

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

- 1) The opening vignette on Richard Hill, owner of Yellow Point Lodge, described the long standing relationships that Yellow Point had with their guests. This would be a good illustration of a company practicing the \_\_\_\_\_. 1) \_\_\_\_\_
  - A) target marketing
  - B) selling orientation
  - C) need satisfaction
  - D) marketing concept
  - E) marketing planning
- 2) Which of the following was not one of the problems faced by Richard Hill, owner of Yellow Point Lodge in the *Real People, Real Decisions* case in Chapter 1? 2) \_\_\_\_\_
  - A) pressure from customers to lower the price of staying there
  - B) increasing difficulty of maintaining the property as it ages
  - C) increasing cost of property tax
  - D) increasing cost of running the lodge
  - E) All of the above are problems facing Richard .
- 3) As defined in the text, \_\_\_\_\_ is the benefits a customer receives from buying and using a good or service in relation to the costs and sacrifices of buying and using it. 3) \_\_\_\_\_
  - A) value
  - B) positioning
  - C) price
  - D) marketing
  - E) satisfaction
- 4) As described in the opening vignette of Chapter 1, customers return to the Yellow Point Lodge each year because it offers comfort and wonderful memories of years past. This is an example of \_\_\_\_\_. 4) \_\_\_\_\_
  - A) marketing position
  - B) marketing mix
  - C) marketing concept
  - D) customer value
  - E) desired attributes
- 5) As defined in the text, \_\_\_\_\_ is a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stake holders. 5) \_\_\_\_\_
  - A) product planning
  - B) advertising
  - C) marketing
  - D) business
  - E) selling orientation

- 6) According to the text, marketing is all about creating and delivering \_\_\_\_\_. 6) \_\_\_\_\_  
A) products  
B) customer satisfaction  
C) profit  
D) value  
E) revenue
- 7) Which of the following is not a characteristic of the marketing concept, as defined in the text? 7) \_\_\_\_\_  
A) It is most closely aligned with the selling orientation.  
B) It looks for the best ways to satisfy customer needs.  
C) It considers the associated costs of satisfying customer needs.  
D) It is a business orientation that focuses on achieving organizational objectives.  
E) It seeks to understand customer needs.
- 8) As stated in the text, the most important aspect of the marketing definition is \_\_\_\_\_. 8) \_\_\_\_\_  
A) providing quality goods  
B) advertising  
C) making money  
D) beating competition  
E) satisfying the needs of buyers and sellers
- 9) As discussed in the text, which of the following could be considered consumers (or customers)? 9) \_\_\_\_\_  
A) government  
B) non-profit organizations  
C) companies  
D) individuals  
E) all of the above
- 10) As defined in the text, the ultimate user of a good or service is known as the \_\_\_\_\_. 10) \_\_\_\_\_  
A) buyer                      B) public                      C) consumer                      D) marketer                      E) seller
- 11) The marketing concept suggests that marketing exists to create \_\_\_\_\_ for consumers where it is neither efficient or effective for consumers to attempt to satisfy their needs themselves. 11) \_\_\_\_\_  
A) needs                      B) value                      C) prices                      D) products                      E) problems
- 12) As defined in the text, \_\_\_\_\_ is what the customer gets in the purchase, use, and ownership of a product, relative to the costs and sacrifices incurred. 12) \_\_\_\_\_  
A) benefits  
B) advantages  
C) the marketing concept  
D) exchange  
E) customer value
- 13) \_\_\_\_\_ are people or organizations who influence or are influenced by marketing decisions. 13) \_\_\_\_\_  
A) Customers  
B) Market segments  
C) consumers  
D) Target markets  
E) Stakeholders

- 14) An assessment of what the customer gets from a product relative to what they have to give up to purchase and consume it, is known as \_\_\_\_\_. 14) \_\_\_\_\_
- A) cost benefit ratio analysis
  - B) cognitive dissonance
  - C) delivered benefits
  - D) customer value
  - E) opportunity cost
- 15) Paul is very interested in replacing his old television with a larger, big screen LCD-panel television. He mentally compares the enjoyment that he and his friends will receive from the new television against the extra overtime that he will have to work to be able to pay for it, and having to put off re-shingling the roof on his house. However, he still decides that it will be worth it. Paul is trying to determine his perception of \_\_\_\_\_ regarding the new television. 15) \_\_\_\_\_
- A) customer need
  - B) a likely divorce
  - C) exchange ratio
  - D) customer want
  - E) customer value
- 16) As defined in the text, a \_\_\_\_\_ is the difference between a consumer's actual state and some ideal or desired state. 16) \_\_\_\_\_
- A) demand
  - B) need
  - C) drive
  - D) benefit
  - E) want
- 17) Wearing the official jersey or other clothing of your favourite sports team could be considered an example of satisfying a \_\_\_\_\_ for self-expression or belonging. 17) \_\_\_\_\_
- A) want
  - B) demand
  - C) cue
  - D) benefit
  - E) need
- 18) A consumer buying an expensive sports car to celebrate turning 40 years old would most likely be considered an example of attempting to satisfy a \_\_\_\_\_. 18) \_\_\_\_\_
- A) consumer benefit
  - B) need for transportation
  - C) psychological need
  - D) latent demand
  - E) physical need
- 19) As defined in the text, a \_\_\_\_\_ is the desire to satisfy needs in specific ways that are culturally and socially influenced. 19) \_\_\_\_\_
- A) want
  - B) need
  - C) demand
  - D) drive
  - E) benefit
- 20) From a marketing perspective, the difference between a need and a want is \_\_\_\_\_. 20) \_\_\_\_\_
- A) there is no difference for most consumers.
  - B) a want is more expensive than a need
  - C) a want does not necessarily satisfy a need
  - D) a need is more urgent than a want
  - E) a want is a learned way to satisfy a need
- 21) From a marketing perspective, when one student eats trail mix for lunch while another eats a cheeseburger and french fries, they are demonstrating differences in \_\_\_\_\_. 21) \_\_\_\_\_
- A) wants
  - B) drives
  - C) demands
  - D) needs
  - E) benefits

