

Consumer Behavior, 10e (Schiffman/Kanuk)

Chapter 1 Consumer Behavior: Meeting Changes and Challenges

1) The behavior that consumers display in searching for, purchasing, using, evaluating, and disposing of products and services that they expect will satisfy their needs is known as _____.

- A) the production orientation
- B) consumer behavior
- C) narrowcasting
- D) positioning
- E) the marketing mix

Answer: B

Diff: 1 Page Ref: 5

Skill: Concept

Objective: 1.1: Understand what consumer behavior is and the different types of consumers

2) Which of the following is considered an example of consumer behavior?

- A) Janice prefers to buy name-brand pain relievers like Tylenol and Advil, rather than the store brand.
- B) Javier generally gets gas on Monday mornings on his way to work.
- C) Jessica prefers to buy her produce from the farmer's market instead of the grocery store.
- D) Jeremy generally recycles his old newspapers and cardboard boxes.
- E) All of the above are examples of consumer behavior.

Answer: E

Diff: 2 Page Ref: 5

Skill: Application

Objective: 1.1: Understand what consumer behavior is and the different types of consumers

3) When Bill orders five movie tickets online for himself and his friends for a Friday night showing of the latest action thriller, he is acting as a(n)

- A) organizational consumer
- B) team consumer
- C) non-profit consumer
- D) market consumer
- E) personal consumer

Answer: E

Diff: 2 Page Ref: 5

Skill: Application

Objective: 1.1: Understand what consumer behavior is and the different types of consumers

4) The term "consumer behavior" describes two different kinds of consumers: _____ and _____ consumers.

- A) non-profit; government
- B) non-profit; for profit
- C) personal; organizational
- D) government; private
- E) organizational; private

Answer: C

Diff: 1 Page Ref: 5

Skill: Concept

Objective: 1.1: Understand what consumer behavior is and the different types of consumers

5) A personal consumer buys goods for _____.

- A) his or her own use
- B) consumption by coworkers
- C) his or her business
- D) his or her school
- E) a government agency

Answer: A

Diff: 2 Page Ref: 5

Skill: Concept

Objective: 1.1: Understand what consumer behavior is and the different types of consumers

6) _____ is one of the most pervasive of all types of consumer behavior because we all act as personal consumers.

- A) End-use consumption
- B) Organizational consumption
- C) Societal consumption
- D) Philanthropic consumption
- E) Institutional consumption

Answer: A

Diff: 2 Page Ref: 5

Skill: Concept

Objective: 1.1: Understand what consumer behavior is and the different types of consumers

7) When George buys roses for his girlfriend for Valentine's Day, he is acting as a(n) _____.

- A) non-profit consumer
- B) personal consumer
- C) public consumer
- D) organizational consumer
- E) team consumer

Answer: B

Diff: 2 Page Ref: 5

Skill: Application

Objective: 1.1: Understand what consumer behavior is and the different types of consumers

8) Carol is in charge of purchasing at Mercy Hospital. When she puts in an order for towels for the hospital, she is acting as a(n) _____.

- A) private consumer
- B) organizational consumer
- C) individual consumer
- D) public consumer
- E) personal consumer

Answer: B

Diff: 2 Page Ref: 5

Skill: Application

Objective: 1.1: Understand what consumer behavior is and the different types of consumers

9) During historical periods when demand exceeded supply, businesses adopted the _____ orientation.

- A) marketing
- B) technology
- C) societal
- D) production
- E) product

Answer: D

Diff: 2 Page Ref: 8

Skill: Concept

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

10) The _____ orientation in business assumes that consumers are mostly interested in product availability at low prices.

- A) marketing
- B) societal
- C) product
- D) production
- E) technology

Answer: D

Diff: 2 Page Ref: 8

Skill: Concept

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

11) A _____ is characterized by the gearing up of manufacturing skills in order to expand production.

- A) market orientation
- B) product orientation
- C) sales orientation
- D) production orientation
- E) marketing concept

Answer: D

Diff: 2 Page Ref: 8

AACSB: Analytic Skills

Skill: Concept

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

12) The production orientation makes sense for a business when _____.

- A) consumers are more interested in product availability than in product variation
- B) consumers are interested in obtaining the product that offers them the highest quality, best performance, and most features
- C) consumers have changing needs and insist that those needs be satisfied
- D) consumers are unlikely to buy the product unless they are persuaded to do so
- E) consumers are not sensitive to price

Answer: A

Diff: 2 Page Ref: 8

AACSB: Reflective Thinking

Skill: Concept

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

13) The focus of the _____ was to sell more of what the manufacturing department was able to produce.

- A) marketing concept
- B) sales orientation
- C) product orientation
- D) production orientation
- E) market orientation

Answer: B

Diff: 1 Page Ref: 8

Skill: Concept

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

14) Kevin's company owns a factory that can produce 1,000 widgets per week. His primary focus is on getting consumers to purchase as many widgets as possible to ensure that he is maximizing his sales relative to his production capacity. Kevin's business is exhibiting the _____.

- A) marketing concept
- B) product orientation
- C) not-for-profit orientation
- D) sales orientation
- E) market orientation

Answer: D

Diff: 1 Page Ref: 8

Skill: Application

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

15) To respond to consumers' growing interest in products and services that were more unique and would better satisfy their individual or specific needs and preferences, companies adopted the _____.

