such a kiosk retailer to use relationship marketing? Explain your answer.
210. Twitter is a Web site that offers a social networking service, enabling its users to send and read other users' messages or conversations called tweets, which are text-based posts of up to 140 characters displayed on the user's profile page. Connected to each Tweet is a rich details pane that provides additional information, deeper context, and embedded media. Companies are just beginning to use "Twitter" as a tool in their relationship marketing programs. In what ways could Twitter be used to benefit both the customer and the organization?
211. Explain the marketing program that 3M used to reach the student target market for the Post-it® Flag Highlighter and the rationale used for each element of the marketing mix.
212. Explain the marketing program 3M used to reach the office worker segment with its Post-it® Flag Pen.
213. Many market-oriented, older, manufacturing organizations have experienced four distinct stages in the life of their firms. Beginning with the early years of the United States, list and define each of the four eras
214. Define the marketing concept.
215. What is the difference between micromarketing and macromarketing?

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

217. What are the primary differences between an ultimate consumer and an organizational buyer. Select one product and explain the differences in either its use or purchase, dependent on whether it was purchased by an ultimate consumer or an organizational buyer?

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

219. Who benefits from marketing in U.S. society and how?

220. Explain the four utilities marketing creates.

221. At the BMW Web site, BMW.com, you can design your own personal BMW. If you choose to do this and purchase the car, what type of utility(ies) has(have) been created?

222. Identify the six prelaunch issues that 3M and David Windorski needed to address before the Post-it<sup>®</sup> Flag Highlighter could be manufactured and marketed.

1 KEY

1. (p. 3) How much time does 3M allow their inventors for the purpose of doing initially unfunded research?

- A. 5%
- B. 10%
- C. 15%**
- D. 25%
- E. 35%

3M's "15% Rule" allows inventors to use up to 15 percent of their time to do initially unfunded research that might lead to marketable 3M products.

AACSB: Analytic  
Kerin - Chapter 01 #1  
Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
Level of Learning: Comprehension  
Topic: Chapter Opening Example: 3m

2. (p. 3) While working at 3M, Windorski and his team observed and questioned students about how they studied, took notes, wrote term papers, etc., to

- A. convince them of 3M's superiority over other competitors.
- B. determine how much the average college student traditionally spends on bookstore supplies.
- C. find possible correlations between students' study styles and their final grades.
- D. discover a potentially new way to satisfy student needs by creating a new product.**
- E. relate more effectively with a younger student population.

As an inventor for 3M, David Windorski's main job was to design new products. To do this, he first has to discover any unmet needs and wants.

AACSB: Analytic  
Kerin - Chapter 01 #2  
Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
Level of Learning: Comprehension  
Topic: Chapter Opening Example: 3m

3. (p. 3) An inventor for 3M, David Windorski questioned dozens of students about how they study. They told him

- A. to make new products that were more expensive.
- B. that the average backpack was already too heavy.
- C. that it would be reasonable to put Post-it® Flags together with a highlighter.**
- D. to determine the ratio of 3M products to study aid products of other competitors.
- E. highlighters and Post-it® Notes should not be combined.

Windorski had to first discover students' studying needs. He did this by interviewing dozens of students. They told him that "it's natural behavior to highlight a passage and then mark the page with a Post-it® Note or Post-it® Flag."

AACSB: Analytic  
Kerin - Chapter 01 #3  
Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
Level of Learning: Comprehension  
Topic: Chapter Opening Example: 3m

4. (p. 3) If other companies applied the same strategy used by David Windorski at 3M, they would most likely

- A. find a winning strategy and stick with it.
- B. search continuously to discover customers' needs.**
- C. change strategies every ten years to avoid becoming complacent.
- D. avoid excessive attention to customers' demands because they cannot always differentiate between their needs and their wants.
- E. focus on the shareholders of the company and know the strategy will follow.

The first objective in marketing is discovering the needs of prospective consumers. David Windorski worked with college students and observed how they studied to discover their needs and wants. This information was essential in designing a new product.

AACSB: Analytic  
Kerin - Chapter 01 #4  
Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
Level of Learning: Application  
Topic: Chapter Opening Example: 3m

5. (p. 4) Which of the following statements about the study of marketing is most accurate?

- A. Unless you take a marketing class, you will never truly know anything about marketing.
- B. Marketing is nothing more than common sense.
- C. Marketing requires an innate sense of creativity; you either have it or you don't.
- D. You are already a marketing expert because as a consumer, you have already been involved in marketing decisions.**
- E. You can call yourself a marketing expert only if you have sold something.

You are already a marketing expert because you perform many marketing activities and make marketing-related decisions every day—although most likely on the buying rather than the selling side.

AACSB: Analytic  
Kerin - Chapter 01 #5  
Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
Level of Learning: Comprehension  
Topic: Marketing Expert Comprehension

6. (p. 5) YouTube.com was named *Time* magazine's Invention of the Year for 2006. They attributed its success to the fact that it

- A. was both "edgy and easy" for users.**
- B. was targeted exclusively to the new "web-savvy" generation.

- C. placed no restrictions on the type of material could be uploaded.
- D. charged only a nominal user's fee so almost everyone could have access.
- E. had built-in spyware to protect its users.

Time magazine says the reason for YouTube's success is its rare combination of being both "edgy and easy" for users.

AACSB: Analytic  
Kerin - Chapter 01 #6  
Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
Level of Learning: Comprehension  
Topic: Marketing Matters Comprehension

7. (p. 5 -6) Jawed Karim believed that college students have many innovative ideas but don't have the money and know how to get started. As a result, he and two friends
- A. sponsored an annual contest offering \$50,000 for the best new Web site idea.
  - B.** established Youniversity Ventures to provide venture financing for those who qualified.
  - C. offered to match funds up to \$100,000 for first time entrepreneurs.
  - D. provided financing in exchange for 10% of the company's initial public stock offering.
  - E. established an entrepreneur's fund with contribution from the top 100 software designers.

In 2008, Karim and two friends launched Youniversity Ventures, which provides financing for Internet software startups of college students and first time entrepreneurs.

AACSB: Analytic  
Kerin - Chapter 01 #7  
Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
Level of Learning: Comprehension  
Topic: Marketing Matters Comprehension

8. (p. 6) Marketing refers to
- A. the production of products or services that will generate the highest return on investment.
  - B. the strategies used in the advertising and promotion of products and services.
  - C. the process of identifying target market segments for a product or service.
  - D.** the activity for creating, communicating, delivering, and exchanging offerings that benefit the organization, its stakeholders, and society at large.
  - E. the activity involved in actually getting a product or service to the ultimate user.

Key term definition—marketing.

AACSB: Analytic  
Kerin - Chapter 01 #8  
Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
Level of Learning: Knowledge  
Topic: What is Marketing?

9. (p. 6) The activity for creating, communicating, delivering, and exchanging offerings that benefit the organization, its stakeholders, and society at large is referred to as \_\_\_\_\_.
- A. manufacturing
  - B. advertising
  - C.** marketing
  - D. selling
  - E. promotion

Key term definition—marketing.

AACSB: Analytic  
Kerin - Chapter 01 #9  
Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
Level of Learning: Knowledge  
Topic: What is Marketing?

10. (p. 6) The American Association of Marketing combined 2004/2007 definition of marketing refers to
- A. the activity for creating, communicating, delivering and exchanging offerings solely for the benefit of the organization's stockholders.
  - B. the activity for creating, communicating, delivering and exchanging solely for the benefit of the organization's customers.
  - C. the activity for creating, communicating, delivering a product or service at the highest possible price.
  - D.** the activity for creating, communicating, delivering, and exchanging offerings that benefit the organization, its stakeholders, and society at large.
  - E. the activities of advertising, promoting, and selling products to the greatest number of profitable customers.

Key term definition—marketing.

AACSB: Analytic  
Kerin - Chapter 01 #10  
Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
Level of Learning: Knowledge  
Topic: What is Marketing?

11. (p. 6) The activity for creating, communicating, delivering, and exchanging offerings that benefit the organization, its stakeholders and society at large is referred to as
- A. selling
  - B. advertising
  - C.** marketing
  - D. commerce
  - E. trade

Key term definition—marketing.

12. (p. 6) All of the following are true about marketing **EXCEPT**:

- A. Marketing is a broader activity than advertising.
- B. Marketing stresses the importance of delivering genuine benefits in the offerings of products, services, and ideas.
- C.** Marketing persuade people to buy the "wrong" things.
- D. When an organization engages in marketing, all stakeholders should benefit.
- E. Marketing is a broader activity than personal selling.

Marketing is the activity for creating, communicating, delivering, and exchanging offerings that benefit the organization, its stakeholders, and society at large. This definition shows marketing to be a far broader activity than simply advertising or personal selling. It stresses the importance of delivering genuine benefits in the offerings of goods, services, and ideas marketed to customers. Also, note that the organization, the stakeholders, and society should all benefit.

13. (p. 6) The common factor among an organization's chairman of the board, stockholders, suppliers, laborers, customers, and society at large is that

- A. everyone has a say in the ultimate design of the product.
- B. everyone is legally culpable if something goes wrong with the product.
- C.** all are stakeholders and should benefit by the marketing of the product.
- D. all had to make some type of direct financial investment in the organization.
- E. all use the product or service marketed by the organization.

The common factor is that all are stakeholders of an organization and should all benefit by its marketing activities.

14. (p. 6) To serve both buyers and sellers, marketing seeks to \_\_\_\_\_ and satisfy the needs and wants of prospective customers.

- A. change
- B. create
- C.** discover
- D. manipulate
- E. weigh

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

15. (p. 6) Which of the following statements about stakeholders is most accurate?

- A. Ultimately, the only relevant stakeholder is the customer.
- B.** The organization, suppliers, shareholders, employees, and consumers are all stakeholders of an organization that engages in marketing activities. Ultimately all, of society should benefit.
- C. Employees can be stakeholders only if they own shares in their company.
- D. Suppliers are the most important stakeholders because without them, products could never be produced.
- E. The only way to be a stakeholder is to have a financial investment in a product, idea, or service.

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

16. (p. 6) Mizuno designs and sells high quality baseball gloves. Who benefits the **LEAST** from the firm's marketing activities for its gloves?

- A. a baseball or softball player who purchases a new Mizuno glove
- B. the Sports Authority salesperson who sells a player a Mizuno glove
- C. the supplier who provided the leather to Mizuno
- D. the shareholders of Mizuno that designs and manufactures the gloves
- E.** No one should benefit the "least." All should be benefit from Mizuno's marketing efforts, even society at large.

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

17. (p. 6) Whether an individual is buying for personal or household use, or an organization is buying for its own use or for resale, the individual or organization would be considered

- A. a prospective customer.
- B. the primary marketing decision maker.
- C. a potential distributor.
- D. an informed buyer.
- E. an unqualified prospect.

Prospective customers include both individuals, buying for themselves and their households, and organizations that buy for their own use (such as manufacturers) or for resale (such as wholesalers and retailers).

AACSB: Analytic  
Kerin - Chapter 01 #17  
Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
Level of Learning: Comprehension  
Topic: Prospective Customers

18. (p. 6) A student wants to buy a cell phone so she can share pictures with her friends. An insurance claims adjuster wants to buy a cell phone to document accident reports. If they both purchase the same model phone, which statement is most accurate?
- A. The adjuster is a prospective customer because the phone will be used for work; the student is only a secondary user since the purpose of the phone is just for entertainment.
  - B. Both the adjuster and students are potential customers because in their own way, they both benefit from the product.
  - C. Neither the adjuster nor the student is a prospective customer since most likely the company will pay for the adjuster's phone and the student's parents will pay for hers.
  - D. The student is the prospective customer since there are more students buying phones for personal use than there are insurance adjusters buying phones for business use.
  - E. Every person who uses a cell phone is prospective customer they receive benefit whether they purchase the phone or not.

Prospective customers include both individuals, buying for themselves and their households, and organizations that buy for their own use (such as manufacturers) or for resale (such as wholesalers and retailers). A prospective customer includes anyone who could benefit from owning a product.

AACSB: Analytic  
Kerin - Chapter 01 #18  
Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
Level of Learning: Application  
Topic: Prospective Customers

19. (p. 6) The Transition is a 19-foot, two-seater road-driveable, light-sport aircraft with an anticipated price of US \$148,000. The most likely prospective customers for this flying car include
- A. students interested in science fiction.
  - B. retired seniors receiving social security.
  - C. executives for whom time is extremely important.
  - D. teens who like to try new things.
  - E. all of the people above are likely prospective customers of the Transition.

A prospective customer includes anyone who could benefit from owning a product. However, the most likely prospective customer in this case would be an executive for whom time is extremely important. Both the benefits of the product and the willingness and ability to pay for the Transition are needed for prospective customers to become actual customers.

AACSB: Analytic  
Kerin - Chapter 01 #19  
Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
Level of Learning: Application  
Topic: Prospective Customers

20. (p. 6) Marketing seeks to discover the needs and wants of prospective customers and satisfy them. Essential to this process is the idea of exchange, which refers to
- A. the negotiation phase between the manufacturer and the seller.
  - B. the financial remuneration (monetary payment) for an item or service.
  - C. the trade of things of value between buyer and seller so that each is better off after the trade.
  - D. the bartering of products and services for other products and services.
  - E. the practice of swapping products and services for other products and services rather than for money.

Key term definition—exchange.

AACSB: Analytic  
Kerin - Chapter 01 #20  
Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
Level of Learning: Knowledge  
Topic: Exchange

21. (p. 6) Exchange refers to
- A. the trade of things of value between buyer and seller so that each is better off after the trade.
  - B. the replacement of one product for another product of equal or greater value as compensation for a product that failed to meet expectations.
  - C. the proffering of money in the form of cash, check, credit card, or gold for a product or service at the time of purchase.
  - D. a market where stocks, bonds, commodities or other financial assets are bartered.
  - E. practice of exchanging products and services for other products and services rather than for money.

Key term definition—exchange.

AACSB: Analytic  
Kerin - Chapter 01 #21  
Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
Level of Learning: Knowledge  
Topic: Exchange

22. (p. 6) The trade of things of value between buyer and seller so that each is better off after the trade is referred to as \_\_\_\_\_.
- A. exchange



- B. barter
- C. countertrade
- D. utility
- E. market

Key term definition—exchange.

AACSB: Analytic  
Kerin - Chapter 01 #22  
Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
Level of Learning: Knowledge  
Topic: Exchange

23. (p. 6) The American Red Cross created a series of advertisements encouraging viewers to donate blood. After viewing an ad, Amanda went to the local Red Cross office and donated a pint of blood. Amanda returned home feeling happy that she had performed a good deed. Was this an exchange in a marketing sense?
- A. Yes, because the blood was donated to the Red Cross based on an advertisement, a marketing activity.
  - B.** Yes, because the donated blood was exchanged for a feeling of satisfaction.
  - C. No, because the Red Cross is nonprofit organization.
  - D. No, because no money changed hands.
  - E. No, because the Red Cross, a service organization, did not provide Amanda with a product.

Marketers seek to discover and satisfy the needs and wants of customers. The key to achieving these objectives is exchange—the trade of things of value between buyer and seller so that each benefits from the exchange. In this instance, Amanda is a donor, another name for a customer and the Red Cross is the marketer. An exchange occurred when Amanda exchanged her donated blood (a "thing") for a feeling of satisfaction (another "thing")—which to her was as valuable as money. The Red Cross received the donated blood to serve the needs of society in times of disaster—which benefits society as a whole. Alternative "a" is incorrect because the ad only served as the motivation to donate; no transaction occurred at the time Amanda saw the ad.

AACSB: Analytic  
Kerin - Chapter 01 #23  
Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
Level of Learning: Application  
Topic: Exchange

24. (p. 6) A church put advertisements in its weekly bulletins to encourage its members to participate in the services by telling a brief, positive story about how fellow members have helped them during times of need. Jack volunteered and shared his story during a service. Afterwards, he felt joyous. Was this an exchange in a marketing sense?
- A. Yes, because the church ran an advertisement, a marketing activity.
  - B.** Yes, because sharing his story at a service was exchanged for a feeling of joy.
  - C. No, because the church is nonprofit organization and these actions are expected without any expectation of "exchange."
  - D. No, because no money was exchanged.
  - E. No, because the church did not provide Jack with a tangible product or service.

Marketers seek to discover and satisfy the needs and wants of customers. The key to achieving these objectives is exchange—the trade of things of value between buyer and seller so that each benefits from the exchange. In this instance, Jack is a member or "customer" and the church is the "marketer." An exchange occurred when Jack "exchanged" his story at the service for a feeling of joy. The rest of the church membership likely benefited from the story as well.

AACSB: Analytic  
Kerin - Chapter 01 #24  
Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
Level of Learning: Application  
Topic: Exchange

25. (p. 6) A local college of business offers an outstanding business school education. Cali pays the tuition to attend and earns her MBA with a concentration in marketing management. Upon graduating, she is offered a high paying, fulfilling position. Was this a marketing exchange?
- A. No, because the university earned a profit from Cali's tuition and will most likely receive additional funds from Cali as an alumnus.
  - B. No, because money was exchanged in the form of tuition and Cali's income will come from her employer, not her graduate school.
  - C. No, because the school did not provide Cali with a tangible product, only the potential of an education.
  - D. Yes, because the university promised Cali she would graduate on time, and she did.
  - E.** Yes, because paying tuition was exchanged for knowledge that directly led to Cali's high paying, fulfilling new job.

Marketers seek to discover and satisfy the needs and wants of customers. The key to achieving these objectives is exchange—the trade of things of value between buyer and seller so that each benefits from the exchange. In this instance, Cali is the customer and college is the marketer. An exchange occurred when Cali paid her tuition and received the education required to earn a degree that led her to receive the job offer. The college used the tuition to pay its operating expenses.

AACSB: Analytic  
Kerin - Chapter 01 #25  
Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
Level of Learning: Application  
Topic: Exchange



Figure 1-1

Kerin - Chapter 01

26. (p. 6) In Figure 1-1 above, "A" represents a firm's relationships with

- A. suppliers
- B. customers
- C. shareholders
- D. other departments
- E. other organizations**

Figure 1-1 shows the key people, groups, and forces outside the organization that influence its marketing activities. The marketing department is responsible for facilitating relationships, partnerships, and alliances with the organization's customers, shareholders (or often representatives of groups served by a nonprofit organization), suppliers, and other organizations. See Figure 1-2 in the textbook.

AACSB: Analytic  
Kerin - Chapter 01 #26  
Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
Level of Learning: Comprehension  
Topic: The Organization and its Departments

27. (p. 6) In Figure 1-1 above, "B" represents a firm's partnerships with

- A. other organizations
- B. suppliers**
- C. shareholders
- D. customers
- E. other departments

Figure 1-1 shows the key people, groups, and forces outside the organization that influence its marketing activities. The marketing department is responsible for facilitating relationships, partnerships, and alliances with the organization's customers, shareholders (or often representatives of groups served by a nonprofit organization), suppliers, and other organizations. See Figure 1-2 in the textbook.

