

## Chapter 01

### Marketing's Value to Consumers, Firms, and Society

#### True / False Questions

1. Marketing is basically selling and advertising.

True False

2. According to the text, marketing means "selling" or "advertising."

True False

3. Marketing, in the literal sense, means "selling" or "advertising."

True False

4. Marketing means "promotion and selling."

True False

5. Actually making goods or performing services is called marketing.

True False

6. Estimating what price consumers are willing to pay for a product and if the firm can make a profit selling at that price, is an example of a production activity.

True False

7. Marketing can provide needed direction for production and help make sure that the right goods and services find their way to interested consumers.

True False

8. Marketing plays an essential role in creating customer satisfaction.

True False

9. Customer satisfaction is the extent to which a firm fulfills a consumer's needs, desires, and expectations.

True False

10. If a firm produces the right goods or services, marketing has little role to play in creating customer satisfaction.

True False

11. It is estimated that marketing costs about 50 percent of each consumer's dollar.

True False

12. In advanced economies, marketing costs only about 10 percent of each consumer's dollar.

True False

13. Marketing encourages the development and spread of new ideas, goods, and services.

True False

14. Marketing discourages the development and spread of new ideas, goods, and services.

True False

15. Marketing is both a set of activities performed by organizations and a social process.

True False

16. Marketing can be viewed as a set of activities performed by organizations, but not as a social process.

True False

17. Marketing can be viewed as a social process, but not as a set of activities performed by organizations.

True False

18. The micro view of marketing sees it as the performance of activities that seek to accomplish an organization's objectives by anticipating customer or client needs and directing a flow of need-satisfying goods and services from producer to customer or client.

True False

19. Marketing is the performance of activities that seek to accomplish an organization's objectives by anticipating customer or client needs and directing a flow of need-satisfying goods and services from producer to customer or client.

True False

20. The micro view of marketing is mainly concerned with the activities performed by organizations.

True False

21. From a micro view, marketing activities are performed only by profit-oriented organizations.

True False

22. Marketing only applies to profit organizations.

True False

23. Marketing only applies to for-profit organizations.

True False

24. Marketing activities should be of no interest to a nonprofit organization.

True False

25. Marketing activities should begin with potential customer needs, not with the production process.

True False

26. Production, not marketing, should determine what products are to be made.

True False

27. Marketing should begin with the production process.

True False

28. Marketing does not occur unless there are two or more parties who want to exchange something for something else.

True False

29. Marketing does not occur unless two or more parties are willing to exchange something for something else.

True False

30. Marketing doesn't occur unless two or more parties are willing to exchange one item for another.

True False

31. In a pure subsistence economy--when each family unit produces everything it consumes--no marketing is involved.

True False

32. A marketing exchange is a single transaction between a firm and a customer, nothing more.

True False

33. Marketing is concerned with individual transactions rather than with building ongoing relationships with customers because that is the job of people in the public relations department.

True False

34. Macro-marketing emphasizes how the whole marketing system works.

True False

35. Micro-marketing is a social process that directs an economy's flow of goods and services from producers to consumers in a way that effectively matches supply and demand and accomplishes society's objectives.

True False

36. Macro-marketing is a set of activities that direct an economy's flow of goods and services from producers to consumers in a way which effectively matches supply and demand and accomplishes the objectives of society.

True False

37. Macro-marketing emphasizes how the whole system works, rather than the activities of individual organizations.

True False

38. Macro-marketing emphasizes the activities of individual organizations.

True False

39. Macro-marketing is concerned with examining the relationship of the entire production and distribution system.

True False

40. An effective macro-marketing system matches heterogeneous supply with heterogeneous demand.

True False

41. Effective marketing in an advanced economy is difficult because producers and consumers are often separated in several levels.

True False

42. Achieving effective marketing in an advanced economy is simplified by the fact that producers are separated from consumers in only two ways: time and space.

True False

43. "Economies of scale" means that as a company produces larger numbers of a particular product, the cost for each unit of the product goes down.

True False

44. "Economies of scale" prevent a company from taking advantage of mass production.

True False

45. "Economies of scale" means that as a company produces more of a product the total cost of production goes up.

True False

46. "Economies of scale" means that as a company produces more of a product the cost of each unit produced goes down.

True False

47. In advanced societies, all goods and services can be produced with mass production and its economies of scale.

True False

48. Both mass production and effective marketing are needed to satisfy the economic needs of an advanced economy.

True False

49. An effective macro-marketing system overcomes discrepancies of quantity and discrepancies of assortment by using the universal functions of marketing.

True False

50. The universal functions of marketing include buying, selling, transporting, storing, standardization and grading, financing, risk taking, and market information.

True False

51. The "universal functions of marketing" consist only of buying, selling, transporting, and storing.

True False

52. Buying, selling, transporting and storing are all universal marketing functions.

True False

53. The universal functions of marketing are performed in the same way in all nations and economic systems.

True False

54. Marketing functions are performed by producers, consumers, and a variety of marketing specialists.

True False

55. Intermediaries specialize in trade and production.

True False

56. The advantages of working with intermediaries increase as the number of producers and customers, their distance apart, and the number and variety of competing products increase.

True False

57. While intermediaries facilitate exchange, their cost makes the whole macro-marketing system less efficient.

True False



58. Marketing collaborators are any firms that provide the marketing functions of buying and selling.

True False

59. Marketing specialists such as intermediaries and collaborators hinder the exchange process between producers and consumers.

True False

60. E-commerce refers to exchanges between individuals and organizations--and the activities that facilitate those exchanges--based on applications of information technology.

True False

61. E-commerce refers to exchanges between organizations (not individuals) and the activities that facilitate those exchanges.

True False

62. E-commerce refers to exchanges between organizations, but not exchanges between individuals.

True False

63. E-commerce refers to exchanges between individuals, but not exchanges between organizations.

True False

64. Compared to other innovations, firms have been relatively slow to adopt e-commerce.

True False

65. Marketing costs go down and customer satisfaction goes up in all exchanges handled by e-commerce.

True False

66. Responsibility for performing the marketing functions can be shifted and shared in a variety of ways, but no function can be completely eliminated.

True False

67. Not all societies need an economic system.

True False

68. An economic system is the way an economy organizes to use scarce resources to produce goods and services and distribute them for consumption among various people and groups in the society.

True False

69. Only industrial nations need an economic system to decide what and how much is to be produced and distributed by whom, when, to whom, and why.

True False

70. In a command economy, producers generally have little choice about what goods and services to produce.

True False

71. In a command economy, the individual decisions of many producers and consumers make the macro-level decisions for the whole economy.

True False

72. A market-directed economy is one in which government officials decide what and how much is to be produced and distributed by whom, when, to whom, and why.

True False

73. In a market-directed economy, government officials decide what and how much is to be produced and distributed by whom, when, to whom, and why.

True False

74. In a market-directed economy, price is a rough measure of how society values particular goods and services.

True False

75. Market-directed economies tend to provide consumers with greater freedom of choice than command economies.

True False

76. In a market-directed economy, consumers enjoy complete freedom of choice.

True False

77. In a market-directed economy, profit is guaranteed.

True False

78. Most Western economies are completely market-directed.

True False

79. The American economy is entirely market-directed.

True False

80. The American economy and most other Western economies are completely market-directed.

True False

81. Whether a particular macro-marketing system is judged fair and effective depends on the objectives of the society.

True False

82. The simple trade era was a time when families traded or sold their "surplus" output to local distributors who resold these goods to other consumers or distant distributors.

True False

83. During the "production era" a company focuses on production--because few products are available in the market.

True False

84. From the Industrial Revolution until the 1920s, most companies were in the production era.

True False

85. During the "sales era," the firm tries to improve short-run marketing policy planning to tie together its activities.

True False

86. Marketing departments are usually formed when firms go from the "production era" to the "sales era."

True False

87. The "marketing department era" is a time when all marketing activities are brought under the control of one department.

True False

88. During the "marketing company era," the total company effort is guided by the idea that customers exist to buy the firm's output.

True False

89. A company has moved into the "marketing company era" when, in addition to short-run marketing planning, the total company effort is guided by the marketing concept.

True False

90. The marketing concept means that an organization aims all its efforts at satisfying its customers—at a profit.

True False

91. The marketing concept says that a firm should aim all its efforts at satisfying customers, even if this proves to be unprofitable.

True False

92. The "marketing concept" means that a firm emphasizes attracting new customers above all other objectives.

True False

93. A firm that adopts the "marketing concept" will aim all its efforts at satisfying customers, while trying to make a profit.

True False

94. A firm that makes products which are easy to produce and then tries to sell them has a production orientation.

True False

95. The term "marketing orientation" means making products that are easy to produce and then trying to sell them.

True False

96. A marketing-oriented firm would try to produce what customers want, while a production-oriented firm would try to get customers to buy what the firm has produced.

True False

97. The three basic ideas in the marketing concept are 1) putting the marketing manager in charge of the whole firm, 2) a competitive orientation, and 3) an emphasis on profit.

True False

98. When a firm makes a total company effort to satisfy its customers, and profit--not just sales--is an objective of the firm, the company is practicing the "marketing concept."

True False

99. The three basic ideas included in the definition of the marketing concept are: customer satisfaction, a total company effort, and sales as an objective.

True False

100. The three basic ideas in the marketing concept are: 1) customer satisfaction; 2) confining marketing activities to marketing professionals; and 3) having profit as an objective.

True False

101. Adopting the marketing concept rarely requires any change in a firm's attitudes, organization structure, or management methods and procedures.

True False

102. Adopting the marketing concept requires that a business firm eliminate all functional departments.

True False

103. There are no functional departments in a firm that has adopted the marketing concept.

True False

104. In a firm which practices the marketing concept, the efforts of each functional department are guided by what it does best.

True False

105. The marketing concept was very quickly accepted, especially among producers of industrial commodities like steel and glass.

True False

106. Producers who operate in a competitive environment are more likely to adopt the marketing concept.

True False

107. Adoption of the marketing concept is now universal.

True False

108. A manager who follows a production concept views customer satisfaction as the path to profit.

True False

109. Customer value is the difference that a customer sees between the benefits of a firm's offering and the costs of obtaining those benefits.

True False

110. Customer value is the difference between the benefits a customer sees from a market offering and the costs of obtaining those benefits.

True False

111. Customer value is just another term for customer satisfaction.

True False

112. A good or service that doesn't meet a consumer's needs results in low customer value.

True False

113. Setting a low price for a firm's offering is a sure way of creating high customer value.

True False

114. Low price and high customer value is one and the same thing.

True False

115. When it comes to customer value, it is the customer's view that matters, not the view of the marketing manager.

True False



116. In marketing, it is the manager's viewpoint that matters, not the customer's.

True False

117. Offering superior customer value is especially important when competition is intense.

True False

118. Often the best way for a firm to beat the competition is to be first to satisfy a need that others have not even considered.

True False

119. Firms that embrace the marketing concept seek ways to build a profitable long-term relationship with each customer.

True False

120. It is more costly for firms to try and attract new customers than it is to build a strong relationship with existing customers.

True False

121. To develop lasting relationships with customers, marketing-oriented firms need to focus on customer satisfaction both before and after each sale.

True False

122. When trying to build relationships with customers, salespeople must be particularly well-trained because they are usually the only employees whose actions influence customers directly.

True False

123. The text credits L.L. Bean's success to its offering good customer value.

True False

124. The text credits L.L. Bean's marketing success to its great location.

True False

125. L.L. Bean has achieved success because its customers typically view the benefits of buying its products as greater than the costs.

True False

126. The text credits Curves' marketing success to its great price.

True False

127. Curves has achieved success because its customers typically view the benefits of buying its products as greater than the costs.

True False

128. The text credits Curves' success to its offering good customer value.

True False

129. The marketing concept applies to nonprofit organizations as well as to businesses.

True False

130. Because they don't try to earn a profit, the marketing concept is not very useful for nonprofit organizations.

True False

131. The marketing concept cannot be applied to nonprofit organizations because they are not profit-oriented.

True False

132. In nonprofit organizations, support may not come directly from satisfied customers.

True False

133. As with any business, a nonprofit organization must take in as much money as it spends or it won't survive.

True False

134. A nonprofit organization does not measure profit in the same way as a firm.

True False

135. Sometimes micro-macro dilemmas arise because what is "good" for some producers and consumers may not be "good" for society as a whole.

True False

136. Gun control is an example of a micro-macro dilemma.

True False

137. The micro-macro dilemma occurs when a firm focuses its efforts on satisfying some consumers to achieve its objectives, possibly causing negative societal outcomes.

True False

138. A firm's obligation to improve its positive effects on society and reduce its negative effects is called fiscal responsibility.

True False

139. The marketing concept says that it is a firm's obligation to improve its positive effects on society and reduce its negative effects.

True False

140. Organizations that adopt the marketing concept should be concerned about marketing ethics as well as broader issues of social responsibility.

True False

141. Marketing ethics are the moral standards that guide marketing decisions and actions.

True False

142. The moral standards that guide marketing decisions and actions are called marketing ethics.

True False

143. Moral standards often vary from one person to another, from one society to another, and among different groups within a society, so there is likely to be disagreement about what opinion is correct when it comes to marketing ethics.

True False

144. A manager shouldn't be criticized for making an unethical marketing decision unless the ethical breach was intentional.

True False

145. The American Marketing Association has adopted a statement of ethics that sets specific ethical standards for many aspects of the management job in marketing.

True False

146. The American Marketing Association's statement of ethics sets specific ethical standards for many aspects of marketing.

True False

**Multiple Choice Questions**

147. According to the text, marketing means:

- A. much more than selling and advertising.
- B. selling.
- C. producing and selling.
- D. advertising.
- E. selling and advertising.

148. According to the text, marketing means:

- A. Distribution.
- B. Making good products.
- C. More than selling and advertising.
- D. Promotion.
- E. Performing services.

149. According to the text, marketing means:

- A. much more than just selling and advertising.
- B. advertising.
- C. producing a product that fills a need.
- D. selling.
- E. making a good product that sells itself.

150. According to the text, marketing means:

- A. making a good product that sells itself.
- B. much more than selling and advertising.
- C. selling and advertising.
- D. producing goods and/or services.
- E. doing whatever it takes to be able to offer consumers a "better mousetrap."

151. According to the text:

- A. marketing is much more than selling or advertising.
- B. the cost of marketing is about 25 percent of the consumer's dollar.
- C. marketing affects every single aspect of your daily life.
- D. marketing discourages research and innovation.
- E. all of the above are true statements.

152. The production of a new mountain bike model includes which of the following activities?

- A. Determining how to get the new model to likely bike purchasers.
- B. Actually making the new mountain bikes.
- C. Predicting what types of bikes different types of bike riders will want.
- D. All of the above.
- E. None of the above.

153. Predicting what types of bicycles different customers will want and deciding which of these customers the business will try to satisfy are activities a firm should do as part of

- A. production.
- B. a command economy.
- C. marketing.
- D. making goods or performing services.
- E. a production orientation

154. For Tesla, a new firm that makes an electric sports car, estimating how many competitors will make electric vehicles and what kinds they will make, is:

- A. one of the universal functions of innovation.
- B. a production activity.
- C. an example of the micro-macro dilemma.
- D. best left to intermediaries.
- E. a part of marketing.

155. Marketing

- A. means "selling" or "advertising."
- B. provides direction for production.
- C. involves actually making goods or performing services.
- D. does not impact consumers' standard of living.
- E. is the development and spread new ideas, goods, and services.

156. \_\_\_\_\_ is the extent to which a firm fulfills a customer's needs, desires, and expectations

- A. Customer forecast
- B. Customer satisfaction
- C. Customer service
- D. Customer support

157. Customer satisfaction is the extent to which a firm fulfills a consumer's:

- A. needs.
- B. desires.
- C. expectations.
- D. only A and B above.
- E. all of the above.

158. In an advanced economy, marketing costs account for about \_\_\_\_ cents of every consumer dollar.

- A. 10
- B. 20
- C. 30
- D. 40
- E. 50

159. Which of the following statements about marketing is FALSE?

- A. Marketing concepts and techniques apply for nonprofit organizations--as well as for profit-seeking organizations.
- B. Marketing offers many rewarding career opportunities.
- C. The cost of marketing is about 15 percent of the consumer's dollar.
- D. Marketing affects almost every part of your daily life.
- E. Marketing is vital for economic growth and development.

160. Marketing

- A. affects almost every aspect of our daily lives.
- B. offers many exciting and rewarding career opportunities.
- C. focuses an organization on what it takes to satisfy customers.
- D. all of the above.
- E. none of the above.

161. Which of the following is NOT a reason for you to study marketing?

- A. Marketing affects almost every aspect of daily life.
- B. Marketing will be important to your job.
- C. Marketing involves actually making the goods that people need.
- D. Marketing affects innovation and consumers' standard of living.
- E. Marketing plays a big part in economic growth and development.

162. Marketing encourages research and \_\_\_\_\_, the development and spread of new ideas, goods and services.

- A. analysis
- B. assessment
- C. evaluation
- D. innovation
- E. introspection



163. The development and spread of new ideas, goods, and services for the marketplace is called:

- A. marketing.
- B. the micro-macro dilemma.
- C. collaboration.
- D. innovation.
- E. production.

164. Marketing can be viewed as:

- A. a set of activities performed by individual organizations.
- B. relevant to both business and nonprofit organizations.
- C. a social process.
- D. all of the above are correct.
- E. only A and B above.

165. The text stresses that:

- A. advertising and selling are not really part of marketing.
- B. marketing is nothing more than a set of business activities performed by individual firms.
- C. marketing techniques have no application for nonprofit organizations.
- D. marketing is a social process and a set of activities performed by organizations.
- E. a good product usually sells itself.

166. Looking at marketing as a set of activities focuses on

- A. macro-marketing.
- B. for-profit marketing.
- C. micro-marketing.
- D. nonprofit marketing.
- E. personalized marketing.

167. Marketing:

- A. tries to accomplish a company's objectives by anticipating customers' needs and trying to satisfy them.
- B. begins with the production process.
- C. involves persuading customers to buy your product.
- D. is a social process involving all producers, intermediaries, and consumers.
- E. tries to make the whole economic system fair and effective.

168. Marketing:

- A. is concerned with whether the whole system is fair and effective.
- B. applies only to profit organizations.
- C. consists only of personal selling and advertising.
- D. is a social process.
- E. tries to anticipate and satisfy customer needs and accomplish an organization's objectives.

169. Marketing:

- A. is concerned with need-satisfying goods, but not with services.
- B. involves an attempt to anticipate customer or client needs.
- C. is primarily concerned with efficient use of resources and fair allocation of output.
- D. includes activities such as accounting, production, and financial management.
- E. is the process of selling and distributing manufactured goods.

170. \_\_\_\_\_ is defined as the performance of activities that seek to accomplish an organization's objectives by anticipating customer needs and directing a flow of need-satisfying goods and services from producer to customer.

- A. Innovation
- B. Advertising
- C. Selling
- D. Marketing
- E. Sales promotion

171. From a micro view, marketing

- A. applies to large corporations but not to a new venture started by one person.
- B. is an important social process.
- C. emphasizes how the whole marketing system works.
- D. is a set of activities performed by an individual organization to satisfy its customers.
- E. directs an economy's flow of goods and services from producers to consumers.

172. Which of the following statements best describes the modern view of marketing?

- A. The job of marketing is to get rid of whatever the company is producing.
- B. Marketing should take over production, accounting, and financial services within a firm.
- C. Marketing is concerned with generating a single exchange between a firm and a customer.
- D. Marketing begins with anticipating potential customer needs.
- E. Production, not marketing, should determine what goods and services are to be developed.

173. Which of the following statements best describes the modern view of marketing?

- A. Marketing is only necessary for profit-oriented firms.
- B. Marketing consists mainly of advertising and personal selling.
- C. Marketing anticipates customer needs.
- D. Marketing begins as soon as products are produced.
- E. Firms that don't rely on e-commerce should put more emphasis on marketing.

174. From a micro view, which of the following is the best example of marketing?

- A. North Korea unveils a new five-year production plan.
- B. China and the U.S. agree on a new trade agreement.
- C. The American Red Cross seeks more blood donors.
- D. The Internet makes it possible for firms to reach customers in other countries.
- E. None of the above is a good example.

175. Which of the following statements by a U.S. president best reflects a MICRO view of marketing?

- A. "A tax cut will give consumers more spending money."
- B. "With interest rates low, many young people can now afford to buy a new home."
- C. "In the United States we have a better choice of products than in any other country."
- D. "My administration will spend 75 percent more on purchases related to domestic security during the next year."
- E. "Tourism firms should advertise more to attract more international visitors."

176. Marketing:

- A. applies to both profit and nonprofit organizations.
- B. says that marketing should take over all production, accounting, and financial activities.
- C. should begin as soon as goods are produced.
- D. does away with the need for advertising.
- E. All of the above are true.

177. Marketing:

- A. emphasizes mass selling over personal selling.
- B. allows production, rather than marketing, to determine what products to make.
- C. applies to both profit and nonprofit organizations.
- D. concentrates on production, rather than advertising.
- E. none of the above.

178. Marketing

- A. applies to both profit and nonprofit organizations.
- B. is another name for selling and advertising.
- C. should pick up where the production process ends.
- D. people should expect that the production department will determine what goods and services are to be developed.
- E. all of the above are true.

179. Which of the following organizations would be least likely to need marketing skills?

- A. An accountant
- B. An electronics retailer
- C. A toy manufacturer
- D. A financial advisor
- E. All of the above would need marketing skills.

180. The aim of marketing is to

- A. help create a pure subsistence economy.
- B. eliminate the need for exchanges.
- C. persuade customers to buy the firm's product.
- D. identify customers' needs and meet those needs so well that the product almost "sells itself."
- E. facilitate a single transaction.

181. Effective marketing should begin with

- A. an effort to persuade unwilling customers to buy the firm's products.
- B. potential customer needs.
- C. a decision about what the firm can produce efficiently.
- D. evaluation of the effect of the firm's decisions on the MACRO-marketing system.
- E. the marketing manager making important production, accounting, and financial decisions for the firm.

182. Marketing should

- A. begin with the production process.
- B. make decisions about product design and packaging, prices or fees.
- C. not need to coordinate with production, accounting, and financial activities.
- D. provide input, but let production determine what goods and services are to be developed.
- E. focus on getting customers to make a final purchase.

183. All of the following should be determined by the marketing department of a firm EXCEPT:

- A. storing the product.
- B. actually making the product.
- C. advertising the product.
- D. designing the packaging for the product.
- E. setting the price of the product.

184. Marketing could NOT take place without:

- A. intermediaries.
- B. collaborators.
- C. two or more parties who are willing to exchange something for something else.
- D. a high standard of living.
- E. all of the above.

185. Marketing will not happen unless:

- A. e-commerce is flourishing.
- B. collaborators are present to simplify exchange.
- C. intermediaries are present to facilitate exchange.
- D. two or more parties each have something they want to exchange for something else.
- E. an economy is market-directed rather than command.

186. Which of the following must occur for marketing to happen?

- A. Product
- B. Place
- C. Advertising
- D. Price
- E. Two or more parties exchange something of value for something else of value.

187. Marketing is NOT needed in a \_\_\_\_\_ economy.

- A. consumer-oriented
- B. command
- C. pure subsistence
- D. market-directed
- E. none of the above

188. In a pure subsistence economy,

- A. each family unit is self-sufficient.
- B. exchanges are not important.
- C. there is no need for intermediaries.
- D. All of the above are true.
- E. None of the above is true.

189. If the family units on a South Pacific-island nation made all the products they consume, it would be a good example of:

- A. a pure subsistence economy.
- B. a market-directed economy.
- C. a micro-marketing system.
- D. a command economy.
- E. none of the above.