- A) production orientation
- B) marketing orientation
- C) sales orientation
- D) product orientation
- E) targeting orientation

Answer: B

Diff: 1 Page Ref: 8

Skill: Concept

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

16) Companies that "put the consumer *first*" in their business thinking and planning are exhibiting a _____.

- A) production orientation
- B) selling orientation
- C) marketing orientation
- D) segmenting orientation
- E) product orientation

Answer: C

Diff: 2 Page Ref: 8

Skill: Concept

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

- 17) The key assumption underlying the marketing concept is that _____.
- A) if manufacturers make a product, consumers will buy it
 - B) a company must determine the needs and wants of specific target markets and deliver the desired satisfactions better than the competition in order to be successful
 - C) the primary focus of a business should be producing as much as it can, in the cheapest way possible
 - D) consumers are most interested in obtaining generic products at low prices
 - E) consumers are unlikely to buy a product unless they are aggressively persuaded to do so

Answer: B

Diff: 3 Page Ref: 8

AACSB: Reflective Thinking

Skill: Concept

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

- 18) The focus of the _____ is for marketers to know consumers' current needs, and to secure, as accurately as possible, a picture of their likely future needs.

- A) product orientation
- B) societal marketing concept
- C) marketing concept
- D) selling orientation
- E) production orientation

Answer: C

Diff: 1 Page Ref: 9

Skill: Concept

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

- 19) The selling concept focuses on the needs of the _____ and on existing products, while the marketing concept focuses on the needs of the _____.

- A) manufacturer; seller
- B) buyer; manufacturer
- C) seller; buyer
- D) seller; manufacturer
- E) buyer; seller

Answer: C

Diff: 2 Page Ref: 8-9

AACSB: Reflective Thinking

Skill: Concept

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

20) The production orientation focuses on profit through _____, while the marketing concept focuses on profits based on _____.

- A) product innovation; aggressive advertising
- B) cost control; customer satisfaction
- C) customer satisfaction; product innovation
- D) customer satisfaction; aggressive advertising
- E) product innovation; sales volume

Answer: B

Diff: 3 Page Ref: 8-9

AACSB: Reflective Thinking

Skill: Concept

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

21) _____ refers to the development of a distinct image for the product in the mind of the consumer.

- A) Targeting
- B) Positioning
- C) Placement
- D) Promotion
- E) Segmenting

Answer: B

Diff: 1 Page Ref: 10

Skill: Concept

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

22) The 4 Ps of the marketing mix are _____.

- A) product/service, price, place, people
- B) potential, price, place, people
- C) product/service, price, place, promotion
- D) product/service, promotion, potential, price
- E) price, purchase, placement, product/service

Answer: C

Diff: 2 Page Ref: 10

Skill: Concept

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

23) Matt's Mobile Services has designed a cell phone plan especially for tech-savvy teens who are heavy cell-phone users and live in households earning over \$150,000 per year. In tailoring the plan for a specific group of consumers based on their particular needs, Matt's Mobile Services has provided an example of _____.

- A) societal marketing
- B) broadcasting
- C) market targeting
- D) the selling orientation
- E) the product concept

Answer: C

Diff: 3 Page Ref: 10

Skill: Application

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

24) The process of dividing a market into subsets of consumers with common needs or characteristics is known as _____.

- A) market targeting
- B) ethical marketing
- C) product positioning
- D) market segmentation
- E) market stewardship

Answer: D

Diff: 1 Page Ref: 10

Skill: Concept

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

25) "Me too" products are _____.

- A) products that need to be bought along with the original product
- B) secondary products that customers need to be reminded to buy
- C) products that lack a unique image or benefit in the eyes of consumers
- D) products aimed at helping children learn to share with each other
- E) products that are included for free with the desired product

Answer: C

Diff: 2 Page Ref: 10

AACSB: Analytic Skills

Skill: Concept

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

26) Successful product positioning centers around two key principles: developing a unique selling proposition, and communicating the _____.

- A) price
- B) features and options
- C) benefits the product provides
- D) warranty details
- E) store locations

Answer: C

Diff: 2 Page Ref: 10

Skill: Concept

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

27) When advertising to teens, Matt's Mobile Services focuses its messaging on the importance of staying connected with friends so subscribers are always accessible and "in the loop" on the latest social news. This is an example of _____.

- A) a unique social proposition
- B) societal marketing
- C) communicating the benefits the product provides
- D) product placement
- E) broadcasting

Answer: C

Diff: 2 Page Ref: 10

Skill: Application

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

28) In the sales orientation, which of the four elements of the marketing mix is most heavily emphasized?

- A) promotion
- B) place
- C) production
- D) price
- E) people

Answer: A

Diff: 3 Page Ref: 8-10

AACSB: Reflective Thinking

Skill: Concept

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

29) In the production concept business model, which of the four elements of the marketing mix is most heavily emphasized?

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

Answer: C

Diff: 3 Page Ref: 8-10

AACSB: Reflective Thinking

Skill: Concept

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

30) Packaging and warranties are elements of which of the four Ps?

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

Answer: E

Diff: 2 Page Ref: 10

Skill: Concept

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

31) Of the four Ps of the marketing mix, promotion includes _____.

- A) payment methods
- B) public relations
- C) warranties
- D) discounts
- E) product size

Answer: B

Diff: 2 Page Ref: 10

Skill: Concept

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

32) Of the four Ps of the marketing mix, place includes _____.