AACSB: Analytic  
Kerin - Chapter 01 #27  
Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
Level of Learning: Comprehension  
Topic: The Organization and its Departments

28. (p. 6) In Figure 1-1 above, "C" represents a firm's ownership with

- A. other organizations
- B. suppliers
- C. shareholders**
- D. customers
- E. other departments

Figure 1-1 shows the key people, groups, and forces outside the organization that influence its marketing activities. The marketing department is responsible for facilitating relationships, partnerships, and alliances with the organization's customers, shareholders (or often representatives of groups served by a nonprofit organization), suppliers, and other organizations. See Figure 1-2 in the textbook.

AACSB: Analytic  
Kerin - Chapter 01 #28  
Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
Level of Learning: Comprehension  
Topic: The Organization and its Departments

29. (p. 6) In Figure 1-1 above, "D" represents a firm's relationship with

- A. other organizations
- B. suppliers
- C. shareholders
- D. customers**
- E. other departments

Figure 1-1 shows the key people, groups, and forces outside the organization that influence its marketing activities. The marketing department is responsible for facilitating relationships, partnerships, and alliances with the organization's customers, shareholders (or often representatives of groups served by a nonprofit organization), suppliers, and other organizations. See Figure 1-2 in the textbook.

AACSB: Analytic  
Kerin - Chapter 01 #29  
Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
Level of Learning: Comprehension  
Topic: The Organization and its Departments

30. (p. 6) In Figure 1-1 above, the \_\_\_\_\_ department of an organization is responsible for facilitating relationships, partnerships, and alliances with the organization's customers, shareholders, suppliers, and other organizations.

- A. purchasing
- B. marketing**
- C. human resources
- D. accounting
- E. information systems

Figure 1-1 shows the key people, groups, and forces outside the organization that influence marketing activities. The marketing department is responsible for facilitating relationships, partnerships, and alliances with the organization's customers, shareholders, suppliers, and other organizations. See Figure 1-2 in the textbook.

AACSB: Analytic  
Kerin - Chapter 01 #30  
Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
Level of Learning: Comprehension  
Topic: The Marketing Department

31. (p. 6) In Figure 1-1 above, the marketing department of an organization is responsible for facilitating \_\_\_\_\_.

- A. healthy competition with other product manufacturers
- B. financial contracts with banks and other lending institutions
- C. relationships, partnerships, and alliances with the organization's customers, shareholders, suppliers, and other organizations**
- D. alliances with firms with non-competitive products but similar target markets
- E. relationships with governmental regulatory agencies

Figure 1-1 shows the key people, groups, and forces outside the organization that influence marketing activities. The marketing department is responsible for facilitating relationships, partnerships, and alliances with the organization's customers, shareholders, suppliers, and other organizations. See Figure 1-2 in the textbook.

AACSB: Analytic  
Kerin - Chapter 01 #31  
Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
Level of Learning: Comprehension  
Topic: The Marketing Department

32. (p. 6 -7) Which of the following statements about marketing departments is most accurate?

- A. The marketing department should work with people solely within its own department.
- B. The marketing department should suggest where a firm should invest its money based on their knowledge of the market and environmental forces.
- C. The marketing department must work closely with a network of other departments and employees to help provide the customer-satisfying products required for the organization to survive and prosper.**
- D. The marketing department is only responsible for the 4Ps.
- E. The marketing department is responsible for market research, supervision of product development, and product promotion.

The marketing department of an organization is responsible for facilitating relationships, partnerships, and alliances with the organization's customers, shareholders, suppliers, and other organizations. See Figure 1-2 in the textbook.

AACSB: Analytic  
Kerin - Chapter 01 #32  
Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
Level of Learning: Comprehension  
Topic: Marketing Department

33. (p. 6 -7) Which of the following statements about marketing activities is most accurate?

- A. Marketing is affected by society but rarely, if ever, affects society as a whole.
- B. The marketing department works closely with other departments and employees to implement marketing activities.**
- C. Marketing activities are the sole responsibility of the marketing department; other departments are only involved if there is an emergency (such as a product recall).
- D. Environmental factors do not affect marketing activities as long as a firm closely monitors the environment through rigorous market research.
- E. Marketing, after all is said and done, is essentially developing the right product and convincing potential customers that they "need" it, not just "want it."

Although an organization's marketing activity focuses on assessing and satisfying consumer needs, countless other people, groups, and forces interact to shape the nature of its activities. The marketing department works closely with a network of other departments and employees to help provide the customer-satisfying products required for the organization to survive and prosper. Environmental forces also shape an organization's marketing activities. Finally, an organization's marketing decisions are affected by and, in turn, often have an important impact on society as a whole. See Figure 1-2 in the textbook.

AACSB: Analytic  
Kerin - Chapter 01 #33  
Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
Level of Learning: Comprehension  
Topic: Marketing Activities

34. (p. 7) Four factors are required for marketing to occur: (1) \_\_\_\_\_; (2) a desire and ability on their part to be satisfied; (3) a way for the parties to communicate; and (4) something to exchange.

- A. a healthy competitive environment
- B. government approval
- C. a sense of social responsibility
- D. an ability to see hidden potential within an environmental force
- E. two or more parties (individuals or organizations) with unsatisfied needs**

Four factors are required for marketing to occur: (1) two or more parties (individuals or organizations) with unsatisfied needs; (2) a desire and

ability on their part to be satisfied; (3) a way for the parties to communicate; and (4) something to exchange.

AACSB: Analytic  
 Kerin - Chapter 01 #34  
 Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
 Level of Learning: Comprehension  
 Topic: Requirements for Marketing to Occur

35. (p. 7) Four factors are required for marketing to occur: (1) two or more parties (individuals or organizations) with unsatisfied needs; (2) \_\_\_\_\_; (3) a way for the parties to communicate; and (4) something to exchange.
- A. a healthy competitive environment
  - B. government approval
  - C. a sense of social responsibility
  - D. a desire and ability on their part to be satisfied**
  - E. an ability to see hidden potential within an environmental force

Four factors are required for marketing to occur: (1) two or more parties (individuals or organizations) with unsatisfied needs; (2) a desire and ability on their part to be satisfied; (3) a way for the parties to communicate; and (4) something to exchange.

AACSB: Analytic  
 Kerin - Chapter 01 #35  
 Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
 Level of Learning: Comprehension  
 Topic: Requirements for Marketing to Occur

36. (p. 7) Four factors are required for marketing to occur: (1) two or more parties (individuals or organizations) with unsatisfied needs; (2) a desire and ability on their part to be satisfied; (3) \_\_\_\_\_; and (4) something to exchange.
- A. a way for the parties to communicate**
  - B. a healthy competitive environment
  - C. government approval
  - D. a sense of social responsibility
  - E. an ability to see hidden potential within an environmental force

Four factors are required for marketing to occur: (1) two or more parties (individuals or organizations) with unsatisfied needs; (2) a desire and ability on their part to be satisfied; (3) a way for the parties to communicate; and (4) something to exchange.

AACSB: Analytic  
 Kerin - Chapter 01 #36  
 Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
 Level of Learning: Comprehension  
 Topic: Requirements for Marketing to Occur

37. (p. 7) Four factors are required for marketing to occur: (1) two or more parties (individuals or organizations) with unsatisfied needs; (2) a desire and ability on their part to be satisfied; (3) a way for the parties to communicate; and (4) \_\_\_\_\_.
- A. a sense of social responsibility
  - B. something to exchange**
  - C. a healthy competitive environment
  - D. government approval
  - E. an ability to see hidden potential within an environmental force

Four factors are required for marketing to occur: (1) two or more parties (individuals or organizations) with unsatisfied needs; (2) a desire and ability on their part to be satisfied; (3) a way for the parties to communicate; and (4) something to exchange.

AACSB: Analytic  
 Kerin - Chapter 01 #37  
 Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
 Level of Learning: Comprehension  
 Topic: Requirements for Marketing to Occur

38. (p. 7) Which of the following conditions is necessary for marketing to occur?
- A. two or more people, a method of assessing needs, a way to communicate, and an exchange
  - B. two or more people, a product, a reasonable price, and a place to make an exchange
  - C. a quality product, a fair price, a clever method of promotion, and a place where a customer can buy the product
  - D. two or more parties with unsatisfied needs, a desire and an ability to satisfy them, a way to communicate, and something to exchange**
  - E. two or more parties with unsatisfied needs, a desire to satisfy them, an interesting idea, and something to exchange

Four factors are required for marketing to occur: (1) two or more parties (individuals or organizations) with unsatisfied needs; (2) a desire and ability on their part to be satisfied; (3) a way for the parties to communicate; and (4) something to exchange.

AACSB: Analytic  
 Kerin - Chapter 01 #38  
 Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
 Level of Learning: Comprehension  
 Topic: Requirements for Marketing to Occur

39. (p. 7) A business student is preparing for the GMAT exam so he can get into a good graduate business school. He knows that any money he spends on a tutor will be well worth it if he can improve his scores. He's heard that there is a great tutor in his local community but has no idea who she is. What is the next logical step in order for marketing to occur?
- A. He should buy a GMAT study guide at the bookstore.
  - B. He should find out what the score he needs to get into the school of his choice.
  - C. He should check for ads in the college and local papers, ask his friends, look for ads by her on a bulletin board in the business college student lounge, and perhaps even check Craig's List.**
  - D. He should consider alternatives to graduate school in case the scores he gets on his own are not sufficient.
  - E. He should apply for delayed admission.

Four factors are required for marketing to occur: (1) two or more parties (individuals or organizations) with unsatisfied needs; (2) a desire and ability on their part to be satisfied; (3) a way for the parties to communicate; and (4) something to exchange. The student has the desire and ability to satisfy those needs; however, in order for marketing to take place, the tutor and student must be able to communicate. Alternative



"c" suggests several ways that might occur.

AACSB: Analytic  
Kerin - Chapter 01 #39  
Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
Level of Learning: Application  
Topic: Requirements for Marketing to Occur

40. (p. 7) For marketing to occur, there must be two or more parties with unsatisfied needs. Cadbury Beverages, Inc. has begun distributing Country Time lemonade through the supermarket at a price comparable to that of soft drinks. The most likely "second" party needed for marketing to occur would be
- A. people who are nostalgic about childhood summers.
  - B.** people with a desire for a beverage other than soda or water.
  - C. a product demonstrator who offers drink samples to shoppers at the supermarket.
  - D. a local distributor of alcoholic beverages.
  - E. a nutritionist promoting the benefits of fresh fruit in people's diets.

Four factors are required for marketing to occur: (1) two or more parties (individuals or organizations) with unsatisfied needs; (2) a desire and ability on their part to be satisfied; (3) a way for the parties to communicate; and (4) something to exchange. In this example, consumers may want/need a new beverage alternative and Cadbury wishes to sell them one.

AACSB: Analytic  
Kerin - Chapter 01 #40  
Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
Level of Learning: Application  
Topic: Requirements for Marketing to Occur

41. (p. 7) A student would like to buy a sports car from the local dealer, but she cannot afford one. Marketing does not occur in this situation because
- A. two or more parties have unsatisfied needs.
  - B. there is no desire on the part of either party to satisfy its needs.
  - C.** one of the involved parties does not have the ability to satisfy its needs.
  - D. there is no way for each to communicate with one another.
  - E. there has been no assessment of consumer wants and needs.

Four factors are required for marketing to occur: (1) two or more parties (individuals or organizations) with unsatisfied needs; (2) a desire and ability on their part to be satisfied; (3) a way for the parties to communicate; and (4) something to exchange. In this example, the student has the desire but not the ability to participate in the marketing activity—buying the sports car.

AACSB: Analytic  
Kerin - Chapter 01 #41  
Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
Level of Learning: Application  
Topic: Requirements for Marketing to Occur

42. (p. 7) A college student is taking a full course load, working 20 hours per week, and still has to take out a student loan to cover tuition. One day, the student sees a classmate driving a Lexus sports coupe and feels he just has to have one of his own. What factor is most likely to prevent a successful marketing transaction between the student and a Lexus dealer?
- A. The local Lexus dealer does not have any sports coupes in stock.
  - B.** The student does not have the resources to qualify for a \$50,000 auto loan.
  - C. Although the Lexus is a great car, there may be other cars with better gas mileage and resale value.
  - D. He's afraid that if someone at school sees him with the car, he might lose his student loans.
  - E. His girlfriend wants him to drive a Kia Rondo.

Four factors are required for marketing to occur: (1) two or more parties (individuals or organizations) with unsatisfied needs; (2) a desire and ability on their part to be satisfied; (3) a way for the parties to communicate; and (4) something to exchange. In this example, the most likely factor preventing you from engaging in a marketing transaction is that he does not have the resources to qualify for a loan to purchase the car.

AACSB: Analytic  
Kerin - Chapter 01 #42  
Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
Level of Learning: Application  
Topic: Requirements for Marketing to Occur

43. (p. 7) A local candidates running for office would very much like to have your vote. She promises that she will "make the country better." Because all candidates for public office say this, you decide not to vote for her. Marketing will not occur in this situation because \_\_\_\_\_.
- A. marketing doesn't apply to the voting process
  - B. the desire and ability to satisfy needs is missing
  - C. there is no direct way for the parties to communicate
  - D.** something to exchange is missing
  - E. the candidate's messages are vague and ambiguous

Four factors are required for marketing to occur: (1) two or more parties (individuals or organizations) with unsatisfied needs; (2) a desire and ability on their part to be satisfied; (3) a way for the parties to communicate; and (4) something to exchange. In this example, your vote is the "something of value" that is exchanged. In this case, the voter will not engage in the "exchange" process with this candidate to "make the country better."

AACSB: Analytic  
Kerin - Chapter 01 #43  
Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
Level of Learning: Application  
Topic: Requirements for Marketing to Occur

44. (p. 7) The Arizona Biltmore in Phoenix is next to the Biltmore Fashion Park, a vast shopping mall located less than a mile away. The hotel wants to market its proximity to the shopping center as well as its many other amenities to convention-goers from other states. Which of the following would most likely help The Arizona Biltmore communicate with potential convention attendees?
- A. Send a mass mailing to all the local businesses.

- B. Set up information kiosks at several locations within the Biltmore Fashion Park.
- C.** Place an ad in in-flight magazines of all the major airlines targeting business/first class flyers.
- D. Offer free made-to-order breakfasts for guests staying at the hotel on business.
- E. Offer special discount rates to guests coming from the East Coast.

Four factors are required for marketing to occur: (1) two or more parties (individuals or organizations) with unsatisfied needs; (2) a desire and ability on their part to be satisfied; (3) a way for the parties to communicate; and (4) something to exchange. The Arizona Biltmore needs to concentrate on "communication." Alternative "c" is most likely to reach potential customers who do not already know about the benefits The Arizona Biltmore offers.

AACSB: Analytic  
Kerin - Chapter 01 #44  
Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
Level of Learning: Application  
Topic: Requirements for Marketing to Occur

45. (p. 7) An economics student would like to buy a mini-scooter but she cannot afford one. Which of the following reasons explain why marketing fails to occur here?
- A. There are not two or more parties with unsatisfied needs.
  - B. A desire to satisfy a need is missing.
  - C. No assessments of consumer wants and needs have been made.
  - D. There is no way for the parties involved to communicate.
  - E.** The ability to satisfy a need is missing.

Four factors are required for marketing to occur: (1) two or more parties (individuals or organizations) with unsatisfied needs; (2) a desire and ability on their part to be satisfied; (3) a way for the parties to communicate; and (4) something to exchange. The student has the desire but not the ability (because she doesn't have the money) to participate in the marketing activity, which is to buy the mini-scooter.

AACSB: Analytic  
Kerin - Chapter 01 #45  
Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
Level of Learning: Application  
Topic: Requirements for Marketing to Occur

46. (p. 9) The two central concerns of marketing are \_\_\_\_\_.
- A. increasing market share and making profits
  - B. holding down costs while increasing profits
  - C. developing products and finding customers to buy them
  - D.** discovering and satisfying needs
  - E. ethics and sustainability

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

AACSB: Analytic  
Kerin - Chapter 01 #46  
Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.  
Level of Learning: Comprehension  
Topic: Consumer Needs

47. (p. 9) The first objective in marketing is to discover consumer \_\_\_\_\_.
- A. diversity of opinion to create advertising messages
  - B. income to determine the ability to pay
  - C. objectives to be accomplished
  - D.** needs to identify reasons for buying
  - E. characteristics to segment markets

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

AACSB: Analytic  
Kerin - Chapter 01 #47  
Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.  
Level of Learning: Comprehension  
Topic: Consumer Needs

48. (p. 9) According to Robert M. McMath, when should a marketer make a careful study of product failures?
- A. after a new product has failed to meet sales predictions
  - B.** when preparing to launch a new product
  - C. when repositioning a well-known brand
  - D. when looking for a new market for an existing product
  - E. when considering new channels of distribution

Robert M. McMath, who has studied more than 100,000 new-product launches, has two key suggestions for marketers: (1) focus on what the customer benefit is and (2) learn from the past.

AACSB: Analytic  
Kerin - Chapter 01 #48  
Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.  
Level of Learning: Comprehension  
Topic: Meeting Consumer Needs with New Products

49. (p. 9) To avoid new-product failure, new-product expert Robert M. McMath suggests
- A. implementing a regional rather than a nationwide rollout of the product.
  - B. a thorough examination of similar products that have had a higher than anticipated success.
  - C.** a focus on customer benefits and to learn from the past.
  - D. spending as much of the budget possible on new product production.
  - E. releasing several different prototypes at the same time to see which is most successful.

Robert M. McMath, who has studied more than 100,000 new-product launches, has two key suggestions for marketers: (1) focus on what the

customer benefit is and (2) learn from the past.

AACSB: Analytic  
Kerin - Chapter 01 #49  
Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.  
Level of Learning: Comprehension  
Topic: Meeting Consumer Needs with New Products

50. (p. 9) If you followed the suggestions of Robert M. McMath, which answer provides the best advice for a marketer preparing to launch a new consumer health beverage?
- A. Give the product a scientific sounding name that explains its chief benefit.
  - B. Give the product a mysterious name that is unrelated to the product's benefits but provokes consumer curiosity.
  - C. Initiate a campaign against beverage sweetened with high fructose corn syrup.
  - D. Create unusual packaging that has special shelving requirements.
  - E. Study past product failures and learn from them.**

Robert M. McMath, who has studied more than 100,000 new-product launches, has two key suggestions for marketers: (1) focus on what the customer benefit is and (2) learn from the past.

AACSB: Analytic  
Kerin - Chapter 01 #50  
Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.  
Level of Learning: Application  
Topic: Meeting Consumer Needs with New Products

51. (p. 8 -10) A factor that might kill a product in the marketplace is referred to as a(n) \_\_\_\_\_.

- A. albatross
- B. land mine
- C. showstopper**
- D. loose cannon
- E. wild card

Showstoppers are factors that might doom a product.