190. Which of the following statements is FALSE?

- A. Marketing is most important in a pure subsistence economy.
- B. Marketing should provide direction for production, accounting, and financial activities.
- C. Marketing builds long-lasting relationships that benefit the selling firm.
- D. Marketing doesn't occur unless two or more parties are willing to exchange something for something else.
- E. Marketing anticipates customer needs.

191. Which of the following statements about marketing is FALSE?

- A. Marketing affects the products you buy.
- B. Marketing applies to nonprofit organizations too.
- C. Marketing affects the advertising you see and hear.
- D. Marketing offers many good job opportunities.
- E. Marketing can help with individual transactions but not in building relationships with customers.

192. Viewing marketing as a social process focuses on

- A. marketing by nonprofit organizations.
- B. command economies.
- C. macro-marketing.
- D. micro-marketing.
- E. none of the above.

193. Looking at marketing as a social process focuses on

- A. macro-marketing.
- B. for-profit marketing.
- C. micro-marketing.
- D. nonprofit marketing.
- E. personalized marketing.

194. Societies need a macro-marketing system

- A. to help match supply and demand.
- B. to create a gap between producers and consumers.
- C. to accomplish an organization's objectives only.
- D. to identify collaborators.
- E. to reduce the need for intermediaries.



195. MACRO-marketing:

- A. Emphasizes how the whole marketing system works.
- B. Considers how marketing affects society, but not how society affects marketing.
- C. Matches homogeneous supply and demand.
- D. Is mainly concerned with the activities of individual organizations.
- E. All of the above.

196. Macro-marketing:

- A. tries to produce discrepancies of quantity and discrepancies of assortment.
- B. focuses on the activities of individual organizations.
- C. tries to effectively match supply and demand.
- D. all of the above.
- E. none of the above.

197. Macro-marketing:

- A. is not concerned with the flow of goods and services from producers to consumers.
- B. seeks to match homogeneous supply capabilities with homogeneous demands for goods and services.
- C. refers to a set of activities performed by both profit and nonprofit organizations.
- D. focuses on the objectives of society.
- E. All of the above are true statements.

198. MACRO-marketing:

- A. is concerned with the activities performed by individual business organizations.
- B. tries to match heterogeneous supply capabilities with heterogeneous demands for goods and services.
- C. is concerned with how effectively and fairly an individual business organization performs.
- D. assumes that the effectiveness and fairness of all macro-marketing systems must be evaluated in terms of the same social objectives.
- E. All of the above are true.

199. Macro-marketing

- A. is a social process.
- B. concerns the activities of individual managers.
- C. is what people have in mind when they talk about marketing in everyday use.
- D. helps consumers that need a narrow assortment of products.
- E. applies only to nonprofit organizations.

200. \_\_\_\_\_ directs an economy's flow of goods and services from producers to consumers in a way that effectively matches supply and demand and accomplishes the society's objectives.

- A. Macro-marketing
- B. The transporting function
- C. Micro-marketing
- D. Standardization and grading
- E. Social responsibility

201. Macro-marketing

- A. emphasizes building a long-term relationship that benefits both the firm and the customer.
- B. considers the marketing activities of corporations rather than individuals.
- C. emphasizes how the whole marketing system works.
- D. systems are only relevant to advanced economies.
- E. addresses discrepancies that emerge from homogeneous consumer demand.

202. MACRO-marketing:

- A. is a social process.
- B. tries to overcome "discrepancies of quantity" and "discrepancies of assortment."
- C. tries to effectively match supply and demand.
- D. tries to overcome the many separations between producers and consumers.
- E. All of the above are true statements.

203. The following headlines are from Business Week magazine. Which article is most likely to be reporting on a MACRO-marketing topic?

- A. "Two-Person Engineering Firm Offers Unique Service."
- B. "Russia Increases Output of Consumer Goods."
- C. "Pepsi Sells in Japan."
- D. "Bank of America Offers New Internet Banking Services."
- E. "Donations to Tsunami Victims Fund Increase after TV Broadcast."

204. The following headlines are for articles from the WALL STREET JOURNAL. Which article is most likely to be reporting a MACRO-marketing topic?

- A. "Mercedes Goes after Luxury Sport Utility Buyers."
- B. "Adidas Jumps as Footwear Competition Heats Up."
- C. "Drugstore Chain Aims at Seniors."
- D. "Hardee's Fried Chicken Takes on KFC."
- E. "DVD Popularity Leads to More DVD Retailers."

205. Of the following headlines from the WALL STREET JOURNAL, which is most likely to be about a MACRO-marketing topic?

- A. "Tupperware Has a New Strategy."
- B. "Thailand Has Unusually Large Number of Wholesalers."
- C. "Military Supplier Shifts to Selling Gas Masks to Private Citizens."
- D. "Coke Plans Beverage Line to Compete with Lipton's."
- E. "Dow Chemical Adds Shipping Safeguards."

206. Of the following headlines from a business magazine, which is most likely to be about a MACRO-marketing topic?

- A. "Chinese Women Demand More Luxury Goods."
- B. "Girl Scouts Organize Nationwide Cookie Sale."
- C. "L'eggs Sells Direct in Brazil and Argentina."
- D. "Frito-Lay Offers New Low-Fat Products."
- E. "Coke Losing Beverage Sales in India to local brands."

207. In advanced economies:

- A. both supply and demand tend to be heterogeneous.
- B. producers and consumers are often separated in several ways.
- C. exchange is hampered by discrepancies of quantity and assortment.
- D. All of the above are true.
- E. None of the above is true.

208. In advanced economies:

- A. mass production with its economies of scale makes the cost of each product higher.
- B. exchange is simplified by discrepancies of quantity and assortment.
- C. there is little need for marketing specialists.
- D. both supply and demand tend to be homogeneous in nature.
- E. producers and consumers experience a separation of values.

209. Exchange between producers and consumers is more difficult in an advanced economy because of:

- A. separation in time.
- B. separation in values.
- C. spatial separation.
- D. separation of information.
- E. All of the above.

210. The primary purpose of the transporting and storing functions of marketing is to overcome:

- A. the need for marketing specialists.
- B. separation of information.
- C. spatial separation.
- D. discrepancies of assortment.
- E. separation of values.

211. American supermarket chain, FoodMart, purchases cheese from five different manufacturers from around the world to assure its customers can choose among different types of cheeses at different prices. FoodMart facilitates the macro-marketing system by helping to address:

- A. spatial separation.
- B. discrepancies of assortment.
- C. separation of values.
- D. all of the above.
- E. none of the above.

212. The fact that US car companies are located in the upper Midwest while their customers are located throughout the U.S. is an example of:

- A. separation in values.
- B. discrepancies of assortment.
- C. separation of information.
- D. spatial separation.
- E. separation in time.

213. When consumers do not know where to buy a product or what it costs and the product's producer does not know where its target market is located, this is an example of:

- A. separation of information.
- B. discrepancy of quantity.
- C. separation of ownership.
- D. discrepancy of assortment.
- E. separation in time.

214. When an individual producer sets a price for its product to earn a certain profit while consumers search for the product at the lowest price available from any producer, this is an example of:

- A. separation in time.
- B. discrepancy of quantity.
- C. separation in values.
- D. discrepancy of assortment.
- E. spatial separation.

215. The fact that producers usually prefer to produce products in large quantities, while most consumers prefer to buy in small quantities, results in:

- A. discrepancies of quantity.
- B. separation of ownership.
- C. discrepancies of assortment.
- D. spatial separation.
- E. temporal separation.

216. In a simple economy, one family may produce only cooking pots, but many of them. Others may specialize in farming, making clothing, and building shelters. This

- A. shows why "discrepancies of assortment" occur.
- B. is so simple that the universal functions of marketing don't have to be done.
- C. cannot work without an intermediary.
- D. is an example of "separation in values" since the different families choose to produce different things.
- E. All of the above are true.

217. Discrepancies of assortment happen when

- A. producers prefer to produce and sell in large numbers, but consumers prefer to buy and consume in smaller numbers.
- B. consumers may not want to consume goods and services at the time producers would prefer to produce them.
- C. consumers value goods and services in terms of costs and competitive prices whereas producers value them in terms of satisfying needs and ability to pay.
- D. producers specialize in producing a narrow range of goods and services but consumers need a wide variety.
- E. producers hold title to goods and services that they themselves do not want to consume.

218. \_\_\_\_\_ refers to producers holding title to goods and services that they themselves do not want to consume and consumers wanting goods and services that they do not have.

- A. Discrepancies of assortment
- B. Separation of ownership
- C. Discrepancies of quantity
- D. Spatial separation
- E. Separation in time

219. "Economies of scale" means that:

- A. as a company produces larger numbers of a particular product, the cost of each unit of the product goes down.
- B. the more producers there are in an economy the greater the need for intermediaries.
- C. larger countries enjoy more economic growth than smaller countries.
- D. as a company produces larger numbers of a particular product, the total cost of producing these products goes down.
- E. All of the above are true.

220. When a firm produces a large quantity of a product, the cost of producing each individual unit usually goes down. This is known as:

- A. discrepancies of quantity.
- B. exchange efficiency.
- C. economies of scale.
- D. macro-marketing.
- E. discrepancies of assortment.

221. The term "economies of scale" means that:

- A. The largest producers are always the most efficient.
- B. The cost of a product goes down as a company produces larger numbers of it.
- C. The more one produces, the greater the profit.
- D. It is more efficient for an economy to have a large number of transactions.
- E. None of the above.

222. The universal functions of marketing include buying, selling, transporting, storing,

- 
- A. standardization and weighing, financing, risk taking, and marketing information
  - B. standardization and grading, facilitating, risk taking, and marketing information
  - C. standardization and grading, financing, risk taking, and marketing information
  - D. standardization and grading, financing, risk taking, and merchandising information

223. The "universal functions of marketing" do NOT include:

- A. financing and risk taking.
- B. standardization and grading.
- C. producing.
- D. transporting and storing.
- E. buying and selling.

224. Which of the following statements about the "universal functions of marketing" is False?

- A. These functions do not have to be performed in all macro-marketing systems.
- B. How the functions are performed may differ among nations and economic systems.
- C. Who performs the functions may differ among nations and economic systems.
- D. These functions help to overcome discrepancies of quantity and assortment.
- E. None of the above.

225. The "universal functions of marketing":

- A. must be performed in all MACRO-marketing systems.
- B. are performed differently in different economies.
- C. are performed by different parties in different economies.
- D. are needed to help overcome various separations and discrepancies.
- E. All of the above are true.

226. Which of the following is NOT one of the "universal functions of marketing"?

- A. Production
- B. Standardization
- C. Financing
- D. Buying
- E. Transporting



227. The "universal functions of marketing":

- A. can be eliminated in advanced MACRO-marketing systems.
- B. are performed differently and by different parties in different economies.
- C. are never performed by consumers.
- D. create various separations and discrepancies between producers and consumers.
- E. All of the above are true.

228. After seeing a "sale" ad in a local newspaper, Ben Griffith went to a local pet supply store and bought a year's supply of high protein dog food. Which marketing functions--if any--did he perform?

- A. Financing and risk taking
- B. Buying, transporting, and storing
- C. Market information
- D. All of the above
- E. None of the above--only producers and intermediaries perform marketing functions.

229. A large advertising agency is planning a national promotion to introduce a new type of MP3 player. Which of the universal functions of marketing is it performing?

- A. Risk-taking.
- B. Financing.
- C. Buying.
- D. Selling.
- E. None of the above.

230. Which of the universal functions of marketing deals most directly with advertising a product in magazines?

- A. Transporting
- B. Selling
- C. Financing
- D. Risk-taking
- E. Market information

231. Market research firm BestOne sells reports about competitors, products, and other areas to various clients in the software industry. BestOne performs which universal marketing function:

- A. risk taking.
- B. market information.
- C. standardization and grading.
- D. social responsibility.
- E. financing.

232. The standardization and grading function of marketing involves:

- A. Looking for and evaluating goods and services.
- B. Providing necessary cash and credit.
- C. Promoting the product.
- D. Sorting products according to size and quality.
- E. None of the above.

233. \_\_\_\_\_ involve(s) sorting products according to size and quality.

- A. Transporting and storing
- B. Financing
- C. Standardization and grading
- D. Marketing
- E. Buying

234. The standardization and grading function of marketing involves:

- A. promoting goods and services.
- B. collection, analysis, and distribution of marketing information.
- C. sorting products according to size and quality.
- D. looking for and evaluating goods and services.
- E. movement of goods from one place to another.

235. The buying function of marketing involves

- A. risk-taking.
- B. promoting the product.
- C. looking for and evaluating goods and services.
- D. the use of personal selling.
- E. sorting products according to size and quality.

236. The universal functions of marketing

- A. are not all needed in market-directed economies.
- B. are not all needed in command economies.
- C. can be performed by producers, consumers, and a variety of marketing specialists.
- D. All of the above are true.
- E. None of the above is true.

237. The "universal functions of marketing" can be performed by:

- A. producers.
- B. intermediaries and collaborators.
- C. consumers.
- D. All of the above.
- E. Only A and C above.

238. The "universal functions of marketing":

- A. are usually performed in the same way and by the same types of institutions in all MACRO-marketing systems.
- B. can sometimes be eliminated--in very efficient macro-marketing systems.
- C. must be performed in both market-directed and command economies.
- D. must all be performed by every firm from a MICRO view.
- E. All of the above are true.

239. An intermediary:

- A. is a wholesaler--not a retailer.
- B. usually increases the number of transactions required.
- C. tends to make the exchange process more difficult and costly.
- D. is someone who specializes in trade rather than production.
- E. none of the above.

240. Which of the following is NOT true about intermediaries?

- A. They save time for other participants in a transaction.
- B. They always increase total expenses for a product.
- C. They specialize in trade rather than production.
- D. All of the above.
- E. None of the above.

241. The advantages of working with an intermediary usually increase when there is

- A. difficulty communicating with customers.
- B. a greater number of customers.
- C. greater distance between customers.
- D. a larger number of competing products.
- E. all of the above.

242. Which of the following is MOST likely to be classified as a marketing intermediary?

- A. Apex Manufacturing, Inc.
- B. Lillian's Mini-Market.
- C. McGraw Hill/Irwin.
- D. Kellogg.

243. Firms that specialize in providing marketing functions other than buying or selling are known as:

- A. suppliers.
- B. intermediaries.
- C. consultants.
- D. agents.
- E. collaborators.

244. Firms that specialize in providing marketing functions other than buying and selling are known as:

- A. suppliers.
- B. intermediaries.
- C. advisors.
- D. collaborators.
- E. agents.

245. Collaborators

- A. specialize in trade rather than production.
- B. usually have a production orientation.
- C. emerged in the marketing company era.
- D. are only used in a command economy.
- E. facilitate or provide one or more of the marketing functions other than buying or selling.

246. Which of the following types of firms are collaborators?

- A. Marketing research firms
- B. Overnight delivery firms
- C. Advertising agencies
- D. Product-testing labs
- E. All of the above

247. Which of the following is LEAST likely to be classified as a marketing collaborator?

- A. Mayflower Transport Company.
- B. Internet Advertising, Inc.
- C. Wachovia Bank.
- D. Market Survey Research, Inc.
- E. Quality Coatings Company.

248. Which of the following is LEAST likely to be classified as a marketing collaborator?

- A. United Parcel Service (UPS).
- B. Public Warehouse Corporation.
- C. Broadband Communications Company.
- D. MeadowView Aluminum Company.
- E. Product Safety Testing Laboratories, Inc.

249. Marketing intermediaries and collaborators can often perform marketing functions:

- A. better than producers or consumers can perform them.
- B. which leaves producers and consumers more time for production and consumption.
- C. at a low cost--because of specialization, economies of scale, or e-commerce.
- D. all of the above are true.
- E. none of the above are true.

250. Amazon.com and eBay.com are both considered

- A. Internet-based collaborators.
- B. Internet-based producers.
- C. Internet-based service providers.
- D. Internet-based intermediaries.
- E. Internet-based manufacturers.

251. Concerning the "universal functions of marketing," which of the following statements is FALSE?

- A. These functions can be performed by producers, intermediaries, collaborators, or consumers.
- B. Responsibility for performing these functions can be shared and shifted.
- C. From a micro viewpoint, not every company must perform every function.
- D. From a macro viewpoint, all these functions must be performed by someone.
- E. None of the above is false.

252. Considering the universal functions of marketing,

- A. they may not be required in all macro-marketing systems.
- B. not every firm must perform all of the marketing functions.
- C. all goods and services require all the functions at every level of their production.
- D. all of the above are true.
- E. none of the above is true.

253. In macro-marketing

- A. no universal marketing function can be completely eliminated.
- B. the objectives of the individual firm, rather than society, are most important.
- C. functions should not be shifted or shared.
- D. intermediaries are unnecessary.
- E. the emphasis is on the activities of individual organizations.

254. Which of the following is a true statement?

- A. Since marketing is concerned with many thousands of different products, there is no one set of marketing functions that applies to all products.
- B. Responsibility for performing marketing functions can be shifted and shared, but no function can be completely eliminated.
- C. From a micro viewpoint, every firm must perform all of the marketing functions.
- D. Marketing functions should be performed only by marketing intermediaries or collaborators.
- E. Many marketing functions are not necessary in market-directed economies.

255. Concerning the "universal functions of marketing," it is true that:

- A. these functions must be performed in all MACRO-marketing systems.
- B. these functions can be performed by producers or intermediaries--but not by consumers.
- C. from a MICRO viewpoint, every firm must perform all of the functions.
- D. responsibility for performing these functions can be shifted and shared--and some functions can be completely eliminated to reduce costs.
- E. All of the above are true.

256. \_\_\_\_\_ refers to the way an economy organizes to use scarce resources to produce goods and services and distribute them for consumption by various people and groups in society.

- A. Resource utilization
- B. Socio-economic policy
- C. The way a firm measures value
- D. Separation of values
- E. Economic system

257. A MACRO-marketing system should:

- A. provide everyone with the same goods and services.
- B. be part of market-directed economy, not a command economy.
- C. accomplish a particular society's objectives, whatever they are.
- D. all of the above are true.
- E. none of the above is true.

258. An economic system in which government planners determine production levels is known as

- A. a command economic system.
- B. a micro-marketing economic system.
- C. a macro-marketing economic system.
- D. a market-directed economic system.
- E. a pure subsistence economic system.

259. An economic system in which government officials determine production levels is known as:

- A. pure subsistence.
- B. macro-marketing.
- C. market-directed.
- D. production-oriented.
- E. command.



260. In a command economy:

- A. producers generally have a lot of choice about what and how much to produce.
- B. prices usually fluctuate according to supply and demand.
- C. marketing activities such as advertising, branding, and market research are not allowed.
- D. consumers usually have some freedom of choice--but it is quite limited.
- E. All of the above are true.

261. In a command economy, government officials decide:

- A. who is to produce and distribute what to whom.
- B. how much is to be produced.
- C. how much is to be distributed to whom.
- D. what is to be produced.
- E. all of the above.

262. In a command economy

- A. producers generally have little choice about what goods and services to produce.
- B. the individual decisions of the many producers and consumers come together to make the macro-level decisions.
- C. consumers make a society's production decisions.
- D. consumers decide what is to be produced and by whom through their dollar "votes."
- E. the market adjusts itself.

263. In a market-directed economy:

- A. marketing managers make all the important economic decisions.
- B. government planners make all the important economic decisions.
- C. all the important economic decisions are made by voters in political elections.
- D. consumers make all the important economic decisions.
- E. the individual decisions of the many producers and consumers make the macro-level decisions for the whole economy.

264. In a \_\_\_\_\_ the individual decisions of the many producers and consumers make the macro-level decisions for the whole economy.

- A. mixed economy
- B. command economy
- C. market-directed economy
- D. production-oriented economy
- E. controlled economy

265. In a market-directed economy:

- A. profit, survival, and growth are all guaranteed for producers.
- B. consumers have little freedom of choice.
- C. consumers decide what is to be produced and by whom through their dollar votes.
- D. prices usually do not change according to supply and demand.
- E. only the needs of the majority are served.

266. Which of the following statements about economic decision making is TRUE?

- A. In a market-directed economy, the micro-level decisions of individual producers and consumers determine the macro-level decisions.
- B. Government planning usually works best when economies become more complex and the variety of goods and services produced is fairly large.
- C. The United States may be considered a pure market-directed economy.
- D. Command economies usually rely on market forces to determine prices.
- E. All of the above are true statements.

267. \_\_\_\_\_ in the marketplace are a rough measure of how society values particular goods and services.

- A. Inventories
- B. Prices
- C. Cost of labor and materials
- D. The number of producers
- E. Discrepancies of quantity

268. Price is a rough measure of \_\_\_\_\_.

- A. company profit
- B. customer value
- C. market supply
- D. company costs
- E. economic inflation

269. The role of price in a market-directed economy is to:

- A. allocate resources and distribute income according to consumer preferences.
- B. serve as a rough measure of the social importance of consumer goods and services.
- C. coordinate the economic activity of many people and institutions.
- D. serve as a rough measure of the value of resources used to produce goods and services.
- E. All of the above are true.

270. Which of the following statements about economic systems is true?

- A. Consumers usually have more freedom of choice in a market-directed economy.
- B. Command economies are most effective for countries with large and complicated varieties of goods and services.
- C. Branding is less common in a market-directed economy than in a command economy.
- D. The United States is a good example of a command economy.
- E. None of the above is true.

271. Which of the following is NOT true about a market-directed economy?

- A. Consumers enjoy maximum freedom of choice.
- B. Producers enjoy maximum freedom of choice.
- C. The interaction between consumers and producers is great.
- D. Government is responsible for setting up all marketing activities.
- E. The price of a consumer product serves as a measure of its value.

272. Consumers in a market-directed economy

- A. enjoy limited freedom of choice.
- B. are taxed to provide for goods and services that benefit society, such as public health, national defense, highways, police and fire protection.
- C. do not decide what is to be produced and by whom.
- D. have to buy what is being produced.
- E. do not have to buy any goods or services.

273. Which of the following is LEAST LIKELY to be a government role in a market-directed economy?

- A. To set rules to protect individual rights and freedom.
- B. To supervise the economy.
- C. To provide things such as mass transportation and highways, national defense, police and fire protection, and public health services.
- D. To control interest rates and the supply of money.
- E. To determine prices--and thereby allocate resources and distribute income.

274. \_\_\_\_\_ NOT the government's job in a market-directed economy.

- A. Protecting property and enforcing contracts are
- B. Regulating radio and television broadcasting is
- C. Setting import and export rules is
- D. Determining what and how much is to be produced is
- E. Controlling interest rates and the supply of money are

275. Which of the following statements about a market-directed economic system is True?

- A. Consumers enjoy substantial freedom of choice.
- B. Profit, growth and survival are guaranteed.
- C. Government has no role.
- D. There is very little interaction between producers and consumers.
- E. All of the above.

276. Identify the incorrect statement about market-directed economies.

- A. A market-directed economy adjusts itself.
- B. The American economy is completely market-directed.
- C. Consumers in a market-directed economy decide what is to be produced and by whom—through their dollar "votes."
- D. Consumers in a market-directed economy enjoy great freedom of choice.
- E. All of the above are correct.

277. Which of the following statements about economic systems is NOT true?

- A. Government has less of a role in market-directed economies than in command economies.
- B. A market-directed economy self-adjusts through producer and consumer choices.
- C. Producers always make a profit in a market-directed system.
- D. A command economy is more likely to work if the variety of goods and services is small.
- E. Both market-directed and command economies need a macro-marketing system.

278. Whether a macro-marketing system is fair or effective depends on

- A. goods and services being evenly distributed across the population.
- B. discrepancies of quantity.
- C. the emphasis given to military spending.
- D. the marketing orientation of individual firms.
- E. the objectives of the society.

279. Which of the following BEST describes what is necessary for a country's MACRO-marketing system to be "fair and effective"?