- A) discounts
- B) public relations
- C) warranties
- D) distribution centers
- E) packaging

Answer: D

Diff: 2 Page Ref: 10

AACSB: Analytic Skills

Skill: Concept

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

33) Of the four Ps of the marketing mix, price includes _____.

- A) payment methods
- B) public relations
- C) warranties
- D) distribution centers
- E) packaging

Answer: A

Diff: 2 Page Ref: 10

AACSB: Analytic Skills

Skill: Concept

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

34) _____ is defined as the ratio between the customer's perceived benefits and the resources used to obtain those benefits.

- A) Customer satisfaction
- B) Customer value
- C) Customer relationship management
- D) Consumer decision making
- E) Consumer marketing

Answer: B

Diff: 2 Page Ref: 11

Skill: Concept

Objective: 1.3: Understand the relationship between consumer behavior and customer value, satisfaction, trust, and retention

35) Lexus claims to deliver its buyers quality, zero defects in manufacturing, and superior and personal post-purchase service. This is an example of _____.

- A) market segmentation
- B) a value proposition
- C) a customer satisfaction guarantee
- D) a corporate futuristic vision
- E) market targeting

Answer: B

Diff: 2 Page Ref: 11

Skill: Application

Objective: 1.3: Understand the relationship between consumer behavior and customer value, satisfaction, trust, and retention

36) Which of the following is NOT one of the four drivers of successful relationships between marketers and consumers?

- A) customer satisfaction
- B) customer trust
- C) customer selectivity
- D) customer retention
- E) customer value

Answer: C

Diff: 2 Page Ref: 11

Skill: Concept

Objective: 1.3: Understand the relationship between consumer behavior and customer value, satisfaction, trust, and retention

37) An individual's perception of the performance of a product or service in relation to one's expectations is known as _____.

- A) market segmentation
- B) customer satisfaction
- C) market targeting
- D) product placement
- E) product promotion

Answer: B

Diff: 1 Page Ref: 11

Skill: Concept

Objective: 1.3: Understand the relationship between consumer behavior and customer value, satisfaction, trust, and retention

38) When Gary buys ice cream, he typically buys whichever brand is on sale that week. With regard to ice cream, Gary is best described as a(n) _____.

- A) brand advocate
- B) apostle
- C) hostage
- D) terrorist
- E) mercenary

Answer: E

Diff: 2 Page Ref: 12

Skill: Application

Objective: 1.3: Understand the relationship between consumer behavior and customer value, satisfaction, trust, and retention

39) Megan uses Bed Head hair products and enthusiastically recommends them to others any time she receives complements on her hair. With regard to hair products, Megan is best described as a(n) _____.

- A) ambivalent consumer
- B) apostle
- C) hostage
- D) terrorist
- E) mercenary

Answer: B

Diff: 2 Page Ref: 12

Skill: Application

Objective: 1.3: Understand the relationship between consumer behavior and customer value, satisfaction, trust, and retention

40) When Jenny is checking out at the grocery store, she frequently picks up a 20-oz bottle of soda at one of the coolers by the register. She doesn't have a strong preference for Coke or Pepsi, and will just buy whichever happens to be closest. In this instance, Jenny is best described as a(n) _____.

- A) defector
- B) loyalist
- C) apostle
- D) terrorist
- E) hostage

Answer: A

Diff: 2 Page Ref: 12

AACSB: Reflective Thinking

Skill: Application

Objective: 1.3: Understand the relationship between consumer behavior and customer value, satisfaction, trust, and retention

41) Norman dislikes the health insurance plan provided by his employer, but is unwilling to switch to a different health insurer because obtaining private health insurance would be significantly more expensive than the employer-subsidized plan in which he is currently enrolled. With regard to health insurance, Norman is best described as a(n) _____.

- A) loyalist
- B) apostle
- C) hostage
- D) terrorist
- E) mercenary

Answer: C

Diff: 2 Page Ref: 12

AACSB: Reflective Thinking

Skill: Application

Objective: 1.3: Understand the relationship between consumer behavior and customer value, satisfaction, trust, and retention

42) Pete ate at a local tex-mex chain last weekend and received such poor service that he swore he would never go back. The following Monday, when his coworkers asked about his weekend, Pete told them about the bungled, dissatisfactory service he received, and even exaggerated the lousy experience he had. In this situation, Pete is best described as a(n) _____.

- A) loyalist
- B) apostle
- C) hostage
- D) terrorist
- E) mercenary

Answer: D

Diff: 2 Page Ref: 12

Skill: Application

Objective: 1.3: Understand the relationship between consumer behavior and customer value, satisfaction, trust, and retention

43) Of the various information sources available to consumers, _____ is/are by far the most trusted and perceived as the most credible.

- A) word of mouth
- B) corporate websites
- C) online banner ads
- D) television ads
- E) ratings by establishments such as *Consumer Reports*

Answer: A

Diff: 2 Page Ref: 12

Skill: Concept

Objective: 1.3: Understand the relationship between consumer behavior and customer value, satisfaction, trust, and retention

44) _____ is the foundation for maintaining a long standing relationship with customers, and it helps to increase the chances that customers will remain loyal.