- 22) Kevin and Ed are students at a local college who recognize the importance of relaxing between semesters. Kevin likes to sky-dive and scuba dive during breaks while Ed chooses to read science fiction novels. This demonstrates a difference between their \_\_\_\_\_.  
A) drives                      B) benefits                      C) wants                      D) demands                      E) needs                      22) \_\_\_\_\_
- 23) Marketers are most interested in the difference between needs and wants due to which of the following reasons?  
A) Wants tend to provide more benefits, which allow for higher pricing.  
B) Being culturally and socially influenced, wants can be changed over time through marketing actions such as promotion.  
C) Wants tend to be more profitable to serve than needs.  
D) Needs are more urgent than wants, therefore, they are more profitable to serve.  
E) Consumers do not see much difference between the two, thus creating many opportunities for profit.                      23) \_\_\_\_\_
- 24) As defined in the text, a \_\_\_\_\_ is the outcome sought by a customer that motivates buying behaviour.  
A) demand                      B) need                      C) want                      D) benefit                      E) drive                      24) \_\_\_\_\_
- 25) A product or service delivers a(n) \_\_\_\_\_ when it satisfies a need or want.  
A) exchange  
B) profit  
C) benefit  
D) feature  
E) advantage                      25) \_\_\_\_\_
- 26) Carrie is shopping for a new watch. She is looking at a Timex and at a Rolex. The fact that either watch will give her the correct time is an example of a \_\_\_\_\_.  
A) want                      B) benefit                      C) demand                      D) drive                      E) need                      26) \_\_\_\_\_
- 27) From a marketing perspective, a consumer purchases a power drill to provide which of the following benefit(s)?  
A) the need to impress their wife  
B) the capacity to spin a 1/4" metal drill bit at 3500 RPM  
C) the ability to create holes in things  
D) the desire to appear handy  
E) the need to make a lot of noise and dust                      27) \_\_\_\_\_
- 28) A \_\_\_\_\_ consists of all the consumers who share a common need that can be satisfied by a product purchase and who have the resources, willingness and authority to make the purchase.  
A) segment  
B) marketplace  
C) customer group  
D) target group  
E) market                      28) \_\_\_\_\_

- 29) \_\_\_\_\_ is customers' desire for products coupled with the resources to obtain them. 29) \_\_\_\_\_
- A) A market
  - B) A need
  - C) A want
  - D) Purchasing power
  - E) Demand
- 30) The example of Stratos Product Development and its passenger video player developed for British Airways discussed in the text is a good illustration of \_\_\_\_\_. 30) \_\_\_\_\_
- A) conducting research to determine customer preferences
  - B) superior creative design in advertising
  - C) teamwork between different functional areas creating products that offer more value
  - D) analyzing cost information to determine pricing strategy
  - E) using the marketing concept
- 31) As defined in the text, the process by which some transfer of value occurs between a buyer and a seller is known as a(n) \_\_\_\_\_. 31) \_\_\_\_\_
- A) marketing event
  - B) sale
  - C) exchange
  - D) barter
  - E) transaction
- 32) A consumer paying for their purchases at a retail store with a credit card illustrates which of the following marketing concepts? 32) \_\_\_\_\_
- A) a benefit
  - B) a desire to spend money
  - C) a need
  - D) an exchange of value
  - E) none of the above
- 33) Which of the following would not be considered a valid exchange, based on the definition provided in the text? 33) \_\_\_\_\_
- A) a thief who steals all of your belongings while you were at school
  - B) a politician who agrees to support legislation you believe in, if you vote for her
  - C) sales of generic prescription drugs made over the World Wide Web
  - D) a clergyman who offers salvation in return for your financial support
  - E) all of the above
- 34) As discussed in the text, which of the following is not necessarily one of the requirements for a valid exchange to take place? 34) \_\_\_\_\_
- A) There must be at least two people or organizations.
  - B) Each party must be willing to make a trade.
  - C) The parties must have something the other party values.
  - D) The parties must agree on the value of the exchange.
  - E) Money must change hands between the parties.

- 35) When it's done right, marketing is a strategic decision making \_\_\_\_\_ in which marketing managers determine the most appropriate set of decisions for a particular organization. 35) \_\_\_\_\_
- A) opportunity
  - B) process
  - C) problem
  - D) series
  - E) concept
- 36) The first step in the marketing decision process is \_\_\_\_\_. 36) \_\_\_\_\_
- A) deciding on your target market
  - B) designing the marketing mix
  - C) specifying the value
  - D) understanding the opportunity
  - E) creating value
- 37) Marketing research by Home Depot has shown that only 40% of all homeowners are willing to attempt minor home renovations, such as painting or decorating. This group of eager homeowners would be considered a \_\_\_\_\_. 37) \_\_\_\_\_
- A) separate demographic
  - B) differentiated group
  - C) target audience
  - D) mass market
  - E) market segment
- 38) A recent study has shown that while college students are part of the larger group of coffee drinkers, they have distinct taste preferences for flavoured or chilled coffee drinks. Therefore, they would be considered a \_\_\_\_\_ of the larger coffee market. 38) \_\_\_\_\_
- A) subsegment
  - B) market segment
  - C) distinct species
  - D) market demographic
  - E) similar cohort
- 39) As defined in the text, the market segment(s) on which an organization focuses its marketing plan and toward which it directs its marketing efforts is known as its \_\_\_\_\_. 39) \_\_\_\_\_
- A) target market
  - B) market position
  - C) market potential
  - D) mass market
  - E) customer base
- 40) Canadian Tire stocks a wide variety of automotive parts and accessories for the vehicle owner who prefers to do their own work, rather than rely on others. This group of "do-it-yourself" vehicle owners would be considered one of Canadian Tire's \_\_\_\_\_. 40) \_\_\_\_\_
- A) mass markets
  - B) target markets
  - C) differentiated markets
  - D) market segments
  - E) none of the above

- 41) Hewitt is an outsourcing company that has decided to focus exclusively on the needs of the human resources professional. This is an example of a \_\_\_\_\_. 41) \_\_\_\_\_
- A) market segment
  - B) customer group
  - C) marketing plan
  - D) mass market
  - E) target market
- 42) In dividing the overall consumer market into specific segments, which of the following could be useful characteristics? 42) \_\_\_\_\_
- A) age
  - B) hobbies
  - C) sex
  - D) income
  - E) all of the above
- 43) As discussed in the text, which of the following variables makes the most sense for Levi Strauss to use when segmenting the overall blue jean market? 43) \_\_\_\_\_
- A) waist size
  - B) country of origin
  - C) ethnicity
  - D) age
  - E) price
- 44) Which of the following could be useful characteristic(s) for segmenting business-to-business markets? 44) \_\_\_\_\_
- A) type of business
  - B) size of business
  - C) sales volume
  - D) decision-making criteria
  - E) all of the above
- 45) When selecting a target market, marketers must weigh each of the segments in terms of \_\_\_\_\_ against the organization's resources and abilities to satisfy the needs of the segments. 45) \_\_\_\_\_
- A) diversity of needs
  - B) ease of use
  - C) size
  - D) profitability potential
  - E) none of the above
- 46) When selecting a target market, marketers must weigh each of the segments in terms of profitability potential against \_\_\_\_\_. 46) \_\_\_\_\_
- A) the revenue to be gained by doing so
  - B) the organization's resources and abilities to satisfy the needs of the segments
  - C) the positioning opportunities that exist in the market
  - D) the size of its competition
  - E) none of the above