- A. No low quality or dangerous products are sold.
- B. Product shortages never exist.
- C. There is a big choice of goods and services.
- D. All consumers get the same opportunity to enjoy a high standard of living.
- E. There is not enough information to select an answer.

280. The text considers five "eras" of marketing evolution. Which of the following shows the logical order in which these eras occur?

- A. Marketing department, production, sales, simple trade, marketing company
- B. Sales, production, marketing department, marketing company, simple trade
- C. Sales, simple trade, marketing company, production, marketing department
- D. Simple trade, production, sales, marketing company, marketing department
- E. Simple trade, production, sales, marketing department, marketing company

281. The text discusses the evolution of business through five "eras." Which of the following is NOT one of these eras?

- A. Simple trade era
- B. Sales era
- C. Facilitator era
- D. Marketing department era
- E. Production era

282. The text discusses the evolution of business through five "eras." Which of the following is NOT one of these eras?

- A. Diversification era
- B. Sales era
- C. Production era
- D. Marketing company era
- E. Simple trade era

283. In the \_\_\_\_ era, families traded or sold their "surplus" output to local distributors.

- A. production
- B. pure subsistence
- C. sales
- D. simple trade
- E. marketing company

284. From the Industrial Revolution until the 1920s, most companies were in the

- A. marketing department era.
- B. production era.
- C. simple trade era.
- D. marketing company era.
- E. sales era.

285. Which of the following statements is MOST characteristic of the "production era"?

- A. "If we sell harder, we will sell more."
- B. "We need to cater to the diverse needs of consumers."
- C. "There is no limit on what we can sell if we produce efficiently."
- D. "The more options we offer consumers, the better."
- E. "Advertising is the key to our success."

286. Which of the following is the BEST example of management thinking during the "production era"?

- A. "We need to make whatever products are easy to produce."
- B. "We need to find out what the customer wants."
- C. "The more salespeople we have, the more we can sell."
- D. "We need to work hard to sell the product to our customers."
- E. "If we produce a good product, customers will find us and buy it."

287. Which of the following is the BEST example of management thinking during the "production era"?

- A. "The more we advertise a product, the more we can sell."
- B. "We need to increase our sales effort--to sell what we can produce."
- C. "If we can produce it, customers will buy it."
- D. "We need to be selective and produce what customers want."
- E. "The lower we price a product, the more we can sell."

288. Until recently, good PC software for producing digital videos was not available, but was much in demand by businesses. The first companies to produce a specific type of program had good sales even though they did little promotion and their programs were not "user-friendly." It seems that many of these "innovators" operated as if they were in the:

- A. simple trade era.
- B. marketing department era.
- C. sales era.
- D. marketing company era.
- E. production era.

289. Because of increased competition during the \_\_\_\_\_ era, firms put new effort into winning customers.

- A. simple trade
- B. sales
- C. production
- D. marketing company
- E. marketing department

290. During the \_\_\_\_\_ era, concern about increased competition lead firms to focus on selling to attract customers.

- A. sales
- B. simple trade
- C. marketing department
- D. production
- E. marketing company

291. A firm that focuses its attention primarily on "selling" its present products in order to meet or beat competition is operating in which of the following "management eras"?

- A. Production era
- B. Sales era
- C. Marketing department era
- D. Marketing company era
- E. Advertising era



292. The \_\_\_\_\_ era is a time when a company emphasizes selling because of the increased competition in the external environment.

- A. supply
- B. demand
- C. production
- D. marketing
- E. sales

293. The president of a company that produces cardboard boxes is concerned about the large number of competitors with extra capacity. As he put it, "our best shot is in the hands of our sales manager--she makes all of our marketing decisions and is creative enough to figure out how to sell more boxes." It seems that this company is run as if it were in the:

- A. production era.
- B. marketing company era.
- C. simple trade era.
- D. sales era.
- E. marketing department era.

294. The owner of a company that produces electronic circuit boards sees many competitors with extra capacity and says the "only hope is that our sales manager, who makes all of our marketing decisions, will find a way to sell more boards." It seems that this company is run as if it were in the:

- A. production era.
- B. sales era.
- C. excess capacity era.
- D. marketing company era.
- E. marketing department era.

295. Administrators at a university noted that they were 200 students short of their enrollment projection as the start of the school year approached. The president of the university, fearing a revenue shortage, told the director of admissions, "You need to use whatever means necessary to get enough students to meet the projection before classes start. Run ads in the newspaper, call high school guidance counselors, recruit from our pool of rejected applicants—whatever it takes." The university president is operating as though he was in the:

- A. Simple trade era.
- B. Production era.
- C. Sales era.
- D. Marketing department era.
- E. Marketing company era.

296. Which of the following statements regarding the "sales era" is true?

- A. The emphasis was on selling.
- B. A business problem was to beat the competition.
- C. More production capability was available than ever before.
- D. All of the above.
- E. None of the above.

297. During the sales era

- A. families traded or sold their surplus output to local distributors.
- B. characteristic management thinking said, "If we can make it, it will sell."
- C. all marketing activities were brought under the control of one department.
- D. increased competition made firms focus on winning customers.
- E. marketing people did both short-run and long-run marketing planning.

298. Asa Meyer was just named FireFly Products sales manager, with responsibilities for all marketing planning. FireFly's president told him that his job is to "outsell the competition."

Apparently, FireFly is operating in the \_\_\_\_\_ era.

- A. market-oriented
- B. production
- C. sales
- D. marketing company
- E. marketing department

299. The \_\_\_\_\_ era is a time when all marketing activities are brought under the control of one department to improve short-run planning.

- A. production
- B. marketing department
- C. sales
- D. simple trade
- E. marketing company

300. As a firm moves from the sales era to the marketing department era it is likely to:

- A. have marketing people who develop long range plans--sometimes 5 or more years ahead.
- B. begin to integrate all the firm's marketing activities.
- C. place less emphasis on earning a profit and more emphasis on what customers will buy.
- D. adopt a more narrow view of marketing.
- E. be more concerned with its ability to produce enough to meet demand.

301. Myra Martinez was just named Treasure Island, Inc.'s "marketing manager"--with responsibilities for short-run policy planning of the firm's advertising, sales, marketing research, purchasing, and distribution efforts. Apparently, Treasure Island is operating in the \_\_\_\_\_ era.

- A. market-oriented
- B. production
- C. marketing department
- D. marketing company
- E. sales

302. The main difference between the "marketing department era" and the "marketing company era" is:

- A. more emphasis on selling and advertising in the marketing department era.
- B. whether the president of the firm has a background in marketing.
- C. more emphasis on short-run planning in the marketing company era.
- D. whether the whole company is customer-oriented.
- E. There is no difference.

303. When marketing people do long-range planning and the whole company is guided by the "marketing concept," the company has entered the \_\_\_\_\_ era.

- A. production
- B. customer satisfaction
- C. marketing company
- D. consumerism
- E. marketing department

304. A company where the marketing people do both short-run and long-range planning is operating in the

- A. marketing company era.
- B. sales era.
- C. simple trade era.
- D. marketing department era.
- E. production era.

305. Which of the following would be relevant in the marketing company era?

- A. Concentrating on satisfying customers.
- B. Planning for five or more years ahead.
- C. Involving the whole company in the marketing effort.
- D. Making a profit.
- E. All of the above.

306. The president of a financial services company says that her new marketing manager has changed things a lot--making long-range plans about where the firm should focus its effort, and coordinating the decisions about what services to offer and how they should be promoted and priced. It seems that this company is just moving into the:

- A. marketing company era.
- B. sales era.
- C. production era.
- D. marketing department era.
- E. simple trade era.

307. SouthFace Corporation just named Chloe Perry to a marketing management position. One of the reasons she accepted a position with this company was its reputation for market-oriented long-range planning. SouthFace Corp. is probably operating in the \_\_\_\_\_ era.

- A. planning
- B. marketing company
- C. marketing research
- D. marketing department
- E. none of the above

308. Based on the following company statements, which company is most likely to be in the marketing company era?

- A. "Our sales force was able to sell intermediaries more of our new product than they can resell in all of this year."
- B. "Our marketing manager is coordinating pricing, product decisions, promotion and distribution to help us show a profit at the end of this year."
- C. "The whole company is in good shape--demand exceeds what we can produce."
- D. "Our long range plan--developed by our marketing manager--is to expand so that we can profitably meet the long-term needs of our customers."
- E. "Our new President previously led our marketing effort as Vice President of Sales."

309. Regarding the five stages in marketing evolution,

- A. in the marketing department era, firms do both short-run and long-run planning.
- B. the first era to evolve was the sales era.
- C. in the marketing company era, firms do short-run planning only.
- D. most firms operate in the production era.
- E. None of the above is true.

310. Regarding the five stages in marketing evolution:

- A. Many firms have graduated to the marketing company era.
- B. For most firms, the sales era continued until at least 1950.
- C. In the marketing department era, firms began to do short-run planning.
- D. The simple trade era was the first era to evolve.
- E. All of the above are true.

311. An organization practicing \_\_\_\_\_ aims all its efforts at satisfying its customers—at a profit.

- A. the sales concept
- B. a production orientation
- C. in the marketing department era
- D. profit maximization economics
- E. the marketing concept

312. All of the following are the basic ideas included in the definition of the marketing concept except

- A. customer satisfaction.
- B. total company effort.
- C. profit, or another measure of long-term success, as an objective.
- D. making whatever products are easy to produce and then trying to sell them.
- E. giving customers what they need.

313. A "production-oriented" firm typically:

- A. views customer credit as a customer service.
- B. sets inventory requirements with customer needs in mind.
- C. tries to sell the products it can make easily.
- D. focuses advertising on need-satisfying product benefits.
- E. operates as an integrated unit.

314. Managers who think of customers existing to buy the firm's output rather than of firms existing to serve customers and—more broadly—the needs of society, have a

- A. marketing orientation.
- B. production orientation.
- C. selling orientation.
- D. dynamic orientation.
- E. customer orientation.

315. A manager with a "production orientation" is likely to think that:

- A. customers exist to buy the firm's output.
- B. customers' needs should guide decisions about what the firm produces.
- C. the company should find out what product customers want to buy, and then produce that product.
- D. production managers should handle all marketing activities.
- E. people in the production department should work closely with people from all the firm's other departments.

316. Which of the following is MOST LIKELY to be found in a production-oriented firm?

- A. Agreements among departments about how to improve customer satisfaction.
- B. Making products that are easy to produce.
- C. Producing goods that exactly meet the customer's needs.
- D. A focus on profit rather than sales.
- E. None of the above.

317. Which of the following is LEAST LIKELY to be found in a production-oriented firm?

- A. Disagreements among departments about how to improve the company's product.
- B. Making products that are easy to produce.
- C. Producing goods that exactly meet the customer's needs.
- D. A mass marketing approach.
- E. None of the above.

318. MetroTech Corporation has been experiencing declining profits. MetroTech's salespeople blame the production people for making inferior products, and the production people complain that the salesmen are just not getting enough orders. MetroTech seems to have

- A. implemented the marketing concept.
- B. a production orientation.
- C. a customer orientation.
- D. a sales orientation.
- E. a marketing orientation.

319. MetroTech Corporation has been experiencing declining profits. The accounting department blames the MetroTech marketing staff for "out of control" sales costs. The salespeople blame the warehouse for being slow to fill orders. And the warehouse manager says that the production department can't meet its schedule. MetroTech seems to have

- A. implemented the marketing concept.
- B. a customer orientation.
- C. a marketing orientation.
- D. a sales orientation.
- E. a production orientation.

320. Accepting the "marketing concept" means that a firm should have a \_\_\_\_\_ orientation.

- A. production
- B. sales
- C. marketing
- D. All of the above.
- E. None of the above.

321. Accepting the "marketing concept" means that a firm should have a \_\_\_\_\_ orientation.

- A. marketing
- B. research
- C. production
- D. sales
- E. planning

322. A firm with a marketing orientation:

- A. has little need for salespeople.
- B. sells what it can make easily.
- C. tries to determine customers' needs before developing its product.
- D. focuses advertising on product features.
- E. all of the above.



323. The difference between "production orientation" and "marketing orientation" is best explained as follows:

- A. there are no separate functional departments in a marketing-oriented firm.
- B. in a marketing-oriented firm, the total system's effort is guided by what individual departments would like to do.
- C. production-oriented firms usually do not have a marketing manager.
- D. in a marketing-oriented firm, every department's activities are guided by what customers need and what the firm can deliver at a profit.
- E. all major decisions are based on extensive marketing research studies in marketing-oriented firms.

324. The three basic ideas in the "marketing concept" are:

- A. customer satisfaction, resource efficiency, sales maximization.
- B. customer satisfaction, total company effort, sales growth.
- C. resource efficiency, sales growth, profit maximization.
- D. customer satisfaction, marketing manager as chief executive, profit.
- E. customer satisfaction, total company effort, profit.

325. Which of the following is one of the three basic ideas in the "marketing concept?"

- A. Resource efficiency.
- B. Total company effort.
- C. Obtain economies of scale.
- D. Maximize sales.
- E. The president has a marketing background.

326. Which of the following is one of the three basic ideas in the "marketing concept?"

- A. Resource efficiency.
- B. Obtain economies of scale.
- C. Profit as an objective.
- D. Maximize sales.
- E. The president has a marketing background.

327. Which of the following is one of the three basic ideas in the "marketing concept?"

- A. Resource efficiency.
- B. Customer satisfaction.
- C. Obtain economies of scale.
- D. Maximize sales.
- E. The president has a marketing background.

328. An important step in applying the marketing concept is:

- A. changing the firm's organizational structure.
- B. changing the firm's management methods and procedures.
- C. appointing someone with a marketing management background to be the firm's president.
- D. hiring a marketing consultant.
- E. committing to customer satisfaction.

329. The "marketing concept" says that a business firm should aim all of its efforts at:

- A. doing more advertising and selling than competitors.
- B. selling what the company produces.
- C. satisfying customers--regardless of profitability.
- D. satisfying its customers--at a profit.
- E. producing those products which it can make at lowest cost.

330. The "marketing concept" says that a business firm should:

- A. Aim all its efforts at meeting society's needs--regardless of profitability.
- B. Aim all its efforts at satisfying its customers--at a profit.
- C. Sell those products which it can make at lowest cost.
- D. Place heavy emphasis on developing new products.
- E. Treat advertising and selling as its priority.

331. Which of the following best explains what the "marketing concept" means?
- A. Firms should spend more money on marketing than they have in the past.
  - B. A firm's main emphasis should be on the efficient utilization of its resources.
  - C. All of a firm's activities and resources should be organized to satisfy the needs of its customers--at a profit.
  - D. A company's chief executive should previously have been a marketing manager.
  - E. A firm should always attempt to give customers what they need regardless of the cost involved.
332. A producer with a marketing orientation is MOST likely to:
- A. Distribute the product according to the needs customers have for product availability.
  - B. Distribute the product in as many retail outlets as possible.
  - C. Provide overnight express shipping.
  - D. Use e-commerce as a key element in distribution.
  - E. Distribute directly from the producer to the consumer.
333. Complete acceptance of the "marketing concept" would require:
- A. making sure that all departments focus their efforts on satisfying customer needs.
  - B. having all production, finance, accounting, and personnel managers report directly to the marketing manager.
  - C. placing less emphasis on profit as the objective of the firm.
  - D. trying to satisfy the needs of each and every customer.
  - E. All of the above.
334. "Production orientation" refers to the attitudes of:
- A. sales managers.
  - B. accountants.
  - C. financial managers.
  - D. production managers.
  - E. anyone who doesn't practice the marketing concept.

335. In a firm operating as a total "system" to implement the marketing concept:

- A. the whole company is customer-oriented.
- B. there are no departments.
- C. product planning is under the control of the production or engineering departments.
- D. the marketing manager directs and controls all company activities.
- E. None of the above are true.

336. The total system view of the marketing concept builds on the idea that

- A. sales should be the firm's high-level objective.
- B. a company should not have specialized departments.
- C. each department in an organization should do what it does best.
- D. all departments--not just marketing--should be guided by customer needs.
- E. Both B and D are correct.

337. In a firm that has a total company effort in implementing the marketing concept:

- A. There are "fences" around individual departments.
- B. Not all departments impact customer satisfaction.
- C. The firm lacks a central focus.
- D. Departments—even very specialized ones--are guided by what customers want.
- E. The firm is more production-oriented than marketing-oriented.

338. One basic idea of the marketing concept is

- A. a production orientation must guide the whole system.
- B. an organization should build "fences" around its own departments.
- C. survival and success require a profit.
- D. a firm should "give customers what it produces best."
- E. a firm's obligation to have a positive effect on society.

339. Adoption of the marketing concept

- A. is easy for most firms.
- B. occurred first in the service industry.
- C. has been universal.
- D. has been slow for producers of industrial commodities.
- E. happened last among consumer product companies.

340. The marketing concept can be applied by:

- A. a nurses association.
- B. cosmetic manufacturers.
- C. nonprofit hospitals.
- D. national parks.
- E. all of the above.

341. The marketing concept can be applied by:

- A. nonprofit hospitals.
- B. symphony orchestras.
- C. private universities.
- D. manufacturers of consumer products.
- E. All of the above.

342. Which of the following is the best example of the marketing concept in action?

- A. A product manager tells her sales force "the inventory in the warehouse must be sold if we are to make a profit, so redouble your sales efforts."
- B. A manufacturer of industrial chemicals adapts its formulas and goes after the big consumer cleaning market.
- C. A cleaning supplies firm learns that many consumers are having trouble hiring maids--so it develops a plan to offer customers complete house cleaning services.
- D. An Internet retailer finds that shoppers are abandoning their shopping carts before checking out, so it promotes its \$10 discount on each customer's first purchase.
- E. A student group wants to hold an awards banquet, so it buys Krispy Kreme donuts and sells them to friends who want to help the club achieve its objectives.

343. A public utility that has adopted the marketing concept would be most likely to

- A. set up a special service to help consumers reduce expensive peak-hours energy consumption.
- B. lower prices until almost all consumers felt that prices were fair.
- C. advertise its "public service role" to improve its image with the public.
- D. use email to send customers a personal apology if a blackout were to occur.
- E. None of the above.

344. A local symphony group that has adopted the marketing concept would be most likely to

- A. lower ticket prices until all its concerts sell out.
- B. advertise so consumers know about the quality of the musicians who play in its concerts.
- C. find out what kind of music local residents want to hear.
- D. use only its best musicians to handle solo performances.
- E. All of the above.

345. Which of the following illustrates the marketing concept in action?

- A. Three pediatricians set up a group practice--so that at least one is always available for emergencies.
- B. Bank ATMs that dispense cash are placed in fast-food restaurants.
- C. The Nevada auto registration office mails license tags to people, to reduce inconvenient waiting in line.
- D. A veterinarian has office hours in the evening to see pets whose owners must work during the day.
- E. All of the above.

346. Which of the following illustrates the marketing concept in action?

- A. A young lawyer gives free legal advice to poor people.
- B. A local police department organizes a "community crime watch" program in a neighborhood that has had many burglaries.
- C. Several lawyers set up a group practice--so that the costs of the office and equipment can be shared.
- D. All of the above.
- E. None of the above has anything to do with the marketing concept.

347. A local theater group that has adopted the marketing concept would be MOST likely to:

- A. Promote the sale of subscriptions so that patrons can buy tickets at a reduced price for several plays at one time.
- B. Use publicity to announce upcoming plays.
- C. Do a survey to find out what new shows patrons would like to see.
- D. Sell tickets via the Internet.
- E. All of the above would be equally likely.

348. FlyFar Airlines uses marketing research to determine customer needs and assess how well the company meets them. This suggests that FlyFar managers exhibit \_\_\_\_\_.

- A. a marketing orientation
- B. social responsibility
- C. separation of information
- D. the innovation concept
- E. a production orientation

349. Which of the following practices would suggest that Acme Tools practices a marketing orientation:

- A. sets inventory levels with customer requirements and costs in mind.
- B. sells products that it can make easily for its customers.
- C. focuses its advertising efforts on product features and how products are made.
- D. views customer service as an activity required to reduce consumer complaints.
- E. ends its relationship with customers when a sale is made.

350. A firm with a marketing orientation is MOST likely to:

- A. view advertising as an unnecessary expense.
- B. recognize that effective advertising is the key to sales.
- C. advertise how a product meets customers' needs.
- D. focus advertising on product features.
- E. not use any advertising.

351. Which of the following is NOT likely to be found in a company with a marketing orientation?

- A. The company sells whatever it can make.
- B. The company sees customer credit as a service.
- C. The company designs its packaging as a selling tool.
- D. The company uses marketing research to see if it is satisfying its customers.
- E. The company focuses on locating new opportunities.

352. All of the following are examples of a marketing orientation, as opposed to a production orientation, EXCEPT:

- A. the Internet is a new way to help customers.
- B. profit is a critical objective of the firm.
- C. the firm's focus is on reducing its costs.
- D. the role of the sales force is to help customers meet their needs.
- E. costs that do not add value to customers should be eliminated.

353. All of the following are examples of a production orientation, as opposed to a marketing orientation, EXCEPT:

- A. the company sells what it can make easily.
- B. advertising focuses on the benefits of the product to customers.
- C. the relationship with the customer ends with the sale of the product to the customer.
- D. the purpose of customer service is to reduce customer complaints.
- E. advertising focuses on the features of the product.

354. In a firm with a production orientation

- A. inventory levels are set with customer requirements and costs in mind.
- B. profit is viewed as a critical objective.
- C. costs that do not give value to customers are eliminated.
- D. marketing research, if used at all, is for determining customer reaction.
- E. advertising is focused at need-satisfying benefits of goods and services.

355. \_\_\_\_\_ refers to the difference between the benefits a customer sees from a market offering and the costs of obtaining those benefits.

- A. Operating cost
- B. Profit margin
- C. Customer value
- D. Net value
- E. Satisfaction



356. Which of the following statements about customer value is true?

- A. Customer value is the difference between the benefits a customer sees from a market offering and the costs of obtaining those benefits.
- B. The greater the competition, the less important customer value is.
- C. The sure way to achieve high customer value is to offer a lower price.
- D. It is the manager's view of customer value that matters, not the customer's.
- E. None of the above is true.

357. A major limitation of the customer value idea is that:

- A. It can't be applied in competitive situations.
- B. It considers price but not other elements of the marketing mix.
- C. It applies to goods but not services.
- D. Its emphasis on what the customer sees as the positive things about a marketing mix means that the negatives are likely to be ignored.
- E. None of the above is a limitation.

358. Customer value typically would NOT be impacted by a marketing manager's decisions concerning:

- A. product.
- B. place.
- C. promotion.
- D. price.
- E. Any of the above might impact customer value.

359. Which of the following statements about customer value is True?

- A. Building relationships with customers means providing customer value before, but not after the purchase of a product or service.
- B. Retaining current customers is usually less costly than taking customers away from a competitor.
- C. A firm's advertising department cannot be expected to develop ads to convince a customer to buy from the firm more than once.
- D. People in the organization who are not in the sales or customer service areas should never be called upon to help resolve a customer's problem.
- E. None of the above.

360. In order to build relationships with customer value, firms must do all of the following except

- A. ensure that everyone in a firm works together to provide customer value before and after each purchase.
- B. brief their advertising people to develop ads that try to convince a customer to buy once.
- C. attract customers in the first place—and keep them satisfied after they buy.
- D. try to adopt the marketing concept.
- E. try to eliminate costs that do not give value to customers.

361. Customer value

- A. is greater if benefits exceed costs.
- B. becomes less important as competition increases.
- C. is the same thing as low price.
- D. affects a customer's relationship with a firm before and after a sale.
- E. both A and D are true.

362. Nonprofit organizations

- A. do not have a profit objective, so the marketing concept does not apply.
- B. can benefit by adopting the marketing concept.
- C. are fundamentally different than business firms--so they should embrace a production orientation rather than a marketing orientation.
- D. do not need to be concerned with marketing activities.
- E. none of the above.