- A) Trust
- B) Positioning
- C) Targeting
- D) Segmentation
- E) Societal marketing

Answer: A

Diff: 1 Page Ref: 12

Skill: Concept

Objective: 1.3: Understand the relationship between consumer behavior and customer value, satisfaction, trust, and retention

45) The primary objective of providing value to customers continuously and more effectively than the competition is _____.

- A) to monopolize the market
- B) to produce a compelling advertising message
- C) to help recruit a dedicated workforce
- D) to avoid government regulation of the industry
- E) to create and to retain highly satisfied customers

Answer: E

Diff: 3 Page Ref: 12

AACSB: Reflective Thinking

Skill: Concept

Objective: 1.3: Understand the relationship between consumer behavior and customer value, satisfaction, trust, and retention

46) A _____ strategy is designed to make it in the best interest of customers to stay with a company rather than switch to another company.

- A) customer retention
- B) narrowcasting
- C) market segmentation
- D) market targeting
- E) positioning

Answer: A

Diff: 2 Page Ref: 13

Skill: Concept

Objective: 1.3: Understand the relationship between consumer behavior and customer value, satisfaction, trust, and retention

47) Customer profitability-focused marketing _____.

- A) tracks costs and revenues of individual customers and then categorizes those consumers into tiers based on consumption behaviors that are specific to the company's offerings
- B) minimizes the cost of production in order to offer the product at the best price possible
- C) aggressively markets products to consumers who do not necessarily think that they need the product
- D) continually updates the product without regard to the needs of the consumer
- E) invests money in attracting customers that are very sensitive to price and are not loyal to any given brand

Answer: A

Diff: 1 Page Ref: 13

Skill: Concept

Objective: 1.3: Understand the relationship between consumer behavior and customer value, satisfaction, trust, and retention

48) Gloria always uses Tide laundry detergent and stocks up whenever she sees a sale. As a result, she rarely pays full price for detergent. On the customer profitability pyramid, Gloria is most likely to fall into the _____ tier.

- A) gold
- B) lead
- C) silver
- D) iron
- E) platinum

Answer: A

Diff: 3 Page Ref: 13

Skill: Application

Objective: 1.3: Understand the relationship between consumer behavior and customer value, satisfaction, trust, and retention

49) Once or twice a year, when Estee Lauder runs a particularly good promotion, Candace buys some new make-up. She typically only spends the minimum required to qualify for the promotion. On the customer profitability pyramid, Candace is most likely to fall into the _____ tier.

- A) gold
- B) lead
- C) silver
- D) iron
- E) platinum

Answer: D

Diff: 3 Page Ref: 13

Skill: Application

Objective: 1.3: Understand the relationship between consumer behavior and customer value, satisfaction, trust, and retention

50) The adoption of digital technologies has introduced drastic changes into the business environment, including which of the following?

- A) Customers are forced to deal with distribution outlets and middlemen in order to obtain goods.
- B) The exchange between marketers and customers is less interactive than in the past.
- C) Consumers face more barriers to accessing information.
- D) Marketers can offer more products and services than ever before.
- E) Market research has become significantly more difficult.

Answer: D

Diff: 1 Page Ref: 15

AACSB: Use of IT

Skill: Concept

Objective: 1.4: Understand how new technologies are enabling marketers to better satisfy the needs and wants of consumers

51) Emerging digital technologies are allowing consumers to have more power than ever before. This means that now, customers _____.

- A) are required to buy goods and services from local vendors
- B) are limited in the time of day that they are able to buy products
- C) can use "intelligent agents" to locate the best prices for products or services
- D) are more limited in the range of products that they can purchase
- E) are forced to acquire used items through middlemen instead of directly from the original owner

Answer: C

Diff: 2 Page Ref: 15

AACSB: Use of IT

Skill: Concept

Objective: 1.4: Understand how new technologies are enabling marketers to better satisfy the needs and wants of consumers

52) As consumers spend more time online and have more technological tools that enable them to avoid exposure to TV ads, marketers are _____.

- A) investing in flashier television advertisements to attract attention to themselves
- B) buying more air time in an attempt to crowd out their competitors' advertisements
- C) lobbying for legislation that will prohibit the sale of devices that allow consumers to avoid advertising on the basis that such devices are anti-competitive
- D) reducing their advertising expenditures on the major networks and investing their advertising dollars in newer media, such as the web
- E) blocking out any mention of brand names during regular programming

Answer: D

Diff: 3 Page Ref: 15

AACSB: Use of IT

Skill: Application

Objective: 1.4: Understand how new technologies are enabling marketers to better satisfy the needs and wants of consumers

- 53) The societal marketing concept calls on marketers to _____.
- A) minimize production costs in order to offer the product at the lowest price possible
 - B) aggressively market all products to all segments of society
 - C) track customer preferences via the Internet to improve customer research databases
 - D) fulfill the needs of the target audience in ways that improve society as a whole, while fulfilling the objectives of the organization
 - E) lobby for government regulation of their industries

Answer: D

Diff: 2 Page Ref: 9

AACSB: Ethical Reasoning

Skill: Concept

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

- 54) Which of the following consumers is likely to receive the most attention and customer support from the manufacturer, retailer, or service provider in question?
- A) Diane is an avid reader and buys most of her books on Amazon.com. Frequently, when she receives emails from Amazon suggesting new books she might like, she visits the site and makes a purchase.
 - B) Bill is an avid bargain shopper when it comes to travel. He has frequent flier cards with five different airlines and spends a lot of time shopping around for discounted airfare.
 - C) Sarah works out with a personal trainer, but has a very irregular and unpredictable work schedule. She frequently has to cancel her training sessions when last minute conflicts arise at work.
 - D) Nicole drives an old Honda and takes it to the local Jiffy Lube for oil changes. She always buys the least expensive oil change package and declines the technicians' repeated offers to replace her windshield wipers and flush out her coolant system.
 - E) David has a Visa card that he uses to pay for gas and groceries. He spends very little on his card and pays the balance off in full each month.