AACSB: Analytic  
Kerin - Chapter 01 #51  
Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.  
Level of Learning: Comprehension  
Topic: Showstoppers

52. (p. 8 -10) Showstoppers refer to

- A. creative or innovative members of a marketing team.
- B. unexpected alternative uses for a product that result in a sudden increase in sales.
- C. factors that might kill a product in the marketplace.**
- D. a sudden loss of financial backing even though the item is in production.
- E. a situation when a competitor's product suddenly beats a firm's new product to the marketplace.

Showstoppers are factors that might doom a product.

AACSB: Analytic  
Kerin - Chapter 01 #52  
Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.  
Level of Learning: Comprehension  
Topic: Showstoppers

53. (p. 10) Which of the following statements best defines needs and wants?

- A. Needs are far more influential than wants in marketing decision making.
- B. Wants affect marketing decisions primarily on planned purchases, while needs affect marketing decisions primarily on impulse purchases.
- C. Wants occur when a person feels deprived of basic necessities such as food, clothing, and shelter while needs are determined by a person's knowledge, culture, or personality.
- D. Needs occur when a person feels deprived of basic necessities such as food, clothing, and shelter while wants are determined by a person's knowledge, culture, or personality.**
- E. Needs and wants are exactly the same and are both easily manipulated.

Even though not everyone's needs are the same, needs occur when a person feels deprived of basic necessities such as food, clothing, and shelter. A want is a felt need that is shaped by a person's knowledge, culture, or personality.

AACSB: Analytic  
Kerin - Chapter 01 #53  
Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.  
Level of Learning: Comprehension  
Topic: Consumer Needs and Wants

54. (p. 10) A need refers to

- A. a sense of personal inadequacy based upon observations by others around you.
- B. a sense of urgency, which causes a person to take action even though it may put him in peril.
- C. a feeling that is shaped by a person's knowledge, culture, or personality.
- D. a feeling of being deprived of something, but not fully understanding what it may be.
- E. a situation when a person feels deprived of basic necessities such as food, clothing, and shelter.**

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

AACSB: Analytic  
Kerin - Chapter 01 #54  
Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.  
Level of Learning: Comprehension  
Topic: Consumer Needs and Wants



55. (p. 10) A want refers to

- A. a sense of personal inadequacy based upon observations by others around you.
- B. a sense of urgency that causes a person to take action.
- C. a need that is shaped by a person's knowledge, culture, or personality.**
- D. a feeling of being deprived of something, but not fully understanding what it may be.
- E. a situation when a person feels deprived of basic necessities such as food, clothing, and shelter.

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

AACSB: Analytic  
Kerin - Chapter 01 #55  
Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.  
Level of Learning: Comprehension  
Topic: Consumer Needs and Wants

56. (p. 10) A television advertisement shows several teenagers searching through the refrigerator for something to quench their thirst. The refrigerator offers the youngsters many alternatives—soft drinks, fruit drinks, sport drinks, and bottles of Sunny Delight drink. The ad, which shows the teens happily selecting Sunny Delight over all the other product offerings, appeals to the consumers' \_\_\_\_\_ for liquid refreshment to quench their thirst and attempts to shape their \_\_\_\_\_ for the advertised product.

- A. wants; needs
- B. wants; desire
- C. desire; needs
- D. needs; wants**
- E. needs; preferences

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

AACSB: Analytic  
Kerin - Chapter 01 #56  
Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.  
Level of Learning: Application  
Topic: Consumer Needs and Wants



Figure 1-2

Kerin - Chapter 01

57. (p. 10) In Figure 1-2 above, "A" represents \_\_\_\_\_ and "B" represents \_\_\_\_\_.

- A. management; shareholders
- B. manufacturers; stakeholders
- C. marketing department; retailers
- D. manufacturers; customers
- E. discovering consumer needs; satisfying consumer needs**

Marketing seeks first to discover consumer needs through extensive research. It then seeks to satisfy those needs by successfully implementing a marketing program possessing the right combination of the marketing mix—the 4Ps. See Figure 1-3 in the textbook.

AACSB: Analytic  
Kerin - Chapter 01 #57  
Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.  
Level of Learning: Comprehension  
Topic: Discovering/Satisfying Consumer Needs

58. (p. 11) People with both the desire and ability to buy a specific offering are referred to as a \_\_\_\_\_.

- A. shoppers
- B. customer base
- C. market**
- D. bazaar
- E. emporium

Key term definition—market.

AACSB: Analytic  
Kerin - Chapter 01 #58  
Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.  
Level of Learning: Knowledge  
Topic: Market

59. (p. 11) In a marketing context, a market refers to

- A. people united by a similar need or desire for a particular product or service.
- B.** people with both the desire and ability to buy a specific offering.
- C. the central location for all buying and selling of products and services.
- D. an open space or covered building where vendors convene to sell their offerings.
- E. the free the operation of supply and demand.

Key term definition—market.

AACSB: Analytic  
Kerin - Chapter 01 #59  
Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.  
Level of Learning: Knowledge  
Topic: Market

60. (p. 11) A market refers to \_\_\_\_\_.

- A. people with a need and a want for a product
- B. organizations with the need and desire for an offering
- C. organizations with products that satisfy people's needs and wants
- D.** people with the desire and ability to buy a specific offering
- E. an open space or covered building where vendors convene to sell their offerings

Key term definition—market.

AACSB: Analytic  
Kerin - Chapter 01 #60  
Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.  
Level of Learning: Knowledge  
Topic: Market

61. (p. 11) People with the desire and ability to buy a specific offering are referred to as a(n) \_\_\_\_\_.

- A.** market
- B. bazaar
- C. customer pool
- D. customer cluster
- E. buying group

Key term definition—market.

AACSB: Analytic  
Kerin - Chapter 01 #61  
Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.  
Level of Learning: Knowledge  
Topic: Market

62. (p. 11) The most likely market for cosmetic dentistry (which can cost \$15,000 for straightening and whitening) is

- A. children with crooked teeth, when crooked teeth run in the family.
- B. all former smokers who have been smoke free for at least one year.
- C.** anyone who has the time, the money, and the desire to undergo the procedures.
- D. anyone that has dental surgery.
- E. adults who rely on making a good first impression for job success.

Potential customers make up a market, which consists of people with both the desire and the ability to buy a specific product. In this case, it is anyone who has the time, the money, and the desire to undergo cosmetic dentistry procedures.

AACSB: Analytic  
Kerin - Chapter 01 #62  
Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.  
Level of Learning: Application  
Topic: Market

63. (p. 11) All markets ultimately are composed of \_\_\_\_\_.

- A.** people
- B. brands
- C. products
- D. organizations
- E. reference groups

Key term definition—market.

AACSB: Analytic  
Kerin - Chapter 01 #63  
Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.  
Level of Learning: Knowledge  
Topic: Market

64. (p. 10) Marketing discovers consumer needs by

- A. implementing a marketing program.
- B. balancing the elements of the 4 Ps.
- C.** using extensive preliminary research.
- D. advertising to diverse groups of potential buyers.
- E. analyzing the marketing strategies of its primary competitors.

According to Figure 1-3 marketing seeks first to discover consumer needs through extensive research on them. It then seeks to satisfy those needs by successfully implementing a marketing program possessing the right combination of the marketing mix—the four Ps. See Figure 1-3 in the textbook.

AACSB: Analytic  
Kerin - Chapter 01 #64  
Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.

65. (p. 11) A target market refers to

- A. people who could purchase a product regardless who ultimately uses it.
- B.** one or more specific groups of potential consumers toward which an organization directs its marketing program.
- C. former customers who now use competitors' products.
- D. customers who shop at Target stores.
- E. people with both the desire and the ability to buy a specific offering.

Key term definition—target market.

AACSB: Analytic  
Kerin - Chapter 01 #65  
Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.  
Level of Learning: Knowledge  
Topic: Target Market

66. (p. 11) A target market refers to

- A. customers who have already purchased a firm's product at least once, have been satisfied, and are likely to be repeat purchasers.
- B. customers and potential consumers who have used a competitor's product, are dissatisfied, and who now seek another product or service to satisfy their needs.
- C. a specific group of former consumers toward which an organization directs its marketing program to the exclusion of other potential customers.
- D. one or more specific groups of potential consumers who are seeking a product for which there are no current substitutes.
- E.** one or more specific groups of potential consumers toward which an organization directs its marketing program.

Key term definition—target market.

AACSB: Analytic  
Kerin - Chapter 01 #66  
Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.  
Level of Learning: Knowledge  
Topic: Target Market

67. (p. 11) One or more specific groups of potential consumers toward which an organization directs its marketing program is referred to as a

- A. mass market.
- B. tangential market.
- C. market aggregation.
- D.** target market.
- E. promotional market.

Key term definition—target market.

AACSB: Analytic  
Kerin - Chapter 01 #67  
Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.  
Level of Learning: Knowledge  
Topic: Target Market

68. (p. 11) Kraft produces Lunchables, a prepackaged meal usually consisting of several crackers, small slices of meat, and small slices of cheese. Some versions contain Capri Sun drinks. Others are called "Cracker Stackers" and "Fun Fuel." The box is bright yellow and the quantity of food contained within is small. The target market for Kraft Lunchables is most likely

- A.** moms of school-age children packing a simple healthy lunch.
- B. business people looking for a quick snack.
- C. business travelers on the run.
- D. teenagers who are hungry right after school.
- E. baby boomers who are trying to lose weight.

Although anyone can enjoy Lunchables, a target market is a specific group of potential consumers toward which an organization directs its marketing program. In this case, Lunchables' smaller portions, clever names, and bright packaging are targeted toward moms of school-age children.

AACSB: Analytic  
Kerin - Chapter 01 #68  
Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.  
Level of Learning: Application  
Topic: Target Market

69. (p. 11) Which of the following people would most likely be the best target market for tickets to the home games of the Indianapolis Colts professional football team?

- A. all people with an interest in professional football
- B. all people in the Midwest who have an interest in sports
- C. all men who played on varsity football in high school
- D.** all people in the Indianapolis and surrounding areas interested in football
- E. all people in Indiana who watch professional football on TV

Only alternative "d" describes the Indianapolis Colts' target market—people with both the desire and ability to easily attend home games in Indianapolis.

AACSB: Analytic  
Kerin - Chapter 01 #69  
Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.  
Level of Learning: Application  
Topic: Target Market

70. (p. 11) Which of the following groups would be the *least likely* target market for a company producing canned foods in single serving sizes?

- A. single adults
- B.** school kitchens
- C. campers
- D. senior citizens
- E. vending machine owners

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

AACSB: Analytic  
Kerin - Chapter 01 #70  
Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.  
Level of Learning: Application  
Topic: Target Market

71. (p. 11) TUMI brand briefcases are very expensive, high-end briefcases that are generally sold in specialty luggage shops. Which of the following groups would be the most likely target market for TUMI brand briefcases?
- A. police officers
  - B.** executives
  - C. construction workers
  - D. postal workers
  - E. students

Any of the people in the alternatives could use a briefcase. However, as a group, executives would include the greatest number of people with the greatest need for and the ability to purchase one of these briefcases.

AACSB: Analytic  
Kerin - Chapter 01 #71  
Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.  
Level of Learning: Application  
Topic: Target Market

72. (p. 11) The United States Army has recently been both praised and criticized for its use of a popular video game—America's Army, which is designed to reach potential recruits. The game's creator, Colonel Casey Wardynski wanted to provide a sense of the training and teamwork one could find in the military environment. The game is designed for "boys 14 years or older," which represent the Army's \_\_\_\_\_.
- A. mass market
  - B. actual recruits
  - C. restricted market
  - D.** target market
  - E. untapped market

A target market is one or more specific groups of potential consumers toward which an organization directs its marketing program. In this case, although 14-year-old boys cannot serve in the military, a positive attitude or association with the game and its content now can lead to potential recruits in the future.

AACSB: Analytic  
Kerin - Chapter 01 #72  
Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.  
Level of Learning: Application  
Topic: Target Market

73. (p. 11) A local university offers business courses for a specific target market composed of people who currently work and want to take refresher courses to obtain a higher degree. Which of the following would be the most effective way to communicate with the target market, bearing in mind that communication must be both effective and economical?
- A. Put announcements on campus bulletin boards.
  - B. Distribute promotional materials during classes.
  - C. Advertise on national television.
  - D. Advertise on local hip-hop radio shows.
  - E.** Advertise in the local newspaper.

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

AACSB: Analytic  
Kerin - Chapter 01 #73  
Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.  
Level of Learning: Application  
Topic: Target Market/Marketing Mix

74. (p. 11) The marketing manager's controllable factors—product, price, promotion, and place—that can be used to solve a marketing problem are referred to as the \_\_\_\_\_.
- A. marketing concept
  - B.** marketing mix
  - C. marketing program
  - D. environmental forces
  - E. marketing tool box

Key term definition—marketing mix.

AACSB: Analytic  
Kerin - Chapter 01 #74  
Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.  
Level of Learning: Knowledge  
Topic: Marketing Mix

75. (p. 11) The four Ps are commonly known as

- A. the environmental or uncontrollable forces.
- B. the environmental or controllable factors.
- C.** the marketing mix or controllable factors.
- D. the marketing mix or uncontrollable forces.
- E. predict, produce, package, and persuade.

Key term definition—marketing mix.

AACSB: Analytic  
 Kerin - Chapter 01 #75  
 Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.  
 Level of Learning: Knowledge  
 Topic: Marketing Mix

76. (p. 11) The marketing mix refers to

- A. the selection of product benefits and attributes that are to be added to or subtracted from a given product to create variations within a product line.
- B. the specific ratio within a budget that divides resources between advertising, promotions, and personal selling.
- C.** the marketing manager's controllable factors—product, price, promotion, and place—that can be used to solve a marketing problem.
- D. the allocation of resources within a firm towards individual marketing programs.
- E. the environmental forces that impact the marketing decisions for a particular product at any given time.

Key term definition—marketing mix.

AACSB: Analytic  
 Kerin - Chapter 01 #76  
 Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.  
 Level of Learning: Knowledge  
 Topic: Marketing Mix

77. (p. 11) The marketing mix refers to

- A. the multiple strategies that can be used to promote a product.
- B. the uncontrollable forces—social, economic, technological, competitive, and regulatory forces to which the marketing manager must constantly adapt.
- C.** the marketing manager's controllable factors—product, price, promotion, and place—that can be used to solve marketing problems.
- D. the multiple channels of distribution by which a product will ultimately reach the consumer.
- E. a set of complementary products that when sold together generate more sales than when sold separately.

Key term definition—marketing mix.

AACSB: Analytic  
 Kerin - Chapter 01 #77  
 Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.  
 Level of Learning: Knowledge  
 Topic: Marketing Mix

78. (p. 11) Which of the following would a marketer use as a synonym for controllable marketing mix factors?

- A. environmental forces
- B. macromarketing forces
- C. marketing management factors
- D.** the four Ps of marketing
- E. micromarketing factors

Key term definition—marketing mix.

AACSB: Analytic  
 Kerin - Chapter 01 #78  
 Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.  
 Level of Learning: Knowledge  
 Topic: Marketing Mix

79. (p. 11) The four Ps of the marketing mix are

- A. priorities, personnel, placement, and profits.
- B. prediction, production, pricing, and promotion.
- C. product, price, production, and place.
- D.** product, price, promotion, and place.
- E. predict, produce, package, and persuade.

The four Ps are the marketing manager's controllable factors—product, price, promotion, and place—that can be used to solve a marketing problem.

AACSB: Analytic  
 Kerin - Chapter 01 #79  
 Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.  
 Level of Learning: Knowledge  
 Topic: Marketing Mix

80. (p. 11) Jakubowski Farms Gourmet Bread Base is the brand name for a mix designed for use in bread machines. The mixes are sold in 2-pound canisters for \$14.99 plus postage. The products are only available through the mail. People learn about the product through word-of-mouth and bread machine demonstrations the company's founder gives to groups in Wisconsin where she lives. This is a description of the company's

- A. action plan.
- B. market segmentation strategy.
- C. mission statement.
- D.** marketing mix.
- E. target market.

The bread mix is the product. The place is through the mail. The price is \$14.99 plus postage. The promotion is word-of-mouth and public



demonstrations. These four factors are the marketing mix—product, place, price, and promotion.

AACSB: Analytic  
Kerin - Chapter 01 #80  
Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.  
Level of Learning: Application  
Topic: Marketing Mix

81. (p. 11) The owners of Old School Brand Authentic Antique Foods researched Civil War records to come up with recipes used in the old-fashioned cookies the company produces and markets. This statement deals with which part of the marketing mix?

- A. product
- B. process
- C. price
- D. place
- E. people

A product is a good, service, or idea to satisfy consumers' needs, so a cookie is an example of a product.

AACSB: Analytic  
Kerin - Chapter 01 #81  
Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.  
Level of Learning: Application  
Topic: Marketing Mix Product

82. (p. 11) Which element of the marketing mix is demonstrated when the Mars Company has a sale on M&Ms® brand candies?

- A. product
- B. price
- C. promotion
- D. place
- E. production

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

AACSB: Analytic  
Kerin - Chapter 01 #82  
Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.  
Level of Learning: Application  
Topic: Marketing Mix Price

83. (p. 11) The element of the marketing mix demonstrated when an art gallery suggests a \$2.00 donation at the door is \_\_\_\_\_.

- A. product
- B. price
- C. promotion
- D. place
- E. philanthropy

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

AACSB: Analytic  
Kerin - Chapter 01 #83  
Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.  
Level of Learning: Application  
Topic: Marketing Mix Price

84. (p. 11) To attend a winter concert presented by the community chorus, every person had to donate one unwrapped toy at the concert hall door. This statement is most closely related to the \_\_\_\_\_ element of the marketing mix.

- A. product
- B. philanthropy
- C. price
- D. place
- E. promotion

Price is what is exchanged for the product—in this case, access to the concert. The toy donation was exchanged for the privilege of listening to the music.

AACSB: Analytic  
Kerin - Chapter 01 #84  
Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.  
Level of Learning: Application  
Topic: Marketing Mix Price

85. (p. 11) The owners of Old School Brand Authentic Antique Foods researched Civil War records to come up with recipes for the old-fashioned products they market. Concern about the \_\_\_\_\_ element of the marketing mix would make them eager to be featured in an upcoming edition of *Taste of Home* magazine.

- A. product
- B. price
- C. promotion
- D. place
- E. production

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

AACSB: Analytic  
Kerin - Chapter 01 #85  
Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.  
Level of Learning: Application  
Topic: Marketing Mix Promotion

86. (p. 11) The element of the marketing mix demonstrated when a company places an ad in the Yellow Pages is \_\_\_\_\_.

- A. product
- B. price
- C. promotion**
- D. place
- E. process

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

AACSB: Analytic  
Kerin - Chapter 01 #86  
Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.  
Level of Learning: Application  
Topic: Marketing Mix Promotion

87. (p. 11) The element of the marketing mix demonstrated when a newspaper carrier throws a paper on the front porch is \_\_\_\_\_.