363. Which of the following statements about nonprofits is false?

- A. Marketing is being more widely accepted by nonprofit organizations.
- B. The marketing concept is as important for nonprofit organizations as it is for business firms.
- C. In nonprofit organizations as in business firms, support comes from satisfied customers.
- D. A nonprofit organization does not measure profit in the same way as a firm.
- E. The marketing concept provides focus in both business firms and nonprofit organizations.

364. Unlike a business firm, a nonprofit organization

- A. needs resources and support to survive and achieve its objectives.
- B. must take in as much money as it spends or it won't survive.
- C. does not measure "profit" in the same way.
- D. faces competition for customers.
- E. gets support directly from those who receive the benefits.

365. In nonprofit organizations, the marketing concept

- A. is not relevant.
- B. has different measures of success.
- C. is usually easy to adopt because of how nonprofits organize for marketing.
- D. can be implemented by ignoring customer needs.
- E. all of the above are true.

366. Given the nature of their work, which of the following should have a marketing orientation?

- A. Girl Scouts of America.
- B. Dallas-Fort Worth Symphony.
- C. American Cancer Society.
- D. All of the above.
- E. None of the above.

367. Which of the following organizations should apply the marketing concept?

- A. National Park Service.
- B. National Federation of the Blind.
- C. Christian Children's Fund.
- D. All of the above.
- E. None of the above.

368. Which of the following is TRUE about the micro-macro dilemma?

- A. What is good for some producers and consumers may not be good for society as a whole.
- B. Marketing people cannot agree on whether marketing should be viewed as individual activities or a social process.
- C. In a multiproduct company, one product should not be emphasized over another.
- D. Most people don't want much freedom of choice.
- E. Intermediaries facilitate exchange but they add to the cost of goods.

369. The term "micro-macro dilemma" means that:

- A. most people are both producers and consumers.
- B. marketing people cannot agree on whether marketing should be viewed as activities or as a social process.
- C. macro-marketing is just a small part of a larger micro-marketing system.
- D. the micro view of marketing is concerned with the flow of goods and services from producers to consumers--while the macro view is not.
- E. what is "good" for some producers and consumers may not be good for society as a whole.

370. Trying to balance the interests of people who want to drink beer and the dangers of drunk driving is an example of:

- A. the role of a central market.
- B. subsistence marketing.
- C. political action.
- D. the macro-micro dilemma.
- E. the exchange process in marketing.

371. The fact that many Americans want the convenience of driving gas-guzzling trucks and sport utility vehicles -- which also contribute disproportionately to pollution and global warming -- is an example of

- A. the micro-macro dilemma.
- B. discrepancies in customer value.
- C. marketing ethics.
- D. the responsibilities of the marketer.
- E. the marketing concept.

372. The city of St. Louis is encouraging its residents to drink tap water instead of filling its landfills with plastic water bottles. This is an example of:

- A. customer value.
- B. economies of scale.
- C. the storing function.
- D. innovation.
- E. the micro-macro dilemma.

373. Which of the following is an example of the micro-macro dilemma?

- A. Disposable packages are convenient, but contribute to environmental problems.
- B. Children like to ride bicycles, but accidents are common.
- C. Sulfites help to keep restaurant salads looking fresh, but some people have a dangerous allergic reaction to sulfites.
- D. All of the above.
- E. A and C, but not B.

374. Which of the following is the BEST example of the micro-macro dilemma?

- A. Many consumers buy imported cars, even though they say they like American cars better.
- B. High performance cars are fun to drive but may be dangerous to others.
- C. Buying an imported car may cost buyers more to buy now but may have better resale value later.
- D. A fuel efficient car may cost more to buy but less to operate.
- E. The economy may be growing, but many people still are not able to buy a new car.

375. Which of the following is the BEST example of the micro-macro dilemma?

- A. Pepsi Blue sales went up, but total sales of all soft drinks went down.
- B. A small group of loyal consumers really like RC Cola best, but most consumers don't like it at all.
- C. The deposit on returnable soft drink bottles is about equal to the cost of the bottle.
- D. Paper cups for soft-drinks are convenient, but they often end up as litter along the highway.
- E. Snapple beverages are more popular in Texas than in the rest of the U.S.

376. Which of the following is an example of the "micro-macro dilemma?"

- A. A homeowner purchases a ladder but falls off it because he didn't set up the ladder according to the safety instructions posted on it.
- B. A person gets a speeding ticket because she was talking on her cell phone while driving and didn't notice a speed limit sign.
- C. A person drives without fastening his seat belt even though a warning light and chime remind him to "buckle up."
- D. A person is injured while using a power lawn mower because of a small stone that is hurled from the discharge chute.
- E. A restaurant owner uses plastic containers to keep "take-out" food warm for customers, but the containers cannot be reused or recycled.

377. Which of the following is NOT an example of the micro-macro dilemma?

- A. Many people like beer and wine, but drunk driving is a big social problem.
- B. Some people like to eat a lot, but later feel guilty about eating too much.
- C. A "good" lawn mower can be produced cheaply, but its price must be higher if its design must be safe for "ignorant" users.
- D. A smoker may enjoy a cigar, but the smell can make other people sick.
- E. Downhill snow skiing is fun, but really quite dangerous.

378. Which of the following is NOT an example of the micro-macro dilemma?

- A. Having a dog or cat can teach a child responsibility, but add expenses to the family budget.
- B. Some people like to smoke cigarettes, but the smell annoys many others.
- C. Aluminum soft-drink cans are convenient, but expensive to pick up along the highway.
- D. Nuclear power may reduce your fuel bill, but worry others.
- E. Driving fast can be fun, but is hazardous to other people.

379. \_\_\_\_ refers to a firm's obligation to improve its positive effects on society and reduce its negative effects.

- A. The nonprofit orientation
- B. The micro-macro dilemma
- C. Marketing ethics
- D. Legal obligations
- E. Social responsibility

380. Which of the following statements is True regarding social responsibility in marketing?

- A. Being socially responsible can lead to a positive response from customers.
- B. Being socially responsible can conflict with a firm's profit objective.
- C. Companies tend to avoid developing written codes of ethics because standards for professional behavior are ambiguous by nature.
- D. All of the above.
- E. Only A and B above.

381. A marketing manager made a speech in which he described his organization as having "really embraced the marketing concept over ten years ago." A critic in the audience argued that the manager didn't understand the "socially conscious" view of the marketing concept. Given the critic's argument, the marketing manager may work for:

- A. a fruit processor.
- B. the public library.
- C. a firm that recycles aluminum cans.
- D. a soap producer.
- E. a motorcycle producer.

382. These are the moral standards that guide marketing decisions and actions.

- A. Civil laws
- B. Macro dilemmas
- C. Micro dilemmas
- D. Marketing ethics
- E. Laws

383. Concerning marketing ethics:

- A. Individuals develop moral standards based on their own values.
- B. Opinions about what is right or wrong vary from one society to another.
- C. The prevailing practice of most businesspeople is to be fair and honest.
- D. All of the above are true.
- E. None of the above is true.

384. In the American Marketing Association's Statement of Ethics, which ethical value stresses a firm's attempts to balance the needs of its buyers with the interests of society as a whole?

- A. Honesty
- B. Fairness
- C. Responsibility
- D. Citizenship
- E. Openness

385. In the American Marketing Association's Statement of Ethics, which ethical value stresses a firm's attempts to recognize the basic human dignity of its customers?

- A. Citizenship
- B. Respect
- C. Honesty
- D. Openness
- E. Responsibility

386. Which of the following criticisms focuses most directly on a macro view of marketing, rather than a micro view?

- A. Products often wear out right after the warranty expires.
- B. Much TV advertising is annoying.
- C. Marketing exploits the poor and the uneducated.
- D. Prices for very similar products vary a lot from store to store.
- E. Door-to-door salespeople are trained to be pushy.



Chapter 01 Marketing's Value to Consumers, Firms, and Society **Answer Key**

**True / False Questions**

1. (p. 4) Marketing is basically selling and advertising.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-01 know what marketing is and why you should learn about it.*

2. (p. 4) According to the text, marketing means "selling" or "advertising."

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-01 know what marketing is and why you should learn about it.*

3. (p. 4) Marketing, in the literal sense, means "selling" or "advertising."

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-01 know what marketing is and why you should learn about it.*

4. (p. 4) Marketing means "promotion and selling."

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-01 know what marketing is and why you should learn about it.*

5. (p. 5) Actually making goods or performing services is called marketing.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-01 know what marketing is and why you should learn about it.*

6. (p. 5) Estimating what price consumers are willing to pay for a product and if the firm can make a profit selling at that price, is an example of a production activity.

**FALSE**

*AACSB: Analytic*

*AACSB: Reflective Thinking*

*Bloom's: Application*

*Difficulty: Medium*

*Learning Objective: 01-01 know what marketing is and why you should learn about it.*

7. (p. 5) Marketing can provide needed direction for production and help make sure that the right goods and services find their way to interested consumers.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-01 know what marketing is and why you should learn about it.*

8. (p. 5) Marketing plays an essential role in creating customer satisfaction.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-01 know what marketing is and why you should learn about it.*

9. (p. 5) Customer satisfaction is the extent to which a firm fulfills a consumer's needs, desires, and expectations.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-01 know what marketing is and why you should learn about it.*

Chapter 01 - Marketing's Value to Consumers, Firms, and Society

10. (p. 5) If a firm produces the right goods or services, marketing has little role to play in creating customer satisfaction.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-01 know what marketing is and why you should learn about it.*

11. (p. 6) It is estimated that marketing costs about 50 percent of each consumer's dollar.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-01 know what marketing is and why you should learn about it.*

12. (p. 6) In advanced economies, marketing costs only about 10 percent of each consumer's dollar.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-01 know what marketing is and why you should learn about it.*

13. (p. 6) Marketing encourages the development and spread of new ideas, goods, and services.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-01 know what marketing is and why you should learn about it.*

14. (p. 6) Marketing discourages the development and spread of new ideas, goods, and services.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-01 know what marketing is and why you should learn about it.*

15. (p. 6) Marketing is both a set of activities performed by organizations and a social process.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

16. (p. 6) Marketing can be viewed as a set of activities performed by organizations, but not as a social process.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

17. (p. 6) Marketing can be viewed as a social process, but not as a set of activities performed by organizations.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

18. (p. 6) The micro view of marketing sees it as the performance of activities that seek to accomplish an organization's objectives by anticipating customer or client needs and directing a flow of need-satisfying goods and services from producer to customer or client.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

19. (p. 6) Marketing is the performance of activities that seek to accomplish an organization's objectives by anticipating customer or client needs and directing a flow of need-satisfying goods and services from producer to customer or client.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

20. (p. 6) The micro view of marketing is mainly concerned with the activities performed by organizations.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

21. (p. 7) From a micro view, marketing activities are performed only by profit-oriented organizations.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

22. (p. 7) Marketing only applies to profit organizations.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

23. (p. 7) Marketing only applies to for-profit organizations.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

24. (p. 7) Marketing activities should be of no interest to a nonprofit organization.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

25. (p. 7) Marketing activities should begin with potential customer needs, not with the production process.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

26. (p. 7) Production, not marketing, should determine what products are to be made.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

27. (p. 7) Marketing should begin with the production process.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

28. (p. 7) Marketing does not occur unless there are two or more parties who want to exchange something for something else.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

29. (p. 7) Marketing does not occur unless two or more parties are willing to exchange something for something else.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*



30. (p. 7) Marketing doesn't occur unless two or more parties are willing to exchange one item for another.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

31. (p. 7-8) In a pure subsistence economy--when each family unit produces everything it consumes--no marketing is involved.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

32. (p. 8) A marketing exchange is a single transaction between a firm and a customer, nothing more.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

33. (p. 8) Marketing is concerned with individual transactions rather than with building ongoing relationships with customers because that is the job of people in the public relations department.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

34. (p. 8) Macro-marketing emphasizes how the whole marketing system works.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

35. (p. 8) Micro-marketing is a social process that directs an economy's flow of goods and services from producers to consumers in a way that effectively matches supply and demand and accomplishes society's objectives.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

36. (p. 8) Macro-marketing is a set of activities that direct an economy's flow of goods and services from producers to consumers in a way which effectively matches supply and demand and accomplishes the objectives of society.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

37. (p. 8) Macro-marketing emphasizes how the whole system works, rather than the activities of individual organizations.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

38. (p. 8) Macro-marketing emphasizes the activities of individual organizations.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

39. (p. 8) Macro-marketing is concerned with examining the relationship of the entire production and distribution system.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

40. (p. 8) An effective macro-marketing system matches heterogeneous supply with heterogeneous demand.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

41. (p. 9) Effective marketing in an advanced economy is difficult because producers and consumers are often separated in several levels.

**TRUE**

*AACSB: Analytic*

*Bloom's: Comprehension*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

42. (p. 9) Achieving effective marketing in an advanced economy is simplified by the fact that producers are separated from consumers in only two ways: time and space.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

43. (p. 9) "Economies of scale" means that as a company produces larger numbers of a particular product, the cost for each unit of the product goes down.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

44. (p. 9) "Economies of scale" prevent a company from taking advantage of mass production.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

45. (p. 9) "Economies of scale" means that as a company produces more of a product the total cost of production goes up.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

46. (p. 9) "Economies of scale" means that as a company produces more of a product the cost of each unit produced goes down.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

47. (p. 9) In advanced societies, all goods and services can be produced with mass production and its economies of scale.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

48. (p. 9) Both mass production and effective marketing are needed to satisfy the economic needs of an advanced economy.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

49. (p. 9) An effective macro-marketing system overcomes discrepancies of quantity and discrepancies of assortment by using the universal functions of marketing.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

50. (p. 9) The universal functions of marketing include buying, selling, transporting, storing, standardization and grading, financing, risk taking, and market information.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

51. (p. 9) The "universal functions of marketing" consist only of buying, selling, transporting, and storing.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

52. (p. 9) Buying, selling, transporting and storing are all universal marketing functions.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

53. (p. 9-10) The universal functions of marketing are performed in the same way in all nations and economic systems.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

54. (p. 10) Marketing functions are performed by producers, consumers, and a variety of marketing specialists.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

55. (p. 10) Intermediaries specialize in trade and production.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

56. (p. 10-11) The advantages of working with intermediaries increase as the number of producers and customers, their distance apart, and the number and variety of competing products increase.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

57. (p. 10-11) While intermediaries facilitate exchange, their cost makes the whole macro-marketing system less efficient.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

58. (p. 11) Marketing collaborators are any firms that provide the marketing functions of buying and selling.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

59. (p. 11) Marketing specialists such as intermediaries and collaborators hinder the exchange process between producers and consumers.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

60. (p. 11) E-commerce refers to exchanges between individuals and organizations--and the activities that facilitate those exchanges--based on applications of information technology.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

61. (p. 11) E-commerce refers to exchanges between organizations (not individuals) and the activities that facilitate those exchanges.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*



62. (p. 11) E-commerce refers to exchanges between organizations, but not exchanges between individuals.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

63. (p. 11) E-commerce refers to exchanges between individuals, but not exchanges between organizations.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Medium*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

64. (p. 11) Compared to other innovations, firms have been relatively slow to adopt e-commerce.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

65. (p. 11) Marketing costs go down and customer satisfaction goes up in all exchanges handled by e-commerce.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

66. (p. 11-12) Responsibility for performing the marketing functions can be shifted and shared in a variety of ways, but no function can be completely eliminated.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

67. (p. 12) Not all societies need an economic system.

**FALSE**

*AACSB: Analytic*

*Bloom's: Comprehension*

*Difficulty: Easy*

*Learning Objective: 01-04 understand what a market-driven economy is and how it adjusts the macro-marketing system.*

68. (p. 12) An economic system is the way an economy organizes to use scarce resources to produce goods and services and distribute them for consumption among various people and groups in the society.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-04 understand what a market-driven economy is and how it adjusts the macro-marketing system.*

69. (p. 12) Only industrial nations need an economic system to decide what and how much is to be produced and distributed by whom, when, to whom, and why.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-04 understand what a market-driven economy is and how it adjusts the macro-marketing system.*

70. (p. 12) In a command economy, producers generally have little choice about what goods and services to produce.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-04 understand what a market-driven economy is and how it adjusts the macro-marketing system.*

71. (p. 12) In a command economy, the individual decisions of many producers and consumers make the macro-level decisions for the whole economy.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-04 understand what a market-driven economy is and how it adjusts the macro-marketing system.*

72. (p. 13) A market-directed economy is one in which government officials decide what and how much is to be produced and distributed by whom, when, to whom, and why.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-04 understand what a market-driven economy is and how it adjusts the macro-marketing system.*

73. (p. 13) In a market-directed economy, government officials decide what and how much is to be produced and distributed by whom, when, to whom, and why.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-04 understand what a market-driven economy is and how it adjusts the macro-marketing system.*

74. (p. 13) In a market-directed economy, price is a rough measure of how society values particular goods and services.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-04 understand what a market-driven economy is and how it adjusts the macro-marketing system.*

75. (p. 14) Market-directed economies tend to provide consumers with greater freedom of choice than command economies.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-04 understand what a market-driven economy is and how it adjusts the macro-marketing system.*

76. (p. 14) In a market-directed economy, consumers enjoy complete freedom of choice.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-04 understand what a market-driven economy is and how it adjusts the macro-marketing system.*

77. (p. 14) In a market-directed economy, profit is guaranteed.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-04 understand what a market-driven economy is and how it adjusts the macro-marketing system.*

78. (p. 14) Most Western economies are completely market-directed.

**FALSE**

*AACSB: Analytic*

*Bloom's: Comprehension*

*Difficulty: Medium*

*Learning Objective: 01-04 understand what a market-driven economy is and how it adjusts the macro-marketing system.*

79. (p. 14) The American economy is entirely market-directed.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Medium*

*Learning Objective: 01-04 understand what a market-driven economy is and how it adjusts the macro-marketing system.*

80. (p. 14) The American economy and most other Western economies are completely market-directed.

**FALSE**

*AACSB: Analytic*

*Bloom's: Comprehension*

*Difficulty: Medium*

*Learning Objective: 01-04 understand what a market-driven economy is and how it adjusts the macro-marketing system.*

81. (p. 14) Whether a particular macro-marketing system is judged fair and effective depends on the objectives of the society.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-04 understand what a market-driven economy is and how it adjusts the macro-marketing system.*

82. (p. 15) The simple trade era was a time when families traded or sold their "surplus" output to local distributors who resold these goods to other consumers or distant distributors.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

83. (p. 15) During the "production era" a company focuses on production--because few products are available in the market.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

84. (p. 15) From the Industrial Revolution until the 1920s, most companies were in the production era.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

85. (p. 16) During the "sales era," the firm tries to improve short-run marketing policy planning to tie together its activities.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

86. (p. 16) Marketing departments are usually formed when firms go from the "production era" to the "sales era."

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

87. (p. 16) The "marketing department era" is a time when all marketing activities are brought under the control of one department.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

88. (p. 16) During the "marketing company era," the total company effort is guided by the idea that customers exist to buy the firm's output.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

89. (p. 16) A company has moved into the "marketing company era" when, in addition to short-run marketing planning, the total company effort is guided by the marketing concept.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

90. (p. 16) The marketing concept means that an organization aims all its efforts at satisfying its customers—at a profit.

**TRUE**

*AACSB: Analytic*

*AACSB: Reflective Thinking*

*Bloom's: Knowledge*

*Difficulty: Medium*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

91. (p. 16) The marketing concept says that a firm should aim all its efforts at satisfying customers, even if this proves to be unprofitable.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

92. (p. 16) The "marketing concept" means that a firm emphasizes attracting new customers above all other objectives.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

93. (p. 16) A firm that adopts the "marketing concept" will aim all its efforts at satisfying customers, while trying to make a profit.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*



94. (p. 16-17) A firm that makes products which are easy to produce and then tries to sell them has a production orientation.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

95. (p. 17) The term "marketing orientation" means making products that are easy to produce and then trying to sell them.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

96. (p. 16-17) A marketing-oriented firm would try to produce what customers want, while a production-oriented firm would try to get customers to buy what the firm has produced.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

97. (p. 17) The three basic ideas in the marketing concept are 1) putting the marketing manager in charge of the whole firm, 2) a competitive orientation, and 3) an emphasis on profit.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

98. (p. 17) When a firm makes a total company effort to satisfy its customers, and profit--not just sales--is an objective of the firm, the company is practicing the "marketing concept."

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

99. (p. 17) The three basic ideas included in the definition of the marketing concept are: customer satisfaction, a total company effort, and sales as an objective.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

100. (p. 17) The three basic ideas in the marketing concept are: 1) customer satisfaction; 2) confining marketing activities to marketing professionals; and 3) having profit as an objective.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

101. (p. 17) Adopting the marketing concept rarely requires any change in a firm's attitudes, organization structure, or management methods and procedures.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

102. (p. 17) Adopting the marketing concept requires that a business firm eliminate all functional departments.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

103. (p. 17) There are no functional departments in a firm that has adopted the marketing concept.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

104. (p. 17) In a firm which practices the marketing concept, the efforts of each functional department are guided by what it does best.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

105. (p. 17) The marketing concept was very quickly accepted, especially among producers of industrial commodities like steel and glass.

**FALSE**

*AACSB: Analytic*

*Bloom's: Comprehension*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

Chapter 01 - Marketing's Value to Consumers, Firms, and Society

106. (p. 17) Producers who operate in a competitive environment are more likely to adopt the marketing concept.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

107. (p. 17) Adoption of the marketing concept is now universal.

**FALSE**

*AACSB: Analytic*

*Bloom's: Comprehension*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

108. (p. 18) A manager who follows a production concept views customer satisfaction as the path to profit.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-06 understand what customer value is and why it is important to customer satisfaction.*

109. (p. 19) Customer value is the difference that a customer sees between the benefits of a firm's offering and the costs of obtaining those benefits.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-06 understand what customer value is and why it is important to customer satisfaction.*

110. (p. 19) Customer value is the difference between the benefits a customer sees from a market offering and the costs of obtaining those benefits.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-06 understand what customer value is and why it is important to customer satisfaction.*

111. (p. 19) Customer value is just another term for customer satisfaction.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-06 understand what customer value is and why it is important to customer satisfaction.*

112. (p. 19) A good or service that doesn't meet a consumer's needs results in low customer value.

**TRUE**

*AACSB: Analytic*

*Bloom's: Comprehension*

*Difficulty: Easy*

*Learning Objective: 01-06 understand what customer value is and why it is important to customer satisfaction.*

113. (p. 19) Setting a low price for a firm's offering is a sure way of creating high customer value.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-06 understand what customer value is and why it is important to customer satisfaction.*

114. (p. 19) Low price and high customer value is one and the same thing.

**FALSE**

*AACSB: Analytic*

*Bloom's: Comprehension*

*Difficulty: Easy*

*Learning Objective: 01-06 understand what customer value is and why it is important to customer satisfaction.*

115. (p. 19) When it comes to customer value, it is the customer's view that matters, not the view of the marketing manager.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-06 understand what customer value is and why it is important to customer satisfaction.*

116. (p. 19) In marketing, it is the manager's viewpoint that matters, not the customer's.