- 47) Which of the following reason(s) supports the use of target markets? 47) \_\_\_\_\_
- A) Today's rapidly changing markets do not support a mass market approach.
  - B) Companies have varying levels of resources to use for marketing.
  - C) Due to competition, mass marketing is not an effective long-run strategy.
  - D) Market segments have different, and sometimes conflicting needs.
  - E) all of the above
- 48) As defined in the text, a distinct group of customers within a larger market who are similar to one another in some way and whose needs differ from other customers in the larger market is called a \_\_\_\_\_. 48) \_\_\_\_\_
- A) market group
  - B) subset market
  - C) specific market
  - D) market segment
  - E) partial market
- 49) Market segmentation is a process of dividing the overall market into groups of customers who are sufficiently \_\_\_\_\_ within the group and \_\_\_\_\_ from other groups. 49) \_\_\_\_\_
- A) different, similar
  - B) heterogeneous, different
  - C) different, different
  - D) similar, different
  - E) similar, separate
- 50) As defined in the text, a \_\_\_\_\_ includes all possible customers in one market, regardless of the differences in their specific needs and wants. 50) \_\_\_\_\_
- A) general market
  - B) total market
  - C) market segment
  - D) target market
  - E) mass market
- 51) When fashion designer Linda Lundstrom designs clothes only for working women, she is said to be using a \_\_\_\_\_ strategy. 51) \_\_\_\_\_
- A) target marketing
  - B) mass marketing
  - C) narrowcast marketing
  - D) undifferentiated marketing
  - E) selective marketing
- 52) Which of the following reason(s) explain why mass marketing is not an effective long-run strategy in today's marketing environment? 52) \_\_\_\_\_
- A) Mass marketing is too expensive to implement effectively.
  - B) All customers in today's marketing environment want value.
  - C) Segmented marketing is always more cost-efficient.
  - D) Undifferentiated marketing is always more effective.
  - E) Competition will always find a way to offer different products that appeal to a segment of the overall market.



- 53) As discussed in the text, which of the following is least likely to be one of Mattel Corporation's strategies to expand? 53) \_\_\_\_\_
- A) Expand into European markets.
  - B) Expand into Asian markets.
  - C) Make toys in other countries.
  - D) Acquire Fisher-Price.
  - E) Introduce more Barbie variations for the North American market.
- 54) In the study of marketing, the combination of the product, price, promotion, and place (distribution) strategy used is commonly known as \_\_\_\_\_. 54) \_\_\_\_\_
- A) market position
  - B) three P's and a D
  - C) the strategic marketing planning process
  - D) the marketing mix
  - E) marketing strategy
- 55) A combination of the product itself, the price of the product, the place where it is made available, and the activities that introduce and promote it to consumers that creates a desired response among a set of predefined consumers is known as \_\_\_\_\_. 55) \_\_\_\_\_
- A) the marketing mix
  - B) the business plan
  - C) the marketing strategy
  - D) the marketing program
  - E) the marketing plan
- 56) Some marketers consider \_\_\_\_\_ to be the fifth "P" in the marketing mix. 56) \_\_\_\_\_
- A) presentation
  - B) post-testing
  - C) people
  - D) podcasting
  - E) promotion
- 57) As defined in the text, strategies to establish the unique value proposition of an offering and sustain its superiority in the eyes of target consumers is called \_\_\_\_\_. 57) \_\_\_\_\_
- A) product perception
  - B) branding
  - C) positioning
  - D) brand recognition
  - E) competitive evaluation
- 58) Positioning involves differentiating a product in the eyes of \_\_\_\_\_. 58) \_\_\_\_\_
- A) employees
  - B) stake holders
  - C) consumers
  - D) competitors
  - E) advertisers

- 59) Volvo focuses their advertising on how their vehicle is much safer compared to other vehicles in the market. Volvo is \_\_\_\_\_ their product as the safest vehicle on the market. 59) \_\_\_\_\_
- A) marketing
  - B) demonstrating
  - C) targeting
  - D) conditioning
  - E) positioning
- 60) Based on its definition, a product's market position most likely resides \_\_\_\_\_. 60) \_\_\_\_\_
- A) on the retailer's shelf, relative to the product's competition
  - B) in the consumer's mind, relative to the product's competition
  - C) in its unit sales performance, relative to its competition
  - D) in its gross sales performance, relative to its competition
  - E) none of the above
- 61) A BMW 5 Series is viewed by many as a high-status, serious driving machine while a VW Beetle is viewed as carefree and a little funky. This statement illustrates the concept of \_\_\_\_\_. 61) \_\_\_\_\_
- A) mass marketing
  - B) customer value
  - C) promotion
  - D) positioning
  - E) relationship marketing
- 62) As defined in the text, a(n) \_\_\_\_\_ is a tangible good, a service, an idea, or some combination of these that, through the exchange process, satisfies consumer or business customer needs. 62) \_\_\_\_\_
- A) marketplace
  - B) product
  - C) market
  - D) exchange
  - E) business
- 63) Which of the following are considered attributes of a product? 63) \_\_\_\_\_
- A) uses
  - B) features
  - C) functions
  - D) benefits
  - E) all of the above
- 64) Which of the following would not be considered an example of a product, as defined in the text? 64) \_\_\_\_\_
- A) a course at a university
  - B) access to the Internet via your ISP
  - C) supporting a political party
  - D) a DVD of a new movie
  - E) all of the above are examples of a product