Answer: A

Diff: 3 Page Ref: 13

AACSB: Analytic Skills

Skill: Application

Objective: 1.3: Understand the relationship between consumer behavior and customer value, satisfaction, trust, and retention

55) Small reductions in customer defections produce significant increases in profits for all of the following reasons EXCEPT _____.

- A) loyal customers buy more products
- B) loyal customers pay less attention to competitors' advertising
- C) loyal customers are more price sensitive
- D) loyal customers spread positive word-of-mouth and refer other customers
- E) it is more expensive to secure new customers than to keep existing ones

Answer: C

Diff: 2 Page Ref: 12

Skill: Concept

Objective: 1.3: Understand the relationship between consumer behavior and customer value, satisfaction, trust, and retention

56) The three distinct but interlocking steps of the consumer decision making process are _____.

- A) input, analysis, and output
- B) environment, search, and evaluation
- C) input, process, and output
- D) analysis, decision making, and output
- E) analysis, process, and output

Answer: C

Diff: 1 Page Ref: 18

Skill: Concept

Objective: 1.7: Understand the makeup and composition of a model of consumer behavior

57) In the consumer decision making process, the _____ stage influences the consumer's recognition of a product need.

- A) analysis
- B) evaluation
- C) input
- D) process
- E) output

Answer: C

Diff: 2 Page Ref: 19

AACSB: Analytic Skills

Skill: Concept

Objective: 1.7: Understand the makeup and composition of a model of consumer behavior

58) In the consumer decision making process, the _____ stage focuses on how consumers make decisions.

- A) analysis
- B) evaluation
- C) input
- D) process
- E) output

Answer: D

Diff: 2 Page Ref: 19

AACSB: Analytic Skills

Skill: Concept

Objective: 1.7: Understand the makeup and composition of a model of consumer behavior

59) In the consumer decision making process, the _____ stage focuses on how consumers make decisions.

- A) analysis
- B) evaluation
- C) input
- D) process
- E) output

Answer: E

Diff: 2 Page Ref: 19

AACSB: Analytic Skills

Skill: Concept

Objective: 1.7: Understand the makeup and composition of a model of consumer behavior

CAR MINI CASE: In the early 1900s, Henry Ford made a fortune manufacturing Model T cars and selling them cheaply, making the automobile affordable for a much larger proportion of the population than had previously been the case. He accomplished this by producing only one model of car and doing so cheaply and at high volumes through the utilization of assembly line manufacture. In 1923, General Motors decided to increase its market share in the automobile industry by offering, instead of just one model, as Ford did, a variety of affordable mass-produced models to meet the various differing needs of different types of consumers.

60) In the CAR MINI CASE, Ford's business strategy focused on _____.

- A) targeting the market
- B) positioning its product
- C) developing a value proposition
- D) segmenting the market
- E) minimizing production costs

Answer: E

Diff: 2 Page Ref: 10

Skill: Application

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

61) In the CAR MINI CASE, Ford's business approach exhibited a _____.

- A) production orientation
- B) marketing orientation
- C) societal marketing orientation
- D) product orientation
- E) selling orientation

Answer: A

Diff: 2 Page Ref: 8

Skill: Application

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

62) In the CAR MINI CASE, which of the following elements of the marketing mix was central to Ford's business model?

- A) promotion
- B) product
- C) price
- D) placement
- E) production

Answer: C

Diff: 3 Page Ref: 10

AACSB: Reflective Thinking

Skill: Application

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

63) In the CAR MINI CASE, which element of the marketing mix was central to General Motors' business model?

- A) public relations
- B) product
- C) price
- D) placement
- E) production

Answer: B

Diff: 3 Page Ref: 10

AACSB: Reflective Thinking

Skill: Application

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

64) In the CAR MINI CASE, by offering a variety of cars to choose from, General Motors was able to differentiate itself from Ford by demonstrating to consumers that it could offer _____.

- A) organizational buying power
- B) compelling consumer research
- C) an effective marketing mix
- D) a unique selling proposition
- E) significantly lower prices

Answer: D

Diff: 3 Page Ref: 10

AACSB: Reflective Thinking

Skill: Application

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

RYAN'S RUNNERS MINI CASE: Ryan wants to open a store that caters to athletes, but, due to space and budgetary constraints, he recognizes that he will not be able to offer the same variety and selection of products as does the local athletic mega-store, so he has decided to focus specifically on runners. He stocks shoes and related gear for runners, and maintains a staff that is knowledgeable and enthusiastic about running. Ryan's advertising campaign emphasizes his store's high standard of customer service and selection of products specifically tailored to meet the needs of the runner.

65) In the RYAN'S RUNNERS MINI CASE, the process of dividing the athletic market into different subsets of shoe consumers, such as runners, basketball players, and golfers, is known as _____.