**FALSE**

*AACSB: Analytic*

*Bloom's: Comprehension*

*Difficulty: Easy*

*Learning Objective: 01-06 understand what customer value is and why it is important to customer satisfaction.*

117. (p. 19) Offering superior customer value is especially important when competition is intense.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-06 understand what customer value is and why it is important to customer satisfaction.*

118. (p. 19) Often the best way for a firm to beat the competition is to be first to satisfy a need that others have not even considered.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-06 understand what customer value is and why it is important to customer satisfaction.*

119. (p. 19) Firms that embrace the marketing concept seek ways to build a profitable long-term relationship with each customer.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-06 understand what customer value is and why it is important to customer satisfaction.*

120. (p. 20) It is more costly for firms to try and attract new customers than it is to build a strong relationship with existing customers.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-06 understand what customer value is and why it is important to customer satisfaction.*

121. (p. 20) To develop lasting relationships with customers, marketing-oriented firms need to focus on customer satisfaction both before and after each sale.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-06 understand what customer value is and why it is important to customer satisfaction.*

122. (p. 20) When trying to build relationships with customers, salespeople must be particularly well-trained because they are usually the only employees whose actions influence customers directly.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-06 understand what customer value is and why it is important to customer satisfaction.*

123. (p. 20) The text credits L.L. Bean's success to its offering good customer value.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-06 understand what customer value is and why it is important to customer satisfaction.*

124. (p. 20) The text credits L.L. Bean's marketing success to its great location.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-06 understand what customer value is and why it is important to customer satisfaction.*

125. (p. 20) L.L. Bean has achieved success because its customers typically view the benefits of buying its products as greater than the costs.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-06 understand what customer value is and why it is important to customer satisfaction.*



126. (p. 20-21) The text credits Curves' marketing success to its great price.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-06 understand what customer value is and why it is important to customer satisfaction.*

127. (p. 20-21) Curves has achieved success because its customers typically view the benefits of buying its products as greater than the costs.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-06 understand what customer value is and why it is important to customer satisfaction.*

128. (p. 20-21) The text credits Curves' success to its offering good customer value.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-06 understand what customer value is and why it is important to customer satisfaction.*

129. (p. 21) The marketing concept applies to nonprofit organizations as well as to businesses.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

130. (p. 21) Because they don't try to earn a profit, the marketing concept is not very useful for nonprofit organizations.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

131. (p. 21) The marketing concept cannot be applied to nonprofit organizations because they are not profit-oriented.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

132. (p. 21) In nonprofit organizations, support may not come directly from satisfied customers.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

133. (p. 22) As with any business, a nonprofit organization must take in as much money as it spends or it won't survive.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Medium*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

134. (p. 22) A nonprofit organization does not measure profit in the same way as a firm.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

135. (p. 22) Sometimes micro-macro dilemmas arise because what is "good" for some producers and consumers may not be "good" for society as a whole.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-07 know how social responsibility and marketing ethics relate to the marketing concept.*

136. (p. 22) Gun control is an example of a micro-macro dilemma.

**TRUE**

*AACSB: Analytic*

*AACSB: Ethics*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-07 know how social responsibility and marketing ethics relate to the marketing concept.*

137. (p. 22) The micro-macro dilemma occurs when a firm focuses its efforts on satisfying some consumers to achieve its objectives, possibly causing negative societal outcomes.

**TRUE**

*AACSB: Ethics*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-07 know how social responsibility and marketing ethics relate to the marketing concept.*

138. (p. 23) A firm's obligation to improve its positive effects on society and reduce its negative effects is called fiscal responsibility.

**FALSE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-07 know how social responsibility and marketing ethics relate to the marketing concept.*

139. (p. 23) The marketing concept says that it is a firm's obligation to improve its positive effects on society and reduce its negative effects.

**FALSE**

*AACSB: Analytic*

*AACSB: Ethics*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-07 know how social responsibility and marketing ethics relate to the marketing concept.*

140. (p. 24) Organizations that adopt the marketing concept should be concerned about marketing ethics as well as broader issues of social responsibility.

**TRUE**

*AACSB: Analytic*

*AACSB: Ethics*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-07 know how social responsibility and marketing ethics relate to the marketing concept.*

141. (p. 24) Marketing ethics are the moral standards that guide marketing decisions and actions.

**TRUE**

*AACSB: Analytic*

*AACSB: Ethics*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-07 know how social responsibility and marketing ethics relate to the marketing concept.*

142. (p. 24) The moral standards that guide marketing decisions and actions are called marketing ethics.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-07 know how social responsibility and marketing ethics relate to the marketing concept.*

143. (p. 24) Moral standards often vary from one person to another, from one society to another, and among different groups within a society, so there is likely to be disagreement about what opinion is correct when it comes to marketing ethics.

**TRUE**

*AACSB: Analytic*

*AACSB: Ethics*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-07 know how social responsibility and marketing ethics relate to the marketing concept.*

144. (p. 24) A manager shouldn't be criticized for making an unethical marketing decision unless the ethical breach was intentional.

**FALSE**

*AACSB: Ethics*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-07 know how social responsibility and marketing ethics relate to the marketing concept.*

145. (p. 25) The American Marketing Association has adopted a statement of ethics that sets specific ethical standards for many aspects of the management job in marketing.

**TRUE**

*AACSB: Analytic*

*AACSB: Ethics*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-07 know how social responsibility and marketing ethics relate to the marketing concept.*

146. (p. 25) The American Marketing Association's statement of ethics sets specific ethical standards for many aspects of marketing.

**TRUE**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-07 know how social responsibility and marketing ethics relate to the marketing concept.*

**Multiple Choice Questions**

147. (p. 4) According to the text, marketing means:

- A.** much more than selling and advertising.
- B. selling.
- C. producing and selling.
- D. advertising.
- E. selling and advertising.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-01 know what marketing is and why you should learn about it.*

148. (p. 4) According to the text, marketing means:

- A. Distribution.
- B. Making good products.
- C.** More than selling and advertising.
- D. Promotion.
- E. Performing services.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-01 know what marketing is and why you should learn about it.*

149. (p. 4) According to the text, marketing means:

- A.** much more than just selling and advertising.
- B. advertising.
- C. producing a product that fills a need.
- D. selling.
- E. making a good product that sells itself.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-01 know what marketing is and why you should learn about it.*

150. (p. 4) According to the text, marketing means:

- A. making a good product that sells itself.
- B.** much more than selling and advertising.
- C. selling and advertising.
- D. producing goods and/or services.
- E. doing whatever it takes to be able to offer consumers a "better mousetrap."

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Medium*

*Learning Objective: 01-01 know what marketing is and why you should learn about it.*

151. (p. 4) According to the text:

- A.** marketing is much more than selling or advertising.
- B. the cost of marketing is about 25 percent of the consumer's dollar.
- C. marketing affects every single aspect of your daily life.
- D. marketing discourages research and innovation.
- E. all of the above are true statements.

*AACSB: Analytic*

*Bloom's: Application*

*Difficulty: Easy*

*Learning Objective: 01-01 know what marketing is and why you should learn about it.*

152. (p. 5) The production of a new mountain bike model includes which of the following activities?

- A. Determining how to get the new model to likely bike purchasers.
- B.** Actually making the new mountain bikes.
- C. Predicting what types of bikes different types of bike riders will want.
- D. All of the above.
- E. None of the above.

*AACSB: Reflective Thinking*

*Bloom's: Comprehension*

*Difficulty: Easy*

*Learning Objective: 01-01 know what marketing is and why you should learn about it.*

153. (p. 5) Predicting what types of bicycles different customers will want and deciding which of these customers the business will try to satisfy are activities a firm should do as part of

- A. production.
- B. a command economy.
- C.** marketing.
- D. making goods or performing services.
- E. a production orientation

*AACSB: Reflective Thinking*

*Bloom's: Application*

*Difficulty: Medium*

*Learning Objective: 01-01 know what marketing is and why you should learn about it.*

154. (p. 5) For Tesla, a new firm that makes an electric sports car, estimating how many competitors will make electric vehicles and what kinds they will make, is:

- A. one of the universal functions of innovation.
- B. a production activity.
- C. an example of the micro-macro dilemma.
- D. best left to intermediaries.
- E.** a part of marketing.

*AACSB: Analytic*

*Bloom's: Comprehension*

*Difficulty: Medium*

*Learning Objective: 01-01 know what marketing is and why you should learn about it.*



155. (p. 5) Marketing

- A. means "selling" or "advertising."
- B.** provides direction for production.
- C. involves actually making goods or performing services.
- D. does not impact consumers' standard of living.
- E. is the development and spread new ideas, goods, and services.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-01 know what marketing is and why you should learn about it.*

156. (p. 5) \_\_\_\_\_ is the extent to which a firm fulfills a customer's needs, desires, and expectations

- A. Customer forecast
- B.** Customer satisfaction
- C. Customer service
- D. Customer support

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-01 know what marketing is and why you should learn about it.*

157. (p. 5) Customer satisfaction is the extent to which a firm fulfills a consumer's:

- A. needs.
- B. desires.
- C. expectations.
- D. only A and B above.
- E.** all of the above.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-01 know what marketing is and why you should learn about it.*

158. (p. 6) In an advanced economy, marketing costs account for about \_\_\_ cents of every consumer dollar.

- A. 10
- B. 20
- C. 30
- D. 40
- E.** 50

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-01 know what marketing is and why you should learn about it.*

159. (p. 6) Which of the following statements about marketing is FALSE?

- A. Marketing concepts and techniques apply for nonprofit organizations--as well as for profit-seeking organizations.
- B. Marketing offers many rewarding career opportunities.
- C.** The cost of marketing is about 15 percent of the consumer's dollar.
- D. Marketing affects almost every part of your daily life.
- E. Marketing is vital for economic growth and development.

*AACSB: Reflective Thinking*

*Bloom's: Synthesis*

*Difficulty: Easy*

*Learning Objective: 01-01 know what marketing is and why you should learn about it.*

160. (p. 5-6) Marketing

- A. affects almost every aspect of our daily lives.
- B. offers many exciting and rewarding career opportunities.
- C. focuses an organization on what it takes to satisfy customers.
- D.** all of the above.
- E. none of the above.

*AACSB: Analytic*

*Bloom's: Comprehension*

*Difficulty: Medium*

*Learning Objective: 01-01 know what marketing is and why you should learn about it.*

161. (p. 5-6) Which of the following is NOT a reason for you to study marketing?

- A. Marketing affects almost every aspect of daily life.
- B. Marketing will be important to your job.
- C.** Marketing involves actually making the goods that people need.
- D. Marketing affects innovation and consumers' standard of living.
- E. Marketing plays a big part in economic growth and development.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-01 know what marketing is and why you should learn about it.*

162. (p. 6) Marketing encourages research and \_\_\_\_\_, the development and spread of new ideas, goods and services.

- A. analysis
- B. assessment
- C. evaluation
- D.** innovation
- E. introspection

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-01 know what marketing is and why you should learn about it.*

163. (p. 6) The development and spread of new ideas, goods, and services for the marketplace is called:

- A. marketing.
- B. the micro-macro dilemma.
- C. collaboration.
- D.** innovation.
- E. production.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-01 know what marketing is and why you should learn about it.*

164. (p. 6) Marketing can be viewed as:

- A. a set of activities performed by individual organizations.
- B. relevant to both business and nonprofit organizations.
- C. a social process.
- D.** all of the above are correct.
- E. only A and B above.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

165. (p. 6) The text stresses that:

- A. advertising and selling are not really part of marketing.
- B. marketing is nothing more than a set of business activities performed by individual firms.
- C. marketing techniques have no application for nonprofit organizations.
- D.** marketing is a social process and a set of activities performed by organizations.
- E. a good product usually sells itself.

*AACSB: Analytic*

*Bloom's: Comprehension*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

166. (p. 6) Looking at marketing as a set of activities focuses on

- A. macro-marketing.
- B. for-profit marketing.
- C.** micro-marketing.
- D. nonprofit marketing.
- E. personalized marketing.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

167. (p. 6) Marketing:

- A.** tries to accomplish a company's objectives by anticipating customers' needs and trying to satisfy them.
- B. begins with the production process.
- C. involves persuading customers to buy your product.
- D. is a social process involving all producers, intermediaries, and consumers.
- E. tries to make the whole economic system fair and effective.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

168. (p. 6) Marketing:

- A. is concerned with whether the whole system is fair and effective.
- B. applies only to profit organizations.
- C. consists only of personal selling and advertising.
- D. is a social process.
- E.** tries to anticipate and satisfy customer needs and accomplish an organization's objectives.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

169. (p. 6) Marketing:

- A. is concerned with need-satisfying goods, but not with services.
- B.** involves an attempt to anticipate customer or client needs.
- C. is primarily concerned with efficient use of resources and fair allocation of output.
- D. includes activities such as accounting, production, and financial management.
- E. is the process of selling and distributing manufactured goods.

*AACSB: Analytic*

*Bloom's: Application*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

170. (p. 6) \_\_\_\_\_ is defined as the performance of activities that seek to accomplish an organization's objectives by anticipating customer needs and directing a flow of need-satisfying goods and services from producer to customer.

- A. Innovation
- B. Advertising
- C. Selling
- D. Marketing**
- E. Sales promotion

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

171. (p. 6) From a micro view, marketing

- A. applies to large corporations but not to a new venture started by one person.
- B. is an important social process.
- C. emphasizes how the whole marketing system works.
- D. is a set of activities performed by an individual organization to satisfy its customers.**
- E. directs an economy's flow of goods and services from producers to consumers.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Medium*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

172. (p. 6-7) Which of the following statements best describes the modern view of marketing?

- A. The job of marketing is to get rid of whatever the company is producing.
- B. Marketing should take over production, accounting, and financial services within a firm.
- C. Marketing is concerned with generating a single exchange between a firm and a customer.
- D. Marketing begins with anticipating potential customer needs.**
- E. Production, not marketing, should determine what goods and services are to be developed.

*AACSB: Analytic*

*Bloom's: Comprehension*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

173. (p. 6-7) Which of the following statements best describes the modern view of marketing?

- A. Marketing is only necessary for profit-oriented firms.
- B. Marketing consists mainly of advertising and personal selling.
- C.** Marketing anticipates customer needs.
- D. Marketing begins as soon as products are produced.
- E. Firms that don't rely on e-commerce should put more emphasis on marketing.

*AACSB: Analytic*

*Bloom's: Comprehension*

*Difficulty: Medium*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

174. (p. 6) From a micro view, which of the following is the best example of marketing?

- A. North Korea unveils a new five-year production plan.
- B. China and the U.S. agree on a new trade agreement.
- C.** The American Red Cross seeks more blood donors.
- D. The Internet makes it possible for firms to reach customers in other countries.
- E. None of the above is a good example.

*AACSB: Reflective Thinking*

*Bloom's: Application*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

175. (p. 6) Which of the following statements by a U.S. president best reflects a MICRO view of marketing?

- A. "A tax cut will give consumers more spending money."
- B. "With interest rates low, many young people can now afford to buy a new home."
- C. "In the United States we have a better choice of products than in any other country."
- D. "My administration will spend 75 percent more on purchases related to domestic security during the next year."
- E.** "Tourism firms should advertise more to attract more international visitors."

*AACSB: Reflective Thinking*

*Bloom's: Comprehension*

*Difficulty: Hard*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

176. (p. 7) Marketing:

- A. applies to both profit and nonprofit organizations.
- B. says that marketing should take over all production, accounting, and financial activities.
- C. should begin as soon as goods are produced.
- D. does away with the need for advertising.
- E. All of the above are true.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Medium*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

177. (p. 7) Marketing:

- A. emphasizes mass selling over personal selling.
- B. allows production, rather than marketing, to determine what products to make.
- C. applies to both profit and nonprofit organizations.
- D. concentrates on production, rather than advertising.
- E. none of the above.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

178. (p. 7) Marketing

- A. applies to both profit and nonprofit organizations.
- B. is another name for selling and advertising.
- C. should pick up where the production process ends.
- D. people should expect that the production department will determine what goods and services are to be developed.
- E. all of the above are true.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Medium*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*



179. (p. 7) Which of the following organizations would be least likely to need marketing skills?

- A. An accountant
- B. An electronics retailer
- C. A toy manufacturer
- D. A financial advisor
- E.** All of the above would need marketing skills.

*AACSB: Reflective Thinking*

*Bloom's: Application*

*Difficulty: Medium*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

180. (p. 7) The aim of marketing is to

- A. help create a pure subsistence economy.
- B. eliminate the need for exchanges.
- C. persuade customers to buy the firm's product.
- D.** identify customers' needs and meet those needs so well that the product almost "sells itself."
- E. facilitate a single transaction.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Medium*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

181. (p. 7) Effective marketing should begin with

- A. an effort to persuade unwilling customers to buy the firm's products.
- B.** potential customer needs.
- C. a decision about what the firm can produce efficiently.
- D. evaluation of the effect of the firm's decisions on the MACRO-marketing system.
- E. the marketing manager making important production, accounting, and financial decisions for the firm.

*AACSB: Reflective Thinking*

*Bloom's: Comprehension*

*Difficulty: Medium*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

182. (p. 7) Marketing should

- A. begin with the production process.
- B.** make decisions about product design and packaging, prices or fees.
- C. not need to coordinate with production, accounting, and financial activities.
- D. provide input, but let production determine what goods and services are to be developed.
- E. focus on getting customers to make a final purchase.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Medium*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

183. (p. 5,7) All of the following should be determined by the marketing department of a firm EXCEPT:

- A. storing the product.
- B.** actually making the product.
- C. advertising the product.
- D. designing the packaging for the product.
- E. setting the price of the product.

*AACSB: Reflective Thinking*

*Bloom's: Self-Test*

*Difficulty: Medium*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

184. (p. 7) Marketing could NOT take place without:

- A. intermediaries.
- B. collaborators.
- C.** two or more parties who are willing to exchange something for something else.
- D. a high standard of living.
- E. all of the above.

*AACSB: Analytic*

*Bloom's: Application*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

185. (p. 7) Marketing will not happen unless:

- A. e-commerce is flourishing.
- B. collaborators are present to simplify exchange.
- C. intermediaries are present to facilitate exchange.
- D.** two or more parties each have something they want to exchange for something else.
- E. an economy is market-directed rather than command.

*AACSB: Analytic*

*Bloom's: Comprehension*

*Difficulty: Medium*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

186. (p. 7) Which of the following must occur for marketing to happen?

- A. Product
- B. Place
- C. Advertising
- D. Price
- E.** Two or more parties exchange something of value for something else of value.

*AACSB: Reflective Thinking*

*Bloom's: Comprehension*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

187. (p. 7-8) Marketing is NOT needed in a \_\_\_\_\_ economy.

- A. consumer-oriented
- B. command
- C.** pure subsistence
- D. market-directed
- E. none of the above

*AACSB: Reflective Thinking*

*Bloom's: Comprehension*

*Difficulty: Hard*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

188. (p. 7-8) In a pure subsistence economy,
- A. each family unit is self-sufficient.
  - B. exchanges are not important.
  - C. there is no need for intermediaries.
  - D.** All of the above are true.
  - E. None of the above is true.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

189. (p. 7-8) If the family units on a South Pacific-island nation made all the products they consume, it would be a good example of:
- A.** a pure subsistence economy.
  - B. a market-directed economy.
  - C. a micro-marketing system.
  - D. a command economy.
  - E. none of the above.

*AACSB: Reflective Thinking*

*Bloom's: Application*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

190. (p. 7-8) Which of the following statements is FALSE?
- A.** Marketing is most important in a pure subsistence economy.
  - B. Marketing should provide direction for production, accounting, and financial activities.
  - C. Marketing builds long-lasting relationships that benefit the selling firm.
  - D. Marketing doesn't occur unless two or more parties are willing to exchange something for something else.
  - E. Marketing anticipates customer needs.

*AACSB: Analytic*

*Bloom's: Comprehension*

*Difficulty: Hard*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

191. (p. 8) Which of the following statements about marketing is FALSE?

- A. Marketing affects the products you buy.
- B. Marketing applies to nonprofit organizations too.
- C. Marketing affects the advertising you see and hear.
- D. Marketing offers many good job opportunities.
- E. Marketing can help with individual transactions but not in building relationships with customers.**

*AACSB: Reflective Thinking*

*Bloom's: Synthesis*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

192. (p. 8) Viewing marketing as a social process focuses on

- A. marketing by nonprofit organizations.
- B. command economies.
- C. macro-marketing.**
- D. micro-marketing.
- E. none of the above.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

193. (p. 8) Looking at marketing as a social process focuses on

- A. macro-marketing.**
- B. for-profit marketing.
- C. micro-marketing.
- D. nonprofit marketing.
- E. personalized marketing.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

194. (p. 8) Societies need a macro-marketing system

- A. to help match supply and demand.
- B. to create a gap between producers and consumers.
- C. to accomplish an organization's objectives only.
- D. to identify collaborators.
- E. to reduce the need for intermediaries.

*AACSB: Reflective Thinking*

*Bloom's: Comprehension*

*Difficulty: Medium*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

195. (p. 8) MACRO-marketing:

- A. Emphasizes how the whole marketing system works.
- B. Considers how marketing affects society, but not how society affects marketing.
- C. Matches homogeneous supply and demand.
- D. Is mainly concerned with the activities of individual organizations.
- E. All of the above.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

196. (p. 8) Macro-marketing:

- A. tries to produce discrepancies of quantity and discrepancies of assortment.
- B. focuses on the activities of individual organizations.
- C. tries to effectively match supply and demand.
- D. all of the above.
- E. none of the above.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

197. (p. 8) Macro-marketing:

- A. is not concerned with the flow of goods and services from producers to consumers.
- B. seeks to match homogeneous supply capabilities with homogeneous demands for goods and services.
- C. refers to a set of activities performed by both profit and nonprofit organizations.
- D.** focuses on the objectives of society.
- E. All of the above are true statements.

*AACSB: Analytic*

*Bloom's: Application*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

198. (p. 8) MACRO-marketing:

- A. is concerned with the activities performed by individual business organizations.
- B.** tries to match heterogeneous supply capabilities with heterogeneous demands for goods and services.
- C. is concerned with how effectively and fairly an individual business organization performs.
- D. assumes that the effectiveness and fairness of all macro-marketing systems must be evaluated in terms of the same social objectives.
- E. All of the above are true.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Medium*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

199. (p. 8) Macro-marketing

- A.** is a social process.
- B. concerns the activities of individual managers.
- C. is what people have in mind when they talk about marketing in everyday use.
- D. helps consumers that need a narrow assortment of products.
- E. applies only to nonprofit organizations.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

200. (p. 8) \_\_\_\_\_ directs an economy's flow of goods and services from producers to consumers in a way that effectively matches supply and demand and accomplishes the society's objectives.

- A. Macro-marketing
- B. The transporting function
- C. Micro-marketing
- D. Standardization and grading
- E. Social responsibility

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Medium*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

201. (p. 8) Macro-marketing

- A. emphasizes building a long-term relationship that benefits both the firm and the customer.
- B. considers the marketing activities of corporations rather than individuals.
- C. emphasizes how the whole marketing system works.
- D. systems are only relevant to advanced economies.
- E. addresses discrepancies that emerge from homogeneous consumer demand.

*AACSB: Reflective Thinking*

*Bloom's: Synthesis*

*Difficulty: Hard*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

202. (p. 8-9) MACRO-marketing:

- A. is a social process.
- B. tries to overcome "discrepancies of quantity" and "discrepancies of assortment."
- C. tries to effectively match supply and demand.
- D. tries to overcome the many separations between producers and consumers.
- E. All of the above are true statements.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*



203. (p. 8-9) The following headlines are from Business Week magazine. Which article is most likely to be reporting on a MACRO-marketing topic?

- A. "Two-Person Engineering Firm Offers Unique Service."
- B.** "Russia Increases Output of Consumer Goods."
- C. "Pepsi Sells in Japan."
- D. "Bank of America Offers New Internet Banking Services."
- E. "Donations to Tsunami Victims Fund Increase after TV Broadcast."

*AACSB: Reflective Thinking*

*Bloom's: Comprehension*

*Difficulty: Hard*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

204. (p. 8-9) The following headlines are for articles from the WALL STREET JOURNAL. Which article is most likely to be reporting a MACRO-marketing topic?