- A. product
- B. price
- C. promotion
- D. place**
- E. procurement

Place refers to the means of getting the product to the consumer. Here, carriers distribute the newspaper by "placing" it on the customer's front porch.

AACSB: Analytic  
Kerin - Chapter 01 #87  
Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.  
Level of Learning: Application  
Topic: Marketing Mix Place

88. (p. 11) The ability to buy a soda from a vending machine demonstrates which element of the marketing mix?

- A. product
- B. price
- C. promotion
- D. place**
- E. process

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

AACSB: Analytic  
Kerin - Chapter 01 #88  
Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.  
Level of Learning: Application  
Topic: Marketing Mix Place

89. (p. 11) The uncontrollable forces in a marketing decision involving social, economic, technological, competitive, and regulatory forces are referred to as \_\_\_\_\_.

- A. the 5 Fs of marketing
- B. environmental forces**
- C. business conditions
- D. marketing ecosystem
- E. business sphere

Key term definition—environmental forces.

AACSB: Analytic  
Kerin - Chapter 01 #89  
Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.  
Level of Learning: Knowledge  
Topic: Environmental Forces

90. (p. 11) Environmental forces refer to

- A. the internal strengths of a company that enable the firm to remain competitive.
- B. the marketing manager's uncontrollable factors—product, price, promotion, and place—that can be used to solve marketing problems.
- C. the unpredictable or uncontrollable availability of natural resources that can enhance or restrain a company's growth.
- D. the marketing manager's uncontrollable forces in a marketing decision involving social, economic, technological, competitive, and regulatory forces.**
- E. the marketing manager's controllable forces in a marketing decision involving social, economic, technological, competitive, and regulatory forces.

Key term definition—environmental forces.

AACSB: Analytic  
Kerin - Chapter 01 #90  
Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.  
Level of Learning: Knowledge  
Topic: Environmental Forces

91. (p. 11) The five major environmental forces in a marketing decision are

- A. climate change, natural resources, pollution, natural disasters, and global conflict (war).
- B. corporate ownership, internal management, supplier relations, manufacturing capabilities, and consumer demand.
- C. product, price, promotion, place, and people.
- D. social, technological, economic, competitive, and regulatory.**
- E. ethics, sustainability, cultural awareness, diversity, and regulation.

Key term definition—environmental forces.

AACSB: Analytic  
Kerin - Chapter 01 #91  
Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.  
Level of Learning: Knowledge  
Topic: Environmental Forces

92. (p. 11) Which of the following statements about environmental forces is most accurate?
- A. Environmental forces are almost always controllable if the marketing department properly scans them correctly.
  - B. Organizations that use the marketing concept can exert just as much influence on environmental forces as environmental forces can exert on an organization.
  - C. Environmental forces consistently result in negative outcomes for an organization.
  - D.** Although many consider environmental forces a negative impact on a firm's marketing plans, some environmental forces can actually enhance a firm's marketing opportunities.
  - E. Environmental forces can almost always be predicted.

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

AACSB: Analytic  
Kerin - Chapter 01 #92  
Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.  
Level of Learning: Comprehension  
Topic: Environmental Forces

93. (p. 11) Which of the following statements describes an environmental force?
- A. Tupperware has more than 200,000 independent dealers who market its entire product line.
  - B. A car battery comes with a lifetime guarantee.
  - C. An automobile offers a \$500 rebate during the month of July.
  - D.** Several states have legislation requiring children under the age of four to use car seats.
  - E. A major bottler offers a 10-cent refund on returnable bottles.

Alternative "d" describes a regulatory environmental force.

AACSB: Analytic  
Kerin - Chapter 01 #93  
Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.  
Level of Learning: Application  
Topic: Environmental Forces

94. (p. 11) Newspaper readership has significantly declined in recent years. Not only are traditional newspapers losing subscribers, they are also losing advertisers. To combat this, many newspaper publishers now offer online versions of their printed newspapers. This is most an example of
- A. a reaction to an unstable economy.
  - B. a temporary trend that will soon reverse itself.
  - C. a technological environmental force.
  - D.** a social environmental force.
  - E. a response to an increase in government regulation.

The declining readership of newspapers (and books for that matter) is a trend within the social environment. Many newspaper publishers believe that if they provided online versions of their printed editions, they could reduce the decline in subscribers or actually increase them.

AACSB: Analytic  
Kerin - Chapter 01 #94  
Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.  
Level of Learning: Application  
Topic: Environmental Forces

95. (p. 11) A growing trend to "Buy American" increased pressure from U.S. auto makers on Washington to pass legislation for more restrictive quotas on Japanese car imports. In addition, a decline in the value of the U.S. dollar would be instrumental in Toyota's decision to build a manufacturing plant in the United States instead of continuing to export cars from Japan. If Toyota builds the plant, the decision would reflect
- A. a reactive strategy that would impact the competitive environmental force.
  - B. a proactive maneuver to manipulate and impact the social environmental force.
  - C.** a positive result from regulatory and economic environmental forces.
  - D. a positive response to technological environmental forces, such as new lithium ion batteries for all electric cars.
  - E. a negative impact as a result of adverse competitive, regulatory, and technological environmental forces.

The identified examples represent regulatory and economic environmental forces that are not controllable by Toyota but could influence its decision to build a plant in the United States.

AACSB: Analytic  
Kerin - Chapter 01 #95  
Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.  
Level of Learning: Application  
Topic: Environmental Forces

96. (p. 11) Many large consulting firms are beginning to sponsor "women-only" networking events. The purpose of these events is to offer an opportunity for women in management to network with other women, either clients or mentors or protégés. This is an example of what type of environmental force?
- A.** social
  - B. economic
  - C. technological
  - D. competitive
  - E. regulatory

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



AACSB: Analytic  
Kerin - Chapter 01 #96  
Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.  
Level of Learning: Application  
Topic: Environmental Forces: Social

97. (p. 11) With today's cell phones, you can watch the news, shoot videos, browse the Internet, take pictures, and listen to music. Because of these new features, consumers may want to replace their existing phone with a new model or brand. This increase in demand is in part due to changes in \_\_\_\_\_, an environmental force.
- A. competition
  - B. social culture
  - C. technology**
  - D. regulations
  - E. the economy

The technological environmental force has resulted in the addition of new features for the latest generation of cell phones. These represent new technologies make cell phones even more appealing to consumers.

AACSB: Analytic  
Kerin - Chapter 01 #97  
Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.  
Level of Learning: Application  
Topic: Environmental Forces: Technology

98. (p. 11) Congressional legislation requiring online retailers to collect state sales taxes from customers in all 50 states would affect online sellers such as Virtual Vineyards, which now only collects state sales taxes from customers who reside in California. This would be an example of which environmental force?
- A. social
  - B. economic
  - C. technological
  - D. competitive
  - E. regulatory**

Government regulation is generally considered to be one of the uncontrollable or environmental forces.

AACSB: Analytic  
Kerin - Chapter 01 #98  
Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.  
Level of Learning: Application  
Topic: Environmental Forces: Regulatory

99. (p. 12) The unique combination of benefits received by targeted buyers that includes quality, convenience, on-time delivery, and both before-sale and after-sale service at a specific price is called
- A. target marketing.
  - B. benefit segmentation.
  - C. customer value.**
  - D. value-based marketing.
  - E. customer-focused marketing.

Key term definition—customer value.

AACSB: Analytic  
Kerin - Chapter 01 #99  
Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.  
Level of Learning: Knowledge  
Topic: Customer Value

100. (p. 12) Customer value refers to
- A. the need of a customer to receive the highest quality product at the lowest possible price.
  - B. the degree to which a customer is willing to sacrifice quality for price.
  - C. the range of price (from lowest to highest) a customer will ultimately be willing to pay for a specific set of features.
  - D. the potential long-term profits that can be generated by a single customer over time if a firm is able to keep him or her as a loyal customer.
  - E. the unique combination of benefits received by targeted buyers that includes quality, convenience, on-time delivery, and both before-sale and after-sale service at a specific price.**

Key term definition—customer value.

AACSB: Analytic  
Kerin - Chapter 01 #100  
Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.  
Level of Learning: Knowledge  
Topic: Customer Value

101. (p. 12) Which of the following statements about customer value is most accurate?
- A. Firms gain loyal, repeat customers by providing quality even though the location where their offerings are sold may be inconvenient.
  - B. Loyal customers are less profitable in the long-run since they expect the lower initial price offering.
  - C. Research suggests that all firms can provide value to all potential customers.
  - D. It is impossible to place a dollar value on a loyal, satisfied customer.
  - E. Quality, price, convenience, on-time delivery, and both before-sale and after-sale service are all elements used to create value for targeted buyers.**

Customer value is the unique combination of benefits received by targeted buyers that includes quality, price, convenience, on-time delivery, and both before-sale and after-sale service. Firms gain loyal customers by providing unique value, the essence of successful marketing.

AACSB: Analytic  
Kerin - Chapter 01 #101  
Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.  
Level of Learning: Comprehension  
Topic: Customer Value

102. (p. 12) If you ever talk to anyone who has flown on Singapore Air, you will no doubt hear about the great food that is served during the flight, the friendliness of the flight attendants, and the comfortable seating. From this description, you can surmise that Singapore Air creates customer value by providing its customers with

- A. the best airport experience.
- B. the most convenient flight schedules.
- C. the best price for the distance traveled.
- D. the best in-flight service.**
- E. the greatest sense of personal safety.

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

AACSB: Analytic  
Kerin - Chapter 01 #102  
Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.  
Level of Learning: Application  
Topic: Customer Value

103. (p. 13) Relationship marketing refers to

- A. the selection and the assignment of a firm's personnel for a specific product or product line to a group of current or prospective customers.
- B. the belief that it is easier and less expensive to find new customers than to retain old ones.
- C. the linking of the organization to its individual customers, employees, suppliers, and other partners for their mutual long-term benefits.**
- D. the process of identifying prospective buyers, understanding them intimately, and developing favorable long-term perceptions of the organization and its offerings so that buyers will choose them in the marketplace.
- E. exclusive legally binding contract agreements between retailers and customers in order to create enhanced value for each.

Key term definition—relationship marketing. Alternative "d" is the definition of customer relationship management.

AACSB: Analytic  
Kerin - Chapter 01 #103  
Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.  
Level of Learning: Knowledge  
Topic: Relationship Marketing

104. (p. 13) The linking of the organization to its individual customers, employees, suppliers, and other partners for their mutual long-term benefits is referred to as

- A. exclusive dealing.
- B. loyalty programs.
- C. relationship marketing.**
- D. customer relationship management.
- E. symbiotic marketing.

Key term definition—relationship marketing.

AACSB: Analytic  
Kerin - Chapter 01 #104  
Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.  
Level of Learning: Knowledge  
Topic: Relationship Marketing

105. (p. 13) Which of the following statements about relationship marketing is most accurate?

- A. Relationship marketing has a short-term focus on increasing profits.
- B. Relationship marketing is easy to implement so there is no reason for firms not to make this a goal.
- C. Relationship marketing is more effective when there is a personal, ongoing relationship between individuals in the selling and buying organizations.**
- D. Very few companies today are engaged in relationship marketing.
- E. The Internet is an ideal forum for relationship marketing since you are going directly into your customer's home or office.

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

AACSB: Analytic  
Kerin - Chapter 01 #105  
Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.  
Level of Learning: Comprehension  
Topic: Relationship Marketing

106. (p. 13) Which of the following acts as a barrier to the development of relationship marketing?

- A. the changing regulatory environment
- B. the large number of competitive products on the market
- C. the increasing number of retail stores that are closing due to the economy
- D. the large number of one-to-one relationships customers are asked to maintain**
- E. a dilution of cultural diversity

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

AACSB: Analytic  
Kerin - Chapter 01 #106  
Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.  
Level of Learning: Comprehension  
Topic: Relationship Marketing

107. (p. 13) Which of the following acts as a barrier to the development of relationship marketing?

- A. an increasingly mobile society
- B. the ever increasing usage of the Internet for consumer purchases**
- C. the onset of new buying behaviors through cultural diversity

- D. a large aging baby boomer population with the median age of fifty
- E. the concern about identity theft

With today's Internet purchases, you will probably have difficulty achieving the same personal, tender-loving-care connection that you once had with your favorite retailer.

AACSB: Analytic  
Kerin - Chapter 01 #107  
Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.  
Level of Learning: Comprehension  
Topic: Relationship Marketing

108. (p. 13) In the nonprofit world of the performing arts, box office technology has essentially remained the same since the 1980s. A company called Tessitura is trying to change that. Tessitura is able to track every transaction with patrons on one database. This information includes everything: ticket purchases, fund-raising, volunteering, and gift shop purchases. This technology will allow arts groups to develop detailed customer profiles, which will help symphonies, operas, and theaters tailor their sales message to individuals. In other words, Tessitura is going to allow arts groups to engage in
- A. market aggregation.
  - B. relationship marketing.**
  - C. customer relationship management.
  - D. customer-supplier collaboration.
  - E. mainstream marketing.

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

AACSB: Analytic  
Kerin - Chapter 01 #108  
Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.  
Level of Learning: Application  
Topic: Relationship Marketing

109. (p. 13) Publix Supermarkets and The Little Clinic signed an exclusive agreement in 2006, placing small walk-in health clinics inside selected stores. Now Publix customers can have simple medical needs addressed in a convenient and familiar environment seven days a week and pick up their prescription from the pharmacy without even leaving the store. This is a prime example of
- A. customer relationship management.
  - B. customer valuation.
  - C. relationship marketing.**
  - D. societal marketing.
  - E. mutually beneficial marketing management.

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

AACSB: Analytic  
Kerin - Chapter 01 #109  
Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.  
Level of Learning: Application  
Topic: Relationship Marketing

110. (p. 13) A business traveler joined the Starwood Preferred Guest Program in order to earn points each time he stayed overnight in a Westin or Sheraton hotel. Once he has accumulated enough points, he can trade his points in for a free night's stay. As a member of this program, the traveler receives periodic updates on new hotels and learns of ways to earn additional points. The marketing term that best describes this scenario is
- A. relationship marketing.**
  - B. customer satisfaction promotion.
  - C. customer relationship management.
  - D. customer valuation.
  - E. supplier-consumer partnership.

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

AACSB: Analytic  
Kerin - Chapter 01 #110  
Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.  
Level of Learning: Application  
Topic: Relationship Marketing

111. (p. 13) A marketing program refers to

- A. a plan that integrates the marketing mix to provide a good, service, or idea to prospective buyers.**
- B. the selection of product benefits and attributes that are to be added to or subtracted from a given product to create variations within a product line.
- C. the marketing manager's controllable factors—product, price, promotion, and place—that can be used to solve a marketing problem.
- D. the specific ratio within a budget that divides resources between advertising, promotions, and personal selling.
- E. the allocation of resources within a firm towards individual marketing programs.

Key term definition—marketing program.

AACSB: Analytic  
Kerin - Chapter 01 #111  
Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.  
Level of Learning: Knowledge  
Topic: Marketing Program

112. (p. 13) A \_\_\_\_\_ is a plan that integrates the marketing mix to provide a good, service, or idea to prospective buyers.

- A. marketing strategy
- B. marketing program**

- C. macromarketing program
- D. micromarketing program
- E. customer relationship management

Key term definition—marketing program.

AACSB: Analytic  
Kerin - Chapter 01 #112  
Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.  
Level of Learning: Knowledge  
Topic: Marketing Program

113. (p. 13) After an assessment of needs, a marketing manager must translate ideas from consumers into concepts for products that a firm may develop. The concepts must then be converted into a tangible
- A. marketing strategy.
  - B. marketing program.**
  - C. macromarketing program.
  - D. micromarketing program.
  - E. marketing concept.

Effective relationship marketing strategies help marketing managers discover what prospective customers need. They must translate this information into some concepts for products the firm might develop. These concepts must then be converted into a tangible marketing program.

AACSB: Analytic  
Kerin - Chapter 01 #113  
Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.  
Level of Learning: Comprehension  
Topic: Marketing Program

114. (p. 14 -15) The purpose of the introduction of a 3M inventor's Post-it® Flag Highlighter was to
- A. stay ahead of trends and focus its marketing program on only one segment.
  - B. stay ahead of trends and focus its marketing program on two mutually exclusive segments.
  - C. increase segmentation to correspond to the number of new product variations.
  - D. capitalize on previous success and extend the 3M Post-it® product line.**
  - E. preempt competitive moves by Sanford's Sharpie and Staple's store brand.

The purpose of the introduction of the Post-it® Flag Highlighter was to extend the 3M's Post-it® product line.

AACSB: Analytic  
Kerin - Chapter 01 #114  
Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.  
Level of Learning: Comprehension  
Topic: 3ms Marketing Program

115. (p. 14 -15) 3M selected the packaging options for the Post-it® Flag Highlighter by
- A. asking people on the street what type of packaging they preferred.
  - B. offering alternate product choices on its Post-it® Web site.
  - C. conferring with inventors from other divisions of 3M.
  - D. listening to students' comments, questions, and concerns.**
  - E. using information provided by a professional consulting firm.

Listening to students, Windorski and 3M packaged the Post-it® Flag Highlighters two ways: (1) singly with a yellow highlighter and (2) in three-packs in favorite student colors—yellow, pink, and blue.

AACSB: Analytic  
Kerin - Chapter 01 #115  
Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.  
Level of Learning: Comprehension  
Topic: 3ms Marketing Program

116. (p. 14 -15) Which of the following statements about 3M's marketing program for Post-it® Flag Highlighters is most accurate?
- A. In his first attempt, Windorski, a 3M inventor, designed the Post-it® Flag Highlighter in exactly the right way to appeal to the target market.
  - B. 3M designed the packaging for the Post-it® Flag Highlighter based on its designer's suggestions.
  - C. The purpose of the Post-it® Flag Highlighter is different in different countries.
  - D. Windorski, a 3M inventor, developed the Post-it® Flag Highlighter to help college students with their studying.**
  - E. Windorski examined similar products of 3M's major competitors and simply made changes that would provide the "WOW" factor.

David Windorski searched for a way to combine felt-tip highlighters and 3M's Post-it® Notes or Post-it® Flags to help college students in their studying.

AACSB: Analytic  
Kerin - Chapter 01 #116  
Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.  
Level of Learning: Comprehension  
Topic: 3ms Marketing Program





Figure 1-3

Kerin - Chapter 01

117. (p. 14 -15) In Figure 1-3 above, the value suggested by 3M's pricing strategy comes from

- A. providing at least two new benefits that competitors' products do not have.
- B.** charging a price to distributors that 3M hoped would give a reasonable bookstore price to students and an acceptable profit to distributors and 3M.
- C. setting an initially high price with the intent of bringing down the price later if sales are not as anticipated.
- D. making the product easier to purchase by placing the Post-it® Flag Highlighter in discount office supply retailers.
- E. using 3M's Post-it® brand name from previous office supply products.

3M charged a price to distributors that it hoped would give a reasonable bookstore price to students and an acceptable profit to distributors and 3M. In this case, the price of \$3.99-\$4.99 is the specified price at which targeted buyers and distributors receive their respective value and profits. See Figure 1-4 in the textbook.