- A) market targeting
- B) product placement
- C) product positioning
- D) market segmentation
- E) social marketing

Answer: D

Diff: 2 Page Ref: 10

Skill: Application

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

66) In the RYAN'S RUNNERS MINI CASE, Ryan decides to focus his attention on that segment of the market that is interested in running. This selection of a specific market segment is known as _____.

- A) social marketing
- B) market targeting
- C) product placement
- D) market segmentation
- E) product positioning

Answer: B

Diff: 2 Page Ref: 10

Skill: Application

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

67) In the RYAN'S RUNNERS MINI CASE, by portraying his store as a one-stop-shop for all your running needs, Ryan has developed a distinct image for his store. This is an example of _____.

- A) segmentation
- B) targeting
- C) placement
- D) positioning
- E) social marketing

Answer: D

Diff: 3 Page Ref: 10

Skill: Application

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

68) In the RYAN'S RUNNERS MINI CASE, which of the four elements of the marketing mix does Ryan use to differentiate his store in the marketplace?

- A) place
- B) positioning
- C) promotion
- D) price
- E) product/service

Answer: E

Diff: 3 Page Ref: 10

Skill: Application

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

- 69) In the RYAN'S RUNNERS MINI CASE, which of the following is most likely to represent the unique selling proposition at Ryan's Runners?
- A) Ryan's Runners offers the widest selection of athletic shoes in town.
 - B) Ryan's Runners is the price leader in running gear.
 - C) At Ryan's Runners, runners can find high quality products and get recommendations from employees who share their passion for running.
 - D) Ryan's Runners is a place where all athletes can find all the equipment they need for the sport of their interest.
 - E) All of the above.

Answer: C

Diff: 3 Page Ref: 10

Skill: Application

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

AIRLINE MINI CASE: Transatlantic Airlines flies between popular destinations in the US and western Europe, and claims to deliver "a first class experience for every passenger." All ticket purchases are made on-line, and users of the Transatlantic web site must register before they search for flights. Transatlantic uses this information to determine which consumers are generating the most profits for the company, which services they purchase most frequently, and which services they are potentially interested in but are not purchasing. This information is then used to make specific promotional offers to profitable customers in an attempt to retain their business and to expand the range of flight services that they purchase. Transatlantic also uses this information to provide unexpected perks to highly profitable customers, like free upgrades to first class.

- 70) In the AIRLINE MINI CASE, Transatlantic Airlines identifies the most profitable customers and offers them specific incentives, a practice known as _____.
- A) social marketing
 - B) customer profitability-focused marketing
 - C) market targeting
 - D) market segmentation
 - E) product positioning

Answer: B

Diff: 2 Page Ref: 13

Skill: Application

Objective: 1.3: Understand the relationship between consumer behavior and customer value, satisfaction, trust, and retention

71) In the AIRLINE MINI CASE, when Transatlantic upgrades the seat assignment of especially loyal customers, the airline is attempting to increase _____.

- A) net revenue
- B) production capacity
- C) customer satisfaction
- D) social responsibility
- E) profit margins

Answer: C

Diff: 3 Page Ref: 11

Skill: Application

Objective: 1.3: Understand the relationship between consumer behavior and customer value, satisfaction, trust, and retention

72) In the AIRLINE MINI CASE, Transatlantic Airlines advertises "a first class experience for every passenger." This is Transatlantic's _____.

- A) market segmentation
- B) market target
- C) product position
- D) code of ethics
- E) value proposition

Answer: E

Diff: 2 Page Ref: 11

Skill: Application

Objective: 1.3: Understand the relationship between consumer behavior and customer value, satisfaction, trust, and retention

73) In the AIRLINE MINI CASE, by tracking flight searches and developing services to better meet customers' unfulfilled needs, Transatlantic adheres to the _____.

- A) social marketing concept
- B) production concept
- C) selling concept
- D) marketing concept
- E) product concept

Answer: D

Diff: 3 Page Ref: 8

Skill: Application

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

74) In the AIRLINE MINI CASE, Transatlantic uses information gathered from consumer searches on its website to better understand the behavior of its consumers. This kind of data collection and analysis is an example of _____.

- A) consumer research
- B) building customer trust
- C) broadcasting
- D) organizational consumption
- E) customer value

Answer: A

Diff: 2 Page Ref: 9

Skill: Application

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

75) Consumer behavior includes the behavior that consumers display in searching, purchasing, evaluating and disposal of products and services.

Answer: TRUE

Diff: 1 Page Ref: 5

Skill: Concept

Objective: 1.1: Understand what consumer behavior is and the different types of consumers

76) The term *consumer behavior* describes only the behavior of those who purchase goods and services for their own use.

Answer: FALSE

Diff: 1 Page Ref: 5

Skill: Concept

Objective: 1.1: Understand what consumer behavior is and the different types of consumers

77) Organizational consumers include both for profit and non-profit organization.

Answer: TRUE

Diff: 1 Page Ref: 5

Skill: Concept

Objective: 1.1: Understand what consumer behavior is and the different types of consumers

78) The production orientation assumes that consumers are mostly interested in product availability at low prices.

Answer: TRUE

Diff: 2 Page Ref: 8

Skill: Concept

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

79) The production orientation makes sense in developing countries where the main objective is to make products available to the maximum number of consumers at the lowest prices.