- A. "Mercedes Goes after Luxury Sport Utility Buyers."
- B. "Adidas Jumps as Footwear Competition Heats Up."
- C. "Drugstore Chain Aims at Seniors."
- D. "Hardee's Fried Chicken Takes on KFC."
- E.** "DVD Popularity Leads to More DVD Retailers."

*AACSB: Reflective Thinking*

*Bloom's: Comprehension*

*Difficulty: Medium*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

205. (p. 8-9) Of the following headlines from the WALL STREET JOURNAL, which is most likely to be about a MACRO-marketing topic?

- A. "Tupperware Has a New Strategy."
- B.** "Thailand Has Unusually Large Number of Wholesalers."
- C. "Military Supplier Shifts to Selling Gas Masks to Private Citizens."
- D. "Coke Plans Beverage Line to Compete with Lipton's."
- E. "Dow Chemical Adds Shipping Safeguards."

*AACSB: Reflective Thinking*

*Bloom's: Comprehension*

*Difficulty: Hard*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

206. (p. 8-9) Of the following headlines from a business magazine, which is most likely to be about a MACRO-marketing topic?

- A.** "Chinese Women Demand More Luxury Goods."
- B. "Girl Scouts Organize Nationwide Cookie Sale."
- C. "Leggs Sells Direct in Brazil and Argentina."
- D. "Frito-Lay Offers New Low-Fat Products."
- E. "Coke Losing Beverage Sales in India to local brands."

*AACSB: Reflective Thinking*

*Bloom's: Comprehension*

*Difficulty: Hard*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

207. (p. 9) In advanced economies:

- A. both supply and demand tend to be heterogeneous.
- B. producers and consumers are often separated in several ways.
- C. exchange is hampered by discrepancies of quantity and assortment.
- D.** All of the above are true.
- E. None of the above is true.

*AACSB: Reflective Thinking*

*Bloom's: Synthesis*

*Difficulty: Hard*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

208. (p. 9) In advanced economies:

- A. mass production with its economies of scale makes the cost of each product higher.
- B. exchange is simplified by discrepancies of quantity and assortment.
- C. there is little need for marketing specialists.
- D. both supply and demand tend to be homogeneous in nature.
- E.** producers and consumers experience a separation of values.

*AACSB: Analytic*

*Bloom's: Comprehension*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

209. (p. 9) Exchange between producers and consumers is more difficult in an advanced economy because of:

- A. separation in time.
- B. separation in values.
- C. spatial separation.
- D. separation of information.
- E.** All of the above.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

210. (p. 9) The primary purpose of the transporting and storing functions of marketing is to overcome:

- A. the need for marketing specialists.
- B. separation of information.
- C.** spatial separation.
- D. discrepancies of assortment.
- E. separation of values.

*AACSB: Reflective Thinking*

*Bloom's: Comprehension*

*Difficulty: Medium*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

211. (p. 9) American supermarket chain, FoodMart, purchases cheese from five different manufacturers from around the world to assure its customers can choose among different types of cheeses at different prices. FoodMart facilitates the macro-marketing system by helping to address:

- A. spatial separation.
- B. discrepancies of assortment.
- C. separation of values.
- D.** all of the above.
- E. none of the above.

*AACSB: Reflective Thinking*

*Bloom's: Application*

*Difficulty: Hard*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

212. (p. 9) The fact that US car companies are located in the upper Midwest while their customers are located throughout the U.S. is an example of:

- A. separation in values.
- B. discrepancies of assortment.
- C. separation of information.
- D.** spatial separation.
- E. separation in time.

*AACSB: Analytic*

*Bloom's: Self-Test*

*Difficulty: Medium*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

213. (p. 9) When consumers do not know where to buy a product or what it costs and the product's producer does not know where its target market is located, this is an example of:

- A.** separation of information.
- B. discrepancy of quantity.
- C. separation of ownership.
- D. discrepancy of assortment.
- E. separation in time.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Medium*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

214. (p. 9) When an individual producer sets a price for its product to earn a certain profit while consumers search for the product at the lowest price available from any producer, this is an example of:

- A. separation in time.
- B. discrepancy of quantity.
- C.** separation in values.
- D. discrepancy of assortment.
- E. spatial separation.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Medium*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

215. (p. 9) The fact that producers usually prefer to produce products in large quantities, while most consumers prefer to buy in small quantities, results in:

- A. discrepancies of quantity.
- B. separation of ownership.
- C. discrepancies of assortment.
- D. spatial separation.
- E. temporal separation.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Medium*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

216. (p. 9) In a simple economy, one family may produce only cooking pots, but many of them. Others may specialize in farming, making clothing, and building shelters. This

A. shows why "discrepancies of assortment" occur.

- B. is so simple that the universal functions of marketing don't have to be done.
- C. cannot work without an intermediary.
- D. is an example of "separation in values" since the different families choose to produce different things.
- E. All of the above are true.

*AACSB: Reflective Thinking*

*Bloom's: Application*

*Difficulty: Hard*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

217. (p. 9) Discrepancies of assortment happen when

- A. producers prefer to produce and sell in large numbers, but consumers prefer to buy and consume in smaller numbers.
- B. consumers may not want to consume goods and services at the time producers would prefer to produce them.
- C. consumers value goods and services in terms of costs and competitive prices whereas producers value them in terms of satisfying needs and ability to pay.
- D.** producers specialize in producing a narrow range of goods and services but consumers need a wide variety.
- E. producers hold title to goods and services that they themselves do not want to consume.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Medium*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

218. (p. 9) \_\_\_\_\_ refers to producers holding title to goods and services that they themselves do not want to consume and consumers wanting goods and services that they do not have.

- A. Discrepancies of assortment
- B.** Separation of ownership
- C. Discrepancies of quantity
- D. Spatial separation
- E. Separation in time

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Medium*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

219. (p. 9) "Economies of scale" means that:

- A.** as a company produces larger numbers of a particular product, the cost of each unit of the product goes down.
- B. the more producers there are in an economy the greater the need for intermediaries.
- C. larger countries enjoy more economic growth than smaller countries.
- D. as a company produces larger numbers of a particular product, the total cost of producing these products goes down.
- E. All of the above are true.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Medium*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

220. (p. 9) When a firm produces a large quantity of a product, the cost of producing each individual unit usually goes down. This is known as:

- A. discrepancies of quantity.
- B. exchange efficiency.
- C.** economies of scale.
- D. macro-marketing.
- E. discrepancies of assortment.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Medium*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

221. (p. 9) The term "economies of scale" means that:

- A. The largest producers are always the most efficient.
- B.** The cost of a product goes down as a company produces larger numbers of it.
- C. The more one produces, the greater the profit.
- D. It is more efficient for an economy to have a large number of transactions.
- E. None of the above.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-02 understand the difference between marketing and macro-marketing.*

222. (p. 9) The universal functions of marketing include buying, selling, transporting, storing,

- 
- A. standardization and weighing, financing, risk taking, and marketing information
  - B. standardization and grading, facilitating, risk taking, and marketing information
  - C. standardization and grading, financing, risk taking, and marketing information**
  - D. standardization and grading, financing, risk taking, and merchandising information

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

223. (p. 9) The "universal functions of marketing" do NOT include:

- A. financing and risk taking.
- B. standardization and grading.
- C. producing.**
- D. transporting and storing.
- E. buying and selling.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

224. (p. 9) Which of the following statements about the "universal functions of marketing" is False?

- A. These functions do not have to be performed in all macro-marketing systems.**
- B. How the functions are performed may differ among nations and economic systems.
- C. Who performs the functions may differ among nations and economic systems.
- D. These functions help to overcome discrepancies of quantity and assortment.
- E. None of the above.

*AACSB: Reflective Thinking*

*Bloom's: Comprehension*

*Difficulty: Easy*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*



225. (p. 9-10) The "universal functions of marketing":

- A. must be performed in all MACRO-marketing systems.
- B. are performed differently in different economies.
- C. are performed by different parties in different economies.
- D. are needed to help overcome various separations and discrepancies.
- E.** All of the above are true.

*AACSB: Analytic*

*Bloom's: Comprehension*

*Difficulty: Easy*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

226. (p. 9) Which of the following is NOT one of the "universal functions of marketing"?

- A.** Production
- B. Standardization
- C. Financing
- D. Buying
- E. Transporting

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

227. (p. 9-10) The "universal functions of marketing":

- A. can be eliminated in advanced MACRO-marketing systems.
- B.** are performed differently and by different parties in different economies.
- C. are never performed by consumers.
- D. create various separations and discrepancies between producers and consumers.
- E. All of the above are true.

*AACSB: Reflective Thinking*

*Bloom's: Comprehension*

*Difficulty: Easy*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

228. (p. 10) After seeing a "sale" ad in a local newspaper, Ben Griffith went to a local pet supply store and bought a year's supply of high protein dog food. Which marketing functions--if any--did he perform?

- A. Financing and risk taking
- B. Buying, transporting, and storing
- C. Market information
- D. All of the above**
- E. None of the above--only producers and intermediaries perform marketing functions.

*AACSB: Reflective Thinking*

*Bloom's: Application*

*Difficulty: Medium*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

229. (p. 10) A large advertising agency is planning a national promotion to introduce a new type of MP3 player. Which of the universal functions of marketing is it performing?

- A. Risk-taking.
- B. Financing.
- C. Buying.
- D. Selling.**
- E. None of the above.

*AACSB: Reflective Thinking*

*Bloom's: Application*

*Difficulty: Easy*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

230. (p. 10) Which of the universal functions of marketing deals most directly with advertising a product in magazines?

- A. Transporting
- B. Selling**
- C. Financing
- D. Risk-taking
- E. Market information

*AACSB: Reflective Thinking*

*Bloom's: Application*

*Difficulty: Easy*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

231. (p. 10) Market research firm BestOne sells reports about competitors, products, and other areas to various clients in the software industry. BestOne performs which universal marketing function:

- A. risk taking.
- B. market information.**
- C. standardization and grading.
- D. social responsibility.
- E. financing.

*AACSB: Reflective Thinking*

*Bloom's: Application*

*Difficulty: Medium*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

232. (p. 10) The standardization and grading function of marketing involves:

- A. Looking for and evaluating goods and services.
- B. Providing necessary cash and credit.
- C. Promoting the product.
- D. Sorting products according to size and quality.**
- E. None of the above.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

233. (p. 10) \_\_\_\_\_ involve(s) sorting products according to size and quality.

- A. Transporting and storing
- B. Financing
- C. Standardization and grading**
- D. Marketing
- E. Buying

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Medium*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

234. (p. 10) The standardization and grading function of marketing involves:
- A. promoting goods and services.
  - B. collection, analysis, and distribution of marketing information.
  - C.** sorting products according to size and quality.
  - D. looking for and evaluating goods and services.
  - E. movement of goods from one place to another.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Medium*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

235. (p. 10) The buying function of marketing involves
- A. risk-taking.
  - B. promoting the product.
  - C.** looking for and evaluating goods and services.
  - D. the use of personal selling.
  - E. sorting products according to size and quality.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

236. (p. 10) The universal functions of marketing
- A. are not all needed in market-directed economies.
  - B. are not all needed in command economies.
  - C.** can be performed by producers, consumers, and a variety of marketing specialists.
  - D. All of the above are true.
  - E. None of the above is true.

*AACSB: Reflective Thinking*

*Bloom's: Comprehension*

*Difficulty: Medium*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

237. (p. 10) The "universal functions of marketing" can be performed by:

- A. producers.
- B. intermediaries and collaborators.
- C. consumers.
- D.** All of the above.
- E. Only A and C above.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

238. (p. 10) The "universal functions of marketing":

- A. are usually performed in the same way and by the same types of institutions in all MACRO-marketing systems.
- B. can sometimes be eliminated--in very efficient macro-marketing systems.
- C.** must be performed in both market-directed and command economies.
- D. must all be performed by every firm from a MICRO view.
- E. All of the above are true.

*AACSB: Reflective Thinking*

*Bloom's: Comprehension*

*Difficulty: Medium*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

239. (p. 10) An intermediary:

- A. is a wholesaler--not a retailer.
- B. usually increases the number of transactions required.
- C. tends to make the exchange process more difficult and costly.
- D.** is someone who specializes in trade rather than production.
- E. none of the above.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

240. (p. 10-11) Which of the following is NOT true about intermediaries?

- A. They save time for other participants in a transaction.
- B.** They always increase total expenses for a product.
- C. They specialize in trade rather than production.
- D. All of the above.
- E. None of the above.

*AACSB: Reflective Thinking*

*Bloom's: Comprehension*

*Difficulty: Medium*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

241. (p. 10) The advantages of working with an intermediary usually increase when there is

- A. difficulty communicating with customers.
- B. a greater number of customers.
- C. greater distance between customers.
- D. a larger number of competing products.
- E.** all of the above.

*AACSB: Reflective Thinking*

*Bloom's: Comprehension*

*Difficulty: Medium*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

242. (p. 10) Which of the following is MOST likely to be classified as a marketing intermediary?

- A. Apex Manufacturing, Inc.
- B.** Lillian's Mini-Market.
- C. McGraw Hill/Irwin.
- D. Kellogg.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

243. (p. 11) Firms that specialize in providing marketing functions other than buying or selling are known as:

- A. suppliers.
- B. intermediaries.
- C. consultants.
- D. agents.
- E.** collaborators.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

244. (p. 11) Firms that specialize in providing marketing functions other than buying and selling are known as:

- A. suppliers.
- B. intermediaries.
- C. advisors.
- D.** collaborators.
- E. agents.

*AACSB: Analytic*

*Bloom's: Application*

*Difficulty: Easy*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

245. (p. 11) Collaborators

- A. specialize in trade rather than production.
- B. usually have a production orientation.
- C. emerged in the marketing company era.
- D. are only used in a command economy.
- E.** facilitate or provide one or more of the marketing functions other than buying or selling.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Medium*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

246. (p. 11) Which of the following types of firms are collaborators?

- A. Marketing research firms
- B. Overnight delivery firms
- C. Advertising agencies
- D. Product-testing labs
- E.** All of the above

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

247. (p. 11) Which of the following is LEAST likely to be classified as a marketing collaborator?

- A. Mayflower Transport Company.
- B. Internet Advertising, Inc.
- C. Wachovia Bank.
- D. Market Survey Research, Inc.
- E.** Quality Coatings Company.

*AACSB: Reflective Thinking*

*Bloom's: Comprehension*

*Difficulty: Medium*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

248. (p. 11) Which of the following is LEAST likely to be classified as a marketing collaborator?

- A. United Parcel Service (UPS).
- B. Public Warehouse Corporation.
- C. Broadband Communications Company.
- D.** MeadowView Aluminum Company.
- E. Product Safety Testing Laboratories, Inc.

*AACSB: Reflective Thinking*

*Bloom's: Comprehension*

*Difficulty: Medium*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*



249. (p. 10-11) Marketing intermediaries and collaborators can often perform marketing functions:

- A. better than producers or consumers can perform them.
- B. which leaves producers and consumers more time for production and consumption.
- C. at a low cost--because of specialization, economies of scale, or e-commerce.
- D.** all of the above are true.
- E. none of the above are true.

*AACSB: Reflective Thinking*

*Bloom's: Comprehension*

*Difficulty: Medium*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

250. (p. 11) Amazon.com and eBay.com are both considered

- A. Internet-based collaborators.
- B. Internet-based producers.
- C. Internet-based service providers.
- D.** Internet-based intermediaries.
- E. Internet-based manufacturers.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

251. (p. 11-12) Concerning the "universal functions of marketing," which of the following statements is FALSE?

- A. These functions can be performed by producers, intermediaries, collaborators, or consumers.
- B. Responsibility for performing these functions can be shared and shifted.
- C. From a micro viewpoint, not every company must perform every function.
- D. From a macro viewpoint, all these functions must be performed by someone.
- E.** None of the above is false.

*AACSB: Reflective Thinking*

*Bloom's: Comprehension*

*Difficulty: Easy*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

252. (p. 11) Considering the universal functions of marketing,
- A. they may not be required in all macro-marketing systems.
  - B.** not every firm must perform all of the marketing functions.
  - C. all goods and services require all the functions at every level of their production.
  - D. all of the above are true.
  - E. none of the above is true.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Hard*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

253. (p. 11) In macro-marketing
- A.** no universal marketing function can be completely eliminated.
  - B. the objectives of the individual firm, rather than society, are most important.
  - C. functions should not be shifted or shared.
  - D. intermediaries are unnecessary.
  - E. the emphasis is on the activities of individual organizations.

*AACSB: Reflective Thinking*

*Bloom's: Synthesis*

*Difficulty: Hard*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

254. (p. 11) Which of the following is a true statement?
- A. Since marketing is concerned with many thousands of different products, there is no one set of marketing functions that applies to all products.
  - B.** Responsibility for performing marketing functions can be shifted and shared, but no function can be completely eliminated.
  - C. From a micro viewpoint, every firm must perform all of the marketing functions.
  - D. Marketing functions should be performed only by marketing intermediaries or collaborators.
  - E. Many marketing functions are not necessary in market-directed economies.

*AACSB: Reflective Thinking*

*Bloom's: Application*

*Difficulty: Easy*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

255. (p. 11-12) Concerning the "universal functions of marketing," it is true that:
- A.** these functions must be performed in all MACRO-marketing systems.
  - B. these functions can be performed by producers or intermediaries--but not by consumers.
  - C. from a MICRO viewpoint, every firm must perform all of the functions.
  - D. responsibility for performing these functions can be shifted and shared--and some functions can be completely eliminated to reduce costs.
  - E. All of the above are true.

*AACSB: Reflective Thinking*

*Bloom's: Synthesis*

*Difficulty: Medium*

*Learning Objective: 01-03 know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.*

256. (p. 12) \_\_\_\_\_ refers to the way an economy organizes to use scarce resources to produce goods and services and distribute them for consumption by various people and groups in society.
- A. Resource utilization
  - B. Socio-economic policy
  - C. The way a firm measures value
  - D. Separation of values
  - E.** Economic system

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-04 understand what a market-driven economy is and how it adjusts the macro-marketing system.*

257. (p. 12) A MACRO-marketing system should:
- A. provide everyone with the same goods and services.
  - B. be part of market-directed economy, not a command economy.
  - C.** accomplish a particular society's objectives, whatever they are.
  - D. all of the above are true.
  - E. none of the above is true.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-04 understand what a market-driven economy is and how it adjusts the macro-marketing system.*

258. (p. 12) An economic system in which government planners determine production levels is known as

- A. a command economic system.
- B. a micro-marketing economic system.
- C. a macro-marketing economic system.
- D. a market-directed economic system.
- E. a pure subsistence economic system.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Medium*

*Learning Objective: 01-04 understand what a market-driven economy is and how it adjusts the macro-marketing system.*

259. (p. 12) An economic system in which government officials determine production levels is known as:

- A. pure subsistence.
- B. macro-marketing.
- C. market-directed.
- D. production-oriented.
- E. command.

*AACSB: Analytic*

*Bloom's: Self-Test*

*Difficulty: Easy*

*Learning Objective: 01-04 understand what a market-driven economy is and how it adjusts the macro-marketing system.*

260. (p. 12) In a command economy:

- A. producers generally have a lot of choice about what and how much to produce.
- B. prices usually fluctuate according to supply and demand.
- C. marketing activities such as advertising, branding, and market research are not allowed.
- D. consumers usually have some freedom of choice--but it is quite limited.
- E. All of the above are true.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Medium*

*Learning Objective: 01-04 understand what a market-driven economy is and how it adjusts the macro-marketing system.*

261. (p. 12) In a command economy, government officials decide:

- A. who is to produce and distribute what to whom.
- B. how much is to be produced.
- C. how much is to be distributed to whom.
- D. what is to be produced.
- E.** all of the above.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-04 understand what a market-driven economy is and how it adjusts the macro-marketing system.*

262. (p. 12) In a command economy

- A.** producers generally have little choice about what goods and services to produce.
- B. the individual decisions of the many producers and consumers come together to make the macro-level decisions.
- C. consumers make a society's production decisions.
- D. consumers decide what is to be produced and by whom through their dollar "votes."
- E. the market adjusts itself.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Medium*

*Learning Objective: 01-04 understand what a market-driven economy is and how it adjusts the macro-marketing system.*

263. (p. 13) In a market-directed economy:

- A. marketing managers make all the important economic decisions.
- B. government planners make all the important economic decisions.
- C. all the important economic decisions are made by voters in political elections.
- D. consumers make all the important economic decisions.
- E.** the individual decisions of the many producers and consumers make the macro-level decisions for the whole economy.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-04 understand what a market-driven economy is and how it adjusts the macro-marketing system.*

264. (p. 13) In a \_\_\_\_\_ the individual decisions of the many producers and consumers make the macro-level decisions for the whole economy.

- A. mixed economy
- B. command economy
- C. market-directed economy**
- D. production-oriented economy
- E. controlled economy

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-04 understand what a market-driven economy is and how it adjusts the macro-marketing system.*

265. (p. 13) In a market-directed economy:

- A. profit, survival, and growth are all guaranteed for producers.
- B. consumers have little freedom of choice.
- C. consumers decide what is to be produced and by whom through their dollar votes.**
- D. prices usually do not change according to supply and demand.
- E. only the needs of the majority are served.

*AACSB: Analytic*

*Bloom's: Comprehension*

*Difficulty: Medium*

*Learning Objective: 01-04 understand what a market-driven economy is and how it adjusts the macro-marketing system.*

266. (p. 13) Which of the following statements about economic decision making is TRUE?

- A. In a market-directed economy, the micro-level decisions of individual producers and consumers determine the macro-level decisions.**
- B. Government planning usually works best when economies become more complex and the variety of goods and services produced is fairly large.
- C. The United States may be considered a pure market-directed economy.
- D. Command economies usually rely on market forces to determine prices.
- E. All of the above are true statements.

*AACSB: Analytic*

*Bloom's: Comprehension*

*Difficulty: Easy*

*Learning Objective: 01-04 understand what a market-driven economy is and how it adjusts the macro-marketing system.*

267. (p. 13) \_\_\_\_\_ in the marketplace are a rough measure of how society values particular goods and services.

- A. Inventories
- B. Prices**
- C. Cost of labor and materials
- D. The number of producers
- E. Discrepancies of quantity

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-04 understand what a market-driven economy is and how it adjusts the macro-marketing system.*

268. (p. 13) Price is a rough measure of \_\_\_\_\_.

- A. company profit
- B. customer value**
- C. market supply
- D. company costs
- E. economic inflation

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-04 understand what a market-driven economy is and how it adjusts the macro-marketing system.*

269. (p. 13-14) The role of price in a market-directed economy is to:

- A. allocate resources and distribute income according to consumer preferences.
- B. serve as a rough measure of the social importance of consumer goods and services.
- C. coordinate the economic activity of many people and institutions.
- D. serve as a rough measure of the value of resources used to produce goods and services.
- E. All of the above are true.**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-04 understand what a market-driven economy is and how it adjusts the macro-marketing system.*

270. (p. 14) Which of the following statements about economic systems is true?

- A.** Consumers usually have more freedom of choice in a market-directed economy.
- B. Command economies are most effective for countries with large and complicated varieties of goods and services.
- C. Branding is less common in a market-directed economy than in a command economy.
- D. The United States is a good example of a command economy.
- E. None of the above is true.

*AACSB: Reflective Thinking*

*Bloom's: Comprehension*

*Difficulty: Medium*

*Learning Objective: 01-04 understand what a market-driven economy is and how it adjusts the macro-marketing system.*

271. (p. 14) Which of the following is NOT true about a market-directed economy?

- A. Consumers enjoy maximum freedom of choice.
- B. Producers enjoy maximum freedom of choice.
- C. The interaction between consumers and producers is great.
- D.** Government is responsible for setting up all marketing activities.
- E. The price of a consumer product serves as a measure of its value.