AACSB: Analytic  
Kerin - Chapter 01 #117

Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.  
Level of Learning: Application  
Topic: 3ms Marketing Program

118. (p. 14 -15) In Figure 1-3 above, the marketing program is designed for

- A.** the initial introduction of two new 3M products.
- B. specific promotions to be used for long range strategies.
- C. targeting the market into twelve specific segments.
- D. marketing 3M products to foreign markets.
- E. positioning the products relative to major competitors.

The marketing programs for the initial introduction of two new 3M Post-it® brand products (Post-it® Flag Highlighters and Post-it® Flag Pens) targeted at two distinctly different customer segments: college students and office workers. See Figure 1-4 in the textbook.

AACSB: Analytic  
Kerin - Chapter 01 #118

Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.  
Level of Learning: Application  
Topic: 3ms Marketing Program

119. (p. 14 -15) In Figure 1-3 above, the place strategy makes it convenient for \_\_\_\_\_ to buy Post-it® Flag Highlighters.

- A.** everyone
- B. college students only
- C. office workers only
- D. college students and office workers
- E. teachers

The Post-it® Flag Highlighter is targeted toward the college student segment. The rationale for the distribution or place strategy suggests that 3M was making it easy for prospective buyers to buy it at convenient retail outlets (both products) or to get at work (Post-it® Flag Pens only). These convenient retail outlets include mass merchandisers, such as Walmart and Target that sell to everyone. See Figure 1-4 in the textbook.

AACSB: Analytic  
Kerin - Chapter 01 #119

Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.  
Level of Learning: Application  
Topic: 3ms Marketing Program

120. (p. 14 -15) In Figure 1-3 above, one can conclude that

- A. the market segments for Post-it® Flag Highlighters and Post-it® Flag Pens are quite distinct.
- B. the market segments for Post-it® Flag Highlighters and Post-it® Flag Pens are not realistic.
- C. the Post-it® Flag Highlighters and Post-it® Flag Pens are priced unfairly.
- D. the prices for 3M's Post-it® Flag Highlighters and Post-it® Flag Pens are set to maximize 3M's profits, not its distributors'.
- E.** the promotion strategy is designed to increase awareness amongst potential users.

3M's promotional strategy is to increase awareness amongst potential users. Alternative "a" is incorrect because student or office workers can use either product. Alternative "b" is incorrect because the market segments for both products are realistic and are based on market research. Alternative "c" is incorrect because the prices of the two products seem fairly priced relative to competitive substitutes. Alternative "d" is

incorrect because 3M priced these products so that students would be charged a fair price by college bookstores, which in turn would realize a fair margin for carrying the products. See Figure 1-4 in the textbook.

AACSB: Analytic  
Kerin - Chapter 01 #120  
Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.  
Level of Learning: Application  
Topic: 3ms Marketing Program

121. (p. 16) If you wanted a new pair of shoes during the Civil War, you traced the outline of your foot on a piece of paper and gave it to a shoemaker. There was no distinction between right and left foot because you wanted your shoes as quickly as possible, and the shoemaker knew that you would buy them even if they just "sort of" fit. This is an example of a transaction that would have occurred during the \_\_\_\_\_ era in U.S. business history.
- A. marketing concept
  - B. sales
  - C. production**
  - D. societal marketing concept
  - E. market orientation

The production era covers the early years of the United States up until the 1920s. During this period in U.S. business history, goods were scarce and buyers were willing to accept virtually any goods that were produced. The major concern of business firms was production, not marketing. See Figure 1-5 in the textbook.

AACSB: Analytic  
Kerin - Chapter 01 #121  
Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.  
Level of Learning: Application  
Topic: Eras of U.S. Business History: Production

122. (p. 16) The period of American business history when firms could produce more goods than they could sell and the focus was on hiring more salespeople to seek out new markets and customers is referred to as the \_\_\_\_\_ era.
- A. marketing concept
  - B. production
  - C. sales**
  - D. societal marketing concept
  - E. market orientation

In the sales era from the 1920s to the 1960s, manufacturers found they could produce more goods than buyers could consume. Competition grew. The usual solution was to hire more salespeople to find new buyers. See Figure 1-5 in the textbook.

AACSB: Analytic  
Kerin - Chapter 01 #122  
Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.  
Level of Learning: Knowledge  
Topic: Eras of U.S. Business History: Sales

123. (p. 16) In the 19<sup>th</sup> century, the belief was that production creates its own demand. By the early 20<sup>th</sup> century, American companies began to produce more goods than their regular buyers could consume. At the same time, competition became more significant. The usual solution was to hire more salespeople to find new buyers. This describes the \_\_\_\_\_ era.
- A. societal marketing concept
  - B. production
  - C. sales**
  - D. marketing concept
  - E. market orientation

In the sales era from the 1920s to the 1960s, manufacturers found they could produce more goods than buyers could consume. Competition grew. The usual solution was to hire more salespeople to find new buyers. See Figure 1-5 in the textbook.

AACSB: Analytic  
Kerin - Chapter 01 #123  
Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.  
Level of Learning: Comprehension  
Topic: Eras of U.S. Business History: Sales

124. (p. 16) Shortly after World War II, Sam Jackson developed an idea for a biodegradable lubricant that was superior to anything currently on the market. He was excited about his new idea and persuaded a number of his friends to help produce samples. While demand kept up with production at first, he soon found he had to hire a salesforce to sell excess product to manufacturing companies in the area. He decided this was primarily because his company had several strong competitors that had recently come into the industry. This is a good example of behavior one would expect during the \_\_\_\_\_ era of U.S. business history.
- A. marketing concept
  - B. production
  - C. market orientation
  - D. sales**
  - E. societal marketing concept

In the sales era from the 1920s to the 1960s, manufacturers found they could produce more goods than buyers could consume. Competition grew. The usual solution was to hire more salespeople to find new buyers. See Figure 1-5 in the textbook.

AACSB: Analytic  
Kerin - Chapter 01 #124  
Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.  
Level of Learning: Application  
Topic: Eras of U.S. Business History: Sales

125. (p. 16) In the movie *Tin Men*, two rival salesmen engaged in a variety of dishonest and unethical practices in order to sell aluminum siding to homeowners in 1963. Their job was difficult, in part, because the supply of aluminum siding surpassed the demand for the product and competition was intense. This situation is indicative of the \_\_\_\_\_ era of U.S. business history.
- A. production**

- B.** sales
- C. marketing concept
- D. market orientation
- E. societal marketing

In the sales era from the 1920s to the 1960s, manufacturers found they could produce more goods than buyers could consume. Competition grew. The usual solution was to hire more salespeople to find new buyers. See Figure 1-5 in the textbook.

AACSB: Analytic  
Kerin - Chapter 01 #125  
Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.  
Level of Learning: Application  
Topic: Eras of U.S. Business History: Sales

126. (p. 16) Imagine a confectionary company has introduced a new nutty candy bar during the 1930s (the sales era in U.S. business history). Which of the following statements would you most likely expect management to make if sales of this new candy bar were much lower than expected?

- A. "We'd better do some market testing to determine why people are dissatisfied."
- B. "Perhaps we should make candy bars with raisins."
- C.** "Let's put more aggressive salespeople in the field."
- D. "Let's lower the price and change the name."
- E. "Don't worry about it; we're the largest candy manufacturer in the area. Sooner or later they'll get hungry enough that they'll come to us."

In the sales era from the 1920s to the 1960s, manufacturers found they could produce more goods than buyers could consume. Competition grew. The usual solution was to hire more salespeople to find new buyers. See Figure 1-5 in the textbook.

AACSB: Analytic  
Kerin - Chapter 01 #126  
Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.  
Level of Learning: Application  
Topic: Eras of U.S. Business History: Sales

127. (p. 16) The American business period that strives to satisfy consumer needs while achieving the organization's goals is called the \_\_\_\_\_ era.

- A. sales
- B. production
- C.** marketing concept
- D. societal marketing concept
- E. customer relationship

Starting in the late 1950s, marketing became the motivating force among many American firms and the marketing concept era dawned. The marketing concept is the idea that an organization should strive to satisfy the needs of consumers while also trying to achieve the organization's goals. See Figure 1-5 in the textbook.

AACSB: Analytic  
Kerin - Chapter 01 #127  
Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.  
Level of Learning: Comprehension  
Topic: Eras of U.S. Business History: Marketing Concept

128. (p. 16) Which era of U.S. business history does the following statement best describe? "We are in the business of satisfying needs and wants of consumers while achieving our own goals."

- A. the production era
- B. the sales era
- C.** the marketing concept era
- D. the marketing orientation era
- E. the societal marketing era

Starting in the late 1950s, marketing became the motivating force among many American firms and the marketing concept era dawned. The marketing concept is the idea that an organization should strive to satisfy the needs of consumers while also trying to achieve the organization's goals. See Figure 1-5 in the textbook.

AACSB: Analytic  
Kerin - Chapter 01 #128  
Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.  
Level of Learning: Comprehension  
Topic: Eras of U.S. Business History: Marketing Concept

129. (p. 16) Which of the following statements about the marketing concept era is most accurate?

- A. The marketing concept era can actually trace its roots to early Greek culture.
- B.** During the marketing concept era, companies tried to satisfy the needs of consumers while also achieving the organization's goals.
- C. During the marketing concept era, companies tried to satisfy the wants of the consumer no matter what.
- D. During the marketing concept era, companies believed if you produced as much as you could, at the highest quality level, for the lowest price, the product would sell itself.
- E. All U.S. firms are now operating with a marketing concept era philosophy.

Starting in the late 1950s, marketing became the motivating force among many American firms and the marketing concept era dawned. The marketing concept is the idea that an organization should strive to satisfy the needs of consumers while also trying to achieve the organization's goals. See Figure 1-5 in the textbook.

AACSB: Analytic  
Kerin - Chapter 01 #129  
Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.  
Level of Learning: Comprehension  
Topic: Marketing Concept

130. (p. 16) Which of the following terms best describes the marketing concept era?

- A. production-oriented

- B. sales-oriented
- C. society-oriented
- D. consumer-oriented**
- E. competition-oriented

The marketing concept is the idea that an organization should strive to satisfy the needs of consumers while also trying to achieve the organization's goals. See Figure 1-5 in the textbook.

AACSB: Analytic  
Kerin - Chapter 01 #130  
Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.  
Level of Learning: Comprehension  
Topic: Marketing Concept

131. (p. 16) The idea that an organization should (1) strive to satisfy the needs of consumers (2) while also trying to achieve the organization's goals reflects the
- A. concept of synergy
  - B. marketing concept**
  - C. principle of customer relationship management
  - D. societal marketing concept
  - E. consumerism concept

Key term definition—marketing concept.

AACSB: Analytic  
Kerin - Chapter 01 #131  
Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.  
Level of Learning: Knowledge  
Topic: Marketing Concept

132. (p. 16) The marketing concept era occurred from \_\_\_\_\_.

- A. the early years of the U.S. to the 1920s
- B. the 1920s to the 1960s
- C. the late 1950s to the late 1990s**
- D. the mid 1960s to the present
- E. the mid-1980s to the present

Key term definition—marketing concept. See Figure 1-5 in the textbook.

AACSB: Analytic  
Kerin - Chapter 01 #132  
Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.  
Level of Learning: Knowledge  
Topic: Marketing Concept

133. (p. 16) The marketing concept refers to
- A. the activity for creating, communicating, delivering, and exchanging offerings that benefit the organization, its stakeholders, and society at large.
  - B. the belief that an organization should focus its efforts on (1) continuously collecting information about customers' needs, (2) sharing this information across departments, and (3) using it to create customer value.
  - C. the view that organizations should satisfy the needs of consumers in a way that provides for society's well-being.
  - D. the process of identifying prospective buyers, understanding them intimately, and developing favorable long-term perceptions of the organization and its offerings so that buyers will choose them in the marketplace.
  - E. the idea that an organization should (1) strive to satisfy the needs of consumers (2) while also trying to achieve the organization's goals.**

Key term definition—marketing concept.

AACSB: Analytic  
Kerin - Chapter 01 #133  
Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.  
Level of Learning: Knowledge  
Topic: Marketing Concept

134. (p. 16) In 1952, General Electric's annual report stated, "The concept introduces...marketing...at the beginning rather than the end of the production cycle and integrates marketing into each phase of the business." This is a brief statement of what has come to be known as the
- A. sustainability perspective.
  - B. age of consumerism.
  - C. sales concept.
  - D. marketing concept.**
  - E. customer relationship management concept.

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

AACSB: Analytic  
Kerin - Chapter 01 #134  
Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.  
Level of Learning: Comprehension  
Topic: Marketing Concept

135. (p. 16) Firms such as General Electric and Marriott have achieved great success by putting huge effort into implementing the marketing concept, giving their firms what has been called a
- A. production orientation.
  - B. sales orientation.
  - C. market orientation.**
  - D. customer relationship orientation.
  - E. service orientation.



Firms such as General Electric, Marriott, and Toyota have achieved great success by putting huge effort into implementing the marketing concept.

AACSB: Analytic  
Kerin - Chapter 01 #135  
Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.  
Level of Learning: Comprehension  
Topic: Marketing Concept

136. (p. 16) Many companies subscribe to being "green" because they feel that consumers value this. Yet, often in these same firms, office computers are left on 24 hours a day and office paper is not recycled. This example indicates it is not always easy for firms to act in accordance with the
- A. marketing concept.
  - B. customer relationship management concept.
  - C. consumerism.
  - D. sustainability.
  - E. green marketing.

The marketing concept is the idea that an organization should (1) strive to satisfy the wants of consumers (2) while also trying to achieve the organization's goals. In this example, the organization would like consumers to view it as green, yet it is unable to carry out policies that will help achieve that goal.

AACSB: Analytic  
Kerin - Chapter 01 #136  
Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.  
Level of Learning: Application  
Topic: Marketing Concept

137. (p. 16) An organization with a market orientation
- A. focuses its efforts on (1) continuously collecting information about the environment, (2) keeping abreast of the actions of its competitors, and (3) using this information to create customer value.
  - B. focuses its efforts on (1) continuously collecting information about customers' needs, (2) sharing this information across departments, and (3) using it to create customer value.
  - C. identifies prospective buyers, understands them intimately, and develops favorable long-term perceptions of the organization and its offerings so that they will choose it in the marketplace.
  - D. strives to satisfy the needs of consumers while also trying to achieve its goals.
  - E. satisfies the needs of consumers in a way that provides for society's well-being.

Key term definition—market orientation.

AACSB: Analytic  
Kerin - Chapter 01 #137  
Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.  
Level of Learning: Knowledge  
Topic: Market Orientation

138. (p. 16) An organization that focuses its efforts on (1) continuously collecting information about customers' needs, (2) sharing this information across departments, and (3) using it to create customer value is said to have a
- A. product orientation
  - B. customer orientation
  - C. market orientation
  - D. industry orientation
  - E. societal orientation

Key term definition—market orientation.

AACSB: Analytic  
Kerin - Chapter 01 #138  
Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.  
Level of Learning: Knowledge  
Topic: Market Orientation

139. (p. 16) An organization that focuses its efforts on (1) continuously collecting information about customers' needs, (2) sharing this information across departments, and (3) using it to create customer value is said to
- A. stress the societal marketing concept.
  - B. have a focus on macromarketing.
  - C. have a nonprofit orientation.
  - D. have a market orientation.
  - E. have a profit maximization orientation.

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

AACSB: Analytic  
Kerin - Chapter 01 #139  
Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.  
Level of Learning: Knowledge  
Topic: Market Orientation

140. (p. 16) Today's \_\_\_\_\_ era is one in which firms seek continuously to satisfy the high expectations of customers.
- A. production
  - B. sales
  - C. marketing concept
  - D. customer relationship
  - E. societal marketing

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

seek continuously to satisfy the high expectations of customers.

AACSB: Analytic  
Kerin - Chapter 01 #140  
Learning Objective: 01-05 Describe how todays customer relationship era differs from prior eras.  
Level of Learning: Comprehension  
Topic: Customer Relationship

141. (p. 16) Customer relationship management refers to
- A. the creation of personal relationships with customers through one-on-one personal encounters after each sale is concluded in order to maintain customer loyalty.
  - B. the process of identifying prospective buyers, understanding them intimately, and developing favorable long-term perceptions of the organization and its offerings so that buyers will choose them in the marketplace.**
  - C. a management system of sending product information and literature only to those customers who have previously responded by making purchases.
  - D. the division or department within a firm responsible for handling customer complaints in terms of product performance or customer service.
  - E. a group of selected customers invited to serve on a special board that handles disputes between other customers and the firm, in order to provide a more balanced judgment.

Key term definition—customer relationship management.

AACSB: Analytic  
Kerin - Chapter 01 #141  
Learning Objective: 01-05 Describe how todays customer relationship era differs from prior eras.  
Level of Learning: Knowledge  
Topic: Customer Relationship Management

142. (p. 16) Customer relationship management (CRM) is most closely related to the \_\_\_\_\_ era in U.S. business history.
- A. production
  - B. sales
  - C. marketing concept
  - D. customer relationship**
  - E. societal marketing

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

AACSB: Analytic  
Kerin - Chapter 01 #142  
Learning Objective: 01-05 Describe how todays customer relationship era differs from prior eras.  
Level of Learning: Comprehension  
Topic: Customer Relationship Management

143. (p. 16) The United Way of Greater Toronto (UWGT), like many charities, was sitting on a gold mine of donor data. Unfortunately, UWGT was not certain how to use that information to its greatest advantage. UWGT could blanket past donors with generic mailings, but it could not offer donors information that would convince them to donate to UWGT over other charities. Which of the following tools would be most useful for the nonprofit organization to use?
- A. a flexible marketing system
  - B. a database warehouse
  - C. a customer relationship management**
  - D. a competitive intelligence framework
  - E. a customer-oriented marketing mix

Customer relationship management (CRM) is the process of identifying prospective buyers, understanding them intimately, and developing favorable long-term perceptions of the organization (UWGT) and its offerings so that buyers (donors) will choose them in the marketplace.