Answer: TRUE

Diff: 3 Page Ref: 8

AACSB: Multicultural and Diversity

Skill: Application

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

80) The sales orientation focuses on selling products that the target market demands.

Answer: FALSE

Diff: 2 Page Ref: 8

Skill: Concept

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

81) The sales orientation arose in response to the expanded capacity that was created during the production era.

Answer: TRUE

Diff: 2 Page Ref: 8

Skill: Concept

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

82) The key assumption underlying the marketing concept is that, to be successful, a company must determine the needs and wants of specific target markets and deliver better than the competition.

Answer: TRUE

Diff: 3 Page Ref: 8

Skill: Concept

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

83) Companies that focus on understanding customers are able to continue to grow and remain leaders in their industries in spite of increased competition and changing business environments.

Answer: TRUE

Diff: 2 Page Ref: 9

AACSB: Reflective Thinking

Skill: Application

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

84) Depending on where we are born, we all have different biological needs.

Answer: FALSE

Diff: 1 Page Ref: 9

Skill: Concept

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

85) Most companies today are able to target all the market segments that they have identified through their research.

Answer: FALSE

Diff: 2 Page Ref: 10

Skill: Concept

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

86) Successful product positioning centers around two key points: communicating the benefits to the consumers, and developing and communicating a unique selling proposition.

Answer: TRUE

Diff: 2 Page Ref: 10

Skill: Concept

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

87) "Me too" products are products that lack a unique image or benefit.

Answer: TRUE

Diff: 1 Page Ref: 10

Skill: Concept

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

88) Perceived value is relative and objective.

Answer: FALSE

Diff: 2 Page Ref: 11

Skill: Concept

Objective: 1.3: Understand the relationship between consumer behavior and customer value, satisfaction, trust, and retention

89) Four drivers of successful relationships between marketers and customers are customer value, high levels of customer satisfaction, a strong sense of customer trust, and building a structure that ensures customer retention.

Answer: TRUE

Diff: 2 Page Ref: 11

Skill: Concept

Objective: 1.3: Understand the relationship between consumer behavior and customer value, satisfaction, trust, and retention

90) A company's value proposition helps establish customer expectations, which the company must consistently fulfill.

Answer: TRUE

Diff: 2 Page Ref: 11

Skill: Concept

Objective: 1.3: Understand the relationship between consumer behavior and customer value, satisfaction, trust, and retention

91) Customer satisfaction is a function of customer expectations.

Answer: TRUE

Diff: 1 Page Ref: 11

Skill: Concept

Objective: 1.3: Understand the relationship between consumer behavior and customer value, satisfaction, trust, and retention

92) Sophisticated marketers today practice selective relationship building, which can lead to companies rejecting certain types of consumers.

Answer: TRUE

Diff: 3 Page Ref: 13

AACSB: Reflective Thinking

Skill: Concept

Objective: 1.3: Understand the relationship between consumer behavior and customer value, satisfaction, trust, and retention

93) Consumers have more power today than ever before, as seen through their use of "intelligent agents" to locate the best prices for products and services.

Answer: TRUE

Diff: 2 Page Ref: 15

AACSB: Use of IT

Skill: Concept

Objective: 1.4: Understand how new technologies are enabling marketers to better satisfy the needs and wants of consumers

94) The internet offers marketers the ability to customize their products, services, and promotional messages to individual consumers, as seen in how Amazon.com sends mass e-mails to all their existing customers telling them about a new promotional offer.

Answer: TRUE

Diff: 1 Page Ref: 15

AACSB: Use of IT

Skill: Application

Objective: 1.4: Understand how new technologies are enabling marketers to better satisfy the needs and wants of consumers

95) Much like traditional advertising, digital technologies allow for two-way interactive exchanges between customers and marketers.

Answer: FALSE

Diff: 1 Page Ref: 16

AACSB: Use of IT

Skill: Concept

Objective: 1.4: Understand how new technologies are enabling marketers to better satisfy the needs and wants of consumers

96) Narrowcasting is a method that enables marketers to develop and deliver more customized messages to increasingly smaller markets on an ongoing basis.

Answer: TRUE

Diff: 3 Page Ref: 16

Skill: Concept

Objective: 1.4: Understand how new technologies are enabling marketers to better satisfy the needs and wants of consumers

97) The societal marketing concept advocates a short-term perspective in driving for increased market share and quick profits.

Answer: FALSE

Diff: 1 Page Ref: 9

Skill: Concept

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

98) Purchase behavior and post purchase evaluation are elements of the input stage of the consumer decision-making model.

Answer: FALSE

Diff: 1 Page Ref: 18, Figure 1.4

Skill: Concept

Objective: 1.7: Understand the makeup and composition of a model of consumer behavior

99) Courtney has been looking at laptop computers for a while and has decided to purchase a Dell. Courtney's decision to purchase a Dell signifies her adoption of the product.

Answer: TRUE

Diff: 3 Page Ref: 19

Skill: Application

Objective: 1.7: Understand the makeup and composition of a model of consumer behavior

100) Define consumer behavior. What is the scope of consumer behavior?

Answer: Consumer behavior is defined as the behavior that consumers display in searching for, purchasing, using, evaluating and disposing of products and services that they expect will satisfy their needs. It focuses on how individuals make decisions to spend their valuable resources, time, money and effort on consumption related items.