- 65) A politician seeking your support fits the definition of a product because he or she are attempting to sell \_\_\_\_\_. 65) \_\_\_\_\_
- A) a service
  - B) a not-for-profit market opportunity
  - C) a tangible good
  - D) customer value
  - E) ideas
- 66) A lawyer providing legal advice fits the definition of a product because he or she provides \_\_\_\_\_ to their clients. 66) \_\_\_\_\_
- A) a tangible product
  - B) features
  - C) uses
  - D) a service
  - E) none of the above
- 67) Which of the following is not one of the four P's of marketing? 67) \_\_\_\_\_
- A) price
  - B) profit
  - C) promotion
  - D) product
  - E) place
- 68) As discussed in a *Spotlight on Real People* from the text, the company which was started by two students and provided student resumes to companies on the Internet was originally known as \_\_\_\_\_, but is now called \_\_\_\_\_. 68) \_\_\_\_\_
- A) Resumes R Us; JobHunters
  - B) JobDirect; TrueCareers
  - C) JobHunters; Resumes R Us
  - D) Workopolis; Atlantic Canada Careers
  - E) Jobs Unlimited; JobDirect
- 69) A service such as TrueCareers, as described in a *Spotlight on Real People* in the text, provides which of the following benefit(s)? 69) \_\_\_\_\_
- A) a searchable database of graduating students for employers
  - B) access to information on the U.S. job market for international students
  - C) a searchable database of entry-level job opportunities for graduating students
  - D) an opportunity for people marketing
  - E) all of the above
- 70) Which of the following would be included in the definition of a product? 70) \_\_\_\_\_
- A) physical features
  - B) delivery services
  - C) packaging
  - D) warranty
  - E) all of the above

- 71) As defined in the text, \_\_\_\_\_ is the seller's assessment of value to a product. 71) \_\_\_\_\_  
A) barter  
B) costing  
C) negotiation  
D) price  
E) fair market value
- 72) As defined in the text, \_\_\_\_\_ is the availability of the product to the customer at the desired time and location. 72) \_\_\_\_\_  
A) logistics  
B) place  
C) delivery  
D) shipping  
E) transportation
- 73) Deciding whether to offer a product for sale on the World Wide Web would be considered a \_\_\_\_\_ decision. 73) \_\_\_\_\_  
A) promotion  
B) profit  
C) business  
D) consumer  
E) place
- 74) Channels of distribution is another way of describing which of the following elements of the marketing mix? 74) \_\_\_\_\_  
A) price  
B) promotion  
C) place  
D) product  
E) people
- 75) For a manufacturer such as General Motors of Canada, deciding who will be an authorized retailer for their products is part of which of the following marketing mix elements? 75) \_\_\_\_\_  
A) price  
B) market representation  
C) product  
D) place  
E) promotion
- 76) As defined in the text, the coordination of efforts by a marketer to inform or persuade consumers or organizations about goods, services, or ideas is called \_\_\_\_\_. 76) \_\_\_\_\_  
A) advertising  
B) place  
C) promotion  
D) planning  
E) selling

- 77) As described in the text, which of the following would not be considered a form of promotion? 77) \_\_\_\_\_
- A) publicity releases
  - B) price reduction
  - C) store coupons
  - D) television advertising
  - E) billboards
- 78) As described in the text, when McCain's Foods refused to process genetically altered potatoes, it was applying the concept of \_\_\_\_\_. 78) \_\_\_\_\_
- A) social marketing
  - B) social benefit
  - C) public good
  - D) mass marketing
  - E) public citizen
- 79) When McDonald's discontinued using plastic or styrofoam packaging for its hamburgers in favour of recyclable paper, it was applying the concept of \_\_\_\_\_. 79) \_\_\_\_\_
- A) social marketing
  - B) mass marketing
  - C) concerned marketing
  - D) social benefit
  - E) public good
- 80) Systematically tracking consumers' preferences and behaviours over time to tailor the value proposition as closely as possible to each individual's unique wants and needs is called 80) \_\_\_\_\_
- A) customer relationship management.
  - B) target marketing.
  - C) market segmentation.
  - D) positioning.
  - E) new era marketing.
- 81) As described in the text, the communication strategy used by Mike's Hard Lemonade was intended to \_\_\_\_\_. 81) \_\_\_\_\_
- A) support the brand image by developing the personalities of Mike and the lemonade
  - B) position the product as a low-cost alternative to more expensive wine coolers
  - C) reinforce the product image as an alternative drink for serious wine enthusiasts
  - D) persuade beer drinkers to switch to coolers
  - E) none of the above
- 82) As described in the text, a company voluntarily withdrawing its products from the marketplace when it discovers that they may cause harm to consumers or the environment would be a good illustration of \_\_\_\_\_. 82) \_\_\_\_\_
- A) short-term thinking
  - B) wishful thinking
  - C) due diligence
  - D) ethical behaviour
  - E) liability containment

- 83) As defined in the text, an orientation that focuses on satisfying consumer needs while also addressing the needs of the larger society is known as the \_\_\_\_\_. 83) \_\_\_\_\_
- A) mass marketing concept
  - B) greater good concept
  - C) World Wide Web concept
  - D) social benefit concept
  - E) social marketing concept
- 84) A business philosophy that organizations should create economic, social and environmental value is called \_\_\_\_\_. 84) \_\_\_\_\_
- A) triple bottom line
  - B) marketing orientation
  - C) societal marketing
  - D) evaluation
  - E) marketing concept
- 85) Companies like Loblaw's believe that not only should they make a profit, but they should also create social and environmental value. In this case, Loblaw's is exhibiting a \_\_\_\_\_ philosophy. 85) \_\_\_\_\_
- A) marketing orientation
  - B) triple bottom line
  - C) triple value
  - D) green marketing
  - E) marketing concept
- 86) Which of the following orientations is most closely associated with a seller's market, that is, a situation where demand exceeds supply of available products? 86) \_\_\_\_\_
- A) new era orientation
  - B) selling orientation
  - C) consumer orientation
  - D) product orientation
  - E) all of the above
- 87) In a buyer's market where product availability exceeds demand, businesses are most likely to adopt a \_\_\_\_\_. 87) \_\_\_\_\_
- A) consumer orientation
  - B) product orientation
  - C) new era orientation
  - D) selling orientation
  - E) all of the above
- 88) Firms that focus on a \_\_\_\_\_ focus on the most efficient production and distribution of products, and not whether these products best satisfy customers' needs. 88) \_\_\_\_\_
- A) consumer orientation
  - B) product orientation
  - C) new era orientation
  - D) selling orientation
  - E) none of the above