*AACSB: Reflective Thinking*

*Bloom's: Comprehension*

*Difficulty: Easy*

*Learning Objective: 01-04 understand what a market-driven economy is and how it adjusts the macro-marketing system.*

272. (p. 14) Consumers in a market-directed economy

- A. enjoy limited freedom of choice.
- B.** are taxed to provide for goods and services that benefit society, such as public health, national defense, highways, police and fire protection.
- C. do not decide what is to be produced and by whom.
- D. have to buy what is being produced.
- E. do not have to buy any goods or services.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Medium*

*Learning Objective: 01-04 understand what a market-driven economy is and how it adjusts the macro-marketing system.*



273. (p. 14) Which of the following is LEAST LIKELY to be a government role in a market-directed economy?

- A. To set rules to protect individual rights and freedom.
- B. To supervise the economy.
- C. To provide things such as mass transportation and highways, national defense, police and fire protection, and public health services.
- D. To control interest rates and the supply of money.
- E.** To determine prices--and thereby allocate resources and distribute income.

*AACSB: Reflective Thinking*

*Bloom's: Comprehension*

*Difficulty: Hard*

*Learning Objective: 01-04 understand what a market-driven economy is and how it adjusts the macro-marketing system.*

274. (p. 14) \_\_\_\_\_ NOT the government's job in a market-directed economy.

- A. Protecting property and enforcing contracts are
- B. Regulating radio and television broadcasting is
- C. Setting import and export rules is
- D.** Determining what and how much is to be produced is
- E. Controlling interest rates and the supply of money are

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Medium*

*Learning Objective: 01-04 understand what a market-driven economy is and how it adjusts the macro-marketing system.*

275. (p. 14) Which of the following statements about a market-directed economic system is True?

- A.** Consumers enjoy substantial freedom of choice.
- B. Profit, growth and survival are guaranteed.
- C. Government has no role.
- D. There is very little interaction between producers and consumers.
- E. All of the above.

*AACSB: Reflective Thinking*

*Bloom's: Comprehension*

*Difficulty: Easy*

*Learning Objective: 01-04 understand what a market-driven economy is and how it adjusts the macro-marketing system.*

276. (p. 14) Identify the incorrect statement about market-directed economies.

- A. A market-directed economy adjusts itself.
- B.** The American economy is completely market-directed.
- C. Consumers in a market-directed economy decide what is to be produced and by whom—through their dollar "votes."
- D. Consumers in a market-directed economy enjoy great freedom of choice.
- E. All of the above are correct.

*AACSB: Reflective Thinking*

*Bloom's: Application*

*Difficulty: Medium*

*Learning Objective: 01-04 understand what a market-driven economy is and how it adjusts the macro-marketing system.*

277. (p. 14) Which of the following statements about economic systems is NOT true?

- A. Government has less of a role in market-directed economies than in command economies.
- B. A market-directed economy self-adjusts through producer and consumer choices.
- C.** Producers always make a profit in a market-directed system.
- D. A command economy is more likely to work if the variety of goods and services is small.
- E. Both market-directed and command economies need a macro-marketing system.

*AACSB: Reflective Thinking*

*Bloom's: Comprehension*

*Difficulty: Medium*

*Learning Objective: 01-04 understand what a market-driven economy is and how it adjusts the macro-marketing system.*

278. (p. 14) Whether a macro-marketing system is fair or effective depends on

- A. goods and services being evenly distributed across the population.
- B. discrepancies of quantity.
- C. the emphasis given to military spending.
- D. the marketing orientation of individual firms.
- E.** the objectives of the society.

*AACSB: Reflective Thinking*

*Bloom's: Comprehension*

*Difficulty: Easy*

*Learning Objective: 01-04 understand what a market-driven economy is and how it adjusts the macro-marketing system.*

279. (p. 14) Which of the following BEST describes what is necessary for a country's MACRO-marketing system to be "fair and effective"?

- A. No low quality or dangerous products are sold.
- B. Product shortages never exist.
- C. There is a big choice of goods and services.
- D. All consumers get the same opportunity to enjoy a high standard of living.
- E.** There is not enough information to select an answer.

*AACSB: Reflective Thinking*

*Bloom's: Application*

*Difficulty: Medium*

*Learning Objective: 01-04 understand what a market-driven economy is and how it adjusts the macro-marketing system.*

280. (p. 15) The text considers five "eras" of marketing evolution. Which of the following shows the logical order in which these eras occur?

- A. Marketing department, production, sales, simple trade, marketing company
- B. Sales, production, marketing department, marketing company, simple trade
- C. Sales, simple trade, marketing company, production, marketing department
- D. Simple trade, production, sales, marketing company, marketing department
- E.** Simple trade, production, sales, marketing department, marketing company

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Medium*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

281. (p. 15) The text discusses the evolution of business through five "eras." Which of the following is NOT one of these eras?

- A. Simple trade era
- B. Sales era
- C.** Facilitator era
- D. Marketing department era
- E. Production era

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

282. (p. 15) The text discusses the evolution of business through five "eras." Which of the following is NOT one of these eras?

- A.** Diversification era
- B. Sales era
- C. Production era
- D. Marketing company era
- E. Simple trade era

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

283. (p. 15) In the \_\_\_\_ era, families traded or sold their "surplus" output to local distributors.

- A. production
- B. pure subsistence
- C. sales
- D.** simple trade
- E. marketing company

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

284. (p. 15) From the Industrial Revolution until the 1920s, most companies were in the

- A. marketing department era.
- B.** production era.
- C. simple trade era.
- D. marketing company era.
- E. sales era.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

285. (p. 15) Which of the following statements is MOST characteristic of the "production era"?

- A. "If we sell harder, we will sell more."
- B. "We need to cater to the diverse needs of consumers."
- C.** "There is no limit on what we can sell if we produce efficiently."
- D. "The more options we offer consumers, the better."
- E. "Advertising is the key to our success."

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

286. (p. 15) Which of the following is the BEST example of management thinking during the "production era"?

- A. "We need to make whatever products are easy to produce."
- B. "We need to find out what the customer wants."
- C. "The more salespeople we have, the more we can sell."
- D. "We need to work hard to sell the product to our customers."
- E.** "If we produce a good product, customers will find us and buy it."

*AACSB: Reflective Thinking*

*Bloom's: Self-Test*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

287. (p. 15) Which of the following is the BEST example of management thinking during the "production era"?

- A. "The more we advertise a product, the more we can sell."
- B. "We need to increase our sales effort—to sell what we can produce."
- C.** "If we can produce it, customers will buy it."
- D. "We need to be selective and produce what customers want."
- E. "The lower we price a product, the more we can sell."

*AACSB: Reflective Thinking*

*Bloom's: Application*

*Difficulty: Medium*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

288. (p. 15) Until recently, good PC software for producing digital videos was not available, but was much in demand by businesses. The first companies to produce a specific type of program had good sales even though they did little promotion and their programs were not "user-friendly." It seems that many of these "innovators" operated as if they were in the:

- A. simple trade era.
- B. marketing department era.
- C. sales era.
- D. marketing company era.
- E. production era.**

*AACSB: Reflective Thinking*

*Bloom's: Application*

*Difficulty: Medium*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

289. (p. 16) Because of increased competition during the \_\_\_\_\_ era, firms put new effort into winning customers.

- A. simple trade
- B. sales**
- C. production
- D. marketing company
- E. marketing department

*AACSB: Analytic*

*Bloom's: Comprehension*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

290. (p. 16) During the \_\_\_\_\_ era, concern about increased competition lead firms to focus on selling to attract customers.

- A. sales**
- B. simple trade
- C. marketing department
- D. production
- E. marketing company

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

291. (p. 16) A firm that focuses its attention primarily on "selling" its present products in order to meet or beat competition is operating in which of the following "management eras"?

- A. Production era
- B. Sales era**
- C. Marketing department era
- D. Marketing company era
- E. Advertising era

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

292. (p. 16) The \_\_\_\_\_ era is a time when a company emphasizes selling because of the increased competition in the external environment.

- A. supply
- B. demand
- C. production
- D. marketing
- E. sales**

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

293. (p. 16) The president of a company that produces cardboard boxes is concerned about the large number of competitors with extra capacity. As he put it, "our best shot is in the hands of our sales manager--she makes all of our marketing decisions and is creative enough to figure out how to sell more boxes." It seems that this company is run as if it were in the:

- A. production era.
- B. marketing company era.
- C. simple trade era.
- D. sales era.**
- E. marketing department era.

*AACSB: Reflective Thinking*

*Bloom's: Application*

*Difficulty: Medium*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

294. (p. 16) The owner of a company that produces electronic circuit boards sees many competitors with extra capacity and says the "only hope is that our sales manager, who makes all of our marketing decisions, will find a way to sell more boards." It seems that this company is run as if it were in the:

- A. production era.
- B. sales era.**
- C. excess capacity era.
- D. marketing company era.
- E. marketing department era.

*AACSB: Reflective Thinking*

*Bloom's: Self-Test*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

295. (p. 16) Administrators at a university noted that they were 200 students short of their enrollment projection as the start of the school year approached. The president of the university, fearing a revenue shortage, told the director of admissions, "You need to use whatever means necessary to get enough students to meet the projection before classes start. Run ads in the newspaper, call high school guidance counselors, recruit from our pool of rejected applicants—whatever it takes." The university president is operating as though he was in the:

- A. Simple trade era.
- B. Production era.
- C. Sales era.**
- D. Marketing department era.
- E. Marketing company era.

*AACSB: Reflective Thinking*

*Bloom's: Application*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*



296. (p. 16) Which of the following statements regarding the "sales era" is true?

- A. The emphasis was on selling.
- B. A business problem was to beat the competition.
- C. More production capability was available than ever before.
- D.** All of the above.
- E. None of the above.

*AACSB: Analytic*

*Bloom's: Comprehension*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

297. (p. 16) During the sales era

- A. families traded or sold their surplus output to local distributors.
- B. characteristic management thinking said, "If we can make it, it will sell."
- C. all marketing activities were brought under the control of one department.
- D.** increased competition made firms focus on winning customers.
- E. marketing people did both short-run and long-run marketing planning.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Medium*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

298. (p. 16) Asa Meyer was just named FireFly Products sales manager, with responsibilities for all marketing planning. FireFly's president told him that his job is to "outsell the competition." Apparently, FireFly is operating in the \_\_\_\_\_ era.

- A. market-oriented
- B. production
- C.** sales
- D. marketing company
- E. marketing department

*AACSB: Reflective Thinking*

*Bloom's: Application*

*Difficulty: Medium*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

299. (p. 16) The \_\_\_\_\_ era is a time when all marketing activities are brought under the control of one department to improve short-run planning.

- A. production
- B. marketing department**
- C. sales
- D. simple trade
- E. marketing company

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Medium*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

300. (p. 16) As a firm moves from the sales era to the marketing department era it is likely to:

- A. have marketing people who develop long range plans--sometimes 5 or more years ahead.
- B. begin to integrate all the firm's marketing activities.**
- C. place less emphasis on earning a profit and more emphasis on what customers will buy.
- D. adopt a more narrow view of marketing.
- E. be more concerned with its ability to produce enough to meet demand.

*AACSB: Reflective Thinking*

*Bloom's: Comprehension*

*Difficulty: Medium*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

301. (p. 16) Myra Martinez was just named Treasure Island, Inc.'s "marketing manager"--with responsibilities for short-run policy planning of the firm's advertising, sales, marketing research, purchasing, and distribution efforts. Apparently, Treasure Island is operating in the \_\_\_\_\_ era.

- A. market-oriented
- B. production
- C. marketing department**
- D. marketing company
- E. sales

*AACSB: Reflective Thinking*

*Bloom's: Application*

*Difficulty: Medium*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

302. (p. 16) The main difference between the "marketing department era" and the "marketing company era" is:

- A. more emphasis on selling and advertising in the marketing department era.
- B. whether the president of the firm has a background in marketing.
- C. more emphasis on short-run planning in the marketing company era.
- D.** whether the whole company is customer-oriented.
- E. There is no difference.

*AACSB: Reflective Thinking*

*Bloom's: Synthesis*

*Difficulty: Hard*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

303. (p. 16) When marketing people do long-range planning and the whole company is guided by the "marketing concept," the company has entered the \_\_\_\_\_ era.

- A. production
- B. customer satisfaction
- C.** marketing company
- D. consumerism
- E. marketing department

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Medium*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

304. (p. 16) A company where the marketing people do both short-run and long-range planning is operating in the

- A.** marketing company era.
- B. sales era.
- C. simple trade era.
- D. marketing department era.
- E. production era.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

305. (p. 16) Which of the following would be relevant in the marketing company era?

- A. Concentrating on satisfying customers.
- B. Planning for five or more years ahead.
- C. Involving the whole company in the marketing effort.
- D. Making a profit.
- E.** All of the above.

*AACSB: Reflective Thinking*

*Bloom's: Comprehension*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

306. (p. 16) The president of a financial services company says that her new marketing manager has changed things a lot--making long-range plans about where the firm should focus its effort, and coordinating the decisions about what services to offer and how they should be promoted and priced. It seems that this company is just moving into the:

- A.** marketing company era.
- B. sales era.
- C. production era.
- D. marketing department era.
- E. simple trade era.

*AACSB: Reflective Thinking*

*Bloom's: Application*

*Difficulty: Hard*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

307. (p. 16) SouthFace Corporation just named Chloe Perry to a marketing management position. One of the reasons she accepted a position with this company was its reputation for market-oriented long-range planning. SouthFace Corp. is probably operating in the

\_\_\_\_\_ era.

- A. planning
- B.** marketing company
- C. marketing research
- D. marketing department
- E. none of the above

*AACSB: Reflective Thinking*

*Bloom's: Application*

*Difficulty: Medium*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

308. (p. 16) Based on the following company statements, which company is most likely to be in the marketing company era?

- A. "Our sales force was able to sell intermediaries more of our new product than they can resell in all of this year."
- B. "Our marketing manager is coordinating pricing, product decisions, promotion and distribution to help us show a profit at the end of this year."
- C. "The whole company is in good shape--demand exceeds what we can produce."
- D.** "Our long range plan--developed by our marketing manager--is to expand so that we can profitably meet the long-term needs of our customers."
- E. "Our new President previously led our marketing effort as Vice President of Sales."

*AACSB: Reflective Thinking*

*Bloom's: Application*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

309. (p. 15-16) Regarding the five stages in marketing evolution,

- A. in the marketing department era, firms do both short-run and long-run planning.
- B. the first era to evolve was the sales era.
- C. in the marketing company era, firms do short-run planning only.
- D. most firms operate in the production era.
- E.** None of the above is true.

*AACSB: Reflective Thinking*

*Bloom's: Comprehension*

*Difficulty: Medium*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

310. (p. 15-16) Regarding the five stages in marketing evolution:

- A. Many firms have graduated to the marketing company era.
- B. For most firms, the sales era continued until at least 1950.
- C. In the marketing department era, firms began to do short-run planning.
- D. The simple trade era was the first era to evolve.
- E.** All of the above are true.

*AACSB: Reflective Thinking*

*Bloom's: Comprehension*

*Difficulty: Medium*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

311. (p. 16) An organization practicing \_\_\_\_\_ aims all its efforts at satisfying its customers—at a profit.
- A. the sales concept
  - B. a production orientation
  - C. in the marketing department era
  - D. profit maximization economics
  - E.** the marketing concept

*AACSB: Analytic*

*AACSB: Reflective Thinking*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

312. (p. 16) All of the following are the basic ideas included in the definition of the marketing concept except
- A. customer satisfaction.
  - B. total company effort.
  - C. profit, or another measure of long-term success, as an objective.
  - D.** making whatever products are easy to produce and then trying to sell them.
  - E. giving customers what they need.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

313. (p. 16-17) A "production-oriented" firm typically:
- A. views customer credit as a customer service.
  - B. sets inventory requirements with customer needs in mind.
  - C.** tries to sell the products it can make easily.
  - D. focuses advertising on need-satisfying product benefits.
  - E. operates as an integrated unit.

*AACSB: Analytic*

*Bloom's: Comprehension*

*Difficulty: Medium*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

314. (p. 17) Managers who think of customers existing to buy the firm's output rather than of firms existing to serve customers and—more broadly—the needs of society, have a

- A. marketing orientation.
- B. production orientation.**
- C. selling orientation.
- D. dynamic orientation.
- E. customer orientation.

*AACSB: Reflective Thinking*

*Bloom's: Application*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

315. (p. 17) A manager with a "production orientation" is likely to think that:

- A. customers exist to buy the firm's output.**
- B. customers' needs should guide decisions about what the firm produces.
- C. the company should find out what product customers want to buy, and then produce that product.
- D. production managers should handle all marketing activities.
- E. people in the production department should work closely with people from all the firm's other departments.

*AACSB: Analytic*

*Bloom's: Comprehension*

*Difficulty: Medium*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

316. (p. 17) Which of the following is MOST LIKELY to be found in a production-oriented firm?

- A. Agreements among departments about how to improve customer satisfaction.
- B. Making products that are easy to produce.**
- C. Producing goods that exactly meet the customer's needs.
- D. A focus on profit rather than sales.
- E. None of the above.

*AACSB: Analytic*

*Bloom's: Comprehension*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

317. (p. 17) Which of the following is LEAST LIKELY to be found in a production-oriented firm?

- A. Disagreements among departments about how to improve the company's product.
- B. Making products that are easy to produce.
- C. Producing goods that exactly meet the customer's needs.**
- D. A mass marketing approach.
- E. None of the above.

*AACSB: Analytic*

*Bloom's: Comprehension*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

318. (p. 17) MetroTech Corporation has been experiencing declining profits. MetroTech's salespeople blame the production people for making inferior products, and the production people complain that the salesmen are just not getting enough orders. MetroTech seems to have

- A. implemented the marketing concept.
- B. a production orientation.**
- C. a customer orientation.
- D. a sales orientation.
- E. a marketing orientation.

*AACSB: Reflective Thinking*

*Bloom's: Application*

*Difficulty: Medium*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*



319. (p. 17) MetroTech Corporation has been experiencing declining profits. The accounting department blames the MetroTech marketing staff for "out of control" sales costs. The salespeople blame the warehouse for being slow to fill orders. And the warehouse manager says that the production department can't meet its schedule. MetroTech seems to have
- A. implemented the marketing concept.
  - B. a customer orientation.
  - C. a marketing orientation.
  - D. a sales orientation.
  - E. a production orientation.**

*AACSB: Reflective Thinking*

*Bloom's: Application*

*Difficulty: Medium*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

320. (p. 17) Accepting the "marketing concept" means that a firm should have a \_\_\_\_\_ orientation.
- A. production
  - B. sales
  - C. marketing**
  - D. All of the above.
  - E. None of the above.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

321. (p. 17) Accepting the "marketing concept" means that a firm should have a \_\_\_\_\_ orientation.
- A. marketing**
  - B. research
  - C. production
  - D. sales
  - E. planning

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

322. (p. 17) A firm with a marketing orientation:

- A. has little need for salespeople.
- B. sells what it can make easily.
- C.** tries to determine customers' needs before developing its product.
- D. focuses advertising on product features.
- E. all of the above.

*AACSB: Analytic*

*Bloom's: Comprehension*

*Difficulty: Medium*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

323. (p. 17) The difference between "production orientation" and "marketing orientation" is best explained as follows:

- A. there are no separate functional departments in a marketing-oriented firm.
- B. in a marketing-oriented firm, the total system's effort is guided by what individual departments would like to do.
- C. production-oriented firms usually do not have a marketing manager.
- D.** in a marketing-oriented firm, every department's activities are guided by what customers need and what the firm can deliver at a profit.
- E. all major decisions are based on extensive marketing research studies in marketing-oriented firms.

*AACSB: Reflective Thinking*

*Bloom's: Application*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

324. (p. 17) The three basic ideas in the "marketing concept" are:

- A. customer satisfaction, resource efficiency, sales maximization.
- B. customer satisfaction, total company effort, sales growth.
- C. resource efficiency, sales growth, profit maximization.
- D. customer satisfaction, marketing manager as chief executive, profit.
- E.** customer satisfaction, total company effort, profit.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Medium*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

325. (p. 17) Which of the following is one of the three basic ideas in the "marketing concept?"

- A. Resource efficiency.
- B. Total company effort.**
- C. Obtain economies of scale.
- D. Maximize sales.
- E. The president has a marketing background.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

326. (p. 17) Which of the following is one of the three basic ideas in the "marketing concept?"

- A. Resource efficiency.
- B. Obtain economies of scale.
- C. Profit as an objective.**
- D. Maximize sales.
- E. The president has a marketing background.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

327. (p. 17) Which of the following is one of the three basic ideas in the "marketing concept?"

- A. Resource efficiency.
- B. Customer satisfaction.**
- C. Obtain economies of scale.
- D. Maximize sales.
- E. The president has a marketing background.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

328. (p. 17) An important step in applying the marketing concept is:

- A. changing the firm's organizational structure.
- B. changing the firm's management methods and procedures.
- C. appointing someone with a marketing management background to be the firm's president.
- D. hiring a marketing consultant.
- E. committing to customer satisfaction.**

*AACSB: Reflective Thinking*

*Bloom's: Comprehension*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

329. (p. 17) The "marketing concept" says that a business firm should aim all of its efforts at:

- A. doing more advertising and selling than competitors.
- B. selling what the company produces.
- C. satisfying customers--regardless of profitability.
- D. satisfying its customers--at a profit.**
- E. producing those products which it can make at lowest cost.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Medium*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

330. (p. 17) The "marketing concept" says that a business firm should:

- A. Aim all its efforts at meeting society's needs--regardless of profitability.
- B. Aim all its efforts at satisfying its customers--at a profit.**
- C. Sell those products which it can make at lowest cost.
- D. Place heavy emphasis on developing new products.
- E. Treat advertising and selling as its priority.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

331. (p. 17) Which of the following best explains what the "marketing concept" means?
- A. Firms should spend more money on marketing than they have in the past.
  - B. A firm's main emphasis should be on the efficient utilization of its resources.
  - C.** All of a firm's activities and resources should be organized to satisfy the needs of its customers--at a profit.
  - D. A company's chief executive should previously have been a marketing manager.
  - E. A firm should always attempt to give customers what they need regardless of the cost involved.

*AACSB: Reflective Thinking*

*Bloom's: Application*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

332. (p. 17) A producer with a marketing orientation is MOST likely to:
- A.** Distribute the product according to the needs customers have for product availability.
  - B. Distribute the product in as many retail outlets as possible.
  - C. Provide overnight express shipping.
  - D. Use e-commerce as a key element in distribution.
  - E. Distribute directly from the producer to the consumer.

*AACSB: Reflective Thinking*

*Bloom's: Comprehension*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

333. (p. 17) Complete acceptance of the "marketing concept" would require:
- A.** making sure that all departments focus their efforts on satisfying customer needs.
  - B. having all production, finance, accounting, and personnel managers report directly to the marketing manager.
  - C. placing less emphasis on profit as the objective of the firm.
  - D. trying to satisfy the needs of each and every customer.
  - E. All of the above.

*AACSB: Reflective Thinking*

*Bloom's: Synthesis*

*Difficulty: Medium*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

334. (p. 17) "Production orientation" refers to the attitudes of:

- A. sales managers.
- B. accountants.
- C. financial managers.
- D. production managers.
- E.** anyone who doesn't practice the marketing concept.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

335. (p. 17) In a firm operating as a total "system" to implement the marketing concept:

- A.** the whole company is customer-oriented.
- B. there are no departments.
- C. product planning is under the control of the production or engineering departments.
- D. the marketing manager directs and controls all company activities.
- E. None of the above are true.

*AACSB: Reflective Thinking*

*Bloom's: Comprehension*

*Difficulty: Medium*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

336. (p. 17) The total system view of the marketing concept builds on the idea that

- A. sales should be the firm's high-level objective.
- B. a company should not have specialized departments.
- C. each department in an organization should do what it does best.
- D.** all departments--not just marketing--should be guided by customer needs.
- E. Both B and D are correct.