Diff: 1 Page Ref: 5

Skill: Concept

Objective: 1.1: Understand what consumer behavior is and the different types of consumers

101) What is the difference between the personal consumer and the organizational consumer?
Answer: The personal consumer buys goods and services for his or her own use, for the use of the household, or as a gift. In each, the final user is the individual, or end user.

The organizational consumer includes profit and non-profit businesses, government agencies, and institutions like schools, hospitals and prisons, all of which buy products and services to run their organizations.

Diff: 2 Page Ref: 5

AACSB: Analytic Skills

Skill: Concept

Objective: 1.1: Understand what consumer behavior is and the different types of consumers

102) Compare the production orientation and the marketing orientation on three major points.
Answer: The production orientation's major focus is to produce large quantities of a product inexpensively. The marketing orientation does the opposite; it makes what it knows will sell.

The production orientation provides a generic version of a product, reasoning that product availability is more important to the consumer than product variation. The marketing orientation ensures the product is in demand by conducting consumer research to explore consumers' needs.

The production orientation does not consider customer satisfaction and long term relationships. The marketing orientation focuses on customer satisfaction and building and strengthening relationships with their customers to ensure repeat business.

Diff: 3 Page Ref: 8-9

AACSB: Reflective Thinking

Skill: Concept

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

103) Talk briefly about market segmentation, targeting, and positioning.

Answer: Market segmentation is the process of dividing a market into a subset of consumers with common needs or characteristics. Since most companies have limited resources, very few companies are able to pursue all the segments that they have identified.

Market targeting is selecting one or more of the segments identified as the groups that the company will pursue.

Positioning is developing a distinct image for the product or service in the mind of the consumer—an image that will differentiate the offering from competing ones, and that will perform better than the competition at satisfying the same need. It also means that the company should develop a unique selling proposition and communicate the benefits of the product to the customers.

Diff: 2 Page Ref: 9-10

Skill: Concept

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning

104) In terms of expectations, when is a customer not satisfied, satisfied, and delighted?

Answer: A customer is satisfied when the expectations have been met, a customer is dissatisfied when expectations have not been met and the product did not perform as expected. A customer is highly satisfied or delighted when the product or service has exceeded the expectations of the customer.

Diff: 1 Page Ref: 11

Skill: Concept

Objective: 1.3: Understand the relationship between consumer behavior and customer value, satisfaction, trust, and retention

105) Identify and discuss the reasons for which small reductions in customer defections produce significant increases in profits.

Answer: There are four primary reasons why small reductions in customer defections produce significant increases in profits. 1) Loyal customers buy more products. 2) Loyal customers are less price sensitive and pay less attention to competitors' advertising. 3) Servicing existing customers, who are familiar with the firm's offerings and processes, is cheaper. 4) Loyal customers spread positive word of mouth and refer other customers. In addition, marketing efforts aimed at attracting new customers are expensive. In saturated markets, there may not even be new customers.

Diff: 2 Page Ref: 12

AACSB: Analytic Skills

Skill: Application

Objective: 1.3: Understand the relationship between consumer behavior and customer value, satisfaction, trust, and retention

106) Discuss some of the positive effects of the adoption of digital technologies on today's marketing practices.

Answer: Digital technologies allow for greater customization of products, services and promotional messages than other marketing tools. They enable marketers to build technologies to collect and analyze data on consumers' buying patterns and personal characteristics and preferences.

Diff: 2 Page Ref: 14-16

AACSB: Use of IT

Skill: Application

Objective: 1.4: Understand how new technologies are enabling marketers to better satisfy the needs and wants of consumers

107) Digital technologies allow for consumers to have more power than ever before. How?

Answer: Consumers today are able to use "intelligent agents" that allow them to locate the best prices for products and services, bid on various marketing offerings (eBay), bypass distribution outlets and middlemen, and shop for goods around the clock from the convenience of their homes.

Diff: 1 Page Ref: 14-16

AACSB: Use of IT

Skill: Concept

Objective: 1.4: Understand how new technologies are enabling marketers to better satisfy the needs and wants of consumers

108) How has TiVo presented a challenge to marketers?

Answer: The TiVo digital recorder allows viewers to control what they watch on TV, when they watch it and whether or not to watch the commercials for which marketers spend billions of dollars per year. The TiVo recorder downloads programming information and allows users to record many hours of TV programming into a hard drive without the hassle of videocassettes. This means that the power is shifting from the broadcaster to the viewer, and viewers are deciding to skip the commercials.

Diff: 3 Page Ref: 15

Skill: Application

Objective: 1.4: Understand how new technologies are enabling marketers to better satisfy the needs and wants of consumers

109) What does the societal marketing concept entail? What is a major reason many marketers do not adhere to the societal marketing concept?

Answer: The societal marketing concept requires marketers to adhere to principles of social responsibility in the marketing of their goods and services; that is, they should endeavor to satisfy the needs and the wants of their target markets in ways that preserve and enhance the well-being of consumers and society as a whole.

A major reason many marketers do not adhere to the principles of the societal marketing concept is the short-term orientation embraced by most business executives in their drive for increased market share and quick profits. Since the societal marketing concept advocates a long-term perspective, it will not fit in to the short-term goals of many executives.

Diff: 3 Page Ref: 9

AACSB: Ethical Reasoning

Skill: Application

Objective: 1.2: Understand the relationship between consumer behavior and the marketing concept, the societal marketing concept, as well as segmentation, targeting, and positioning