- 89) When product availability exceeds demand, firms are more likely to follow a \_\_\_\_\_. 89) \_\_\_\_\_
- A) selling orientation
  - B) marketing value orientation
  - C) product orientation
  - D) consumer orientation
  - E) new era orientation
- 90) In following a \_\_\_\_\_, management views marketing as a way to move products out of warehouses so that inventory does not pile up. 90) \_\_\_\_\_
- A) selling orientation
  - B) product orientation
  - C) consumer orientation
  - D) new era orientation
  - E) none of the above
- 91) Companies that are more successful at making one-time sales rather than building repeat business, e.g., cemetery plots, are likely to have a \_\_\_\_\_. 91) \_\_\_\_\_
- A) consumer orientation
  - B) new era orientation
  - C) product orientation
  - D) selling orientation
  - E) none of the above
- 92) As defined in the text, the marketing orientation that focuses on being proactive and responsive in identifying and satisfying consumer needs and wants is the \_\_\_\_\_. 92) \_\_\_\_\_
- A) selling orientation
  - B) new era orientation
  - C) consumer orientation
  - D) marketing concept orientation
  - E) product orientation
- 93) Direct Tire Sales has a clean customer lounge and gives customers free coffee with croissants while they wait for their vehicle to be serviced. This is a good example of a firm successfully using the \_\_\_\_\_. 93) \_\_\_\_\_
- A) consumer orientation
  - B) selling orientation
  - C) promotion orientation
  - D) new era orientation
  - E) product orientation
- 94) Marketing communicates the benefits of a product to consumers in the form of a \_\_\_\_\_. 94) \_\_\_\_\_
- A) positioning statement.
  - B) value proposition.
  - C) marketing plan.
  - D) advertisement.
  - E) customer value statement.

- 95) Companies now realize how important loyal customers are to them. Some companies hold events, sometimes called \_\_\_\_\_, to thank customers for their loyalty. 95) \_\_\_\_\_
- A) brand loyalty
  - B) social marketing events
  - C) "brandfests"
  - D) "loyaltyfests"
  - E) "sportfests"
- 96) As discussed in the text, the Ford Motor Company sponsors "The Great American Pony Ride II" in honour of devotees of its legendary Mustang. This is an example of \_\_\_\_\_. 96) \_\_\_\_\_
- A) mass marketing
  - B) marketing orientation
  - C) sponsorship
  - D) target marketing
  - E) a "brandfest"
- 97) How much profit companies expect to make from a particular customer, including each and every purchase he or she will make from them now and in the future is called the \_\_\_\_\_ of the customer. 97) \_\_\_\_\_
- A) net present value
  - B) total value
  - C) lifetime profit
  - D) lifetime value
  - E) CRM
- 98) The ability of a firm to outperform the competition is called \_\_\_\_\_. 98) \_\_\_\_\_
- A) positioning
  - B) distinctive competency
  - C) competitive advantage
  - D) differential benefit
  - E) value proposition
- 99) The first step in creating a competitive advantage is to identify a \_\_\_\_\_. 99) \_\_\_\_\_
- A) value proposition
  - B) marketing plan
  - C) differential benefit
  - D) target market
  - E) distinctive competency
- 100) The second step in developing a competitive advantage is to turn a distinctive competency into a \_\_\_\_\_. 100) \_\_\_\_\_
- A) value chain
  - B) value proposition
  - C) marketing plan
  - D) differential benefit
  - E) USP



- 101) As discussed in the text, Coca-Cola's excellence in distribution and marketing is their \_\_\_\_\_. 101) \_\_\_\_\_
- A) value differentiator
  - B) unique selling point
  - C) distinctive competency
  - D) value proposition
  - E) differential benefit
- 102) A \_\_\_\_\_ is a series of activities involved in designing, producing, marketing, delivering and supporting any product. 102) \_\_\_\_\_
- A) marketing plan
  - B) promotional plan
  - C) marketing chain
  - D) mass marketing
  - E) value chain
- 103) Consumers are now creating their own ads for products and posting them on sites such as YouTube.com. This phenomenon is known as \_\_\_\_\_. 103) \_\_\_\_\_
- A) sales promotion
  - B) experiential marketing
  - C) consumer promotion
  - D) guerilla marketing
  - E) customer-generated value
- 104) Customers functioning in marketing roles, such as participating in creating advertising or providing input to new product development is known as \_\_\_\_\_. 104) \_\_\_\_\_
- A) consumer-generated value
  - B) the value chain
  - C) consumer promotion
  - D) blogging
  - E) advertising
- 105) Which of the following are the "dark side" of consumer behaviour, as mentioned in the text? 105) \_\_\_\_\_
- A) Marketers create artificial needs.
  - B) Marketers promise miracles.
  - C) Marketing teaches consumers to value possessions more than people.
  - D) all of the above
  - E) none of the above
- 106) The best response to the criticism that marketers create artificial needs is that \_\_\_\_\_. 106) \_\_\_\_\_
- A) consumers are not that gullible
  - B) consumer needs are few so many more have to be created
  - C) different cultures value different things
  - D) the basic need has to be there for a consumer to act on it
  - E) none of the above
- 107) The best response to the criticism that marketing promises miracles is that \_\_\_\_\_. 107) \_\_\_\_\_
- A) they are grossly overestimating the power of advertising to influence
  - B) they underestimate the power of advertising to influence
  - C) they are right; have you seen The Swan?
  - D) marketers provide complex answers to simplistic problems
  - E) none of the above

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 108) The benefits a customer receives from buying and using a good or service in relation to the cost and sacrifices of buying and using it is referred to as the price. 108) \_\_\_\_\_
- 109) The primary objective of marketing is to achieve profit. 109) \_\_\_\_\_
- 110) The marketing concept focuses on finding better ways of selling the products that a company has already developed. 110) \_\_\_\_\_
- 111) The starting point for a company following the marketing concept is the basic consumer need that they intend to satisfy with a product or service. 111) \_\_\_\_\_
- 112) One of the most important factors necessary to successfully follow the marketing concept is open communication between marketing and other functional departments within an organization. 112) \_\_\_\_\_
- 113) Customer value is an assessment of what the customer gets from a product such as benefits or utility, relative to what they have to give up to purchase and use it. 113) \_\_\_\_\_
- 114) A **want** is the recognition of any difference between a consumer's actual state and some ideal or desired state. 114) \_\_\_\_\_
- 115) **Wants** are specific ways to satisfy a recognized need that are culturally and socially influenced. 115) \_\_\_\_\_
- 116) The difference between a need and a want is largely a matter of urgency. 116) \_\_\_\_\_
- 117) As defined in the text, the outcome sought by a consumer that motivate buying behaviour is a need. 117) \_\_\_\_\_
- 118) For marketers to be successful, they must develop products that provide one or more benefits. 118) \_\_\_\_\_
- 119) A marketplace can be defined as a location where buying and selling occurs face -to-face. 119) \_\_\_\_\_
- 120) Demand is a customers' desire for products coupled with the resources to obtain them. 120) \_\_\_\_\_
- 121) A product can include services and ideas as well as physical, tangible goods. 121) \_\_\_\_\_
- 122) In order to be an **exchange**, some form of currency is surrendered in return for a good or service. 122) \_\_\_\_\_
- 123) A market segment is a distinct group of consumers within a larger market who have very different needs. 123) \_\_\_\_\_
- 124) As defined in the text, a market segment is a distinct group of customers within the target market. 124) \_\_\_\_\_
- 125) A market may be segmented by characteristics such as sex, age, income, or place of residence. 125) \_\_\_\_\_
- 126) A mass market includes everyone who has a potential need or want for a product. 126) \_\_\_\_\_