AACSB: Analytic  
Kerin - Chapter 01 #143  
Learning Objective: 01-05 Describe how todays customer relationship era differs from prior eras.  
Level of Learning: Application  
Topic: Customer Relationship Management

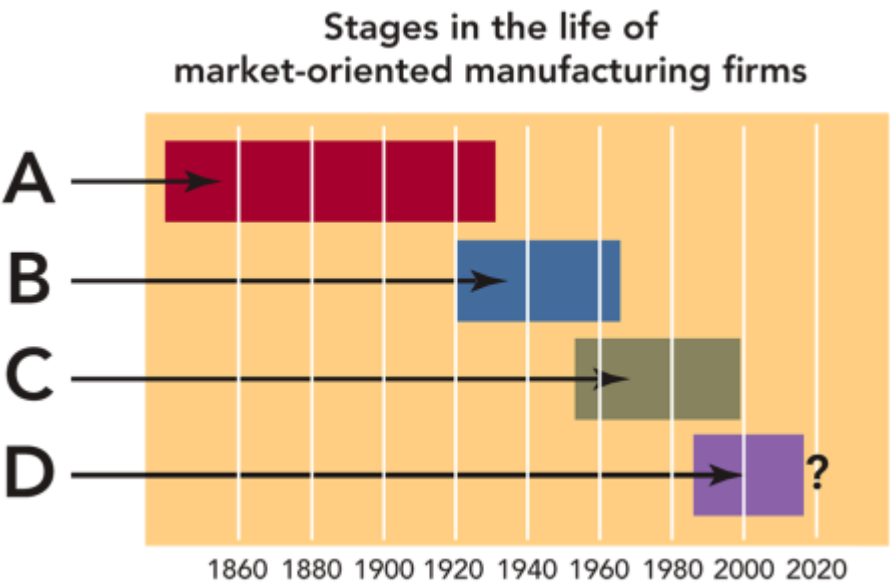


Figure 1-4

Kerin - Chapter 01

144. (p. 16) In Figure 1-4 above, "A" represents which era in U.S. business history?
- A. sales era
  - B. production era**
  - C. age of consumerism
  - D. marketing concept era

E. customer relationship era

The production era covers the early years of the United States up until the 1920s. See Figure 1-5 in the textbook.

AACSB: Analytic  
Kerin - Chapter 01 #144  
Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.  
Level of Learning: Application  
Topic: Eras of U.S. Business History

145. (p. 16) In Figure 1-4 above, letter "B" represents which era in U.S. business history?

- A. sales era
- B. production era
- C. age of consumerism
- D. marketing concept era
- E. customer relationship era

The sales era covers the period from the 1920s to the 1960s. See Figure 1-5 in the textbook.

AACSB: Analytic  
Kerin - Chapter 01 #145  
Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.  
Level of Learning: Application  
Topic: Eras of U.S. Business History

146. (p. 16) In Figure 1-4 above, letter "C" represents which era in U.S. business history?

- A. sales era
- B. production era
- C. age of consumerism
- D. marketing concept era
- E. customer relationship era

The marketing concept era covers the period from the late 1950s to the late 1990s. See Figure 1-5 in the textbook.

AACSB: Analytic  
Kerin - Chapter 01 #146  
Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.  
Level of Learning: Application  
Topic: Eras of U.S. Business History

147. (p. 16) In Figure 1-4 above, letter "D" represents which era in U.S. business history?

- A. sales era
- B. production era
- C. age of consumerism
- D. marketing concept era
- E. customer relationship era

The customer relationship era started in the 1980s and continues to the present day. See Figure 1-5 in the textbook.

AACSB: Analytic  
Kerin - Chapter 01 #147  
Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.  
Level of Learning: Application  
Topic: Eras of U.S. Business History

148. (p. 17) Customer experience refers to

- A. the practice of building ties to customers based on a salesperson's attention and commitment to customer needs over time.
- B. the links an organization has to its customers for their mutual long-term benefits.
- C. the process of identifying prospective buyers, understanding them intimately, and developing favorable long-term perceptions of the organization and its offerings so that buyers will choose them in the marketplace.
- D. the internal response that customers have to all aspects of an organization and its offerings.
- E. the activities in which a firm will participate in order to create a positive buying experience for the customer.

Key term definition—customer experience. Alternative "a" is the definition of relationship selling. Alternative "c" is the definition of customer relationship management.

AACSB: Analytic  
Kerin - Chapter 01 #148  
Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.  
Level of Learning: Knowledge  
Topic: Customer Experience

149. (p. 17) The internal response that customers have to all aspects of an organization and its offerings is referred to as \_\_\_\_\_.

- A. customer experience
- B. relationship marketing
- C. internal customer audit
- D. internal marketing
- E. customer relationship management

Key term definition—customer experience.

AACSB: Analytic  
Kerin - Chapter 01 #149  
Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.  
Level of Learning: Knowledge  
Topic: Customer Experience

150. (p. 17) As organizations have changed their orientation, society's expectations of marketers have also changed. Today, the emphasis of marketing practice has shifted from the interests of \_\_\_\_\_ to the interests of consumers.

- A. society at large
- B. government
- C. suppliers
- D. resellers
- E. producers**

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

AACSB: Ethics  
Kerin - Chapter 01 #150  
Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.  
Level of Learning: Comprehension  
Topic: Social Responsibility

151. (p. 17) Innovators at 3M developed Scotchbrite® Never Rust Wool Soap Pads from recycled plastic bottles. Even though these soap pads are more expensive than competitive brands (Brillo and SOS), customers are willing to pay the premium price. Customers appreciate the value of a superior product (they don't rust or scratch) and appreciate the fact that their purchase is environmentally responsible. This demonstrates that

- A. an organization can be environmentally conscious while still satisfying its customers and remaining competitive in the market.**
- B. an organization can use a customer's sense of social responsibility to its own advantage even though the effects are minimal.
- C. if a company uses recycled materials, they can always charge more than what a product is actually worth.
- D. it is more important to act in a socially responsible manner than to consider the profits and goals of the organization.
- E. the first brand that creates a new product gets to charge the highest price and make the greatest profits.

With its innovative product, 3M offset the costs of recycling and increases consumer value. Thus, consumers have been willing to pay a premium price for this environmentally friendly product.

AACSB: Ethics  
Kerin - Chapter 01 #151  
Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.  
Level of Learning: Comprehension  
Topic: Social Responsibility

152. (p. 17) You change the oil in your car yourself and dump the used oil down the sewer drain that ultimately flows into the local river. Based on this information, is this a transaction between you and the oil manufacturer?

- A. Yes, you paid for the oil and you can do with it as you like.
- B. Yes, the oil company adds a premium to the price to pay for oil cleanup in the environment.
- C. Yes, the oil will stay in the sewer and not hurt anything.
- D. No, this is an issue of personal social responsibility because the polluted water affects others in the society at large.**
- E. No, this is an issue solely between you and your neighbors.

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

AACSB: Ethics  
Kerin - Chapter 01 #152  
Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.  
Level of Learning: Comprehension  
Topic: Social Responsibility

153. (p. 17) Which of the following most directly explains why pharmaceutical giant Pfizer offered low-income senior citizens many of its most widely used prescriptions for \$15 each a month?

- A. the profit motive since aging baby boomers are a large, profitable market.
- B. the social responsibility concept.**
- C. the necessity of matching competitors' actions.
- D. new regulatory Medicare mandates.
- E. increased influence of religious leaders in political affairs.

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

AACSB: Ethics  
Kerin - Chapter 01 #153  
Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.  
Level of Learning: Application  
Topic: Social Responsibility

154. (p. 17) The societal marketing concept is

- A. the moral principles and values that govern the actions and decisions of an organization.
- B. the idea that organizations are part of a larger society and are accountable to that society for their actions.
- C. actively trying to understand customer needs and satisfying them while satisfying the firm's goals.
- D. the conducting of business in a way that protects the natural environment while making economic progress.
- E. the view that an organization should satisfy the needs of consumers in a way that provides for society's well-being.**

Key term definition—societal marketing concept. Alternative "b" is the definition of social responsibility. Alternative "d" is the definition of sustainable development.

AACSB: Analytic  
Kerin - Chapter 01 #154  
Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.  
Level of Learning: Knowledge  
Topic: Societal Marketing Concept

155. (p. 17) The view that holds an organization should satisfy the needs of consumers in a way that also provides for society's well being is known as

- A. the societal marketing concept.**
- B. the marketing concept.



- C. consumerism.
- D. social responsibility.
- E. capitalism.

Key term definition—societal marketing concept.

AACSB: Analytic  
Kerin - Chapter 01 #155  
Learning Objective: 01-05 Describe how todays customer relationship era differs from prior eras.  
Level of Learning: Knowledge  
Topic: Societal Marketing Concept

156. (p. 18) Social entrepreneurship

- A. is the idea that organizations are part of a larger society and are accountable to that society for their actions.
- B. is the conducting of business in a way that protects the natural environment while making economic progress.
- C. applies innovative approaches to solve the practical needs of society, particularly of those members who lack the financial or political means to solve their own problems.
- D. is the view that an organization should satisfy the needs of consumers in a way that provides for society's well-being.
- E. is the process of identifying prospective buyers, understanding them intimately, and developing favorable long-term perceptions of the organization and its offerings so that buyers will choose them in the marketplace.

Text term definition—social entrepreneurship. Alternative "a" is the definition of social responsibility. Alternative "b" is the definition of sustainable development. Alternative "d" is the definition of the societal marketing concept. Alternative "e" is the definition of customer relationship management.

AACSB: Analytic  
Kerin - Chapter 01 #156  
Learning Objective: 01-05 Describe how todays customer relationship era differs from prior eras.  
Level of Learning: Knowledge  
Topic: Making Responsible Decisions

157. (p. 17) The study of the aggregate flow of a nation's goods and services to benefit society is referred to as \_\_\_\_\_.

- A. micromarketing
- B. macromarketing
- C. societal marketing
- D. macro economics marketing
- E. balance of trade

Text term definition—macromarketing.

AACSB: Analytic  
Kerin - Chapter 01 #157  
Learning Objective: 01-05 Describe how todays customer relationship era differs from prior eras.  
Level of Learning: Knowledge  
Topic: Macromarketing

158. (p. 18) How an individual organization directs its marketing activities and allocates its resources to benefit its customers is known as \_\_\_\_\_.

- A. micromarketing
- B. micro economics marketing
- C. cultural marketing
- D. macromarketing
- E. megamarketing

Text term definition—micromarketing.

AACSB: Analytic  
Kerin - Chapter 01 #158  
Learning Objective: 01-05 Describe how todays customer relationship era differs from prior eras.  
Level of Learning: Knowledge  
Topic: Micromarketing

159. (p. 17) Which of the following statements best distinguishes macromarketing from micromarketing?

- A. Macromarketing uses a marketing program and micromarketing does not.
- B. Macromarketing is affected by environmental forces but micromarketing is not.
- C. Micromarketing is affected by environmental forces but macromarketing is not.
- D. Macromarketing looks at the flow of an entire nation's goods and services and micromarketing concerns itself with the marketing activities of an organization.
- E. Micromarketing looks at the flow of an entire nation's goods and services and macromarketing concerns the marketing activities of an organization.

Macromarketing studies the aggregate flow of a nation's goods and services to benefit society, which in part addresses broad issues such as whether marketing costs too much. Micromarketing addresses how an individual organization allocates its resources to benefit its customers.

AACSB: Analytic  
Kerin - Chapter 01 #159  
Learning Objective: 01-05 Describe how todays customer relationship era differs from prior eras.  
Level of Learning: Knowledge  
Topic: Micromarketing/Macromarketing

160. (p. 18) What kinds of organizations engage in marketing?

- A. only those that can afford to advertise
- B. only very large and established nonprofit organizations
- C. only Fortune 500 companies
- D. every organization regardless of the kind
- E. only the organization that wants to make a profit

Every organization markets. Business firms involved in manufacturing, retailing, providing services and nonprofit organizations engage in

marketing. Places, special events or causes, and political candidates also use marketing.

AACSB: Analytic  
Kerin - Chapter 01 #160  
Learning Objective: 01-05 Describe how todays customer relationship era differs from prior eras.  
Level of Learning: Comprehension  
Topic: Who Markets?

161. (p. 18) Which of the following organizations engage in marketing?

- A. Chicago Cubs
- B. San Francisco Opera
- C. the city of Denver
- D. the United States
- E. All the examples listed above.**

Every organization markets. Business firms involved in manufacturing, retailing, providing services and nonprofit organizations engage in marketing. Places, special events or causes, and political candidates also use marketing.

AACSB: Analytic  
Kerin - Chapter 01 #161  
Learning Objective: 01-05 Describe how todays customer relationship era differs from prior eras.  
Level of Learning: Comprehension  
Topic: Who Markets?

162. (p. 18) Which answer reflects (in order) a good, an idea, and a service that can be marketed?

- A. a candy bar, a wastepaper basket, and a vending machine
- B. a CD, a concert, and a souvenir T-shirt
- C. a political candidate, democracy, and freedom
- D. a toothbrush, laser teeth whitening, and dental hygiene**
- E. an iPod, an iPhone, and the Internet

Goods, services, and ideas are marketed. Goods are physical objects, such as toothpaste, that satisfy consumer needs. Services are intangible items, such as laser teeth whitening. Ideas are intangibles, such as the idea of dental hygiene, involving thoughts about actions or causes.

AACSB: Analytic  
Kerin - Chapter 01 #162  
Learning Objective: 01-05 Describe how todays customer relationship era differs from prior eras.  
Level of Learning: Application  
Topic: What is Marketed?

163. (p. 18) The Hermitage, a famous Russian art museum, was suffering financial difficulties as the result of lost funding and a decrease in tourists. The decrease in visitors is blamed on a lack of awareness of the treasures contained in the museum. As a result, the Hermitage's director used strategic alliances to create a Web site where people can go and view some of the wonders of the Hermitage in a virtual tour online. It is hoped that this sampling of paintings, sculptures, etc. will encourage visitors to make a trip to Hermitage the museum and ensure that it is able to maintain its collections. The museum is a(n) \_\_\_\_\_, which is marketed through the virtual tours it offers online.

- A. good
- B. idea
- C. service**
- D. product
- E. charity

A service is an intangible item, consisting of airline trips, financial advice, or art museums like the Hermitage.

AACSB: Analytic  
Kerin - Chapter 01 #163  
Learning Objective: 01-05 Describe how todays customer relationship era differs from prior eras.  
Level of Learning: Application  
Topic: What is Marketed?

164. (p. 19) Ultimate consumers refer to

- A. the people who use the goods and services purchased for a household.**
- B. people who have already purchased a firm's product at least once, have been satisfied, and are likely to make repeat purchases.
- C. people or organizations that have used a competitor's product and who have been dissatisfied, and who are still seeking a product or service to satisfy their needs.
- D. those manufacturers, wholesalers, retailers, and government agencies that buy goods and services for their own use or for resale.
- E. one or more specific groups of potential customers toward whom an organization directs its marketing program.

Key term definition—ultimate consumers. Alternative "d" is the definition of organizational buyers. Alternative "e" is the definition of a target market.

AACSB: Analytic  
Kerin - Chapter 01 #164  
Learning Objective: 01-05 Describe how todays customer relationship era differs from prior eras.  
Level of Learning: Knowledge  
Topic: Ultimate Consumers

165. (p. 19) The people who use the goods and services purchased for a household are called

- A. organizational buyers.
- B. household prospects.
- C. ultimate consumers.**
- D. a target market.
- E. collateral consumers.

Key term definition—ultimate consumers.

AACSB: Analytic  
Kerin - Chapter 01 #165  
Learning Objective: 01-05 Describe how todays customer relationship era differs from prior eras.

Level of Learning: Knowledge  
Topic: Ultimate Consumers

166. (p. 19) What is the marketing term for people, whether they are 80 years or 8 months old, who use goods and services purchased for a household?
- A. situational buyers
  - B. primary buyers
  - C. ultimate consumers**
  - D. a target market
  - E. household prospects

Key term definition—ultimate consumers.

AACSB: Analytic  
Kerin - Chapter 01 #166  
Learning Objective: 01-05 Describe how todays customer relationship era differs from prior eras.  
Level of Learning: Knowledge  
Topic: Ultimate Consumers

167. (p. 19) Time Inc. has published a new magazine, *All You*, which is distributed only in Walmart stores. Who is the ultimate consumer for this magazine?
- A. the person who buys the magazine to read at home**
  - B. the person who works at Walmart and reads the magazine while stocking the magazine rack
  - C. the person who browses the magazine in the store without buying it
  - D. the salesperson for Time Inc. that sold the magazine to Walmart
  - E. All people, from the writer, to the seller, to the reader at home are the ultimate consumers

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

AACSB: Analytic  
Kerin - Chapter 01 #167  
Learning Objective: 01-05 Describe how todays customer relationship era differs from prior eras.  
Level of Learning: Application  
Topic: Ultimate Consumers

168. (p. 19) Which of the following is an example of an ultimate consumer?
- A. a newspaper reporter who buys a plane ticket to Washington, D.C. to cover the presidential inauguration
  - B. a school teacher who bought a ticket to the Summer Olympics opening ceremonies**
  - C. an office receptionist who renews the magazines that are found in the office waiting room
  - D. a retailer who buys poster board to make signs for an upcoming store sale
  - E. a landscaping firm employee who buys a new wheelbarrow to use to haul mulch

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

AACSB: Analytic  
Kerin - Chapter 01 #168  
Learning Objective: 01-05 Describe how todays customer relationship era differs from prior eras.  
Level of Learning: Application  
Topic: Ultimate Consumers

169. (p. 19) Organizational buyers are most accurately described as
- A. only purchasers of raw materials and natural resources.
  - B. employees who purchase household items for their personal use.
  - C. manufacturers, retailers, or government agencies buying for their own use or for resale.**
  - D. any individual or group making a purchase worth over \$100,000.
  - E. any man, woman, or child who uses goods purchased for a household.

Key term definition—organizational buyers.

AACSB: Analytic  
Kerin - Chapter 01 #169  
Learning Objective: 01-05 Describe how todays customer relationship era differs from prior eras.  
Level of Learning: Knowledge  
Topic: Organizational Buyers

170. (p. 19) Which of the following is the best example of an organizational buyer?
- A. a mother buying milk for her young son
  - B. a computer programmer buying the latest game for his PlayStation 3
  - C. a store owner buying hand-painted slate signs to sell in her store**
  - D. a botanist buying a rose bush for his home garden
  - E. a baseball player buying a t-ball set for his daughter

Organizational buyers are manufacturers, retailers, or government agencies buying for their own use or for resale. Only alternative "c" describes an individual who will not use his or her purchase for personal use.

AACSB: Analytic  
Kerin - Chapter 01 #170  
Learning Objective: 01-05 Describe how todays customer relationship era differs from prior eras.  
Level of Learning: Application  
Topic: Organizational Buyers

171. (p. 19) Effective marketing benefits society because
- A. it reduces competition, making the playing field more even, so everyone benefits.
  - B. it improves the quality of products and services regardless of the cost.
  - C. it allows companies to charge whatever price they want, regardless of product quality.
  - D. it makes countries more competitive in world markets while simultaneously reducing competition in their home markets.

E. it enhances competition, which improves the quality of products and services and lowers their prices.

Effective marketing benefits society. It enhances competition, which improves both the quality of products and services and lowers their prices. This makes countries more competitive in world markets and provides jobs and a higher standard of living for their citizens.

AACSB: Analytic  
Kerin - Chapter 01 #171  
Learning Objective: 01-05 Describe how todays customer relationship era differs from prior eras.  
Level of Learning: Comprehension  
Topic: Who Benefits?