*AACSB: Analytic*

*Bloom's: Comprehension*

*Difficulty: Medium*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

337. (p. 17) In a firm that has a total company effort in implementing the marketing concept:

- A. There are "fences" around individual departments.
- B. Not all departments impact customer satisfaction.
- C. The firm lacks a central focus.
- D.** Departments—even very specialized ones—are guided by what customers want.
- E. The firm is more production-oriented than marketing-oriented.

*AACSB: Reflective Thinking*

*Bloom's: Comprehension*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

338. (p. 17) One basic idea of the marketing concept is

- A. a production orientation must guide the whole system.
- B. an organization should build "fences" around its own departments.
- C.** survival and success require a profit.
- D. a firm should "give customers what it produces best."
- E. a firm's obligation to have a positive effect on society.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Medium*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

339. (p. 17) Adoption of the marketing concept

- A. is easy for most firms.
- B. occurred first in the service industry.
- C. has been universal.
- D.** has been slow for producers of industrial commodities.
- E. happened last among consumer product companies.

*AACSB: Analytic*

*Bloom's: Comprehension*

*Difficulty: Medium*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

340. (p. 17) The marketing concept can be applied by:

- A. a nurses association.
- B. cosmetic manufacturers.
- C. nonprofit hospitals.
- D. national parks.
- E.** all of the above.

*AACSB: Reflective Thinking*

*Bloom's: Application*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

341. (p. 17) The marketing concept can be applied by:

- A. nonprofit hospitals.
- B. symphony orchestras.
- C. private universities.
- D. manufacturers of consumer products.
- E.** All of the above.

*AACSB: Reflective Thinking*

*Bloom's: Application*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

342. (p. 17) Which of the following is the best example of the marketing concept in action?

- A. A product manager tells her sales force "the inventory in the warehouse must be sold if we are to make a profit, so redouble your sales efforts."
- B. A manufacturer of industrial chemicals adapts its formulas and goes after the big consumer cleaning market.
- C.** A cleaning supplies firm learns that many consumers are having trouble hiring maids--so it develops a plan to offer customers complete house cleaning services.
- D. An Internet retailer finds that shoppers are abandoning their shopping carts before checking out, so it promotes its \$10 discount on each customer's first purchase.
- E. A student group wants to hold an awards banquet, so it buys Krispy Kreme donuts and sells them to friends who want to help the club achieve its objectives.

*AACSB: Reflective Thinking*

*Bloom's: Application*

*Difficulty: Medium*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*



343. (p. 17) A public utility that has adopted the marketing concept would be most likely to **A.** set up a special service to help consumers reduce expensive peak-hours energy consumption.
- B. lower prices until almost all consumers felt that prices were fair.
  - C. advertise its "public service role" to improve its image with the public.
  - D. use email to send customers a personal apology if a blackout were to occur.
  - E. None of the above.

*AACSB: Reflective Thinking*

*Bloom's: Application*

*Difficulty: Hard*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

344. (p. 17) A local symphony group that has adopted the marketing concept would be most likely to
- A. lower ticket prices until all its concerts sell out.
  - B. advertise so consumers know about the quality of the musicians who play in its concerts.
  - C.** find out what kind of music local residents want to hear.
  - D. use only its best musicians to handle solo performances.
  - E. All of the above.

*AACSB: Reflective Thinking*

*Bloom's: Application*

*Difficulty: Hard*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

345. (p. 17) Which of the following illustrates the marketing concept in action?
- A. Three pediatricians set up a group practice--so that at least one is always available for emergencies.
  - B. Bank ATMs that dispense cash are placed in fast-food restaurants.
  - C. The Nevada auto registration office mails license tags to people, to reduce inconvenient waiting in line.
  - D. A veterinarian has office hours in the evening to see pets whose owners must work during the day.
  - E.** All of the above.

*AACSB: Reflective Thinking*

*Bloom's: Application*

*Difficulty: Medium*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

346. (p. 17) Which of the following illustrates the marketing concept in action?

- A. A young lawyer gives free legal advice to poor people.
- B.** A local police department organizes a "community crime watch" program in a neighborhood that has had many burglaries.
- C. Several lawyers set up a group practice--so that the costs of the office and equipment can be shared.
- D. All of the above.
- E. None of the above has anything to do with the marketing concept.

*AACSB: Reflective Thinking*

*Bloom's: Application*

*Difficulty: Medium*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

347. (p. 17) A local theater group that has adopted the marketing concept would be MOST likely to:

- A. Promote the sale of subscriptions so that patrons can buy tickets at a reduced price for several plays at one time.
- B. Use publicity to announce upcoming plays.
- C.** Do a survey to find out what new shows patrons would like to see.
- D. Sell tickets via the Internet.
- E. All of the above would be equally likely.

*AACSB: Reflective Thinking*

*Bloom's: Application*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

348. (p. 17-18) FlyFar Airlines uses marketing research to determine customer needs and assess how well the company meets them. This suggests that FlyFar managers exhibit \_\_\_\_\_.

- A.** a marketing orientation
- B. social responsibility
- C. separation of information
- D. the innovation concept
- E. a production orientation

*AACSB: Reflective Thinking*

*Bloom's: Application*

*Difficulty: Medium*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

349. (p. 17-18) Which of the following practices would suggest that Acme Tools practices a marketing orientation:

- A. sets inventory levels with customer requirements and costs in mind.
- B. sells products that it can make easily for its customers.
- C. focuses its advertising efforts on product features and how products are made.
- D. views customer service as an activity required to reduce consumer complaints.
- E. ends its relationship with customers when a sale is made.

*AACSB: Analytic*

*Bloom's: Application*

*Difficulty: Hard*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

350. (p. 18) A firm with a marketing orientation is MOST likely to:

- A. view advertising as an unnecessary expense.
- B. recognize that effective advertising is the key to sales.
- C. advertise how a product meets customers' needs.
- D. focus advertising on product features.
- E. not use any advertising.

*AACSB: Analytic*

*Bloom's: Self-Test*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

351. (p. 18) Which of the following is NOT likely to be found in a company with a marketing orientation?

- A. The company sells whatever it can make.
- B. The company sees customer credit as a service.
- C. The company designs its packaging as a selling tool.
- D. The company uses marketing research to see if it is satisfying its customers.
- E. The company focuses on locating new opportunities.

*AACSB: Analytic*

*Bloom's: Comprehension*

*Difficulty: Medium*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

352. (p. 18) All of the following are examples of a marketing orientation, as opposed to a production orientation, EXCEPT:

- A. the Internet is a new way to help customers.
- B. profit is a critical objective of the firm.
- C.** the firm's focus is on reducing its costs.
- D. the role of the sales force is to help customers meet their needs.
- E. costs that do not add value to customers should be eliminated.

*AACSB: Analytic*

*Bloom's: Comprehension*

*Difficulty: Medium*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

353. (p. 18) All of the following are examples of a production orientation, as opposed to a marketing orientation, EXCEPT:

- A. the company sells what it can make easily.
- B.** advertising focuses on the benefits of the product to customers.
- C. the relationship with the customer ends with the sale of the product to the customer.
- D. the purpose of customer service is to reduce customer complaints.
- E. advertising focuses on the features of the product.

*AACSB: Analytic*

*Bloom's: Comprehension*

*Difficulty: Medium*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

354. (p. 18) In a firm with a production orientation

- A. inventory levels are set with customer requirements and costs in mind.
- B. profit is viewed as a critical objective.
- C. costs that do not give value to customers are eliminated.
- D.** marketing research, if used at all, is for determining customer reaction.
- E. advertising is focused at need-satisfying benefits of goods and services.

*AACSB: Analytic*

*Bloom's: Comprehension*

*Difficulty: Medium*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

355. (p. 19) \_\_\_\_\_ refers to the difference between the benefits a customer sees from a market offering and the costs of obtaining those benefits.

- A. Operating cost
- B. Profit margin
- C. Customer value**
- D. Net value
- E. Satisfaction

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-06 understand what customer value is and why it is important to customer satisfaction.*

356. (p. 19) Which of the following statements about customer value is true?

- A. Customer value is the difference between the benefits a customer sees from a market offering and the costs of obtaining those benefits.**
- B. The greater the competition, the less important customer value is.
- C. The sure way to achieve high customer value is to offer a lower price.
- D. It is the manager's view of customer value that matters, not the customer's.
- E. None of the above is true.

*AACSB: Analytic*

*Bloom's: Self-Test*

*Difficulty: Easy*

*Learning Objective: 01-06 understand what customer value is and why it is important to customer satisfaction.*

357. (p. 19) A major limitation of the customer value idea is that:

- A. It can't be applied in competitive situations.
- B. It considers price but not other elements of the marketing mix.
- C. It applies to goods but not services.
- D. Its emphasis on what the customer sees as the positive things about a marketing mix means that the negatives are likely to be ignored.
- E. None of the above is a limitation.**

*AACSB: Analytic*

*Bloom's: Comprehension*

*Difficulty: Medium*

*Learning Objective: 01-06 understand what customer value is and why it is important to customer satisfaction.*

358. (p. 19) Customer value typically would NOT be impacted by a marketing manager's decisions concerning:

- A. product.
- B. place.
- C. promotion.
- D. price.
- E.** Any of the above might impact customer value.

*AACSB: Reflective Thinking*

*Bloom's: Comprehension*

*Difficulty: Medium*

*Learning Objective: 01-06 understand what customer value is and why it is important to customer satisfaction.*

359. (p. 19) Which of the following statements about customer value is True?

- A. Building relationships with customers means providing customer value before, but not after the purchase of a product or service.
- B.** Retaining current customers is usually less costly than taking customers away from a competitor.
- C. A firm's advertising department cannot be expected to develop ads to convince a customer to buy from the firm more than once.
- D. People in the organization who are not in the sales or customer service areas should never be called upon to help resolve a customer's problem.
- E. None of the above.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-06 understand what customer value is and why it is important to customer satisfaction.*

360. (p. 20) In order to build relationships with customer value, firms must do all of the following except

- A. ensure that everyone in a firm works together to provide customer value before and after each purchase.
- B.** brief their advertising people to develop ads that try to convince a customer to buy once.
- C. attract customers in the first place—and keep them satisfied after they buy.
- D. try to adopt the marketing concept.
- E. try to eliminate costs that do not give value to customers.

*AACSB: Reflective Thinking*

*Bloom's: Comprehension*

*Difficulty: Medium*

*Learning Objective: 01-06 understand what customer value is and why it is important to customer satisfaction.*

361. (p. 19-20) Customer value

- A. is greater if benefits exceed costs.
- B. becomes less important as competition increases.
- C. is the same thing as low price.
- D. affects a customer's relationship with a firm before and after a sale.
- E.** both A and D are true.

*AACSB: Analytic*

*Bloom's: Comprehension*

*Difficulty: Easy*

*Learning Objective: 01-06 understand what customer value is and why it is important to customer satisfaction.*

362. (p. 21) Nonprofit organizations

- A. do not have a profit objective, so the marketing concept does not apply.
- B.** can benefit by adopting the marketing concept.
- C. are fundamentally different than business firms--so they should embrace a production orientation rather than a marketing orientation.
- D. do not need to be concerned with marketing activities.
- E. none of the above.

*AACSB: Analytic*

*Bloom's: Comprehension*

*Difficulty: Medium*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

363. (p. 21) Which of the following statements about nonprofits is false?

- A. Marketing is being more widely accepted by nonprofit organizations.
- B. The marketing concept is as important for nonprofit organizations as it is for business firms.
- C. In nonprofit organizations as in business firms, support comes from satisfied customers.**
- D. A nonprofit organization does not measure profit in the same way as a firm.
- E. The marketing concept provides focus in both business firms and nonprofit organizations.

*AACSB: Reflective Thinking*

*Bloom's: Application*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

364. (p. 22) Unlike a business firm, a nonprofit organization

- A. needs resources and support to survive and achieve its objectives.
- B. must take in as much money as it spends or it won't survive.
- C. does not measure "profit" in the same way.**
- D. faces competition for customers.
- E. gets support directly from those who receive the benefits.

*AACSB: Analytic*

*Bloom's: Knowledge*

*Difficulty: Hard*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

365. (p. 22) In nonprofit organizations, the marketing concept

- A. is not relevant.
- B. has different measures of success.**
- C. is usually easy to adopt because of how nonprofits organize for marketing.
- D. can be implemented by ignoring customer needs.
- E. all of the above are true.

*AACSB: Analytic*

*Bloom's: Comprehension*

*Difficulty: Medium*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*



366. (p. 22) Given the nature of their work, which of the following should have a marketing orientation?

- A. Girl Scouts of America.
- B. Dallas-Fort Worth Symphony.
- C. American Cancer Society.
- D.** All of the above.
- E. None of the above.

*AACSB: Reflective Thinking*

*Bloom's: Comprehension*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

367. (p. 22) Which of the following organizations should apply the marketing concept?

- A. National Park Service.
- B. National Federation of the Blind.
- C. Christian Children's Fund.
- D.** All of the above.
- E. None of the above.

*AACSB: Reflective Thinking*

*Bloom's: Comprehension*

*Difficulty: Easy*

*Learning Objective: 01-05 know what the marketing concept is—and how it should guide a firm or nonprofit organization.*

368. (p. 22) Which of the following is TRUE about the micro-macro dilemma?

- A.** What is good for some producers and consumers may not be good for society as a whole.
- B. Marketing people cannot agree on whether marketing should be viewed as individual activities or a social process.
- C. In a multiproduct company, one product should not be emphasized over another.
- D. Most people don't want much freedom of choice.
- E. Intermediaries facilitate exchange but they add to the cost of goods.

*AACSB: Analytic*

*AACSB: Ethics*

*Bloom's: Comprehension*

*Difficulty: Hard*

*Learning Objective: 01-07 know how social responsibility and marketing ethics relate to the marketing concept.*

369. (p. 22) The term "micro-macro dilemma" means that:

- A. most people are both producers and consumers.
- B. marketing people cannot agree on whether marketing should be viewed as activities or as a social process.
- C. macro-marketing is just a small part of a larger micro-marketing system.
- D. the micro view of marketing is concerned with the flow of goods and services from producers to consumers--while the macro view is not.
- E.** what is "good" for some producers and consumers may not be good for society as a whole.

*AACSB: Analytic*

*AACSB: Ethics*

*Bloom's: Self-Test*

*Difficulty: Easy*

*Learning Objective: 01-07 know how social responsibility and marketing ethics relate to the marketing concept.*

370. (p. 22) Trying to balance the interests of people who want to drink beer and the dangers of drunk driving is an example of:

- A. the role of a central market.
- B. subsistence marketing.
- C. political action.
- D.** the macro-micro dilemma.
- E. the exchange process in marketing.

*AACSB: Ethics*

*AACSB: Reflective Thinking*

*Bloom's: Application*

*Difficulty: Medium*

*Learning Objective: 01-07 know how social responsibility and marketing ethics relate to the marketing concept.*

371. (p. 22) The fact that many Americans want the convenience of driving gas-guzzling trucks and sport utility vehicles -- which also contribute disproportionately to pollution and global warming -- is an example of
- A.** the micro-macro dilemma.
  - B. discrepancies in customer value.
  - C. marketing ethics.
  - D. the responsibilities of the marketer.
  - E. the marketing concept.

*AACSB: Analytic*

*AACSB: Ethics*

*Bloom's: Application*

*Difficulty: Hard*

*Learning Objective: 01-07 know how social responsibility and marketing ethics relate to the marketing concept.*

372. (p. 22) The city of St. Louis is encouraging its residents to drink tap water instead of filling its landfills with plastic water bottles. This is an example of:
- A. customer value.
  - B. economies of scale.
  - C. the storing function.
  - D. innovation.
  - E.** the micro-macro dilemma.

*AACSB: Ethics*

*Bloom's: Application*

*Difficulty: Easy*

*Learning Objective: 01-07 know how social responsibility and marketing ethics relate to the marketing concept.*

373. (p. 22) Which of the following is an example of the micro-macro dilemma?
- A. Disposable packages are convenient, but contribute to environmental problems.
  - B. Children like to ride bicycles, but accidents are common.
  - C. Sulfites help to keep restaurant salads looking fresh, but some people have a dangerous allergic reaction to sulfites.
  - D.** All of the above.
  - E. A and C, but not B.

*AACSB: Ethics*

*AACSB: Reflective Thinking*

*Bloom's: Application*

*Difficulty: Medium*

*Learning Objective: 01-07 know how social responsibility and marketing ethics relate to the marketing concept.*

374. (p. 22) Which of the following is the BEST example of the micro-macro dilemma?
- A. Many consumers buy imported cars, even though they say they like American cars better.
  - B.** High performance cars are fun to drive but may be dangerous to others.
  - C. Buying an imported car may cost buyers more to buy now but may have better resale value later.
  - D. A fuel efficient car may cost more to buy but less to operate.
  - E. The economy may be growing, but many people still are not able to buy a new car.

*AACSB: Analytic*

*AACSB: Ethics*

*Bloom's: Application*

*Difficulty: Medium*

*Learning Objective: 01-07 know how social responsibility and marketing ethics relate to the marketing concept.*

375. (p. 22) Which of the following is the BEST example of the micro-macro dilemma?
- A. Pepsi Blue sales went up, but total sales of all soft drinks went down.
  - B. A small group of loyal consumers really like RC Cola best, but most consumers don't like it at all.
  - C. The deposit on returnable soft drink bottles is about equal to the cost of the bottle.
  - D.** Paper cups for soft-drinks are convenient, but they often end up as litter along the highway.
  - E. Snapple beverages are more popular in Texas than in the rest of the U.S.

*AACSB: Analytic*

*AACSB: Ethics*

*Bloom's: Application*

*Difficulty: Medium*

*Learning Objective: 01-07 know how social responsibility and marketing ethics relate to the marketing concept.*

376. (p. 22) Which of the following is an example of the "micro-macro dilemma?"

- A. A homeowner purchases a ladder but falls off it because he didn't set up the ladder according to the safety instructions posted on it.
- B. A person gets a speeding ticket because she was talking on her cell phone while driving and didn't notice a speed limit sign.
- C. A person drives without fastening his seat belt even though a warning light and chime remind him to "buckle up."
- D. A person is injured while using a power lawn mower because of a small stone that is hurled from the discharge chute.
- E.** A restaurant owner uses plastic containers to keep "take-out" food warm for customers, but the containers cannot be reused or recycled.

*AACSB: Analytic*

*AACSB: Ethics*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-07 know how social responsibility and marketing ethics relate to the marketing concept.*

377. (p. 22) Which of the following is NOT an example of the micro-macro dilemma?

- A. Many people like beer and wine, but drunk driving is a big social problem.
- B.** Some people like to eat a lot, but later feel guilty about eating too much.
- C. A "good" lawn mower can be produced cheaply, but its price must be higher if its design must be safe for "ignorant" users.
- D. A smoker may enjoy a cigar, but the smell can make other people sick.
- E. Downhill snow skiing is fun, but really quite dangerous.

*AACSB: Ethics*

*AACSB: Reflective Thinking*

*Bloom's: Application*

*Difficulty: Medium*

*Learning Objective: 01-07 know how social responsibility and marketing ethics relate to the marketing concept.*

378. (p. 22) Which of the following is NOT an example of the micro-macro dilemma?
- A.** Having a dog or cat can teach a child responsibility, but add expenses to the family budget.
  - B. Some people like to smoke cigarettes, but the smell annoys many others.
  - C. Aluminum soft-drink cans are convenient, but expensive to pick up along the highway.
  - D. Nuclear power may reduce your fuel bill, but worry others.
  - E. Driving fast can be fun, but is hazardous to other people.

*AACSB: Ethics*

*AACSB: Reflective Thinking*

*Bloom's: Application*

*Difficulty: Easy*

*Learning Objective: 01-07 know how social responsibility and marketing ethics relate to the marketing concept.*

379. (p. 23) \_\_\_\_\_ refers to a firm's obligation to improve its positive effects on society and reduce its negative effects.
- A. The nonprofit orientation
  - B. The micro-macro dilemma
  - C. Marketing ethics
  - D. Legal obligations
  - E.** Social responsibility

*AACSB: Analytic*

*AACSB: Ethics*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-07 know how social responsibility and marketing ethics relate to the marketing concept.*

380. (p. 23-24) Which of the following statements is True regarding social responsibility in marketing?
- A. Being socially responsible can lead to a positive response from customers.
  - B. Being socially responsible can conflict with a firm's profit objective.
  - C. Companies tend to avoid developing written codes of ethics because standards for professional behavior are ambiguous by nature.
  - D. All of the above.
  - E.** Only A and B above.

*AACSB: Ethics*

*AACSB: Reflective Thinking*

*Bloom's: Comprehension*

*Difficulty: Easy*

*Learning Objective: 01-07 know how social responsibility and marketing ethics relate to the marketing concept.*

381. (p. 24) A marketing manager made a speech in which he described his organization as having "really embraced the marketing concept over ten years ago." A critic in the audience argued that the manager didn't understand the "socially conscious" view of the marketing concept. Given the critic's argument, the marketing manager may work for:
- A. a fruit processor.
  - B. the public library.
  - C. a firm that recycles aluminum cans.
  - D. a soap producer.
  - E.** a motorcycle producer.

*AACSB: Reflective Thinking*

*Bloom's: Self-Test*

*Difficulty: Easy*

*Learning Objective: 01-07 know how social responsibility and marketing ethics relate to the marketing concept.*

382. (p. 24) These are the moral standards that guide marketing decisions and actions.
- A. Civil laws
  - B. Macro dilemmas
  - C. Micro dilemmas
  - D.** Marketing ethics
  - E. Laws

*AACSB: Analytic*

*AACSB: Ethics*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 01-07 know how social responsibility and marketing ethics relate to the marketing concept.*

383. (p. 24-26) Concerning marketing ethics:
- A. Individuals develop moral standards based on their own values.
  - B. Opinions about what is right or wrong vary from one society to another.
  - C. The prevailing practice of most businesspeople is to be fair and honest.
  - D.** All of the above are true.
  - E. None of the above is true.

*AACSB: Reflective Thinking*

*Bloom's: Comprehension*

*Difficulty: Medium*

*Learning Objective: 01-07 know how social responsibility and marketing ethics relate to the marketing concept.*

Chapter 01 - Marketing's Value to Consumers, Firms, and Society

384. (p. 25) In the American Marketing Association's Statement of Ethics, which ethical value stresses a firm's attempts to balance the needs of its buyers with the interests of society as a whole?

- A. Honesty
- B. Fairness
- C. Responsibility**
- D. Citizenship
- E. Openness

*AACSB: Reflective Thinking*

*Bloom's: Comprehension*

*Difficulty: Hard*

*Learning Objective: 01-07 know how social responsibility and marketing ethics relate to the marketing concept.*

385. (p. 25) In the American Marketing Association's Statement of Ethics, which ethical value stresses a firm's attempts to recognize the basic human dignity of its customers?

- A. Citizenship
- B. Respect**
- C. Honesty
- D. Openness
- E. Responsibility

*AACSB: Reflective Thinking*

*Bloom's: Comprehension*

*Difficulty: Hard*

*Learning Objective: 01-07 know how social responsibility and marketing ethics relate to the marketing concept.*

386. (p. 26) Which of the following criticisms focuses most directly on a macro view of marketing, rather than a micro view?

- A. Products often wear out right after the warranty expires.
- B. Much TV advertising is annoying.
- C. Marketing exploits the poor and the uneducated.**
- D. Prices for very similar products vary a lot from store to store.
- E. Door-to-door salespeople are trained to be pushy.

*AACSB: Reflective Thinking*

*Bloom's: Self-Test*

*Difficulty: Easy*

*Learning Objective: 01-07 know how social responsibility and marketing ethics relate to the marketing concept.*