- 127) The first step in target marketing is to segment the overall market into distinct groups who have similar needs, wants, and behaviours. 127) \_\_\_\_\_
- 128) A mass marketing approach attempts to sell all possible customers in a market, regardless of differences in their specific needs and wants. 128) \_\_\_\_\_
- 129) Mass marketing approaches tend to fail in the long-run because they become too expensive to implement successfully. 129) \_\_\_\_\_
- 130) Target marketing is necessary because most companies do not have the resources to successfully serve all segments of a market. 130) \_\_\_\_\_
- 131) The **Marketing Mix** and **The Four Ps** refer to the same thing. 131) \_\_\_\_\_
- 132) Positioning is the way in which a product is perceived in the consumer's mind, as compared to competitive brands. 132) \_\_\_\_\_
- 133) Consumers can be individuals or organizations such as a company or a not-for-profit group. 133) \_\_\_\_\_
- 134) The promotion of tourism is not considered true marketing because tourism is not a tangible product. 134) \_\_\_\_\_
- 135) The definition of a product would include the product itself, packaging, associated services, delivery, and warranties. 135) \_\_\_\_\_
- 136) The purpose of the **place** element in the marketing mix is to make the product available to customers where and when they want it. 136) \_\_\_\_\_
- 137) The purpose of the **promotion** element in the marketing mix is to communicate the product offering to the organization's target markets. 137) \_\_\_\_\_
- 138) A superior capability of a firm in comparison to its direct competitors is called a distinctive competency. 138) \_\_\_\_\_
- 139) The overall objective of the marketing plan is to achieve individual, organizational, and societal objectives by creating superior customer value. 139) \_\_\_\_\_
- 140) A marketing philosophy that emphasized that customer needs must be satisfied in ways that also benefit society is called social marketing. 140) \_\_\_\_\_
- 141) Customer Relationship Management involves systematically tracking consumers' preferences and behaviours over time. 141) \_\_\_\_\_
- 142) "Triple bottom line" is a business philosophy that organizations should create economic, social and environmental value. 142) \_\_\_\_\_
- 143) New Era firms embrace the principles of the social marketing concept, seeking both economic and social profit. 143) \_\_\_\_\_

- 144) In the selling orientation view of marketing, the firm focuses on ways to satisfy customer's needs and wants. 144) \_\_\_\_\_
- 145) To calculate the lifetime value of a customer, companies estimate the amount the person will spend. 145) \_\_\_\_\_
- 146) The ability to outperform the competition, thereby providing customers with a benefit that the competition can't is called differential benefit. 146) \_\_\_\_\_
- 147) The main criticism of marketing, as discussed in the text, is that there is just too much of it in our society. 147) \_\_\_\_\_

**SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.**

- 148) Explain the importance of the statement, "marketing is an exchange of value." What are the necessary elements to a valid exchange? 148) \_\_\_\_\_
- 149) What is the difference between a **need** and a **want** and why is this difference important to the study of marketing? 149) \_\_\_\_\_
- 150) Discuss the **marketing decision process** by outlining and explaining each step. 150) \_\_\_\_\_
- 151) What is **market segmentation** and why is it important to the practice of marketing? 151) \_\_\_\_\_
- 152) What is a **target market**? How do organizations use them? 152) \_\_\_\_\_
- 153) Identify and describe the four elements of the **Marketing Mix** and explain why consistency between these elements is critical to a successful marketing strategy. 153) \_\_\_\_\_
- 154) Describe the many forms that a **product** may take. 154) \_\_\_\_\_
- 155) Define and briefly describe the **social marketing concept**. 155) \_\_\_\_\_
- 156) Discuss the "**triple bottom line**" concept. 156) \_\_\_\_\_
- 157) Briefly describe the evolution of today's marketing concept, identifying the four major stages. 157) \_\_\_\_\_
- 158) Can marketers create needs where they did not exist previously? 158) \_\_\_\_\_
- 159) Discuss the concept of consumer-generated value, using examples to illustrate. 159) \_\_\_\_\_

### Mini-case: Bay Tire Limited

Jason is 19 years old and a student in his first year of a business program at a Canadian college. Jason works part-time at Bay Tire, a local tire shop and garage, which his family has owned and operated in his hometown for three generations. Over the years, the shop has been successful selling tires and some maintenance services, as well as parts and accessories to anyone who was willing to pay for them. Jason has noticed that Bay Tire's customers tend to be older, and drive larger, domestic brand vehicles that are at least five years old, and beyond. In discussions with his father, who now manages the business, Jason has learned that the company has never made any real effort to question who their customers are or if they are offering the best mix of products and services that they could be. As with many small businesses, over the years Bay Tire has just gone with the flow, and the business seems to cycle with the local economy, some years being better than others. Jason's hometown is a small city, located within an hour's drive from a major urban centre. Due to its small-town quality of life and proximity to the larger city, this area has enjoyed a steady rate of population growth, as many new residents have moved here and commute to their jobs in the city. In the past few years, Jason has also seen much competition in this area from franchised businesses such as the local Canadian Tire, Speedy Muffler, and NAPA Auto Parts and Service. As well, the business competes against every new vehicle brand dealer who also promote maintenance services and parts sales as an additional profit source. Jason thinks about the business quite a bit when he is at school, as he learns more about business and marketing concepts. He often wonders if the business will still be there when it is his turn to take it over.