172. (p. 19) Utility refers to

- A. the number of alternative uses or benefits that can be provided by a single product or service.
- B. the adaptability of a marketing program to adjust to changes from environmental forces.
- C. the benefits or customer value received by users of the product.
- D. the fixed costs associated with the production of a single unit of a product within a product line.
- E. the variable costs associated with the production of a single unit of a product within a product line.

Key term definition—utility.

AACSB: Analytic  
Kerin - Chapter 01 #172  
Learning Objective: 01-05 Describe how todays customer relationship era differs from prior eras.  
Level of Learning: Knowledge  
Topic: Utility

173. (p. 19) The benefits or customer value received by users of a product is called \_\_\_\_\_.

- A. utility
- B. synergy
- C. consumerism
- D. cost-benefit ratio
- E. customer lifetime value

Key term definition—utility.

AACSB: Analytic  
Kerin - Chapter 01 #173  
Learning Objective: 01-05 Describe how todays customer relationship era differs from prior eras.  
Level of Learning: Knowledge  
Topic: Utility

174. (p. 19) The four utilities include

- A. product, price, promotion, and place.
- B. form, function, value, and people.
- C. monopoly, monopolistic competition, pure competition, and oligopoly.
- D. form, place, time, and possession.
- E. natural gas, fossil fuel, electricity, and water.

Key term definition—utility.

AACSB: Analytic  
Kerin - Chapter 01 #174  
Learning Objective: 01-05 Describe how todays customer relationship era differs from prior eras.  
Level of Learning: Knowledge  
Topic: Utility

175. (p. 19) Which of the following statements is an example of form utility?

- A. an iPhone with a large selection of new "apps"
- B. stamp vending machines that are located in drug stores
- C. a service station that has a 24-hour ice machine available for use when the station is closed
- D. a cell phone company that offers six-month financing, same as cash
- E. a gourmet shop that offers a home delivery service

The value to consumers that comes from the production or alteration of a good or service constitutes form utility. The "apps" add an extra benefit to the iPhone, making the product more valuable to the consumer.

AACSB: Analytic  
Kerin - Chapter 01 #175  
Learning Objective: 01-05 Describe how todays customer relationship era differs from prior eras.  
Level of Learning: Application  
Topic: Form Utility

176. (p. 19) The value to consumers that comes from the production or alteration of a good or service constitutes \_\_\_\_\_ utility.

- A. time
- B. place
- C. possession
- D. market
- E. form

Text term definition—form utility.

AACSB: Analytic  
Kerin - Chapter 01 #176  
Learning Objective: 01-05 Describe how todays customer relationship era differs from prior eras.  
Level of Learning: Knowledge  
Topic: Form Utility

177. (p. 19) The process of taking wool off sheep and using it to make soft sweaters shows how manufacturing can create \_\_\_\_\_ utility.

- A. time



- B. place
- C. possession
- D. market
- E. form**

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

AACSB: Analytic  
Kerin - Chapter 01 #177  
Learning Objective: 01-05 Describe how todays customer relationship era differs from prior eras.  
Level of Learning: Application  
Topic: Form Utility

178. (p. 19) The process of turning corn into ethanol shows how manufacturing can create \_\_\_\_\_ utility.

- A. time
- B. place
- C. possession
- D. market
- E. form**

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

AACSB: Analytic  
Kerin - Chapter 01 #178  
Learning Objective: 01-05 Describe how todays customer relationship era differs from prior eras.  
Level of Learning: Application  
Topic: Form Utility

179. (p. 19) The value to consumers that comes from having a good or service available when needed constitutes \_\_\_\_\_ utility.

- A. time**
- B. place
- C. possession
- D. market
- E. form

Text term definition—time utility.

AACSB: Analytic  
Kerin - Chapter 01 #179  
Learning Objective: 01-05 Describe how todays customer relationship era differs from prior eras.  
Level of Learning: Knowledge  
Topic: Time Utility

180. (p. 19) The utility that UPS provides by delivering new CD releases to music stores before the Tuesday release day is

- A. time utility.**
- B. place utility.
- C. possession utility.
- D. market utility.
- E. form utility.

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

AACSB: Analytic  
Kerin - Chapter 01 #180  
Learning Objective: 01-05 Describe how todays customer relationship era differs from prior eras.  
Level of Learning: Application  
Topic: Time Utility

181. (p. 19) Dick's Sporting Goods carries baseballs all year around. The same is true for footballs and tennis equipment. Dick's Sporting Goods offers \_\_\_\_\_ utility for these products.

- A. time**
- B. place
- C. possession
- D. market
- E. form

Time utility is the value to consumers of having a good or service available when needed. Dick's Sporting Goods offers time utility because you can purchase sporting equipment even when the sport is "out of season."

AACSB: Analytic  
Kerin - Chapter 01 #181  
Learning Objective: 01-05 Describe how todays customer relationship era differs from prior eras.  
Level of Learning: Application  
Topic: Time Utility

182. (p. 19) Which of the following statements is an example of time utility?

- A. an iPhone that offers a large selection of "apps"
- B. a dry cleaners that is located inside a supermarket
- C. Goodwill that has a 24-hour drop off box for donations**
- D. a cell phone company that offers six-month financing, same as cash
- E. a new herbal supplement that offers a 30 day free trial

Time utility is the value to consumers of having a good or service available when needed. The Goodwill drop off box allows consumers access to ice regardless of the time of day.

AACSB: Analytic  
Kerin - Chapter 01 #182  
Learning Objective: 01-05 Describe how todays customer relationship era differs from prior eras.  
Level of Learning: Application  
Topic: Time Utility

183. (p. 19) Redbox places vending machines at local convenience stores and grocery stores that allow customers to rent and return popular DVDs 24 hours a day. This creates both \_\_\_\_\_ and \_\_\_\_\_ utility.
- A. form and place
  - B. form and time
  - C. place and time**
  - D. time and possession
  - E. form and possession

Place utility is the value to consumers of having a good or service available where needed, whereas time utility is the value to consumers of having a good or service available when needed. Vending machines most directly create both time and place utilities.

AACSB: Analytic  
Kerin - Chapter 01 #183  
Learning Objective: 01-05 Describe how todays customer relationship era differs from prior eras.  
Level of Learning: Application  
Topic: Place and Time Utility

184. (p. 19) The value to consumers of having a good or service available where needed constitutes \_\_\_\_\_ utility.
- A. time
  - B. place**
  - C. possession
  - D. market
  - E. form

Text term definition—place utility.

AACSB: Analytic  
Kerin - Chapter 01 #184  
Learning Objective: 01-05 Describe how todays customer relationship era differs from prior eras.  
Level of Learning: Knowledge  
Topic: Place Utility

185. (p. 19) Which of the following statements is an example of place utility?
- A. airlines that allow you to print your own boarding passes at home**
  - B. a service station that sells both regular gasoline and diesel fuel
  - C. a cell phone company that offers six-month financing, same as cash
  - D. cold cut packages that can be zipped close for reuse
  - E. an iPhone with a large selection of new "apps"

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

AACSB: Analytic  
Kerin - Chapter 01 #185  
Learning Objective: 01-05 Describe how todays customer relationship era differs from prior eras.  
Level of Learning: Application  
Topic: Place Utility

186. (p. 19) Which of the following statements is an example of possession utility?
- A. an iPhone with a large selection of new "apps"
  - B. the local dairy that offers delivery to the customer's doorstep
  - C. disposable diapers that come equipped with re-sealable tabs
  - D. a gourmet food store that carries a line of ready-made salads
  - E. a cell phone company that offers six-month financing, same as cash**

Possession utility is the value to the consumer of making an item easy to purchase so consumers can use it. The cell phone company that offers six-month financing, same as cash terms to consumers, thus increasing ease of purchase.

AACSB: Analytic  
Kerin - Chapter 01 #186  
Learning Objective: 01-05 Describe how todays customer relationship era differs from prior eras.  
Level of Learning: Application  
Topic: Possession Utility

187. (p. 19) Robert could not buy his *Principles of Marketing* text this semester by the first day of class if the bookstore did not accept one of the four major credit cards. With his VISA credit card, he was able to obtain the book for his first marketing class. The credit card created \_\_\_\_\_ utility for Robert.
- A. form
  - B. time
  - C. price
  - D. possession**
  - E. place

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

AACSB: Analytic  
Kerin - Chapter 01 #187  
Learning Objective: 01-05 Describe how todays customer relationship era differs from prior eras.  
Level of Learning: Application  
Topic: Possession Utility

188. (p. 21) The 3M inventor, David Windorski took this approach when he developed the Post-it® Flag Highlighter:

- A. He first asked students to identify their needs and wants.
- B. He asked students to bring him their five favorite bookstore items.
- C. He started with his idea and then investigated if there was a market for it.
- D. He patented his idea and sold it to 3M.
- E. He petitioned 3M executives for the right to do independent research that ultimately resulted in the 15% rule.

The classic approach says to start with needs and wants of potential customers and then to develop the product. But sometimes new-product development runs in the opposite direction: Start with a new product idea and then see if there is a market for it. This is really what Windorski did for the Post-it® Flag Highlighter, using marketing research along the way.

AACSB: Analytic  
Kerin - Chapter 01 #188  
Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.  
Level of Learning: Comprehension  
Topic: Video Case: 3m

189. (p. 21) Which of the following statements about 3M's market research prior to introducing the Post-it® Flag Highlighter is most accurate?

- A. Windorski worked with clay and wood models to see how much additional weight students would be willing to carry in their backpacks.
- B. Windorski asked students to dump the contents of their backpacks to make sure no clay prototype was being stolen.
- C. Windorski used focus groups, observed students' studying behavior, and even gave out trial Post-it® Flag Highlighters to students to try for a month.
- D. Windorski hired students to handout promotional materials at their home universities and colleges.
- E. Windorski reassigned all personnel to over twenty-five to different projects so they could not inadvertently influence younger participants based on their own experiences.

3M and David Windorski did a lot of marketing research on students during the new-product development process. They used all of the methods (and more) listed in alternative "c" in order to understand students' reactions and consider suggestions for improvements.

AACSB: Analytic  
Kerin - Chapter 01 #189  
Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.  
Level of Learning: Comprehension  
Topic: Video Case: 3m

190. (p. 21) In the future, 3M will make use of \_\_\_\_\_ to attract new customers.

- A. product extensions
- B. social responsibility
- C. social entrepreneurship
- D. graduate students to design new products
- E. macromarketing strategies focusing on "going green"

To build on the initial success of the Post-it® Flag Highlighter, 3M will take great care to introduce new product extensions to attract new customers while still retaining its solid foundation of loyal existing customers.

AACSB: Analytic  
Kerin - Chapter 01 #190  
Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.  
Level of Learning: Comprehension  
Topic: Video Case: 3m

191. (p. 3, 21-23) Explain the market research that David Windorski, 3M inventor, did to develop the Post-it® Flag Highlighter.

During the new-product development process, Windorski and 3M did a lot of marketing research on students. Working with a team of four college students, Windorski and the team observed and questioned dozens of students about how they used their textbooks, took notes, wrote term papers, and reviewed for exams. Other research was quite traditional. For example, students were asked to dump the contents of their backpacks on the table to explain what they carried around and then to react to some early highlighter models. Also, several times six or seven students were interviewed together and observed by 3M researchers from behind a one-way mirror—the focus group technique. Other students were interviewed individually. Windorski then used wood blocks and modeling clay to mock up a number of nonworking models. These nonworking models showed Windorski how the product would feel. He then produced the 2-in-1 highlighter plus Post-it® Flag Highlighter working models that students could actually use to give him feedback. Several hundred were produced and given to students to use for a month. Their reactions and suggestions for improvements were captured on a written questionnaire.

AACSB: Analytic  
Kerin - Chapter 01 #191  
Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
Level of Learning: Application  
Topic: Chapter Opening Example: 3m

192. (p. 4) Why are you, as a student, already somewhat of an expert in marketing before taking this course? Provide a specific example from your own personal experience and relate it to something you just "formally" learned about marketing in this chapter.

Students are, in a sense, marketing experts because they engage in many marketing activities every day. Experience in shopping for products gives students great insights into the world of marketing. As consumers, students have been involved in thousands of marketing decisions, but mostly on the buying and not the selling side.

AACSB: Analytic  
Kerin - Chapter 01 #192  
Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
Level of Learning: Application  
Topic: Students as Marketing Experts

193. (p. 6) What is the definition of marketing according to the American Marketing Association? How does this differ from your previous notion of marketing before reading this chapter?

"Marketing is the activity for creating, communicating, delivering and exchanging offerings that benefit the organization, its stakeholders and society at large." This definition shows marketing to be a far broader activity than simply advertising or personal selling. It stresses the importance of delivering genuine benefits in the offerings of goods, services, and ideas marketed to customers. Also, note that the organization doing the marketing, the stakeholders affected (such as customers, employees, suppliers, and shareholders), and society should

all benefit.

AACSB: Analytic  
Kerin - Chapter 01 #193  
Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
Level of Learning: Knowledge  
Topic: What is Marketing?

194. (p. 6) What are the two key objectives of marketing? Define exchange and explain how it supports these objectives.

To serve both buyers and sellers, marketing seeks (1) to discover the needs and wants of prospective customers and (2) to satisfy them. The key to achieving these two objectives is the idea of exchange, which is the trade of things of value between buyer and seller so that each is better off after the trade. If an exchange takes place, then marketers will have been successful in achieving these two objectives, since each party must be better off after the trade.

AACSB: Analytic  
Kerin - Chapter 01 #194  
Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
Level of Learning: Comprehension  
Topic: What is Marketing?

195. (p. 6 -7) In addition to consumers, what other people, groups, and environmental forces interact to affect marketing activities?

Foremost is the organization itself, whose mission and objectives determine what business it is in and what goals it seeks. Within the organization, management is responsible for establishing these goals. The marketing department works closely with a network of other departments and employees to help provide the customer-satisfying products required for the organization to survive and prosper. The marketing department is responsible for facilitating relationships, partnerships, and alliances with the organization's customers, its shareholders (or often representatives of groups served by a non-profit organization), its suppliers, and other organizations. Environmental forces such as social, economic, technological, competitive, and regulatory forces also shape an organization's marketing activities. Finally, an organization's marketing decisions are affected by and, in turn, often have an important impact on society as a whole. The organization must strike an acceptable balance among all these influences. See Figure 1-2 in the textbook.

AACSB: Analytic  
Kerin - Chapter 01 #195  
Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
Level of Learning: Comprehension  
Topic: Diverse Factors in Marketing

196. (p. 01 -07) Most people would assume that in marketing the only thing of value to "exchange" would be monetary (check, credit/debit, currency and/or coin transactions). What else can be exchanged? Provide an example of a nonmonetary transaction that still fits the criteria of exchange.

The trade of things of value between buyer and seller so that each is better off after the trade. This could include exchange of votes for political leadership, donations of time in exchange for feelings of generosity, etc. It would also include barter, the practice of exchanging products and services for other products and services rather than for money (see Chapter 13).

AACSB: Analytic  
Kerin - Chapter 01 #196  
Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
Level of Learning: Comprehension  
Topic: Exchange

197. (p. 7 -8) What are the four factors required for marketing to occur?

For marketing to occur, four factors are required: (1) two or more parties (individuals or organizations) with unsatisfied needs; (2) a desire and ability on their parts to satisfy these needs; (3) a way for the parties to communicate; and (4) something to exchange.

AACSB: Analytic  
Kerin - Chapter 01 #197  
Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
Level of Learning: Comprehension  
Topic: Requirements for Marketing to Occur

198. (p. 7 -8) In China, many people are removing their money from the state banks and lending it out themselves. The interest rate earned in a state bank account is about one-half the rate of inflation. On the other hand, loaning money to friends, relatives, and even unrelated entrepreneurs can often earn the investor a rate double or more over the inflation rate. The gray market, an underground network of investors and private businesses, moves the cash from lenders to businesses. Did marketing occur here? Explain your answer.

To answer this question, students will need to know the four factors that are required for marketing to occur. (1) There must be two or more parties with unsatisfied needs. The lenders want to receive a higher interest rate on their funds and the businesses need short-term loans. (2) There must be a desire and an ability to satisfy those needs. The lenders want to receive a higher interest rate on their funds and the businesses need short-term loans. The money is available, since the lenders removed it from the state banks. (3) There must be a way for the parties to communicate. Word-of-mouth from the gray market, an underground network, allows communication between the lenders and businesses. (4) There must be something to exchange. Cash was exchanged in the form of loans, repaid with interest. Students should be able to see that marketing did indeed occur.

AACSB: Analytic  
Kerin - Chapter 01 #198  
Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.  
Level of Learning: Application  
Topic: Requirements for Marketing to Occur

199. (p. 9) Add your own personal experience and creativity to what you have just learned in Chapter 1. Formulate a plan to assess the needs of either (1) students who have too many books to carry to and from class or (2) executives who are too busy to keep up with the latest information in their field.

A quality answer will include multiple techniques. Even though this is not the "market research" chapter, there are text examples of observation, questioning, involvement of stakeholders in the research process, discussions, etc. used to discover needs. The emphasis should be placed on gathering as much information as possible prior to development of the product itself.

AACSB: Analytic  
Kerin - Chapter 01 #199  
Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.  
Level of Learning: Comprehension  
Topic: Discovering Needs

200. (p. 10) Define needs and wants. Can marketing shape a person's wants? Explain your answer.

A need occurs when a person feels deprived of basic necessities like food, clothing, and shelter. A want is a need that is shaped by a person's knowledge, culture, and personality. Effective marketing, in the form of creating an awareness of good products at convenient locations, can clearly shape a person's wants. Certainly, marketing tries to influence what we buy. A principal activity of a firm's marketing department is to scrutinize its consumers to understand what they need and want and the trends and factors that shape them. However, a key issue is the amount of freedom given to prospective customers to make their own buying decisions.

AACSB: Analytic  
Kerin - Chapter 01 #200  
Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.  
Level of Learning: Comprehension  
Topic: Consumer Needs and Wants

201. (p. 11) Explain the difference between a market and a target market. Provide a specific example.

Potential consumers make up a market, which is people with both the desire and the ability to buy a specific product. All markets ultimately are people. A target market is one or more specific groups of potential consumers toward which an organization directs its marketing program.

AACSB: Analytic  
Kerin - Chapter 01 #201  
Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.  
Level of Learning: Knowledge  
Topic: Market/Target Market

202. (p. 11) Describe two different target markets, for two different products or services you, your friends, or your family have recently purchased or used.

A target market is a specific group of potential consumers toward which an organization directs its marketing program. In response to this question, students might define the target market for a local baseball team as people who live in the area, somewhat skewed toward males, perhaps, and 25 to 65 years of age. Another interesting answer is to examine how one product, such as a Toyota 4-Runner, can have two different target markets. One target market might be the adventurous outdoor mountain biker that uses the car to transport his or her equipment to the mountains to bike. The other target market might be a "soccer mom" with children, animals, and equipment to transport to the local soccer field for practice. This question offers a good opportunity for class discussion of the more interesting examples and observations of students.