- 160) How would the marketing concept help Jason and his family manage their business for the future? 160) \_\_\_\_\_
- 161) What could Jason do with the concepts of market segmentation, targeting, and positioning, to help the family business? 161) \_\_\_\_\_
- 162) How does business ethics and social responsibility influence the success of a business such as Bay Tire? 162) \_\_\_\_\_

## Answer Key

Testname: UNTITLED1

- 1) D  
Skill: Application
- 2) A  
Skill: Recall
- 3) A  
Skill: Recall
- 4) D  
Skill: Recall
- 5) C  
Skill: Recall
- 6) D  
Skill: Conceptual
- 7) A  
Skill: Conceptual
- 8) E  
Skill: Recall
- 9) E  
Skill: Conceptual
- 10) C  
Skill: Recall
- 11) B  
Skill: Conceptual
- 12) E  
Skill: Recall
- 13) E  
Skill: Recall
- 14) D  
Skill: Conceptual
- 15) E  
Skill: Application
- 16) B  
Skill: Recall
- 17) E  
Skill: Application
- 18) C  
Skill: Conceptual
- 19) A  
Skill: Recall
- 20) E  
Skill: Conceptual
- 21) A  
Skill: Application
- 22) C  
Skill: Application
- 23) B  
Skill: Conceptual

## Answer Key

Testname: UNTITLED1

- 24) D  
Skill: Recall
- 25) C  
Skill: Recall
- 26) B  
Skill: Application
- 27) C  
Skill: Application
- 28) E  
Skill: Recall
- 29) E  
Skill: Recall
- 30) C  
Skill: Application
- 31) C  
Skill: Recall
- 32) D  
Skill: Application
- 33) A  
Skill: Application
- 34) E  
Skill: Conceptual
- 35) B  
Skill: Recall
- 36) D  
Skill: Conceptual
- 37) E  
Skill: Application
- 38) B  
Skill: Conceptual
- 39) A  
Skill: Recall
- 40) B  
Skill: Application
- 41) E  
Skill: Application
- 42) E  
Skill: Conceptual
- 43) D  
Skill: Application
- 44) E  
Skill: Conceptual
- 45) D  
Skill: Conceptual
- 46) B  
Skill: Conceptual

## Answer Key

Testname: UNTITLED1

- 47) E  
Skill: Conceptual
- 48) D  
Skill: Recall
- 49) D  
Skill: Recall
- 50) E  
Skill: Recall
- 51) A  
Skill: Application
- 52) E  
Skill: Conceptual
- 53) E  
Skill: Application
- 54) D  
Skill: Conceptual
- 55) A  
Skill: Conceptual
- 56) C  
Skill: Conceptual
- 57) C  
Skill: Recall
- 58) C  
Skill: Recall
- 59) E  
Skill: Application
- 60) B  
Skill: Conceptual
- 61) D  
Skill: Application
- 62) B  
Skill: Recall
- 63) E  
Skill: Recall
- 64) E  
Skill: Application
- 65) E  
Skill: Application
- 66) D  
Skill: Application
- 67) B  
Skill: Recall
- 68) B  
Skill: Recall
- 69) E  
Skill: Application



## Answer Key

Testname: UNTITLED1

- 70) E  
Skill: Conceptual
- 71) D  
Skill: Recall
- 72) B  
Skill: Recall
- 73) E  
Skill: Conceptual
- 74) C  
Skill: Recall
- 75) D  
Skill: Application
- 76) C  
Skill: Recall
- 77) B  
Skill: Conceptual
- 78) A  
Skill: Application
- 79) A  
Skill: Application
- 80) A  
Skill: Recall
- 81) A  
Skill: Application
- 82) D  
Skill: Conceptual
- 83) E  
Skill: Recall
- 84) A  
Skill: Recall
- 85) B  
Skill: Application
- 86) B  
Skill: Conceptual
- 87) D  
Skill: Conceptual
- 88) B  
Skill: Recall
- 89) A  
Skill: Recall
- 90) A  
Skill: Recall
- 91) D  
Skill: Recall
- 92) C  
Skill: Recall

## Answer Key

Testname: UNTITLED1

- 93) A  
Skill: Application
- 94) B  
Skill: Recall
- 95) C  
Skill: Recall
- 96) E  
Skill: Application
- 97) D  
Skill: Conceptual
- 98) C  
Skill: Recall
- 99) E  
Skill: Recall
- 100) D  
Skill: Conceptual
- 101) C  
Skill: Conceptual
- 102) E  
Skill: Recall
- 103) E  
Skill: Conceptual
- 104) A  
Skill: Recall
- 105) D  
Skill: Recall
- 106) D  
Skill: Conceptual
- 107) A  
Skill: Conceptual
- 108) FALSE  
Skill: Conceptual
- 109) FALSE  
Skill: Conceptual
- 110) FALSE  
Skill: Recall
- 111) TRUE  
Skill: Conceptual
- 112) TRUE  
Skill: Conceptual
- 113) TRUE  
Skill: Recall
- 114) FALSE  
Skill: Recall
- 115) TRUE  
Skill: Recall

## Answer Key

Testname: UNTITLED1

- 116) FALSE  
Skill: Conceptual
- 117) FALSE  
Skill: Recall
- 118) TRUE  
Skill: Recall
- 119) FALSE  
Skill: Recall
- 120) TRUE  
Skill: Conceptual
- 121) TRUE  
Skill: Recall
- 122) FALSE  
Skill: Conceptual
- 123) FALSE  
Skill: Conceptual
- 124) FALSE  
Skill: Conceptual
- 125) TRUE  
Skill: Conceptual
- 126) FALSE  
Skill: Recall
- 127) TRUE  
Skill: Recall
- 128) TRUE  
Skill: Recall
- 129) FALSE  
Skill: Conceptual
- 130) TRUE  
Skill: Conceptual
- 131) TRUE  
Skill: Recall
- 132) TRUE  
Skill: Recall
- 133) TRUE  
Skill: Recall
- 134) FALSE  
Skill: Conceptual
- 135) TRUE  
Skill: Recall
- 136) TRUE  
Skill: Conceptual
- 137) TRUE  
Skill: Conceptual
- 138) TRUE  
Skill: Recall

## Answer Key

Testname: UNTITLED1

- 139) TRUE  
Skill: Recall
- 140) TRUE  
Skill: Recall
- 141) TRUE  
Skill: Recall
- 142) TRUE  
Skill: Recall
- 143) TRUE  
Skill: Recall
- 144) FALSE  
Skill: Recall
- 145) FALSE  
Skill: Application
- 146) FALSE  
Skill: Recall
- 147) FALSE  
Skill: Recall
- 148) Consumers will pay for products or services that they see value in, which forms the basis for an economic exchange. If an organization cannot create value in the products they produce or services they perform, then they are not likely to be successful in attracting customers. An economic exchange consists of several aspects: both parties must be willing to make a trade; each party must have something the other values; both parties must agree on the value of the exchange; both parties must agree on how it will be carried out; and each party must be free to accept or reject the other's terms.  
Skill: Conceptual
- 149) A need is recognition that there is a difference between the existing state and some ideal or desired state. The term "need" is commonly used to refer to more basic requirements for survival, such as air, food, water, and shelter. A want is a culturally and socially influenced way to satisfy these basic needs. The difference is important to marketers because while consumers are born with basic needs, they must then learn how to satisfy them. It is during this process of learning that marketers have the opportunity to influence consumers.  
Skill: Conceptual
- 150) The marketing decision process starts by understanding the opportunity – or the situation in which the decision needs to be made. The next step is to develop marketing strategy (specify the value) including a target marketing and positioning. The third step is to develop a marketing mix (create the value) and the final step is implement and evaluate (realize the value).  
Skill: Conceptual
- 151) Marketing segmentation is the process of dividing an overall mass market into distinct groups of customers that are similar to one another and whose needs differ from other customers in the mass market. Since most firms do not have the products or resources to effectively serve the entire market, this process identifies a smaller group that it can engage. Product differentiation goes hand in hand with market segmentation, and without these two concepts, marketers would be selling very few products to mass markets.  
Skill: Conceptual
- 152) A target market is a market segment on which an organization focuses its marketing plan and toward which it directs its marketing efforts. Target markets are important because they help the company to narrow its marketing approach from a mass market to a select few. This allows the company to modify its marketing mix to create more value for its target audience in relation to its competition, thus becoming more efficient.  
Skill: Recall

## Answer Key

Testname: UNTITLED1

- 153) The marketing mix consists of the four P's, which are product, price, promotion, and place (the latter also known as distribution). The product includes the physical product as well as all other intangibles that may add value to its consumption. The price is what the consumer must give up to consume the product, and this is closely linked to perceived value. Promotion consists of all the different ways that an organization may communicate its product offering to its intended target markets. The place element consists of distribution strategy, including the choice of marketing intermediaries used, as well as logistics, which is the physical movement of the products. Internal consistency between the four elements of the marketing mix is very important because it avoids confusing customers and this consistency generates leverage, which is the idea that the overall effect is greater than just the sum of the parts.  
**Skill: Conceptual**
- 154) A product can be a tangible good, a service, an idea, or some combination of these that, through the exchange process, satisfies consumer or business customer needs. It also includes the design and packaging of a good, as well as its physical features and any associated services, such as free delivery or guarantees. People can be marketed such as entertainers, celebrities, and political viewpoints. Places can be marketed, such as for the purposes of tourism or economic development.  
**Skill: Recall**
- 155) The social marketing concept is an orientation that focuses on satisfying consumer needs while also addressing the needs of the larger society. This is a recent move in marketing and products which adhere to this concept are finding greater favour with the buying public. Recycling, automobile airbags, and reducing pollution are all successful new ways to positively influence the marketplace.  
**Skill: Recall**
- 156) New era firms place a much greater focus on accountability – measuring how much value is created by marketing activities. The triple bottom line philosophy is a business philosophy that organizations should create economic, social and environmental variables.  
**Skill: Conceptual**
- 157) An organization following a product orientation focuses primarily on developing its products with less emphasis on customers. This approach was successful when demand for goods was greater than supply, but it does not work in today's markets. A selling orientation became necessary when supply caught up to demand and consumers had a choice of products, not all of which were designed with their wants in mind. A consumer orientation focuses on developing products that satisfy consumers' needs and wants. A "new era" orientation also includes the need to satisfy employees, shareholders, and communities in addition to the consumer.  
**Skill: Recall**
- 158) While humans have relatively few basic needs for survival, they have learned many different ways to satisfy these needs, called wants. Wants are influenced by culture, learning, and social values. Through their promotional efforts, marketers have the ability to raise awareness of new and different ways to satisfy needs. However, it is the consumer that decides when a need becomes a want, as well as the urgency to satisfy it, not the other way around.  
**Skill: Conceptual**
- 159) Consumer-generated value occurs when customers function in marketing activities, such as participating in creating advertisements, providing input to new product development or serving as wholesalers or retailers. Examples include contests encouraging customers to submit slogans, using blogs to create buzz in the marketplace and having customers submit product ideas.  
**Skill: Application**

## Answer Key

Testname: UNTITLED1

160) The family business has not in the past made any effort to study who its customers are or what they want from the business, so it can be said that they have not been following the marketing concept in any determined way. The concept of finding out what customer needs exist within their marketplace and then working to create superior customer value relative to their competition would certainly set the business apart. It is likely that the business has informally followed what their customers have asked for over time, but this has been reactive, not a proactive effort. For the future, Jason could study what their competition has to offer and where the gaps exist within their marketplace. By filling an existing gap, the business would be better able to compete against its much larger competitors.

Skill: Application

161) The business treats all of its customers the same, even though Jason has noticed that their typical customer does have several distinct characteristics, such as being older, owning a domestic versus an imported brand, and an older vehicle versus a newer one. The business could use the concepts of market segmentation, targeting, and positioning by choosing to narrow its offerings down to serve a particular segment of the market, rather than just anyone who happens to drive in. For example, an examination of their marketplace could identify a need for customization parts and accessories for imported vehicles, the so-called "fast and furious" style of vehicle customization. Jason's business could choose to focus on these types of products and offer installation services, and promote the business as specializing in it, thus creating a position in the potential customer's mind as the place to go.

Skill: Application

162) To a small business operating within a market of limited size, the issue of business ethics and social responsibility is important to maintaining customer satisfaction and a desirable reputation within the community. There are customers who choose to support locally-owned and operated businesses rather than nationally-owned businesses, however, they will only do this if the business is deserving of their patronage. Small business owners must strive to uphold ethical business practices to protect their image in the marketplace, and be seen as being part of the community and making a contribution to it. The automotive service industry is particularly susceptible to problems with ethical behaviour due to its association with used vehicles and the service nature of the business. To ensure repeat business in a small community, the business must be seen as being honest to deal with, as any suggestions otherwise would be widely communicated via word of mouth.

Skill: Application