AACSB: Analytic  
Kerin - Chapter 01 #202  
Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.  
Level of Learning: Application  
Topic: Target Market

203. (p. 11) An inventor designs a scissors that has interchangeable blades that allow the user to switch from straight cuts to decorative cuts. Identify two possible target markets and justify your answer.

A target market is a specific group of potential consumers toward whom an organization directs its marketing program. While anyone might benefit from using the product, a quality answer should link the benefits of the product (interchangeable straight and decorative blades) to the specific needs of a specific group. For example, scrapbook makers could use the straight blade when trimming pictures and use decorative blades when cutting backgrounds pages for their albums. The same scissor might be targeted for school teachers for use in their classrooms (for bulletin boards, etc.)

AACSB: Analytic  
Kerin - Chapter 01 #203  
Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.  
Level of Learning: Application  
Topic: Target Market

204. (p. 11) Imagine you have the sole marketing rights to a new herbal shampoo that stops hair loss and actually causes new hair growth. You plan to sell your product on an Internet site, which you will advertise on late night television. You are also hoping to obtain free publicity to place stories in men's fashion magazines. You are planning to sell online a 15-ounce bottle for \$24.99 plus \$7.99 shipping and handling. Using the information provided, identify each element of your marketing mix and the target market for your shampoo. How can you use relationship marketing to increase sales?

The shampoo is the product element. The Internet is the place element. The ads on late night television and the publicity are the promotion element. The price element is the \$24.99 price plus the \$7.99 for shipping and handling. The target market is men and women with hair loss. Better students will note that not everyone will be able to afford the product and that the target market should also include some kind of an income base. Since you are selling on the Internet, you could use relationship marketing by sending monthly e-mail newsletters providing information about issues of interest to your target market. You could also offer a free 11<sup>th</sup> bottle of shampoo after a consumer buys 10 bottles over a period of time. Students should acknowledge that it is difficult to use relationship marketing successfully over the Internet. Students, of course, may come up with other equally viable ideas.

AACSB: Analytic  
Kerin - Chapter 01 #204  
Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.  
Level of Learning: Application  
Topic: Marketing Mix/Target Market/Relationship Marketing

205. (p. 11) Why do some executives feel that environmental factors are NOT entirely outside their influence?

Traditionally, many marketing executives have treated these environmental factors as rigid, absolute constraints that are entirely outside their influence. However, recent studies and marketing successes have shown that a forward-looking, action-oriented firm can often affect some environmental factors, for example, by achieving technological or competitive breakthroughs.

AACSB: Analytic  
Kerin - Chapter 01 #205  
Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.  
Level of Learning: Comprehension  
Topic: Environmental Forces

206. (p. 11) Do college students have a choice in which classes they take to earn a degree? Use what you have learned about the controllable and uncontrollable aspects of marketing in terms of how they might relate to course selection decision-making. Incorporate

marketing terms in your response.

Most colleges and universities offer some courses that are "required"—the "core" courses in the major as well as social sciences—while others are "elective." These are the "product" or "service" element of the educational offering. The "price" element would be the tuition paid, less any scholarships. The promotion element would consist of the communication between the educational institution and students, such as e-mails ads in high school career counseling offices, etc. The place element would consist of the on-campus location, off-campus location, and/or the online Web site that delivers courses that fulfill either the core and elective requirements for the majors students select. A quality answer for this question should be based on how well the student is able to give specific examples.

AACSB: Analytic  
Kerin - Chapter 01 #206  
Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.  
Level of Learning: Application  
Topic: Environmental Forces

207. (p. 12) The Apple iPod is rated by *Consumer Reports* as being one of the best music players in the industry. The customer may buy and download music from the Internet. Define customer value. In what ways does the Apple iPod provide value for its customers?

Customer value is the unique combination of benefits received by targeted buyers that includes quality, convenience, on-time delivery, and both before-sale and after-sale service at a specific price. Many successful firms have chosen to deliver outstanding customer value with one of three value strategies: best price, best product, or best service. Apple uses the best product and best service strategies for its iPod. The iPod is rated by *Consumer Reports* as one of the best music players on the market. It provides quality of the player as well as convenience and great service by the available sites to download music.

AACSB: Analytic  
Kerin - Chapter 01 #207  
Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.  
Level of Learning: Application  
Topic: Customer Value

208. (p. 13) Assume you are a salesperson for a direct marketing firm that does "in-home" parties (such as Tupperware). If most of your hosts or hostesses hold only one party a year, what strategies could you use to build strong customer relationships? If you are creating your own business for this example, make sure to describe your product(s) in your introductory sentence.

A quality answer should have a strong emphasis on regular, sustained communication with customers and Tupperware representatives, whether it is through personal contact by phone, notes, e-mails, etc. Answers that are creative and supply product specific examples should be encouraged.

AACSB: Analytic  
Kerin - Chapter 01 #208  
Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.  
Level of Learning: Application  
Topic: Relationship Marketing

209. (p. 13) During October, kiosk stores often appear in many malls for the holiday season. Typically, the kiosks sell gift boxes of cheese, jewelry, and other items people think are appropriate seasonal gifts. In January, these kiosk retailers vanish. Is it possible for such a kiosk retailer to use relationship marketing? Explain your answer.

Generally, students will say "no" based on the definition of relationship marketing. The text defines relationship marketing as linking the organization to its individual customers, employees, suppliers, and other partners for their mutual long-term benefits. In an ideal setting, relationship marketing involves a personal, ongoing relationship between the organization and an individual customer. However, this is based on the idea that the kiosks are not there long enough to establish a long-term relationship. Very insightful students may see an opportunity for these retailers (who return year after year) to develop long-term multi-year relationships. Databases would allow direct mail notifications each fall that the prized gifts are again available. Also, kiosk marketers could send customers e-mails throughout the winter, spring, and summer about specials, new products, and other offers to stimulate year-round purchases.

AACSB: Analytic  
Kerin - Chapter 01 #209  
Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.  
Level of Learning: Application  
Topic: Relationship Marketing

210. (p. 13) Twitter is a Web site that offers a social networking service, enabling its users to send and read other users' messages or conversations called tweets, which are text-based posts of up to 140 characters displayed on the user's profile page. Connected to each Tweet is a rich details pane that provides additional information, deeper context, and embedded media. Companies are just beginning to use "Twitter" as a tool in their relationship marketing programs. In what ways could Twitter be used to benefit both the customer and the organization?

One aspect of Twitter is that it allows organizations to get customer feedback in "real time." It provides them the organization with information about consumers likes and dislikes in a larger and more open forum. It also provides access to ideas that might result in new or improved products that would benefit the customer.

AACSB: Analytic  
Kerin - Chapter 01 #210  
Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.  
Level of Learning: Application  
Topic: Relationship Marketing

211. (p. 14 -15) Explain the marketing program that 3M used to reach the student target market for the Post-it® Flag Highlighter and the rationale used for each element of the marketing mix.

Answers should address all four "Ps." (1) The product strategy included offering the Post-it® Flag Highlighter to help college students with their studying. 3M listened carefully to the needs and wants of potential customer segments to use 3M technology to introduce a useful, innovative product. (2) The price strategy sought a retail price of about \$3.99-\$4.99 for a single the Post-it® Flag Highlighter or \$5.99-\$7.99 for a three-pack. The idea was to set prices that provide genuine value to the customer segment that was targeted. (3) The promotion strategy was to run limited promotion with a TV ad and some ads in college newspapers and then rely on student word-of-mouth messages to inform other students. This would increase awareness of potential users in the student segment who had never heard of this new, innovative 3M product. (4) The place strategy was to distribute the Post-it® Flag Highlighter through college and university bookstores, office supply stores, and mass merchandisers. This made it easy for prospective buyers to buy at convenient retail outlets. See Figure 1-4 in the textbook.

AACSB: Analytic  
Kerin - Chapter 01 #211  
Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.



Level of Learning: Comprehension  
Topic: Marketing Program

212. (p. 14 -15) Explain the marketing program 3M used to reach the office worker segment with its Post-it® Flag Pen.

A marketing program integrates the marketing mix elements to provide a good, service, or idea to prospective buyers. (1) 3M's product strategy to reach the office worker segment is to offer the Post-it® Flag Pen to help office workers in their day-to-day work activities. 3M listened carefully to the needs and wants of potential customer segments to use 3M technology to introduce a useful, innovative product. (2) 3M's price strategy is to seek a retail price of about \$3.99-\$4.99 for a single Post-it® Flag Pen; wholesale prices are less. This price provides genuine value to the office worker segment. (3) 3M's promotion strategy is to run limited promotion among distributors to get them to stock the product. (4) 3M's place strategy is to distribute Post-it® Flag Pens through office wholesalers and retailers and mass merchandisers.

AACSB: Analytic  
Kerin - Chapter 01 #212  
Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.  
Level of Learning: Comprehension  
Topic: Marketing Program

213. (p. 16) Many market-oriented, older, manufacturing organizations have experienced four distinct stages in the life of their firms. Beginning with the early years of the United States, list and define each of the four eras

(1) During the production era, which covered the early years of the United States up until the 1920s, goods were scarce so buyers were willing to accept virtually any goods that were produced and made do with what was available. The central notion was that products would sell themselves, so the major concern of business firms was production, not marketing. (2) The next era was the sales era, which occurred from the 1920s to the 1960s. During that time, firms discovered that they could produce more goods than their regular buyers could consume. Competition grew. The usual solution was to hire more salespeople to find new buyers. (3) The marketing concept era began in the late 1950s when marketing concept became the motivating force among many American firms. The marketing concept is the idea that an organization should strive to satisfy the needs of consumers while also trying to achieve the organization's goals. (4) The latest era is the customer relationship era, which began in the late 1990s. Here, firms practice a market orientation by focusing efforts on continuously collecting information about customers' needs, sharing the information across departments, and using it to create customer value. See Figure 1-5 in the textbook.

AACSB: Analytic  
Kerin - Chapter 01 #213  
Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.  
Level of Learning: Comprehension  
Topic: Evolution of Market Orientation

214. (p. 16) Define the marketing concept.

The marketing concept is the idea that an organization should strive to satisfy the needs of consumers while also trying to achieve the organization's goals.

AACSB: Analytic  
Kerin - Chapter 01 #214  
Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.  
Level of Learning: Knowledge  
Topic: Marketing Concept

215. (p. 17 -18) What is the difference between micromarketing and macromarketing?

Micromarketing focuses on how an individual organization uses the strategic marketing process to direct its marketing activities and allocate its resources to benefit its customers. Macromarketing looks at the aggregate flow of a nation's goods and services to benefit society. While micromarketing tends to be internal, macromarketing addresses broader societal issues such as whether marketing costs too much, advertising is wasteful, or what resource scarcities and pollution side effects result from the marketing system.

AACSB: Analytic  
Kerin - Chapter 01 #215  
Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.  
Level of Learning: Knowledge  
Topic: Micromarketing/Macromarketing

216. (p. 18) It is said that goods, services, and ideas are marketed. Define goods, services, and ideas and give at least one example of each.

Goods are physical objects, such as toothpaste, cameras, or computers that satisfy consumer needs. Services are intangible items such as airline trips, financial advice, or art museums. Ideas are intangibles involving thoughts about actions or causes such as donating to a charity or voting for a political candidate.

AACSB: Analytic  
Kerin - Chapter 01 #216  
Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.  
Level of Learning: Knowledge  
Topic: What is Marketed?

217. (p. 19) What are the primary differences between an ultimate consumer and an organizational buyer. Select one product and explain the differences in either its use or purchase, dependent on whether it was purchased by an ultimate consumer or an organizational buyer?

Students' examples will differ, but each example should be descriptive of the definition. Ultimate consumers are the people who use the goods and services purchased for a household. For example, a flat screen television could be purchased by any member of a family and used by all for personal enjoyment. Organizational buyers are those manufacturers, wholesalers, retailers, and government agencies that buy goods and services for their own use or for resale. A hospital might buy the same model of flat screen television (most likely in larger quantities) for use in patients' rooms to add value by enhancing a patient's hospital stay.

AACSB: Analytic  
Kerin - Chapter 01 #217  
Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.  
Level of Learning: Application  
Topic: Ultimate Consumers/Organizational Buyers

218. (p. 19) In our free-enterprise society, which three specific groups benefit from effective marketing?

The three specific groups that benefit from effective marketing are: (1) consumers who buy (they can obtain the best product at the lowest price, leading to consumer satisfaction); (2) organizations that sell (receive profits, etc. if they provide need-satisfying products with effective



marketing programs); and (3) society as a whole (providing jobs and a higher standard of living for its citizens).

AACSB: Analytic  
Kerin - Chapter 01 #218  
Learning Objective: 01-05 Describe how todays customer relationship era differs from prior eras.  
Level of Learning: Comprehension  
Topic: Who Benefits From Marketing?

219. (p. 19) Who benefits from marketing in U.S. society and how?

Virtually everyone benefits from marketing in U.S. society: consumers who buy, organizations that sell, and society as a whole. True competition between products and services in the marketplace ensures consumers can find value from the best products, the lowest prices, and/or exceptional service. Providing choices leads to the consumer satisfaction and quality of life that we have come to expect from our economic system. An extended answer could relate to utilities of form, place, time, and possession that organizations can provide to ultimate consumers and/or organizational buyers.

AACSB: Analytic  
Kerin - Chapter 01 #219  
Learning Objective: 01-05 Describe how todays customer relationship era differs from prior eras.  
Level of Learning: Comprehension  
Topic: Who Benefits From Marketing?

220. (p. 19) Explain the four utilities marketing creates.

Marketing creates utility, the benefits or customer value received by users of the product. This utility is the result of the marketing exchange process and the way society benefits from marketing. The four utilities include: form, place, time, and possession. The production or alteration of goods or services constitutes form utility. Place utility means having a good or service available where needed, whereas time utility is the value to consumers of having a good or service available when needed. Possession utility is the value to consumers of making an item easy to purchase so consumers can use it.

AACSB: Analytic  
Kerin - Chapter 01 #220  
Learning Objective: 01-05 Describe how todays customer relationship era differs from prior eras.  
Level of Learning: Knowledge  
Topic: Utilities Created by Marketing

221. (p. 19) At the BMW Web site, BMW.com, you can design your own personal BMW. If you choose to do this and purchase the car, what type of utility(ies) has(have) been created?

Form utility comes from the production or alteration of a good or service that provides value to consumers. Form utility is created when you can design and build your own personal BMW at the BMW's Web site, BMW.com. In addition, BMW provides possession utility, which is the value of making an item easy to purchase through the provision of credit cards or financial arrangements. Here BMW provides possession utility by allowing customers to buy a car online. Eventually, they will have to go to a local dealer to pick up their cars. Finally, BMW provides time utility because building a BMW car online saves consumers from taking time to visit dealerships to see if their preferred car is on the lot. The BMW Web site also provides information to make the external information search process more efficient (see Chapter 5).

AACSB: Analytic  
Kerin - Chapter 01 #221  
Learning Objective: 01-05 Describe how todays customer relationship era differs from prior eras.  
Level of Learning: Application  
Topic: Utilities Created by Marketing

222. (p. 22) Identify the six prelaunch issues that 3M and David Windorski needed to address before the Post-it® Flag Highlighter could be manufactured and marketed.

The six prelaunch issues included technical issues (computer-aided design), manufacturing issues (location of the production facility), product issues (brand name, packaging), price issues (impact from competition, premium price, price by channel), promotion issues (by segment, by medium), and distribution issues (shelf space in college bookstores, other outlets).

AACSB: Analytic  
Kerin - Chapter 01 #222  
Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.  
Level of Learning: Application  
Topic: Video Case: 3m

1 Summary

<u>Category</u>	<u># of Questions</u>
AACSB: Analytic	218
AACSB: Ethics	4
Kerin - Chapter 01	226
Learning Objective: 01-01 Define marketing and identify the diverse factors influencing marketing activities.	53
Learning Objective: 01-02 Explain how marketing discovers and satisfies consumer needs.	37
Learning Objective: 01-03 Distinguish between marketing mix factors and environmental forces.	28
Learning Objective: 01-04 Explain how organizations build strong customer relationships and customer value through marketing.	28
Learning Objective: 01-05 Describe how today's customer relationship era differs from prior eras.	76
Level of Learning: Application	86
Level of Learning: Comprehension	73
Level of Learning: Knowledge	63
Topic: 3ms Marketing Program	7
Topic: Chapter Opening Example: 3m	5
Topic: Consumer Needs	2
Topic: Consumer Needs and Wants	5
Topic: Customer Experience	2
Topic: Customer Relationship	1
Topic: Customer Relationship Management	3
Topic: Customer Value	5
Topic: Discovering Needs	2
Topic: Discovering/Satisfying Consumer Needs	1
Topic: Diverse Factors in Marketing	1
Topic: Environmental Forces	9
Topic: Environmental Forces: Regulatory	1
Topic: Environmental Forces: Social	1
Topic: Environmental Forces: Technology	1
Topic: Eras of U.S. Business History	4
Topic: Eras of U.S. Business History: Marketing Concept	2
Topic: Eras of U.S. Business History: Production	1
Topic: Eras of U.S. Business History: Sales	5
Topic: Evolution of Market Orientation	1
Topic: Exchange	7
Topic: Form Utility	4
Topic: Macromarketing	1
Topic: Making Responsible Decisions	1
Topic: Market	6
Topic: Market Orientation	3
Topic: Market/Target Market	1
Topic: Marketing Activities	1
Topic: Marketing Concept	9
Topic: Marketing Department	1
Topic: Marketing Expert Comprehension	1
Topic: Marketing Matters Comprehension	2
Topic: Marketing Mix	7
Topic: Marketing Mix Place	2
Topic: Marketing Mix Price	3
Topic: Marketing Mix Product	1
Topic: Marketing Mix Promotion	2
Topic: Marketing Mix/Target Market/Relationship Marketing	1
Topic: Marketing Program	5
Topic: Meeting Consumer Needs with New Products	3
Topic: Micromarketing	1
Topic: Micromarketing/Macromarketing	2
Topic: Organizational Buyers	2
Topic: Place and Time Utility	1
Topic: Place Utility	2
Topic: Possession Utility	2
Topic: Prospective Customers	3
Topic: Relationship Marketing	11
Topic: Requirements for Marketing to Occur	14
Topic: Showstoppers	2
Topic: Social Responsibility	4
Topic: Societal Marketing Concept	2
Topic: Students as Marketing Experts	1
Topic: Target Market	10

Topic: Target Market/Marketing Mix	1
Topic: The Marketing Department	2
Topic: The Organization and its Departments	4
Topic: Time Utility	4
Topic: Ultimate Consumers	5
Topic: Ultimate Consumers/Organizational Buyers	1
Topic: Utilities Created by Marketing	2
Topic: Utility	3
Topic: Video Case: 3m	4
Topic: What is Marketed?	3
Topic: What is Marketing?	11
Topic: Who Benefits From Marketing?	2
Topic: Who Benefits?	1
Topic: Who Markets?	2